

Press Release 2016 - 8
For Immediate Release
TSX Symbol "BRY"

Bri-Chem Announces Renewal of Credit Facilities

Edmonton, Canada, August 17, 2016 – Bri-Chem Corp. ("Bri-Chem" or "Company") (TSX: BRY), a leading North American wholesale distributor and manufacturer of oil and gas drilling fluids is pleased to announce that it has entered into an agreement, with its syndicate of lenders, to renew its senior credit facilities ("ABL Facility") with a borrowing base of \$20 million, down from \$40 million, which will result in lowering the Company's unused ABL Facility fee costs. The reduced borrowing base is a direct result of the Company's successful debt reduction plan that commenced in 2015 and continued into the first half of 2016. Since January 2015, Bri-Chem has now reduced its senior operating debt down from \$54 million to \$10 million as at June 30, 2016. The credit facilities are now committed until August 12, 2017.

The ABL Facility operates under a minimum tangible net worth covenant and bears interest either at the Canadian prime rate plus 3.0% or bankers' acceptance rate plus 4.50% or LIBOR plus 4.50%, has a standby fee of 0.25% on unused amounts of the ABL Facility and is secured by a general security agreement covering all present and acquired property and postponements of claims from related parties.

In addition, the Company amended certain terms of its subordinated debenture agreement, in conjunction with the amendment to the ABL Facility. In accordance with this amendment, the Company will defer four quarterly principal payments due on September 30, 2016, December 31, 2016, March 31, 2017 and June 30, 2017. The amendment also modifies certain financial covenants and registers a first charge on specific assets. The Company has applied to the Toronto Stock Exchange to extend the expiry date and exercise price of 300,000 share purchase warrants issued under the subordinated debenture agreement on December 6, 2012. The share purchase warrants, with an original expiry date of December 5, 2016, will now expire on December 5, 2017 and the original exercise price of \$1.77 per common share is amended to \$0.215 per common share. The effective date of this amendment to the warrants will be on or after August 31, 2016.

"We are very pleased to renew our ABL Facility for another year on favourable terms and with strong support from our subordinate debt lender," commented Don Caron, Chief Executive Officer of Bri-Chem. "These committed credit agreements eliminate any near-term refinancing risk associated with maturing facilities and further strengthens our ability to position our Company to take advantage of any near term recovery in the North American oil and gas industry."

About Bri-Chem

Bri-Chem has established itself, through a combination of strategic acquisitions and organic growth, as the North American industry leader for wholesale 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 from 27 strategically located warehouses throughout Canada and the United States. Additional information about Bri-Chem is available at www.sedar.com or at Bri-Chem's website at www.brichem.com.

To receive Bri-Chem news updates send your email to ir@brichem.com.

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