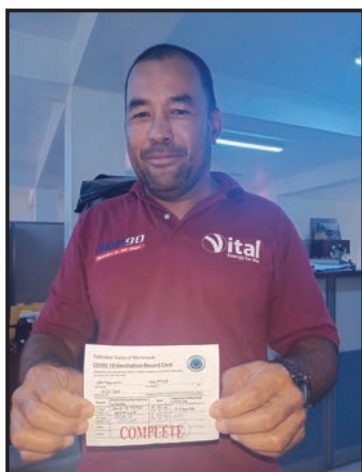


Contents

- Operational Excellence
- Business Growth
- Partnerships
- Our People and Culture
- Vital in the Community



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.



Coconut products, ISLA NESIA brand launches

On January 23, 2021, Vital's Coconut for Life team proudly launched our new brand of virgin coconut oil products, Isla Nesia, at three of Pohnpei's biggest supermarkets: Ace Office Supplies, Isamu Nakasone Store (INS), and Yoshie Enterprises. Staff volunteers and Vital family members showed up in numbers at all three locations, with the largest group promoting the launch of the skincare line of the Isla Nesia brand, "Island Glow," which has our virgin coconut oil Body Soaps and Fragrant Oils. The second line of products from the Isla Nesia brand, "Island Harvest," is still under development. When launched, "Island Harvest" will have virgin coconut oil products in several edible grades including a Premium Grade Virgin Coconut Oil which can be taken as a daily supplement, and a Cooking Oil for everyday cooking.

At the Isla Nesia launch, staff volunteers were on hand to share Isla Nesia giveaways and product information with customers. Led by Key Accounts Manager Trevayne Esiel, the Isla Nesia launch was highlighted by the first official delivery of Isla Nesia products in its own custom-designed Isla Nesia delivery van that you can now find driving around Pohnpei. Also launched that day was an introductory video of the Isla Nesia brand (search 'Isla Nesia' on YouTube), as well as a special promotion at Ace Office Supplies, INS and Yoshie, offering a free bar of Isla Nesia soap with every purchase of an Isla Nesia oil. The month-long promotion ended February 23.

Much thanks to Our Partners in the many PGS Groups for supplying the Isla Nesia brand with quality coconuts, and to Our Valued Customers at Ace Office Supplies, INS and Yoshie for being so supportive of a product we are very passionate about! We look forward to launching Isla Nesia in our other locations, and partnering with more PGS groups throughout the FSM. For information on the Isla Nesia brand, visit www.vitalenergy.fm/.

Snapshot of Pump Price Lows Across Micronesia

As of March 29, 2021, the retail price of **a gallon of unleaded gasoline** across the Micronesian islands is:

Kosrae, Federated States of Micronesia

\$3.75 @ Hardy's Fuel

\$3.90 @ Senny's

Pohnpei, Federated States of Micronesia

\$3.85 @ PITC and SeAir Petroleum Nett

\$3.90 at Pohnpei Service Station and Panuelo Gas Station

Chuuk, Federated States of Micronesia

\$3.90 @ Island Mart, K&I and Susumu

\$3.95 @ BS Distributing Co.

Yap, Federated States of Micronesia

\$3.95 @ CTSC, T&T and YCA

\$4.00 at Last Stop

Guam, USA

\$4.42 @ Mobil

\$4.42 @ Shell

Majuro, Republic of the Marshall Islands

\$4.80 @ Ri-Wut

\$5.00 @ Ace's One Stop

Koror, Republic of Palau

\$4.92 @ Belechel M-Dock Gas Station

\$5.08 @ Blue Bay Gas Station

Kulo ma lulap, Kalahngan, Kinisou chapur and Karim magar gad
to all Our Service Station Customers in Kosrae, Pohnpei, Chuuk and Yap for keeping prices reasonable for FSM motorists and very competitive to those across the greater Micronesian region.

Press Statement 2-2021

February 26, 2021

REGIONAL AND INTERNATIONAL PRICES CONTINUE TO RISE

Pohnpei, Federated States of Micronesia – The Vital Federated States of Micronesia Petroleum Corporation (“FSMPC”) confirms to its valued customers that, as forecasted in previous releases, the trend in international oil prices has continued on an upward trajectory.

FSMPC Business Analyst Ms. Sancherina Salle said that pump prices in the FSM have not increased once in over a year: “The most recent activity in pump prices within the FSM were the two consecutive price decreases in April and May 2020. The twelve-month comparison shared in FSMPC Press Statement 1-2021 offers a visual representation of the difference in trends between FSM and Guam retail prices. Guam prices reflect the volatility of international oil prices, while FSM prices have been less reactive.”

FSMPC Chief Financial Officer Mr. Johnny Adolph stated, “We are satisfied that the price stabilizing mechanism within our pricing methodology has done its job well, and that even with an ongoing pandemic affecting world markets, our FSM customers have not seen an increase in our wholesale prices since October 10, 2018.”

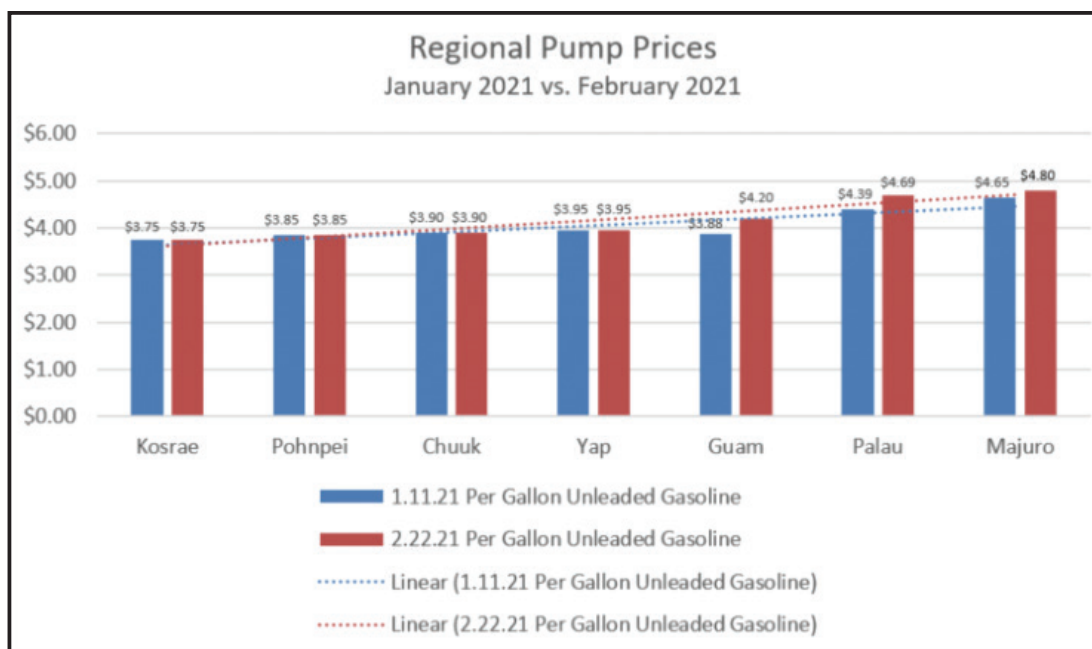


Figure 1: Comparison of regional pump prices from January 2021 (blue) and February 2021 (red). Pump prices across the FSM saw no change from January to February, while pump prices in Guam, Palau and Majuro increased by more than \$0.30 per gallon.

FSMPC CFO Adolph continued, “We will continue to hold off any increases in wholesale prices; however, we may face the first increase within the next month or two. We do want to reassure customers that any necessary changes will be implemented at a gradual pace, and as always, thank our customers for their continued support and cooperation.”

For inquiries, email info@fsmpc.com.

Voyaging Together 2025 Review and Re-Calibration

On February 15th, the Company initiated a four-day review of its strategy, “Voyaging Together 2025,” to re-align and re-calibrate our Strategic Plan, our Vision, Mission and Strategic Objectives. Enlisting the expertise and guidance of Mr. Joe DeCarlo of the Balanced Scorecard Institute, the participants in the workshop took a look backwards on performance and progress made in the past five years, taking into consideration the expansion of the Business.

The participants faced the daunting task of gauging our performance and progress, and then incorporating that into what they anticipate the next five years to look like.

Seen here: A mixture of Senior Management and employees from various functions across the Company participated in the intensive strategy review.



Internal Movements and Promotions

During the first quarter of 2021, the Vital Team saw some internal movements and promotions. Congratulations to these five gentlemen, and we wish you the best in your new roles.

INTERNAL MOVEMENTS



RUFF AMOR

Terminal Supervisor - Pohnpei Terminal

RUFF

LOCATION: POHNPEI TERMINAL
PREVIOUS ROLE: TANKER TRUCK DRIVER/CUSTOMER SERVICE OFFICER
OF YEARS WITH VITAL: 4.5



ROBERT TOM

CSO-O2C - Pohnpei Terminal

ROBERT

LOCATION: POHNPEI TERMINAL
PREVIOUS ROLE: AVIATION RE-FUELLER
OF YEARS WITH VITAL: 3



JOHNNY ROBERT

Aviation Refueler- Pohnpei Terminal

JOHNNY

LOCATION: POHNPEI TERMINAL
PREVIOUS ROLE: POWER PLANT OPERATOR AT VITAL'S NAN POHNMAL POWER PLANT
OF YEARS WITH VITAL: 5.5



MYERSON MORI

Boat Captain - Logistics and Transportation - Weno Base Camp

MYERSON

LOCATION: WENO BASECAMP/ C4LIFE OFFICE
PREVIOUS ROLE: MARINE OPERATOR
OF YEARS WITH VITAL: 1



NEIL HALSTEAD

Asset Integrity Officer - Head Office

NEIL

LOCATION: HEAD OFFICE
PREVIOUS ROLE: OPERATIONS ANALYST
OF YEARS WITH VITAL: 5.8

Rollout of Our COVID-19 Plan

To provide a shield of defense against the COVID-19 pandemic and to ensure that the Vital Group is able to maintain the safety of our people, as well as, the business, we prioritized the development of a COVID-19 Plan to lay out a framework that would guide in the prevention and response in the event of a COVID-19 outbreak in any of our operating locations. One of the first activities of the year was to roll out the Company COVID-19 Plan to all staff in all locations, to ensure that everyone was prepared and knew their role in the event of a COVID-19 outbreak in any of our operating locations.

During the 3-day rollout engagement, the staff were able to hear directly from the Crisis Management Team (CMT) on how the Company would handle the virus leading up to and during a potential virus outbreak and what everyone's role was during that time. The sessions included a read-through of the entire Plan and tabletop exercises where everyone participated in discussions of credible scenarios and how we would potentially handle each incident.

Under a Delegation of Authority dated March 19, 2020, the CMT has had the responsibility of ensuring:



- the safety of all Vital Employees;
- the Company does not contribute to the spread of COVID-19;
- that fuel and electricity continue to flow into the economy uninterrupted;
- circumstances including contact with the media are controlled;
- operations can eventually be restored to a new normal; and
- the Company's reputation is protected.

It is the CMT's hope that through this and other engagements with staff, that Our People and Our Operations are equipped with tools and

knowledge that can help us prepare for COVID-19.

(Pictured: Team CDU during the Roll Out)

THE COVID-19 PLAN FOR THE VITAL GROUP



AUTHOR	DATE	VERSION	DESCRIPTION	APPROVAL
CMT	20 August 2020	1.0	Vital COVID-19 Plan	FMT70
CMT	9 October 2020	2.0	Vital COVID-19 Plan	

COVID-19 VACCINATION PROGRESS

Our Crisis Management Team encourages all Vital employees who are eligible to receive the Moderna COVID-19 (mRNA-1273) vaccine being offered by the FSM National Government. According to FSM Information Services, "the first priority group to receive the Moderna COVID-19 vaccine are frontline workers--such as healthcare workers and border control workers" which includes each of our operations teams. We are very proud of all our employees who took advantage of this opportunity, and want to thank each and every one of them for being a responsible member of their community and workplace.

Vital CEO Jared Morris said, "We are so privileged to have access to the COVID-19 vaccine and that it is available to everyone above the age of 18 in the FSM, especially when we have neighboring Pacific Island who don't have sufficient supply to vaccinate their at-risk populations like the elderly. We applaud His Excellency President Panuelo and his administration for securing for the FSM this invaluable vaccine."

As of March 29, the percentage of Vital employees that have completed both doses of the Moderna COVID-19 vaccine are, by facility:

- Pohnpei Coconut Development Unit - 100%
- Vital Energy, Inc. Guam - 100%
- Kosrae Terminal - 75%
- Pohnpei Terminal - 80%
- Head Office - 85%
- Chuuk Terminal - 78%
- Yap Terminal - 100%

As of March 29, the Republic of Nauru was still scheduled to receive the COVID-19 vaccine.



Partnerships



New Aviation Refueller Commissioned at Aiwo Terminal

Aiwo, Republic of Nauru - The Vital Aiwo Terminal recently commissioned a new 17-kiloliter aviation refueller as part of a series of rapid asset rehabilitation projects designed to keep pace with the ever-growing demand of fuel on the Island of Nauru. In 2018 and 2019, fuel uplift increased as more flights were scheduled into the country, and uplift is expected to further increase with the addition of the proposed Qantas charters. Our Aiwo Terminal previously had two aviation mobile refueller units (MRU), one of which was recommended to be retired from service.

Project Manager Garry Garsain commented, "The new aviation refueller, MRU4, will increase the capacity of our Aiwo Terminal in servicing the requirements of incoming flights from now on and into the future. The refueller's cab and chassis are EURO-4 compliant, and the refueller tank and fueling system meet international standards including AS2809 and JIG/EIN Standards. The [Original Equipment Manufacturer, or OEM] is providing a three-year service maintenance agreement to ensure that after-sales technical support is in place for MRU4." Garsain noted that there were delays to his project's timeline: "While we were unable to meet the desired delivery date due to shipping delays caused by the ongoing pandemic, we are happy the refueller is finally in Nauru and operating well."

According to Vital's Operations & Logistics Manager Savenaca Tamani, commissioning of MRU4 was completed in February 2021 and since then there have been no major incidents. "Our Aviation Refuellers have completed the hands-on training and are now well-versed with the upgrade in technology," he said. Tamani also expressed gratitude with the Project Client, the Government of Nauru: "I'd like to acknowledge the ongoing partnership and coordination with the various ministries and departments of the Government of Nauru, in particular the Honorable Novena Itsimaera Secretary For Finance, and through the support of Mr. John Petersen and Mr. Richard Hale."

Photos Courtesy of Sireli Sovau - Vital Aiwo



Partnerships

Vital and Pohnpei Government Agencies Partner in Mutual Aid Agreement

Cliff Rainbow Hotel, Kolonia, Pohnpei - On January 25, the Crisis Management Team (CMT) met with representatives of Pohnpei State Government on behalf of The Honorable Reed B. Oliver, Governor of the State of Pohnpei. Present at the Governor's behest were members of senior management of various departments and agencies including the Pohnpei Utilities Corporation, the Pohnpei Transportation Authority, the Pohnpei Port Authority, Pohnpei State Department of Public Safety.



During the two-hour meeting, Vital's CMT Team Co-ordinator Mr. Maltrick Yamaguchi and members of the CMT proposed the idea of a Mutual Aid

Agreement (MAA) to the group.

The purpose of the MAA, CMT explained, would be to help ensure, should FSMPC, during a crisis become unable to provide essential services to the public in terms of aviation refueling, fuel delivery, marine bunkering, tanker discharge operations, power generation and security, that our partner agencies will step in and provide capable manpower. For example, the Pohnpei Transportation Authority would provide manpower for fuel delivery in the event that Vital tanker truck drivers became unavailable, and the Department of Public Safety will provide security

“These are important organizations that can **collaborate in times of emergency, disaster and calamity**. A supporting partnership [will help] ensure services we all provide and deliver to our people here in Pohnpei are not interrupted when **COVID-19 hits home**.”

-Kapilly Capelle, Pohnpei State Chief of Staff



services in the event FSMPC is unable to keep secure our tank farms. Representing Governor Oliver and the State of Pohnpei were Chair of the Pohnpei State COVID-19 Task Force Mr. Wincener David; Mr. Kapilly Capelle, Pohnpei State Chief of

Staff; Mr. Nixon Anson, GM/CEO of the Pohnpei Utilities Corporation; Mrs. Daisy Nanpei-Cantero, Comptroller of the Pohnpei Utilities Corporation; T.H. Patrick Carl, Director of the Pohnpei State Department of Public Safety; Mr. Baron Mendiola, Seaport Manager of the Pohnpei Port Authority; and Mr. Coltrick Albert, Health and Safety Officer of the Pohnpei Port Authority. On behalf of FSMPC and the CMT, CMT Team Coordinator Yamaguchi was accompanied by Mr. Trevayne Esiel, Key Accounts Manager, Ms. Mylani Alexander, Emergency Preparedness Officer, and Mr. Joseph Saimon, Executive Assistant.

After reviewing the draft document, each agency offered some remarks. The overall consensus of the meeting was very supportive of the proposed agreement towards a more formalized partnership between the various stakeholders. The CMT is scheduling to engage with stakeholders in Chuuk, Kosrae, Yap and Nauru for the development of similar agreements, and hopes to have MAAs finalized and signed by all parties during the Second Quarter of 2021.



Business Growth

Vital Carrier Delivers First Commercial Cargo for FSMTC-Chuuk

The Vital Carrier, the newest addition to Vital's maritime fleet of vessels, completed its first commercial charter for a valued partner and customer, the FSM Telecommunications Corporation (FSMTC) in January 2021.

According to FSMTC VP Engineering Mr. Alfred Aliven, cargo to be transported from Weno to the lagoon island of Piis Paneu would include tower structure parts, construction materials and solar panels among other items.

The FSMTC Chuuk Team and Vital's maritime team worked together to load the gear aboard the Vital Carrier the day before the voyage.

The following morning of January 21st the Vital Carrier set off for Piis Paneu. As consistent throughout all Vital operations, a safety briefing was conducted before the three hour voyage. The ocean was a bit rough that day, but the Vital Carrier made the 16-mile voyage to Piis Paneu smoothly and without incident. Vital Operations & Logistics Manager Mr. Savenaca Tamani credited the successful charter to the team effort and coordination between FSMTC and the Vital maritime team. "Because this was the first commercial charter for the Vital Carrier and everything from documentation to landing protocols and voyage assessments were still under development, we had to delay this voyage by several weeks. We are very thankful to the FSMTC management and team for entrusting the Vital Carrier with its marine transportation needs, and we look forward to more opportunities with FSMTC and other partners to provide this type of essential service within the Chuuk lagoon," Tamani said.

FSMTC VP Chuuk Mr. Mino Mori commented on the pur-



pose of the Piis Paneu project, saying "The broad reach of communication equipment installed on Piis now allows direct reach from Piis residents to both the lagoon and abroad. Piis Paneu was officially brought online in the first week of April."

Mr. Mori further commented on the success of the voyage, saying "FSMTC and FSMTC Team Chuuk appreciate Vital's assistance in mobilizing all necessary materials to complete the site construction in a timely manner. The Vital Carrier was the right vessel for the type of cargo we carried and which were all delivered safely to Piis Paneu. We look forward to using the Vital Carrier in the near future."

Kinisou chapur FSMTC for allowing us this opportunity to assist as you provide access to communities across the FSM. Interested parties may e-mail info@fsmmpc.com for more information on our maritime services.

Above: Loading the Vital Carrier in Weno and offloading at Piis Paneu. Left: FSMTC Cellular Tower on the Chuuk Lagoon island of Piis Paneu; Photos courtesy of FSM Telecommunications Corporation; Vital-Chuuk.

The Vital Annual Scholarship

is now available. Apply today!

Closing date is July 1st, 2021



The Vital Annual Scholarship

On Friday, March 19, we proudly opened up the 2021-2022 Vital Annual Scholarship for applications. The \$25,000 annual scholarship is administered by the Rotary Club of Pohnpei with the intent of supporting post-secondary education for students from our host country of the Federated States of Micronesia.

To be eligible for the scholarship, students should be:

- High school seniors, High School graduates, have a GED, or be currently enrolled in college;
- Accepted at an accredited institution of higher education during the 2021-2022 academic year;
- Majoring in the priority fields of Engineering, Applied Sciences (e.g. Chemistry, Botany), Agriculture, Maritime, Information Technology, Computer Science, Business; and
- FSM citizens.

Since partnering with the Rotary Club in 2017, Vital's Corporate Social Responsibility Program has funded \$100,000 towards the college education of nine Vital Scholars, and an additional \$25,000 towards the Rotary Club's own scholarship program for FSM students.

The scholarship prioritizes studies in fields that are congruent to Vital's own business interests and needs, like Engineering and Agriculture. The 2021-2022 scholarship has added Maritime as well as IT and Computer Science to the prioritized fields of study as they would directly fill the gaps in human resources by harnessing local talent and helping to reduce the need to outsource professionals.

In a statement from Chairman Faustino Yangmog of Vital's Board of Directors, the Chairman expressed gratitude to the Rotary Club: "On behalf of Vital's Board of Directors, Senior Management, and Team, I would like to thank the Rotary Club of Pohnpei for its ongoing support of our scholarship, and for its tireless work supporting post-secondary education for the youth of the nation. It is through this partnership that the Vital Scholarship has successfully launched into its fifth years." To download the 2021-2022 Scholarship Application, visit our website at www.vitalenergy.fm/csr_program/ or you can e-mail rotarypohnpei@gmail.com and info@fsmnpc.com for more information.



Above: Ms. Uta Krause of the Rotary Club of Pohnpei being presented a check by members of the Vital Team

Yap Terminal's Mr. Isaac Taiwerpal Retires

Yap, Federated States of Micronesia - February 26th marked the very last day of work for one of Vital's Pioneer Employees, Mr. Isaac Taiwerpal of our Yap Terminal. Originally from Woleiai Atoll, Isaac has worked for decades in the fuel industry, first in Saipan as an aviation refueller, and then when he returned to Yap, he worked for IDC Company where he helped build one of the storage tanks still in use at our Yap Terminal. Isaac worked for ExxonMobil for over twenty years before the transition to FSM Petroleum Corporation in 2008.

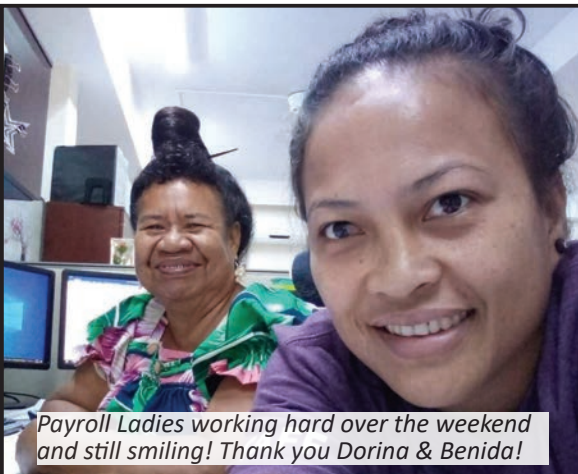
Known for being a friendly and outgoing character, Isaac always kept himself busy in and around the tank farm. And he had the greatest stories about his islands, about his faith, and about his many years of working in the fuel industry. According to FSMPC Yap Terminal Acting Officer-in-Charge John Gilsowuth, "Isaac's presence at the Terminal is missed for his company and his jokes. But on top of that, all of the knowledge, skillsets and experience he brought to the table. He is acknowledged as one of 20 Pioneer Employees in Vital, and in my opinion, he exemplifies what it means to be a Pioneer Employee."

On behalf of the Company, we thank Isaac for the dedication and hard work he's given over the past twelve and a half years, and only wish for the best in the oncoming years of retirement. Gosa gashigshig, Isaac!



Photo Submissions from Employees

The Vital Communications Team encourages Employees to regularly share photos of activities both in and out of the office. We love to see what's going on in our different locations and with our colleagues near and far. Here, we share some of our favorite photos received during the 1st Quarter of the Year. Looking good, team!



Payroll Ladies working hard over the weekend and still smiling! Thank you Dorina & Benida!



Head Office Team Rosita, Jody, Peterson & Kersina enjoying birthday sushi & pizza!



Chuuk Terminal's Aries at the new Only in Chuuk Standing Work Station!



The Pohnpei Coconut Development Unit Team looking sharp!



Head Office 3rd Floor celebrating birthdays



Pohnpei Terminal and Benida during the rollout of the COVID-19 Plan



Vital-Pohnpei Softball team in a department league



Good job PMO Project Scheduler Susana!



Pohnpei Staff attended the 1st Year Memorial Service of our beloved colleague Garrison Jovan Fritz Irons. His children, his wife, and friends...



Chuuk CSO Joyleen receiving a sweet Christmas gift from a valued customer!

The Vital Crisis Management Team (CMT), "Wash Your Hands" posters are installed at every Vital location with the goal of protecting Our People and minimizing risk to Our People. Staff and visitors are asked to avoid entering Vital facilities if they are experiencing flu-like symptoms, including runny nose, sore throat, cough, fever or difficulty breathing. For more information, contact CMT at +691 320 8506 or via e-mail, at cmt@fsmc.com.

Please help us minimize risk to Our People. Do not enter if:

- You are experiencing runny nose, sore throat, cough, fever or difficulty breathing.
- The purpose of your visit can be accomplished via e-mail or phone call.

If you have any questions or concerns, speak with the Security Guard on duty, or call Vital's COVID-19 Crisis Management Team at 691-320-8506.

Before entering this Vital facility, All Employees and Visitors are required to wash your hands:

WASH YOUR HANDS



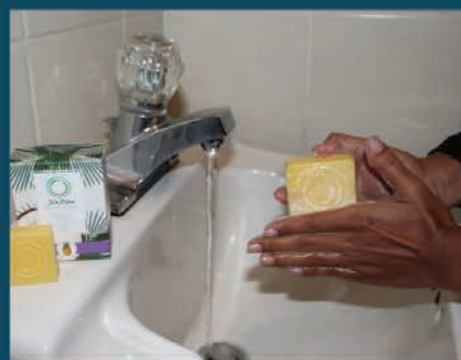
01

Wet your hands before applying soap.



02

Bring your palms together and rub soap all over the palms and backs of your hands, including between the fingers.



03

Wash your hands for at least 20 seconds.



04

Wipe your hands with a clean paper towel, and make sure to throw it away in the trash.



Stay connected. Visit us at www.vitalenergy.fm, and follow us on:

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- @VitalEnergy2
- Vital Energy Micronesia