

November 21, 2019

THE PHILIPPINE STOCK EXCHANGE

PSE Tower, 5th Avenue cor. 28th Street
Bonifacio Global City, Taguig City

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

Re: DOE Suspension of Mining Activities

Gentlemen:

We refer to the Exchange's query dated November 20, 2019 requesting additional information in connection with the disclosures filed by Semirara Mining and Power Corporation (SMPC) on November 19 and 20, 2019, which pertain to the following:

1. Department of Energy ("DOE") letter dated November 14, 2019 directing SCC to suspend any and all mining activities under Coal Operating Contract No. 5 ("DOE Suspension Order dated November 14, 2019"); and
2. DOE Resolution dated October 15, 2019, finding SCC in violation of the DOE Circular No. DC2012-05-0006 or the Guidelines on the Accreditation of Coal Traders and Registration of Coal End-Users ("DOE Resolution dated October 15, 2019"), imposing the following penalties:
 - a. Suspension for a period of one (1) month for violating Section 7.2 of the Circular due to coal trading or transaction with Gold Anchorage Stevedoring and Arrastre Services ("Gold Anchorage"), the latter being an unaccredited coal trader, except deliveries of SCC-owned power plants and other local power plants with existing coal supply agreements; and
 - b. Fine of Php 1,735,000.00 for violating Section 3 of DOE Circular No. DC2012-05-0006 due to unabated and continuous coal trading despite suspension of its accreditation.

In reply thereto, please be advised of the following:

1. The Company's course of action with regard to the said DOE directives dated November 14, 2019 and October 15, 2019. – In our disclosure to the Exchange on November 19, 2019, we indicated that SMPC will file a motion for reconsideration with the DOE, relative to its coal trading suspension.

We would like to notify the Exchange that SMPC filed its Motion for Reconsideration with the DOE yesterday, November 20.

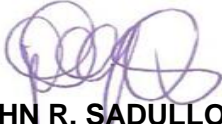
We would also like to stress that the DOE Resolution dated October 15, 2019 is not yet final and executory. Our pending motion temporarily defers the implementation of the coal trading suspension, which would allow SMPC to continue serving its coal customers.

With respect to the DOE Suspension Order dated November 14, 2019, SMPC is completing the requirements to comply with the conditions stated therein. We intend to reply to the DOE by Friday, November 22 to address their requirements.

2. Estimated timetable of resumption of normal operations. – Upon receipt of our submitted documents, the DOE shall evaluate our submissions for approval. We estimate that this will take around 15 days. However, this timetable could change depending on the review process of the DOE.
3. Any other relevant information. – We wish to assure the investing public that we are focused on complying with all the directives of the DOE so we can resume operations at the soonest possible time.

Thank you.

Very truly yours,



JOHN R. SADULLO
VP Legal & Corporate Secretary