

AMENDMENT NO. 3 TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 3 TO AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT (this "Amendment No. 3"), dated as of December 23, 2011, is entered into by and among Wells Fargo Capital Finance, LLC, 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 ("Ormet" or "Parent"), Ormet Primary Aluminum Corporation ("OPAC"), Ormet Aluminum Mill Products Corporation ("Ormet Mill", and together with Ormet and OPAC, each individually a "Borrower" and collectively, "Borrowers"), Specialty Blanks Holding Corporation ("Specialty Holding") and Ormet Railroad Corporation ("Ormet Railroad") and together with Specialty Holding, 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 Amended and Restated Loan and Security Agreement, dated March 1, 2010, by and among Agent, Lenders, Borrowers and Guarantors, as amended by Amendment No. 1 to Amended and Restated Loan and Security Agreement, dated as of December 21, 2010, and Amendment No. 2 to Amended and Restated Loan and Security Agreement, dated as of May 6, 2011 (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 No. 3 (all of the foregoing, including the Loan Agreement and this Amendment No. 3, 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");

WHEREAS, Borrowers and Guarantors have requested that Agent and Lenders (a) revise the EBITDA covenant for the fiscal year ending December 31, 2012 to the extent set forth herein and (b) revise the definition of EBITDA to permit Borrowers and Guarantors to account for certain costs related to the refurbishment of the alumina refining plant located at Highway 22 and Highway 44, Burnside, Louisiana;

WHEREAS, the parties hereto desire to enter into this Amendment No. 3 to evidence and effectuate such amendments and consents to the Loan Agreement and the other Financing Agreements 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:

Section 1. Definitions.

1.1 Amendments to Definitions.

(a) The definition of EBITDA is hereby amended by replacing such definition in its entirety with the following:

“‘EBITDA’ shall mean, as to any Person, with respect to any period, an amount equal to the Consolidated Net Income of such Person for such period, plus (a) depreciation, amortization and other non-cash charges (including, but not limited to, imputed interest and deferred compensation) for such period (to the extent deducted in the computation of Consolidated Net Income of such Person), all in accordance with GAAP, plus (b) Interest Expense for such period (to the extent deducted in the computation of Consolidated Net Income of such Person), plus (c) the Provision for Taxes for such period (to the extent deducted in the computation of Consolidated Net Income of such Person), plus costs and expenses paid by OPAC in cash during the Fiscal Year ending December 31, 2011 related to the refurbishment by OPAC of the alumina refining plant of OPAC located at Highway 22 and Highway 44, Burnside, Louisiana so long as such costs and expenses added back do not exceed \$11,700,000 in the aggregate and are added back for the measurement periods ending on the last day of the months for the fiscal months ending January 31, 2012 through November 30, 2012.”

(b) Interpretation. Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Section 2. Amendment to Minimum EBITDA. Section 9.18 of the Loan Agreement is hereby amended by replacing Section (a)(iii) on Schedule 9.18 to the Loan Agreement with the Section (a)(iii) set forth on Exhibit A attached hereto.

Section 3. Amendment Fee. In addition to all other fees payable by Borrowers to Agent under the Loan Agreement and the other Financing Agreements, in consideration of this Amendment, Borrowers shall pay to Agent an amendment fee in the amount of \$50,000, which fee shall be fully earned as of and payable on the date hereof. Agent may, at its option, charge such amendment fee to the loan account of Borrowers maintained by Agent.

Section 4. Representations, Warranties and Covenants. Each Borrower and Guarantor represents, warrants and covenants with, to and in favor of Agent and each Secured Party 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 No. 3:

4.1 This Amendment No. 3 has been duly authorized, executed and delivered by all necessary action on the part of Borrowers and Guarantors which are 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.

4.2 After giving effect to the transactions contemplated herein and hereby and the provisions of this Amendment No. 3, Borrowers, Guarantors and their respective Subsidiaries are

not in default under, in violation of or in contravention of, in any respect, any indenture, mortgage, deed of trust, deed to secure debt, material agreement or instrument to which it is a party or by which it or any of its assets or properties may be or are bound.

4.3 Borrowers and Guarantors have obtained any necessary consent and approval from any third party or Governmental Authority required to be obtained by Borrowers and Guarantors. Borrowers and Guarantors do not need to obtain the consent of, or waiver by, Term Loan Agent or Term Loan Lenders to execute and deliver, or perform the terms, conditions and agreements contemplated by, this Amendment No. 3 and the modifications and amendments contemplated by this Amendment No. 3 will not result in any direct or indirect amendment or modification of the Term Loan Agreement.

4.4 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 No. 3, 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.

4.5 After giving effect to the amendments contemplated by this Amendment No. 3, no Default or Event of Default exists or has occurred and is continuing.

Section 5. Conditions Precedent. Concurrently with the execution and delivery hereof, and as a further condition to the effectiveness of this Amendment No. 3 and the agreement of Agent to the modifications and amendments set forth in this Amendment No. 3:

5.1 Agent shall have received, in form and substance satisfactory to Agent, an executed copy of an original or executed original counterparts of this Amendment No. 3 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;

5.2 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 No. 3 as Agent determines are required under the terms of the Loan Agreement; and

5.3 after giving effect to the amendments contemplated by this Amendment No. 3, no Default or Event of Default shall exist or have occurred and be continuing.

Section 6. Effect of this Amendment No. 3. This Amendment No. 3 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 No. 3, 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 No. 3. The applicable provisions of this Amendment No. 3 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 No. 3, the provision of this Amendment No. 3 shall control.

Section 7. 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 No. 3.

Section 8. Governing Law. The validity, interpretation and enforcement of this Amendment No. 3 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.

Section 9. Binding Effect. This Amendment No. 3 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

Section 10. Counterparts. This Amendment No. 3 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 No. 3, it shall not be necessary to produce or account for more than one counterpart hereof signed by each of the parties hereto. This Amendment No. 3 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 No. 3 by telecopier (or other electronic transmission of a manually executed counterpart) shall also deliver an original executed counterpart of this Amendment No. 3, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment No. 3 as to such party or any other party.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 3 as of the date first written above.

WELLS FARGO CAPITAL FINANCE, LLC,
as Agent and a Lender

By: *Laura Dixon*
Name: Laura Dixon
Title: Vice President

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: _____

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 3 as of the date first written above.

WELLS FARGO CAPITAL FINANCE, LLC,
as Agent and a Lender

By: _____
Name: Laura Dixon
Title: Vice President

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

EXHIBIT A
TO
AMENDMENT NO. 3 TO
AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

Amendment to Schedule 9.18 to
Amended And Restated Loan And Security Agreement

EBITDA Covenant

Section (a)(iii) of Schedule 9.18 of the Loan Agreement is hereby replaced with the following:

“(iii) The EBITDA of Parent and its Subsidiaries (on a consolidated basis) shall not, for the applicable measurement periods during the fiscal year of Parent ending December 31, 2012 as set forth below, be less than the respective amount set forth below:

| <u>Measurement Period for Fiscal Year ending December 31, 2012</u> | <u>Minimum EBITDA</u> |
|--|-----------------------|
| February 1, 2011 through and including January 31, 2012 | \$37,500,000 |
| March 1, 2011 through and including February 29, 2012 | \$40,000,000 |
| April 1, 2011 through and including March 31, 2012 | \$42,500,000 |
| May 1, 2011 through and including April 30, 2012 | \$45,000,000 |
| June 1, 2011 through and including May 31, 2012 | \$47,500,000 |
| July 1, 2011 through and including June 30, 2012 | \$50,000,000 |
| August 1, 2011 through and including July 31, 2012 | \$52,500,000 |
| September 1, 2011 through and including August 31, 2012 | \$55,000,000 |
| October 1, 2011 through and including September 30, 2012 | \$57,500,000 |
| November 1, 2011 through and including October 31, 2012 | \$60,000,000 |
| December 1, 2011 through and including November 30, 2012 | \$60,000,000 |
| January 1, 2012 through and including December 31, 2012 | \$65,000,000 |
| February 1, 2012 through and including January 31, 2013 | \$65,000,000 |
| March 1, 2012 through and including February 28, 2013 | \$65,000,000” |