From:	Tony Marraoui
Sent:	Wednesday, May 13, 2009 11:08 AM
To:	Mike Loya
Subject:	News in Puerto Rico

-----Original Message-----
From: WILLIAM CLARK MARTINEZ [mailto:W-CLARK@PREPA.COM]
Sent: Wednesday, May 13, 2009 11:06 AM
To: Tony Maarraoui
Subject: News

Good morning:

I enclose link of article in the press
http://www.elnuevodia.com/aeeinvestigaracontratoempresavitol-568445.html

Regards,

William Rodney Clark
Fuels Office Manager
PREPA

From:	Tony Maarraoui
Sent:	Wednesday, May 13, 2009 1:41 PM
To:	'w-clark@prepa.com'
Subject:	Incorporation of Vitol Inc and the link of the district attorney-new york county

William, I enclose in the attachment the incorporation of Vitol Inc. on October 16, 2006 and the article of the District Attorney-New York County regarding the case of VITOL S.A. Let me know your thoughts..

Regards, Antonio

http://manhattanda.org/whatsnew/press/2007-11-20.shtml

Vitol Inc DE Qual.pdf

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EXHIBIT 14
DEP. Clark
DATE 4/22/13 RPTR. SL
VERBATIM REPORTING, LLC

Certified to be a true and correct translation from its original.
Aida Torres, USCCI
787.723.4644
6/25/13

VIC 000582
CONFIDENTIAL

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Vitol Inc DE Qual.pdf

EXHIBIT 15
DEP. Clark
DATE 2/21/13 RPTR. SW
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Certified to be a true and correct translation from its original.
Aida Torres, USCCI
787.723.4644
6/26/13

VIC 000578
CONFIDENTIAL

From:	Tony Maarraoui
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Oilgram News

Volume 85 / Number 230 / Wednesday, November 21, 2007

Crude futures make another run at $100/b

Thin pre-holiday trade combines with weak US dollar, bullish inventory forecast

New York—Front-month crude futures on NYMEX November 20 settled at an all-time high of $98.03/barrel, picking up $3.39 on a combination of the US dollar's weakness and bullish inventory expectations.

Front-month Brent futures on ICE also gained more than $3 to close at an all-time high at $95.49/b, a gain of $3.21.

"Amongst a myriad of factors mentioned as drivers behind today's explosive advance, we feel that the fresh record lows in the US dollar amidst a thin holiday trade provides the best explanation behind the sharp run-up," Jim Ritterbusch, independent energy consultant, said in a report.

While prices were surging across the board November 20, open interest for both the NYMEX and ICE crude contracts were down from previous weeks, a sign of short-covering instead of fresh longs. Open interest for the front-month crude contract on NYMEX has dropped by 155,527 over the past week.

Another factor in the crude price will be weekly inventory data released November 21. Analysts surveyed by Platts projected the Energy Information Administration and American Petroleum Institute will show a draw of 150,000 barrels in commercial crude stocks for the week ended November 16.

The rally in crude November 20 also boosted refined products prices, prompting the front-month NYMEX heating oil contract to settle at an all-time high of $2.6901/gal, a gain of 8.59 cents. An expectation of a 500,000 barrel decline in US distillate inventories, boosted by the kick-start of the heating season, was supportive.

NYMEX heating oil was also supported by the front-month gasoil contract on ICE, which earlier settled at an all-time high of $845.75/mt, a gain of $24.50 on the session.

While analysts expect US gasoline inventories to show a seasonal build of 900,000 barrels, a 0.4 percentage point rise in crude inputs to refineries likely outpaced soft demand. December RBOB contract was dragged higher by the rest of the complex to settle 6.99 cents higher at $2.4515/gal. That could lead to higher retail prices, which are

(Continued on page 8)

ConocoPhillips opts to keep Irish Whitegate refinery

New York—ConocoPhillips no longer plans to sell its 71,000 b/d Whitegate refinery near Cork, Ireland, a company spokesman said November 20.

"We saw more value in continuing to operate the refinery than in selling it," said spokesman Bill Tanner at the US company's Houston headquarters. He declined further comment on the company's decision.

ConocoPhillips in January said it was putting the refinery up for sale as part of an asset sales plan (ON 1/24). The major has had talks with possible buyers for the plant, Tanner said, declining to comment further.

European oil companies have been questioning the need to operate some of their smaller, older refineries amid volatile oil prices, growing swings in refining profitability and ever-more stringent requirements for cleaner fuels.

Whitegate is the most basic refinery on ConocoPhillips' books with a Nelson complexity index of 4.6 compared to its average US refinery index of 10.6. The higher a refinery's complexity, the greater its secondary conversion capacity and ability to produce higher-value products.

Tanner said he could not comment on whether ConocoPhillips had any expansion or reconfiguration plans for the refinery, which mostly uses North Sea light, sweet crude. The refinery mostly produces motor fuel for the local market, he said.

ConocoPhillips' announcement in January came two weeks after Shell said it was selling its three French refineries with a total 300,000 b/d capacity to streamline its downstream portfolio (ON 1/12).

BP, meanwhile, sold its only remaining UK refinery at Coryton in Essex to Europe's fastest-growing refiner Petroplus, which also bought two of Shell's French refineries.

Petroplus CEO Thomas O'Malley in February played down speculation he would look to buy Whitegate, which he had bought from the Irish government when he was running Tosco in the 1990s. "I bought it once before for $100 million and I'm not sure I would want to

(Continued on page 4)

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Sanctions sought against Myanmar oil sector

Human rights group seeks to stop revenues flowing to military junta

Washington—The UN Security Council should act to prohibit new investment in Myanmar's oil and gas sector and block company payments that help sustain military rule in the country, Human Rights Watch said November 19.

Until the Security Council imposes sanctions, the US, EU, China, India, members of the Association of Southeastern Asian Nations and other nations with economic ties to Myanmar should act to suspend any further development of the country's oil and gas industry, the human rights lobby group said. The group also called for targeted financial sanctions on companies owned and controlled by the Myanmar military or whose revenues substantially benefit the military.

"Burma's generals act as if they are immune from worldwide condemnation because they're still getting cash from foreign-financed oil and gas projects," Arvind Ganesan, director of the Business and Human Rights Program at Human Rights Watch, said in a statement. "It's time to cut them off."

The group released new data on foreign investment in Myanmar's hydrocarbon sector, identifying 27 companies based in 13 countries, including Chevron's Unocal Myanmar Offshore, France's Total and Japan's Nippon Oil. Thirteen of the companies are wholly or partially owned by foreign governments, Human Rights Watch added.

The Myanmar military government relies heavily on the oil and gas sector to sustain itself in power, the group said, adding that funds from the oil and gas sector—one of the few industries to see growth in recent years—help underwrite the military without bringing benefits to ordinary people.

Myanmar's natural gas revenues have risen $1 billion year on year, in part due to higher prices globally, and should continue to climb as world prices increase and big new projects come on line, Human Rights Watch said.

A consortium led by South Korea's Daewoo International has discovered around 4.5-7.5 Tcf of gas in Myanmar's offshore blocks A-1 and A-3 and is preparing to produce around 600,000 Mcf/d for export by 2010. Thailand's PTT Exploration and Production has also discovered gas in offshore block M-9 and expects to begin producing 300,000-500,000 Mcf/d from 2011-2012.

The UN Security Council October 11 unanimously adopted a nonbinding statement deploring a military crackdown in Myanmar in response to civil protests sparked by the government's mid-August move to hike fuel prices by as much as 500% without warning (ON 8/16). The UN urged the release of detained protesters and political prisoners.

US President George W. Bush also called October 15 for a stepping up of international pressure on Myanmar's military junta.

Meanwhile, two measures were introduced in the US Congress late last month aimed at forcing Chevron to divest its interests in the country (ON 10/25). Chevron has a 28% non-operating stake in Myanmar's offshore Yadana natural gas project, which it acquired when it bought Unocal in 2005, as well as a 28% interest in a pipeline that moves gas from Yadana to the Myanmar-Thailand border for delivery to Thai power plants. The Yadana field produces about 650,000 Mcf/d, around 90% of which is supplied to Thailand.

One bill, introduced by House Foreign Affairs Committee Chairman Tom Lantos, a California Democrat, seeks to block Chevron from deducting any taxes paid to the Myanmar government from its US taxes, or take any deduction for cash spent on the Yadana project. The other, introduced by Arizona Republican Senator John McCain, a presidential candidate, would tighten US trade restrictions with Myanmar by removing a provision that protects investments made before 1997 from the current law banning investment in Myanmar.

Neither bill has been acted on in committee. If passed, Chevron would have to sell its stake in Yadana.

Chevron was not fazed by the introduction of the bills. "Chevron's interest in the Yadana natural gas project is long-term and we are committed to helping meet the energy needs of millions of people in the region," the company said in a statement October 18. "Sanctions that require Chevron to sell its interest in Yadana would not affect Yadana operations or the revenues produced by the project," the company maintained.

Chevron added that if it were to sell its interest hundreds of millions of dollars in additional revenue could be redirected into government coffers, endangering important social and economic development programs.

The company said its contributions to the country have provided doctors and improved health care for 50,000 people in the region, as well as paid for the construction of 44 schools.—*Cathy Landry, with Mriganka Jaipuriyar in Singapore*

Japan and Korea step up winter LNG spot purchases

Singapore—Japan and South Korea have bought more spot LNG cargoes for winter, as fresh nuclear power generation problems plague the former and the latter seeks additional purchases to meet peak seasonal demand.

Japanese buyers were actively seeking December LNG cargoes last week as power utilities such as Chubu Electric, Tohoku Electric and Kansai Electric faced either prolonged nuclear plant shutdowns or were forced to shut in some nuclear units due to technical issues arising after they were restarted following maintenance programs, traders said.

Japan bought "more than a couple" of spot LNG shipments for December last week from BG, an active player in the spot market, a trader told Platts. The average price paid by Japan for the shipments was in the $12.50-13/MMBtu range, although some fetched above $13/MMBtu, according to the trader.

In comparison Korea Gas, which concluded deals for spot December cargoes earlier in October, said it paid an average price of below $12.50/MMBtu for the shipments.

Kogas has also started buying spot cargoes for the first quarter of next year.

The company has bought at least one January arrival LNG cargo, believed to be from Trinidad and Tobago, sources said, although they differed on the price of the shipment. A source on the sellers' side said Kogas paid close to $14/MMBtu for the Trinidad shipment, while a source in the buyers' camp said the deal was transacted at just above $13/MMBtu.

Kogas is also beginning to negotiate for February and March cargoes, but details on actual deals concluded are scant.

Apart from Kogas, buyers such as Japan and Taiwan were showing "a lot of interest" for January and February spot LNG cargoes, although no other deals have been reported, a trader said.

There is a wide gap between buyers' and sellers' price ideas for first-quarter spot LNG cargoes, a trader added. Buyers are bidding at $12-13/MMBtu while sellers are aiming for an oil parity price of $15-16/MMBtu, he said.—*KimFeng Wong, with Takeo Kumagai in Tokyo*

Vietnam removes import tax on LPG from November 20

Singapore—Vietnam will halt its 2% import tax on LPG effective November 20, marking the second cut in less than a month designed to assist buyers with rising import costs, industry sources said this week.

The finance ministry informed local importers of the cut over the weekend, one source said.

Importers had been expecting import premiums to stay at around $120-$130/mt for LPG cargoes delivered over the next two months on a CFR basis, the source added. Since late September, spot premiums for pressurized LPG cargoes of around 2,000 mt to Vietnam had exceeded $100/mt over the monthly Saudi contract price.

On October 25, Vietnam reduced its import tax on LPG from 5% to 2%. But importers were still looking at raising domestic retail prices for pressurized LPG in December, the source added.—*Jonathan Nonis*

TNK-BP says Gazprom JV accord by year-end

New $3 billion venture involves giant Kovykta gas field

Moscow—Anglo-Russian TNK-BP expects the terms of a long-awaited joint venture with Russia's gas monopoly Gazprom to be agreed by the end of this year, TNK-BP Vice President Alexander Berezikov said November 20 in Moscow.

Gazprom deputy CEO Alexander Medvedev, however, later in the day denied there was a target to sign the deal before the end of 2007.

Gazprom, BP and TNK-BP agreed to set up the venture worth at least $3 billion in mid-June, when TNK-BP ceded control of the giant Kovykta gas field in East Siberia to the Russian gas giant.

If the joint venture gets off the ground, TNK-BP could in the future regain 25% plus one share in the field at a yet-to-be-agreed price. "I think by the end of the year we will be able to complete everything," Berezikov, who oversees TNK-BP's gas business, said on the sidelines of a gas forum in Moscow. "The parties have made proposals on the assets, now their evaluation is underway," he told reporters.

Gazprom's Medvedev told reporters later November 20 there was no such plan to complete the deal before the end of 2007, but did not give an exact timeframe for when it might be reached.

Under agreements with TNK-BP and BP, the companies agreed to set up a joint venture "within a year" from the signing of the Kovykta deal in mid-June, meaning the joint business might be created any time up to June 2008. Neither Berezikov nor Medvedev would comment on which assets are to be included in the planned venture.

TNK-BP could transfer its gas subsidiary Rospan to the JV, with BP also considering transferring some of its international projects to the alliance.

Gazprom, meanwhile, by the end of the year plans to complete the purchase of TNK-BP's 62.98% share in Rusia Petroleum, which holds the license for the Kovykta gas field, Medvedev said. "Work on the joint venture is in no way connected with the closing of the deal on Rusia Petroleum," he said.

The closure of that deal was postponed in September until December 1 due to lengthy appraisal procedures, and Medvedev's comments November 20 seem to hint the deadline could be shifted further up to December 31 (ON 9/13). He confirmed, however, intentions to close the deal before the end of the year.

TNK-BP lost its most lucrative gas asset, Kovykta, in June following years of pressure by Russian authorities to revoke the license over the operator's failure to reach production levels at the field set by the license agreement.

Gazprom is expected to receive a 50% stake in the JV, with the remaining 50% interest being held by BP or TNK-BP, depending on which assets are transferred to the project, Gazprom said in June.

Speaking at the Moscow gas forum November 20, Berezikov also said TNK-BP plans to produce over 16 billion cubic meters of gas in 2008, up from the 14 Bcm it expects to pump this year. The figure includes associated gas, he said.

Of 10.7 Bcm of dry lean gas to be produced in 2008, 6.5 Bcm will be supplied from the Nizhnevartovsk fields, 2.7 Bcm from Rospan, 800 million cu m from Orenburg and 700 million cu m from Nyagan, Berezikov said on the sidelines of the forum.

Rospan is currently facing limited gas production due to the lack of access to Russia's gas transportation system, Berezikov said. TNK-BP plans to start construction of a pipeline to link the Rospan fields with Gazprom trunk pipelines in 2009 so it can increase gas output to 9 Bcm/year by 2012 and to 16 Bcm/year by 2014.

Berezikov also said TNK-BP will start supplying some 300 million cu m/year of gas directly to domestic consumers from 2008 under three-year contracts. The main consumers will be power and cement industries, he said.—*Anna Shiryaevskaya, Nadia Rodova*

Ireland's Island Oil & Gas increases reserves by 46%

Dublin—Ireland-based junior Island Oil & Gas said November 20 an independent assessment of its oil and gas resources offshore Ireland and the Netherlands has increased its proved and probable reserves by 46% to 25.6 million barrels of oil equivalent.

At the same time, the company said it was looking to sell equity in its four fields—Old Head of Kinsale, Schull and Connemara in Ireland and Amstel in the Netherlands—to help finance their development.

The new reserve figure is a 46% increase on a previous assessment published in March and reflects the inclusion of the Connemara field off Ireland's west coast, Island said.

The report, produced by Fugro Robertson, estimates the Old Head of Kinsale gas field in the Celtic Sea, which Island operates with a 65% interest, has gross gas in place of 41.3 Bcf and 28.9 Bcf of gross recoverable gas.

The Schull gas field in the Celtic Sea, in which the company is operator and holds a 62.5% interest, is estimated to have gross gas in place of 42.6 Bcf, with 27.7 Bcf recoverable.

Island said it is negotiating commercial terms for access rights with Marathon Oil, the owner of the nearby Kinsale and Seven Heads gas gathering facilities, on a subsea tie back for the Old Head of Kinsale and Schull fields.—*Kieran Moran*

Turkmenistan unsure of trans-Caspian gas link: US

London—US Energy Secretary Samuel Bodman said November 20 he was unsure of Turkmenistan's commitment to a trans-Caspian gas pipeline to bring Turkmen gas to Europe following a meeting with Turkmen President Gurbanguly Berdymuhammedov last week.

"Turkmenistan has enormous amounts of gas ... the question is whether the president is prepared to see the investment made to run it across the Caspian ... and I'm not sure, to be honest," Bodman said at a British-American business chamber meeting in London.

Bodman said the Turkmen president had given him the impression he was not confident that Turkmenistan is ready to "buck" Russian calls for gas to transit through Gazprom's own pipelines. "So I come away with question marks more than anything else," Bodman said, referring to his meeting with Berdymuhammedov over the project.

"I think this is a question of getting the Turkmens to agree to participate," he said, adding, however, that the Azerbaijan President Geidar Aliyev was much more optimistic that the pipeline could be built.

Bodman had stressed the opportunities that a trans-Caspian gas pipeline would open up for Turkmenistan in talks held November 15 with President Berdymuhammedov.

The pipeline is strongly opposed by Russia, which has a near-monopoly on Central Asian gas purchases. "This is not an anti-Russian policy ... this is merely trying to provide a diversity of suppliers so that the power of the market place can deal with pricing," Bodman said in London.

Competition for Turkmenistan's abundant energy resources has intensified after the death of the country's president Saparmurat Niyazov, who ruled the gas-rich Central Asian country for 21 years, in December 2006.

Both the US and the EU have been pushing strongly in recent months for development of a trans-Caspian pipeline, while Russia, through which the vast majority of Turkmenistan's current gas exports go, continues to attempt to secure gas deliveries through its territory.

Bodman also said he believed that gas from Azerbaijan is not likely to be enough to fill another planned Caspian gas pipeline, Nabucco, which is why Turkmen gas is needed. "I don't think the likelihood of their having enough gas to really supply Nabucco ... makes sense. I think for that you're going to need the Turkmen [gas], he said.

Azerbaijan has signed a provisional deal to supply gas for the 30 billion cubic meter/year Nabucco pipeline, which would carry gas from the Caspian Sea region to Europe via Turkey, Bulgaria, Romania, Hungary and Austria.—*Robert Perkins*

Vitol pleads guilty in UN oil-for-food investigation

New York—Switzerland-based trading company Vitol has pleaded guilty to charges it was involved in the kickback scheme during the UN's oil-for-food program in Iraq, Manhattan District Attorney Robert Morgenthau said November 20.

The scheme involved the payment of kickbacks to Iraq in connection with oil purchases made under the UN program.

Vitol pleaded guilty in New York State Court to grand larceny in the first degree in connection with the scheme, Morgenthau's office said in a statement.

Vitol acknowledged making $13 million in kickbacks to Iraqi officials Between June 2001 and September 2002 in connection with oil purchases, while at the time allowing "false representations to be made to the United Nations that no kickbacks were paid," said Morgenthau's office.

The district attorney said Vitol admitted to paying the illegal kickbacks either directly, through its Vitol Bahrain unit, or indirectly through third parties, who then paid the surcharges to Iraqi officials.

As a result of its guilty plea, Vitol will pay "restitution of $13 million to the Iraqi people" through a development fund for Iraq and pay a further $4.5 million in lieu of fines, forfeiture and to cover the cost of prosecution, the prosecutor's office said.

Morgenthau's statement said the Vitol plea was part of a "continuing investigation" by his office into the former UN program. Cases also have been brought against 12 individuals, six of whom have pleaded guilty, including legendary oilman Oscar Wyatt in October. Bayoil head David Chalmers also pleaded guilty and, like Wyatt, is due to be sentenced before year-end. (ON 10/2)

Chevron last week said it agreed to pay $30 million to settle an Iraq oil-for-food case brought against it by the US government, the US Attorney for the Southern District of New York announced November 14 (ON 11/15).

El Paso settled for $7.7 million, while Bayoil agreed to forfeit more than $9 million (ON 2/8, 8/20). Cases against foreign-owned Nafta Petroleum, Mednafta Trading and Sarenco are pending.—*Robert DiNardo*

US retail gasoline demand is moving lower

Consumption "decelerating a lot faster" than expected: Mastercard

New York—The US consumed 9.294 million b/d of gasoline during the week ended November 16, the fourth consecutive week of year-over-year declines, said MasterCard Advisors in its weekly US gasoline report November 20.

Retail gasoline prices have been dragged higher by sharp moves on the futures market. The front-month crude contract closed at a record $98.03/barrel on the New York Mercantile Exchange November 20 (*see story page 1*).

Gasoline consumption is "decelerating a lot faster" than expected due to price increases, said Michael McNamara, vice president for research at MasterCard Advisors, adding he will be "watching closely" to see how Thanksgiving week consumption numbers stack up against 2006. "That will be the best way to tell the story," about lingering patterns, he told Platts.

But the standbys of US consumer resiliency—higher disposable incomes, the reduced proportion that gasoline costs make up in today's household budgets compared to 1980, and a soft, incremental price rise—appear to still be in place. Or are they?

Some market observers and economists are taking issue with the chestnuts used to explain why consumers have seemingly shrugged off price escalations and argue higher prices are becoming harder to sustain.

"I really don't buy the argument" that higher gasoline prices have had minimal effects on consumers, said Cameron Hanover analyst Peter Beutel. "The only reason we're not already in a recession is because people have used their homes as piggybanks," he said, referring to the surge of home equity loans in recent years.

Throughout much of the price run-up, economists have argued that a rise in disposable income has shielded consumers from higher gasoline costs.

"At today's higher incomes, gasoline expenditures claim less than 4% of US after-tax personal income," according to an October report from the US Federal Reserve Bank of Dallas. "The comparable figure for 1981 was more than 6%," said the report written by Fed economists Stephen Brown and Raghav Virmani.

According to numbers from the Bureau of Economic Analysis, consumers in the second quarter of 2007 spent 3.4% of their disposable income on gasoline, well below the reported 4.5% figure in 1980 and 1981.

However, the disposable income figure does "not take into account the widening gap between the very wealthy and people in lower brackets," said Kevin Mabe, an economist at Farmers Group, an automotive and homeowners insurance company owned by Zurich Financial Services.

"People in the lower brackets are spending a higher portion of their salary on gasoline and you don't see that in the overall figures," Mabe said. "There are different ways to slice and dice this."

Brown said he only had data that would yield what statisticians call the "mean" average, and not the median average, which can often be a more telling gauge of the population-at-large. Asked about the value of the mean average as a gauge of the typical consumer, Brown added that "the distribution of income today is more unequal than in 1980" and that the mean figure is a little tricky to use.

Prices for the Fed's data were collected last summer, before the current spike in prices. Could the percent that gasoline expenditures claim on household budgets have mushroomed? Brown said he does not expect "much impact" from the numbers, adding that the 4% is "probably still accurate."

Brown said prices would have to hit $5.50/gal before they reach 1980 levels in real terms.

Some marketwatchers say the incremental increases in gasoline prices are as important as the outright price of the fuel in squelching consumer demand.

McNamara takes issue with talk that gasoline price increases have been incremental. Though not making a comparison with 1980, he said the ongoing price spike "hasn't necessarily been smooth ... it's been a pretty impressive rise with some spikes," he said.

According to Mastercard, retail gasoline prices shot up the most in the lower Atlantic states, where they rose 43.1% or 6 cents from a year ago, to $3.09/gal for regular motor gasoline in the week ending November 16. Spikes in prices were softest on the West Coast, where they were 33.7% higher than in the same year-ago period, averaging $3.29.

The California average is $3.43, according to the American Automobile Association of Northern California. "In the communities that we monitor on a daily basis, the range is from a low of $3.34 to a high of $3.58," said AAA spokesman Sean Comey via email. "Nothing resembling a bargain to be had anywhere."—*Leslie Moore Mira*

Pemex Kab 101 is hit by fire

Mexico City—The Pemex well in the Sound of Campeche that last month was the center of the worst offshore accident in the history of the Mexican state oil company suffered a second blaze within less than a week, Pemex reported November 20. Pemex said the fire at the Kab 101 well was soon extinguished and nobody was hurt. Kab 101 has been spouting oil and gas since the Usumacinta jackup crashed into the well's valve tree in heavy seas October 23. Twenty-two workers died in the incident.—*Ronald Buchanan*