

Bernd Durstberger
100 Mansell Court East
Suite 615
Roswell, GA 30076
Phone: 770-225-7902
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C-E Minerals, Inc.

Fax

To: Mr. Mark EDMUNDS / CARBO CERAM. **From:** Bernd Durstberger

Fax: 1-972-401-0705

Pages: 1+2

Phone:

Date: 7/15/2006

Re:

CC:

See enclosed memorandum



July 15, 2006

Mark L. Edmunds
Vice President, Operations
CARBO Ceramics Inc.
Suite 1050
6565 MacArthur Blvd.

VIA FACSIMILE: 1-972-401-0705 (original document sent by courier)

RE: Contract Amendment Discussions

Dear Mark:

I wanted to follow-up concerning our discussions concerning a possible amendment to the supply agreement between Carbo Ceramics and C-E Minerals. Please note that since our latest phone conversation Meredith Lackey had not heard back from Ms. Bruder concerning the remaining legal issue in conjunction with above amendment.

As you well know, many months have now transpired since our first request for a contract amendment (which we had sought due to the dramatic energy increase experienced in our mining operations). We recently re-evaluated our tentative agreement (which you had graciously agreed to accept) consisting of a sales price increase in essence in exchange for a decreased purchase commitment from Carbo's side (plus the redefinition of certain operational practices). Due to the passage of time, we have internally reached the conclusion that this proposed agreement simply does not make economic sense for C-E Minerals anymore. We weighed the inherent long-term volume loss vs. the immediate energy cost relief, and being only months away from an expected regular inflation adjustment (for 2007 and beyond), the numbers just did not work out. In summary, I wish to inform you that we herewith formally withdraw our request for a contract amendment. We will of course honor our contractual obligations under the existing supply agreement, as I am certain will Carbo Ceramics, and we look forward to many years of continuing our mutually beneficial business relationship.

On a side note, and as I have repeatedly mentioned to you in recent phone conversations, it remains C-E's position that Paragraph 5 of the current supply agreement as a practical matter is of no consequence and has not been in force since the inception of the supply agreement. Therefore, I wish to reiterate that

C-E Minerals does not intend to abide by the covenant appearing in
aforementioned paragraph.

Best regards,

A handwritten signature in black ink, appearing to read "Bernd Durstberger", with a long, sweeping horizontal line extending to the right.

Bernd Durstberger
Chief Operating Officer
C-E Minerals, Inc.



July 21, 2006

VIA FACSIMILE AT (770) 225-7901 FOLLOWED BY UPS NEXT DAY AIR SERVICE

Mr. Bernd Durstberger
Chief Operating Officer
C-E Minerals, Inc.
100 Mansell Court East
Suite 615
Roswell, GA 30076

RE: Your correspondence of July 15, 2006

Dear Bernd:

We received your letter dated July 15, 2006, regarding the contract amendment discussions (a copy of which is attached hereto for reference). We firmly disagree with the opinion stated in your letter regarding Paragraph 5 of the Raw Material Requirements Agreement, dated June 1, 2003 (the "Agreement"). CARBO Ceramics Inc. believes that the rights and obligations described in Paragraph 5 are valid, legal, and enforceable.

As such, we reserve all rights to enforce the mutually agreed upon rights and obligations described in Paragraph 5, and C-E Minerals should fully expect that CARBO Ceramics would do so in the event of a breach of this provision of the Agreement. Thus, I take your statement in the second paragraph of your letter that C-E Minerals "...will of course honor our contractual obligations under the existing supply agreement..." at face value and fully expect C-E to honor its commitments. I, too, look forward to C-E performing to both the letter and spirit of the contract for the remainder of the contract term, as will CARBO Ceramics.

I have enjoyed our discussion of these past few months, and look forward to further dialogue in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark L. Edmunds", written in a cursive style.

Mark L. Edmunds
Vice President, Operations

CARBO Ceramics Inc.
Suite 1050
6565 MacArthur Blvd.
Irving, Texas 75039
Telephone 972/401-0090
Fax 972/401-0705



August 7, 2006

Mark L. Edmunds
Vice President, Operations
CARBO Ceramics Inc.
Suite 1050
6565 MacArthur Blvd.

SENT VIA UPS NO. 1Z5YR2550190762094

RE: Your correspondence of July 21, 2006


Dear Mark:

I am writing to follow-up on your letter dated July 21, 2006 and to clarify our position regarding Paragraph 5 of the current supply agreement. C-E Minerals will honor all our contractual obligations under the agreement. However, for reasons which we have stated to you and Ms. Bruder during various conference calls, we believe that Paragraph 5 is unenforceable, has not been in force as a practical matter since the inception of the agreement, and as such we do not intend to abide by the covenant contained in this particular paragraph.

As I am sure you will recall, I had offered various times to organize a meeting or conference call with respective outside counsel in order to discuss your interpretation of Paragraph 5. Unfortunately, this offer was declined and to date we have not received detailed legal support for your assertion concerning this provision. We therefore are not in a position to reach a differing conclusion than our current one. Having said that, I would like to mention that I remain open to conducting such a conversation, if you or your legal team desire.

In the meantime, I wish to assure you that CE Minerals will continue to comply with all of the remaining provisions of the current agreement, and we will continue to perform the agreement just as we have since its inception.

Best regards,


Bernd Durstberger
Chief Operating Officer
C-E Minerals, Inc.