



Warm thoughts

from **STAFFORD**
OIL COMPANY, INC.

fall 2008

PERSONALLY SPEAKING

straight talk about oil prices

Dear Friends,

The rapid decline in crude oil prices is very good news, and most of our customers are already benefiting.

Our delivery price has declined almost \$2 a gallon since midsummer. If you enrolled in our Easy Pay or our Capped Pay budget programs, you are benefiting fully. However, if you locked in a pre-buy fixed rate, you probably wish you had made a different choice.

I wish there was some way that everyone could always come out ahead, but we can't go back and undo our fixed price contracts.

We are required by New Hampshire law to secure futures contracts within seven days after we sell you pre-buy gallons to ensure that we have purchased enough oil for all of our pre-buy customers. We contracted with our suppliers for fuel at the best rate that was available at the time, and we can't renege on those obligations.

Hindsight is 20/20. When pre-buy customers signed up for their contracts, prices were headed for record highs. If we had all known that oil prices were about to drop, customers could have held off as long as possible to examine all of their options before signing up for pre-buy. Likewise, we would have either held off or perhaps not offered pre-buy. But that is something that neither I nor anyone else could have predicted.

No single approach always works best when it comes to buying your oil; there



Charlie Stafford president

are just options that come with trade-offs. Last year, locking in your oil price would have saved you the most, with a price cap coming in second and paying the retail price third. Two years ago, the opposite was true. And this year—well, that story is still being written.

Perhaps you think this is easy for us to manage, or that we should be able to anticipate every turn the world energy market takes.

The truth is, these programs are extraordinarily challenging to run when fuel prices are so volatile.

Every decision we make, and I mean every one, includes a discussion of how it will impact our customers. We try to do things the right way,

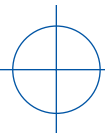
protecting our customers so that they get what they asked for. My hope is that you will see this clearly, and know that no matter what happens in any particular year, or with any particular program, you benefit from having a company like ours on your side.

All we need to do is look around and see the crisis that occurs when people go chasing the best returns, with little regard for safety and risk. Count on us to play it safer for you.

Warmly,

Charlie Stafford
President

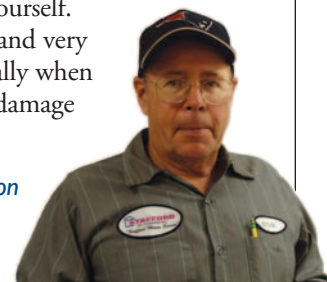
ask the expert



Q: *I'm worried about losing heat while I'm away from home. What precautions can I take?*

A: You need a low temperature alarm. If the temperature drops too low while you are away from home, the device dials up to three phone numbers to alert you, family members or friends. You can program the device remotely or call in to check the temperature for yourself. It's easy to install and very affordable, especially when you consider the damage it can prevent.

For more information call us today at (603) 524-1480



Bob Terrio
assistant service manager

community corner

On Oct. 19, a team from Stafford Oil participated in the "Making Strides for Breast Cancer" walk. Last year, our "Charlie's Angels" team (see photo below) raised \$2,000 for the fight against breast cancer. Thanks to this year's team and everyone who supported them!

