

Zirax plc announces the acquisition of Solith Anlagenbau und Service GmbH

Zirax plc (“Zirax” or the “Company”), the AIM quoted speciality chemical company focused on the development, production and sale of oilfield process chemicals and de-icing solutions, is pleased to announce the acquisition of Solith Anlagenbau und Service GmbH (“Solith”).

Solith, located in Austria, specialises in the production and distribution of value added de-icing products, including calcium chloride derivative “Brine C”, which is used for motorway de-icing maintenance. Solith is also developing other products, which Zirax views as having significant growth potential, and believes that the acquisition will provide the Company with a platform to expand its footprint throughout the de-icing markets of Central and Western Europe.

Zirax believes there is significant scope and potential for more effective and environmentally friendly de-icing and road maintenance technologies in this market. The Company intends introducing its own already proven de-icing products and technologies in the near future. Zirax has shown the benefit of using value added de-icers in the extremes of the Russian and particularly the Moscow winter and believe Solith will be a good base from which to enter the European market, being progressive and forward thinking in its approach to safety and the environment.

During the 12 months to 31 March 2007, Solith recorded a loss of €147,000 and had a negative Net Asset Value of €111,000.

The maximum consideration payable by Zirax is €3.7m, to be satisfied by a cash payment of €200,000 on completion, and the balance of up to €3.5m, payable via a two-tier performance related earn out arrangement for the sale of product in Austria over a maximum period of six years. The total consideration will be funded out of Zirax’s cash reserves, and as part of the deal Zirax will invest approximately €290,000 in Solith and acquire €1m worth of bank borrowings.

The Company continues to seek out other acquisition opportunities in its chosen market segments.

Commenting on the acquisition, Valery Andosov, Chief Executive of Zirax said:

“I am delighted with the acquisition of Solith, which is in line with our growth strategy to provide a platform for expansion throughout Central and Western Europe, whilst developing other products with significant earnings potential. This acquisition is another source of future growth, in addition to the completed expansion of our existing facilities in, Russia and the opening of a new plant in Italy”.

Commenting on the acquisition, Matthias Durst, Managing Director of Solith said:

“We are very excited with the acquisition by Zirax, an experienced and respected company in the de-icing market. This is going to give us the ability to widen our business and grow it much faster than we could otherwise have done. There is a lot of potential and opportunity initially within the Austrian market, but even more as we aim to grow more widely within Europe.”

About Zirax

Zirax is a speciality chemical company manufacturing and supplying oilfield process chemicals and de-icing solutions to a global customer base. Zirax is the second largest supplier of calcium chloride pellets globally and the leading supplier in the Eastern Hemisphere. Zirax is quoted on AIM of the London Stock Exchange (ticker: ZRX), is headquartered in London and has supply sources based in Western Europe and Russia. More information is available at <http://www.zirax.com>

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