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October 2, 2008

To All Distributors:

As you all know, steel prices have been unstable for the last couple of years. Since January 1, 2008, we have had 5 price increases on DOT and ASME cylinders. The last 3 months have seen a price increase the first day of each month and it goes into effect the day that we get notice from the manufacturer. The price increases that we have incurred this year have not been small increases. They have ranged anywhere from 4-9% per increase. Therefore, we are forced to change the way we have supplied pricing to all of you for the last 20 years. While we realize that this makes it very difficult to quote certain products, we're in the same boat as you are. We don't know what our price will be from month to month.

Effective November 1, 2008, you will need to call our office for pricing on storage cylinders and anything that has storage cylinders in it. The .PDF files on the enclosed CD are exactly the same as our pricelist dated June 15, 2008 except that the prices have been deleted on pages 2, 3, 4, 10 and 11. **ALL of the other prices in the price lists have remained the same.** When quoting anything with storage cylinders in it to your customers, you should take into consideration that the pricing in effect today is most likely going to be higher in 30 days. **If** what we have seen so far in 2008 continues, our cylinder pricing could possibly change the first or second week of each month.

We are working on putting the current pricing on our web site at www.scbas.com . We will soon have Suggested List Price and Distributor Cost .PDF files of the pricelists' with prices in them available for you to download. Once we have them on the web site, we will keep them updated as prices change. We hope to have this up and working by October 15, 2008. The Suggested List Price list will be available to anyone who wishes to download it. To download the Distributor Cost pricelist, you will need to call our office to obtain a user name and password. Once you have your password, you should check our website often for updates.

Please either check our web site or call us for pricing before quoting systems or individual cylinders as we anticipate pricing will change frequently.

Also, we are in the process of building a database of e-mail addresses that we will send updated prices to. Please e-mail us the e-mail address for the person that you would like new pricelists to be sent to so that they can distribute them within your organization. We will e-mail new pricing only to the address that you provide us with. If you do not provide an e-mail address, we will not be able to send the updated pricing. Please send address to scbas@omnilec.com .

Sincerely,

A handwritten signature in cursive script that reads 'Ken Means'.

Ken Means, President