

- Joint venture established for Saudi Arabia and Middle East operations
- Nine-acre manufacturing plant under construction
- General Manager hired
- Operations anticipated to commence Q4 2021

Colonial Chemical Announces Formation of Colonial Chemical M.E. Arabia

SOUTH PITTSBURG, TENN. (January 20, 2021): Colonial Chemical, Inc. is pleased to announce the start of construction of a new specialty chemicals manufacturing plant in Dammam, Saudi Arabia. The new facility is named Colonial Chemical M.E. Arabia. This facility is a joint venture with Sadeem Investments and Earth's Reservoir for Oil and Gas, EROG. Colonial Chemical, Inc. is providing the technology and operations knowledge for the plant while Sadeem Investments and EROG are responsible for local operational oversight and construction support. The Board of Directors overseeing the joint venture is headed by David Anderson, Colonial Chemical, Inc. President, as the Chairman. Mohammed Abduldaim, EROG President, is the Vice-Chairman, and other members include Dr. Peter Chetcuti, David Anderson Jr and Douglas Wynn.

This operation will primarily provide a source of locally manufactured specialty surfactants and other chemicals for oilfield, industrial lubricants, water treatment, paper, paints, coatings, personal care, household, and industrial cleaning applications. The new plant will offer manufacturing technology capabilities for a variety of chemicals as well as toll blending capability for finished formulations and custom chemical manufacture. The plant will allow customers in Saudi Arabia and the region to achieve high local content levels required by localization initiatives such as IKTVA, NUSANED and NIDL P.

Construction is underway on a nine-acre plant that will include reaction vessels, distillation columns, toll blending and mixing vessels, pilot scale equipment for development, warehousing and tank farms. Additionally, construction will include state-of-the-art laboratories for R&D and formulation development and administrative offices for supply chain and customer service personnel. The plant will also house packaging and labeling operations.

Manufacturing operations are expected to commence in Q4 2021. Raw materials will be sourced locally to produce amine oxides, quaternary ammonium compounds, hydroxypropyl sultaines, betaines, propionates, ether carboxylates, imidazolines, phosphate esters, EPI-sulfonates, and phosphates.

“Colonial Chemical has long been a significant provider for oil field service companies as well as products for personal care, household, and industrial cleaning applications in the U.S. The new operation in Dammam will take advantage of local sourcing throughout the value chain and position Colonial Chemical, M.E. Arabia as a preferential source of product and services for customers in that region,” said David Anderson, President, Colonial Chemical, Inc. “Along with shorter lead times, Colonial Chemical M.E. Arabia will also offer the benefit of toll blending and manufacturing which is a highly desirable function in this market. We have built mutually beneficial relationships in the past few years with our local investors in this new operation and are all excited to see our plans move forward.”

Colonial Chemical, Inc. is a privately held manufacturer of market-leading specialty surfactants with a focus on developing safe and innovative ingredients for modern formulary. The company supplies high quality products to the personal care, household, oil & gas, and industrial lubrication marketplace. Colonial Chemical serves North America and over 50 countries internationally. Learn more at www.colonialchem.com.

For more information, please contact Ahmed Ali, General Manager of Colonial Chemical M.E. Arabia, at ahmed.ali@colonialchem.me or Christine Anderson, Marketing Specialist, at (423) 837-8800, christine.anderson@colonialchem.com or visit www.colonialchem.com.

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Photos attached: Architectural renderings of anticipated construction in Dammam 3rd Industrial City. Logo of Colonial Chemical M.E. Arabia