



NEWS RELEASE

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ORMET ANNOUNCES RESTART OF IDLED ALUMINA PLANT IN ASCENSION PARISH

Project will create more than 240 new, direct jobs averaging \$57,000, plus benefits

BURNSIDE, La. – Ormet Corp. will make a \$21 million capital investment and create more than 240 direct new jobs with the reopening of its Ascension Parish alumina manufacturing plant that had been idle since December 2006. Louisiana Economic Development Secretary Stephen Moret and Ormet President & CEO Michael F. Tanchuk announced the reopening today at Ormet's plant site on the Mississippi River, about 30 miles south of Baton Rouge.

The new jobs at the Ormet plant will average about \$57,000 in annual wages, plus benefits – more than 40 percent higher than the average wage in Ascension Parish. Ormet plans to begin producing alumina in the fourth quarter of this year, with full employment expected to be reached within a year.

LED estimates that the more than 240 new, direct on-site jobs will result in approximately 1,050 indirect jobs in the region for a total nearly 1,300 permanent new jobs in Louisiana. Accordingly, based on its direct and indirect job impact, Ormet's facility will become one of the top 10 economic-driver firms in Ascension Parish, as well as one of the top 150 economic-driver firms statewide out of more than 100,000 existing employers in Louisiana. Additionally, LED estimates that the project will result in \$19.7 million in new, state tax revenue, as well as \$10.8 million in new, local tax revenue over the plant's first 10 years of operation.

By the end of 2011, Ormet will refurbish, modernize and restart the plant, bringing production of a key aluminum component – alumina – back online. Based in Hannibal, Ohio, Ormet closed the Louisiana plant after falling demand, high natural gas prices and other market forces made production unsustainable. Ormet will import bauxite to a Burnside dock terminal that is part of the Port of Greater Baton Rouge district, then refine the bauxite into alumina and ship the alumina to Ohio, where the company recently resumed full aluminum production.

Governor Bobby Jindal said, "The restart of Ormet's alumina facility is great news and a tremendous economic boost for Ascension Parish and the Capital Region. We've made business retention and expansion our top economic development priority since day one, and we're excited to have an opportunity to help reopen a major employer in Ascension Parish that had been idle for more than four years. Ormet is the latest example of a major economic development win that is happening in part due to new economic development initiatives we launched, such as Louisiana FastStart and our Retention and Modernization Program. Most importantly though, this announcement means we're creating more good paying jobs for our people so that they can pursue their dreams right here at home in Louisiana."

LED's Business Expansion and Retention Group and Ormet executives have been working closely together on restarting the facility since September of last year.

“I want to thank the governor and his economic development group for their strong support in terms of training for the restart, the hiring process and economic incentives,” said Mike Tanchuk, Ormet’s president and CEO. “The Louisiana Economic Development team is the best I’ve ever seen. I also want to thank our local officials – Ascension Parish is a wonderful place to do business.” He said the company soon will begin hiring employees to bring the plant to a capacity of 540,000 metric tons annually.

“The restart of Ormet’s alumni facility is going to provide a tremendous economic boost to Ascension Parish and the Capital Region, and it’s going to do so quickly,” said LED Secretary Stephen Moret. “This is exactly the kind of economic development opportunity we envisioned when we created the Retention and Modernization Program. Additionally, our FastStart program is going to ensure that Ormet can quickly recruit and train a high-quality workforce that will enable the company to meet its production and profitability targets.”

To secure the project, LED offered a customized incentive package to Ormet, including a performance-based loan of \$1.5 million through the Economic Development Loan Opportunity Program (EDLOP), as well as a five percent refundable tax credit worth approximately \$1.0 million through the Retention and Modernization Program. Ormet also is expected to take advantage of the Louisiana FastStart™ program, as well as the state’s Quality Jobs and Industrial Tax Exemption programs.

Ascension Parish President Tommy Martinez said he grew up on the Burnside Plantation land where Ormet is located. That history makes the restoration of quality jobs on the site particularly rewarding to him. “It’s going to be great to see a lot of activity around here again,” he said. “It’s certainly going to be a big boost to the economy. I’m just glad they’re recovering and we are very excited about the reopening. It was one of the first plants ever built in Ascension Parish, and I’m proud to see it be an active part of our economy.”

“It is exciting to see Ormet reinvesting in our market,” said Adam Knapp, president and CEO of the nine-parish Baton Rouge Area Chamber. “Their decision reflects two things: positive market conditions for their sector and the healthy business climate in our region and state. Announcements of this magnitude only occur because of the cooperation of partners like Governor Jindal, LED, President Martinez and AEDC (Ascension Economic Development Corporation).”

About Ormet

Headquartered in Hannibal, Ohio, Ormet Corp. is an integrated aluminum producer with a mission to produce quality alumina, aluminum and related products and services. For more about the company, visit www.ormet.com

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