March 16, 2015

**MS. MARIETTA T. CASANOVA**

Manager

Corporate Sales

Philippine Airlines

Dear Ms. Casanova:

Good day!

We submit this letter of intent to formally request Philippine Airlines (PAL) to approve the corporate line applications for our two Companies’ domestic and international flight requirements. We have been using travel agencies to book flights with PAL and we desire to directly deal with PAL considering our increasing flight requirements and airfare expenses.

**Trans-Asia Oil and Energy Development Corporation** **(TA)** is the Parent Company (100%) of Trans-Asia Power Generation Corporation which already has a credit line with PAL. It was established by Philippine Investment Management ([PHINMA](http://www.phinma.com.ph/)) Inc. on September 8, 1969 in line with PHINMA’s vision to create a vehicle for building the nation’s economy through self-reliance in energy. TA is engaged primarily in power generation and supply with secondary investments in petroleum exploration, development and production. TA has been listed in the Philippine Stock Exchange since Jan 5, 1970 and has a market capitalization of almost P11 billion as of end February 2015. TA’s subsidiaries also include CIP II Power Corporation, One Subic Power Generation Corporation, Trans-Asia Petroleum Corporation (also listed in the PSE as “TAPET”) and Palawan55 Exploration & Production Corporation. It owns 50% of South Luzon Thermal Energy Corporation (a joint venture with Ayala’s AC Energy Holdings) and 25% of Maibarara Geothermal, Inc. (a joint venture with PetroGreen Energy Corp and PNOC Renewables Corp.

Aside from TA, we would like to request for the approval of a corporate line for **Trans-Asia Renewable Energy Corporation (TAREC),** another wholly owned subsidiary of TA. TAREC is operating a 54-MW wind farm in the province of Guimaras and holds a portfolio of wind sites across Luzon and the Visayas with a total estimated potential capacity of over 400 megawatts. TAREC plans to explore the country in searching for various energy resources and have been awarded Service Contracts by the Department of Energy.

The above-mentioned companies continue to expand their operations and we hope that we may count on PAL in seeing these plans progress.

In consideration of the business that TA and its subsidiaries have transacted with PAL, albeit through travel agencies, and the increasing business that TA foresees in the future, we also request PAL to waive the requirement of posting a Cash bond.

We look forward to your approval of our applications.

Thank you.

Very truly yours,

**(Art can sign this if he is available)**

Trans-Asia Oil and Energy Development Corporation

Trans-Asia Renewable Energy Corporation