

NOVAMET

Developing Unique Customer Solutions Since 1976

May 12, 2011

Dear Nickel Coated Graphite Customer:

For many years, Novamet has been the leader in the field for shielding and conductive materials with products such as Nickel Coated Graphite. Today, we are announcing that we have been in the development process of a new proprietary method to manufacture the next generation shielding nickel based product - nickel coated graphite produced in the USA by Novamet Specialty Products.

We are currently producing pilot-sized batches in production style equipment and now have samples available for evaluation. The material is being produced from the highest quality nickel available and will offer very high purity, low surface area and specifications equivalent to our existing product line.

Assuming evaluations are successful, we expect to be in full scale production by July. Novamet is designing and will control and operate the processing in a facility leased by Novamet, at its affiliate, Palm Commodities International, Inc. located on the outskirts of Nashville, Tennessee. Given the central shipping location, and additional efficiencies afforded in this process, we will be able to provide superior quality at a reduced cost over current materials on the market. We welcome and ask users and potential users for input on the new product as we move forward.

The existing NCG products (both 60 and 75% nickel coatings) are still being produced and Novamet is building inventories as production of those materials continues as before through the remainder of 2011.

Best Regards,



Jeffrey L. Peterson

President and CEO

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