

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

OF

ENERGY DEVELOPMENT (EDC) CORPORATION

Held at Building 5, Energy Center, Merritt Road
Fort Bonifacio, Taguig City
on June 30, 2009 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 18,230,100,359 common and preferred shares or 81.36% 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 10, 2008, 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.

ANNUAL REPORT

The next matter on the agenda was the Annual Report of Management to the stockholders. The Chairman delivered his message to the stockholders. Then 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, 2008. 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, and the Company's financial statements as of December 31, 2008, were duly noted by stockholders.

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 present and represented at the meeting, approved the following resolution:

Resolution No. 1, Series of 2009

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 646,075,795 common shares registered their objections by proxy while 1,614,816,800 common shares abstained on the motion by proxy.

***APPROVAL OF INCREASE IN CAPITAL STOCK BY WAY OF A 25%
COMMON STOCK DIVIDEND AND SUBSCRIPTION BY THE PREFERRED
SHAREHOLDERS TO THE EXTENT OF 25% OF THE INCREASE IN
PREFERRED SHARES***

The next matter on the agenda was the proposal to increase the authorized capital stock from Php 15.075 Billion to Php 30.150 Billion thereby amending the Articles of Incorporation.

The President explained that the proposed increase in capital stock is intended to create unissued shares, which will give the Company flexibility to consider an equity issue for its future funding requirements. As a prudent measure going forward, the Company should not be totally reliant on debt financing because debt capital markets can once again tighten, as they have done in the recent past.

The increase in authorized capital stock will be implemented by way of a 25% common stock dividend and subscription by the preferred stockholders to the extent of 25% of the increase in preferred shares. To implement the proposed increase and maintain the same proportion of stockholdings as of the stock dividend record date, the Company also requests that the stockholders approve an amendment to the Articles of Incorporation denying the preemptive right to subscribe to the initial common shares to be issued by virtue of the 25% common stock dividend, and the preferred shares to be subscribed by the existing preferred stockholders to the extent of 25% of the increase in preferred shares. The stockholders were informed that no fractional shares shall be issued and the value of any fractional shares shall be paid to the stockholder in cash at the closing price of the EDC shares on the record date. The total number of fractional shares shall be subscribed by the EDC Retirement Fund and/or the Trust for the

EDC Executive/Employee Stock Ownership Plan, if necessary, in order to comply with the minimum 25% subscription requirements for the increase in authorized capital stock.

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

Resolution No. 2, Series of 2009

RESOLVED, that the authorized capital stock of Energy Development Corporation (the "Corporation") be, as it hereby is, increased from P15,075,000,000.00 divided into 15,000,000,000 common shares with a par value of P1.00 per share, or an aggregate par value of P15,000,000,000.00, and 7,500,000,000 preferred shares with a par value of P0.01 per share, or an aggregate par value of P75,000,000.00, to P30,150,000,000.00, divided into 30,000,000,000 common shares with a par value of P1.00 per share, or an aggregate par value of P30,000,000,000.00 and 15,000,000,000 preferred shares with a par value of P0.01 per share, or an aggregate par value of P150,000,000.00; PROVIDED that the increase in the authorized capital stock shall be effected through the declaration of a 25% stock dividend in the outstanding common shares, and the subscription by the preferred stockholders as of record date of the common stock dividend declaration, to 25% of the increase in the preferred shares at par value, in order to maintain the proportion of the stockholdings as of the stock dividend record date, and that accordingly, the SEVENTH Article of the Articles of Incorporation shall in part read, as follows;

'SEVENTH: That the authorized capital stock of the Corporation is Pesos: Thirty Billion One Hundred Fifty Million (Php30,150,000,000.00) in lawful money of the Philippines, divided into: Thirty Billion (30,000,000,000) common shares (the "Common Shares") with a par value of One Peso (Php1.00) per share, or an aggregate par value of Pesos: Thirty Billion (Php30,000,000,000.00);

Fifteen Billion (15,000,000,000) preferred shares (the "Preferred Shares") with a par value of 1/100 Peso (Php0.01) per share, or an aggregate par value of Pesos: One Hundred Fifty Million (Php150,000,000.00);

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No stockholder shall have any preemptive right to subscribe to the initial common shares to be issued (by virtue of the 25% stock dividend) and the preferred shares to be subscribed by the existing preferred stockholders (to the extent of 25% of the preferred shares of the increase), to effect the capital increase from P15,075,000,000.00 to P30,150,000,000.00 as above set forth.'

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RESOLVED FURTHER, that such common stock dividend shall be paid out of the Corporation's unrestricted retained earnings as of December 31, 2008, and that the Corporation's President is hereby authorized to fix the record and payment dates for the common stock dividend in consultation with the Securities and Exchange Commission and Philippine Stock Exchange;

"RESOLVED FURTHER, that no fractional shares shall be issued and the value of any fractional shares shall be paid to the stockholder in cash at the closing price of the EDC shares as of the record date; Provided that the total number of fractional shares shall be subscribed by the EDC Retirement Fund and/or Trust for the EDC Executive/Employee Stock Ownership Plan, if necessary, in order to complete and comply with the minimum 25% subscription requirement for the increase in authorized capital stock;

RESOLVED, FINALLY, that the proper officers of the Corporation be, as they hereby are, authorized and directed, to execute, file and submit all required documents that the Securities and Exchange Commission, Philippine Stock Exchange and other offices may require, and to do all acts or things as may be required or necessary to implement the above stock divided declaration, increase in authorized capital stock and amendments to the

Articles of Incorporation, as well as the registration or exemption, and listing of such shares."

The Chairman inquired from the stockholders present whether there were any objections from the floor. After the questions were appropriately answered, the Chairman announced that the foregoing resolutions were approved.

The Corporate Secretary noted that stockholders representing at least 18,101,339,859 shares or 80.78% of the outstanding capital stock voted in favor of the increase in authorized capital stock; that stockholders representing 84,878,000 shares registered their objections by proxy to the proposed increase; and that proxies representing 43,472,000 common shares registered its abstention by proxy.

APPROVAL OF DENIAL OF PREEMPTIVE RIGHT IN RELATION TO THE ISSUANCE AND/OR REISSUANCE OF COMMON SHARES PURSUANT TO ANY OF THE COMPANY'S EXECUTIVE/EMPLOYEE STOCK OWNERSHIP PLANS, PROVIDED THAT SUCH DENIAL OF PREEMPTIVE RIGHT SHALL NOT EXCEED 4% OF THE ISSUED COMMON CAPITAL

The next item was the proposal to amend the Seventh Article to include a denial of preemptive right in relation to any of the Company's Executive/Employee Stock Ownership Plans.

The stockholders were reminded that in the last annual stockholders' meeting, Management was authorized to adopt a stock option plan covering the directors, officers and employees of the Company, which is now referred to as the EDC Executive/Employee Stock Ownership Plan. Considering that the Company's authorized capital stock has been fully issued, the stockholders authorized Management to buy back from the market its common shares so that shares will be available to implement the Plan.

It was explained that to carry out such awards under the Plan, the reissuance of shares from Treasury or the issuance of shares out of the increase in the authorized capital stock just approved by the stockholders, requires a waiver

of the stockholders' preemptive rights. In this regard, the Company requested the stockholders to approve an amendment to the Seventh Article that would insert a denial of preemptive right in relation to the issuance and/or reissuance of common shares pursuant to any of the Company's Executive/Employee Stock Ownership Plans, provided that such denial of preemptive right shall not exceed 4% of the issued common capital stock.

Whereupon, on motion made and duly seconded, the stockholders representing 17,862,425,998 common shares or 79.72% of the outstanding capital stock approved the following resolution:

Resolution No. 3, Series of 2009

RESOLVED, that the following provision be incorporated in the SEVENTH Article of the Articles of Incorporation to deny any pre-emptive rights to shareholders in relation to the issuance and/or reissuance of common shares pursuant to any of the Company's Executive/Employee Stock Ownership Plans previously authorized by the stockholders, and provided that such denial of preemptive right shall not exceed 4% of the issued common capital stock:

'Furthermore, no stockholder shall, by reason of his ownership of shares, have a preemptive right to subscribe to any issuance or reissuance of common shares pursuant to any of the Corporation's executive/employee equity plans; Provided, that such denial of preemptive right shall be limited to 4% of the issued common capital stock.'

The Corporate Secretary noted that stockholders representing 323,791,861 common shares registered their objections by proxy while 43,472,000 common shares abstained by proxy on the motion.

APPROVAL OF CHANGE IN PLACE OF PRINCIPAL OFFICE

The next item on the agenda was a proposal to change the Corporation's place of principal office. Due to a change in the political territories of the Cities of Makati and Taguig, the place where the Company's head office is currently located is no longer part of Makati City, as stated in the Articles of Incorporation, but Taguig City. Also in view of the impending sale of this property to the Philippine National Oil Company, the Company may eventually move its head office to another location. For flexibility in determining the location of the head office, Management is requesting the stockholders to approve the change in the Company's place of principal office from Makati City to Metro Manila or a particular location therein, as may be determined by the Board of Directors and approved by the Securities and Exchange Commission.

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting, approved the following resolution:

Resolution No. 4, Series of 2009

"RESOLVED, that the Company's place of principal office be changed to Metro Manila or a particular location therein as the Board of Directors may determine, and that the Company's Articles of Incorporation and By-laws be amended accordingly.

RESOLVED, FURTHER, that the Board be, as it hereby is, authorized and empowered to adopt such resolutions on the location of the principal office as may be necessary to comply with the requirements of the Securities and Exchange Commission for the amendment of this Article of the Articles of Incorporation on the location of its principal office."

**APPROVAL OF AMENDMENT TO THE BY-LAWS TO ALLOW
STOCKHOLDERS MEETINGS TO BE HELD OUTSIDE THE PRINCIPAL
OFFICE PREMISES AND WITHIN METRO MANILA**

The next matter in the agenda was proposal to amend the By-Laws to allow stockholders' meetings to be held outside the principal office premises but

within Metro Manila. The By-laws currently require that stockholders' meetings shall be held at the principal office. The proposed amendment will give the Company flexibility in selecting a venue more convenient for stockholders to attend meetings.

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting, approved the following resolution:

Resolution No. 5, Series of 2009

"RESOLVED, that Article II, Sections (1) and (2) of the Corporation's By-laws be amended to state that stockholders' meetings shall be held at the principal office of the Corporation or any place within Metro Manila as the Board may determine.

APPROVAL OF AMENDMENT TO THE BY-LAWS TO REQUIRE STOCKHOLDERS TO SUBMIT THEIR RESPECTIVE PROXIES TO THE COMPANY AT LEAST 10 CALENDAR DAYS BEFORE A STOCKHOLDERS' MEETING

The next matter in the agenda was the proposal to amend the By-Laws to conform with the requirement of the Securities Regulation Code requiring proxies to be submitted to the Company at least 10 calendar days before a stockholders' meeting.

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting, approved the following resolution:

Resolution No. 6, Series of 2009

"RESOLVED, that Article II, Section (7) of the Corporation's By-laws be amended to require that all proxies should be in the Office of the Corporate Secretary at least 10 calendar days before the meeting.

APPROVAL OF AMENDMENT TO THE BY-LAWS TO SEPARATE THE OFFICES OF THE PRESIDENT AND THE CHIEF EXECUTIVE OFFICER

The next matter in the agenda was the proposal to amend the By-Laws to separate the offices of the President and the Chief Executive Officer. The proposed amendment will allow the Board to elect a chief executive who may be an officer other than the President, thereby giving Management more flexibility.

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting, approved the following resolution:

Resolution No. 7, Series of 2009

"RESOLVED, that Article IV, Section (4) of the Corporation's By-laws be amended to separate the office of the President from the chief executive function and delete any reference that the Chief Executive Officer shall be the President.

APPROVAL OF AMENDMENT TO THE BY-LAWS RELATING TO THE QUALIFICATIONS, DISQUALIFICATIONS, NOMINATION AND ELECTION OF DIRECTORS

The next matter in the agenda was the proposal to amend the By-Laws to include provisions on the qualification, disqualification, nomination and election of directors.

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting, approved the following resolution:

Resolution No. 8, Series of 2009

"RESOLVED, that Articles IV of the Corporation's By-laws be amended by including under a new Section 2, the provisions on the qualifications, disqualifications, nomination and election of directors previously adopted in the

Company's Corporate Governance Manual and
Nominations and Compensation Committee Charter;

RESOLVED FURTHER, that the original Section 2 of Article IV of the By-laws be re-numbered as Section 3, and the succeeding sections be adjusted accordingly."

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. ELIPIDIO L. IBANEZ
5. FEDERICO R. LOPEZ
6. ERNESTO B. PANTANGCO
7. FRANCIS GILES B. PUNO
8. JONATHAN C. RUSSELL
9. RICHARD B. TANTOCO

And for Independent Directors

10. FRANCIS G. ESTRADA
11. VICENTE S. PEREZ, JR.

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. The Chairman announced that the independent directors are Francis G. Estrada and Vicente S. Perez, Jr.

APPOINTMENT OF EXTERNAL AUDITOR

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

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting, approved the following resolutions:

Resolution No. 10, Series of 2009

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

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