Michael Keyser » » » Chief Executive Officer

ASPA - At a Glance

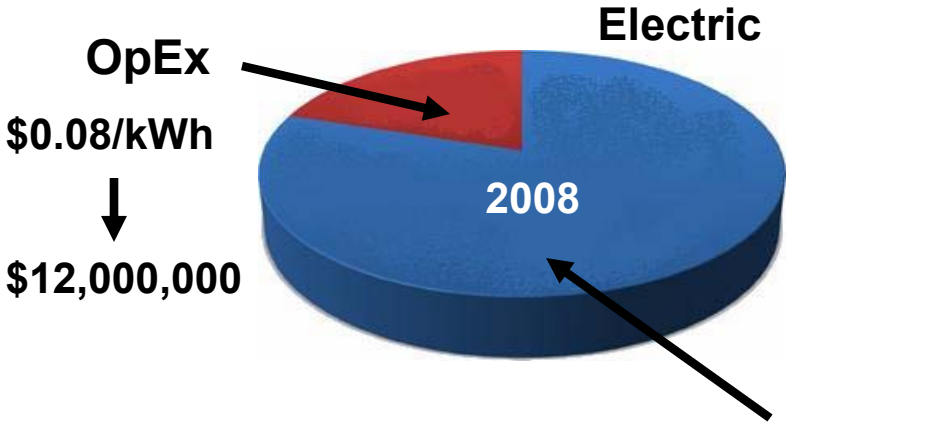
- 12,000 customers (pop. 70,000)
- Multi-function public utility
  - » Power
  - » Water
  - » Wastewater
  - » Solid Waste
  - » Fuels Marketing
- 442 employees
- semi- autonomous

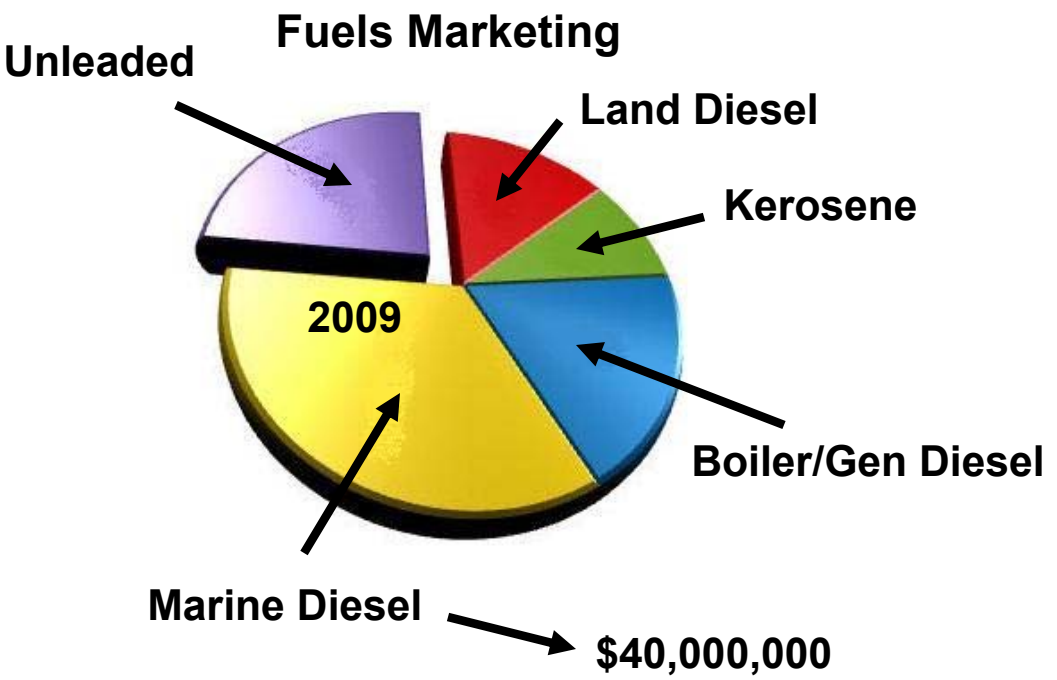
By the numbers

- $100m in total assets
- $60m annual revenue
  - » 33 percent – canneries
  - » 12 percent – government
- +$3m government debt
  - » Have not paid a bill since march
  - » $1.8m over 90 days
- 80 percent delinquency rate
  - » issue 8,000 delinquency notices per month
  - » over 1,000 disconnections per month

By the numbers

FY 2010 Forecast
$113,000,000





Forward thinking

- Maximize synergies
  - » Energy from waste
  - » Hydro
- Create efficiencies
  - » Leed-certified headquarters
- Think Globally
  - » Interconnection of renewables
  - » Cutting Petroleum costs

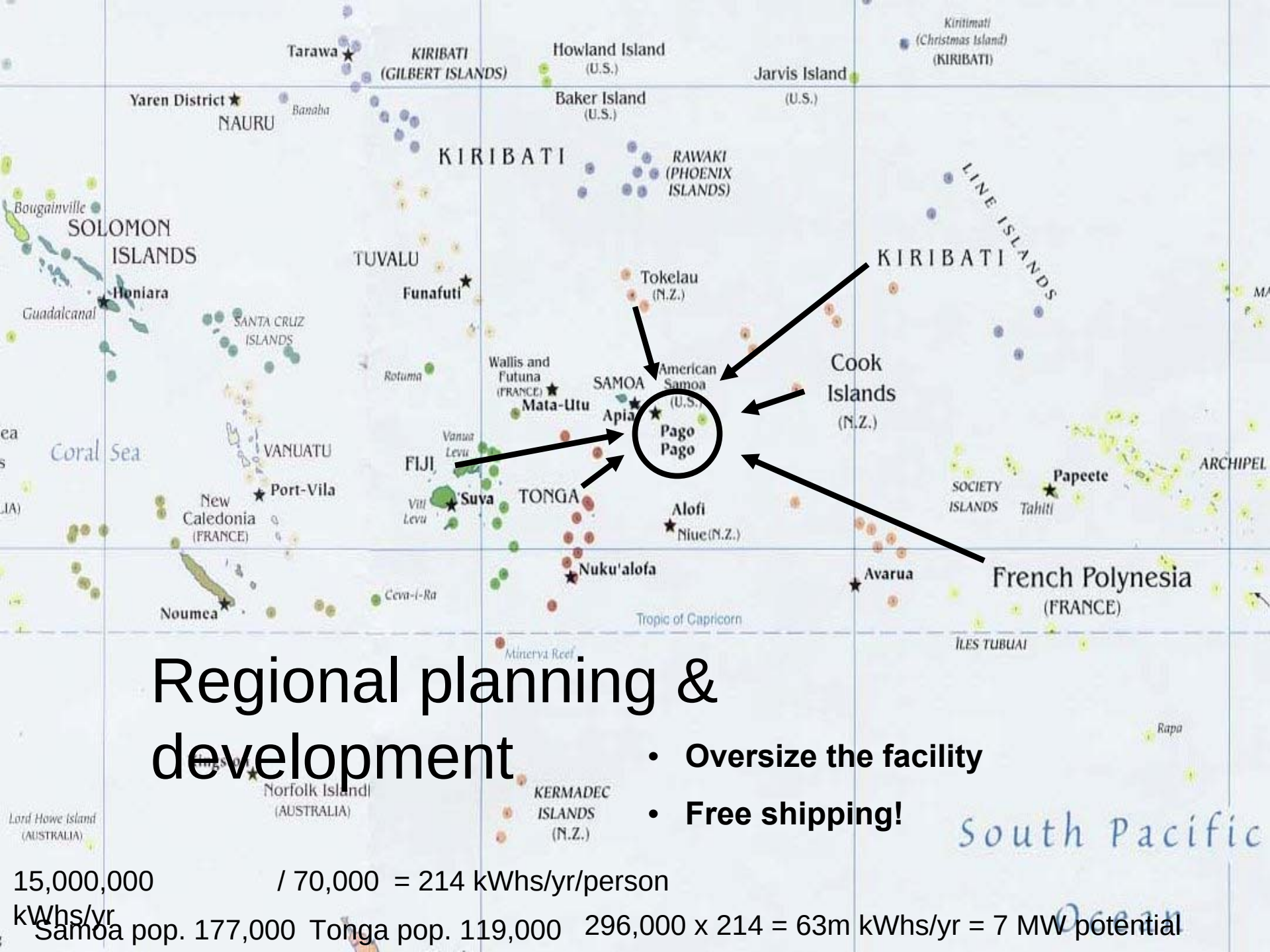
1. Energy from waste

- Synergy between power gen and trash

- Solves many island problems
  - » landfill life (7-10 years)
  - » tires (12,000 and growing)
  - » waste oil (120,000 gallons per YEAR)
  - » plastics
  - » petroleum consumption

12 mg/yr x $2.50/g = $30m / 26 MW = $1.15m/MW/yr x 2 MW = $2.3m saved per year

12 mg/yr / 26 MW = 470,000g/MW/yr x 2 MW = 940,000 gallons saved per year



Regional planning & development

- **Oversize the facility**
- **Free shipping!**

15,000,000 kWhs/yr / 70,000 = 214 kWhs/yr/person

Samoa pop. 177,000 Tonga pop. 119,000 296,000 x 214 = 63m kWhs/yr = 7 MW potential

2. Hydro-Power

- Synergy between Power Gen & Water
- Two water microfiltration plants in bay area
  - Costly to operate and maintain
  - Water output is insignificant
- Cannery closure (COSI)
  - Excess water in central system (1,600 gpm)
- Modify microfiltration plants for hydro power

3. Administrative HQ

- $5 million (debt service) budgeted
- LEED certification
- Model building for island development
  - Inputs (materials)
  - Design aspects
  - Tours
- Carbon neutrality
- Centralize operations

4. Interconnection Procedures

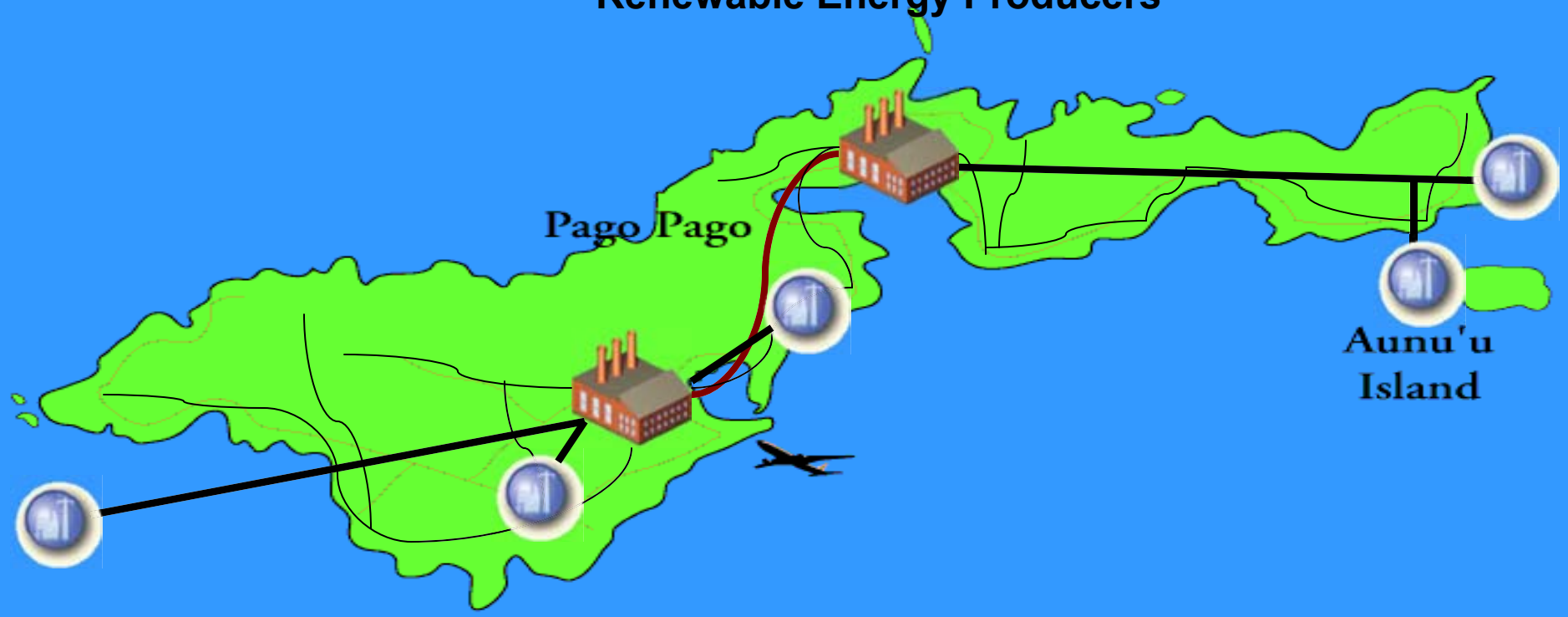
For Large IPPs

- Renewable energy power producers
- 100 kW systems and larger
- Sell power to ASPA at avoided cost
- Capped at IRR of 15%
- Final stages
  - Copies available

Tutuila Island

American Samoa

Upgrading the Electric Grid to Attract Renewable Energy Producers



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5. Petroleum Market

- **May 2008**
  - Mobil divesting in 13 Pacific markets
  - BP sold to Fiji Holdings/Hindustan Petroleum

- **Facing a single supplier – loss of control for ASPA**
  - Loss of market competition
  - Loss of wholesale price discount
  - Potential increases in overall fuel costs
  - Seize control of our own destiny!

- **ASPA positioned to capitalize**
  - Biggest single player in the market (12.5 million gallons = 26% market)
  - Well capitalized, good cash flow, creditworthy
  - Little additional effort (inventory management)
  - Opportunity to generate revenue for customer discounts or capital improvements

Capitalizing on Petroleum

- September 2008: Drafted business plan for a merger/acquisition
  - Market overview (players, market shares, volumes)
  - Regulatory framework (Terminal operations, MAP template)
  - Inventory management, cash flow management, supply chain process
  - Pricing and costs – Pro forma income statement
  - Risks and risk management
- October 2008: Restructured Mobil contract
  - Fuel sold ex Singapore refinery (DES Pago)
  - Better pricing terms
- November 2008: Petroleum sales agreements with distributor
  - Mitigate credit & collection risk
  - Value from pre-existing relationships (marine and land)
  - Ensure positive cash flow

Capitalizing on Petroleum

- December 15, 2008: ASPA Fuels Marketing went live
  - Acquisition of all Mobil assets (except marine refueling hoses)
  - Product stored in terminal transferred to ASPA
  - ASPA started selling product
- What we have learned:
  - There is opportunity in regional divestments
  - Results in huge benefits to the Territory ($2.7m/yr)
  - Faced incredible resistance to change
  - Requires hard working, intelligent, detail-oriented staff

Thank you very much