

**Rule 15c2-11
Information and Disclosure Statement
For the Fiscal Year Ended December 31, 2006**

**Ormet Corporation
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THIS INFORMATION AND DISCLOSURE STATEMENT HAS BEEN PREPARED TO FULFILL THE REQUIREMENTS OF (1) RULE 15C2-11(A)5 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED AND (2) THE COMPANY'S BY-LAWS. IT IS INTENDED AS INFORMATION TO BE USED BY SECURITIES BROKERS AND DEALERS IN SUBMITTING OR PUBLISHING QUOTATIONS ON THE COMMON STOCK OF THE COMPANY AS CONTEMPLATED BY RULE 15C2-11.

NO BROKER, DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED HEREIN IN CONNECTION WITH THE COMPANY. ANY REPRESENTATIONS NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY.

THIS STATEMENT HAS NOT BEEN FILED BY THE COMPANY WITH THE SEC, THE NASD OR ANY OTHER REGULATORY AGENCY.

March 30, 2007

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Introduction

With the exception of certain supplemental financial information, the information contained in this Information and Disclosure Statement ("Statement") has been prepared to fulfill the requirements of Rule 15c2-11(a)(5) under the Securities Exchange Act of 1934, as amended. Although this Statement relates to the whole of the fiscal year ended December 31, 2006, it should be read in conjunction with the Information and Disclosure Statements for each of the first three quarters of 2006.

Ormet Corporation directly owns 100% of the equity interests of its operating subsidiaries (Ormet Primary Aluminum Corporation, Ormet Aluminum Mill Products Corporation, Ormet Primary LLC (inactive), Ormet Railroad Corporation (inactive) and Ormet Power Marketing LLC (inactive)). Ormet Corporation and its subsidiaries are all organized under the laws of the State of Delaware. As used herein, "Ormet", the "Company", "we" and "our" shall mean Ormet Corporation, together with its subsidiaries.

Ormet normally produces alumina, aluminum and aluminum billet products. During 2006, the Company produced only alumina and aluminum billet products because the production of aluminum was curtailed on January 31, 2005 and not restarted until December 11, 2006. The production of alumina was curtailed in the fourth quarter of 2006, and, accordingly, the Company is currently producing only aluminum and aluminum billet products.

This Statement incorporates by reference the Company's Amended and Restated Certificate of Incorporation, By-Laws and Stockholders Agreement, dated April 1, 2005 (by which all stockholders are bound), and amendments to and/or restatements of any of those documents. This Statement also incorporates by reference the Debtor's Joint Plan of Reorganization and Disclosure Statement for Debtor's Joint Plan of Reorganization, dated October 1, 2004. All of the above-mentioned documents, as amended and/or restated, are available at the Company's website, www.ormet.com.

For information concerning the Company's Common Stock, see the information under the caption **Information Concerning the Stockholders and the Common Stock** beginning on page 16.

Recent Developments and Significant Matters

New Credit Facility

On February 14, 2007, the Company entered into a new senior secured credit facility that included a term loan of \$25 million and a revolving credit facility of up to \$100 million (including a sub-limit for letters of credit in the aggregate amount not to exceed \$15 million), which was subsequently reduced to \$75 million in connection with the supplemental facility described below. (See "New Sub-Facility for Supplemental Loans") The new credit facility matures on February 28, 2010. The new credit facility bears interest based upon a matrix-pricing grid that defines interest rate margins based on the average net availability for the most recently ended three-month period. At the Company's option, advances can be made as either a "Base Rate Advance" or a "LIBOR Rate Advance" that accrues interest at the prime rate plus 150 to 250 basis points or LIBOR rate plus 250 to 350 basis points, respectively, depending on the average net availability for the most recently ended three-month period. The facility is also subject to various loan covenants including minimum EBITDA targets and production targets that are measured monthly on a rolling three-month basis. The credit facility also requires certain adjustments in the borrowing base calculation to reserve for the funding of pension plan obligations in 2007 and subsequent years. The Company's borrowing availability under the revolving credit facility (up to a maximum of \$75 million) is based on specific formulas set forth in the agreement as a percentage of eligible accounts receivable and an overall percentage of eligible inventory based on specific percentages for various categories of inventory. The Company's net borrowing availability is determined after adjustments for various reserves as specified in the credit facility and after adjustments for any outstanding loan balance and for any amounts outstanding under letters of credit.

New Sub-Facility for Supplemental Loans

On March 16, 2007, the Company entered into an amendment to its senior secured credit facility that included an increase in the revolving credit facility to \$125 million accomplished by adding a new sub-facility of \$50 million for supplemental loans, which may be borrowed when borrowing base-supported revolving loans are not available. This additional credit facility was needed to support the incremental working capital needs of the business during the restart process for the aluminum smelter. This supplemental loan sub-facility is supported by standby letters of credit issued by a third party bank on behalf of an affiliate of the MatlinPatterson Stockholders. The supplemental loan sub-facility will remain in place until March 30, 2008. The Company's obligations to reimburse amounts drawn under such letters of credit (the proceeds of which would be used to pay off supplemental loans, if any) are governed by a reimbursement agreement between the Company and the affiliate of the MatlinPatterson Stockholders. If the letters of credit are drawn to pay the supplemental loans under the sub-facility, the Company's reimbursement obligation to the affiliate of the MatlinPatterson Stockholders is scheduled to mature in February 2010. The new sub-facility bears interest based upon a matrix-pricing grid that defines interest rate margins based on the average net availability for the most recently ended three-month period. Interest on the Company's reimbursement obligations if the letters of credit are drawn is required to be paid based on the monthly LIBOR rate plus 900 basis points. This supplemental loan sub-facility is also subject to various cross default provisions and other inter-creditor provisions. The letters of credit may be terminated after December 31, 2007 if the Company is able to demonstrate that its average excess availability under the borrowing base exceeds \$20 million for thirty consecutive days.

Entry into Registration Rights Agreement; Modification and Deletion of Drag-Along Rights

On February 22, 2007, the Company entered into a registration rights agreement (the "Agreement") with the MatlinPatterson Stockholders and affiliates of Fursa Alternative Strategies LLC (the "Fursa Stockholders"). Other stockholders who are currently unable to freely sell all of their shares of the Company in ordinary market transactions can become party to the Agreement by delivering an executed joinder agreement to the Company within forty-five (45) days of the date of the Agreement.

In connection with their entry into the Agreement, the MatlinPatterson Stockholders and the Fursa Stockholders executed a stockholder action by written consent to delete from the Company's Certificate of Incorporation the rights in favor of the MatlinPatterson Stockholders to "drag-along" other stockholders of the Company in certain transactions entered into by the MatlinPatterson Stockholders. This change became effective on March 13, 2007 upon filing of a certificate of amendment with the Delaware Secretary of State. In addition, the MatlinPatterson Stockholders have irrevocably waived their "drag-along" rights under the Company's stockholders agreement with respect to any stockholders of the Company that are not party to the stockholders agreement.

Among other things, the Agreement provides the parties thereto (including their transferees) with the right to make two demands that their sales of "registrable shares" (as defined in the Agreement) be registered under applicable Federal securities laws through the filing of a registration statement with the U.S. Securities and Exchange Commission. No demands may be made prior to November 1, 2007, with the first demand requiring at least 13% of the aggregate number of issued and outstanding shares of Common Stock of the Company and that the demand be for a number of such shares having a market value of at least \$20 million. The second demand would require at least 5% of the aggregate number of issued and outstanding shares of Common Stock of the Company with such shares having a market value of at least \$10 million. In the event of a demand, subject to restrictions in the Agreement, the other parties to the Agreement may be able to register their shares for resale as well.

The registration rights under the Agreement are transferable in connection with a sale of Company Common Stock. To facilitate such transfers, the Company has agreed to make available to parties to the Agreement and their prospective transferees certain information relating to the Company as may be necessary to enable the party to make sales of Company Common Stock pursuant to Rule 144A

under the Securities Act of 1933. The Company has been advised by certain of its affiliated stockholders that they intend to make such sales in reliance on Rule 144A.

A copy of the Agreement is available on the Company's website, www.ormet.com. Stockholders of the Company are urged to review the Agreement in its entirety and to consult their own counsel before becoming a party to the Agreement, if eligible. The description of the Agreement provided in this Statement is provided for convenience only and the rights of parties to the Agreement will be governed by the actual terms of the Agreement.

Ten-for-One Stock Split

On January 24, 2007, the Company's Board of Directors approved a ten-for-one split of the Common Stock. A majority of the Company's stockholders approved the stock split on February 6, 2007 and appropriate filings were made with the Secretary of State of the State of Delaware to effect the split. As of February 20, 2007, each share of outstanding Common Stock, \$0.01 par value per share, was automatically converted into 10 shares of Common Stock, par value \$0.001 per share.

Completion of Private Stock Rights Offering

On December 28, 2006, the Company completed a private stock offering to its existing, qualifying stockholders. Approximately ninety-one percent (91%) of the shares available for subscription were purchased by such stockholders, with the balance going to the standby commitment providers, affiliates of the MatlinPatterson Stockholders and the Fursa Stockholders. As a result of this offering, the Company sold 625,000 shares of its Common Stock at \$80.00 per share, resulting in net proceeds after fees and expenses of approximately \$47.8 million. These proceeds were used to repay the Company's interim secured financing and to fund, in part, the restart costs and related capital expenditures of its aluminum smelter in Hannibal, Ohio, and to provide a portion of the working capital required to operate the smelter.

Restart of Aluminum Smelter in Hannibal, Ohio

As previously announced, the Company has commenced restarting its Hannibal, Ohio aluminum smelter, which was idled in January 2005. As of March 16, 2007, the Company has successfully restarted three of the smelter's six potlines. If the restart continues as planned, the Company expects to be operating five of the six potlines by the end of the second quarter of 2007 and all six of the potlines by the end of the third quarter of 2007. The return to full operation of the smelter, originally planned for the end of May 2007, has been delayed approximately four months primarily as a result of limited availability of carbon anodes. The Company now believes that it has sufficient access to carbon anodes. The Company is now selling aluminum sow and aluminum billet products throughout the United States. The Company's restart strategy is dependent upon, among other things, (1) prices of aluminum remaining above \$2,200 per metric tonne in 2007 and 2008, (2) the availability of electricity at affordable rates following expiration of its current electricity supply agreement at the end of 2008, (3) the availability of alumina following expiration of its current alumina supply agreement at the end of 2007 at prices relative to aluminum that are consistent with historical levels and (4) availability of carbon anodes at reasonable prices. The Company estimates that the total investment, including the direct costs of restarting the smelter and the related working capital required to resume full operations at the aluminum smelter, will be in the range of \$125 million to \$140 million. When all six potlines are fully operational, production volumes for the Hannibal, Ohio smelter generally average between 21,000 and 22,000 metric tonnes per month. As of March 16, 2007, production volumes on the three operating potlines were averaging between 10,000 and 11,000 metric tonnes per month. As of March 16, 2007, the billet casting facility had production volumes averaging between 5,000 and 6,000 metric tonnes per month.

New Customer Contract for Aluminum Products

The Company is in the final stages of negotiation with a large international trading company for the sale of substantially all of the Company's high-grade aluminum production for 2007 (excluding aluminum to be used in its billet casting operation) and for approximately one-half of the Company's high-grade aluminum production for 2008. Although the terms of this agreement remain to be finalized, the Company expects that selling prices will be based upon a monthly market-based LME (as hereinafter defined) price for aluminum products. The Company expects to execute this agreement in the near future.

Pension Funding Waiver

On February 9, 2007, the Company submitted a funding waiver application to the U.S. Internal Revenue Service ("IRS") and the Pension Benefit Guaranty Corporation ("PBGC") in order to request authorization to make the required pension plan deficit reduction contribution of \$33.8 million for the 2006 plan year over a five-year period. There can be no assurance that the funding waiver application will be granted. To the extent that the funding waiver is not approved, the Company will be required to make the \$33.8 million deficit reduction payment on or before September 15, 2007. (See also **Risk Factors** – "The Company has substantial retiree pension obligations.")

Curtailment of the Alumina Refinery in Burnside, Louisiana

As previously announced, the Company curtailed operations at its alumina refinery in Burnside, Louisiana as of December 31, 2006. This facility has been curtailed in a manner such that the Company can restart it if alumina prices recover in the future. During the curtailment period in 2007, the Company will provide a minimal level of services to maintain and safeguard these assets. Based on the collective bargaining agreement with the United Steelworkers, the Company is obligated to provide supplemental unemployment benefits and ongoing healthcare coverage for the Burnside, Louisiana hourly employees for up to two years. The Company's current estimate for these payments is approximately \$4.0 million.

Curtailment of the Marine Terminal in Burnside, Louisiana

Due to the recent curtailment of the operations of the Company's alumina plant in Burnside Louisiana, the Company has reduced the level of operations of its adjacent marine terminal. As a result of this curtailment, the Company has recorded one-time charges of approximately \$0.5 million and incurred a one-time adjustment of \$10 million to the carrying value of these assets as of December 31, 2006. The Company is considering selling or leasing this facility. Any such sale or leasing arrangement would be subject to satisfactory financial and access agreements with the prospective buyer or lessee to provide services to the Company at market rates should alumina production resume at the Burnside plant.

Supply Agreement for Alumina

With the curtailment of the Company's alumina facility in Burnside, Louisiana, the Company and one of the world's largest suppliers of commodities and raw materials have entered into an agreement whereby the supplier will sell to the Company approximately 400,000 metric tonnes of alumina at a price of \$270 per metric tonne beginning in January 2007 and continuing through December 2007. In conjunction with the existing alumina inventory at the Company's Hannibal and Burnside facilities, this supply contract will provide all of the Company's alumina requirements for 2007.

Supply Agreement for Electricity

On November 8, 2006, the Company entered into a new supply agreement with AEP Corporation for the supply of electric power to the aluminum smelter in Hannibal, Ohio. The Company agreed to a

contract rate of \$50.60 in 2007 and \$49.50 in 2008 per megawatt hour for an uninterruptible supply of electricity. Beginning on January 1, 2009, the Company will be able to purchase its annual requirements for electricity at the same tariff-based rates as all other large industrial users in its service territory.

Pending Sale of Real Estate

The Company is currently in negotiations with a third party concerning the sale of the real estate (land and buildings) that were formerly used in its rolling mill operations in Hannibal, Ohio. The Company hopes to complete this transaction in the second quarter of 2007.

Search for New CEO and CFO; Amendment to CEO Employment Agreement

The Company recently announced that it had begun a formal search for a new chief executive officer to replace Ken Campbell, who will continue to provide leadership and strategic direction as Chairman of the Company. In addition, the Company is seeking a replacement for its chief financial officer. The Company has engaged a nationally recognized financial advisory firm to act as the non-executive, interim chief financial officer to oversee and direct the Company's finance and accounting functions.

The Company has amended Mr. Campbell's employment agreement to provide that, upon termination without cause or resignation for good reason, Mr. Campbell is entitled to receive an amount of shares that underlie his equity award. Mr. Campbell's previous agreement provided for his equity award to be paid in cash only upon a change of control or initial public offering of the Company.

Status of Customer Breach of Alumina Sales Contract

One of the Company's international customers advised the Company in 2006 that it would not take delivery of the remainder of the alumina (84,800 metric tonnes) that it was contractually obligated to purchase from the Company at a fixed price of \$521 per metric tonne. Consequently, consolidated net revenues and operating income were materially and adversely affected by this event. Recent attempts to negotiate a settlement with this customer were unsuccessful. In January, 2007, the Company filed a demand for arbitration to begin the arbitration process before the International Court of Arbitration of the International Chamber of Commerce. A response from the international customer is due in the near future. A hearing date has not been established. Although the Company's claim for monetary damages is expected to be in excess \$30 million, because of the uncertainty related to the arbitration process, it has not recorded any receivable amount on its balance sheet.

Status of Remaining Bankruptcy Claims

The Company is continuing to negotiate with the plaintiff's counsel to resolve the outstanding disputed Class 7 (Insured) Claims from the Chapter 11 cases of the predecessor company. The Company expects to successfully resolve these claims in conjunction with its insurance carriers and the plaintiffs in the second quarter of 2007.

Risk Factors

These Risk Factors should be read in conjunction with **Recent Developments and Significant Matters**.

Risks Related to Our Business

We recently emerged from chapter 11 bankruptcy reorganization, have a history of losses and may not become profitable.

We emerged from bankruptcy in April, 2005 and have a history of losses and cannot assure you that we will achieve and maintain profitability in the near future, or at all.

The interests of the MatlinPatterson Stockholders and Fursa Stockholders may be different from the interests of other stockholders.

A stockholders agreement among the Company, the MatlinPatterson Stockholders and the Fursa Stockholders provides that three designees of the MatlinPatterson Stockholders (as long as the MatlinPatterson Stockholders hold at least 25% of the outstanding shares), one designee of the Fursa Stockholders (as long as the Fursa Stockholders hold at least 10% of the outstanding shares), two independent directors and the Company's chief executive officer shall serve on the Company's seven-member board of directors. As a result of these contractual provisions, the MatlinPatterson Stockholders and Fursa Stockholders have significant influence over the direction of our management and policies. The MatlinPatterson Stockholders and Fursa Stockholders are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us or otherwise have business objectives that are not aligned with our business objectives.

The Company has substantial retiree pension obligations.

The Company has a total under-funded pension liability of approximately \$120 million. As a result of the Pension Protection Act of 2006, the Company's minimum pension plan contributions for calendar year 2007 will be approximately \$50.3 million, consisting of a payment of approximately \$33.8 million in respect of the under-funded pension liability (which payment is due on September 15, 2007) and regularly scheduled, quarterly pension contributions of \$5.5 million (which payments are due 15 days after the end of each calendar quarter⁽¹⁾). On February 9, 2007, the Company submitted an application to the IRS and the PBGC seeking approval to defer and amortize the \$33.8 million payment over a period of five years. There can be no assurance that the IRS and/or the PBGC will grant the Company's requests for deferral. If the Company is granted deferral of the \$33.8 million payment, the PBGC would be entitled to a lien against the assets of the Company to the extent of such deferred payments. The Company's credit agreement contemplates such a lien up to a maximum amount of \$35 million, subject to approval by the lenders and execution of acceptable intercreditor agreements. If the Company is not granted its deferral request by the IRS with respect to the \$33.8 million pension payment, the Company may not be able to make such payment. Failure to make such payment would constitute an event of default under the Company's credit agreement and such default could have a material and adverse effect on the Company. For calendar years 2008, 2009, 2010 and 2011, the pension plan contributions, including both payments in respect of the under-funded pension liability and regularly scheduled, quarterly payments in such years, are estimated to be \$21.9 million, \$18.9 million, \$17.3 million and \$15.5 million, respectively. If the Company is granted deferral with respect to the \$33.8 million payment, these estimated payments would be increased by the amount of any such deferral, plus associated interest and costs. The Company's required pension contributions will reduce cash available for other purposes, such as investment in the business and the payment of dividends. This limitation of cash could have a material and adverse effect on the Company, and will increase investment risk for holders of our Common Stock.

