



For Immediate Release

December 12, 2018

UNIT 6 EXPANSION ANNOUNCEMENT

Cancarb Limited, a subsidiary of Tokai Carbon Co. Ltd., is pleased to announce that it will be proceeding immediately with an expansion of its thermal carbon black production capacity. Engineering and construction of a sixth thermal carbon black unit at its facility in Medicine Hat, Alberta, Canada will commence within Q4-2018, with targeted completion by the summer of 2020. Environmental approvals have already been obtained from Alberta Environment and Sustainable Resource Development. Mr. Takashi Masaki, General Manager of the Carbon Black Division of Tokai Carbon Co. Ltd. stated “We are pleased to make this additional investment in Cancarb’s thermal carbon black capacity so as to serve the growing needs of Cancarb’s customers. This investment reaffirms our commitment to this special grade of carbon black and to the many specialty markets and applications that Cancarb serves.”

Cancarb currently has five thermal carbon black units with a total capacity of 45,000 metric tonnes (100 million pounds). The sixth unit will add 9,000 metric tonnes (20 million pounds) of capacity and will produce Cancarb’s signature grades of Thermax® medium thermal carbon black.

About Cancarb Limited

Cancarb is the global leader in the production and marketing of thermal carbon black with customers in over 40 countries. Our plant, located in Alberta, Canada, uses state of the art technology to ensure that our Thermax® brand products are of the highest quality and consistency and are produced efficiently and in an environmentally responsible manner. Cancarb is a subsidiary of Tokai Carbon Co. Ltd. With more than 100 years’ experience, Tokai Carbon is a global leader in carbon materials with operations in Carbon Black, Graphite Electrodes, Fine Carbon and Friction Materials.

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Fact Sheet - Medicine Hat Expansion Project

Medicine Hat Expansion Project	Addition of a sixth thermal carbon black unit (each unit consists of two reactors)
Annual Capacity of Expansion Project	9,000 metric tonnes (20 million pounds)
Annual Capacity of Cancarb after Expansion Project	Cancarb will have 6 units, 12 reactors, with 54,000 metric tonnes of capacity (120 million pounds).
Estimated Cost of Expansion Project	\$40.1 million, including purchases of adjacent lands and warehouse
Timeline	Completion summer 2020
Description of Process	Thermal decomposition of natural gas in the absence of oxygen. Majority of product is sold into mechanical rubber goods. Cancarb exports 95% of its product outside of Canada.
History of Cancarb	Cancarb has operated continuously in Medicine Hat since 1973. It has expanded capacity at the facility three times, in 1985 (Unit 3), in 1996 (Unit 4), and in 2000 (Unit 5 and Power Generation Facility).
Increase in waste heat power production capacity from Expansion Project	5 MW with the Expansion Project at full capacity
Total waste heat power production capacity after Expansion Project	32.5 MW at full capacity.
East Warehouse Project	The Expansion Project includes the refurbishment of a recently purchased warehouse on land that is adjacent to Cancarb's current warehouse. The new 'East Warehouse' will add 27,000 square feet of additional storage capacity. With the addition of the East Warehouse, Cancarb will have a total of 90,000 square feet of warehouse space in Medicine Hat.
Questions about the project?	A special email account has been set up at CancarbU6project@cancarb.com to answer questions from the public.