

## **Nickel Asia to Make Major Push to Renewable Energy Business**

Nickel Asia Corp. (NAC) announced a revision in the terms of its investment in the Montelago Geothermal Plant project, Occidental Mindoro. Under the revised terms, the Company will provide a collateralized one-year loan of \$12.6 million to Emerging Power Inc. (EPI), the project proponent, to partially finance the drilling of the project's two initial geothermal wells. The Company has the option to convert \$10.2 million of the loan into 55% equity in EPI, which if exercised, would allow NAC to participate in other renewable power projects being advanced by EPI.

The Montelago Geothermal Plant project involves the drilling of the Montelago field and, should the holes meet the minimum power generation criteria, the installation of up to 40-MW of power generating units at a projected cost of \$185 million. Power will be supplied to both Occidental and Oriental Mindoro. EPI has obtained the Service Contract over the project and two Power Sales Agreements (PSAs) from both the Occidental and Oriental Mindoro electric cooperatives. The PSAs have undergone a Swiss challenge and the process to obtain approval from the Energy Regulatory Commission (ERC) is underway. Drilling is expected to commence towards the latter part of this year.

EPI is advancing other renewable energy projects within the country, chief of which is a 70-MW wind project in the province of Camarines Sur. EPI is in discussions for a joint venture with Cornerstone Energy Development Inc., a US-based company that has installed over 630-MW of wind power in the US. A Service Contract has been obtained for the project from the Department of Energy and a long term PSA is currently being negotiated.

Other renewable energy projects being advanced by EPI is a 10-MW solar project in Camarines Sur, a 2.5-MW biogas project in Quezon and a 10-MW solar and bunker hybrid project in northern Palawan.

"While we disclosed in our May 6, 2014 release that our initial investment would be in the form of a collateralized loan convertible to equity in the Montelago project company, we have now decided to make our investment directly in EPI, the project proponent, to take advantage of other renewable power projects in their portfolio", said Gerard H. Brimo, President & CEO. "In so doing, our objective is to develop a new business segment that can generate long-term revenues while at the same time addressing the dire lack of power in our country using renewable energy sources", Brimo added.

NAC's first power investment involves the construction of a 10-MW bunker fired power plant in Surigao city, which is designed to minimize power outages being experienced almost on a daily basis. The project has been approved by the ERC and is expected to be operational next year at a total cost of P1 billion.