

October 12, 2011

PHILIPPINE STOCK EXCHANGE, INC.

3RD Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head – Disclosure Department

Gentlemen:

PetroEnergy Resources Corporation (PERC) is pleased to announce the signing of the Memorandum of Agreement on the Establishment of the Multipartite Monitoring Team, Environmental Monitoring Fund, and the Environmental Guarantee Fund for the 20 MW Maibarara Geothermal Power Project (Maibarara Project). Please see attached Disclosure Statement for details.

The Maibarara Project is operated by Maibarara Geothermal, Inc., a joint venture corporation 65% owned by PERC's wholly-owned subsidiary, PetroGreen Energy Corporation, and 25% and 10% owned by Trans-Asia Oil and Energy Development Corporation and PNOG Renewables Corporation, respectively.

Thank you.

Very truly yours,


ARLAN P. PROFETA
Head, Corporate and Legal Affairs

Signing of the Memorandum of Agreement on the Establishment of the Multi-Partite Monitoring Team (MMT), Environmental Monitoring Fund (EMF), and the Environmental Guarantee Fund (EGF) for the 20 MW Maibarara Geothermal Power Project

Maibarara Geothermal, Inc. (MGI), and the Department of Environment and Natural Resources, through its Environmental Management Bureau Calabarzon Region (DENR-EMB), signed on October 11, 2011 the Memorandum of Agreement establishing the Multi-Partite Monitoring Team (MMT), Environmental Monitoring Fund (EMF), and the Environmental Guarantee Fund (EGF), for the Maibarara Geothermal Power Project (MGPP).

The creation and operation of the MMT is part of the MGPP's environmental compliance certificate (ECC) conditions. The MMT will primarily monitor the project's compliance with the DENR's ECC conditions and prepare necessary reports for dissemination to the community stakeholders.

The MMT is composed of authorized representatives from the following: DENR-EMB Calabarzon Region, MGI, DENR-Provincial Environment & Natural Offices of Laguna & Batangas, Laguna Lake Development Authority (LLDA), Provincial Governments of Laguna & Batangas, Municipal Government of Sto. Tomas, City Government of Calamba, Barangay Puting Lupa of Calamba City, Brgy. San Rafael & Brgy. San Antonio of Sto. Tomas, Batangas, University of the Philippines Los Baños, Kiwanis Club of Canlubang, and Pinagsamang Lakas ng Magsasaka of Sto. Tomas, Batangas.

Also included in the MOA is the establishment of the Environmental Monitoring Fund which will support the activities and operations of the MMT. This fund will be managed by the members of MMT in accordance with the policies of MGI. An Environmental Guarantee Fund in the form of trust and cash funds will also be established as a contingency for possible clean-up activities, rehabilitation initiatives, and related studies.