



Enerchem International Inc. is a manufacturer of specialty chemicals and hydrocarbon based fluids designed to provide technologically advanced solutions to oil and gas processing and production problems.

Our mission is to develop and market specialty chemicals and hydrocarbon based fluids to the oil and gas industry in a safe and environmentally conscious manner while enhancing value to our shareholders, customers and employees.

## Financial Highlights

Three months ended September 30	2003	2002
	\$	\$
Results of operations		
Revenues	12,279,532	7,824,822
Net earnings (loss) for the period	39,984	(221,590)
Net earnings (loss) per share		
Basic	0.00	(0.02)
Diluted	0.00	-
EBITDA**	678,528	62,703
EBITDA per share	0.05	0.00
Nine months ended September 30	2003	2002
	\$	\$
Results of operations		
Revenues	37,826,954	28,350,666
Net earnings (loss) for the period	(257,678)	1,419,824
Net earnings (loss) per share		
Basic	(0.02)	0.12
Diluted	-	0.11
EBITDA**	1,453,804	3,310,769
EBITDA per share	0.10	0.28

\*\* EBITDA represents earnings before interest, taxes, depreciation and amortization

Chemical and  
Fluid Solutions

3rd  
Quarter  
Interim  
Report  
**2003**

## President's Message

I am pleased to report that Enerchem experienced a 57% increase in revenues for the three months ended September 30, 2003 when compared to the same period last year. Our bottom line for the quarter, however, while an improvement from the second quarter of 2003 and the comparative quarter of 2002, does not reflect what you should expect from Enerchem International Inc. given the overall activity of the oil and gas industry in western Canada and the record financial results being reported by the industry in general.

As a summary, our current quarter results were largely affected by less than expected fracturing fluid revenues, unrealized benefits from the availability of our Drillsol® product and the cost of building a business infrastructure in anticipation of a greater level of financial performance.

During the third quarter, the number of wells drilled in the Western Canadian Sedimentary Basin reached record levels. A large component of this activity, however, was focused on shallow gas drilling in southern Alberta and Saskatchewan which does not provide a significant revenue stream for the company's hydrocarbon based fracturing and drilling fluids and specialty chemicals. Enerchem's hydrocarbon fracturing and drilling fluids are primarily used for deep well drilling and applications common to the foothills region and northern Alberta and British Columbia, areas known for deeper drilling. Oil and gas producers typically pursue deeper drilling activities during winter months or when climatic conditions are favourable.

With the foregoing as a background, at the commencement of the third quarter of 2003 we did experience record demand for our fracturing fluid. This demand, however, gradually dissipated as unseasonably wet weather conditions curbed oilpatch activity in the deeper drilling regions. We anticipate strong demand for our Fracsol® product as the winter freeze sets in during the fourth quarter of 2003 and continuing into the first quarter of 2004. As mentioned, we have yet to realize any substantial benefits from the availability of our Drillsol® product. The reason for this is primarily a timing issue. We have been actively marketing the Drillsol® fluid to several key oil and gas companies with programs targeted in areas known for deeper drilling.

## Management's Discussion and Analysis

Management's discussion and analysis ("MD&A") of the consolidated financial position and interim results of operations for the period ended September 30, 2003 should be read in conjunction with the audited financial statements, President's Message and MD&A for the year ended December 31, 2002. Statements throughout this interim report that are not historical facts may be considered "forward looking statements". Such statements are based on current expectations that involve risks and uncertainties which could cause actual results to differ from those anticipated.

### Revenues

Revenues for the three months ended September 30, 2003 increased by 57% to \$12,280,000 compared with revenues of \$7,825,000 for same period last year. On a year to date basis, revenues were up by 33% to \$37,827,000 in 2003 from \$28,351,000 for the comparative period in 2002. The increase in revenues for the current quarter and first nine months of 2003 when compared with 2002 reflects the general improvement in oil and gas activity levels and in particular in the northern Alberta and British Columbia regions which represent the primary regions serviced by the company. Revenues from the company's hydrocarbon based fluids, which includes solvents, fracturing and drilling fluids produced at the company's Sundre and Slave Lake facilities, increased by 96% for the third quarter and 50% for the first nine months of 2003 when compared to the same periods in 2002. Specialty chemical revenues increased by 5% for the current quarter and increased by 6% for the first nine months of 2003 when compared to 2002. While revenues from specialty chemicals have been strong in the northern Alberta market, the overall growth of specialty chemical revenues has been moderate as a result of pricing pressures from the recent entry of several smaller competitors.

### Gross Profit

Gross profit as a percentage of revenues was 33% for the quarter ended September 30, 2003 compared with 44% for the comparative quarter in 2002. On a year to date basis, the gross profit margin was 31% in 2003 compared to 43% for the first nine months of 2002. The reduction in gross profit margin for the current year was largely

Today, Enerchem operates in a business environment that has changed quite dramatically over a short period of time. The business climate is not only more competitive but it is also more regulated and demanding from an operational and service perspective. As well, today we provide our products and services to some of the largest oil and gas companies in North America as a direct result of our commitment to providing quality products and building an infrastructure of qualified and very capable people necessary to service the requirements of our customers. While our business infrastructure has been built to meet the demands of our business environment its design was, however, on management's expectation of a higher level of financial performance. We are confident our financial performance will improve in the near term as the inadequacies of the Slave Lake plant are now behind us and as a result of the initiatives undertaken taken by management to improve product margins. In addition, however, during the latter part of the quarter, we implemented an austerity program designed to review and reduce our operating costs. While we have realized some immediate benefits in the early stages of this program we expect to find some great opportunities to improve our performance and reduce our costs.

We continue to aggressively pursue opportunities to increase the production yield of our fractionation plants in Sundre and Slave Lake by exploring new uses and markets for our products. We are also presently analyzing the feasibility of adding power generation capabilities at the Slave Lake facility. While this analysis is in its initial stages, the power plant would use fuel produced at the Slave Lake plant to generate electrical power for internal use and for sale to the commercial market.

We are committed to ensuring the continued success of Enerchem with the goal being to provide substantial value to our shareholders.



L.B. Phillips  
President and Chief Executive Officer

influenced by a significant shift in the company's revenue mix as oil-patch activity increased demand for the company's lower margin hydrocarbon based fluids and the affects of increased feedstock costs as crude oil prices were on average 15% higher during the current year when compared to 2002. During the current quarter revenues from hydrocarbon fluids were 71% of total revenues compared with 57% of total revenues for the same period in 2002. For the first nine months of 2003, revenues from hydrocarbon fluids were 70% of total revenues compared with 62% of total revenues for the same period in 2002.

### Expenses

Salaries and employee benefits increased to \$1,739,000, or 14% of revenues for the three months ended September 30, 2003 compared with \$1,453,000, or 19% of revenues for the same quarter in 2002. Salary costs for first nine months of 2003 were \$5,261,000, or 14% of revenues compared with \$4,310,000, or 15% of revenues for the comparative period in 2002. The increase in salary costs on a comparative period basis was largely influenced by recognizing in 2003 the full effects of staffing additions made during the latter part of 2002, increased compensation costs associated with the rise in activity levels and capitalization in 2002 of staffing costs directly associated with the construction of the company's Slave Lake facility and the plant's pre-operating period.

Selling, general and administration expenses were \$1,599,000 or 13% of revenues for the third quarter of 2003 compared with \$1,585,000 or 20% of revenues for the third quarter of 2002. For the first nine months of 2003 selling, general and administrative costs were \$5,047,000, or 13% of revenues, compared to \$4,514,000, or 16% of revenues, during the same period of 2002. The higher total cost structure on a comparative period basis was most notably affected by increased insurance premiums and operating costs associated with the Slave Lake plant. Prior to the commencement of fiscal 2003, pre-operating costs incurred during the start up of the company's fractionation plant in Slave Lake were capitalized.

Depreciation and amortization charges were \$528,000 for the current quarter of 2003 compared to \$345,000 for the same period last year.

## Management's Discussion and Analysis (continued)

### Expenses (continued)

For the first nine months of 2003 depreciation and amortization charges were \$1,568,000 compared to \$760,000 for the comparative period last year. The increase in depreciation and amortization charges was attributable to the commencement of depreciation computations relevant to the Slave Lake fractionation plant and the associated amortization of pre-operating costs.

### Net Earnings and Earnings Per Share

Net earnings for the three months ended September 30, 2003 were \$40,000, or \$0.00 per common share diluted, compared to a net loss of \$(222,000) or \$(0.02) per common share diluted, for the comparative period last year. Net loss for first the nine months of 2003 was \$(258,000), or \$(0.02) per common share diluted, compared with net earnings of \$1,420,000, or \$0.11 per common share diluted, for the same period in 2002. Results for the first nine months of the 2003 were largely affected by higher feedstock costs, an increased competitive environment and increased infrastructure costs.

### Liquidity and Capital Resources

The company's earnings before interest, taxes, depreciation and amortization ("EBITDA") for the three months ended September 30, 2003 increased to \$679,000 from \$63,000 for the comparative quarter of 2002. For the nine months ended September 30, 2003 EBITDA decreased to \$1,454,000 from \$3,311,000 for the comparative period

in 2002. During the three months ended September 30, 2003 total investing activities used \$462,000 of cash compared with \$2,140,000 for the comparative quarter in 2002. Net cash used for investing activities for the first nine months of 2003 totaled \$1,328,000 compared with \$8,373,000 for the same period in 2002. Net cash used for investing activities in 2002 reflected the construction of the Slave Lake fractionation plant.

At September 30, 2003, the company had cash on hand of \$1,998,000 and working capital of \$7,989,000 compared with cash on hand of \$255,000 and working capital of \$5,223,000 at December 31, 2002.

### Business risks and uncertainties

Enerchem has implemented a hedging program designed to reduce its exposure to the volatility in energy prices. During the quarter, Enerchem acquired Canadian dollar denominated WTI crude oil contracts covering the period November 2003 to March 2004. Enerchem will continue to obtain price protection for both its crude oil and natural gas exposure for 2003 and 2004 as market opportunities arise.

Please refer to the MD&A for the year ended December 31, 2002 which includes an overview of the business risks and uncertainties affecting the company.

## Consolidated Balance Sheet

As at	September 30, 2003 (unaudited) \$	December 31, 2002 (audited) \$
<b>Assets</b>		
Current assets		
Cash	1,997,715	255,052
Accounts receivable	11,244,803	10,183,945
Income taxes recoverable	421,030	1,103,737
Inventories	4,977,014	5,118,349
Prepaid expenses and deposits	516,487	382,130
	<b>19,157,049</b>	<b>17,043,213</b>
Property, plant and equipment	24,998,746	25,259,376
Goodwill	6,049,530	6,049,530
Other assets	1,386,466	1,333,134
	<b>51,591,791</b>	<b>49,685,253</b>
<b>Liabilities</b>		
Current liabilities		
Bank indebtedness (note 3)	3,486,327	6,084,421
Accounts payable and accrued liabilities	6,772,139	5,645,899
Current portion of long-term debt	835,083	-
Current portion of obligations under capital leases	75,000	90,000
	<b>11,168,549</b>	<b>11,820,320</b>
Long-term debt (note 3)	2,188,940	-
Obligations under capital leases	840,504	860,652
Future income taxes	1,135,500	1,135,500
	<b>15,333,493</b>	<b>13,816,472</b>
<b>Contingent liabilities (note 6)</b>		
<b>Shareholders' equity</b>		
Share capital	26,667,053	26,019,858
Retained earnings	9,591,245	9,848,923
	<b>36,258,298</b>	<b>35,868,781</b>
	<b>51,591,791</b>	<b>49,685,253</b>

**Consolidated Statement of Earnings (Loss) and Retained Earnings** (unaudited)

	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>Revenues</b>	<b>12,279,532</b>	7,824,822	<b>37,826,954</b>	28,350,666
<b>Cost of sales</b>	<b>8,280,792</b>	4,406,429	<b>26,094,858</b>	16,033,157
<b>Gross profit</b>	<b>3,998,740</b>	3,418,393	<b>11,732,096</b>	12,317,509
<b>Expenses</b>				
Salaries and employee benefits	1,739,473	1,452,692	5,260,654	4,309,769
Selling, general and administration	1,599,046	1,584,535	5,046,658	4,513,708
Depreciation and amortization	527,597	345,008	1,568,400	759,506
Interest expense	88,543	70,390	307,658	213,044
	<b>3,954,659</b>	3,452,625	<b>12,183,370</b>	9,796,027
<b>Earnings (loss) before other income (expense)</b>	<b>44,081</b>	(34,232)	<b>(451,274)</b>	2,521,482
<b>Other income (expense)</b>				
Other	12,996	(329,172)	(3,773)	(207,456)
Gain on disposal of property, plant and equipment	5,311	10,709	32,793	24,193
	<b>18,307</b>	(318,463)	<b>29,020</b>	(183,263)
<b>Earnings (loss) before income taxes</b>	<b>62,388</b>	(352,695)	<b>(422,254)</b>	2,338,219
<b>Provision for (recovery of) income taxes</b>	<b>22,404</b>	(131,105)	<b>(164,576)</b>	918,395
<b>Net earnings (loss) for the period</b>	<b>39,984</b>	(221,590)	<b>(257,678)</b>	1,419,824
<b>Retained earnings, beginning of period</b>	<b>9,551,261</b>	9,595,174	<b>9,848,923</b>	7,953,760
<b>Retained earnings, end of period</b>	<b>9,591,245</b>	9,373,584	<b>9,591,245</b>	9,373,584
<b>Earnings (loss) per share</b>				
Basic	0.00	(0.02)	(0.02)	0.12
Diluted	0.00	-	-	0.11
<b>Weighted average shares outstanding</b> (note 4)				
Basic	<b>14,271,059</b>	13,989,043	<b>14,222,229</b>	12,005,392
Diluted	<b>14,607,437</b>	13,989,043	<b>14,222,229</b>	12,935,706

**Consolidated Statement of Cash Flows** (unaudited)

	Three months ended September 30		Nine months ended September 30	
	2003	2002	2003	2002
	\$	\$	\$	\$
<b>Operating activities</b>				
Net earnings (loss) for the period	39,984	(221,590)	(257,678)	1,419,824
Items not affecting cash -				
Depreciation and amortization	527,597	345,008	1,568,400	759,506
(Gain) on disposal of property, plant and equipment	(5,311)	(10,709)	(32,793)	(24,193)
Future income taxes	-	-	-	(368,000)
	562,270	112,709	1,277,929	1,787,137
Changes in non-cash components of working capital				
Net change in trade and other accounts receivable	(92,390)	144,709	(1,060,858)	137,005
Net change in inventories and prepaid expenses	(888,191)	(1,004,864)	6,978	(1,300,735)
Net change in accounts payable and accrued liabilities	2,119,103	1,221,197	1,126,240	(1,043,079)
Net change in income taxes payable	21,966	(83,371)	682,707	(877,852)
	1,160,488	277,671	755,067	(3,084,661)
Net cash provided by (used in) operating activities	1,722,758	390,380	2,032,996	(1,297,524)
<b>Investing activities</b>				
Purchase of property, plant and equipment	(591,879)	(1,764,380)	(1,460,670)	(8,114,174)
Proceeds on disposal of property, plant and equipment	129,383	84,133	250,846	198,682
Decrease in other assets	-	(459,877)	(118,485)	(457,083)
	(462,496)	(2,140,124)	(1,328,309)	(8,372,575)
<b>Financing activities</b>				
Issue of common shares	105,153	75,845	647,195	14,970,758
Net increase (decrease) in bank indebtedness	1,026	(9,145,469)	(2,598,094)	(3,508,133)
Proceeds (repayment) of long-term debt	(208,149)	-	3,024,023	(25,062)
Repayment of obligations under capital leases	(11,851)	(11,317)	(35,148)	(29,894)
	(113,821)	(9,080,941)	1,037,976	11,407,669
<b>Increase (decrease) in cash</b>	<b>1,146,441</b>	<b>(10,830,685)</b>	<b>1,742,663</b>	<b>1,737,570</b>
<b>Cash (bank indebtedness) - beginning of period</b>	<b>851,274</b>	<b>11,166,095</b>	<b>255,052</b>	<b>(1,402,160)</b>
<b>Cash - end of period</b>	<b>1,997,715</b>	<b>335,410</b>	<b>1,997,715</b>	<b>335,410</b>

**Notes to Interim Consolidated Financial Statements**

For the nine months ended September 30, 2003

**1. Basis of presentation**

The accompanying unaudited interim consolidated financial statements of Enerchem International Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles. These interim financial statements were prepared following the same accounting policies and methods of computation as the annual audited consolidated financial statements for the year ended December 31, 2002. These interim financial statements should be read in conjunction with the annual audited consolidated financial statements and notes thereto for the year ended December 31, 2002.

**2. Seasonality of operations**

Weather conditions can affect the sale of the company's products and services. Spring months in western Canada tend to affect operations negatively as road bans and wet conditions ("spring break-up"), make it difficult to drill for oil and gas and to access service sites. The company traditionally experiences increased activity levels during the fall and winter seasons and decreased activity during spring break-up.

## Notes to Interim Consolidated Financial Statements (continued)

For the nine months ended September 30, 2003

### 3. Long-term debt

On May 28, 2003 the company, as part of its annual review, increased its credit facility with a Canadian chartered bank. Through this facility the company has operating loans available of \$10,000,000 (\$7,000,000 previously), demand non-revolving operating loans of \$6,858,000 (\$3,358,000 previously) and demand revolving loans of \$500,000 (\$500,000 previously). While the credit facility is demand in nature, repayment of the debt in advance of the agreed terms is not at the bank's discretion provided the company is not in default of its obligations, covenants and other conditions to the facility that will materially effect the company's ability to fulfill its obligations. As a result, the company has presented demand loans with repayment terms beyond one year as long-term debt. Under the terms of the previous credit facility demand loans with repayment terms beyond one year were presented as a current liability in accordance with the recommendations of the Emerging Issues Committee, EIC 122 "Balance Sheet Classification of Callable Debt Obligations and Debt Obligations Expected to be Refinanced", of The Canadian Institute of Chartered Accountants.

### 4. Per share amounts

The following table summarizes the common shares used in calculating net earnings per common share.

Weighted average share calculation	Three months ended September 30 2003	2002	Nine months ended September 30 2003	2002
Basic				
Common shares - opening	14,259,937	13,980,833	14,041,873	10,787,229
Weighted average common shares issued during the period	11,122	8,210	180,356	1,218,163
	<b>14,271,059</b>	<b>13,989,043</b>	<b>14,222,229</b>	<b>12,005,392</b>
Diluted				
Basic weighted average common shares - opening	14,271,059	13,989,043	14,222,229	12,005,392
Dilutive effect of stock options and equivalents	336,378	-	-	930,314
	<b>14,607,437</b>	<b>13,989,043</b>	<b>14,222,229</b>	<b>12,935,706</b>

The computation of diluted per share amounts has not been calculated for the three months ended September 30, 2002 and the nine months ended September 30, 2003 as the result is anti-dilutive.

### 5. Stock based compensation plans

The company has two stock based compensation plans.

- a) Under the company's Stock Option Plan, options granted to employees vest after a period ranging from one to five years from the date of grant and expire five years after the date of grant. Stock options granted to directors and officers of the company are exercisable immediately. The exercise price of each option equals the market price of the company's common shares at the date of grant. As the company has elected not to adopt the fair market value method of accounting for compensation awards issued under its Stock Option Plan, pro forma disclosure of net earnings and net earnings per share is required as if the fair value method had been applied to stock based compensation awards after January 1, 2002. The pro forma disclosure is as follows:

	Three months ended September 30 2003	2002	Nine months ended September 30 2003	2002
Pro forma net earnings (loss)				
Net earnings (loss) as reported	39,984	(221,590)	(257,678)	1,419,824
Less stock based compensation, net of tax	34,055	52,484	98,050	87,473
Pro forma net earnings (loss) for the period	<b>5,929</b>	<b>(274,074)</b>	<b>(355,728)</b>	<b>1,332,351</b>
Pro forma earnings (loss) per share				
Basic	-	(0.02)	(0.03)	0.11
Diluted	-	-	-	0.10

Diluted loss per share is anti-dilutive for the three months ended September 30, 2002 and nine months ended September 30, 2003.

- b) Under the company's Employee Share Purchase Plan employees electing to participate in the plan may contribute a minimum of two percent to a maximum of five percent of monthly salaries. The employees' contributions are matched equally by the company. Common shares acquired under the plan vest with the employee upon purchase and are distributed to the employees on an annual basis. The company's contributions to the plan are recorded as compensation costs in the month incurred and totaled \$52,576 for the three months ended September 30, 2003 (\$44,474 - three months ended September 30, 2002) and totaled \$155,270 for the nine months ended September 30, 2003 (\$133,131 - nine months ended September 30, 2002).

### 6. Contingent liabilities

In the normal course of business, the company is party to various claims and legal proceedings. While the final outcome with respect to the claims and legal proceedings pending at September 30, 2003 cannot be determined with certainty, it is the opinion of management that their resolution will not have a material adverse effect on the company's financial position or results of operations.

### 7. Joint venture agreement

On April 30, 2003, Enerchem International Inc. and Newalta Income Fund entered into a Joint Venture Agreement to explore a broad range of opportunities to enhance the performance of both Enerchem and Newalta. There were no joint venture activities for the period ended September 30, 2003.

### 8. Subsequent event

On October 28, 2003 the company accepted an offer for the sale of its wholly owned U.S. subsidiary, Enerchem International Corporation to a U.S. based, privately owned company for a selling price of \$700,000 U.S. The transaction is scheduled to close on December 1, 2003.

### 9. Comparative figures

Certain comparative period amounts of the prior year have been reclassified in the accompanying unaudited interim consolidated financial statements and notes for consistent presentation to current period amounts.

## Notes to Interim Consolidated Financial Statements

For the nine months ended September 30, 2003

### 10. Segmented information

The company operates in one industry which encompasses blending, manufacturing and distributing a wide variety of specialty products to the oil and gas industry. Inter-segment revenues are accounted for at prices comparable to open market prices for similar products and services. Summarized financial information concerning the industry segment and geographic areas in which the company operated are as follows:

#### Three months ended September 30, 2003 (unaudited)

	Oilfield Chemicals		Total Oilfield Chemicals	(Eliminations) Adjustments	Total Operations
	Canada	United States			
	\$	\$	\$	\$	\$
Revenues	11,933,951	345,581	12,279,532	-	12,279,532
Inter-segment revenues	-	276,493	276,493	(276,493)	-
	11,933,951	622,074	12,556,025	(276,493)	12,279,532
Depreciation and amortization	516,373	11,224	527,597	-	527,597
Interest expense	87,786	757	88,543	-	88,543
Net earnings for the period	20,437	21,354	41,791	(1,807)	39,984
Capital expenditures	591,879	-	591,879	-	591,879
Total assets	51,119,535	1,044,364	52,163,899	(572,108)	51,591,791

#### Three months ended September 30, 2002 (unaudited)

	Oilfield Chemicals		Total Oilfield Chemicals	(Eliminations) Adjustments	Total Operations
	Canada	United States			
	\$	\$	\$	\$	\$
Revenues	7,559,694	265,128	7,824,822	-	7,824,822
Inter-segment revenues	-	294,147	294,147	(294,147)	-
	7,559,694	559,275	8,118,969	(294,147)	7,824,822
Depreciation and amortization	328,725	16,283	345,008	-	345,008
Interest expense	67,480	2,910	70,390	-	70,390
Net earnings (loss) for the period	(295,876)	44,331	(251,545)	29,955	(221,590)
Capital expenditures	2,224,257	-	2,224,257	-	2,224,257
Total assets	45,911,188	1,687,118	47,598,306	(1,332,022)	46,266,284

#### Nine months ended September 30, 2003 (unaudited)

	Oilfield Chemicals		Total Oilfield Chemicals	(Eliminations) Adjustments	Total Operations
	Canada	United States			
	\$	\$	\$	\$	\$
Revenues	36,823,075	1,003,879	37,826,954	-	37,826,954
Inter-segment revenues	-	996,554	996,554	(996,554)	-
	36,823,075	2,000,433	38,823,508	(996,554)	37,826,954
Depreciation and amortization	1,533,759	34,641	1,568,400	-	1,568,400
Interest expense	305,729	1,929	307,658	-	307,658
Net earnings (loss) for the period	(286,627)	45,953	(240,674)	(17,004)	(257,678)
Capital expenditures	1,576,876	2,279	1,579,155	-	1,579,155
Total assets	51,119,535	1,044,364	52,163,899	(572,108)	51,591,791

#### Nine months ended September 30, 2002 (unaudited)

	Oilfield Chemicals		Total Oilfield Chemicals	(Eliminations) Adjustments	Total Operations
	Canada	United States			
	\$	\$	\$	\$	\$
Revenues	27,479,813	870,853	28,350,666	-	28,350,666
Inter-segment revenues	-	1,019,296	1,019,296	(1,019,296)	-
	27,479,813	1,890,149	29,369,962	(1,019,296)	28,350,666
Depreciation and amortization	710,759	48,747	759,506	-	759,506
Interest expense	208,668	4,376	213,044	-	213,044
Net earnings for the period	1,227,634	154,151	1,381,785	38,039	1,419,824
Capital expenditures	8,571,257	-	8,571,257	-	8,571,257
Total assets	45,911,188	1,687,118	47,598,306	(1,332,022)	46,266,284

## Corporate Information

### Head Office

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### Oilfield Operations

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David F. Potter	Director
Fred Pheasey	Director

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