

18 December, 2006

## **Metal-Tech Ltd. (“Metal-Tech” or the “Company”)**

### **Pre-close trading update**

Metal-Tech, the metal-based hydrometallurgy and chemical company focusing on the production and recycling of speciality metals such as tungsten and molybdenum, is providing an end of year trading statement in advance of its preliminary announcement on 25<sup>th</sup> April 2007.

In 2006, the Company implemented a strategy of targeted geographical expansion alongside an increase in production capacities and sales both from existing plants and with new customers. The successful execution of these aims resulted in revenues in the first half of 2006 which were ahead of market expectations. In the second half, this strategy also compensated for the drop in revenues caused by the supply disruption in Uzbekistan, which still remains unsolved. As a consequence, the Company expects to meet market expectations for the full year 2006.

### **Outlook**

The Company’s business continues to expand and attract new customers. Speciality metal prices are stable and demand remains high.

In the second half of 2006, Metal-Tech established a new company in the Netherlands with a local partner for the purpose of trading other metals such as Silicon Metal, Magnesium Metal and Tin Concentrates. Metal-Tech owns a 49% interest in the firm. Trading has been ahead of expectations and the expected sales volume of this company in the first 12 months of operations is estimated at around \$40 million.

Additionally, during the 2007 financial year Metal-Tech expects to grow its Molybdenum production by 20% due to better mining recovery rates. Consequently, the Directors are expecting an increase of approximately 20% in Molybdenum sales in 2007 resulting in a significant increase in total Group revenues compared with current market forecasts for 2007.

Ran Maimon, Chief Executive of Metal-tech commented: “Progress on Metal-Tech’s global production infrastructure, together with strong demand for the Company’s products from its major customers, is encouraging. We look forward to providing a more comprehensive update when we announce our audited results for 2006 results in April.”

-Ends-

For further information please visit [www.metal-tech.co.il](http://www.metal-tech.co.il) or contact:

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