

## **BRI-CHEM CORP.**

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For Immediate Release

TSX Venture Exchange

Symbol "BRY"



## **BRI-CHEM CORP. ANNOUNCES Q1 RESULTS**

Edmonton, Canada, May 27, 2008 – Bri-Chem Corp. (“Bri-Chem”) (TSX Venture Exchange: BRY) a leading Canadian wholesale distributor of drilling fluids, products and services, today announced its financial results for the first quarter ended March 31, 2008. During the quarter, Bri-Chem’s financial performance marked its highest-ever quarterly revenue, EBITDA and net income. Bri-Chem also opened a new strategic warehouse location in Williston, North Dakota, USA, during the quarter, signifying another step in its corporate growth strategy. A complete copy of Bri-Chem’s report is available on the Internet at [www.sedar.com](http://www.sedar.com).

The first quarter 2008 results are reflective of Bri-Chem’s lean operational infrastructure during a continued decline in oilfield activity. First quarter net earnings from operations for the three months ended March 31, 2008 increased to \$1,264,775 or \$0.10 diluted earnings per share as compared to \$900,505 or \$0.07 diluted earnings per share for the prior year period representing a 40.5% increase. Earnings before interest, taxes, depreciation and amortization (EBITDA) has increased by \$1,263,118 or 96.20% to \$2,576,115 compared to \$1,312,997 for the comparative period. Consolidated revenues were \$22,200,532 for the first quarter of 2008, an increase of 69% when compared to \$13,136,256 from the same period last year.

Bri-Chem’s operating performance remains sound, despite drilling activity, based on drilling operating days, being down 14.8% in the first quarter of 2008 compared to the same period of 2007 and drilling rig utilization rates declining to 56% from 61%. The overall increase in financial performance is due to Bri-Chem’s ability to maintain and increase market share and the acquisition of Millennium in July 2007 which has provided additional revenue growth from new customers in geographic locations previously not serviced by Bri-Chem, particularly in southeastern Saskatchewan. Bri-Chem’s continued market penetration in core geographic regions of Northern British Columbia and the continued diversification into other non-oilfield markets have also contributed to the sales growth.

During the first quarter Bri-Chem entered into an exclusive distribution agreement with Colloid Environmental Technologies Company (“CETCO”), an industrial fluids manufacturing company based out of Illinois, USA and a wholly-owned subsidiary of AMCOL International Corp., a company listed on the New York Stock Exchange. As a result of the agreement with CETCO, Bri-Chem is pursuing further expansion plans for its Industrial Fluids Division which supplies technologically advanced industrial fluids to various markets including horizontal directional drilling, mining exploration, geothermal and geotechnical, seismic and construction. The agreement with CETCO provides product exclusivity for the provinces of Alberta and Saskatchewan and offers Bri-Chem a significant advantage in technology driven fluids including horizontal de-watering applications for the oil sands.

### **Outlook**

Bri-Chem remains optimistic that a continued strong rebound in natural gas prices and reduced industry uncertainty surrounding the Government of Alberta’s New Royalty Framework will strengthen prospects for growth in revenue, EBITDA and net income for the second half of 2008. The second quarter is traditionally the slowest quarter of the year due to seasonal factors, however, industry forecasts for activity in the second half of 2008 and beyond are improving.

### **About Bri-Chem**

Bri-Chem operates out of its head office located in Acheson, Alberta and its principal activity is the wholesale/distribution blending and packaging of drilling fluid supplies for the oil and gas industry. Bri-Chem provides over 100 domestic and foreign products to customers throughout Alberta, British Columbia and Saskatchewan.

## **Forward Looking Statements**

Certain statements contained in this press release, including statements which may contain words such as "could", "should", "expect", "anticipate", "believe", "will", and similar expressions and statements relating to matters that are not historical facts are forward looking statements. Such forward looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of Bri-Chem Corp. to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. Such factors include, but are not limited to, fluctuations in oil and gas activity levels, political and economic conditions, and the demand for products provided by Bri-Chem Corp.

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*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*