

# Media Release

## **Clariant strengthens its North American oilfield production chemicals business with two acquisitions**

- **Purchases of Kel-Tech and X-Chem agreed to and cleared by regulators**
- **Clariant adds approx. USD 200 million of sales, accelerating its growth as a leading provider of oilfield production chemicals in North America**
- **Expanded portfolio, increased presence in key oil-producing basins, and strong complementary operational efficiencies add value to expanded customer base**

Muttenz, September 14, 2016 – Clariant, a world leader in specialty chemicals, today announces two acquisitions in the oilfield production chemicals business. After closing, the agreed purchases of Kel-Tech Inc. and X-Chem LLC add approx. USD 200 million of sales, as well as personnel, technology and expertise to its existing activities in North America and accelerates the growth of its Business Unit Oil & Mining Services (OMS) as a leading provider of oilfield production chemicals in North America.

Clariant will leverage the new companies' brand and innovation to better meet market needs and expand market presence. The effective closing date of both acquisitions is October 1, 2016 and they are financed from cash at hand. All parties involved have agreed to not disclose any further financial terms.

“It is part of our global strategy to seize business opportunities in key markets with excellent future prospects through innovations and bolt-on acquisitions. Both of these acquisitions allow us to strengthen our position in one of the world's largest specialty chemicals markets, to benefit from the strong, innovation-driven growth perspective of the oil services industry in North America and are accretive to our earnings from year one on,” says Hariolf Kottmann, CEO of Clariant.

The purchase of Kel-Tech from current owners Arsenal Capital Partners has been agreed and received regulatory clearance. Kel-Tech is a manufacturer and supplier of specialty chemical products for production, field stimulation, and drilling applications throughout onshore United States and has its headquarters in Midland, Texas.

In addition, Clariant has agreed to acquire X-Chem, headquartered in Irving, Texas, from current owner NCH Corporation. This acquisition has also received regulatory clearance. X-Chem's operations are focused on land and offshore United States, where it provides specialty oilfield chemicals for the production, completion and stimulation of oil wells, gas wells and pipelines.

“The acquisitions are a significant step towards strengthening our footprint in North America. With this we will offer customers a stronger and more extensive product offering with customized products and solutions, while expanding our customer base significantly and gaining access to strategic oil-producing basins. Both Kel-Tech and X-Chem are well-run businesses with complementary operational efficiencies, which we can immediately incorporate into our existing business and combine with our state-of-the-art technology and R&D,” says John Dunne, Global Head of Clariant's Business Unit Oil & Mining Services.

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Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On 31 December 2015 the company employed a total workforce of 17'213. In the financial year 2015, Clariant recorded sales of CHF 5.807 billion for its continuing businesses. The company reports in four business areas: Care Chemicals, Catalysis, Natural Resources, and Plastics & Coatings. Clariant's corporate strategy is based on five pillars: increase profitability, reposition portfolio, add value with sustainability, foster innovation and R&D, and intensify growth.

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