

ENCYCLE

CONTINUING LOW METALS PRICES FORCE CUT-BACKS AT ENCYCLE

CORPUS CHRISTI, TX., January 20, 1999 – Continuing low metals prices have forced the Corpus Christi plant of Encycle/Texas Inc. to curtail operations and lay off up to 30 employees, according to Dr. Nelson Mossholder, president of Encycle/Texas. The plant had employed 80 workers.

Affected workers were notified of the impending layoff today and will continue to be paid through January 20th. “Although job opportunities elsewhere in the company are limited, the company is committed to making every effort to find jobs for employees affected by the closings,” Mossholder said.

Dr. Mossholder said prices for the metals Encycle recovers were low through much of 1998. The average price for copper on the New York Commodity Exchange (COMEX) in the third quarter of 1998 was 75 cents per pound, compared with \$1.02 per pound in the third quarter of 1997 and closed yesterday at 66 cents and prices for other metals were similarly down.

Encycle, Mossholder said, will cut back its work force about 38%. The facility will continue to serve its customers and intends to install a new electrowinning process for recovering nickel from metallurgical by-products and wastes. “Encycle,” Mossholder said, “is committed to taking the difficult, but necessary steps to survive this period of low worldwide metal prices.”

Encycle, a unit of ASARCO Incorporated, operates a waste recycling facility in Corpus Christi, which recovers and recycles nonferrous metals from hazardous and nonhazardous inorganic solids, sludges and solutions.

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