EXHIBIT 1

DIP Term Sheet
CARIBBEAN PETROLEUM CORPORATION, ET AL.

Term Sheet for $10,000,000 Senior Secured Superpriority Priming DIP Financing Facility

Summary of Principal Terms and Conditions

This Summary of Principal Terms and Conditions outlines certain terms of the DIP Facility referred to below.

Reference is made to the Loan and Security Agreement, dated March 22, 2003 (as amended, restated, modified or supplemented from time to time, the “Prepetition Loan Agreement”), by and between Banco Popular de Puerto Rico (as assignee of Westernbank Puerto Rico (Business Credit Division) ("Westernbank"), as lender (the “Prepetition Lender”), Caribbean Petroleum Corporation and Caribbean Petroleum Refining L.P., as borrowers, Gulf Petroleum Refining (Puerto Rico) Corporation and Oil Resources International, Limited, as guarantors (in such capacities, the “Guarantors”), and Gad Zeevi and Talia Zeevi, as personal guarantors (in such capacities, the “Personal Guarantors”).

1. Bankruptcy Cases
   The transactions described herein contemplate the commencement by Caribbean Petroleum Corporation, Caribbean Petroleum Refining, L.P., and Gulf Petroleum Refining (Puerto Rico) Corporation (collectively, the “Debtors”) of voluntary chapter 11 cases (the “Bankruptcy Cases”) in the United States Bankruptcy Court for the District of Delaware (the “Court”) pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), on or before August 12, 2010 (the actual commencement date being the “Commencement Date”).

   The Postpetition Lender (as defined below) acknowledges and agrees that, in the event the Bankruptcy Cases are commenced to implement the transactions contemplated herein, the Postpetition Lender (as defined below) shall (i) make a statement in support of the Bankruptcy Cases on the record at the “first day” hearing; and (ii) not oppose the Debtors’ selection of venue in Delaware.

2. Construction
   As used in the DIP Term Sheet, the other DIP Documents, the Interim DIP Order and the Final DIP Order (each as defined below) and any certificate or other document made or delivered pursuant hereto or thereto, (a) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to, including but not limited to, any and all tangible and intangible real and personal assets and properties, including cash, capital stock in any corporation and any and all equivalent ownership interests in any other entity, securities, revenues, accounts, leasehold interests and contract rights, claims, actions, choses in action, causes of action and any proceeds of the foregoing and (b) the words “include”, “includes” and “including” shall be deemed to be
| 3. **DIP Borrowers; DIP Obligations** | The Debtors (each a “DIP Borrower,” and collectively, the “DIP Borrowers”), each of which shall be jointly and severally liable for the DIP Obligations (as defined below).

As used in the DIP Term Sheet, the other DIP Documents, the Interim DIP Order and the Final DIP Order (each as defined below) and any certificate or other document made or delivered pursuant hereto or thereto, the term “DIP Obligations” means (a) the due and punctual payment by the DIP Borrowers of (i) the unpaid principal amount of and interest on (including interest accruing after the maturity of the DIP Loans (as defined below) and interest accruing after the commencement of any case or proceeding by or against a DIP Borrower under any federal or state bankruptcy, insolvency, receivership or similar law, whether or not allowed in such case or proceeding) on the DIP Loans (as defined below), as and when due, whether at maturity, by acceleration or otherwise, and (ii) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, indirect, absolute or contingent, fixed or otherwise, of any DIP Borrower to the Postpetition Lender under the DIP Term Sheet, the other DIP Documents, the Interim DIP Order and the Final DIP Order (each as defined below), and (b) the due and punctual payment and performance of all covenants, agreements, obligations and liabilities of any DIP Borrower to the Postpetition Lender under or pursuant to the DIP Term Sheet, the other DIP Documents, the Interim DIP Order and the Final DIP Order (each as defined below). |
| 4. **Postpetition Lender** | Banco Popular de Puerto Rico, in its capacity as the lender under the DIP Facility (as defined below) (the “Postpetition Lender”) |
| 5. **DIP Facility** | $10,000,000 debtor-in-possession senior secured superpriority priming non-revolving, multi-draw credit sub-facility under the Revolving Loans (as defined in the Prepetition Loan Agreement) (the “DIP Facility”) to be made available to the DIP Borrowers until the Maturity Date (as defined below) and the balance of which sub-facility, shall never exceed the $10,000,000 maximum aggregate principal amount provided above and together with the remaining balance of the other Revolving Loans (as defined in the Prepetition Loan Agreement) shall never exceed, in aggregate principal amount, the $18,000,000 Revolving Loan Limit (as defined in the Prepetition Loan Agreement) and which DIP Facility shall be available to the DIP Borrowers in accordance with and be governed by the terms of the DIP Term Sheet and the other DIP Documents (as defined below) and shall not be subject to any Borrowing Base (as defined in the Prepetition Loan Agreement) or any other applicable lending formulas or any representations, warranties, covenants or events of default contained in the Prepetition Loan Agreement that are not contained in the DIP Term Sheet, any of the other DIP Documents, the Interim DIP Order or the Final DIP Order (each as defined below). |
### 6. Purpose and Effect of Amendment

The DIP Facility is and shall be, and shall be deemed to be and shall be treated for all purposes as, a sub-credit facility under the revolving loan facility of the Prepetition Loan Agreement pursuant to an amendment thereto (as may be amended, amended and restated, modified or supplemented from time to time, the “Amendment”). The only persons or entities liable for any repayment obligations incurred by the DIP Borrowers for funds advanced under the DIP Facility shall be the DIP Borrowers and any successor chapter 7 or chapter 11 trustee for any of the DIP Borrowers. The Guarantors and Personal Guarantors shall incur no additional obligations as a result of the DIP Facility, the Interim DIP Order, the DIP Term Sheet, and the Amendment; and the DIP Borrowers’ agreement to the foregoing and incurrence of obligations hereunder shall not impair or reduce any obligations of the Guarantors and Personal Guarantors in respect of the Prepetition Loan Agreement and amounts owed to the Prepetition Lender under the Prepetition Loan Agreement as of the Commencement Date. Each of the DIP Borrowers hereby agrees, consents to, confirms and acknowledges that the DIP Facility and related amendments to be performed to the Prepetition Loan Agreement by the parties to the DIP Facility and Amendment are not intended to constitute an extinctive novation (“novación extintiva”) of the obligations and undertakings of any of the parties under any of the Prepetition Loan Documents (as defined below), as amended to date.

Each of the Interim DIP Order (as defined below) and the Final DIP Order (as defined below) shall include a finding of fact and/or conclusion of law consistent with the immediately preceding paragraph in this Section 6.

### 7. Definitive DIP Documentation

On the DIP Closing Date (as defined below), the DIP Borrowers and the Postpetition Lender shall execute this Summary of Principal Terms and Conditions (the “DIP Term Sheet”). The DIP Borrowers shall execute and deliver to the Postpetition Lender the DIP Term Sheet and the Note (as defined below) as a condition to the occurrence of the DIP Closing Date (as defined below) and the initial funding. The DIP Term Sheet shall be binding upon the DIP Borrowers and the Postpetition Lender, subject only to satisfaction of the conditions set forth in Section 9 of the DIP Term Sheet and on Exhibit B hereto. Subsequent to the Commencement Date and prior to entry of the Final DIP Order (as defined below), the DIP Borrowers and the Postpetition Lender shall agree upon the form of the final documentation of the Amendment evidencing the DIP Facility consistent with the DIP Term Sheet (collectively, and together with the DIP Term Sheet and the Note, the “DIP Documents”), which will include the terms and provisions set forth in the DIP Term Sheet and such other provisions as to which the DIP Borrowers and the Postpetition Lender may agree. The DIP Documents (other than the DIP Term Sheet and the Note, which shall be binding upon the DIP Borrowers and the Postpetition Lender upon satisfaction of the conditions set forth in Section 9 of the DIP Term Sheet and on Exhibit B hereto) shall be binding upon the DIP Borrowers and the Postpetition Lender, subject only to (i) approval of the Court and entry of the Final DIP Order (as defined below) and (ii) the absence of an Event of
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<th>Section</th>
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<td>8. Interest Rate</td>
<td>Outstanding amounts under the DIP Facility shall accrue interest at a rate of 8% per annum (the &quot;Non-Default Rate&quot;). Accrued interest shall be payable monthly in arrears not later than the first day of each calendar month and shall be calculated on the basis of a 360-day year and actual days elapsed. Default interest shall be equal to the Non-Default Rate plus 2% per annum, shall automatically accrue on and after occurrence and during the continuance of an Event of Default (as defined below) under the DIP Term Sheet and shall be payable on demand.</td>
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| 9. DIP Closing Date; Conditions to Closing | No later than one (1) business day after entry of the Interim DIP Order (as defined below) (the “DIP Closing Date”).

The occurrence of the DIP Closing Date and the initial extension of credit shall be subject to satisfaction of the conditions precedent set forth on Exhibit B hereto and to the following conditions precedent: (i) an interim order approving the DIP Borrowers’ entry into the DIP Facility, in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers (the “Interim DIP Order”) shall have been entered by the Court within five (5) business days of the Commencement Date, (ii) the Interim DIP Order shall be in full force and effect, shall not have been reversed, modified (except for modifications that are acceptable to the Postpetition Lender in its discretion and the DIP Borrowers), amended (except for amendments that are acceptable to the Postpetition Lender in its discretion and the DIP Borrowers), stayed or vacated, and (iii) any motions seeking approval of the DIP Facility (and related use of Cash Collateral (as defined below) and grants of adequate protection), the Interim DIP Order, the Final DIP Order (as defined below) and any other motions and orders respecting the DIP Facility, use of Cash Collateral and adequate protection shall be in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers and the Postpetition Lender shall be satisfied with the notice given to creditors of any such motion. |
| 10. Funding | Each funding (including the initial funding) made under the DIP Facility (each a “DIP Loan” and collectively, the “DIP Loans”) shall be (i) subject to the conditions precedent set forth in Section 23 of the DIP Term Sheet and (ii) made available to the DIP Borrowers in accordance with the following procedures: (a) the Postpetition Lender shall make DIP Loans to the DIP Borrowers on a weekly basis upon receipt of a borrowing request from the DIP |
Borrowers (each, a “Borrowing Request”) in accordance with the DIP Budget (as defined below) and the DIP Documents; (b) the amount of funding requested in any given Borrowing Request shall not exceed the cumulative total amount of net cash outflow plus 15% of the cumulative disbursements set forth in the DIP Budget as of the conclusion of such weekly period immediately following such Borrowing Request; and (c) any DIP Loans that are repaid or prepaid in accordance with the terms of the DIP Facility may not be reborrowed by the DIP Borrowers.

From the period (the “Interim Period”) commencing on the DIP Closing Date and ending upon entry of a subsequent order by the Court approving the DIP Facility on a final basis, which order shall be in full force and effect, shall not have been reversed, modified (except for modifications that are acceptable to the Postpetition Lender in its discretion and the DIP Borrowers), amended (except for amendments that are acceptable to the Postpetition Lender in its discretion and the DIP Borrowers), stayed or vacated, and shall be in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers (the “Final DIP Order”), the maximum amount of DIP Loans that may be borrowed and funded shall not exceed the total amount of net cash flow outflow plus 15% of the cumulative disbursements set forth in the DIP Budget for such Interim Period less the cumulative amount of professional fees and disbursements of the Debtors’ and Creditors’ Committee’s Case Professionals (each as defined below) as set forth in the DIP Budget that has not yet been paid, it being understood that the terms on which payment of such professional fees and disbursements shall be made are set forth in Section 20 of the DIP Term Sheet.

11. Maturity Date

Unless accelerated by an Event of Default (as defined below), the maturity date of the DIP Facility shall be the earliest to occur of (i) twenty-five (25) days after entry of the Interim DIP Order if the Final DIP Order shall not have been entered by the Court in the Bankruptcy Cases and the Amendment shall not have been executed and delivered by the DIP Borrowers to the Postpetition Lender, (ii) consummation of any consensual or nonconsensual (including under section 1129(b)(2)(A)(i), (ii) and/or (iii) of the Bankruptcy Code) chapter 11 plan of reorganization or liquidation of or for the DIP Borrowers, whether proposed by the DIP Borrowers, the Creditors’ Committee or any other party, or (iii) one hundred eighty (180) days after the DIP Closing Date (the “Maturity Date”). The Maturity Date shall be accelerated upon the occurrence of an Event of Default (as defined below), subject to the Remedies Notice Period (as defined below).

12. Use of DIP Facility Proceeds

Subject to a weekly six-month budget, in form and substance satisfactory and agreeable to the DIP Borrowers, the Postpetition Lender, and the Prepetition Lender, annexed hereto as Annex A (the “DIP Budget”), the DIP Loans, and cash collateral of the Prepetition Lender (as defined in Bankruptcy Code section 363, “Cash Collateral”), shall be used to fund (i) the marketing for sale of substantially all assets of the DIP Borrowers (the “363 Sale”) and effectuation...
of the 363 Sale; (ii) carrying costs and limited startup costs attendant to the rehabilitation of tanks 101, 102, 103, 201 and related infrastructure located at the DIP Borrowers’ tank farm in Bayamón, Puerto Rico that are necessary to restore service to the Puerto Rico Electric Power Authority (collectively, the “Rehabilitation”), in accordance with the DIP Budget; provided, that the use of the DIP Loans, Collateral and/or Cash Collateral for the Rehabilitation shall be (a) in a manner satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers and (b) subject to the consent of the United States Environmental Protection Agency (the “EPA”); provided, further, that the DIP Loans, Collateral and/or Cash Collateral may not be used for the Rehabilitation if such Rehabilitation would reasonably be expected to result in administrative costs and expenses not provided for in the DIP Budget; (iii) payment of the Postpetition Lender’s monthly interest, out-of-pocket costs, fees, and expenses related to the DIP Facility; (iv) employee wages and general corporate purposes of the DIP Borrowers during the pendency of the Bankruptcy Cases; (v) payment of, or escrows/reserves for, budgeted professional fees of counsel and financial advisors to the DIP Borrowers, and the statutory committee of unsecured creditors appointed in the Bankruptcy Cases (the “Creditors’ Committee”), incurred in connection with the administration and prosecution of the Bankruptcy Cases; (vi) payment of the Adequate Protection Payments (as defined below); (vii) the adequate assurance deposit for the DIP Borrowers’ utility providers, in an amount ordered by the Court (the “Adequate Assurance Deposit”); and (viii) payment of quarterly fees to the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”), in each instance subject to the Limitations (as defined below).

A new loan account will be established by the Postpetition Lender to replace the existing Master Account (as defined in the Cash Management Motion) (the “DIP Facility Loan Account”). The DIP Facility Loan Account is and shall be a Postpetition Lender-controlled loan account used as a central funding mechanism for the DIP Facility pursuant to the DIP Term Sheet. The DIP Facility Loan Account will account for all the Borrowing Requests by the DIP Borrowers. Upon receipt of a Borrowing Request, the corresponding DIP Loans will be deposited into the ACH Account (as defined in the Cash Management Motion). In addition, cash generated from the postpetition operations of the DIP Borrowers shall be swept into the ACH Account and shall be available to be used by the DIP Borrowers in accordance with the DIP Budget.

For the avoidance of doubt, (A) the DIP Borrowers may amend the DIP Budget with the written consent of the Postpetition Lender; provided, that the total amount of funding provided pursuant to the DIP Budget shall not exceed the total amount of the DIP Facility authorized by the Interim DIP Order or the Final DIP Order, as applicable; and (B) at any given time, the DIP Borrowers’ actual cash disbursements may, on a cumulative basis, vary from the DIP Budget by no more than 15% (the “Permitted Variance”). The DIP Borrowers shall provide the Postpetition Lender with weekly and cumulative variance reporting on a line item basis, which reporting shall (1) detail the variance, if
any, of actual cash disbursements and actual cash receipts from the DIP Budget and (2) provide an explanation of any per line item variance greater than 10% (the “Variance Report”).

13. DIP Budget

In addition to the continuing representations, warranties and covenants heretofore and hereafter made by the DIP Borrowers to the Postpetition Lender, and not in limitation thereof, the DIP Borrowers hereby represent, warrant and covenant to the Postpetition Lender the following (which shall survive the execution and delivery of the DIP Term Sheet and the other DIP Documents), the truth and accuracy of which, or compliance with, shall be a continuing condition of the making of DIP Loans by the Postpetition Lender:

The DIP Borrowers have prepared and delivered to the Postpetition Lender the DIP Budget. The DIP Budget has been thoroughly reviewed by the DIP Borrowers and its management and sets forth for the periods covered thereby: (i) projected weekly operating cash receipts for each week commencing with the week ending August 15, 2010, (ii) projected weekly operating cash disbursements for each week commencing with the week ending August 15, 2010, and (iii) projected aggregate principal amount of outstanding DIP Loans for each week commencing with the week ending August 15, 2010. In addition to the DIP Budget, the DIP Borrowers shall furnish to the Postpetition Lender: (a) a revised rolling thirteen (13) week cash flow projection, in form and substance satisfactory to the Postpetition Lender by no later than 5:00 p.m. (Eastern time) on the 4th business day of every other week commencing on August 19, 2010, and (b) the Variance Report by no later than 5:00 p.m. (Eastern time) on the 4th business day of each week commencing on August 19, 2010. Each DIP Borrower hereby confirms, acknowledges and agrees that (i) a failure to maintain the Permitted Variance in the DIP Budget shall constitute a material deviation from the DIP Budget and, subject to a grace period of five (5) business days, an Event of Default, and (ii) the failure to timely deliver the DIP Budget, any Variance Report or any related reports or certifications with respect to the DIP Budget, in form and substance satisfactory to the Postpetition Lender, shall, subject to a grace period of two (2) business days, constitute an Event of Default. Notwithstanding any approval by the Postpetition Lender of the DIP Budget, the Postpetition Lender will not, and shall not be required to, provide any DIP Loans to the DIP Borrowers pursuant to the DIP Budget, but shall only provide DIP Loans in accordance with the terms and conditions set forth in the DIP Term Sheet, the other DIP Documents, and the Interim DIP Order or the Final DIP Order, as applicable, subject to the DIP Budget. The Postpetition Lender is relying upon the DIP Borrowers’ delivery of, and compliance with, the DIP Budget in determining to enter into the postpetition financing arrangements provided for herein.

For the avoidance of doubt, the total DIP Loans that may be borrowed under the DIP Facility may not exceed $10,000,000 in total.

14. Insurance

Any and all proceeds of and any payments under the insurance policies of the DIP Borrowers that are received by the DIP Borrowers during the pendency of
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<th>Proceeds</th>
<th>the Bankruptcy Cases (the “Insurance Proceeds”) shall be (i) paid to the Prepetition Lender as adequate protection in accordance with Section 19 of the DIP Term Sheet and (ii) applied to reduce the outstanding obligations under the Prepetition Loan Agreement (other than with respect to amounts reserved for Firstbank pursuant to the Intercreditor Agreement (each as defined below), if any).</th>
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<td>15. Cash Collateral</td>
<td>Pursuant to sections 361, 362 and 363 of the Bankruptcy Code, the DIP Borrowers shall be entitled to use, until the Maturity Date, the Cash Collateral and all other assets and property on which the Prepetition Lender has a lien or security interest pursuant to the Prepetition Loan Documents (together with the Cash Collateral, the “Prepetition Collateral”) subject to the provisions for adequate protection set forth herein.</td>
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<td>16. Limitations</td>
<td>Except as provided below, no Collateral (as defined below), Cash Collateral, Carve-Out (as defined below), DIP Loans, proceeds of the Prepetition Collateral, proceeds of the Collateral (as defined below) or advances under the Prepetition Loan Agreement, the DIP Documents, the Interim DIP Order or the Final DIP Order may be used to (a) investigate, object, contest or raise any defense to the validity, perfection, priority, extent or enforceability of any amount due under the DIP Facility or the Prepetition Loan Agreement or the Financing Agreements (as defined in the Prepetition Loan Agreement) or Security Agreements (as defined in the Prepetition Loan Agreement and together with the Prepetition Loan Agreement and the Financing Agreements, collectively the “Prepetition Loan Documents”) or the DIP Documents, or the liens or claims granted under the Interim DIP Order, the Final DIP Order, the DIP Facility, the DIP Documents or the Prepetition Loan Documents, (b) investigate, assert any claims, defenses or causes of action against the Postpetition Lender, the Prepetition Lender or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, (c) investigate, prevent, hinder or otherwise delay the Postpetition Lender’s or the Prepetition Lender’s assertion, enforcement or realization on the Cash Collateral or the Collateral (as defined below) in accordance with the Interim DIP Order, the Final DIP Order, the DIP Facility, the DIP Documents or the Prepetition Loan Documents, (d) investigate or seek to modify any of the rights granted to the Postpetition Lender or the Prepetition Lender hereunder, under the Interim DIP Order, the Final DIP Order, the DIP Facility, the DIP Documents or the Prepetition Loan Documents, (e) pay any professional fees or expenses incurred by any Case Professional (as defined below) or other professional in connection with any of the foregoing (except to contest during the Remedies Notice Period the occurrence and/or continuance of a Event of Default), or (f) any act which has or could reasonably be expected to have a material adverse effect with respect to the rights of the Postpetition Lender or the Prepetition Lender, or which is contrary to any term or condition set forth in or acknowledged by the DIP Documents, the DIP Facility, the Interim DIP Order or the Final DIP Order, in each foregoing case without the Postpetition Lender’s and the Prepetition Lender’s prior written consent. The foregoing</td>
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limitations set forth in clauses (a) through (f) above (collectively, the “Limitations”) shall apply in all instances; provided, however, up to $50,000 may be used by the Creditors’ Committee solely to investigate the liens and claims of the Prepetition Lender and/or other secured creditors of the DIP Borrowers.

17. Security

Each DIP Borrower hereby grants to the Postpetition Lender a perfected security interest in and lien (as defined in section 101(37) of the Bankruptcy Code) (the “DIP Liens”) upon all prepetition and postpetition properties and assets of such DIP Borrower, whether owned on the DIP Closing Date or at any time thereafter acquired or created by such DIP Borrower or in which such DIP Borrower now has or at any time in the future may acquire any right, title or interest (collectively, the “Collateral”), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise, of such DIP Borrower’s obligations under the DIP Facility, including but not limited to: (a) all the equity interests held by such DIP Borrower, (b) all intercompany notes, accounts receivable, any other liabilities or payment or repayment obligations, or other obligations owed to such DIP Borrower by any of its affiliates, (c) all of such DIP Borrower’s interest in or right to insurance proceeds and payments of any kind under insurance policies, or otherwise, (d) the DIP Borrowers’ rights under section 506(c) of the Bankruptcy Code, and (e) all tangible and intangible real (owned and leased) and personal property of such DIP Borrower (including but not limited to accounts, chattel paper, contracts, deposit accounts, goods, documents, inventory, equipment, general intangibles, investment property, intellectual property and intellectual property licenses, investment property, real property, cash, securities accounts, commercial tort claims, other claims, choses in action, causes of action, letter of credit rights, intercompany notes, leases, leasehold improvements, and all proceeds and supporting obligations, all books and records pertaining to the Collateral, and products and proceeds of any and all of the foregoing and all collateral security and guarantees given with respect to any of the foregoing), having the priority set forth in Section 18 of the DIP Term Sheet; provided, that the Postpetition Lender shall receive a perfected security interest in and lien upon causes of action arising under chapter 5 of the Bankruptcy Code and any proceeds thereof (the “Avoidance Actions”) only upon entry of the Final DIP Order; provided, further, that the Postpetition Lender shall receive a perfected security interest and lien upon all of the DIP Borrowers’ cash except for the Adequate Assurance Deposit.

The following terms which are defined in the Uniform Commercial Code in effect in the Commonwealth of Puerto Rico on the date hereof are used in this Section 17 as so defined: accounts, certificated security, chattel paper, commercial tort claims, documents, equipment, general intangibles, goods, instruments, inventory and supporting obligations.

18. Priority

All DIP Obligations shall:

(i) have superpriority administrative claim status, pursuant to section 364(c)(1)
of the Bankruptcy Code, over any and all administrative expenses of the kind
specified in sections 503(b) and 507(b) of the Bankruptcy Code (the
“Superpriority DIP Claims”); and

(ii) be secured, pursuant to section 364(d)(1) of the Bankruptcy Code, by
perfected first priority, priming security interests and liens in and on all
Collateral, not subject to subordination, or any other liens, including without
limitation, the prepetition liens (the “Prepetition Loan Agreement Liens”)
granted to or for the benefit of the Prepetition Lender under the Prepetition
Loan Documents, which liens in each case shall be primed and made subject to
and subordinate to the perfected first priority priming liens (the “Primed DIP
Liens”) to be granted to the Postpetition Lender; provided, that the Primed DIP
Liens shall be junior to the prepetition liens of third parties on the Collateral as
to which such third parties (including Firstbank Puerto Rico (together with its
successors and assigns, “Firstbank”)) have as of the Commencement Date a
valid, perfected and unavoidable existing lien (the “Permitted Prepetition
Liens”), including all valid, perfected and unavoidable existing liens held as of
the Commencement Date by Firstbank as lender under that certain Loan
Agreement by and between Firstbank and Caribbean Petroleum Refining, L.P.
dated December 2, 1998 (as amended, restated, modified, or supplemented
from time to time, the “Firstbank Loan Agreement” and together with other
related documents, the “Firstbank Loan Documents”); and

(iii) be secured, pursuant to section 364(c)(2) of the Bankruptcy Code, by
perfected first priority security interests and liens not subject to subordination,
in and on all Collateral that is not otherwise subject to a valid, perfected and
unavoidable lien existing as of the Commencement Date; and

(iv) be secured, pursuant to section 364(c)(3) of the Bankruptcy Code, by
perfected security interests and liens not subject to subordination, in and on all
Collateral that is subject to the Permitted Prepetition Liens, junior to such
Permitted Prepetition Liens;

in each case subject only in the event of the occurrence and during the
continuance of an Event of Default to the Carve-Out (as defined below) and any
exceptions for which the Postpetition Lender has provided its prior written
consent.

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<th>19. Conditions to Priming; Adequate Protection</th>
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<td>Pursuant to sections 105, 361, 362, 363 and 364 of the Bankruptcy Code, as adequate protection of, and protection against any diminution in, the value as of the Commencement Date of the Prepetition Lender’s liens on, security interests in, and any other interests in property of the DIP Borrowers as of the Commencement Date, the Prepetition Lender shall be granted as adequate protection in the Interim DIP Order and Final DIP Order, subject to the Carve-Out (as defined below), (i) additional and replacement perfected liens on all Collateral (the “Adequate Protection Liens”), which Adequate Protection Liens shall be junior in priority only to the DIP Liens and the Permitted Prepetition Liens; provided, that the Prepetition Lender shall receive a perfected security interest and lien upon the Avoidance Actions only upon entry of the Final DIP</td>
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Order; provided, further, that the Prepetition Lender shall receive a perfected security interest and lien upon all of the DIP Borrowers’ cash except for the Adequate Assurance Deposit; (ii) superpriority administrative claims, having priority over any and all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, junior only to the Superpriority DIP Claims; (iii) the escrow of all proceeds of the 363 Sale pending distribution to creditors, including the Prepetition Lender on account of its allowed claims, upon consummation of a plan of liquidation for the DIP Borrowers that is satisfactory and agreeable to the DIP Borrowers, the Postpetition Lender, and the Prepetition Lender (the “Plan”) or upon such other distribution of such proceeds as otherwise is ordered by the Court; (iv) the Prepetition Lender shall be named as loss payee (in respect of property/casualty insurance policies maintained by the DIP Borrowers) and additional insured (in respect of liability insurance policies maintained by the DIP Borrowers), and the Prepetition Lender shall be provided with copies of any and all insurance claims (including past, pending or future claims), whether or not funded, and all non-privileged correspondence and documents related to such insurance claims and any claims that the DIP Borrowers are contemplating, and shall be provided with thirty (30) days’ advance notice of all non-renewal/cancellation/amendment riders in respect of such policies; (v) the Prepetition Lender shall have the right to credit bid the indebtedness owed to the Prepetition Lender under the Prepetition Loan Agreement, in whole or in part, in connection with any sale or disposition of assets of the DIP Borrowers (whether or not such asset sale or disposition is undertaken or proposed under or pursuant to the terms of any consensual or nonconsensual (including under section 1129(b)(2)(A)(i), (ii) and/or (iii) of the Bankruptcy Code) chapter 11 plan of reorganization or liquidation of or for the DIP Borrowers, whether proposed by the DIP Borrowers, the Creditors’ Committee or any other party, by motion under section 363 of the Bankruptcy Code, or otherwise under applicable law) and the DIP Borrowers hereby waive all rights to oppose such credit bid rights of the Prepetition Lender; (vi) promptly and in any event no later than three (3) business days after receipt thereof, payment of the Insurance Proceeds to the Prepetition Lender in accordance with that certain Intercreditor Agreement, dated March 24, 2003 (as amended, restated, modified, or supplemented from time to time, the “Intercreditor Agreement”) by and between the Prepetition Lender and Firstbank (which payments of any such Insurance Proceeds the Prepetition Lender is hereby authorized by the DIP Borrowers to pay to Firstbank in accordance with the Intercreditor Agreement); (vii) as soon as possible and in any event within three (3) business days after an officer of any DIP Borrower obtains actual knowledge, or after due inquiry, would have obtained such knowledge by acting in good faith and in a prudent manner in the performance of his or her duties, of the occurrence of any material adverse development with respect to any loss, damage, investigation, claim, litigation, action, proceeding or controversy involving the DIP Borrowers, provide to the Postpetition Lender notice thereof and as soon as practicable thereafter, to the extent the Prepetition Lender requests, copies of all
documentation relating thereto; (viii) as soon as possible and in any event within three (3) business days after an officer of any DIP Borrower obtains actual knowledge, or after due inquiry, would have obtained such knowledge by acting in good faith and in a prudent manner in the performance of his or her duties, of the occurrence of any material adverse change in the business, properties, assets or condition (financial or otherwise) of any DIP Borrower, provide to the Postpetition Lender notice thereof; (ix) permit the Prepetition Lender and its representatives and designees to visit and inspect the properties, books and records of the DIP Borrowers upon reasonable notice at the DIP Borrowers’ expense; (x) prompt payment of all professional fees and expenses incurred by the Prepetition Lender in connection with the administration of the Bankruptcy Cases in accordance with the DIP Budget (the “Adequate Protection Payments”); (xi) upon entry of Final DIP Order, the Prepetition Lender and its collateral shall not be subject to or liable for any claims under section 506(c) of the Bankruptcy Code (“Section 506(c) Claims”), and the assertion of any such claims against the Prepetition Lender or its collateral shall be prohibited by the Final DIP Order; (xii) the DIP Borrowers shall furnish or cause to be furnished to the Prepetition Lender such budgets and other information respecting the Prepetition Collateral, the sale or disposition of the DIP Borrowers’ assets, and any draft or proposed plan of reorganization or liquidation (or plan term sheet) of or for the DIP Borrowers as the Prepetition Lender, from time to time, may request, and the DIP Borrowers hereby irrevocably authorize and direct each of their accountants and advisors to deliver to the Prepetition Lender, at the DIP Borrowers’ expense, copies of all financial statements of the DIP Borrowers and such other information respecting the DIP Borrowers’ assets and business as the Prepetition Lender may request; (xiii) the Prepetition Lender shall have the approval rights provided for in the Milestone Schedule (as defined below) set forth in Section 21 of the DIP Term Sheet; and (xiv) the DIP Borrowers shall provide the Prepetition Lender with the status updates required by the Sale Process Protocol (as defined below) set forth in Section 21 of the DIP Term Sheet.

As additional adequate protection for the Prepetition Lender, payment of the DIP Obligations to the Postpetition Lender, and payment of the Adequate Protection Payments to the Prepetition Lender, and any other adequate protection payments made in the Bankruptcy Cases, each shall be made or deemed to be made with the proceeds of property of the DIP Borrowers that is not encumbered by perfected, valid, enforceable and unavoidable liens of the Prepetition Lender.

Notwithstanding anything to the contrary in the DIP Term Sheet, the Prepetition Lender and Postpetition Lender shall have claims and administrative expenses (as the case may be) for payment of the full amount of all professional fees and expenses of the Prepetition Lender and Postpetition Lender incurred in connection with the Bankruptcy Cases, and such claims and administrative expenses (as the case may be) are not subject to any limitation in the DIP Budget on the amount of professional fees or expenses payable as Adequate Protection Payments, and payment of the full amount of all professional fees.
and expenses of the Prepetition Lender and Postpetition Lender incurred in connection with the Bankruptcy Cases shall constitute obligations of the DIP Borrowers whether or not the DIP Budget and the other DIP Documents provide for limited Adequate Protection Payments during the period covered by the DIP Budget. For the avoidance of doubt, the non-payment of the Prepetition Lender’s and the Postpetition Lender’s professional fees and expenses in excess of the amounts budgeted in the DIP Budget shall not constitute an Event of Default.

20. Carve-Out

The Postpetition Lender’s and the Prepetition Lender’s rights to the superpriority claims and the collateral (and proceeds thereof) that is subject to the DIP Liens, the Adequate Protection Liens and the Prepetition Loan Agreement Liens shall be subject in all respects to a carve-out in an amount set forth below (the “Carve-Out”). The purpose of the Carve-Out is to provide from the proceeds of Collateral only the source of funding for accrued and unpaid professional fees of the Case Professionals (as defined below), to the extent allowed by the Court, incurred in the orderly wind-down of the DIP Borrowers’ affairs and estates, following the earlier of (a) consummation of the 363 Sale and (b) the occurrence of an Event of Default (as defined below) under or termination of the DIP Facility and the giving of a Carve-Out Trigger Notice (as defined below).

The “Carve-Out” shall be in an amount sufficient to satisfy: (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code; and (ii) subject to the Limitations, all unpaid professional fees, expenses and disbursements of any professionals retained by the Debtors or the Creditors’ Committee (the “Case Professionals”) incurred prior to receipt of a notice delivered by the Postpetition Lender expressly stating that the Carve-Out has been invoked (a “Carve-Out Trigger Notice”), and budgeted for under the DIP Budget and incurred prior to receipt of a Carve-Out Trigger Notice (x) only to the extent that such professional fees and disbursements do not exceed budgeted amounts and are and have been previously or subsequently allowed by the Court, and (y) only if (A) the Case Professionals make prompt and timely applications for allowance of such professional fees and disbursements as is required by the Interim DIP Order, (B) the DIP Borrowers make prompt special requests for funding of allowed professional fees and disbursements immediately following entry of any orders allowing same, and (C) the DIP Borrowers pay immediately to such professionals proceeds of the DIP Facility that are funded to the DIP Borrowers for payment of such professional fees and disbursements, and (z) only if the DIP Borrowers and such professionals have complied timely with all such terms of the Interim DIP Order and the Final DIP Order (and other orders of the Court governing allowance of compensation to the Case Professionals) prior to such Event of Default; and (iii) subject to the Limitations, and subject to entry of the Final DIP Order providing that neither the Prepetition Lender nor the Postpetition Lender shall be subject to any Section 506(c) Claims, all allowed unpaid fees and expenses of such Case
Professionals (regardless of when allowed) incurred subsequent to the earlier of (x) receipt by the DIP Borrowers of a Carve-Out Trigger Notice and (y) consummation of the 363 Sale, in the amount of (A) $750,000, with respect to professional fees and expenses of counsel to the DIP Borrowers, (B) $250,000, with respect to professional fees and expenses of the financial advisor to the DIP Borrowers, (C) $350,000, with respect to professional fees and expenses of counsel to the Creditors’ Committee, and (D) $150,000, with respect to professional fees and expenses of the financial advisor to the Creditors’ Committee (clauses (A) – (D), collectively, the “Carve-Out Prospective Fee Caps”), in each case reduced by the amounts of any unapplied retainers held by the respective Case Professionals; provided, that the Carve-Out shall be reduced by and to the extent that property or proceeds of property that (1) is cash, a cash equivalent, or readily convertible to cash and (2) is not collateral of the Prepetition Lender, FirstBank and any other holder of an allowed secured claim against the Borrowers is available in the DIP Borrowers’ estates to pay the professional fees and expenses identified above; provided, further, that the DIP Borrowers shall use reasonable best efforts to convert any such property to cash. Notwithstanding any other term of this Section 20 or any other term of the DIP Term Sheet, any other DIP Document, the Interim DIP Order or the Final DIP Order, in the event that the DIP Borrowers seek and obtain replacement, additional or alternative postpetition and/or debtor-in-possession financing that replaces the DIP Facility or otherwise funds the Bankruptcy Cases following the Maturity Date, the Carve-Out shall be limited for all purposes to solely the fees and expenses set forth in clauses (i) and (ii) of this paragraph and not to any Carve-Out amounts set forth in clause (iii) of this paragraph.

For the avoidance of doubt, so long as a Carve-Out Trigger Notice has not been delivered, or the 363 Sale has not been consummated, the Carve-Out Prospective Fee Caps shall not be reduced by the payment of fees or expenses allowed by the Court (whether allowed before or after delivery of a Carve-Out Trigger Notice) and payable under sections 328, 330 or 331 of the Bankruptcy Code, or 28 U.S.C. § 156(c); provided, however that in the event that the DIP Borrowers seek and obtain replacement, additional or alternative postpetition and/or debtor-in-possession financing that replaces the DIP Facility or otherwise funds the Bankruptcy Cases following the Maturity Date, the Carve-Out shall not include the amounts specified in clause (iii) of the preceding paragraph of this Section 20; and provided further that the Carve-Out shall be limited for all purposes to solely the fees and expenses set forth in clauses (i) and (ii) of the preceding paragraph of this Section 20 unless and until entry of the Final DIP Order providing that neither the Prepetition Lender nor the Postpetition Lender shall be subject to any Section 506(c) Claim.

Neither the Postpetition Lender nor the Prepetition Lender shall be responsible for the direct payment or reimbursement of any fees or disbursements of any professionals incurred in connection with the Bankruptcy Cases under any chapter of the Bankruptcy Code, and nothing in the DIP Term Sheet or otherwise shall be construed to obligate the Postpetition Lender or the
21. **Milestone Schedule/Sale Process**

The milestone schedule with which the DIP Borrowers shall comply with respect to the 363 Sale and the Plan (the “Milestone Schedule”), for the purpose of ensuring the timely pursuit and consummation of the 363 Sale and confirmation of the Plan on or prior to the date that is one hundred eighty (180) days after the DIP Closing Date, shall be as follows:

(a) The Milestone Schedule with respect to the 363 Sale shall be as follows: (i) within thirty (30) days following the Commencement Date, the Court shall have entered the Bidding Procedures Order, which Bidding Procedures Order, and Bidding Procedures approved therein, shall be acceptable to and approved by the Postpetition Lender, the Prepetition Lender and the DIP Borrowers; (ii) within ninety (90) days following the Commencement Date, (A) the Postpetition Lender, the Prepetition Lender and the DIP Borrowers shall have identified a stalking horse bidder acceptable to and approved by the Postpetition Lender, the Prepetition Lender and the DIP Borrowers, if any, to purchase substantially all of the assets of the DIP Borrowers pursuant to the 363 Sale (the “Stalking Horse”); and (B) the DIP Borrowers shall have entered into definitive documentation with the Stalking Horse, if any, acceptable to and approved by the Postpetition Lender and the Prepetition Lender; (iii) within one hundred twenty (120) days following the Commencement Date, the marketing process with respect to the 363 Sale shall be concluded; and (iv) within one hundred eighty (180) days following the Commencement Date, (A) the Court shall have entered an order acceptable to the Postpetition Lender, the Prepetition Lender and the DIP Borrowers approving the 363 Sale (the “Sale Order”), and (B) the 363 Sale shall be consummated.

(b) The Milestone Schedule with respect to the Plan and Disclosure Statement (as defined below) shall be as follows: (i) the DIP Borrowers shall have filed a proposed Plan acceptable to the Prepetition Lender and the Postpetition Lender and a corresponding disclosure statement (a “Disclosure Statement”) with the Court on or before November 3, 2010; (ii) the Court shall have approved the Disclosure Statement with respect to a proposed Plan acceptable to the Prepetition Lender and the Postpetition Lender on or before December 15, 2010; and (iii) the Court shall have confirmed the Plan on or before January 28, 2011.

It shall be a condition of the making of any DIP Loan and an affirmative covenant of the DIP Borrowers to conduct the marketing and bidding process in connection with the 363 Sale in accordance with the bidding procedures attached hereto as Annex C (the “Bidding Procedures”) and the DIP Borrowers shall provide the Postpetition Lender and the Prepetition Lender, on a weekly basis (or more frequently if circumstances warrant it and the Postpetition
Lender requests it), status updates in the form of a standing weekly conference call, information and access in connection with the Sale Process Protocol (as defined below) including but not limited to (as available): (i) confidentiality agreements executed with potentially interested parties; (ii) status and access to the data room used for due diligence in connection with the 363 Sale (the “Data room”); (iii) a listing of any party or parties engaged in due diligence in connection with the 363 Sale; (iv) contact information for any potentially interested party in connection with the 363 Sale; (v) the status of negotiations with interest parties and the potential Stalking Horse(s), if any; (vi) status of any due diligence being conducted by interested parties and the Stalking Horse; (vii) status of any issues related to the EPA or any other governmental authority that may impact the due diligence process or asset purchase agreement(s); (viii) quantification and support for any asset purchase agreement adjustments proposed by interested parties and the Stalking Horse; (ix) list of contracts to be assumed or rejected and quantification of cure costs/rejection claims associated therewith as available; (x) copies of any documentation received from an interested party that (a) qualifies them as a Qualified Bidder (as defined in the Bidding Procedures) and (b) verifies that they have the financial ability to close the transaction; (xi) drafts of any documentation being negotiated with such potential Stalking Horse(s), including but not limited to asset purchase agreement(s) and exhibits and schedules thereto; and (xii) copies of all bids submitted in connection with the 363 Sale (collectively, the “363 Sale Reporting Obligations” and, together with the Bidding Procedures, the “Sale Process Protocol”). The due diligence process for prospective bidders shall have commenced no later than the date of the Interim DIP Order, subject to each prospective bidder’s execution of a non-disclosure agreement satisfactory and agreeable to the DIP Borrowers.

The failure of the DIP Borrowers to timely satisfy any milestone set forth above, or the failure to obtain the approval of the Postpetition Lender and the Prepetition Lender for any such of their approvals required under the Milestone Schedule, or the failure of the DIP Borrowers to implement or adhere to the Sale Process Protocol, subject to a grace period of five (5) business days, shall constitute an Event of Default (as defined below) under the DIP Facility, and shall cause the automatic termination of the DIP Borrowers’ authorization to use Cash Collateral; provided, that no Event of Default under the DIP Facility and no termination of the DIP Borrowers’ authorization to use Cash Collateral shall occur if the failure to satisfy any milestone in the Milestone Schedule is due solely to unreasonable delay caused by the Postpetition Lender or the Prepetition Lender or the Court’s schedule of hearing dates.

| 22. Events of Default under DIP Facility | The occurrence or existence of any of the events set forth in Exhibit A hereto shall constitute an event of default under the DIP Term Sheet (each, an “Event of Default” and collectively, “Events of Default”). At any time an Event of Default exists or has occurred and is continuing, the Postpetition Lender shall have all rights and remedies provided in the DIP |

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Documents, the Interim DIP Order or the Final DIP Order, as applicable, the Uniform Commercial Code and other applicable law, all of which rights and remedies may be exercised, subject to the Remedies Notice Period (as defined in Exhibit B), without notice to or consent by the DIP Borrowers. Without limitation of the foregoing, at any time an Event of Default exists or has occurred and is continuing, unless such Event of Default has been waived in writing by the Postpetition Lender, (i) the commitment of the Postpetition Lender to provide DIP Loans under the DIP Facility shall automatically terminate (unless such termination has been waived by the Postpetition Lender in writing), (ii) the due date for payment of all DIP Obligations shall be automatically accelerated, (iii) interest on the DIP Obligations shall automatically accrue at the Default Rate, and (iv) subject to the Remedies Notice Period, the Postpetition Lender may (w) enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral, (x) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, (y) remove any Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, and (z) take whatever other action Postpetition Lender may deem necessary or desirable for the protection of its interests. All rights, remedies and powers granted to the Postpetition Lender under the DIP Documents or the Interim DIP Order or Final DIP Order, as applicable, are cumulative, not exclusive and enforceable, in the Postpetition Lender’s discretion, alternatively, successively, or concurrently.

23. Conditions to Funding

The agreement of the Postpetition Lender to make any DIP Loan requested to be made by it on any date (including the initial extension of credit) will be subject to satisfaction of the following conditions precedent: (i) the delivery of a Borrowing Request in compliance with Section 10 of the DIP Term Sheet, (ii) the accuracy of all representations and warranties contained in the DIP Documents in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such date as if made on and as of such date, and after giving effect to the DIP Loans to be made on such date except to the extent that such representations and warranties specifically relate solely to an earlier date thereto, in which case such representation and warranty shall be true and correct as of such earlier date, (iii) the absence of any continuing Event of Default or any Default (as defined below) under the DIP Documents, the Interim DIP Order or the Final DIP Order, (iv) the Interim DIP Order and the Final DIP Order (as the case may be) shall have been entered, shall be in full force and effect, shall not have been reversed, modified (except for modifications that are acceptable to the Postpetition Lender in its discretion and the DIP Borrowers), amended (except for amendments that are acceptable to the Postpetition Lender in its discretion and the DIP Borrowers), stayed or vacated and shall be in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers,
and shall provide for, without limitation, that upon entry of the Final DIP Order the Prepetition Lender and the Postpetition Lender shall not be subject to or liable for any Section 506(c) Claims, (v) all fees and expenses of the Postpetition Lender then due and payable under the DIP Budget shall have been paid, subject to the DIP Budget, (vi) the delivery of a certificate of an officer of the DIP Borrowers certifying full disclosure and accounting of all Insurance Proceeds received by the DIP Borrowers, (vii) the delivery to the Postpetition Lender and the Prepetition Lender of copies of any and all insurance claims (including past, pending or future claims), whether or not funded, and all non-privileged documents and correspondence related to such insurance claims and any claims that the DIP Borrowers are contemplating, (viii) the compliance with the Milestone Schedule and the Sale Process Protocol, and (ix) any motions seeking approval of the DIP Facility (and related use of Cash Collateral and grants of adequate protection), the Interim DIP Order, the Final DIP Order and any other motions and orders respecting the DIP Facility, use of Cash Collateral and adequate protection shall have been in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers.

| 24. Representations and Warranties | The DIP Borrowers hereby represent and warrant to the Postpetition Lender the following which shall survive the execution and delivery of the DIP Term Sheet and the other DIP Documents, the truth and accuracy of which shall be a continuing condition of the making of DIP Loans by the Postpetition Lender:

(a) Each DIP Borrower is duly organized and validly existing under the laws of the jurisdiction of its organization and is duly qualified as a foreign corporation in all states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not result in a Material Adverse Change (as defined in Exhibit A).

(b) Each DIP Borrower is duly authorized and empowered to enter into, execute, deliver and perform the DIP Documents to which it is a party. The execution, delivery and performance of the DIP Documents have been duly authorized by all necessary action and are not in contravention of law or the terms of any DIP Borrower’s certificate of incorporation or partnership certificate, by-laws, or other organizational documentation, or any indenture, agreement or undertaking to which any DIP Borrower is a party or by which any DIP Borrower or its property is bound.

(c) Each of the DIP Facility and the DIP Documents is a legal, valid and binding obligation of the DIP Borrower signatories thereto, enforceable against each of them in accordance with the terms of such documentation, except as may be limited by law.

(d) Set forth on Schedule 1 hereto is a chart depicting the complete organizational structure of the DIP Borrowers (the “Organizational Chart”).

(e) The Interim DIP Order (and, following the expiration of the Interim Period, the Final DIP Order) has been duly entered, is valid, subsisting and
continuing and has not been vacated, stayed, modified, reversed on appeal, or vacated or modified by any order of the Court (other than as consented to by the Postpetition Lender in writing).

(f) All DIP Loans provided by the Postpetition Lender shall be used by the DIP Borrowers solely for the purposes set forth in clauses (i) through (viii) of Section 12 of the DIP Term Sheet, in each case subject to the Limitations. No portion of the DIP Loans shall be used for any purpose included in the Limitations.

(g) All information furnished by or on behalf of the DIP Borrowers in writing to the Postpetition Lender or any of its advisors in connection with the DIP Term Sheet or any of the other DIP Documents or any transaction contemplated hereby or thereby, to the best knowledge of the DIP Borrowers, is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse effect on the business, assets or condition (financial or otherwise) of the DIP Borrowers which has not been fully and accurately disclosed to the Postpetition Lender in writing.

25. Affirmative Covenants

The DIP Borrowers shall: (a) deliver to the Postpetition Lender (i) certifications upon submission of each Borrowing Request with respect to compliance with the DIP Budget and any other information reasonably requested by the Postpetition Lender, (ii) the Variance Report no later than the fourth (4th) business day of each week, (iii) every two (2) weeks a revised rolling-13 week cash flow projection no later than the 4th business day of each such week, (iv) as soon as possible and in any event within three (3) business days after an officer of any DIP Borrower obtains actual knowledge, or after due inquiry, would have obtained such knowledge by acting in good faith and in a prudent manner in the performance of his or her duties, of the occurrence of any condition, occurrence or event which, after notice or lapse of time or both, would constitute an Event of Default (a “Default”), a statement of an officer of such DIP Borrower setting forth details of such Default and the action which such DIP Borrower has taken and proposes to take with respect thereto, and (v) as soon as possible and in any event within three (3) business days after an officer of any DIP Borrower obtains actual knowledge, or after due inquiry, would have obtained such knowledge by acting in good faith and in a prudent manner in the performance of his or her duties, of the occurrence of any material adverse development with respect to any loss, damage, investigation, claim, litigation, action, proceeding or controversy involving the DIP Borrowers, notice thereof and as soon as practicable thereafter, to the extent the Postpetition Lender requests, copies of all documentation relating thereto; (b) permit the Postpetition Lender and its representatives and designees to visit and inspect the properties, books and records of the DIP Borrowers upon reasonable
notice at the DIP Borrowers’ expense; (c) furnish or cause to be furnished to the Postpetition Lender such budgets and other information respecting the Collateral, the sale or disposition of the DIP Borrowers’ assets, and any draft or proposed plan of reorganization or liquidation (or plan term sheet) or for the DIP Borrowers as the Postpetition Lender, from time to time, may request, and the DIP Borrowers hereby irrevocably authorize and direct each of their accountants and advisors to deliver to the Postpetition Lender, at the DIP Borrowers’ expense, copies of all financial statements of the DIP Borrowers and such other information respecting the DIP Borrowers’ assets and business as the Postpetition Lender may request; (d) preserve and keep in full force and effect each DIP Borrowers’ organizational existence and all rights and franchises with respect thereto and all licenses, trademarks, tradenames, approvals, authorizations, leases, contracts, permits and privileges material to the business or assets of the DIP Borrowers, as and to the extent in effect as of the Commencement Date, (e) subject to the DIP Budget, pay all taxes, assessments, contributions and other governmental charges imposed upon any DIP Borrower or any of its properties or assets as they become due and payable, to the extent payment and/or enforcement thereof is not stayed as a result of the Bankruptcy Cases, (f) maintain in good working order all material properties used in the business of the DIP Borrowers, as and to the extent in good working order as of the Commencement Date, subject to a grace period of five (5) business days, (g) maintain insurance with respect to the business and properties of the DIP Borrowers against loss of the kind and in the amounts maintained by the DIP Borrowers as of the Commencement Date, (h) deliver to the Postpetition Lender copies of any and all insurance claims (including past, pending or future claims), whether or not funded, and of all non-privileged documents and correspondence related to such insurance claims and any claims that the DIP Borrowers are contemplating, and provide the Postpetition Lender with thirty (30) days’ advance notice of all non-renewal/cancellation/amendment riders in respect of such policies, (i) comply in all respects with the Sale Process Protocol, subject to a grace period of five (5) business days, (j) comply in all material respects with the requirements of all applicable laws, (k) promptly upon request execute and deliver such documents and do such other acts as the Postpetition Lender may reasonably request in connection with the DIP Facility, and in accordance with the DIP Documents (including but not limited to execution of any additional security documents that may be required by the Postpetition Lender to secure the DIP Liens), (l) maintain compliance with the DIP Budget in accordance with Section 13 and all other provisions of the DIP Term Sheet, (m) at all times prior to the 363 Sale, maintain ownership structure of each of the DIP Borrowers as set forth on the Organizational Chart, and (n) perform all obligations of the DIP Borrowers under the DIP Facility, the DIP Documents and the Interim DIP Order and the Final DIP Order, as applicable.

26. Negative Covenants

The DIP Borrowers shall not, and shall not cause or permit their subsidiaries to: (a) except to the extent existing as of the DIP Closing Date, incur any
Indebtedness (other than the borrowings under the DIP Facility and obligations permitted to be incurred under the DIP Budget, any other indebtedness permitted to be incurred by the Postpetition Lender and the Court, and any unsecured obligations incurred in the ordinary course of business by the DIP Borrowers and permitted to be incurred by the DIP Budget), (b) except to the extent existing as of the DIP Closing Date, incur any liens other than liens permitted in writing by the Postpetition Lender, (c) except to the extent existing as of the DIP Closing Date, make any investments in any person or make any loan to any person (other than as permitted in writing by the Postpetition Lender), (d) make any dividend or distribution or redeem or repurchase its equity interests, (e) without the written consent of the Postpetition Lender, (i) enter into any merger, consolidation or reorganization, or (ii) liquidate, wind up or dissolve, (f) engage in any asset sales or dispositions except with the written consent of Postpetition Lender, (g) enter into any transaction with any affiliate of a DIP Borrower (other than another DIP Borrower) except with the written consent of the Postpetition Lender, (h) engage in any business other than the businesses engaged in by the DIP Borrowers on the DIP Closing Date except with the written consent of the Postpetition Lender, (i) terminate or agree to any modification to any organizational documents of any DIP Borrower except with the written consent of the Postpetition Lender, (j) make any payment of prepetition claims or payment of postpetition items except in accordance with the DIP Budget, (k) other than the Carve-Out as permitted by Section 20 of the DIP Term Sheet, consent to the granting of adequate protection payments or liens, superpriority administrative expense claims or liens having priority senior or pari passu with the liens granted to the Postpetition Lender or the Prepetition Lender, except as permitted by the DIP Documents, or (l) enter into any agreement providing for or related to the management of the DIP Borrowers’ business and/or properties other than any such agreement expressly consented to in writing by the Postpetition Lender.

27. **Other Bankruptcy Matters**

Among other things, (i) the Interim DIP Order and the Final DIP Order shall provide that: (a) the Postpetition Lender and all of its respective counsel, advisors, and consultants shall be entitled to the benefit of a “good faith” finding pursuant to section 364(e) of the Bankruptcy Code, (b) the Postpetition Lender and the Prepetition Lender each reserves and shall have the right to credit bid (pursuant to section 363(k) of the Bankruptcy Code and/or pursuant to or under the terms of any consensual or nonconsensual (including under section 1129(b)(2)(A)(i), (ii) and/or (iii) of the Bankruptcy Code) chapter 11 plan of reorganization or liquidation of or for the DIP Borrowers, whether proposed by the DIP Borrowers, the Creditors’ Committee or any other party, by motion under section 363 of the Bankruptcy Code, or otherwise under applicable law) the DIP Loans or the indebtedness owed to the Prepetition Lender under the Prepetition Loan Agreement (as applicable), in whole or in part, in connection with any sale or disposition of assets in the Bankruptcy Cases and the DIP Borrowers hereby waive any and all rights to oppose such credit bid rights of the Prepetition Lender and the Postpetition Lender, (c) upon
entry of Final DIP Order, neither the Prepetition Lender nor the Postpetition Lender shall be subject to or liable for any Section 506(c) Claims, and the assertion of any such claims against the Prepetition Lender and/or the Postpetition Lender shall be prohibited by the Final DIP Order, and (d) neither the Postpetition Lender nor the Prepetition Lender shall be subject to (i) the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the Collateral, or (ii) an “equities of the case” claim under section 552(b) of the Bankruptcy Code against the Postpetition Lender or the Prepetition Lender, and (ii) the Interim DIP Order shall authorize the DIP Borrowers to open and utilize the DIP Facility Account.

28. Note

Each DIP Borrower’s obligation to pay the principal of, and interest on, the DIP Loans made by the Postpetition Lender shall be evidenced by one promissory note duly executed and delivered by all of the DIP Borrowers substantially in the form of Annex B (the “Note”).

The Postpetition Lender will note on its internal records the amount of each DIP Loan made by it and each payment in respect thereof and prior to any transfer of the Note may endorse on the reverse side thereof the outstanding principal amount of DIP Loans evidenced thereby. Each such entry shall be conclusive absent manifest error. Failure to make any such notation or any error in such notation shall not affect any DIP Borrower’s obligations in respect of such DIP Loans.

No failure of the Postpetition Lender to request or obtain a Note evidencing the DIP Loans to any DIP Borrower shall affect or in any manner impair the obligations of any DIP Borrower with respect to the DIP Facility which would otherwise be evidenced by a Note in accordance with the requirements of the DIP Documents, and shall not in any way affect the security for the DIP Facility provided pursuant to any other DIP Document. If the Postpetition Lender does not have a Note evidencing the outstanding DIP Loans, the Postpetition Lender shall in no event be required to make the notations otherwise described in the immediately preceding paragraph. At any time the Postpetition Lender requests the delivery of a Note to evidence any of the DIP Loans, each DIP Borrower shall promptly execute and deliver to the Postpetition Lender the requested Note in the appropriate amount or amounts to evidence such DIP Loans.

The issuance and delivery to the Postpetition Lender of the Note as requested by the Postpetition Lender shall be a condition precedent to the making of any DIP Loans under the DIP Facility.

29. Cost and Yield Protection

If after the DIP Closing Date, either (i) any change in, or in the interpretation of, any law or regulation is introduced, including, without limitation, with respect to reserve requirements, applicable to the Postpetition Lender or any banking or financial institution from whom the Postpetition Lender borrows funds or obtains credit (a “Funding Bank”), or (ii) a Funding Bank or the Postpetition Lender complies with any regulation, guideline or request from any
central bank or other governmental authority or (iii) a Funding Bank or the
Postpetition Lender determines that the adoption of any applicable law, rule or
regulation regarding capital adequacy, or any change therein, or any change in
the interpretation or administration thereof by any governmental authority,
central bank or comparable agency charged with the interpretation or
administration thereof has or would have the effect described below, or a
Funding Bank or the Postpetition Lender complies with any request or directive
regarding capital adequacy (whether or not having the force of law) of any such
authority, central bank or comparable agency, and in the case of any event set
forth in this clause (iii), such adoption, change or compliance has or would have
the direct or indirect effect of reducing the rate of return on the Postpetition
Lender’s capital as a consequence of its obligations hereunder to a level below
that which the Postpetition Lender could have achieved but for such adoption,
change or compliance (taking into consideration the Funding Bank’s or the
Postpetition Lender’s policies with respect to capital adequacy) by an amount
deemed by the Postpetition Lender to be material, and the result of any of the
foregoing events described in clauses (i), (ii) or (iii) is or results in an increase
in the cost to the Postpetition Lender of funding or maintaining the DIP Loans
or the DIP Facility, then the DIP Borrowers shall from time to time upon
demand by the Postpetition Lender pay to the Postpetition Lender additional
amounts sufficient to indemnify the Postpetition Lender against such increased
cost on an after-tax basis (after taking into account applicable deductions and
credits in respect of the amount indemnified). A certificate as to the amount of
such increased cost shall be submitted to the DIP Borrowers by the Postpetition
Lender and shall be conclusive absent manifest error.

### 30. Expenses and Indemnification

The DIP Borrowers shall indemnify the Postpetition Lender, its affiliates,
successors and assigns, and the officers, directors, employees, agents, advisors,
controlling persons and members of each of the foregoing (each, an
“Indemnified Person”) and hold them harmless from and against any and all
liabilities, obligations, losses, damages, claims, costs, expenses and
disbursements (including reasonable fees and disbursements of counsel and
financial advisors, and any funding of or payment of Carve-Out Amounts) of
such Indemnified Person arising out of or relating to any claim or any litigation
or other proceeding (regardless of whether such Indemnified Person is a party
thereto and regardless of whether such matter is initiated by a third party or by
any DIP Borrower or any of its affiliates) that relates to the DIP Documents, the
Interim DIP Order or the Final DIP Order, as applicable, the transactions
contemplated by the DIP Facility, the use or proposed use of proceeds of the
DIP Loans, or any enforcements of the DIP Documents; provided, that no
Indemnified Person will be indemnified for any liability, obligation, loss,
damage, claim, cost, expense, or disbursement to the extent determined in the
final, non-appealable judgment of a court of competent jurisdiction to have
resulted primarily from its gross negligence or willful misconduct.

In addition, all out-of-pocket costs and expenses (including, without limitation,
fees, disbursements and other charges of counsel) of the Postpetition Lender for
enforcement costs and documentary taxes associated with the DIP Facility shall be paid by the DIP Borrowers. All out-of-pocket costs and expenses of the Postpetition Lender in connection with the DIP Facility shall be payable by the DIP Borrowers promptly upon written demand and without the requirement for Court approval whether or not the transactions contemplated hereby are consummated.

Notwithstanding anything to the contrary in the DIP Term Sheet, the obligation of the DIP Borrowers to pay all out-of-pocket costs and expenses, including fees, disbursements and other charges of counsel, of the Postpetition Lender in connection with the DIP Facility is not subject to any limitation in the DIP Budget on the amount of fees, costs or expenses payable to the Postpetition Lender; provided, however for the avoidance of doubt, the non-payment of the Postpetition Lender’s professional fees and expenses in excess of the amounts budgeted in the DIP Budget shall not constitute an Event of Default. Payment of the full amount of all such fees, costs and expenses shall constitute DIP Obligations whether or not the DIP Budget provides for payment of such amounts.

<table>
<thead>
<tr>
<th>31. Governing Law and Jurisdiction</th>
<th>The DIP Borrowers shall submit to the exclusive jurisdiction of the Court and shall waive any right to a trial by jury with respect to any proceeding related to the DIP Facility. Except to the extent governed by the Bankruptcy Code, the DIP Documents shall be governed by the laws of the Commonwealth of Puerto Rico.</th>
</tr>
</thead>
</table>
| 32. Co-Counsel to DIP Borrowers | Cadwalader, Wickersham & Taft LLP  
McConnell Valdés LLC |
| 33. Co-Counsel to Postpetition Lender | Skadden, Arps, Slate, Meagher & Flom LLP  
O’Neill & Borges |
AGREED AND ACCEPTED:

Dated: August ___, 2010

CARIBBEAN PETROLEUM CORPORATION, a Delaware Corporation

By: __________________________
Name: _________________________
Title: __________________________

CARIBBEAN PETROLEUM REFINING, L.P., a Delaware Limited Partnership

by its managing partner GULF PETROLEUM REFINING (PUERTO RICO) CORPORATION

By: __________________________
Name: _________________________
Title: __________________________

GULF PETROLEUM REFINING (PUERTO RICO) CORPORATION, a Delaware Corporation

By: __________________________
Name: _________________________
Title: __________________________

BANCO POPULAR DE PUERTO RICO

By: __________________________
Name: _________________________
Title: __________________________
Affidavit Number: ______

Acknowledged and subscribed to before me by __________, of legal age, __________, executive and resident of __________, Puerto Rico, in his capacity as __________ of Caribbean Petroleum Corporation, and Gulf Petroleum Refining (Puerto Rico) Corporation, the latter in its own capacity and in its capacity as managing partner of Caribbean Petroleum Refining L.P. and __________, of legal age, married, executive and resident of San Juan, Puerto Rico, in her capacity as Vice President of Banco Popular de Puerto Rico, all personally known to me at San Juan, Puerto Rico, this ___ day of ______, 2010.

____________________________________
NOTARY PUBLIC
EXHIBIT A

Summary of Additional Events of Default

1. The Final DIP Order shall not have been entered by the Court, and the Amendment shall not have been executed and delivered by the DIP Borrowers and the Postpetition Lender, within twenty-five (25) days after the date on which the Interim DIP Order has been entered; or

2. The DIP Borrowers shall fail to pay any of the obligations under the DIP Facility on the due date thereof, subject to a five (5) business day grace period with respect to the payment of interest and fees; or

3. Any representation, warranty or other written statement to the Postpetition Lender by any DIP Borrower or by an authorized representative on behalf of any DIP Borrower proves to have been false or misleading in any material respect when made (except that such materiality qualifier shall not be applicable to any representation, warranty or other written statement that already is qualified or modified by materiality in the text thereof) ; or

4. Any DIP Borrower shall breach any covenant or obligation contained in the DIP Documents (subject to any applicable grace periods set forth in the DIP Term Sheet including this Exhibit A) or fail to comply with or fail to perform any of the terms, conditions or covenants or their obligations set forth in the Interim DIP Order or the Final DIP Order; or

5. The occurrence of any condition or event which permits the Postpetition Lender to exercise any of the remedies set forth in the Interim DIP Order or the Final DIP Order, including any “Event of Default” (as defined in the Interim DIP Order or the Final DIP Order); or

6. The occurrence of any event since the Commencement Date that has or would reasonably be expected to have a material adverse effect on (a) the condition (financial or otherwise), businesses, operations or property of the DIP Borrowers, taken as a whole, (b) the ability of any DIP Borrower to fully and timely perform its respective obligations under the DIP Documents, the Interim DIP Order or the Final DIP Order, or (c) the legality, validity, binding effect or enforceability of any of the DIP Documents or the rights and remedies of the Postpetition Lender under any of the DIP Documents, the Interim DIP Order or the Final DIP Order, provided, that (x) the filing of the Bankruptcy Cases and (y) any events of default occurring under the Prepetition Loan Agreement shall not be taken into consideration (a “Material Adverse Change”); or

7. Prior to consummation of a 363 Sale, the ownership of any DIP Borrower shall change from that set forth on the Organizational Chart; or

8. Any DIP Borrower or any of its affiliates shall challenge in any action the validity or enforceability of any of the DIP Documents, the enforceability of the obligations
thereunder, or the perfection or priority of any lien granted to the Postpetition Lender or any of the DIP Documents ceases to be in full force or effect; or

9. Any DIP Borrower or officer of any DIP Borrower shall be convicted under any criminal law that could reasonably be expected to result in a forfeiture of any property of such DIP Borrower; or

10. A trustee or an examiner with enlarged powers relating to the operation of the business of any DIP Borrower (powers beyond those set forth in sections 1106(a)(3) and (a)(4) of the Bankruptcy Code), shall be appointed in any of the Bankruptcy Cases; or

11. Any lien on any of the Collateral or superpriority claim which is pari passu with or senior to the DIP Liens or Superpriority DIP Claims of the Postpetition Lender shall be granted (other than the Carve-Out) or any DIP Borrower shall file a motion seeking approval of any such lien or superpriority claim; or

12. Other than payments authorized by the Court in respect of one or more “first day” or other orders reasonably satisfactory to the Postpetition Lender and the DIP Borrowers, the DIP Borrowers shall make any payment (whether by way of adequate protection or otherwise) of principal or interest or otherwise on account of any prepetition indebtedness or payables; or

13. The Court shall enter an order granting relief from the automatic stay (a) to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any assets of any DIP Borrower which have an aggregate value in excess of $50,000, or (b) to permit other actions that would reasonably be expected to result in a Material Adverse Change; or

14. Any material provision of any DIP Documents shall cease to be valid or binding on any DIP Borrower, or any DIP Borrower shall so assert in any pleading filed in any court; or

15. Any order shall be entered reversing, amending, supplementing, staying for a period in excess of five (5) days, vacating or otherwise modifying in any material respect the Interim DIP Order or the Final DIP Order without the prior written consent of the Postpetition Lender (and no such consent shall be implied from any other authorization by the Postpetition Lender); or

16. The DIP Borrowers shall effect a material change in the executive management of the DIP Borrowers (other than any changes agreed to in writing by the Postpetition Lender), unless such default is cured to the reasonable satisfaction of the Postpetition Lender within 5 business days following such material change; or

17. A plan shall be confirmed in any of the Bankruptcy Cases that does not provide for the termination of the commitments under the DIP Facility and the indefeasible payment in full in cash of the DIP Obligations on the effective date of such plan in a manner acceptable to the Postpetition Lender; or
18. The (a) filing by the DIP Borrowers of any plan of reorganization or liquidation without the prior written approval of the Postpetition Lender and the Prepetition Lender, or (b) the termination of any of the DIP Borrowers’ exclusive rights under section 1121 of the Bankruptcy Code; or

19. (a) On a cumulative basis, the DIP Borrowers’ actual cash disbursements shall vary from the DIP Budget in excess of the Permitted Variance, which cumulative variance shall be measured on a weekly basis and subject to a five (5) business day grace period, or (b) the DIP Borrowers shall fail to deliver the DIP Budget, any Variance Report, any 13-week cash flows or any related reports or certificate with respect to the DIP Budget, in form and substance satisfactory to the Postpetition Lender, within two (2) business days of the date when due; or

20. Failure of the DIP Borrowers to meet any of the milestones in the Milestone Schedule, or failure to seek and obtain any approval of the Prepetition Lender or the Postpetition Lender required under Section 21 of the DIP Term Sheet, or failure to implement or adhere to the Sale Process Protocol, subject to a grace period of five (5) business days; provided, that no Event of Default under the DIP Facility and no termination of the DIP Borrowers’ authorization to use Cash Collateral shall occur if the failure to satisfy any milestone in the Milestone Schedule is due solely to unreasonable delay caused by the Postpetition Lender or the Prepetition Lender or the Court’s schedule of hearing dates; or

21. The filing of any motion to approve a sale of all or a substantial portion of any DIP Borrower’s assets without the prior written approval of the Postpetition Lender; or

22. Any DIP Borrower seeking, or the filing of any motion by any DIP Borrower or any other party to obtain, additional or replacement postpetition financing for the DIP Borrowers; or

23. Failure of the DIP Borrowers to comply with any of their adequate protection obligations to the Prepetition Lender under the Interim DIP Order and the Final DIP Order; or

24. Failure of the DIP Borrowers to employ upon and following the Commencement Date (subject to Court approval) at all times a chief restructuring officer satisfactory to the Postpetition Lender and the DIP Borrowers and that has full and final executive authority over all employees and other officers of the DIP Borrowers; or

25. Any of the Bankruptcy Cases shall be dismissed or converted into a chapter 7 case; or

26. The commencement or continuation of any judicial action or proceeding in law or equity, by or with the support of the DIP Borrowers, against the Postpetition Lender or the Prepetition Lender.
EXHIBIT B

Summary of Additional Conditions to Closing

The closing of the DIP Facility and the making of the initial DIP Loan shall be subject to the following additional conditions precedent:

1. **Corporate Structure: Organizational Documents.** The DIP Borrowers shall have delivered to the Postpetition Lender the Organizational Chart, and any other information relating to the DIP Borrowers’ capital structure, debt instruments, material contracts, cash management systems, and governing documents that is reasonably requested by the Postpetition Lender.

2. **Interim DIP Order.** The Interim DIP Order shall include, without limitation, provisions (a) modifying the automatic stay to permit the creation and perfection of the Postpetition Lender’s liens on the Collateral, (b) providing for the automatic termination of such stay otherwise applicable to the Postpetition Lender with respect to the Collateral (but solely with respect to the DIP Facility) after five (5) business days’ prior written notice of an Event of Default (such five (5) business day period, the “Remedies Notice Period”) (provided, for the avoidance of doubt, that the automatic stay shall remain in full force and effect during the Remedies Notice Period unless the Court shall have determined that an Event of Default has occurred and is continuing), which written notice shall be provided by the Postpetition Lender to the DIP Borrowers, counsel to the DIP Borrowers, the Creditors’ Committee, counsel to the Creditors’ Committee and the Office of the United States Trustee for the District of Delaware, and which written notice shall be filed with the Court, to permit the enforcement of the Postpetition Lender’s remedies under the DIP Facility, including, without limitation, the enforcement of such remedies against the Collateral, requiring the DIP Borrowers’ commercially reasonable efforts (subject to applicable law) to sell the Collateral if requested by the Postpetition Lender and directing that the Postpetition Lender and its representatives be granted access to all locations of the Collateral during the continuance of an Event of Default in support of the enforcement and exercise of such remedies; provided, that, such stay shall not be automatically terminated as provided above if, during the Remedies Notice Period, the Court has determined that an Event of Default has not occurred and/or is not continuing, (c) providing that (i) during the Remedies Notice Period, the DIP Borrowers shall be entitled to an emergency hearing before the Court solely for the purpose of contesting whether an Event of Default has occurred and/or is continuing and (ii) upon expiration of the Remedies Notice Period, unless ordered otherwise by the Court, the automatic stay as to the Postpetition Lender shall terminate (but solely with respect to the DIP Facility), (d) providing that upon entry of the Final DIP Order, prohibiting the assertion of claims arising under section 506(c) of the Bankruptcy Code against the Prepetition Lender and the Postpetition Lender and, except as expressly permitted therein, the commencement of other actions adverse to the Postpetition Lender or its rights and remedies under the DIP Facility, the Interim DIP Order, the Final DIP Order, or any other order, shall be prohibited, (e) prohibiting the incurrence of debt by any of the DIP Borrowers (other than debt incurred in compliance with the DIP Budget) without the written consent of the Postpetition Lender, (f) prohibiting any granting or imposition of liens without the
written consent of the Postpetition Lender, (g) approving the DIP Borrowers’ stipulation to the validity, extent, amount, perfection, priority, and non-avoidability of the prepetition claims and liens granted under or in connection with the Prepetition Loan Agreement, (h) authorizing and approving the DIP Facility, the DIP Term Sheet and the transactions contemplated thereby, including, without limitation, the granting of the superpriority status, security interests and liens, and the payment of all fees and expenses, referred to herein, (i) to the extent of the obligations under the DIP Facility, naming the Postpetition Lender as loss payee (in respect of property/casualty insurance and any other type of insurance policies maintained by the DIP Borrowers) and additional insured (in respect of liability insurance policies maintained by the DIP Borrowers), and requiring the DIP Borrowers to provide the Postpetition Lender with thirty (30) days’ advance notice of all non-renewal/cancellation/amendment riders in respect of such policies, (j) providing that the Postpetition Lender and the Prepetition Lender are each entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the “equities of the case” exception shall not apply, and (k) providing for releases by the DIP Borrowers of the Postpetition Lender and the Prepetition Lender effective upon entry of the Interim DIP Order.

3. **First Day Motions.** All “first day” motions and related orders (including, without limitation, in respect of cash management) entered by the Court in the Bankruptcy Cases shall be in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers.

4. **DIP Budget.** The DIP Borrowers shall have delivered to the Postpetition Lender the DIP Budget.

5. **Performance of Obligations.** Subject to the DIP Budget, concurrently with the incurrence of the initial DIP Loans on the DIP Closing Date, all costs, fees and expenses (including, without limitation, reasonable legal fees and expenses) payable to the Postpetition Lender shall have been paid to the extent due and payable in accordance with the DIP Term Sheet.

6. **Litigation, etc.** There shall not exist any unstayed action, suit, investigation, litigation or proceeding pending (other than the Bankruptcy Cases) or threatened in writing in any court or before any arbitrator or governmental authority that could be reasonably expected to result in a Material Adverse Change. Litigation pending, or threatened in writing, against the DIP Borrowers and that is subject to and remains stayed by the automatic stay imposed under Bankruptcy Code section 362 is “litigation” for purposes of the preceding sentence.

7. **Customary Closing Documents.** Organization documents, organizational resolutions and evidence of authority from the DIP Borrowers to execute the DIP Documents, customary officers’ closing certificates and all information and documentation required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the PATRIOT ACTS, shall have been delivered and reviewed to the satisfaction of the Postpetition Lender.
8. **DIP Documents.** The Note shall have been prepared by counsel to the Postpetition Lender and shall be in form and substance satisfactory and agreeable to the Postpetition Lender and the DIP Borrowers. The DIP Term Sheet and the Note shall have been executed and delivered to the Postpetition Lender by the DIP Borrowers.

9. **Chief Restructuring Officer.** A chief restructuring officer shall have been appointed and employed by the DIP Borrowers; such chief restructuring officer to be satisfactory to the Postpetition Lender and the DIP Borrowers; and such chief restructuring officer shall have full and final executive authority over all employees and other officers of the DIP Borrowers.

10. **Material Adverse Change.** There shall not have occurred, since the Commencement Date, any Material Adverse Change.

11. **Insurance Claims.** The DIP Borrowers shall have provided to the Postpetition Lender copies of all insurance claims (whether past, present or future claims), whether or not funded, and all non-privileged documents and correspondence related to such insurance claims and any claims that the DIP Borrowers are contemplating,

12. **No Default.** No Default or Event of Default shall exist at the time of, or after giving effect to, the making of the DIP Loans with respect to the DIP Loans made on the DIP Closing Date.

13. **Representations and Warranties.** All representations and warranties of each DIP Borrower made in the DIP Term Sheet shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the DIP Closing Date and after giving effect to the DIP Loans to be made on such date except to the extent that any such representation and warranty specifically relates solely to an earlier date, in which case such representation and warranty shall be true and correct as of such earlier date.

14. **Insurance Proceeds.** The Postpetition Lender shall have received an certificate of an officer of the DIP Borrowers certifying full disclosure and accounting of all Insurance Proceeds and any and all other proceeds of and any other payments under the insurance policies of the DIP Borrowers, in each case received by the DIP Borrowers on or prior to the DIP Closing Date.

15. **Margin Regulations.** All DIP Loans made by the Postpetition Lender to the DIP Borrowers shall be in compliance with the Federal Reserve's Margin Regulations.

16. **Opinions of Counsel.** The Postpetition Lender shall have received favorable opinions of counsel to the DIP Borrowers, dated the DIP Closing Date and covering such matters as the Postpetition Lender shall request.

17. **Additional Documents.** There shall have been delivered to the Postpetition Lender such additional instruments and documents as the Postpetition Lender or counsel to the Postpetition Lender shall reasonably require.
ANNEX A

DIP Budget
Caribbean Petroleum

Hypothetical DIP Financing ($10M)

Weekly Cash Flow

(USS in 000s)

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<th>Revenue</th>
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<th>Week 3</th>
<th>Week 4</th>
<th>Week 5</th>
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<th>Week 8</th>
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<tr>
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<td>$683</td>
<td>$1,484</td>
<td>$263</td>
<td>$448</td>
<td>$502</td>
<td>$1,158</td>
<td>$168</td>
<td>$112</td>
<td>$449</td>
<td>$1,182</td>
<td>$167</td>
<td>$124</td>
<td>$453</td>
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</table>

DIP Operating Account Activity

| Beginning balance | 15    | 75    | 75    | 75    | 75    | 75    | 75    | 75    | 75    | 75      | 75      | 75      | 75      |
| Add: Receipts     | 68    | 43    | 63    | 43    | 68    | 43    | 43    | 281   | 39    | 64      | 39      | 111     | 46      |
| Less: Disbursements | (683) | (1,484) | (263) | (448) | (502) | (1,158) | (168) | (112) | (449) | (1,182) | (167) | (124) | (453) |
| Add: DIP Funding | 675   | 1,441 | 200   | 406   | 434   | 1,116 | 126   | -     | 242   | 1,118   | 128     | 13      | 407     |
| **Ending Cash Balance** | $75   | $75   | $75   | $75   | $75   | $75   | $75   | $243  | $75   | $75     | $75     | $75     | $75     |

| Cumulative DIP Outstanding | $675  | $2,116 | $2,317 | $2,722 | $3,156 | $4,272 | $4,397 | $4,639 | $5,757 | $5,885   | $5,898   | $6,305   |
## Caribbean Petroleum

### Hypothetical DIP Financing ($10M)

#### Weekly Cash Flow

(US$ in 000s)

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<th>Revenue</th>
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<th>Week 15</th>
<th>Week 16</th>
<th>Week 17</th>
<th>Week 18</th>
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#### Expenses

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<th>Week 17</th>
<th>Week 18</th>
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<th>Week 20</th>
<th>Week 21</th>
<th>Week 22</th>
<th>Week 23</th>
<th>Week 24</th>
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<td>$118</td>
<td>$407</td>
<td>$79</td>
<td>$979</td>
<td>$54</td>
<td>$190</td>
<td>$392</td>
<td>$515</td>
<td>$65</td>
<td>$709</td>
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#### DIP Operating Account Activity

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<th>Week 16</th>
<th>Week 17</th>
<th>Week 18</th>
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<td>138</td>
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<td>(407)</td>
<td>(79)</td>
<td>(979)</td>
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<td>(190)</td>
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<td>(515)</td>
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### Cumulative DIP Outstanding

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ANNEX B

Note
PROMISSORY NOTE

$10,000,000

DUE ON: The Maturity Date

San Juan, Puerto Rico

FOR VALUE RECEIVED, CARIBBEAN PETROLEUM CORPORATION, a Delaware corporation, CARIBBEAN PETROLEUM REFINING, L.P., a Delaware limited partnership represented by its managing partner GULF PETROLEUM REFINING (PUERTO RICO) CORPORATION, a Delaware corporation and GULF PETROLEUM REFINING (PUERTO RICO) CORPORATION, as debtors and debtors-in-possession (hereinafter collectively referred to as the "Debtors"), in chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware (hereinafter the "Bankruptcy Court"), hereby jointly and severally amongst themselves ("solidariamente") and unconditionally promise to pay to the order of BANCO POPULAR DE PUERTO RICO ("Lender"), a Puerto Rico banking corporation, with offices at Banco Popular Center, Suite 600, 209 Muñoz Rivera Avenue, Hato Rey, Puerto Rico 00919, or at such other place as Lender or any holder hereof may from time to time designate, in lawful money of the United States of America, and in immediately available funds, the principal sum of TEN MILLION DOLLARS ($10,000,000) or, if less, the aggregate unpaid principal amount of all loans made by or through Lender to the Debtors pursuant to the DIP Loan Agreement, hereinafter defined, together with interest accrued thereon as herein provided and all premium, fees and expenses and other amounts payable under the DIP Loan Agreement.

This Promissory Note (this "Note") is issued pursuant to the terms and provisions of (i) the Summary of Principal Terms and Conditions relating to the $10,000,000 Senior Secured Superpriority Priming DIP Financing Facility, dated as of the date hereof (as the same may be amended, amended and restated, supplemented and/or otherwise modified from time to time, herein the "Summary of Terms"), by and between the Debtors and the Lender, and (ii) upon its execution in accordance with and subject to the provisions of the Summary of Terms, the Amendment (as said term is defined in the Summary of Terms) (as the same may be amended, amended and restated, supplemented and/or otherwise modified from time to time, herein the "Amendment" and together with the Summary of Terms, the "DIP Loan Agreement"). Capitalized terms not defined herein shall have the meanings given to such terms in the DIP Loan Agreement.

Payment of both principal and interest are to be made without setoff or counterclaim in lawful money of the United States of America in same day or immediately available funds to Lender at its principal offices in Hato Rey, Puerto Rico.

Unless accelerated as a result of an Event of Default as hereafter provided for, principal due under this Note shall be paid on the Maturity Date. Interest on the unpaid principal amount
hereof from time to time outstanding from and including the date hereof until maturity (whether by acceleration or otherwise) and, after maturity, until paid in full, shall be computed as hereinafter provided for and payable monthly, in arrears, on the first (1st) day of each month. Any and all principal and accrued interest outstanding and not previously paid shall be paid on the Maturity Date.

Debtors hereby further promise to pay interest due under this Note to the order of Lender at the Interest Rate (as said term is hereafter defined). Interest payable upon and after an Event of Default or termination or non-renewal of the DIP Facility shall be payable upon demand.

"Interest Rate" shall mean, a rate per annum of eight percent (8%), as provided in the DIP Loan Agreement, provided that, at Lender's option and without notice, the Interest Rate shall mean the rate of ten percent (10%) per annum (i) from and after the date of termination or non-renewal of the DIP Facility until Lender has received full and final payment of all Obligations (as said term is hereafter defined) (notwithstanding entry of a judgment against Debtors) and/or (ii) from and after the date of the occurrence of an Event of Default for so long as such Event of Default is continuing as determined by Lender.

This Note is secured by the Collateral described in the DIP Loan Agreement and all notes, guarantees, security agreements and other agreements, documents and instrument now or at any time hereafter executed and/or delivered by Debtors or any other party in connection therewith (all of the foregoing, together with the DIP Loan Agreement, as the same now exist or may hereafter be amended, modified, supplemented, renewed, extended, restated or replaced, being collectively referred to herein as the "DIP Financing Agreements"), and is entitled to all of the benefits and rights thereof and of the other DIP Financing Agreements. Additional rights of the Lender are set forth in the DIP Financing Agreements. At the time any payment is due hereunder, at its option, Lender may charge the amount thereof to any account of Debtors maintained by Lender.

If any payment of principal or interest is not made when due hereunder, or if any other Event of Default shall occur for any reason, or if the DIP Loan Agreement shall be terminated or not renewed for any reason whatsoever, then and in any such event, in addition to all rights and remedies of Lender under the DIP Financing Agreements, applicable law or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively and concurrently, Lender may, at its option, declare any or all of Debtors' obligations, liabilities and indebtedness owing to Lender under the DIP Loan Agreement and the other DIP Financing Agreements, including, without limitation, all amounts owing under this Note (collectively, the "Obligations"), to be due, payable and collectible, whereupon the then unpaid balance hereof, together with all interest accrued thereon, shall forthwith become due and payable, together with interest accruing thereafter at the then applicable Interest Rate stated above until the Obligations evidenced by this Note are paid in full, plus the costs and expenses of collection hereof, including, but not limited to, attorneys' fees, costs and other expenses.

Except to the extent expressly ordered otherwise by the Bankruptcy Court or as provided for in the DIP Loan Agreement, Debtors hereby (i) waive diligence, demand, presentment, protest and notice of any kind, and (ii) agree that it will not be necessary for Lender to first
institute suit in order to enforce payment of this Note. Debtors hereby consent to any one or more extensions or postponements of time of payment, release, surrender or substitution of collateral security, or forbearance or other indulgence, without notice or consent. The pleading of any statute of limitations as a defense to any demand against Debtors is expressly hereby waived by Debtors. Upon any Event of Default or termination or non-renewal of the DIP Loan Agreement, Lender shall have the right, but not the obligation, to setoff against this Note all money owed by Lender to Debtors.

Debtors hereby irrevocably authorize Lender, for the account of Lender, to make (or cause to be made) appropriate notations on the schedule attached to this Note (or on any continuation of the schedule), which notations, if made, shall evidence, inter alia, the date of and the outstanding principal of the loans evidenced hereby. Such notations shall be conclusive and binding on Debtors in the absence of manifest error; provided, however, that the failure of Lender to make any such notations shall not limit or otherwise affect any Obligations of Debtors.

Lender shall not be required to resort to any Collateral for payment, but may proceed against any of the Debtors and any guarantors or endorsers hereof in such order and manner as Lender may choose. None of the rights of Lender shall be waived or diminished by any failure or delay in the exercise thereof.

The validity, interpretation and enforcement of this Note and the other DIP Financing Agreements and any dispute arising in connection herewith or therewith shall be governed by the internal laws of the Commonwealth of Puerto Rico (without giving effect to principles of conflicts of law).

Any litigation based on this Note, or arising out of, under, or in connection herewith, or any course of conduct, course of dealing, statement (whether oral or written) or actions of the Debtors or the Lender in connection herewith may be brought and maintained in the Bankruptcy Court (and in the event that such court does not have jurisdiction over any matter or if it has jurisdiction but does not exercise such jurisdiction for any reason, then the United States District Court for the District of Delaware, and in the event that such court does not have jurisdiction over any matter or if it has jurisdiction but does not exercise such jurisdiction for any reason, then the United States District Court for the District of Puerto Rico). The Debtors irrevocably consent and submit to the non-exclusive jurisdiction of such courts and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Note or any of the other DIP Financing Agreements or in any way connection with or related or incidental to the dealings of Debtors and Lender in respect of this Note or any of the other DIP Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute arising out of the relationship between Debtors and Lender or the conduct of such persons in connection with this Note or otherwise shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against Debtors or their property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against Debtors or its property).
Debtors hereby waive personal service of any and all process upon them and consent that all such service of process may be made by certified mail (return receipt requested) directed to them and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the U.S. mails, or, at Lender's option, by service upon Debtors in any other manner provided under the rules of any such courts. Within twenty (20) days after such service, Debtors shall appear in answer to such process, failing which Debtors shall be deemed in default and judgment may be entered by Lender against Debtors for the amount of the claim and other relief requested.

DEBTORS HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS NOTE OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS BETWEEN DEBTORS AND LENDER IN RESPECT OF THIS NOTE OR ANY OF THE OTHER DIP FINANCING AGREEMENTS OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. DEBTORS AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

The execution and delivery of this Note has been authorized by the Board of Directors or managing partner of Debtors and by any necessary vote or consent of the stockholders or partners of Debtors. Debtors hereby authorize Lender to complete this Note in any particulars according to the terms of the loans evidenced hereby.

This Note shall be binding upon the successors and assigns of Debtors and inure to the benefit of Lender and its successors, endorses and assigns. Whenever used herein, the term "Debtors" shall be deemed to include their respective successors and assigns and the term "Lender" shall be deemed to include its successors, endorses and assigns. If any term or provision of this Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

[The remainder of this page intentionally left blank.]
In San Juan, Puerto Rico, this _____ day of ________, 2010.

CARIBBEAN PETROLEUM CORPORATION,
As Debtor and Debtor-in-possession

By: __________________________________________
Name:
Title:

CARIBBEAN PETROLEUM REFINING L.P.,
As Debtor and Debtor-in-possession

by its managing partner GULF PETROLEUM
REFINING (PUERTO RICO) CORPORATION

By: __________________________________________
Name:
Title:

GULF PETROLEUM REFINING (PUERTO RICO)
CORPORATION,
As Debtor and Debtor-in-possession

By: __________________________________________
Name:
Title:

Affidavit No. ______

Acknowledged and subscribed to before me by __________________________, of legal age, ________, executive and resident of ____________, Puerto Rico, in his capacity as _________ of Caribbean Petroleum Corporation, and Gulf Petroleum Refining (Puerto Rico) Corporation, the latter in its own capacity and in its capacity as managing partner of Caribbean Petroleum Refining L.P., whom is personally known to me, in San Juan, Puerto Rico, this _____ day of ________, 2010.

__________________________
Notary Public
ANNEX C

Bidding Procedures
BIDDING PROCEDURES

Set forth below are the bidding procedures (the “Bidding Procedures”) to be employed in connection with the sale of the Assets (as defined below) of Caribbean Petroleum Corporation and certain of its affiliates that are debtors and debtors in possession (the “Debtors”) in the jointly administered cases (the “Cases”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) (Case No. ____ ____ ____ (____)). Pursuant to the Bidding Procedures, the Debtors shall solicit bids for the purchase of the Assets, conduct an auction for the Assets (the “Auction”) if the Debtors receive two or more Qualified Bids (as defined below), and thereafter, seek entry of an order (the “Sale Order”), after notice and a hearing (the “Sale Approval Hearing”), authorizing and approving the sale of the Assets to the Successful Bidder(s) (as defined below).

On August 12, 2010, the Debtors filed with the Bankruptcy Court the “Motion of Debtors for Entry of (I) an Order (A) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors’ Assets, (B) Authorizing Entry into Stalking Horse Agreements and Approving Stalking Horse Protections, (C) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Scheduling Auction and Sale Approval Hearing, (E) Approving the Form and Manner of the Sale Notice, and (F) Granting Certain Related Relief; and (II) an Order (A) Approving the Sale of Substantially All of the Debtors’ Assets, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Certain Related Relief” (the “Sale Motion”). On [DATE], the Bankruptcy Court entered an order approving the Bidding Procedures and scheduling January 10, 2011 at 10:00 a.m. (prevailing Eastern Time) as the date and time that the Sale Approval Hearing will be held.

A. Assets to be Sold

The Debtors seek to sell substantially all of their assets, including, without limitation, all equipment, machinery, inventory, supplies, real property, software, intellectual property, cash and accounts receivable (such assets, the “Assets”). Except as otherwise provided in definitive documentation with respect to any sale of the Assets, all of the Debtors’ rights, title and interest in and to the Assets shall be sold free and clear of all liens, claims, encumbrances, rights, remedies, restrictions, pledges, interests, liabilities, charges, options and contractual commitments of any kind or nature whatsoever, whether arising before or after the date that the Debtors filed the Cases in the Bankruptcy Court, whether at law or in equity, in accordance with section 363 of the Bankruptcy Code.

B. Bid Deadline

Any entity wanting to participate in the Auction (a “Potential Bidder”) must submit a Qualified Bid (as defined below) in writing to (i) Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, Attention: George A. Davis and Zachary H. Smith, counsel for the Debtors, (ii) Skadden, Arps, Slate, Meagher & Flom LLP, One Rodney Square, P.O. Box 636, Wilmington, Delaware 19899, Attention: Mark Chehi,
counsel for Banco Popular de Puerto Rico (the “Prepetition Secured Lender”), and (iii) [COMMITTEE COUNSEL], Attention: [NAME], counsel for the statutory committee of unsecured creditors appointed in the Cases (the “Creditors’ Committee”), so as to be actually received on or before December 10, 2010 at 5:00 p.m. (prevailing Eastern Time) (the “Bid Deadline”), which deadline may be extended by the Debtors, in consultation with the Prepetition Secured Lender and the Creditors’ Committee. No bids submitted after the Bid Deadline shall be considered by the Debtors.

C. Bid Requirements

Only bids for the Assets that constitute “Qualified Bids” will be considered by the Debtors. A “Qualified Bid” is an offer to purchase the Assets that: (i) identifies the Assets to be purchased and the consideration to be paid for such Assets, (ii) identifies any proposed revisions to the Stalking Horse Agreement (as defined below), if any, or the form of asset purchase agreement provided by the Debtors (the “Form APA”), (iii) identifies the Potential Bidder and the officer(s) or authorized agent(s) who will appear on behalf of such Potential Bidder, (iv) provides evidence, satisfactory to the Debtors in their reasonable discretion, in consultation with the Prepetition Secured Lender, of the Potential Bidder’s financial wherewithal and operational ability to consummate the proposed transaction, (v) provides that such offer is not subject to any due diligence or financing contingency or further board or similar approval, (vi) provides for a good faith deposit (a “Good Faith Deposit”) to be submitted to the Debtors on or before the Bid Deadline in an amount equal to not less than five percent (5%) of the proposed purchase price, (vii) identifies any executory contracts (“Contracts”) or unexpired leases (“Leases”) to be assumed and assigned in connection with the proposed purchase of the Assets and provides evidence of the Potential Bidder’s ability to provide adequate assurance of future performance under such Contracts and Leases, (viii) provides that such offer is irrevocable until the later of (a) consummation of a transaction involving any other Potential Bidder for the same Assets and (b) the first business day that is thirty (30) days after the conclusion of the Sale Approval Hearing, (ix) includes a copy of a board resolution or similar document demonstrating the authority of the Potential Bidder to submit an offer to purchase the Assets on the terms proposed by such Potential Bidder, and (x) contains the form of order approving the proposed transaction that the Potential Bidder would request the Debtors to submit to the Court.

In order to facilitate the preparation and submission of bids for the Assets, the Debtors will file the Stalking Horse Agreement (as defined below) (or the Form APA, if no Stalking Horse Bidder (as defined below) is selected), and a form Sale Order, with the Bankruptcy Court on or before November 10, 2010. Upon request, the Debtors will provide copies of such documents to any Potential Bidder. The Debtors may, in their business judgment, communicate with any Potential Bidder and may request any additional information reasonably required in connection with the evaluation of any such Potential Bidder or bid submitted by such Potential Bidder.

As soon as practicable after a Potential Bidder submits a bid, the Debtors, in consultation with the Prepetition Secured Lender, will determine whether such bid is a Qualified Bid and will notify such Potential Bidder of such determination. The Debtors reserve the right to consider bids for the Assets that do not conform to one or more of the requirements specified in this “Bid Requirements” section, and, in consultation with the Prepetition Secured Lender,
deem such bids to be Qualified Bids notwithstanding such requirements. The Debtors may aggregate separate bids from unaffiliated Potential Bidders to create one Qualified Bid, provided, however, that all such Potential Bidders shall remain subject to the provisions of section 363(n) of the Bankruptcy Code regarding collusive bidding.

D. **Stalking Horse Bid**

On or before **November 10, 2010**, the Debtors intend to enter into a “stalking horse” agreement (a “Stalking Horse Agreement”) with one or more Potential Bidders (the “Stalking Horse Bidder(s)”) for the purpose of establishing a minimum acceptable bid (the “Stalking Horse Bid”). Any Stalking Horse Bid shall be deemed a Qualified Bid for purposes of these Bidding Procedures. In the event that the Debtors enter into a Stalking Horse Agreement, the Debtors shall (i) promptly file a notice with the Court that includes a copy of any such agreement and (ii) provide a copy of such agreement to any Potential Bidder upon request.

E. **Stalking Horse Protections**

1. **Break-Up Fee**

The Debtors may, in their discretion, in consultation with the Prepetition Secured Lender, provide the Stalking Horse Bidder(s) with a break-up fee in the event that such Stalking Horse Bidder(s) is not determined to be the Successful Bidder (the “Break-Up Fee”) of up to two percent (2%) of the guaranteed cash purchase price proposed in the Stalking Horse Bid, provided, however, that such Stalking Horse Bidder is not in default and has not previously terminated its bid.

2. **Expense Reimbursement**

The Debtors may, in their discretion, in consultation with the Prepetition Secured Lender, reimburse the Stalking Horse Bidder(s) for all reasonable and actual costs and expenses incurred by such Stalking Horse Bidder(s) in connection with its bid (the “Expense Reimbursement”, and together with the Break-Up Fee, the “Stalking Horse Protections”) up to an amount equal to $300,000, provided, however, that such Stalking Horse Bidder is not in default, has not previously terminated its bid, and is not determined to be the Successful Bidder.

F. **Due Diligence**

Through and including the Bid Deadline, the Debtors will afford Potential Bidders the opportunity to conduct a due diligence investigation regarding the Assets in the manner determined by the Debtors, in their business judgment, to be reasonable and appropriate. The Debtors shall not be obligated to furnish access to any information of any kind whatsoever regarding the Assets after the Bid Deadline.

Upon request, the Debtors will provide each Potential Bidder with a copy of these Bidding Procedures and a form Sale Order, together with a copy of the Stalking Horse Agreement (or the Form APA, if no Stalking Horse Bidder is selected). Should any Potential Bidder desire additional or further information, such Potential Bidder will be required to execute a confidentiality agreement in form and substance satisfactory to the Debtors and the Prepetition
Secured Lender in their business judgment and on terms that are not more favorable to such Potential Bidder than the confidentiality agreement executed by the Stalking Horse Bidder, if any. Upon execution of such confidentiality agreement, the respective Potential Bidder will be given access (through a virtual data room, site inspections or otherwise) to various financial data and other relevant and confidential information. The Debtors will designate an employee or other representative to coordinate all requests for additional information or access from Potential Bidders. The Debtors may, in their discretion, coordinate due diligence investigations such that multiple Potential Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections. The Debtors shall not be obligated to furnish access to any such information to any entity that does not execute a confidentiality agreement in form and substance satisfactory to the Debtors and the Prepetition Secured Lender in their business judgment. In any event, the Stalking Horse Bidder shall be provided prompt access to all due diligence materials, management presentations, site inspections and other information provided to Potential Bidders that were not previously made available to the Stalking Horse Bidder.

G. Credit Bid

On or before the Bid Deadline, the Prepetition Secured Lender may submit a credit bid for some or all of the Assets to the fullest extent permitted under section 363(k) of the Bankruptcy Code.

H. The Auction

If two or more Qualified Bids are received on or before the Bid Deadline, the Debtors shall conduct the Auction commencing on December 13, 2010 at 10:00 a.m. (prevailing Eastern Time), at the offices of Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, to determine the highest or otherwise best bid for the Assets (the “Successful Bid”). The Auction may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Auction. The Debtors reserve the right to cancel the Auction if two or more Qualified Bids are not received as of the Bid Deadline.

I. Auction Procedures

Only an entity that has submitted a Qualified Bid (a “Qualified Bidder”), the Prepetition Secured Lender, the Office of the United States Trustee for the District of Delaware (the “United States Trustee”), the Creditors’ Committee, and such entities’ respective advisors are eligible to participate in the Auction. All participants shall appear in person, by telephone, or through a duly authorized representative. Prior to the Auction, the Debtors, in consultation with the Prepetition Secured Lender, shall select the Qualified Bid that, in their business judgment, reflects the highest or otherwise best bid for the Assets as the starting bid (the “Starting Auction Bid”) and advise all participants in the Auction of the terms of the Starting Auction Bid. Qualified Bidders may then submit bids that are better and higher than the Starting Auction Bid in an initial increment amount equal to the amount of the Stalking Horse Protections plus $250,000 and subsequent increments of at least $100,000 (collectively, the “Overbid Increments”). The Debtors, in consultation with the Prepetition Secured Lender, shall determine
whether any Qualified Bid is the Successful Bid pursuant to the “Determination of Successful Bid” section below.

As soon as practicable following the determination of the Successful Bid, the Debtors shall file a notice with the Bankruptcy Court identifying the Qualified Bidder that submits the Successful Bid (the “Successful Bidder”) and serve such notice by telecopy, electronic mail transmission, or overnight delivery, upon the following entities: (i) the United States Trustee, (ii) counsel to the Prepetition Secured Lender, (iii) counsel to the Creditors’ Committee, (iv) the United States Environmental Protection Agency, (v) all other parties that have filed notices of appearance in the Cases, (vi) all Qualified Bidders; and (vii) all non-Debtor counterparties to the Contracts and Leases proposed to be assumed and assigned under the Successful Bid.

The Debtors may adjourn, continue, re-open or terminate the Auction, subject to any required approval of the Bankruptcy Court, and reserve the right to adopt other and further rules and procedures for the Auction that, in their business judgment, in consultation with the Prepetition Secured Lender, will better promote the goals of the Auction.

J. Determination of Successful Bid

On or before the first business day after the 3rd day following the Bid Deadline (if only one Qualified Bid is submitted) or the Auction (if two or more Qualified Bids are submitted), the Debtors, in consultation with the Prepetition Secured Lender, shall review each Qualified Bid that has been submitted and determine, in the Debtors’ reasonable discretion and in consultation with the Prepetition Secured Lender, whether any Qualified Bid is the Successful Bid. In making such determination, the Debtors, in consultation with the Prepetition Secured Lender, shall consider any factor that they deem relevant, including, without limitation, the purchase price, the payment of any Break-Up Fee or Expense Reimbursement, any benefit to the Debtors’ estates from any proposal to assume liabilities of the Debtors, and those factors affecting the speed and certainty of consummating the sale of the Assets.

As soon as practicable following notification of the determination of the Successful Bid, but in no event later than the first business day after the 10th day following such notification, the Successful Bidder must execute a definitive agreement to purchase the Assets (an “Asset Purchase Agreement”), to the extent not previously executed, in all respects acceptable to the Debtors, in consultation with the Prepetition Secured Lender, and consistent with such Successful Bidder’s proposed revisions to the Stalking Horse Agreement, if any, or the Form APA, unless otherwise agreed to by the Debtors, in consultation with the Prepetition Secured Lender.

The presentation of the Successful Bid to the Bankruptcy Court for approval does not constitute the Debtors’ acceptance of such bid. The Debtors will be deemed to have accepted the Successful Bid only when such bid has been approved by the Bankruptcy Court pursuant to the Sale Order and the sale of the Assets proposed in such bid has been consummated.
K. **Back-Up Bid**

The Successful Bidder(s) shall be required to consummate the purchase of the Assets by **11:59 p.m. (prevailing Eastern Time) on February 8, 2011**, subject to extension by the Debtors, with the express consent of the Prepetition Secured Lender. If the Successful Bidder(s) fails to timely consummate the purchase of the Assets, or any part thereof, then the next highest or otherwise best Qualified Bid (if any) (the “Back-up Bid”) may be designated by the Debtors, in consultation with the Prepetition Secured Lender, as the Successful Bid, and the Debtors shall be authorized, but not required, to consummate the sale of the Assets to the Qualified Bidder that submitted the Back-Up Bid pursuant to the terms of such Back-Up Bid as soon as is commercially reasonable. If the Successful Bidder(s) fails to consummate the purchase of the Assets because of a breach, default or failure to perform on the part of such Successful Bidder(s), the Debtors reserve the right to seek all available damages from such Successful Bidder(s).

I. **Reservation of Rights**

1. **Determination of Successful Bid**

The Debtors reserve the right to (i) determine in their reasonable discretion, in consultation with the Prepetition Secured Lender, whether any Qualified Bid is a Successful Bid and (ii) reject, at any time prior to entry of the Sale Order by the Bankruptcy Court, without liability, any bid that the Debtors, in their reasonable discretion, in consultation with the Prepetition Secured Lender, determine to be (a) inadequate or insufficient, (b) not in conformity with the Bidding Procedures, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, or (c) contrary to the best interests of the Debtors and their estates.

At or before the Sale Approval Hearing, the Debtors may impose such other terms and conditions on the sale of the Assets as the Debtors, in consultation with the Prepetition Secured Lender and the Creditors’ Committee, may determine to be in the best interests of the Debtors and their estates.

2. **Modification of Bidding Procedures**

The Debtors reserve the right to modify the Bidding Procedures, in consultation with the Prepetition Secured Lender and, except as otherwise provided herein, the Creditors' Committee, without the need for any further order of the Bankruptcy Court, including, without limitation, (i) extending the deadlines set forth in the Bidding Procedures, (ii) adjourning the Auction and the Sale Approval Hearing, and (iii) withdrawing any Assets from the sale process at any time prior to or during the Auction.

M. **Disposition of Good Faith Deposits**

All Good Faith Deposits shall be held in a separate interest-bearing escrow account for the benefit of the Debtors. As soon as practicable following the consummation of the sale of the Assets, any Good Faith Deposit received from a Qualified Bidder who is not determined to be the Successful Bidder shall be released from escrow and returned to such
Qualified Bidder. If the Successful Bidder fails to consummate the purchase of the Assets, or any part thereof, because of a breach, default or failure to perform on the part of such Successful Bidder, the Debtors will not have any obligation to return the Good Faith Deposit deposited by such Successful Bidder, and such Good Faith Deposit shall irrevocably become property of the Debtors without affecting or reducing any of the Debtors’ other rights or claims against such Successful Bidder. If a Successful Bidder fails to consummate the purchase of the Assets, or any part thereof, because of a breach, default or failure to perform on the part of the Debtors, the Good Faith Deposit deposited by such Successful Bidder shall be returned to such Successful Bidder. If a Successful Bidder consummates the purchase of the Assets, the Good Faith Deposit deposited by such Successful Bidder shall be applied as a credit toward the purchase price for the Assets.

N. As Is, Where Is

The sale of the Assets shall be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by the Debtors, their estates, or their agents or representatives. Except as otherwise expressly provided in these Bidding Procedures, any applicable Stalking Horse Agreement, or any applicable Asset Purchase Agreement, by submitting a bid, each Potential Bidder that submits a bid shall be deemed to acknowledge and represent that it (i) has had an opportunity to conduct any and all reasonable due diligence regarding the Assets prior to making its bid, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection therewith.

O. Sale Approval Hearing

The sale of the Assets and applicable Asset Purchase Agreement shall be presented for authorization and approval by the Bankruptcy Court at the Sale Approval Hearing, which is scheduled to be held on January 10, 2011 at 10:00 a.m. (prevailing Eastern Time) at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, [ ] Floor, Courtroom [____], Wilmington, Delaware 19801, before the Honorable [____], United States Bankruptcy Judge. The Sale Approval Hearing may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Sale Approval Hearing.

P. Jurisdiction

The Bankruptcy Court shall retain exclusive jurisdiction over any matter or dispute relating to the sale of the Assets, the Bidding Procedures, Stalking Horse Agreements, any applicable Asset Purchase Agreement, and any other matter that in any way relates to the foregoing. All entities that submit a bid for the purchase of the Assets shall be deemed to have consented to the core jurisdiction of, and venue in, the Bankruptcy Court and to have waived any right to a jury trial in connection with any disputes relating to the sale of the Assets, the Bidding Procedures, Stalking Horse Agreements, any applicable Asset Purchase Agreement, and any other matter that in any way relates to the foregoing.
SCHEDULE 1

Organizational Chart