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## **GRACE PACIFIC CORPORATION AND MID PAC PETROLEUM ANNOUNCE MERGER**

### **Kama‘aina Combination Creates One Of Hawaii’s Largest Companies**

**HONOLULU** – Grace Pacific Corporation, the leading Hawaii roadway paving contractor, and Koko‘oha Investments, Inc., the parent of Mid Pac Petroleum, a Hawaii-based company which operates or supplies fuels for all of the 76 brand gas stations in Hawaii, announced that they will be merging the two companies, effective January 1, 2011.

The stock-for-stock transaction will create one of the largest locally owned businesses in Hawaii with combined annual revenues in excess of \$400 million and over 650 employees. Mid Pac Petroleum will become a wholly owned subsidiary of Grace Pacific, although both companies will continue to operate as separate businesses.

“The merger will bring added value to the existing enterprises and create new opportunities for growth,” said Grace Pacific CEO David Hulihee, who will serve as chairman and CEO of the combined group. “We are joining together the talented management teams of two successful local companies with exceptional employees, and a long history of good work and solid operating performance. We are very excited about the opportunity to continue building one of Hawaii’s largest core infrastructure companies providing essential materials, services and fuel products to support Hawaii’s growth for decades to come.”

According to Hulihee, there will be no significant changes in management, personnel, or operations of both companies and the transition will be seamless for customers.

Walter Dods, Jr., leader of the group of local investors that acquired Mid Pac in 2007, will serve as the new group’s vice chairman. Dods noted, “Over the past three years, Mid Pac has focused on reconnecting with its roots representing a brand that has served the local community for over 90 years. It is truly special to now have the opportunity to join forces with another kama‘aina company with the same commitment to its people, customers and Hawaii. Together, the combined group will be a substantial contributor to the local economy as well as our community.”

Jim Yates will assume the role of president for the merged entity, while also continuing in his current role as president and CEO of Mid Pac Petroleum. “This combination brings together two locally owned firms that share a love for and commitment to Hawaii,” said Yates. “The new company will draw upon the strengths of both established companies. As a combined group, we are stronger and more diverse, and even better positioned to continue our current emphasis on servicing our clients, taking care of our employees and reinvesting and supporting our communities.”

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Founded in 1931, Grace Pacific Corporation has been a driving force in constructing and maintaining the roads and highways that are integral to Hawaii's transportation infrastructure.

Grace Pacific has more than 500 employees and offers a wide range of construction-related materials and services, including asphalt paving, manufacturing of hot mix asphalt, construction aggregate, quarry operations and concrete recycling. Subsidiary operations include pre-stressed and precast concrete, guardrails, custom signage and fleet services, and traffic and roadway safety products.

Mid Pac Petroleum is a Hawaii-based petroleum marketer and distributor that has exclusive rights to the 76 brand for petroleum sales in Hawaii. The company has 150 employees and serves a total of 69 branded locations throughout the state, the largest number of outlets of any brand. It also owns and operates petroleum product terminals and trucking operations in Hawaii and is the first petroleum retailer on Oahu to offer biodiesel to customers. The 76 brand has been in the state for more than 90 years.

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