

BANNER CHEMICALS UK

Hampton Court, Manor Park,
Runcorn, Cheshire
WA7 1TU, UK

T: +44 (0)1928 597 000

M: +44 (0)7801 925 943

F: +44 (0)1928 597 001

mkessler@samuelbanner.co.uk

www.bannerchemicals.co.uk



Tuesday, October 03, 2006

Announcement to Banner Chemicals limited Employees, Customers and Suppliers

The management of Banner Chemicals Ltd is pleased to announce the acquisition of MP Storage & Blending Ltd. ("MP")

Based on the south bank of the river Tees, and operating from a freehold 5.5 acre site, MP has developed a long established, high quality reputation for bulk storage, contract packing and toll blending within the chemical industry.

Banner Chemicals Ltd now possesses facilities that enable it to move forward with the relocation of the activities conducted from the 2.2 acres Stratford, East London site. Banner customers and suppliers will now also benefit from additional services based on MP capabilities. These include a fully temperature controlled 'hot box' warm air facilities which enables to warm or melt products, a self contained nitrogen facility, a demineralised production plant and a Waste Transfer Licence which includes the storage of both bulk and packaged "Hazardous Waste".

MP management has grown a successful business which Banner plans to expand further. Banner will make additional investments in the new site to ensure a smooth transition of its activities from London.

Banner management is confident that the new facilities and added business will lead to efficiencies and savings that would benefit customers and suppliers of both MP and Banner and will ensure a sustainable competitive business for the long term.

Yours sincerely

Mottie Kessler

Chairman and CEO