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Mission

We deliver Affordable, Accessible, and Available high-quality energy products and services through innovation to the communities we serve.

Vision

Vital is the largest provider of energy life-line products and services in Micronesia



PO Box 1762
Kolonias, Pohnpei FM 96941
Ph: (691) 320-6364
www.vitalenergy.fm

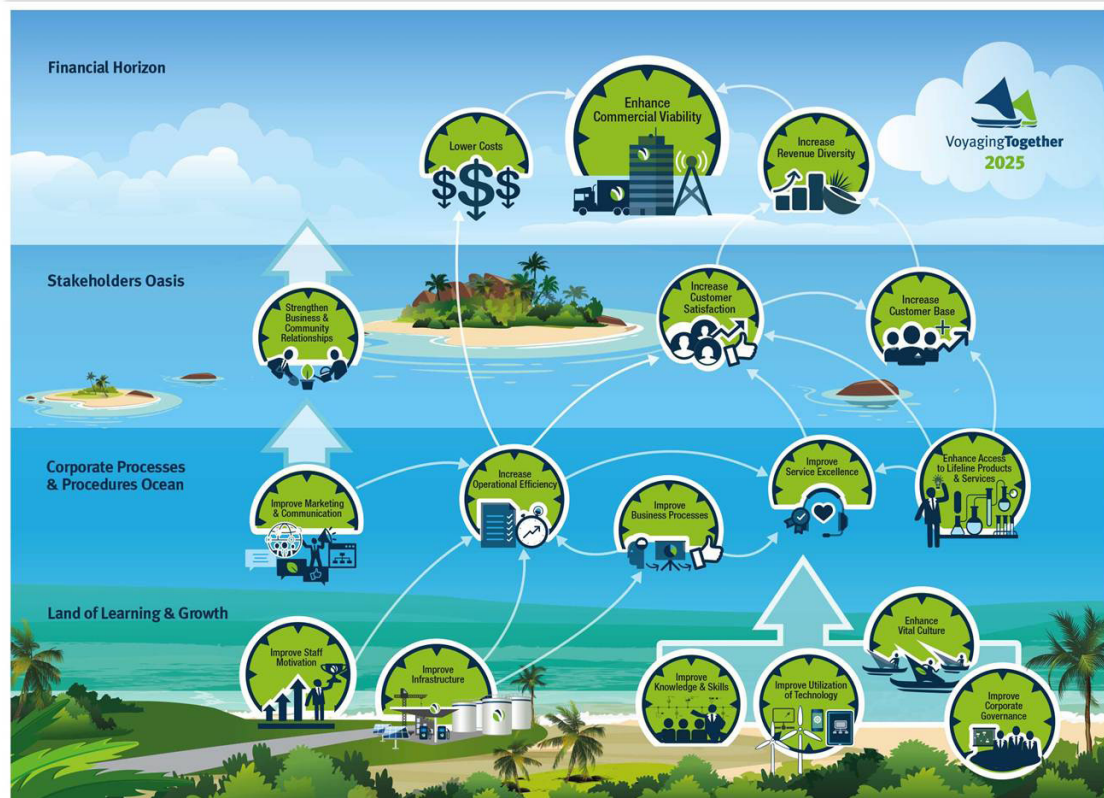
10-Year Company Strategy



VoyagingTogether
2025

In 2015, the Vital Group embarked on the development of a new Vision, Mission and Strategic Framework to ensure the continuing success of our company.

This 10-year framework is known as Voyaging Together 2025, or "VT2025," and includes 17 core strategy objectives, measures and targets that will drive our company towards meaningful and measurable results. The VT 2025 Strategy will allow Vital the growth and the commercial viability necessary to achieve our Vision of becoming the largest provider of lifeline energy products and services in Micronesia.



C4L Community Engagements

As site preparations for the future Integrated Coconut Processing Facility (ICPF) on the island of Tonoas, Chuuk have commenced, so too have community engagements in Chuuk and Pohnpei. These community engagements involve farmers and community members interested in supplying the Tonoas ICPF. In an eight-hour shift, the facility will have an initial processing target of 50 Metric Tonnes or 46,000 whole, unhusked coconuts, but will be capable of processing twice as much before long.

To supply this highly efficient facility, the C4L Project will need the cooperation and participation of hundreds of villages and communities throughout the four states of the FSM. How the C4L Project aims to tackle this daunting task is with the support of Dr. Robin Erskine-Smith, an Agricultural Economist, who will assist the Coconut For Life Team in the initiation and development of farmer groups.

Farmers who are interested in selling coconuts will need to organize into supplier groups and determine how much coconuts the group can supply and how often. They will also need to uphold certain quality standards. While the farmer will be expected to

C4L Development Goals, modeled after the Sustainable Development Goals, designed to leave positive impacts in our island communities.

guarantee these things, Vital – FSMPC, in turn, guarantees to buy for a price that will never decrease below the initial purchase price. By increasing the market for a renewable resource like the humble coconut, this Project is truly designed to improve the quality of life in the FSM.

To date, Dr. Erskine-Smith and the C4L team have met with stakeholders in Chuuk including the Chuuk Women’s Council, the Mayors of Satowan, Nema, Piherarh, the Mortlock Islands Development Authority, the Faichuk Development Authority, and the Mayor and community of Tonoas. Awareness meetings in Pohnpei were held with the Pingelap Virgin Coconut Oil Project Board of Directors as well as the U Municipality.

Once the C4L Project is officially launched and supported at the 11th State and Leadership Conference on October 18th, 2017, work with a broader range of communities within all four states will begin. Awareness meetings are scheduled to continue in October with Chuuk communities in Fefan, Uman, Polle and Udot, and in Pohnpei with farmers group in Mwadolenimw as well as with a group of the traditional chiefs of Kitti, Pwihn en Wahu.

Clean
Affordable
Energy



Honest Work
and
Economic
Growth



Industry and
Innovation in
our Islands



Sustainable
Island
Communities



Conscientious
Consumption



Life on Our
Islands





Group photo with Chuuk Women’s Council

First Crude Coconut Oil Export

On July 8, Vital was able to ship the first export of crude coconut oil (CNO) to Malaysia. This accomplishment is indeed a milestone for the company, as it introduces our local products to international markets.

The hard work and commitment of our Vital staff in managing the whole project process, including the securing of the customer and shipping logistics, as well as the labor-intensive production of the eighty metric ton shipment of CNO was essential in the success of this transaction. Additionally, an export of this magnitude involved the retrofitting and filling of four 20ft-long shipping containers, a two-week process.

This September, Pohnpei CDU is preparing its second export of over 60 metric tons of crude oil. Independent analyses are being conducted on samples of our crude oil to determine its level of quality in terms of contaminants, moisture content, color and free fatty acids.

Crude oil in containers, lining CDU facility



Partnerships

Vital Scholarship



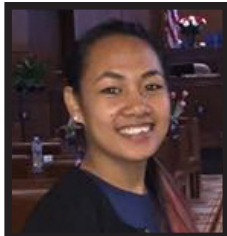
Allston Abraham



Erick Paul



Jamilyn Mooteb



Pamela Fredrick

Since 2013, Vital has partnered with the Rotary Club of Pohnpei (RCP), providing funding for RCP's Scholarship Program.

In 2017, the Vital Group proudly established the Vital Annual Scholarship, a \$25,000 fund created to support the college careers of exceptional FSM students within the following priority fields that are consistent with the Company's interests and needs: Engineering, Chemistry, Agriculture and Business.

Four recipients of the First Vital Scholarship were awarded on Aug. 16th, 2017:

1. Allston Abraham, studying Accounting at the University of Guam

2. Erick Paul, studying Business Administration (MBA) at Chaminade University.

3. Jamilyn Mooteb, studying Physics at St. Joseph's University

4. Pamela Fredrick, studying Computer Science at Eastern Oregon University.

Additionally, five \$1,000 scholarships were awarded under the RCP.

Congratulations and best wishes to all recipients of the Vital & Rotary Scholarships.

The application process will open in March 2018. 🌱

Vital Exits Cabras Terminal, Guam

After five years of operations and service at the Cabras Terminal in Guam, Vital will be exiting by the end of September, 2017, dissolving our partnership with the Guam Power Authority (GPA).

The Vital Guam team managed an incident-free transition into Guam in 2012, and in 2015 were successful in negotiating a contract extension.

Last year, to comply with their procurement regulations, the Guam Power Authority opened up bidding for the tank farm management contract. The Vital Guam team submitted a competitive offer, but unfortunately, it was not considered the lowest, most compliant bid. In accordance with their procurement regulations, GPA awarded a two-year management and operating contract to IP & E.

Vital Energy Inc. will still maintain its offices in Guam and continue to oversee the Nauru operations and explore new business opportunities outside of FSM.

However unfortunate the situation, we thank the Cabras Terminal staff for their dedicated and valuable service over the past five years. 🌱

Vital Joins Nauru 50th Independence Day Celebrations

Vital staff at the Aiwo Terminal in Nauru were proud to participate in Nauru's 50th Independence Day celebrations on July 1st at the Link Belt Oval.

Vital was invited to set up a stall to support the event. Our staff were able to support the momentous occasion with free t-shirts, water, and ice pops for the general public. Our participation in the event helped promote both the Vital Group as well as boost the partnership in place with the Government of Nauru.



Happy faces at the Vital booth

The celebrations included games and entertainment for community members and other stakeholders.

Vital extends its congratulations to the Government and people of Nauru on its 50th Independence Day anniversary. 🌱



Jolin giving out ice pops and Vital information to crowd


Operational Excellence

New Fuel Delivery Truck, Aiwo Terminal

On July 12th, the Nauru Terminal launched the commissioning of a new Aviation Fueling Truck at the Nauru Airport.

Dignitaries from the Nauru Government and officials from the Nauru Airlines Company attended this momentous event.

Reverend Roger Mwareow gave the opening prayer, followed by short remarks given by Mr. Maderson Ramon, Vital Energy Inc. General Manager. His Excellency, President Baron Waqa also delivered remarks on behalf of the Government of Nauru. A water salute was given to commemorate the commissioning. The short ceremony was followed by light refreshments.

This new fuel delivery truck will help boost Vital's operational excellence and services to the people of Nauru. 



L-R: Cyril Buramen MP, Neil Halstead OIC, H.E Joseph Chow Chin-Fa Ambassador to the Republic of China (Taiwan), David Adeang MP, H.E. Baron Waqa President, Maderson Ramon GM, Charmaine Scotty MP, Rev. Roger Mwareow, Shadlog Bernicke MP



Tank Overflow at Service Station

On October 5th, Vital FSMPC personnel were involved in a tank overflow incident at the Pohnpei Service Station (PSS).

Upon arriving at the PSS, one of our tank truck operators was given direction by the PSS personnel on which tank to fill and commenced discharge of the Mogas (ULP). Unfortunately, he did not follow proper procedure in conducting an independent verification to confirm the amount of fuel in the tank before the discharge and the fuel was discharged into the wrong tank, causing the tank spill.


Once the PSS personnel alerted him to the spill, he was able to contact Pohnpei Terminal Office-in-Charge (OIC) who assembled the response team and arrived on scene approximately 20 minutes after the alert. In assembling the response team, the OIC also had Dispatch at the terminal initiate the Emergency Response Plan (ERP) by contacting relevant stakeholders and alerting them of the incident at the PSS. The oil spill Emergency Response Plan is designed to Contain, Control, and Clean Up the incident.

The Response Team set to work to contain and control the spill with oil spill kits, with the assistance of the Environmental Protection Agency (EPA), the local fire department, Kolonia Town contractors, and the Police Academy recruits. The State Police were also on hand to help control the situation. The tank truck operator informed the response team that most of the product had spilled into the walkway gutter and they used absorbent pads to try and recover as much as they could.

About 60 gallons was spilled.

The response teams, under the direction of EPA, were able to clean up the contaminated area, removing the fuel-soaked soil from the area in front of PSS and transferring them to the dumpsite. The contaminated soil was laid out on tarps to allow any remaining fuel to evaporate under the sun. All collected waste in the absorbent pads was incinerated the next day, with clearance confirmation and assistance coordinated by EPA and the Waste Management team.

Vital maintains a list of 'credible scenarios' that identify where 'things could go wrong in normal operations' and ERPs are put in place with trained Emergency Team Leaders and Emergency Team Members to address these incidents. The Response Team was able to control, contain, and clean up the incident to the best of their ability. We also recognize that regular training is critical to be able improve upon our overall emergency response.

A investigation committee within the company is currently conducting an internal investigation to provide a thorough incident report with preventative counter-measure plan. 



Our People and Culture



Name: Resty Shotaro,
In the Community:
Reverend, Sekere Protestant
Church and Chuuk
Baptist Church since 2017
Chairman, FSM Behavior Health
and Wellness Advisory
Council, since 2015



Name: Trevayne Esiel, Head
Office
In the Community:
Chairman, Board of Directors
Pohnpei Utilities Corporation

Name: John Gilsowuth, Yap
Terminal
In The Community:
Competition Manager, Basketball
9th Micronesian Games



Our People:

This quarter, get to know our staff
at the

Yap Terminal



L-R: John Noph (Aircraft Refueler), John Gilsowuth (Administrative Assistant), Marcella Lelman (Administration Officer), James Sor, (Tank Truck Driver) Isaac Taiwerpal (Bulk Plant Operator), Juanito Hasugulmal (Officer-in-Charge), John Rumwol (Terminal Supervisor), Anthony Sigeyog (Aircraft Refueler)



Isaac, Marcella, and JG
during staff workshop

Noph and Isaac resting
after Community Cleanup



Rumwol leading out
discussion on projects

James and Juanito happy
with Community Cleanup



Vital in the Community

At Vital, we recognize the importance of being active and supportive of our communities, and that recognition has translated into a Company goal in our 10-year Strategy, Voyaging Together 2025. This quarter we have strengthened our relationships and support of the Community with the following:

World Cleanup Day 2017, September: All Locations



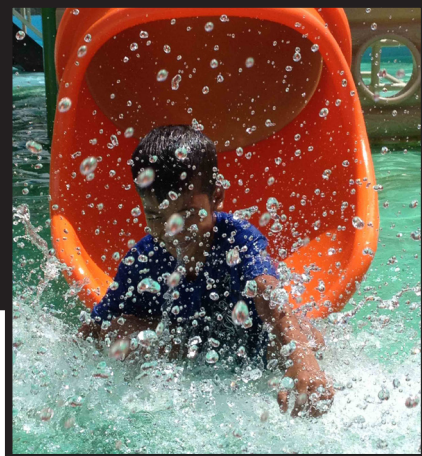
Free Health Screenings, September: Yap Terminal



Vital Fishing Circuit, September : Chuuk, Kosrae, Nauru




9 Year Anniversary



Vital FSMPC Celebrates 9th Anniversary

September 11, 2017 marks Vital FSMPC's 9th anniversary, providing services for the people of Micronesia.

In celebration of this occasion, staff and their families enjoyed a week-long program of activities, including a Family Fun Day, a Community Cleanup, free Health Screenings, a company-wide workshop on the Company Strategy, and a Closing Reception at all Vital FSMPC locations.

Vital is grateful for the support of family, friends, and the community and hope to continue this tradition of unity and support. 



Virgin Coconut Oil (VCO), with fragrance
VCO soaps, with fragrance
Laundry Soap
Dried Copra
Coconut Shells
Coconut animal feed



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Contact: Maynerlynn Aldis, Sales Clerk
Ph: (691) 320-2892

Product of the FSM, Manufactured by the Coconut
Development Unit, Vital FSMPC



Keep your engine younger for longer

AVAILABLE AT VITAL

Contact: Trevayne Esiel, Key Accounts Manager
Ph: (691) 320-6364

Upcoming Events

Coconut for Life Project Launch: October

Date: October 18

Venue: Tonoas Site

Event: Launch and
Groundbreaking of ICPF

For more information:

HannahMarie.Isaac@fsmnpc.com

Resty.Shotaro@fsmnpc.com

Yap Fishing Circuit: November

Date: December 9

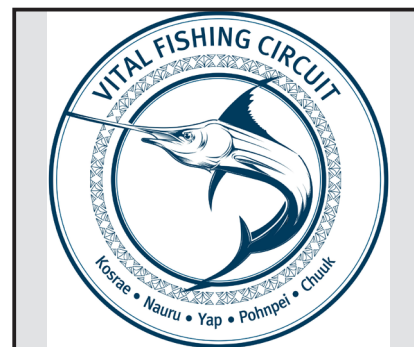
Venue: Marina Sports Bar &
Grille

Event: 2nd Annual fishing
tournament.

For more information:

HannahMarie.Isaac@fsmnpc.com

John.Gilsowuth@fsmnpc.com



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