



LEOCHEM (PTY) LIMITED

(REGISTRATION NUMBER: 1972/011058/07)
"LEOCHEM"



**Chemical Services
Limited**

CHEMICAL SERVICES LIMITED

(REGISTRATION NUMBER: 1967/003338/06)
"CHEMSERVE"

DISPOSAL OF BUSINESS OPERATIONS TO CHEMICAL SERVICES LIMITED

1. INTRODUCTION

The directors of Leochem are pleased to announce that Chemsolve has acquired the business operations of Leochem.

2. NATURE OF BUSINESS

Leochem is South Africa's largest manufacturer and distributor of petroleum jelly and white oils. It also has agency agreements with international principals under which it distributes chemical and related products to the pharmaceutical and food industries.

3. RATIONALE FOR TRANSACTION

Chemsolve acquired Leochem to enter the petroleum jelly and white oil industries. Leochem's chemical distribution division is a complimentary fit to Chemsolve's operations.

4. TERMS OF THE TRANSACTION

The purchase consideration is payable in full on the first day of the month following receipt of approval from the Competition Tribunal.

FEBRUARY 2006
BRYANSTON

**CORPORATE ADVISOR
TO LEOCHEM**

**ATTORNEYS
TO LEOCHEM**

