

1st Quarter 2007

Penn Talk

A Publication of Penn Tank Lines, Inc.



Special points of interest:

- Re-cap of 2006 Awards
- HM 232 Regulations
- Drivers "Wanted"
- New Business Acquired
- Late Breaking News

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Florida's—Orlando Terminal Wins Shell/Motiva Carrier of the Quarter-2006

Following is an excerpt from the Shell/Motiva announcement.

On behalf of the Road Transport Group for Shell and Motiva, I would like to thank you for your World Class performance during the second quarter of 2006. Shell and Motiva feel strongly about recognizing outstanding performance by our dedicated carriers throughout the U.S. We are excited to announce that the Road Transportation Committee has selected

Penn Tank Lines as Carrier of the Quarter.

Thanks to your commitment and alignment with our core values-belief in people, trustworthiness, excellence, innovation and a sense of urgency - we experienced a successful second quarter for 2006.

As you may already know, our Carrier Recognition Program is based on the measures included in our Carrier Scorecards - HSSE and Operational Performance. As a company, you not only have an impact on your individual company's scorecard, but Shell and Motiva's as well.

Congratulations to the Orlando Terminal—Drivers, Employees and Jim Cercy, Manager

Kick Butt Award Presented to Paul Troutman



Paul Troutman (seated on the left) pictured here with Wayne Frantz, Loss Prevention Mgr. receives the Kick Butt award for his efforts in managing the Philadelphia, PA terminal in reporting the lowest loss and claims ratio in the company for the 3rd quarter (2006). This award is presented each quarter to the manager with the lowest claims to revenue ratios. Previous award winners have been Arde Kohn, Tampa, FL terminal, Larry Dalton, Pittsburgh, PA and Ed Mitchell, Portsmouth, NH.

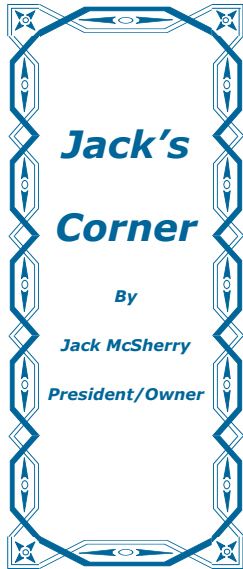
Pittsburgh Takes Home the Jack Cup for Second Time

In 2006, the Pittsburgh (Coraopolis) terminal was awarded the prestigious "Jack Cup" for exceptional performance in the second quarter of 2006. The trophy is a quarterly award based on profit & loss performance and safety

This is the second time in six months that Pittsburgh has received this recognition. In the four quarters that this trophy has been presented, the Pittsburgh terminal has won it twice, Tampa and the Knoxville terminals have won the trophy one time each.

Special thanks to all the drivers along with kudos to mechanic Joe Omler and Dispatcher, John Seresun. Larry Dalton is the Terminal Manager of the Pittsburgh operation & Dave Keck is the Regional Manager for this area.





Jack's Corner – January 2007

What we're about !

Our Company is run by an eight person team we call the Operating Committee. Recently this committee has asked the question of ourselves "What do we stand for and what are our goals?" We decided after much banter back and forth to redefine ourselves and simplify the Core Values we operate under to achieve our goals. We came up with the following Mission Statement:

The delivery of a quality transportation service that places "Safety First....! while exceeding customers' requirements and rewarding our employees, affiliates and shareholders"

It's a simple one sentence objective that clearly defines where we want to go. In order to carry out that mission we need to state the Core Values we will operate under to achieve that mission. They are:

Safety: *We will make safety our first consideration in all decisions.*

Quality: *We will strive to exceed the requirements of all of our customers, both internal and external.*

Integrity: *We will operate under the Golden Rule.. "do unto others..." in every business relationship we have.*

Teamwork: *We will work together to achieve mutual goals.*

As I have said many times before, I am extremely proud of the professionals we have working at Penn Tank Lines. Our Mission is clear and the way we are going to get there is simply defined. In the coming months, we will collectively work towards implementation of our mission and raising the bar in our industry.

Be Safe and Stay Tuned!

Knoxville, TN winner of Jack Cup for 3rd Quarter of 2006

Pictured with the Jack Cup Trophy at left is Tim Collier, Terminal Manager for the Knoxville Terminal. Congratulations to all the drivers and employees for a successful third quarter.

LATE BREAKING NEWS – WAUKEGAN, IL

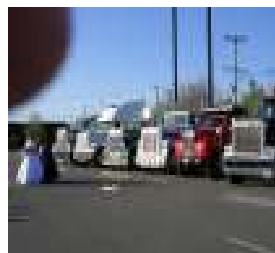
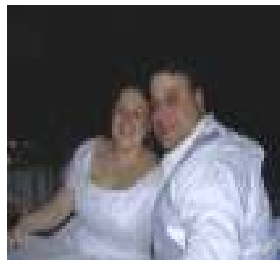
To the Waukegan Terminal Manger Dale Bonar: Congratulations to you, your staff, and drivers as being chosen the recipient of the Jack "Kick Butt" award recognizing outstanding loss prevention performance in the fourth quarter of 2006.

The award recognizes your hard work towards profitability, as well as, your efforts to Loss Prevention. You will receive the award in a week and it is to be displayed in your facility during the first quarter.

Again, thanks for all your efforts and continue to "Be Safe".

2006—Marriage vows for Genesis Driver James Maloney

Portsmouth NH





Penn Tank Lines Drivers in Action Serving our customers sometimes requires commitment away from home. The pictures shown above were snapped during the month of January when our drivers were needed in Texas. Helping out were drivers from Georgia: Juan Flores, Greg Adams, Tommy Hill and Alabama: Roy Weatherly and Alfred Hudson.

Genesis Transportation— Welcome to Penn Tank Lines, Inc.

The relationship between the senior management of Penn Tank Lines and Genesis Transportation goes back to 1984 when Penn Tank Lines became affiliated with Cleveland based BMI transportation. Penn Tank Lines then a sole proprietorship was an agent for BMI and Jack Williams the now current owner and President of Genesis was the Vice President of the Customized division of BMI which controlled the agency agreement with Penn Tank Lines.

Penn Tank Lines successfully bought itself away from BMI in June of 1996. In January of 1997, BMI filed for protection with the intent of liquidation. Jack Williams saw an opportunity with three of his closely controlled dedicated customers, Air Liquide, National Gypsum, and the Certainteed Corporation. Jack and his assistant Dave Keck had served these three customers well to a point they agreed to follow these men to a new beginning in servicing their outbound transportation needs in the customer's four manufacturing facilities. Thus Genesis Transportation was created.

Genesis being newly formed could not finance any equipment or working capital. Because of the opposite relationship Penn Tank Lines had as an agent/affiliate for BMI Jack Williams knew Jack McSherry and Penn Tank Lines understood what an affiliate needed from a carrier to be successful. The marriage between Genesis and Penn Tank Lines started by PTL entering into an asset purchase with the estate of BMI to purchase most of the equipment associated with the four operations Genesis was going to control. Penn Tank Lines short term leased the equipment at the four locations to insure uninterrupted service to the customers while the agreement was consummated. The agreement took from March of 1997 to February of 1998 to come to final terms.

Since March of 1997, Penn Tank Lines has supplied equipment financing, insurance and safety to Genesis while they have provided exemplary service to their customers. It has been the strong bond and handshakes of the two principals of the Companies that assured the continued success of the marriage.

On January 1st of this year, the marriage was finally consummated. Genesis and Penn Tank Lines merged as one entity. Jack Williams who has been the COO of Penn Tank Lines, now has ownership in the combined Companies and Dave Keck accepted a financial structure and will continue his duties as Northern Regional Manager overseeing both Genesis and Petroleum Terminals in the North.

Please welcome into the Penn Tank Lines family, the fine employees of Genesis in Waukegan Ill, Portsmouth NH, and Albany NY. We look forward to Genesis being a platform for strong growth in the building materials sector while continuing Genesis outstanding safety record and strong customer satisfaction.



Dave Keck & Jack Williams



Terminal Managers— Ed Mitchell, Jack Hughes & Dale Bonar

HM 232 - Security Plan

Penn Tank Lines, Inc. is committed to the safety and security of our employees, leased operators and affiliates, as well as the customers and general public.

Under the United States Department of Transportation Security Regulations, HM 232, any employee, leased operator or affiliate who is engaged in “hazmat” activities must be trained and familiar with the Penn Tank Lines Security Plan.

Previous training was held at the terminals informing employees of their obligations. This plan has been updated as of July 2006 and has been presented to all Penn Tank Terminals and affiliates.

Please keep in mind that we must all stay diligent in our observations of our surroundings. Report suspicious activities to your manager or dispatcher. If possible obtain descriptions of people, make of vehicle, plate numbers and state of issue. Do not expose yourself to harm. If you feel threatened immediately call the local or state police and then notify your terminal manager or dispatcher.

Homeland Security Advisory System (HSAS)

Do you remember the color and levels?

Green (Low)	<p>No extra precautions will be implemented.</p> <p>Standard policy procedures are in effect.</p>
Blue (Guarded)	<p>Personnel will be notified to be on alerts for unusual events.</p> <p>Access to HM areas will be tightened by more thorough ID checks.</p> <p>Minimal changes in operating procedures will be implemented.</p>
Yellow (Elevated)	<p>Additional security measures will be implemented.</p> <p>New hires will be screened by a professional security company to include criminal, credit and personal references.</p> <p>Proof of identification will be mandated in all HM areas.</p>
Orange (High)	<p>No new personnel (contractor or new hires) will be given a security clearance until the HSAS threat is lowered.</p> <p>Only essential chemicals will be transported until the HSAS threat level is lowered.</p> <p>Security patrols will be implemented.</p>
Red (Severe)	<p>No new personnel will be given security clearance until HSAS threat level is lowered.</p>



Drivers—Protect yourself, your family and your way of life! *When talking on CB's and Cell Phones do not disclose your routing, location, destination or product you are hauling!*

Do You Remember? *Your Terminal Manager is also your Security Manager—Report all suspicious activity at once. This may be done through your dispatcher who is then responsible to report the incident immediately to the Terminal Manager.*

Did You Know?

Excess idling wastes fuel and shortens the life span of all vehicle components. In some areas excess idling laws apply and you could be found in violation if you idle more than five minutes.

Tires under-inflated by as little of 10.0 percent could cause fuel consumption to rise as much as 0.5 percent and tread life shortened by as much as 16.0 percent.

The most common out-of-service vehicle violation was related to “brakes out of adjustment”.

That as a driver you can personally be held liable and fined for failing to secure your hoses and fittings.

That negative and out-of-service inspections performed by State & Federal agencies impact a carrier's safety rating and could result in additional fines, loss of a carriers safety rating and your customers business.

For Mechanics, Shop & Terminal Managers

Outlined below is a self-audit checklist to help the mechanics and managers determine if their shop and company maintenance program would stand up to a compliance review.

**Self-audit check list**

- ◆ Is your Out-of-Service rate for the previous 12 months below 34 percent. If not, the highest rating the vehicle factor can get during the review is “conditional.”
- ◆ Does your maintenance records include the required information, including an inspection and maintenance schedule.
- ◆ Do you keep records of inspection and vehicle maintenance for one year.
- ◆ Do you keep records of any engine change for three years.
- ◆ Do you require or permit the operation of a motor vehicle declared “out of service” before repairs are made.
- ◆ Do you document the repairs on all out-of-service vehicles.
- ◆ Do you require drivers to prepare driver vehicle inspection reports at the end of each operational cycle (day). If the driver notes a defect, is the defect corrected and the next driver “signing off” on the repair as part of his/her pre-trip.
- ◆ Do you correct out-of-service defects listed by a driver in a driver vehicle inspection report before the vehicle is operated again.
- ◆ Do you permit use of a commercial motor vehicle not periodically inspected.
- ◆ Do you promptly repair parts and accessories not meeting minimum periodic inspection standards.
- ◆ Do you require any defects noted on a roadside inspection to be repaired before the form is signed and returned to the state and is a copy of the inspection form is kept for 12 months.

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The Ten Commandments of the Service Industry

1. A customer is the most important person in any business.
2. A customer is not dependent on us – we are dependent on the customer.
3. A customer is not an interruption of our work – he or she is the purpose of it.
4. A customer does us a favor when he or she calls – we are not doing the customer a favor by serving them.
5. A customer is part of our business – not an outsider.
6. A customer is not a cold statistic – he or she is a human being with feelings and emotions like ours.
7. A customer is not someone to argue or match wits with.
8. A customer is a person who brings us his or her wants. It is our job to fill those wants.
9. A customer is deserving of the most courteous and attentive treatment we can give.
10. A customer is the lifeblood of this business.

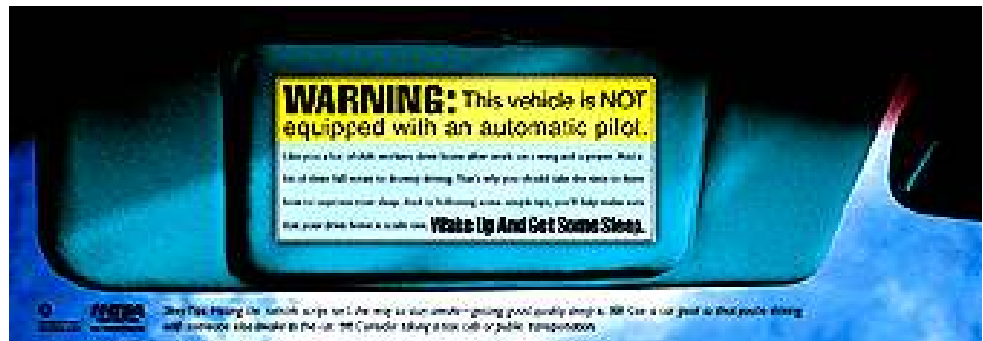
Safety First

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Tank Truck Drivers Wanted—Apply Here!

Position Summary:

To be able to load and safely transport gasoline and distillates by tractor trailer combination to customer locations and able to unload into below or above ground tanks.

Brief Descriptions of Duties:

Conduct Inspection of Delivery Equipment.

Safely Operate a Fuel Delivery Tractor Trailer Combination.

Load and Unload Fuel Delivery Transport

Communicate Effectively with People

Qualifications:

**CDL Class A with Hazmat & Tank endorsement,
2 years of verifiable tractor/trailer driving experience,
satisfactorily pass a DOT Physical & drug screen and
have the ability to communicate effectively with people.**

If you meet the above guidelines then please call our driver recruiter.

Dana Coleman Phone @ 877-736-6865

**Visit our website at: www.penntanklines.com
and go to the link for employment opportunity.**

**(Additional Conditions of employment apply to this position as required by
Federal regulations & company policy.)**

If you are an employee of Penn Tank Lines, Inc. or one of its affiliates and have a news article that you wish included in a future newsletter please contact or send it to:

newsletter@penntanklines.com

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