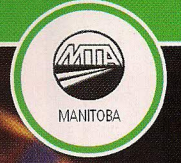
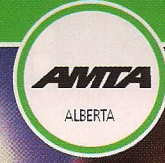


WESTERN CANADA **HIGHWAY NEWS**

SUMMER 2006



New Age Engines & Fuels

*the future
is now*

INSIDE:

News from Tire Makers

Fuel management delivers cost savings

When **Jack Lee**, President and CEO of 4Refuel Canada started his company over 10 years ago, he never dreamed he'd be in the fuel management business. "We started as Mini-Tankers, and all we did was deliver diesel fuel to clients at their job sites. It was a simple concept we'd seen working in Australia. We eliminated the down-time associated with refueling, saving our clients labour costs."

Today, 4Refuel has over 6,000 clients across Canada in all industries. Clients include Coca-Cola, CN Rail, Tim Horton's Group, Brinks, FedEx, The Brick and PCL Construction. Each year, the company has seen double-digit growth and has been identified as one of Canada's fastest growing companies by *Profit 100*. This year, 4Refuel will manage over 170 million litres of diesel fuel for its clients.

When asked about his company's staggering growth, Lee has a brief reply: "Our clients. Over the years our clients have told us what they need to fight the high cost of fuel, and we have delivered. Its not just price-per-litre. Companies were burning diesel fuel, but no one was managing it."

Lee started U-CON Systems Corporation, an affiliate company specializing in data capture and reporting. "U-CON's Fuel Management Online (FMO) gives our clients fuel consumption and operating data at the click of a mouse. When you know how much fuel each piece of equipment is using, you can start to manage it. We deliver reports directly to our client's desktop via the Internet. Now, we're taking it to the next level with Positive ID and Radio Frequency Telematics."

CUSTOMIZED FUEL MANAGEMENT SOLUTIONS

On-location diesel fuel delivery and data capture is the core of 4Refuel's business. However, the company can provide fuel management services to clients who refuel on their own. Jack Lee adds, "We customize a solution based on our client's needs. If a company uses its own trucks, a card-lock or refuels from its own storage tanks, we can still provide data capture and reporting. Getting fuel in the tank is only half the job. Managing its use is the other half. Our proprietary software measures key operating data, from fuel economy, idling time, equipment productivity, and hard revs to excessive speeding."

Once all units are achieving the company standards, thresholds can be further adjusted online allowing aggressive reduction of idling time, resulting in more savings!

This Fuel Management Solution is available for all size fleets, big or small. The example below is for a company with only nine trucks:

SUMMARY:

In this example, idling time was reduced by 10% and excessive speeding was cut by 2%. For this fleet of nine trucks, it resulted in a saving of over \$1,000 per month! When larger fleets take advantage of 4Refuel's Fuel Management Solutions, the results can be even greater. Lee concludes, "That money goes to the bottom line, as gross profit. For many companies, fuel is the second highest cost next to labour. If you manage your fuel better, profits should increase!"

CLIENTS ARE GETTING POSITIVE RESULTS

The company has received hundreds of referrals. **Sharon Lutes**, General Manager at Mid-Ontario Disposal, wrote, "4Refuel (has) initiated and implemented procedures that have saved our company thousands of dollars."

Stel-Marr Concrete Ltd, Edmonton Alberta, has been a client for over 4 years. Safety and Operations Manager **Joe Carter** elaborates: "(4Refuel) provided us with steady on-site fuel delivery, allowing us to decrease our labour costs and increase our productivity. Your Fuel Management Online Program is a fantastic, user-friendly tool. It stores our fuel consumption and allows us to manage our diesel usage by mixer truck-yearly, monthly and daily."

New clients also find 4Refuel's Fuel Management Service a valuable asset: "For nine months, (we) have been using 4Refuel. You have provided us with prompt, scheduled fuel deliveries. We have begun using your Fuel Management Online to monitor our fuel consumption and operating data. The service you provide has developed into more than just on site refueling; it has become a complete Fuel Management Service," writes **Rene McKale** and **Tammy Hegeland**, from Flint Energy Services of Sherwood Park, Alberta.

"Refueling delays are no longer an issue," adds **Colin Reid**, Dispatch Manager, CCT Logistics in Brampton, Ontario. "In addition, my ability to monitor fuel consumption by unit, by day/month was a time consuming and sometimes overlooked reporting procedure. (The) Fuel Management On-line Program (FMO) is a great fleet management tool that I find extremely useful in my day-to-day reporting/monitoring procedures. Fuel audits will be a snap. Our accounting personnel love the system as well."

Hugh Cairney, Fleet Supervisor at Coast Paper Mississauga Ontario notes, "With the instability of fuel pricing, accurate fuel

Assumptions: 9 Trucks in Fleet • Average Km's/Truck/Month 2,667 • Average Fuel Price (\$/Litre) \$1.10

| Month | Month 1 | Month 2 | Month 3 | Total Reduction |
|---------------------------|---------|---------------|---------------|-----------------|
| Idling (%) | 38.65 | 33.57 | 28.58 | 10.07 |
| Excessive Speeding (%) | 13.13 | 13.53 | 10.91 | 2.22 |
| Fuel Economy (L/100 Km's) | 45.07 | 43.35 | 42.79 | 2.28 |
| Fuel Savings (Litres) | | 412.85 | 547.27 | 960.12 |
| Fuel Savings (\$) | | 454.14 | 602.00 | 1,056.13 |

management is becoming increasingly important to help manage our costs. 4Refuel's capabilities are unique and truly best-in-class. (Your) Fuel Management Online is an incredibly important tool that allows us to manage all fuel consumption and operating data for our equipment and personnel...all on-line."

INCREASED DEMAND = NEW FRANCHISE OPPORTUNITIES

"Fuel Management is a new industry, demand is growing fast, and no one else can do what we do for our clients," says Lee. "In a recent survey, we've identified upside potential for our services four-to-five times what we had initially expected. To meet this demand, we're offering new multi-unit franchises." In the past, franchises were offered on a single tanker truck, per territory basis. Lee points out, "Today we are selling our proven franchise model to attract multi-unit operators who are interested in building and supervising a long-term business. We are looking for successful people who understand business and want to build their own successful company with 4Refuel. Multi-unit franchisees are independent operators who will manage their franchised territory with as many tanker trucks and employees as needed. We are recruiting new franchisees now and offering a \$5,000 cash reward for referrals. Who do you know?"

New franchisees must possess experience, skills and the desire to operate, manage and supervise their own business for long-term growth. "One of our newer franchisees is **Rejean Labrecque** in Montreal West, a former Fleet Manager for Bell Canada. He was a customer and saw the potential in becoming a business owner in a growing industry," notes Lee.

Markets identified for growth include BC and Alberta, (Fort McMurray, Grande Prairie and The Kootenays), Ontario, Quebec

and Atlantic Canada. Most territories come with an existing client base.

"4Refuel Franchised Operators receive hands-on training, powerful sales and marketing tools, support with a professional sales team. We also offer invoicing and collection services and there are no royalty fees," concludes Lee. ■

Jack Lee, President and CEO

