



May 21, 2008

Dear Valued Customer,

As we are all aware, the price of oil has reached unprecedented levels over the past three months. The most direct impact is on the cost of transportation for the products and materials required by businesses in all industries. Chemical Lime will continue to invoice the actual fuel surcharge costs from the carriers who transport our products.

However, the price of oil also affects the cost to produce the products in many industries. The Lime Industry is very energy intensive, and the run-up in oil prices is having a profound impact on the cost of producing lime, including diesel fuel for mining, explosives, lubricants, steel, fuel surcharges for our inbound products and other necessary supplies and materials.

As a result, Chemical Lime finds it necessary to implement an Energy Surcharge on all lime products effective June 1, 2008.

Chemical Lime's Energy Surcharge will adjust each calendar quarter using published WTI spot oil prices that are readily available on-line. This can be found on line at: <http://tonto.eia.doe.gov/dnav/pet/hist/rwtcM.htm>

- The oil price to be used for the quarterly adjustment will be the average price per barrel for the three months prior to the quarter, less one month. (i.e., 3rd quarter oil price (July, Aug, Sep) will be the average of March, April, and May price per barrel)
- The base price will be \$86.83 per barrel. This is the average for September, October, and November 2007.
- The energy surcharge will amount to \$.30 per ton of lime for each \$1 of the oil price above \$86.83.
- The Energy Surcharge for the month of June is calculated using the average oil price per barrel for December, January, and February, (which is \$93.35 per barrel) and comparing that to the base price (\$86.83).
- The Energy Surcharge for June will be \$1.96 per ton ($\$93.35 - \$86.83 \times \$.30$).

The Energy Surcharge will be shown on our invoice as a separate line item and will be included in the total amount due. When a change occurs, you will be notified a minimum of 15 days prior to the start of the next calendar quarter to allow time to adjust the surcharge in your accounts payable system.

We regret having to implement this surcharge, but we find it necessary in the face of these unprecedented cost increases. Rest assured that Chemical Lime is acting responsibly to mitigate the impact of energy prices in our operations.

We appreciate your business and your cooperation during this difficult time. If you have any questions regarding this implementation, feel free to contact your local Chemical Lime sales representative.

Sincerely,

Mike Eliassen
Senior Vice-President, Sales
Chemical Lime Company