



April 25, 2019

To our valued customer,

Thank you for being a proud partner of SCL.

This letter is to update the previously announced 6% price increase for all major oil manufactures that was to be effective May 6, 2019. Now effective May 29, 2019, there will be an additional general price increase of up to 14% on all finished lubricating oils, gear oils and greases. As a service to our customers, however, we are extending the period leading up to the price increase by an additional few days to June 3rd, 2019.

This additional change in price is related to a higher than expected increase in the cost of raw materials that impact the manufacturing of lubricant products. On June 3rd, 2019, SCL will increase all major branded and unbranded oil products by a like percentage, and in an effort to meet all of our customer's needs and requests, we encourage you to place orders as early as possible to benefit from current price levels.

We recognize that these changes will impact your business, so we will make every effort to offset this increase in any way possible, and we remain committed to providing our customers with the highest quality products and outstanding customer service at competitive prices. You can locate most major oil manufacture price letters by visiting our **SCL Expert Insight Blog**.

If you have any questions, please contact your sales representative, and as always, we thank you for your continued business and appreciate the opportunity to serve you.

Sincerely,

Richard Bechtel  
President

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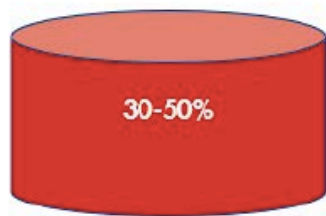
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As part of the **Shell Lubricants 2019 US Market Conditions Report**, we have included this helpful illustration that breaks down the lubricant cost component by percentage for each barrel of oil - Base oil, additives, transportation costs, packaging, blending and filling.



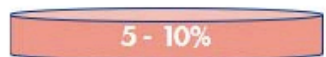
**Base Oil:** US\$ based and sensitive to fluctuations in world markets. Driven by ICIS-LOR quotations.



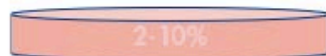
**Additives:** US\$ based and sensitive to fluctuations in world markets for chemicals.



**Transportation:** Local cost impacted by local inflation and market conditions.



**Packaging:** Local cost, although prices sensitive to world markets for Steel, Plastic, Paper.



**Blending & Filling:** Local cost of the Lubricants Oil Blending Plant (impacted by local inflation etc.).

\* In addition, also have R&D costs, OEM approvals, Quality control, and trial testing.

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