



ANNOUNCEMENT

CHEMCRAFT INTERNATIONAL INC. ACQUIRES ICD COATINGS SA.

We are pleased to announce that Chemcraft International Inc. has acquired the majority of the assets of ICD Coatings SA of Brazil effective March 6, 2006.

ICD is located in the city of Campina Grande do Sul, state of Parana in Brazil. ICD specializes in quality paint and lacquers for the wood finishing industry. The company has a modern facility with complete laboratory and manufacturing capabilities along with a resin manufacturing facility.

This acquisition is in line with Chemcraft objectives for expansion outside of North America. With an already strong customer base, the synergies offered by this new acquisition will lead towards excellent growth for the future.

Chemcraft International occupies a very enviable position in the North American wood finishing market, providing a complete line of wood coatings products. From its numerous manufacturing facilities Chemcraft produces UV systems, polyester, polyurethane, high solid conversion varnishes, high solid pre and post-catalyzed lacquers and waterbase systems.

Chemcraft has an earned reputation for innovative technology and cost effective systems.

The new company will be known as Chemcraft Do Brasil Tintas E Vernizes Ltda.

Inquiries concerning this purchase can be directed to Mr. Marcelo Lorenzen at marcelo@chemcraft.com.br

Normand Guindon
President