



To Our Valued Customers:

The cost of fuel has drastically increased over the last two years, making this a serious issue for all businesses. Since Fall 2007, Yarde Metals has seen the cost of diesel fuel increase by 72% per gallon, which equals a 30% increase to fuel expenses.

In continuing to operate at a high level of quality and service, Yarde Metals has attempted to manage these increased fuel costs at no extra cost to our customers. However, as costs continue to rise, we can no longer absorb the added expense.

As of July 2008, a Fuel Surcharge will be applied to each delivery. This surcharge will be regionalized in order to reflect the market prices of fuel costs in our various geographic locations. The minimum Fuel Surcharge is \$3.00 per delivery. The formula we will use to calculate the surcharge is as follows:

For every \$0.10 cent increment increase in the current cost of fuel over a base of \$3.00 there will be a \$0.001 per pound charge. In our various delivery locations, the average cost of diesel fuel, as published by the Department of Energy, will be used as the current cost in the formula. The average prices will be updated weekly so that any decrease in fuel will also be reflected immediately.

For example, the average fuel price in New England for the week of 6/23/08 was \$4.83 per gallon. Rounding to the nearest tenth, the price of \$4.80 per gallon will be used as current cost. To calculate the surcharge, you'll see that \$4.80 is 18 times above the base of \$3.00, which would reflect a surcharge of \$0.018 per pound. If your order's total weight is 200 lbs, your surcharge would be \$3.60. The maximum Energy Surcharge is \$25.00 per order.

Our new Fuel Surcharge will only be used on orders that are delivered on Yarde Metals' trucks. Please feel free to visit the Department of Energy's website at <http://tonto.eia.doe.gov/oog/info/gdu/gasdiesel.asp> to keep current on fuel prices in your area.

We value you as a customer and look forward to continuing to service your business needs.

Thank you:

A handwritten signature in black ink, appearing to read 'Matt Smith', written over a light-colored background.

Matt Smith
Chief Operating Officer