





Vital FSM PetroCorp:

Coconut For Life



Presented by Mathias Lawrence, Vital Chief Strategy & Investment Officer

R & D Conference - Sept 14, 2018

Agenda



- Coconut For Life Project "C4Life"
- 1. Introduction
- 2. Update
- 3. Opportunities
- 4. Support from FSMR&D



Intro: PL 18-68



'The Coconut Tree Act'

(June 16, 2014)

EIGHTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SECOND REGULAR SESSION, 2013

CONGRESSIONAL BILL NO. 18-65

P.C. NO. 18-301

PUBLIC LAW NO. 18-68

AN ACT

To repeal section 201 through 215 of title 22 of the Code of the Federated States of Micronesia, as amended by Public Law No. 11-26, in their entirety and inserting new sections 201 through 212 in lieu thereof, in order to dissolve the Federated States of Micronesia Coconut Development Authority, and repose the responsibility for coconut development in the Federated States of Micronesia Petroleum Corporation, and for other purposes.

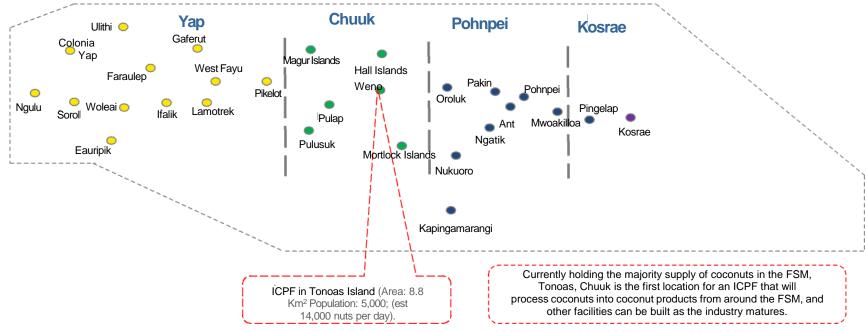
BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

- Section 1. Sections 201 through 215 of title 22 of the Code
- 2 of the Federated States of Micronesia, as amended by Public Law
- 3 No. 11-26, are hereby repealed in their entirety.
- 4 Section 2. Title 22 of the Code of the Federated States of
- 5 Micronesia, as amended, is hereby further amended by inserting a
- 6 new section 201 to read as follows:
- 7 "Section 201. Short title. This chapter may be cited
- 8 as the "Coconut Tree Products Act of 2013".
- 9 Section 3. Title 22 of the Code of the Federated States of
- 10 Micronesia, as amended, is hereby further amended by inserting a
- 11 new section 202 to read as follows:
- 12 "Section 202. Background. In order to enhance the
- 13 capacity for the manufacturing, processing, and
- 14 distribution of biofuel from the coconut tree as a
- 15 supplemental source of fuel in the Federated States of
- Micronesia, to better facilitate the buying, selling,
- 17 exporting, manufacturing, and processing of copra and



Intro: Coconut Resource Assessment





States	Yap	Chuuk	Pohnpei	Kosrae	Project Impact Totals
Registered Voters*	8,526	55,841	28,825	5,959	> 25,000 registered farmers
Area (sq km)	119.5	121.5	371.6	111.3	
Municipalities	23	40	12	4	> 60 participating producer groups
Number of Coconut Palms	265,178	294,320	227,337	85,537	

Source: Office of the FSM Election Commission and Vital 2013 Coconut Resource Assessment; Areas and Municipalities from wikipedia.com.



Intro: Project Goals









Honest Work & Economic Growth



Industry & Innovation in Our Islands



Conscientious Consumption



Sustainable Island Communities

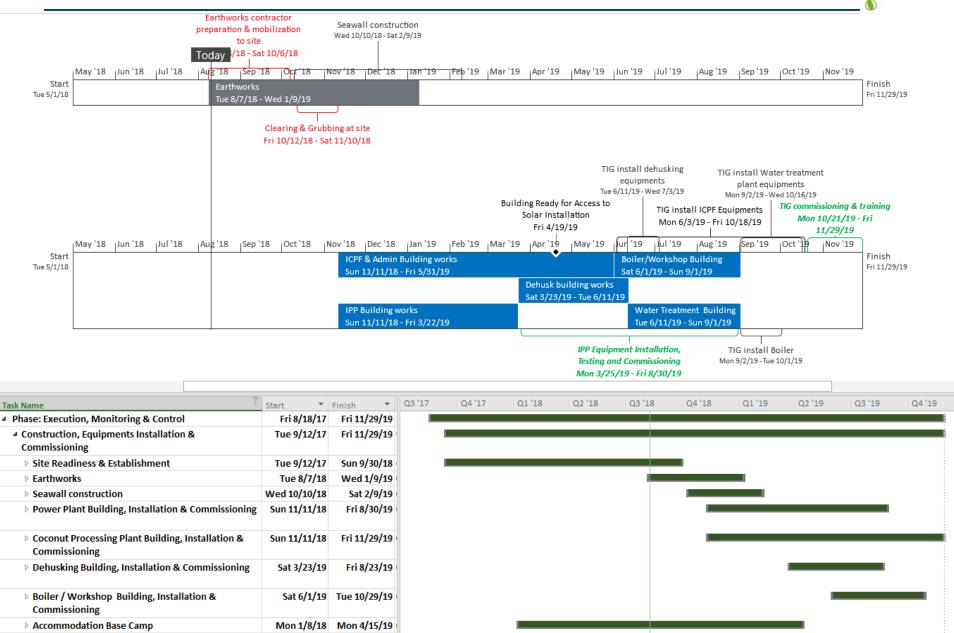






Update: Project Milestones





Update: Site Clearing, Transportation





Tank 1 before and after demolition

Perimeter fencing



UXO Scanning – Phase 1; Unfused mortar bombs

48 passenger Inter-island transportation vessel



Update: Facilities

INTEGRATED COCONUT PROCESSING FACILITY

FRM PETROLEUM CORPORATION

TOMOAS ISLAND, CHUUK LAGOON, FSM







E/ DESCRIPTION INVESTIGATION







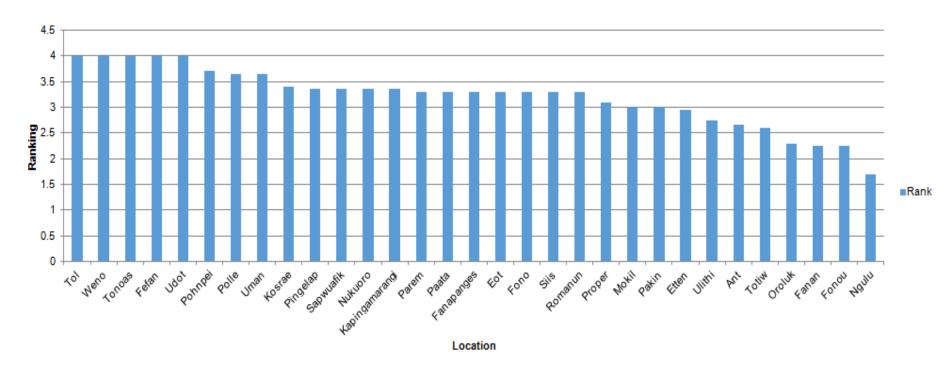


Opportunities: Community Producer Groups



Deployment Plan

*Tonoas prioritized deployment



Criteria:

- a) Average Palm Trees by Area of Island (based on 2013 CRA)
- a) Able-Age Population: 10-44yrs [+8years] (based on 2010 Census)



Opportunities: Copra Agents



Copra Agents:

Representing Vital to work with remote communities in the purchasing of copra, eventually registering Farmer PGS Groups

- EOI released
- Interest received
- RFP to be released

Opportunities: The MCT-VITAL MOU



Partnership with MCT to engage with farmers and provide business support services, to get farmers trade-ready in the PGS principles, to ensure that we have a consistent supply of quality coconuts.

 Phase 1: Pohnpei engagements scheduled Sept 2018-Aug 2019

Proposing:

- Phase 2: Chuuk engagements (Q1 2019)
- Phase 3: Yap, Kosrae (tbd)

Support from FSM R&D: FSMR&D – VITAL MO

FSM R&D and Vital to collaborate in the strengthening of C4Life's supply chain by:

- Identifying Risks and recommending Response Plans
- Developing an Organic Certification Program
- Developing a Fair Trade Certification Program
- Capitalizing on latest trends, tools and techniques for Farmer PGS development
- Facilitating replanting program with Farmer PGS Groups

