



## UNDERSTANDING FUEL PRODUCER PROCEDURES - UFPP | TTT

Dear Buyer and Buyer Mandate:

We, **PETROGE ENERGY LLC**, are the official representatives of the owner of the petroleum resources, hereinafter referred to as the "Seller" (oil refinery or company), and we spend a lot of time explaining to customers what to expect from working with our fuel suppliers. In order to save time for all parties and create realistic expectations, our company has prepared an explanation to help clients decide whether to work with us.

This is not a legal document, only an acknowledgement.

**YOU WILL NEED TO ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTOOD THIS DOCUMENT AND THE REQUIREMENT TO PROVIDE PROOF OF FUNDS OR THE PROOF OF STORAGE BEFORE YOU MAY SUBMIT ANY ORDERS TO OUR SUPPLIERS.**

### TANK TO TANK PROCEDURES - PERFORMANCE-BASED PROCEDURES:

Our producer tank to tank procedures are "**Performance-Based**," thus they're the "**safest**" procedures to use when starting a new relationship with sellers.

1. The seller must provide a valid fuel analysis and **INJECT** the fuel into the buyer's tanks before receiving **ANY** form of payment from the buyer. **The Seller must "perform" to get paid.**
2. The buyer must present **ALL** storage **days** and port **codes** necessary to COMPLETE the Trial Lift without interruption to the seller **before** receiving the proof of product documents and the fuel itself. The Buyer must also "**perform**" to get fuel.
3. TSA validations are done electronically with the port authority, primarily to determine if the tank farm is **real** and in **compliance**. Confusion sets in when buyers "**assume**" that all they need to do to get POP is to provide a real TSA.
4. *Buyers are expected to **financially commit** to a fuel producer's transaction in the form of **readily available storage tanks**.*
5. The buyer controls the storage, and can even get a refund if he chooses his tank farm carefully in the unlikely event of a transaction should not going through.
6. The seller does **not** benefit in ANY way from the buyer obtaining storage from its own tank farm except as previously outlined.
7. And No, you can not get a **TSA** and "promise" to get Storage (**TSR**) after obtaining POP. **Our sources sell fuel, not POP.** ALL must be in readiness to complete the lift before that is released.
8. There is **No** "free" POP when dealing with a fuel producer. If this is what you're seeking, you need to find a re-seller and pay their **mark up prices**.

### REAL SELLERS HAVE A HARD RULE: NO STORAGE = NO POP

**Our sellers require evidence of the storage in place** through a variety of documents: Tank to Tank Injection agreements, Injection Programming agreements, or Inspection Approval Letters. Whatever the document is called, it will require: **Tank Numbers, Tank GPS Coordinates, a HUB Number, and Terminal Access Codes**. All aspects of the buyer's storage capability will be checked and validated before a seller will issue POP.





**Current refinery partners, as well as most of the globally recognized suppliers (ESSO NETHERLANDS, KNGP, KKM, ECOLAIT, ECOPETROL, TOBEARAL, RN-TUAPSE AND EVEN EXXON-MOBIL'S SCO.) All of their TTT procedures require the same thing: the buyer's storage ready with ability to complete a trial lift without interruption before POP and fuel injection.**

## **BEST STRATEGY:**

### **START WITH A SMALL TRIAL LIFT.**

The goal of the trial lift is to COMPLETE it as quickly, efficiently, and cheaply as possible so you can GET INTO CONTRACT. You don't need a large trial lift to get into a great contract. Save money and save time.

### **OTHER. CONSIDERATIONS**

1. Pricing is refinery direct not connected to **Platts**, which is based upon traders' prices.
2. Fuel Producers have a massive investment in their fuels through refining, transporting, and storing them at the major ports around the world, so they expect Buyers to make a similar investment prior to transferring fuel to them.
3. Producers do **NOT PROVIDE PROOF OF PRODUCT (POP) FOR FREE OR IN ADVANCE**. Buyers must demonstrate an INVESTMENT in the ability to RECEIVE fuel prior to receiving POP in a transaction.
4. Seller Procedures CANNOT be changed in any way. **DO NOT ATTEMPT to negotiate the Procedure once a transaction starts**. This will ONLY lead to cancellation.

### **WHAT MAKES A "GOOD" BUYER FOR US?**

#### **A REAL buyer:**

1. Asks "How do obtain the fuel?" Not "How do I get your POP?"
2. Satisfies itself that a Seller and his Procedure are "real" before sending in an order.
3. Follow the seller procedure AS IS.
4. Provide verified storage.
5. Communicate clearly and timely.
6. Treats an order AS an order, not as an opportunity to negotiate the procedure.
7. Doesn't attempt to change Seller's procedure during the transaction.
8. Doesn't ask for irrelevant data not provided for IN the procedure or BEFORE it is due to be disclosed PER the procedure.
9. Understands that the procedures are non-negotiable and work for BOTH parties.

### **I HAVE READ AND UNDERSTAND THE PRECEDING (PLEASE SIGN, SEAL, AND DATE):**

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**Buyer**

**Buyer Mandate**

