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## BRI-CHEM CLOSES DRILLING FLUIDS ACQUISITION IN UNITED STATES

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**Edmonton, Canada, June 1, 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 completed the acquisition of Stryker, Ltd. and Stryker Transportation, Ltd. ("Stryker"), a Denver, USA based full-service drilling fluids, warehouse and transportation wholesaler. The acquisition of Stryker is expected to add approximately US\$7 million in annual revenues to Bri-Chem and provide a platform to pursue additional USA drilling fluids market share which is estimated at approximately US\$3.1 billion. The total purchase price is approximately US\$2.5 million including the issuance of 171,429 common shares of Bri-Chem to the vendor, Oilfield Supply Solutions, a Colorado limited liability company.

### **Strategic Acquisition – Stryker**

The Stryker acquisition is strategically aligned with Bri-Chem's business plan to pursue growth opportunities in the USA and create a wholesale drilling fluid distribution network to service the USA unconventional resource plays, in Texas (Barnett & Eagle Ford), Louisiana (Haynesville), and the North-East USA (Marcellus). The integration of Stryker also creates the opportunity to leverage Bri-Chem's current Canadian customer base that have begun or are in the process of pursuing strategic growth opportunities in the USA which, through Stryker, can now be serviced using an independent fluids wholesaler in the USA. Management of Bri-Chem expects the Stryker acquisition to be accretive to Bri-Chem's cash flow, EBITDA, and earnings.

### **About Stryker**

Stryker started operations in 2005 as Oilfield Supply Chain Solutions. It has grown over the past 5 years to a \$6.5M revenue company with 16 employees, 3 warehouses, and a trucking fleet of 6. The Company now has two divisions, Stryker, Ltd., which is in wholesale distributor of drilling fluid chemicals, and Stryker Transportation, Ltd., which provides trucking services to its customers. Stryker has three operating locations, Denver, Colorado, Grand Junction, Colorado and Ulster, Pennsylvania. Denver is the largest and accounts for approximately 50% of total sales. The Denver, Colorado warehouse has rail access and packaging equipment to allow custom bagging of products for both the company and its customers. In 2009, Stryker entered into the trucking business and is a common carrier with Department of Transportation authority. Stryker brought in the trucking division to help secure trucking and allow for more flexibility to meet the needs of its customers.

"The acquisition of Stryker and its warehouse and transportation operations in the United States provides Bri-Chem its initial step to becoming a North American leader in wholesale drilling fluids distribution," commented Mr. Don Caron, Chief Executive Officer of Bri-Chem. "It is our intention to support Stryker's growth initiatives and establish new and additional warehouse locations in active drilling regions throughout the United States."

Mr. Lane Bates, General Manager of Stryker, who now joins Bri-Chem and will play a key leadership role in the further development and execution of Bri-Chem's USA expansion strategy commented, "This transaction gives Stryker the immediate opportunity to advance its expansion plans into additional oil and gas wholesale drilling fluid markets. I am excited by the growth opportunities presented by this transaction and look forward to being a part of Bri-Chem's future."

## **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 350 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.

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