

## NEWS RELEASE

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### Basic Energy Inks Term Sheet For Japan Biomass Project

Basic Energy Corporation has signed a term sheet with Vintage Holding Japan Company Limited (VHJ) for the possible acquisition of a minimum 10% stake in a 25 MW biomass power plant in Karatsu City, Saga Prefecture, Japan. VHJ holds full executive rights to the facility wholly owned and controlled by Biomass Power GK (IBP).

As approved by the Board of Directors of Basic Energy in its meeting of October 26, 2017, the term sheet grants Basic Energy the exclusive right to negotiate and finalize the terms of the investment with VHJ. A refundable deposit will be made to begin the due diligence process on IBP and the project.

Under provisions of the term sheet, Basic Energy will strive to complete the DD process in 60 days, but may ask for an extension subject to IBP's consent. Upon favorable results of the DD process on IBP and the project, the covering shareholders agreement will then be signed on or before June 30, 2018, during which time Basic Energy can opt to increase its planned investment to up to 20%.

Basic Energy's participation in the aforementioned project is in line with its thrust to expand its portfolio of renewable energy projects in the Philippines and abroad.