

## MERCURY REAL ESTATE ADVISORS LLC

100 Field Point Road  
[Greenwich, Connecticut 06830](#)

[February 27, 2006](#)

Wilshire Enterprises, Inc.  
Board of Directors  
c/o Mr. Eric J. Schmertz  
1 Gateway Center  
11-43 Raymond Plaza West – 10<sup>th</sup> Floor  
[Newark, New Jersey 07102](#)

Ladies and Gentlemen:

As you are aware from our prior letter to the Board of Directors (the “*Board*”) and our meeting with Mr. Schmertz, we have continued to express our serious concerns over the strategic direction and value destroyed by management of Wilshire Enterprises, Inc. (“*Wilshire*” or the “*Company*”). Notwithstanding our concerns, however, the Company has not taken any meaningful steps to address the numerous problems that we have identified. Although we view the Board’s decision to engage investment bankers as a cynical delay tactic and question whether the Board is serious in its consideration of strategic alternatives, we believe that we can offer the stockholders an alternative far superior to any alternative that might be under consideration by the Board.

To this end, based on publicly available information, we are prepared to pursue an acquisition of all of the outstanding common shares of the Company for \$8.50 per share in cash. This offer represents a premium of approximately 8.5% to the average closing price of the Company’s shares for the last 90 trading days. This cash price provides liquidity to long-suffering Wilshire stockholders at a significant premium, while at the same time eliminating the substantial uncertainties and risks associated with the Company’s review of strategic alternatives. Our proposal is subject to: (a) completion of customary business, legal and accounting due diligence, (b) negotiation of a satisfactory acquisition agreement, (c) any required regulatory approvals and (d) waiver of the Company’s shareholder rights plan and any other applicable takeover provisions. Because a large part of the Company’s inability to control expenses is due to the excessive compensation package of its Chief Executive Officer, our offer price is subject to reduction dollar for dollar for any 2005 / 2006 bonus payments, severance payments or any other forms of compensation made to Ms. Wilzig Izak above her base salary.

We strongly urge the Board of Directors to form a special committee of independent directors to consider our offer. In view of Ms. Wilzig Izak’s overwhelming conflict of interest as a part-time member of management who is continuing to receive exorbitant compensation from the Company and therefore has a vested interest in maintaining the status quo, we are shocked that the Board can conclude that it is fulfilling its fiduciary duties to stockholders in any process of considering strategic alternatives with a heavily conflicted Chief Executive Officer in the same room. While we understand and expect that management would be asked to provide input as to the Company’s operations and management’s strategic views, we are deeply troubled that the Board has not otherwise established a special committee to deliberate outside the presence of management with regard to the merits of one particular course of action or another.

We are prepared to proceed expeditiously toward satisfying the conditions necessary to reach agreement and consummate a transaction with the Company. Our full team is available to answer questions, begin detailed discussions and move forward immediately. We believe that such a process will finally result in a transaction that is in the best interests of both Wilshire and its stockholders.

Sincerely,

MERCURY REAL ESTATE ADVISORS LLC

/s/ [David R. Jarvis](#)    /s/ [Malcolm F. MacLean IV](#)

[David R. Jarvis](#)                      [Malcolm F. MacLean IV](#)  
Chief Executive Officer    President