



# SOUTH CHINA RESOURCES, INC.

3/F Low Rise Pacific Star Bldg., Sen. Gil Puyat Ave. cor. Makati Ave., Makati City  
Metro Manila, Philippines

January 28, 2010

**The Disclosure Department**

4/F Philippine Stock Exchange, Inc.

PSE Centre, Exchange Road

Ortigas Center, Pasig City

Attention: **Ms. JANET A. ENCARNACION**  
Head, Disclosure Department

Gentlemen:

In a recent statement made by Shell Philippines Exploration B.V. (SPEX), SPEX has announced the delay in the drilling of the Silangan - 1 well to the second quarter (Q2) of 2010. This has been attributed to the delay in the arrival of the drillship Frontier Phoenix.

South China understands the operator wishes to ascertain dependability of the drillship to ensure its proper operation and safety of the ship and personnel.

We hope that you may find the above in order.

Yours faithfully,

**DAVID R. BALADAD**  
Corporate Information Officer/  
VP – Operations