

## News Headlines.

### OMNOVA Solutions Expands Portfolio of Differentiated Oil & Gas Drilling Additives With Acquisition of New Fluid Solutions

BEACHWOOD, Ohio, June 4, 2015 /PRNewswire/ --

- Complementary specialty oilfield additives which enhance OMNOVA's differentiated oilfield chemical offerings
- Dedicated oilfield laboratory, blending and warehouse facility to support OMNOVA's oil & gas business operations in Houston, Texas, USA
- Expands OMNOVA's access to U.S. and international land operations
- Delivers innovative technologies, including New Fluid Solutions' new and revolutionary **Whole in One™** water-based drilling fluid system

OMNOVA Solutions Inc. (NYSE: OMN) today announced that it has acquired New Fluid Solutions, Inc. (NFS), a producer of oil & gas drilling fluid additives and other products based in Houston, Texas, USA. OMNOVA paid \$5 million up front, plus up to an additional \$2 million over the next two years with a performance-related component. The transaction includes New Fluid Solutions' full line of drilling fluid additives: lost circulation materials, emulsifiers, lubricants and shale inhibitors used in both onshore and offshore drilling operations. It also includes a newly constructed blending facility, warehouse and quality assurance/control laboratory on an owned 4-acre site in Stafford, Texas, near Houston. OMNOVA expects the transaction to be neutral to earnings in 2015 and slightly accretive in 2016 before modest cost synergies and significant revenue synergies.

"This exciting transaction provides the classic benefits of a bolt-on acquisition," said Kevin McMullen, OMNOVA Solutions' Chairman and Chief Executive Officer. He explained:

- "It rounds out our drilling fluids portfolio with complementary and proprietary drilling system additives like specialty lost circulation materials; custom-made emulsifiers and lubricants; and an integrated, multi-component drilling fluid system;
- It has significant untapped potential which we intend to leverage with our strong sales and marketing efforts and established innovation-centric customer relationships;
- It enhances our value proposition to customers by providing increased capabilities and broader system solutions;
- It adds field service expertise to OMNOVA's strong development capabilities; and
- It gives us a regional production and laboratory site with room to expand, putting us closer to our customers in Houston, the epicenter of the oil & gas industry.

"Though small, New Fluid Solutions is an excellent addition to OMNOVA that can accelerate growth in our oil & gas business," said McMullen. "It provides key infrastructure we can quickly leverage across our entire oil & gas business and avoids new capital investments that we otherwise would have made."

New Fluid Solutions was founded in 2004 by Mano Shaarpour and had sales in 2014 of approximately \$6 million and EBITDA of about \$0.7 million. Mr. Shaarpour will remain as an advisor to OMNOVA.

Like OMNOVA, NFS has delivered strongly differentiated technologies to the market. An example is a breakthrough product currently being trialed in the field called the **Whole in One™** drilling fluid system. This product combines multiple components into a fully integrated drilling fluid solution that is formulated to drill lateral and directional wells. It can tolerate contamination and provide excellent lubricity and shale inhibition – reaching the stability, speed and performance of an oil-based drilling fluid, but in an environmentally preferred water-based system. It can be used with either fresh or sea water as a base fluid. Customers can benefit from lower transportation, inventory, maintenance and environmental clean-up costs.

OMNOVA has served the oil & gas exploration and production markets for over a decade through its legacy business as well as through its acquisition of specialty chemicals producer Eliokem in 2010. OMNOVA is known for drilling and cementing products that offer superior fluid loss control and borehole stability under high temperature, high pressure (HTHP) conditions. More recently, OMNOVA has introduced products such as **VERUS™** drilling fluid additive for fluid loss control under medium bottomhole temperatures, **VISCODRILL®** viscosifiers designed for clay-free and HTHP applications, and new **PLIOLITE®** grades for ultra and extreme HTHP conditions.

This press release includes descriptions of OMNOVA's current business, operations, assets and other matters affecting the Company as well as "forward-looking statements" as defined by federal securities laws. All forward-looking statements by the Company, including verbal statements, are intended to qualify for the protections afforded forward-looking statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current expectation, judgment, belief, assumption, estimate or forecast about future events, circumstances or results and may address business conditions and prospects, strategy, capital structure, debt and cash levels, sales, profits, earnings, markets, products, technology, operations, customers, raw materials, claims and litigation, financial condition, and accounting policies among other matters.

Words such as, but not limited to, "will," "may," "should," "projects," "forecasts," "seeks," "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "optimistic," "likely," "would," "could," "committed," and similar expressions or phrases identify forward-looking statements.

All descriptions of OMNOVA's current business, operations and assets, as well as all forward-looking statements involve risks and uncertainties. Many risks and uncertainties are inherent in business generally and the markets in which the Company operates or proposes to operate. Other risks and uncertainties are more specific to the Company's businesses including businesses the Company acquires. There also may be risks and uncertainties not currently known to the Company. The occurrence of such risks and uncertainties and the impact of such occurrences is

often not predictable or within the Company's control. Such impacts could adversely effect the Company's business, operations or assets as well as the Company's results and, in some cases, such effect could be material. Certain risk factors facing the Company are described below or in the Company's Quarterly Report on Form 10-Q and Annual Report on Form 10-K.

All written and verbal descriptions of OMNOVA's current business, operations and assets and all forward-looking statements attributable to the Company or any person acting on the Company's behalf are expressly qualified in their entirety by the risks, uncertainties, and cautionary statements contained and referenced herein.

All such descriptions and any forward-looking statement speak only as of the date on which such description or statement is made, and the Company undertakes no obligation, and specifically declines any obligation, other than that imposed by law, to publicly update or revise any such description or forward-looking statements whether as a result of new information, future events or otherwise.

Risks and uncertainties that may adversely impact OMNOVA's business, operations, assets, or other matters affecting the Company and may cause actual results to materially differ from expected results include, but are not limited to: (1) the Company's exposure to general economic, business and industry conditions; (2) changes in raw material prices and availability; (3) the highly competitive markets the Company serves and continued consolidations among its customer base; (4) the Company's ability to develop new products that appeal to customers; (5) the creditworthiness of the Company's customers; (6) the concentration of OMNOVA's Performance Chemicals business among several large customers; (7) increased foreign competition for the Company's customers and suppliers; (8) the inherent risks of international operations; (9) risks associated with the use of chemicals; (10) the failure of a joint venture partner to meet its commitments; (11) the Company's ability to identify and complete strategic transactions; (12) OMNOVA's ability to successfully integrate acquired companies; (13) extraordinary events such as natural disasters, political disruptions, terrorist attacks and acts of war; (14) unanticipated capital expenditures; (15) increases in healthcare costs; (16) the Company's ability to retain or recruit key employees; (17) the Company's ability to renew collective bargaining agreements with employees on acceptable terms and the risk of work stoppages; (18) the Company's contribution obligations under its U.S. pension plan; (19) the Company's failure to protect its intellectual property; (20) adverse litigation outcomes or settlements; (21) the Company's reliance on foreign financial institutions to hold some of its funds; (22) information systems failures and cyberattacks; (23) potential goodwill impairment charges; (24) the actions of activist shareholders; (25) the Company's substantial debt and any decision in the future to incur additional debt; (26) the operational and financial restrictions contained in the Company's indenture; (27) a default under the Company's term loan or revolving credit facility; and (28) the Company's ability to generate sufficient cash to service its outstanding debt.

OMNOVA Solutions provides greater detail regarding these risks and uncertainties in its 2014 Form 10-K and subsequent filings, which are available online at [www.omnova.com](http://www.omnova.com) and [www.sec.gov](http://www.sec.gov).

OMNOVA Solutions Inc. is a technology-based company with sales for the twelve month period ending February 28, 2015 of approximately \$1.0 billion and a global workforce of approximately 2,300. OMNOVA is an innovator of emulsion polymers, specialty chemicals, and functional and decorative surfaces for a variety of commercial, industrial and residential end uses. Visit OMNOVA Solutions on the internet at [www.omnova.com](http://www.omnova.com).

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