

ETHYL CORPORATION
100 PARK AVENUE
NEW YORK, NEW YORK

September 17, 1959

TO ALL REGIONAL MANAGERS

COPY FOR _____

Gentlemen:

As you know from my wire of September 10, the Operating Committee on that date established the policy that we will offer AK-33X for sale only in a mixture with TEL. It is our job to execute this policy with vigor and enthusiasm.

This decision was reached after a thorough discussion of all aspects of the problem in which full consideration was given to your opinion that such a course would not prove practical. The Committee's decision was based largely on the belief that the proposed mixture can gain an additional portion of the industry's antiknock dollar for us. It is our first opportunity to offer an improved TEL compound that is exclusively ours, different in composition and price from anything competition can offer. The Committee recognized the fact that this method tends to reduce the flexibility of manganese useage in a refinery, which may make it less attractive to some customers. It is their opinion that this disadvantage is offset, however, by the possibility of increased sales to those customers who find manganese economically attractive.

The Committee is also aware that we may eventually have to sell the manganese compound neat as a separate product. Until such time as present policy is changed by them, however, our orders are clear - we will sell manganese only in mixture with TEL. I am sure you can handle the introduction of this new product in a manner which will emphasize its positive advantages and hold customer resistance to a minimum. Keep in mind the fact that it will require a high degree of demand from the industry to justify requesting a change in this policy. Please report all requests from customers for the neat product, giving us all the supporting information.

The name of the new product is "Ethyl" Antiknock Compound - TEL - Motor 33 Mix. This nomenclature technically conforms to established policy for naming new products. It clearly differentiates it from our regular product and provides some continuity between AK-33X as an experimental product and the manganese-TEL mixture as a commercial product. We presume this will be shortened to "33 Mix" in useage.

The proportion of the mix is 0.05 grams manganese to each milliliter TEL. This mixture will thus provide a varying concentration of manganese from 0.05 grams manganese to 1 ml. TEL up to 0.20 grams manganese at 4 ml. TEL. It is felt that this method of proportioning the two ingredients will tend to encourage the use of higher lead concentrations in order to gain higher manganese concentrations.

It was the Committee's decision that "33 Mix" be priced on a basis of ¢/lb. TEL content to conform with our present method of pricing our other antiknock compounds. The manganese compound is charged into the mixture at a price of \$1.15 a pound. The price of "33 Mix" then becomes 74.05¢ per lb. TEL. Since we are selling "33 Mix" as an improved TEL antiknock, we believe it is sound strategy not to reveal the manganese price to customers.

We will accept orders for shipment after October 1.

All customers should be informed of our new product as quickly as practical with the Trial Market participants being given precedence. Advertising and publicity is being prepared for release about October 1.

The following reasons may be given to customers who ask why we have decided to sell manganese only in a TEL mixture:

1. At the beginning of the commercial useage of the product, we feel a responsibility to protect the industry and the motoring public from harmful side effects which may result from using excessive concentrations of manganese. "33 Mix" enables us to control this concentration to an acceptable maximum and at the same time provide flexibility below that maximum.
2. Our capacity for producing the manganese compound is limited at present.* Until demand justifies expanding this capacity, we are offering "33 Mix" as a means of assuring an adequate supply to all potential customers. *(Note for information of Ethyl personnel only: Present Orangeburg capacity is 2.5 MM pounds of manganese compound. We estimate potential demand at 7.6 MM pounds in 1960. If such a demand should materialize quickly, we would be beyond our capacity. We do not anticipate such a demand, of course, but these figures justify the above stated position.)

Some of the sales points to be made with customers in favor of "33 Mix" are:

1. "33 Mix" offers many refiners more octane numbers per dollar invested in TEL antiknock compounds. It is a major forward step in our continuing work to help the industry reduce octane improvement costs - and it is an exclusive product of Ethyl Corporation.
2. "33 Mix" has been proved to be a superior antiknock compound in many base stocks and is a commercially acceptable product in the laboratory, in the refinery, and in vehicles on the road.
3. "33 Mix" eliminates the need for extra mixing equipment such as was required by participants in the Trial Market.
4. The lead and manganese content of "33 Mix" is proportioned to provide greatest average flexibility and most economical use of manganese in the enhancement of TEL effectiveness.

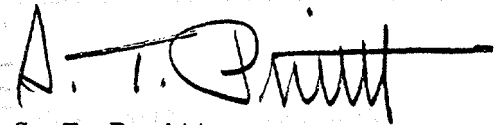
Product Service and Safety is preparing mixing tables for "33 Mix". The safety rules governing its handling are, of course, the same as those for TEL.

We have requested Detroit to prepare additional technical data specifically on "33 Mix". Meanwhile, the octane response data, which you already have, both on an individual basis for Trial Market participants and on a general basis in various Detroit publications, can be used to estimate the response of "33 Mix".

Please let me know if there is any additional information you require or if there is anything we in New York can do to help in selling "33 Mix". I am sure you will do everything possible to use it effectively as a means of gaining additional business.

I am forwarding additional copies of this letter. Please see that each of your men receives one.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'S. T. Pruitt', with a long horizontal stroke extending to the right.

S. T. Pruitt

STP/cf