



February 28, 2007

In connection with the updates posted on <http://www.ormet.com/> [www.Ormet.com](http://www.Ormet.com) on February 23, 2007, related to the Company's entry into a Registration Rights Agreement with certain affiliated stockholders dated as of the same date, the Company is posting its Private Placement Memorandum, dated November 22, 2006, related to the Company's private offering of its common stock that closed on December 28, 2006.

Investors are advised that the Private Placement Memorandum is an historical document and information contained therein has not been updated from the date of the Private Placement Memorandum and may not describe the current situation of the Company. Further, certain matters referred to in the Private Placement Memorandum have updated by updates made available on the Company's website after November 22, 2006. In addition, certain commercially sensitive information contained in the Private Placement Memorandum has been redacted in the version attached.

# ORMET

## *Primary Aluminum Corporation*

December 19, 2006

**To:** Ormet Stockholders

**From:** Jack Teitz, EVP/CFO

**Re:** *Amendment to Ormet Corporation Private Offering Memorandum dated November 22, 2006 to Increase the Offering Amount and the Number of Shares Offered.*

Dear Stockholder:

As authorized by its Board of Directors, Ormet Corporation (the "Company") has determined that it is in the Company's interest to amend the terms of the Private Offering Memorandum, dated November 22, 2006 (the "Memorandum") to increase the number of shares of the Company's common stock offered thereunder from 375,000 shares to 625,000 shares. If all of the common stock now being offered is purchased, the Company will receive proceeds of approximately \$50 million, before payment of the fees and expenses associated with this offering. The purchase price per share in the offering remains unchanged at \$80.00 per share.

MatlinPatterson Global Opportunities Partners II L.P. and MatlinPatterson Global Opportunities Partners (Cayman) II L.P. and certain of their affiliates (collectively "MP") and Mellon HBV Capital Partners LP, Mellon HBV Master Axis-RDO Fund Limited, Mellon HBV Master Global Event Driven Fund LP, Mellon HBV Master Rediscovered Opportunities Fund LP, Series 2 of Blackfriars Master vehicle LLC, and certain of their affiliates (collectively "M-HBV"), which collectively own approximately 52% of the outstanding shares of the Company's common stock as of the record date, have agreed to purchase from the Company, at the subscription price, any shares of common stock not purchased by the other stockholders in this offering, subject to customary terms and conditions as set forth in a standby and commitment agreement between us, MP and M-HBV, as amended to account for the full 625,000 shares now being offered.

For your convenience, attached to this letter is a new Subscription Agreement. If you wish to invest, the Subscription Agreement must be completed, signed and delivered to Continental Stock Transfer and Trust Company according to the instructions set forth in the Subscription Agreement.

Hannibal Reduction Division  
P.O. Box 176 / State Route 7  
Hannibal, Ohio 43931

(740) 483-1381  
(740) 483-2622 FAX

If you have previously submitted a Subscription Agreement to purchase shares in this offering, you may purchase additional shares (due to the increase in the number of shares offered) by completing and submitting a supplemental Subscription Agreement along with your investment funds. (Please see the attached Stockholder Chart for the total number of shares you are eligible to purchase).

**Please be advised that the Account Number for wire transfers to Chase Manhattan Bank NY as it appears on page A-5 2 and A-5 7 of the Subscription Agreement provided to you with the Memorandum is incorrect. Please use Account Number 475505212 for all wire transfers of investment funds. The correct Account Number appears on the Subscription Agreement attached to this letter.**

Pursuant to the terms of the Memorandum, each stockholder of record as of November 21, 2006 that is also an accredited investor may participate in the offering by purchasing up to such stockholder's pro rata portion of the 625,000 shares now being offered. For your reference, the attached Stockholder Chart lists the original number of shares each stockholder was previously eligible to purchase (based on the original 375,000 shares offered), the additional shares each stockholder is eligible to purchase (based on the increase in the offering of 250,000 shares), and the total number of shares each stockholder is eligible to purchase (based on the new total offering of 625,000 shares).

**The deadline for receipt of Subscription Agreements and payments is December 28, 2006.**

If you have questions concerning the offering or the procedure to invest, please contact Reed Smith LLP, at (800) 288-7776, and ask for Peter Blasier, Esq. or Joel Dennison, Esq.

Sincerely,

Jack Teitz  
Executive Vice President and Chief Financial Officer

Attachments:

Stockholder Chart  
Subscription Agreement

## Stockholder Chart

SHAREHOLDER NAME	CURRENT SHARES	PERCENT OWNED	ORIGINAL ELIGIBLE TO PURCHASE	ADDITIONAL ELIGIBLE TO PURCHASE	TOTAL ELIGIBLE TO PURCHASE
A & O ELECTRIC	1,047	0.11284%	423	282	705
ABE SEBULSKY STEEL INC	97	0.01045%	39	26	65
ACCO SYSTEMS INC	389	0.04192%	157	104	261
ADMIRAL MERCHANTS MOTOR FREIGHT INC	42	0.00453%	16	11	27
AIP ALTERNATIVE STRATEGIES FUNDS	1,440	0.15519%	581	387	968
AIRGAS-MID AMERICA	119	0.01283%	48	32	80
ALL PRO TRANSPORT	142	0.01530%	57	38	95
ALLIED MINERAL PRODUCTS INC	41	0.00442%	16	11	27
ALTERNATIVE STRATEGIES FUNDS	627	0.06757%	253	168	421
ALUMINIUM PECHINEY	191	0.02058%	77	51	128
ALUMITECH OF WEST VIRGINIA INC	151	0.01627%	61	40	101
AMERADA HESS CORPORATION	823	0.08870%	332	221	553
AMERICAN PRODUCERS SUPPLY CO INC	194	0.02091%	78	52	130
AMERICAN REFINING GROUP INC	119	0.01283%	48	32	80
ANCHOR TRUCKING INC	103	0.01110%	41	27	68
ARROW DISTRESSED FUND	687	0.07404%	277	185	462
ARROW DISTRESSED SECURITIES FUND	1,361	0.14668%	550	366	916
ASM CAPITAL II LP	861	0.09279%	347	231	578
ASM CAPITAL LP	3,138	0.33819%	1,268	845	2,113
AT&T	80	0.00862%	32	21	53
AT&T	16	0.00172%	6	4	10
BAHR BROS MFG INC	37	0.00399%	14	9	23
BASF	1,670	0.17998%	674	449	1,123
BEAR STEARNS SECURITIES CORP	2,815	0.30338%	1,137	758	1,895
BISSO TOWBOAT CO INC	287	0.03093%	115	77	192
BOC GASES	401	0.04322%	162	108	270
BRENTAG MID-SOUTH INC	92	0.00992%	37	24	61
BRYAN CAVE ROBINSON SILVERMAN	149	0.01606%	60	40	100
BULK CHEMICALS INC	116	0.01250%	46	31	77
CARAUSTAR INC	113	0.01218%	45	30	75
CEDE & CO (FAST)	134,955	14.54454%	54,542	36,361	90,903
CEGELEC AUTOMATION	321	0.03460%	129	86	215
CLEAN HARBORS CANADA INC	417	0.04494%	168	112	280
CLEAN MANAGEMENT ENV GROUP INC	162	0.01746%	65	43	108
CMI FREIGHT TRANS	195	0.02102%	78	52	130
COLUMBIA GAS OF OHIO INC	73	0.00787%	29	19	48
CONTRARIAN CAPITAL MANAGEMENT LLC	461	0.04968%	186	124	310
COOPER CONSOLIDATED	35	0.00377%	14	9	23
COPPER & BRASS SALES INC	234	0.02522%	94	63	157
COSTA BRAVA PARTNERSHIP III LP	6,744	0.72682%	2,725	1,817	4,542
CREDIT SUISSE FIRST BOSTON LLC	9,753	1.05111%	3,941	2,627	6,568
CS FIRST BOSTON	8,712	0.93892%	3,520	2,347	5,867
CUDD & CO	40,238	4.33658%	16,262	10,841	27,103
CVG CARBONES DEL ORINOCO C A	16,019	1.72642%	6,474	4,316	10,790
CYTEC INDUSTRIES INC	290	0.03125%	117	78	195
D E SHAW LAMINAR PORTFOLIOS LLC	3,344	0.36039%	1,351	900	2,251
DANDY SERVICE CORPORATION	183	0.01972%	73	49	122
DAVIS PICKERING & CO INC	100	0.01078%	40	26	66
DBX-CAPITAL STRUCTURES	669	0.07210%	270	180	450
DELAGE LANDEN FINANCIAL SERVICES	102	0.01099%	41	27	68
DISTRESSED RECOVERY MASTER FUND LTD	1,834	0.19766%	741	494	1,235
DISTRESSED SECURITIES & SPECIAL SITUATIONS -1	126	0.01358%	50	33	83

## Stockholder Chart

SHAREHOLDER NAME	CURRENT SHARES	PERCENT OWNED	ORIGINAL ELIGIBLE TO PURCHASE	ADDITIONAL ELIGIBLE TO PURCHASE	TOTAL ELIGIBLE TO PURCHASE
DLJ CAPITAL FUNDING INC	4,239	0.45685%	1,713	1,142	2,855
DOMINION FIELD SERVICES	845	0.09107%	341	227	568
ELECTRICAL WHOLESALERS INC	178	0.01918%	71	47	118
ENGINEERS & CONSTRUCTIONS INTL	174	0.01875%	70	46	116
ENRON NORTH AMERICA CORP	1,200	0.12933%	484	323	807
EXELON ENERGY COMPANY	290	0.03125%	117	78	195
FALCO LIME A DIVISION OF MLC	34	0.00366%	13	9	22
FEDERAL MARINE BUREAU LLC	27	0.00291%	10	7	17
FERGUSON BROS INC	44	0.00474%	17	11	28
FIRSTENERGY SOLUTIONS CORP	239	0.02576%	96	64	160
FREEMPORT REFRACTORIES	149	0.01606%	60	40	100
G D S EXPRESS INC	99	0.01067%	40	26	66
GE BETZ INC	248	0.02673%	100	66	166
GENERAL ELECTRIC RAILCAR SERVICES CORP	135	0.01455%	54	36	90
GEORGE KELK CORP	141	0.01520%	56	37	93
GILLESPIE & POWER INC	237	0.02554%	95	63	158
GOLDMAN SACHS & CO	988	0.10648%	399	266	665
GRAPHITE MACHINING INC	202	0.02177%	81	54	135
GREATER BATON ROUGE PORT COMM	1,819	0.19604%	735	490	1,225
GREENE S CARTAGE CO INC	159	0.01714%	64	42	106
GRUNAU	248	0.02673%	100	66	166
HAIN CAPITAL INVESTORS LLC	2,136	0.23020%	863	575	1,438
HAIN CAPITAL LTD	299	0.03222%	120	80	200
HAIN CAPITAL OPPORTUNITIES LLC	2,207	0.23786%	891	594	1,485
HARBERT EVENT DRIVEN	835	0.08999%	337	224	561
HARE & CO	135,432	14.59595%	54,734	36,489	91,223
HEDGEHOG CAPITAL LLC	1,682	0.18127%	679	453	1,132
HERMAN STRAUSS INC	126	0.01358%	50	33	83
HFR DS PERFORMANCE MASTER TR	2,125	0.22902%	858	572	1,430
HORSBURGH & SCOTT COMPANY	124	0.01336%	50	33	83
INDUCTOTHERM CORPORATION	220	0.02371%	88	59	147
INDUSTRIAL ELECT MOTOR SUPPLY	99	0.01067%	40	26	66
INIMCO DE VENEZUELA C A	176	0.01897%	71	47	118
ITW FLEETWOOD SIGNODE	122	0.01315%	49	32	81
JAMES FOUTY & JENNIFER FOUTY JT TEN	90	0.00970%	36	24	60
JONES MOTOR CO	126	0.01358%	50	33	83
KABERT INDUSTRIES INC	146	0.01573%	59	39	98
LA MACHINERY	154	0.01660%	62	41	103
LANDSTAR RANGER	184	0.01983%	74	49	123
LARROL SUPPLY INC	154	0.01660%	62	41	103
LITESPEED MASTER FUND LTD	3,509	0.37818%	1,418	945	2,363
LONG BALL PARTNERS LLC	617	0.06650%	249	166	415
MAGID GLOVE & SAFETY MANUFACTURING CO	390	0.04203%	157	105	262
MARIETTA TRANSFER COMPANY	207	0.02231%	83	55	138
MATLIN PATTERSON GLOBAL OPPOR PART II, LP	170,550	18.38073%	68,927	45,951	114,878
MATLIN PATTERSON GLOBAL OPPOR PART CAYMAN) II	61,062	6.58085%	24,678	16,452	41,130
MATLIN PATTERSON GLOBAL OPPOR PART CAYMAN) II	11,831	1.27507%	4,781	3,187	7,968
MATLIN PATTERSON GLOBAL OPPOR PART II, LP	33,043	3.56115%	13,354	8,902	22,256
MAX TRANS LLC	575	0.06197%	232	154	386
MCEVER GROUP LLC DBA	93	0.01002%	37	25	62

## Stockholder Chart

SHAREHOLDER NAME	CURRENT SHARES	PERCENT OWNED	ORIGINAL ELIGIBLE TO PURCHASE	ADDITIONAL ELIGIBLE TO PURCHASE	TOTAL ELIGIBLE TO PURCHASE
MELLON - AXIS-RDO LIMITED	5,849	0.63037%	2,363	1,575	3,938
MELLON - BLACKFRIARS SPV LLC - SERIES 2	4,156	0.44791%	1,679	1,119	2,798
MELLON - HBV MASTER REDISCOVERED OPP FUND	37,506	4.04214%	15,158	10,105	25,263
MELLON - LYXOR/M-HBV REDISCOVERED OPP FUND	7,688	0.82856%	3,107	2,071	5,178
MELLON - HBV (THOMAS G TEMPLE)	622	0.06703%	251	167	418
MELLON HBV CAPITAL PARTNERS LP	12,172	1.31182%	4,919	3,279	8,198
MELLON HBV MASTER MULTI-STRATEGY FUND	35,988	3.87854%	14,544	9,696	24,240
MELLON HBV MASTER GLOBAL EVENT DRIVEN FUND	6,757	0.72822%	2,730	1,820	4,550
MELLON HBV MASTER LEVERAGED MULTI-STR. FUND	2,937	0.31653%	1,186	791	1,977
MELLON HBV MASTER MULTI-STRATEGY FUND	1,431	0.15422%	578	385	963
MELLON HBV MASTER REDISCOVERED OPP FUND	4,951	0.53359%	2,000	1,333	3,333
METALLURG ALUMINUM	455	0.04904%	183	122	305
MILBANK TWEED HADLEY & MCCOY	177	0.01908%	71	47	118
MOLE-MASTER	261	0.02813%	105	70	175
MONROE WATER SYSTEMS	222	0.02393%	89	59	148
MOTION INDUSTRIES INC	409	0.04408%	165	110	275
MURRAY TRUCKING INC	304	0.03276%	122	81	203
NATIONAL FILTER MEDIA CORP	92	0.00992%	37	24	61
NEO INDUSTRIES KENTUCKY INC	34	0.00366%	13	9	22
NEWARK GROUP INC	250	0.02694%	101	67	168
NEWSTART FACTORS INC	228	0.02457%	92	61	153
ORACLE CORPORATION	340	0.03664%	137	91	228
ORE HILL HUB FUND LTD	942	0.10152%	380	253	633
PADUCAH RIGGING	90	0.00970%	36	24	60
PERSHING LLC	1	0.00011%	-	-	-
PHILLIPS CORP D B A EQUIPO	115	0.01239%	46	30	76
PIONEER AMERICAS LLC	257	0.02770%	103	69	172
PLAINFIELD DIRECT LLC	11,593	1.24942%	4,685	3,123	7,808
PLAINFIELD SPECIAL SITUATIONS MASTER FUND LTD	5,040	0.54318%	2,036	1,357	3,393
PPG INDUSTRIES INC	300	0.03233%	121	80	201
PRECISION COIL INC	1,660	0.17890%	670	447	1,117
PRECISION STRIP INC	433	0.04667%	174	116	290
PRICEWATERHOUSECOOPERS LLP	336	0.03621%	135	90	225
PRO SERVE INC	128	0.01379%	51	34	85
QUATTRO DISTRESSED OPPOR. FUND	756	0.08148%	305	203	508
QUATTRO FUND LTD	3,344	0.36039%	1,351	900	2,251
QUATTRO MULTI-STRATEGY MASTER FUND	2,006	0.21619%	810	540	1,350
RED MAN PIPE & SUPPLY	129	0.01390%	52	34	86
REGAN CAPITAL LLC	235	0.02533%	94	63	157
REINTJES OF THE SOUTH INC	96	0.01035%	38	25	63
REVENUE MANAGEMENT	95	0.01024%	38	25	63
RICE ELECTRIC CO	95	0.01024%	38	25	63
RICHARD D CARUSO	350	0.03772%	141	94	235
RIVER VENTURES	194	0.02091%	78	52	130
ROCKWELL AUTOMATION	109	0.01175%	44	29	73
ROLAND J ROBERT DISTRIBUTORS	194	0.02091%	78	52	130

## Stockholder Chart

SHAREHOLDER NAME	CURRENT SHARES	PERCENT OWNED	ORIGINAL ELIGIBLE TO PURCHASE	ADDITIONAL ELIGIBLE TO PURCHASE	TOTAL ELIGIBLE TO PURCHASE
ROLLOUT EXPRESS INC	150	0.01617%	60	40	100
RYERSON INC	1,200	0.12933%	484	323	807
S D MYERS INC	195	0.02102%	78	52	130
SAMUEL STRAPPING SYSTEMS INC	190	0.02048%	76	51	127
SCHULTZE MASTER FUND LTD	5,116	0.55137%	2,067	1,378	3,445
SELEE CORPORATION	297	0.03201%	120	80	200
SGL CARBON GMBH	214	0.02306%	86	57	143
SHIELD ALLOY METALLURGICAL CORPORATION	260	0.02802%	105	70	175
SIENA CAPITAL LLC	591	0.06369%	238	159	397
SIENA CAPITAL LLC	478	0.05152%	193	128	321
SIENA CAPITAL LLC	270	0.02910%	109	72	181
SIGLER & CO	11,704	1.26138%	4,730	3,153	7,883
SOUTHWEST ELECTRIC CO	109	0.01175%	44	29	73
SPOC GROUP LLC (ASSIGNEE CANEFOO LTD)	291	0.03136%	117	78	195
STEPHEN HELD & JACQUELINE HELD JT TEN	80	0.00862%	32	21	53
STEWART STEEL SUPPLY COMPANY	218	0.02349%	88	58	146
SULLIVAN & WORCESTER LLP	218	0.02349%	88	58	146
SUPERIOR ENTERPRISES INC	134	0.01444%	54	36	90
THE CHAPMAN PRINTING CO INC	30	0.00323%	12	8	20
THERMO ELECTRON SPECTROSCOPY INC	156	0.01681%	63	42	105
TITAN COATINGS INC	50	0.00539%	20	13	33
TRADE-DEBT.NET	445	0.04796%	179	119	298
TRI-STATE ELECTRIC & MACHINE	72	0.00776%	29	19	48
TRI-STATE SUPPLY CO INC	107	0.01153%	43	28	71
UBS SECURITIES	49,926	5.38069%	20,177	13,451	33,628
US FILTER/IONPURE	106	0.01142%	42	28	70
VALLEY NATIONAL GASES INC	271	0.02921%	109	73	182
VELUX GREENWOOD INC	103	0.01110%	41	27	68
VENTECH FIELD SERVICE	40	0.00431%	16	10	26
VENTURE COKE COMPANY	99	0.01067%	40	26	66
VERITAS HIGH YIELD ARB FUND (BERMUDA) LTD	4,053	0.43680%	1,638	1,092	2,730
VERITAS HIGH YIELD ARB FUND III LLC	912	0.09829%	368	245	613
VESUMIUS USA CORPORATION	475	0.05119%	191	127	318
VULCAN CHEMICALS	222	0.02393%	89	59	148
WAHL REFRACTORIES INC	247	0.02662%	99	66	165
WESCO DISTRIBUTION INC	159	0.01714%	64	42	106
WEST TENNESSEE EXPRESS INC	122	0.01315%	49	32	81
WESTBANK HARBOR SERVICE INC	130	0.01401%	52	35	87
WILLIAMS -MICHAEL S	386	0.04160%	156	104	260
WINDWARD CAPITAL	120	0.01293%	48	32	80
WINDWARD CAPITAL LP	7,654	0.82490%	3,093	2,062	5,155
WINDWARD CAPITAL LP	6,180	0.66604%	2,497	1,665	4,162
YALE INDUSTRIAL TRUCKS	284	0.03061%	114	76	190
YELLOW TRANSPORATION	159	0.01714%	64	42	106
<b>TOTAL</b>	<b>927,874</b>	<b>100.00%</b>	<b>374,908</b>	<b>249,903</b>	<b>624,811</b>

Please note that the aggregate number of shares offered is slightly less than 625,000 due to rounding each stockholder's pro rata portion down to the nearest whole share.

ORMET CORPORATION  
PRIVATE OFFERING MEMORANDUM  
COMMON STOCK  
\$30,000,000

NOVEMBER 22, 2006

**CONFIDENTIAL**

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## ORMET CORPORATION

### 375,000 Shares Common Stock

Ormet Corporation, a Delaware corporation (“us”, “we” or the “Company”), is offering to holders of shares of its common stock the opportunity to subscribe for and to purchase an aggregate of 375,000 additional shares of our common stock at a price of \$80.00 per share. No underwriter or selling agent is involved in this private stock offering, but we will pay a fee of four percent (4%) of the aggregate proceeds of this offering to an investment banking firm (see “*Recent Developments – Receipt of Offer to Purchase and Engagement of Investment Banker*” beginning on page 9). If all of the common stock being offered is purchased, we will receive proceeds of approximately \$30 million, before payment of the fees and expenses of this offering.

By a unanimous decision and upon the recommendation of an independent committee of the board of directors, our board of directors established the subscription price of \$80.00 per share. Prior to this offering, there has been no public market for our shares of common stock. The subscription price has been established by us after considering many factors, including, without limitation, prevailing market conditions, our historical performance, estimates of our business potential and earnings prospects, an assessment of our management, the consideration of the above factors in relation to market valuation of companies in related businesses and receipt by the independent committee of the board of an opinion of Imperial Capital, LLC, dated November 3, 2006, that the offering price of \$80 per share is fair to the stockholders (see “*The Offering – Determination of Subscription Price*” on page 30).

Each stockholder of record of common stock as of the close of business on the record date, November 21, 2006, that is also an “accredited investor” (see “*Stockholder Suitability*” beginning on page 31), may purchase that number of shares of common stock set forth opposite such stockholder’s name on the stockholder chart (see “*Stockholder Chart*” beginning at page 32), which represent the stockholder’s pro rata portion of all of the offered common stock. Shares of our common stock are being offered at a subscription price of \$80.00 per share. The Company is not offering fractional shares of common stock, and your pro rata portion (as shown on the stockholder chart) has been rounded down to the nearest whole share. Only qualified holders as of the record date may subscribe for such offered shares of common stock; the right to purchase such shares is not transferable to or exercisable by any other parties.

The common stock is being offered in a private placement and has not been registered under the Securities Act of 1933, as amended (the “Securities Act”). The common stock is being offered and sold only to accredited investors (as defined in Rule 501(a) under the Securities Act) in reliance on the exemption from registration afforded by Regulation D promulgated under the Securities Act. The shares of common stock acquired in this offering will be restricted securities under the Securities Act and will be subject to restrictions on transferability and resale. Stockholders who acquire common stock pursuant to this offering will not be able to sell their acquired common stock unless such shares are registered under the Securities Act or an exemption from registration is available. Stockholders should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

MatlinPatterson Global Opportunities Partners II L.P. and MatlinPatterson Global Opportunities Partners (Cayman) II L.P. and certain of their affiliates (collectively “MP”) and Mellon HBV Capital Partners LP, Mellon HBV Master Axis-RDO Fund Limited, Mellon HBV Master Global Event Driven Fund LP, Mellon HBV Master Rediscovered Opportunities Fund LP, Series 2 of Blackfriars Master vehicle

