

FROM THE VENEZUELAN HEART TO THE U.S. HEARTHS



CITGO Petroleum Corporation
1293 Eldridge Parkway
Houston, TX 77077



THE CITGO-VENEZUELA
HEATING OIL PROGRAM, 2005-2006

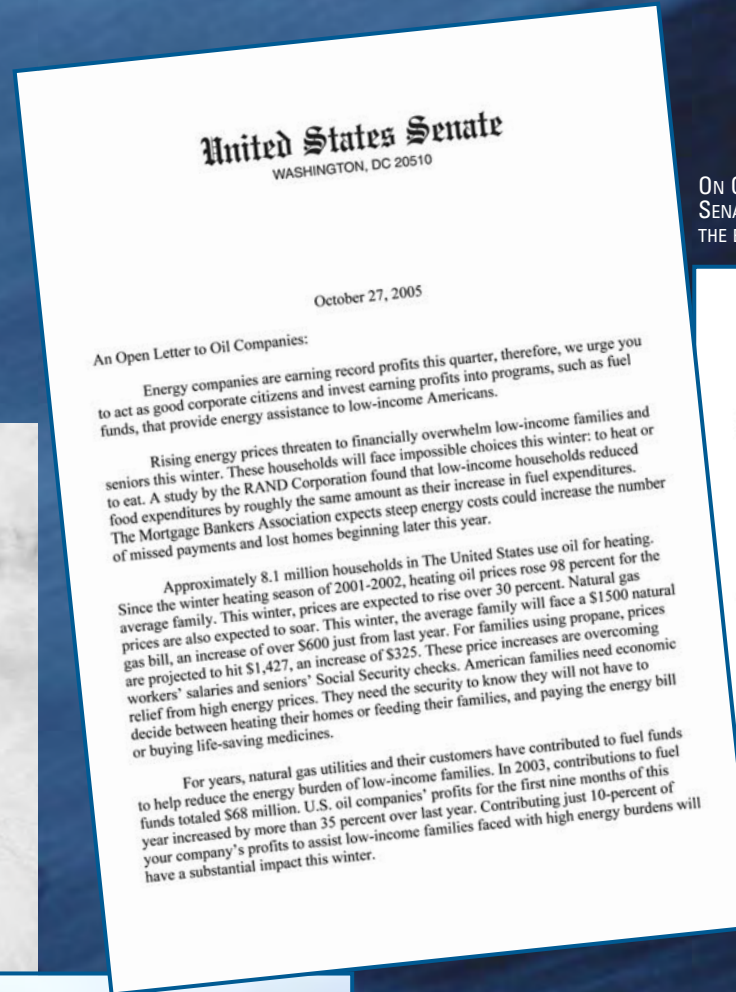
An epic storm called for an epic response

"We saw it unfold like everybody else. The awful power of hurricanes Katrina and Rita. The apocalyptic devastation left behind. There was no time for business as usual and we acted quickly to help the U.S. weather the economic storm. By September, we had delivered nearly 2 million barrels of diesel, jet fuel and gasoline to alleviate shortages and price hikes at the pump. By March, we had made good on our promise to deliver millions of gallons of discounted heating oil to low-income residents across the northeast. This is the story of how CITGO and the people of Venezuela reached across a geopolitical divide to help fellow Americans in need."

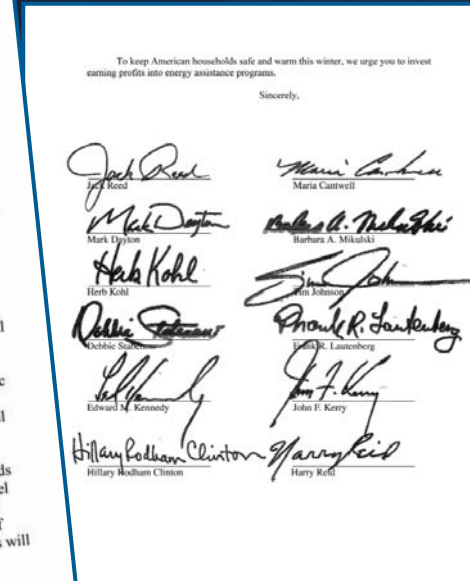


Hugo Chávez, President of Venezuela

We are all *americanos* and together we share the Bolivarian mission of giving hope and a better life to the poorest and most vulnerable, whether they live in Venezuela or Vermont. Our oil revenues are bringing literacy, health care and job training to millions of Venezuelans and it is our wish to extend this prosperity throughout the hemisphere. In September, I went to New York where I again met and fell in love with the soul of America. This program fulfills a promise I made to the people of the United States and it is a gift warmly given to our American friends.



ON OCTOBER 27, 2005 A GROUP OF U.S. SENATORS URGED OIL COMPANIES TO HELP REDUCE THE ENERGY BURDENS OF LOW-INCOME FAMILIES.



CITGO's Disaster Response

- 240,000 barrels of jet fuel to Port Everglades, FL
- 720,000 barrels of heating oil to Houston, NY and other cities
- 960,000 barrels of refined oil products to Connecticut, Florida and Texas

From fuel line to lifeline...

“CITGO has strengthened the heating safety net for our most vulnerable citizens.”

–Joseph P. Kennedy, II, Chairman & President, Citizens Energy



Real people, real savings. The CITGO-Venezuela program brought warmth to homes and shelters from Maine to Delaware.



Mrs. Geraldine Shields with Venezuelan Ambassador to the United States Bernardo Alvarez and Mr. Félix Rodríguez, President and CEO of CITGO Petroleum Corporation

The CITGO-Venezuela Heating Oil Program was created to offset a perfect storm of catastrophic events within some of the poorest and most vulnerable communities in the United States. Decreased supplies, resulting from the hurricanes, led to steep increases in fuel costs while cuts in the federal Heating Oil Assistance Program placed unbearable burdens on family budgets already stretched thin.

Following a visit to New York, President Chávez offered help from Venezuela and CITGO to alleviate the shortages by providing deeply discounted fuel oil to needy individuals and the institutions that serve them. Through partnerships with public officials, local fuel delivery companies and non-profit distributors like Citizens Energy and Mass Energy Consumer Alliance, CITGO set aside \$48 million to underwrite the donation of millions of barrels at a discount of 40% off the U.S. wholesale price.

For CITGO, the heating oil assistance program is an example of “people helping people” and follows the efforts of parent company PDVSA (Venezuela’s state oil company), which is committed to putting profits to work in support of social service, education, health care and economic development initiatives throughout the region.

Shortly before Thanksgiving, the first trucks carrying discounted heating oil rolled into Massachusetts. From December through March, additional deliveries were made in New York, Maine, Rhode Island, Vermont, Delaware, Pennsylvania and Connecticut.

For families, the discounts sometimes made the difference between going hungry and staying warm. For social service organizations, the free oil kept operations going and helped save lives. And between the people of Venezuela and the United States, new bonds of friendship and understanding were formed.

Massachusetts

Rose King, Mattapan, MA

I live alone on a very limited income and this program meant an awful lot to me. I could put some money aside to pay my other bills and save a little extra to pay for oil later on. I didn't really think about CITGO or Venezuela before, but I am so appreciative that they cared enough about people like me. I just hope they continue this next year. I think every oil company should do this.



Rev. John Odam Pilgrim Church, Dorchester, MA

CITGO's discounts saved us 30% on fuel costs this year, which means we can come to the end of the heating season and still pay our bills. It means we can continue to provide services to members of our congregation and the homeless clients who need our help. My biggest concern is the 125 guys in our shelter—the humanitarian aspect of the gift, not the political angle. CITGO makes it possible for folks in extreme situations to keep from freezing this winter.



New York

Carmen Garcia, Bronx, NY

What does the discount mean to me? It means a lot. Sure, it helps me pay some bills. But it's not just the money. It's being recognized and acknowledged as a person and as a community. I grew up in Puerto Rico so it's nice to see Latin American leaders extending themselves and taking care of their own. We're not forgotten. We're not ghosts in someone else's eyes.

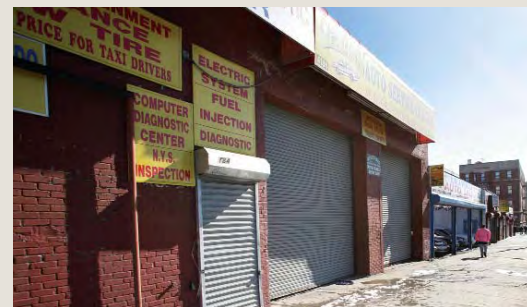
“Our residents will see real savings and improvements in their quality of life.”

—Rep. José E. Serrano (NY)



Yolanda Vendrell, Bronx, NY

The discount is great. It shows that someone really cares about us. We're like family in this building and even a little help makes a big difference. Congressman Serrano and CITGO have done a super job for me and everyone here.



Maine

*Rose Scribner, Tribal elder
Penobscot Nation, ME*

I am very grateful to even be a part of this program. It is very much needed, especially up here where people are really struggling. I'm a widow and live on a limited income and with the money I saved—\$840—I can buy medicine and other things for the household. It is honorable for CITGO to work for average Americans and their families. A miracle.



Rhode Island

*Earl and Virginia Berwick
Rumford, RI*

My husband has polio syndrome, so we have to keep the house warm. The discount has really helped us out and made it easier to pay for the other things we need, like food and medications. We're very glad to have been chosen for this program, very appreciative. It really means a lot.



Russell Anderson, Manktown, ME

This has been a real relief, knowing that we were going to have the same amount of fuel assistance this winter as last year. It's a big deal for someone like me, who lives on a limited income. With the money I saved, I've been able to buy groceries, pay a portion of my property taxes and put gas in my car. The collaboration between CITGO and the state agencies is a wonderful thing. It's good for everyone, not just in the U.S. but in Venezuela, too. It's good politics to know that we're all the same and can share.



*Debbie Hambly
Dir., Housing and Energy
East Bay Community Action
Program, East Providence, RI*

This takes your breath away and I am thrilled that our clients can take advantage of it. We serve over 550 families, some elderly, some working poor, all in need of help. I'm happy to say that with this discount, no one has to choose between staying warm or paying for food or rent. It has made a real difference in their lives. We all need to watch out for our neighbors, to make sure they're not cold. CITGO's been a very good neighbor to us.



*“Rising energy prices
threatened to overwhelm
our low-income families.”
—Sen. Jack Reed (RI)*



Pennsylvania

Geraldine Shields, Philadelphia, PA

This program is a blessing, that's all I can say. It means everything. The discount helps me catch up on past bills, like my phone and electricity. I can buy things for my beautiful little granddaughter. It has allowed me to be comfortable in my own home, to be warm without worrying. It's excellent. I can't praise CITGO enough.



*Jim Ferrante
Vincent Ferrante & Sons, Inc.
Philadelphia, PA*

The people on my route are mostly low-income and barely getting by. Without the CITGO program, a lot of them wouldn't have heat at all. The problem is, fuel costs aren't just rising, they're going up dramatically—sometimes 15 cents a gallon overnight. By the time my customers can scrape up the money to pay for their oil, they can't afford what they need. So they end up paying more and getting less. This discount is a lifesaver and I hope CITGO can continue to offer it. American oil companies should have done this.



Vermont

Auri Brunell, Vergennes, VT

I grew up during the Depression and have worked hard all my life. I know what it's like to be cold and not have anything to eat. So I really appreciate this program. It means that for the next three months I can afford to buy my medicine and enough food. I didn't know anything about CITGO or Venezuela before this, but now I am so grateful.



*Elizabeth Ready
Director, John Graham Shelter
Vergennes, VT*

We provide shelter to individuals and families, most of them working people. Every day's another crisis; someone always needs something. Between rising fuel costs and funding cuts from Congress, there's never enough. The savings will really help. Anyone can become homeless. Programs like this save people's lives.



“No one in America should go cold in the wintertime.”

—Rep. Bernie Sanders (VT)

Delaware

*Denise Ciotti, Administrator
Martha House, Wilmington, DE*

We were the first non-profit in the state to receive the free fuel oil and I can't tell you what a difference it's made. A one-time savings of \$600 is money we can use to help our clients become self-supporting and productive in this world. It allows us to buy food, clothing and other essentials that we'd have to fund from our already small operating budget. For us and our clients, it's a matter of survival.



Lena Gaines, Wilmington, DE

Until this program came along, I was using my gas stove and oven to heat my house. The fuel oil I'll get through CITGO and Catholic Charities will be a big savings. It'll tide me over for the rest of the winter. I can buy food without worrying about how I'm going to pay other bills. I've been living here since 1972 and this was the first time someone offered me some real help. I really appreciated being with people who listened and then came through.



*"We're grateful to
CITGO and Venezuela
and President Chávez
for what they are doing
to help."*

—House Speaker Terry Spence (DE)

...to headlines

The Boston Globe

WEDNESDAY, NOVEMBER 23, 2005

VENEZUELA'S LARGESSE

VENEZUELA'S PRESIDENT Hugo Chavez is a controversial political leader, but it's difficult to fault his decision to provide low-cost heating oil to 45,000 needy families in Massachusetts. US Representative William Delahunt is using his contacts in Venezuela and throughout the state get through a costly heating season.

As a result of the agreement, Venezuelan-owned Citgo will distribute 9 million gallons of oil, via Citizens Energy Corporation, to more than 40,000 families in 200-gallon increments. Three million...

The Washington Post

THURSDAY, DECEMBER 8, 2005

Politics or Not, Bronx Warmly Receives Venezuelan Heating Oil

September the problem Venezuel over the Chavez's The Ven low-cost duced to chusetts f mer prose specialist,

By MICHELLE GARCIA
Washington Post Staff Writer

NEW YORK — A green Citgo tanker truck chugged up a hill with a grim view of tenement buildings, elevated subways and treeless sidewalks to deliver Venezuelan heating oil to a group of three is eligible for the dis-

ly tenants. Officials with Mount Hope Housing Co., Fordham Bedford Housing Corp. and VIP Community Services — which have organized tenants and rehabilitated low-

housing advocates expect that families, especially in the Northeast, will exhaust their benefits by Christmas.



Fuel pact defended at local signing

By Raja Mishra
GLOBE STAFF

Local legislators and Venezuelan officials yesterday vigorously defended an agreement that will bring discounted heating oil to more than 40,000 low-income Massachusetts residents courtesy of a Latin American leader engaged in an acerbic public campaign against President Bush and US foreign policy.

The deal, signed yesterday in a Quincy couple's front yard, will provide more than 12 million gallons of heating oil from Venezuela, with each qualifying household eligible to buy up to 200...



Bronx



Heating Oil Program Results Reviewed in the Bronx

In early April, CITGO hosted an assembly at the United Family Church in the Bronx, N.Y., which brought together representatives from eight northeastern states to discuss the outcome of the company's discounted heating oil program.

The heating oil distributed under the program went to thousands of households and hundreds of homeless shelters to help poor communities in areas of the country most affected by cold winters.

At the meeting, participants expressed their desire to travel to Venezuela to personally thank the Venezuelan authorities and people for the program.



The CITGO-Venezuela Heating Oil Program kept thousands of home fires burning and residents warm and safe during the winter of 2005-2006. Some statistics:

Number of states: 8	MicMacs, the Penobscot Indian Nation, the Houlton Band of Maliseet Indians and the Passamaquoddy Tribe)
Gallons: 40 million	
Recipients: 181,000 families/households (in addition to hundreds of homeless shelters serving thousands of residents)	
State-by-state totals	
Connecticut 4.8 million gallons, 24,000 families	Massachusetts 12 million gallons, 50,000 families
Delaware 1 million gallons, 5,000 families	New York (Bronx, Harlem) 4.6 million gallons, 5,725 families
Maine 9 million gallons, 50,375 families (includes four indigenous Tribes: the Aroostook Band of	Rhode Island 3.3 million gallons, 9,000 families
	Southwest Pennsylvania (Philadelphia and four surrounding counties) 5 million gallons, 25,000 families
	Vermont 2 million gallons, 12,000 families

Caracas



Heating Oil Recipients Travel to Caracas

The first phase of the CITGO-Venezuela heating oil program came to a conclusion as a delegation of 65 representatives of the different communities that benefited under the program visited Caracas in late April to personally thank President Hugo Chávez, CITGO's parent company PDVSA and the Venezuelan people for their generosity.

The three-day trip ended with a meeting at Miraflores Presidential Palace, where the delegation met with President Hugo Chávez and several members of his cabinet. At this gathering, the delegation was delighted to hear directly from President Chávez that, as a response to the letter they had written to him asking for the program to continue, it was going to be expanded and extended in order to help more US



Mrs. Linda Kelly, beneficiary from Massachusetts, reads a letter from all beneficiaries asking President Chávez to continue the program during the 2006-2007 winter season



families heat their homes during the next winter season. During their visit, the group also met with officials of PDVSA and the Ministry of Energy and Petroleum, the National Assembly, other national and local government representatives and community leaders.

The itinerary included a tour of the Fabricio Ojeda Community Center, located in the working class neighborhood of Catia, in Western Caracas. The former fuel distribution compound is now home to a textile factory, a footwear factory, a community health clinic and dozens of cooperatives that provide work to the inhabitants of the surrounding communities.

The group, pictured here at Plaza Bolívar, also toured the colonial downtown section of Caracas and visited a number of landmarks, including the birth house of South American independence hero Simón Bolívar.