

Commodity, materials & services price assumptions

Item:	Coal for Bulacan					
Units:	MT					
Currency	USD					
Source	Indonesia					
Assumptions	2006	2007	2008	2009	2010	2011
Coal indexes based on HGRS/HTRS projections	100%	109%	109%	109%	109%	109%
FOB base price in USD	36.00	39.08	42.42	46.05	49.99	54.27
Base price per unit (FOB) - coal	1'880.27	2'039.57	2'280.40	2'516.27	2'805.65	3'045.69
sea freight in USD	12.85	13.36	13.90	14.45	15.03	15.63
sea freight (ex-rate, international fuel price)	671.15	697.46	740.54	789.77	843.64	877.38
Customs duties and taxes (3%)	76.54	82.11	90.03	99.18	109.48	117.69
Excise tax	10.00	10.00	10.00	10.00	10.00	10.00
Customs allowance						
Draft survey/PPA wharfage						
Hauling/Trucking	201.56	209.62	218.01	226.73	235.80	245.23
Stockpiling at stockyard						
Arrastre/Stevedoring	190.00	201.40	213.48	226.29	239.87	254.26
Brokerage						
Bank charges	0.20	0.22	0.24	0.26	0.29	0.31
Insurance premium	2.76	2.41	2.64	2.91	3.21	3.45
Others						
Total incidental charges (Php/MT)	481.06	505.76	534.40	565.38	598.65	630.95
Total price delivered plant (Php/MT)	3'032.48	3'242.80	3'535.34	3'871.41	4'247.93	4'554.02
Cost per MJ (Php/MJ)	0.1326	0.1387	0.1507	0.1646	0.1801	0.1926
FX rate	52.2296	52.1896	53.2817	54.6382	56.1203	56.1203
Inflation rate (year-on-year)	1.08	1.06	1.06	1.06	1.06	1.06
oil index (year-on-year)	100%	110%	110%	110%	110%	110%

Budget Specs (Banpu)

GCV = 6,250 kcal/kg (adb)
 TM = 17% (arb)
 IM = 11% (adb)
 VM = 40 (adb)
 HGI = 45
 Sulfur = 1.0% (adb)
 Ash = 5% (adb)

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 6% inflation

PAUL M. O'CALLAGHAN

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Commodity, materials & services price assumptions

Item:	Semirara Coal for Bulacan					
Units:	MT					
Currency	USD					
Source	Philippines					
Assumptions	2006	2007	2008	2009	2010	2011
Coal indexes based on HGRS/HTRS projections	100%	109%	109%	109%	109%	109%
FOB base price in USD	19.50	21.17	22.98	24.95	27.08	29.40
Base price per unit (FOB) - coal	1'018.48	1'104.77	1'224.38	1'362.98	1'519.73	1'649.75
sea freight in USD	5.00	5.20	5.41	5.62	5.85	6.08
sea freight (ex-rate, international fuel price)	261.15	271.39	288.15	307.30	328.26	341.39
Customs duties and taxes (3%)						
Excise tax						
Customs allowance						
Draft survey/PPA wharfrage	1.20	1.27	1.35	1.43	1.51	1.61
Hauling/Trucking	206.43	214.69	223.27	232.21	241.49	251.15
Stockpiling at stockyard						
Arrastre/Stevedoring						
Brokerage						
Bank charges						
Insurance premium						
Others						
Total Incidental charges (Php/MT)	207.63	215.96	224.62	233.63	243.01	252.76
Total price delivered plant (Php/MT)	1'487.26	1'592.11	1'737.16	1'903.92	2'091.00	2'243.90
Cost per MJ (Php/MJ)	0.0866	0.0904	0.0980	0.1069	0.1168	0.1247
FX rate	52.2296	7.05%	9.11%	9.60%	9.83%	7.31%
Inflation rate (year-on-year)	1.08	52.1896	53.2817	54.6382	56.1203	56.1203
oil index (year-on-year)	100%	1.06	1.06	1.06	1.06	1.06
		110%	110%	110%	110%	110%

Budget Specs (Semirara)

GCV = 5,555 kcal/kg (adb)
 TM = 24% (arb)
 IM = 12% (adb)
 VM = 40% (adb)
 HGI = 42
 Sulfur = 1.0% (adb)
 Ash = 15% (adb)

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

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Commodity, materials & services price assumptions

Item:	Anthracite Coal for Bulacan								
Units:	MT								
Currency	USD								
Source	Vietnam								
	2006	2007	2008	2009	2010	2011			
	100%	109%	109%	109%	109%	109%			
Assumptions									
Coal indexes based on HGRS/HTRS projections									
FOB base price in USD	41.50	45.05	48.91	53.09	57.63	62.56			
Base price per unit (FOB) - coal	2'167.53	2'351.17	2'605.74	2'900.70	3'234.29	3'511.00			
sea freight in USD	17.00	17.68	18.39	19.12	19.89	20.68			
sea freight (ex-rate, international fuel price)	887.90	922.71	979.70	1'044.83	1'116.10	1'160.74			
Customs duties and taxes (3%)	0.00	0.00	0.00	0.00	0.00	0.00			
Excise tax	10.00	10.00	10.00	10.00	10.00	10.00			
Customs allowance									
Draft survey/PPA wharfage									
Hauling/Trucking	201.56	209.62	218.01	226.73	235.80	245.23			
Stockpiling at stockyard									
Arrastre/Sievedoring	190.00	201.40	213.48	226.29	239.87	254.26			
Brokerage									
Bank charges	6.96	7.38	7.82	8.29	8.79	9.31			
Insurance premium	3.30	2.88	3.16	3.47	3.83	4.11			
Others									
Total incidental charges (Php/MT)	411.82	431.28	452.47	474.78	498.28	522.92			
Total price delivered plant (Php/MT)	3'467.25	3'705.17	4'037.91	4'420.31	4'848.67	5'194.66			
Cost per MJ (Php/MJ)	0.1331	0.1389	0.1509	0.1646	0.1799	0.1922			
		6.86%	8.98%	9.47%	9.69%	7.14%			
FX rate	52.2296	52.1896	53.2817	54.6382	56.1203	56.1203			
Inflation rate (year-on-year)	1.08	1.06	1.06	1.06	1.06	1.06			
oil index (year-on-year)	100%	110%	110%	110%	110%	110%			

Budget Specs (Anthracite)

GCV = 6,762 kcal/kg (adb)
 TM = 8% (arb)
 IM = 2% (adb)
 VM = 8% (adb)
 HGI = 45
 Sulfur = 0.6% (adb)
 Ash = 16% (adb)

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

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Commodity, materials & services price assumptions

Item:	Coal for LugaIt					
Units:	MT					
Currency	USD					
Source	Indonesia					
	2006	2007	2008	2009	2010	2011
	100%	109%	109%	109%	109%	109%
Assumptions						
Coal indexes based on HGRS/HTRS projections						
FOB base price in USD	33.00	35.82	38.89	42.22	45.83	49.75
Base price per unit (FOB) - coal	1723.58	1'869.61	2'072.04	2'306.58	2'571.84	2'791.88
sea freight in USD	13.45	13.99	14.55	15.13	15.73	16.36
sea freight (ex-rate, international fuel price)	702.49	730.03	775.12	826.64	883.03	918.35
Customs duties and taxes (3%)	72.78	77.99	85.41	94.00	103.65	111.31
Excise tax	10.00	10.00	10.00	10.00	10.00	10.00
Customs allowance	8.44	8.95	9.48	10.05	10.66	11.29
Draft survey/PPA wharfage	18.89	20.02	21.22	22.50	23.85	25.28
Hauling/Trucking/Stockpiling at stockyard	45.50	47.32	49.21	51.18	53.23	55.36
Airrafire/Stevedoring	11.00	11.66	12.36	13.10	13.89	14.72
Brokerage	0.00	0.00	0.00	0.00	0.00	0.00
Bank charges	0.19	0.21	0.23	0.25	0.28	0.30
Insurance premium	2.62	2.81	3.07	3.38	3.73	4.01
Others						
Total Incidental charges (Php/MT)	169.43	178.95	191.00	204.46	219.27	232.26
Total price delivered plant (Php/MT)	2'595.49	2'778.59	3'038.15	3'337.69	3'674.15	3'942.50
Cost per MJ (Php/MJ)	0.1115	0.1165	0.1269	0.1389	0.1524	0.1631
FX rate		7.05%	9.34%	9.86%	10.08%	7.30%
Inflation rate (year-on-year)	52.2296	52.1896	53.2817	54.6382	56.1203	56.1203
oil index (year-on-year)	1.08	1.06	1.06	1.06	1.06	1.06
	100%	110%	110%	110%	110%	110%

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

Budget Specs (MHU)

GCV = 6,450 kcal/kg (adb)
 TM = 16% (arb)
 IM = 10% (adb)
 VM = 41 (adb)
 HGI = 43
 Sulfur = 2.0% (adb)
 Ash = 7% (adb)

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Commodity, materials & services price assumptions

Item:	Semirara Coal for Lugait		2007		2008		2009		2010		2011	
	Units:	MT	100%	109%	109%	109%	109%	109%	109%	109%	109%	109%
Currency	USD											
Source	Philippines											
Assumptions												
Coal indexes based on HGRS/HTRS projections			19.50	21.17	22.98	24.95	27.08	29.40				
FOB base price in USD			1'018.48	1'104.77	1'224.38	1'362.98	1'519.73	1'649.75				
Base price per unit (FOB) - coal			6.15	6.40	6.65	6.92	7.19	7.48				
sea freight in USD			321.21	333.80	354.42	377.98	403.76	419.92				
sea freight (ex-rate, international fuel price)												
Customs duties and taxes (3%)												
Excise tax												
Customs allowance												
Draft survey/PPA wharfage			3.50	3.71	3.93	4.17	4.42	4.68				
Hauling/Trucking/Stockpiling at stockyard			26.25	27.30	28.39	29.53	30.71	31.94				
Arrastre/Stevedoring			11.00	11.66	12.36	13.10	13.89	14.72				
Brokerage												
Bank charges												
Insurance premium												
Others												
Total Incidental charges (Php/MT)			40.75	42.67	44.68	46.80	49.01	51.34				
Total price delivered plant (Php/MT)			1'380.44	1'481.24	1'623.49	1'787.76	1'972.50	2'121.01				
Cost per MJ (Php/MJ)			0.0816	0.0851	0.0927	0.1015	0.1114	0.1192				
FX rate			52.2296	52.1896	53.2817	54.6382	56.1203	56.1203				
Inflation rate (year-on-year)			1.08	1.06	1.06	1.06	1.06	1.06				
oil index (year-on-year)			100%	110%	110%	110%	110%	110%				

Budget Specs (Semirara)

GCV = 5,555 kcal/kg (adb)
 TM = 24% (arb)
 IM = 12% (adb)
 VM = 40% (adb)
 HGI = 42
 Sulfur = 1.0% (adb)
 Ash = 15% (adb)

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

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Commodity, materials & services price assumptions

Item:	Anthracite Coal for Lugait					
Units:	MT					
Currency	USD					
Source	Vietnam					
	2006	2007	2008	2009	2010	2011
	100%	109%	109%	109%	109%	109%
Assumptions						
Coal indexes based on HGRS/HTRS projections						
FOB base price in USD	41.50	45.05	48.91	53.09	57.63	62.56
Base price per unit (FOB) - coal	2'167.53	2'351.17	2'605.74	2'900.70	3'234.29	3'511.00
sea freight in USD	18.25	18.98	19.74	20.53	21.35	22.20
sea freight (ex-rate, international fuel price)	953.19	990.56	1'051.74	1'121.65	1'198.16	1'246.09
Customs duties and taxes (3%)	0.00	0.00	0.00	0.00	0.00	0.00
Excise tax	10.00	10.00	10.00	10.00	10.00	10.00
Customs allowance	8.44	8.95	9.48	10.05	10.66	11.29
Draft survey/PPA wharfage	18.89	20.02	21.22	22.50	23.85	25.28
Hauling/Trucking/Stockpiling at stockyard	45.50	47.32	49.21	51.18	53.23	55.36
Arrastre/Stevedoring	11.00	11.66	12.36	13.10	13.89	14.72
Brokerage	0.00	0.00	0.00	0.00	0.00	0.00
Bank charges	3.10	3.28	3.48	3.69	3.91	4.15
Insurance premium	3.37	3.61	3.95	4.34	4.79	5.14
Others						
Total incidental charges (Php/MT)	100.30	104.84	109.71	114.87	120.32	125.94
Total price delivered plant (Php/MT)	3'221.02	3'446.58	3'767.19	4'137.22	4'552.77	4'883.03
Cost per MJ (Php/MJ)	0.1269	0.1323	0.1440	0.1575	0.1727	0.1845
FX rate	52.2296	52.1896	53.2817	54.6382	56.1203	56.1203
Inflation rate (year-on-year)	1.08	1.06	1.06	1.06	1.06	1.06
oil index (year-on-year)	100%	110%	110%	110%	110%	110%

Budget Specs (Anthracite)

GCV = 6,762 kcal/kg (adb)
 TM = 8% (arb)
 IM = 2% (adb)
 VM = 8% (adb)
 HGI = 45
 Sulfur = 0.6% (adb)
 Ash = 16% (adb)

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

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Commodity, materials & services price assumptions

Item:	Coal for Davao					
Units:	MT					
Currency	USD					
Source	Indonesia					
	2006	2007	2008	2009	2010	2011
	100%	109%	109%	109%	109%	109%
Assumptions						
Coal indexes based on HGRS/HTRS projections						
FOB base price in USD	32.50	35.28	38.30	41.58	45.13	48.99
Base price per unit (FOB) - coal	1'597.46	1'841.28	2'040.64	2'271.63	2'532.88	2'749.58
sea freight in USD	16.20	16.85	17.52	18.22	18.95	19.71
sea freight (ex-rate, international fuel price)	846.12	879.29	933.60	995.66	1'063.58	1'106.12
Customs duties and taxes (3%)	76.31	81.62	89.23	98.02	107.89	115.67
Excise tax	10.00	10.00	10.00	10.00	10.00	10.00
Customs allowance	5.00	5.30	5.62	5.96	6.31	6.69
Draft survey/PPA wharfage	19.60	20.78	22.02	23.34	24.74	26.23
Hauling/Trucking	12.39	12.89	13.40	13.94	14.49	15.07
Stockpiling at stockyard	5.00	5.30	5.62	5.96	6.31	6.69
Arrastre/Stevedoring	4.54	4.81	5.10	5.41	5.73	6.08
Brokerage	1.48	1.57	1.66	1.76	1.87	1.98
Bank charges	0.20	0.22	0.24	0.26	0.29	0.31
Insurance premium	2.75	2.39	2.62	2.88	3.16	3.39
Others						
Total Incidental charges (Php/MT)	137.27	144.87	155.51	167.52	180.81	192.11
Total price delivered plant (Php/MT)	2'680.85	2'865.44	3'129.75	3'434.81	3'777.26	4'047.81
Cost per MJ (Php/MJ)	0.1189	0.1244	0.1358	0.1491	0.1639	0.1757
FX rate	52.2296	52.1896	53.2817	54.6382	56.1203	56.1203
Inflation rate (year-on-year)	1.08	1.06	1.06	1.05	1.06	1.06
oil index (year-on-year)	100%	110%	110%	110%	110%	110%

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

Budget Specs (Ultra Spot)

GCV = 6,300 kcal/kg (adb)
 TM = 12% (arb)
 IM = 6% (adb)
 VM = 40 (adb)
 HGI = 40
 Sulfur = 1.0% (adb)
 Ash = 16% (adb)

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Commodity, materials & services price assumptions

Item:	Semirara Coal for Davao					
Units:	MT					
Currency	USD					
Source	Philippines					
Assumptions	2006	2007	2008	2009	2010	2011
Coal indexes based on HGRS/HTRS projections	100%	109%	109%	109%	109%	109%
FOB base price in USD	19.50	21.17	22.98	24.95	27.08	29.40
Base price per unit (FOB) - coal	1'033.50	1'096.69	1'215.42	1'352.98	1'508.58	1'637.65
sea freight in USD	10.58	11.00	11.44	11.90	12.37	12.87
sea freight (ex-rate, international fuel price)	560.58	569.89	605.08	645.29	689.31	716.88
Customs duties and taxes (3%)						
Excise tax						
Customs allowance						
Draft survey/PPA wharfage	3.62	3.84	4.07	4.31	4.57	4.84
Hauling/Trucking	12.27	12.76	13.27	13.80	14.35	14.93
Stockpiling at stockyard						
Arrastre/Stevedoring	40.00	42.40	44.94	47.64	50.50	53.53
Brokerage						
Bank charges						
Insurance premium						
Others						
Total incidental charges (Php/MT)	55.89	59.00	62.28	65.75	69.42	73.30
Total price delivered plant (Php/MT)	1'649.97	1'725.57	1'882.78	2'064.03	2'267.31	2'427.83
Cost per MJ (Php/MJ)	0.0870	0.0910	0.0992	0.1087	0.1194	0.1279
FX rate	53	51.8079	52.8914	54.2373	55.7087	55.7087
Inflation rate (year-on-year)	1.08	1.06	1.06	1.06	1.06	1.06
oil index (year-on-year)	100%	110%	110%	110%	110%	110%
Budget Specs (Semirara)	1.05	1.14	1.18	1.21	1.25	1.32

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

GCV = 5,555 kcal/kg (adb)
 TM = 24% (arb)
 IM = 12% (adb)
 VM = 40% (adb)
 HGI = 42
 Sulfur = 1.0% (adb)
 Ash = 15% (adb)

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Commodity, materials & services price assumptions

Item:	Anthracite Coal for Davao					
Units:	MT					
Currency:	USD					
Source:	Vietnam					
Assumptions	2006	2007	2008	2009	2010	2011
Coal indexes based on HGRS/HTRS projections	100%	109%	109%	109%	109%	109%
FOB base price in USD	41.50	45.05	48.91	53.09	57.63	62.56
Base price per unit (FOB) - coal	2'167.53	2'351.17	2'605.74	2'900.70	3'234.29	3'511.00
sea freight in USD	19.25	20.02	20.82	21.65	22.52	23.42
sea freight (ex-rate, international fuel price)	1'005.42	1'044.84	1'109.37	1'183.12	1'263.82	1'314.37
Customs duties and taxes (3%)	0.00	0.00	0.00	0.00	0.00	0.00
Excise tax	10.00	10.00	10.00	10.00	10.00	10.00
Customs allowance	5.00	5.25	5.51	5.79	6.08	6.38
Draft survey/PPA wharfage	19.60	20.58	21.61	22.69	23.82	25.02
Hauling/Trucking	12.39	12.89	13.40	13.94	14.49	15.07
Stockpiling at stockyard	5.00	5.25	5.51	5.79	6.08	6.38
Arrastre/Stevedoring	4.54	4.77	5.01	5.26	5.52	5.79
Brokerage	1.48	1.55	1.63	1.71	1.80	1.89
Bank charges	4.55	4.78	5.02	5.27	5.53	5.81
Insurance premium	3.43	2.99	3.27	3.59	3.96	4.25
Others						
Total Incidental charges (Php/MT)	65.99	68.05	70.96	74.03	77.28	80.59
Total price delivered plant (Php/MT)	3'238.93	3'464.06	3'786.07	4'157.85	4'575.38	4'905.96
Cost per MJ (Php/MJ)	0.1326	0.1388	0.1517	0.1666	0.1833	0.1965
FX rate	52.2296	6.95%	9.30%	9.82%	10.04%	7.23%
Inflation rate (year-on-year)	1.08	52.1896	53.2817	54.6382	56.1203	56.1203
oil index (year-on-year)	100%	1.05	1.05	1.05	1.05	1.05
		110%	110%	110%	110%	110%

Budget Specs (Anthracite)

GCV = 6,762 kcal/kg (adb)
 TM = 8% (arb)
 IM = 2% (adb)
 VM = 8% (adb)
 HGI = 45
 Sulfur = 0.6% (adb)
 Ash = 16% (adb)

Note:

- 1) FOB price of coal for 2007 adjusted by 8.557% based on Barlow-Jonker (Newcastle) Index for 2006 applied year-on-year.
- 2) 10% average per year oil price increases for the past 10 years (Crude Oil Price Historical Movement)
- 3) Oil/Fuel cost accounts for 40% of freight cost
- 4) Freight cost and hauling cost assumed to increase by 40% of fuel price increase
- 5) Other incidental charges price increase is based on 5% inflation

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