

**Trans-Asia Oil
and Energy Development Corporation**
A PHINMA Company

HELP EARTH
Harnessing Energy Literacy for Planet EARTH



9 November 2012

THE PHILIPPINE STOCK EXCHANGE, INC

Phil. Stock Exchange Centre, Exchange Road
Ortigas Center, Pasig City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

This is to remind the investing public that Trans-Asia Oil and Energy Development Corporation (“the Company”) is conducting a Rights Offer of up to 1,415,002,816 common shares with a par value of ₱1.00 each on a pre-emptive basis to holders of common shares in the capital stock of the Company as of November 7, 2012 at an offer price of ₱1.00 per Offer Share.

In addition, the Company also has the option to offer an additional 212,250,422 common shares to meet additional demand from Eligible Shareholders (the “Overallotment Option”).

In this regard, each Eligible Shareholder shall have the right to:

- 1) Subscribe to one (1) Rights Share for every two (2) existing common shares held by them as of the Record Date; and
- 2) Subscribe to additional shares over and above their respective Rights Entitlement (“Excess Subscription”).

However, there can be no guarantee made as to the number of Excess Subscriptions an Applicant may be allocated. In the event that the Overallotment Option is not enough to satisfy the Excess Subscriptions, entitlements to the Overallotment will be based on such allocation principles as may be determined by the Company. These allocation principles may include, but shall not be limited to:

- 1) pro-rata allocation based on the ratio of the existing Shareholder’s Excess Subscription to the aggregate Excess Subscription; or
- 2) pro-rata allocation based on the proportion that existing shares owned by the Eligible Shareholder (as of Record Date) bears to the total outstanding capital stock of the Issuer as of Record Date,

but subject always to the discretion of the Company.

Rights Shares will be issued from the increase in authorized capital stock of the Company and will be listed on the Philippine Stock Exchange.

The Rights Offer will commence on November 14, 2012 and end on November 20, 2012.

The Company intends to use the proceeds from the Offer to partially finance its advances and/or equity investment in:

- 1) a 54MW wind energy project in San Lorenzo, Guimaras;
- 2) a planned second 135MW unit of the coal-fired power plant in Calaca, Batangas; and
- 3) potential investments in other power project opportunities, including privatizations of NAPOCOR and PSALM.

Thank you for your continued trust and confidence in Trans-Asia Oil and Energy Development Corporation.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Mariejo W", is positioned above the printed name.

MARIEJO P. BAUTISTA
VP - Controller

TERMS OF THE OFFER

Issuer..... Trans-Asia Oil and Energy Development Corporation (TA)

The Rights Offer..... The Rights Offer shall comprise:

- (i) a Rights Offer of 1,415,002,816 primary common shares (Rights Shares or Rights Shares) offered to Eligible Shareholders on a pre-emptive basis.
- (ii) an Overallotment Option, equivalent to 15% of the Rights Offer amount, exercisable in whole or in part by the Company, of up to an additional 212,250,422 primary Rights Shares to meet additional subscriptions from Eligible Shareholders. If the Overallotment Option is not enough to satisfy the Excess Subscriptions, entitlements to the Overallotment will be based on such allocation principles as may be determined by the Company. These allocation principles may include, but shall not be limited to:
 - (a) pro-rata allocation based on the ratio of the existing Shareholder's Excess Subscription to the aggregate Excess Subscription; or
 - (b) pro-rata allocation based on the proportion that existing shares owned by the Eligible Shareholder (as of Record Date) bears to the total outstanding capital stock of the Issuer as of Record Date, subject always to the discretion of the Company. There can be no guarantee made as to the number of Excess Subscriptions an Applicant may be allocated.

The Rights Shares and Overallotment Shares have a par value of ₱1.00 per share, and will be issued from the unissued shares resulting from the increase in the Company's authorized capital stock from 4,200,000,000 to 8,400,000,000 common shares. The Company's application for increase of authorized capital stock is currently pending with the SEC. The Rights Shares and Overallotment Shares shall rank equally in all respects with the existing Common Shares, including the right to receive all dividends or distributions made, paid or declared after a valid subscription agreement is perfected between the Company and a buyer as evidenced by the written acceptance by the Company of the application to subscribe (the "Application to Subscribe" or the "Application") of the buyer.

Offer Price..... ₱1.00 per Rights Offer Share. The Offer Price is equivalent to a 21.4% discount to the 10-day Volume Weighted Average Price ("VWAP") of the Company's Common Shares traded in the PSE as of October 29, 2012. The 10-day Volume Weighted Average Price of the Company's Common Shares for

this period is ₱1.2724

Offer Period.....	The Offer Period shall commence on November 14, 2012, at 9:00 a.m. and end on November 20, 2012 at 12:00 p.m., Manila time. The Company and the Underwriter reserve the right to extend or terminate the Offer Period with the approval of the PSE.
Eligible Stockholders.....	<p>The Rights Shares may be subscribed to by the stockholders of record of the Company as of November 7, 2012 on a pre-emptive rights basis</p> <p>Holders of Common Shares who are eligible to participate in the Rights Offer are: (i) holders located inside the Philippines, and (ii) holders located in jurisdictions outside the Philippines where it is legal to participate in the Offer under the securities laws of such jurisdiction (collectively, the "Eligible Shareholders"). However, due to the constitutional limit on foreign ownership of companies exploiting natural resources, the foreign shareholdings in the Company cannot exceed 40% of the issued and outstanding capital stock thereof. The Company reserves the right to reject or scale down Applications by foreign applicants if acceptance of such Applications will result in a violation of the Company's foreign ownership restrictions.</p>
Rights Entitlement.....	<p>Each Eligible Stockholder is entitled to subscribe to one (1) Rights Share for every two (2) Common Shares held as of the Record Date, prior to any change in the Rights Entitlement due to an exercise of the Overallotment Option. Any fractional shares shall be disregarded in the computation of the share entitlement of each shareholder.</p> <p>The offer process in relation to the Rights Entitlement shall also be known as the first round of the Offer.</p>
Minimum Subscription.....	Each Application must be for a minimum of one (1) Rights Share.
Additional Subscription.....	<p>Eligible Shareholders may apply for additional subscription of unsubscribed Rights Shares ("Additional Rights Shares") over and above their Rights Share entitlement.</p> <p>Should there be any unexercised Rights Entitlements resulting in unsubscribed Rights Shares at the end of the Offer Period, Eligible Shareholders who: (i) fully subscribed to their respective Rights Entitlements; and (ii) indicated in the Application their willingness to subscribe to Additional Rights Shares over and above their respective Rights Entitlements ("Additional Subscription"), may be allocated such Additional Rights Shares; provided that the Additional Rights Shares which may be allocated to such Eligible Shareholder shall not exceed the lower of: (i) the number of Additional Rights Shares indicated on the Application by the Eligible Shareholder as Additional Subscription; or (ii) such number of the unsubscribed Additional Rights Shares</p>

based on the percentage ownership of the Eligible Shareholder in the Issuer as of Record Date, and for this purpose, the percentage ownership of the Eligible Shareholder in the Issuer shall be the proportion that existing shares owned by the Eligible Shareholder bears to the total outstanding capital stock of the Issuer as of Record Date; and subject always to the discretion of the Issuer. There can be no guarantee as to the number of Additional Rights Shares an Applicant may be allocated.

The offer process in relation to the Additional Subscription shall also be known as the second round of the Offer.

After the Second Round of the Offer, the PHINMA Group, shall subscribe to any of the remaining unsubscribed Rights Shares (the “**First Rump Shares**”).

If for some reason, there are still remaining unsubscribed Rights Shares (the “**Second Rump Shares**”) despite: (i) the conduct of the First Round of Offer, (ii) the conduct of the Second Round of Offer; and (iii) the subscription of PHINMA Group to First Rump Shares, the Underwriter shall allocate the Second Rump Shares to Qualified Investors.

Any Rights Shares not taken up by Eligible Shareholders shall be taken up and distributed by Maybank ATRKE to any number of qualified buyers and/or nineteen or less investors. The Phinma Group, which owns about 55% of the existing issued and outstanding common shares of the Company, has committed to subscribe, not just to its own entitlement of Rights Shares, but also to any Rights Shares that will not otherwise be taken up by other qualified shareholders and/or qualified investors.

Application.....

Applications to subscribe to the Rights Shares must be received by the Receiving Agent during the Offer Period and not later than 12:00 noon of November 20, 2012 to Stock Transfer Service, Inc., the Receiving Agent, at their office at 34th Floor, Unit D, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. The Applications shall be accompanied by the full payment and the required attachments mentioned in the Application to Subscribe. For individual applicants, the Application to Subscribe must be accompanied by photocopies of any two valid government-issued IDs: SSS, GSIS, Driver’s License, Passport or PRC ID.

For corporate applicants, the Application to Subscribe must be accompanied by a notarized secretary’s certificate setting forth the resolutions of the Applicant’s Board of Directors or equivalent body authorizing the purchase of Rights Shares subject of this Application and designating the signatories for the purpose and their specimen signatures, and certifying the percentage of the Applicant’s capital or capital stock held by Philippine nationals.

If the applicant is a non-Filipino (individual shareholder or corporation, partnership or trust account), by accomplishing the Application, the applicant represents and warrants that the applicant's purchase of the Rights Shares will not violate the laws of their resident jurisdiction.

Applications received thereafter or without the required documents will be rejected. Applications shall be considered irrevocable upon submission, and shall be subject to the terms and conditions of the Offer as stated in the Prospectus and in the Application.

Payment of Shares.....	<p>Applicants must pay for the full subscription price of the Rights Shares upon submission of the Application.</p> <p>Applicants shall pay for the Rights Shares through a manager's check, corporate check, or personal check drawn against a bank account with any Bangko Sentral ng Pilipinas-authorized bank or any branch thereof with a local clearing facility. Checks should be dated as of the date of submission of the application, made payable to "TA Rights Offer", and crossed "Payee's Account Only". Applicants should submit their payments to the Receiving Agent not later than 12:00 p.m. on November 20, 2012.</p>
Record Date.....	November 7, 2012
Ex-Date.....	October 31, 2012
Tentative Listing Date.....	Subject to regulatory approvals, including approval by the SEC of the Company's increase in authorized capital stock from which the Rights Shares will be issued, all of the Rights Shares are expected to be listed on the PSE on or before November 27, 2012.
Underwriter.....	Maybank ATR Kim Eng Capital Partners, Inc.
Receiving Agent.....	Stock Transfer Service, Inc.
Transfer Agent	Stock Transfer Service, Inc.
Independent Auditor.....	SyCip Gorres Velayo & Co.
External Legal Counsel to the Issuer....	Migallos and Luna
Documentary Stamp Tax.....	All documentary stamp taxes applicable to the issuance of the Rights Shares shall be for the account of the Company.
Acceptance/Rejection.....	<p>The Company has full discretion to accept and reject all or a portion of any Application under the terms and conditions of the Rights Offer. An Application, once accepted, shall constitute an agreement between the Applicant and the Company for the subscription to the Rights Shares at the time, in the manner, and subject to the conditions set forth herein.</p> <p>Notwithstanding the acceptance of an Application by the Company, the actual subscription and sale of the Rights</p>

Shares to an Eligible Stockholder shall become effective only upon the listing of the Rights Shares on the PSE. If such condition is not fulfilled on or before the periods provided above, all application payments will be returned to the applicants without interest and, in the meantime, the said application payments will be held in a separate bank account with the Receiving Agent.


Refunds..... Refunds, in whole or in part, of payments for any Application or a portion thereof which has been rejected shall be made, without interest, within five (5) banking days after the end of the Offer Period. Each refund check shall be made out in favor of the Applicant and mailed, at Applicant's risk, to the address specified by the Applicant in the Application.

Registration of Foreign Investments..... BSP requires that investments in shares of stock funded by inward remittance of foreign currency be registered with the BSP if the foreign exchange needed to service capital repatriation or dividend remittance is to be sourced from the domestic banking system. The registration with the BSP of all foreign investments in the Rights Shares shall be the responsibility of the foreign investor.

Required Lodgment with PDTC Trading Participant..... The Rights Shares are required to be lodged with the PDTC. The Applicants must provide the required information in the space provided in the Application to affect the lodgement.

The Applicant may request for the upliftment of his/her Rights Shares and to receive stock certificates evidencing his/her investment in the Rights Shares through his/her broker after full payment and lodgment of the Rights Shares, in accordance with existing upliftment procedures. Any expense to be incurred in connection with such issuance of certificates shall be borne by the Applicant.

For Trans-Asia Oil and Energy Development Corporation:


Mr. Pythagoras L. Brion, Jr.
Senior Vice President & Chief Finance Officer


Ms. Mariejo P. Bautista
Vice President - Controller