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FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

DISCLOSEABLE TRANSACTION ENTERING INTO A CONDITIONAL SALE AGREEMENT FOR FURTHER ACQUISITION OF INTEREST IN PHILEX MINING CORPORATION

INTRODUCTION

Reference is made to the announcements of the Company dated 6 October 2008, 16 October 2008, 20 November 2008, 28 November 2008 and 2 December 2009, relating to previous acquisitions of interests by the Group in Philex.

The Company is pleased to announce that Two Rivers, its Philippine affiliate, has entered into a Conditional Sale Agreement with the Seller on 21 January 2010, to acquire an approximately 5.9% interest in Philex from the Seller. Following completion of the Conditional Sale Agreement, Two Rivers will hold a total of approximately 15.1% in Philex. This is in addition to the approximately 31.5% economic interest in Philex held by the Group, referred to in the Company's announcement dated 2 December 2009.

To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

THE CONDITIONAL SALE AGREEMENT

The main terms of the Conditional Sale Agreement are summarised below in this announcement. The consideration will be paid in four instalments with the first 10% of the consideration paid upon Closing. Interest at the rate of 5.5% per annum will accrue from 29 January 2010 until the amount of consideration is paid in full.

It is anticipated that upon Closing, the Parties and the Escrow Agent shall execute and deliver the Escrow Agreement and the Seller shall deliver to the Escrow Agent the stock certificates covering the Target Shares, properly endorsed in blank; and that the Seller shall deliver to the Buyer a proxy covering the Target Shares.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios in respect of the Acquisition exceed(s) 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

DIRECTORS VIEWS AND REASONS FOR THE ACQUISITION

The Acquisition represents an opportunity for Two Rivers, the Company's Philippine affiliate, to buy a strategic block of Philex shares comprising of approximately 5.9% of its current issued share capital. To assemble this block of shares in the market would be difficult, expensive and time consuming.

The Purchase Price per Target Share of PhP21 (equivalent to approximately US\$0.46 or approximately HK\$3.56) per Target Share represents a premium of approximately 42% to the closing price of Philex of PhP14.75 (equivalent to approximately US\$0.32 or approximately HK\$2.5) on the Philippine Stock Exchange as of 21 January 2010. The acquisition by Two Rivers of an additional approximately 5.9% interest in Philex further enhances the Group's objectives to expand and develop the Group's mining strategies in the Philippines.

On completion of the Acquisition, Two Rivers's total investment cost in acquiring approximately 15.1% interest in Philex will amount to approximately US\$337 million (equivalent to approximately HK\$2,628.6 million) and the Group's total investment cost in acquiring approximately 31.5% interest in Philex will amount to approximately US\$234 million (equivalent to approximately HK\$1,825.2 million), thereby making up a total of US\$571 million (approximately HK\$4,453.8 million). As a result, the blended cost of acquisition will average to approximately PhP11.8 (equivalent to approximately US\$0.26 or approximately HK\$2.0) per share, or a discount of approximately 20% to the current share price of Philex.

The Company has received advice from its Philippine legal counsel that the acquisition of the Target Shares by Two Rivers, even if Two Rivers were considered as a concert party of First Pacific for purposes of the mandatory tender offer rule, will not give rise to a mandatory tender offer obligation because the Target Shares constitute less than 35% of the outstanding shares of Philex and are being acquired after the lapse of the twelve-month period from First Pacific's initial purchase, through its wholly owned subsidiary, Asia Link B.V., on 28 November 2008 of approximately 20.06% of the common shares of Philex.

There exist significant mineral deposits in the Philippines and the development of the mining industry is a particular focus of the Philippine Government and it actively encourages investment in the mining sector. Philex is a company with a long history and which presently generates substantial profit from its existing mining interests.

The directors of the Company are of the view that the Acquisition and the terms of the Conditional Sale Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTRODUCTION

Reference is made to the announcements of First Pacific Company Limited (the "Company" or "First Pacific") dated 6 October 2008, 16 October 2008, 20 November 2008, 28 November 2008 and 2 December 2009, relating to previous acquisitions of interests by First Pacific group (the "Group") and Two Rivers Pacific Holdings Corporation ("Two Rivers"), a Philippine affiliate of the Company, in Philex Mining Corporation ("Philex").

The Company is pleased to announce that Two Rivers, has entered into a conditional sale agreement (the "Conditional Sale Agreement") with the Government Service Insurance System ("GSIS" hereinafter referred to as the "Seller") on 21 January 2010, to acquire an approximately 5.9% interest (i.e. 286,783,350 shares in the capital stock of Philex (the "Target Shares")) in Philex, from the Seller (the "Acquisition"). Following completion of the Conditional Sale Agreement, Two Rivers will own a total of approximately 15.1% in Philex. This is in addition to the approximately 31.5% economic interest in Philex held by the Group, referred to in the Company's announcement dated 2 December 2009.

To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

THE CONDITIONAL SALE AGREEMENT

The main terms of the Conditional Sale Agreement are summarised below:

Parties	:	(1) Two Rivers as Buyer (2) GSIS as Seller
Target Shares	:	286,783,350 shares in the capital stock of Philex, representing approximately 5.9% of the total issued share capital of Philex.
Consideration	:	The amount of PhP6,022,450,350 (equivalent to approximately US\$130.9 million or approximately HK\$1,021.2 million) (i.e. PhP21 (equivalent to approximately US\$0.46 or approximately HK\$3.56) per Target Share) (the “Purchase Price”).

The consideration is payable as follows:

- (i) The amount of PhP602,245,035 (equivalent to approximately US\$13.1 million or approximately HK\$102.1 million), representing ten percent (10%) of the Purchase Price (the “First Installment”) shall be paid by the Buyer by delivering a manager’s check for that amount to the Seller at closing, which shall take place on 28 January 2010 (“Closing”);
- (ii) The amount of PhP602,245,035 (equivalent to approximately US\$13.1 million or approximately HK\$102.1 million), representing ten percent (10%) of the Purchase Price (the “Second Installment”) shall be paid by the Buyer by delivering a manager’s check for that amount to the Seller on 28 January 2011;
- (iii) The amount of PhP602,245,035 (equivalent to approximately US\$13.1 million or approximately HK\$102.1 million), representing ten percent (10%) of the Purchase Price (the “Third Installment”) shall be paid by the Buyer by delivering a manager’s check for that amount to the Seller on 30 January 2012; and

- (iv) The amount of PhP4,215,715,245 (equivalent to approximately US\$91.6 million or approximately HK\$714.8 million), representing seventy percent (70%) of the Purchase Price (the “Final Installment”) shall be paid by the Buyer by delivering a manager’s check for that amount to the Seller on 28 January 2013.

The Purchase Price is calculated based on arm’s length negotiation taking into account the future prospect of Philex’s mining business.

Interest on Installment Payment : The Buyer shall pay interest on unpaid installment payments at the rate of five and one half percent (5.5%) per annum accruing from 29 January 2010 until that amount is paid in full. This interest shall be payable in arrears on the date such installment payment is due. The interest payable shall accrue on the basis of the number of days elapsed in a year of 360 days.

The Buyer may, at its option, and without any premium or penalty, prepay all or any portion of the installment payments on any business day prior to 28 January 2013, together with any interest on the amount of such installment payments that may have accrued prior to such prepayment date, by giving the Seller five (5) business days prior written notice. The Buyer, in making such prepayment, shall have the right to determine the application of such prepayment.

Closing date : 28 January 2010

Transfer of the Target Shares : On or before 28 January 2013, the Buyer may send a written notice to the Seller advising the Seller of the transfer date, which shall be a date no later than 28 January 2013.

Conditions precedent : Closing is conditional upon fulfilment of certain conditions precedent, the principal ones being as follows:

- (i) Truth and correctness of all representations and warranties at the relevant dates;

- (ii) Compliance with all terms, covenants and conditions required by the Conditional Sale Agreement by the Buyer and the Seller on or prior to Closing and, in the case of the Seller, at each due date of the relevant installment payment and on the transfer date;
- (iii) Obtaining of all necessary governmental approvals and third party consents;
- (iv) No writ of preliminary injunction, restraining order or other judgment, decree, order or resolution of any governmental authority shall have been issued against any of the Parties, restraining or enjoining the Closing or the transfer of the Target Shares to the Buyer; and
- (v) The Buyer and Seller shall have received all required documents with respect to internal corporate approvals authorising the sale of Target Shares to Two Rivers.

Representations and warranties : Customary representations and warranties given by the Seller in favour of Two Rivers.

Governing law : Philippine law.

It is anticipated that the Closing shall take place on 28 January 2010, provided each of the conditions precedent set out in the Conditional Sale Agreement shall have been fulfilled (or waived by the party entitled to require their fulfillment, as the case may be). In addition, at Closing, the following transactions shall take place:

- (i) The Parties and Banco de Oro Unibank Inc. (the “Escrow Agent”) shall execute and deliver the Escrow Agreement and the Seller shall deliver to the Escrow Agent the stock certificates covering the Target Shares, properly endorsed in blank; and
- (ii) The Seller shall deliver to the Buyer a proxy covering the Target Shares.

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On completion of the Acquisition, Two Rivers's total investment cost in acquiring approximately 15.1% interest in Philex will amount to approximately US\$337 million (equivalent to approximately HK\$2,628.6 million) and the Group's total investment cost in acquiring approximately 31.5% interest in Philex will amount to approximately US\$234 million (equivalent to approximately HK\$1,825.2 million), thereby making up a total of US\$571 million (approximately HK\$4,453.8 million). As a result, the blended cost of acquisition will average to approximately PhP11.8 (equivalent to approximately US\$0.26 or approximately HK\$2.0) per share, or a discount of approximately 20% to the current share price of Philex.

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GENERAL

The Company is a Hong Kong-based investment and management company with operations located in Asia. The Company's principal business interests relate to Telecommunications, Infrastructure, Consumer Food Products and Natural Resources.

Philex is a Philippine listed company engaged in exploration, development and utilisation of mineral resources. The net asset value of Philex as at 30 September 2009 is PhP14,643 million (equivalent to approximately US\$307.4 million or approximately HK\$2,398.0 million) and the net profits of Philex before and after taxation and extraordinary items are PhP3,270 million (equivalent to approximately US\$73.2 million or approximately HK\$570.9 million) and PhP2,893 million (equivalent to approximately US\$64.7 million or approximately HK\$505.0 million), respectively, for the financial year ended 31 December 2008 and the net profits of Philex before and after taxation and extraordinary items are PhP5,621 million (equivalent to approximately US\$122.6 million or approximately HK\$956.0 million) and PhP5,005 million (equivalent to approximately US\$109.1 million or approximately HK\$851.3 million), respectively, for the financial year ended 31 December 2007.

GSIS is a state pension fund created by Commonwealth Act No. 186, which is mandated to provide and administer the social security benefits for all employees of the Philippine government. It is likewise entrusted with the administration of the General Insurance Fund by virtue of Republic Act No. 656 and provides insurance coverage to assets and properties that have government insurable interests.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

Hong Kong, 21 January 2010

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1 = PhP46 = HK\$7.8. Percentages and figures expressed have been rounded.

As at the date of this announcement, the board of directors of the Company comprises the following directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Ambassador Albert F. del Rosario

Sir David W.C. Tang*, *KBE*

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles*

Prof. Edward K.Y. Chen*, *GBS, CBE, JP*

Jun Tang*

* *Independent Non-executive Directors*