



PNOC ENERGY DEVELOPMENT CORPORATION

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LETTER OF REFERENCE

PHOENIX Geophysics, Ltd., under sub-contract to West Japan Engineering Consultants, Inc. (WEST JEC), conducted magnetotelluric (MT) surveys for our company, PNOC-EDC, at Mt. Labo and Northern Negros geothermal prospects in May to June, 1995 and July to August, 1995, respectively. The purpose of these surveys was to map the resistivity structure associated with the geothermal systems in both areas. The responsibilities of the Phoenix survey crew included data acquisition using the V5 system, data processing and quality control, preliminary data interpretation and preparation of a written report. In addition, the PHOENIX personnel instructed our geophysicists and technicians in basic MT survey methodologies and field data processing. PNOC-EDC's responsibility during the surveys was to provide logistical and manpower support to the PHOENIX crew. This support came in the form of base camp accommodations, vehicles, local guides and porters, as well as technical staff that PNOC-EDC provided to the PHOENIX crew.

The surveys were successfully completed on schedule and met the required technical specifications. These are significant accomplishments despite the rugged terrain and difficult field conditions caused by inclement weather during most of the field seasons.

The PHOENIX crew conducted the surveys in a professional manner. PNOC-EDC was satisfied with the results of both surveys and we recommend PHOENIX to other developers and resource companies.

Very truly yours,

Hermes P. Ferrer
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Manager
Geoscientific Department