

SEMIRARA MINING CORPORATION
STOCK RIGHTS OFFERING OF 59,375,000 COMMON SHARES

TERMS AND CONDITIONS OF THE OFFER

The Rights Offer

Stock rights offering of 59,375,000 common shares with par value of PHP1.00 per share to be issued from the unissued authorized capital stock of the Company. The Rights Shares will be considered issued and will rank equally in all respects with existing Common Shares, including the right to receive all dividends or distributions made, paid or declared after a valid subscription agreement is perfected between the Company and a buyer as evidenced by the written acceptance by SCC of the application to subscribe (the "Application to Subscribe" or the "Application") of the buyer and full payment for the Offer Shares is made by the buyer.

Use of Proceeds

The Company intends to use the net proceeds from the Offer to: (i) invest in SEM-Calaca Power Corporation for the partial financing of the acquisition cost of the 2 x 300 MW Batangas Coal-Fired Thermal Power Plant, including its ancillary facilities, located in Calaca, Batangas ("Power Plant"); (ii) repay debt obligations; (iii) fund capital expenditures; and (iv) general corporate purposes. (Please see "Use of Proceeds" of the Prospectus).

Eligible Investors

The Offer Shares may be subscribed to by the stockholders of record of the Company as of the Record Date. However, due to the constitutional limit on foreign ownership applicable to the Company, the foreign shareholdings in the Company cannot exceed 40% of its capital stock thereof. The Company reserves the right to reject/scale down Applications by foreign applicants if acceptance of such Applications will result in a violation of the Company's foreign ownership restrictions.

Rights Entitlement	Each eligible stockholder is entitled to subscribe to one Rights Share for every five Common Shares held as of the Record Date ("Entitlement Share"). Fractions of Rights Shares will not be allotted to existing shareholders and fractional entitlements will be rounded down to the nearest whole number of Rights Shares. Such fractions will be aggregated and sold for the benefit of the Company.
Additional Subscription	If an eligible stockholder (the "Applicant") fully subscribes to his Rights Shares entitlement and subject to the availability of Unsubscribed Rights Shares arising from the failure of the other eligible stockholders to fully exercise their Rights Shares entitlement, the Applicant may simultaneously apply for an additional subscription of Unsubscribed Rights Shares ("Additional Offer Shares"); provided that the number of Additional Offer Shares to which he is entitled to subscribe will be in proportion to the Applicant's original shareholdings as of the Record Date; provided further that, due to the constitutional limit on foreign ownership applicable to the Company, the subscription to the Additional Offer Shares will not result in the foreign shareholdings in the Company exceeding 40% of its capital.
Offer Price	PHP74.00 per share, representing the 15-day VWAP of the Company's Common Shares for the 15 trading day period immediately preceding the Pricing Date, covering the period May 20, 2010 to June 9, 2010.
Ex-Date	June 28, 2010
Record Date	July 1, 2010
Pricing Date	June 10, 2010
Offer Period	July 5, 2010 up to 12:00 noon of July 9, 2010
Payment of Shares	The Offer Price for both the Entitlement Shares

and the Additional Offer Shares applied for will be payable in full upon submission of the Application.

Payments should be made by cash or check drawn against a BSP authorized agent bank in Metro Manila to the order of "SCC - Offer." The check payment for the Offer Shares must be dated as of the date of the Application, and crossed "For Payee's Account Only." The Application to Subscribe will be submitted to Rizal Commercial Banking Corporation –Trust and Investments Division on or before 12 noon of July 9, 2010.

The Offer Shares will be non-transferable and not acceptable for trading until the Offer Shares are fully paid.

**Acceptance/Rejection
of Applications**

The Company reserves the right to reject all or a portion of any Application that does not comply with the terms of the Offer.

An Application, once accepted, will constitute the subscription agreement between the Eligible Investor and the Company for subscription of the Offer Shares, in the manner and subject to the conditions set forth therein.

Notwithstanding the acceptance of any Application by the Company, the actual subscription and sale of the Offer Shares to the Eligible Investor will become effective only upon the listing of the Rights Shares on the PSE and full payment having been made by the Eligible Investor to the Company.

**Tentative Listing/Trade
Date**

The Rights Shares offered pursuant to the Offer are not listed and are non-tradable and non-transferable. The Rights Shares are expected to be listed in the PSE on July 19, 2010.

**Documentary Stamp
Tax**

All documentary stamp taxes applicable to the issuance of the Rights Shares will be for the

Refunds

account of the Company.

Payment for any Application not accepted will be, without interest, refunded via check payable to the relevant Applicant not later than five (5) Banking Days after the end of the Offer Period. Such refund check will be made available for pickup at the offices of the Stock Transfer Agent at the 9/F Yuchengco Tower 1, RCBC Plaza, 6819 Ayala Avenue, Makati City 0727. Refund checks that remain unclaimed after 30 days from the date such checks are made available for pickup will be mailed at the Applicant's risk to the address indicated in the Application.

Application

Applications to subscribe to the Offer Shares must be received by the Stock Transfer Agent not later than 12:00 noon of July 9, 2010. The Applications must be accompanied by the payment and the required attachments mentioned in the Application to Subscribe.

Registration and Lodgment


The Offer Shares are required to be lodged with the PDTC. The Applicants must provide the required information in the space provided in the Application to effect the lodgment. The Offer Shares will be listed at the PSE and processed for lodgment by the PDTC at least two trading days prior to the Listing Date.

The Applicant may request for the upliftment of his Offer Shares and to receive stock certificates evidencing his investment in the Offer Shares through his broker after the Listing Date. Any expense to be incurred in connection with such issuance of certificates will be borne by the Applicant.

The Issuer:

SEMIRARA MINING CORPORATION

By:


John R. Sedillo
Corporate Secretary