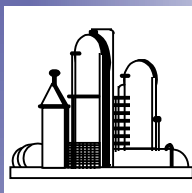
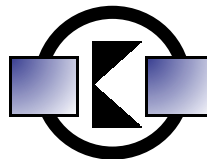


ANNOUNCING

SELLING LUBRICANTS ONLINE, 2001



An objective assessment of the impact of e-commerce on the U.S. lubricants business and the opportunities it presents to major oil companies, independent lubricant manufacturers, lubricant distributors, and e-commerce marketplaces



KLINE & COMPANY, INC.
OVERLOOK AT GREAT NOTCH
150 CLOVE ROAD
PO BOX 410
LITTLE FALLS, NJ 07424-0410
(973) 435-6262
www.klinegroup.com

Although the lubricants industry itself is mature, the Internet is redefining how business is conducted. It has created a new channel, competitors, products and services, and relationships. As a result, manufacturers, marketers, and even end users are confronting strategic issues that are very similar to those in new or emerging industries. The most challenging of these issues are:

- There are few if any rules
- The structure of the industry is unstable
- Risks and opportunities are high
- There is rapid change in the competitive landscape, and it is difficult to separate real versus perceived threats and opportunities

SELLING LUBRICANTS ONLINE, 2001 is a multiclient report offered by Kline & Company specifically to address the above issues and to help lubricant marketers and others in the lubricants business identify business opportunities and examine the following critical questions:

- What is the sales potential for online sales of lubricants?
- What segments of your business will be impacted and to what extent?
- What are the key customer factors that are going to drive business from traditional channels to online sales?
- What do your customers want and need from e-commerce?
- What are your customers' likes and dislikes about current offerings?
- Does online sales of lubricants require you to integrate fuels and other related products into your offerings?
- What are the successful business models?
- Who are the competitors and what are they offering?
- Who are the suppliers of Internet platforms for the lubricant industry and how do their products differ?
- What strategies should you employ to compete in the Internet marketplace?
- Where are the business opportunities?

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OBJECTIVE

The objective of **SELLING LUBRICANTS ONLINE, 2001** is to provide subscribers with a thorough assessment of the impact of e-commerce on the lubricants business and the opportunities it presents to major oil companies, independent lubricant manufacturers, lubricant distributors, and e-commerce marketplaces.

BENEFITS

Based on the objective, the most important benefit derived from **SELLING LUBRICANTS ONLINE, 2001** is the opportunity to construct new e-commerce strategies and tactics or fine-tune existing ones. The report provides subscribers with objective information and insights based on the views of your customers, competitors, and suppliers. It is an excellent resource for lubricant marketers, manufacturers, and others in the business to separate market hype from market realities and chart sound and successful business strategies.

Other subscriber benefits include the following:

- **Insights into potential alliance partners**
- **An objective assessment of your customer's needs, including those of your distributors**
- **Competitive intelligence**
- **An excellent resource for training**

STUDY CONTENTS

SELLING LUBRICANTS ONLINE, 2001 will provide subscribers with an objective analysis of the extent to which e-commerce will impact the lubricants business, what segments of the business will be impacted, who will be the leaders and laggards on the supply side, and where the opportunities are in terms of end-use customers and channels. The study will be based on Kline & Company's insights and information derived from field and phone interviews with your customers, competitors, suppliers, and other industry experts.

As shown in the Tentative Table of Contents, the study consists of nine sections. A brief description of each section is presented below:

Executive Summary. This section will include a concise, executive-style overview of key report findings and developments.

Introduction. Included in this section will be background information on the scope, methodology, and abbreviations used in the report. In addition, it will provide information on the number and types of interviews conducted.

E-commerce Platforms and Business Models. This section will provide subscribers with a description of front-end and back-end e-commerce business platforms. In addition, it will profile business models currently in use to sell lubricants online and comment on the strength and weaknesses of each.

Lubricant Market Profile. This section will provide a data-driven profile of the lubricants business in the United States. The profile presents data tables with market size and segmentation statistics—specifically, the size of the market in terms of volume and value and how it is segmented by end-use applications, product types, and supplier market shares. It serves as a baseline to assess the potential for online transactions within the context of the overall market.

Supplier Internet Activity. The current e-commerce activity of lubricant suppliers in the U.S. market is examined in this section. It provides a comparative analysis of the models they are using, estimated online sales, and alliances and partnerships. In addition, it provides an assessment of supplier strength and weakness. The analysis examines four distinct supply groups: major oil companies, independent lubricant manufacturers, distributors, and such Internet marketplaces as the American Petroleum Exchange, FuelQuest, Silicon Valley Oil, and others.

Customer Internet Activity. Your customers' thoughts and opinions represent the core of this section of the report. It will include estimated lubricant demand for each end-use segment, an examination of purchasing practices, and information and insights into unmet needs, as well as likes and dislikes about the lubricant industry's e-commerce offerings. In addition, it will take a close look at the degree of product integration expected from suppliers.

This section will specifically identify whether they are looking for full integration of all MRO products and services, other bundling (e.g., lubricants and fuels), or if lubricants alone will meet their needs. The section will be based on Kline & Company's field and telephone interviews with owners, purchasing managers, maintenance managers, operations personnel, and other decision-makers at customer companies.

Online Sales Forecast. Based on supply-side and demand-side interviews, historical data, and Kline & Company's analysis, this section of the report will provide a forecast of online lubricant sales to 2005. Three forecast scenarios—most likely, optimistic, and pessimistic—will be presented. The forecast will present sales in terms of both volume and value.

Competitive Landscape and Supplier Profiles. This section of the report consists of two distinct subsections. The first subsection provides an analysis of the competitive landscape as it relates to online sales of lubricants. It looks at how e-commerce impacts the relationships between majors and distributors, the position of Internet marketplaces, the role of independent lubricant manufacturers, and other supply chain dynamics. This subsection is particularly important because although e-commerce is an emerging market in terms of being a new channel, it is competing in a mature marketplace where there are well-established channels and relationships.

The next part of this section profiles the competitors in the lubricant Internet space. In addition to profiling such traditional competitors as the major oil companies, independent lubricant manufacturers, and distributors, this section profiles Internet marketplaces, as shown in Section 8 in the Tentative Table of Contents. The supplier profiles will focus primarily on the supplier's e-commerce activity. They will, however, describe this activity in the context of the company's overall sales, core competencies, and other macro issues that bring perspective to the supplier's position in the market space. Specifically, the profiles will address the following issues:

- **Financials (financing/financial backing will also be included for startups)**
- **Management and personnel**
- **Core competencies**
- **Products**
- **Estimated sales (both off-line and online)**
- **E-commerce business model(s)**
- **Alliances and partnerships**
- **Assessment and outlook**

Business Opportunities. This section will examine where the e-commerce business opportunities are and will present a means to capitalize on their investment. Business opportunities will be presented in a three-dimensional analysis. The first dimension will look at opportunities based on the supplier's position in the market (major, independent, distributor, online marketer). It is important to make this distinction because significant differences exist between

the relationships and market dynamic each group faces. For example, an e-commerce model that might present an excellent opportunity for a startup Internet marketer to grow its business could prove to be a fast track for a major oil company to decimate its business.

The second dimension presents business opportunities at the customer level. Specifically, it shows what end-use industries are early adopters of e-commerce business platforms, who will follow, at what rate, and what can a supplier offer to increase their acceptance in a particular end-use industry. This analysis can also help suppliers design and balance the mix of e-commerce offerings to optimize attractiveness to its unique customer base.

The final dimension of this assessment presents opportunities from a products perspective. As some are finding out, current e-commerce business models come up short when attempting to sell specialty products that require a relatively high degree of technical service. Although this does not necessarily mean that e-commerce is limited to commodity product transactions, it clearly indicates that opportunities can be product-specific. The products dimension will also look at business opportunities derived from bundling such products as lubricants with fuels, and even full integration of an end-use industry's complete MRO needs. Finally, the presentation of product-related opportunities will examine offerings related to software and hardware. Specifically, it will discuss the opportunities presented by the

backend integration platforms available from such technology solution providers as AspenTech, Envera, and others.

METHODOLOGY

Kline & Company's leadership role in providing high-quality market information on the global lubricants business is based on primary research. Although such secondary sources as the Internet, trade publications, and others will be used, the primary research methodology employed in **SELLING LUBRICANTS ONLINE, 2001** will be personal and telephone interviews with major oil companies, independent lubricant manufacturers, additive manufacturers, lubricant and fuel distributors, Internet technology providers, lubricant end users in a wide range of commercial and industrial applications, trade associations, and other industry experts.

All interviews, analysis, and report writing will be conducted by a team of Kline & Company associates with decades of experience in lubricant sales, consulting, and technical service.

DELIVERABLES

Subscriptions include three copies of the finished report and one day of telephone consultation privileges within the scope of the study. The consultation can be used to discuss the report in additional detail or for an on-site presentation and question-and-answer session by Kline & Company on the report findings.

TENTATIVE SCHEDULE

If a sufficient number of charter subscribers is received by March 30, 2001, **SELLING LUBRICANTS ONLINE, 2001** will be delivered at the end of the third quarter 2001. However, due to the time sensitivity of the insights and information provided in this report and the rapid pace at which market opportunities are emerging, this report will be released in sections. Sections will be made available online to subscribers in an interactive format as they are completed. Subscribers will then have the opportunity to review the sections and interact with the project team. This interaction can be used to seek clarification, request additional information within the scope of the study, request interviews with specific companies researched, or challenge data and conclusions.

To subscribe now and take advantage of the charter subscription discount, please have an authorized employee sign the enclosed subscription agreement form and return it to our offices before March 30, 2001. We will return a counter-signed copy to you promptly.

KLINE GROUP CREDENTIALS

The Kline Group is a leading business research firm serving the oil, gas, petrochemical, and related chemical-based industries, with principal offices in the United States, Belgium, Japan, Australia, Singapore, China, and Mexico. Since its inception in 1959, Kline has completed over 4,000 proprietary assignments and nearly 200 syndicated studies.

Kline's Petroleum & Energy Practice leverages over 60 years of combined experience in the petroleum, lubricant, and chemical industries to assist clients in a wide range of proprietary assignments, including:

- **Business appraisals**
- **Competitive intelligence**
- **Customer satisfaction**
- **Manufacturing economics**
- **Market analysis**
- **Mergers and acquisitions**
- **Strategy development**
- **Technology assessment**

SUBSCRIPTION AGREEMENT

SELLING LUBRICANTS ONLINE, 2001

Please enter our subscription to your comprehensive study **SELLING LUBRICANTS ONLINE, 2001**. This subscription includes three copies of the finished report and one day of telephone consultation time within the scope of the study. Additional copies of the report will be available for a nominal fee.

To protect our investment in this report and that of other subscribers, we agree that, for a period of three years after its date of issue, we will: (1) refrain from reproducing or copying this report in whole or in part by any means; (2) restrict its circulation to our own employees; and (3) use all reasonable precautions to prevent the disclosure of its contents to any other persons or organizations. We may, however, make this report available to any subsidiary company in which we hold more than half interest or to any parent company that holds more than a half interest in our firm. We may also use or disclose any information in this report that is public knowledge, that was already in our possession before receipt of the report, or that comes to us from third parties independently of this report.

Kline & Company, Inc. similarly agrees that it will use all reasonable precautions to prevent the disclosure of the contents of this report to any persons or organizations other than subscribers for three years after its date of issue.

We understand that **SELLING LUBRICANTS ONLINE, 2001** is available only by subscription and that the price of the study is \$12,750 (U.S. funds).

Subscription prices do not include sales tax. (NJ add 6% sales tax.) Kline will invoice us immediately for the full amount, and we will pay this invoice within 30 days of receipt. We understand that if a sufficient number of charter subscribers is not obtained, the study will be canceled before an invoice is submitted.

We have completed and signed this subscription agreement. Please indicate your acceptance of this subscription by countersigning and returning one copy for our files.

ACCEPTED **KLINE & COMPANY, INC.**

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