

Summary Issues from the Recent Metal-Pages 'Metals for the Aerospace Industry' Conference in Barcelona 2008

- 1) Several speeches at the 'Metals for the Aerospace Industry' conference in Barcelona focused on the long-term, highlighting huge production increases in the 2010-2012 period with the implication, that unless matched by increased consumption, there would be lower prices. This may be true but...
- 2) ... most market participants (and your readers) are more interested in the immediate and nearby future.
- 3) Consequently please allow us to bring to your attention the immediate / nearby position. (All these facts were also evident and presented at Barcelona but were not highlighted by the press)
- 4) The CDI presentation given by David Weight (General Manager, CDI) shows 2007 / 2008 / 2009 deficits of production compared to consumption (See charts A, A2 and B):

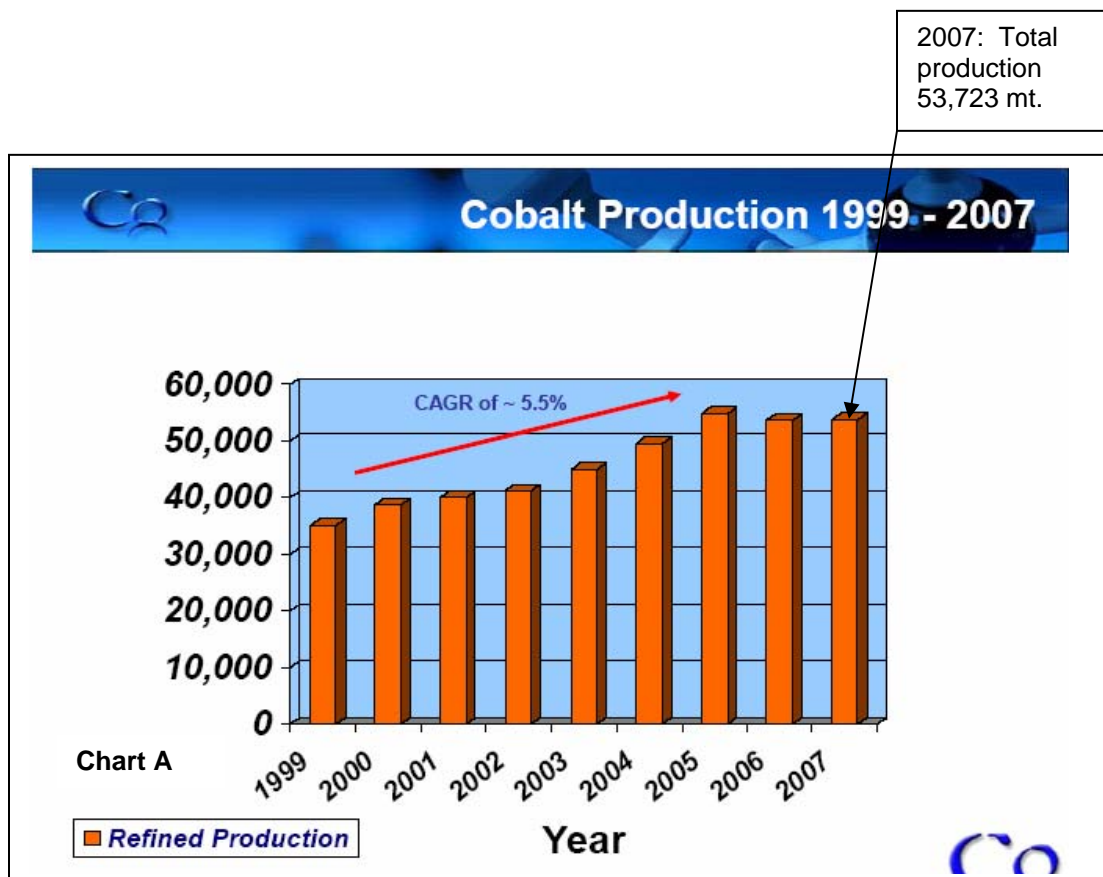


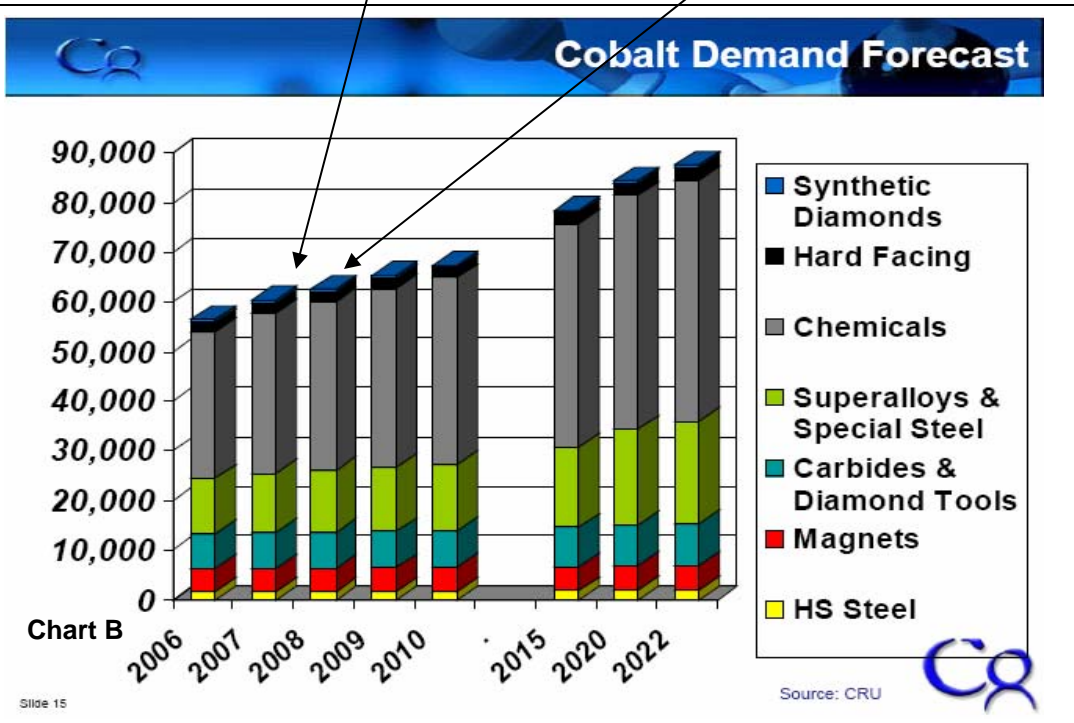
Table 3 – Total Refined Cobalt Availability (Tonnes)							
	2001	2002	2003	2004	2005	2006	2007
CDI Members	27853	30164	31406	32711	33603	33537	32470
Others	12121	11049	13489	16825	21231	20095	21253
TOTAL	39974	41213	44895	49536	54834	53632	53723

Chart A2

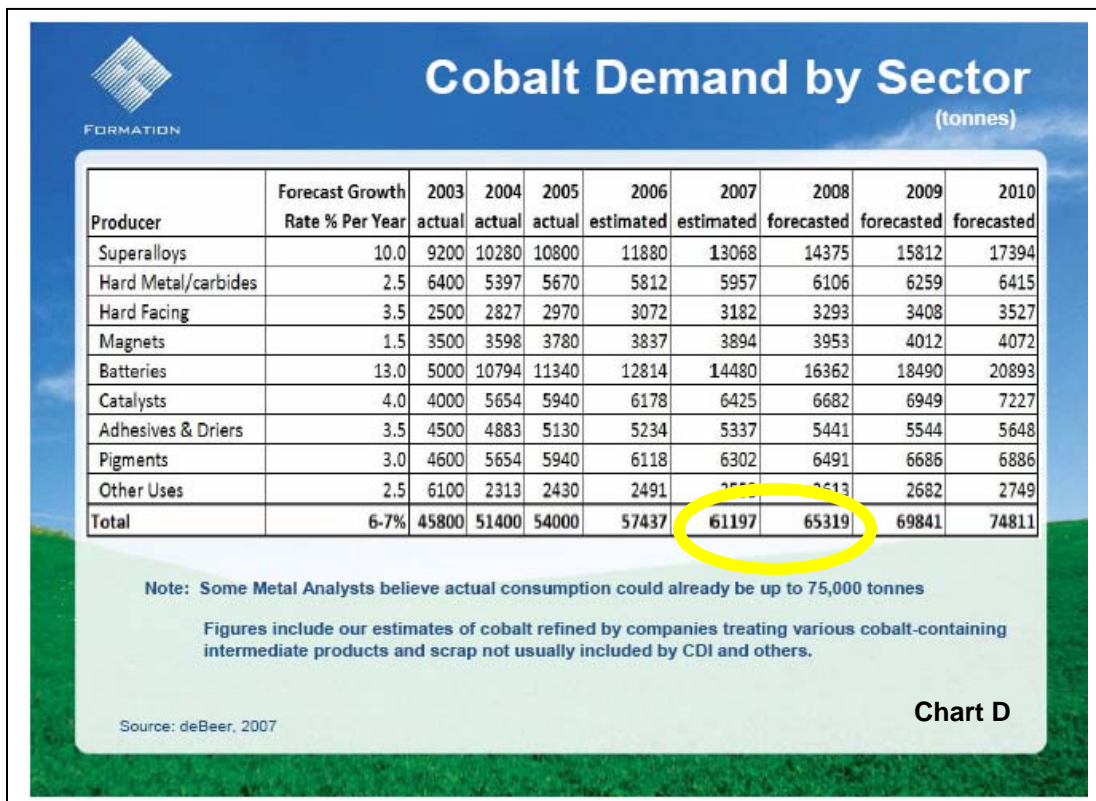
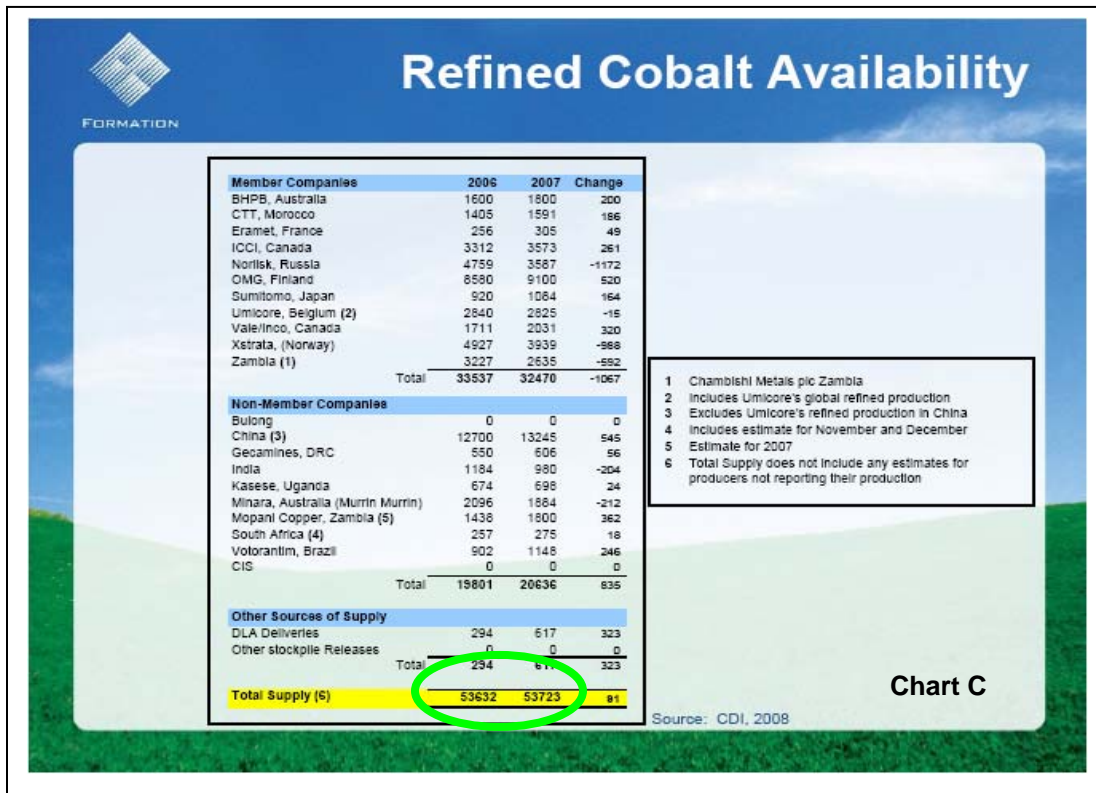
Source CDI

2007: Cobalt demand just above 60,000mt.

2008: Cobalt demand forecast close to 62,000 mt.



5) The Formation Capital presentation (See Charts C and D) supported similar shortages:



In Summary:

- a) In 2007 CDI refined cobalt production statistics show 53,723 mt and demand to be approximately 60,000 mt (a deficit of approximately 6,000 mt fed by stocks now depleted)
- b) In 2008 if there is no significant increase in annual production, the CDI and Formation Capital consumption statistics suggest an even larger deficit.
- c) Conclusion: Green pastures may be on the distant horizon for cobalt consumers but first they have to cross a very dangerous and rickety bridge!

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