

Anellotech

January 8, 2015

Supervisor Andrew Y. Stewart
Town of Orangetown - 26 Orangeburg Road
Orangeburg, New York 10962

Supervisor Alexander J. Gromack
Town of Clarkstown - 10 Maple Avenue
New City, NY 10956

Dear Supervisor Stewart and Supervisor Gromack:

Both of you have raised important questions about the nature of the Anellotech research facility in Pearl River. Specifically, you cited information in our March 6, 2013 press release. Following is clarification to help you better understand the facts. It is our plan to post this letter also to our website and to share it with others who may need clarification.

Anellotech has never sold any materials produced in Pearl River and has no plans to do so. The release referenced Anellotech's plan to provide *samples* for customers of up to 100 kilograms. This was not material for sale. It was solely for analysis for use by current and potential Anellotech investors and future licensees (customers) interested in assessing the viability of the technology.

The release reflected our expectation that potential investors would be interested in samples of that volume. However, only smaller samples (less than 1 kilogram) have been requested, made and provided at no charge. Anellotech expects to continue sampling in small volume in the future for this purpose.

Please call me anytime at 917-664-4540 as I welcome the opportunity to discuss any questions you have and provide you with further information.

Thank you. I look forward to hearing from you.

Best Regards,



David Sudolsky
President and CEO
Anellotech, Inc.