January 3, 2008

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Manila Water, Shortlisted for India Project

Dear Sir:

We attach a copy of press release regarding Manila Water’s pre-qualification to bid for water project in Haldia, West Bangal, India.

We wish to emphasize that the project is merely in the pre-qualification stage. Manila Water is one of several entities that have been shortlisted to participate in the bidding for the project.

We will apprise the Exchange of further developments on this project.

Best regards.

Sincerely,

[Signature]

Glorina P. De Castro
Compliance Officer
Manila Water Shortlisted For India Water Project

Among a pool of competitive international water companies including Veolia, Salcon and Ranhill, Manila Water was shortlisted to move on to the next stage of the bidding for the water project in Haldia, West Bengal, India. Said project, which is implemented by the Haldia Development Authority, involves the construction of a 113.5 million liters per day (mld)-capacity water treatment plant, and a 10-year Operation and Maintenance (O & M) contract of the existing water supply scheme. The contract for the project also includes issuance of bills, revenue collection and provision of customer service.

For this project, Manila Water, the Ayala-led concessionaire that provides water and wastewater services to over 5 million customers in the East Zone of Metro Manila, partnered with Jindal Water Infrastructure Ltd (JWIL), a local technical expert. JWIL is part of $6 billion-worth conglomerate, Jindal Group, whose diverse businesses include water systems, mining, steel products and power generation.

At present, Manila Water has two other active bids in the Asian region – a Non-Revenue Water (NRW) reduction project in Ho Chi Minh, Vietnam and a wastewater project in Hong Kong. Moreover, the company has an existing management contract in Tirupur, India for the management of their water and wastewater systems.

Manila Water continues to be on the active lookout for prospective projects outside its concession area where it can apply its expertise in the provision of water supply and wastewater services.