
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

February 8, 2006

Cabot Corporation

(Exact name of registrant as specified in its charter)

Delaware

1-5667

04-2271897

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

Two Seaport Lane, Suite 1300, Boston,
Massachusetts

02210-2019

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

617-345-0100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 Other Events.

On February 8, 2006, Cabot Corporation ("Cabot") issued a press release announcing that Cabot and Sons of Gwalia have settled their arbitration regarding the price at which Sons of Gwalia will supply tantalum ore to Cabot and that the parties have entered into a new supply agreement. A copy of the press release is attached to this Form 8-K as Exhibit 99.1.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Cabot Corporation

February 8, 2006

By: */s/ Eduardo E. Cordeiro*

Name: Eduardo E. Cordeiro

Title: Vice President

Exhibit Index

Exhibit No.	Description
99.1	Press release issued by Cabot Corporation on February 8, 2006 announcing that Cabot and Sons of Gwalia have settled their arbitration regarding the price at which Sons of Gwalia will supply tantalum ore to Cabot and that the parties have entered into a new supply agreement.

Contact: Susannah Robinson
Director, Investor Relations
617-342-6129

Cabot and Sons of Gwalia Announce Arbitration Settlement and New Supply Agreement

Boston, MA (February 8, 2006). Cabot Supermetals, a business of Cabot Corporation (NYSE: CBT), and Sons of Gwalia Ltd (ASX:SGW) today announced that the arbitration regarding the price at which Sons of Gwalia will supply tantalum ore to Cabot has been settled, and that the parties have entered into a new supply agreement.

Under the settlement, Cabot paid Sons of Gwalia a lump sum payment of US\$27 million to terminate the existing supply agreement and other related agreements with Sons of Gwalia.

Cabot and Sons of Gwalia have entered into a new three-year tantalum ore supply agreement that incorporates a significantly reduced annual volume. Under the new arrangement, Cabot will pay higher prices for ore than under the prior arrangement. This will result in approximately \$13 million more cost per year.

“We are pleased to have settled our pricing dispute and to enter into a new supply agreement with Sons of Gwalia with reduced volumes that allows us a better opportunity to manage our tantalum raw material needs,” said Eduardo Cordeiro, vice president and general manager of Cabot Supermetals.

Andrew Love, Joint Deed Administrator of Sons of Gwalia said, “We are pleased to have achieved a commercial resolution to this matter. The settlement with Cabot allows Gwalia additional operational flexibility and the new supply agreement allows us to continue our valued relationship with Cabot on agreed terms.”

Cabot Supermetals is a leading supplier of high-purity tantalum and niobium products to the electronics, aerospace, defense, and chemical processing industries. Products include high capacitance Ta powders for capacitor applications and high-purity Ta ingot, plate and rod for a variety of applications.

Cabot Corporation is a global specialty chemicals and materials company headquartered in Boston, MA. Cabot’s major products are carbon black, fumed silica, inkjet colorants, capacitor materials, and cesium formate drilling fluids. The website address is: <http://www.cabot-corp.com>.