

9 December 2011

**Metal-Tech Ltd.**

**("Metal-Tech" or "the Company")**

**Update on arbitration case against the Republic of Uzbekistan**

Further to the announcement on 7 December 2011, Metal-Tech is pleased to announce that its ongoing arbitration case before a Tribunal of the International Centre for Settlement of Investment Disputes (the "Tribunal") against the Republic of Uzbekistan (the "Respondent") is to proceed as scheduled on 23 January 2012 following the Tribunal's decision to reject the Respondent's request to postpone the hearing.

Metal-Tech is seeking damages because it 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.

Aik Rosenberg, Executive Chairman and CEO of the Company, said: "We are delighted with this decision from the Tribunal to continue with the hearing as planned. 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. This was an action we had to undertake having exhausted all other avenues. We will continue in our efforts to ensure that the Republic of Uzbekistan answers our claims in front of the Tribunal without delay."

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