



BACNOTAN CONSOLIDATED INDUSTRIES, INC.
A PHINMA Company

March 12, 2009

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Center
Exchange Road, Pasig

Attention : Atty. Pete M. Malabanan
Head, Disclosure Department

Gentlemen:

We write in connection with your letter dated March 11, 2009 regarding the sale to Phoenix Petroleum Philippines, Inc. of shares owned by Bacnotan Consolidated Industries, Inc. in Bacnotan Industrial Park Corporation (BIPC).

Below are the additional information you requested:

- a) Copies of the agreement duly executed that are relevant to the transaction. We regret that BCII is unable to provide copies of the relevant agreements as these are covered by a confidentiality agreement among the parties.
- b) Valuation method. The price was the result of negotiation between the parties and reflects the sellers' view of the near-term prospects of the industrial park. In valuing the shares, the sellers not only took into account the properties and facilities owned by BIPC but also considered the sluggish sales of park properties in the past, the economic downturn and the expected challenges in the industrial park sector in the coming years.

Given the above factors, we feel that the purchase price of P 109.81 per share is fair and reasonable. This price represents a 20% premium over book value of P 91.57 per share as of December 31, 2008.

- c) Independent fairness opinion concerning the valuation of the shares. The fairness of the purchase price was determined through the sellers' own evaluation.
- d) Interest which directors of the parties have in the transaction. The directors of BCII have no interest in the transaction.
- e) Application of proceeds. The proceeds from the transaction will be used by BCII for future investments.

- f) Any other relevant information. Atlas Holdings Corporation, a 90%-owned subsidiary of BCII, sold its 5% interest in BIPC at the same price of P 109.81 per share, or P 32,942,307.69.

Very truly yours,



JUAN J. DIAZ

Corporate Secretary