

AMENDMENT NO. 7 TO LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 7 TO LOAN AND SECURITY AGREEMENT (this "Amendment No. 7"), dated as of April 14, 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, and Amendment No. 6 to Loan and Security Agreement, dated March 28, 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 No. 7 (all of the foregoing, including the Loan Agreement and this Amendment No. 7, 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, the parties hereto desire to enter into this Amendment No. 7 to evidence and effectuate certain amendments 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. Amendments to Loan Agreement.

1.1 Minimum EBITDA. The reference to "April 15, 2008" in the last sentence of Section 2.7(b) of Amendment No. 4 and the reference to March 31, 2008 in Section

2.7(a) of Amendment No. 4, in each case, is hereby replaced with the following: “April 30 2008”.

1.2 Production of Molten Aluminum. The reference to “April 15, 2008” in the last sentence of Section 9.20(c)(iii) of the Loan Agreement is hereby replaced with the following: “April 30, 2008”.

1.3 Delivery of Audited Financial Statements. Solely with respect to the fiscal year ended December 31, 2007, Borrowers shall deliver the audited consolidated financial statements and the unaudited consolidating financial statements of Parent and its Subsidiaries on or before April 30, 2008 so long as Borrowers deliver such financial statements to Agent as otherwise provided by Section 9.6(a)(ii) of the Loan Agreement.

1.4 Extension of Time to Delivery Audited Financial Statements under Reimbursement Agreement. As consideration for the delivery by Supplemental Loan Credit Support Provider to Borrowers of an amendment or waiver by Supplemental Loan Credit Support Provider extending the date to at least April 30, 2008 in which Borrowers are required to deliver the financial statements of Parent and its Subsidiaries for the fiscal year ended December 31, 2007 under the Supplemental Loan Credit Documents as set forth in the letter agreement, dated as of the date hereof, among Borrowers and Supplemental Loan Credit Support Provider Re; Consent under Reimbursement Agreement (the “Deutsche Bank Consent Letter”), Borrowers may pay a fee to Supplemental Loan Credit Support Provider as set forth in the letter agreement, dated as of the date hereof, among Borrowers and Supplemental Loan Credit Support Provider (the “Deutsche Bank Fee Letter”).

Section 2. 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. 7:

2.1 This Amendment No. 7 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.

2.2 Borrowers and Guarantors have obtained any necessary consents and approvals from any third party or Governmental Authority required to be obtained by Borrowers and Guarantors and Borrowers and Guarantors do not need to obtain the consent of Subordinated Noteholders or the PBGC to execute and deliver, or perform the terms, conditions and agreements contemplated by, this Amendment No. 7.

2.3 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. 7, 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.

2.4 After giving effect to the amendments contemplated by this Amendment No. 7, no Default or Event of Default exists or has occurred and is continuing.

Section 3. Conditions Precedent. Concurrently with the execution and delivery hereof, and as a further condition to the effectiveness of this Amendment No. 7 and the agreement of Agent to the modifications and amendments set forth in this Amendment No. 7:

3.1 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. 7 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;

3.2 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 No. 7, 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, including the Deutsche Bank Consent Letter and the Deutsche Bank Fee Letter;

3.3 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 No. 7 as Agent determines are required under the terms of the Loan Agreement; and

3.4 after giving effect to the amendments contemplated by this Amendment No. 7, no Default or Event of Default shall exist or have occurred and be continuing.

Section 4. Effect of this Amendment No. 7. This Amendment No. 7 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. 7, 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. 7. The applicable provisions of this Amendment No. 7 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. 7, the provision of this Amendment No. 7 shall control.

Section 5. 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. 7.

Section 6. Governing Law. The validity, interpretation and enforcement of this Amendment No. 7 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 7. Binding Effect. This Amendment No. 7 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

Section 8. Counterparts. This Amendment No. 7 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. 7, 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. 7 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. 7 by telecopier (or other electronic transmission of a manually executed counterpart) shall also deliver an original executed counterpart of this Amendment No. 7, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment No. 7 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 No. 7 as of the date first written above.

WACHOVIA CAPITAL FINANCE CORPORATION (CENTRAL),  
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: \_\_\_\_\_

[SIGNATURES CONTINUE ON NEXT PAGE]

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ORMET CORPORATION

By: James B. Riley  
Name: JAMES B. RILEY  
Title: CFO

ORMET PRIMARY ALUMINUM  
CORPORATION

By: James B. Riley  
Name: JAMES B. RILEY  
Title: CFO

ORMET ALUMINUM MILL PRODUCTS  
CORPORATION

By: James B. Riley  
Name: JAMES B. RILEY  
Title: CFO

SPECIALTY BLANKS HOLDING  
CORPORATION

By: James B. Riley  
Name: JAMES B. RILEY  
Title: CFO

ORMET RAILROAD CORPORATION

By: James B. Riley  
Name: JAMES B. RILEY  
Title: CFO

[SIGNATURES CONTINUE ON NEXT PAGE]

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SPECIALTY BLANKS, INC.

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

Signature Page to Amendment No. 7 to Loan and Security Agreement