



News Release

For Immediate Release

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Columbian Chemicals Co. adjusts surcharge effective July 1, 2008

(Marietta, GA) June 23, 2008 – On Monday, Columbian Chemicals Company advised its contract customers that the previously announced surcharge will be changed effective July 1, 2008 for carbon black products shipped in North America on or after that date.

The previously announced surcharge of \$0.08 per pound implemented on June 1, 2008 will be reduced to \$0.06 per pound to take into consideration the quarterly price adjustment, effective July 1, 2008.

Columbian's Regional President for North America, James Howard stated "Contract carbon black prices will increase in July, reflecting second quarter feedstock costs. However, oil prices have not abated and remain at unprecedented levels with June month-to-date average price of FCC feedstock at \$90+ per barrel. At these levels carbon black margins continue to be unacceptably low, and we are faced with the decision of possibly idling capacity".

"With July's price increase and the adjusted surcharge, carbon black prices in July will more accurately reflect current feedstock costs. This surcharge will be again reviewed in late July and adjusted accordingly for the month of August".

Columbian has also advised customers they will move all contracts from a quarterly to a monthly price adjustment mechanism that more accurately reflects the current raw material costs. A monthly mechanism will pass feedstock price changes – increases and decreases – through to the customer the following month. The "quarter lag" is no longer workable in today's environment.

Columbian values its customers and remains committed to being a leader in delivering world-class carbon black products and services.

Columbian Chemicals Co. is one of the world's leading producers of carbon black – an engineered material that improves the strength, durability and overall performance of a range of products including tires and other mechanical rubber goods, as well as inks, paints, plastics and coatings.

Based in Marietta, Georgia, Columbian Chemicals Co. owns and operates 13 carbon black manufacturing facilities in Brazil, Canada, China, England, Germany, Hungary, Italy, Korea, Spain and the United States, employing about 1,300 people worldwide.

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