

BRI-CHEM CORP.

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TSX Venture Exchange
Symbol "BRY"



BRI-CHEM CORP. ANNOUNCES SIGNIFICANT IMPROVEMENT IN 2010 FIRST QUARTER RESULTS

Edmonton, Canada, May 19, 2010 – Bri-Chem Corp. (“Bri-Chem”) (TSX Venture Exchange: **BRY**) a leading Canadian wholesale distributor of industrial drilling fluids, steel products and services, announced today its financial results for the first quarter ended March 31, 2010. The first quarter of 2010 saw a modest recovery of drilling activity in Western Canada as drilling rig utilization rates have improved from the depressed levels of 2009. As in the past, Bri-Chem has continued to remain committed to operating efficiently by servicing its customers, controlling costs and managing inventory levels. Notwithstanding only a modest recovery of industry activity in Q1, Bri-Chem achieved significant improvement in both revenue (44.9% increase) and net earnings (195.2% increase) over the comparable quarter in 2009.

The first quarter 2010 results demonstrate how quickly Bri-Chem’s scalable operational structure can return to profitability as a result of its low operating overhead even with only a modest recovery of drilling activity. Consolidated revenues in Q1 were \$43,964,826, a 44.9% increase over the prior period amount of \$30,337,102. Earnings before interest, taxes, amortization, and stock-based compensation (“EBITDAC”) was \$4,216,279 or \$0.30 per share, an increase of \$1,773,240 or 72.6% compared to the same period last year. Net earnings increased 195.2% to \$2,538,848 or \$0.18 diluted earnings per share as compared to earnings of \$859,983 or \$0.06 diluted earnings per share from the same period last year.

The fluids division led the way in Q1 with a 104.4% sales increase due to increased Western Canadian drilling rig activity as global energy markets began to recover. Fiscal 2010 Q1 drilling rig utilization rates averaged 53.6%, representing a 16.5% increase from the same period last year, when drilling rig activity averaged only 37.1%. The Alberta and Saskatchewan markets largely contributed to the increase in revenues as both markets experienced an increase in activity.

The steel products division generated revenues of \$10,842,754 as compared to \$14,134,350, a 23.3% decrease for the comparable first quarter ended March 31, 2009. The steel products division sells primarily to the oil and gas industry and demand for oil country tubular goods (“OCTG”) has seen improvement as drilling activity has improved over the past two quarters, however seamless and welded carbon steel pipe sales still remain depressed as the North American market continues to consume the over stocked inventories in North America. As these inventory levels continue to reduce and steel commodity prices rise, there will be increased demand for Bri-Chem’s steel products.

Outlook

As the economy shows signs of improvement, Bri-Chem remains encouraged that drilling activity levels will continue to improve over 2009 levels and demand for its fluid and steel products will get stronger as the year goes on. Bri-Chem anticipates steel prices will increase in the medium term leading to improved sales, margins and overall profitability. Bri-Chem will continue to monitor the de-stocking of inventory, particularly in the US and believes its well stocked distribution locations in the US will allow Bri-Chem to focus on supplying steel products to regions in the US in a timely manner and at competitive prices. Management anticipates Q2 2010 will incur the typical seasonal slowdown due to decreased activity levels, but remain optimistic for the second half of 2010.

About Bri-Chem

Bri-Chem is a wholesale distributor of industrial drilling fluid supplies and steel products and services to the oil and gas and construction industries. Bri-Chem provides over 150 domestic and foreign drilling fluid products to customers throughout Alberta, British Columbia and Saskatchewan and distributes drill pipe, carbon steel welded pipe, carbon steel seamless pipe, stainless steel welded pipe, stainless steel seamless pipe, tubing & casing, galvanized steel products as

well as fittings and flanges. Bri-Chem's customers operate in a wide range of industries, including oil & gas, manufacturing, forestry, agriculture, construction, and mining.

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 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.

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