

# MCW Fuels Inc. Enters Into Binding Agreement to Acquire Westco Petroleum Distributors

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SHEDIAC and FRANKFURT, 06/13/12 - [MCW Energy Group](#) (FRANKFURT: MW4), a Canadian holding company with two business units focused on value creation; i) MCW Fuels Inc., a well established distributor of gasoline and diesel fuels to service stations in southern California, and ii) MCW Oil Sands Recovery, LLC which owns an oil sands extraction process that MCW is preparing to implement in the third quarter of 2012, is pleased to announce that it has engaged Stonecap Securities Inc. as lead agent to complete a private placement financing of approximately \$5,000,000 (the 'Private Placement'). The proceeds of the Private Placement will be used to fund the final payment of MCW's first 250 bbl/d oil sands extraction unit (the 'Commercial Facility') to be located in the Uinta basin of Utah, and for general working capital purposes. Construction of the Commercial Facility has been completed and, subject to the timing of the closing of the Private Placement, management of MCW anticipates installation to begin early in the third quarter of 2012, followed by first production approximately one month later.

The Agreement to acquire Western Petroleum (Westco) will be implemented in two phases: The first phase details the assignment by Westco to MCW Fuels, 7 (seven) existing 76 Branded Reseller Distribution Agreements for a term of ten years. The second phase of the Agreement is the assignment by Westco to MCW Fuels, an additional 9 (nine) Branded Reseller Distribution Agreements for the same ten-year term. MCW Fuels would become the sole fuel supplier to a total of 16 Westco-supplied service stations located throughout Southern California. The terms of this Agreement include a total payment to Westco by MCW of \$2,000,000 USD, of which the first instalment of \$1,000,000 USD would be due on or before June 15th, 2012, which will secure the first 7 (seven) stations. The second instalment of \$1,000,000 USD would be due on or before January 31st, 2013. MCW has secured \$1,000,000 from existing lender.

"The acquisition of Westco's 76 Branded Reseller Distribution Agreements is a very important benchmark in MCW Fuel's growth as we further solidify our position as one of the top three fuel suppliers here in Southern California," stated David Sutton, CEO of MCW Fuels. The Company expects that the Westco distribution acquisition will add approximately 25,000,000 gallons of fuel to its current annual sales volume of 100,000,000 gallons distributed throughout the state. \$250,000 phase hold back will be held unless minimum of 1,065,600 a month is not met in distribution.

## About Westco Petroleum Distributors Inc.:

Westco is a Glendale, California-based independent wholesale distributor which offers all grades of gasoline, diesel and clean fuels such as biofuels. The Company provides retail branding programs, unbranded supply contracts, fuel and inventory management and a web-based ordering/delivery system on a 24x7 basis.

## About MCW Fuels:

A Division of MCW Energy Group, this operation markets over 75 million gallons of branded and unbranded fuels annually throughout Southern California. The Company now supplies fuel to more than 200 branded and unbranded service stations and provides commercial fuels to more than one hundred businesses. It retains regional branding rights to major premier brands such as 76, Valero, Alliance and 7Eleven chains (non-contract branding projects) and offers signage assistance and state-of-the-art accounting systems. MCW Fuels provides several value-added services including credit card processing, inventory control systems and price management services, and is involved in the marketing of alternative fuels such as hydrogen. Through an aggressive program of mergers and acquisitions such as Westco, the Company is planning to expand into other regional U.S. markets. For more information on MCW Fuels and the MCW Energy Group, please visit the corporate website at: [www.mcwenergygroup.com](http://www.mcwenergygroup.com)

## Note:

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