

FRONTIER OIL

PO Box 358
S China, ME 04358
207-445-5222

Price Protection Plans for 2010-2011

While the volatility of the global petroleum market has increased the cost and complexity of procuring price protection, **Frontier Oil** remains committed to providing the security offered by these programs. This year we have developed three programs –two fixed price plans for #2 fuel or Bioheat, and one budget plan (cash price) for K-1 or 50/50 – as outlined below.

1. Fixed Price Pre-Buy Plan for #2 Fuel or Bioheat:

You purchase your fuel needs in advance and your price is locked in at \$2.799 gallon for those fuel gallons purchased. Enrollment and payment is due at time of enrollment to qualify for this price. The 2010-2011 plan runs from August 15th thru April 30th. Under this plan, your price remains fixed it will not go up or down, regardless of market conditions.

2. Budget Fixed Price Plan for #2 Fuel or Bioheat:

Your price is locked in at \$2.899 gallon for those fuel gallons purchased. The 2010-2011 plans runs from August 15th thru April 30th. Under this plan, your price remains fixed it will not go up or down, regardless of market conditions. This fixed price plan requires enrollment in our **Budget program**.

3. Budget Plan for K-1 or 50/50:

Under the **Budget program** your heating fuel will be delivered at our daily cash price at the time of delivery. Your budget payment is based on an estimated cash price for the 2010-2011 season.

4. Easy Auto Pay

Under the **Easy Auto Pay program** your heating fuel will be delivered at our daily cash price at the time of delivery. Frontier Oil will automatically charge your authorized debit/credit card or checking/savings account the amount you see on your oil delivery ticket within 3 business days from the date of delivery.

***Budget program-**the customer will pay 10 equal monthly payments on the 1st of the month starting on July 1, 2010 and continuing until April 1st, 2011. ALL PAYMENTS MUST BE RECEIVED BY THE 7TH OF EACH MONTH.

If the fuel oil gallons are not consumed on or before **April 30th, 2011** and the retail price is **at or above** the contracted price on such date, any credit balance will remain on your account. Should the retail price drop below the contracted price on **April 30th, 2011** any unused gallons purchased under this agreement will be bought back by **FRONTIER OIL** at the daily cash price effective **May 1st, 2011**. The difference will be automatically deducted from your remaining credit balance. For example: If you contract for 800 gallons at \$2.849/gal and after the last delivery in April, you have 100 unused contract gallons left. If the daily retail price on May 1, 2011 is \$2.399/gal, \$50.00 would be deducted from your credit balance. $(\$2.849 - \$2.399) = .50 \times 100 \text{ gals} = \50.00

Call or stop in soon, our staff is available to assist in determining which program may be best for you. Enrollment in the above programs require enrollment in our **Automatic delivery program**. Minimum purchase required of 400 gallons.

*****YOUR COPY TO KEEP*****

FRONTIER OIL & PROPANE

2010-2011 Contract for Gallons

To sign up for one of this year's price protection plans; simply indicate the plan of your choice by checking off the appropriate box. Please provide your name and address, and sign the contract at the bottom. Gallons are limited and prices are subject to change, so act now.

Plan 1: Pre-Buy Fixed Price Plan – Fuel oil will be priced at \$2.799 /gallon from August 15th through April 30th. Minimum purchase is 400 gallons and automatic delivery is required. The price remains fixed only for the term and the amount purchased.

Fuel Type: #2 Fuel Bioheat

Plan 2: Budget Fixed Price Plan – Fuel oil will be priced at \$2.899 /gallon from August 15th through April 30th. Minimum purchase is 400 gallons. Budget payment program and automatic delivery are required. The price remains fixed only for the term of the contract and the amount purchased. 10 month Budget plans start July 1.

Fuel Options: #2 Fuel Bioheat

Payment Options: Direct withdrawal (EFT) from your checking/savings account or credit/debit card (requires authorization form)

Monthly payment by cash, check, money order, credit/debit card. Coupon book included.

Plan 3: Budget Plan for K-1 or 50/50 – Your fuel purchases will be delivered at the daily cash price at the time of delivery. Minimum purchase is 400 gallons. Budget payment program and automatic delivery required. 10 month Budget plans start July 1.

Payment Options: Direct withdrawal (EFT) from your checking/savings account or credit/debit card (requires authorization form)

Monthly payment by cash, check, money order, credit/debit card. Coupon book included.

Plan 4: Easy Auto Pay – The prices for your fuel purchases will be determined by our daily cash price at the time of delivery. Your credit card number or checking/savings account number and information are required and automatic delivery is required (authorization form required)

Automatic delivery program-Frontier Oil will deliver your fuel automatically; frequency is based on your prior usage. All delivery dates for Automatic delivery are at the sole discretion of Frontier Oil including final delivery in April. Automatic delivery customers are responsible for suspending or discontinuing the deliveries when their fixed price gallons are gone. Otherwise, we will continue deliveries at our posted cash price until you notify us to discontinue delivery. Frontier Oil reserves the right to disallow deliveries of fixed price gallons prior to August 15th and after April 30th. Frontier Oil discourages overestimating gallons needed. Please also consider number of gallons or payments received from MSHA(Fuel Assistance), Citizens Energy, or any gift certificate gallons purchased from other companies.

*All deliveries for contracted gallons will be made only to the residence securing the contract. If the fuel oil gallons are not used up on or before **April 30th, 2011** and the retail price is **at or above** the contracted price on such date, any credit balance will remain on your account. Should the retail price drop below the contracted price on **April 30th, 2011** any unused gallons purchased under this agreement will be bought back by **FRONTIER OIL** at the daily cash price effective **May 1st, 2011**. The difference will be automatically deducted from your remaining credit balance.*

*In signing this agreement, I/we agree to purchase fuel oil exclusively from FRONTIER OIL until the gallons described herein are satisfied or until final delivery is made in April, whichever comes first. **FRONTIER OIL** is not liable to this contract for circumstances beyond our control such as Natural Disaster, Terrorist Attack or other Supply System Failures.*

Customer Name: _____

Address: _____

Contact Phone: _____ Contracted Gallons _____

Customer Signature: _____ Date: _____

Return to our office at your earliest convenience. Contract not valid until received back in our office.

For Company Use Only

Date Cont. Sent _____ Initials _____ Date Cont. Rec'd _____ Initials _____ Processed by _____

Acct # _____ Last Delivery _____ Area _____ Pmt Type EFT Check Cash CC/Debit