



Engineering Better Material Solutions

SURMET CERAMICS CORPORATION

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NEWS RELEASE

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Surmet Ceramics Announces \$1.25 Million Development Program with the U.S. Army

**Company will develop light weight composite tracks for combat vehicles,
enabling advancements in vehicle mobility, versatility and deployment**

12 January 2004, Buffalo, NY (USA) - Surmet Ceramics Corporation, a wholly owned subsidiary of Surmet Corp. (Burlington, MA), announced today that the company was awarded a new \$1.25 Million program for composite development with the US Army Tank Automotive Research, Development and Engineering Center (TARDEC).

NYS Congressman Jack Quinn participated in Surmet's announcement, as part of a media event at the company's Buffalo, NY facility (699 Hertel Ave). Congressman Quinn was instrumental in generating program funds to make this development program a reality.

"Public-private partnerships like this one between the U.S. Army and Surmet Ceramics are what will help Western New York grow," said Rep. Quinn. "Companies like Surmet, ones that provide high-paying and stable jobs for area residents, provide the economic backbone for the Western New York region. I look forward to working with them in the future to help bring more federal contracts back to Buffalo and Erie County."

The contract will leverage Surmet's strength in lightweight composite component technology to address the Army's need for lighter weight vehicles. Specifically, Surmet and their research team will design, develop and laboratory test a lightweight composite track for a 25-ton combat vehicle for TARDEC.

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Traditional tracks are made of steel. Surmet's technology utilizes a metal matrix composite (MMC) material – aluminum reinforced with ceramic whiskers – which approaches the properties of steel but the weight of aluminum. In the case of a set of tracks, the total weight reduction from using this MMC material in place of steel can be as much as 1 ton per vehicle.

The majority of the program work will occur at Surmet's Buffalo facility where the company's MMC development and testing equipment is located. Various aspects of the program will draw upon Surmet's capabilities in manufacturing ceramic whiskers, designing and producing whisker preforms, and combining aluminum metal and ceramic whiskers to form MMCs by squeeze casting. Surmet, as prime contractor, will also manage supporting development by other team members, including United Defense L. P. (UDLP), Concurrent Technologies Corp. (CTC), Keweenaw Research Center (KRC) of Michigan Technological University, and Cast Metal Composites Inc. (CMCI).

This newly announced program is in support of the Army's pursuit of improved combat vehicles that are more agile and can more easily and quickly be transported to conflict areas. Such lightweight tracked vehicles will enable deployment by smaller, more flexible and more available transport equipment, such as the C-130 cargo plane (such as flown by the 914th out of Niagara Falls, NY). The result will be more effective and efficient deployment of primary and support vehicles throughout the world, wherever conflicts may arise.

This funded program runs for one year and will support demonstration of a design for lightweight track, as well as creation and testing of prototypes. Future programs may include production of full track sets and evaluation on vehicles at an Army test facility.

Surmet Corporation (est. 1982) is a privately held advanced materials and coatings company with particular strengths in surface metallurgy, engineered coatings and advanced ceramics. Surmet's products are used by the semiconductor, biomedical, aerospace and defense industries and by many other industries for high performance applications which depend on precision ceramic and metal components. Surmet has facilities in Burlington, MA (Surmet Corp.), Murrieta, CA (Surmet Precision Optics) and Buffalo, NY (Surmet Ceramics Corp.).