

September 14, 2005

To: All Pace Analytical Employees  
From: Steve Vanderboom, CEO

Re: Update Status Report on New Orleans Staff and Laboratory

Let me begin by thanking all of our employees and our customers and vendors who are making contributions to our employees who have been impacted by Katrina. So far, we have had vacation contributions of 400 days and cash donations of \$4,100, which the company has matched for the benefit of our New Orleans employees. We have also received offers for other types of contributions and we are compiling lists of needs from employees.

We have located all of our employees except for one. Annie Webster has not contacted us yet. We are hopeful that Annie is safe because we are aware that her house is boarded up and her car is gone, and Annie has a reputation of taking appropriate precautions in the past when hurricanes have approached. If any of you hear from Annie, please contact LoAnn Grill (612-607-6326 or loann.grill@pacelabs.com) or Dennis Leeke (281-850-8791 or dennis.leeke@pacelabs.com) immediately.

Our other employees from the New Orleans lab are scattered across approximately nine states seeking shelter. We regret to report that close to ten employees have either lost their homes or suffered severe damage in their homes. Many, many others have suffered minor damage to their homes and many more cannot yet access their homes. We do not know how long it will be until some of our employees will be able to return to their homes. Any employees who are struggling with adequate shelter should contact LoAnn or Dennis at the numbers listed above. We will do what we can to help you find shelter.

Dennis Leeke, our general manager, and many of our project managers and sales executives are working out of our Houston service center to provide updates to our customers on projects that were in the lab before the hurricane. We expect that we will continue to work out of the Houston facility until the laboratory is back in operation in New Orleans.

The laboratory is getting closer to being ready to begin operation. We have power and water and sewer, but we do not yet have telephone and internet service and we have not yet been able to contract for repairs to the wind damage on our ventilation stacks on the roof. There was no physical damage inside the facility or to the instruments. We are in the process of restocking supplies and standards while preparing to start up the laboratory again. We anticipate that we might be able to begin receiving samples during the week of the 19<sup>th</sup> of September. Dennis Leeke has contacted most of our staff and determined that at least half are ready and anxious to come back to work.

So far, we have been able to maintain all of our staff on payroll through this tragedy. We hope to be able to continue to do that as we begin operations again. We will help those of our staff that have to spend significant time repairing their homes by providing them with additional vacation time that will allow them to continue to be paid.

Also, thank you to the Kansas, Charlotte and Puerto Rico labs who have supported our New Orleans customers during this disaster. The feedback from our customers is positive and we feel that our customers will continue to support our New Orleans laboratory after it reopens. A number of our employees in the Gulf Coast region have been working very hard, in spite of personal hardship, to keep our business viable and to prepare it for future operations. Thank you to each and every one of you. I continue to believe that we can emerge from this disaster stronger than when we entered. If you have questions for me, my email is [svanderboom@pacelabs.com](mailto:svanderboom@pacelabs.com).