

September 3, 2008

Contact Info:

Linda King
Director of Public Relations
James Communications, Inc.
412-428-0050 or 412-296-2284
lregelman@jamescomm.net

**Ormet Corporation Announces Agreement with AEP
Also Announces Receipt of \$10 Million in Additional Financing and Agreement
to Sell 300 Acres of Burnside Property**

Hannibal, Ohio – September 3, 2008 – Ormet Corporation, an independent U.S. producer of aluminum, announced today that it has entered into agreement with AEP Ohio to reduce the amount of collateral AEP holds for services it provides to Ormet to power its Hannibal, Ohio facility. As a result, Ormet's deposit obligation to AEP is reduced to \$7 million and AEP has returned \$15 million of Ormet's original \$22 million cash deposit to the company. The motion approving the return of the deposit, which was approved by the Ohio Public Utilities Commission, also resolved all outstanding open items between the companies. "AEP and Ormet worked well together to find a reasonable solution to some complex short term issues. I also want to thank the Ohio Public Utilities Commission for their prompt review and approval of this case," states Mike Tanchuk, president and CEO, Ormet Corporation.

Separate from the return of the deposit from AEP, Ormet also announced that it has completed a new \$10 million subordinated loan financing. This new debt matures on November 30, 2010. The loan will accrue interest which will be paid at maturity. In conjunction with the loan, the company has issued to the lender warrants to acquire up to 600,000 shares of Ormet common stock at a price of \$15 per share, which warrants expire on November 1, 2011.

Tanchuk said, "I am glad these liquidity raising steps are completed and we have satisfied the criteria of the current bank agreement. I believe that Ormet is properly positioned for 2009, based on what we know about our key costs at this point, and staged in 2010 and beyond to take advantage of market conditions."

Ormet also signed an agreement to sell approximately 300 undeveloped acres at its Burnside, La., facility for \$9 million pending final due diligence. This land sale would not interfere with a potential restart of the Burnside alumina facility. Ormet continues to explore options for its Burnside marine terminal assets, including a possible sale or other disposition as previously disclosed.

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The warrants issued in the loan financing referenced above, as well as the shares issuable upon the exercise of the warrants, have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under the laws of any state or other jurisdiction, and may not be offered or sold unless registered under the Securities Act and under the laws of any applicable state or other jurisdiction or unless pursuant to an applicable exemption from registration. This press release is not an offer to sell or the solicitation of an offer to buy any securities of the Company.

Certain statements contained in this press release constitute forward-looking statements within the meaning of the federal securities laws. Such statements are based on current expectations, and the actual results and the timing of certain events could differ materially from those projected in or contemplated by these forward-looking statements due to a number of factors, including but not limited to the continuing liquidity and capital needs of Ormet and anode, electricity and other costs that can significantly affect Ormet's results of operations and liquidity. No assurance can be given that Ormet will successfully be able to negotiate a new agreement with AEP or that the sale of the 300 Burnside acres will be successfully completed. Readers are cautioned that Ormet's business is subject to numerous significant risks and uncertainties. Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people. For more information, visit the website at www.ormet.com.