



**TRAFIGURA AG BRANCH OFFICE STAMFORD**

ONE STAMFORD PLAZA, 263 TRESSER BOULEVARD, 16<sup>TH</sup> FLOOR, STAMFORD, CT 06901, USA TEL: +(1) 203 355 7200 - FAX: +(1) 203 355 7201

**OPERATING AGREEMENT**

THIS AGREEMENT IS MADE AND ENTERED INTO AS OF 12 NOVEMBER 2009

BETWEEN:-

- (1) PETROWEST INC, A COMPANY WHOSE PRINCIPAL PLACE OF BUSINESS IS SITUATED AT PO BOX 1256, MAYAGUEZ, PUERTO RICO, 00681-1256 ("PETROWEST"); AND
- (2) TRAFIGURA AG A COMPANY WHOSE PRINCIPAL PLACE OF BUSINESS IS SITUATED AT 263 TRESSER BOULEVARD, 16<sup>TH</sup> FLOOR, STAMFORD, CT 06901, ("TRAFIGURA").

**INTRODUCTION**

- (A) IT IS INTENDED THAT PETROWEST HAS AND SHALL AT TRAFIGURA'S REQUEST AND ON TRAFIGURA'S BEHALF ENTER INTO CONTRACT(S) FOR THE SALE BY PETROWEST OF FUEL OIL TO THE PUERTO RICO ELECTRIC POWER AUTHORITY (HEREINAFTER REFERRED TO AS 'PREPA') FOR DELIVERY FROM 1 NOVEMBER 2009 - 31 DECEMBER 2010, ALL SUCH CONTRACTS HAVING BEEN APPROVED IN WRITING IN ADVANCE BY TRAFIGURA (AND SUCH APPROVED CONTRACTS HEREIN REFERRED TO AS "THE CONTRACT" WHICH EXPRESSION INCLUDES SUCH CONTRACT AND FROM TIME TO TIME AS AMENDED, EXTENDED AND/OR REPLACED FROM TIME TO TIME WITH THE PRIOR WRITTEN APPROVAL OF TRAFIGURA).

TRAFIGURA MUST BE CONSULTED, AND PRIOR CONSENT OBTAINED FROM TRAFIGURA IN WRITING, PRIOR TO PETROWEST ENTERING INTO ANY NEGOTIATIONS WITH PREPA AND/OR PRIOR TO PETROWEST CONSENTING TO ANY REQUEST MADE BY PREPA IN RELATION TO THE CONTRACT.

- (B) PETROWEST AND TRAFIGURA HAVE ENTERED INTO THIS AGREEMENT TO RECORD CERTAIN ARRANGEMENTS AGREED BETWEEN THEMSELVES CONCERNING THE CONTRACT THAT HAS BEEN ENTERED INTO BY PETROWEST AND PREPA.

**WHEREBY THE PARTIES AGREE AS FOLLOWS:**

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- 1. PETROWEST HEREBY CONFIRMS THAT IT HOLDS AND WILL AT ALL TIMES HOLD ALL THE GOODS WHICH ARE THE SUBJECT OF THE CONTRACT AND ALL RIGHTS AND BENEFITS UNDER THE CONTRACT ON TRUST ABSOLUTELY FOR THE BENEFIT OF TRAFIGURA OR THE BANK NOMINATED BY TRAFIGURA (HEREINAFTER REFERRED TO AS "THE BANK") INCLUDING, WITHOUT LIMITATION, ALL ITS RIGHTS TO RECEIVE PAYMENTS FROM PREPA UNDER THE CONTRACT(S).
- 2. PETROWEST AGREES WITH TRAFIGURA AS FOLLOWS:-
  - 2.1 IT WILL PERFORM AND COMPLY WITH THE CONTRACT;
  - 2.2 IT WILL NOT ENTER INTO, AMEND, TERMINATE, SUSPEND, REPLACE OR EXTEND THE CONTRACT OR ANY OF THE RIGHTS OF PREPA ARISING OR EXPRESSED TO ARISE THEREUNDER NOR COMPROMISE, WAIVE OR SETTLE ANY SUCH RIGHTS AGAINST PREPA WITHOUT, IN EACH AND EVERY CASE, THE PRIOR WRITTEN CONSENT OF TRAFIGURA;

2.3 IT WILL UPON TRAFIGURA'S REQUEST ISSUE IN FAVOUR OF SUCH PERSON OR PERSONS AS TRAFIGURA MAY NOMINATE IN WRITING BY WAY OF SECURITY A POWER OF ATTORNEY IN THE FORM AND WITH THE CONTENT REQUIRED BY TRAFIGURA SO AS TO ENABLE SUCH PERSON OR PERSONS TO OPERATE THE CONTRACT(S) AND/OR TO PERFORM ALL OR ANY OF THE OBLIGATIONS OF PETROWEST HEREBUNDER IN RELATION TO THE CONTRACT(S), SUCH POWER OF ATTORNEY TO BE CONSISTENT WITH THE APPLICABLE LAW AND TO INCLUDE REFERENCE TO THE CONTRACT WHERE NECESSARY.

TRAFIGURA AND ANY PERSON NOMINATED BY TRAFIGURA SHALL BE ENTITLED TO ENFORCE COMPLIANCE BY PREPA WITH THE CONTRACT(S) AND TO OPERATE THE CONTRACT(S) (INCLUDING BUT WITHOUT LIMITATION IN RELATION TO DELIVERY PROGRAMMING, NOMINATIONS, ACCOUNTING AND RECONCILIATIONS, THE ISSUING OF INSTRUCTIONS (INCLUDING, BUT NOT LIMITED TO, IN RELATION TO LETTERS OF CREDIT AND/OR PAYMENT UNDERTAKINGS), INVOICES AND STATEMENTS, IN THE NAME OF PETROWEST, THE PROSECUTION OF ALL RIGHTS AND CLAIMS AND THE WITHHOLDING OR CANCELLATION OF ANY FUTURE SHIPMENT(S) OR PAYMENT(S) IN THE CASE OF PREPA'S FAILURE TO COMPLY WITH THE CONTRACT(S) AS REQUIRED FROM TIME TO TIME BY TRAFIGURA

2.4 IT WILL UPON TRAFIGURA'S REQUEST AT THE EXPENSE AND FOR THE BENEFIT OF TRAFIGURA, ENFORCE COMPLIANCE BY PREPA IN THE CASE OF PREPA'S FAILURE TO COMPLY WITH THE CONTRACT(S) AS AND ONLY AS REQUIRED FROM TIME TO TIME BY TRAFIGURA;

2.5 IT WILL NOT DELIVER OR AGREE TO DELIVER ANY GOODS OR MAKE ANY PAYMENT UNDER THE CONTRACT WITHOUT TRAFIGURA'S PRIOR WRITTEN APPROVAL;

2.6 IT WILL LIAISE THROUGHOUT WITH TRAFIGURA (OR AS TRAFIGURA DIRECTS) AND SUPPLY TRAFIGURA WITH COPIES OF ALL COMMUNICATIONS AND NOTES AND REPORTS ON ALL MEETINGS AND CONVERSATIONS BETWEEN PREPA AND PETROWEST CONCERNING THE CONTRACT;

2.7 IT WILL INSTRUCT AND AUTHORISE PREPA TO MAKE ANY PAYMENT(S) UNDER THE CONTRACT ONLY TO SUCH BANK ACCOUNT AS TRAFIGURA MAY FROM TIME TO TIME SPECIFY TO PETROWEST AND THE TERMS OF EACH RELEVANT INVOICE SHALL SPECIFY SUCH ACCOUNT ACCORDINGLY;

2.8 IT WILL HOLD ANY DELIVERY OR PAYMENT NEVERTHELESS RECEIVED BY IT UNDER OR IN RESPECT OF THE CONTRACT(S) IN TRUST FOR TRAFIGURA AND SEGREGATED FROM PETROWEST'S OTHER ASSETS AND IT WILL IMMEDIATELY TRANSFER THE SAME TO TRAFIGURA WHEN PRESENTED WITH APPROPRIATE PAYMENT INSTRUCTIONS;

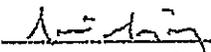
2.9 IT GIVES ITS IRREVOCABLE AND UNCONDITIONAL AUTHORITY TO TRAFIGURA TO CONDUCT IN REPRESENTATION OF PETRO WEST ANY FUTURE RECONCILIATION WITH PREPA IN RELATION TO THE CARGO(S) VALUE AND ASSOCIATED COSTS, INCLUDING BUT NOT LIMITED TO DEMURRAGE, INTEREST AND/OR FREIGHT ESCALATORS.

3. TRAFIGURA AGREES WITH PETRO WEST AS FOLLOWS:-

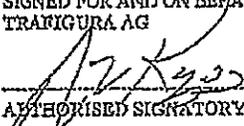
3.1 INCLUDING BUT NOT LIMITED TO SUPPLYING THE FUEL OIL ORDERED, ORDERED OR PURCHASED BY PREPA, IT WILL FACILITATE AND ASSIST PETRO WEST TO PERFORM AND COMPLY WITH THE CONTRACT;

- 3.2 IT WILL COOPERATE WITH PETRO WEST IN ANY EFFORT TO ENTER INTO, AMEND, TERMINATE, SUSPEND, REPLACE OR EXTEND THE CONTRACT OR ANY OF THE RIGHTS OF PRBPA ARISING OR EXPRESSED TO ARISE THEREUNDER NOR COMPROMISE, WAIVE OR SETTLE ANY SUCH RIGHTS AGAINST PRBPA;
4. WITHIN 3 BUSINESS DAYS OF TRAFIGURA'S RECEIPT OF PAYMENT INTO THE NOMINATED BANK ACCOUNT FOR PRODUCTS DELIVERED BY PETROWEST TO PRBPA UNDER THE CONTRACT, TRAFIGURA SHALL PAY TO PETROWEST 8.75 U.S CENTS PER BARREL ON THE DELIVERED QUANTITY
5. THE TITLE TO THE GOODS WILL PASS FROM TRAFIGURA TO PETROWEST AS THE PRODUCT PASSES THE VESSEL'S PERMANENT FLANGE AT THE DISCHARGE PORT. GOODS BOUGHT OR SOLD WILL BE RECORDED IN TRAFIGURA'S ACCOUNTS BOOKS.
6. EACH PARTY HEREBY UNDERTAKES TO INDEMNIFY THE OTHER PARTY FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS AND EXPENSES INCURRED, SUFFERED OR EXPENDED BY THE OTHER CONTRACTING PARTY RESULTING FROM OR CAUSED BY THE SAID PARTY'S ACTS OR OMISSIONS OR FAILURE TO COMPLY WITH ITS OBLIGATIONS UNDER THIS CONTRACT.
7. THE PARTIES HERETO AGREE TO MAINTAIN STRICT SECRECY WITH REGARD TO THE EXISTENCE AND/OR CONTENTS OF THIS AGREEMENT, SAVE TO THE EXTENT REQUIRED BY LAW OR SO AS TO GIVE EFFECT HERETO AND SAVE IN RESPECT OF DISCLOSURE TO EITHER PARTY'S LAWYERS, AUDITORS, AFFILIATES, INSURERS AND/OR FINANCIERS.
8. EXCEPT FOR ANY PETROWEST CLAIM AGAINST TRAFIGURA REGARDING TRAFIGURA'S FAILURE TO SUPPLY ANY PRBPA FUEL OIL PURCHASE OR REQUEST FOR DELIVERY UNDER THE CONTRACT, IN WHICH CASE SUCH CLAIM SHALL BE GOVERNED BY THE LAWS OF THE COMMONWEALTH OF PUERTO RICO OR, AT PETROWEST'S PREFERENCE, BY THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO AND HIGHER UNITED STATES COURTS, THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF ENGLAND AND ANY OTHER DISPUTE ARISING OUT OR IN CONNECTION WITH THIS AGREEMENT (INCLUDING, BUT WITHOUT LIMITATION, REGARDING ITS EXISTENCE, VALIDITY OR TERMINATION) SHALL BE REFERRED TO AND FINALLY RESOLVED BY ARBITRATION UNDER THE RULES OF THE LCIA IN EFFECT AS OF THE DATE OF THE EXECUTION OF THE PRESENT AGREEMENT, WHICH RULES ARE DEEMED TO BE INCORPORATED BY REFERENCE INTO THIS CLAUSE. THE TRIBUNAL SHALL CONSIST OF THREE ARBITRATORS APPOINTED IN ACCORDANCE WITH SUCH RULES. THE PLACE OF THE ARBITRATION SHALL BE LONDON AND THE LANGUAGE OF THE ARBITRATION SHALL BE ENGLISH.

SIGNED FOR AND ON BEHALF OF  
PETRO WEST INC

  
AUTHORISED SIGNATORY

SIGNED FOR AND ON BEHALF OF  
TRAFIGURA AG

  
AUTHORISED SIGNATORY

This power of attorney is made on 22<sup>nd</sup> December 2009 by Petro West Inc. a company whose principal place of business is at PO Box 1256, Mayaguez, Puerto Rico, 00681-1256 (Principal)

1. APPOINTMENT AND POWERS

The Principal irrevocably appoints Trafigura AG, a company whose principal place of business is at 263 Tresser Boulevard, 16<sup>th</sup> Floor, Stamford, CT 06901 (Trafigura) and its substitute Trafigura Limited whose principal place of business is at Portman House, 2 Portman Street, London W1H 6DU, UK jointly and severally as its attorneys (Attorneys) and in the Principal's name or otherwise and on its behalf in connection with any agreements between the Principal and Puerto Rico Electric Power Authority (PREPA) relating to the sale of fuel oil for delivery between 1 November 2009 and 31 December 2010 or as may be required by Trafigura (PREPA Agreement), given that any such further agreements and applicable laws allow for Attorneys's appointment:

- 1.1 To consider, settle, approve, sign, execute, deliver and/or issue all agreements, documents, certificates and instruments (all whether as a deed or not) which Trafigura in its absolute discretion considers desirable in connection with PREPA Agreement.
- 1.2 To take any steps or do any thing which the Attorneys or any of them in their absolute discretion considers desirable in connection with the implementation of the PREPA Agreement including, without limitation, the following:
- (i) to operate the PREPA Agreement and/or to perform all or any of the obligations of the Principal in relation to the PREPA Agreement; and
  - (ii) to enforce compliance by PREPA with the PREPA Agreement and to operate the PREPA Agreement including, without limitation, in relation to delivery programming, nominations, accounting and reconciliations, the issuing of instructions, letters of credit and/or payment undertakings, invoices and statements, in the name of the Principal, the prosecution of all rights and claims and the withholding or cancellation of any future shipments or payments in the case of PREPA's failure to comply with the PREPA Agreement as required from time to time by Trafigura.
- 1.3 Given prior written notice to Principal, to appoint one or more persons to act as a substitute attorney for the Principal and to exercise one or more of the powers conferred on the Attorneys by this power of attorney and revoke any such appointment.

2. DELEGATION

Given prior written notice to Principal, Trafigura may delegate one or more of the powers conferred on the Attorneys by this power of attorney to an officer or officers appointed for that purpose by the board of directors of Trafigura by resolution or otherwise.

3. AUTHORITY OF JOINT ATTORNEYS

All actions authorised by this power of attorney may be taken by any of the Attorneys. Any and all acts done, decisions made and instruments or other documents executed pursuant to this power of attorney by any of the Attorneys shall therefore be as valid and effectual as though done by all Attorneys.

4. POWER BY WAY OF SECURITY

This power of attorney shall be irrevocable save with the consent of Trafigura and is given by way of security to secure the performance of obligations owed by the Principal to Trafigura under an Agreement dated 12 November 2009 between the Principal and Trafigura but shall expire on 31 December 2010, or as may be required by Trafigura in order to undertake any action required with respect to the PREPA Agreement, given prior written notice to Principal.

5. RATIFICATION

Except for a legitimate and lawful reason, the Principal undertakes to ratify and confirm whatever the Attorneys or any of them do or purport to do in good faith in the exercise of any power conferred by this power of attorney.

6. VALIDITY

The Principal declares that a person who deals with any Attorney in good faith may accept a written statement signed by that Attorney to the effect that this power of attorney has not been revoked as conclusive evidence of that fact.

7. INDEMNITY

Both Principal and Attorneys undertake to indemnify each other fully against all claims, losses, costs, expenses, damages or liability which either of them sustain or incur as a result of any action taken by the other in good faith pursuant to this power of attorney (including any cost incurred in enforcing this indemnity).

*A. 24.*

8. GOVERNING LAW AND JURISDICTION

This power of attorney shall be governed by the laws of England and any other dispute arising out or in connection with this agreement (including, but without limitation, regarding its existence, validity or termination) shall be referred to and finally resolved by arbitration under the rules of the LCIA in effect as of the date of the execution of this power of attorney, which rules are deemed to be incorporated by reference into this clause. The tribunal shall consist of three arbitrators appointed in accordance with such rules. The place of the arbitration shall be London and the language of the arbitration shall be English.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by Petro West Inc. and confirmed in the attached Board Resolution dated 22 December 2009.

[NAME OF FIRST DIRECTOR], a  
director

*Robio Gonzalez*  
.....  
Director

[NAME OF SECOND DIRECTOR], a  
director]

*Jose Gonzalez*  
.....  
Director

*1. set.*

**Master Receivables Purchase  
Agreement**

**Cuenta: Sumitomo Mitsui  
Banking Corp.**

**CitiBank**



## MASTER RECEIVABLES PURCHASE AGREEMENT

This RECEIVABLES PURCHASE AGREEMENT (this "Agreement"), dated as of August 20, 2010, is among PETROWEST, INC. a company registered in Puerto Rico, with address at 256 Calle Concordia, Petro West Plaza, Magayuez PR 00680, Puerto Rico ("Petrowest" or "Seller"), TRAFIGURA A.G. a corporation organized under the laws of the Swiss Confederation operating via its Stamford Branch office located at One Stamford Plaza, 263 Tresser Boulevard, Stamford, CT, ("Trafigura") and SUMITOMO MITSUI BANKING CORPORATION, a Japanese banking corporation with a branch at 277 Park Avenue, New York, New York ("Buyer").

### WITNESSETH:

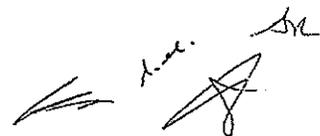
WHEREAS, Petrowest has entered into the contract described in Exhibit A hereto (as the same may be now or hereafter supplemented, amended, modified or extended, the "Sales Agreement"), pursuant to which Seller has issued or will issue invoices to the Puerto Rican Electric Power Authority ("PREPA" or the "Account Debtor"), all as set forth on one or more Purchase Requests referred to herein, with respect to the sale by Seller of fuel oil;

WHEREAS, Seller has entered into an Operating Agreement dated as of November 12, 2009 with Trafigura which is attached as Exhibit B hereto, and has given its Power of Attorney dated as of December 22, 2009 (which is attached as Exhibit C hereto) to Trafigura, and pursuant to those documents Petrowest has entered, and may in the future, enter into contracts for the sale by Petrowest of fuel oil to PREPA, which fuel Trafigura will arrange for delivery to PREPA in satisfaction of Petrowest's delivery obligations pursuant to the contract described in Exhibit D hereto (as the same and may be now or hereafter supplemented, amended, modified or extended, the "Sales and Service Agreement"), and Trafigura will deliver invoices to Seller with respect to such sales (the "Trafigura Invoices");

WHEREAS, the Seller has delivered or will deliver invoices to PREPA (the amount shown as total amount due on each such invoice, less 0.5% municipal license fee ("Tax"), if any, indicated as an invoice line item, a "Receivable" and collectively, the "Receivables") as set forth on the related Purchase Request;

WHEREAS, each Receivable is or will be due and payable on the date set forth on the related Purchase Request which is attached as Exhibit E hereto (for each such Receivable, its "Payment Date");

WHEREAS, at Trafigura's and Seller's request, under an uncommitted receivables purchase facility, consisting of the Existing Agreement (as defined below) and this Agreement, amounting to THREE HUNDRED MILLION DOLLARS (\$300,000,000.00) (the "Facility Amount") as described herein, Buyer may agree to purchase from Seller, and Seller may agree to sell to Buyer, Receivables and the rights under the related Trafigura Invoices, and remit the proceeds thereof to Trafigura all in accordance with the terms and conditions set forth herein;

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WHEREAS, the maximum amount the Buyer may purchase for its own account is limited to ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000.00), and at the Buyer's option and upon approval by Trafigura, the Buyer may invite other financial institutions to participate in the facility hereunder in order to increase the Facility Amount and accommodate discounting requirements by the Seller and Trafigura;

WHEREAS, the parties hereto have entered into that Receivables Purchases Agreement, dated as of April 7, 2010 (the "Existing Agreement"), and intend that this Agreement shall govern all Receivables transactions entered into on and after the date hereof and that all prior Receivables transactions shall be governed by the Existing Agreement;

WHEREAS, in the event that other financial institutions agree to participate in the facility hereunder, the Buyer shall act and perform the duties as facility administrative agent for and on behalf of all participants under this Agreement; and

WHEREAS Trafigura Beheer BV, a private company incorporated in the Netherlands ("Trafigura Beheer" or "Guarantor"), and a corporate parent of Trafigura, is delivering its guarantee in the form of Exhibit F hereto to Buyer relating to the performance risk of Trafigura.

NOW THEREFORE, in consideration of the agreements hereinafter set forth, the parties agree as follows:

1. **Purchase of the Receivable.** On the terms and subject to the conditions set forth herein:

a. From time to time hereafter, by executing and delivering a Purchase Request to this Agreement in substantially the form annexed hereto as Exhibit E, Buyer may agree to purchase from Seller and Trafigura, and Seller and Trafigura may agree to sell to Buyer, the Receivables described in such Purchase Request and each related Trafigura Invoice. The parties acknowledge and agree that the receivables purchase facility described herein is uncommitted. The purchase date (the "Purchase Date") set forth in any such Purchase Request shall be no later than the date that is one year after the date of this Agreement (the "Termination Date", as such Termination Date may be extended from time to time by written agreement of Buyer, Trafigura and Seller). On the Purchase Date, the Seller and Trafigura shall sell, assign and transfer to Buyer and Buyer shall purchase from Seller and Trafigura such Trafigura Invoices and Receivables (together with all interest, penalties, damages and indemnities payable by PREPA under the Sales Agreement in connection with the Receivables and all rights, remedies and privileges under the Sales Agreement to collect and to enforce payment of the Receivables, but without sale, assignment or transfer to Buyer of any duties or obligations under such Sales Agreement), and all collateral security, if any, for the Receivables (including all of Seller's interest in the goods sold and any other security interest, liens and other encumbrances purporting to secure payment of the Receivables), by payment to Trafigura for itself and as attorney in fact for Seller of the purchase price set forth in such Purchase Request (the "Purchase Price"). For the avoidance of doubt, the Purchase Price of any Receivable and the related Trafigura Invoice shall be the Receivable as defined in the

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introductory paragraphs of this Agreement, net of the Discount Fee payable to Buyer pursuant to Section 2.c hereof.

b. All moneys, payments, or funds collected on account of any Receivable, or proceeds or products of any Receivable (collectively, "Collections") shall be administered and distributed as follows:

- i. Trafigura, on behalf of Buyer, shall act as servicer of the Receivables and Trafigura Invoices (in such capacity, "Servicer"). The services to be provided by Servicer shall include, but shall not be limited to, billing for, collecting and receiving all payments due under the Receivables (including, without limitation, finance charges and/or late charges as applicable) and exercising all rights, powers and privileges of Buyer relating thereto, and generally being responsible for the administration of the Receivables. Seller shall cause PREPA to agree that all Receivables shall be paid only by wire transfer to the Buyer at Citibank, N.A. New York ABA No. 021000089, Account Name: SMBC New York, Account Number: 36023837, Attention: Loan Operations, Ref: PREPA (the "Buyer's Account"). If Seller or Trafigura receives any Collections directly from PREPA, Seller or Trafigura shall immediately remit such Collections to the Buyer's Account in the exact form received, with any necessary endorsements. Servicer agrees to maintain such records and books of account with respect to the Receivables and any Collections related thereto and distributions made hereunder as it customarily maintains in connection with similar receivable finance transactions and as are reasonably necessary to show Collections and distributions made pursuant to this clause b. Buyer, Seller and Trafigura agree that Buyer shall accept instructions and notices relating to Seller when given by Trafigura.
- ii. Except as otherwise provided herein, including but not limited to a settlement grace period of 30 days from Payment Date, Seller and Trafigura shall remit Collections from any Receivable to Buyer on the date of receipt thereof (if a Business Day, as hereafter defined, or if not, the next following Business Day) (the "Remittance Date"). Collections credited to the Buyer's Account after 2:00 p.m. New York time on any Business Day shall be deemed received on the next following Business Day.
- iii. Buyer may at any time (A) cause to be filed financing statements on Form UCC-1 (or the equivalent), with respect to the sale of the Receivables and the Trafigura Invoices in the appropriate filing office or offices, and Seller and Trafigura hereby authorizes Buyer to cause such financing statements to be filed, and /or (B) terminate Trafigura's rights and obligations hereunder as Servicer to service

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and administer any and/or all of the Receivables, and appoint a substitute Servicer, which may be itself. Seller and Trafigura shall promptly provide all such assistance and cooperation as Buyer may reasonably request in connection with Buyer's exercise of such rights.

c. Seller shall pay to Buyer a discount fee for each Receivable (and related Trafigura Invoice) (the "Discount Fee") on the Purchase Date (such payment being effected by netting the Discount Fee against the Receivable), for the period from the Purchase Date to the Payment Date (the "Discount Period").

The Discount Fee shall be calculated by multiplying the face amount of the subject Receivable by a percentage equal to a rate per annum stated for each purchase in the Purchase Request (defined as the "Margin" therein) plus "Applicable LIBOR".

Applicable LIBOR is determined as the rate per annum calculated on a basis of a year of 360 days for the Discount Period (including the Purchase Date but excluding its Payment Date) at which deposits in U.S. Dollars for a comparable period offered to the Buyer's affiliate active in the London interbank market at 11:00 am London time, for value two (2) Business Days (as defined herein) prior to the date when payment is made by the Buyer to Trafigura; provided, that if the Buyer cannot obtain a LIBOR rate calculated as set forth above, the rate, or such other rate, shall be as agreed between the Buyer and Trafigura; provided, further, that:

- if the actual Discount Period is less than 45 days, the number of days elapsed for purposes of calculating the Discount Fee shall be deemed to be 45, except that for each Receivable purchased within 60 days following the signing of the Acknowledgment (as hereinafter defined) by PREPA, the Discount Period shall be the actual number of days between its Purchase Date and its Payment Date,
- if the actual Discount Period is less than one month, Applicable LIBOR shall be one month LIBOR, and
- if the actual Discount Period is at least one month and less than two months, Applicable LIBOR shall be two month LIBOR.

In the event that the Buyer does not receive payment on the Receivable on its Payment Date, a discount fee shall be payable in addition to the Discount Fee (the "Additional Discount Fee"), which fee is determined by multiplying the aggregate principal amount of such Receivable by a percentage equal to 50 basis points (0.50% p.a.) above the fully floating overnight LIBOR rate (calculated on the basis of a year of 360 days for actual days elapsed (including the Payment Date or other date when Additional Discount Fee was last paid to Buyer but excluding the date such payment of the Receivable is received by Buyer) plus the Margin).

The Additional Discount Fee shall be payable for the period from the Payment Date to the Remittance Date; provided that the Additional Discount Fee shall not accrue during any period in which the Shortfall Discount Fee or the Dispute Discount Fee (each as hereinafter defined) accrues.

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"Business Day" shall mean a day that Buyer and commercial banks are open for business in New York, New York; provided that, for any calculation of a Purchase Price or Discount Fee relating to LIBOR, the term "Business Day" shall in addition include any day on which banks are open for business in US Dollar deposits in the London interbank market. For purposes of this section, any payment received by Buyer after 2:00 PM in New York shall be credited against the Seller's and Trafigura's obligations as if it were received on the following Business Day.

If any Receivable is covered by comprehensive non-payment insurance acceptable to Buyer, the Discount Fee shall be reduced at a rate to be stated in the Purchase Request.

The Additional Discount Fee or the Shortfall Discount Fee or the Dispute Discount Fee, as applicable, shall be invoiced every 30<sup>th</sup> day of the month and on the date payment of the Receivable is received by the Buyer or on the Verdict Date or Resolution Date (each as hereinafter defined).

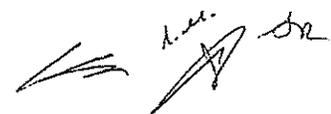
d. For any Receivable, amounts that are available in the Buyer's Account at 2:00 p.m. New York time on the Payment Date for such Receivable or that are otherwise not owing to any other person, or on any subsequent Business Day on which Collections for such Receivable are due to the Buyer, shall automatically be transferred by the Buyer to its account at the end of such Business Day, and the Seller's and Trafigura's payment obligations in respect of such Collections shall be satisfied to the extent of the funds so transferred. Amounts received by the Buyer that represent payment for Tax and/or invoices not purchased by Buyer shall be transferred to such account of Trafigura as Trafigura may direct.

e. If Collections for any Receivable are received by Buyer prior to the Payment Date for such Receivable, and if Trafigura so requests, the Buyer shall cause such Collections to be prepaid to itself by transferring to its account an amount equal to the sum of (i) the Purchase Price for such Receivable, (ii) the *pro rata* portion of the Discount Fee for such Receivable, accreted from the Purchase Date to the date of such prepayment, but in no event less than 45 days of accreted Discount Fee for Receivables purchased more than 60 days from the date of the Acknowledgment (as defined below), (iii) the *pro rata* portion of the Discount Fee for such Receivable, accreted from the Purchase Date to the date of such prepayment for Receivables purchased within two months from the date of this Agreement and (iv) such amount as the Buyer determines in its reasonable discretion to be sufficient to compensate it for any loss, cost or expense, including without limitation any loss of profit incurred on the redeployment of funds from the date of prepayment to the Payment Date, that is attributable to such prepayment, and the balance of such Collections shall be transferred to such account of Trafigura as Trafigura may direct.

f. Trafigura shall pay Buyer a facility fee with terms and conditions contained in a separate letter between the Buyer and Trafigura.

## 2. No Recourse Against Seller and Trafigura.

a. Except as provided herein, the sale of the Receivables by Seller and Trafigura Invoices by Trafigura pursuant to this Agreement shall be without recourse against Seller or Trafigura for or on account of the failure of PREPA to make any payment in respect of the



Receivables owed by it or to otherwise comply with any of the provisions of the Sales Agreement. Except for Receivables covered by insurance, and as otherwise provided herein, Buyer agrees to look solely to PREPA for payment of the Receivables.

b. In furtherance of the sale hereunder, Seller hereby authorizes and empowers Buyer, in Buyer's own name or in the name of and as attorney for Seller, hereby irrevocably constituted, to demand, sue for, collect and receive any and all amounts payable by PREPA in connection with the Receivables transferred hereunder including, without limitation, any amounts of interest which become due from PREPA as a result of PREPA's late payment thereof and to enforce compliance by PREPA with the Sales Agreement to the extent related to the collection of the Receivables, but at the expense and liability and for the sole benefit of Buyer.

c. Notwithstanding anything contained herein to the contrary, Buyer shall have recourse against Seller and Trafigura solely with respect to, and will be entitled to payment by Seller and Trafigura for the full amount due under any Receivable that is not paid as a result of or in connection with (i) Seller's or Trafigura's breach of or failure to perform any material covenant, obligation or understanding contained in this Agreement (including Trafigura's performance as Servicer hereunder), (ii) any representation or warranty of Seller contained in this Agreement that was materially inaccurate or materially incorrect when made or deemed to have been made, (iii) the failure of PREPA to pay any amounts owing in respect of any Receivable purchased hereunder to the extent attributable to Seller's or Trafigura's breach or failure to perform any covenant, obligation or understanding contained in the Sales Agreement, the Sales and Service Agreement or any other documentation between Seller or Trafigura and PREPA, or (iv) the allegation (whether formally or informally, in writing) by PREPA of any dispute, offset, defense, counterclaim, recoupment, right of rescission or other claim or other circumstance (including reduction for withholding tax, if any) that reduces or could reduce the amount owed on any Receivable, or upon which PREPA relies in refusing to make full payment.

To the extent that PREPA fails to pay all or any portion of any Receivable purchased by Buyer hereunder for any of the reasons listed in clauses (i) through (iii) above on or before the Payment Date of such Receivable, upon written notice from Buyer to Seller, the amount of the Receivable shall be deemed to have been received by Seller and accordingly shall be included in such Collections.

To the extent that PREPA reduces the Collections otherwise payable in respect of any Receivable for any of the reasons described in clause (iv) above, the amount of such reduction shall be deemed to have been received by Seller and Trafigura and accordingly shall be included in the Collections. If Buyer receives payment of such Collections in full on the Remittance Date, Buyer shall reassign all of the subject Receivables owned by it to the Seller without recourse or any express or implied warranties. If such Collections are not received in full, however, the Shortfall Discount Fee or Dispute Discount Fee, as described in the following paragraph, shall be applicable.

When an allegation as described in clause (iv) above (a "Dispute") is referred in accordance with the Sales Agreement to (i) an expert, (ii) arbitration, or (iii) a court of law which has jurisdiction under the Sales Agreement (the "Relevant Forum"), Trafigura will pay the Buyer additional fees equal to 1.25 % p.a. (one point twenty five per cent per annum) (based on 360 days in a year) of the amount



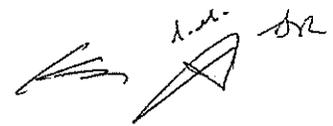
(not exceeding the Purchase Price) by which PREPA's payment (if any) falls short of the Aggregate Amount, as defined in the Purchase Request (such amount, the "Shortfall"), and is not remitted to the Buyer. This additional fee (the "Shortfall Discount Fee") shall be calculated on the number of days elapsed (both dates inclusive) between the date that is 31 days after the Payment Date and the date that falls on the earlier of (A) two (2) Business Days after the earlier of (i) the date on which a final decision is made by the Relevant Forum in respect of the Dispute (the "Verdict Date"), and (ii) the date on which such Dispute has been resolved by agreement between Seller and PREPA (the "Resolution Date") and (B) 60 days after the Payment Date. If the Verdict Date or Resolution Date occurs more than 60 days after the Payment Date, an additional fee (the "Dispute Discount Fee") equal to 2.00 % p.a. (two per cent per annum) (based on 360 days in a year), calculated from the 61<sup>st</sup> day after the Payment Date until the earlier of the Resolution Date and the Verdict Date, shall be payable on such Shortfall in addition to any other amounts otherwise owing (including, without limitation, the Shortfall Discount Fee). Payment shall be made at the end of such period or, if the Buyer so requests, at the end the Verdict Date or Resolution Date. If payment is not received at such time, the Additional Discount Fee shall accrue from the Verdict Date or Resolution Date until the Remittance Date.

3. **Representations and Warranties of Seller and Trafigura.** Seller and Trafigura hereby represent and warrant to Buyer as of the date hereof or, with respect to any Receivables or Trafigura Invoices or with respect to the Sales Agreement or the Sales and Service Agreement, as of the date of the related Purchase Request, as follows:

a. Seller is a corporation duly organized, validly existing and in good standing under the laws of Puerto Rico, is authorized and qualified to do business in the Commonwealth of Puerto Rico and is otherwise duly authorized and qualified to carry on its business as presently conducted. The principal place of business of Seller where its books and records relating to the Receivables are kept is located at 256 Calle Concordia, Petro West Plaza, Magayuez PR00680. Trafigura AG is incorporated in Switzerland with its registered office at Zurichstrasse 31, 6002 Lucerne. Trafigura is a 100% directly owned subsidiary of Trafigura Beheer, a company incorporated in the Netherlands and the direct owner of 100% of the outstanding stock of Trafigura.

b. The execution, delivery and performance by Seller and Trafigura of this Agreement (including Trafigura's performance as Servicer hereunder), the execution and delivery of the documents delivered by Seller and Trafigura which constitute part of the Sales and Service Agreement and the performance by Seller and by Trafigura of the Sales and Service Agreement is within Seller's and Trafigura's corporate powers, have been duly authorized by all necessary corporate action and do not contravene (i) Seller's or Trafigura's charter or by-laws; (ii) any law, rule or regulation applicable to Seller or Trafigura or (iii) any contractual restriction, order, writ, judgment, award, injunction or decree binding on Seller or Trafigura. This Agreement and the Sales and Service Agreement have been duly executed and delivered by Seller, and by Trafigura, in the case of this Agreement.

c. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Seller and Trafigura of this Agreement or the Sales and Service Agreement.



d. Except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and by general principles of equity, this Agreement and the Sales And Service Agreement are the legal, valid and binding obligations of Seller and Trafigura enforceable against Seller (and Trafigura, in the case of this Agreement) in accordance with their respective terms.

e. Seller is the legal and beneficial owner of the Receivables and Trafigura is the legal and beneficial owner of the Trafigura Invoices, both the Receivables and the Trafigura Invoices are free and clear of all liens, encumbrances or other claims except those created hereunder, and upon the purchase of the Receivables and Trafigura Invoices pursuant to this Agreement, Buyer shall acquire all right, title and interest of Seller and Trafigura in and to the Receivables and Trafigura Invoices as described herein free and clear of all liens, encumbrances or other claims, including without limitation any restrictions on transferability arising under laws applicable to PREPA.

f. Seller has not previously sold the Receivables, or any right to participate in the Receivables, to any other person or entity. Trafigura has not previously sold the Trafigura Invoices, or any right to participate in the Receivables, to any other person or entity.

g. The Receivables arise from the Sales Agreement, a duly-authorized contract related to an arms-length transaction in the ordinary course of business, between Seller and the Account Debtor, for the sale by Seller to Account Debtor of fuel oil. The Trafigura Invoices arise from the Sales and Service Agreement, a duly-authorized contract related to an arms-length transaction in the ordinary course of business, between Trafigura and Seller, for the sale by Trafigura to Seller of fuel oil with delivery to be made to PREPA in fulfillment of Seller's fuel delivery obligations to PREPA. Each Receivable and its related Trafigura Invoice represent the same shipment as purchased by PREPA, back-to-back with each other.

h. The Receivables are not subject to any dispute, offset (other than quality offsets allowed under the Sales Agreements), defense, counterclaim, recoupment, right of rescission or other claim that would or could reduce the amount of Collections relating thereto, and there are no disputes, defenses, counterclaims, recoupments, rights of rescission or claims under any contracts, agreements or understandings between Seller and PREPA that would permit PREPA to offset or reduce the amount of the Receivable. The Trafigura Invoices are not subject to any dispute, offset, defense, counterclaim, recoupment, right of rescission or other claim that would or could reduce the amount of collections relating thereto, and there are no disputes, defenses, counterclaims, recoupments, rights of rescission or claims under any contracts, agreements or understandings between Trafigura and Seller that would permit offset or reduction of the amount of the Trafigura Invoice.

i. The Receivables are due and payable by PREPA on the dates set forth in the related Purchase Request, not to exceed 60 days from the date of purchase thereof, are not subject to any law or regulation that restricts PREPA's ability to make full and timely payment thereof to or for the account of Buyer in freely transferable United States Dollars and are not and will not at any

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time be subject to any reduction for any reason, other than for applicable withholding tax and quality offsets allowed under the Sales Agreement.

j. The Seller has the absolute and unconditional right to sell, assign, transfer and set over the Receivables to Buyer with the consent of PREPA previously obtained. Trafigura has the absolute and unconditional right to sell, assign, transfer and set over the Trafigura Invoices to Buyer.

k. If (i) Receivables arising under such Sales Agreement are the subject of a guarantee issued by a bonding company or similar third-party credit enhancement arrangement, or if (ii) a designated paying agent has been appointed for Receivables arising under such Sales Agreement; Seller will disclose such information to Buyer prior to offering such Receivables for purchase. All information related to insurance, including any comprehensive non-payment insurance, has been furnished to Buyer, and such information will be supplemented from time to time. The benefit of any such insurance will be effectively transferred to Buyer when so requested, and the effectiveness of such insurance in Buyer's favor shall be a condition to the Discount Fee reduction described in the final sentence of clause 1(c) hereof.

l. The Seller has declared under a sworn affidavit duly submitted to PREPA that Seller complies with the Commonwealth of Puerto Rico Act No. 458. Trafigura represents and warrants that the Commonwealth of Puerto Rico Act No. 458 is not applicable to Trafigura.

4. Conditions to Purchase. Buyer's obligation to purchase the Receivables hereunder on the Purchase Date is subject to the satisfaction or waiver of the following conditions precedent:

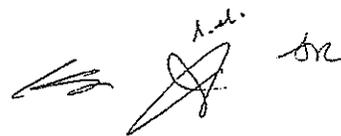
a. Each of the representations and warranties set forth in Section 3 of this Agreement shall be correct on and as of the date stated in Section 3 and as of each Purchase Date hereunder, as though made on and as of such date, and neither Seller nor Trafigura shall be in breach of any of its other obligations hereunder;

b. From the date of this Agreement, no event or condition shall have occurred that has or is reasonably likely to have a material adverse effect on the business, assets or financial condition of Seller, Trafigura or PREPA or their respective abilities to perform their obligations under this Agreement or any Sales Agreement and Sales and Service Agreement;

c. Seller and Trafigura shall have delivered to Buyer certified true copies of the Sales Agreement and Sales and Service Agreement, in form and substance satisfactory to Buyer.

d. Prior to the initial purchase of Receivables arising under the Sales Agreement, Buyer, Seller and Account Debtor shall have entered into an Assignment of Funds Acknowledgement and Agreement of Conditions for its Acceptance (the "Acknowledgment") by PREPA in substantially the form annexed hereto as Exhibit G;

e. The Guarantor shall have executed and delivered a Guarantee in substantially the form annexed hereto as Exhibit F, which shall be in full force and effect;

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f. Whenever applicable, pursuant to Section 3.k, Trafigura shall deliver a certified copy of the comprehensive non-payment insurance policy stating the Buyer named as loss payee, in a form and substance acceptable to the Buyer.

g. The Purchase Price of the Receivables then to be purchased, when added to the unreimbursed Purchase Price of all Receivables previously purchased pursuant to this Agreement and the Existing Agreement, shall not exceed the Facility Amount; and

h. Buyer shall have received such other approvals and documents as Buyer may reasonably request (including secretaries' certificates, certificates of incumbency, and appropriate resolutions).

i. Buyer shall have received a copy of the sworn affidavit submitted by PetroWest to PREPA declaring that PetroWest complies with the Commonwealth of Puerto Rico Act No. 458 as of December 29, 2000, as amended.

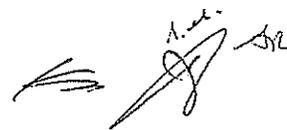
j. Legal opinions as the Buyer may reasonably request, including but not limited to Puerto Rican counsel, in form and substance satisfactory to the Buyer from counsels acceptable to the Buyer.

l. Trafigura shall provide the Buyer a report on Trafigura Invoices in substantially the form annexed hereto as Exhibit H, no later than 3 days prior to Purchase Date.

5. Covenants.

a. Seller, and Trafigura as attorney in fact for Seller, covenant and agree with Buyer as follows:

- i. Seller and Trafigura will not, without Buyer's prior written consent, grant any extension of the time for payment of, or reduce the amount of, any Receivable purchased hereunder, or compromise, compound or settle the same, or release, wholly or partly, an Account Debtor from the payment thereof or enter into any other amendment or modification to the Sales Agreement or the Sales and Service Agreement which would materially and adversely affect Buyer's rights in or remedies with respect to any such Receivable in any manner.
- ii. Seller and Trafigura will not grant or suffer to exist, voluntarily, involuntarily, by operation of law or otherwise, any lien or other interest in any Receivable.
- iii. Seller and Trafigura will not sell any accounts receivable (other than the Receivables) arising under the Sales Agreement or the Sales and Service Agreement, or otherwise grant or suffer to exist, voluntarily, involuntarily, by operation of law or otherwise, any lien or other

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interest in any such accounts receivable unless previously agreed with the Buyer, such consent not to be unreasonably withheld or delayed.

- iv. Seller and Trafigura will not modify the Power of Attorney or the Operating Agreement without the prior written consent of Buyer such consent not to be unreasonably withheld or delayed.
- v. Trafigura will provide the Buyer a weekly report on Trafigura Invoices in substantially the form annexed hereto as Exhibit H while the Receivables and Trafigura Invoices are outstanding.

b. Each of Buyer, Seller and Trafigura as attorney in fact for Seller covenants and agrees with the other that if it receives from an Account Debtor any amounts due to the other, such amounts will be held in a constructive trust for the benefit of the other party and will be promptly turned over to the party to whom such payment was due.

c. Seller, and Trafigura as attorney in fact for Seller, agree that they will take all such actions as Buyer may reasonably request to assist Buyer in the exercise of Seller's rights assigned hereunder; provided, that Buyer shall be solely responsible for all reasonable costs or expenses incurred by Seller and Trafigura in connection with the taking of such actions, other than actions necessary for the Seller or Trafigura to make good on their representations, warranties, covenants, and agreements contained herein, which the Seller and Trafigura shall do at their own expense.

d. Seller and Trafigura as attorney in fact for Seller shall promptly notify Buyer if any Receivable is not paid on or before its due date, or of the occurrence of any event or condition referred to in clauses (i) through (iv) of Section 2.c hereof.

**6. Payments.**

a. Buyer shall pay the amounts due pursuant to Section 1 in immediately available funds by wire transfer to such account as Trafigura as attorney in fact for Seller may direct.

b. All amounts payable to Buyer, including Collections shall be transferred to Buyer's Account or otherwise be wire transferred by Seller or Trafigura as attorney in fact for Seller in immediately available funds to the such account as Buyer may direct in writing to Trafigura from time to time.

**7. Costs and Expenses.** Trafigura agrees to pay on demand all costs and expenses (including reasonable attorneys' fees and expenses) in connection with this Agreement, whether or not the transaction contemplated hereby shall be consummated, including without limitation, the preservation of any rights of or exercised by the Buyer, or the enforcement (whether through legal proceedings or otherwise) of this Agreement, including, without limitation the enforcement

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of rights under this Section 7, and any costs and expenses in connection with the termination of this Agreement or replacement of Servicer.

8. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally (including by any recognized courier service that provides written receipt of delivery, such as Federal Express, DHL or UPS), sent by telecopy (if receipt is acknowledged by return telecopy or other writing or if such communication is also given by another means permitted hereunder dispatched on the same Business Day) or mailed by first class mail, postage prepaid, return receipt requested, in each case if addressed as follows:

If to Buyer: Sumitomo Mitsui Banking Corporation  
277 Park Avenue  
New York, NY 10172

Attn:, Mariano Urquiola  
Telephone: (212)-224-4085  
Telecopy: (212)-224-5222

With a copy to:

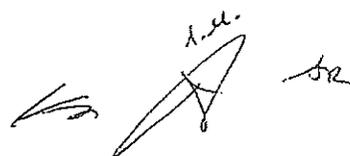
Attn: BCDAD Loan Operations Department  
Telecopy: (212)-224-5222

If to Seller: PETROWEST INC  
Post Office Box 1256  
Mayaguez, PR  
00681

Attn: Jose Gonzalez  
Telephone: (787) 834-0555  
Telecopy: (787) 833 8060

With a copy to:

Attn: Karen Rodriguez  
Telephone: (787) 834-0555  
Telecopy: (787) 833 8060

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If to Trafigura:

Trafigura A.G.  
5 Houston Center  
1401 McKinney, Suite 2375  
Houston, TX 77010  
Attn: Tim Waters/ Denise Rogers

Telephone: + 1 832 203 6493  
Telecopy: +1 832 203 6401

With a copy to:

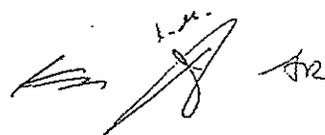
Anya Revans  
Portman House, 2 Portman Street  
London W1H 6DU  
Telephone: + 44 207 173 2256  
Telecopy: +44207 170 7819

Any such communication will be effective three business days after mailing or when received, whichever is earlier. The parties may each change the address for service of notice upon it by a notice in writing to the other parties.

9. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10. **Controlling Language.** If this Agreement or any documents executed in connection herewith is written in two or more languages, the English text hereof or thereof will be the authoritative version and will be controlling for all purposes.

11. **Applicable Law; Jurisdiction and Venue.** This Agreement will be governed by and interpreted in accordance with the laws of the State of New York, except for the laws of that jurisdiction relating to conflicts of laws (other than Section 5-1401 of the New York General Obligations Law, which shall be applicable). The parties hereto irrevocably agree that any legal action or proceeding with respect to this Agreement will be brought in the courts of the State of New York in the Borough of Manhattan or of the United States of America in the Southern District of New York. By the execution and delivery of this Agreement, the parties hereto irrevocably submit to the jurisdiction of such courts and agree not to assert that such court is an inconvenient forum in any such action or proceeding. The parties agree that service of process in any such action or proceeding may be made either by mailing or delivering a copy of the summons and complaint in any such action or proceeding to the other party at the address set forth herein for notices. **TRAFIGURA, SELLER AND BUYER WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT WITH RESPECT TO THIS AGREEMENT, AND WAIVE, RELEASE AND AGREE NOT TO SUE UPON, ANY CLAIM FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES SUFFERED IN CONNECTION WITH, ARISING OUT OF, OR IN ANY WAY**



**RELATED TO, THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED AND THE RELATIONSHIP ESTABLISHED BY THIS AGREEMENT, OR ANY ACT, OMISSION OR EVENT OCCURRING IN CONNECTION HEREWITH. THIS WAIVER IS INFORMED AND VOLUNTARY.**

12. **Assignment.** This Agreement shall inure to and be binding upon the successors, and assigns of Seller, Trafigura and Buyer, and the terms "Seller" "Trafigura" and "Buyer" shall include and mean, respectively, the successors and assigns of Seller, Trafigura and Buyer. Neither Trafigura nor Seller shall have any right to assign this Agreement, without the written consent of Buyer. Buyer may assign its rights hereunder in full or in part, including, without limitation, rights with respect to any one or more Receivables, without the consent of the Seller or Trafigura as long as no change in assignment acknowledgment from PREPA is required. For the avoidance of doubt, the parties hereto agree that any such assignee of the Receivables shall be deemed to be the "Beneficiary" under and as defined in the Guarantee with respect to such assigned Receivables.

13. **No Waiver.** This Agreement embodies the entire agreement and understanding between Buyer, Trafigura and Seller and supersedes all prior agreements and understandings relating to the subject matter hereof. No waiver or amendment of or forbearance to enforce any of Buyer's rights hereunder shall be effective unless in writing. All warranties, representations and covenants imposed or made herein shall survive the execution and delivery of this Agreement. No delay on the part of Buyer in the exercise of any right or remedy shall operate as a waiver thereof and no single or partial exercise by Buyer of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

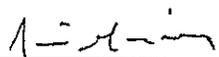
14. **Savings Clause.** If any of the provisions of this Agreement shall contravene or be held invalid under the laws of any jurisdiction, this Agreement shall be construed as if not containing such provisions and the rights, remedies, warranties, representations, covenants, and provisions hereof shall be construed and enforced accordingly in such jurisdiction and shall not in any manner affect such provision in any other jurisdiction, or any other provisions of this Agreement in any jurisdiction.

15. **Patriot Act Disclosures.** Buyer hereby notifies Seller and Trafigura that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 signed into law October 26, 2001), the Criminal Code, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, the United Nations Suppression of Terrorism Regulations, the Anti-Terrorism Act and any equivalent law applicable under any relevant foreign jurisdiction (collectively, the "National Security Laws"), it may be required to obtain, verify and record information that identifies Seller, Trafigura and/or PREPA, which information includes the name and address of Seller, Trafigura and/or PREPA and other information that will allow the Buyer to identify Seller, Trafigura and/or PREPA in accordance with applicable National Security Laws.

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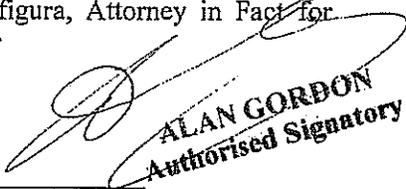
IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

**PETROWEST INC., as Seller**

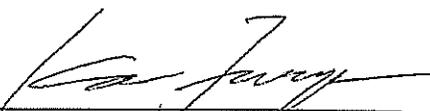
By:   
Name: Jose Gonzalez  
Title: President

**TRAFIGURA A.G., as Trafigura, Attorney in Fact for  
Petrowest Inc. and as Servicer**

By:   
Name: ANNA REVANS  
Title: AUTHORIZED SIGNATORY

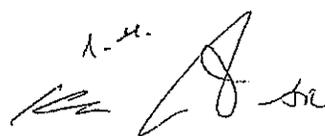
  
**ALAN GORDON**  
Authorized Signatory

**SUMITOMO MITSUI BANKING CORPORATION**  
as Buyer

By:   
Name: Kaoru Furuya  
Title: Deputy General Manager  
Global Trade Finance  
Department

LIST OF EXHIBITS

- Exhibit A - Sales Agreement between PREPA and PetroWest
- Exhibit B - Operating Agreement
- Exhibit C - Power of Attorney
- Exhibit D - Sales and Service Agreement between Trafigura and PetroWest
- Exhibit E - Purchase Request
- Exhibit F - Guaranty
- Exhibit G - Assignment of Funds Acknowledgment and Agreement of Conditions for its Acceptance by the Puerto Rico Electric Power Authority
- Exhibit H - PREPA-TRAFIGURA Exposure Monitor

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# Receivables Sale Agreement

Cuenta: JP Morgan Chase  
Bank



Execution Copy

RECEIVABLES SALE AGREEMENT

between

PETRO WEST, INC.,

as Seller

and

TRAFIGURA AG,

as Purchaser

Dated as of April 18, 2012

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I    DEFINITIONS.....	2
SECTION 1.1    Definitions.....	2
SECTION 1.2    Other Terms.....	4
ARTICLE II    SALES OF RECEIVABLES .....	4
SECTION 2.1    Sales.....	4
SECTION 2.2    Indemnification.....	5
ARTICLE III    CONSIDERATION AND PAYMENT; REPORTING.....	6
SECTION 3.1    Purchase Price.....	6
SECTION 3.2    Payment of Purchase Price.....	6
ARTICLE IV    REPRESENTATIONS AND WARRANTIES.....	6
SECTION 4.1    Seller's Representations and Warranties.....	6
ARTICLE V    CONDITIONS PRECEDENT .....	8
SECTION 5.1    Conditions Precedent.....	8
ARTICLE VI    MISCELLANEOUS PROVISIONS.....	8
SECTION 6.1    Amendments, etc.....	8
SECTION 6.2    No Waiver.....	8
SECTION 6.3    Entire Agreement.....	8
SECTION 6.4    Assignment.....	8
SECTION 6.5    Notices.....	8
SECTION 6.6    Captions.....	9
SECTION 6.7    Governing Law; Trial By Jury.....	9
SECTION 6.8    Counterparts.....	9
SECTION 6.9    Entire Agreement.....	9

This RECEIVABLES SALE AGREEMENT, dated as of April 18, 2012 (as amended, supplemented or otherwise modified and in effect from time to time, this "Agreement"), between PETRO WEST, INC., a company incorporated in Puerto Rico, as seller (in such capacity, the "Seller") and TRAFIGURA AG, a company incorporated in Switzerland, as purchaser (in such capacity, the "Purchaser").

WITNESSETH:

WHEREAS, pursuant to the First Amended and Restated Operating Agreement, dated on or about the date hereof (as amended, supplemented, extended or restated or otherwise modified from time to time, the "Operating Agreement"), by and between the Purchaser and the Seller, the Seller has entered into the Contracts (as defined below) for the sale by the Seller of Fuel Oil (as defined below) to the Puerto Rico Electric Power Authority (hereinafter referred to as the "Obligor") for delivery from November 1, 2009 to the date specified in such Contracts. If the delivery period or contract period under any Contract is further extended in accordance with such Contract, then this Agreement shall be automatically extended and coincide to such same date;

WHEREAS, the Seller and the Purchaser have entered into separate agreements for the sale and supply of Fuel Oil from the Purchaser to the Seller, which may be amended, supplemented, extended or otherwise modified from time to time (each a "Sale Agreement" and, together, the "Sale Agreements") to enable the Seller to satisfy its delivery obligations under the Contracts;

WHEREAS, pursuant to a Security Agreement, dated on or about the date hereof, made by the Seller in favor of the Purchaser in substantially the form attached hereto as Exhibit D (as amended, supplemented, extended or restated, or otherwise modified from time to time, the "Security Agreement"), the Seller has granted to the Purchaser a first priority security interest in all Fuel Oil sold by the Purchaser to the Seller under each Sale Agreement (collectively, "Transferred Fuel Oil") to secure its obligations to pay the purchase price therefor;

WHEREAS, prior to the date hereof, the Seller sold certain of its accounts receivable arising under the Contracts to the Petro West Discounting Bank pursuant to that certain Master Receivables Purchase Agreement dated as of August 16, 2011, among the Seller, the Purchaser and the Petro West Discounting Bank (as amended through the date hereof, the "Initial Receivables Purchase Agreement") and on the date hereof, repurchased certain of such previously sold accounts receivable from the Petro West Discounting Bank under the Repurchase Agreement (the accounts receivable previously repurchased by Seller are referred to herein as the "Repurchased Receivables");

WHEREAS, pursuant to the Operating Agreement, (i) on the Effective Date, the Seller is obligated to sell, and the Purchaser is obligated to purchase, all right, title and interest in, to and under each Repurchased Receivable and (ii) immediately upon the sale of Transferred Fuel Oil by the Seller to the Obligor under the Contracts, the Seller is obligated to sell, and the Purchaser is obligated to purchase, all right, title and interest in, to and under each receivable and other right to receive payment arising from such sale (each, a "Receivable"; for the avoidance of doubt, the term "Receivable" shall include the Repurchased Receivables) for an amount equal to the outstanding principal balance of such Receivable (excluding any portion thereof that the Obligor owes with respect to the payment of Taxes related to the sale of Transferred Fuel Oil by the Seller to the Obligor) (the "Purchase Price");

WHEREAS, the Seller desires to sell such Receivables to the Purchaser upon the terms and conditions hereinafter set forth; and

WHEREAS, the Seller, the Purchaser and the Petro West Discounting Bank terminated the Initial Receivables Purchase Agreement on April 18, 2012;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and between the Purchaser and the Seller as follows:

## ARTICLE I

### DEFINITIONS

SECTION 1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined). All capitalized terms used herein but not defined herein shall have the respective meanings specified in, or incorporated by reference into, the Operating Agreement.

"Agreement" has the meaning set forth in the Preamble.

"Borrowing Base Credit Agreement" means that certain Credit Agreement, dated as of August 30, 2011, among Purchaser, the several banks and other financial institutions or entities from time to time parties thereto, BNP Paribas as administrative agent and collateral agent, and BNP Paribas Securities Corp., Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch, Credit Agricole Corporate and Investment Bank and SG Americas Securities, LLC, as lead arrangers and as joint bookrunners, as amended through the date hereof and as the same may be further amended, supplemented, extended or restated, or otherwise modified from time to time.

"Collections" means all payments made by or on behalf of the Obligor on account of the Receivables.

"Contracts" means (i) that certain Fuel Purchase Contract 902-03-10 (San Juan and Palo Seco Steam Plants), entered into by and between Obligor and Seller on June 18, 2010, as amended by that certain First Amendment to Fuel Purchase Contract 902-03-10 entered into on May 27, 2011, with a total estimated contract value of \$724,000,000, and (ii) that certain Fuel Purchase Contract 902-19-09 (Costa Sur Steam Plant), entered into by and between the Obligor and the Seller on July 16, 2010, as amended by that certain First Amendment to Fuel Purchase Contract 902-19-09 entered into on May 27, 2011, with a total estimated contract value of \$629,260,000.

"Effective Date" means the date on which all of the conditions to effectiveness set forth in Section 5.1 have been met.

"Fuel Oil" means (a) grade 4, 5 or 6 fuel oil (as specified and published by the American Society for Testing and Materials (ASTM)), (b) coal-water slurry fuel, (c) asphalt and bitumen, (d) any cutter stock for any fuel described in clauses (a) and (b) above, and (e) any blending components used to process or blend any fuel described in clauses (a) and (b).

"Initial Receivables Purchase Agreement" has the meaning set forth in the Recitals.

"New Receivables Purchase Agreement" means any agreement between the Purchaser and a Receivables Discounting Bank for the purchase and sale of Receivables, as the same may be further amended, supplemented, extended or restated, or otherwise modified from time to time, entered into on or after the date hereof.

"Obligor" has the meaning set forth in the Recitals.

"Operating Agreement" has the meaning set forth in the Recitals.

"Puerto Rico Assignment of Claims Act" means the Puerto Rico Assignment of Claims Act (3 L.P.R.A. §902) and Circular Letter Number 1300-37-06 issued by the Puerto Rico Department of the Treasury on the 8th day of June, 2006, and any other Laws of Puerto Rico governing the assignment of receivables under government contracts.

"Purchase Date" means, with respect to any Receivable, the date on which such Receivable is sold by the Seller to the Purchaser pursuant to Section 2.1(b).

"Purchase Price" has the meaning set forth in the Recitals.

"Purchaser" has the meaning set forth in the Preamble.

"Purchaser's Collection Account" means the deposit account of the Purchaser, account number 432230931, maintained at JPMorgan Chase Bank, N.A.

"RCF Agent" means BNP Paribas, in its capacity as administrative agent and as collateral agent under the Borrowing Base Credit Agreement.

"Receivable" has the meaning set forth in the Recitals.

"Receivables Discounting Bank" means a buyer under any New Receivables Purchase Agreement.

"Repurchase Agreement" means that certain Receivables Sale Agreement, dated as of April 18, 2012, between the Purchaser, the Seller and the Petro West Discounting Bank, as from time to time, amended, supplemented, extended or restated or otherwise modified from time to time.

"Repurchased Receivables" has the meaning set forth in the Recitals.

"Sale" has the meaning set forth in Section 2.1(a).

"Sale Agreements" has the meaning set forth in the Recitals.

"Security Agreement" has the meaning set forth in the Recitals.

"Sell" has the meaning set forth in Section 2.1(a).

"Seller" has the meaning set forth in the Preamble.

"Subsequent Sale" has the meaning set forth in Section 2.1(b).

"Subsequent Sale Date" has the meaning set forth in Section 2.1(b).

“Transaction Documents” means, collectively, this Agreement, the Contracts, the Sales Agreements, the Operating Agreement and the Security Agreement.

“Transferred Fuel Oil” has the meaning set forth in the Recitals.

“UCC” means the Uniform Commercial Code as from time to time in effect in the State of Puerto Rico or, as the context requires, any other applicable jurisdiction.

SECTION 1.2 Other Terms. All terms used in Article 9 of the UCC, and not specifically defined herein, are used herein as defined in such Article 9. The term “including” when used in this Agreement means “including without limitation.”

## ARTICLE II

### SALES OF RECEIVABLES

#### SECTION 2.1 Sales.

(a) Initial Sale on the Effective Date. On the terms and subject to the conditions set forth in this Agreement, the Seller hereby sells, transfers, assigns and otherwise conveys (collectively, “Sell”, and any such sale, transfer, assignment and/or conveyance, a “Sale”; for the avoidance of doubt, “Sale” shall also include each Subsequent Sale (as defined below)) to the Purchaser all right, title and interest of the Seller in the Receivables outstanding on the Effective Date.

(b) Subsequent Sales. After the Effective Date, immediately upon the sale of Transferred Fuel Oil by the Seller to the Obligor under a Contract, the Seller hereby Sells to the Purchaser all right, title and interest of the Seller in the Receivables arising from such sale. Each foregoing Sale is sometimes herein called a “Subsequent Sale.”

(c) The parties to this Agreement intend that the transactions contemplated by Sections 2.1(a) and (b) shall be, and shall be treated as, a purchase by the Purchaser and a sale by the Seller of the Receivables purchased hereby and not a lending transaction. All Sales of Receivables by the Seller hereunder shall be without recourse to, or representation or warranty of any kind (express or implied) by, the Seller, except as otherwise specifically provided herein. Any Sale under this Agreement does not constitute an assumption by the Purchaser of any obligations of the Seller or any other Person to the Obligor or to any other Person in connection with the Contracts or under any other agreement or instrument relating to the Receivables. If this Agreement does not constitute a valid sale, assignment, transfer and conveyance of all right, title and interest of the Seller in, to and under the Receivables in respect thereof despite the intent of the parties hereto, the Seller grants a “security interest” (as defined in the UCC as in effect in the State of New York) pursuant to the Security Agreement in the Receivables and all proceeds thereof to the Purchaser and the parties agree that the Security Agreement shall constitute a security agreement under the UCC in effect in New York.

(d) The Seller agrees to file on or prior to the Effective Date, at its own expense, a financing statement or statements with respect to the Receivables described in Section 2.1(a) and (b) Sold by the Seller to the Purchaser hereunder, meeting the requirements of applicable law to perfect and protect the interests of the Purchaser created hereby under the UCC against all creditors of, and purchasers from, the Seller, and to deliver a file-stamped copy of such financing statements or other evidence of such filings to the Purchaser as soon as practicable after its receipt thereof.

(e) The Seller agrees that from time to time, at its expense, it will promptly execute and deliver all instruments and documents and take all actions as may be necessary or as the Purchaser may reasonably request, in order to perfect or protect the interest of the Purchaser in the Receivables purchased hereunder or to enable the Purchaser to exercise or enforce any of its rights hereunder. Without limiting the foregoing, the Seller will, in order to accurately reflect the Sales contemplated by this Agreement, execute and file such financing or continuation statements or amendments thereto or assignments thereof (as permitted pursuant hereto) or other documents or instruments as may be requested by the Purchaser.

(f) Seller hereby irrevocably authorizes and empowers RCF Agent, in RCF Agent's own name or, if so instructed by RCF Agent, in the name of and as attorney for Seller, to demand, sue for, collect and receive any and all amounts payable by the Obligor in connection with the Receivables transferred hereunder but not sold under any New Receivables Purchase Agreement including, without limitation, any amounts of interest which become due from the Obligor as a result of the Obligor's late payment thereof and to enforce compliance by the Obligor with the Contracts to the extent related to the collection of the Receivables, but at the expense and liability and for the sole benefit of RCF Agent; provided, however, that RCF Agent shall not request or demand the discontinuance of any future deliveries by Seller to the Obligor.

(g) Solely with respect to Receivables sold under any New Receivables Purchase Agreement, Seller hereby irrevocably authorizes and empowers the related Receivables Discounting Bank, in such Receivables Discounting Bank's own name or, if so instructed by such Receivables Discounting Bank, in the name of and as attorney Seller, to demand, sue for, collect and receive any and all amounts payable by the Obligor in connection with the Receivables sold under such New Receivables Purchase Agreement including, without limitation, any amounts of interest which become due from the Obligor as a result of the Obligor's late payment thereof and to enforce compliance by the Obligor with the Contracts to the extent related to the collection of the Receivables, but at the expense and liability and for the sole benefit of such Receivables Discounting Bank; provided, however, that such Receivables Discounting Bank shall not request or demand the discontinuance of any future deliveries by Seller to the Obligor.

(h) Seller agrees to undertake to do anything and perform any act reasonably required to assist RCF Agent in recovering payment of the Receivables transferred hereunder but not sold under any New Receivables Purchase Agreement, including without limitation, initiating appropriate legal proceedings, as may be requested by RCF Agent and exercising all rights and remedies that may be available to Seller under its commercial arrangement with the Obligor. The RCF Agent shall be responsible for paying all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by Seller in connection with this clause to the extent such costs and expenses are not related to the preservation of any rights of or exercised by RCF Agent or the enforcement (whether through legal proceedings or otherwise) of this Agreement against Seller.

(i) Seller agrees to undertake to do anything and perform any act reasonably required to assist the relevant Receivables Discounting Bank in recovering payment of the Receivables sold under its respective New Receivables Purchase Agreement, including without limitation, initiating appropriate legal proceedings, as may be requested by such Receivables Discounting Bank and exercising all rights and remedies that may be available to Seller under its commercial arrangement with the Obligor. Such Receivables Discounting Bank shall be responsible for paying all reasonable costs and expenses (including reasonable attorneys' fees and expenses) incurred by Seller in connection with this clause to the extent such costs and expenses are not related to the preservation of any rights of or exercised by such Receivables Discounting Bank, or the enforcement (whether through legal proceedings or otherwise) of this Agreement against Seller.

(j) Seller agrees to promptly provide assistance and cooperation as RCF Agent or each Receivables Discounting Bank may reasonably request in connection with RCF Agent's exercise of its rights under the Borrowing Base Credit Agreement or such Receivables Discounting Bank's exercise of its rights under its New Receivables Purchase Agreement, respectively.

SECTION 2.2 Indemnification. Without limiting any other rights which any such Person may have hereunder or under applicable law, the Seller agrees to indemnify the Purchaser and its successors, transferees, and assigns (including the RCF Agent, any Receivables Discounting Bank and any other creditors of the Purchaser with a security interest in the Receivables and/or the Purchaser's rights in this Agreement) and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each of the foregoing Persons being individually called an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements (all of the foregoing being collectively called "Indemnified Amounts") awarded against or incurred by any of them arising out of or relating to:

- i. the breach of any representation or warranty made by the Seller (or any of its officers) under or in connection with this Agreement or the other Transaction Documents or any other information, report or certificate delivered by the Seller pursuant hereto or thereto, which shall have been false or incorrect in any material respect when made or deemed made;
- ii. any claim arising out of the failure by the Seller to comply in any material way with any applicable law, rule or regulation with respect to any Contract or the nonconformity of any Contract with any such applicable law, rule or regulation;
- iii. any claim involving products liability that arises out of or relates to any Fuel Oil that is the subject of any Contract or strict liability claim in connection with any Contract, except to the extent such claim is attributable to the negligence, gross negligence or willful misconduct of the Purchaser;
- iv. any Tax or governmental fee or charge, all interest and penalties thereon or with respect thereto to the extent not deducted from the Purchase Price of any Receivable, and all out-of-pocket costs and expenses, including the reasonable fees and expenses of counsel in defending against the same, which may arise by reason of any interest in the Receivables and the payments by the Obligor thereon;
- v. negligence, misfeasance or bad faith of the Seller in the performance of its duties under the Transaction Documents (including any violation of law);
- vi. the commingling of the proceeds of the Collections and Contracts at any time with other funds of the Seller;
- vii. any dispute, claim, offset or defense of the Obligor to the payment of any Collections (including a defense based on such Collection or the related Contract not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim related to such Contract;
- viii. the failure to have filed, or any delay in filing, financing statements or other similar instruments or documents under the UCC of any applicable jurisdiction or other applicable laws with respect to any Contract to the extent contemplated by this Agreement;

ix. any action or omission by the Seller reducing or impairing the rights of the Indemnified Parties with respect to any Collections or the value of any Collections, except in accordance with the Operating Agreement and as permitted by this Agreement;

x. any attempt by any Person to void the sale of the Receivables, Contracts or Collections hereunder under statutory provisions or common law or equitable action, including any provision of the United States Bankruptcy Code; or

xi. any investigation, litigation or proceeding related to or arising from this Agreement, the transactions contemplated hereby, the ownership of any Receivable, Contract or Collections or any other investigation, litigation or proceeding relating thereto in which any Indemnified Party becomes involved as a result of any of the transactions contemplated hereby.

### ARTICLE III

#### CONSIDERATION AND PAYMENT; REPORTING

SECTION 3.1 Purchase Price. The purchase price for each Receivable Sold hereunder shall be the Purchase Price for such Receivable at the time of the Sale.

SECTION 3.2 Payment of Purchase Price. On the related Purchase Date, the Purchase Price shall be paid by the Purchaser to the Seller through an offset against amounts owing by the Seller to the Purchaser under the related Sale Agreement; provided, that (i) if at any time the amount of any Receivable is reduced for any reason other than payment in cash by the Obligor (other than any reduction resulting from the payment default of the Obligor under such Receivable), the amount owed by the Seller under the related Sale Agreement shall be reinstated to the extent of such reduction and shall be immediately payable in cash and paid in immediately available funds to the Purchaser's Collection Account, and (ii) if no amounts are then owing by the Seller under the related Sale Agreement, payment shall be made in cash in immediately available funds to the Purchaser's Collection Account.

SECTION 3.3. Recourse for Non-Payment. Seller's sole recourse against Purchaser for the non-payment of the Purchase Price for any Receivable shall be to seek such payment from Purchaser. For the avoidance of doubt, Seller shall have no recourse with respect to such Receivable Sold.

### ARTICLE IV

#### REPRESENTATIONS AND WARRANTIES

SECTION 4.1 Seller's Representations and Warranties. The Seller represents and warrants to the Purchaser, as of the Effective Date and on a continuing basis thereafter, that:

(a) It has been duly organized and is validly existing as a corporation in good standing under the Laws of the State of Puerto Rico, with the power and authority to own its properties and to conduct its business as such properties are currently owned and such business is presently conducted, and had at all relevant times, and has, the power, authority and legal right to enter into the Sale Agreements and Contracts and to own and Sell the related Receivables.

(b) It is duly qualified to do business as a foreign corporation in good standing, and has obtained all necessary licenses and approvals, in all jurisdictions in which the ownership or lease of its property or the conduct of its business shall require such qualifications.

(c) It has the power and authority to execute and deliver this Agreement and to carry out its terms; it has full power and authority to Sell the property Sold to the Purchaser hereby and has duly authorized such Sale to the Purchaser by all necessary corporate action; and the execution, delivery and performance of this Agreement have been duly authorized by the Seller by all necessary corporate action.

(d) This Agreement effects a valid Sale of the Receivables conveyed to the Purchaser pursuant to Section 2, enforceable against creditors of and purchasers from the Seller; and this Agreement constitutes a legal, valid and binding obligation of the Seller, enforceable in accordance with its terms.

(e) The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, the articles of incorporation or bylaws of the Seller, or any indenture, agreement (including the Sale Agreements and the Contracts) or other instrument to which the Seller is a party or by which it is bound; or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, agreement or other instrument (other than this Agreement); or, to the best of Seller's knowledge, any Law applicable to Seller or its properties.

(f) No consent, approval, authorization or order of or declaration or filing with any Governmental Authority is required for the Sale of Receivables or the consummation of the other transactions contemplated by this Agreement, except such as have been duly made or obtained.

(g) Immediately prior to the Sale of its rights, title and interest in, to and under any Receivables hereunder, it shall have good and valid rights in or the power to transfer such Receivables and title to the Receivables to be Sold, free and clear of all Liens (other than Liens to be released upon the transfer of such Receivables), and each such Sale hereunder constitutes a valid Sale of all of the Seller's rights, title and interest in, to and under the Receivables, free and clear of any Liens. On or before the date hereof and before the generation of any new Receivables after the date hereof to be sold hereunder, all financing statements and other documents, if any, required to be recorded or filed in order to perfect and protect the Purchaser's ownership interest in the Receivables against all creditors of and purchasers from the Seller will have been duly filed in each filing office necessary for such purpose, and all filing fees and Taxes, if any, payable in connection with such filings shall have been paid in full.

(h) It is solvent and will not become insolvent after giving effect to the transactions contemplated in this Agreement; it is paying its debts, if any, as they become due; and it will have adequate capital to conduct its business after giving effect to the transactions contemplated in this Agreement.

(i) Immediately prior to the sale of its rights, title and interest to, in and under the Receivables hereunder, the related Contracts shall remain in full force and effect, and that no default has occurred and is continuing thereunder.

(j) The Receivables to be sold hereunder represent valid rights to payment under the Contracts, and are not being sold to the Purchaser with any intent to hinder, delay or defraud any of the Seller's creditors.

The Seller agrees that such representations and warranties may be enforced by any Person that has been granted an interest in the Receivables, and that such Person may enforce any and all remedies for the breach thereof directly against the Seller. The Seller acknowledges that the Purchaser is relying on such representations and warranties in accepting sale of the Receivables.

## ARTICLE V

### CONDITIONS PRECEDENT

SECTION 5.1 Conditions Precedent. The obligations of the Purchaser to pay the Purchase Price for the Receivables Sold on the Effective Date and any Purchase Date shall be subject to the satisfaction of the following conditions:

- (a) This Agreement shall have been executed and delivered by a duly authorized officer of the Purchaser and the Seller;
- (b) the Purchaser, the Seller and the Obligor shall have executed an acknowledgement of the assignment of Receivables hereunder substantially in the form attached hereto as Exhibit A, which acknowledgment shall have notarized in accordance with the Puerto Rico Assignment of Claims Act and accepted and executed by the Puerto Rico Secretary of the Treasury;
- (c) the Purchaser shall have executed a notice of the assignment of Receivables hereunder substantially in the form attached hereto as Exhibit B, which notice shall have been acknowledged by the Puerto Rico Secretary of the Treasury;
- (d) the Purchaser shall have executed a notice of the assignment of Receivables hereunder substantially in the form attached hereto as Exhibit C, which notice shall have been delivered to Westchester Fire Insurance Company;
- (e) all other requirements of the Puerto Rico Assignment of Claims Act for the Sale of the Receivables by the Seller to the Purchaser shall have been satisfied;
- (f) the Purchaser and the Seller shall have executed and delivered the Operating Agreement;
- (g) the Purchaser and the Seller shall have executed and delivered the Security Agreement;
- (h) the Purchaser shall have executed and delivered a certificate, dated the Effective Date, with appropriate attachments satisfactory in form to the RCF Agent, including (A) the organizational documents of the Purchaser, (B) the resolutions of the board of directors of the Purchaser authorizing this Agreement and (C) an incumbency certificate with respect to the Purchaser's officers that are authorized to sign this Agreement; and
- (i) the Seller shall have executed and delivered a certificate, dated the Effective Date, with appropriate attachments satisfactory in form to the RCF Agent, including (A) the organizational documents of the Seller, (B) the resolutions of the board of directors of the Seller authorizing this Agreement, the Operating Agreement and the Security Agreement and (C) an incumbency certificate with respect to the Seller's officers that are authorized to sign this Agreement, the Operating Agreement and the Security Agreement.



## ARTICLE V

### CONDITIONS PRECEDENT

SECTION 5.1 Conditions Precedent. The obligations of the Purchaser to pay the Purchase Price for the Receivables Sold on the Effective Date and any Purchase Date shall be subject to the satisfaction of the following conditions:

(a) This Agreement shall have been executed and delivered by a duly authorized officer of the Purchaser and the Seller;

(b) the Purchaser, the Seller and the Obligor shall have executed an acknowledgement of the assignment of Receivables hereunder substantially in the form attached hereto as Exhibit A, which acknowledgment shall have notarized in accordance with the Puerto Rico Assignment of Claims Act and accepted and executed by the Puerto Rico Secretary of the Treasury;

(c) the Purchaser shall have executed a notice of the assignment of Receivables hereunder substantially in the form attached hereto as Exhibit B, which notice shall have been acknowledged by the Puerto Rico Secretary of the Treasury;

(d) the Purchaser shall have executed a notice of the assignment of Receivables hereunder substantially in the form attached hereto as Exhibit C, which notice shall have been delivered to Westchester Fire Insurance Company;

(e) all other requirements of the Puerto Rico Assignment of Claims Act for the Sale of the Receivables by the Seller to the Purchaser shall have been satisfied;

(f) the Purchaser and the Seller shall have executed and delivered the Operating Agreement;

(g) the Purchaser and the Seller shall have executed and delivered the Security Agreement;

(h) the Purchaser shall have executed and delivered a certificate, dated the Effective Date, with appropriate attachments satisfactory in form to the RCF Agent, including (A) the organizational documents of the Purchaser, (B) the resolutions of the board of directors of the Purchaser authorizing this Agreement and (C) an incumbency certificate with respect to the Purchaser's officers that are authorized to sign this Agreement; and

(i) the Seller shall have executed and delivered a certificate, dated the Effective Date, with appropriate attachments satisfactory in form to the RCF Agent, including (A) the organizational documents of the Seller, (B) the resolutions of the board of directors of the Seller authorizing this Agreement, the Operating Agreement and the Security Agreement and (C) an incumbency certificate with respect to the Seller's officers that are authorized to sign this Agreement, the Operating Agreement and the Security Agreement.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

SECTION 6.1 Amendments, etc. This Agreement and the rights and obligations of the parties hereunder may not be amended, supplemented, waived or otherwise modified except in an instrument in writing signed by the Purchaser and the Seller and consented to in writing by the RCF Agent and each Receivables Discounting Bank.

SECTION 6.2 No Waiver. The rights and remedies provided in this Agreement are cumulative and may be exercised independently or concurrently, and are not exclusive of any other right or remedy provided in any Contract or at law or in equity. No failure to exercise or delay by the parties hereto in exercising any right or remedy hereunder shall impair or prohibit the exercise of any such rights or remedies in the future or be deemed to constitute a waiver or limitation of any such right or remedy or acquiescence therein. No waiver of any term or condition of this Agreement, whether by delay, omission or otherwise, shall be effective unless in writing and signed by the party sought to be charged, and then such waiver shall be effective only in the specific instance and for the purpose for which given.

SECTION 6.3 Entire Agreement. This Agreement constitutes the entire and final agreement between the parties with respect to the subject matter hereof and may not be changed, terminated or otherwise varied, except by a writing duly executed by the parties.

SECTION 6.4 Assignment. This Agreement may not be assigned by the parties hereto, except that the Purchaser may grant a security interest in, and the Seller hereby consents to such grant, its rights hereunder to the RCF Agent, each Receivables Discounting Bank or any other Person. The Purchaser hereby notifies the Seller (and the Seller hereby acknowledges) that the Purchaser has granted a security interest in its rights (but not its obligations) to the RCF Agent and each Receivables Discounting Bank.

SECTION 6.5 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) in the case of delivery by hand, when delivered, (b) in the case of delivery by mail, five (5) Business Days after being deposited in the mails, postage prepaid, or (c) in the case of delivery by facsimile transmission, when sent and receipt has been electronically confirmed, addressed as follows, or to such other address as may be hereafter notified by the respective parties hereto:

the Purchaser: Trafigura AG  
Five Houston Center  
1401 McKinney, Suite 2375  
Houston, TX 77010  
Attention: Bryan Keogh  
Phone: 832-203-6485  
Email: Bryan.Keogh@Trafigura.com

with a copy to:  
Attention: General Counsel  
Email: houstonlawyers@trafigura.com

the Seller: Petro West, Inc.  
Calle Concordia #256

Avenida Jose Gonzales Clemente  
Mayagüez, Puerto Rico 0680  
Attention: Jose Gonzalez  
Phone: 787-832-5757  
Email: gonzalezja@petrowestpr.net

SECTION 6.6 Captions. All captions in this Agreement are included herein for convenience of reference only and shall not constitute part of this Agreement for any other purpose.

SECTION 6.7 Governing Law; Trial By Jury. This Agreement shall be construed in accordance with and be governed by the law of the State of New York, without regard to principles of conflicts of laws. The parties hereto hereby agree that any legal action or proceeding with respect to this Agreement may be brought by either party in the courts of the State of New York in The City of New York or of the United States of America for the Southern District of New York as either party may elect, and, by execution and delivery hereof, each party hereto accepts and consents to, for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts and agrees that such jurisdiction shall be exclusive, unless waived by the other party in writing, with respect to any claim, counterclaim, action or proceeding brought by either party and any questions relating to usury. Nothing herein shall limit the right of either party hereto to bring proceedings against the other party in any other jurisdiction. Each party hereto agrees that a final judgment in any such legal action or proceeding shall be conclusive and may be enforced in any manner provided by law. Each party hereto agrees that Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York as in effect from time to time shall apply to this Agreement and, to the maximum extent permitted by law, waives any right to stay or to dismiss any action or proceeding brought before said courts on the basis of forum non conveniens. Each party hereto also irrevocably consents to the service of process in any such legal action or proceeding by personal delivery or by the mailing thereof by the other party by registered or certified mail, return receipt requested, postage prepaid, to the United States address specified in the notice provision of this Agreement, such service of process by mail to be deemed effective on the fifth day following such mailing. Each party hereto irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder that service of process was in any way invalid or effective. Nothing herein shall affect the right of either party hereto to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the other party in any other jurisdiction.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 6.8 Counterparts. Each of the executed several counterparts of this Agreement shall be an original. All such counterparts shall together constitute one and the same instrument. Telecopied or other electronically delivered signatures to this Agreement, any amendment, modification or waiver hereof or notice or consent hereunder shall be binding on the signatories thereto to the same extent as manually signed signatures.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Purchaser and the Seller each have caused this Receivables Sale Agreement to be duly executed by their respective officers as of the day and year first above written.

PETRO WEST, INC., as Seller

By: [Signature]  
Name: Jose Gonzalez  
Title: President

April 2012  
Subscribed to before me by José Gonzalez, of legal age and resident of Moragüez, Puerto Rico, in his capacity as President of Petro West, Inc., to me personally known this 18 day of April, 2012.

[Signature]

Notary Public's Signature

[Signature]

Witness

[Signature] [Signature]

Witness



TRAFIGURA AG, as Purchaser

By: Bryan Keogh  
Name: Bryan Keogh  
Title: Authorized Signatory

State of Texas  
County of Harris

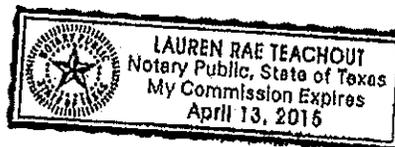
Before me, Lauren Rae Teachout, on this day personally appeared Bryan Keogh, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 9<sup>th</sup> day of April, 2012.

Lauren Rae Teachout  
Notary Public's Signature

Ernesto Kolmaka

Witness



Julie J. Howard

Witness

TRAFIGURA AG, as Purchaser

By: [Signature]  
Name: Craig Thomas  
Title: Authorized Signatory

State of Texas  
County of Harris

Before me, Lauren Rae Teachout, on this day personally appeared Craig Thomas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 17<sup>th</sup> day of April, 2012.

[Signature]  
Notary Public's Signature

[Signature]  
Witness



[Signature]  
Witness