

Press Release 2015 -2
For Immediate Release
TSX Exchange
Symbol "BRY"

BRI-CHEM ANNOUNCES FOURTH QUARTER AND YEAR END RESULTS

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Edmonton, Canada, March 31, 2015 – Bri-Chem Corp. ("Bri-Chem" or "Company") (TSX: BRY) a leading North American wholesale distributor and blender of oilfield chemicals is pleased to announce its fourth quarter and year end financial results for the year ended December 31, 2014. During the fourth quarter of 2014, Bri-Chem's consolidated revenues from its North American leading oil and gas drilling fluids distribution, blending & packaging businesses ("Continuing Operations") increased 12.0% to \$50,291,385 compared to \$44,899,246 from the prior period in 2013. This quarter-over-quarter revenue increase is primarily as a result of significant market share growth from Bri-Chem's USA drilling fluids distribution division which experienced record quarterly sales of \$22,003,867. Bri-Chem's USA growth momentum continued to drive new records in 2014, with many new milestones being achieved.

For the year ended December 31, 2014, Bri-Chem's consolidated revenues were \$184,707,721 compared to \$150,039,754 for the comparable year of 2013, an increase of 23.1%. Earnings before interest, taxes, amortization and depreciation, share-based payments expense, and impairment charges ("EBITDA") were \$16,832,102 or \$0.70 per share for the year ended December 31, 2014, compared to \$13,031,442 for the same period in 2013. Adjusted net earnings, net of a one-time impairment charge of goodwill and other intangible assets, for the year ended December 31, 2014 were \$6,392,330 or \$0.27 diluted earnings per share as compared to net earnings of \$4,265,441 for the same period in 2013. As a result of the significant decline in commodity prices in the fourth quarter of 2014 and reduced capital budgets set by oil and gas companies, Bri-Chem tested certain of its assets for impairment. Based on the impairment tests performed, Bri-Chem recorded a write down of goodwill and other intangible asset in the amount of \$8,567,921 for the twelve months ended December 31, 2014.

North American Drilling Fluids Distribution Divisions

Bri-Chem's Canadian drilling fluids distribution division generated sales of \$20,641,847 and \$81,798,365 for the three and twelve months ended December 31, 2014, compared to sales of \$24,267,169 and \$84,798,782 over the comparable periods in 2013. In Canada, drilling rig utilization averaged 47.4% for the fourth quarter, and 46.0% for the year ended December 31, 2014; an increase of 1.7% quarter over quarter and 4.4% year over year. The number of wells drilled in Western Canada for the three month and twelve month periods ended December 31, 2014 was 2,818 and 10,693, representing an increase of 4.3% quarter over quarter and 2.2% year over year. The slight decrease in Q4 2014 drilling fluid sales in Canada is primarily due to lower activity levels in late November and December due to the sharp decline in crude oil prices that negatively impacted purchasing demand from customers.

Bri-Chem's United States drilling fluids distribution division generated sales of \$22,003,867 and \$73,845,061 for the three and twelve month periods ended December 31, 2014, compared to revenues of \$13,839,280 and \$44,549,096 in the comparable periods of 2013, representing an increase of \$8,164,587 or 59.0% quarter over quarter, while increasing 65.8% year over year. The USA fluids distribution division continued to realize sales growth throughout Q4 2014 as a result of increased industry activity, and product and geographic expansion throughout the major resource plays in the USA. The average number of active rigs running in the USA during the fourth quarter was 1,911, an increase of 8.8% quarter over quarter. The division has built a solid infrastructure with personnel and inventory to service the expanding needs of our customers. The states of Colorado, Pennsylvania, Oklahoma, Wyoming and Texas generated the majority of sales in the USA for the three months ended December 31, 2014.

North American Drilling Fluids Blending & Packing Divisions

Bri-Chem's Canadian drilling fluids blending and packaging division continued to grow as the Company generated sales of \$6,008,881 and \$20,762,919 for the three and twelve months ended December 31, 2014 compared to the comparable prior year period sales of \$4,970,079 and \$18,383,427 representing 20.9% increase quarter over quarter. The division increased its market share by utilizing newly expanded capacity to meet the increasing demand of our customers. On December 1, 2014, Bri-Chem acquired 100% of the issued and outstanding shares of Solution Blend Service Ltd. ("Solution Blend"), an Alberta based liquid blending facility for production and stimulation oilfield chemicals. Solution Blend, located in Calgary, AB, is leading specialty blending company for the stimulation and production chemical segment of the oilfield chemical industry. Solution Blend generated sales of \$441,278 since the date of acquisition in Q4 2014.

Bri-Chem's USA fluids blending and packaging division, generated sales of \$1,816,790 and \$8,301,376 respectively for the fourth quarter of 2014 and twelve months ended December 31, 2014 compared to \$1,822,718 for Q4 2013 and \$2,308,449 for the year ended December 31, 2013.

Outlook Summary

2015 is expected to be a challenging year for our industry as there are many uncertainties in today's market making forecasting difficult. It is projected that the industry slowdown will continue well into 2015 and it is not known at this time when it will begin to rebound. Our management team has experienced several business cycles and understands what is needed to effectively manage the business through an industry downturn.

Over the past several months, significantly lower commodity prices have resulted in a number of companies implementing capital budget cuts and cost reduction initiatives across North America which in turn will impact demand for Bri-Chem products and services during 2015. Further capital reductions are expected as Management anticipates that the decline in commodity prices and corresponding reduction in spending will continue to have a significant negative impact on drilling activity for the foreseeable future across all regions where Bri-Chem operates. In Canada, the typical seasonal downturn in activity due to spring breakup is anticipated, however, Management expects a prolonged

spring break-up in Canada with little visibility regarding how many rigs will come back to work when the breakup ends.

Bri-Chem has been proactive in response to this reduction in business activity and has begun implementing measures to “Right-Size” its business and control costs. In Q1 2015, several cost savings initiatives were initiated, including the termination of approximately 25% of its overall staff, a companywide 5% wage rollback for all non-managerial staff employees and a 10% wage rollback for all directors, managerial, senior and executive employees, and the suspension of various nonessential employee benefits, business travel expense limitations, reduced marketing expenditures and significant reductions in capital expenditures. The combined savings of these initiatives is estimated to be approximately \$3.2 million annually. These initiatives will be regularly reviewed throughout the year and will be re-evaluated based on existing business activity levels.

About Bri-Chem

Bri-Chem has established itself, through a combination of strategic acquisitions and organic growth, as the North American industry leader for the distribution and blending of oilfield drilling, completion, stimulation and production chemical fluids. We sell, blend, package and distribute a full range of drilling fluid products, cementing, acidizing and stimulation additives from 33 strategically located warehouses throughout Canada and the United States. Bri-Chem has been operating in Canada since 1985 and as a result of the increasing market demand for oilfield chemicals, we expanded into the United States in 2011 and have successfully obtained significant market penetration. Additional information about Bri-Chem is available at www.sedar.com or at our website at www.brichem.com.

Cautionary Statement Regarding Forward-Looking Information

Certain statements in this news release contained under the heading “Outlook” constitute forward-looking statements. These statements relate to future events or Bri-Chem’s future plans and performance. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

With respect to the forward-looking information contained in the news release, Bri-Chem has made assumptions regarding, among other things, the Company’s relationships with its key suppliers and customers; economic conditions that influence the demand of the Company’s customers for supplies and services; and the Company’s cash flow from sales.

Although the forward-looking information contained in this news release is based upon what Management believes are reasonable assumptions, Bri-Chem cannot assure readers that actual results will be consistent with this forward-looking information. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. The Company cannot guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Company that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Some of the risks and other factors, some of which are beyond the Company’s control, which could cause results to differ materially from those expressed in the forward-looking information are listed under the heading “Risks and Uncertainties” in the management’s discussion and analysis for the year ended December 31, 2014, available at www.sedar.com.

In addition, the forward-looking statements contained in this news release are made as of the date of this news release. Bri-Chem does not undertake any obligation to publicly update or to revise any forward-looking statements except as expressly required by applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by the cautionary statements contained herein.

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