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May 1, 2018

Dear Valued Customer,

Biodiesel Seasonally Available at Petro-Pass™ Sites in Northwestern BC Market

Starting June 1st 2018, we will be introducing diesel at select Petro-Pass locations in the Northwestern BC Market that **may contain up to 5% Biodiesel from the months of April to September**, going forward.

Petro-Canada™ has initiated this change to help continue to meet the regulatory mandates related to renewable fuel content and reducing green-house-gas emissions of transportation fuels in British Columbia.

Our records indicate that you have made fuel purchases in the recent past at one of our locations and/or have had fuel delivered to one of your sites; As a valued customer of ours, we wanted to inform you of this upcoming change.

To prepare for this change, you must arrange to have new diesel filters installed on any storage tanks prior to June 1st, 2018.

Water does not separate as well from biodiesel as compared to the conventional Seasonal ULS diesel that you are getting year-round today. Biodiesel may also absorb free water from the bottom of storage tanks and pass it on to the dispenser filters and on to the customers. Therefore, **it is imperative that the storage tanks be kept dry**. Wet biodiesel may plug filters; This means that tanks must be dry & clean before biodiesel is first delivered.

It is also important for you to be aware that all diesel vehicles sold today are manufactured to be compatible with up to 5% biodiesel; Please refer to your owner's manual for pertinent information or manufacturer specifications.

Please ensure that this letter is passed on to the appropriate person(s) within your home or company; we encourage you to contact us with any questions and/or concerns you may have. Additionally, we have enclosed a list of Frequently Asked Questions regarding biodiesel for your information.

Thank you for your attention to this upcoming change-

Sincerely,

Doug Ames, President
NORTHWEST FUELS LIMITED

Attachment: FAQs

FREQUENTLY ASKED QUESTIONS REGARDING BIODIESEL

1. Why has Petro-Canada decided to introduce biodiesel into its diesel sold in Northwest Market?

Biodiesel helps to meet the regulatory mandates related to renewable fuel content and reducing green-house-gas emissions of transportation fuels. In British Columbia, Petro-Canada will be expanding the use of diesel from April through September that may contain up to 5% biodiesel, at select locations in British Columbia.

To find out more information, please visit:

<https://www2.gov.bc.ca/gov/content/industry/electricity-alternative-energy/transportation-energies/renewable-low-carbon-fuels> (BC Renewable & Low Carbon Fuel Requirements Regulation)

2. What sorts of changes will have to be made to my storage and pumping equipment in order to accommodate biodiesel?

It is essential that storage tanks be clean and dry before receiving a delivery of biodiesel and dispensers be equipped with suitable filters. All tank equipment, above or below ground will need to be fitted with special filters prior to June 1st, 2018. It is your responsibility to ensure this filter change is completed on any storage tanks that you own prior to the conversion.

3. Will there be any impact to my fleet or equipment?

We do not expect that there will be an impact to your fleet as a result of using 5% biodiesel. All diesel vehicles sold today are manufactured to be compatible with 5% biodiesel. For information on maintenance practices for your specific model and year please consult your Owner's Manual or contact your OEM (Original Equipment Manufacturer).

4. When will these changes all take place?

Petro-Canada will seasonally sell biodiesel in the Northwest BC Market starting June 1st, 2018. It will be available only from April through September going forward.

5. What is the difference between conventional Diesel and a Biodiesel Blend? What are some of the operational considerations that we will need to action?

A 5% biodiesel blend emits less greenhouse gases compared to a conventional diesel (100% petroleum) but does require additional operational considerations to avoid potential complications.

Some operational considerations for the conversion to biodiesel are:

- a) Water does not separate as well from biodiesel. Biodiesel will also absorb free water from the bottom of storage tanks and pass it on to the dispenser filters and on to the customers. It is imperative that the storage

tanks be kept dry. Wet biodiesel may plug filters. Tanks therefore must be dry and clean before biodiesel is first delivered.

- b) Biodiesel is not compatible with cellulose type filter media, also called paper filters. After some time the contents of cellulose filters will begin to dissolve. Therefore, only glass fiber filters that are compatible with biodiesel should be used.
- c) Biodiesel is a better solvent than regular diesel and this can lift debris from tanks that it is stored in; If the storage tanks are dirty they must be cleaned prior to conversion to biodiesel. This solvent action may lead to dispenser filter plugging or customer filter plugging.
- d) Biodiesel may contain glycerides and components that may separate out in cold weather. These components need to be filtered out. Use only 10 micron or better filters on fuel dispensers.
- e) Biodiesel is not compatible with most paints. Therefore biodiesel spilled on finished painted surfaces must be cleaned off immediately or the paint may be lifted by the solvent action.

6. Do all fuel providers in British Columbia use biodiesel?

Availability of biodiesel blends varies by company. All producers/importers of diesel fuel in British Columbia are required to comply with the BC Renewable & Low Carbon Fuel Requirements Regulation. The market, bio-based blends, timeframe and infrastructure may vary by company.

7. Will switching back and forth between diesel blended with bio-components and diesel without bio-components have an impact on my storage equipment or fleet?

No, this will not impact your storage equipment or fleet. Please consult your Owner's Manual or contact your OEM (Original Equipment Manufacturer) for more information.

8. Which Petro-Pass locations will have up to 5% biodiesel content between April to September?

As of June 1st, 2018, Petro-Canada will be initiating this change at Petro-Pass locations in the Northwest BC area in order to streamline this market with the provincial changes. You are receiving this communication as your fleet has purchased diesel at one of these locations, or your company has had diesel fuel delivered over the past year.

The Petro-Pass locations that have initiated this change will feature a decal on the pump. The decal will indicate "*may contain up to 5% biodiesel*".

9. I travel a lot. Will switching back and forth between diesel blended with bio-components and diesel without bio-components have an impact on my fleet?

No, this is will not impact your fleet. Please consult your Owner's Manual or your OEM (Original Equipment Manufacturer) for more information.