

IRREVOCABLE STANDBY LETTER OF CREDIT

Date: _____

To: U.S. Department of Energy
Strategic Petroleum Reserve
900 Commerce Road East
New Orleans, LA 70123
Attn: Deanna Walker

AMOUNT OF LETTER OF CREDIT: U.S. \$ _____ (_____)
BIDDER: _____
NOTICE OF LEASE AVAILABILITY NO: _____
OFFER NO: _____
LETTER OF CREDIT NO: _____
EXPIRATION DATE: _____
AMERICAN BANKERS ASSOCIATION (ABA) NO: _____

Gentlemen:

We hereby establish in the U.S. Department of Energy's favor our irrevocable standby Letter of Credit effective immediately for the account of our customer in response to the above U.S. Department of Energy's Notice of Lease Availability, including any amendments thereto, for proposals to lease the Department of Energy's St. James Facility. This Letter of Credit expires at least 180 calendar days after the date set for receipt of offers.

This letter of credit is available by your draft/s at sight, drawn on us and accompanied by a manually signed statement that the signer is an authorized representative of the Department of Energy, and the following statement:

**“THIS DRAWING OF U.S. \$ _____ (_____)
AGAINST YOUR LETTER OF CREDIT NUMBERED _____, DATED
_____, IS DUE THE U.S. GOVERNMENT BECAUSE OF THE FAILURE OF
_____ TO HONOR ITS OFFER TO ENTER INTO A CONTRACT FOR
THE LEASE OF THE ST. JAMES FACILITY, IN ACCORDANCE WITH THE U.S.
GOVERNMENT'S NOTICE OF LEASE AVAILABILITY NO. _____,
INCLUDING ANY AMENDMENTS THERETO.”**

Drafts must be presented for payment on or before the expiration date of this Letter of Credit at our

bank. The Government may make multiple drafts against this Letter of Credit.

Upon receipt of the U.S. Department of Energy's demand by hand, mail express delivery, or other means, at our office located at _____, we will honor the demand and make payment, by 3 p.m. Eastern Time of the third business day following receipt of the demand by wire transfer of funds as a deposit to the account of the U.S. Treasury over the Fedwire Funds Service. The information to be included in each transfer will be as provided in the Notice of Lease Availability Instructions to Potential Offerrers.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision, International Chamber of Commerce Publication no. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for payment at our bank on or before the expiration date.

In the event of a bankruptcy filing by the applicant prior to the expiration date of this letter of credit, the expiration date of this letter of credit will automatically be extended by one hundred twenty (120) calendar days from the expiration date.

Address all communications regarding this Letter of Credit to (_____).

Very truly yours,

(Authorized Signature)

(Typed Name and Title)

INSTRUCTIONS FOR OFFER GUARANTEE LETTER OF CREDIT

1. The depository institution must be an account holder with the Federal Reserve Banking system with permission to send Fedwires and must have Fedwire eligibility Funds status of either Eligible or Eligible – Settlement-only.
2. Letter of Credit must not vary in substance from this attachment. Provide a copy of this attachment to your bank.
3. Banks shall fill in blanks except those in the drawing statement. The drawing statement is in bold print with double underlines for the blanks. Do not fill in double underlined blanks. Letter should be printed on Bank Letter Head.
4. The information to be included and format to be used for a wire transfer over the Fedwire Deposit System network will be provided when and if required.
5. Type name and title under authorized signature.

REQUEST FOR OFFER GUARANTEE RETURNS

If you elect to have this Offer Letter of Credit returned, please select an option below:

(1) _____ Send a signed authorization to cancel the Offer LOC to the following point of contact via email address: _____

Contact Phone Number: _____

(2) _____ Federal Express the original Offer LOC to following point of contact at the following address:

Name: _____

Financial Institution: _____

Address: _____

Contact Phone Number: _____