

HORSEHEAD CORPORATION ANNOUNCEMENT

As we are all aware, natural gas costs have been rising dramatically. Despite the significant increases throughout first and second quarter 2008, Horsehead has absorbed these costs in hopes that prices would retreat to more conventional levels. Unfortunately, natural gas prices continue to rise with no indication the trend will reverse any time soon. Therefore, effective August 1, 2008, an energy surcharge will be added to all shipments of zinc oxide. As a baseline for this surcharge, Horsehead will utilize the average NYMEX price for natural gas from January 2007 through April 2008, of \$7.50/MCF. The energy surcharge will be determined as follows:

For each \$1.00/MCF increase in the NYMEX natural gas price over the baseline price of \$7.50/MCF, an energy surcharge of \$9.75/ ton (\$.0049/lb) will be added to our invoice. The energy surcharge will be reviewed and adjusted upward or downward monthly, based on the prior month's settlement price for natural gas as reported by NYMEX. If the monthly settlement price is equal to or less than the baseline price of \$7.50/MCF, no energy surcharge will be applied.

\$/MCF Range	\$/lb. Surcharge
0 - 7.50	No Surcharge
7.51 - 8.50	.0049
8.51 - 9.50	.0098
9.51 - 10.50	.0147
10.51 - 11.50	.0196
11.51 - 12.50	.0245
12.51 - 13.50	.0294
13.51 - 14.50	.0343
14.51 - 15.50	.0392
15.51 - 16.50	.0441

\$/MCF Range	\$/lb. Surcharge
16.51 - 17.50	.0490
17.51 - 18.50	.0539
18.51 - 19.50	.0588
19.51 - 20.50	.0637
20.51 - 21.50	.0686
21.51 - 22.50	.0735
22.51 - 23.50	.0784
23.51 - 24.50	.0833
24.51 - 25.50	.0882
25.51 - 26.50	.0931

THERE IS CURRENTLY NO SURCHARGE BEING APPLIED TO HORSEHEAD SHIPMENTS.

We thank you for your support and understanding during these difficult times. We are committed to providing our customers with the highest quality products and service for their zinc oxide needs.