

6 December 2006

Minmet plc (“Minmet” or the “Company”)

Capital Reorganisation

The Board of Minmet announces that it has today posted a Circular to its Shareholders to seek *inter alia* shareholder approval for a proposed consolidation and sub-division of the Company’s share capital (“Capital Reorganisation”).

In summary, Minmet is proposing a two-staged consolidation and sub-division to effect a net consolidation of each 20 existing ordinary shares of €0.0125 each (“Existing Ordinary Shares”) into 1 new ordinary share of €0.01 each (“New Ordinary Share”).

Shareholdings which are not evenly divisible by 10,000 and shareholdings of less than 10,000 Existing Ordinary Shares, will be aggregated and sold for the benefit of their holders on the terms set out below. The Directors estimate that the number of Existing Ordinary Shares which are represented in this category total approximately 5% of the issued share capital of the Company.

So as to facilitate the Capital Reorganisation, the Company has placed 2,692 Existing Ordinary Shares at par in order to ensure that (immediately preceding the Capital Reorganisation) the number of Existing Ordinary Shares in issue would be divisible by 10,000.

The Board of Minmet believe that the proposed Capital Reorganisation is in the best interests of shareholders as they believe that, if approved and effected, it will:

- Allow shareholders with uneconomic shareholdings to exit the Company in a cost efficient manner;
- Streamline the Company’s register, resulting in savings of administrative cost and management time; and
- Serve to reduce the bid/offer spread and thus reduce volatility in the share price, making the shares potentially more attractive to new investors.

The Capital Reorganisation will be effected by consolidating every 10,000 Existing Ordinary Shares into 1 ordinary share of €25 each (a “Consolidated Ordinary Share”) and then sub-dividing each Consolidated Ordinary Share into 500 New Ordinary Shares and 500 deferred ordinary shares of €0.24 each (“New Deferred Shares”). The New Deferred Shares will be effectively valueless and will be cancelled with the consent of the High Court of Ireland. Under the proposed terms of the Capital Reorganisation, Shareholders who hold fewer than 10,000 Ordinary Shares would not be entitled to receive any New Ordinary Shares or New Deferred Shares pursuant to the Capital Reorganisation. However, their Ordinary Shares would be aggregated and sold for their benefit and the proceeds (net of expenses) distributed to them, except that any such proceeds of sale that are less than Stg£6.75 (€10) would be retained for the benefit of the Company. This would allow these Shareholders to dispose of their investment without incurring the associated dealing costs.

In addition to the resolution seeking a consolidation of the Company's shares, the Company is also seeking shareholder approval to authorise the Company to make market purchases of its ordinary shares, to authorise the Directors to reissue and/or to cancel such ordinary shares, to cancel any issued New Deferred Shares created through the Capital Reorganisation (subject to consent of the High Court of Ireland), to reduce the credit balance of the Company's share premium account (also subject to consent of the High Court of Ireland) and to amend the rules of the Share Option Scheme to reflect all the changes precipitated by the Capital Reorganisation.

An Extraordinary General Meeting ("EGM") has been convened in order to approve the foregoing. The EGM will be held at 11:30 am on 28 December 2006 at 10 Fitzwilliam Square, Dublin 2, Ireland. A class meeting of the holders of the New Deferred Shares to approve the cancellation of the issued New Deferred Shares will be held immediately after the EGM. Further information, which has been extracted from the Circular without adjustment, on the reasons for and mechanics of the proposed Capital Reorganisation as well as the additional resolutions to be proposed at the EGM is set out below.

Commenting on the Capital Reorganisation Minmet's CEO, Michael Nolan, commented, "A share consolidation has been under consideration for some time and I believe that the time is now right, following a period of reorganisation in the Company's operations, to reflect these changes in a more streamlined and meaningful corporate structure. Future developments will depend on our ability to react swiftly to opportunities that are presented and I am satisfied that this Capital Reorganisation will enable Minmet in this regard".

For further information please contact:	
Minmet plc:	
Michael Nolan, CEO Minmet plc	Tel: + 353 1 661 3309
Websites:	www.minmet.ie

Further Information on the proposed Capital Reorganisation and Other Resolutions

OVERVIEW OF THE PROPOSED CAPITAL REORGANISATION

Since the Ordinary Shares were admitted to trading on AIM on 16 December 2005, the Company's share price has fallen from Stg1.22p to its current price Stg0.49p (mid market closing price) as at 29 November 2006, being the latest practicable date prior to the publication of this document. As a result of the decrease in value of the Company's share price, a majority of the Company's shareholder base by number has shareholdings in the Company with a relatively low value and these represent only a small minority of the Existing Ordinary Shares. As at 29 November 2006, Minmet had approximately 26,300 Shareholders. Of these, approximately 20,700 Shareholders (representing some 78.7% of the total number of Shareholders by number and only 4.8% by value) each have registered holdings of less than 10,000 Ordinary Shares which would be valued at less than Stg£49 (€72.59) at the mid market closing price of Stg0.49p on 29 November 2006.

The Directors understand the requirement to treat all Shareholders equally but recognise that small Shareholders suffer disadvantages in relation to other Shareholders because of the size of their holdings in the Company. These Shareholders face significantly higher transactional costs as a percentage of the value of their holdings and also face significant administrative hurdles in trading their holdings. In particular, small Shareholders tend to deal in certificated holdings and generally only through infrequent or non-existent broking relationships. Smaller Shareholders often enter into broking relationships for the purpose of dealing on an infrequent basis, a method which is not as efficient or cost effective as those trading mechanisms used by larger Shareholders who deal more frequently and hold their shares in uncertificated form. These transaction costs and administrative hurdles make it uneconomic for them to dispose of their Ordinary Shares in the open market and they are therefore in a different position to other Shareholders.

Under the proposed terms of the Capital Reorganisation, Shareholders who hold fewer than 10,000 Ordinary Shares would not be entitled to receive any New Ordinary Shares or New Deferred Shares pursuant to the

Capital Reorganisation. However, their Ordinary Shares would be aggregated and sold for their benefit and the proceeds (net of expenses) distributed to them, except that any such proceeds of sale that are less than Stg£6.75 (€10) would be retained for the benefit of the Company. This would allow these Shareholders to dispose of their investment without incurring the associated dealing costs.

Your Board has therefore decided to structure the Capital Reorganisation to offer small Shareholders a one-off opportunity to realise their holdings cost effectively and at the same time providing a benefit to all Shareholders in the form of savings of administrative cost and management time. The Board believes that it is justified in making this opportunity available to small Shareholders because they face significant transactional and administrative costs as a proportion of the value of their holding, causing them to be in a different position to other Shareholders.

The Directors believe that the Capital Reorganisation will create a more appropriate capital structure and share price for the Company and that the Capital Reorganisation is in the best interests of the Shareholders generally for the following reasons:

- The Capital Reorganisation will reduce the number of Shareholders. The Company currently has approximately 26,300 Shareholders on its share register, which the Directors estimate costs approximately Stg£85,000 per year to maintain, as well as significant management time and effort. The Directors believe this cost is inappropriate for a company of Minmet's size.
- The Company currently has a large number of Shareholders who the Directors believe are inactive. As an example, at the Company's Annual General Meeting on 20 July 2006, while votes were cast in respect of more than 11.9% of the current number of shares in issue, less than 230 Shareholders (out of approximately 26,300) in number voted. The Directors believe it is in all Shareholders' best interests, especially due to the costs involved in servicing Shareholders, that all Shareholders take an active participation in the Company.
- The Directors believe that following completion of the Capital Reorganisation the New Ordinary Shares will be more attractive in potential corporate transactions where the possibility of issuing new shares in the Company would be an attractive asset.
- The Directors also consider that the Capital Reorganisation will assist in decreasing the bid/offer spread in the market for the Company's shares, which they believe will decrease the volatility of the share price and therefore improve the attractiveness of the New Ordinary Shares to new investors.

The Directors are therefore proposing to consolidate every 10,000 Ordinary Shares into 1 ordinary share of €125 each (a "Consolidated Ordinary Share"); thereafter to sub-divide each Consolidated Ordinary Share into 500 ordinary shares of €0.01 each ("New Ordinary Share") and 500 deferred ordinary shares of €0.24 each ("New Deferred Share").

So as to facilitate the Capital Reorganisation, Davy has subscribed for 2,692 Ordinary Shares at par in order to ensure that (immediately preceding the Capital Reorganisation) the number of Ordinary Shares in issue would be exactly divisible by 10,000.

Shareholders should be aware that if they hold fewer than 10,000 existing Ordinary Shares they would not be entitled to receive any New Ordinary Shares or New Deferred Shares under the Capital Reorganisation and as a result would lose their entire shareholding. If the Capital Reorganisation is approved, their Ordinary Shares would be aggregated and sold for their benefit and the proceeds of sale (net of expenses) distributed to them, except that any such proceeds of sale which are less than Stg£6.75 (€10) would be retained for the benefit of the Company. Following their sale, these Ordinary Shares will then be consolidated on the basis of 1 Consolidated Ordinary Share for every 10,000 Ordinary Shares and then sub-divided as set out above.

Any Ordinary Shares remaining after the consolidation of individual holdings of 10,000 Ordinary Shares or more, would be aggregated and sold for the benefit of the holders thereof and the proceeds of sale (net of expenses) distributed to them, except that any such proceeds of sale which are less than Stg£6.75 (€10) would be retained for the benefit of the Company. Following their sale, these Ordinary Shares will then be consolidated on the basis of 1 Consolidated Ordinary Share for every 10,000 Ordinary Shares and then subdivided as set out above.

Following the Capital Reorganisation, the Company's authorised share capital would be €18,469,920 comprising 180,000,000 New Ordinary Shares and 69,458,000 New Deferred Shares. Assuming no further existing Ordinary Shares are issued between the date of this document and the date on which the Capital Reorganisation becomes effective, the issued share capital would comprise 69,458,000 New Ordinary Shares and 69,458,000 New Deferred Shares. The rights attaching to the New Ordinary Shares, including voting and

dividend rights would be the same as the rights currently attaching to the existing Ordinary Shares under the Articles.

The rights attaching to the New Deferred Shares are summarised below under the heading “Resolution number 1”. It is intended to cancel the issued New Deferred Shares subject to the consent of the High Court of Ireland.

It is expected that trading in the New Ordinary Shares would commence on 29 December 2006. Subject to the Capital Reorganisation being approved by Shareholders, share certificates for existing Ordinary Shares will no longer be valid and new share certificates will be issued. In the case of Shareholders who hold shares through the CREST system, the New Ordinary Shares will be credited to CREST accounts on 29 December 2006. Pending the receipt of new certificates, Shareholders would still be able to trade in New Ordinary Shares and transfers of New Ordinary Shares held in certificated form would be certified against the register of members of the Company.

CONSEQUENCES FOR EXISTING OPTIONS

The Share Option Scheme provides that in the event of a sub-division, consolidation or reduction of capital, each participant shall be entitled to surrender every Existing Option held by him which has not been entirely exercised and to be granted in its place a new option. This will be at the same total option price and in all other respects on identical terms in respect of such number of Ordinary Shares so that the ratio between that number of Ordinary Shares and the total number of issued Ordinary Shares shall be the same as the ratio between the number of Ordinary Shares to which the Existing Option (or, as the case may be, the unexercised portion thereof) related and the total number of issued Ordinary Shares immediately prior to the sub-division, consolidation or reduction of capital (as the case may be), provided that the grant of any such replacement option shall not result in any participant becoming entitled to subscribe for Ordinary Shares at less than their nominal value.

In accordance with the rules of the Share Option Scheme each participant in the Share Option Scheme would receive 1 option over 1 New Ordinary Share for every 20 Existing Options held by him (rounded down to the nearest whole number of New Ordinary Shares).

SUMMARY OF THE RESOLUTIONS

The Board is proposing Resolutions 1 and 7 in order to reduce the number of existing Ordinary Shares and to make consequential changes to the Articles and the Share Option Scheme. Resolutions 2, 3 and 4 seek to authorise the Company to purchase Ordinary Shares on the market within certain specific price ranges and to cancel or re-issue such shares, again within certain ranges and resolutions 5 and 6 deal with reductions in capital.

The following is an explanation of each of the Resolutions:

Resolution number 1

This is a special resolution which proposes to:

- consolidate every 10,000 Ordinary Shares into 1 new ordinary share of €125 in order to reduce the number of Ordinary Shares and increase the nominal value of each;
- sub-divide each of the new ordinary shares of €125 each into 500 New Ordinary Shares and 500 New Deferred Shares in order to achieve the desired nominal value of €0.01 for the New Ordinary Shares;
- cancel the unissued New Deferred Shares;
- amend the share capital clauses in the Memorandum and Articles of Association to reflect these changes;
- amend the Articles to provide for the rights attaching to the New Deferred Shares. The holders of the New Deferred Shares will not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The New Deferred Shares shall not entitle their holders to receive any dividend or other distribution and shall on a return of assets in a winding up entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the New Ordinary Shares plus the payment of €10,000 per New Ordinary Share. They will also be incapable of transfer by their holders. As a result they will effectively be valueless;
- amend the Articles to insert a general provision allowing the Company to purchase and redeem its own shares subject to the rules set out in the Companies Acts; and
- amend the Articles to allow the Board to decide to retain the proceeds of sale of Ordinary Shares remaining after consolidation of less than Stg£6.75 (€10).

It is not intended to credit CREST accounts or issue share certificates in respect of the New Deferred Shares as it is intended to cancel them pursuant to Resolution 5 subject to the consent of the High Court of Ireland. Ordinary Shares remaining after consolidation, or in the case of holdings of less than 10,000 Ordinary Shares, which cannot be consolidated in the hands of the Shareholders, are to be aggregated and sold in the market for the benefit of the holders thereof and the proceeds (net of expenses) distributed to them, except that any such proceeds of sale that are less than Stg£6.75 (€10) would be retained for the benefit of the Company. The Capital Reorganisation will have no effect on the net assets of the Company.

Application will be made to both IEX and AIM for permission for the New Ordinary Shares to be admitted to dealing on IEX and AIM respectively. Subject to Resolution 1 being passed it is anticipated that dealings in the New Ordinary Shares will commence on 29 December 2006. The New Deferred Shares will not be admitted to trading on any market or exchange. Payments due to Qualifying Shareholders will be made by cheque and mailed at the risk of the person entitled to them.

Resolution number 2

This is an Ordinary Resolution which seeks Shareholder permission to allow the Company to buy shares of the Company on IEX where the Board believes that there is shareholder value to be created. Shares purchased may be cancelled, held as treasury shares or re-sold as the Directors deem appropriate in the overall best interests of Shareholders. This resolution enables the Company, if the Directors so decide, to buy up to 20% of the number of shares in issue from time to time. The maximum price that may be paid for each share is 5% above, and the minimum price is 15% below, the average of the mid-closing price for an Ordinary Share for the ten business days immediately preceding the day of purchase. The authority will remain in force until the Annual General Meeting of the Company in 2007 or 20 October 2007, whichever is earlier.

There are Existing Options outstanding over some 109.5 million Ordinary Shares, which represent 7.88% of the issued Ordinary Shares. Were this buy-back authority to be used in full and the purchased shares cancelled, the Existing Options would then represent 9.85% of the issued Ordinary Shares.

Resolution number 3

This is a Special Resolution which sets the price range for the re-issue off-market of treasury shares which shall not be more than 5% above the average of the mid-closing price for an Ordinary Share for the ten business days immediately preceding the day of re-issue and shall not be less than the nominal value of such Ordinary Shares.

Resolution number 4

This is a Special Resolution which will enable the Directors to cancel any Ordinary Shares which the Company purchases in the future.

Resolutions number 5 and 6

These are Special Resolutions. The Company is seeking the approval of Shareholders so that the Company may apply to the High Court of Ireland for consent:

(a) to write off €2,237,487.17 of the deficit on the profit and loss account against the share premium account; and

(b) to cancel the proposed New Deferred Shares which will have no value.

On obtaining this approval and subject to the consent of the High Court the accumulated debit balance on the Company's profit and loss account at 31 December 2005 will be eliminated and will improve the presentation of the Company's financial statements. In addition, assuming that the Company is profitable in the future, it may be in a position to pay a cash dividend or be in a position to distribute shares in underlying investments directly to Shareholders.

Resolution number 7

This is an Ordinary Resolution which amends the definition of Ordinary Shares in the rules of the Share Option Scheme to reflect the changes which will result from Resolution 1 and also corrects references in the said rules to the Exploration Securities Market of the Irish Stock Exchange which has been replaced by the IEX.

CLASS MEETING

It is necessary to convene a class meeting of the holders of the New Deferred Shares in order to approve the capital reduction by way of a cancellation of the issued New Deferred Shares. Accordingly, you will find set out in this document a notice convening the Class Meeting and a Form of Proxy for use thereat. Please note that if you hold less than 10,000 Ordinary Shares on the Record Date you will not receive any New Deferred Shares under the Capital Reorganisation so will not be entitled to vote at the Class Meeting.

RECOMMENDATION

The Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting and the Class Meeting as they believe they are in the best interests of the Company and Shareholders as a whole. The Directors intend to vote in favour of the Resolutions in respect of their own beneficial shareholdings being in aggregate 1,858,333 Ordinary Shares representing approximately 0.13% of the existing Ordinary Shares.

A copy of the Circular will be available to the public, free of charge, at Minmet's office at 10 Fitzwilliam Square, Dublin 2, Ireland from today for a period of at least one month. A copy will also be available on www.minmet.ie.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record date	28 December 2006
Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting and for Class Meeting	Not later than 48 hours before relevant meeting
Time and date of Extraordinary General Meeting	11:30 a.m. on 28 December 2006
Time and date of Class Meeting	11:35 a.m. on 28 December 2006
Expected date for crediting of CREST accounts (where applicable)	29 December 2006
Expected date for commencement of trading of New Ordinary Shares on AIM and IEX	29 December 2006
Expected latest date for dispatch of cheques to Qualifying Shareholders	19 January 2007
Expected date for dispatch of new share certificates (where applicable)	19 January 2007

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