17 March 2015

**MS. MARIETTA T. CASANOVA**

Manager

Corporate Sales

Philippine Airlines

Dear Ms. Casanova:

This is to formally request for the approval of the corporate line applications of our Company, **Trans-Asia Oil & Energy Development Corporation (TA-Oil)**, and its wholly-owned subsidiary, **Trans-Asia Renewable Energy Corporation (TAREC)**. While another affiliate, Trans-Asia Power Generation Corporation (TA-Power), has already established a credit line with your good Office, both TA-Oil and TAREC are still currently using travel agencies to book local and international flights.

Publicly listed in the PSE since 1970, TA-Oil was established on September 8, 1969 and is the energy arm of Philippine Investment Management (PHINMA) Inc. TA-Oil is engaged primarily in power generation and electricity supply with secondary investments in petroleum exploration, development and production. Apart from its investments here in the country, TA-Oil is also looking at various opportunities to expand internationally.

Serving as the renewable energy vehicle of TA-Oil, TAREC owns and operates a 54MW wind farm in the province of Guimaras. TAREC holds a portfolio of wind sites throughout Luzon and Visayas with a total estimated potential capacity of over 400MW and is currently exploring various renewable energy resources throughout the country as well.

TA-Oil’s other subsidiaries are 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. TA-Oil also 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 Petro Green Energy Corp and PNOC Renewable Corp).

With the growing domestic and international air-travel requirements of TA-Oil and TAREC, we intend to directly deal with PAL to not only improve our costs but also establish a mutually beneficial relationship with your good Company. We trust that you find our credit line applications in order and, in addition, favourably extend to us the waiver of the Cash bond posting requirement.

Hoping for your kind consideration on the matter.

Very truly yours,

**Arthur R. Villacorte**

Department Head

Materials Management Department

Trans-Asia Oil and Energy Development Corporation

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 Petro Green Energy Corp and PNOC Renewable 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,

**Arthur R. Villacorte**

Purchasing Manager

Trans-Asia Oil and Energy Development Corporation

Trans-Asia Renewable Energy Corporation