

----- Forwarded message from "Paul Wallace" <pfallace@msn.com> -----

Date: Thu, 17 Mar 2016 00:18:01 +0000

Subject: Re: stock swap

To:

Hi

I have a series of meetings organised to discuss this position firstly with First Pacific next week, then the Philex board at the end of April and a meeting of FEC directors in the first week of May.

Setting our your price expectations is helpful

Thanks Paul

On 3/15/2016 at 3:01 PM, wrote:

Dear Paul,

If the stock swap will be based on the current or most recent value, then we should also include how majority controlled Philex drove us there.

Under Philex control, we went from 36% ownership and a million dollars in cash to 18% ownership and no cash.

Philex has done absolutely nothing to benefit FEC since they took over majority control.

Furthermore, they even paid \$.50 cents per share at one point to make sure we couldn't be helped by anyone but Philex.

Under the current circumstance, FEC accepting a stock swap is in the best interest of Philex and possibly not in the best interest of the FEC minority.

We'll accept \$.01 cent per share based on Philex Petroleum share price of php1.75 providing the agreement can be made expeditiously.

The problem we face on my side is, Asian Coast won't leave part of our group behind and go on their own so it's hard to keep the others interested in this arrangement moving forward.

Best Regards,

On 3/15/2016 at 4:59 AM, "paul wallace" <pfallace@msn.com> wrote:

Hi

The question is what do you think these FEC shares are worth ?

the market price is 0.002 so if your group owned 80 million shares that would only be worth \$160,000.

if you go the other way FEC owns 6 million Forum shares which last year were valued at 20p (30 US cents) then FEC is worth \$1.8 million so your 20% is worth \$360,000. the trouble is I doubt people believe that last years valuation should still apply. So it looks like your stake is worth around \$200,000 to \$250,000 .

I didn't think that there was any point in moving this further until I understood where you thought the value was.

please let me know what you think

paul

On 3/10/2016 at 9:50 AM, "paul wallace" <pfwallace@msn.com> wrote:

Hi

They distributed the approx. 45% of Philex Petroleum by way of a "property dividend" so if you own 100 shares in Philex Mining you will receive 17 shares of Philex Petroleum

see the attached announcement

thanks

Date: Thu, 10 Mar 2016 09:07:51 +0800

To: pfwallace@msn.com

Subject: Re: SC72

From:

Paul,

Who did Philex Mining sell their interest to?

On 3/10/2016 at 3:52 AM, "Paul Wallace" <pfwallace@msn.com> wrote:

Hi

You may have seen the recent announcement by Philex Mining that it is reducing its holding in Philex petroleum from over 60% to less than 20% and that Philex Petroleum will be renamed . So the plan is have Philex Petroleum be more independent and SC 72 will be one of its key assets so I doubt very much they would entertain the sale of SC72.

In May or June there will be a review of the options for FEC and I would appreciate having a discussion with you then to get your view.

Take care Paul ,

On 9 Mar 2016, at 10:32 PM, wrote:

Hello Paul,

An investor who we talked to about 6 months ago contacted us about SC72.

They are interested knowing if it was still possible to buy it.

I know we are waiting for a favorable decision from the Hague by the 3rd quarter so it might be difficult for Philex to sell their interest at this time.

If the investor was to make an offer, would it be taken seriously or will we be wasting our time preparing them?

Best Regards,