

FOR IMMEDIATE RELEASE

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Contact Info:
Linda Regelman
Director of Public Relations
James Communications, Inc.
412-428-0050
lregelman@jamescomm.net

Ormet's Labor Contract Ratified

Canonsburg, Pa. – Ormet Corporation announced today that members of United Steelworkers local 5724 voted last night in favor of the latest contract agreement, officially ending a strike that lasted nearly 20 months.

The local, which represents approximately 800 members at Ormet's reduction facility, voted 551 to 79.

Ormet revealed earlier that a signing bonus, wage increase, profit sharing and an agreement to extend funding for retiree medical benefits are included in the contract. A new healthcare plan is also included that requires a co-pay but not an employee-paid premium.

Union members of Ormet's alumina facility in Burnside, La. voted last Tuesday count 103 to 12 in favor of a new three-year labor contract. That contract affected approximately 200 hourly employees. The Burnside contract contains similar provisions to that of the Hannibal contract.

In addition to ratification of the contracts, the USW has agreed to drop all bankruptcy related claims as part of this comprehensive settlement.

An affordable source of electricity is still needed in order to restart operations at Ormet's reduction facility. The Public Utilities Commission of Ohio ruled on June 14 that South Central Power "does not provide, or propose to provide, physically adequate service" to Ormet. Another hearing has been scheduled for late July to determine whether the failure can be corrected by South Central under reasonable operating conditions and whether the Commission should authorize another supplier to serve Ormet's needs. The regulatory process can be lengthy and additional hearings will be scheduled to move that process forward.

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In the meantime, Ormet hopes to negotiate a power contract without relying on the regulatory process, and has begun discussions toward that goal. The company is initiating work on preparing the first two potlines for restart in anticipation of that power agreement.

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Based in Canonsburg, Pa., Ormet Corporation is a major U.S. producer of smelter-grade alumina for world-wide markets and aluminum billet products for the automotive, truck and general extrusion markets in the U.S. Ormet operates facilities in Ohio and Louisiana and employs approximately 1,000 people.