

NOTICE OF SALE NO. DE-NS96-17PO30000

SALE OF FOURTEEN (14) MILLION BARRELS OF SOUR CRUDE OIL FOR THE STRATEGIC PETROLEUM RESERVE

Questions & Answers

1. Question: Is the base reference price negotiable or is it firm fixed by DOE?

Answer: The Base Reference Price is fixed, as given in the Notice of Sale Item 27.

2. Question: Does the buyer have to purchase the entire 14M barrels?

Answer: Buyers may make offers on quantities less than 14 million barrels; all bids should be in accordance with Notice of Sale Attachment A “Crude Oil Quantities Offered for Sale.”

3. Question: Since the base reference is 47.200 for all of the crude, is it fair to say that it's the same product at the different locations?

Answer: The base reference price (BRP) applies to all crude oil offered for sale; please see SPR Crude Oil Assays (link provided in Notice of Sale Table of Contents and Item 7) for quality specifications for each stream offered.

4. Question: NOS[27.b.2] states the DIP is the “Weighted Average Month 1, Houston Close” from Argus, but referencing stream for the crude oils is Mars.

Which Argus crude oil assessment is the DIP based upon, is it “Argus Mars Weighted Average Month 1” or is it “Argus WTI Houston Weighted Average Month 1”?

Answer: Argus Mars Weighted Average Month 1 – Houston Close.