

9 July 2012

MS. JANET A. ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange,
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

**SUBJECT: ISRAEL AND CALATA PARTNERS ON
MODERN AGRI TECHNOLOGY**

Dear Ms. Encarnacion,

Pursuant to Calata Corporation's operations to revolutionize the agricultural business sector in the Philippines, the Company is aggressively pursuing the introduction and utilization of world-class modern technology in the field of agriculture.

Thus, in a meeting between Calata Corporation's President and Chief Executive Officer Mr. Joseph H. Calata and his excellency Ambassador Menashe Bar On of Israel, it was agreed that the Israeli Government shall fully support Calata Corporation in its objective and agreed to explore the possibility of bringing in "*Israeli Agricultural Technology*" in the Philippines particularly that which involves planting of high value fruits and vegetables in greenhouse facilities.

Despite being known for its vast deserts, Israel has been very successful in the field of agriculture using modern technology such as the efficient use of greenhouses and other advanced practices. The use of greenhouse in planting fruits and vegetables under a climate-controlled area has provided an environment promoting optimum growth. Calata Corporation intends to initially locate its greenhouse facilities in Central Luzon.

It is expected that the technology that will soon be introduced shall substantially enable Calata Corporation in easily achieving higher and better yields than that which is currently being achieved by other agricultural enterprises in the Philippines. Furthermore, climate-controlled greenhouses shall enable the planting of fruits and vegetables to be done continuously throughout the year, thereby multiplying the number of harvests several times compared to conventional planning.

With this technological innovation, Calata Corporation intends to consistently benefit from the practice of efficient production with higher yields on high quality fruit and vegetable harvest which shall be available for commercial distribution not only in the Philippines but also for export in all parts of the world.

The Company shall be disclosing all the developments as well as all agreements which shall be entered into as soon as they have been formally executed.

Very truly yours,



Atty. Jose Marie E. Fabella
Corporate Secretary / Corporate Information Officer /
Compliance Officer