

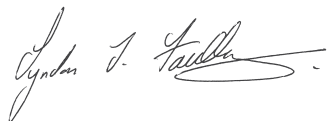
> NEW DISTRIBUTION FACILITIES WILL EXPEDITE LEAD TIME AND REDUCE COSTS

Pelican Products is pleased to announce that we are opening two major Distribution Centers - one in Kentucky and one in California. This will provide our dealers reduced costs, reduced lead times and a single source for Pelican™ lighting systems, injection molded cases, Select Set products and our Skid-Mate™ product line. Today, approximately one quarter of our customers are within 2-day ground delivery range. But with the new two distribution center model, that number will dramatically increase to more than 80%. This will result in faster deliveries at lower shipping costs on all standard products. While we extend this benefit to you, you can in turn pass it along to your customers.

To manage the logistics of our Distribution Centers we will partner with NFI Distribution and Logistics, a third party logistics provider. NFI offers Tier 1 logistics and is a great cultural fit for Pelican. Pelican is investing millions of dollars in this project, which is an extension of our continued commitment to improve service and extend best business practices to you, our dealers and end customers. We continue to lead the way and surpass our competition with these value-added services.

In Q4 of this year we will finalize a comprehensive plan for implementation in February 2011 to ensure that our customers continue to receive Pelican's same great service without interruption. We look forward to rolling this program out with great enthusiasm and we plan on sharing more details with you as that date approaches.

Respectfully,



Lyndon Faulkner
President and CEO
Pelican Products, Inc.



U.S.A.

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TO ORDER PELICAN™ STORM CASE™ OR PELICAN-HARDIGG™ CASES IN THE USA:

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147 North Main Street
South Deerfield, MA 01373
Tel: 800.542.7344
Fax: 413.665.8330
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> ANNOUNCING NEW DISTRIBUTION CENTERS

**Changes to shipping and logistics
effective February 2011**



> EVERYTHING YOU EVER WANTED TO KNOW ABOUT THIRD PARTY LOGISTICS (3PL) AND MORE:

Q. Why is Pelican opening two Distribution Centers?

A. To better service customers by providing reduced lead times, reduced costs, and a single shipping point for Pelican™ cases, Pelican™ Storm Case™ products, Pelican flashlights and AALG products.

Q. Where will the Distribution Centers (DC) be located?

A. Hebron, Kentucky (near Cincinnati), and Chino, California

Q. Why were these locations chosen?

A. To best meet customer demand based on geographic needs.

Q. Why a 3PL ?

A. Pelican chose a 3PL because they are logistics experts and provide best in class service.

Q. What products will ship from the Distribution Centers?

A. Pelican™ flashlights and AALG products, Pelican™ Classic cases, Pelican™ Storm Case™ products, Pelican™ Select Set products, and our Skid-Mate™ product line.

Q. How will this impact my business?

A. Customers and Dealers will enjoy reduced lead times, lowered freight costs and consolidated Pelican™ Classic cases and Pelican™ Storm Case™ shipments.

Q. When will the distribution centers be in place?

A. February 2011.

Q. Will my custom (non catalogue) orders now ship from the nearest DC?

A. Custom products manufactured in Torrance, CA will ship from Chino Distribution Center. Custom products manufactured in South Deerfield, MA will ship direct from the factory.

Q. What will be my new freight cost?

A. Freight cost will now be calculated based on the distance to the customer/dealer from the 3PL distribution center.



Q. Will Pelican Customer Service still be my point of contact?

A. Pelican Customer Service will still be the point of contact for all dealers and customers.

Q. Will the new Distribution Center provide Will Call service?

A. Yes. Dealers may pick up their orders from the 3PL Distribution Center but a pickup/dock time must be scheduled in advance. Random pickups can no longer be accommodated.

Q. Will component and/or replacement parts be shipped from the nearest Distribution Center?

A. No. Component parts will be shipped directly from the manufacturing facilities.

Q. Will Pelican™ Classic case, Pelican™ Storm Case™, Roto Cases, and Select Set Cases ship from the same Distribution Center?

A. Pelican™ Classic case and Pelican™ Storm Case™ products will ship on the same sales order from the same location. Roto Cases will ship from the manufacturing plant.

Q. Where should I send warranty returns?

A. No change from the current return addresses; Warranty items should not be sent to the Distribution Centers.

Q. How will we handle rush orders in the new Distribution Center model?

A. Same day ship cut off is 12:00 PM (noon) local time at the originating Distribution Center. Chino, California 12:00 PM (PST), Hebron, Kentucky 12:00PM (EST).

Q. Will drop shipments from the 3PL locations be accommodated? And, if so, will there be a charge?

A. Upon request Pelican will drop ship orders shipping via FedEx and UPS 2 day and Next Day delivery. All other requested drop ships must be \$5,000 dollars in value or greater to be considered.

Q. How will this new distribution program impact my special packaging requirements? (labeling, heat treated pallets, etc.)

A. Both facilities are fully capable of handling special packaging requirements.

Q. Can customers still stage their orders in the warehouse?

A. Staging will still be allowed but will be limited to a 48 hour period. NFI will notify Pelican if orders have been staged for more than 48 hours and a resolution will be discussed with the customer.

For up to date information log on to pelican.com, go to support, and click on Technical Bulletins.