



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

October 30, 2007

Dear Valued TWSCO Customers:

TWSCO is committed to providing our customers with unmatched customer service and product offerings for the industrial and specialty gas industry. Our 25-year history of meeting and exceeding our customer's expectations continues to be the principal goal throughout our organization.

Today's economic environment continues to be challenging. Our industry has undergone extraordinary events that make it necessary for TWSCO to increase pricing to all customers effective November 30, 2007 by the following:

- 15% for all gases except helium
- 30% for helium and helium mixes
- 15% for cylinder rental and facility fees
- \$12.50 to \$15.00 Shipping / Handling / Hazmat Charge

This increase is being driven by extremely tight product availability and high demand for industrial gas products, combined with unprecedented increases in raw materials costs. These costs are due to increased energy costs, higher operating costs, including rising utility and labor costs, stringent regulatory requirements, continued increases in auto and general liability insurance, employee benefits costs, rising fuel prices, property taxes, and the new margin tax that goes into effect this year. In addition, daily cylinder rental and facility fees will be increased accordingly due to increased costs associated with new equipment purchases, maintenance, and re-qualification.

I want you to know that TWSCO is making every effort to insure un-interrupted product supply while closely monitoring all of our costs so that we may minimize the impact of price adjustments to all of our customers.

Thank you for the business you have afforded us and the confidence you have shown in our company and our employees. Should you have any questions about this price adjustment please feel free to contact your sales representative or myself.

Sincerely,

Scott B. Chenoweth
President

Corporate & Mailing Address: 5515 W. Richey Rd. Houston, TX 77066-3328 (281) 880-4200 (281) 880-4300 fax

North Freeway
10210 I-45 North
Fax: 281- 880-4301

Federal Road
1806 Federal Road
Fax: 281-880-4302

Hempstead Highway
12430 Hempstead Hwy.
Fax: 281-880-4303

Best People... Best Products... Best Service... SIMPLY THE BEST!