



Paris, December 15th 2011

PRESS RELEASE

ERAMET's Board of Directors, has met on December 14th 2011, under the chairmanship of Patrick BUFFET, Chairman and CEO of the ERAMET group:

- **Weda Bay Nickel Project**

ERAMET's Board of Directors has received an update on the progress of the Weda Bay Nickel Project development in Indonesia (the "Project") and takes note of the entry of a new partner in the Project.

Mitsubishi Corporation ("MC") has agreed to sell a 3.4% ownership interest from its 33.4% stake in Strand Minerals (the owner of 90% of PT Weda Bay Nickel) to Pacific Metals Co. Ltd. ("Pamco") of Japan for 3 billion Japanese yen. ERAMET's ownership in Strand Minerals remains unchanged at 66.6%. This transaction gives an indicative value of approximately 944 million Euros or 1.263 billion US Dollars for 100% of the Project, and valorises ERAMET's ownership of the Project at around 566 million Euros or 757 million US Dollars. The shareholders' agreement existing between ERAMET and MC has been amended to include Pamco.

This transaction is an important step for the Weda Bay Nickel Project, as it is adding a new partner that will be able to process in Japan the part of the Weda Bay Nickel intermediate product to be allocated to the Japanese interest. Moreover, Pamco shares the view that the sulfuric acid atmospheric pressure leaching process is best suited to the characteristics of the Weda Bay nickel ore. Indeed, the Project will use a sulfuric acid atmospheric pressure leaching process developed by ERAMET at its research center in France and patented by ERAMET. Pamco has independently and simultaneously developed and tested a similar atmospheric pressure leaching process in Japan. In this respect, Pamco's entry into the Project might result in synergies.

The Weda Bay Nickel Bankable Feasibility Study is ongoing. The final investment decision for the construction and financing of the 1st Phase of the Project, for an initial production capacity of 35,000 t of nickel per year, is expected at the end of 2012. The overall project, with an ultimate production capacity of 65,000 t of nickel per year, is to be completed in two phases.

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- **ERAMET and BRGM sign framework agreement for long-term cooperation**

The framework agreement, signed by Patrick BUFFET, Chairman & CEO of ERAMET and Jean-François ROCCHI, Chairman & CEO of BRGM, is intended to formalise the relations developed since 2007 and ensure their long-term future. BRGM carries out regular work in the field of mineral resources on ERAMET's behalf.

Patrick BUFFET stated: *"This framework agreement is in line with the ERAMET group's accelerated development rationale in terms of exploring and benefiting primary and secondary mineral resources."*

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ABOUT ERAMET

ERAMET is a leading global producer of:

- alloying metals, particularly manganese and nickel, used to improve the properties of steel,

- high-performance special steels and alloys used in industries such as aerospace, power generation and tooling.

ERAMET is also studying or developing major projects in new activities such as mineral sands (titanium dioxide and zircon), lithium, niobium and rare earths, as well as in recycling.

The Group employs approximately 15,000 people in 20 countries. ERAMET is part of Euronext Paris Compartment A.

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ABOUT PAMCO

Pacific Metals Co Ltd, also known as PAMCO, is a ferronickel producer (annual capacity around 40,000 t nickel per year) based in Hachinohe, Aomori prefecture in north-eastern Japan.

PAMCO is the largest ferronickel producer in Japan.

ABOUT BRGM

Bureau de Recherches Géologiques et Minières (BRGM, geological & mining research bureau) is jointly supervised by the French Ministries of Higher Education & Research and of the Environment, Sustainable Development, Transport & Housing. It is the state-owned Earth Sciences institution for the management of soil and subsoil risks and resources.

It carries out five missions: scientific research, public policy support, international cooperation & development aid, mining prevention and safety, and higher education with ENAG, the national geosciences application school.

www.brgm.fr