



Press Release 2012 - 4
For Immediate Release
TSX
Symbol "BRY"

BRI-CHEM ANNOUNCES RECORD REVENUES AND A 33% INCREASE IN YEAR END EARNINGS

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

Edmonton, Canada, March 29, 2012 – Bri-Chem Corp. ("Bri-Chem" or "Company") (TSX Exchange: BRY) a leading North American wholesale distributor and manufacturer of oil and gas drilling fluids and steel pipe is pleased to announce its financial results for the year ended December 31, 2011.

Bri-Chem's consolidated revenues increased 21.8% to a record \$185,723,319 for the year ended December 31, 2011, compared to \$152,495,386 from the prior year. Net earnings in 2011 increased by 33.4% to \$9,462,267 or \$0.61 diluted earnings per share compared to net earnings of \$7,095,727 or \$0.51 diluted earnings per share for 2010. Earnings before interest, taxes, amortization and share-based payments expense ("EBITDAC") were \$16,440,604 or \$1.00 per share, an increase of \$3,729,038 compared to 2010.

Net earnings in the fourth quarter were \$2,431,287 or \$0.16 diluted earnings per share compared to \$2,082,088 during the same period last year. During the three months ended December 31, 2011, EBITDAC was \$4,204,925 or \$0.25 per share, an increase of \$359,373 or 9.3% over the same period in 2010. Consolidated revenues were \$48,169,674 in the fourth quarter of 2011, compared to \$47,852,254 for the same period in 2010.

The North American oil and gas drilling fluids division recorded sales of \$41,816,258 and \$157,136,350, an increase of 7.8% and 33.1% respectively for the three and twelve months ended December 31, 2011, compared to the same periods in 2010. In Canada, drilling rig utilization averaged 60.7% for the fourth quarter and 52.3% for the year ended December 31, 2011, an increase of 10.6% and 11.4% respectively from last year when utilization rates averaged 50.1% and 40.9%. The horizontal drilling activity predominantly represents the increase in sales composition, as the industry continues to apply this technique which has resulted in deeper and more complex drilling programs that drive the demand for the Company's drilling fluid products.

The Company's USA drilling fluids and transportation subsidiaries, acquired on June 1, 2011, generated revenues of \$2,971,577 and \$316,825 for the fourth quarter and \$5,311,439 and \$551,342 for the year ended December 31, 2011. These subsidiaries have focused on expanding Bri-Chem's market presence and have opened an additional 5 warehouses in 2011 and expanded its trucking fleet with the addition of two truck and trailer units to help service the demand for drilling fluid products in regions of the USA.

The steel pipe distribution division recorded sales of \$5,044,501 and \$26,861,312 respectively for the three and twelve months ended December 31, 2011, compared to revenues of \$9,077,967 and \$34,406,955 for the same periods in 2010. The division concentrated on streamlining its product offering in 2011 and reduced tubing and casing products that were low margin and highly competitive. The focus of this

division is to provide seamless and welded pipe products to the oil and gas and mechanical industries in Canada. Steel pipe sales to the USA continued to be serviced on a mill direct order basis.

Late in the third quarter of 2011, the Company commenced operations of its large diameter seamless pipe manufacturing facility. The steel pipe manufacturing division recorded sales of \$992,090 and \$1,174,315 for the three months and twelve months ended December 31, 2011 respectively. These revenues represent a significant milestone for the Company as the manufacturing process is the first of its kind to manufacture large diameter seamless pipe in North America. Fine-tuning and testing of the equipment was ongoing throughout the fourth quarter and the Company expects to increase production throughout 2012.

Outlook Summary

Bri-Chem anticipates fiscal 2012 sales and earnings to continue to grow as the Company is gaining market presence in the USA drilling fluids market as well as increasing manufacturing production of its large diameter seamless pipe mill. Canadian drilling activity in the first quarter of 2012 is expected to modestly increase by 5.4% over the first quarter of 2011, which should lead to increased sales in the Canadian fluids division. The USA fluids division will continue to manage inventory levels and seek additional geographic warehouse locations to pursue becoming the largest national independent wholesaler for drilling fluids in the USA. We believe further geographic expansion will allow the division to gain market share and increase sales and profitability. The Company's steel distribution division will increase inventories and continue to provide a vast array of seamless and welded steel pipe to service customer demands. The Company's large diameter steel pipe manufacturing mill is expected to be operating one full shift utilizing two lines in the early part of 2012 and will seek to add an additional shift in late Q2 or early Q3 to increase production capacity for the balance of fiscal 2012 and beyond. Bri-Chem also continues to evaluate North American integrated acquisition opportunities that will enhance profitability and provide geographic diversity.

About Bri-Chem

Since our formation in 1985, Bri-Chem has established two primary segments of business through a combination of internal growth and acquisitions: Bri-Chem's Drilling Fluid Division is North America's largest independent wholesale supplier of drilling fluids for the oil and gas industry. We provide over 350 critical drilling fluid products, cementing, acidizing and stimulation additives from 25 strategically located warehouses throughout Canada and the United States; Bri-Chem's Steel Pipe Division is one of only two companies in North America that can manufacture and supply large diameter seamless steel pipe for the energy industry. Bri-Chem is the first company to introduce Thermal Pipe Expansion (TPE) and testing in North America. Additional information about Bri-Chem is available at www.sedar.com or at Bri-Chem's website at 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. 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.

For further information, please contact:

Jason Theiss
Bri-Chem Corp.

CFO

T: (780) 455 8667 x237

E: jtheiss@brichem.com

Juliet Heading
CHF Investor Relations

Account Manager

T: (416) 868-1079 x239

E: juliet@chfir.com

Cathy Hume
CHF Investor Relations

CEO

T: (416) 868-1079 x231

E: cathy@chfir.com

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.