

ASHTA Chemicals Inc.

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News Release

FOR IMMEDIATE RELEASE

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ASHTA Chemicals Inc. makes \$6.9 million commitment at Ohio plant

ASHTABULA, Ohio (September 21, 2004) – ASHTA Chemicals Inc., a leader in the production of potassium-based chemicals, has announced an estimated \$6.9 million in modernizations that will ensure cleaner air and water and emphasize the company's commitment to the environment, its customers, its employees and the northeast Ohio community.

ASHTA Chemicals is one of the nation's three producers of potassium hydroxide. The compound has a wide range of uses, such as the production of photographic chemicals, water treatment chemicals, pharmaceuticals, industrial and institutional cleaners, liquid soaps and detergents, liquid fertilizers and agricultural chemicals, runway deicer and alkaline batteries. Another of ASHTA Chemicals' major products is liquid chlorine, which is used in water purification and in the production of synthetic medicines, plastics and titanium dioxide.

The estimated \$6.9 million in capital improvements, which are expected to take place over approximately the next three years, will also create economic benefit for contractors during the engineering and construction stages. In addition, increased operating and maintenance costs estimated at \$482,500 per year will infuse further dollars into the local economy.

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Included in the improvements will be a system to supplement ASHTA Chemicals' innovative Process Water Management System. In operation since 1997, the system eliminated the discharge of process and storm water into nearby Lake Erie. The new system will capture storm water from an additional eight acres adjacent to the plant's 10-acre manufacturing site at 3509 Middle Rd. in Ashtabula Township.

The company will also add further controls to minimize air emissions of mercury during the operation and maintenance of its electrolytic cells. Banks of the 30-foot-long cells use mercury and high-amperage electricity to make potassium hydroxide, with chlorine as a co-product.

In addition, ASHTA Chemicals has embarked on upgrading its manufacturing process for early compliance with the new Maximum Achievable Control Technology (MACT), under the National Emissions Standard for Hazardous Air Pollutants for mercury reduction in its hydrogen and air systems. Under MACT, a company implements the very latest technology to keep air emissions of hazardous substances at the lowest possible limits.

Supplementing the physical improvements and in concert with MACT, ASHTA Chemicals is implementing a Voluntary Action Plan, under which the site will be certified as meeting all surface and groundwater standards.

The estimated \$6.9 million in improvements being made will be in lieu of a civil penalty of \$1.5 million agreed upon in a consent decree with the state of Ohio. The decree, lodged in Ashtabula County Common Pleas Court, is in settlement of a lawsuit brought by Ohio Attorney General Jim Petro. The lawsuit was based on the state's contention that ASHTA Chemicals violated its state and federal wastewater discharge permits between 1994 and 1996.

ASHTA Chemicals has maintained that it believed it was operating under an extension of its 1992 National Pollutant Discharge Elimination System permit while it was installing the Process Water Management System. Under the consent decree, ASHTA Chemicals does not make any admissions of violations, and the state agrees to full satisfaction of any claims.

"ASHTA Chemicals is committed to the safety of its employees, the surrounding community and the environment, and these initiatives or ones like them have been under way since the present management took over in 1992," said Barney Baxter, president and CEO of ASHTA Chemicals. "While we might disagree with the state of Ohio's original position, we are happy to enter into this consent agreement and are enthusiastic about continuing our environmental programs."

ASHTA Chemicals' well-trained, knowledge-based workforce of approximately 100 employees has helped the company achieve reduced mercury use and zero water discharge into Lake Erie from the plant process areas, leading the way in developing and implementing proprietary technology to comply with water quality standards.

About ASHTA Chemicals Inc.

ASHTA Chemicals Inc. is a manufacturer and marketer of chlorine, liquid potassium hydroxide, anhydrous potassium hydroxide walnut (briquette), liquid potassium carbonate and chloropicrin, and a marketer of anhydrous potassium carbonate and anhydrous potassium hydroxide (flake). In 1992, ASHTA Chemicals opened its corporate offices and plant in Ashtabula, Ohio, acquiring facilities that had been operating since the early 1960s. ASHTA Chemicals management has since positioned the company for profitable growth with the purchase of Olin Chemical's potassium products business in 1993, design and implementation of a closed loop zero-discharge water treatment system and the construction of a new potassium carbonate plant in 1995. ASHTA Chemicals' focus is on markets and products that provide sustained, profitable growth for the core potassium hydroxide chemistry. The distribution system was significantly expanded in 1998 to provide ample product in key chemical markets. In addition to the Ashtabula plant and offices, the company services customers from three other production sites, 19 liquid terminals and five warehouses strategically located in the United States and Canada. Further information is at www.ashtachemicals.com.

About statements in this release

Except for historical information contained in this release, certain statements herein may constitute forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements may involve known and unknown risks, uncertainties and other factors, which may cause the actual results to differ materially from what is set forth in this release, including any results from future performance and proposed transactions. The company does not intend to update any such statements.

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