

MEMORANDUM

March 27, 2008

To: Official Committee of Unsecured Creditors (the “Committee”) of Propex Inc., *et al.* (“Propex” or the “Debtors”)
From: Akin Gump Strauss Hauer & Feld LLP (“Akin Gump”)
Re: Propex, Inc. *et al.* – Recently Filed Pleading

Debtors’ Motion for Entry of an Order Establishing Procedures to Sell, Dispose or Transfer Miscellaneous Assets and Equipment Not to Exceed \$500,000 (the “Motion”)

By the Motion, the Debtors seek entry of an order (the “Order”) establishing procedures to sell, dispose, or transfer all or any portion of the Miscellaneous Property (defined below) up to an aggregate amount of \$500,000. According to the Motion, the Debtors possess miscellaneous assets and equipment that are either idle, obsolete, or of no further use in the Debtors’ business operations (the “Miscellaneous Property”).

Specifically, under the procedures requested in the Motion: (a) the Debtors shall have authority, without further order of the Bankruptcy Court, to sell, dispose of or transfer all or any portion of the Miscellaneous Property up to an aggregate amount of \$500,000; (b) on a monthly basis, beginning May 2008, the Debtors shall provide the Committee and the DIP lenders with a report describing any sale, disposal or transfer of Miscellaneous Property that occurred in the previous month; and (c) any sale, disposal or transfer of Miscellaneous Property shall be deemed to have been made free and clear of any and all liens, claims and encumbrances (with such liens, claims and encumbrances to attach to the proceeds of sale).

The Debtors argue that the foregoing procedures are the most cost-efficient manner of dealing with the Miscellaneous Property on the grounds that requiring the Debtors to file a separate motion each time they seek to sell, dispose or transfer a piece of the Miscellaneous Property will add unnecessary delay and costs to the Debtors’ estates.

The hearing date on the Motion is scheduled for April 9, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is April 4, 2008 at 4:00 p.m (ET).