



FOR IMMEDIATE RELEASE

KMG CHEMICALS REPORTS PRELIMINARY SECOND QUARTER HIGHLIGHTS AND SCHEDULES SECOND QUARTER NEWS RELEASE AND CONFERENCE CALL FOR MONDAY, MARCH 8TH

To Present at Roth Capital Partners 22nd Annual OC Growth Stock Conference

HOUSTON, TX – February 18, 2010 – KMG Chemicals, Inc. (NASDAQ: KMGB), a global provider of specialty chemicals in carefully focused markets, today announced preliminary sales and earnings expectations for the second fiscal quarter ended January 31, 2010. The Company anticipates net income and earnings per share for the quarter to increase approximately 300% from the \$903,000 or \$0.08 per diluted share reported in the second quarter of last year, on marginally higher revenues.

Neal Butler, President and CEO of KMG, commented, “We are very pleased with our results for the second quarter, which historically has been KMG’s seasonally slowest quarter. Our Electronic Chemicals business maintained strong sales approximating those of our first quarter, despite the slowdown typical of the holiday season. We continue to see a gradual but steady return to more normalized demand in our North American, European and Middle Eastern markets. Margins in this business expanded in the second quarter versus the first quarter, due to the continued impact of previously implemented efficiency improvement initiatives combined with the operating leverage that is now present in the business.”

He added, “In our Wood Treating Chemicals business, product mix continued to favorably impact operating profits in the current second quarter versus the same period last year, although we experienced an anticipated easing in customer demand, as previously disclosed. We continue to see softness in this market in both the utility pole and rail tie treating segments. Our Animal Health business had a good start to its main selling season in January and revenues were incrementally better this quarter than the previous year; however, with a better cost structure, our margins improved considerably.”

Mr. Butler concluded, “In the second quarter, we continued to experience the positive residual effects of the efficiency improvement initiatives previously implemented. This, along with our reduced debt structure and excellent liquidity, has positioned KMG very well for its next acquisition, which we expect to close this fiscal year.”

Second Quarter Results & Conference Call

KMG will elaborate further on its second quarter financial results on Monday, March 8, 2010 when it issues a news release prior to the open of the stock market, and in its quarterly conference call, hosted by Neal Butler, and John Sobchak, CFO, at 10:00 a.m. ET. Interested parties may participate in the call by dialing 866-861-6730. Please call in 10 minutes before the call is scheduled to begin, and ask for the KMGB call (conference ID# 54643183).

The conference call will also be webcast live via the "Investor Relations" section of the Company's website at www.kmgchemicals.com. To listen to the live call please go to the website at least 15 minutes early to register, download and install any necessary audio software. If you are unable to listen live, the conference call will be archived on the website.

Roth Capital Partners 22nd Annual OC Growth Stock Conference

Separately, the Company announced that Messrs. Butler and Sobchak will present at the Roth Capital 22nd Annual OC Growth Stock Conference on Monday, March 15, 2010 at 1:30 PM PT at The Ritz Carlton in Dana Point, CA. The slides used for this presentation will be available beginning March 15, 2010, on the "Investor Relations" section of the Company's website at www.kmgchemicals.com.

About KMG

KMG Chemicals, Inc., through its subsidiaries, produces and distributes specialty chemicals to carefully focused markets. The Company grows by acquiring and optimizing stable chemical product lines and businesses with established production processes. Its current operations are focused on the wood treatment, electronic, and agricultural chemical markets. For more information, visit the Company's web site at www.kmgchemicals.com.

The information in this news release includes certain forward-looking statements that are based upon assumptions that in the future may prove not to have been accurate and are subject to significant risks and uncertainties, including statements as to the future performance of the company. Although the company believes that the expectations reflected in its forward-looking statements are reasonable, it can give no assurance that such expectations or any of its forward-looking statements will prove to be correct. Factors that could cause results to differ include, but are not limited to, successful performance of internal plans, product development acceptance, the impact of competitive services and pricing and general economic risks and uncertainties.

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