

FIRST AMENDMENT
FUEL PURCHASE CONTRACT 902-03-10
SAN JUAN AND PALO SECO STEAM PLANTS

AS FIRST PARTY: The **Puerto Rico Electric Power Authority**, hereinafter referred to as "PREPA", a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, employer's social security [REDACTED] represented in this act by its Executive Director, Miguel Angel Cordero Lopez, of legal age, married, professional engineer, and resident of Caguas, Puerto Rico. -----

AS SECOND PARTY: **PetroWest, Inc.**, hereinafter referred to as "Seller", a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, authorized to do business in Puerto Rico, social security [REDACTED] represented in this act by its President, Jose Antonio Gonzalez Amador, of legal age, married, and resident of Mayaguez, Puerto Rico, duly authorized to sign this First Amendment by virtue of Secretary's Certificates of Corporate Resolution dated as of June 7, 2010 and dated as of March 10, 2011. -----

WITNESSETH

WHEREAS: The appearing parties executed the Contract 902-03-10, hereinafter referred to as "the Contract", on June 18, 2010, for the supply of No. 6 fuel oil at the San Juan and Palo Seco steam plants. -----

WHEREAS: Article 1, Scope and Term of Contract, of the Contract, subparagraph B, states that it become effective on the date of its signature, and will be in effect for a period of one (1) year subject to one (1) extension of one (1) year, unless either party indicates its intention that said extension does not occur by providing the other party with

written notice one hundred twenty (120) days before the expiration of the original Contract term. -----

WHEREAS: As per Article I, subparagraph B, of the Contract, and notified to Seller on June 18, 2010, the commencement date of the Contract is June 18, 2010. -----

WHEREAS: Article IX, **Price**, of the Contract states that for each barrel of delivered fuel, the price to be paid will consist of an escalation factor plus a price differential with a forty-five (45) days credit term, and the fixed price differential is **\$3.7800** per barrel. -----

WHEREAS: On **February 22, 2011**, Seller made a Proposal (attached as Exhibit 1 and incorporated herein) **to extend the Contract for one additional year**.-----

→ **WHEREAS:** Seller offered a **\$0.20 per barrel discount to the contracted fixed price differential of \$3.78 per barrel with a sixty (60) days payment term after completion of delivery of fuel. Also, Seller will assume all port charges and associated costs for double port, round trip deliveries and dead freight costs associated with the delivery of fuel with all other terms of the Contract remaining in force**. -----

WHEREAS: After an evaluation process, PREPA accepted Seller's Proposal.-----

WHEREAS: Article XXIV, Modification and Novation Clause, of the Contract states that no modification, change, renewal, extension, discharge, or waiver of the Contract, or any of the provisions therein contained, shall be valid and binding, except by a written, mutual agreement of the parties signed by a duly authorized officer of each party. -----

THEREFORE: The appearing parties hereby agree to amend:-----

1. Article I, Scope and Term of Contract, to extend the Contract for one (1) year commencing on June 18, 2011 and ending on June 17, 2012. -----
2. Article IV, Delivery and Title, subparagraph B, deliveries to the San Juan and Palo Seco are to be made thru Shed A/B dock from the Puerto Rico Ports Authority and all port charges and associated costs for double port, round trip deliveries and dead freight costs associated with the delivery of fuel thru these facilities shall be for Seller's account. -----
3. Article IX, Price, subparagraph A, the fixed price differential from \$3.7800 to \$3.5800.-----
4. Article XIII, Measurements and Payment, subparagraph C, the invoice balance for payments not made within the sixty (60) days payment term will accrue interest at the daily "Prime Rate" as quoted by the Wall Street Journal. -----

This is the Agreement between the appearing parties under this First Amendment and so is hereby ratified. All the other terms and conditions, specifications, stipulations, and requirements established in the Contract executed on June 18, 2010 remain unaltered and fully enforceable.-----

IN WITNESS THEREOF, the parties hereto have agreed to execute this First Amendment, on this 27 day of May, 2011.

Miguel Ang ordero op
Executive Director
Puerto Rico Electric Power Authority

Jose Antonio Gonzalez Amador
President
PetroWest, Inc.