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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.



supplier for the FSM and Nauru, it is a critical requirement that every member of our Operations Team is well qualified, trained and certified in their respective roles. During the last quarter of 2019, we extended to our Contract Customers for gasoline and diesel an invitation to a one-day training, to refresh their supervisors and managers on the various elements and processes within Vital that make each delivery possible. With over 20 years of work experience in the fuel industry, fifteen of them in operations and terminal management, Key Accounts Manager Trevayne Esiel facilitated the training with the know how of a seasoned tanker truck driver. After completing the training for Customers in Pohnpei in July, he facilitated the same training for Our Customers in *Kosrae* - Kosrae Port Authority; Kosrae Department of Transportation & Infrastructure; HT&Sons; Senny's Gas Station; MT Fuel Station; Fuel Land; Hardy Andrew Gas Station; *Yap* - Yap ARFF; YSPSC; Last Stop; YCA; T&T Service Station; and *Chuuk* - Micro Enterprises, Inc.; Island Mart; and BS Corporation. The training covered the entire Delivery Procedure (*right: sample slides*), covering the various forms required to the step by step process from the time of payment to delivery; the anatomy of a tanker truck; key equipment like the loading gantry, seals and personal protective equipment (PPE); as well as the Vital team behind every delivery. Customers were then invited to voice concerns and raise issues and questions, and discuss with fellow service station owners. Trevayne concluded the training by thanking all participants: "On behalf of the Corporation, I'd like to thank each and every one of you, Our Customers, for taking time from your busy schedules to discuss something you are already very familiar with--deliveries--and allowing me to share on the other side of the delivery process that you may be less familiar with. This is also a valuable engagement for Vital, as we are able to collect feedback from you on areas for improvement."

## "Vital Delivery Operations" Customer Engagements in Kosrae, Chuuk, Yap

Every year, we supply over 21 million gallons of fuel to Customers in five locations: Chuuk, Kosrae, Pohnpei, Nauru and Yap. As the largest fuel

### THE PROCESS, STEP BY STEP

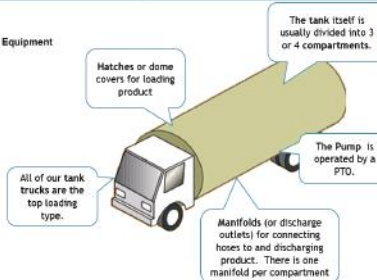
#### Roles and Responsibilities

Key roles in delivery operations are:



### THE PROCESS, STEP BY STEP

#### Key Equipment



The tank itself is usually divided into 3 or 4 compartments. The Pump is operated by a PTO. Manifolds (or discharge outlets) for connecting hoses to and discharging product. There is one manifold per compartment. All of our tank trucks are the top loading type.



## Yap Terminal completes Fire Extinguisher Training with Yap ARFF, State Fire Dept



In September, our Yap Terminal staff participated in and successfully completed a one-day "Basic Fire Extinguisher Training." The training was a collaborative exercise with Yap International Airport Aircraft Rescue and Firefighting (ARFF), and Yap State Division of Public Safety-Fire/Rescue. Participants were certified by Mr. Collin Heise, Chief - Yap State Fire Department and Mr. Dominic Brug, Chief - Yap ARFF.

Yap Terminal Officer-in-Charge John Rumwol commented, "This training served as a refresher course for many of my team, and as new knowledge and skills development for my newer staff. It's very important that each and every one of them know the different types of fire extinguishers, and when and how to properly use them. They are now CAN DO to put out smaller fires while first responders are on the way." OIC Rumwol emphasized the importance of the training as both teambuilding and capacity building with these first responders: "Yap International Airport ARFF and the Yap State Fire Department play a critical role in our fire safety processes, and Vital highly values their invaluable expertise and assistance." Congratulations to all participants!





## Pohnpei Tank 1 Commissioning

Due to the climbing sales trend for Jet A1 fuel in Pohnpei, a Team was formed to manage a complex Project for the regrading of Tank 1 from diesel (ADO) to Jet A1.

Jet A1 is a type of aviation fuel that is used primarily in aircraft powered by gas-turbine engines, and has stringent storage, handling and delivery standards and processes defined by the Energy Institute (EI), the Joint Implementation Group (JIG) and the International Air Transport Association (IATA). The ADO contents of Tank 1 had to be transferred into Tank 4 for regrading works to commence. Once all contents were transferred, and after the allotted time needed for air circulation in Tank 1, the project team commenced with tank cleaning, modification of the tank inlet and outlet lines, welding and relining of 100% of the tank's interior. Upon completion, the works were inspected by an Internal Audit team and external NDT techs and issued a fitness-for-service certificate. The regrade ensures that the tank meets API653 & JIG12 standards and requirements.

The tank has been filled and is being placed into service. It has increased our JETA1 storage capacity from 100,000 US gallons to approximately 300,000 US gallons to help us meet the increasing demand.



## CARL trials completed at NPP

Vital has completed trials of the new computerized maintenance management software, CARL. The main purpose of CARL is to manage the life cycles of all of Vital's physical assets.

CARL has two separate work platforms: the CARL Source and the CARL Touch. The Source is the main CARL data base where all data on assets are stored and managed, and where the administrative works on the assets are assessed. The Touch is the app installed on devices that is used by operators and technicians to receive and fulfill work orders sent from The Source. The Touch also transmits reports of completed tasks to The Source in real-time, effectively streamlining all needed maintenance works on assets and creating more efficiency.

The trial period of CARL was run at the Vital Nan Pohn mal Power Plant (NPP) where operators and technicians have been using CARL Touch to fulfill daily and weekly inspections. Initial training on the proper use of the system was completed in December 2018. CARL will soon be rolled out in our other locations in Quarter 1 of 2020.

Although CARL has significantly improved our maintenance processes and tasks, there have been challenges along the way. As a new system, our operators and technicians will need regular training as well as consistent practical use of the application. There have also been a few technical glitches, which Project Manager Neil Halstead has been working on resolving with the Sydney-based company. "One of the best things about the CARL app is the function that automates work orders, eliminating the whole paper-based reporting method and allowing our operators to transmit reports in real time," Halstead commented.

Vital continually strives for cost-effective and innovative solutions for our operational requirements. The CARL system is replacing paper-based reporting with automated work orders and reports, reducing time and resources previously used for maintenance inspections and work.



## 2019 in Review

We reached out to our Officers-in-Charge and asked them to take a look back at the past year and reflect on their biggest achievements, some of the lessons they've learned, what they hope for in 2020, and more. Here are excerpts of their individual responses, as well as some of their favorite photos of 2019:

### FSMPC Chuuk Terminal

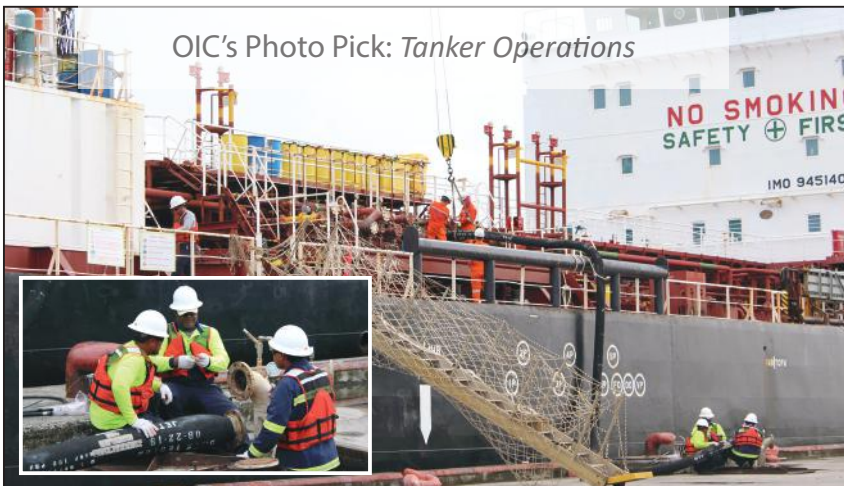
Officer-in-Charge Redley Killion Jr  
(pictured on the far left with his team):

Q: What were some of the biggest highlights of 2019 for your team?

A: *"Servicing the military vessel Brunswick; receiving good reviews ("Satisfactory") from (ExxonMobil's) Nigel Harris after a JIG Audit; increased operational efficiency; continuous improvement on staff competency levels; the arrival of the Vital Carrier; and flawless operations in 2019."*



OIC's Photo Pick: Tanker Operations



Q: What is one thing for your team to improve on in 2020?

A: *"Our competency levels in the Learning Management System (LMS)"*

### FSMPC Pohnpei Terminal

Officer-in-Charge Wayne Narruhn (pictured on the far left with his team)

Q: What were some achievements of 2019 for your team?

A: *"The introduction of two new bunkering carts with higher flow rates, improving marine unloading time by 95%; Completion of Tank 1, increasing Jet A-1 storage in line with the spike in demand; Completion of our Drum Filling Stand, Loading Gantry and Pump Shed Structures"*

Q: What is one thing you hope to improve for your team in 2020?

A: *"To further develop my team with relevant trainings as per assigned roles and responsibilities...so that we may operate economically and successfully and without a safety or environmental incident."*

Q: How would you describe your team?

A: *"Productive in terms of safety, quality and inventory management"*

Q: What is the greatest Lesson Learned of the Year?

A: *"The importance of living the Vital culture, "Safety in everything we do" and utilizing our company structure and support channels."*



OIC's Photo Pick: New Gantry

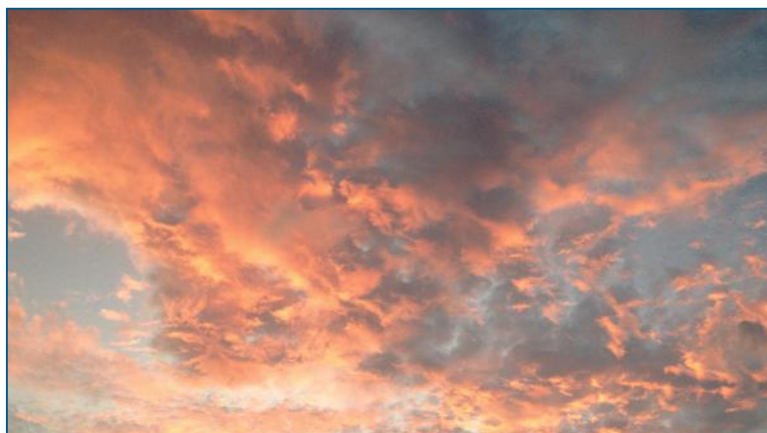




## 2019 in Review



OIC's Photo Pick: Sky above the Terminal



### FSMPC Kosrae Terminal

Officer-in-Charge Gibson Siba (pictured here in the center with his team)

Q: What were some achievements in 2019 for you and your team?

A: *"The renewal of the lease agreement with Kosrae State Government for our Terminal; Commencing with marine bunkering of new potential customers for Kosrae; Painting our tanks; Upgrading the inlet gate valve for ULSD storage which increased volume flow to 90% SFL (safe fill level); and achieving a "Satisfactory" rating in our JIG Audit for compliance purposes."*

Q: What is one of the greatest Lessons Learned for you this year?

A: *"That timing is so important when reporting an incident."*

### FSMPC Yap Terminal

Officer-in-Charge John Rumwol (2nd from the right):

Q: What were some of the best highlights of 2019 for your team?

A: *"Completion of our new warehouse, Receiving and installing new fire equipment, Completion of Phase 1 of upgrades to the Terminal's pipelines and repair works on Tank 5 have begun. Also, that we've maintained "Satisfactory" ratings with our JIG Aviation Audit."*

Q: What is the greatest Lesson Learned of your year?

A: *"That to be more effective, reporting needs to be timely, especially for near misses and RAPS."*

Q: What are three words you would use to describe your team?

A: *"Progressively moving forward."*

Q: What is one thing that you hope to improve in 2020 for your team?

A: *"I'm hoping that we can provide a couple trainings for my staff, especially for those in critical roles."*



OIC's Photo Pick: Welcoming the Vital Carrier to Yap





# Partnerships

## Vital Fishing Circuit: **Chuuk** 8/31

The 2019 Vital Fishing Circuit-Chuuk Tournament welcomed 52 boats in another successful collaboration with the Chuuk Islands Fishing Club (CIFIC). Kinisou chapur to all participants, volunteers, vendors and staff for the great turnout!



Our Chuuk winners are (By Boat):

Biggest Fish:

1st Prize-Tuna Sandwich

2nd Prize - Saingo

3rd Prize - Pole Bendahz

4th Prize - Menun Kapich

5th Prize (tied) - Hazmat, Causeway

6th Prize - Opuni Futuk

Lady Angler:

1st Prize - 3G

2nd Prize - 3G

Junior Angler:

1st Prize - Causeway

2nd Prize - Barracuda

Species: Skip Jack Tuna

1st Prize - Lipstick

2nd Prize - 300

Yellow Fin Tuna

1st Prize - Opuni Fituk

2nd Prize (tied) - Menun Kapich, Acha

Wahoo

1st Prize - Nerik

2nd Prize - Lipstick

Barracuda

1st Prize - Tuna Sandwich

2nd Prize - 3G

Giant Trevally

1st Prize - Pole Bendahz



The 2019 Vital Fishing Circuit hosted 57 boats at its Nauru tournament on Saturday, October 5th. With Check Out at two locations, Anibare Bay and Gabbab Channel, we are so grateful for the hands on support and extensive technical expertise of our valued partner, the Nauru Fisheries & Marine Resources Authority. The 2019 Vital Fishing Circuit-Nauru winners are:

*For Biggest Fish:*

1st Prize-Andre

2nd Prize - Andre

3rd Prize - Dozono

4th Prize - Dozono

5th Prize - Boss

6th Prize - Quillen

*Lady Angler:*

1st Prize - Gemyma

*Junior Angler:*

1st Prize - Uno

*For Species:*

Tuna-

1st Prize-Dabwido

2nd Prize-Shane H.

Barracuda-

1st Prize-Quillen

2nd Prize-Quillen

Wahoo-

1st Prize-Josh Cook Timson

2nd Prize-Scotty

## Vital Fishing Circuit: **Nauru** 10/5



Trevally-

1st Prize-Detowin Scotty Jesse

2nd Prize-Jeremiah

Tubwa kor to all participants, all volunteers from the NFMRA, VEI-Nauru, and all spectators for another successful derby.



## Vital Fishing Circuit: Yap 10/5



The 2019 Vital Fishing Circuit-Yap Tournament was held on Saturday, October 5. Our Partner the Yap Fishing Club facilitated the Registration of Boats, Check Out and Weigh In events. We were very fortunate to have Chairman Faustino Yangmog and Director Peter Garamfel of Vital FSMPC Board of Directors in attendance at the different events throughout the day, and representing the Vital Group during the Awarding Ceremony. The big winner of the day was Andre Tretnof on Bullet 1. His catch was a 118lb Blue Marlin. Congratulations Andre and to all winners that day! In all, over \$7,000 worth of free fuel was given out to fishermen, women and junior anglers. Here are our top winners of the 2019 Vital Yap derby:

Big Fish  
1st Prize-Andre Tretnof  
2nd Prize-Tun  
3rd Prize-Mailing  
4th Prize-Tun  
5th Prize-Ruweyang  
6th Prize-Chen  
Lady Angler  
1st Prize-Jemina Gooflan  
Junior Angler  
1st Prize-Junior on We'Ve'  
2nd Prize-Shamrock on 3 Star  
Species  
Skip Jack  
1st Prize-Jordan on Alpha 1

Wahoo  
1st Prize-Mailing on Blade  
2nd Prize-Tun on Kuya 1  
Barracuda  
1st Prize-Junior on We'Ve'  
2nd Prize-Shamrock on 3 Star  
Marlin  
1st Prize-Andre Tretnof  
2nd Prize-Tun on Kuya 1



Thank you to Our Partners  
Yap Fishing Club, Yap Fishing Authority, Yap Marina; Our Customers Last Stop and Coco Tree Service Center and all volunteers including our Vital staff and family and fishing club members. Last, on behalf of this small but meaningful community event, we thank Chairman Yangmog and Director Garamfel for all the years of support. Kammagar.





## Coconut For Life Update

## RAMP Retreat 2

Vital initiated the second retreat of 2019 for coconut supply chain stakeholders, which was held on December 4-5 at the Island Palms Hotel in Pohnpei.

The retreat was well represented by the FSM National Government, the State Governments, COM-FSM Cooperative Research Extension, iSTOP, FSM Social Security Administration, Micronesia Conservation Trust, The Pacific Community (SPC), Vital, and members of different Participant Guarantee System (PGS) groups in Pohnpei.

During the two-day retreat, participants presented on work relevant to the nation's coconut industry from their respective departments and organizations. Discussions during the two days focused on ongoing projects, issues and challenges faced in 2019, and potential opportunities on the horizon.

MCT and members of the registered PGS groups in Pohnpei updated participants on the status of work being done in securing coconut supply from communities. They noted that while the timeline for registering PGS groups has faced some delay, there has been a significant increase in consistent coconut supply in Pohnpei because of the PGS groups. Work has already started in Yap and Chuuk to extend the opportunity to supply coconuts to farmers in these states.



*continued on page 12*

## 4th Annual SATO Review

On August 12-13, representatives of the Government of Nauru and Supply Agreement Terminal Operations (SATO) met for the Nauru Petroleum Annual Review. The two day meeting was held on the Gold Coast, QLD Australia. Representing the Government of Nauru and SATO at the meeting were Messrs. John Petersen, Richard Hale and Shakil Kumar of Hale & Twomey Ltd, and representing Vital Energy, Inc. were Country Manager Maderson Ramon, Project Manager Abdul Saheem and Project Officer Mylani Alexander.

The first round of discussions covered Operations and Financials, and the agenda for Day 2 focused on the Masterplan for Capital Projects. Discussions progressed positively with these key outcomes:

- Approved NPT parameters
- Approved OPEX allowance increase
- Approved plans for Nauru's Transition to ULSD, targeted for early 2020
- Approved Capital Projects Masterplan
- Approved List of Projects

After the meeting, Country Manager Ramon commented, "It was a very successful meeting, with both parties signing several major agreements. Vital looks forward to discussing pricing and the possibility of extending our contract with the Government of Nauru by another five years at the next SATO Review which is set for August 2020."





## Vital Marine Vessels Blessing and Official Launch in Chuuk



On December 14th, three marine vessels were blessed and launched in their home port of Weno, Chuuk. These marine vessels will be at the forefront of transport needs of the C4L initiative, transporting workers and resources within the lagoon to Tonoas, where the Integrated Coconut Processing Facility (ICPF) will be located.

The SeaWatch is a passenger ferry that is currently being utilized to transport workers to and from Weno and Tonoas. The Mandy is a work boat that is utilized similarly. As part of our emergency response strategy, one of these vessels is always in port in Tonoas to provide emergency transport if required. The Vital Carrier was the main vessel of the ceremony, as this was its first time into port in Chuuk.

The Carrier was escorted into the harbor by speedboats from the local Chuuk Islands Fishing Club. Invited guests, the public and staff waited at the Transco Dock for the vessels to arrive and celebrations to begin.

Once docked, the Master of Ceremony for the day Garrison Irons began the short program and invited Wanparon Asaichy Sana to give the opening prayer, which was followed by the National Anthem sung by Adson Setik. Before any remarks were given, the 10-man crew of the Carrier were invited to the front for an official introduction, welcome, and recognition of their exemplary marine skills in bringing the vessel from Indonesia to FSM waters, despite weather complications along the way.

The Vice Chairman of the FSMPC Board of Directors, Mr. Redley Killion, spoke on behalf of the Vital Group and welcomed all guests and public to the ceremony, touching on the significance of the marine vessels to the C4L initiative.

The Honorable Marion Henry, Secretary of FSM R & D, attended the event on behalf of the President and offered the Keynote Remarks for the ceremony. Secretary Henry spoke on the importance of the C4L initiative, not just to the State, but to the Nation and re-affirmed the National Government's support of the initiative.

As the traditional blessing of the vessels, the Vice Mayor of Weno struck a young coconut against the side of the Vital Carrier. To conclude the ceremony, Bishop Angkel boarded and blessed each vessel.

The day of celebration ended with a lively performance by the Paata Dance Group, followed by dinner at the Blue Lagoon Resort.

*Photos Courtesy of Hiroyuki Mori and Christopher Eustaquio*





# Vital in the Community



We recognize the importance of actively supporting local communities and continue taking strides toward improving and strengthening relationships. Vital is proud to support recent events in our communities, including:

In September,

- Vital Fishing Circuit - Chuuk (Pg 6)
- Statewide Cleanup by Yap State Government - Yap (right)
- Vital Family Fun Day at the Movies - Pohnpei (below)



In October,

- Vital Fishing Circuit - Nauru (Pg 6)
- Vital Fishing Circuit - Yap (Pg 7)

In November,

- 33rd FSM Independence Day Celebrations - Guam (right)
- Rotary Club of Pohnpei Quiz Night - Pohnpei
- COMFSM Ethnobotany Class with Instructor Dana Lee Ling - Pohnpei (right)



And in December,

- Climate Change Policy scholar Joshua Pangelinan THE GREEN Program - Reykjavik, Iceland (Pg 11)
- Kaselehlle Christmas Tree Lighting at the Spanish Wall Park - Pohnpei (below, top row)
- 16 Days of Activism - Yap State Department of Youth & Civic Affairs
- Christmas caroling by the Majuro Methodist Circuit Fijian Sunday School Group (bottom right)
- Kosrae High School Basketball Team at the 2019 Holiday Hoops (bottom left)





**"The receding glaciers I've now seen in person serve as the ultimate reminder as to why I continue to fight for our islands."**

-Climate Change Youth Activist Joshua J. Pangelinan

Vital is proud to help support the educational aspirations of bright young students from the FSM, including **Climate Change Youth Activist Joshua J. Pangelinan** from the State of Pohnpei, who recently represented his college, Pennsylvania State University, at the prestigious GREEN Program and Iceland School of Energy at Reykjavik University, Iceland. The hands-on experience included intensive courses on sustainability, hydro power, geology, biofuel and geothermal energy as well as site visits to a hydro power plant, a geothermal power plant, a wind farm and a bio-fuel location! We com-

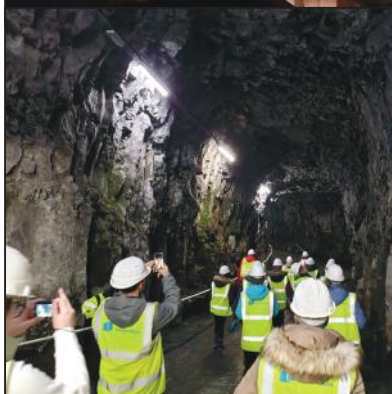
mend Joshua for the moves he's making as a young scholar from Pohnpei, and look forward to the amazing things he and other youth activists will do for the future of the FSM. We recently received this great message from Joshua and wanted to share his inspiring words:

"The GREEN Program has finally come to a conclusion in Iceland and I am back in the United States! I just wanted to take this time to formally thank The Vital Energy Group for their efforts in allowing me to attend the training and experience on Renewable Energy and Sustainability abroad. The contribution made by the Vital Group helped alleviate the financial costs associated with travel, tuition, and other miscellaneous expenses.

Through the GREEN Program, 48 other students along with myself were granted premier access to the country's most powerful renewable power plants and were introduced to techniques only applied in Iceland. Aside from that, students gained the experience of a lifetime through hiking mountain glaciers to rest in natural geothermal-heated spas, visiting countless breath-taking waterfalls, and even super-jeeping across Iceland's intensive snow terrain. While the program contained multitudes of benefactors, I learned just as much from my peers from all around the globe. The program was full of young, intelligent, and passionate individuals who are fighting for the environment - it has instilled in me a holistic understanding of the complexities regarding teamwork towards combating global climate change.

For this, I would like to say thank you once more. I have [sent] several pictures that will for sure never do the program and experience its due justice. I would have never thought a Pacific Islander like myself would have any business or experiences on that part of the globe, but I am glad to have represented the country well in our project. The site of Iceland is like no other, and the receding glaciers I've now seen in person serve as the ultimate reminder as to why I continue to fight for our islands." Keep up the great work, Joshua!

*Photos Courtesy of Joshua J. Pangelinan*







*continued from Page 8*

iSTOP and FSM Division of Quarantine representatives gave informative presentations on the current and potential natural threats to our coconut supply in the FSM, with discussion mainly around the coconut rhino beetle, which is already present in neighboring islands of Guam and Palau. Participants all agreed that collaboration and resource-sharing needs to be strengthened among all stakeholders if we are to combat any natural threats to our coconut resource.

The opportunity from this collaboration is to be developed from a common theme: a coconut industry specific national export strategy with emphasis on set targets, deliverables and stakeholder involvement in its implementation. The initial stages of establishing MOUs with all stakeholders has begun and is anticipated to be given final approvals within the beginning of the year.

A communique has been drafted outlining discussions and action items developed from this working retreat. This is just another step towards the realignment of participating organizations and stakeholders' mandates, missions and goals and a calendar of deliverables has been agreed upon to continue the collaboration and work in 2020.

**Lube solutions for motorcycles**

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