

Johnston Reynolds
CEO
GXE Corporation
Valve Assemblies Division
5800 Technology Way
Scranton, PA 78742

Dear Mr. Reynolds:

We are writing to introduce our company to you, and to outline a brief proposal of ways we can work together to help GXE increase its sales of valve systems to current and prospective customers, and open new markets in fluid process applications.

Our company, Duramco, has developed Cerampress, a patented new ceramic valve liner process and technology used for fluid-handling applications in high pressure, heat, and chemical processing environments, which can be offered as a value-added technology and service installation business by your company to your existing and new customers.

Cerampress technology can be a new source of additional profit center revenue for GXE. By licensing our technology for use in retrofit applications and new plant installations, and offering Cerampress products as an upgrade to your current valve systems line, GXE can increase its per-unit sales volume to your current customers as part of your existing sales and marketing effort, without added expense.

Here are a few examples of how your customers and GXE benefit from our company's Cerampress technology:

- **Retrofit capability cuts upgrade cost and saves plant downtime on installation:** Cerampress ceramic valve liners can be offered as a retrofit to your customers' existing installations, opening many new opportunities for your sales team to sell to accounts who are not yet ready to fully upgrade their fluid processing systems;
- **Longer wear and 40% greater reliability:** In retrofit or new installations, Cerampress ceramic valve liners save plant maintenance expense and give your customers reduced plant downtime. Independent testing proves 40% greater MTBF for Cerampress ceramic materials vs. existing alloy or high-density

plastics for corrosive, high-heat or other challenging fluid-handling applications;

- **Fully compatible with the GXE product line:** Because Cerampress is fully compatible with GXE's full line of extreme-use valve assemblies and hydraulic systems, integration of our patented technology with your existing product line is seamless, and we can train your service and engineering staff in a very short time.

By licensing our Cerampress technology, and incorporating Cerampress products with your existing valve systems product line, GXE establishes a brand-new profit center business line serving many new applications in hazardous fluid materials processing, with minimal start-up and tooling costs. Most important, by licensing our technology GXE achieves a critical strategic and technological advantage against its competition in ceramics-based materials.

We look forward to having the opportunity to meet with you to provide an in-depth presentation, detailing how our company's Cerampress technology and product line can work with GXE valve systems to offer your company new incremental sales revenues, and your customers a revolutionary new efficiency and savings in their fluid-handling applications.

The enclosed materials provide additional information on our company and Cerampress technology and products, and include some additional technical independent test results on our ceramic bonding technology, which will be of interest.

I will call you at 10:00 AM on Thursday, September 30th to further discuss this opportunity with you, and to set a date and time for a meeting. Meanwhile, if you have any questions or need further information, please feel free to call me at: (888) 555-4826.

Sincerely,

Randle P. McMurphy
Vice President, Marketing
Duramco, Inc.

Attachments