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## BRI-CHEM ANNOUNCES FIRST QUARTER RESULTS

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**Edmonton, Canada, May 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 its financial results for the first quarter ended March 31, 2011.

Bri-Chem’s drilling fluids revenue increased 30.8% in the first quarter of 2011, while Western Canadian oil and gas drilling rig utilization increased 14.1% in the same period. Overall consolidated revenue was up 15.2% over the comparable prior year period. The key driver behind the substantial increase in fluids revenue is the continued activity in non-conventional drilling applications which has led to a surge in demand for more technologically advanced drilling fluids.

Consolidated revenues were \$50,647,489 compared to \$43,964,826 for first quarter of 2010. Earnings before interest, taxes, amortization, and stock-based compensation (“EBITDAC”) were \$4,397,286 or \$0.30 per share basic and \$0.28 per share diluted, an increase of \$140,470 compared to the same period last year. Net earnings were \$2,615,685, an increase of 1.8% compared to the prior year. The Company recorded additional overhead costs of \$196,119 in the first quarter of 2011 related to the setup of the large diameter steel pipe manufacturing facility, for which no income has been recorded to date.

The fluids division’s record high quarterly sales of \$43,336,837 for the three month period ended March 31, 2011 was a \$10,214,766 or 30.8% increase over sales in the comparable period of \$33,122,071. Drilling rig utilization averaged 67.8% for the quarter as compared to 53.6% in the prior year. This increase in utilization directly correlated with an increase in sales for the fluids division given the large market share the Company holds. Drilling activity levels remained high for the quarter and non-conventional drilling remains dominant in the WCSB, resulting in an increase in demand for fluid products.

The steel division recorded sales of \$7,310,652 for the period, a decrease of (32.6%) over sales of \$10,842,755 in the first quarter of 2010. The steel division concentrated its sales efforts on seamless pipe during the first quarter of 2011. In the first quarter of 2010, the Company was completing its destocking of excess tubing and casing which led to higher sales during the first quarter of 2010 compared to 2011. While the division experienced a lag in receipt of new common stock sizes in the first quarter, as these continue to arrive, sales are expected to increase.

### **Outlook Summary**

In 2011, Bri-Chem will continue to focus on strengthening market position in its drilling fluid and steel pipe divisions and executing on its business strategy. The investment in the large diameter steel pipe manufacturing operation and the recent announcement of the pending acquisition of Stryker, Ltd., a Denver, USA based drilling fluids wholesaler, and Stryker Transportation, Ltd., its transportation division, will strengthen the Company’s market position and will continue to provide the Company with

opportunities for growth outside of its traditional geographic base. Bri-Chem expects the demand for the Company's drilling fluid products to continue to increase based on drilling rig activity levels forecasted to increase 7.2% for 2011 over those experienced in 2010. The Company expects to incur the typical seasonal slowdown due to decreased activity levels in the second quarter of 2011, but remains optimistic for the second half of 2011. Demand for steel pipe products is increasing as markets are returning to more traditional demand levels and the Company is now replenishing inventories with more favourably costed products. In addition, Bri-Chem continues to evaluate integrated acquisition opportunities that will enhance profitability and provide geographic diversity.

## **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 additives and distributes 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 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. 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.

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

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