

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

**ORDER AMENDING ORDER UNDER SECTION 327(a)
OF THE BANKRUPTCY CODE AUTHORIZING THE EMPLOYMENT
AND RETENTION OF LINCOLN PARTNERS, L.L.C. AS
INVESTMENT BANKERS FOR DEBTORS AND DEBTORS IN POSSESSION**

Upon the entire record of these chapter 11 cases; and after due deliberation thereon; and good and sufficient cause appearing therefore; it is hereby

ORDERED, that the Amendment² by and between the Debtors and Lincoln Partners, dated December 9, 2002, a copy of which is annexed hereto as Exhibit A is hereby approved; and it is further

ORDERED, that all other terms and conditions of the Engagement Letter and the Retention Order shall remain in full force and effect.

Dated: 1/8/03


The Honorable Joseph J. Farnan, Jr.
United States District Court Judge

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, capitalized terms used herein shall have the meanings ascribed to them in the Certification of Counsel for Order Amending Order Under Section 327(a) of the Bankruptcy Code Authorizing the Employment and Retention of Lincoln Partners L.L.C. as Investment Bankers for Debtors and Debtors in Possession.

DOCKET # 677
DATE 1/8/03

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Add: 06C Mail
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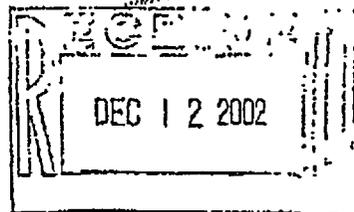
Exhibit A

R. Michael McEntee
Vice President and
Chief Financial Officer

Fansteel

December 9, 2002

Mr. Patrick M. Goy, Managing Director
Lincoln Partners, L.L.C.
200 W. Madison St., Suite 2100
Chicago, IL 60606



Dear Mr. Goy:

The Company wishes to express its appreciation for your efforts and that of your firm during its retention as exclusive investment banking representative for Fansteel Inc. With the successful sale of Schulz Products, Inc., accomplished by your efforts, the Company is no longer actively marketing any of the other business operations. You will be paid a success fee of \$130,000 upon completion of the Schulz Products sale.

Therefore, by our mutual agreement, the parties heroby amend the letter dated January 14, 2002 ("the Letter Agreement") as follows:

Paragraph 8(b) shall add:

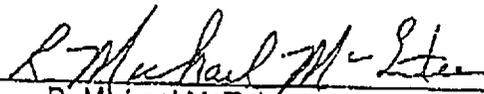
The monthly non-refundable cash retainer of \$30,000 payable to Lincoln Partners shall be suspended as of October 25, 2002, the date the purchase agreement for the sale of Schulz Products, Inc was signed. The monthly retainer shall not be resumed without mutual agreement and notice to the bankruptcy court.

All other provisions and prior amendments remain. If the foregoing correctly sets forth our understanding, please sign the Letter Amendment in the space provided and return to us.

Very truly yours,

FANSTEEL INC.

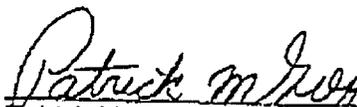
By:


R. Michael McEntee

Accepted and agreed to this 9th day of December, 2002.

LINCOLN PARTNERS, L.L.C.

By:


Patrick M. Goy, Managing Partner