



April 14, 2009

THE PHILIPPINE STOCK EXCHANGE, INC.  
4<sup>th</sup> Floor, Philippine Stock Exchange Center  
Exchange Road, Ortigas Center, Pasig City

Attn: **Mr. Noel B. Del Castillo**  
OIC - Disclosure Department

Re: "Semirara mining issued CDO"

Gentlemen:

This has reference to the Philippine Stock Exchange's (the "Exchange") letter dated April 14, 2009, in connection with the above-captioned news article posted in *Inquirer.net* on April 13, 2009, which read in part:

"ILOILO CITY, Philippines - The Department of Environment and Natural Resources (DENR) in Western Visayas (DENR-6) has recommended the issuance of a cease-and-desist order (CDO) on the coal washing plant of the Semirara Mining Corp. (SMC) for allegedly polluting Semirara Island's waters and mangroves. In a memorandum issued by its Environmental and Management Bureau (EMB) to the Pollution Adjudication Board recently, the DENR said there was "prima facie evidence" against the company on the "disposal of coal material and tailings into the Suja Creek and to the sea."... The EMB also recommended that the company be required to institute interim and long-term measures to prevent a recurrence of the problem. A check done by the Inquirer showed that PAB has not formally made a decision on the EMB recommendation..."

It is apparent that the above news article was predicated by the complaint filed by the residents of Sitio Bigo, Barangay Alegria, Semirara Island, Caluya, Antique which the Corporation clarified to the Exchange on February 24, 2009. Hence, we reiterate:

"... As quoted in the Memorandum dated February 16, 2009, prepared and submitted to the OIC, PENR Officer-DENR-San Jose by OIC-CENRO Field Supervisor Freddie E. Magtoto, the following were findings:

1. No siltation in the natural grown mangrove forests, either in the established man-made mangrove plantation of Semirara Mining Corp., within the area and jurisdiction of Sitio Bigo, Brgy. Alegria;



2. That the brown color of the sand beneath and under the mangrove plantation is not a siltation caused by the mining operations, it was a natural sediments with a mixture of sandy loam and clay, which is but ordinary to any mangrove forest stand in any part of the country;
3. That there's no dead mangroves in Bigo Creek or even in territorial water of shoreline of Sitio Bigo;
4. There's still plenty of sea grasses;
5. The seaweeds (Tambalang) plantation in Sitio Bigo residents in the sea water of Bigo and in the Tidal flat/or coral reef commonly known as "Bonbon Reef", were in healthy condition and good quality; and
6. It was the complainant/or petitioner himself, Brgy. Kagawad Cesar Dela Torre, who told us personally that they are so lucky now because their seaweeds were fast-growing and in healthy/good condition."

In addition, please be informed that the Multipartite Monitoring Team (MMT) completed its Narrative Report of Field Investigation for the First Quarter CY 2009, March 28-30, specifically on the alleged siltation and found no violation. It concluded and confirmed that the petition were all falsification.


Lastly, kindly be advised that Semirara Mining Corporation (the "Corporation") has not received the processes, if any, from the Department of Environmental and Natural Resources (DENR), Environmental Management Bureau (EMB) and/or Pollution Adjudication Board (PAB) regarding the alleged recommendation of EMB for the issuance of a cease and desist order against the Corporation. Hence, the Corporation, in the meantime, cannot verify the veracity of said news article. Should there be any developments on the foregoing the Corporation shall immediately disclose the same to the Exchange.

Thank you.

Very truly yours,

**SEMIRARA MINING CORPORATION**

By:

  
**JOHN R. SADULLO**  
Corporate Secretary