

THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re) Chapter 11
FANSTEEL INC., et al.,¹) Case No. 02-10109 ()
) (Jointly Administered)
Debtors.)

**NOTICE OF ENTRY OF ORDER AUTHORIZING DEBTORS TO
PAY PRE-PETITION CLAIMS OF CRITICAL TRADE VENDORS**

PLEASE TAKE NOTICE that on January 17, 2002, the United States Bankruptcy Court for the District of Delaware entered a Order on the **Motion For Order Authorizing Payment Of Pre-Petition Critical Vendor Claims** (the "Order"). A true and correct copy of the Order is attached hereto.

PLEASE TAKE NOTICE that Debtors are authorized to pay all valid pre-petition claims to the Critical Vendors, subject to the provision of terms on which a Critical Vendor receiving such payments agrees to supply Debtors with post-petition goods and services on **Acceptable Supply and Credit Terms** or as otherwise set forth in the **Motion For Order Authorizing Payment Of Pre-Petition Critical Vendor Claims**.

¹ The Debtors are the following entities: Fansteel, Inc.; Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.
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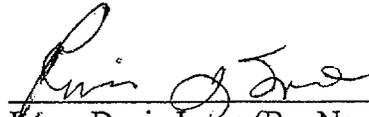
PLEASE TAKE FURTHER NOTICE that all applicable banks and other financial institutions (listed on Exhibit A) are authorized to receive, process, honor, and pay any and all checks, drawn on Debtors' accounts related to the Critical Vendor Claims for which payment has been authorized hereby, whether such checks were presented prior to or after the Petition Date, provided only that sufficient funds are available in the applicable accounts to make such payments.

Dated: January 18, 2002

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
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FANSTEEL INC., et al.,¹) Case No. 02-10109 ()
) (Jointly Administered)
Debtors.)
)
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**ORDER AUTHORIZING DEBTORS TO PAY
PREPETITION CLAIMS OF CRITICAL TRADE VENDORS**

Upon the motion ("Motion"),² of Fansteel Inc., a Delaware corporation, and its subsidiaries ("Subsidiaries"), Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Washington Mfg., Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., Wellman Dynamics Corp. and Fansteel Schulz Products, Inc., debtors and debtors-in-possession herein (each a "Debtor" and, collectively, the "Debtors"), for an order authorizing Debtors to pay certain prepetition unsecured claims of Critical Vendors; and upon consideration of the Affidavit of Gary Tessitore in Support of the First Day Motions and Applications; and due notice having been provided; and it appearing that the Court has jurisdiction over this matter and the relief requested in the Motion pursuant to 28 U.S.C. §§ 157, 1334; it appearing that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having determined that the relief sought in the Motion is in the best interests of Debtors, their estates, and all parties in interest;

¹ The Debtors are the following entities: Fansteel Inc., Fansteel Holdings, Inc., Custom Technologies Corp., Escast, Inc., Wellman Dynamics Corp., Washington Mfg. Co., Phoenix Aerospace Corp., American Sintered Technologies, Inc., and Fansteel Schulz Products, Inc.

² Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Motion.

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therefore, upon the Motion and all of the proceedings had before the Court and after due deliberation and sufficient cause appearing, it is hereby

ORDERED that the Motion is granted; and it is further

ORDERED that Debtors are authorized but not directed to pay all valid pre-petition claims to the Critical Vendors, subject to the provision of terms on which a Critical Vendor receiving such payments agrees to supply Debtors with postpetition goods and services on Acceptable Supply and Credit Terms or as otherwise set forth in the Motion; and it is further

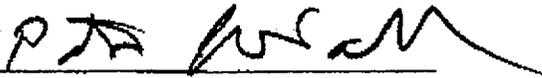
ORDERED that all applicable banks and other financial institutions are authorized to receive, process, honor, and pay any and all checks, drawn on Debtors' accounts related to the Critical Vendor Claims for which payment has been authorized hereby, whether such checks were presented prior to or after the Petition Date, provided only that sufficient funds are available in the applicable accounts to make such payments; and it is further

ORDERED that, if any Critical Vendor that has received payment of any prepetition amount hereunder ceases to provide such pricing and terms for any reason during the pendency of these cases, Debtors may credit such vendor's postpetition account with any such payments and increase such vendor's prepetition account accordingly. To the extent such vendor's postpetition account is less than the sum of all payments received by such vendor on its prepetition account in accordance herewith, such vendor shall disgorge to the relevant Debtor all amounts received by such vendor on account of its prepetition claim in accordance herewith; and it is further

ORDERED that, notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall constitute, nor is it intended to constitute, an assumption of any executory contract or unexpired lease under Section 365 of the Bankruptcy Code; and it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this order.

Dated: Jan 17, 2002



JUDGE