

A RESOLUTION

To approve the in-principle terms of the acquisition of certain fuel facilities from Mobil Oil Micronesia, Inc. ("MOMI") and of a new nation-wide fuel supply agreement.

1 WHEREAS, the Federated States of Micronesia Fuel Task Force
2 ("FTF") has been negotiating with MOMI since 2005 for the
3 acquisition of MOMI's terminal assets in the State of Pohnpei,
4 Chuuk and Yap (the "Assets"); and

5 WHEREAS, the ("FTF") and MOMI signed, on June 28, 2007, a
6 memorandum of Understanding setting out an agreed purchase price
7 for the Assets, providing that all environmental risk shall shift
8 from MOMI to the FSM upon acquisition, and setting forth the
9 pricing and terms of a new, five-year fuel supply agreement with
10 MOMI, the obligations under which are to be guaranteed by the FSM
11 and the States; and

12 WHEREAS, in order to close the proposed transaction with
13 MOMI, a new shared fuel entity (the Federated States of Micronesia
14 Petroleum Corporation, referred to herein as the "Corporation")
15 must be created to take ownership over the Assets and to obtain
16 the necessary financing to complete the proposed transaction; and

17 WHEREAS, there is a need to authorize the terms of the
18 proposed asset acquisition and, while the Corporation is being
19 formed, to begin negotiating the terms of the financing necessary
20 to acquire the Assets; and

1 WHEREAS, by the Congress of the Federated States of
2 Micronesia that, upon formation of the Corporation, such
3 Corporation shall be authorized to purchase the Assets from MOMI
4 and to enter in to the FSA and that, subject to final review by
5 Congress of the contracts with MOMI, that the FSM shall be
6 authorized to guarantee the performance of the Corporation under
7 the resulting FSA and to assume environmental liability with
8 respect to the Assets; now therefore

9 BE IT RESOLVED, that prior to the appointment of the Board of
10 Directors of the Corporation, that the President of the Federated
11 States of Micronesia shall be authorized to finalize negotiations
12 with financial institutions for the provision of acquisition
13 financing in an amount sufficient to purchase the Assets and to
14 provide necessary working capital to the Corporation, subject in
15 all cases to final approval by Congress of the terms of any loan
16 that would obligate funds of the FSM, and

17 BE IT FURTHER RESOLVED, that certified copies of this
18 Resolution be transmitted to the President of the Federated States
19 of Micronesia, the Governor of Pohnpei, Chuuk, and Yap State, and
20 the Chairman of the Fuel Task Force.

21

22 Date: 7/11/07

Introduced by: /s/ Joe N. Suka

23

Joe N. Suka
(by request)

24