

BIO INDUSTRIES, INC.

540 Allendale Drive
Wheeling, IL 60090
Phone: 847-215-8999
Fax: 847-459-1303

July 8, 2008

RE: Price Increase Notification

Dear Valued Customer:

We have been communicating with regards to resin costs and increases announced by the resin suppliers. As incredible as it may seem, the resin suppliers have now implemented their fourth consecutive increase, this one for \$.07 per pound, to take effect July 1, 2008. Confronted with rapid escalation of feedstock, manufacturing, and transportation costs, our resin suppliers have now increased \$.18 a pound within four months. These increases have had a profound effect upon us as film producers. Our fiscal viability has been continually challenged by this combination of abrupt increases in raw material, energy, and transportation costs. We have no alternative but to immediately react.

Therefore, based on this current resin increase will be increasing all pricing on polyethylene by ten (10) percent effective August 1, 2008. As of this date a "force majeure" is in effect on all contract pricing which will be reviewed and the possibility of changes. Bio Industries reserves the right to accept or decline all orders for any reason.

All orders received prior to August 1, 2008 and calling for immediate shipment (based on historical quantities) will be honored at the old pricing. Any orders placed August 1, 2008 and after may reflect the new increased pricing.

Also, in the process of sending out this letter we have been notified of yet another increase which could be implemented within thirty (30) days. These increases are based on strong export demand, weak dollar and the rapid escalation in petroleum-based feed stocks.

We have always strived to keep our customers competitive and we regret the need for this action, but due to these unforeseen and uncontrollable conditions, we have no choice but to move forward with respect to pricing.

If you have any questions or comments please contact your sales representative or myself. All orders will be reviewed for current price at time of placement and subject to change.

Thank you for your continued support and allowing us to earn your business.

Sincerely,
BIO INDUSTRIES, INC.

Christopher D. Kelley

Christopher D. Kelley
President / General Manager

OUR CUSTOMERS ARE NOT AN INTERRUPTION OF OUR WORK
THEY ARE THE SOLE REASON FOR IT