

Report of Material Event to Holders of
\$765,000,000 Principal Amount of
9 3/4% Senior Notes Due 2014
€275,000,000 Principal Amount of
9% Senior Notes Due 2014
\$300,000,000 Principal Amount of
10 1/8%/10 7/8% Senior Toggle Notes Due 2014
and
\$500,000,000 Principal Amount of
11 1/2% Senior Subordinated Notes Due 2016

Prepared Pursuant to Section 4.02
of the Indentures governing the
9 3/4% Senior Notes Due 2014,
9% Senior Notes Due 2014
10 1/8%/10 7/8% Senior Toggle Notes Due 2014
and
11 1/2% Senior Subordinated Notes Due 2016
dated December 4, 2006

Among Momentive Performance Materials Inc., as Issuer,
the Guarantors named therein,
and Wells Fargo Bank, as Trustee and Bank of New York, as paying agent

Dated: June 27, 2007

On June 8, 2007, Wayne Hewett resigned as President and Chief Executive Officer and as a member of the Board of Directors of Momentive Performance Materials Inc. ("Momentive" or the "Company"), its parent, Momentive Performance Materials Holdings Inc. ("Holdings") and Momentive's various subsidiaries. In addition, on June 8, 2007, the Board of Directors of the Company appointed Jonathan Rich as President and Chief Executive Officer and as a member of the Board of Directors of Momentive and of Holdings.

Wayne Hewett Separation Agreement

In connection with the above, Momentive and Mr. Hewett entered into a Separation Agreement dated June 8, 2007 (the "Separation Agreement"), pursuant to which Mr. Hewett resigned from the positions noted above on June 8, 2007 and agreed to remain as a non-officer employee of Momentive for the 30-day period following his resignation. Pursuant to the Separation Agreement, Mr. Hewett is entitled to the following payments and benefits: (i) monthly installment payments of \$54,166.66 for a period of twelve months following his termination of employment, subject to cutoff if Mr. Hewett becomes reemployed with another employer which requires him to transfer, directly or indirectly, any portion of his severance payments to such employer, (ii) a pro-rata bonus payable no later than March 15, 2008, based on the achievement of applicable performance targets by the Company for the calendar year ending December 31, 2007 and the portion of such year that Mr. Hewett was employed by the Company (provided that the computation of the bonus will be based upon a target bonus of 100% of Mr. Hewett's annual salary of \$650,000 and may be higher or lower than this percentage based upon actual performance, but will in no event be less than approximately \$185,137), (iii) within 30 days of his resignation date, Holdings will repurchase Mr. Hewett's 10,425 shares of common stock in Holdings for \$1,042,500 (the same price paid by Mr. Hewett), (iv) continued health and welfare benefits (excluding long-term disability coverage) for Mr. Hewett (and, where applicable, his dependents) on the same terms that would have been provided had Mr. Hewett continued employment with Momentive for one year following termination of his employment, subject to cutoff if Mr. Hewett becomes eligible for comparable benefits from a subsequent employer, (v) certain accrued amounts and (vi) Momentive remains required to pay Mr. Hewett's 2007 GE Long-Term Incentive Plan benefit. Mr. Hewett is also subject to certain non-competition and non-solicitation restrictions for one year following termination of his employment, and continuing non-disparagement and confidentiality obligations. In connection with his entry into the Separation Agreement, Mr. Hewett executed a general release of claims against Momentive. In connection with his termination of employment, Mr. Hewett has also been released from his obligation to purchase further stock of Holdings.

The foregoing is only intended as a summary of the terms of the Separation Agreement, and is not intended to be a complete discussion of such agreement.

Jonathan Rich Employment Agreement

In connection with his appointment to the positions noted above and his commencement of employment with Momentive, Mr. Rich and Momentive entered into an employment agreement on June 8, 2007 (the "Employment Agreement"). The Employment Agreement provides for an initial five-year employment period, subject to annual renewal unless either party gives 90 days notice of its intention not to renew. Pursuant to the Employment Agreement, Mr. Rich is entitled to an annual base salary of not less than \$650,000 and is eligible for an annual target bonus of 100% of his base salary, which bonus may be higher or lower based on actual performance. In addition, Mr. Rich will be entitled to a pro-rata bonus for the Company's 2007 fiscal year, which will be no less than one half of the base salary that he earns during such year. Mr. Rich is also entitled to participate in employee benefit plans made available to senior executives of the Company generally and reimbursement for certain relocation expenses.

In connection with his entry into employment with Momentive, Mr. Rich invested \$2.5 million in Holdings, pursuant to which he purchased 25,000 shares of Holdings common stock at a per share price of \$100.00. Mr. Rich's stock is subject to the restrictions, rights and other limitations set forth in Holdings' securityholders' agreement. In connection with his investment, Holdings also granted Mr. Rich options to purchase 75,000 shares of Holdings common stock under the 2007 Long-Term Incentive Plan at an exercise price of \$100.00 per share. Mr. Rich's stock options are generally subject to the same terms and conditions as the options previously granted by Holdings.

In the event that Momentive terminates Mr. Rich's employment without "cause" or Mr. Rich resigns for "good reason" (each, as defined in the Employment Agreement), under the terms of his Employment Agreement, Mr. Rich will be entitled to the following payments and benefits (i) certain accrued amounts, (ii) 18 months of continued base salary, payable in accordance with the Company's payroll practices, (iii) a pro rata bonus (based on Company performance) for the year of termination and (iv) continued health and welfare benefits (excluding long-term disability coverage for 18 months for Mr. Rich (and, where applicable, his dependents), subject to cutoff in certain events in connection with Mr. Rich's subsequent reemployment. Mr. Rich's receipt of the foregoing payments and benefits is subject to his execution and non-revocation of a release of claims against Momentive. In addition, Mr. Rich is subject to non-competition, non-solicitation and confidentiality covenants while employed by Momentive and for two years (in the case of the non-competition), one year (in the case of non-solicitation) and on an ongoing basis (in the case of confidentiality) following termination of his employment for any reason.

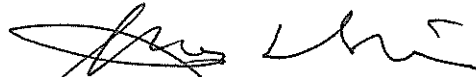
The foregoing is only intended as a summary of the terms of the Employment Agreement, and is not intended to be a complete discussion of such agreement.

SIGNATURES

This report has been signed below by the following persons on behalf of Momentive Performance Materials Inc. and in the capacities and on the dates indicated.

June 27, 2007

Momentive Performance Materials Inc.

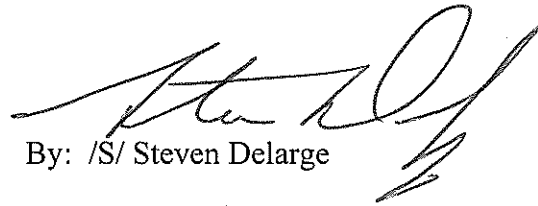


By: /S/ Jonathon Rich

Jonathon Rich

President and Chief Executive Officer

June 27, 2007



By: /S/ Steven Delarge

Steven Delarge

Chief Financial Officer