

## **BRI-CHEM CORP.**

Press Release 2011 - 2  
For Immediate Release  
TSX Venture Exchange  
Symbol "BRY"



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### **BRI-CHEM CORP ANNOUNCES EQUITY FINANCING**

**NOT FOR DISTRIBUTION TO UNITED STATES WIRE SERVICES OR DISSEMINATION IN  
THE UNITED STATES.**

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Edmonton, Canada, January 19, 2011 – Bri-Chem Corp. (“Bri-Chem” or “Company”) (TSX Venture Exchange: BRY) a leading Canadian wholesale distributor of oil and gas drilling fluids, steel pipe and piping products is pleased to announce that it has filed a preliminary prospectus in connection with a short form prospectus offering in British Columbia, Alberta and Ontario (the “Offering”) of up to 2,000,000 of common shares of the Company (“Bri-Chem Shares”) at a price of \$3.00 per Bri-Chem Share to raise gross proceeds of up to \$6,000,000 (the “Offering”). Pursuant to the terms of an agency agreement between Bri-Chem and Macquarie Private Wealth Inc. (the “Agent”) dated effective January 6, 2011 (the “Agency Agreement”), the Offering will be conducted on a commercially reasonable efforts agency basis. In consideration for its services in connection with the Offering, Bri-Chem has agreed to pay the Agent a fee (the “Agent's Fee”) equal to 6% of the gross proceeds of the Offering and a corporate finance fee in the amount of \$30,000 plus GST, of which \$15,750 is non-refundable and has been paid. The Agent and its sub-agents, if any, will also receive non-transferrable agent options (the “Agent Options”) equal to 7% of the number of Bri-Chem Shares sold under the Offering. Each Agent Option will entitle the Agent or its sub-agent, if any, as applicable, to purchase one Bri-Chem Share (an “Agent Share”) exercisable for 18 months from the date of the closing of the Offering at a price of \$3.00 per Agent Share.

Bri-Chem will use the net proceeds of this Offering to repay a portion of its indebtedness under its credit facility, thereby freeing up borrowing capacity to fund operational working capital, current and future strategic growth opportunities and for general corporate purposes of the Company and it is also expected to increase the trading liquidity of the listed common shares.

Closing of the Offering is expected to occur on or about February 22, 2011 and is subject to customary conditions, completion of the Agent's due diligence review and regulatory approvals, including the approval of the TSX Venture Exchange.

#### **About Bri-Chem**

Bri-Chem is a wholesale distributor of drilling fluids, steel pipe and piping products to the oil and gas industry. Bri-Chem provides over 150 drilling fluid products and is a custom blender of cementing, acidizing and fracturing fluids and Oil Country Tubular Goods (OTCG), carbon steel welded and seamless fluid and gas transmission pipe. Additional information about Bri-Chem is available at [www.sedar.com](http://www.sedar.com) or at Bri-Chem's website at [www.brichem.com](http://www.brichem.com).

#### **Forward Looking Statements**

Certain information set forth in this news release contains forward-looking statements or information (“forward-looking statements”), including the closing of the Offering, the receipt of applicable regulatory approvals, the anticipated use of the net proceeds of the Offering. The closing of the Offering could be delayed if the Company is not able to obtain the requisite regulatory and TSX Venture Exchange

approvals on the timelines it has planned. The Offering will not be completed at all if these approvals are not obtained or some other condition to closing the Offering is not satisfied. Accordingly, there is a risk that the Offering will not be completed within the expected timeframe or at all. The intended use of the net proceeds of the Offering by the Company might change if the board of directors of the Company determines that it would be in the best interests of the Company to deploy the proceeds for some other purpose. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, demand for oilfield services for drilling and completion of oil and natural gas wells; volatility in market prices for steel, oil, natural gas, and natural gas liquids and the effect of this volatility on the demand for oilfield services generally, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. Although the Company believes that the expectations in our forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. The risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in our Annual Information Form and other documents available at [www.sedar.com](http://www.sedar.com). Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

*The Common Shares offered have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.*

To receive Bri-Chem news updates send your email to [ir@brichem.com](mailto:ir@brichem.com).

For further information, please contact:

**Jason Theiss**  
**Bri-Chem Corp.**

CFO

T: (780) 455 8667 x237

E: [jtheiss@brichem.com](mailto:jtheiss@brichem.com)

**Chris Haldane**  
**CHF Investor Relations**

Account Manager

T: (416) 868-1079 x237

E: [chris@chfir.com](mailto:chris@chfir.com)

**Cathy Hume**  
**CHF Investor Relations**

CEO

T: (416) 868-1079 x231

E: [cathy@chfir.com](mailto:cathy@chfir.com)

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