

EXPLORER VENTURES

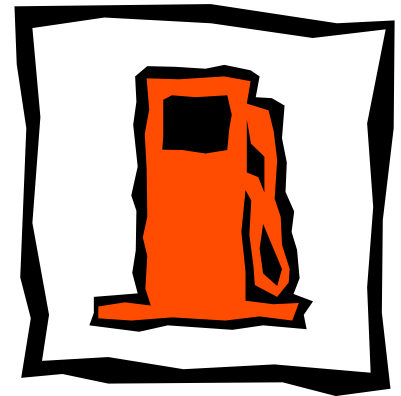
adventures in liveboard diving

March 11, 2011

TO: Caribbean guests, Explorer Ventures Fleet

From: Clay McCardell, President

RE: Fuel surcharge



As you are no doubt aware, oil prices have again risen dramatically over the past months, and continue to climb. Freight companies, railroads, airlines, cruise lines and every other business that counts fuel as a major expense are again being forced to either raise prices in order to be able to provide the level of service that their customers deserve, or increase already-existing fuel surcharges.

We, unfortunately, are no exception. We are a small family-owned company, and fuel is our largest direct expense - and its price affects our costs of operation in countless ways other than our direct purchase of it. Though some of our itineraries don't involve long travel distances, the fact is that the generators on the vessels - powering everything from the dive compressors to the air conditioning, electronics and lights - consume the bulk of the fuel used during our normal itineraries, even when the vessel does not travel very far.

Though we try to keep our package price at a very reasonable level, we cannot afford to both absorb these increased costs and continue to provide you with the exceptional value and customer service that you deserve.

Over two years ago, we were able to reduce our fuel surcharges significantly as diesel prices fell - unfortunately, we must now increase them somewhat to again help cover the greatly increased costs of operation in the Caribbean. **Effective as of our April 23, 2011 departures in the Caribbean, therefor, we must increase the fuel surcharge aboard both *Caribbean Explorer II* and *Turks & Caicos Explorer II* by \$30 per person per week.** This surcharge will be added to your onboard bill during your trip and may be paid via cash, Visa, Mastercard, American Express or Discover at the conclusion of your trip. Until April 23, our surcharge will remain at US\$95 per person for our Caribbean vessels, and US\$150 per person for our 2011 itineraries to Darwin and Wolf Islands in the Galapagos aboard *Humboldt Explorer*. **As of April 23, the surcharge for *Caribbean Explorer II* and *Turks & Caicos Explorer II* will increase to US\$125 per person; *Humboldt Explorer's* surcharge will remain the same.**

While we all hope that fuel prices will decrease over the coming months, allowing us to reduce (as has happened before) and eventually eliminate the surcharge, there is also the possibility that fuel prices will increase to such an extent that we'll be forced to increase the surcharge applicable to your departure. **Please be aware that the actual fuel surcharge applicable to your trip may vary up or down depending on current fuel prices.** We will post the current fuel surcharge level on our website, and make no changes less than 30 days prior to your departure.

Please let us know should you have any questions, comments, or concerns. I fully understand that this is unwelcome news, and sincerely wish that we had another alternative.

On behalf of all of us, I want to thank you in advance for your understanding. We look forward to hosting you for a wonderful week of diving!

Sincerely,

A handwritten signature in black ink, appearing to read "Clay V. McCardell". The signature is fluid and cursive, written in a professional but personal style.

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