



## PRESS RELEASE

### **Innospec To Acquire Independence Oilfield Chemicals** *Building Towards A Market Leader in Oilfield Chemicals*

**Englewood, CO – October 1, 2014** – Innospec Inc. (NASDAQ: IOSP) today announced that it has entered into a definitive agreement with a portfolio company of CSL Capital Management LLC to acquire all of the membership interests of Independence Oilfield Chemicals LLC (IOC).

The transaction is subject to a Hart Scott Rodino review, and is expected to close no later than October 31, 2014.

IOC, based in Houston TX, services the oil and gas industry, with a focus on completion, stimulation and production chemicals. The business has been growing very rapidly and has current annualized sales of approximately \$150 million and employs around 140 people. IOC also has assets based in the Eagleford, Bakken, Barnett, Niobrara and Marcellus basins

The consideration for the proposed transaction is comprised of an initial payment of approximately \$100 million, which represents 51 percent of the estimated total and is approximately 7.5x IOC's EBITDA based on recent trading performance. As IOC has been in a phase of very rapid growth, the remaining payments are performance related and payable over the next two years at the same multiple.

Patrick S. Williams, President and CEO of Innospec said, "We have indicated for some time that our strategy to grow our Oilfield Specialties business included further acquisitions to accelerate our development and ensure that we have the right technologies and the right market presence in the key basins. We are delighted with this transaction, which we believe brings both complementary high quality assets and the excellent personnel so essential to growth in this industry. We anticipate that the addition of IOC will allow us to provide our customers with a complete offering in drilling, completion, stimulation and production, and will help us move quickly towards our goal of being a technology and service leader in this field. As well as our focus on the fast-growing North American market, we will also be deploying Innospec's global infrastructure to develop the business in all other regions."

Jeff Hibbeler, CEO of IOC said "Although IOC has been growing very quickly, it became imperative for us to partner with a company which could provide the necessary global infrastructure and financial capability to keep us on our successful path. We are delighted to be joining Innospec, as it is clear that there is a great fit between the two companies, which will allow us to expand even faster."

Charlie Leykum Chairman of IOC and Founder of CSL Capital Management, LLC said "We are excited to pursue this transaction with Innospec and accelerate the Independence business plan we started over two years ago. From a greenfield start-up to a multi-district chemicals services and technology company, we are extremely pleased with the performance of our team and look forward to working with our customers to provide increased solutions to serve their needs. Together with Innospec, our aim is to be regarded as the best oilfield chemicals company in the United States".

Innospec expects to fund the transaction from existing cash and debt facilities, and expects the transaction to be accretive immediately upon closing.

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### **About Innospec Inc.**

Innospec Inc. is an international specialty chemicals company with approximately 1100 employees in 20 countries. Innospec manufactures and supplies a wide range of specialty chemicals to markets in the Americas, Europe, the Middle East, Africa and Asia-Pacific. Innospec's Fuel Specialties business specializes in manufacturing and supplying the fuel additives that help improve fuel efficiency, boost engine performance and reduce harmful emissions. Innospec's Performance Chemicals business provides effective technology-based solutions for our customers' processes or products focused in the Personal Care; Polymers; and Fragrance Ingredients markets. Innospec's Octane Additives business is the world's only producer of tetra ethyl lead.

### **About CSL**

Founded in 2008, CSL is a private equity firm providing growth capital to energy services companies in the U.S. and abroad. CSL has a well-established track record of backing experienced entrepreneurs to build high-quality energy services companies. The firm has raised more than \$650 million of equity capital and commitments across a variety of investment vehicles and is currently investing out of the CSL Energy Opportunities Fund I, L.P. a \$300 million fund. CSL has offices in Houston, Texas, and Greenwich, Connecticut. For more information, visit [www.cslenergy.com](http://www.cslenergy.com).

### **Forward-Looking Statements**

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included or incorporated herein may constitute forward-looking statements. Such forward-looking statements include statements (covered by words like "expects," "estimates," "anticipates," "may," "believes" or similar words or expressions), for example, which relate to growth potential, operating performance, events or developments that we expect or anticipate will or may occur in the future. Although forward-looking statements are believed by management to be reasonable when made, they are subject to certain risks, uncertainties and assumptions, and our actual performance or results may differ materially from these forward-looking statements. Additional information regarding risks, uncertainties and assumptions relating to the Company and affecting our business operations and prospects are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, and other reports filed with the U.S. Securities and Exchange Commission. You are urged to review our discussion of risks and uncertainties that could cause actual results to differ from forward-looking statements under the heading "Risk Factors" in such reports. Innospec Inc. undertakes no obligation to

publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information about Innospec, please visit our website at [www.innospecinc.com](http://www.innospecinc.com).

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