

AMENDMENT NO. 12 TO LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 12 TO LOAN AND SECURITY AGREEMENT (this "Amendment No. 12"), dated as of February 9, 2010, 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") 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 Loan and Security Agreement, dated February 14, 2007, by and among Agent, Lenders, Borrowers and Guarantors, as heretofore amended (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. 12 (all of the foregoing, including the Loan Agreement and this Amendment No. 12, 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. 12 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. Definitions.

1.1 Amendment to Definition. The definition of "Supplemental Loan Termination Date" in the Loan Agreement and any of the other Financing Agreements is hereby replaced with the following:

"Supplemental Loan Termination Date" shall mean March 1, 2010 unless sooner terminated in accordance with Section 2.2 of Amendment No. 1.

1.2 Interpretation. Capitalized terms used herein that are not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Section 2. Amendments to Loan Agreement.

2.1 Term. The first two sentences of Section 13.1(a) of the Loan Agreement are hereby replaced with the following:

“(a) This Agreement and the other Financing Agreements shall become effective as of the date set forth on the first page hereof and shall continue in full force and effect for a term ending on March 1, 2010 (the “Maturity Date”). Borrowers may terminate this Agreement at any time upon ten (10) days’ prior written notice to Agent (which notice shall be irrevocable) and Agent may, at its option, and shall at the direction of Required Lenders, terminate this Agreement at any time on or after an Event of Default.”

Section 3. 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. 12:

3.1 This Amendment No. 12 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 No. 12, 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 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, the Supplemental Loan Credit Support Provider or the PBGC to execute and deliver, or perform the terms, conditions and agreements contemplated by, this Amendment No. 12.

3.4 After giving effect to the amendments contemplated by this Amendment No. 12, no Default or Event of Default exists or has occurred and is continuing.

Section 4. Conditions Precedent. Concurrently with the execution and delivery hereof, and as a further condition to the effectiveness of this Amendment No. 12 and the agreement of Agent to the modifications and amendments set forth in this Amendment No. 12:

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 No. 12 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 No. 12, 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 No. 12 as Agent determines are required under the terms of the Loan Agreement; and

4.4 after giving effect to the amendments contemplated by this Amendment No. 12, no Default or Event of Default shall exist or have occurred and be continuing.

Section 5. Release and Covenant Not to Sue.

5.1 Release.

(a) In consideration of the agreements of Agent and Lenders contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower and Guarantor, on behalf of itself and its shareholders and their respective successors, assigns, and other legal representatives (Borrowers, Guarantors and the other foregoing parties being hereinafter referred to collectively as "Releasers" and individually as a "Releaser"), hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender, its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent and Lenders and all such other parties being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-

off, demands and liabilities whatsoever (individually, a “Claim” and collectively, “Claims”) of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which any Releasor may now or hereafter own, hold, have or claim to have against Releasees or any of them for, upon, or by reason of any nature, cause or thing whatsoever, which arises at any time on or prior to the date hereof, for or on account of, or in relation to, or in any way in connection with the Loan Agreement and the other Financing Agreements, as amended and supplemented through the date hereof.

(b) Each Releasor understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) Each Releasor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final and unconditional nature of the release set forth above.

5.2 Covenant Not to Sue. Each Releasor hereby absolutely, unconditionally and irrevocably, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by such Releasor pursuant to Section 5.1 hereof. If any Releasor violates the foregoing covenant, such Releasor agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

Section 6. Acknowledgments by Guarantors. Each Borrower and Guarantor, by its signature below, hereby acknowledges, confirms and agrees that each of the Guarantees executed by such Borrower or such Guarantor guaranteeing the payment and performance of, in the case of a Borrower, all Obligations of the other Borrower, and, in the case of a Guarantor, all Obligations of Borrowers, is in full force and effect as of the date hereof.

Section 7. Effect of this Amendment No. 12. This Amendment No. 12 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. 12, 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. 12. The applicable provisions of this Amendment No. 12 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. 12, the provision of this Amendment No. 12 shall control.

Section 8. 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. 12.

Section 9. Governing Law. The validity, interpretation and enforcement of this Amendment No. 12 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 10. Binding Effect. This Amendment No. 12 shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

Section 11. Counterparts. This Amendment No. 12 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. 12, 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. 12 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. 12 by telecopier (or other electronic transmission of a manually executed counterpart) shall also deliver an original executed counterpart of this Amendment No. 12, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment No. 12 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. 12 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: _____

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 12 as of the date first written above.

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

By: _____
Name: Laura Dixon
Title: Vice President

ORMET CORPORATION

By: James B. Rife
Name: JAMES B. RIFE
Title: CFO

ORMET PRIMARY ALUMINUM
CORPORATION

By: James B. Rife
Name: JAMES B. RIFE
Title: CFO

ORMET ALUMINUM MILL PRODUCTS
CORPORATION

By: James B. Rife
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Title: CFO

SPECIALTY BLANKS HOLDING
CORPORATION

By: James B. Rife
Name: JAMES B. RIFE
Title: CFO

ORMET RAILROAD CORPORATION

By: James B. Rife
Name: JAMES B. RIFE
Title: CFO