

## **BRI-CHEM CORP.**

**Press Release 2008 - 5**  
**For Immediate Release**  
**TSX Venture Exchange**  
**Symbol "BRY"**



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### **BRI-CHEM CORP. ANNOUNCES Q2 RESULTS**

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Edmonton, Canada, August 26, 2008 – Bri-Chem Corp. (“Bri-Chem”) (TSX Venture Exchange: BRY) a leading Canadian wholesale distributor of industrial drilling fluids, products and services, today announced its financial results for the second quarter ended June 30, 2008. During the quarter, Bri-Chem’s revenue improved by 74% while net earnings increased 202% over the same period last year. A complete copy of Bri-Chem’s report is available on the Internet at [www.sedar.com](http://www.sedar.com).

The second quarter 2008 results reflect Bri-Chem’s continued growth in market size over the last year as consolidated revenues were \$10,658,262 for the second quarter of 2008, an increase of 74% when compared to \$6,135,841 from the same period last year. Net earnings from operations for the three months ended June 30, 2008 is \$103,706 or \$0.01 diluted earnings per share an increase of 202% when compared to a loss of \$101,791 from the same period last year.. Earnings before interest, taxes, depreciation and amortization (EBITDA) is \$702,462, an increase of \$365,743 or 109% compared to the same period last year.

Net earnings from operations for the six months ended June 30, 2008 are \$1,368,481 or \$0.11 diluted earnings per share an increase of 71.3% when compared to \$798,714 from the same period last year. Earnings before interest, taxes, depreciation and amortization for the same period are \$3,278,577 an increase of \$1,628,861 or 99% compared to the same period last year. Consolidated revenues were \$32,858,795, an increase of 70.4% when compared to \$19,272,097 from the same period in 2007.

Bri-Chem’s operating performance remains strong for this time of the year, despite drilling activity, based on drilling operating days, being down 13.9% in the first half 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 strong customer relationships, strategic geographic locations, particularly in southeastern Saskatchewan and increased market share through the acquisition of Millennium in July 2007. Bri-Chem’s continued market penetration in core geographic regions of Northern British Columbia and the increased activity in southeastern Saskatchewan have also contributed to the sales growth.

#### **Outlook**

Bri-Chem remains optimistic that drilling activity will continue to improve in the second half of 2008 and into 2009. As a result, the Company 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; as industry activity in the second half of 2008 and beyond continues to improve, the Company’s near term growth offers vast up-side potential.

The Company recently announced the proposed acquisition of Weifang Steel Canada Ltd., a Western Canadian-based master wholesale distributor of steel products to the oil and gas and construction industries. This acquisition will allow both Bri-Chem and Weifang access to new geographic markets.

#### **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.

For further information, please contact:

Don Caron

T: (780) 420-6885 F: (780) 496-9172

dcaron@wacapital.com

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