

MEMORANDUM

April 16, 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 Approval of Rejection of Executory Employment Agreements (the "Motion")

By the Motion, the Debtors seek entry of an order (the "Order") authorizing the rejection of the three employment agreements set forth below (collectively, the "Agreements"). According to the Motion, the services provided under these Agreements are no longer necessary to the Debtors' operations.

- i. a letter employment agreement between Propex and Deron N. Austin, dated as of February 8, 2007. Prior to being terminated, Mr. Austin was employed as Propex's Director of Global Market Development.
- ii. an employment agreement between SI Corporation (predecessor in interest to Propex) and William Keith Beddingfield, dated as of August 4, 2003. Prior to being terminated, Mr. Beddingfield was employed as Propex's Director of Marketing.
- iii. an employment agreement, as amended, between SI Corporation (predecessor in interest to Propex) and Robert L. Tlumak, dated as of June 15, 2001. Prior to being terminated, Mr. Tlumak was employed as Propex's Director of Product Management.

The hearing date on the Motion is scheduled for April 23, 2008 at 9:00 a.m. (ET). The deadline to object to the Motion is April 18, 2008 at 5:00 p.m. (ET).