

ATTACHMENT 1

Description of Sale

Seller:	Debtor W. R. Grace & Co.-Conn. ("Grace")
Purchaser:	CeraTech, Inc., a Delaware corporation ("Technology Company")
Assets to be sold:	<ul style="list-style-type: none">• Put and call options for 112,500 shares of Series C Convertible Redeemable Preferred Stock of Technology Company (the "Shares")• Exclusive distribution and other rights under Exclusive Sales, Marketing and Distribution Agreement ("SMD Agreement") and Supply Agreement ("Supply Agreement") between Technology Company and Grace, by termination of the two agreements
Purchase price:	<ul style="list-style-type: none">• \$40 per Share• \$250,000 upon termination of SMD Agreement and Supply Agreement• Aggregate price of \$4.75 million equals the \$4.5 million purchase price for the Shares, plus \$250,000 minimum payment made by Debtors in 2010 to maintain exclusive rights under SMD Agreement.
Summary of transaction:	<ul style="list-style-type: none">• Annual minimum payments due on March 31, 2011 through 2023, in order for Grace to maintain exclusive or non-exclusive rights under SMD Agreement will be deferred until March 31, 2012 through 2024.• Technology Company's call option is exercisable at any time on or before March 31, 2012. Seller may extend its call option from year to year to the next March 31 by giving notice by June 30 of the previous year, in which case each additional annual minimum payment is likewise deferred for an additional year.• Grace's put option is exercisable if the Technology Company obtains certain additional investment by exercise of an option whose exercise deadline will be no later than June 26, 2011.• If and when Technology Company has purchased all of the Shares, the SMD Agreement and the Supply Agreement will be terminated, and Grace will be paid \$250,000.• The agreement for the sale of the assets will become effective when the relevant notice periods under the Order shall have expired without objection or any competing bid, or if any such objections or competing bids shall have been resolved in a manner consistent with the Order. If the agreement does not become effective on or

	before April 15, 2011, it will automatically terminate.
Reason for transaction:	Debtors do not wish to invest additional money in Technology Company, or pay the annual minimum fees necessary to maintain their rights under SMD Agreement. Because of the uncertain prospects of Technology Company, Debtors do not believe that Grace can sell the Shares to a third party for the amount of Grace's original investment. They therefore have concluded that entering into the transactions described above, which represent an opportunity to obtain the return of Grace's original investment, is in the best interests of Debtors and their estates.
Marketing of the assets:	Because of the uncertain technological and commercial prospects of the Technology Company, and the fact that Grace cannot assign rights under SMD Agreement and the Supply Agreement without the consent of Technology Company, Debtors concluded that any effort to sell the assets to another party would be futile.