



W.R. Grace & Co. Settlement Agreement Fact Sheet

OVERVIEW

On December 19, 2007, the United States Environmental Protection Agency (EPA) and the United States Department of Justice announced a bankruptcy settlement with W.R. Grace & Co. (W.R. Grace). The settlement provides EPA with a \$34 million allowed general unsecured bankruptcy claim in connection with 32 sites in 18 states. W.R. Grace is also obligated to continue to perform cleanup at sites it owns. W.R. Grace's environmental liability arose pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly referred to as "Superfund"). The site names and locations are listed below.

BACKGROUND

W.R. Grace engages in specialty chemicals and materials businesses, operating on a worldwide basis. W.R. Grace and sixty-one affiliated companies (listed below) filed for reorganization under Chapter 11 of the Bankruptcy Code on April 2, 2001. The cases were consolidated for administrative purposes and W.R. Grace continues to operate their businesses and manage their properties as debtors in possession. In March 2003, EPA filed claims against the company to recover past and future cleanup costs at sites contaminated by vermiculate, asbestos and a variety of hazardous substances.

SETTLEMENT

Pursuant to the settlement, W.R. Grace and the United States have agreed that EPA shall have a \$34,065,813 bankruptcy claim. This claim will provide recovery to EPA with respect to 32 sites that W.R. Grace does not own. After the bankruptcy plan is confirmed by the court, W.R. Grace's liability at these 32 sites will be discharged under the Bankruptcy Code. The settlement provides that these claims shall be allowed as general unsecured claims and will be paid under the confirmed plan of reorganization in the same manner as other general unsecured claims. Some key provisions of the settlement are as follows:

- At the ten sites that W.R. Grace owned in the past, EPA's collective claim against W.R. Grace is \$23,714,939.14.
- At twelve sites where W.R. Grace disposed of hazardous substances, EPA's collective claim against W.R. Grace and the settlement amount is \$7,405,200¹.

¹ The settlement acknowledges the settlement of a thirteenth multi-generator site, the Wauconda Sand and Gravel Superfund Site. However, the settlement merely

- The remaining liquidated sites involve three sites that W.R. Grace never owned, but where companies licensed by W.R. Grace operated to process hazardous materials and three multi-generator sites.
- The settlement provides that EPA is entitled to administrative expense claims for response costs incurred post-petition at four W.R. Grace owned sites.
- W.R. Grace remains liable with respect to all property that it currently owns, including any cleanup costs at these sites if necessary.
- W.R. Grace continues to be responsible for performing work under all outstanding consent decrees and work orders.

THIRTY-TWO SITES AND LOCATIONS

1. Acton Plant Site, Acton, Mass.
2. Amber Oil (Eco-Tech) Site, Milwaukee, Wis.
3. Aqua Tech Site, Greer, S.C.
4. Cambridge Plant Site, Cambridge Mass.
5. Casmalia Resources Site, Santa Barbara, Calif.
6. Central Chemical Site, Hagerstown, Md.
7. Galaxy/Spectron Site, Elkton, Md.
8. Green River Site, Maceo, Ky.
9. Harrington Tools Site, Glendale, Calif.
10. Intermountain Insulation Site, Salt Lake City, Utah
11. IWI Site, Summit, Ill.
12. Li Tungsten Site, Glen Cove, N.Y.
13. Malone Services Co. Site, Texas County, Texas
14. N-Forcer Site, Dearborn, Mich.
15. Operating Industries Site, Monterey Park, Calif.
16. R&H Oil/Tropicana Site, San Antonio, Texas
17. RAMP Industries Site, Denver, Colo.
18. Reclamation Oil Site, Detroit, Mich.
19. Robinson Insulation Site, Minot, N.D.
20. Solvents Recovery Service of New England Site, Southington, Conn.
21. Vermiculite Intermountain Site, Salt Lake City, Utah
22. Vermiculite Northwest Site, Spokane, Wash.
23. Wauconda Sand and Gravel Superfund Site, Wauconda, Ill.
24. Watson Johnson Landfill Site, Richland Township, Pa.
25. Wells G&H Site, Woburn, Mass.
26. Western Minerals Processing Site, Denver, Colo.
27. Western Minerals Products Site, Minneapolis, Minn.
28. Zonolite Company/W.R. Grace Site, Ellwood City, Pa.
29. Zonolite Company/Grace Site, Hamilton Township, N.J.

30. Zonolite Company/W.R. Grace Site, New Castle, Pa.
31. Zonolite Company/W.R. Grace Site, Prince George's County, Md
32. Zonolite Company/W.R. Grace Site, Wilder, Ky.

W.R. GRACE

W. R. Grace engages in specialty chemicals and materials businesses, operating on a worldwide basis, with their corporate headquarters in Columbia, Maryland. The Debtors operate thorough two business units - Davison Chemicals and Performance Chemicals.

The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.