



May 8, 2012

PHILIPPINE STOCK EXCHANGE INC.  
3F Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: Ms. Janet A. Encarnacion  
Head, Disclosure Department

Dear Ms. Encarnacion;

Please see attached press release disclosing information regarding our Company's financial and operating results for the quarter ending March 31, 2012.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Emmanuel Samson', is written over a horizontal line.

Emmanuel Samson  
Senior Vice President

## **PRESS RELEASE**

### **NICKEL ASIA CORPORATION ANNOUNCES Q1 2012 FINANCIAL AND OPERATING RESULTS**

Manila, May 8, 2012 - Nickel Asia Corporation (NAC) (PSE:NIKL) today announced its unaudited financial and operating results for the three months ended March 31, 2012 with an attributable net income (net of minority interests) of P285.4 million as compared to P428.0 million reported during the same period last year, lower by P142.6 million or 33%. Earnings before interest, tax, depreciation and amortization (EBITDA) stood at P698 million compared to P1.31 billion in the prior year.

Total revenues decreased by 16% from P2.07 billion in 2011 to P1.75 billion in 2012, as a result of lower London Metal Exchange (LME) nickel prices and despite a higher sales volume achieved. On first quarter shipments sold on the basis of LME prices, the Company realized an average price of \$8.78 per pound of payable nickel compared to \$11.63 per pound during the same period last year. It will be recalled that LME nickel prices in the first quarter of 2011 were quite favorable as compared to the full year average realized price of \$10.53 per pound. On the other hand, with respect to shipments sold on the basis of negotiated prices per Wet Metric Ton (WMT) of ore, a higher average price of \$22.58 per WMT was achieved compared to \$21.36 per WMT in the 2011 comparable quarter.

In terms of sales volumes, the Company shipped 1.82 million WMT of nickel ore during the first quarter of the year, an increase of 28% compared to 1.42 million WMT shipped in the same period last year. Of the total volume of ore sold, 222.6 thousand WMT of saprolite ore was shipped to Japanese customers, 655.0 thousand WMT of low-grade saprolite and limonite ore were shipped to Chinese customers and 941.8 thousand WMT of limonite ore was delivered to the Coral Bay hydrometallurgical processing plant. The corresponding figures for 2011 were 279.2 million WMT, 471.4 million WMT and 674.3 million WMT, respectively.

During the quarter, shipments were made only from the Company's Rio Tuba mine and from stockpiled ore from the Taganito mine. Shipments from the Company's two other mines, Cagdianao and Taganaan, typically start in the second quarter following the end of the rainy season in the southern part of the country and the resulting resumption of mining operations. Consequently, a large part of first quarter shipments constitute low-grade limonite ore to the Coral Bay plant, which are sold on the basis of prevailing LME nickel prices.

"Because of the seasonality of our mining operations, typically the first quarter is our slowest quarter, said Gerard H. Brimo, President and CEO. "As in previous years, we will see a pick up in shipments in the second quarter, in particular, of the higher margin products such as high-grade saprolite ore and low nickel-high iron ore varieties".

Due to the increase in shipment volumes, total operating cash cost rose by 34% in the first three months of the year to P948.3 million from P707 million in 2011. On a per WMT of ore sold, total operating cash costs increased to P521.19 per WMT compared to P496.16 per WMT in 2011.