



GAIA SOUTH INC

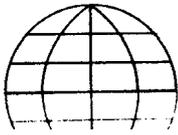
GAIA SOUTH, Inc. is an environmental consulting company that friends formed when they left government service in 1992. The original incorporators did not stay long in the company, however. Ms. Elisea Gozun left because she was engaged by the World Bank on a personal consultancy which lasted several years. Mr. Rene de Rueda had to resign because he joined the Foundation for the Philippine Environment as Deputy Executive Director, a full time engagement.

A second group of former co-workers joined GAIA SOUTH, Inc. after the initial incorporation. Of this group, Dr. Rolando Metin left when he formed another consulting company. Mr. Ronald Hector Villanueva remains as Vice President but is now on study leave abroad. Mr. Ebert Bautista remains, and is now President and Chief Executive Officer of the company.

Atty. Fulgencio S. Factoran, Jr. remains as Chairman of the Board of Directors.


JOSEPH JASON M. NATIVIDAD
Corporate Secretary

Makati City
16 September 2003

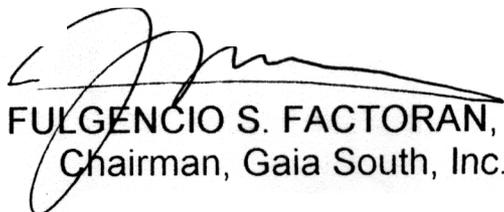


GAIA SOUTH, INC. STATEMENT

Atty. Juliano Nacino, has made accusations against Secretary Elisea Gozun in apparent retaliation for his having been replaced as Chief of the Legal Service of the DENR by President Gloria M. Arroyo. Like his former boss, Secretary Heherson Alvarez, Atty Nacino cannot accept dismissal with the equanimity that may be expected of a mature person that he already is. Instead he lashes out blindly. But Nacino does not have a lock on that position. He was not even a career official – he was a mere political appointee himself.

As his baseless charges demonstrate, he is not even a good lawyer. It is basic in corporation law that to find out who are the stockholders and officers of a corporation, one consults with the filings at the Securities and Exchange Commission. Had he done what any fledging lawyer would have done, he would have found out that since 1994, Mrs. Gozun was no longer part of Gaia South, Inc.

But Atty. Nacino need not despair. If he would bother to send me his bio-data, I might be able – for the sake of a past friendship, to recommend him to a position in the private sector where legal brilliance would not be a requirement.



FULGENCIO S. FACTORAN, Jr.
Chairman, Gaia South, Inc.

Makati City
September 16, 2003