



- Industrial Gases & Welding Supplies
- Welding Equipment Repair & Rental
- Bulk & MicroBulk Gases
- Specialty Gases
- Beverage Gases

September 15, 2008

Dear Valued TWSCO Customer,

It is our sincere hope that your company and employees are safe in the aftermath of Hurricane Ike. Unfortunately, the catastrophic damage caused by this storm is putting a strain on product supply. The Deer Park and LaPorte plants from which we are supplied Oxygen and Nitrogen are without power and have sustained damage to essential equipment due to Hurricane Ike. Per the attached Praxair letter, TWSCO has been put on 50% allocation on oxygen and nitrogen effective September 15, 2008. In addition, there is a contingency fee for product delivered during this time. Contingency pricing will be \$0.30/CCF for nitrogen and \$0.27/CCF for oxygen more than the price for product currently delivered to your facility. We are simply passing this contingency fee on per the attached letter.

TWSCO has taken numerous steps to be 100% operational during this challenge. After hurricane Rita, we purchased a generator to power our entire North Freeway facility. This includes our fill plant, store front, and call center. The generator consumes 150 gallons of diesel fuel per day. Power is not expected in that area until late next week. This investment has paid tremendous dividends to our customers. Without it we would be challenged to offer our services without power. In addition, we are utilizing our microbulk delivery transports to secure product from other markets as we weather this shortage. We are sending transports to pick up product in Dallas currently to secure product for our customers. Again, this comes at a cost through transportation costs, overtime pay, and paying a premium for product that we purchase from alternative sources outside of our market.

Due to these factors, effective September 15, 2008, TWSCO will implement a temporary contingency delivery fee of \$25.00 per delivery on all products delivered over your current delivery charge.

We hope these contingencies will be removed quickly with the return of power to our area over the coming weeks. We appreciate your business and please feel free to contact your sales representative or myself if you have any questions or concerns.

Sincerely,

J. Blake Felton
Vice President, Sales

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