



January 18, 2010

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Greenhills,
Mandaluyong City

Attention: ATTY. JUSTINA F. CALLANGAN
Director, Corporation Finance Department

PHILIPPINE STOCK EXCHANGE
PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: MS. JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

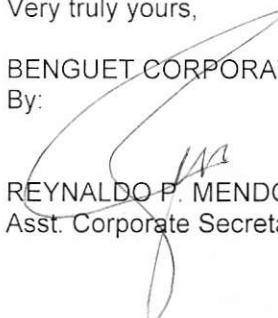
BENGUET CORPORATION (BC) respectfully advised the Commission and the Exchange that it received today (January 18, 2010) a letter from the DENR modifying its earlier decision dated November 23, 2009 and ordering NADECOR to implement the two-year extension of the exploration work program. The parties were likewise ordered by the DENR to meet their respective obligations under their existing Operating Agreement and the MPSA.

The original prayer of NADECOR to the DENR called for removal of BC as operator and co-contractor in the MPSA through cancellation of the Operating Agreement. It is clear that the DENR in its present order has maintained that both BC and NADECOR remained as co-contractors in the project and that the Operating Agreement and the MPSA continue to govern their relationship. BC takes the position that it remains as operator of the project and BC is ready and prepared to undertake all the requirements under the MPSA. The Kingking project through BC's initiative has enjoyed over the years more than P1.2 Billion investment and in terms of drilling meterage, it has one of the most extensive drilling record among local mining projects at 89,599 meters of drilling depth, making it one of the most explored mining properties in the Philippines.

BC is preparing its response to the DENR order and will file it within the prescribed period. The DENR letter dated January 15, 2010 is attached herewith.

Very truly yours,

BENGUET CORPORATION
By:


REYNALDO P. MENDOZA
Asst. Corporate Secretary



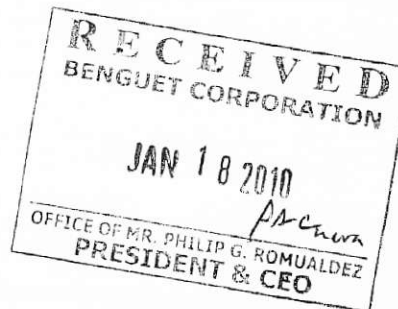
Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
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JAN 15 2010

Mr. Conrado T. Calalang
President
Nationwide Development Corporation
Suite 203, Jollibee Centre Building
ADB Avenue, Ortigas Center, Pasig City

Mr. Benjamin Philip G. Romualdez
Chairman and President
Benguet Corporation
Universal Re Building
106 Paseo de Roxas, Makati City



Dear Messrs. C. T. Calalang and B. P. G. Romualdez:

We refer to the Letter dated December 10, 2009 of Nationwide Development Corporation (Nadecor) requesting for the partial reconsideration of the decision of this Department as contained in the Letter dated November 23, 2009 and the Letter dated December 23, 2009 of Benguet Corporation (Benguet) requesting that the said request of Nadecor be denied, in connection with the dispute between the two (2) parties involving the Mineral Production Sharing Agreement (MPSA) No. 009-92-XI.

After a thorough evaluation of the positions taken by the parties, including a detailed review of the performance record of the MPSA co-contractors, this Department finds that the request for partial reconsideration of Nadecor is impressed with merit. It bears stressing that notwithstanding the explanations offered by Benguet, this Department remains unsatisfied with the company's efforts to complete the mineral exploration activities in the contract area. The accomplishments of Benguet have fallen short of the commitments that the parties had jointly assumed pursuant to the previously approved Work Programs. The report of the Mines and Geosciences Bureau Regional Office No. XI as contained in the Memorandum dated September 30, 2009, confirms on the ground the failures of Benguet as operator of the contract area.

In view of the foregoing, this Department hereby modifies the decision contained in the Letter dated November 23, 2009, as follows:

1. Nadecor shall undertake the implementation of the Work Programs for MPSA No. 009-92-XI under the sixth renewal of its Exploration Period. For this purpose, Nadecor shall be responsible for complying with the pertinent requirements as enumerated in the Letter dated November 23, 2009.
2. Benguet shall turn over to Nadecor the peaceful possession of the contract area, for the immediate resumption of operations therein by the latter pursuant to the Work Programs that may be approved under MPSA No. 009-92-XI.

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3. Nadercor and Benguet shall endeavor to meet faithfully their respective obligations under their existing operating agreement, and their joint obligations under MPSA No. 009-92-XI.

Please be guided accordingly.

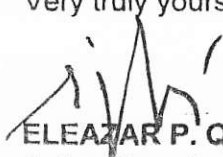
Very truly yours,



Republic of the Philippines
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES



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ELEAZAR P. QUINTO
Acting Secretary

c.c. : The Director
Mines and Geosciences Bureau
North Avenue, Diliman, Quezon City