

The Payne Firm, Inc. was the Environmental Consultant assisting The Carlyle Group in this deal. Below is the press release issued by The Carlyle Group.

J.P. Morgan Partners, LLC and CCMP Capital Advisors, LLC Announce Sale of PQ Corporation to The Carlyle Group

New York - CCMP Capital Advisors, LLC ("CCMP Capital"), on behalf of J.P. Morgan Partners, LLC ("JPMP"), has reached an agreement for The Carlyle Group ("Carlyle") to acquire Niagara Holdings, Inc., parent company of PQ Corporation ("PQ"). PQ is a leading producer of specialty inorganic chemicals, catalysts, and engineered glass products. The transaction value is approximately \$1.5 billion.

Affiliates of JPMP acquired PQ in February 2005. In August 2006, the buyout and equity growth investment professionals of JPMP formed CCMP Capital and have continued to manage this investment on behalf of JPMP.

Commenting on the announcement, Mike Boyce, CEO of PQ, said, "I want to thank CCMP and the Board of Directors for all their support since February 2005. This made possible the outstanding progress we achieved over a short period of time. The entire PQ team is very excited and looks forward to working with Carlyle to continue the implementation of PQ's growth strategy."

Timothy Walsh, Managing Director of CCMP Capital, added, "We are proud of what Mike Boyce and his team have accomplished in transforming PQ and believe the business is well positioned for the future. We wish them well as PQ enters the next stage of its development."

Andrew Marino, Principal of Carlyle, said, "We are excited about becoming PQ's new major shareholder. We look forward to supporting Mike Boyce and his team in continuing PQ's growth plan."

Pursuant to the Merger Agreement, PQ has agreed to use its commercially reasonable efforts to discharge all of its outstanding senior subordinated notes (the "Notes") issued pursuant to the Indenture dated February 11, 2005 between Niagara Acquisition, Inc. (now known as PQ Corporation) and Wells Fargo Bank, National Association (the "Indenture") by either conducting a tender offer for the Notes or effecting the redemption of the Notes in accordance with the terms of the Indenture.

The transaction is expected to close in the third quarter subject to regulatory review and customary closing conditions. Lehman Brothers and J.P. Morgan Securities Inc. are financial advisors and Latham & Watkins LLP is legal counsel to PQ. The Carlyle Group was advised by UBS Securities LLC and Debevoise & Plimpton LLP.

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