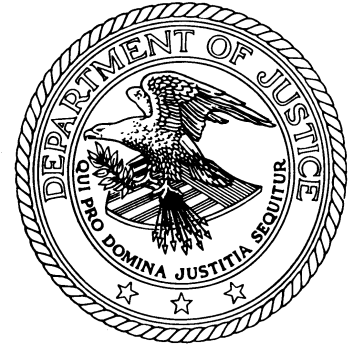


NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Laura E. Duffy***

For Immediate Release

NEWS RELEASE SUMMARY - January 12, 2011

United States Attorney Laura E. Duffy announced that defense contractors Western Titanium, Inc., and Mach 2 Metals, Inc. (a wholly owned subsidiary of Western Titanium) pled guilty today in federal court to committing mail fraud by falsely certifying that titanium they sold complied with certain military specifications.

According to court records and the defendants' admissions at today's hearing, Western Titanium reduced titanium ingot by having it forged into a large block of titanium. They then sold this material as forged bar. In doing so, employees of both defendants falsely certified to customers that the titanium met the requirements of AMS 4928, when in fact it did not. The defendants admitted that the loss caused by this offense was \$51,350.

As part of today's plea, the government also entered into deferred prosecution agreements with Daniel Schroder (Chief Executive Officer of Western Titanium), John Cotner (V.P of Sales, Western Titanium), Brian Misak (V.P of Sales, Western Titanium) and Cheem Ang (Quality Assurance Manager, Western Titanium). These agreements resulted in the dismissal of charges without prejudice against them on the condition that they not improperly sell titanium or titanium alloy certified to military or aerospace specifications.

A sentencing hearing is scheduled for April 29, 2011 at 9:00 a.m., before Judge Janis L. Sammartino.

DEFENDANTS

Criminal Case No. 08-CR-4229-JLS

Western Titanium, Inc.
Mach 2

SUMMARY OF CHARGES

Title 18, United States Code, Section 1341 and 2 - Mail Fraud.

Maximum sentence: \$500,000 or twice the gross gain/loss caused by the offense, \$400 special assessment, a term of probation of 5 years and mandatory restitution of \$51,350

AGENCIES

Federal Bureau of Investigation
Defense Criminal Investigative Service
Air Force - Office of Special Investigations