

CPC CORPORATION, TAIWAN (CPC)

REGISTRATION PROCEDURE FOR SPOT CRUDE OIL SUPPLIERS

(Effective as of October. 22, 2007)

- I. Any legitimate company which intends to become one of CPC's qualified spot crude oil supplier ("Applicant") so as to be invited to offer against CPC's inquiry for spot crude oil and/or condensate requirement shall be subject to the following registration procedures:
- (A) Applicant should officially express their intention in writing by telex/fax/letter to CPC specifying the crude oil grade(s) and/or condensate they would like to supply. Applicant should also provide CPC with the following information for prequalification purposes:
1. The latest **Annual Report/Company Brochure** or at least written introduction of the Applicant's corporate history, capital and organization etc., together with the Applicant's latest **Annual Financial Report** duly certified by its auditor/accountant as well as the Applicant's latest **Credit Rating** information if available or alternatively **Credit Certificate(s)** issued by any first class international bank(s) acceptable to CPC.
 2. A written description of the Applicant's business and actual **Crude Oil Sales Record** including but not limited to the annual crude oil sales amount or volume/crude oil grades /counter parties etc., and the supporting documents of the Applicant's crude oil sales experience as well as its crude oil supply capability.
 3. **Bank References** containing necessary contact particulars.
 4. **Trade References** (preferably with oil companies well known to the oil industry) containing necessary contact particulars or alternatively Letter(s) from any of the Applicant's trading counter parties which are oil companies well known to the oil industry to verify the Applicant's trading credibility.
 5. **Statement of Supply Sources** of crude oil and/or condensate which assures that such crude oil or condensate is acquired from legitimate market source and is regularly traded in the international oil market.
- (B) The above information should be made available by the Applicant to CPC's persons in charge for their perusal. An internal prequalification report shall be prepared by the persons in charge for management approval before including the Applicant in CPC's supplier list for spot crude oil and/or condensate.

II. The Applicant shall meet the required qualifications of CPC's supplier of spot crude oil and/or condensate as set forth below:

1. **Actual Crude Oil Sales Experience** duly proved by valid documents (such as relevant bill of lading, loading/discharging survey reports or discharge certificate etc.) of crude oil and/or condensate sale in the international oil market during the five years period prior to the date of application, and the aggregate sales volume during such period shall be no less than 1,000,000 barrels of the same or similar grade of the crude oil or condensate as the Applicant proposes to supply CPC.
2. **Healthy Financial Status and Good Credit Standing** with no negative record as well as meeting any of the criteria as set forth below:
 - (a) Short term credit rating should either stand at Moody's P-1 or above or the Standard & Poor's A1+ or above.
 - (b) Letter of Certificate issued either by at least one of the top 150 international banks or any local Taiwanese banks listed in the top 200 international banks verifying the sound credibility of the applicant.
 - (c) For local Taiwanese companies only, the latest official financial statements with all attachments duly endorsed by its accountant or government auditing organization with content in conformity with the following:
 - The net asset value is not less than one-twelfth of the estimated budget amount of CPC's regular spot crude oil/condensate tender as the case may be.
 - The current assets are not less than the current liabilities.
 - The total liabilities do not exceed 4 times of the total net asset value.
3. **Applicant shall not be a Broker or Intermediary.** As the oil transaction should be entered into directly between the oil seller and CPC without commission or rebate being paid to any employee of either sides or intermediary, any Applicants acting as intermediaries to broker the crude oil transactions for commission purpose will be disqualified in this registration procedure.
4. Applicant shall not be a company registered in those countries with which trading activities are prohibited as announced and revised from time to time by the Government of Taiwan R.O.C.