

NAC Approves A Guarantee Facility For Emerging Power, Inc.

The Board of Directors of Nickel Asia Corporation (NAC; PSE:NIKL), in its 13 July 2015 meeting, approved to guarantee the loan facilities of Emerging Power, Inc. (EPI) for up to P3 billion over a maximum three-year period. EPI is a domestic company engaged in the renewable energy business.

The loan facility will be used by EPI to finance the purchase of up to 99.99% ownership in Jobin-SQM, Inc. (JSI) and a 60% ownership in Biliran Geothermal, Inc. (BGI), and for the development of the initial generating facilities for both projects.

JSI has 100MW solar and 50MW wind Renewable Energy Service Contracts, and a 50-year lease agreement with the Subic Bay Metropolitan Authority for 800 hectares within the Subic Bay Freeport Zone, where the project will be located. An amount of \$60 million has been earmarked for the purchase of JSI and Phase I of the project, which is for an initial generation of 25MW of solar power to be available by the end of the first quarter of 2016.

BGI has a geothermal Renewable Energy Service Contract, covering 260 square kilometers in the province of Biliran. Resource studies completed by Reykjavik Geothermal Ltd. indicates P90 reserves of at least 100MW in the southern portion of the concession. Eight geothermal wells have been completed in this portion so far, as well as extensive infrastructure. In addition, separate studies performed on the northern portion of the concession indicate a potential for another 170MW of geothermal power. The balance of the loan facility will be used to fund the initial portion of the equity in BGI and the initial electrical turbines of up to 10 MW of capacity that could be operational by the third quarter of 2016.

As disclosed in prior press releases, in 2014 NAC provided EPI with a P446 million loan to partially finance the drilling of two holes under the Montelago geothermal project in Mindoro Oriental. The results of the drilling confirmed an increase in the geothermal resource to a range of 28 to 30 MW of power over a 25-year period. For this reason, the Company's Board of Directors approved the conversion of the loan to equity in EPI, corresponding to an initial ownership of 55%. The Board also approved an additional investment of P474 million for the Montelago project, which will increase NAC's ultimate

equity in EPI to 66%. The issuance of new EPI shares corresponding to the Company's initial 55% ownership is currently awaiting approval by the SEC for the increase in EPI's capital stock.

Following the completion of the JSI and BGI purchases and in combination with the on-going Montelago project, EPI will have three renewable energy projects with the potential to produce 300 MW of power within a three-year period.