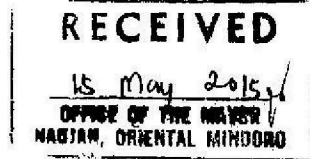


Ref. No. : SCIC-CON-MON-15-27
Date : May 11, 2015



OFFICE OF THE MUNICIPAL MAYOR
Municipality of Naujan
Naujan 5204, Oriental Mindoro

For : **Hon. Atty. Mark N. Marcos**
Municipal Mayor

Through : **Hon. Angel M. Navarro**
Municipal Administrator

Marcos MADD 05-15-15
Navarro MDREMO 05-15-15

Navarro Mento 05-15-15

Dear Hon. Mun. Mayor Marcos,

We refer to your letter dated May 6, 2015 regarding the isolated rockfall that occurred within the Project Site on May 4, 2015 which claimed the lives of 2, and injured 5 of our fellow workers and brothers in SCIC. It is truly unfortunate and tragic, and we join the local community in grieving such loss.

We wish to inform you that on May 5, 2015 we have already transported the remains of Mr. Eduardo Santos and Mr. Melchor Lus-ok back to their home towns in Itogon, Benguet and Baguio City, respectively, where they currently lie in state. We have assured their families that all medical, transportation, burial and other expenses for Mr. Santos and Mr. Lus-ok will be shouldered by SCIC, and financial assistance will also be provided to them.

Also, 3 of the 5 workers who were treated for minor injuries were released from the hospital on the same day, while 2 received stiches and were also released subsequently. Similarly, we assured them that SCIC will provide them with all the assistance and help (medical, financial, or otherwise) they will need to recover from such traumatic experience.

Based on our investigation, as well as, the joint investigation/assessment conducted by the Regional Office No. IV-B of the Department of Labor and Employment (DOLE) and the Renewable Power Bureau of the Department of Energy (DOE) immediately after the incident, the following were established:

- On May 4, 2015 at around 1:30 AM, the 7 workers were on their break-time and decided to rest at the temporary rest area 20m (actually 35m) away from the opening of the tunnel and about 200 m from the work site where the workers were assigned;
- The mountain side above the area where the workers were resting was covered with thick vegetation, thus, giving no sign that rockfall in the area was imminent;
- Suddenly, without warning, hard massive rock fragments estimated to be 20 cu.m. fell on the workers which injured 5 and caused the death of 2, as above mentioned;
- The rocks fell from a height of only 3m, more or less;
- What occurred was an isolated rockfall and NOT a landslide.

Copies of the pictures of the area are attached hereto for your reference.

Based on the foregoing, it is clear that the rockfall was an act of nature which was not caused by any activity in the Project Site. As confirmed by the investigations, it occurred 200m from the work site and during the break-time of the workers. Thus, it was not work-related. Neither could it have been foreseen, even by the most experienced contractor, as the area of the mountain side above the incident area was covered with thick vegetation. Truth be told, it was just really unfortunate that the workers decided to rest in that particular area at that particular time.



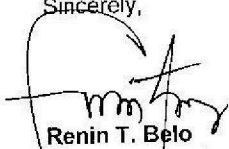
Nevertheless, in compliance with our safety procedure and in accordance with the directive of the DOLE, we are already preparing a mitigation plan which includes the immediate removal of hanging boulders in the area and assigning geological mappers and watchmen to monitor and assess ground conditions and natural calamities. Should you wish, we can provide you with a copy of such mitigation plan.

Also, we wish to inform you that the DOLE has also already lifted the Work Stoppage Order it issued on May 5, 2015 over the Project Site, except the area of the incident. The lifting of such Order is based on the recommendation of the DOLE's investigating team. A copy of the Lifting of the Work Stoppage Order is hereto attached.

In light of the foregoing, we humbly seeks your understanding and kind consideration on this matter as clearly such isolated rockfall was beyond the control of SCIC, NOT related to any activity of the Project, and was purely an act of nature. Should you required us to submit additional documents to substantiate our report and the report of the DOLE, please let us know. We are more than willing to comply.

Thank you and we hope that you will consider our plea and refrain from revoking SCIC's Special Permit to Construct.

Sincerely,

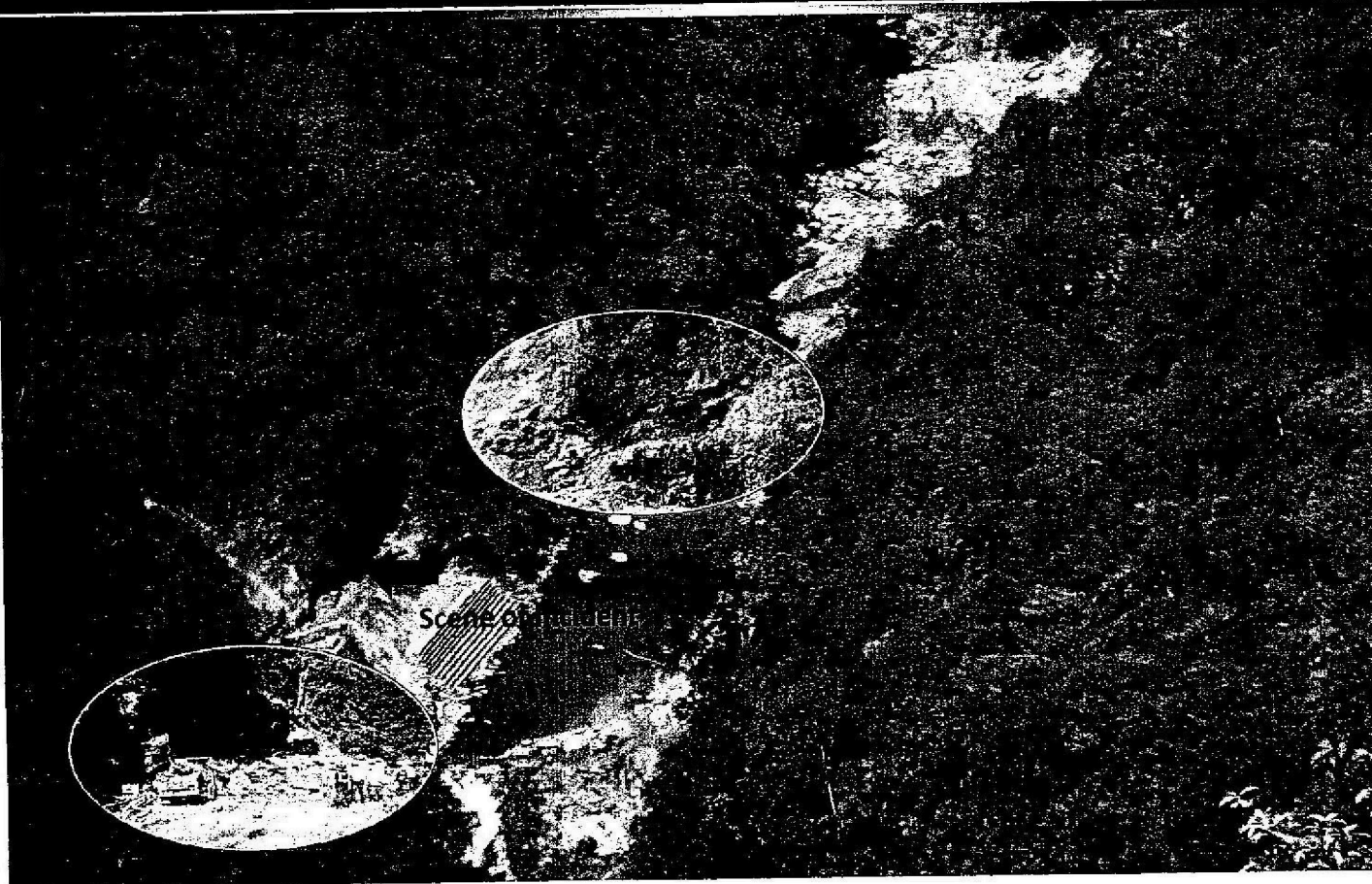


Renin T. Belo
Vice President for Construction

CC: NGL, UMB, PGM, JGA, File



OVERVIEW OF THE WEIR, INLET PORTAL AND DESANDER



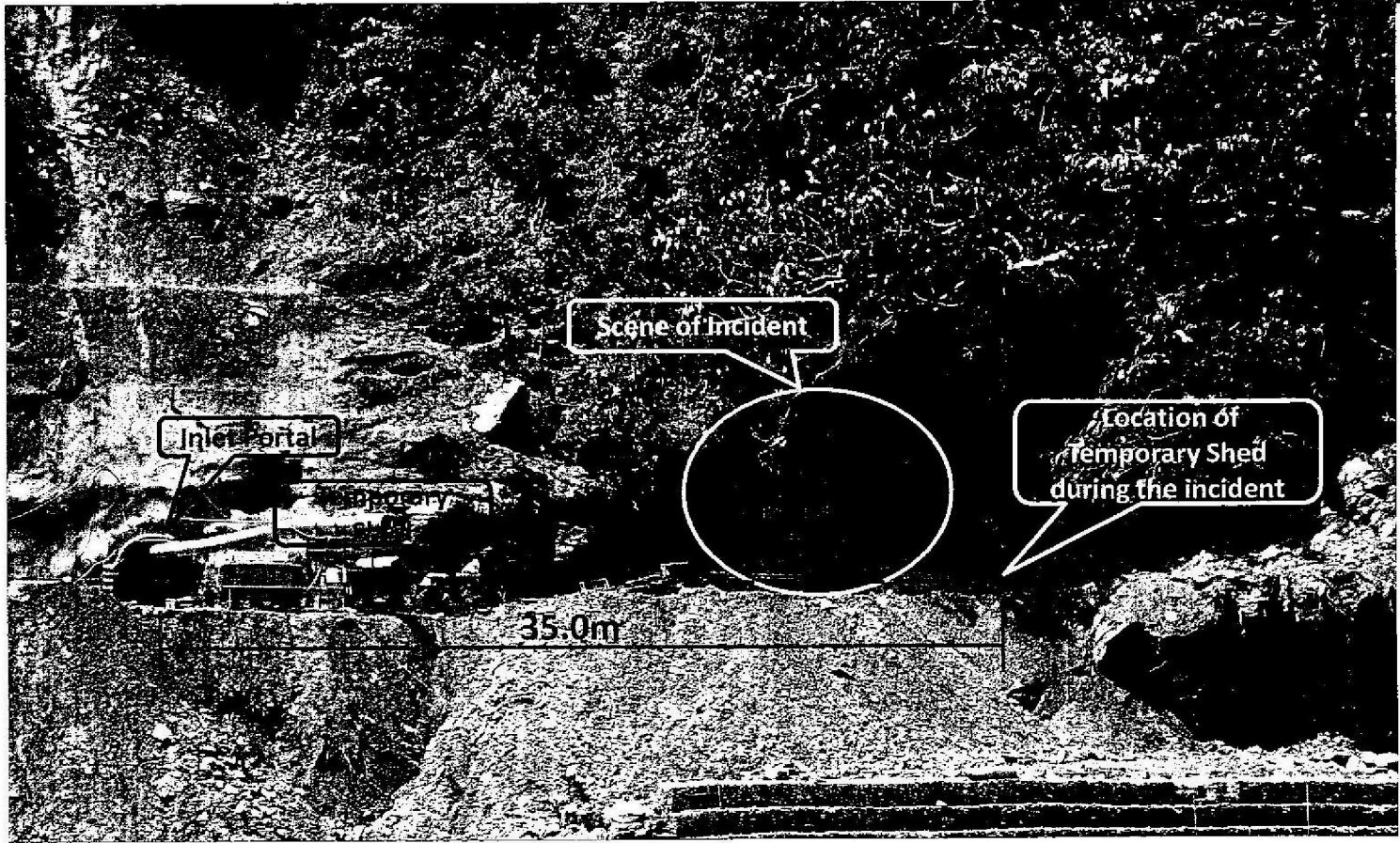
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PHOTOS TAKEN BEFORE THE INCIDENT





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