January 25, 2019

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

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

Philippine Stock Exchange, Inc.
PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: Notice to Proceed from the Municipality of Manaoag, Province of Pangasinan

Gentlemen:

Please be informed that Manila Water Philippine Ventures, Inc. (MWPV), a wholly-owned subsidiary of Manila Water Company, Inc. ("Manila Water"), received a Notice to Proceed from the Municipality of Manaoag, Province of Pangasinan ("Municipality of Manaoag"), granting MWPV a franchise, through Manaoag Ordinance No. 09, Series of 2018, for the provision and improvement of the water supply operation, maintenance, management, financing and expansion, and the provision of septage management in the Municipality of Manaoag (the "Project").

The Municipality of Manaoag is a first-class municipality in the 4th District of Pangasinan, with a total of 26 barangays, and with a land area of 55.95 square kilometers. The franchise granted to MWPV shall be for a term of 25 years, excluding 2 years of construction, with an assumed billed volume of 9 million liters per day by the end of the franchise period. The project has an estimated capital expenditure of over PhP588.6 million and is expected to be operational by 2020.

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

Very truly yours,

[Signature]

Gerardo M. Lobo II
Assistant Corporate Secretary