November 08, 2011

SECURITIES AND EXCHANGE COMMISSION
Attention: Director Justina F. Callangan
Corporation Finance Department

PHILIPPINE STOCK EXCHANGE, INC.
Attention: Janet A. Encarnacion
Head, Disclosure Department

Re: Manila Water Signs Sale and Purchase Agreement to Acquire Clark Water Corporation

Gentlemen:

Please be informed that Manila Water Company, Inc. has signed a Sale and Purchase Agreement with Veolia Water Philippines, Inc. (“VWPI”), Philippine Water Holdings Company, Inc. (“PWHI”) and Veolia Eau-Compagnie Generale Des Faux to acquire 100% of the outstanding capital stock of Clark Water Corporation (“CWC”) and the receivables of VWPI and PWHI from Bonifacio Water Corporation. However, the Sale and Purchase Agreement is subject to the fulfillment by the parties of agreed conditions precedent.

CWC is the water concessionaire for the Clark Freeport Economic Zone (“CFEZ”) in Pampanga and operates under a 25-year concession granted by Clark Development Corporation. CWC is currently serving 1,800 locators with a billed volume of approximately 20 million liters per day. The customer base of CWC is primarily industrial and commercial accounts comprising 83% of its total water sales.

The acquisition of the shares in CWC is not more than 10% of Manila Water’s total book value.

We will advise you of further developments on this transaction.

Very truly yours,

JHIEL P. RAQUEDAN
Head, Legal and Corporate Governance
Assistant Corporate Secretary