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October 25, 2024

VIWAPA  
PURCHASING DIVISION  
[contractservices@viwapa.vi](mailto:contractservices@viwapa.vi)

RE: **VIWAPA RFQ-05-25**

TO WHOM IT MAY CONCERN:

We appreciate the invitation to participate of the above referenced RFQ. Please see below offer for ULSD – 15ppm, CIF WAPA Terminal. This offer is valid until December 16, 2024 at 2:00 pm AST and supersedes any prior offer.

Seller:	Peerless Oil and Chemicals, Inc.
Buyer:	VIWAPA
Product:	<b><u>15ppm Gasoil per tender specifications</u></b>
Quality:	Specifications per attached
Delivery:	CIF WAPA Terminal in USVI
Quantity:	30kb minimum per month +/- 10pct at Buyer's option
Vessel:	TBD, subject to Peerless/VIWAPA approval, not to be unreasonably withheld. Approval/rejection to be agreed within 24 hours
Quantity:	Delivery Port
Quality:	Vessel Composite at Load Port
Credit:	Cap of \$4.0MM and Net 30 days after Loading with a Standby Letter of Credit from a Bank agreeable by Peerless. Discount of \$0.02/gal if WAPA prepays.
Payment:	Details to be worked out prior to deal confirmation.
Inspection:	50:50, with inspector to be mutually agreed
Laytime:	52+6 to run continuously throughout all vessel operations
Demurrage:	Rate as per C/P and terms as per PT&C
PT&C's:	Peerless Oil & Chemicals Terms and Conditions for CIF Sales

Pricing Index: **Fifty percent (50%) ULSD from the average of quotations for the "U.S. Gulf Coast Waterborne" as published by the Platt's Oilgram Price Report, rounded to four (4) decimal places.**

**+**

**Fifty percent (50%) ULSD from the average of quotations for the "U.S. Gulf Coast Waterborne" as published by Argus US Products, rounded to four (4) decimal places.**

**+**

**Differential of +7.35 USD/BBL.**

The above differential assumes a minimum monthly volume of 30,000 barrels. If purchased volume is less than 30,000 bbls per month, we will include a surcharge of \$0.05/gal to cover the cost of barging for the under lifted volume only.

Example: 20,000 bbls purchased

Surcharge:  $(30,000 \text{ bbl} - 20,000 \text{ bbl}) * 42 \text{ gal/bbl} * \$0.05/\text{gal} = \$21,000.$

Pricing Period: Full cargo volume prices as an average of the 3 separate and distinct quotes after NOR tendered at WAPA Terminal; whether NOR is tendered inside or outside delivery window, no adjustment for weekends or holidays.

NOR Date = 0 (NOR + 1, NOR + 2, NOR +3)

Any litigation to be seen in the US Federal Court, Puerto Rico District.


Product is delivered outside duty. USVI import duties, taxes, and fees for Buyer's account.

Regarding the General Contract Terms, we would like to discuss them prior to signing the Contract if we are awarded with the Supply Agreement.

See attached the 2023 Sunoco LP 10-K report and a separate Proposal to Lease the Tanks in St Thomas and St Croix.

Feel free to contact us at 787-836-1280 or by email at [luis.vazquez@peerlessoil.com](mailto:luis.vazquez@peerlessoil.com).

Sincerely,



Luis R. Vázquez  
General Manager