

January 8, 2009

To: Condon Oil Companies Valued Customers

As most of you remember, it was a volatile fuel market the previous growing season. Those of you who purchased fixed contracts for that period saved substantial money on your fuel costs until the harvest season. As all of us have learned, the commodity market can be very unpredictable. Who would have projected that oil prices would drop more than \$100.00 per barrel from July to December 2008.

We are constantly evaluating the future fuel markets in an effort to secure the best possible pricing for our customers. At this time, we will be offering daily competitive prices and payment options for your diesel fuel needs from January 1, 2009 through December 18, 2009. The options on the contracts are available for a minimum purchase of 500 gallons or more.

To summarize your fuel purchasing options, we are offering you the following:

1. Fixed price contract buying. This option has a nonrefundable program fee of \$0.20 per gallon paid in advance. The program fee is used towards the contract fuel at \$0.20 per gallon during the farming season. Any unused program fee at the end of the farming season is nonrefundable. The contract price is locked into a specific price and volume. The product is paid for during or after the delivery, with Condon Oil Company's credit department approval. If the product is paid for within 5 days after the delivery a cash discount of \$0.02 will be given. This fixed price is used as Condon Oil's base price before the cash discount and without any volume discounts.
2. Fixed price installment payment plan. This option offers you the opportunity to have a fixed price for a specific volume of fuel in a specific time period. The payments are six equal payments 1st payment due at signing January 15, 2009 thru June 15, 2009. This option also offers a \$0.05 per gallon discount from the base price for paying by June 15, 2009.
3. Fixed price contract buying. You pay for your fuel in advance and have a fixed price for a specific volume of fuel in a specific time period, just like option #4. However, the advance payment is due March 1, 2009. This option offers a \$0.10 per gallon discount from the base price for paying by March 1, 2009
4. Prepaid fixed price contract buying. You pay for your fuel in advance and have a fixed price for a specific volume of fuel in a specific time period. This option offers a \$0.15 per gallon discount from the base price for paying in advance; at the time the contract is signed.

Also this year we will offer gasoline at lock in prices from April 1, 2009 thru November 30, 2009. And once again clear on-road fuel will be available for the entire contract season.

If you prefer not to contract your fuel needs, you may continue with the traditional supply and demand way to purchase any diesel product based on the weekly posting price.

Please give us a call to discuss these various contract options and prices. You may call your delivery person, or call Marti Richter or Bob Reiser at 920-748-3186 or 800-452-1212.

We would like to thank you for your business and wish you a prosperous year.

The Staff & Management of Condon Oil Company

