

October 25, 2012

By email

Commerce Group Corp. and
San Sebastian Gold Mine, Inc.
c/o Mr. John E. Machulak
Machulak, Robertson & Sodos, S.C.
1733 North Farwell Avenue
Milwaukee, Wisconsin 53202
U.S.A.

Republic of El Salvador
c/o Mr. Derek Smith and
Mr. Luis Parada
Foley Hoag LLP
1875 K Street NW
Suite 800
Washington, DC 20006
U.S.A

Re: Commerce Group Corp. and San Sebastian Gold Mines, Inc. v. Republic of El Salvador
(ICSID Case No. ARB/09/17)

Dear Sirs,

I write to you in reference with Administrative and Financial Regulation 14, which provides for advance payments to be made to the Centre in order to cover the costs of an ICSID proceeding. Such costs include the fees and expenses of the members of an *ad hoc* Committee, as well as other direct expenses in connection with the proceeding.

ICSID Administrative and Financial Regulation 14(3)(e) provides that the party applying for annulment of the Award, in this case Commerce Group Corp. and San Sebastian Gold Mines, Inc., shall be solely responsible for making the advance payments requested by the Centre, without prejudice to the Committee's eventual decision as to how and by whom the expenses incurred in the annulment proceeding are to be borne.

Advance payments to the Centre are to be made on the basis of the Centre's estimate of the expenses to be incurred in a proceeding for periods of three to six months. In this case, having consulted the *ad hoc* Committee, we estimate that an advance payment of US\$150,000 (one hundred and fifty thousand United States dollars) will be required to cover the expenses over the next three to six months of the proceeding, including the February 2013 hearing.

Therefore, we request Commerce Group Corp. and San Sebastian Gold Mines, Inc. to make a second advance payment of US\$150,000 in accordance with the information below.

International Bank for Reconstruction and Development (IBRD) (Account holder)

Account: IBRT A/C No. 2000192003489

Wells Fargo Bank N.A., New York

Reference: ICSID Case No. ARB/09/17 – Annulment Proceeding – Payment from Applicants

Swift Code: PNBPUS3NNYC

When making the payment, your bank should be instructed to include the reference text shown above in the payment details (remittance information) field of its SWIFT payment message. This will ensure prompt and accurate application of the funds received to the proper ICSID case escrow account. We also ask you to arrange to forward the details of your payment instructions by email to IBRD's Trust Funds Division at TFremitadvice@worldbank.org with a copy to mmontanes@worldbank.org

Yours sincerely,



Marco Tilio Montañés-Rumayor
Secretary of the *ad hoc* Committee

cc: Members of the *ad hoc* Committee