



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

HELP EARTH
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21 April 2014

THE PHILIPPINE STOCK EXCHANGE, INC
Phil. Stock Exchange Centre, Exchange Road
Ortigas Center, Pasig City

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

Re: Philippine Daily Inquirer news article

Gentlemen:

This refers to your letter dated April 21, 2014, requesting confirmation and/or clarification of the news article entitled "Power to take up bulk of Phinma capex for 2014" published on April 21, 2014 at Inquirer.net. The article read as follows:

The Phinma Group has set a capital expenditure (capex) program of P11.8 billion for 2014, and much of it will be taken up by its flagship energy unit Trans-Asia Oil and Energy Development Corp.

Regina B. Alvarez, Phinma's SVP for Finance, told reporters that around P10.8 billion had been set aside for Trans-Asia. That is 91.5 percent of the group's budget pie. The rest of the capex, or P60 million, will be taken up by Union Galvasteel Corp.

This year, Trans-Asia is embarking on several projects with Trans-Asia Renewable Energy Corp. (Tarec) and South Luzon Thermal Energy Corp. (Sltec), a joint venture between Trans-Asia and AC Energy Holdings Inc. of the Ayala Group.

The 54-megawatt San Lorenzo wind farm in Guimaras, the first of Tarec's wind project portfolio, is under construction and may be completed in the third quarter of 2014.

Sltec is undertaking the 270-megawatt clean coal power project in Calaca, Batangas. The project is expected be fully operational by 2016, with the first phase to be completed by end-2014 and the second phase by 2015. Each phase involves 135-megawatt of capacity.

Phinma's flagship company in the energy industry plans to expand capacity to "close to 500 megawatts" or so by 2016, president and CEO Francisco L. Viray said in an interview on the sidelines of the parent firm's stockholders meeting. Presently the firm has 250 megawatts in capacity.

Trans-Asia recently took on a P1-billion, 5-year term loan agreement with Security Bank Corp. and a P1.5-billion 10-year corporate note facility with China Banking Corp. Proceeds of the loans will be used to fund the company's projects.

Beyond coal and wind, Trans-Asia may go into hydroelectric power and gas-fired power plant operation, Viray said. The company has asked the Department of Energy to grant it a service contract for a 300-megawatt hydropower project in Pililla, Rizal, and a 10-megawatt hydropower project in Ilagan, Isabela."

Trans-Asia hereby confirms the accuracy of the news article as published.

Very truly yours,



RAYMUNDO A. REYES, JR.

SVP-Energy Resources Development

