



SPECTRUM BATTERIES INC.

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June 19, 2008

TO OUR VALUED CUSTOMERS

Subject: Pricing Adjustments

1. Changes in shipping regulations for lithium batteries require us to have each battery we ship tested in compliance with United Nations Testing (T1 – T8). Spectrum Batteries has always prided itself on its ability to *legally* ship product anywhere in the world in a safe and timely manner. We comply with the laws, regulations, and rules of governing bodies. The safety of everyone involved handling of our batteries is our Number 1 concern. We mitigate the cost of these tests as much as possible; however this testing is **very** expensive.

The upside of successful testing is that it may allow us to ship some batteries as 'Non Hazardous'. This may result in savings to you in **not paying** the Hazardous Materials shipping charge assessed by the Carriers.

We will happily provide a copy of the testing documentation for your Company files upon request. This will become an issue in the event IATA, DOT, FAA, etc. audit of your firm. We, along with some customers, have already had visits from these agencies.

<http://hazmat.dot.gov/regs/rules/final/72fr/docs/72fr-44929.pdf>

2. We, like everyone, are experiencing generalized increase in costs from our suppliers as a result of the exponential rise in energy prices, the weak dollar, and the economy.

Brian Murphy, bmurphy@spectrumbatteries.com, and Joanne Borden, jborden@spectrumbatteries.com, will be pleased to provide you with the current pricing for your batteries.

Yours truly,
SPECTRUM BATTERIES, INC.

Linda L. Dutchak., B.Comm., AIC
V.P. Finance

