

December 21, 2009

To:

Consumers, Distributors and Resellers of products manufactured and or distributed and sold by Maxim Petrochemical Corporation, dba Maxim Metalworking Lubricants Co., dba Maxim Oil & Chemical Co.

Subject:

Regulatory notification concerning California's Phase 1 of regulation to reduce Volatile Organic Compound emissions (VOCs) from metalworking fluids(MWFs) and Rust preventives (RPs) in the Los Angeles basin in an area referred to as California's South Coast Air Quality District(AQMD). The regulatory governing body (AQMD) has adopted Rule 1144 which can be found at: <http://www.aqmd.gov/rules/reg/reg11/r1144.pdf>

I will be happy to forward a pdf copy via email by request.

Notification / Information:

Please find the following information to be offered as notification in accordance to the recently adopted California's Rule 1144 which effectively regulates or bans the use of two classes of vanishing oils / metalworking fluids and rust preventives on basis of "flash point" and "VOC" content. Notification specific to Rule 1144; Part (d); Sub-Part (2), (A,B).

Product Status- The following Maxim products may exhibit a flash point at or below 200F and therefore will be subject to the Rule 1144 ban after January 1, 2010, as well as subsequent fines of up to \$25,000 per day after June 30, 2010. These products should not be shipped to, sold to, or used within the described Los Angeles Basin. There is a sell-through period from January 1, 2010 through June 30, 2010 in which product manufactured prior to January 1, 2010 can be used without penalty.

-Duracote PC 10	Item No. 06410	-Duracote T846	Item No. 06846
-Duracote 307	Item No. 06607	-Duracote T896	Item No. 06847
-Duracote 307H	Item No. 06608	-DuracoteT20	Item No. 06848
-Duracote DT1	Item No. 06122	-Duracote T140	Item No. 06854
-Duracote DT1S	Item No. 06125	-Duratap TF 65-LK	Item No. 04178
-Duracote 317	Item No. 06617	-Duradraw HC Evap	Item No. 03310
-Duracote 344	Item No. 06621	-Duradraw 625	Item No. 03312
-Duradraw 50/20	Item No. 03315	-Durahone A	Item No. 04253

The manufactured date on Maxim's products appear within the Batch/lot/date number on the top and or side of each container. The last 5 digits represent the date manufactured.

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Example: J436- 36409 where "364" represents December 30 and "09" represents the year 2009. J437-00110, where the "00110 represents January 1, 2010.

It is expected that all metalworking fluids(MWFs), both water-based and oils based, as well as all rust preventives (RPs)regardless of their respective flash points will soon be subject to VOC requirements under Rule 1144 as well as Federal law by the year 2012. The critical issue is identifying a test method to measure VOC content in metalworking fluids and, potentially, other lubricants. Many of the products listed may be removed from the above list when specific testing methodology is adopted. The EPA, AQMD, and Industry Representatives are scheduled to meet again in mid January 2010. We expect a test a method similar to ASTM D2368 will soon be acceptable and all of Maxim's MWFs and RPs are being evaluated for VOC content regardless of flashpoint. Batch code registration has been made with AQMD and proper labeling and notification will be completed by January 1, 2010 per Rule 1144 for the products presently affected. Other products will be dealt with properly and responsibly as the federal 2012 requirements approach. Please take the time to familiarize yourselves with rule 1144 and the Fed 2012 requirements as they are far-reaching in industry affecting products from your WD-40 type lubricants, to sewing machine oil, to your synthetic water-based coolants and cutting oils.

I am certainly not an authority on this subject but I will be happy to share any information gained through our recent experience navigating these waters. Feel free to contact me. I have listed some publications and correspondence that is presently available.

<http://www.aqmd.gov/rules/proposed.html>

<http://www.aqmd.gov/rules/reg/reg11/r1144.pdf>

http://www.ilma.org/advocacy/letters/southcoast_airquality100308.pdf

<http://www.lngpublishing.com/LNGmagazine/index.cfm> (click current Dec. 09 issue, page 21)

Respectfully Submitted;

Lee Neves

Maxim Oil & Chemical Co.