NEWS RELEASE

CHEMTRADE LOGISTICS INCOME FUND REPORTS FIRST QUARTER 2019 RESULTS

TORONTO, Ontario, May 8, 2019 – Chemtrade Logistics Income Fund (TSX: CHE.UN) today announced results for the three months ended March 31, 2019. The financial statements and MD&A will be available on Chemtrade's website at www.chemtradelogistics.com and on SEDAR at www.sedar.com.

The first quarter results include the application of IFRS 16 at January 1, 2019. In relation to leases that were previously classified as operating leases, Chemtrade now recognizes depreciation and interest expense, instead of operating lease expense. This results in an increase in EBITDA, but it does not affect distributable cash after maintenance capital expenditures. Also, comparative information is not restated.

The first quarter results also include an increase of $40.0 million in the reserve for legal proceedings ("Litigation Reserve") established in 2018 to cover the costs of resolving the civil actions commenced against General Chemical entities related to the anti-trust matter inherited with Chemtrade's acquisition of General Chemical in 2014. Further details are in the Reserve for Legal Proceedings section below. The increase is reflected in both EBITDA and distributable cash after maintenance capital expenditures for the quarter. The majority of the litigation has now been settled, with only certain derivative actions outstanding.

Revenue for the first quarter of 2019 was $385.3 million, an increase of $3.8 million from 2018. This increase was primarily due to higher selling prices for sulphuric acid in the Sulphur Products and Performance Chemicals (SPPC) segment, and higher selling prices for certain water chemical products in the Water Solutions and Specialty Chemicals (WSSC) segment, partially offset by lower prices and lower volumes for caustic soda in the Electrochemicals (EC) segment.

Net loss for the first quarter of 2019 was $29.3 million, compared with net earnings of $6.9 million in 2018. The decrease was primarily due to the Litigation Reserve booked in the first quarter of 2019, and higher net finance costs due to a loss from the change in the fair value of convertible debentures, partially offset by higher income tax recoveries during the first quarter of 2019 compared to the first quarter of 2018.

Excluding the Litigation Reserve, Adjusted EBITDA(1) for the first quarter of 2019 was $84.0 million compared with $72.0 million in the first quarter of 2018. The increase in Adjusted EBITDA is mainly attributable to the adoption of IFRS 16, which amounted to $14.6 million, offset by lower Adjusted EBITDA in the EC and Corporate segments.

Cash flows used in operating activities were $53.5 million compared with cash flows from operating activities of $35.0 million during the first quarter of 2018. Adjusted cash flow from operating activities(1) was $11.5 million compared with $54.1 million generated during the first quarter of 2018. Distributable cash after maintenance capital expenditures(1) (excluding the Litigation Reserve) for the first quarter of 2019 was $42.5 million or $0.46 per unit compared with $44.2 million or $0.48 per unit in 2018.

Chemtrade President and Chief Executive Officer, Mark Davis, said, "Our SPPC segment benefited from higher selling prices for sulphuric acid and improved efficiencies as we are starting to benefit from the restructuring of the business following a significant reduction in the product we receive from our largest by-product supplier. Higher selling prices for alum in our WSSC segment began to have a positive impact as contracts were renewed at those higher rates and increased raw material costs were recovered. As expected, our EC segment was affected by lower prices in the quarter for caustic soda, but this was partially offset by higher prices for hydrochloric acid and chlorine."

In the first quarter of 2019, SPPC generated revenue of $131.1 million compared to $122.6 million in 2018. Adjusted EBITDA for the quarter was $37.5 million, which was $16.3 million higher than 2018, including the positive impact of IFRS 16 of $5.2 million. The main reason for the year-over-year increases was higher selling prices for sulphuric acid, which more than offset the effect of lower volumes and higher freight costs.

The WSSC segment reported first quarter revenue of $105.4 million compared with $98.9 million in 2018. Adjusted EBITDA was $18.1 million, including the positive IFRS 16 impact of $1.5 million, compared with $18.8 million generated in 2018. Higher selling prices for water products offset higher raw material and freight costs. The positive impact of improved performance of water products was more than offset by lower results for specialty chemicals.

The EC segment reported revenue of $148.8 million for the first quarter of 2019, which was $11.2 million lower than the same period of 2018. This was primarily due to a decrease in selling prices for caustic soda, partially offset by higher selling prices for chlorine and hydrochloric acid (HCl). Although chlor-alkali production levels during the first quarter of 2019 were similar to the first quarter of 2018, sales volumes during the first quarter of 2019 were lower than 2018. During the first quarter of 2018, a larger quantity of caustic soda was purchased in order to meet supply obligations. Adjusted EBITDA for the first quarter of 2019, including the $7.5 million benefit from IFRS 16, was $1.1 million lower than the same period of 2018. This was primarily due to the lower caustic soda pricing and reduced demand for HCl in 2019.

Corporate costs, excluding unrealized foreign exchange gains and the Litigation Reserve, for the first quarter of 2019 were $19.7 million, including a positive IFRS 16 impact of $0.4 million, compared with $17.4 million in the first quarter of 2018. The first quarter of 2019 includes foreign exchange losses of $1.1 million compared to a gain of $1.6 million in 2018.

During the first quarter Chemtrade completed the redemption of Series V of the Electrochem debentures.

Mr. Davis said, “In general, our businesses started the year well, with marked improvements in SPPC and in the water treatment chemicals business of WSSC, and we expect these trends to continue. While our EC segment was adversely affected by the near-term weakness in caustic soda pricing and HCl demand, we expect the segment to improve going forward. We remain positive about the mid- and long-term prospects for caustic soda, and we also expect that demand for HCl will improve as the year unfolds.”

Reserve for Legal Proceedings

At the time of acquisition of General Chemical in 2014, it was a subject of an investigation by the U.S. Department of Justice concerning alleged anti-competitive conduct in the water treatment chemicals industry. Chemtrade obtained an indemnity from the vendors of General Chemical (“Indemnity”) for twice the amount of estimated costs and damages related to the investigation and related lawsuits (the “Anti-Trust Matter”), based on expert legal advice received.

Commencing October 2015, a number of civil lawsuits were filed, culminating in two class action lawsuits, related civil actions and a few derivative actions. As the legal actions advanced and settlement negotiations ensued, Chemtrade obtained assessments on an ongoing basis from our experts of the costs necessary to resolve the Anti-Trust Matter. Based upon settlements achieved and updated assessments of future potential exposure, Chemtrade recorded a reserve as follows:

- $65 million in the second quarter of 2018
- $35 million in the third quarter of 2018: and
- $40 million in the first quarter of 2019

From a settlement perspective, in November 2018, Chemtrade settled the main class action lawsuit for US$51 million and the net proceeds of the disputed Indemnity. This settlement has received final court approval. Subsequent to the end of the first quarter 2019, additional settlements were negotiated. Now all of the lawsuits, including all class action lawsuits, and all civil lawsuits arising directly out of the anti-competitive actions in the water business have been settled. The class action lawsuit which was settled in 2019 remains subject to preliminary and final court approval. Some derivative actions remain outstanding.
Chemtrade believes that the reserve is sufficient, but the outcome and timing of the remaining actions is uncertain.

Distributions

Distributions declared in the first quarter totalled $0.30 per unit, comprised of monthly distributions of $0.10 per unit.

2019 Financial Outlook

Chemtrade believes the increased complexity of its business has made it more difficult for stakeholders to understand the key drivers, risks and opportunities inherent in the business. To provide stakeholders with improved visibility, Chemtrade will be providing annual guidance.

Chemtrade's 2019 Adjusted EBITDA guidance excludes the Litigation Reserve but includes the effect of the adoption of IFRS 16 on Leases. Chemtrade expects its 2019 Adjusted EBITDA to range between $335.0 million and $375.0 million, which includes a lease benefit of between $55.0 and $60.0 million. IFRS 16 will not have an impact on Distributable Cash after Maintenance Capital Expenditures.

For 2019, Chemtrade also expects:

1. Maintenance Capital Expenditures to range between $80.0 million and $90.0 million.
2. Cash Interest (excluding the impact of IFRS 16) to range between $70.0 million and $75.0 million.
3. Cash Taxes to range between $5.0 million and $10.0 million.

About Chemtrade

Chemtrade operates a diversified business providing industrial chemicals and services to customers in North America and around the world. Chemtrade is one of North America's largest suppliers of sulphuric acid, spent acid processing services, inorganic coagulants for water treatment, sodium chlorate, sodium nitrite, sodium hydrosulphite and phosphorus pentasulphide. Chemtrade is a leading regional supplier of sulphur, chlor-alkali products, liquid sulphur dioxide, potassium chloride, and zinc oxide. Additionally, Chemtrade provides industrial services such as processing by-products and waste streams.

[1] Non–IFRS Measures

EBITDA and Adjusted EBITDA –

Management defines EBITDA as net earnings before any deduction for net finance costs, taxes, depreciation and amortization. Adjusted EBITDA also excludes other non-cash charges such as gains and losses on the disposal and write-down of assets, and unrealized foreign exchange gains and losses. EBITDA and Adjusted EBITDA are metrics used by many investors and analysts to compare organizations on the basis of ability to generate cash from operations. Management considers Adjusted EBITDA (as defined) to be an indirect measure of operating cash flow, which is a significant indicator of the success of any business. Adjusted EBITDA is not intended to be representative of cash flow from operations or results of operations determined in accordance with IFRS or cash available for distribution.

EBITDA and Adjusted EBITDA are not recognized measures under IFRS. Chemtrade's method of calculating EBITDA and Adjusted EBITDA may differ from methods used by other income trusts or companies, and accordingly may not be comparable to similar measures presented by other organizations.

A reconciliation of EBITDA and Adjusted EBITDA to net earnings is provided below:

($'000)	Three months ended March 31, 2019		Three months ended March 31, 2018	
Net (loss) earnings [1]	$	(29,318)	$	6,916
Add:				
Depreciation and amortization [1]		67,464		52,337
Net finance costs [1]		27,111		15,672
Income tax recovery		(17,534)		(2,944)
EBITDA		47,723		71,981
Add:				
Loss (gain) on disposal and write-down of assets		303		(115)
Unrealized foreign exchange (gain) loss		(4,063)		105
Adjusted EBITDA	$	43,963	$	71,971

[1] Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. During the three months ended March 31, 2019, Chemtrade recognized $13.6 million of depreciation expense related to the new right-of-use assets and $2.2 million of interest expense related to the new lease liabilities. Adjusted EBITDA and net earnings for the three months ended March 31, 2018 included lease expenses of $14.2 million. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

Segmented information

SPPC –

($'000)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
Revenue	$	131,079	$	122,634
Gross profit		16,483		7,580
Adjusted EBITDA [1]		37,525		21,266
Gain on disposal and write-down of assets		2		125
EBITDA		37,527		21,391

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WSSC

($'000)	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
Revenue	$	105,390	$	98,893
Gross profit		6,188		7,943
Adjusted EBITDA [1]		18,067		18,845
Gain (loss) on disposal and write-down of assets		2		(10)
EBITDA		18,069		18,835

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EC

	Three Months Ended	
	March 31, 2019	**March 31, 2018**
North American sales volumes:		
Sodium chlorate sales volume (000's MT)	101	98
Chlor-alkali sales volume (000's MECU)	42	44
Revenue	$ 148,783	$ 159,946
Gross profit	21,764	29,933
Adjusted EBITDA [1]	48,094	49,222
Loss on write-down of assets	(4)	—
EBITDA	48,090	49,222

[1] Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. For the three months ended March 31, 2018, Adjusted EBITDA included lease expense of $7.3 million, whereas, lease expense related to the three months ended March 31, 2019 was excluded from the calculation of Adjusted EBITDA, as a result of recognizing depreciation expense related to right-of-use assets and interest expense related to lease liabilities. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

Corporate

	Three Months Ended	
($'000)	**March 31, 2019**	**March 31, 2018**
Cost of services	$ 59,723	$ 17,362
Adjusted EBITDA [1]	(59,723)	(17,362)
Unrealized foreign exchange gain (loss)	4,063	(105)
Loss on write-down of assets	(303)	—
EBITDA	(55,963)	17,467

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Cash Flow –

Management believes supplementary disclosure related to the cash flows of the Fund including the amount of cash available for distribution to Unitholders, repayment of debt and other investing activities provides useful additional information. A cash flows table presenting this information is included in the Fund's MD&A filed on SEDAR. The table is derived from, and should be read in conjunction with, the consolidated statements of cash flows. Certain sub-totals presented within the cash flows table, such as "Adjusted cash flows from operating activities", "Distributable cash after maintenance capital expenditures" and "Distributable cash after all capital expenditures", are not defined terms under IFRS. These sub-totals are used by Management as measures of internal performance and as a supplement to the consolidated statements of cash flows. Investors are cautioned that these measures should not be construed as an alternative to using net earnings as a measure of profitability or as an alternative to the IFRS consolidated statements of cash flows. Further, Chemtrade's method of calculating each measure may not be comparable to calculations used by other income trusts or companies bearing the same description.

A reconciliation of these supplementary cash flow measures to cash flow from operating activities is provided below:

	Three months ended	
($'000)	**March 31, 2019**	**March 31, 2018**
Cash flow (used in) from operating activities [1]	$ (53,470)	$ 35,037
Add (Less):		
Lease payments [1]	(14,643)	—
Changes in non-cash working capital and other items	79,582	19,054
Adjusted cash flows from operating activities	**11,469**	**54,091**
Less:		
Maintenance capital expenditure	8,958	9,932
Distributable cash after maintenance capital expenditure	**2,511**	**44,159**
Less:		
Non-maintenance capital expenditure [1]	2,442	1,502
Distributable cash after all capital expenditure	**$ 69**	**$ 42,657**

(1) Chemtrade has initially applied IFRS 16 at January 1, 2019. In applying IFRS 16, in relation to the leases that were previously classified as operating leases, Chemtrade recognizes depreciation and interest expense, instead of operating lease expense. Cash flow from operating activities for the three months ended March 31, 2018 included lease expenses of $14.2 million. Chemtrade has applied IFRS 16 using the modified retrospective approach, under which comparative information is not restated.

(2) Non-maintenance capital expenditures are: (a) pre-identified or pre-funded, usually as part of a significant acquisition and related financing; (b) considered to expand the capacity of Chemtrade's operations; (c) significant environmental capital expenditures that are considered to be non-recurring; or (d) capital expenditures to be reimbursed by a third party.

Caution Regarding Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of certain securities laws, including the Securities Act (Ontario). Forward-looking statements can be generally identified by the use of words such as “anticipate”, “continue”, “estimate”, “expect”, “expected”, “intend”, “may”, “will”, “project”, “plan”, “should”, “believe” and similar expressions. Specifically, forward-looking statements in this news release include statements respecting certain future expectations about: the ability to obtain court approval for the second settled anti-trust class action lawsuit and the timing thereof; the outcome and timing of the remaining civil lawsuits and the sufficiency of the related legal reserve; the ability of the SPPC, WSSC and EC segments to improve going forward; future demand for HCl; ; the Fund’s expected adjusted EBITDA range for 2019; the impact of lease accounting rules on distributable cash after maintenance capital expenditures; and the expected 2019 range of capital expenditures, cash interest and cash taxes. Forward-looking statements in this news release describe the expectations of the Fund and its subsidiaries as of the date hereof. These statements are based on assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements for a variety of reasons, including without limitation the risks and uncertainties detailed under the “RISK FACTORS” section of the Fund’s latest Annual Information Form and the “RISKS AND UNCERTAINTIES” section of the Fund’s most recent Management’s Discussion & Analysis.

Although the Fund believes the expectations reflected in these forward-looking statements and the assumptions upon which they are based are reasonable, no assurance can be given that actual results will be consistent with such forward-looking statements, and they should not be unduly relied upon. With respect to the forward-looking statements contained in this news release, the Fund has made assumptions regarding: there being no significant disruptions affecting the operations of the Fund and its subsidiaries, whether due to labour disruptions, supply disruptions, power disruptions, transportation disruptions, damage to equipment or otherwise; the ability of the Fund to obtain products, raw materials, equipment, transportation, services and supplies in a timely manner to carry out its activities and at prices consistent with current levels or in line with the Fund’s expectations; the timely receipt of required regulatory approvals; the cost of regulatory and environmental compliance being consistent with current levels or in line with the Fund’s expectations; the ability of the Fund to successfully access tax losses and tax attributes; the ability of the Fund to obtain financing on acceptable terms; currency, exchange and interest rates being consistent with current levels or in line with the Fund’s expectations; and global economic performance.

Except as required by law, the Fund does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

Further information can be found in the disclosure documents filed by Chemtrade Logistics Income Fund with the securities regulatory authorities, available at www.sedar.com.

A conference call to review the first quarter 2019 results will be webcast live on www.chemtradelogistics.com and www.newswire.ca on Wednesday, May 9, 2019 at 8:30 a.m. ET.

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