

On the Road with Charlie Fanning



Charlie Fanning describes his work for Parent Petroleum "as the best job he has ever had."

Charlie Fanning has been a part of the petroleum industry for more than four decades spending the past 21 years as a Sales Representative for Parent Petroleum. He spends the bulk of his time on the road and in the field servicing the needs of his diverse customer base.

A Cincinnati, Ohio native, Charlie found his niche in the petroleum industry shortly after he graduated from Xavier University with a degree in economics. After some 17 years at Texaco, Charlie joined Parent Petroleum as the company's first salesman in 1983 - just one year after the company was founded.

"While I wasn't new to the industry Parent was," recalled Charlie. "Being a new company and getting established in a highly competitive market in the early 1980's was a challenge, to say the least." However, Charlie was just the kind of salesman Parent needed to help secure their place in the industry - knowledgeable, hard working, and dedicated.

"Under the leadership of Pete Mancini along with a core group of talented people, the company grew and kept growing into a well-respected operation providing the greater Chicagoland market and beyond with personalized service, competitive prices and quality petroleum products."

"There has been tremendous change in this industry over the past 40 years," Charlie pointed out. Of all the changes that Charlie has seen and been a part of during his tenure in this industry the one thing that has remained a constant is Charlie's love and commitment to his customers.

Brand News

By Joe Aliperta

BP: "Ford Recommends BP...."

...America's #1 Quality Fuel." Get consumers excited about the new cooperation between BP and Ford, with the new "Win with BP" promotion. Help sell more Amoco Fuel, and generate significant in-store traffic beginning November 2 through December 6 with this exciting promotion. Consumers simply purchase 8 gallons or

more of Amoco Fuel to receive a game card for the chance to win a 2006 Ford and gas for one year or \$5 in BP pre-paid gas cards!

CITGO: "Save 5% on Purchases for 60 Days"

Starting September 1 and running through the end of December, consumers who apply and are approved for the CITGO Plus card will enjoy a 5% savings on CITGO Plus card purchases made within the first 60 days. Dealers can expect to see increased consumer traffic with the 5% rebate on everything offered at CITGO branded locations.

CLARK: "Win \$1,000 of Clark Gasoline"

Clark Brands and MasterCard are teaming up this fall to give consumers the chance to win \$1,000 in Clark gas! Running from October 1 through November 30, customers who use their Clark MC at Clark locations will automatically be entered in a drawing to win one of 10 grand prizes. Be sure to have your POP material posted and plenty of credit card applications on hand for consumers. What a great way to promote the Clark MasterCard!

MARATHON: "\$25 Pre-Paid Card Incentive"

Marathon is pleased to announce that the \$25 pre-paid card consumer incentive has been extended through December 31, 2005. All approved Marathon MasterCard take-one applications from your store will instantly earn a \$25 pre-paid Marathon card after their first purchase using the Marathon Platinum MasterCard from Chase.

MOBIL: "Enhance your Marketing efforts."

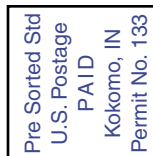
Take advantage of Exxon Mobil's RPM (Retailer Promotional Marketing) program and maximize your exposure and control your expenses all at the same time. This online service allows dealers to customize and purchase individual items (i.e., pumptoppers and pole signs), programs (i.e., collective group items and carwash clubs) and subscriptions (i.e., fuel and c-store waves). Help remind consumers that Exxon Mobil is much more than a quality fuel brand....and, that there's a lot more to offer at your station beyond the fuel pump.

PHILLIPS: "New Mystery Shopper Incentive"

Effective October 1, 2005, sites that average a score over 95% for three consecutive shops within one quarter will be rewarded by being evaluated quarterly instead of monthly. Dealers can take advantage of this offer by educating their employees on providing friendly customer service and a clean environment. Contact your marketing representative to generate a copy of the Phillips Mystery Shop checklist to ensure a greater score than 95% on your next evaluation.

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PARENT ADVANTAGE

"It's not aptitude, but your attitude that determines your altitude."

-Zig Ziglar

A Message from Pete Mancini

Let me begin by thanking you for your business and loyalty. The purpose of this letter is to provide you with a better perspective of what took place behind the scenes in the aftermath of hurricane Katrina, as it provides some perspective of the challenges we face in the supply and distribution of fuels in today's volatile environment. Two challenging conditions materialized as a result of the hurricane: huge price swings and product outages. Of course, jobbers have no control over prices which are established by the refiners, and the recent outages at our local terminals made it impossible for our carriers to deliver product at your convenience.

I have personally been involved in this business for over 30 years and have never experienced what took place during that period. Uncertainty about supply and fear of interruptions created price volatility unseen in the past. With the global tightness on crude oil and refining capacity (especially in the USA) any type of disruption, whether caused by a natural disaster or equipment failure causes price volatility. I am afraid to say that these conditions may be a recurring event.

Our objective has always been to give you unparalleled service, reliable supply, and competitive prices. The supply restrictions and allocations imposed by all refiners during this past hurricane season created outages and long lines at the terminals, making it very difficult for our carriers to perform the way we all expect them to.

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November 2005

At Work With Larry & Shirley Gibson



Larry, Shirley and their daughter, Shirley, behind the counter of Gibson's CITGO - a business mainstay in downtown Phoenix, IL.

Larry and Shirley Gibson, owners of Gibson's CITGO, describe their work as a "labor of love." In the small village of Phoenix, IL, just south Chicago, Gibson's CITGO is this community's most established family owned and operated business.

Located in downtown Phoenix, in an area that would be referred to as "economically depressed," Gibson's CITGO has managed not only to survive but also thrive. Over the past three decades, Larry and Shirley have kept alive a neighborhood business in the petroleum industry while most others have long since closed. Not too bad for a couple who are in their seventh decade of life.

Larry and Shirley's journey into this industry may have happened by chance but they remained by choice. With the Maramount Automotive Products Company

planning to move its operations to Tennessee in the early 1970s, Larry, with some 21 years of service, decided to embark on a second career in order to stay in the community that he called home. With an entrepreneurial spirit and an undaunted drive, Larry and a partner along with the support of Larry's wife, Shirley, a nurse by trade, opened a Shell Service Station in 1974. It was a full service station that featured fuel products and light automotive services. His partner became discouraged and left but not Larry. Failure was never an option for Larry who possesses a strong faith, optimistic attitude and a work ethic seldom found these days.

During the first twenty-six years, they changed brands twice and the EPA closed down the station's fuel services until they could comply with new federal regulations. That's when Shirley left her job as a nurse to help with the family business full time. While Larry recalls the early days as challenging, he says it's all been good and that they have been blessed.

Before long, the Gibson's' became acquainted with Parent Petroleum and the facility was eventually rebuilt as a state of the art CITGO, complete with modern fuel dispensing equipment for both gasoline and diesel as well as a full-line convenience store, offering everything from prepared fast foods to groceries.

Today, Gibson's remains a community mainstay and enjoys a steady stream of regulars as well as those who travel along Highway 1 - the town's major north-south thoroughfare. Larry credits his success to the long-term support of the community, a tenacious partner (Shirley), and the support of their four children, all of whom helped at the store at one time or another. Operationally, he stresses the importance of remaining consistently competitive with his prices and being reliable to his customers.

Hurricane Katrina's Impact Locally

Hurricane Katrina created a situation that has set historical precedents. Striking in the heart of the Gulf coast, which accounts for 27% of our domestic crude oil production, 18% of our refinery capacity, and 23% of our crude oil imports, this natural disaster has produced ripple effects throughout the country.

Product outages and huge price swings were the by-product of this devastation to a region that is densely populated with production platforms, crude oil terminals, and refineries. The severity of the situation was increased with the loss of electrical service to the entire region and the temporary suspension of shipping traffic on the Mississippi River, a vital waterway for oil deliveries to inland buyers in the south.

The immense scale of our system can be gleaned when you consider that U.S. consumers use about 850 million gallons of oil products per day. Domestic oil production satisfies about 40% of these needs while the rest is imported. Each day, about 10-12 large ocean-going vessels arrive in the Gulf to help meet consumer demand; 10% of that cargo is refined gasoline and 90% is crude oil, which is then either refined immediately or sent to more distant refineries.

About 45% of this crude is refined into gasoline for use in cars, with the remainder being turned into diesel fuel, heating oil, fuel oil, aviation fuel, asphalt, lubricants, petrochemicals, and other products. To fuel the more than 220 million cars and light-duty trucks on U.S. roads, more than 370 million gallons are needed daily. To deliver that much fuel to the nation's 168,000 service stations or other refueling locations, the gasoline trucking fleet must make nearly 42,000 trips daily, which equates to one delivery about every two seconds.

In order for the system to operate smoothly, everyone must work cooperatively and do their level best, from the technicians manning the production platforms to the engineers operating the refineries to the transport drivers delivering product to service stations to the retailers procuring and selling motor fuels. We're all part of a vast system that accomplishes the vital task of providing a massive amount of energy to our country, which is the basis of the value that we provide to the public.

A Message . . . continued

Our challenge remains to provide you supply and avoid outages. If you wish to play the "price game" every single day, run outs will almost certainly occur. With the majority of suppliers in the market changing prices at 6 p.m., it is almost impossible to deliver loads before this time, if orders are placed the same morning. During a crisis, 24 hours is sometimes not even enough. For those of you on keep fill we try extremely hard to adjust deliveries to benefit you, but even with this system price guarantees are impossible to maintain during these difficult periods.

You as the station operator need to make the decision whether to be out of product or simply let us do what we do best and provide you with supply on a consistent basis.

Another important issue is the ordering procedure. We have a system in place that is capable of ensuring that your load will be dispatched and delivered in a timely manner. During times of product shortages or excessive price swings, we understand the stress this must produce for you, but please don't take your frustration out on our staff as they are doing the very best they can under these circumstances.

Our goal is to see you thrive in your business. No other supplier goes to bat for its customers like Parent Petroleum. This I can assure you. Every action we take is with you and your best interests in mind. We care about you and we are all in this together. All we ask is for your consideration and understanding and to let us do our job in a safe and responsible manner.

Thank you for your business and continued support.



Fundraisers Raise over \$120,000 for FBB

More than 125 golfers took to the green to participate in Parent Petroleum's 6th Annual Golf Classic at the Ravinia Green Country Club in Deerfield, IL in September. The sold out event helped to raise more than \$100,000 for the Foundation Fighting Blindness (FBB).

The 2nd Annual Labor Day "Pump-A-Thon", with over 100 participating stations, generated more than \$20,000 for the FBB.

We extend a sincere "thank you" to our contractors, customers, and volunteers for their generous support and participation in making this year's fundraisers a resounding success.

Did You Know...

More than 60% of gasoline purchases will be paid by credit card this year.