



December 6, 2010

PHILIPPINE STOCK EXCHANGE
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

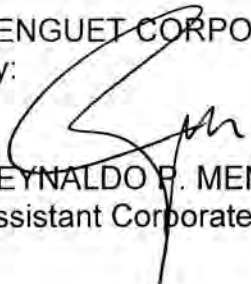
Benguet Corporation (BC) has today (December 6, 2010) formalized a management agreement in favor of its fully owned subsidiary, BEREC Land Resources Inc. (BLRI), for the management and operation of its Acupan mine. Acupan is located in Itogon, Benguet Province, and has a current production of 110 tons per day with average output of 330 ounces of gold per month. Under the management contract, BLRI will provide the necessary technical and financial assistance to expand the production capacity of Acupan to 300 tons per day.

In this regard, BLRI has obtained approval from Philippine Export-Import Credit Agency (PhilEXIM) for a 5-year loan facility of up to Php150 Million to finance the expansion project. The loan will be secured by real estate assets owned by BLRI and other subsidiaries of BC. As project manager, BLRI will manage the fund, operate the project and ensure proper debt service. Recently, gold price in the world market reached the US\$1,400 per ounce level.

Very truly yours,

BENGUET CORPORATION

By:


REYNALDO F. MENDOZA
Assistant Corporate Secretary