



NEWS RELEASE

MARSULEX TO ACQUIRE PETROLEUM COKE CUTTING AND HANDLING BUSINESS SERVICING U.S. GULF COAST OIL REFINERIES

TORONTO, March 31, 2006 – Marsulex Inc. (TSX: MLX) announced today that it has entered into an agreement to acquire Oxbow Industrial Services, LLC (“OIS”), a leading provider of in-refinery petroleum coke (“petcoke”) cutting and bulk handling services to major oil refineries in the U.S. Gulf Coast and West Coast and Venezuela, from Oxbow Carbon & Minerals LLC. The acquisition includes a 100% owned domestic group and a 50% interest in a joint venture in Venezuela. The purchase price of the acquisition, which is expected to close later next week, is US\$27 million, or approximately \$32 million Canadian, excluding transaction costs, and will be funded substantially with debt from the Company’s existing credit facility: \$10 million from the remaining Term Loan and \$21.5 million from an incremental facility. The in-refinery services business will operate under the Marsulex name.

Based in Texas City, Texas, OIS provides services that include cutting petcoke out of refinery customers’ cokers, handling, storage, and transportation of the product to a bulk terminal. A coker is used to upgrade the heavy, or “bottom of the barrel”, residuals of the distillation process into lighter products or distillates, leaving a residual material known as petcoke. As one coker is filled, the flow is diverted to another coker to maintain a continuous operation. It is an essential service for oil refineries where reliability and minimizing the time a coker is offline are critical performance factors. The acquired business has established a reputation for generating value by providing a total service that coordinates operations and results in extending the time that cokers are in use, thereby enabling refineries to process increasingly heavier crude slates.

Customers comprise some of the largest refineries in the domestic United States including ExxonMobil refineries in Baton Rouge, Louisiana and Baytown, Texas; Valero in Texas City; Motiva in Port Arthur, Texas; Shell in Wilmington, California; Citgo in Corpus Christi, Texas; Marathon in Garyville, Louisiana; and Koch Carbon in Corpus Christi, Texas.

Mr. Laurie Tugman, President and Chief Executive Officer of Marsulex, said the acquisition represents a significant growth opportunity for the Company. “As refineries move to heavier crudes they will need to install additional coker capacity, some of which is already under construction. The business’s existing relationships and the on-site nature of the services, as well as its reputation for value creation, put it in a strong position to benefit from increased demand for petcoke cutting and handling services.” Mr. Tugman said the acquisition is also strategically important. “It is a good fit with our existing refinery services business and utilizes our core capabilities of being safe and reliable operators, while broadening our customer base and expanding our geographic reach.”

Mr. Brian Acton, President and Chief Operating Officer of Oxbow Carbon & Minerals LLC, said, "We are very pleased to have entered into this transaction with a quality company such as Marsulex. We are confident that the employees and customers developed under OIS will continue to prosper and grow under Marsulex's leadership." Mr. Acton also noted, "Oxbow Carbon & Minerals LLC can now focus on our core business of terminaling, marketing and shipping petroleum, calcined and metallurgical cokes, coal and other bulk commodities. With worldwide sales of over US\$1 billion, we remain one of the world's largest marketers of petroleum coke."

Mr. Tugman said for the year ended December 31, 2005, the business generated revenue of approximately \$44 million and gross profit of approximately \$9 million. Selling, general and administrative costs and maintenance capital expenditures are expected to be approximately \$4.5 million and \$1.5 million per annum, respectively.

Marsulex, which is based in Toronto, Ontario, is a leading provider of industrial services, including environmental compliance solutions for air quality control and industrial hazardous waste streams, and is a producer and marketer of sulphur-based industrial chemicals. The Company's services and products are provided to a broad base of customers in a wide range of industries. Website: www.marsulex.com.

Based in West Palm Beach, FL, Oxbow Carbon & Minerals LLC is a member of the Oxbow Group, a diversified holding company owned by William I. Koch. Oxbow has close to 1,000 employees operating in offices around the world. Callisto Partners LLC served as financial advisor to Oxbow Carbon & Minerals LLC in this transaction.

A conference call with analysts and portfolio managers to review the announcement will be webcast live on www.marsulex.com and www.newswire.ca on Monday, April 3, 2006 at 8:30 a.m. Eastern Standard Time.

This news release may contain forward-looking statements relating to the acquisition, the integration and expected operating costs of OIS. These statements are based on current views and expectations that are subject to risks, uncertainties and assumptions that are difficult to predict, including risks, uncertainties and assumptions relating to the Company's ability to successfully integrate the acquisition, the Company's ability to obtain regulatory approval (if required) for the acquisition, fluctuations in currency exchange rates and the uncertainty of pro forma forecasts.

Actual results might differ materially from results suggested in any forward-looking statements whether as a result of new information, future developments or otherwise. Additional information identifying risks, uncertainties and assumptions is contained in the Company's filings with the securities regulatory authorities, which are available at www.sedar.com. All forward-looking statements are expressly qualified in their entirety by this Cautionary Statement.

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