

June 12, 2007

Atty. Roberto San Jose
Corporate Secretary, PNOC EDC
The Valero Tower, 122 Valero St.
Salcedo Village, Makati
Fax: 819-2724

Dear Atty. San Jose:

In a number of countries around the world, the International Finance Corporation (IFC) is helping State-Owned Enterprises (SOEs) build up commerciality by improving their governance practices towards sustainable governance practices. IFC's direct work with client companies from more than 80 countries on board practices, shareholder rights, the internal control environment, and transparency and disclosure gives us expertise, network and knowledge to be a leader in the area of corporate governance in emerging markets.

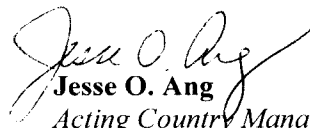
In light of the recent memorandum from the Philippine government expressing its commitment to improving corporate governance for Government Owned and Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs) and to exhibit our strong commitment towards supporting such an initiative, IFC is sponsoring a half-day interactive seminar and workshop on Corporate Governance for SOEs.

We would like to invite you to a morning session on **July 2, 2007, 8:00 am** at the **Dasmariñas Room, InterContinental Hotel Manila, Edsa corner Ayala Avenue, Makati City**, where we will have an interactive morning workshop on IFC's approach towards the Corporate Governance of SOEs.

Following this morning event, we would like to invite the Board of Directors of PNOC-EDC and selected senior officers to attend an IFC-sponsored half-day workshop on Corporate Governance dedicated specifically to your group. The special PNOC-EDC Governance module will start with lunch at **12:30 pm and continue until 5:30 pm at the Bel Air+North Forbes Room, InterContinental Hotel Manila**, where we will conduct interactive discussions on specific concerns and issues the Board may have as an SOE on the threshold of privatization.

Ms. Karen Villalobos will telephone your office in the next day or so to provide you with further information. We sincerely hope that you will be able to attend the event and give us the chance to share with you some ideas as we endeavor to assist you in your efforts for improved corporate governance. Attached is a tentative program for the event.

Sincerely,


Jesse O. Ang
Acting Country Manager
Philippines & Thailand

cc: Mr. Antonio Cailao, *Chairman*, PNOC-EDC, Fax 893-3343
Mr. Paul Aquino, *President*, PNOC-EDC, Fax 840-1445
Atty. Mike Medado, *General Counsel*, PNOC-EDC, Fax 840-2332/840-3031