



# PICOP RESOURCES, INC.

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October 09, 2002

CIRCULAR FOR BROKERS NO. 2663-2002

DISCLOSURE  
OCTOBER 10, 2002

Date

Mr. Jose G. Cervantes  
Senior Vice President  
Listing and Disclosure Group  
The Philippine Stock Exchange  
4<sup>th</sup> Floor, Philippine Stock Exchange Center  
Exchange Road, Ortigas Center  
Pasig City

Dear Mr. Cervantes :

We are pleased to inform the PSE that after signing a Memorandum of Agreement yesterday, October 8, 2002, NPC has reconnected PICOP's power supply today.

The agreement settled the bulk power supply issues and seeks to solve the issues of voltage level fluctuation between NPC, Transco and PICOP. The agreement was reached after a series of meetings that included the political leadership of Surigao del Sur, NPC, DOE and PICOP officials.

Primary consideration was given on preserving and improving the competitiveness of structurally sound industries through bench marking of its major inputs such as energy.

In PICOP's case, economic returns will come in saving 8,000 jobs, livelihood for about 200,000 Caraga residents and revenues to the National and Local Government units of more than P 200 million annually.

*ABN*

PICOP will resume the production of newsprint and linerboard as the harvesting permit which Sec. Alvarez withheld for quite some time was also released.

The permit was released after Sec. Alvarez could not produce the law and regulations that he claimed prevented the issuance of the permit during a meeting attended to no less than by President Gloria Macapagal-Arroyo who was concerned on the huge number of workers already retrenched due to the plant shutdown.

We trust that you will find the above in order.

Very truly yours,



**VICSMARTE E. UBALDE**  
Corporate Information Officer

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