



APC GROUP INC.

January 10, 2013

**PHILIPPINE STOCK EXCHANGE, INC.**

Listing and Disclosure Group  
3/F, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

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

Re: **Extension of the Geothermal Renewable  
Energy Service Contract**

Gentlemen:

We hereby disclose that the Department of Energy recently approved a one(1) year extension of the term of the Geothermal Renewable Energy Service Contract (GRESK) of Aragorn Power and Energy Corporation (APEC), a majority-owned subsidiary of APC Group. The extension, which is allowed under the provisions of the GRESK, was granted to finalize the Pre-Development stage activities necessary for the evaluation of the geothermal resource.

APEC, together with its partner Guidance Management Corporation (GMC), owns the GRESK located in the Province of Kalinga covering an area of around 26,000 hectares. The area is estimated to have a power generation potential of between 120 MW and 200 MW.

We trust the foregoing is in order.

Very truly yours,

**EDMUNDO L. TAN**  
Corporate Secretary