

Chemtrade Announces Offers to Purchase Chemtrade Electrochem Inc. (formerly Canexus Corporation) Convertible Debentures in Exchange For New Chemtrade Convertible Debentures

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TORONTO, Ontario, July 14, 2017 – Chemtrade Logistics Income Fund (TSX:CHE.UN) (“Chemtrade” or the “Fund”) announced today that it has commenced offers to purchase (i) all of the outstanding 6.00% Convertible Unsecured Subordinated Series V Debentures due December 31, 2020 of Chemtrade Electrochem Inc. (formerly Canexus Corporation) (“CEI”) (the “CEI Series V Debentures”) (the “Series V Offer”), and (ii) all of the outstanding 6.50% Convertible Unsecured Subordinated Series VI Debentures due December 31, 2021 of CEI (the “CEI Series VI Debentures” and together with the CEI Series V Debentures, the “CEI Debentures”) (the “Series VI Offer” and together with the Series V Offer, the “Offers”). Each of the Series V Offer and Series VI Offer will remain open for acceptance until 5:00 p.m. (Eastern Time) on August 10, 2017, unless extended, varied or withdrawn by the Fund in accordance with their terms.

Under the terms of the Series V Offer, Chemtrade offers to purchase all of the CEI Series V Debentures in exchange for an equal principal amount of newly issued 5.50% convertible unsecured subordinated debentures due December 31, 2020 of Chemtrade (the “Chemtrade 5.50% Debentures”) plus accrued and unpaid interest in cash. Under the terms of the Series VI Offer, Chemtrade offers to purchase all of the CEI Series VI Debentures in exchange for an equal principal amount of newly issued 5.75% convertible unsecured subordinated debentures due December 31, 2021 of Chemtrade (the “Chemtrade 5.75% Debentures” and together with the Chemtrade 5.50% Debentures, the “Chemtrade Debentures”) plus accrued and unpaid interest in cash.

The distribution of the Chemtrade Debentures will be qualified by way of a short form prospectus to be filed with the securities regulatory authorities in all of the provinces and territories of Canada. Chemtrade has applied to have the new Chemtrade Debentures and the Chemtrade units issuable on a conversion, redemption or repayment at maturity thereof on the Toronto Stock Exchange (the “TSX”).

The Offers form part of Chemtrade’s strategy to have a simplified capital structure and to reduce administrative inefficiencies, including, among other things, by implementing simplified accounting and financial reporting procedures, and concentrating the public debt securities of the Fund and its subsidiary into a single issuer.

Comparison of CEI Debentures and New Chemtrade Debentures

Comparison of CEI Series V Debentures and Chemtrade 5.50% Debentures

	CEI Series V Debentures	Chemtrade 5.50% Debentures (Series V Offer Consideration)
Coupon Rate (% p.a.)	6.00%	5.50%
Interest Payment Dates	June 30 December 31	June 30 December 31
Hard Par Call Redemption Date	December 31, 2018	December 31, 2019

Cumulative Additional Coupon Payments		\$47.50 per \$1,000 of principal
Maturity Date	December 31, 2020	December 31, 2020
Conversion Feature	Convertible into shares of CEI that are redeemable by CEI for a fixed cash amount of \$145 per \$1,000 of principal	Convertible into approximately 36 Chemtrade units per \$1,000 of principal (Conversion price of \$28.00)

Comparison of CEI Series VI Debentures and Chemtrade 5.75% Debentures

	CEI Series VI Debentures	Chemtrade 5.75% Debentures (Series VI Offer Consideration)
Coupon Rate (% p.a.)	6.50%	5.75%
Interest Payment Dates	June 30 December 31	June 30 December 31
Hard Par Call Redemption Date	December 31, 2019	December 31, 2020
Cumulative Additional Coupon Payments		\$38.75 per \$1,000 of principal
Maturity Date	December 31, 2021	December 31, 2021
Conversion Feature	Convertible into shares of CEI that are redeemable by CEI for a fixed cash amount of \$254 per \$1,000 of principal	Convertible into approximately 36 Chemtrade Units per \$1,000 of principal (Conversion price of \$28.00)

Reasons to Accept the Offer

Chemtrade believes that the Offers represent compelling opportunities for holders of the CEI Debentures (the “Debentureholders”) and that Debentureholders should consider the following factors, among others, in making a decision of whether to tender to the Offers:

- ***Extension of Hard Par Call Redemption Dates Results in Higher Cumulative Coupon Payments:*** The hard par call redemption date of each series of new Chemtrade Debentures will occur at a later date than the corresponding series of CEI Debentures. Subject to the redemption terms of the Chemtrade Debentures, this will result in higher cumulative coupon payments to Debentureholders of \$47.50 and \$38.75 per \$1,000 of principal for the CEI Series V Debentures and CEI Series VI Debentures, respectively.

- **Greater Trading Liquidity:** The new Chemtrade Debentures are expected to be listed for trading on the TSX. Chemtrade is a large issuer in the Canadian debt capital markets, with approximately \$470 million and three series of TSX listed convertible debt outstanding.
- **Structural Enhancement:** Under the terms of the Offers, Debentureholders will receive new Chemtrade Debentures that will rank *pari passu* with Chemtrade's other TSX listed subordinated unsecured convertible debt securities.
- **Addition of a Conversion Option into Chemtrade Units:** The new Chemtrade Debentures to be issued will be convertible into Chemtrade units at any time at the option of Debentureholders. The CEI Debentures are only convertible, on an uneconomical basis, into shares of CEI that are immediately redeemable, at the option of CEI, for fixed amounts of cash of approximately \$145 and \$254 per \$1,000 for the CEI Series V Debentures and CEI Series VI Debentures, respectively.
- **Attractive Coupon Relative to Existing Fund Debentures:** Under the terms of the Offers, Debentureholders will receive new Chemtrade Debentures with fixed coupon rates that are higher than the coupon rates on all other series of Chemtrade's TSX listed subordinated unsecured convertible debt securities, despite ranking *pari passu* with such securities.
- **Attractive Value for Debentureholders:** Due to the enhanced features of the new Chemtrade Debentures described above, the new Chemtrade Debentures to be issued pursuant to the Offers are anticipated to be more valuable to Debentureholders than the corresponding CEI Debentures.

The Offers

The Offers are being made for all of the outstanding Series V Debentures and all of the outstanding Series VI Debentures. The terms and conditions of the Offers are described in an offer to purchase and circular of the Fund (the "Offer to Purchase") and a related letter of transmittal, each dated today, which have been mailed to Debentureholders and will be available on SEDAR at www.sedar.com.

The Offers are each subject to the satisfaction of certain conditions set forth in the Offer to Purchase, including, without limitation, that: (i) a minimum of at least 25% of the principal amount of each respective series of CEI Debentures are validly tendered to its corresponding Offer and not withdrawn; (ii) receipts shall have been obtained from the securities regulatory authorities in each of the provinces and territories in Canada for the short form prospectus of the Fund qualifying the new Chemtrade Debentures; and (iii) and conditional approval of the TSX for the listing of the new Chemtrade Debentures shall have been obtained.

Each of the Series V Offer and Series VI Offer will remain open for acceptance until 5:00 p.m. (Eastern Time) on August 10, 2017, unless extended, varied or withdrawn by the Fund in accordance with its terms.

The Offers form part of Chemtrade's strategy to have a simplified capital structure and to reduce administrative inefficiencies, including, among other things, by implementing simplified accounting and financial reporting procedures, and concentrating the public debt securities of the Fund and its subsidiaries into a single issuer.

This press release is not an offer to, or a solicitation of deposits from, any person in the United States or any other jurisdiction outside of Canada or in any jurisdiction in which such offer or solicitation is unlawful.

The Offers are not being made to, nor will any deposits be accepted from or on behalf of, debentureholders in the United States or any other jurisdiction outside of Canada or any jurisdiction in which the making or acceptance of the offer would not be in compliance with the laws of such jurisdiction. Further, this press release is not an offer of securities for sale in the United States or any other jurisdiction outside of Canada, and no debentures to be issued pursuant to the Offers may be offered or sold in the United States or any other jurisdiction outside of Canada.

Advisors

Chemtrade has retained BMO Capital Markets as its exclusive financial advisor and Osler, Hoskin & Harcourt LLP as its legal counsel.

Information Agent and Depositary

Chemtrade has engaged D.F. King Canada to act as the information agent for the Offers and Computershare Investor Services Inc. to act as the depositary for the Offers. For assistance in tendering CEI Debentures to the Offers, Debentureholders should contact D.F. King Canada by telephone at 1-800-301-3998 (Canada Toll Free Number) or by e-mail at inquiries@dfking.com.

About Chemtrade Electrochem

Chemtrade Electrochem is an indirect wholly-owned subsidiary of Chemtrade that produces sodium chlorate and chlor-alkali products largely for the pulp and paper and water treatment industries.

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.

Caution Regarding Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking information within the meaning of certain securities laws, including the *Securities Act* (Ontario). Forward-looking information 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 information in this news release includes statements relating to expectations relating to the Offers; the satisfaction or waiver of the conditions to consummate the Offers; the reasons to accept the Offers; the results, effects and timing of the Offers; and certain strategic and financial benefits that may result from the completion of the Offers. Forward-looking information 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 impact of the issuance of Chemtrade Debentures pursuant to the Offers on the market price for the Fund's public debt securities]; that the conditions of the Series V Offer or Series VI Offer may not be satisfied or, where permitted by the Series V Offer or Series VI Offer, as the case may be, waived by the Fund at the applicable expiry time; risks related to the realization of any possible benefits of the Offers; as well as the risks and uncertainties

detailed under “Risk Factors” section of the Offer to Purchase and in the “Risk Factors” section of the Fund Annual Information Form. 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.

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 information 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.

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