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## **Bri-Chem Provides a Business Update in Response to Current Market Uncertainty**

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**Edmonton, Canada, Friday, April 24, 2020 – Bri-Chem Corp. (“Bri-Chem” or “Company”) (TSX: BRY)**, a leading North American oilfield chemical distribution and blending company, is providing an update on actions taken in response to the COVID-19 pandemic (“COVID-19”), and current industry conditions. Bri-Chem is responding to the rapidly deteriorating business conditions brought about by the combined impact of COVID-19 and the oil price war among certain OPEC members and Russia. Due to the compounding impacts of the COVID-19 pandemic and the substantial drop in oil and gas prices worldwide, we are expecting a material reduction of revenue until industry activities improve and customer spending and demand for our services recommences. During this unprecedented time, we will be working with our customers, creditors, suppliers and lenders to manage our financial resources.

Accordingly, Bri-Chem has taken several measures to address the challenges presented, including:

- Cancellation of \$1.5M in open purchase orders;
- 20% reduction to Executive and Board of Directors’ cash compensation;
- Bri-Chem has initiated 4day work week schedules for certain divisions with a corresponding 20% wage roll back for salaried employees;
- Reduced warehouse hours of operations across Canada and US and no overtime permitted;
- Elimination of all discretionary spending and travel for all company employees;
- Deferred the payment of rent on 8 warehouses for the months of April and May.

The sharp decline in business activity and the resulting reduction in revenue has been particularly hard on our people and we are taking advantage of every possible measure to retain the significant operational experience in our company while recognizing the realities of the significant decline in demand for our products and services. The Federal Governments of Canada and of the United States have announced wage subsidy programs recently, and we will utilize these, to the extent that we qualify, to reduce the impact of this downturn on our staffing levels going forward.

The business environment continues to remain fluid as a result of these major disruptions. Bri-Chem will continue to monitor both the expected impact and duration of these factors on our business and will continue to adjust our business accordingly.

### **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 26 strategically located warehouses throughout Canada and the United States. 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).

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

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