COVER SHEET

AS094-8811
SEC Registration Number

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
(Company's Full Name)

11th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City
(Business Address: No. Street City/Town/Province)

Yolanda D. Añonuevo
(Contact Person)

870-0100
(Company Telephone Number)

12 31
Month *Day*
(Calendar Year)

17Q
(Form Type)

02 18
Month *Day*
(Annual Meeting)

Not Applicable
(Secondary License Type, If Applicable)

—
Dept. Requiring this Doc.

—
Amended Articles Number/Section

Total Amount of Borrowings

Domestic	Foreign
—	—

12
Total No. of Stockholders

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **September 30, 2014**
2. Commission identification number **AS094-8811**
3. BIR Tax Identification No. **004-500-964-000**
4. Exact name of issuer as specified in its charter **TRANS-ASIA PETROLEUM CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization **Metro Manila**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code
   11F Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City, 1210
8. Issuer's telephone number, including area code **(632) 870-0100**
9. Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Number of shares of common stock outstanding	**250,000,000 shares**
Amount of debt outstanding	**NIL**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [**X**] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
    Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

    Yes [**X**] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

    Yes [**X**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to attached ANNEX "A"

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please refer to attached ANNEX "B"

PART II--OTHER INFORMATION

Please refer to attached ANNEX "C"

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on November 14, 2014.

TRANS-ASIA PETROLEUM CORPORATION

Raymundo A. Reyes Jr.

RAYMUNDO A. REYES, JR.
Executive Vice President

MARIEJO P. BAUTISTA
VP-Controller

ANNEX A

Trans-Asia Petroleum Corporation and A Subsidiary

Interim Consolidated Financial Statements
September 30, 2014 and December 31, 2013
and The Third Quarter Ended September 30, 2014 and 2013

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
INTERIM CONSOLIDATED BALANCE SHEETS

	September 30, 2014	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱56,380,874**	₱21,029,901
Investments held for trading (Note 5)	**70,250,674**	138,411,121
Other receivables (Note 6)	**20,000,112**	3,033
Total Current Assets	**146,631,660**	159,444,055
Noncurrent Assets		
Deferred exploration costs (Note 6)	**75,103,030**	74,736,195
TOTAL ASSETS	**₱221,734,690**	₱234,180,250
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses and other current liabilities (Note 7)	**₱381,337**	₱757,380
Noncurrent Liability		
Deferred income tax liability (Note 10)	**–**	320
Total Liabilities	**381,337**	757,700
Equity		
Attributable to Equity Holders of the Parent Company:		
Capital stock (Note 9)	**250,000,000**	250,000,000
Deficit	**(31,191,835)**	(19,171,733)
	218,808,165	230,828,267
Non-controlling interest (Note 12)	**2,545,188**	2,594,283
Total Equity	**221,353,353**	233,422,550
TOTAL LIABILITIES AND EQUITY	**₱221,734,690**	₱234,180,250

See accompanying Notes to Interim Consolidated Financial Statements.

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF INCOME

	Nine Months Ended September 30	
	2014	2013
INTEREST INCOME (Note 4)	**₱46,237**	₱764,581
EXPENSES		
Management and professional fees (Note 8)	**6,384,330**	3,663,640
Employee cost	**3,553,444**	2,507,639
Filing and registration fees	**1,858,959**	4,454
Supplies	**467,947**	6,479
Meetings and conferences	**151,767**	3,734
Transportation	**148,442**	4,310
Taxes and licenses	**18,968**	64,360
Others	**42,093**	16,502
	12,625,950	6,271,118
OTHER INCOME (CHARGES)		
Gain on changes in fair value of investments held for trading - net (Note 5)	**513,793**	3,364,220
Foreign exchange loss – net	**(3,597)**	–
	510,196	3,364,220
LOSS BEFORE INCOME TAX	**12,069,517**	8,870,757
BENEFIT FROM DEFERRED INCOME TAX (Note 10)	**(320)**	–
NET LOSS FOR THE PERIOD	**₱12,069,197**	₱8,870,757
Attributable to:		
Equity holders of the Parent Company	**₱12,020,102**	₱8,554,645
Non-controlling interest (Note 12)	**49,095**	316,112
	₱12,069,197	₱8,870,757
Basic Loss Per Share (Note 11)	**₱0.0481**	₱0.0342

See accompanying Notes to Interim Consolidated Financial Statements.

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF INCOME

	For the quarter July to September 30	
	2014	2013
INTEREST INCOME (Note 4)	**₱1,814**	₱49,446
EXPENSES		
Management and professional fees (Note 8)	**4,413,630**	582,400
Employee cost	**1,406,387**	791,948
Filing and registration	**1,858,959**	–
Supplies	**364,365**	1,600
Meetings and conferences	**151,190**	–
Transportation	**142,022**	–
Others	**10,113**	17,363
	8,346,666	1,393,311
OTHER INCOME (CHARGES)		
Gain on changes in fair value of investments held for trading - net (Note 5)	**345,431**	(130,422)
Foreign exchange loss – net	**(3,980)**	–
	341,451	(130,422)
LOSS BEFORE INCOME TAX	**8,003,401**	1,474,287
BENEFIT FROM DEFERRED INCOME TAX (Note 10)	–	–
NET LOSS FOR THE PERIOD	**₱8,003,401**	₱1,474,287
Attributable to:		
Equity holders of the Parent Company	**₱7,988,612**	₱1,377,312
Non-controlling interest (Note 12)	**14,789**	96,975
	₱8,003,401	₱1,474,287
Basic Loss Per Share (Note 11)	**₱0.0320**	₱0.0055

See accompanying Notes to Interim Consolidated Financial Statements.

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30	
	2014	2013
NET LOSS FOR THE PERIOD	**₱12,069,197**	₱8,870,757
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**12,069,197**	₱8,870,757
Attributable to:		
Equity holders of the Parent Company	**₱12,020,102**	₱8,554,645
Non-controlling interest (Note 12)	**49,095**	316,112
	₱12,069,197	₱8,870,757

See accompanying Notes to Interim Consolidated Financial Statements.

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

	Attributable to Equity Holders of the Parent Company				
	Capital Stock (Note 9)	Deficit	Total	Non-controlling Interest (Note 12)	Total Equity
BALANCES AT JANUARY 1, 2014	**₱250,000,000**	**(₱19,171,733)**	**₱230,828,267**	**₱2,594,283**	**₱233,422,550**
Net loss for the period	–	(12,020,102)	(12,020,102)	(49,095)	(12,069,197)
BALANCES AT SEPTEMBER 30, 2014	**₱250,000,000**	**(₱31,191,835)**	**₱218,808,165**	**₱2,545,188**	**₱221,353,353**
BALANCES AT JANUARY 1, 2013	**₱250,000,000**	**(₱6,294,554)**	**243,705,446**	**₱3,039,120**	**₱246,744,566**
Net loss for the period	–	(8,554,645)	(8,554,645)	(316,112)	(8,870,757)
BALANCES AT SEPTEMBER 30, 2013	**₱250,000,000**	**(₱14,849,199)**	**₱14,849,199**	**₱2,945,011**	**₱237,873,809**

See accompanying Notes to Interim Consolidated Financial Statements.

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱12.069,517)**	(₱8,870,757)
Adjustments for:		
Loss (gain) on changes in fair value of investments held for trading - net (Note 5)	**(1,839,553)**	3,364,220
Interest income	**(46,237)**	(764,581)
Unrealized foreign exchange gain	**(2,270)**	–
Operating loss before working capital changes	**(13,957,577)**	(6,271,118)
Decrease (increase) in:		
Advances to a related party	**–**	8,666,268
Other receivables	**(19,997,300)**	8,778
Increase (decrease) in accrued expenses and other current liabilities	**(376,043)**	2,873,572
Interest income received	**46,458**	764,581
Net cash flows provided by (used in) operating activities	**(34,284,462)**	6,042,081
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of investment held for trading	**–**	(143,155,000)
Redemption of investment held for trading	**70,000,000**	
Additions to deferred exploration costs	**(366,835)**	**–**
Net cash flows provided by (used in) investing activities	**69,633,165**	(143,155,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**35,348,703**	(137,112,919)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**2,270**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**21,029,901**	165,897,558
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 4)	**₱56,380,874**	₱28,784,639

See accompanying Notes to Interim Consolidated Financial Statements.

TRANS-ASIA PETROLEUM CORPORATION AND A SUBSIDIARY
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Trans-Asia Petroleum Corporation (TA Petroleum or the Parent Company) and Palawan55 Exploration & Production Corporation (Palawan55 or the Subsidiary), collectively referred to as "the Company", were incorporated in the Philippines to engage in oil and gas exploration, development and production on September 28, 1994 and November 16, 2012, respectively. The Parent Company is a subsidiary of Trans-Asia Oil and Energy Development Corporation (TA Oil). Palawan55 is 69.35% owned by the Parent Company and 30.65% owned by TA Oil. The ultimate parent company is Philippine Investment Management, Inc. (PHINMA). TA Oil and PHINMA are both incorporated and domiciled in the Philippines. The Company has not started commercial operations yet as at October 21, 2014.

On July 22, 2013, TA Oil declared property dividends in the form of its investments in the Parent Company. TA Oil distributed the property dividends on August 20, 2014, which reduced TA Oil's interest in the Parent Company from 100% to 50.74%.

The registered office address of the Company is 11th Floor, PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City.

The interim consolidated financial statements were approved and authorized for issuance by the Board of Directors (BOD) Audit Committee on October 21, 2014.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation and Statement of Compliance

The interim consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) using the historical cost basis, except for investments held for trading, which are measured at fair value through profit or loss (FVPL). The interim consolidated financial statements are presented in Philippine peso (Peso), which is the Parent Company's functional and presentation currency, and all values are rounded to the nearest Peso, except when otherwise stated.

The PFRS for Small and Medium-sized Entities (PFRS for SMEs) was approved for adoption by the Philippine Financial Reporting Standards Council (FRSC) on October 13, 2009 and by the Philippine Securities and Exchange Commission (SEC) on December 3, 2009. The PFRS for SMEs is effective for annual periods beginning on or after January 1, 2010, and is required to be used by entities that meet the definition of an SME, which include among others, an entity that is not public with total assets between ₱3 million and ₱350 million or total liabilities between ₱3 million and ₱250 million. On October 7, 2010, the SEC has approved exemptions for the mandatory adoption of the PFRS for SMEs.

The Company qualifies for reporting under PFRS for SMEs. The Parent Company availed of the exemption from the adoption of PFRS for SMEs as it is a subsidiary of TA Oil, a company reporting under full PFRS.

Basis of Consolidation
The interim consolidated financial statements comprise the interim financial statements of the Parent Company and its subsidiary, Palawan55. The interim financial statements of Palawan55 are prepared for the same reporting period as the Parent Company, using consistent accounting policies.

A subsidiary is an entity that is controlled by the Parent Company. A subsidiary is fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continues to be consolidated until the date that such control ceases. The Parent Company controls an investee when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee.

Upon consolidation, all intragroup balances, transactions, income and expenses and profits and losses resulting from intragroup transactions are eliminated in full.

Changes in the controlling ownership (i.e., acquisition of non-controlling interest (NCI) or partial disposal of interest over a subsidiary that do not result in a loss of control) are accounted for as an equity transaction.

NCI represents a portion of profit or loss and net assets of the subsidiary not held by the Parent Company, directly or indirectly, and is presented within the equity section of the interim consolidated balance sheet and interim consolidated statement of changes in equity, separately from the Parent Company's equity. Total comprehensive income is attributed to the portion held by the Parent Company and to the NCI even if this results in the NCI having a deficit balance.

Changes in Accounting Policies
The accounting policies adopted are consistent with those of the previous financial year, except for the following amended PFRS and Philippine Interpretations based on International Financial Reporting Interpretations Committee (IFRIC) interpretations, which were adopted beginning January 1, 2014:

- Investment Entities (Amendments to PFRS 10, *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 27, *Separate Financial Statements*)

  They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at FVPL. The amendments are not relevant to the Company since Palawan55 does not qualify as an investment entity under PFRS 10.

- PFRS 13, *Fair Value Measurement - Short-term Receivables and Payables*

  The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment has no significant impact on the Company's financial position or performance.

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (*Amendments)

  The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Company's financial position or performance.

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)

  These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. The amendments affect disclosures only and have no impact on the Company's financial position or performance.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)

  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact on the Company's financial position or performance.

- Philippine Interpretation IFRIC 21, *Levies*

  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The amendment has no impact on the Company's financial position or performance.

<u>Standards and Interpretation Issued but not yet Effective</u>
Standards issued but effective for annual periods after December 31, 2014 are listed below. The Company intends to adopt these standards when they become effective.

- PFRS 9, *Financial Instruments*

  PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model hedge accounting is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at FVPL. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For FVO liabilities designated as at FVPL using the FVO, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Company will not adopt the standard before the completion of the limited amendments and the second phase of the project.

- PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions* (Amendments)

  The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014.

  The accounting, management, administrative, technical and ancillary processes of the Company are being handled by the personnel of TA Oil. No post-employment benefits and other long-term benefits have been incurred for the nine months ended September 30, 2014 and 2013. Thus, the above revision will not have an impact on the Company's financial performance or position.

- Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*

  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the interim consolidated financial statements of the Company as the Company is not into construction of real estate.

Annual Improvements to PFRS (2010-2012 cycle)
The Annual Improvements to PFRS (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 2, *Share-based Payment - Definition of Vesting Condition*

  The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. The Company shall consider this amendment for future share-based payment, if any.

- PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*

  The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at FVPL whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Company shall consider this amendment for future business combinations, if any.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*

  The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and have no impact on the Company's financial position or performance.

- PAS 16, *Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation*

  The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b) The accumulated depreciation is eliminated against the gross carrying amount of the asset.

  The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment will have no impact on the Company's financial position or performance.

- PAS 24, *Related Party Disclosures - Key Management Personnel*

  The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will affect disclosures only and have no impact on the Company's financial position or performance.

- PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization*

  The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b) The accumulated amortization is eliminated against the gross carrying amount of the asset.

  The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

  The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments will have no impact on the Company's financial position or performance.

<u>Annual Improvements to PFRS (2011-2013 cycle)</u>
The Annual Improvements to PFRS (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards - Meaning of 'Effective PFRSs'*

  The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Company as it is not a first-time adopter of PFRS.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*

  The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment will have no significant impact on the Company's financial position or performance.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*

  The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment will have no significant impact on the Company's financial position or performance.

- PAS 40, *Investment Property*

  The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment will have no significant impact on the Company's financial position or performance.

<u>Cash and Cash Equivalents</u>
Cash includes cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

<u>Fair Value Measurement</u>
The Company measures its investments held for trading at fair value at the end of reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized at fair value in the interim consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

<u>Financial Instruments</u>
Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial instruments, except for financial instruments measured at FVPL.

The Company recognizes a financial asset or a financial liability in the interim consolidated balance sheet when it becomes a party to the contractual provisions of the instruments.

All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date that the Company commits to purchase the assets. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a “Day 1” gain or loss) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where the data used is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the “Day 1” gain or loss amount.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

Financial instruments are classified as either financial asset or liability at FVPL, loans and receivables, held-to-maturity investments, available-for-sale (AFS) financial assets or other financial liabilities. The Company determines the classification of its financial instruments at initial recognition and, where allowed and appropriate, reevaluates this designation at every balance sheet date.

As at September 30, 2014 and December 31, 2013, the Company's financial instruments consist of cash and cash equivalents, investments held for trading, other receivables and accrued expenses and other current liabilities (excluding statutory payables) (see Notes 4, 5 and 7).

Financial Assets Held for Trading. These financial instruments are recorded in the interim consolidated balance sheet at fair value. A financial asset is classified under this category when any of the following criteria is met:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Changes in fair value relating to the held for trading positions are recognized in the interim consolidated statement of income as net unrealized gains or losses on changes in fair value of investments held for trading.

As at September 30, 2014 and December 31, 2013, the Company's investments in unit investment trust fund (UITFs) are classified as financial assets held for trading (see Note 5).

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments and are not quoted in an active market. Such assets are subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are included in current assets if maturity is within 12 months from the balance sheet date. Otherwise, these are classified as noncurrent assets.

Classified under this category are the Company's cash and cash equivalents and other receivables (see Note 4).

Other Financial Liabilities. Other financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

The Company's other financial liabilities as at September 30, 2014 and December 31, 2013 include accrued expenses and other current liabilities (excluding statutory payables) (see Note 7).

Impairment of Financial Assets
The Company assesses, at each balance sheet date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Assets carried at amortized cost
If there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account and the amount of the loss is recognized in the interim consolidated statement of income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company. If in a subsequent year, the amount of the impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the interim consolidated statement of income.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

For the purpose of specific evaluation of impairment, the Company assesses whether financial assets are impaired through assessment of collectibility of financial assets considering the creditors' capacity to pay, history of payment, and the availability of other financial support. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics such as customer type, payment history, past due status and term.

Derecognition of Financial Instruments

Financial Assets. A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or, (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of ownership of the asset; or, (b) the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but have transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of ownership of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim consolidated balance sheet when there is a currently legal right to offset the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Exploration Costs

The Company follows the full cost method of accounting for exploration costs determined on the basis of each service contract (SC) area. Under this method, all exploration costs relating to each SC are tentatively deferred pending the determination of whether the contract area contains oil and gas reserves in commercial quantities, net of any allowance for impairment losses.

Expenditures for mineral exploration and development work on mining properties are also deferred as incurred, net of any allowance for impairment losses. These expenditures are provided for with an allowance when there are indications that the exploration results are negative. These are written off against the allowance when the projects are abandoned or determined to be definitely unproductive. When the exploration work results are positive, the net exploration costs and subsequent development costs are capitalized and amortized from the start of commercial operations.

Impairment of Deferred Exploration Costs

The Company assesses at each balance sheet date whether the following impairment indicators exist:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and

- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the interim consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each balance sheet date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

<u>Capital Stock</u>
Capital stock is the portion of paid-in capital representing the total par value of the shares issued.

<u>Deficit</u>
Deficit represents the cumulative balance of net income or loss.

<u>Revenue</u>
Revenue is recognized when it is probable that the economic benefits associated with the transactions will flow to the Company and the revenue can be measured reliably. Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

<u>Expenses</u>
Expenses are recognized when incurred.

<u>Income Taxes</u>

Current Income Tax. Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the balance sheet date.

Deferred Income Tax. Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from unused NOLCO can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred income tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the interim consolidated statement of income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Loss Per Share (LPS)
Basic LPS is computed based on the weighted average number of issued and outstanding common shares during each year after giving retroactive effect to stock splits during the year.

Contingencies
Contingent liabilities are not recognized in the interim consolidated financial statements but are disclosed in the notes to the interim consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the interim consolidated financial statements but are disclosed in the notes to the interim consolidated financial statements when an inflow of economic benefits is probable.

Events After the Balance Sheet Date
Post year-end events that provide additional information about the Company's financial position at the balance sheet date (adjusting events) are reflected in the interim consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the interim consolidated financial statements when material.

3. Significant Accounting Judgments and Estimates

The Company's interim consolidated financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the interim consolidated financial statements. In preparing the Company's interim consolidated financial statements, management has made its best estimate and judgment of certain amounts, giving due consideration to materiality.

The estimates and judgments used in the accompanying interim consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the interim consolidated financial statements. Actual results could differ from such estimates.

Estimates

Realizability of Deferred Income Tax Asset
Management has assessed that the Company may not have sufficient taxable profits to allow all or part of the NOLCO to be utilized. Accordingly, no deferred income tax asset was recognized as at September 30, 2014 and December 31, 2013.

Unrecognized deferred income tax asset as at September 30, 2014 and December 31, 2013 amounted to ₱8,973,171 and ₱4,787,297, respectively (see Note 10).

Impairment of Deferred Exploration Costs
The carrying value of deferred exploration costs is reviewed for impairment by management when there are indications that the carrying amount exceeds the recoverable amount. Among the factors considered by management in the write-off of deferred exploration costs are the expiration of the contracts and the technical evaluation that the remaining prospects in these areas are small and are likely to be uneconomic.

As at September 30, 2014 and December 31, 2013, no impairment indicators have been identified by management on its deferred exploration costs. The carrying value of deferred exploration costs amounted to ₱75,103,030 and ₱74,736,195 as at September 30, 2014 and December 31, 2013 respectively (see Note 6).

Determination of Fair Value of Financial Instruments
PFRS requires that certain financial instruments are to be carried at fair value, which requires the use of accounting judgments and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial instruments would directly affect the interim consolidated statement of income and statement of changes in equity.

Total fair values of financial assets amounted to ₱146,631,660 and ₱159,444,055 as at September 30, 2014 and December 31, 2013, respectively, while total fair values of financial liabilities amounted to ₱109,737 and ₱570,534 as at September, 2014 and December 31, 2013, respectively (see Note 13).

4. Cash and Cash Equivalents

	September 30, 2014	December 31, 2013
Cash on hand and in banks	**₱55,041,531**	₱19,695,738
Short-term deposits	**1,339,343**	1,334,163
	₱56,380,874	₱21,029,901

Cash in banks earn interest at the respective bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

5. Investments Held for Trading

Investments held for trading consist of investments in UITFs. The Company's net unrealized gain on changes in fair value of investments held for trading amounted to ₱1,839,554 for the nine months ended September 30, 2014.

6. Deferred Exploration Costs

As at September 30, 2014 and December 31, 2013, details of deferred exploration costs are as follows:

	September 30, 2014	December 31, 2013
TA Petroleum:		
SC 51 (East Visayas)	**₱32,665,864**	₱32,665,864
SC 69 (Camotes Sea)	**15,972,361**	15,972,361
SC 6 (Northwest Palawan):		
Block A	**18,804,924**	18,804,924
Block B	**1,946,671**	1,579,836
	69,389,820	69,022,985
Palawan55 -		
SC 55 (Southwest Palawan)	**5,713,210**	5,713,210
	₱75,103,030	₱74,736,195

The foregoing deferred exploration costs represent the Company's share in the expenditures incurred under petroleum SCs with the Philippine Department of Energy (DOE). The contracts provide for certain minimum work and expenditure obligations and the rights and benefits of the contractor. Operating agreements govern the relationship among co-contractors and the conduct of operations under an SC.

As at September 30, 2014 and December 31, 2013, no impairment indicators have been identified by management on its deferred exploration costs.

The following summarizes the series of developments related to the Company's projects:

a. SC 51 (East Visayas)

In April 2012, the Operator, Otto Energy Investments Ltd. (Otto Energy) [formerly "NorAsian Energy Ltd."] commenced a 100-kilometer (km) 2D seismic program in the town of San

Isidro, Leyte, primarily to pick the optimum location for the drilling of the Duhat prospect, which reservoir objective was not reached by the Duhat-1 and Duhat-1A wells in 2011.

In mid-May 2012, the foreign seismic acquisition contractor unilaterally suspended its field operations as instructed by its government.

In view of said development, the DOE granted on September 30, 2012 the consortium's request for a six-month extension of the current Sub-Phase 4 to January 31, 2013.

The 2D seismic survey resumed after a one-month suspension and was completed on October 1, 2012. Data processing was completed by December 31, 2012.

The consortium elected to enter Sub-Phase 5 (January 31, 2013 to January 31, 2014) with the drilling of Duhat-2 well in Northwest Leyte as work commitment.

Swan Oil and Gas Ltd. (Swan) withdrew from SC 51 in September 2012 after settling disputes over the North Block (Northwest Leyte) and the South Block (Cebu Strait) with Otto Energy and Filipino partners, respectively. Consequently, the 40% participating interest of Swan in the North Block reverted to Otto Energy, and as between Otto Energy and Filipino partners, the latter retained 100% interest in the South Block.

The Filipino partners signed a Farm-in Option Agreement with Frontier Oil Corporation (FOC) over the South Block on October 23, 2012. Under the said Agreement, FOC has the option to acquire 80% participating interest in the area by undertaking to drill the Argao-1 well at its sole cost during Sub-Phase 6 of SC 51 (January 31, 2014 to July 8, 2015). FOC may exercise its option not later than January 31, 2013, which was extended to February 28, 2013. The Farm-in Option Agreement lapsed since the option was not exercised by FOC.

On July 24, 2013, Otto Energy spudded the Duhat-2 well in Northwest Leyte but prematurely plugged and abandoned the well on July 26, 2013 at a depth of 201 meters for safety and environmental reasons, after encountering a high-pressure water zone. Otto Energy completed the demobilization for the Duhat-2 well last August 30, 2013 and is conducting post-well studies. This new information will be considered in any future decisions on SC 51. The consortium requested the DOE a six-month extension of the current exploration Sub-Phase 5 to July 31, 2014 to be able to conduct post-well geological, geophysical and drilling studies. The DOE approved the foregoing request on November 7, 2013.

On May 5, 2014, Otto notified the Company and the other partners in the consortium that it has elected to withdraw from SC 51. Otto's withdrawal from SC 51 and the transfer of its participating interest to the remaining parties are subject to the approval of the DOE.

On June 28, 2014, the Filipino partners requested the DOE suspension of exploration Sub-Phase 5 from the date Otto notified the DOE of its withdrawal from SC 51 until the DOE approves the transfer of Otto's participating interest to the Filipino partners.

As of October 21, 2014, the approval of the aforementioned transfer of interest and request for suspension of Sub-Phase 5 remains pending with the DOE.

The Parent Company owns 6.67% participating interest in SC 51.

b. SC 69 (Camotes Sea)

Interpretation of the 229-square kilometers (sq. km.) 3D seismic data acquired in June 2011 generated three drillable prospects.

The DOE granted the consortium’s request for a nine-month extension of the current Sub-Phase 2 to May 7, 2013 to allow completion of technical studies.

On April 4, 2013, the DOE granted the consortium’s request for a further six-month extension of the current Sub-Phase to November 6, 2013 to allow completion of technical studies and initiate farm-out efforts.

On August 23, 2013, the Operator, Otto Energy (Philippines) Inc. (Otto Philippines), confirmed to the Parent Company that it did not intend to enter Sub-Phase 4 of SC 69 and will reassign 9% participating interest in SC 69 to the Parent Company pursuant to the Assignment Agreement dated February 3, 2011.

Following an unsuccessful campaign to farm out its participating interest, Otto Philippines notified the Parent Company and Frontier Gasfields Pty. Ltd. (Frontier Gasfields) of its withdrawal in SC 69 last October 4, 2013. The Parent Company and Frontier Gasfields subsequently jointly requested the DOE a six-month extension of the October 7, 2013 deadline to elect to enter the next exploration sub-phase, which starts on November 7, 2013. An additional extension of the contract term to December 31, 2014 was requested due to the delays in the transfer of participating interests and operatorship to the remaining partners.

Otto Philippines, the Parent Company and Frontier Gasfields currently hold 79%, 6%, and 15% participating interests in SC 69, respectively. The earlier reassignment of Otto Philippines’ 9% participating interests to the Parent Company awaits DOE approval.

Upon DOE approval of the assignment of Otto Philippines’ interests to the Parent Company and Frontier Gasfields, the Parent Company’s participating interest in SC 69 will be adjusted from the current 6% to 50%.

On March 17, 2014, the Parent Company and Frontier Gasfields jointly requested the DOE an extension of the term of SC69 until December 31, 2014. As at October 21, 2014, the parties are awaiting subject approval from the DOE.

c. SC 6 (Northwest Palawan)

Block A

Pitkin Petroleum Plc. (Pitkin), the Operator, completed a geophysical review of the block.

Partners approved the conduct of a new 500-sq. km. 3D seismic program over selected prospects and leads in the first half of 2013, subject to issuance of local government permits.

Under the Farm-in Agreement dated July 11, 2011, Pitkin shall carry TA Oil and the other non-operating consortium members in the costs of said seismic program and the drilling of two wells, in exchange for the assigned 70% participating interest.

On June 4, 2013, the Sangguniang Panlalawigan of Palawan voted to favorably endorse the proposed bathymetry and 3D seismic survey over the area to the Palawan Council for Sustainable Development (PCSD).

Pitkin completed a 500-sq. km. 3D seismic survey over selected prospects and leads in October, 2013. As at April 30, 2014, processing of the seismic data at a contractor's facility in Vietnam is around 80% complete.

Pitkin notified the partners on August 28, 2014 that it shall not exercise its option under the Farm-in Agreement to drill a well in the block and will withdraw from the block by yearend. Pitkin shall reassign its 70% participating interest prorata to the original partners upon completion of the ongoing geophysical and geological program at the end of this year. The reassignment of interest shall be subject to the approval of the DOE.

Interpretation of seismic data was completed in October 2014.

Block B

Pursuant to a Farm-in Agreement dated February 4, 2011, Peak Oil and Gas Philippines Ltd. (Australia), Blade Petroleum Philippines Ltd. (Australia) and Venturoil Philippines, Inc. ("Farminees") exercised their option to acquire 70% participating interest of the SC 6 Block B consortium, which includes TA Oil ("Farmors").

Under the Farm-in Agreement, the Farminees were supposed to shoulder all the Farmors' share of exploration and development expenditures in the Block up to the production of first oil.

The DOE denied the applications for the transfer of participating interests to the Farminees and transfer of operatorship due to failure of the Farminees to comply with DOE requirements. Under the Farm-in Agreement, the Farminees would have been eligible to earn a combined 70% of the participating interest of the farming out parties. On August 7, 2013, the DOE directed the original Operator, the Philodrill Corporation, to submit a new and comprehensive work program and budget of exploration activities over the Block.

On September 13, 2013, the DOE approved the work program and budget for SC 6 Block B for the 5th year of extension period. The pertinent geological and geophysical program is commenced in October 2013 and was completed in January 2014.

The consortium elected to enter the next five-year extension period which starts on March 1, 2014. Partners submitted for the DOE's approval a 3-year work program consisting mainly of geophysical studies with a corresponding budget amounting to US$724,000. As at October 21, 2014, geophysical studies continued.

The Parent Company holds 2.334% and 14.063% participating interests in Block A and Block B, respectively. SC 6 is valid until February 28, 2024 subject to certain conditions.

d. SC 55 (Southwest Palawan)

On May 2, 2012, the DOE approved a twelve-month extension of exploration Sub-Phase 4 to August 5, 2013 to enable BHP Billiton Petroleum (Philippines) Corporation (BHP Billiton), the Operator, to secure a drilling rig with specialized well control equipment for the committed Cinco-1 well. The Cinco-1 well will test a large interpreted carbonate structure in 1,400 meters of water.

Palawan55's 6.82% participating interest will be carried in the drilling cost of Cinco-1 under its Participation Agreement dated March 15, 2005 with the predecessors-in-interest of Otto Energy.

In May 2013, BHP Billiton filed a Notice of Force Majeure under SC 55 with the DOE in order to preserve the term of the current exploration sub-phase that requires the drilling of one exploratory well. It is deemed that the Force Majeure event commenced on September 7, 2012, at which time the endorsement of the Sangguniang Panlalawigan of the province of Palawan and the Strategic Environmental Plan (SEP) Clearance from the PCSD would have been released in the ordinary course of business.

On June 4, 2013, the Sangguniang Panlalawigan of Palawan voted to favorably endorse the proposed Cinco-1 drilling to the PCSD. The PCSD approved the issuance of the SEP clearance for the drilling of Cinco-1 well but BHP Billiton sought amendment and clarification on certain conditions set by PCSD. The SEP was issued by the PCSD and signed by all parties in October 2013.

BHP Billiton requested from the DOE an extension of the current Sub-Phase 4 to October 2014 to account for the Force Majeure period caused by the fourteen-month delay in issuance of the aforementioned PCSD clearance.

In November 2013, BHP Billiton verbally informed the partners of its decision not to drill a well under SC 55 and proposed to reassign its 60% participating interest to Otto Energy. Otto Energy subsequently signed a Letter of Intent with BHP Billiton providing for the termination of their Farm-out Agreement and the reassignment of BHP Billiton's participating interest, including a cash settlement.

In January 2014, BHP Billiton and Otto Energy signed definitive agreements for the reassignment of the former's participating interest to the latter. The DOE approved the transfer of the 60% participating interest of BHP Billiton to Otto Energy Philippines, Inc. and the transfer of Operatorship to Otto Energy Investments, Ltd. The approval formalized the exit of BHP Billiton in SC 55.

Otto Energy submitted a revised work program to the DOE focused on the drilling of an ultra deepwater prospect and commenced a farmout campaign. On April 29, 2014, the DOE extended the term of the current Sub-Phase 4 to December 23, 2014. Otto Energy commenced preparations for exploratory drilling.

On October 15, 2014, Otto requested the DOE a one-year extension of Sub-Phase 4 to December 23, 2015.

Palawan55 holds 6.82% participating interest in SC 55.

<u>SC 50</u>

In 2013, the Parent Company commenced negotiations with Frontier Energy Limited (FEL), the Operator, regarding a Farm-in Agreement that would provide for the Parent Company's acquisition of 10% participating interest in SC 50.

Subject to execution of said Farm-in Agreement, the Parent Company has committed to subscribe to ₱136 million in Frontier Oil Corporation ("FOC") shares through the latter's forthcoming initial public offering.

On August 22, 2014, the Parent Company entered into a Memorandum of Agreement with FEL and FOC where the Parent agreed to extend a financial accommodation to FOC amounting to ₱20 million subject to certain terms and conditions.

On August 22, 2014, the Parent Company entered into a Memorandum of Agreement with FEL and FOC where under the Parent agreed to extend a financial accommodation to FOC amounting to ₱20 million, subject to certain conditions.

On October 16, 2014, the Parent Company signed the following agreements providing for its acquisition of 10% participating interest in SC 50:

1. Farm-in Agreement with FEL and FOC
2. Deed of Assignment with FEL
3. Loan Agreement with FOC

The assignment of 10% participating interest in SC 50 to the Parent is subject to the approval of the DOE.

7. Accrued Expenses and Other Current Liabilities

This account consists of:

	September 30, 2014	December 31, 2013
Accrued expenses:		
Professional fees	**₱109,737**	₱568,200
Filing and registration fees	**–**	1,000
Others	**–**	1,334
Withholding taxes	**290,517**	186,846
	₱381,337	₱757,380

Accrued expenses are noninterest-bearing and will be settled on 30 to 60-day terms.

8. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely its legal form.

	For the Nine Months Ended September 30, 2014			
Company	**Amount/Volume**	**Nature**	**Terms**	**Conditions**
Under Common Control				
T-O Insurance Brokers, Inc.				
Insurance	**₱2,130**	Insurance	On demand; noninterest-bearing	Unsecured

Company	Amount/Volume	Nature	Terms	Conditions
Ultimate Parent Company				
PHINMA				
Management and professional fees	**604,800**	Management fees	30-60 day terms; noninterest-bearing	Unsecured

	For the Nine Months Ended September 30, 2013			
Company	Amount/Volume	Nature	Terms	Conditions
Under Common Control				
Ultimate Parent Company				
PHINMA				
Management and professional fees	403,200	Management fees	30-60 day terms; noninterest-bearing	Unsecured

The Company has no outstanding receivables or payables as at September 30, 2014 and December 31, 2013.

9. Capital Stock

Capital stock

Following are the details of the Company's capital stock with par value of ₱1 as at September 30, 2014 and December 31, 2013:

	Number of shares	Amount
Authorized	1,000,000,000	₱1,000,000,000
Issued and outstanding	250,000,000	250,000,000

On April 22, 2013, the Parent Company's BOD and stockholders voted to increase the par value of capital stock from ₱0.01 to ₱1.00 per share, which reduced the number of authorized capital stock from 100 billion to 1 billion and the issued and outstanding shares from 25 billion to 250 million. The increase in par value per share was approved by the SEC on May 31, 2013.

On August 28, 2014, TA Petroleum listed by way of introduction at the Philippine Stock Exchange with "TAPET" as stock symbol.

10. Income Taxes

a. The reconciliation of the Company's benefit from income tax using the statutory tax rate is as follows:

	Nine Months Ended September 30	
	2014	2013
Benefit from income tax at statutory rate	**(₱3,620,855)**	(₱2,661,227)
Tax effects of:		
Increase in NOLCO for which no deferred income tax asset was recognized	**4,185,874**	3,899,867
Net unrealized gain on changes in fair value of investments held for trading	**(551,866)**	(1,009,266)
Interest income subject to final tax	**(13,473)**	(229,374)
	(₱320)	₱–

b. The Company did not recognize deferred income tax asset on the unused NOLCO of ₱29,908,299 and ₱15,957,656 as at September 30, 2014 and December 31, 2013, respectively, because management believes that it is not probable that sufficient future taxable income will be available to allow said deferred income tax asset to be utilized.

c. The details of the Company's NOLCO follow:

Year Incurred	Year of Expiration	Amount
2011	2014	₱36,750
2012	2015	3,294,285
2013	2016	12,626,621
2014	2017	13,950,643
		₱29,908,299

NOLCO amounting to ₱36,208 expired in 2013.

d. The Company recognized deferred income tax liability of ₱320 on unrealized foreign exchange gain amounting to ₱1,068 as at December 31, 2013.

11. Basic Loss Per Share

	Nine Months Ended September 30	
	2014	2013
(a) Net loss attributable to equity holders of the Parent Company	**₱12,020,102**	₱8,554,645
(b) Weighted average number of common shares outstanding*	**250,000,000**	250,000,000
Basic loss per share (a/b)	**₱0.0481**	₱0.0342

** Weighted average number of common shares outstanding for the period ended September 30, 2013 was recomputed after giving retroactive effect to the reverse stock split declared and approved in 2013 (see Note 9).*

Before consideration of the reverse stock split, the basic LPS for the period ended September 30, 2013 was ₱0.0000342.

12. Significant Partly-Owned Subsidiary

Financial information of Palawan55, a subsidiary that has significant non-controlling interest, are provided below:

	September 30, 2014	December 31, 2013
Proportion of equity interest held by NCI	**30.65%**	30.65%
Accumulated balance of material NCI	**₱2,545,188**	₱2,594,283

	For the nine months ended September 30	
	2014	2013
Net loss allocated to material NCI	**₱49,095**	₱316,112

The summarized financial information of Palawan55 are provided below. There were no intercompany eliminations between the Parent Company and Palawan55.

Summarized interim statements of income

	For the nine months ended September 30	
	2014	2013
Revenues	**₱7,403**	₱12,216
Expenses	**167,582**	1,043,576
Net loss	**₱160,179**	₱1,031,360
Attributable to NCI	**₱49,095**	₱316,112

Summarized interim statements of comprehensive income

	For the nine months ended September 30	
	2014	2013
Total comprehensive loss	**₱160,179**	₱1,031,360
Attributable to NCI	**₱49,095**	₱316,112

Summarized interim balance sheets

	September 30, 2014	December 31, 2013
Total current assets	**₱2,616,237**	₱2,821,428
Total noncurrent assets	**5,713,210**	5,713,210
Total current liabilities	**25,084**	70,085
Total equity	**₱8,304,364**	₱8,464,553
Attributable to equity holders of the Parent Company	**₱5,759,176**	₱5,870,270
NCI	**₱2,545,188**	₱2,594,283

Summarized interim cash flow information

	For the nine months ended September 30	
	2014	2013
Operating cash flows / Net increase (decrease) in cash and cash equivalents	**(₱204,968)**	₱375,554

There were no dividends paid to non-controlling interest for the period September 30, 2014 and 2013.

13. Financial Risk Management Objectives and Policies

The Company's principal financial instruments, managed by the PHINMA Group Treasury, comprise cash and cash equivalents, investments held for trading, other receivables and accrued expenses and other current liabilities (excluding statutory payables). The main purpose of the financial assets is to invest the Company's excess funds.

The main risks arising from the Company's financial instruments are credit risk and market risk. The BOD reviews and approves policies for managing credit risk and market risk.

Credit Risk
The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company has assessed the credit quality of cash and cash equivalents as high grade since these are deposited in or transacted with reputable banks, which have low probability of insolvency.

The Company's other receivables are categorized as high grade since this is transacted with an entity that is in good financial condition.

There are no concentrations of credit risk within the Company.

Market Risk
Market risk is the risk that the value of an investment will decrease due to drastic adverse market movements that consist of interest rate fluctuations affecting bid values or fluctuations in stock market valuation due to gyrations in offshore equity markets or business and economic changes. Interest rate, foreign exchange rate and risk appetite are factors of a market risk as the summation of the three defines the value of an instrument or a financial asset.

Market risk is managed through:

- Constant review of global and domestic economic and financial environments as well as regular discussions with banks' economists or strategy officers are done to get multiple perspectives on interest rate trends or forecasts;

- Updates of the portfolio's local and foreign currency bonds' gains and losses are made as often as necessary;

- "Red Lines" are established then reviewed and revised as the need arises for major movements in the financial markets and are used to determine dealing parameters. Red lines are the strategic yield curves, bond prices or spreads that the PHINMA Group Treasury uses as guides whether to buy, hold or sell bonds as approved by the Investment Committee or, in cases of high volatility, by the Chief Financial Officer;

- In cases of high volatility, dealers constantly give updates to approving authorities regarding changes in interest rates or prices in relation to strategies; and

- Regular comparison of the portfolio's marked-to-market values and yields with defined benchmarks.

The Company's exposure to market risk is minimal. The underlying financial instruments in the Company's investments in UITFs are Peso fixed-rate bonds and low-risk fixed income securities.

Capital Management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the nine months ended September 30, 2014 and for the year ended December 31, 2013.

Capital includes all the items appearing in the equity section of the Company's interim consolidated balance sheets totaling ₱221,353,353 and ₱233,422,550 as at September 30, 2014 and December 31, 2013, respectively.

Fair Value of Financial Instruments

	September 30, 2014		December 31, 2013	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
FVPL - Investments held for trading	**₱70,250,674**	**₱70,250,6674**	₱138,411,121	₱138,411,121

Cash and Cash Equivalents, Other Receivables and Accrued Expenses and Other Current Liabilities (Excluding Statutory Payables). Due to the short-term nature of these balances, the fair values approximate the carrying values at balance sheet date.

Investments Held for Trading. Quoted market prices have been used to determine the fair values of investments held for trading.

Fair Value Hierarchy
As at September 30, 2014 and December 31, 2013, the fair value measurement of the Company's investments held for trading is categorized as Level 1. The Company has no financial instruments measured at fair value using the Level 2 and Level 3 hierarchy. Also, there were no transfers between Level 1 and Level 2 fair value measurements.

Offsetting of Financial Assets and Financial Liabilities
There were no offsetting of financial assets and financial liabilities as at September 30, 2014 and December 31, 2013.

14. **Segment Information**

The Company has only one reportable segment, Petroleum and Gas, which is engaged in oil and gas exploration and development. Management monitors the operating results of the reportable segment for the purpose of making decisions about resource allocation and performance assessment. As at October 21, 2014, the Company has not started commercial operations yet and has no revenue or gross profit. The total assets of the segment of ₱221,734,690 and ₱234,180,250 as at September 30, 2014 and December 31, 2013, respectively, are the same as that reported elsewhere in the interim consolidated financial statements.

ANNEX B

MANAGEMENT’S DICUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company has not started commercial operations as of October 21, 2014.

For the nine months ended September 30, 2014, the Company earned interest income of ₱0.4 million, down from ₱0.8 million reported in the same period in 2013. The decrease is driven by the Company’s utilization of its cash and cash equivalents in its listing activities during the year.

Cost and expenses doubled during the nine-month period from ₱6.3 million in 2013 to ₱12.6 million in 2014 due to expenses incurred from the Company’s listing activities. Net other income of ₱0.5 million in 2014 consists mostly of gain on changes in fair value of investments held for trading.

Consolidated net loss amounted to ₱12.1 million for the three quarters of 2014, primarily from the increase in expenses, compared to ₱8.9 million loss for the same period in 2013.

For the quarter July to September 2014, the Company posted a consolidated net loss of ₱8.0 million compared to ₱1.5 million consolidated net loss in the same period the previous year. The significant jump is due to the expenses related to the Company’s listing activities, which mainly include ₱4.4 million in professional fees and ₱1.9 million in filing and registration expenses.

As at September 30, 2014, the Company’s total assets amounted to ₱221.7 million against ₱234.2 million as at December 31, 2013. The 5% decrease was primarily due to expenditures for business activities. Other receivables increased as discussed in Note 6 of the Consolidated Financial Statements.

Noncurrent assets consisting of deferred exploration costs represent the Company’s share in the expenditures incurred under petroleum SCs with the DOE. These costs slightly increased to ₱75.1 million as of September 30, 2014 from ₱74.7 million in December 31, 2013 due to additional cash call in SC 6.

Current liabilities as at September 30, 2014 amounted to ₱0.4 million, 50% down from ₱0.8 million as at December 31, 2013, mainly due to decrease in accrued expenses for the period.

Total Equity decreased by 5% to ₱218.8 million as at September 30, 2014 from ₱230.8 million as at December 31, 2013. Deficit increased by 63% to ₱31.2 million from ₱19.2 million in 2013 due to the net loss for the period attributable to the Parent Company of ₱12.0 million. Non-controlling interests decreased to ₱2.6 million as at September 30, 2014, reduced by its proportionate share in the consolidated net loss of the Company.

Net cash used in operating activities amounted to ₱34.3 million for the nine months ended September 30, 2014 compared to net cash provided by operating activities of ₱6.0 million for the same period in 2013 due to listing expenses in 2014 and other receivables. Cash provided by investing activities amounted to ₱69.6 million in 2014 mainly from redemption of investments held for trading which were acquired in 2013. No financing activities occurred during the year.

Financial Soundness Indicators

Financial Ratios	Formula	30-Sep-14 Unaudited	31-Dec-13 Audited	Increase (Decrease) Difference	%
Liquidity Ratios					
a) Current Ratio	Current assets / Current liabilities	**384.52**	210.52	174	83
b) Acid test ratio	Cash + Short-term investments + Accounts receivables + Other liquid assets / Current liabilities	**384.52**	210.52	174	83
Solvency Ratios					
c) Debt-to-equity ratio	Total liabilities / Total equity	**–**	–	N/A	N/A
d) Asset-to-equity ratio	Total assets / Total equity	**1.00**	1.00	N/A	N/A
e) Interest coverage ratio	Earnings before interest & tax (EBIT) / Interest expense	**N/A**	N/A	N/A	N/A
f) Net debt-to-equity ratio	Debt - cash and cash equivalents / Total equity	**N/A**	N/A	N/A	N/A
Profitability Ratios					
g) Return on equity	Net income after tax / Average stockholders' equity	**-5.31%**	-0.61%	(0.05)	770
h) Return on assets	Net income before taxes / Total assets	**-5.44%**	-0.60%	(0.05)	807
i) Asset turnover	Revenues / Total assets	**N/A**	N/A	N/A	N/A

Current ratio and Acid test ratio

Current ratio and acid test ratio increased from 210.52 in December 31, 2013 to 384.52 in September 30, 2014 due to significant drop in accrued expenses.

Debt-to-equity ratio

The Company has minimal liabilities and is funded mainly through equity.

Asset-to-equity ratio

As at September 30, 2014, asset-to-equity ratio remains unchanged at 1.00.

Interest coverage ratio and Net debt-to-equity ratio

These ratios are not applicable since the Company has no borrowings.

Return on equity and Return on assets

The Company showed negative returns because it has not started commercial operations yet and posted net losses on the periods covered. Increase in negative returns is due to listing related expenses incurred during the year.

Asset turnover

This ratio is not applicable since the Company has not started commercial operations yet as at October 21, 2014.

During The Nine Months Period of 2014:

- There were no unusual items that affected assets, liabilities, equity, net income or cash flows.
- There were no events that had occurred subsequent to the balance sheet date that required adjustments to or disclosure in the financial statements other than those already disclosed in Note 6 of the Consolidated Financial Statements.
- There were no material trends, demands, commitments, events or uncertainties known to the Company that would likely affect the liquidity of the Company except for those mentioned above.
- There were no contingent assets or contingent liabilities since the last annual balance sheet date.
- There were no material contingencies and any other events or transactions that occurred that were material to an understanding of the current year except for those mentioned above.
- There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the period except for those mentioned above.
- There were no known trends, events or uncertainties that have had or that were reasonably expected to have material favorable or unfavorable impact on net revenues/income from continuing operations except those mentioned above.
- There were no significant elements of income or loss that did not arise from continuing operations that had material effect on the financial condition or result of operations.
- There were no operations subject to seasonality and cyclicality.

ANNEX C

The Company filed the following reports on SEC 17-C during the three quarters ended September 30, 2014 covered by this report:

Date of Filing	Items Reported
August 29, 2014	This refers to your request for confirmation of the news article published today in the Philippine Daily Inquirer entitled "Trans-Asia Petroleum to raise P500M from special rights offer". A portion of the article is quoted as follows: "MANILA, Philippines–Trans-Asia Petroleum Corp. targets to raise as much as P500 million from the conduct of a special rights offering between the fourth quarter of this year to the first quarter of 2015, following its debut at the Philippine Stock Exchange (PSE) on Thursday. .... In a briefing, Trans-Asia Petroleum CFO Pythagoras L. Brion Jr. explained that proceeds from this fund raising activity will be used to finance the company's engagements, specifically with Service Contracts 50 in offshore northwest Palawan, and SC52 in Cagayan Valley. ...." Trans-Asia Petroleum Corporation hereby confirms the accuracy of the news article as published.
September 4, 2014	Service Contract No. 6 Block A Pitkin Petroleum Plc., ("Pitkin"), Operator of Service Contract No. 6 Block A, has notified partners that Pitkin shall not exercise its option under the Farm-in Agreement dated 11 July 2011 ("FIA") to drill a well in the block. Pursuant to the FIA, Pitkin shall re-assign its 70% participating interest prorata to the original partners upon completion of the current work program at the end of this year. The re-assignment of interest shall be subject to the approval of the Department of Energy. Trans-Asia Petroleum currently has 2.334% participating interest in SC 6 Block A.
September 30, 2014	Appointment of Officers Appointment of Ms. Cecille B. Arenillo as Compliance Officer and Mr. Giles R. Katigbak as Investor Relations Officer