ASBESTOS STRATEGIC PLANNING

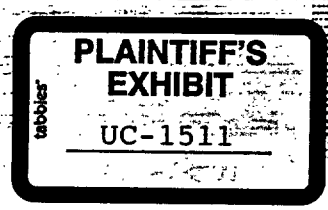
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KEY EXTERNAL ASSUMPTIONS

Volume Growth – 3% per yr. for short fiber.
8% per yr. for visc. cont. agents

Government –

1. No change in depletion allowance.
2. Prior 3rd party liability does not exceed $ _____ during the plan period.
3. Future 3rd party liability is minimal.
4. No widespread bans or mandatory substitutions.
5. OSHA TLV no more restrictive than 1.0 f/cc TWA.
6. Other regulations (EPA, MSHA, etc) not substantially more stringent than now.
7. No significant impact due to "retroactive" legislation.



Competition -

1. No new major exploitation of the Coalinga deposit.
2. No impact on short fiber market from USSR
3. No price/~~performance~~ pressure from viscosity control agent producers.
4. Other short fiber producers do not begin more aggresive marketing effort.

Customers -

1. No unexpected or significant impact on short fiber due to customer "hysteria".
2. Viscosity control customers' apprehensions stabilized for 2-3 years, then gradual decline.

Technology -

1. Research will not show asbestos to be more hazardous than current thinking, or that "Calidria" is more hazardous than other short fiber.

2. No major breakthrough in finding short fiber substitutes.