

AMENDMENT NO. 1 TO AMENDMENT NO. 8 TO
LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 1 TO AMENDMENT NO. 8 TO LOAN AND SECURITY AGREEMENT (this "Amendment"), dated as of July 11, 2008, is entered into by and among Wachovia Capital Finance Corporation (Central), as agent (in such capacity, "Agent"), for itself and the parties from time to time to the Loan Agreement (as hereinafter defined), as lenders (collectively, together with Agent, "Lenders"), Ormet Corporation ("Parent"), Ormet Primary Aluminum Corporation ("OPAC"), Ormet Aluminum Mill Products Corporation ("Ormet Mill", and together with Parent and OPAC, each individually a "Borrower" and collectively, "Borrowers"), Specialty Blanks Holding Corporation ("Specialty Holding"), Ormet Railroad Corporation ("Ormet Railroad"), Specialty Blanks, Inc. ("Specialty", and together with Specialty Holding and Ormet Railroad, each individually a "Guarantor" and collectively, "Guarantors").

W I T N E S S E T H:

WHEREAS, Agent, Lenders, Borrowers and Guarantors have entered into financing arrangements as set forth in the Loan and Security Agreement, dated February 14, 2007, by and among Agent, Lenders, Borrowers and Guarantors, as amended by Amendment No. 1 to Loan and Security Agreement, dated March 16, 2007, Amendment No. 2 to Loan and Security Agreement, dated April 24, 2007, Amendment No. 3 to Loan and Security Agreement, dated June 5, 2007, Amendment No. 4 to Loan and Security Agreement, dated as of November 1, 2007, Amendment No. 5 to Loan and Security Agreement, dated January 23, 2008, Amendment No. 6 to Loan and Security Agreement, dated March 28, 2008, Amendment No. 7 to Loan and Security Agreement, dated as of April 14, 2008 and Amendment No. 8 to Loan and Security Agreement ("Amendment No. 8"), dated April 30, 2008 (as the same now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, the "Loan Agreement") and other agreements, documents and instruments referred to therein or at any time executed or delivered in connection therewith or related thereto, including this Amendment (all of the foregoing, including the Loan Agreement, Amendment No. 8 and this Amendment, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, being collectively referred to herein as the "Financing Agreements"); and

WHEREAS, the parties hereto desire to amend Amendment No. 8 to evidence and effectuate certain amendments to Amendment No. 8 subject to the terms and conditions and to the extent set forth herein.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

2. Amendment. Section 3.4 of Amendment No. 8 is hereby amended by adding the following two sentences at the end of such Section:

“Notwithstanding the foregoing, with respect to the contributions required to be made by Borrowers in respect of the Current Funding Obligations and the Funding Waiver/UBL Obligations on July 15, 2008, Borrowers shall not be required to make any portion of such contributions in the form of a QES Contribution and may instead make such contributions in cash on such date. Borrowers shall obtain Additional Liquidity satisfying the conditions set forth in this Section 3.4, in the amount of not less than \$5,000,000, on or prior to August 29, 2008, and such Additional Liquidity shall be counted for purposes of meeting the requirements of clause (ii) of the first proviso above in this Section 3.4 with respect to subsequent contribution dates listed above.”

3. Representations, Warranties and Covenants. Each Borrower and Guarantor represents, warrants and covenants with, to and in favor of Agent as follows, which representations, warranties and covenants are continuing and shall survive the execution and delivery hereof, the truth and accuracy of, or compliance with each, together with the representations, warranties and covenants in the other Financing Agreements, being a condition of the effectiveness of this Amendment:

3.1 This Amendment has been duly authorized, executed and delivered by all necessary action on the part of Borrowers and Guarantors which is a party hereto and is in full force and effect as of the date hereof, as the case may be, and the obligations of Borrowers or Guarantors contained herein constitute legal, valid and binding obligations of Borrowers and Guarantors, as the case may be, enforceable against them in accordance with their terms.

3.2 All of the representations and warranties set forth in the Loan Agreement as amended hereby, and the other Financing Agreements, are true and correct in all material respects after giving effect to the provisions of this Amendment, except to the extent any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date.

3.3 After giving effect to the provisions of this Amendment, no Event of Default exists or has occurred and is continuing.

4. Conditions Precedent. Concurrently with the execution and delivery hereof, and as a further condition to the effectiveness of this Amendment and the agreement of Agent to the modifications and amendments set forth in this Amendment:

4.1 Agent shall have received, in form and substance satisfactory to Agent, an executed copy of an original or executed original counterparts of this Amendment by electronic mail or facsimile (with the originals to be delivered within five (5) Business Days after the date hereof), duly authorized, executed and delivered by each Borrower and Guarantor;

4.2 each Borrower and Guarantor shall deliver, or cause to be delivered, to Agent a true and correct copy of any consent, waiver or approval to or of this Amendment, which any Borrower or Guarantor is required to obtain from any other Person, and such consent, approval or waiver shall be in a form and substance satisfactory to Agent;

4.3 Agent shall have received such approvals of Lenders and Secured Parties, in form and substance satisfactory to Agent, to the terms and conditions of this Amendment as Agent determines are required under the terms of the Loan Agreement; and

4.4 after giving effect to the waivers, consents and amendments contemplated by this Amendment, no Default or Event of Default shall exist or have occurred and be continuing.

5. Effect of this Amendment. This Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof, and supersedes all prior oral or written communications, memoranda, proposals, negotiations, discussions, term sheets and commitments with respect to the subject matter hereof. Except as expressly provided herein, no other changes or modifications to the Loan Agreement or any of the other Financing Agreements, or waivers of or consents under any provisions of any of the foregoing, are intended or implied by this Amendment, and in all other respects the Financing Agreements are hereby specifically ratified, restated and confirmed by all parties hereto as of the effective date of this Amendment. The applicable provisions of this Amendment and the Loan Agreement shall be read and interpreted as one agreement. To the extent that any provision of the Loan Agreement or any of the other Financing Agreements conflicts with any provision of this Amendment, the provision of this Amendment shall control.

6. Further Assurances. Borrowers and Guarantors shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment.

7. Governing Law. The validity, interpretation and enforcement of this Amendment in any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise shall be governed by the internal laws of the State of New York, without regard to any principle of conflict of laws or other rule of law that would result in the application of the law of any jurisdiction other than the State of New York. Without in any way limiting the foregoing, the parties elect to be governed by New York law in accordance with, and relying on (at least in part), Sections 5-1401 and 5-1402 of the General Obligations Law of the State of New York.

8. Binding Effect. This Amendment shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

9. Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original but all of which when taken together shall constitute one and the same instrument. In making proof of this Amendment, it shall not be necessary to produce or account for more than one counterpart hereof signed by each of the parties hereto. This Amendment may be executed and delivered by telecopier (or other electronic transmission of a manually executed counterpart) with the same force and effect as if

it were a manually executed and delivered counterpart. Any party delivering an executed counterpart of this Amendment by telecopier (or other electronic transmission of a manually executed counterpart) shall also deliver an original executed counterpart of this Amendment, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment as to such party or any other party.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first written above.

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL),
as Agent and a Lender

By: *Laura Dixon*
Name: LAURIA DIXON
Title: VP

ORMET CORPORATION

By: _____
Name: _____
Title: _____

ORMET PRIMARY ALUMINUM CORPORATION

By: _____
Name: _____
Title: _____

ORMET ALUMINUM MILL PRODUCTS CORPORATION

By: _____
Name: _____
Title: _____

SPECIALTY BLANKS HOLDING CORPORATION

By: _____
Name: _____
Title: _____

ORMET RAILROAD CORPORATION

By: _____
Name: _____
Title: _____

[SIGNATURES CONTINUE ON NEXT PAGE]

Signature Page to Amendment No. 1 to No. 8 to Loan and Security Agreement

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first written above.

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL),
as Agent and a Lender

By: _____
Name: _____
Title: _____

ORMET CORPORATION

By: James B Riley
Name: JAMES B RILEY
Title: CEO

ORMET PRIMARY ALUMINUM CORPORATION

By: James B Riley
Name: JAMES B RILEY
Title: CEO

ORMET ALUMINUM MILL PRODUCTS CORPORATION

By: James B Riley
Name: JAMES B RILEY
Title: CEO

SPECIALTY BLANKS HOLDING CORPORATION

By: James B Riley
Name: JAMES B RILEY
Title: CEO

ORMET RAILROAD CORPORATION

By: James B Riley
Name: JAMES B RILEY
Title: CEO

[SIGNATURES CONTINUE ON NEXT PAGE]

Signature Page to Amendment No. 1 to No. 8 to Loan and Security Agreement

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

SPECIALTY BLANKS, INC.

By: James B. Ritz
Name: James B. Ritz
Title: CEO

Signature Page to Amendment No. 1 to No. 8 to Loan and Security Agreement