



October 22, 2009

SECURITIES AND EXCHANGE COMMISSION

Attention: Director Justina F. Callangan
Corporation Finance Department

PHILIPPINE STOCK EXCHANGE, INC.

Attention: Janet A. Encarnacion
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORPORATION

Attention: Mr. Cesar B. Crisol
President and Chief Operating Officer

Re : Renewal of the Concession Agreement and Department of Finance's
Letter of Undertaking

Gentlemen:

This is in relation to our previous disclosure dated April 20, 2009 on the extension of the *Concession Agreement* dated February 21, 1997 between Manila Water Company, Inc. (MWCI) and Metropolitan Waterworks and Sewerage System (MWSS).

Please be informed that the Department of Finance (DOF) has acknowledged and approved the extension of the said *Concession Agreement* for another fifteen (15) years from its original term. The approval of the DOF confirms the government's guarantee of its contractual obligation relative to the extension. MWCI has officially received the signed copy and corresponding documents to this effect and shall now proceed to complete its own contractual obligations. In view thereof, since all the contingent conditions have been fulfilled and all legal requirements completed, the *Concession Agreement* renewal is now in full force and effect.

Thank you.

Sincerely,

JOEL P. RAQUEDAN

Legal and Corporate Governance Head