

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS**

**OF**

**PNOC ENERGY DEVELOPMENT CORPORATION**

Held at Building 5, Energy Center, Merritt Road  
Fort Bonifacio, Taguig City  
on June 10, 2008 at 2:00 p.m.

**CALL TO ORDER**

The Chairman, Mr. Oscar M. Lopez, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Roberto V. San Jose, recorded the proceedings.

**PROOF OF NOTICE AND CERTIFICATION OF QUORUM**

The Corporate Secretary reported that notice of the meeting has been sent to all the stockholders as provided in the By-Laws.

The Corporate Secretary announced that there were present, in person and by proxy, stockholders owning or representing at least 17,727,899,984 common shares or 79% of the outstanding capital stock. (The list of attendees and proxies is available at the office of the Corporation). He therefore certified that there was a quorum for the transaction of business.

**APPROVAL OF PREVIOUS MINUTES**

The next item for business was the approval of the minutes of the previous meeting of the stockholders held on June 14, 2007, copies of which had been earlier distributed to the stockholders.



Upon motion duly made and seconded, the reading of the minutes of the previous annual stockholders' meetings was dispensed with and the same were approved by stockholders representing 17,613,802,874 common shares or 99.36% of stockholders present and represented at the meeting. The Corporate Secretary noted that stockholders representing 48,771,000 common shares abstained on the motion.

## **ANNUAL REPORT**

The next matter on the agenda was the Annual Report of Management to the stockholders. The President and Chief Executive Officer, Mr. Paul A. Aquino, presented the management report, copies of which had been previously distributed to the stockholders together with the audited financial statements as of the year ended December 31, 2007. After the report, questions were entertained from the floor.

After the discussion, on motion made and duly seconded, the Annual Report of Management as presented by the President, as well as the Company's financial statements as of December 31, 2007, were duly noted by stockholders representing 17,613,802,874 common shares or 99.36% of stockholders present and represented at the meeting. The Corporate Secretary noted that no stockholders registered their objections while 48,771,000 common shares abstained on the motion.

## **RATIFICATION OF CORPORATE ACTS**

The Chairman stated that he would entertain a motion for the ratification of the acts of the Board of Directors, officers and management of the Corporation from the last annual stockholders' meeting to date.

Whereupon, on motion made and duly seconded, the stockholders representing 17,635,428,274 common shares or 99.48% of the stockholders present and represented at the meeting, approved the following resolutions:

**Resolution No. 1, Series of 2008**

**RESOLVED**, that all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Company from the date of the last annual stockholders' meeting up to the present be, as they are hereby, ratified and confirmed.

The Corporate Secretary noted that stockholders representing 7,138,600 common shares registered their objections while 20,007,000 common shares abstained on the motion.

**APPROVAL OF CHANGE IN CORPORATE NAME**


The next matter on the agenda was the proposal to amend the Company's name, thereby amending the Company's Articles of Incorporation. In view of the divestment by the Philippine National Oil Company (PNOC) of its shares in the Company, and in accordance with the requirement imposed by PNOC that after such divestment, the Company should delete "PNOC" from the Company's corporate name, Management recommended a change of name, from PNOC Energy Development Corporation, to **Energy Development Corporation**.

Whereupon, on motion made and duly seconded, the following resolutions were proposed for approval:

**Resolution No. 2, Series of 2007**

**RESOLVED**, that the name of the Corporation be changed from "PNOC Energy Development Corporation" to "**Energy Development Corporation**" and that the First Article of the Articles of Incorporation be amended accordingly;

**RESOLVED, FURTHER**, That the directors and officers of the Corporation, acting singly or jointly, be, as they are hereby empowered, authorized and directed to sign, execute, deliver and file the necessary certifications, documents and papers with the Securities and Exchange Commission and other government



agencies, and to perform any and all acts necessary or appropriate to implement the foregoing resolution.”

The Chairman inquired from the stockholders present whether there were any objections from the floor. There being none, the Chairman announced that the foregoing resolutions were approved.

The Corporate Secretary noted that stockholders representing 17,642,556,874 shares or 78.41% of the outstanding capital stock voted in favor of the change in name; that no stockholders registered their objections to the proposed increase in authorized capital stock; and that proxies representing 20,007,000 common shares or approximately 0.09% of the outstanding capital stock registered its abstention.

#### ***AMENDMENT OF BY-LAWS***

The next item was the proposal to amend the By-Laws to provide for the procedure and requirements for the nomination and election of Independent Directors in compliance with SRC Rule 38 of the Implementing Rules and Regulations of the Securities and Regulation Code. It was explained that the Securities and Exchange Commission is requiring publicly listed companies such as the Company, to include in its By-Laws the procedure and requirements for the nomination and election of Independent Directors.

Whereupon, on motion made and duly seconded, the stockholders representing 17,466,224,920 common shares or 77.63% of the stockholders present and represented at the meeting, approved the following resolutions:

#### **Resolution No. 3, Series of 2008**

“RESOLVED, that the Corporation’s By-laws be amended to include the following provision, to be known as Article IV, Section 7:

Article IV, Section 7. ‘That in the nomination and election of Independent Directors, the provisions of

SRC Rule 38 of the Implementing Rules and Regulations of the Securities Regulations Code, and such other rules and regulations as the Securities and Exchange Commission may from time to time promulgate, shall be observed."

subject to such changes or modification as may be required by the Securities and Exchange Commission, and in this connection, the proper corporate officers be, as they hereby are, authorized and empowered to sign, execute and deliver such documents and take such actions as may be necessary or reasonable to implement the foregoing amendment."

The Corporate Secretary noted that stockholders representing 176,348,954 common shares registered their objections while 20,000,000 common shares abstained on the motion.

#### **ELECTION OF DIRECTORS**

The next matter on the agenda was the election of the members of the Board of Directors of the Corporation. The Chairman announced that the table was open for nominations and the following were nominated:

##### For Regular Directors

1. OSCAR M. LOPEZ
2. PAUL A. AQUINO
3. PETER D. GARRUCHO, JR.
4. FEDERICO R. LOPEZ
5. ERNESTO B. PANTANGCO
6. FRANCIS GILES B. PUNO
7. JONATHAN C. RUSSELL
8. RICHARD B. TANTOCO

##### And for Independent Directors

9. FRANCIS G. ESTRADA

*Handwritten mark*

10. VICENTE S. PEREZ, JR.
11. ERIC O. RECTO

Thereafter, it was moved, seconded and unanimously resolved to close the nominations. There being only eleven (11) nominees, to the eleven (11) directors' seats, the Chairman declared them to be the duly elected directors of the Corporation for the current term and until their successors shall have been elected and qualified as provided in the By-Laws.

#### **APPOINTMENT OF EXTERNAL AUDITOR**

The next item is the appointment of the Corporation's external auditor.

Whereupon, on motion made and duly seconded, the stockholders representing 17,582,097,686 common shares or 99.18% of the stockholders present and represented at the meeting, approved the following resolutions:

#### **Resolution No. 5, Series of 2008**

**"RESOLVED**, that the auditing firm SyCip Gorres Velayo & Co. be reappointed as the Company's external auditor for the current year."

The Corporate Secretary noted that no stockholders registered their objections while 80,476,188 common shares abstained on the motion.

#### **OTHER MATTERS**

##### ***Subsidiaries/Corporate Guarantees***

On other matters, Management requested the stockholders to confirm the authority of the Board to establish wholly-owned subsidiaries and special purpose vehicles in furtherance of the Company's primary purpose of power



generation, as well as to issue guarantees in favor of these subsidiaries. The President explained that the establishment of wholly-owned subsidiaries to undertake specific projects is desirable to facilitate the management and administration of such projects, to limit liabilities of the corporation, and allow the possible entry of equity partners in such projects. Such special purpose vehicles can then obtain credit or financing through the issuance by the Company of guarantees, instead of the Company directly undertaking the projects.

Whereupon, on motion made and duly seconded, the stockholders representing 14,521,293,078 common shares or 81.91% of the stockholders present and represented at the meeting approved the following resolutions:

**Resolution No. 6, Series of 2007**

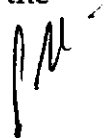
**“RESOLVED**, that the Board of Directors be authorized to organize and create subsidiaries or special purpose vehicles in furtherance of the Company’s primary purpose;

**RESOLVED FURTHER**, that the Company be authorized to issue guarantees and/or sureties for the obligations of such subsidiaries or special purpose vehicles in furtherance of the Company’s primary purpose, under such terms and conditions as the Board of Directors may deem to be beneficial to the Company.”

The Corporate Secretary noted that proxies representing 2,816,406,458 common shares or approximately 15.89% of the stockholders present and represented at the meeting registered their abstention on any matter taken up under “Other Matters”.

***Stock Option Plan***

Management also proposed to establish a stock option and/or purchase plan for the Company’s directors, officers and employees, in order to give proper incentives to such persons. For this purpose, since the entire authorized capital stock of the Company has been fully issued, the Company will buy back from the market the shares necessary to implement the plan. In this regard, the



stockholders were requested to authorize the Board of Directors to finalize the terms and conditions of such plan and its implementation.

Whereupon, on motion made and duly seconded, the stockholders representing 14,521,293,078 common shares or 81.91% of the stockholders present and represented at the meeting approved the following resolutions:

**Resolution No. 7, Series of 2008**

**"RESOLVED**, that the Board of Directors be authorized to create a stock option plan covering the directors, officers and employees of the Company, finalize its terms and conditions, and authorize its implementation, including the purchase from the market of shares and its reissuance or disposition under the plan."

The Corporate Secretary noted that proxies representing 2,815,680,270 common shares or approximately 15.88% of the stockholders present and represented at the meeting registered their abstention on any matter taken up under "Other Matters".

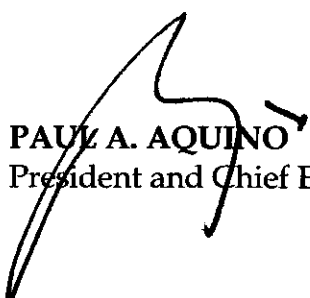
**ADJOURNMENT**

There being no further business to transact on motion duly made and seconded, the meeting was adjourned.

  
**ROBERTO V. SAN JOSE**  
Corporate Secretary

ATTESTED:

  
**OSCAR M. LOPEZ**  
Chairman of the Stockholders' Meeting

  
**PAUL A. AQUINO**  
President and Chief Executive Officer