

MEMORANDUM

December 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

Motion to Approve Amendment to Debtors’ Application to Approve Retention of PricewaterhouseCoopers LLP as Accountants to the Debtors (the “Amendment”)

By the Amendment, the Debtors seek entry of an order (the “Order”) authorizing PricewaterhouseCoopers LLP (“PwC”) to conduct an audit of the Debtors’ consolidated financial statements.

On October 17, 2008, the Court entered an order (the “October 17 Order”) authorizing the retention of PwC as accountants to the Debtors pursuant to an engagement letter (the “October 17 Engagement Letter”). By the October 17 Order and October 17 Engagement Letter, PwC is authorized to perform certain limited tax services and to prepare an earnings and profits study for the Debtors. According to the Amendment, the Debtors have determined that they also require the assistance of PwC to conduct an audit of the Debtors’ consolidated financial statements. These services were not contemplated by the October 17 Engagement Letter and, thus, by the Amendment, the Debtors seek approval of the terms and conditions of a new engagement letter dated November 21, 2008 (the “November 21 Engagement Letter”) pursuant to which PwC will conduct an audit of the Debtors’ consolidated financial statements.

The November 21 Engagement Letter provides that the Debtors and PwC have agreed that, subject to Court approval, PwC will be compensated at the following hourly rates:

| PROFESSIONAL | RATE |
|------------------|---------------|
| Partner | \$550 - \$650 |
| Director | \$400 - \$550 |
| Manager | \$240 - \$280 |
| Senior Associate | \$165 - \$270 |
| Associate | \$120 - \$150 |

PwC expects the fees for this engagement to be approximately \$654,500 and will notify the Debtors in writing if it expects its fees to exceed this estimate. PwC will also bill the Debtors for

reasonable out-of-pocket expenses, and the November 21 Engagement Letter contains a standard release and indemnification provision in favor of PwC.