26 January 2018

Securities and Exchange Commission
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, Philippines

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.
Director, Markets and Securities Regulation Department

Philippine Stock Exchange, Inc.
Tower One and Exchange Plaza, Ayala Triangle,
Ayala Avenue, Makati City, Philippines

Attention: Mr. Jose Valeriano B. Zuño III
OIC – Head, Disclosure Department

Subject: Notice of Award from the City of Ilagan Water District

Gentlemen:

Please be informed that Manila Water Company, Inc. ("Manila Water") and its wholly-owned subsidiary, Manila Water Philippine Ventures, Inc. (MWPV), (collectively the "Consortium") received today the Notice of Award (the "Notice") from the City of Ilagan Water District (CIWD) for the implementation of the joint venture project for the development, financing, operation, and management of a raw water source, provision of bulk water supply with system expansion, and the development of septage management in the City of Ilagan, Isabela (the "Project").

Upon completion of the conditions precedent specified in the Notice, the Consortium and the CIWD shall enter into a joint venture agreement to establish a joint venture corporation that will implement the Project. Consequently, the joint venture corporation will enter into a Bulk Water Sales and Purchase Agreement and Septage Management Agreement with the CIWD.

The bulk water component of the Project has an estimated capital expenditure program of over PhP 600 million, and the bulk water supply facilities, when completed and operational by 2020, shall supply treated bulk water to the CIWD of up to 30 million liters per day (MLD). On the other hand, the septage management component of the Project will be operational by 2021 with a capital expenditure program of almost PhP 200 million.

Manila Water undertakes to provide the Exchange with further developments regarding this transaction.

Very truly yours,

SOLOMON M. HERMOSURA
Corporate Secretary