

27 January 2010

Metal-Tech Ltd
(‘Metal-Tech’ or ‘the Company’)

Update on the Uzbekistan joint venture

Tel Aviv –Metal-Tech Ltd., the metal-based hydrometallurgy and chemical company, which focuses on the recycling and production of specialty metals, powders and oxides such as Tungsten and Molybdenum, yesterday filed a Request for Arbitration against the Republic of Uzbekistan related to that country’s unlawful treatment of Metal-Tech’s 50 percent investment in Uzmetal Technology, a joint venture to produce high-quality molybdenum products. The Request for Arbitration, filed with the International Centre for Settlement of Investment Disputes (ICSID) based in Washington, D.C., asserts Uzbekistan’s breach of the Israel-Uzbekistan Bilateral Investment Treaty, as well as violations of various standards of treatment under international law and Uzbek legislation.

Metal Tech is seeking damages because the Company claims that Uzbekistan breached its obligations by denying Uzmetal Technology necessary inputs of molybdenum concentrate in mid-2006, thereby forcing the joint venture to become idle for lack of raw materials to process. The damage to Metal-Tech was exacerbated when Uzbekistan and its state-owned companies (which owned the other 50 percent of Uzmetal Technology) later forced the joint venture into bankruptcy and eventual liquidation.

Metal-Tech’s Vice President Business Development and General Counsel, Ms. Maayan Bar, stated: “It is unfortunate that we have not been able to resolve this dispute amicably with the Uzbekistan government. Resorting to international arbitration will allow us to pursue our claims in an impartial forum.”

Metal-Tech’s counsel in this arbitration, O. Thomas Johnson, Jr. of Covington & Burling LLP, stated: “The Israel-Uzbekistan Bilateral Investment Treaty protects Israeli investors in Uzbekistan from actions such as those taken against Metal-Tech. Under that treaty, Metal-Tech has the right to seek redress from Uzbekistan through binding arbitration. Metal-Tech is doing nothing more than exercising that right.”

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