



March 17, 2008

Dear Community Member,

We wanted to share with you that our company has signed a Memorandum of Understanding (MOU) with international oil and gas company BP to work together on the next phase of engineering, design, and feasibility for Eider Rock, the proposed second refinery. By working together during this phase, our two companies will explore the opportunity of forming a joint venture to build the proposed refinery.

As we work on the design of Eider Rock with BP during this next phase, Irving Oil remains committed to using best available proven technology to develop a refinery with leading environmental performance and economic efficiency. We will also continue to work with the community, through formal and informal public consultation as well as through the Benefits Blueprint Initiative. Funded in part by Irving Oil, the Province of New Brunswick and the Atlantic Canadian Opportunities Agency, the Benefits Blueprint is a community-led project to assist all regions of New Brunswick in achieving maximum benefits from the number of major energy projects planned for the province.

Enclosed with this letter, you will find a copy of today's announcement and a related fact sheet.

We welcome your input and questions on this and any other topic related to Eider Rock. If you have any questions or concerns, please e-mail us at elderrock@irvingoil.com, or phone 1-888-525-1777. An Eider Rock team member would be pleased to speak with you.

Sincerely,

A handwritten signature in black ink that reads "Kevin Scott". The signature is written in a cursive style with a small star-like mark at the end.

Kevin Scott
Director of Refining Growth
Irving Oil

IRVING OIL LIMITED

10 Sydney Street

Saint John NB

Canada E2L 4K1

T 506.202.2000

F 506.202.7161