



October 31, 2013

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 discussing the Power Sales Agreement (PSA) entered into with Surigao Del Norte Electric Cooperative, Inc. (SURNECO).

Very truly yours,

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

Emmanuel L. Samson
SVP & Chief Financial Officer

NICKEL ASIA SIGNS POWER SALES AGREEMENT
WITH SURIGAO DEL NORTE ELECTRIC COOPERATIVE, INC.

We are pleased to announce that Nickel Asia Corporation (NAC) and Surigao Del Norte Electric Cooperative, Inc. (SURNECO) signed a Power Sales Agreement (PSA). The two companies are set to jointly file with the Energy Regulatory Commission for the approval of the PSA.

Under the terms of the PSA, NAC has agreed to construct, operate, and maintain a bunker-fired power station under a build-operate-transfer scheme and to supply electricity to SURNECO.

The salient points of the PSA are as follows:

Signing Date	October 31, 2013
Target Effectivity Date of PSA	5 months from Signing Date
Target Commercial Operating Date	9 months from Effectivity Date
Term	15 Years
Rated Capacity	11.22 MW
Contract Capacity	10 MW
Plant Location	Surigao Del Norte
Estimated Project Cost	About PhP1.0 billion

SURNECO is an electric distribution utility with its franchise area at the northeastern tip of Mindanao. It provides electric power to its coverage area consisting of the City of Surigao, 11 mainland municipalities of Surigao Del Norte, and Hikdop Island. As of the end of 2012, SURNECO serviced 59,470 member-consumers. The National Electrification Administration classifies SURNECO as an extra large, Class "AAA" electric cooperative.

According to Gerard H. Brimo, President of NAC, "this investment would allow NAC to generate stable and long-term annuity-type cash flows that are not correlated to movements in metal prices or foreign exchange rates."

Also, the project would provide help alleviate the power shortage in SURNECO's franchise area, which is experiencing frequent power curtailment. NAC believes that this would positively contribute to the general welfare of households, social institutions, and business establishments in Surigao Del Norte. NAC has three major projects located within SURNECO's franchise area including the Taganito nickel mine and the Taganito HPAL plant, both in the municipality of Claver, and the Hinatuan nickel mine in the municipality of Taganaan.

Mario I. Gesta, President of SURNECO, further commented, "in the last few years, Surigao City has seen an influx of investments such as malls, hotels, and restaurant chains. Yet, the city's growth has been hampered by the lack of power supply. SURNECO has been plagued by a shortage of power for many years. NAC's 10MW power project is a very welcome development as a major utility infrastructure to address our energy needs over the next 15 years."