



TRAFIGURA AG BRANCH OFFICE STAMFORD

ONE STAMFORD PLAZA, 263 TRESSER BOULEVARD, 16TH 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) PETRO WEST 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, 16TH 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 HEREBY 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:

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;

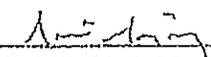
2.9 IT GIVES ITS IRREVOCABLE AND UNCONDITIONAL AUTHORITY TO TRAFIGURA TO CONDUCT IN REPRESENTATION OF PETRO WEST ANY FUTURE RECONCILIATION WITH PREPA IN RELATION TO THE CARGO(S) VALUE AND ASSOCIATED COSTS, INCLUDING BUT NOT LIMITED TO DEMURRAGE, INTEREST AND/OR FLIGHT ESCALATORS.

3. TRAFIGURA AGREES WITH PETRO WEST AS FOLLOWS:-

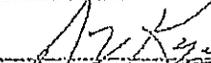
3.1 INCLUDING BUT NOT LIMITED TO SUPPLYING THE FUEL OIL ORDERED, ORDERED OR PURCHASED BY PREPA, IT WILL FACILITATE AND ASSIST PETRO WEST TO PERFORM AND COMPLY WITH THE CONTRACT;

- 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 PREPA ARISING OR EXPRESSED TO ARISE THEREUNDER NOR COMPROMISE, WAIVE OR SETTLE ANY SUCH RIGHTS AGAINST PREPA;
4. WITHIN 3 BUSINESS DAYS OF TRAFIGURA'S RECEIPT OF PAYMENT INTO THE NOMINATED BANK ACCOUNT FOR PRODUCTS DELIVERED BY PETROWEST TO PREPA 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 PLANCH 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 INCURRED 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 FINANCERS.
8. EXCEPT FOR ANY PETROWEST CLAIM AGAINST TRAFIGURA REGARDING TRAFIGURA'S FAILURE TO SUPPLY ANY PREPA 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 OF 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 22nd 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, 16th 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).

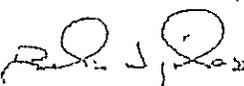
8. GOVERNING LAW AND JURISDICTION

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.

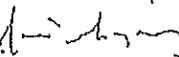
This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by Petro West Inc. and confirmed in the attached Board Resolution dated 24 December 2009.

1-24.
[NAME OF FIRST DIRECTOR], a
director

Robio Gonzalez - 
.....
Director

[NAME OF SECOND DIRECTOR], a
director]

Jose Gonzalez - 
.....
Director