INNOSPEC INC.

FORM 10-K
(Annual Report)

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Industry	Specialty Chemicals
Sector	Basic Materials
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002
Commission file number 1-13879

OCTEL CORP.

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of incorporation or organization)	98-0181725 (IRS Employer Identification No.)
Global House Bailey Lane Manchester United Kingdom (Address of principal executive offices)	M90 4AA (Zip Code)

Registrant's telephone number, including area code: 011-44-161-498-8889

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, $0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to the filing requirements for the past 90 days.

Yes X
No _______

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K. [_]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934)

Yes X
No _______

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of the most recently completed second fiscal quarter (June 30, 2002) was $143 million, based on the closing price of the common shares on the New York Stock Exchange on June 28, 2002. Shares of common stock held by each officer and director and by each person who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for any other purpose.

As of February 28, 2003 11,861,208 shares of the registrant's stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2002 Annual Report to Stockholders are incorporated by reference into Parts I, II and IV. Certain portions of Octel Corp.'s proxy statement to be mailed to stockholders on or about March 24, 2003 for the annual meeting of Stockholders to be held on May 6, 2003 are incorporated in Part III hereof by reference.

PART 1

Item 1 Business

General

Octel Corp., a Delaware corporation (the "Company") is a major manufacturer and distributor of fuel additives and other specialty chemicals. Its primary manufacturing operation is located at Ellesmere Port, South Wirral, United Kingdom. The Company's products are sold globally, primarily to oil refineries. Principal product lines are lead alkyl antiknock compound ("TEL"), other petroleum additives and performance chemicals.

Until May 22, 1998, the Company was a wholly owned subsidiary of Great Lakes Chemical Corporation, a Delaware corporation ("GLCC"). On May 22, 1998, GLCC consummated the spin-off of its petroleum additives business by distributing shares in the Company to the stockholders of GLCC in a ratio of one Company share for every four GLCC shares held. In connection with the spin-off the Company issued 14,762,417 shares of common stock on May 26, 1998. A further 969 shares were subsequently issued in respect of late notified changes in GLCC stockholders at the record date of the spin-off issue.

The term "Octel" as used herein means Octel Corp. and its subsidiaries unless the context indicates otherwise.

Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 18 through 23 of the 2002 Annual Report to Stockholders (the "Report") are incorporated herein by reference.

Segmental Information

The Company presently has one dominant industry segment, petroleum additives. The Company has three businesses for management purposes - TEL, Petroleum Specialties and Performance Chemicals. Because of operational and economic similarities, Petroleum Specialties and Performance Chemicals have been aggregated for reporting purposes as the Specialty Chemicals business segment. Note 2 on the Financial Statements included in the Report (the "Financial Statements") on pages 33 and 34 of the Report, is incorporated herein by reference.

Description of the Business

The Company is an international chemical company specialising in the manufacture, distribution and marketing of fuel additives and specialty chemicals. The Company is organised into two business units for reporting purposes - TEL and Specialty Chemicals.

TEL

TEL, the most significant of the Company's products, accounted for approximately 57% of the Company's 2002 sales. TEL was first developed in 1928 and introduced into the European market for internal combustion engines to boost octane levels in gasoline, allowing it to burn more efficiently and eliminating engine knock. It also acts as a lubricity aid, reducing engine wear. Worldwide use of TEL has declined since 1973 following the enactment of the US Clean Air Act of 1970 and similar legislation in other countries. The trend of countries exiting the leaded gasoline market has resulted in a rate of decline in volume terms in the last few years of between 15% and 25% per annum. Management believes that a decrease of 15% to 25 % will arise in 2003, and that volumes will continue to decline year on year.

The Company intends to manage the decline safely (from an environmental perspective) and effectively and to maximize the cash flow through the decline. Continuous cost improvement measures have been, and will continue to be, taken to respond to declining market demand.

Specialty Chemicals

The Specialty Chemicals Business Unit comprises two developing business areas - Petroleum Specialties and Performance Chemicals.

The Petroleum Specialties business develops, produces and markets a range of specialty products, used as additives to fuels. The Company has developed a range of products and customized blends to meet market demand for cleaner-burning and more efficient fuels. The Refinery Specialties unit supplies a growing list of products and services that improve operational efficiencies and product performance at the refinery. There is an ongoing program of growth through mergers and acquisitions. These have included the joint venture in Valvemaster(R) Limited, our 50% owned US subsidiary Octel Starreon LLC and wholly owned subsidiaries including Octel Deutschland GmbH, the Gamlen group, CP Manufacturing BV, CP3500 International Limited, the Bycosin AB group and Octel Exhaust Systems Limited.

The Performance Chemicals focus going forward is to develop high performance and in particular environmentally friendly products from its technology base. The major current product is the Octaquest(R) family of products, originally developed for the detergent market but now being adapted to new markets in personal care, paper and photographics. Subsidiaries include Manhoko Limited, Hi-Mar Specialties Inc and ProChem Chemicals Inc.

Raw Materials

Raw material purchases account for a substantial portion of the Company's manufacturing costs. The major purchases are lead, sodium, ethyl chloride and dibromoethane. These materials are available readily from more than one source, and the Company uses long term contracts (generally with fixed prices and escalation terms) to enhance the security of supply and manage the risk of price escalation.

Patents and Intellectual Property

The Company has a portfolio of trademarks and patents, granted and in the application stage, covering products and processes. These trademarks and patents relate primarily to the Petroleum Specialties and the Performance Chemicals businesses, in which intellectual property forms a significant part of the Company's competitive strengths. The majority of these patents were developed by the Company. Most of these patents, subject to maintenance obligations, including the payment of renewal fees, have at least ten years life remaining. The Company also holds a license for the manufacture of fuel detergents. The Company has trademark registrations for the use of the name Octel(R) and for the Octagon device in Classes 1 and 4 of the "International Classification of Goods and Services for the

Purposes of the Registration of Marks" in all countries in which it has a significant market presence. Octel also has trademark registrations for Octaquest(R) in all countries in which it has a significant market presence. The Company has applications in progress for a number of other trademark registrations in several jurisdictions.

Octel America Inc., a subsidiary of the Company, has trademarks for Ortholeum(R), a lube oil additive antioxidant and metal deactivator, Ocenol(R), an antifoam for refinery use, and Valvemaster(R), a valve seat recession additive. The Company does not consider its business as a whole to be dependent on any one trademark, patent or licence.

Customers

TEL sales are made principally to the retail refinery market, which comprises independent, state or major oil company-owned refineries located throughout the world. Selling prices to major customers are negotiated under long-term supply agreements, with varying prices and terms of payment.

The Company has one significant customer whose sales represent more than ten per cent of consolidated revenues. Sales to that customer in 2002, 2001 and 2000 were $62.6 million, $80.5 million and $68.1 million, respectively.

The customers of the Specialty Chemicals business are multinational oil companies and fuel retailers. Traditionally, a large portion of the total market was captive to oil companies that had fuel additives divisions providing supplies directly to their respective refinery customers. As a result of corporate restructurings and various mergers, joint ventures and other collaborative arrangements involving downstream refining and marketing operations, the tied supply arrangements between oil companies and their captive fuel additive divisions have been weakened and many refineries are increasingly looking to purchase their fuel additive requirements on the open market. This trend is creating new opportunities for independent additive marketers such as the Company.

Competition

In the TEL market Octel competes with marketers of products and processes that provide alternative ways of enhancing octane performance in automotive gasoline. Government regulations have restricted or eliminated the use of TEL as an automotive gasoline additive in many of the largest and developed markets such as North America and Europe. As a result, worldwide demand for TEL is progressively declining as the use of unleaded gasoline becomes more widespread. On a worldwide basis Octel remains the largest TEL marketer.

The Company's Specialty Chemicals business operates in a competitive environment, with its main competitors being large oil and chemical companies. No one company holds a dominant market share. The Company considers its competitive strengths are its strong technical development capacity, independence from major oil companies and its strong long-term relationships with refinery customers.

Ethyl Agreements

The "Nature of Operations" policy in Note 1 on the Financial Statements, on page 31 of the Report, is incorporated herein by reference.

Octel supplies Ethyl on a wholesale basis with TEL for resale to customers in the United States under two separate long term supply agreements at prices adjusted annually through agreed formulas.

Technology

The Company's principal research and development facilities are located in the Fuel Technology Centre at Bletchley, UK, together with facilities at Ellesmere Port, UK. The Company's research and development activity has been, and will continue to be, focused on the development of new products and formulations for the Petroleum Specialties and the Performance Chemicals businesses. Technical customer support is also provided for the TEL business. Expenditures to support research, product/application development and technical support services to customers were $6.0 million, $5.1 million and $3.1 million in 2002, 2001 and 2000, respectively. The Company considers that its strong technical capability provides it with a significant competitive advantage. In the last three years, the Petroleum Specialties business has developed new detergent, lubricity and combustion improver products, in addition to the introduction of several new cost effective fuel additive packages. A patented process for manufacturing Octaquest(R) has enabled the Company to enter into a new market in the performance chemicals area.

Health, Safety and Environmental Matters

The Company is subject to Environmental Laws in all of the countries in which it does business. The principal Environmental Laws to which the Company is subject in the UK are the Environmental Protection Act 1990, the Water Resources Act 1991, the Health and Safety at Work Act 1974 and regulations and amendments thereto. Management believes that the Company is in material compliance with all applicable Environmental Laws, and has made appropriate provision for the continued costs of compliance with Environmental Laws. Nevertheless, there can be no assurance that changes in existing Environmental Laws, or the discovery of additional liabilities associated with the Company's current or former operations, will not have a material adverse effect on the Company's business, results of operations or financial condition.

The principal sites giving rise to environmental remediation liabilities are the former TEL operating sites at Paimboeuf in France and Doberitz and Biebenheim in Germany, together with the Ellesmere Port site in the UK, which is the last ongoing manufacturer of TEL. Remediation work is substantially complete at Paimboeuf and Biebenheim. Doberitz ceased to manufacture in March, 2002 so remediation work is still at an early stage. At Ellesmere Port there is a continuing remediation program related to those units which have closed.

We record environmental liabilities when they are probable and costs can be estimated reasonably. This involves anticipating the program of work and the associated future costs, and so involves the exercise of judgement by management. Note 11 on the Financial Statements, which quantifies environmental liabilities and provisions, is incorporated by reference.

Human Resources

The Company's workforce at December 31, 2002 consisted of 932 employees, of which 493 were in the UK. Over half of the Company's employees in the UK are represented by unions, including the Transport and General Workers Union and the Amalgamated Engineering and Electrical Union.

The Company has in place an employee communication program to help its employees understand the business issues surrounding the Company and the corporate restructuring that has been implemented to respond to declining TEL demand and to the developing Specialty Chemicals business. Regular briefings are conducted by line managers where Company-wide and departmental issues are discussed.

More formal communication takes place with the trade unions recognized by the Company for negotiating and consultative purposes.

Available Information

The Company files annual, quarterly, and current reports, proxy statements, and other documents with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934 (the Exchange Act). The public may read and copy any materials that the Company files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549, United States of America. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet website that contains reports, proxy and information statements, and other information regarding issuers, including the Corporation, that file electronically with the SEC. The public can obtain any documents that the Company files with the SEC at http://www.sec.gov.

The Company also makes available, free of charge, through its Internet website (http://www.octel-corp.com) the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC.

Item 2 Properties

A summary of the Company's principal facilities is shown in the following table. Each of these properties is owned by the Company, except where otherwise noted:-

Location	Principal Operations
Newark, Delaware, US/(1)/	Octel Corp. Headquarters
Manchester, UK/(1)/	Octel Corp. European Headquarters
Ellesmere Port, UK	Associated Octel; Business Teams; Manufacturing; Research & Development; Administration
Bletchley, UK	Fuel Technology Center
Herne, Germany/(1)/	Octel Deutschland GmbH; Manufacturing and Administration
Zug, Switzerland/(1)/	OBOAdler Limited; Sales and Administration
Karlstad, Sweden	Bycosin AB; Manufacturing and Administration
Vernon, France	Gamlen SA; Manufacturing and Administration
High Point, North Carolina, US	ProChem Chemicals Inc.; Manufacturing and Administration

/(1)/ Leased property

On January 1, 2002 the Octel Corp. headquarters relocated within Newark. Its new address is 220 Continental Drive, Newark, DE 19713. The group's TEL manufacturing site is at Ellesmere Port. Its TEL manufacturing capacity is currently 30,000 metric tons (mt) per annum. Novoktan plant at Doberitz in Germany had a capacity of 9,600 mt per annum but closed as expected in March, 2002 and is excluded from the list above. Actual annual operating levels are under review as part of management's response to the decline in TEL markets. There is also a chlorine plant (46,000 mt per annum) at Ellesmere Port, but manufacture of the main product ceased at December 31, 2002.

The group's Specialty Chemicals manufacturing capacity at Ellesmere Port comprises a detergent plant (3,500 mt per annum) and an EDDS plant (1,500 mt per annum) for the manufacture of Octaquest(R).

Item 3 Legal Proceedings

There are no material pending legal or governmental proceedings involving the Company, its subsidiaries or any of its properties. Furthermore, no director, officer or affiliate of the Company or any associate of any director or officer is involved, or has a material interest in, any proceedings which would have a material adverse effect on the Company.

Item 103 of Regulation S-K requires disclosure of administrative or judicial
proceedings arising under any federal, state or local provisions dealing with protection of the environment, if the monetary sanctions might exceed $100,000. There are currently no such proceedings.

Item 4 Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of security holders during the quarter ended December 31, 2002.

PART II

Item 5 Market for the Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is listed on the New York Stock Exchange (symbol- OTL). As of February 28, 2003 there were approximately 1,927 registered holders of the common stock.

Quarterly stock prices on page 46 of the Report are incorporated herein by reference.

Following the announcement in August, 2002 of a semi-annual dividend of 5 cents per share, the first such payment was made in September, 2002.

The borrowings entered into by the Company restrict the Company's ability to pay dividends or buy back stock. Dividend payments and stock buy-backs may only be made if the Company:
1) is in compliance with the borrowings agreements (including certain financial covenants);
2) will be compliant following the proposed payments and buy-backs, and;
3) has provided the Company's bankers with appropriate notice of the proposed payments and buy-backs.

The Company also has securities authorized for issuance under equity compensation plans. The information contained in item 12 under the heading "Shares authorized for issuance under equity compensation plans" is incorporated herein by reference.

Item 6 Selected Financial Data

The Financial Highlights on page 2 of the Report and the Quarterly Summary on page 46 of the Report are incorporated herein by reference.

The results of operations and financial condition of the group in 2001 include the effects of seven acquisitions made during the year. Note 6 on the Financial Statements is incorporated herein by reference.

Item 7 Management's Discussion and Analysis of Results of Operation and Financial Condition

The discussion on pages 18 through 23 of the Report is incorporated herein by reference.

Liquidity and financial condition

The Company's results for the year have historically been affected significantly by non-cash costs such as depreciation and amortization. In reviewing cash flows the Company has looked to EBITDA as a useful measure of the cash contribution from operations. A reconciliation between net cash provided by operating activities and EBITDA is set out in Exhibit 12.1.

The Company's principal credit facility comprises a term loan with a remaining balance of $122 million and a revolving facility of $40 million of which $25 million had been drawn down at December 31, 2002. This credit facility contains terms which, if breached, would result in the loan becoming repayable on demand. It requires, among other matters, compliance with certain financial ratio covenants, specifically an operating cash/net finance charge ratio, EBITDA/net interest expense ratio and net debt/EBITDA ratio, on a rolling twelve month basis calculated quarterly.

As reported in our September Form 10-Q, the Company was not in compliance with the operating cash/net finance charge ratio covenant under the credit facility as at September 30, 2002. However, the Company requested and received a waiver of the covenant breach under which the lenders have waived their right to all remedies resulting from this breach. The Company was in compliance with all covenants as at December 31, 2002.

The Company has been concerned about the uncertainties in Venezuela, and on their impact on the Company's ability to meet the covenant requirements of the facility in the short term. The Company has taken the opportunity to review with the bank syndicate the covenant requirements and scheduled repayments under the facility. On March 27, 2003 the Company obtained agreement to a rescheduling of debt repayments originally scheduled to take place during 2003 until later in 2003 and 2004, and to amendments to the parameters of some covenant ratios for 2003. The Company is confident that it will be in compliance with these revised terms throughout 2003.

Note 12 on the Financial Statements is incorporated herein by reference. The
projected annual maturities in Note 12 did not anticipate the rescheduling of loan repayments. The table, amended to reflect the new term loan profile, is set out below:

(in millions)	2003	$ 26.8
	2004	126.4
	2005	1.7
	2006	1.7
	2007	1.7
	Thereafter	0.9
		$159.2

Critical Accounting Policies

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses Octel's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to environmental remediation, impairment of goodwill and intangible assets, pension accounting, restructuring costs and marketing agreements with Ethyl. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Note 1 on the Notes on the Financial Statements includes a summary of the significant accounting policies and methods used in the preparation of the Financial Statements.

"Critical Accounting Policies" on pages 20 and 21 of the Report is incorporated herein by reference.

Contractual commitments

"Contractual Commitments" on page 22 of the Report, and Note 8 on the Notes to the Financial Statements, are incorporated by reference.

Item 7a Quantitative and Qualitative Disclosure About Market Risk

Information relating to the Company's exposure to market risk on pages 21, 22 and 44 of the Report is incorporated herein by reference.

Item 8 Financial Statements and Supplementary Data

The consolidated financial statements, together with the report of PricewaterhouseCoopers LLP dated February 10, 2003 and quarterly financial information, which are on pages 18 through 46 of the Report, are incorporated herein by reference. The Financial Highlights on page 2 of the Report are also incorporated herein by reference.

Item 9 Changes In and Disagreement with Accountants on Accounting and Financial Disclosures

PricewaterhouseCoopers have served as independent public accountants for fiscal year 2002. On January 1, 2003 PricewaterhouseCoopers became the limited liability partnership PricewaterhouseCoopers LLP.

PART III

Item 10 Directors and Executive Officers of the Registrant

Information under the heading "Management" set out in the proxy statement relating to the 2003 Annual Meeting of Stockholders dated May 6, 2003 ("The Proxy Statement") is incorporated herein by reference.

Item 11 Executive Compensation

The information under the heading "Executive Compensation and Other Information" in The Proxy Statement is incorporated herein by reference.

Item 12 Security Ownership of Certain Beneficial Owners and Management

The information under the heading "Security Ownership of Certain Beneficial Owners and Management" in The Proxy Statement is incorporated herein by reference.

Shares Authorized for Issuance under Equity Compensation Plans

The following table provides information regarding compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2002.

Plan Category	Number of Shares to be issued upon exercise of outstanding [options, warrants and rights]	Weighted average exercise price of outstanding [options, warrants and rights]	Number of securities remaining available for future issuance
	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,477,723	$10.69	374,665
Equity compensation plans not approved by security holders	0	0	0
Total	1,477,723	$10.69	374,665

Item 13 Certain Relationships and Related Transactions

The information under the heading " Compensation Committee Interlocks and Insider Participation" in the Proxy Statement is incorporated herein by reference.

PART IV

Item 14 Control Procedures

"Controls and Procedures" on pages 22 and 23 of the Report are incorporated by reference.

Item 15 Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) (1) Financial Statements

The Consolidated Financial Statements of Octel Corp. and its subsidiaries and related notes thereto, together with the report thereon of PricewaterhouseCoopers LLP dated February 10, 2003 appearing on pages 18 through 46 of the 2002 Annual Report to Stockholders, are incorporated by reference in Item 8.

(2) Financial Statement Schedules

All financial statement schedules have been omitted since the information required to be submitted has been included in the financial statements or because they are either not applicable or not required under the Rules of Regulations S-X.

(3) Exhibits

2.1 Transfer and Distribution Agreement, dated as of April 24, 1998, between Great Lakes Chemical Corporation ("GLCC") and the Registrant. (3)

3.1 Amended and Restated Certificate of Incorporation of the Registrant. (1)

3.2 Amended and Restated By-laws of the Registrant. (1)

4.1 Form of Common Stock Certificate. (2)

4.2 Form of Rights Agreement between the Registrant and First Chicago Trust Company of New York, as Rights Agent. (2)

4.3 Form of Certificate of Designations, Rights and Preferences of Series A Junior Participating Preferred Stock of the Registrant. (2)

4.4 Indenture dated as of May 1, 1998 among the Registrant, Octel Developments PLC and the IBJ Schroder Bank and Trust Company, as trustee. (4)

4.5 Form of 10% Senior Notes (contained in Exhibit 4.4 as Exhibit A). (4)

4.6 Registration Rights Agreement dated as of April 30, 1998 among the Registrant, Octel Developments PLC and the initial purchasers. (1)

4.7 Purchase Agreement dated as of April 30, 1998 among the Initial Purchasers, Octel Developments PLC and the Registrant. (4)

7.1 Share purchase agreement between OBOAdler Holdings Limited and The Associated Octel Company Limited relating to the sale and purchase of the whole of the issued share capital of OBOAdler Company Limited, dated June 1, 1999. (6).

7.2 $100,000,000 term loan agreement between Octel Corp., Octel Associates, Barclays Capital, Barclays Bank plc and others, dated June 3, 1999 (6).

7.3	US$250,000,000 Facilities Agreement dated 29 October, 2001 for Octel Corp. with Barclays Capital acting as mandated Lead Arranger and Barclays Bank plc acting as Agent and Security Agent.(11)
10.1	Tax Disaffiliation Agreement between GLCC and the Registrant. (1)
10.2	Corporate Services Transition Agreement between GLCC and the Registrant. (1)
10.3	Supply Agreement between GLCC and the Registrant for the supply of ethylene dibromide. (1)
10.4	Supply Agreement between GLCC and the Registrant for the Supply of anhydrous hydrogen bromide. (1)
10.5	Supply Agreement for the Supply of 10% sodium hydroxide solution. (1)
10.6	Ethyl Corporation Market and Sales Agreement. (4)
10.7	Octel Corp. Non Employee Directors Stock Option Plan. (4)
10.8	Employment Agreement between Associated Octel Limited and Steve W Williams, Geoff J Hignett, Graham M Leathes and Robert A Lee. (1)
10.9	Employment Agreement between Associated Octel Limited and Dennis J Kerrison. (1)
10.10	Agreement between GLCC and the Registrant for the Toll Manufacturing of Stadis Product. (4)
10.11	Octel Corp. Time Restricted Stock Option Plan. (3)
10.12	Octel Corp. Performance Related Stock Option Plan. (3)
10.13	Associated Octel Savings-Related Stock Option Plan. (3)
10.14	Form of Octel Corp. Approved Company Share Option Plan. (8)
10.15	Form of Octel Corp. Profit Sharing Share Scheme. (8)
10.16	Employment Agreement between The Associated Octel Company Limited and Alan G Jarvis. (9)
10.17	Employment offer letter from The Associated Octel Company Limited to John P Tayler. (9)
10.18	Consultancy Agreement between Octel Corp. and Robert E Bew. (9)
10.19	Employment offer letter from the The Associated Octel Company Limited to Ian A Watling.(10)
10.20	Employment offer letter from The Associated Octel Company Limited to Philip J Boon.(10)
10.21	Executive Services agreement, Richard Shone
10.22	Contract of Employment, Sharon Todd
10.23	Contract of Employment, Ian McRobbie
10.24	Contract of Employment, Paul Jennings
10.25	Contract of Employment, Alexander Dobbie
12.1	Statement Regarding Computation of Financial Ratios.
13.1	2002 Annual Report of Octel Corp.
13.2	Opinion of Ernst & Young LLP on 1997 Combined Financial Statements. (9)
21.1	Subsidiaries of the Registrant.
24.1	Powers of Attorney of Directors and Officers of the Registrant (4).
99.1	Consolidated Financial Statements of OBOAdler Company Limited as of June 30, 1999 and for the year then ended (7).
99.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Dennis Kerrison.
99.3	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Paul Jennings.

Notes

(1) Incorporated by reference to the Company's amendment dated April 21, 1998, to a previously filed Form 10-/A.
(2) Incorporated by reference to the Company's Form 10-/A previously filed on April 10, 1998.
(3) Incorporated by reference to the Company's amendment dated May 4, 1998 to a previously filed form 10-/A.
(4) Incorporated by reference to the Company's form S-4 previously filed on October 1, 1998.
(5) Filed with the Company's form 10Q on November 10, 1998.
(6) Filed with the Company's form 8-K on November 12, 1999.
(7) Filed with the Company's form 8-K/A on January 20, 2000.
(8) Filed with the Company's form 10-K on March 26, 1999.
(9) Filed with the Company's form 10-K on March 27, 2000.
(10) Filed with the Company's form 10-K on March 26, 2001
(11) Filed with the Company's form 10-K on March 25, 2002.

(b) Reports on Form 8-K

On August 13, 2002 the Company filed a Form 8-K regarding the adoption of a semi-annual dividend policy.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OCTEL CORP.	*By:*	*/s/ Dennis J Kerrison*
(Registrant)		*DENNIS J KERRISON*
Date:		*President, Chief Executive*
March 28, 2003		*Officer and Director*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

March 28, 2003	*/s/ Paul W Jennings* *Paul W Jennings, Vice President and Chief Financial Officer*
March 28, 2003	*/s/ Robert E Bew* *Dr Robert E Bew, Chairman and Director*
March 28, 2003	*/s/ Dennis J Kerrison* *Dennis J Kerrison, President, Chief Executive Officer and Director*
March 28, 2003	*/s/ Martin M Hale* *Martin M Hale, Director*
March 28, 2003	*/s/ Samuel A Haubold* *Samuel A Haubold, Director*
March 28, 2003	*/s/ James Puckridge* *James Puckridge, Director*
March 28, 2003	*/s/ Benito Fiore* *Dr Benito Fiore, Director*
March 28, 2003	*/s/ Charles M Hale* *Charles M Hale, Director*

CERTIFICATION BY DENNIS J KERRISON PURSUANT TO SECURITIES EXCHANGE ACT 1934 RULE 13a - 14 and 15d-14

I, Dennis J Kerrison, certify that:

1. I have reviewed this annual report on Form 10-K of Octel Corp.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ Dennis J Kerrison
--
Dennis J Kerrison
President and Chief Executive Officer

CERTIFICATION BY PAUL W JENNINGS PURSUANT TO SECURITIES EXCHANGE ACT 1934 RULE 13a - 14 and 15d-14

I, Paul W Jennings, certify that:

1. I have reviewed this annual report on Form 10-K of Octel Corp.

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

d) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

e) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

f) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

c) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

d) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ Paul W Jennings
--
Paul W Jennings
Vice President and Chief Financial Officer

EXHIBIT 10.21

DATED MAY 1998

THE ASSOCIATED OCTEL COMPANY LIMITED

- and -

RICHARD TUDOR SHONE

EXECUTIVE SERVICE AGREEMENT

DATE: 22nd May 1998

PARTIES:

1. THE ASSOCIATED OCTEL COMPANY LIMITED (registered no: 344359) whose registered office is at Suite 2, 4th Floor, Berkeley Square House, Berkeley Square, London. W1X 6DT ("the Company").

2. RICHARD TUDOR SHONE of 6 Jellicoe Close, Caldy, Wirral, Merseyside, L48 2LF ("the Executive").

OPERATIVE PROVISIONS:

1. INTERPRETATION

2.

1.1. The headings and marginal headings to the Clauses are for convenience only and have no legal effect.

1.2. Any reference in this Agreement to any Act or delegated legislation includes any statutory modification or re-enactment of it or the provision referred to.

1.3. In this Agreement:

"the Board"	means the Board of Directors of the Parent or the Company as the case may be and includes any committee of the Board duly appointed by it;
"Managing Director"	means any person or persons jointly holding such office of the Company from time to time and includes any person(s) exercising substantially the functions of a

	Managing Director or Chief Executive Officer of the Company;
"Confidential Information"	includes but is not limited to all any trade secrets, names and contact details of customers and prospective customers, purchasing and sales agents, suppliers, prices charged to or charged by the company, financial and budget information, and any other information of a confidential nature relating to the Company or any Associated Company or information which has been given to the Company or any Associated Company by a third party under a duty of confidence where such a duty has been made known to the Executive and which is not in the public domain otherwise than by breach of the Executive's duties of confidentiality to the Company.
"Corporate Information"	means all and any information (whether or not recorded in documentary form or on computer disc or tape) relating to the business methods, corporate plans, management systems, finances, business opportunities or research and development projects of the Company or any Associated Company.
"Marketing Information"	means all and any information (whether or not recorded in documentary form or on computer disc or tape) relating to the marketing or sales of any product or service of the Company or any Associated Company including without limitation sales targets and statistics, market share and pricing statistics, marketing surveys and plans, market research reports,

sales techniques, price lists, discount structures, advertising and promotional material, the names, addresses, telephone numbers, contact names and identities of customers and potential customers of and suppliers and potential suppliers to the Company or any Associated Company and the nature of their business operations, their requirements for any product or service sold to or purchased by the Company or any Associated Company and all confidential aspects of their business relationship with the Company or any Associated Company.

"Associated Company"	means a subsidiary and any other company which is for the time being a holding company (as defined by the Company Acts 1985 Section 736) of the Company or another subsidiary of any such holding company.
"Pension Scheme"	means The Associated Octel Company Limited Pension Plan.
"Parent"	means Octel Corp.

2. APPOINTMENT AND DURATION

2.1. The Parent and the Company agree to employ the Executive and the Executive hereby accepts employment with the Parent and the Company upon the terms and conditions set forth in this Agreement.

2.2. The Company appoints the Executive and the Executive agrees to serve as a Director or Officer of the Company and for any Associated Company or in such other appointment as may from time to time be agreed. The Executive accepts that the

Company may at its discretion require him to perform other duties or tasks not within the scope of his normal duties and the Executive agrees to perform those duties or undertake those tasks as if they were specifically required under this Agreement.

2.3. The appointment shall be deemed to have commenced on 22nd May 1998 and shall continue (subject to earlier termination as provided in this Agreement) until terminated by the Company giving to the Executive not less than 12 calendar months prior notice or by the Executive giving to the Company not less than 6 calendar months prior notice. The Executive's period of continuous employment with the Company began on 12th May 1997.

2.4. With the prior consent of the Executive the Company may from time to time appoint any other person or persons to act jointly with the Executive in his appointment.

2.5. The Executive warrants that by virtue of entering into this Agreement he will not be in breach of any express or implied terms or any contract with or of any other obligation to any third party binding upon him.

3. DUTIES OF THE EXECUTIVE

3.1. The Executive shall at all times during the period of this Agreement:

3.1.1. devote the whole of his time, attention and ability to the duties of his appointment save for such reasonable time as he may use for non-executive directorships of companies, which he has been authorised in writing by the Board to accept;

3.1.2. faithfully and diligently perform those duties and exercise such powers consistent with them which are from time to time assigned to or vested in him;

3.1.3. obey all lawful and reasonable directions of the Board of the Parent of the Company;

3.1.4. use his best endeavours to promote the interests of the Company;

3.1.5. keep the Managing Director promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company or any Associated Company and provide such explanations in connection therewith as the Managing Director may require;

3.1.6. not at any time make any untrue or misleading statement relating to the Company or any Associated Company;

3.1.7. inform the Managing Director promptly if he receives a solicitation from a competitor or potential competitor either on a personal or a business basis which could be prejudicial to the best interests of the Company or its Associated Companies.

4. PLACE OF WORK AND RESIDENCE

4.1. The Executive shall perform his duties at the Company's premises in Ellesmere Port and/or such other place of business of the Company as the Company may require whether inside or outside the United Kingdom but the Company shall not without his prior consent require him to go to or reside anywhere outside the United Kingdom except for occasional visits in the ordinary course of his duties, such visits not normally to exceed a period of one month.

4.2. The Executive shall at all times reside within a radius of 40 miles from his place of work from time to time. If the Company shall change his place of work such that the Executive has to relocate his residence to remain within that radius, the Company shall reimburse him his removal and other incidental expenses in accordance with its then current policy for relocation of Executives.

5. HOURS OF WORK

The Executive's hours of work are the normal hours of the Company from 9 am to 5.30 pm Monday to Friday each week together with such additional hours as may be necessary so as properly to fulfill his duties.

6. PAY

6.1. During his appointment the Company shall pay to the Executive:

6.1.1. a basic salary at the rate of (pounds)85,000 per year which shall accrue day to day and be payable by equal monthly instalments in advance according to the published schedule of payment dates. The salary shall be deemed to include any fees receivable by the Executive as a Director or Officer of the Company, or of any other Associated Company or other company unincorporated body in which he holds office as nominee or representative of the Company or an Associated Company and

6.1.2. a bonus in accordance with the corporate bonus scheme set out in Schedule 1.

6.2. The Executive's basic salary shall be reviewed by the Board on 1st January each year except in the first year and the rate of basic salary may be increased by the Company on a discretionary basis with effect from that date by such amount if any as it shall think fit. The first such review of salaries will take place on 1st January 2000.

7. PENSION

7.1. The Executive shall be entitled to be and remain a member of the Company Pension Scheme subject to the terms of its Deed and Rules from time to time details of which are at Schedule 2. The Company shall be entitled at any time to terminate the Pension Scheme or the Executive's membership of it subject to providing him with the benefit of an equivalent pension scheme ("the New Scheme") each and every benefit of which shall not be less favourable than the benefits provided to the Executive under the existing scheme and to ensuring that the Executive is fully credited in the New Scheme for his pensionable service in the existing scheme as if such pensionable service has been under the New Scheme.

7.2. For the purposes of Part III of the Pension Schemes Act 1993 there is a contracting-out certificate in force.

7.3. The Company will provide additional pension benefits which after taking account of the Executive's entitlement under the Company Pension Scheme, shall be the equivalent of 1/40th of full basic pay (as provided under Clause 6.1.1 above) irrespective of the Inland Revenue Pensions Cap for each year of pensionable service. The Executive is entitled to participate in The Associated Octel Funded Unapproved Retirement Benefits Scheme (FURBS) and The Associated Octel Top Hat Scheme (which together are hereinafter referred to as the Company Pension Plans) by which such additional pension provision referred to within this sub-Clause shall be provided.

7.4. Without prejudice to Clause 7.3, should the Executive be prevented or restricted in part or in whole by UK Inland Revenue restrictions from drawing benefits otherwise payable under the Company Pension Plans, the Company shall pay him further salary which after meeting income tax obligations shall be equivalent to the cost of providing the pension benefits denied him by such UK Inland Revenue restrictions.

7.5. The Executives accrued benefits under the Company Pension Plans shall survive termination of this Agreement, irrespective of the cause or reason for such termination.

8. INSURANCE BENEFITS

8.1. The Executive shall be entitled to participate at the Company's expense in the Company's Permanent Health Insurance scheme which provides cover for permanent sickness or disability. He will also be covered for himself, his spouse and eligible children in the Company's BUPA Scheme, subject to the rules of such schemes, details of which are available from the HR Director. The Company may choose to terminate its agreement with BUPA and provide at least equivalent benefits with an alternative supplier.

9. CAR

9.1. Subject to the Executive holding a current full driving licence a car of make, model and specification in line with current policy for executives will be provided. The policy also includes an option to trade up to a higher cost car, the additional cost of such to be borne by the Executive. The policy is available from the HR Director. At the option of the Company a non-pensionable cash allowance may be paid by monthly instalments in arrears in lieu of the provision of a Company car in line with current Company policy.

9.2. The Company shall bear all standing and running expenses of the car including fuel consumed during private use of the car throughout Europe, including holiday usage and any additional insurance costs incurred to permit the Executive to use the car outside the United Kingdom for private purposes.

9.3. The Executive shall always comply with all regulations laid down by the Company from time to time with respect to company cars; shall follow the Company policy in the case of any accidents involving his Company car, shall immediately report to the Company any driving convictions in respect of which he is disqualified from driving a motor vehicle and, on the termination of his appointment whether lawfully or unlawfully, shall forthwith return his Company car to the Company, (except as provided for in Clause 17.6.3).

10. EXPENSES

10.1. The Company shall reimburse to the Executive normally on a monthly basis all travelling, hotel, entertainment and other expenses reasonably incurred by him in the proper performance of his duties subject to the Executive complying with such guidelines or regulations issued by the Company from time to time in this respect and to the production to the Company of such vouchers or other evidence of actual payment of the expenses as the Company may reasonably require.

10.2. The Company will issue Company sponsored charge card(s) to the Executive and he shall use such card(s) only for expenses reimbursable under Clause 10.1 above, and shall return the card(s) to the Company forthwith on the termination of his employment.

11. HOLIDAY

11.1. In addition to English public holidays the Executive is entitled to 30 working days paid holiday in each holiday year which runs from 1st January to 31st December to be taken at such time or times as are agreed with the Managing Director. The Executive may, with the consent of the HR Director, carry forward up to 10 unused days from his holiday entitlement to be taken by 31st March in the subsequent holiday year.

11.2. The Executive, with the written consent of the HR Director, may bank up to 5 days per year of his holiday entitlement which can be taken immediately prior to his normal (or early) retirement date. Alternatively, the banked holiday days may be taken as sabbatical leave with the permission of the Managing Director.

11.3. For the holiday year during which his appointment commences or terminates, the Executive is entitled to two and a half working days holiday for each calendar month of his employment by the Company during that holiday year. On the termination of his appointment for whatever reason, the Executive shall be entitled to pay in lieu of outstanding holiday entitlement and shall be required to repay to the Company any salary received for holiday taken in excess of his entitlement.

12. SICKNESS

12.1. If the Executive is absent because of sickness (including mental disorder) or injury he shall report this fact forthwith to his immediate Supervisor and if the Executive is so prevented for seven or more consecutive days he shall provide a medical practitioner's statement to the HR Director on the eighth day and weekly thereafter so that the whole period of absence is certified by such statements. Immediately following his return to work after a period of absence due to incapacity the Executive shall complete a Self-Certification form available from the HR Department detailing the reason for his absence. This should be forwarded to the Staff Pay Office at Ellesmere Port by the Executive on the first day of his return to work.

12.2. If the Executive shall be absent due to sickness (including mental disorder) or injury duly certified in accordance with the provisions of Clause 12.1 hereof, he shall be paid his full remuneration hereunder for up to one month's absence in any period of twelve consecutive months and thereafter such remuneration, if any, as the Managing Director shall determine from time to time provided that such remuneration shall:-

12.2.1. never be less than the proceeds received by the Company in respect of the Executive under the Company's permanent health insurance scheme (after paying pension contributions); and

12.2.2. be inclusive of any Statutory Sick Pay to which the Executive is entitled under the provisions of the Social Security Contributions and Benefits Act 1992 and any Social Security Sickness Benefit or other benefits recoverable by the Executive (whether or not recovered) may be deducted therefrom.

12.3. If the sickness or injury of the Executive shall be or appear to be occasioned by actionable negligence of a third party in respect of which damages are or may be recoverable, the Executive shall immediately notify the Company of that fact and of any claim, compromise, settlement or judgment made or awarded in connection with it and shall give to the Company all particulars the Company may reasonably require and shall if required by the Company refund to the Company that part of any damages recovered relating to loss of earnings for the period of the incapacity as the Company may reasonably require, provided that the amount to be refunded shall not exceed the amount of damages or compensation recovered by him less any costs borne by the Executive in connection with the recovery of such damages and or compensation and shall not exceed the total remuneration paid to him by way of salary in respect of the period of absence.

12.4. For Statutory Sick Pay purposes the Executive's qualifying days shall be his normal working days.

12.5. At any time during the period of his appointment the Executive shall at the request and expense of the Company permit himself to be examined by a registered medical practitioner to be selected by the Company and shall authorise such medical practitioner to disclose to and discuss with the Company's medical adviser the result of such examination and any matters which arise from it in order that the Company's medical adviser can notify the Company of any matters which, in his opinion, might hinder or prevent the Executive (if during a period of incapacity) from returning to work for any period or (in other circumstances) from properly performing any duties of his appointment at any time.

13. ACKNOWLEDGMENTS BY THE EXECUTIVE

The Executive acknowledges:

13.1. that the Company or its Associated Companies possesses or will possess a valuable body of Confidential Information; and

13.2. that the Company or its Associated Companies will give him access to Confidential Information in order that he may carry out the duties of his employment; and

13.3. that the duties of his employment include without limitation a duty of trust and confidence and a duty to act at all times in the best interests of the Company and any Associated Company; and

13.4. that his knowledge of Confidential Information directly benefits him by enabling him to perform his management duties; and

13.5. that the disclosure of any Confidential Information to any competitor of the Company or any Associated Company or to other third parties would place the Company or any

Associated Company at a serious competitive disadvantage and would cause serious financial and other damage to their businesses; and

13.6. that the success of the business of the Company and its Associated Companies depends in part on the Executive's success and the Directors of the Company and its Associated Companies establishing business relationships with clients similar to those established and maintained by the Executive in the course of his employment.

14. RESTRICTIVE COVENANTS

14.1. The Executive shall not make use of, divulge or communicate to any person (save in the performance of his duties during the course of his employment) any trade secrets or other Confidential Information or Marketing Information of or relating to the Company or any of its Associated Companies which he may have received or obtained while in the service of the Company or any of its Associated Companies. This restriction shall continue to apply after the termination of his employment without limit in point of time and shall cease to apply to information ordered to be disclosed by a Court of competent jurisdiction or otherwise required to be disclosed by law.

14.2. Restrictions on competition

14.2.1. Within this Clause 14 the following words shall have the following meanings:

`Termination Date'shall mean the date of termination of your employment in accordance with the terms of this contract.

`Relevant Period' shall mean the twelve month period prior to and ending with the Termination Date.

`Restricted Customer' shall mean any person, firm, company or other entity who was at any time in the relevant period a customer of the Company or any Associated Company.

`Prospective Customer' shall mean any person, firm or company who was at the Termination Date negotiating with the Company or any Associated Company with a view to dealing with the Company or any Associated Company as a customer.

`Prohibited Business' shall mean any business or activity carried on by the Company or any Associated Company at the Termination Date or at any time in the Relevant Period in which you shall have been directly concerned in the course of your employment at any time in the Relevant Period.

`Protected Supplier' shall mean any supplier or prospective supplier of the Company or any Associated Company with whom you shall have had dealings in the course of your employment during the Relevant Period.

14.2.2. You shall not compete with the Company or any Associated Company during the period of twelve months after the Termination Date directly or indirectly on your own account or on behalf of or in conjunction with any person, firm or company or other organisation canvas or solicit or by any other means seek to conduct, or conduct Prohibited Business with any Restricted Customer with whom you shall have had material dealings during the course of your duties hereunder at any time in the Relevant Period or with whom and to your knowledge any employee or agent of the Company or any Associated Company shall have had material dealings in the Relevant Period.

14.2.3. You shall not compete with the Company or any Associated Company during the period of twelve months after the Termination Date directly or indirectly on your own account or on behalf of or in conjunction with any person, firm or company or other organisation canvas or solicit or by any other means seek to conduct Prohibited Business with or conduct Prohibited Business with any prospective customer with whom you shall have had material dealings in the course of your duties hereunder at any time in the Relevant Period or with whom and to your knowledge any employee or agent of the Company or any Associated Company shall have had material dealings in the Relevant Period.

14.2.4. You shall not during the period of twelve months after and during a six month period prior to the Termination Date directly or indirectly induce or seek to induce any employee being a manager or a director of the Company or any Associated Company engaged in the Prohibited Business who was such an employee at the Termination Date and with whom you shall during the Relevant Period have had material dealings in the course of your duties hereunder to leave the employment of the Company or any Associated Company whether or not this would be a breach of contract on the part of that employee.

14.2.5. You shall not during the period of twelve months after the Termination Date directly or indirectly seek to entice away from the Company or any Associated Company or otherwise solicit or interfere with the relationship between the Company or any Associated Company and any Protected Supplier.

14.2.6. Each of the restrictions contained in this Clause 11 is intended to be separate and severable. In the event that any of the restrictions shall be held void but would be valid if part of the wording thereof were deleted, such restriction shall apply with such deletion as may be necessary to make it valid and effective.

14.2.7. The Company reserves the right to update and change these conditions when circumstances dictate to reflect the changing nature of its business and protectable interests.

14.3. Each of the restrictions in each of Clauses 14.2.2 to 14.2.7 is considered by the parties to be reasonable in all the circumstances but if any such restriction shall be held by any Court to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company, the said restriction shall apply with such modifications as may be necessary to render it valid and effective.

15. INTELLECTUAL PROPERTY

You will promptly disclose to the Company and keep confidential all inventions, copyright works, designs or technical know how conceived or made by you alone or with others in the course of your employment. You will hold all such intellectual property in trust for the Company and will do everything necessary or desirable at its expense to vest the intellectual property fully in the Company and/or any Associated Company and/or to secure patent or other appropriate forms of protection for the intellectual property. Decisions as to the protection or exploitation of any intellectual property shall be in the absolute discretion of the Company.

16. COPYRIGHT

16.1. The Executive hereby assigns to the Company by way of future assignment all copyright, design right and other intellectual property rights for the full terms thereof throughout the world in respect of all copyright works and designs originated, conceived, written or made by the Executive (except only those works or designs originated, conceived, written or made by the Executive wholly outside his normal working hours which are wholly unconnected with his employment or the business of the Company) during the period of his employment by the Company.

16.2. The Executive hereby irrevocably and unconditionally waives in favour of the Company any and all moral rights conferred on him by Chapter 4 of Part I of the Copyright Designs and Patents Act 1988 for any work in which copyright or design right is vested in the Company whether by Clause 16.1 or otherwise.

16.3. The Executive shall, at the request and cost of the Company, do all things necessary or desirable to substantiate the rights of the Company or any Associated Company under Clauses 16.1 and/or 16.2.

17. TERMINATION OF AGREEMENT

17.1. Automatic Termination

This Agreement shall automatically terminate:

17.1.1. on the first day of the month following the Executive reaching his 65th birthday; or

17.1.2. if the Executive becomes prohibited by law from being a Director of the Parent; or

17.1.3. if he resigns his office as a Director of the Company; or

17.1.4. if the office of Director of the Company held by the Executive is vacated pursuant to the Company's Articles of Association save if the vacation shall be caused by illness (including mental disorder) or injury; or

17.1.5. if the Executive otherwise ceases to be a Director of the Company.

17.2. Suspension

In order to investigate a complaint against the Executive of misconduct the Company is entitled to suspend the Executive on full pay for so long as may be necessary to carry out a proper investigation and hold a disciplinary hearing.

17.3. Immediate Dismissal

The Company may by notice terminate this Agreement with immediate effect if the Executive:

17.3.1. commits any act of gross misconduct or repeats or continues (after written warning) any other serious breach of his obligations under this Agreement; or

17.3.2. is guilty of any conduct which in the reasonable opinion of the Board of the Parent brings him, or the Company or its Associated Companies into disrepute; or

17.3.3. is convicted of any criminal offence punishable with more than six months imprisonment (other than an offence under road traffic legislation in the United Kingdom or elsewhere in respect of which he is convicted and is sentenced to an immediate term of imprisonment); or

17.3.4. commits any act of dishonesty whether relating to the Company, any of its or their employees or otherwise; or

17.3.5. when he is a Director of the parent, becomes bankrupt or makes any arrangement or composition with his creditors generally; or

17.3.6. is in the reasonable opinion of the Board of the parent incompetent in the performance of his duties.

17.4. Dismissal on Short Notice

The Company may terminate this Agreement as follows notwithstanding Clause 12.2 by not less than six months' prior notice given at any time while the Executive is incapacitated by ill-health or accident from performing his duties under this Agreement and has been so incapacitated for a period or periods aggregating 100 days in the preceding twelve months. Provided that:-

17.4.1. the Company shall withdraw any such notice if during the currency of the notice the Executive returns to full time duties and provides a medical practitioner's certificate satisfactory to the Board to the effect that he has fully recovered his health and that no recurrence of his illness or incapacity can reasonably be anticipated;

17.4.2. the Company shall not exercise this right if the effect of so doing shall be to deprive the Executive of any of the benefits of the Permanent Health Insurance referred to in Clause 8.1.

17.5. Pay in lieu

Upon notice being tendered by either party to terminate this Agreement or at any time thereafter during the currency of such notice the Company shall be entitled to require the Executive to refrain from carrying out some or all of his duties during the period of such notice and to serve out such notice at his home or any of the Company's UK premises.

17.6. Change of Control

17.6.1 Termination by Company Without Cause or By Executive for Good Reason After Change of Control.

Notwithstanding any other provisions in this Agreement, if during the three- year period following a "Change of Control", the Company terminates the Executive without Cause or the Executive terminates his employment for Good Reason, then the Company shall pay the Executive an amount equal to (i) three (3) times the highest base salary in effect during the term of this Agreement and (ii) three (3) times the highest annual bonus paid during the term of this Agreement, and (iii) all amounts accrued for (a) base salary through the termination date, (b) any unpaid annual bonus for completed years, (c) accrued vacation through the termination date, and (d) business expenses through the termination date. The Company shall pay the Executive all amounts to which he is entitled under this paragraph within 10 days after the termination date. In addition, for purposes of determining the Executive's entitlement to benefits under the Company's retirement plans, the Company shall credit the Executive with three (3) additional years of service and earnings as though he had continued to work through such three-year period at the highest base salary and annual bonus paid during the term of this Agreement. If the Company is prohibited by law from crediting the Executive with such service and earnings under any qualified plan, it shall make any such incremental benefit available to him under a non-qualified supplemental plan. Where such termination takes place before 3 years service, the annual bonus multiplier will be assumed to be the target percentage for the Executive.

17.6.2. Under the circumstances described in Clause 17.6.1, all stock options previously granted to the Executive and not yet expired, will become fully and immediately vested and exercisable on the Termination Date and for 180 days thereafter. During the first 45 days of trading, a notional value of $15 per share will be assumed.

17.6.3. Under the circumstances described in Clause 17.6.1, the Company will cause title to the Executive's currently allocated car, if a car was provided by the Company at the date of the change of control, to be transferred free of charge to the Executive within ten days of the Termination Date.

17.6.4. For the purposes of Clause 17.6 "Change of Control" means a change in control of a nature that would be required to be reported in response to item 5 (f) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 of the United States of America, as amended ("Exchange Act") whether or not the Parent or the Company is then subject to such reporting requirement; provided that, without limitation, such a change in control shall be deemed to have occurred if (a) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Parent or the Company representing 20% or more of the combined voting power of the Parent's or the Company's, respectively, then outstanding securities (other than the Parent, the Company, any employee benefit plan of the Company or the Parent); and, for purposes of this Agreement, no change in control shall be deemed to have occurred as a result of the "beneficial ownership", or changes therein, of the Parent's or the Company's securities, respectively, by any of the foregoing, (b) there shall be consummated (i) any consolidation or merger of Parent or the Company in which the Parent or the Company is not the surviving or continuing corporation or pursuant to which shares of the Parent's or the Company's Common Stock, respectively, would be converted into cash, securities or other property, other than a merger of the Parent or the Company in which the holders of the Parent's Common Stock immediately prior to the merger have (directly or indirectly) at least a 70% ownership interest in the outstanding Common Stock of the surviving corporation immediately after the merger, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Parent or the Company, (c) the shareholders of the Parent approve any plan or proposal for the liquidation or dissolution of the Parent, or (d) as the result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets, proxy or consent solicitation (other than by the Board of the parent), contested election or substantial share accumulation (a "Control Transaction"), the members of the Board of the Parent immediately prior to the first public announcement relating to such Control Transaction shall thereafter cease to constitute a majority of the Board of the Parent.

17.6.5. For the purposes of Clause 17.6 "Good Reason" exists if, without the Executive's express written consent, (a) the Executive is assigned duties materially inconsistent with his present position, duties, responsibilities and status with the Company and the Parent, (b) the Company reduces the Executive's base salary as in effect on the effective date hereof or as the same may be increased from time to time, (c) the Company reduces the Executive's aggregate compensation and incentive and benefit package, (d) the Company requires the Executive regularly to perform his duties of employment beyond a forty miles radius from the location of his current place of employment, (e) the Company takes any other action which materially and adversely changes the conditions or perquisites of the Executive's employment as in effect at the time of the Change of Control,
(f) the Parent or the Company fails to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, or
(g) the Company purports to terminate the Executive's employment other than pursuant to a Notice of Termination which satisfies the requirements of Clause 17.6 (and, for purposes of this Agreement, no such purported termination shall be effective).

17.6.6. For the purposes of Clause 17.6 "Cause" means (a) the Executive's conviction of any criminal violation involving dishonesty, fraud or breach of trust, or (b) the Executive's willful engagement in gross misconduct in the performance of his duties that materially injures the Company. For purposes of this definition, no act or failure to act on the Executive's part shall be considered "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that his action or omission was in the best interest of the Company or its Subsidiaries.

17.6.7. For the purposes of Clause 17.6 "Without Cause" means an involuntary termination of the Executive's employment by the Company other than for cause (defined in Clause 17.6.6.) or due to the Executive's death or disability.

17.6.8. Default of Payment. Any payment not made within ten days after it is due in accordance with this Agreement shall thereafter bear interest, compounded annually, at an interest rate equal to the prime rate from time to time in effect at the Barclays Bank interest rate plus two percent (2%).

17.6.9. The Executive will not be required to mitigate the amount of any payment or benefits provided for in Clauses 17.6.1, 17.6.2 and 17.6.3 by seeking other employment, nor shall those amounts be reduced by any payments or benefits received after the Termination Date from another employer.

17.7. Miscellaneous

On tendering notice by either party, or at any time thereafter, the Executive shall at the request of the Company:

17.7.1. resign (without prejudice to any claims which the Executive may have against any Company arising out of this Agreement or the termination thereof) from all and any offices which he may hold as a Director of the Company or any Associated Companyand from all other appointments or offices which he holds as nominee or representative of the Companyor any Associated Company; and

17.7.2. transfer without payment to the Company or as the Company may direct any qualifying shares provided by it to him; and if he should fail to do so within seven days the Company is hereby irrevocably authorised to appoint some person in his name and on his behalf to sign any documents or do any things necessary or requisite to effect such resignation(s) and/or transfer(s).

18. DISCIPLINARY AND GRIEVANCE PROCEDURE

18.1. The Executive is subject to the Company's disciplinary rules and procedure, details of which are contained in the Company's Handbook, but the Executive has no contractual entitlement in this respect.

18.2. If the Executive has any grievance relating to his employment (other than one relating to a disciplinary decision) he should refer such grievance to the Managing Director and if the grievance is not resolved it will be referred to the Board of the Parent for resolution.

19. GENERAL

19.1. Collective Agreements

There are no collective agreements currently in force applicable to the Executive's employment.

19.2. Reconstruction and amalgamation

If the Executive's employment hereunder shall be terminated by reason of the liquidation of the Company for the purposes of reconstruction or amalgamation then the Executive shall be offered employment with any concern or undertaking resulting from such reconstruction or amalgamation on terms and conditions not less favourable than the terms of this Agreement as then in operation and the Executive shall have no claim against the Company in respect of the termination of his employment hereunder by reason of liquidation for such purposes.

19.3. Prior agreements

This Agreement sets out the entire agreement and understanding of the parties and is in substitution for any previous contracts of employment or for services between the Company or any of its Group Companies and the Executive (which shall be deemed to have been terminated by mutual consent).

19.4. Accrued rights

The expiration or termination of this Agreement however arising shall not operate to affect such of the provisions of this Agreement as are expressed to operate or have effect after then and shall be without prejudice to any accrued rights or remedies of the parties.

19.5. Proper law

The validity construction and performance of this Agreement shall be governed by English law.

19.6. Acceptance of jurisdiction

All disputes claims or proceedings between the parties relating to the valid construction or performance of this Agreement shall be subject to the non-exclusive jurisdiction of the High Court of Justice in England and Wales ("the High Court") to which the parties irrevocably submit.

19.7. Notices

Any notice to be given by a party under this Agreement must be in writing and must be given by delivery at or sending first class post or other faster postal service, or facsimile transmission or other means of telecommunication in permanent written form (provided the addressee has facilities for receiving such transmissions) to the last known postal address or relevant telecommunications number of the other party. Where notice is given by sending in a prescribed manner it shall be deemed to have been received when in the ordinary course of the means of transmission it would be received by the addressee. To prove the giving of a notice it shall be sufficient to show it was despatched. A notice shall have effect from the sooner of its actual or deemed receipt by the addressee.

IN WITNESS whereof the Executive and the Company have executed this document as a Deed the day and year first before written

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SIGNED AND DELIVERED AS A DEED          )
by the Executive in the presence of:    )
```

```
EXECUTED AND DELIVERED AS A DEED        )
by the Company acting by:               )
```

Director: _________________________________

Director/Secretary: _______________________

in the presence of: _______________________

[LOGO] OCTEL

EXHIBIT 10.22

NEW EMPLOYEE'S NAME SHARON TODD

CONTRACT OF EMPLOYMENT

This document constitutes a formal offer of employment.

Please read details carefully, then indicate your acceptance of this offer by signing, dating and returning this copy to me.

An additional copy for your retention is enclosed.

Date 21st August 2001

1. NAME OF PARTIES

	EMPLOYER:	The Associated Octel Company Limited
	EMPLOYEE:	Sharon Todd
2.	Your Job Title is:	Corporate Development Director

3. Your Normal Place of Work will be: Global House Bailey Lane Manchester M90 4AA

You will initially be employed at our European Headquarters in Global House, but as a term of your employment you may also be required to work at or from any other of the Company's establishments. You may also be transferred or seconded between establishments when necessary as required by business needs. Whilst your Contract of Employment provides for such transfer or secondment the Company will give careful and sympathetic consideration to your personal circumstances and career interests.

4. REMUNERATION

i) Your basic salary will be (Pounds)80,001 per annum paid monthly in advance by credit transfer. This will be reviewed six months after starting and every March thereafter.

ii) You will be entitled to participate in the Senior Management Bonus Plan In your case, the target pay-out would be 40% of basic salary, subject to Company and personal performance. The Plan normally runs from 1st January to 31st December.

5. HOURS OF WORK

The normal hours of work are 38 hours per week exclusive of lunch breaks.

The Company reserves the right to vary starting and finishing times either on a temporary or continuous basis. Any permanent departure from the normal working week will be notified in writing. However, irregular variations in working hours undertaken in response to operational needs will not be formally notified.

For senior managers it is recognised that the nature of their roles will involve occasionally working extended hours, either during the working week or at weekends. This is accepted as a normal part of the working life of a global business and does not warrant either extra payment or time off in lieu. Where a specific business reason requires working on a public holiday, time off in lieu on a day to day basis may be granted by a member of the OMB.

6. COMPANY CAR

You will be provided with a fully expensed Company car, including private fuel. You may take a cash equivalent in lieu of a car. Currently the allowance is (Pounds)8850 per annum. Will you please advise Wendy Thomas in Human Resources of your preferred option.

7. HOLIDAYS

For a full year your holiday entitlement is 25 days per annum. The holiday year runs from 1st March to the last day in February the following year.

Service Related Holidays
You shall be entitled to additional holiday entitlement dependent upon completed years of continuous service with the Company on the last day of February prior to the holiday year concerned with the following scale:

Completed Years' Service	Additional Holidays
5	1 day
10	2 days
15	3 days

You must arrange the timing of your holidays with your manager so that adequate manning cover can be maintained. The minimum holiday that may be taken at any time shall normally be one full day. However, you may be permitted to take up to 10 half day holidays in any year, or to depart from the normal pattern of holidays described above, provided your manager is satisfied that such arrangement is in no way detrimental to operational needs or to the reasonable opportunity for other staff to take a holiday.

The Company may, if necessary, nominate up to 1 day out of each year's entitlement when holiday must be taken. This may be on a general or departmental basis and advance notice will be given wherever possible. Any holiday entitlement outstanding at the end of the holiday year will normally be forfeited. However, in exceptional circumstances approval to carry over part of the entitlement from one holiday year to the next may be granted by the appropriate Octel Management Board Member, on the recommendation of the Department Manager. During the months of January and February each year, staff may bring forward up to 5 days entitlement from the ensuring holiday year, by agreement with their manager.

8. NOTICE

The Company has the right to terminate your employment by giving you twelve months notice in writing. This will not apply in the event of gross misconduct. You are required to give the Company six months notice in writing of termination of employment. Written notice of termination addressed to your manager, may be given on any day and will begin from the start of the following day. Failure to give proper notice constitutes a breach of contractual obligations.

The Company will normally require dismissed employees to terminate forthwith and may give pay in lieu of notice. Staff may, however, be summarily dismissed (i.e. without pay in lieu of notice) when the Company is satisfied that an individual is guilty of gross misconduct.

Should the need arise for redundancies to be declared, the Company reserves the right to implement a system for selection based upon principles other than `last-in, first-out'.

9. HEALTHCARE BENEFITS

You will be entitled to the following healthcare benefits:

Group Accident Insurance
You will be covered by the Company's Group Accident Insurance. The Company's Insurance Department will be writing to you giving details of the Scheme.

Octel Healthcare Scheme
You are entitled to membership at Company cost. This is a taxable benefit.

10. SICKNESS ABSENCE

The Company's scheme entitles you to payment of salary in respect of any period of up to one month's absence from work because of certified sickness or incapacity.

11. MEDICAL EXAMINATIONS

Employees may be required to submit to medical examinations, including biological sampling, which are either statutorily required, or are considered by the Company's Medical Officer to be necessary in connection with their duties.

Any other investigations will be conducted on a purely voluntary basis.

Should an employee, at any time, have been in contact with a person suffering from an infectious disease, they should consult the Company's Medical Officer before returning to work.

12. PENSION

The Company operates a defined contribution Group Personal Pension for the benefit of employees.

Membership of this scheme is available to all U.K. employees up to the Company's normal retirement date.

The main feature of the plan comprises 5% of salary from employees and 5% from the Company. The Company will also match extra contributions from employees up to a maximum of 3% (up to age 35) and 5% (over the age of 35), dependent on Inland Revenue limits.

In recognition of your seniority, the Company will also make an extra 3.5% payment into the Plan; therefore making a minimum Company contribution of 8.5%.

13. INVENTIONS

If at any time whilst employed by the Company a member of staff should invent, discover or devise individually or jointly with another person (s) any invention, design or improvement (collectively called `the invention'), then the Company's and Employee's rights to such invention(s) are governed by current patent legislation.

The legislation provides for employee inventions whether patentable or not, made in the course of an individual's normal duties to belong to the Company. In such cases the employee must promptly disclose the invention to the Company. Inventions not connected with an employee's work or duties belong exclusively to the employee. A further provision generally entitles employees to compensation when an invention they have made and which belongs to the Company is patented and that patent is of outstanding benefit to the Company.

The Company's Patents Committee, in reviewing the particulars of employees' inventions, will take due account of the statutory provisions relating to inventions, Patents and Trade Marks. If you need further guidance on this section please consult your manager.

14. SECRECY

You must not make use of or disclose (either during the period of your employment by the Company or at any later date) any information concerning the business of the Company, which for the purpose of this paragraph means and includes any company or partnership subsidiary to or associated with it, or any of its customers except as may be necessary in the proper execution of your duties on behalf of the Company or with the prior written consent of the Company or to the extent that such information may be generally available to the public.

CONDITIONS OF THIS OFFER

This offer of employment is conditional upon the following conditions being met:

. Your satisfactory completion of a Company medical examination.

. Receipt of 2 satisfactory references - One of which must by your current/last employer. (We will not approach your current employer until you have given us permission to do so).

. Mutual agreement on a Starting date.

Acceptance:

Please ensure you read this document and sign below to acknowledge receipt and acceptance of the proposed contract as the terms and conditions governing your employment with The Associated Octel Company Limited.

Signed: _______________________________ Date: _____________________________

[LOGO] 0CTEL

EXHIBIT 10.23

NEW EMPLOYEE'S NAME Dr Ian McRobbie

CONTRACT OF EMPLOYMENT

This document constitutes a formal offer of employment.

Please read details carefully, then indicate your acceptance of this offer by signing, dating and returning this copy to me.

An additional copy for your retention is enclosed.

Date 13th August 2001

1. NAME OF PARTIES

	EMPLOYER:	The Associated Octel Company Limited
	EMPLOYEE:	Dr Ian McRobbie
2.	Your Job Title is:	Chief Technology Officer

3. Your Normal Place of Work will be: Global House Bailey Lane Manchester M90 4AA

You will initially be employed at Global House, but as a term of your employment you may also be required to work at or from any other of the Company's establishments. You may also be transferred or seconded between establishments when necessary as required by business needs. Whilst your Contract of Employment provides for such transfer or secondment the Company will give careful and sympathetic consideration to your personal circumstances and career interests.

4. REMUNERATION

i) Your basic salary will be (Pounds)94,401 per annum paid monthly in advance by credit transfer. This will be reviewed on 1st March 2002 and every March thereafter.

ii) You will be entitled to participate in the Management Incentive Compensation Plan. In your case, the target pay-out would be 40% of basic salary, subject to Company and personal performance. The Plan normally runs from 1/st/ January to 31/st/ December.

5. HOURS OF WORK

The normal hours of work are 38 hours per week exclusive of lunch breaks.

The Company reserves the right to vary starting and finishing times either on a temporary or continuous basis. Any permanent departure from the normal working week will be notified in writing. However, irregular variations in working hours undertaken in response to operational needs will not be formally notified.

For senior managers, it is recognised that the nature of their roles will involve occasionally working extended hours, either during the working week or at weekends. This is accepted as a normal part of the working life of a global business and does not warrant either extra payment or time off in lieu. Where a specific business reason requires working on a public holiday, time off in lieu on a day to day basis may be granted by a member of the OMB.

6. COMPANY CAR

You will be provided with a fully expensed Company car, including private fuel. You may take a cash equivalent in lieu of a car. Currently the allowance is (Pounds)8,850 per annum. Will you please advise Wendy Thomas in Human Resources of your preferred option.

7. HOLIDAYS

For a full year your holiday entitlement is 25 days per annum. The holiday year runs from 1st March to the last day in February the following year.

Service Related Holidays

You shall be entitled to additional holiday entitlement dependent upon completed years of continuous service with the Company on the last day of February prior to the holiday year concerned with the following scale:

Completed Years' Service	Additional Holidays
5	1 day
10	2 days
15	3 days

You must arrange the timing of your holidays with your manager so that adequate manning cover can be maintained. The minimum holiday that may be taken at any time shall normally be one full day. However, you may be permitted to take up to 10 half day holidays in any year, or to depart from the normal pattern of holidays described above, provided your manager is satisfied that such arrangement is in no way detrimental to operational needs or to the reasonable opportunity for other staff to take a holiday.

The Company may, if necessary, nominate up to 1 day out of each year's entitlement when holiday must be taken. This may be on a general or departmental basis and advance notice will be given wherever possible. Any holiday entitlement outstanding at the end of the holiday year will normally be forfeited. However, in exceptional circumstances approval to carry over part of the entitlement from one holiday year to the next may be granted by the appropriate Octel Management Board Member, on the recommendation of the Department Manager. During the months of January and February each year, staff may bring forward up to 5 days entitlement from the ensuring holiday year, by agreement with their manager.

8. NOTICE

The Company has the right to terminate your employment by giving you twelve months notice in writing. This will not apply in the event of gross misconduct. You are required to give the Company six months notice in writing of termination of employment. Written notice of termination addressed to your manager, may be given on any day and will begin from the start of the following day. Failure to give proper notice constitutes a breach of contractual obligations.

The Company will normally require dismissed employees to terminate forthwith and may give pay in lieu of notice. Staff may, however, be summarily dismissed (i.e. without pay in lieu of notice) when the Company is satisfied that an individual is guilty of gross misconduct.

Should the need arise for redundancies to be declared, the Company reserves the right to implement a system for selection based upon principles other than `last-in, first-out'.

9. HEALTHCARE BENEFITS

You will be entitled to the following healthcare benefits:

Group Accident Insurance

You will be covered by the Company's Group Accident Insurance. The Company's Insurance Department will be writing to you giving details of the Scheme.

Octel Healthcare Scheme

You are entitled to membership for your spouse as well as yourself at Company cost. This is a taxable benefit.

11. SICKNESS ABSENCE

The Company's scheme entitles you to payment of salary in respect of any period of up to one month's absence from work because of certified sickness or incapacity.

12. PERMANENT HEALTH INSURANCE

You will be entitled, at the Company's expense, to benefit from the Company's Permanent Health Insurance Scheme, which provides cover for permanent sickness and disability.

13. MEDICAL EXAMINATIONS

Employees may be required to submit to medical examinations, including biological sampling, which are either statutorily required, or are considered by the Company's Medical Officer to be necessary in connection with their duties.

Any other investigations will be conducted on a purely voluntary basis.

Should an employee, at any time, have been in contact with a person suffering from an infectious disease, they should consult the Company's Medical Officer before returning to work.

14. PENSION

The Company operates a pension scheme for the benefit of employees.

Membership of the Scheme is available to all established employees who are less than 60 years of age.

The Plan provides retirement pensions and other benefits through a Fund which is held under a Trust Deed in order to protect the rights of members. The Plan is approved by the Inland Revenue so your contributions are allowable for income tax relief at source. Currently, employee contributions are set at 2% of pensionable salary.

The benefits of the Plan are based on Final Salaries with a normal retirement date of the first day of the month next following attainment of age 65 with voluntary early retirement available, subject to service, from age 55.

A supplement to your package will be agreed with you in the event that your salary exceeds the pensions cap.

All members of the Company's Pension Plan are contracted-out of the State Earning Related Pension Scheme (SERPS).

Details are set out in the attached document but if you require any further information concerning your pension arrangements you should contact the Human Resources Department at Ellesmere Port.

Senior Management Pension Scheme

You will be able to participate in the Company's Senior Management Scheme, which is a non-contributory money purchase plan designed to provide you in conjunction with the Company Pension Plan the equivalent of a total of 1/45/th/ of your pensionable salary for each year of service.

15. INVENTIONS

If at any time whilst employed by the Company a member of staff should invent, discover or devise individually or jointly with another person (s) any invention, design or improvement (collectively called the invention'), then the Company's and Employee's rights to such invention(s) are governed by current patent legislation.

The legislation provides for employee inventions whether patentable or not, made in the course of an individual's normal duties to belong to the Company. In such cases the employee must promptly disclose the invention to the Company. Inventions not connected with an employee's work or duties belong exclusively to the employee. A further provision generally entitles employees to compensation when an invention they have made and which belongs to the Company is patented and that patent is of outstanding benefit to the Company.

The Company's Patents Committee, in reviewing the particulars of employees' inventions, will take due account of the statutory provisions relating to inventions, Patents and Trade Marks. If you need further guidance on this section please consult your manager.

16. SECRECY

You must not make use of or disclose (either during the period of your employment by the Company or at any later date) any information concerning the business of the Company, which for the purpose of this paragraph means and includes any company or partnership subsidiary to or associated with it, or any of its customers except as may be necessary in the proper execution of your duties on behalf of the Company or with the prior written consent of the Company or to the extent that such information may be generally available to the public.

CONDITIONS OF THIS OFFER

This offer of employment is conditional upon the following conditions being met:

. Your satisfactory completion of a Company medical examination.

. Receipt of 2 satisfactory references - One of which must by your current/ last employer. (We will not approach your current employer until you have given us permission to do so).

. Mutual agreement on a Starting date.

Acceptance:

Please ensure you read this document and sign below to acknowledge receipt and acceptance of the proposed contract as the terms and conditions governing your employment with The Associated Octel Company Limited.

Signed:___________________________ Date:___________________________

Signed:___________________________ Date:___________________________

[LOGO] OCTEL

EXHIBIT 10.24

EMPLOYEE'S NAME: PAUL JENNINGS

CONTRACT OF EMPLOYMENT

This document constitutes a formal offer of employment.

Please read details carefully, then indicate your acceptance of this offer by signing, dating and returning this copy to me.

An additional copy for your retention is enclosed.

Your employment and the terms of this contract will commence on 18/th/ November 2002

1. NAME OF PARTIES

	EMPLOYER:	The Associated Octel Company Limited
	EMPLOYEE:	PAUL JENNINGS
2.	Your Job Title is:	VICE PRESIDENT & CHIEF FINANCIAL OFFICER

3. Your Normal Place of Work will be: Global House, Manchester

You will initially be employed at our Manchester office, but as a term of your employment you may also be required to work at or from any other of the Company's establishments. You may also be transferred or seconded between establishments when necessary as required by business needs. Whilst your Contract of Employment provides for such transfer or secondment the Company will give careful and sympathetic consideration to your personal circumstances and career interests.

4. REMUNERATION

i) Your basic salary will be (Pounds)165,000 per annum paid monthly in advance by credit transfer. This will be reviewed on 1st March 2003 and every March thereafter.

ii) You will be entitled to participate in the Senior Management Bonus Plan. In your case, the target pay-out would be 40% of basic salary, subject to Company and personal performance. The Plan normally runs from 1/st/ January to 31/st/ December.

5. HOURS OF WORK

The normal hours of work are 38 hours per week exclusive of lunch breaks.

The Company reserves the right to vary starting and finishing times either on a temporary or continuous basis. Any permanent departure from the normal working week will be notified in writing. However, irregular variations in working hours undertaken in response to operational needs will not be formally notified.

For senior managers, it is recognised that the nature of their roles will involve occasionally working extended hours, either during the working week or at weekends. This is accepted as a normal part of the working life of a global business and does not warrant either extra payment or time off in lieu. Where a specific business reason requires working on a public holiday, time off in lieu on a day to day basis may be granted by a member of the Octel Management Board.

6. COMPANY CAR

You will be provided with a fully expensed Company car, including private fuel. You may take a cash equivalent in lieu of a car. Currently the allowance is (Pounds)13,650 per annum. Will you please advise Wendy Thomas in Human Resources of your preferred option.

7. HOLIDAYS

For a full year your holiday entitlement is 25 days per annum. The holiday year runs from 1st March to the last day in February the following year.

Service Related Holidays
You shall be entitled to additional holiday entitlement dependent upon completed years of continuous service with the Company on the last day of February prior to the holiday year concerned with the following scale:

Completed Years' Service	Additional Holidays
5	1 day
10	1 day
15	1 day

You must arrange the timing of your holidays with your manager so that adequate manning cover can be maintained. The minimum holiday that may be taken at any time shall normally be one full day. However, you may be permitted to take up to 10 half day holidays in any year, or to depart from the normal pattern of holidays described above, provided your manager is satisfied that such arrangement is in no way detrimental to operational needs or to the reasonable opportunity for other staff to take a holiday.

The Company may, if necessary, nominate up to 1 day out of each year's entitlement when holiday must be taken. This may be on a general or departmental basis and advance notice will be given wherever possible. Any holiday entitlement outstanding at the end of the holiday year will normally be forfeited. However, in exceptional circumstances approval to carry over part (5 days maximum) of the entitlement from one holiday year to the next may be granted by the appropriate Octel Management Board Member, on the recommendation of the Department Manager and HR Department. During the months of January and February each year, staff may bring forward up to 5 days entitlement from the ensuing holiday year, by agreement with their manager.

8. NOTICE

The Company has the right to terminate your employment by giving you twelve months notice in writing. This will not apply in the event of gross misconduct. You are required to give the Company six months notice in writing of termination of employment. Written notice of termination addressed to your manager, may be given on any day and will begin from the start of the following day. Failure to give proper notice constitutes a breach of contractual obligations.

The Company will normally require dismissed employees to terminate forthwith and may give pay in lieu of notice. Staff may, however, be summarily dismissed (i.e. without pay in lieu of notice) when the Company is satisfied that an individual is guilty of gross misconduct.

Should the need arise for redundancies to be declared, the Company reserves the right to implement a system for selection based upon principles other than `last-in, first-out'.

9. HEALTHCARE BENEFITS

You will be entitled to the following healthcare benefits:

Group Accident Insurance
You will be covered by the Company's Group Accident Insurance. The Company's Insurance Department will be writing to you giving details of the Scheme.

Octel Healthcare Scheme
You are entitled to membership for your spouse as well as yourself at Company cost. This is a taxable benefit.

10. SICKNESS ABSENCE

The Company's scheme entitles you to payment of salary in respect of any period of up to one month's absence from work because of certified sickness or incapacity.

11. MEDICAL EXAMINATIONS

Employees may be required to submit to medical examinations, including biological sampling, which are either statutorily required, or are considered by the Company's Medical Officer to be necessary in connection with their duties.

Any other investigations will be conducted on a purely voluntary basis.

Should an employee, at any time, have been in contact with a person suffering from an infectious disease, they should consult the Company's Medical Officer before returning to work.

12. PENSION

The Company operates a defined contribution Group Personal Pension for the benefit of employees.

Membership of this scheme is available to all UK employees up to the Company's normal retirement date.

The Company will contribute 9% of salary up to the salary cap ((Pounds)97,200) and you will pay 5%. The Company will then match 100% up to the Inland Revenue maximum (i.e., a total of 17.5% of salary). Above the cap you will be eligible to join a plan in which the Company will contribute 20% of salary above the cap, or provide a salary supplement of the same level.

13. INVENTIONS

If at any time whilst employed by the Company a member of staff should invent, discover or devise individually or jointly with another person (s) any invention, design or improvement (collectively called 'the invention'), then the Company's and Employee's rights to such invention(s) are governed by current patent legislation.

The legislation provides for employee inventions whether patentable or not, made in the course of an individual's normal duties to belong to the Company. In such cases the employee must promptly disclose the invention to the Company. Inventions not connected with an employee's work or duties belong exclusively to the employee. A further provision generally entitles employees to compensation when an invention they have made and which belongs to the Company is patented and that patent is of outstanding benefit to the Company.

The Company's Patents Committee, in reviewing the particulars of employees' inventions, will take due account of the statutory provisions relating to inventions, Patents and Trade Marks. If you need further guidance on this section please consult your manager.

14. SECRECY

You must not make use of or disclose (either during the period of your employment by the Company or at any later date) any information concerning the business of the Company, which for the purpose of this paragraph means and includes any company or partnership subsidiary to or associated with it, or any of its customers except as may be necessary in the proper execution of your duties on behalf of the Company or with the prior written consent of the Company or to the extent that such information may be generally available to the public.

15. PERSONAL DATA

Octel needs to keep information about you for purposes connected with your employment. The sort of information we will hold includes information for payroll purposes, references, contact names and addresses and other personal details relating to your career with us. Some of this information may also be processed by other organisations on our behalf.

We believe these uses are consistent with the principles of the Data Protection Act 1998. The information we hold will be for our management and administrative use only but we may, from time to time, need to disclose some information we hold about you to relevant third parties (eg The Inland Revenue). We may also transfer information about you to another Octel company/location (which may be outside of the European Economic Area) solely for purposes connected with your career or the management of our business. You agree to us keeping the information for these purposes throughout your employment and following its termination.

You also agree to us keeping information about your health for the purposes of compliance with our health and safety and occupational health obligations; considering how your health affects your ability to do your job and, if you are or become disabled, whether you require any reasonable adjustments to be made to assist you at work; or in relation to the administration of insurance, pension, sick pay and any other related benefits in force from time to time.

You agree to us holding details of any unspent convictions that may affect your suitability for employment in addition to any other personal data we require to ensure compliance with our Equal Opportunities Policy (eg race and/or ethnic origin).

16. STOCK OPTIONS

You will be eligible to participate in the executive Stock Option Plan which is determined annually by the Compensation Committee of the Board.

17. RELOCATION

The Company will cover the costs of the sale of the US property and purchase in the UK as detailed in the Relocation Policy for New Starters. A 10% disturbance allowance will apply. Any resulting personal tax liability will be paid by the Company.

CONDITIONS OF THIS OFFER

This offer of employment is conditional upon the following conditions being met:

. Your satisfactory completion of a Company medical examination.

. Receipt of 2 satisfactory references - One of which must by your current/last employer. (We will not approach your current employer until you have given us permission to do so).

. Sight of your birth certificate and copies of qualification certificates for our records.

Acceptance:

Please ensure you read this document and sign below to acknowledge receipt and acceptance of the proposed contract as the terms and conditions governing your employment with The Associated Octel Company Limited.

Signed: ____ Date: ____________________ On behalf of the Company

Signed: ____ Date: ____________________

[LOGO] OCTEL

EXHIBIT 10.25

EMPLOYEE'S NAME: DR ALEXANDER A. DOBBIE

CONTRACT OF EMPLOYMENT

This document constitutes a formal offer of employment.

Please read details carefully, then indicate your acceptance of this offer by signing, dating and returning this copy to me.

An additional copy for your retention is enclosed.

8/th/ October 2002

1. NAME OF PARTIES

	EMPLOYER:	The Associated Octel Company Limited
	EMPLOYEE:	DR ALEXANDER A. DOBBIE
2.	Your Job Title is:	VICE-PRESIDENT, OCTEL CORP. and MANAGING DIRECTOR - PETROLEUM SPECIALTIES BUSINESS UNIT
	Reporting to :	PRESIDENT AND CHIEF EXECUTIVE OFFICER

3. Your Normal Place of Work will be:

You will initially be employed at our Ellesmere Port site, but as a term of your employment you may also be required to work at or from any other of the Company's establishments. You may also be transferred or seconded between establishments when necessary as required by business needs. Whilst your Contract of Employment provides for such transfer or secondment the Company will give careful and sympathetic consideration to your personal circumstances and career interests.

4. REMUNERATION

i) Your basic salary will be (Pounds)175,000 per annum paid monthly in advance by credit transfer. This will be reviewed on 1st January 2004, Ist March 2005 and every March thereafter.

ii) You will be entitled to participate in the Senior Management Bonus Plan In your case, the target pay-out would be 40 % of basic salary, subject to Company and personal performance. The Plan normally runs from 1/st/ January to 31/st/ December.

5. HOURS OF WORK

The normal hours of work are 38 hours per week exclusive of lunch breaks.

The Company reserves the right to vary starting and finishing times either on a temporary or continuous basis. Any permanent departure from the normal working week will be notified in writing. However, irregular variations in working hours undertaken in response to operational needs will not be formally notified.

For senior managers, it is recognised that the nature of their roles will involve occasionally working extended hours, either during the working week or at weekends. This is accepted as a normal part of the working life of a global business and does not warrant either extra payment or time off in lieu. Where a specific business reason requires working on a public holiday, time off in lieu on a day to day basis may be granted by a member of the Octel Management Board.

The company recognises that you have commitments to other businesses as a result of your recent activities and it agrees that you can continue with these activities for up to 2 days per month provided, of course, that such activities are compatible with, and do result in a conflict of interest with, your responsibilities as an officer of the company.

6. COMPANY CAR

You will be provided with a fully expensed Company car (Lexus LS430 or equivalent) including private fuel. You may take a cash equivalent in lieu of a car. Currently the allowance is (Pounds)13,650 per annum. Will you please advise Wendy Thomas in Human Resources of your preferred option.

7. HOLIDAYS

For a full year your holiday entitlement is 25 days per annum. The holiday year runs from 1st March to the last day in February the following year.

Service Related Holidays

You shall be entitled to additional holiday entitlement dependent upon completed years of continuous service with the Company on the last day of February prior to the holiday year concerned with the following scale:

Completed Years' Service	Additional Holidays
5	1 day
10	1 day
15	1 day

You must arrange the timing of your holidays with your manager so that adequate manning cover can be maintained. The minimum holiday that may be taken at any time shall normally be one full day. However, you may be permitted to take up to 10 half day holidays in any year, or to depart from the normal pattern of holidays described above, provided your manager is satisfied that such arrangement is in no way detrimental to operational needs or to the reasonable opportunity for other staff to take a holiday.

The Company may, if necessary, nominate up to 1 day out of each year's entitlement when holiday must be taken. This may be on a general or departmental basis and advance notice will be given wherever possible. Any holiday entitlement outstanding at the end of the holiday year will normally be forfeited. However, in exceptional circumstances approval to carry over part (5 days maximum) of the entitlement from one holiday year to the next may be granted by the appropriate Octel Management Board Member, on the recommendation of the Department Manager and HR Department. During the months of January and February each year, staff may bring forward up to 5 days entitlement from the ensuing holiday year, by agreement with their manager.

8. NOTICE

The Company has the right to terminate your employment by giving you twelve months notice in writing. This will not apply in the event of gross misconduct. You are required to give the Company six months notice in writing of termination of employment. Written notice of termination addressed to your manager, may be given on any day and will begin from the start of the following day. Failure to give proper notice constitutes a breach of contractual obligations.

The Company will normally require dismissed employees to terminate forthwith and may give pay in lieu of notice. Staff may, however, be summarily dismissed (i.e. without pay in lieu of notice) when the Company is satisfied that an individual is guilty of gross misconduct.

Should the need arise for redundancies to be declared, the Company reserves the right to implement a system for selection based upon principles other than 'last-in, first-out'.

In the event of a takeover or merger of the company, you will have an option to terminate your contract by giving one month's notice of termination, provided this termination is notified by you within 6 months of the takeover or merger date. If you take up this option, you will be entitled to compensation for loss of office from the company equivalent to your contractual entitlement (12 months salary, benefits and on target bonus, plus immediate vesting of any outstanding options) as if the company had terminated your contract.

9. HEALTHCARE BENEFITS

You will be entitled to the following healthcare benefits:

Group Accident Insurance

You will be covered by the Company's Group Accident Insurance. The Company's Insurance Department will be writing to you giving details of the Scheme.

Octel Healthcare Scheme

You are entitled to membership for your spouse, yourself and your children up to the age of 18 (or 21 if in full time education) at Company cost. This is a taxable benefit.

10. SICKNESS ABSENCE

The Company's scheme entitles you to payment of salary in respect of any period of up to one month's absence from work because of certified sickness or incapacity.

11. MEDICAL EXAMINATIONS

Employees may be required to submit to medical examinations, including biological sampling, which are either statutorily required, or are considered by the Company's Medical Officer to be necessary in connection with their duties.

Any other investigations will be conducted on a purely voluntary basis.

Should an employee, at any time, have been in contact with a person suffering from an infectious disease, they should consult the Company's Medical Officer before returning to work.

12. PENSION

Your pension options are detailed in a letter from Alan Hanslip dated 17/th/ September 2002 (restated in appendix 1).

13. INVENTIONS

If at any time whilst employed by the Company a member of staff should invent, discover or devise individually or jointly with another person (s) any invention, design or improvement (collectively called 'the invention'), then the Company's and Employee's rights to such invention(s) are governed by current patent legislation.

The legislation provides for employee inventions whether patentable or not, made in the course of an individual's normal duties to belong to the Company. In such cases the employee must promptly disclose the invention to the Company. Inventions not connected with an employee's work or duties belong exclusively to the employee. A further provision generally entitles employees to compensation when an invention they have made and which belongs to the Company is patented and that patent is of outstanding benefit to the Company.

The Company's Patents Committee, in reviewing the particulars of employees' inventions, will take due account of the statutory provisions relating to inventions, Patents and Trade Marks. If you need further guidance on this section please consult your manager.

14. SECRECY

You must not make use of or disclose (either during the period of your employment by the Company or at any later date) any information concerning the business of the Company, which for the purpose of this paragraph means and includes any company or partnership subsidiary to or associated with it, or any of its customers except as may be necessary in the proper execution of your duties on behalf of the Company or with the prior written consent of the Company or to the extent that such information may be generally available to the public.

15. PERSONAL DATA

Octel needs to keep information about you for purposes connected with your employment. The sort of information we will hold includes information for payroll purposes, references, contact names and addresses and other personal details relating to your career with us. Some of this information may also be processed by other organisations on our behalf.

We believe these uses are consistent with the principles of the Data Protection Act 1998. The information we hold will be for our management and administrative use only but we may, from time to time, need to disclose some information we hold about you to relevant third parties (eg The Inland Revenue). We may also transfer information about you to another Octel company/location (which may be outside of the European Economic Area) solely for purposes connected with your career or the management of our business. You agree to us keeping the information for these purposes throughout your employment and following its termination.

You also agree to us keeping information about your health for the purposes of compliance with our health and safety and occupational health obligations; considering how your health affects your ability to do your job and, if you are or become disabled, whether you require any reasonable adjustments to be made to assist you at work; or in relation to the administration of insurance, pension, sick pay and any other related benefits in force from time to time.

You agree to us holding details of any unspent convictions that may affect your suitability for employment in addition to any other personal data we require to ensure compliance with our Equal Opportunities Policy (eg race and/or ethnic origin).

16. STOCK OPTION PLANS

You will be awarded 3000 zero cost options upon your appointment. These shares will vest in 3 years and remain available for 10 years from your joining date with Octel.

The details of the normal executive option scheme are detailed in the letter from Alan Hanslip dated 17/th/ September 2002 (restated in appendix 2)

17. ACCOMMODATION ALLOWANCE

To be agreed between the Parties as appropriate.

CONDITIONS OF THIS OFFER

This offer of employment is conditional upon the following conditions being met:

. Your satisfactory completion of a Company medical examination.

. Receipt of 2 satisfactory references

. Sight of your birth certificate and copies of qualification certificates for our records.

. Mutual agreement on a Starting date.

Acceptance:

Please ensure you read this document and sign below to acknowledge receipt and acceptance of the proposed contract and appendices 1 and 2 as the terms and conditions governing your employment with The Associated Octel Company Limited.

Signed: ______________________________ Date: _____________________________ On behalf of the Company

Signed: ______________________________ Date: _____________________________

Appendix 1 - Pension provision

Pension provision is a complex subject, particularly when cover above the Pensions Cap is involved. Octel operates two basic (inland revenue approved) pension schemes; a defined benefit (DB) scheme and a Group Personal Pension (GPP) which is a defined contribution (DC) plan.

The DB plan was closed some years ago but we do retain the ability to admit new members in exceptional circumstances and we would be prepared to enable you to join. The plan provides 1/57/th/ per year of service and has generous early retirement factors after age 50. We will accept transfers in. On top, we have two DC plans for executives which provide a top up with a target (but obviously no guarantee of 1/40/th/ when added to the DB plan). The plan up to the Cap (currently (Pounds)97,200 pa) is approved (ie tax efficient) and a FURB is provided above the Cap.

As an alternative, you could join the GPP in which you would pay 5% up to the Cap and the company would provide 12.5% on top. Above the Cap the company will fund the same as for the FURB ie 20 % of total salary above the Cap.

Thirdly, if you have your own personal pension plan the company will contribute 20% of your total salary or provide you with a similar salary supplement in lieu of any pension provision. In all cases the amount which can be put into any approved plan will, in your case, be approximately 30% of the Cap.

We have an independent financial advisor who knows our schemes well and provides advice to senior Octel people at company cost. I strongly advise you to contact him to discuss the pension options as they relate to your personal circumstances. His name is Ian Glen, of Yorkshire Investment Group, telephone:
0113 222 9000. We will cover his fees. As you can see from the above we will also be as flexible as we can in providing pension cover within the overall cost parameters.

Appendix 2 -Stock Option Plans

We operate an annual stock plan which is awarded at Board discretion each spring (after the annual results). Although discretionary, the Board has never seriously considered not offering an annual award since the Spin in May 1998.

Our stock plan is a US type with a mixture of zero cost performance options and fair market value time restricted options. The methodology is the classic US Black-Scholes process and typically it would mean for you an annual grant of zero cost performance options worth 15 % of salary and fair market value options worth 38 % of salary. There is no absolute target, as such.

The vesting process is quite simple. In both cases the options vest after 3 years and are available up to 10 years from grant. The Compensation Committee of the Board control the process, set the performance targets and agree the outcomes.

EXHIBIT 12.1 - STATEMENT REGARDING COMPUTATION OF FINANCIAL RATIOS

(in millions, except share and per share data)

	2002	2001	2000	1999	1998
1. NET INCOME AS A PERCENT TO SALES					
A Net Income	$ 52.1	$ 5.6	$ 18.3	$ 42.6	$ 70.4
B Net Sales	$ 451.5	$ 420.9	$ 422.4	$ 516.8	$ 465.0
A % of B	11.5%	1.3%	4.3%	8.2%	15.1%
2. EFFECTIVE INCOME TAX RATE					
C Income Taxes	$ 23.0	$ 19.8	$ 17.4	$ 32.7	$ 41.5
D Income before Income Taxes	$ 74.0	$ 36.7	$ 35.7	$ 75.3	$ 111.9
C % of D	31.0%	54.0%	48.8%	43.4%	37.1%
3. EBITDA PER SHARE					
Net cash provided by operating activities	$ 100.0	$ 90.0	$ 134.0	$ 108.7	$ 238.3
Changes in operating assets and liabilities:					
Accounts receivable and prepaid expenses	(39.7)	33.3	(51.9)	14.2	(53.6)
Inventories	(3.5)	(4.3)	(4.7)	(31.6)	5.7
Account payable and accrued expenses	13.0	(15.3)	7.2	6.1	(35.7)
Deferred income received	-	-	(38.6)	-	-
Other non-current assets and liabilities	21.5	6.9	39.1	12.9	21.0
Taxation:					
Changes in income taxes and other current liabilities	(0.6)	(0.4)	20.6	14.0	(45.0)
Deferred income taxes	(1.6)	0.8	(5.2)	(14.5)	(1.5)
Taxation charge	23.0	19.8	17.4	32.7	41.5
Tax on extraordinary item	-	(5.8)	-	-	-
Interest:					
Interest income	(0.7)	(2.1)	(2.1)	(3.9)	(2.7)
Interest expense	13.1	19.6	22.8	25.9	25.2
Finance cost amortization	(2.2)	-	-	-	-
Other:					
Minority interest share of profits	3.0	4.2	3.6	1.9	-
Loss on disposal of equipment	(5.7)	(1.1)	(2.0)	1.2	0.9
EBITDA (E)	$ 119.6	$ 145.6	$ 140.2	$ 167.6	$ 194.1
F Basic shares outstanding	11,817	11,764	12,581	13,827	14,514
G Diluted shares outstanding	12,557	12,501	13,000	13,979	14,514
E/F Basic EBITDA per share	$ 10.12	$ 12.38	$ 11.14	$ 12.12	$ 13.37
E/G Diluted EBITDA per share	$ 9.52	$ 11.65	$ 10.78	$ 11.99	$ 13.37

Shares in thousands, EBITDA per share in dollars.

	2002	2001	2000	1999	1998
4. CURRENT RATIO					
H Current Assets	$ 171.8	$ 238.3	$ 188.5	$ 255.8	$ 240.9
I Current Liabilities	$ 187.6	$ 235.3	$ 131.3	$ 206.8	$ 205.2
H : I	0.9	1.0	1.4	1.2	1.2
5. EARNINGS PER SHARE					
J Net income	$ 52.1	$ 5.6	$ 18.3	$ 42.6	$ 70.4
K Basic shares outstanding	11,817	11,764	12,581	13,827	14,514
L Diluted shares outstanding	12,557	12,501	13,000	13,979	14,514
J/K Basic earnings per share	$ 4.41	$ 0.47	$ 1.46	$ 3.08	$ 4.85
J/L Diluted earnings per share	$ 4.15	$ 0.44	$ 1.41	$ 3.05	$ 4.85

Shares in thousands, earnings per share in dollars.

	2002	2001	2000	1999	1998
6. WORKING CAPITAL					
M Current Assets	$ 171.8	$ 238.3	$ 188.5	$ 255.8	$ 240.9
N Current Liabilities	187.6	235.3	131.3	206.8	205.2
O Current Portion of Long-Term Loan	56.8	65.1	30.0	80.0	71.0
M-N+O Working Capital	$ 41.0	$ 68.1	$ 87.2	$ 129.0	$ 106.7

Exhibit 13.1

[GRAPHIC APPEARS HERE]

OCTEL CORP. 2002 ANNUAL REPORT

STRAIGHT... FORWARD.

TALK.

[PHOTO OF DENNIS J. KERRISON]

Dennis J. Kerrison
president and
chief executive officer

[PHOTO OF DR. ROBERT E. BEW]

Dr. Robert E. Bew
chairman

LETTER TO SHAREHOLDERS

dear shareholders,

In 1998, in Octel Corp.'s first annual report, we presented a vision of our company's future and outlined a focused business strategy for executing our goals. Since then our mission has remained the same: to turn a declining tetraethyl lead (TEL) business into a growing, profitable, global specialty chemicals company.

Over the past five years we have accomplished a wide array of notable achievements. By strengthening and broadening our senior management team--adding resources, skills, and experience as necessary--we have become increasingly well equipped to meet the challenges of managing and expanding our specialty chemicals business.

/ MAJOR MILESTONES /

Central to our original strategy was to manage the TEL business end game. We are proud to have brought this to fruition. Our winning tactic began with setting up a marketing alliance with Ethyl Corporation, followed by the purchase of Alcor Chemie. Finally, in the midst of negotiating a global marketing agreement with Veritel, their Russian suppliers ceased manufacture due to economic and environmental considerations.

Throughout this time we focused on improving margins and generating the cash we needed to pay back debt and fund our growth program. Product stewardship also remained a high priority for us, as evidenced by our expanded investment in Octel Environmental, our global environmental protection business.

We have also been consistently active in the Specialties area, embarking on a highly delineated growth strategy and remaining aggressive in following through. Since 1998 we have made eight acquisitions, established four joint ventures, and formed two new companies in the specialties market.

In terms of liability management, we have paid back our initial senior debt fifteen months early, thus creating an impressive saving on the substantial debt sum of $280 million. We then refinanced the company on improved terms--despite the uncertain prevailing financial market conditions in the fourth quarter of 2001--and we have succeeded in remaining ahead of our debt repayment schedule.

Other important aspects of our business have also been addressed, such as further extending our efforts into the areas of safety and training. Over the last four years we have enjoyed public recognition for achieving major improvements in our safety record. In fact, the training program developed at our UK site is being used as a best practice model both in our own industry and beyond. Remarkably, these accomplishments have taken place against the daunting backdrop of a series of major downsizing programs at the site.

FINANCIAL HIGHLIGHTS

dollar amounts in millions except per share figures	2002	2001	2000	1999	1998
SUMMARY OF EARNINGS					
Net Sales	$ 451.5	$ 420.9	$ 422.4	$ 516.8	$ 465.0
Operating income	89.2	58.1	58.7	92.3	134.9
Income before income taxes and minority	77.0	40.9	39.3	77.2	111.9
Minority interest	3.0	4.2	3.6	1.9	-
Income taxes	23.0	19.8	17.4	32.7	41.5
Net Income	52.1	5.6	18.3	42.6	70.4
EBITDA	119.6	145.6	140.2	167.6	194.1
Cash generated by operating activities	100.0	90.0	134.0	108.7	238.3
FINANCIAL POSITION AT YEAR END					
Working capital	41.0	68.1	87.2	129.0	106.7
Total assets	747.8	788.7	700.8	849.5	806.7
Long-term debt (Including current portion)	159.2	231.0	210.0	313.3	300.8
Stockholders' equity	362.5	290.4	295.6	313.9	301.1
FINANCIAL RATIOS					
Net Income as a percent to sales	11.5	1.3	4.3	8.2	15.1
Effective income tax rate	31.0	54.0	48.8	43.4	37.1
Current ratio	0.9	1.0	1.4	1.2	1.2
SHARE DATA					
Earnings per share					
-- Basic	4.41	0.47	1.46	3.08	4.85
-- Fully diluted	4.15	0.44	1.41	3.05	4.85
EBITDA per share					
-- Basic	10.12	12.38	11.14	12.12	13.37
-- Fully diluted	9.52	11.65	10.78	11.99	13.37
Shares outstanding (basic, thousands)					
-- At year end	11,843	11,750	11,907	13,451	13,934
-- Average during year	11,817	11,764	12,581	13,827	14,514
Stock price -- High	26.09	19.2	12.9	15.3	22.7
-- Low	15.80	11.4	7.8	9.7	11.6
-- At year end	15.80	18.0	11.5	10.4	13.9

Accounts details prior to the "spin-off" (May 22, 1998) are derived from GLCC historic data.

2002 results include the effect of FAS 142 "Goodwill and Other Intangible Assets" (see Note 1).

2001 net income and earnings per share are stated after charging an extraordinary item, net of tax, of $11.3 million.

[PHOTO OF PAUL JENNINGS]

Paul Jennings
vice president
and chief financial officer

/ OCTEL TODAY /

In 1998, our stated goal was to achieve our business transition in five years; today we look to be on target to do this. At Octel we have always faced our challenges squarely, choosing to see them as opportunities for solving problems and advancing our position. From our company's earliest days, our stance has been one of reinvention and transformation.

But in order to sustain this approach over time, we realized early on that we must create a strong infrastructure of people, operations, and technology that would act as a springboard for future growth. By every measure, our strategy has worked. So even as our TEL revenues are greatly reduced, and although the market has shrunk at a faster rate than predicted, we have continued to grow and maintain excellent gross margins. Furthermore, as demand for TEL continues to decline, we are continuing to maximize margins through tight cost control, customer focus, and economic pricing.

In 2001 and 2002 we reduced the capacity of our TEL plants to keep in line with world demand, closing the German plant in 2001, and at the end of 2002 we closed our chlorine plant. It is clear to us that those systems and processes that supported us well as a leader in TEL were in some respects inadequate as a platform for our specialties business. So we will be continuing the process of optimizing our Ellesmere Port site infrastructure to match the changing business environment. As we reduce and eliminate some of the historic processes that have stood us in good stead, we are at the same time defining, clarifying, and building what we need to equip us for market leadership in Specialty Chemicals.

And indeed, both Petroleum Specialties and Performance Chemicals have made steady progress. Petroleum Specialties has grown significantly from a loss-making position in 1996. Now a major player in its markets, it offers what is probably the broadest product range in the sector.

While we still need to develop a more meaningful position in Performance Chemicals, it, too, is becoming an established business, one that will have a strong focus on the personal care and coatings markets. We are pleased to be increasingly recognized, both for the performance of our specialty products and for our ability to bring novel solutions to our customers. We will continue to seek opportunities to grow Performance Chemicals.

Our efforts in 2002 were significant: establishing a corporate technology group, putting in place a corporate manufacturing program, realigning market and customer focus through the new acquisitions, and strengthening our corporate development capability. At this time we are carefully evaluating what more we will need for the future.

/ LOOKING AHEAD /

As we enter into the next phase, we continue to be focused on the way ahead. The final aspect of our transformation is our global restructuring project, begun in 2002. This involves a thorough re-evaluation of our infrastructure; completing the integration of our acquisitions to date; and ensuring the company's operations are optimized.

What does 2003 hold for us? Having already proven our willingness to meet a challenge head-on and to deliver on promises, we will continue to review and reinvent our systems, processes, and operations, which in turn will allow us to build our future on a robust, flexible, and strategic foundation. Our forward mission is to aim for leadership positions in the niche specialty markets in which we operate. Our actions in 2002 and 2003 should produce bottom line benefits in 2004.

As we stand poised to leave our traditional TEL business behind us, we are ready to fully engage the dynamic world of specialty chemicals. This has been a radical change, requiring us to take stock, and plan and optimize operations before moving forward.

We have every reason to believe that 2003 will be a pivotal year for Octel. To those of our shareholders who have been with us from the start of the journey--and to those of you who have joined us on the road since then--we wish to extend our thanks for your patience, support, and companionship along the way. We give you our commitment that we will do our best to build on opportunities; continue to pursue our stated mission; and strive to enhance the value of your investment in Octel.

sincerely,

/s/ Dennis J. Kerrison	*/s/ Dr. Robert E. Bew*
Dennis J. Kerrison *president and chief executive officer*	*Dr. Robert E. Bew* *chairman*

Today, as we review our accomplishments of the past five years, it is clear we are well on the way to meeting our ambitious goals.

GROWTH

8
ACQUISITIONS.

4
JOINT VENTURES.

2
NEW COMPANIES.

Rapid expansion -- combined with thoughtful restructuring -- has allowed us to exceed growth expectations and infuse our business with greater vitality. We have made eight acquisitions, completed four joint ventures, launched two new companies -- Octel Innovations and Octel Exhaust Systems -- and further developed Octel Environmental.

FINANCE

$468
MILLION PAID BACK.

To ensure our ability to repay our debt, we have generated cash consistently. Surpassing our financial projections, we paid back $280 million of spin debt 15 months early and have now repaid $468 million senior debt since 1998. Our successful refinancing has supported our growth program, allowing us to meet stock market and shareholder expectations.

TEL

3
STEPS TO WINNING.

Our strategy was to win the endgame for TEL. We set up a marketing alliance with Ethyl Corporation, and purchased Alcor Chemie. The Russian TEL plant ceased manufacture at the end of 2001.

HEALTH AND SAFETY

7x
IMPROVEMENT IN OPERATIONS SAFETY.

Since 1998, we have achieved major improvements in both our safety record and our public recognition during three major change and restructuring programs. Our safety record has improved almost sevenfold since 1998.

1998-2002

5
GREAT YEARS.

The past is prologue. So as we review and reflect upon our previous five years of operations and aspirations, we not only take pride in how we've stayed the course and accomplished our goals, but we set our minds to the next great things we will do.

[GRAPHIC APPEARS HERE]

octel will be different going... FORWARD.

[GRAPHIC APPEARS HERE]

GLOBALIZATION
broadening our international reach means pushing the limits of our cultural horizons.

[GRAPHIC APPEARS HERE]

MARKET LEADERSHIP
we're making our mark on the market with a competitive strategy and a will to win.

[GRAPHIC APPEARS HERE]

INNOVATION
inventing tomorrow means inventing today.

[GRAPHIC APPEARS HERE]

CUSTOMER FOCUS
all eyes are on our prize customers.

[GRAPHIC APPEARS HERE]

ADDING VALUE
shareholders respect value. we respect shareholders.

FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company has three businesses for management purposes-Lead Alkyls (TEL), Petroleum Specialties and Performance Chemicals. Because of operational similarities, Petroleum Specialties and Performance Chemicals have been aggregated for reporting purposes as the Specialty Chemicals business segment. The Company's strategy is to maximise cash generation from the declining TEL business by consolidating the Company's place in the market and by rigorous management of the cost base. Funds generated by the TEL business will be used to pay down debt but will also be invested in growing the Specialty Chemicals business. Investment in these areas will be to stimulate organic growth in existing areas and/or to grow by acquisition of new businesses.

Recent Developments

At the end of December, 2001, we were notified, under the terms of our marketing, supply and service agreement with Veritel Chemicals BV, of a permanent source interruption in the supply of TEL from their supplier. This triggered phased payments to Veritel of $70 million, of which 32% is recoverable under a separate agreement from Ethyl Corporation. The first payment of $10 million was made in December, 2001. A further total of $50 million has been paid in 2002 and Ethyl's contribution to all payments to date has been received. The final $10 million is expected to be paid in the first half of 2003.

Following our adoption of FAS 142, Goodwill and Other Intangible Assets, we have now ceased to amortize goodwill in our income statement. This has a significant impact on our net income and earnings per share. We have completed the transitional impairment tests as required under FAS 142. We have determined that the fair value of our reporting units exceeded their recorded value, so there is no requirement to recognize an impairment loss at this time. We will continue to review the cash flows expected to be generated by our TEL business segment on a quarterly basis, since the decline of this business will mean that, at some point in the future, its forecast future cash flows will not be sufficient to recover the goodwill in respect of the TEL business. Based on current projections, we expect to start to impair goodwill in 2004.

Our German manufacturing plant ceased operations in March, 2002. This was as expected and is part of our ongoing program to restructure operations and reduce costs in response to the declining market demand for TEL. All related severance and remediation costs were provided at December 31, 2001, and environmental remediation activities will continue at the site.

In the third and fourth quarters of 2002, we have recorded a $19.5 million restructuring charge as part of a group-wide program to reduce the TEL asset and cost base in line with declining demand and to ensure that the correct infrastructure and systems exist to globalize the Specialty Chemicals business. Additional restructuring charges of up to $20 million in aggregate are expected in 2003 and 2004 across both businesses. The closure of the UK Chlorine plant, announced in 2001, took place effective December 31, 2002.

Results of Operations -- Fiscal 2002 Compared to Fiscal 2001

Specialty Chemicals sales at $180.8 million showed growth of 16.0% on 2001 levels. Gross profit was $59.7 million or 33.0% on net sales, an increase in absolute terms of $5.3 million but slightly below the 2001 percentage of 34.9%. The increase in sales was principally due to the inclusion for a full year of the acquisitions made during the course of 2001. The movement in gross profit also results largely from the increased volume of trade and the change in sales mix due to the acquisitions, but it has also been impacted by the softness which has characterized the market for much of the year.

TEL net sales for the year at $256.7 million were $8.3 million (3.1%) below 2001 levels. Fourth quarter volumes were hit by the political situation in Venezuela, and the global market decline continued. However, this was largely offset by good management of selling prices. Price increases and a continued focus on cost control in the UK plant resulted in a gross profit of $136.3 million

or 53.1% of net sales, compared with a 2001 gross profit of $134.6 million or 50.8%. This, together with comparable operating expenses, resulted in a 4.5% increase in operating income (after adjusting for FAS 142 by adding back $43.9 million of goodwill amortization in 2001). Sales, general and administrative costs at $70.0 million increased by 21%. An increase of 14% was due to the inclusion for the full year of the 2001 acquisitions, but the higher level of cost also reflects our stated intention to invest in global infrastructure to support growth.
We have identified restructuring charges separately in this report, and to allow a consistent comparison we have also reclassified similar items which arose in 2001. The 2002 charge was $19.5 million in total, of which $13.0 million related to non-cash items. Key components of the overall charge were:

1) Specialty Chemicals asset impairments of $11.2 million arising from strategic changes in product range or manufacturing processes.

2) TEL asset writedowns of $1.1 million related to operational changes at the UK plant.

3) Chlorine severance costs of $1.6 million for 26 employees on the closure of the plant in December, 2002.

4) Severance costs of $0.9 million for 11 Specialty Chemicals employees in the UK in quarter 3, 2002.

The 2001 restructuring charge of $9.4 million relates mainly to Chlorine plant severance costs and asset impairment charges of $1.3 million and $6.8 million, respectively. There have been significant severance costs in prior years relating to plant closures and downsizing as a response to the market decline in TEL over the years. These have been discussed in this and prior year reports as they were incurred, but we have not retrospectively re-analyzed these to restructuring because we believe that there would be no value added to the exercise by including costs which are, in effect, a fact of life in a declining market.
Our amortization charge has changed substantially. Following our adoption of FAS 142 we no longer amortize goodwill. The equivalent charge in 2001 was $46.6 million. The 2002 charge of $9.5 million relates to the intangible asset arising from the permanent source interruption payments to Veritel (see Note 8).
The reduction in interest expense from $19.6 million to $13.1 million is due to the benefits of our refinancing in the fourth quarter of 2001.
Minority interest has decreased by 29% to $3.0 million, reflecting market softness experienced by our 50% owned US subsidiary, Octel Starreon.
Our effective tax rate fell from 54% in 2001 to 31% in 2002, but after adjusting for the effect of FAS 142 in removing non-deductible amortization of $46.6 million in 2001 there is an increase from 24% to 31%, caused by a change in the disposition of taxable profits between the various geographical areas in which the group operates.

Results of Operations -- Fiscal 2001 Compared to Fiscal 2000

Annual TEL sales revenues fell by 12% compared with the prior year, mainly due to volume reductions of 17% reflecting the continuing decline in the world market. Gross profit was 51% of net sales compared with 43% in fiscal 2000. This reflected the benefits accruing from prior year cost reduction exercises as well as selective sales price increases. Cost of goods sold in 2001 included severance and remediation charges of $10.8 million (2000-$9.4 million).
Specialty Chemicals sales showed an increase of 28% over the prior year, and gross profit was 35% of net sales compared with 29% in fiscal 2000. Whilst there was organic growth in this area, the new acquisitions made during the year had a significant impact on both sales and margins.
Sales, general and administrative costs increased by $16.2 million to $57.7 million. Over 70% of this increase arose from costs in the newly acquired companies.
Restructuring charges were $9.4 million, including an asset write-down of $6.8 million related to the UK Chlorine plant.

Amortization costs decreased from $61.5 million to $58.7 million, the charge on new acquisitions being more than offset by a reduction due to assets becoming fully written down at the end of fiscal 2000. Interest expense reduced by $3.3 million due to the debt repayment profile.
The effective tax rate for 2001 was 54% of pre-tax income compared with 49% in fiscal 2000, the net effect of a higher average foreign tax rate and lower amortization.
An extraordinary expense of $11.3 million was recorded in 2001 in relation to the early redemption of debt as part of the refinancing exercise. The expense comprised:

(dollars in millions)

Make-whole premium on Senior Notes	$ 10.6
Write-off of unamortized finance costs	6.5
	17.1
Less attributable taxation	(5.8)
	$ 11.3

Liquidity and Financial Condition

Cash generated by operating activities was $100.0 million compared with $90.0 million in 2001. EBITDA, which we use as a measure of liquidity, decreased from $145.6 million to $119.6 million due to lower operating income. The most significant movement in operating assets was in accounts receivable, where an outflow of $33.3 million in 2001 was more than reversed by an inflow of $39.7 million in 2002. Net operating assets increased by $13.0 million in 2002 due to a decrease in accounts payable and accrued expenses, and an increase of $21.5 million arose from non-current assets and liabilities including a $11.8 million increase in the pension asset. Capital expenditure in the year was $11.4 million, mainly on UK plant.
During 2002 we incurred expenditure of $50.0 million in permanent source interruption payments to Veritel. We recovered $16.0 million from Ethyl's 32% contribution to these payments, and a further $3.2 million for its share of the $10 million paid in December, 2001. Our share of the outstanding payments is $6.8 million and we expect to make this payment in the first half of 2003.
The only individually significant item in business combination expenditure was the deferred consideration payment of $3.6 million made in respect of the 2001 acquisitions, representing 75% of the maximum amounts payable. Any final settlement will be made in the first half of 2003.
Our net debt repayment for 2002 was $72.0 million. The analysis between long-term and short-term debt has been restated to reflect the reclassification of revolving credit. We have drawn down $25.0 million of revolving credit facilities (2001-$20 million), and repaid scheduled debt installments amounting to $65.0 million plus an accelerated payment of $23.0 million based on our surplus cash flow for 2001. Octel Starreon, our 50% owned US subsidiary, replaced intercompany financing with third party long-term debt of $10 million, of which $1.7 million is due within one year.
Following our announcement in August of a semi-annual dividend of 5 cents per share, the first such payment was made on September 30, 2002.

Critical Accounting Policies

The policies that we consider the most critical in terms of complexity and subjectivity of assessment are those related to environmental liabilities, impairment of goodwill and intangible assets, pension accounting, restructuring costs and our marketing agreements with Ethyl. Any adverse variance between actual results and our projections in these areas may impact on results of operations and financial condition.
We record environmental liabilities when they are probable and costs can be estimated reasonably. Remediation provisions at December 31, 2002 amounted to $30.7 million and relate principally to our sites in the UK and Germany. We have to anticipate the program of work required and the associated future costs, and we have to comply with environmental legislation in the relevant countries. We also view the costs of vacating our main UK site ($27.6 million at 2002 year end) as a contingent liability because we have no present intention to exit the site.
We have significant goodwill and intangible assets in our balance sheet, with net amounts of $352.8 million and $50.9 million, respectively, at December 31, 2002. These are accounted for in accordance with FAS 142. We regularly review carrying values by reference to future income and cash flows as set out in the group's strategic long-term plan, but this involves anticipating trading

circumstances that will apply in future years. We do expect, based on current projections, to begin to impair goodwill for our TEL business segment in 2004.

We account for pensions in accordance with FAS 87 and the disclosure requirements of FAS 132. The prepaid pension cost is material to our balance sheet, the net prepayment being $105.2 million at December 31, 2002. The underlying plan asset value and Projected Benefit Obligation were $580.7 million and $583.3 million, respectively, at the end of 2002. Movements in these are dependent on actual return on investments and pay awards, as well as our assumptions as to future trends in these areas. The continuation of the prepayment depends on the carrying value of the plan assets exceeding the Accumulated Benefit Obligation. This surplus at December 31, 2002 was $8.9 million. In the event of a deficit, a balance sheet creditor would be created equal to the sum of the prepayment and the deficit, and the related charge would be written off to accumulated other income. We will continue to monitor the status of the plan on a quarterly basis.

We have commenced a major program of restructuring during the latter half of 2002. This will be accounted for in accordance with FAS 146. Restructuring provisions at December 31, 2002 were $5.1 million. We have restated comparative amounts linked to ongoing projects, mainly the closure of the UK Chlorine plant which was announced in 2001 but occurred at 2002 year end. Over recent years there has been an ongoing program of severance and other costs as the decline in the TEL market caused plant closures and downsizing of operations. We have considered whether these should be separated for disclosure, and concluded that there would be no value added to the exercise by including costs which are, in effect, a fact of life in a declining market. We have not, therefore, included any further retrospective analysis of restructuring activity, but have focused on clear disclosure of the activities presently in hand.

We have entered into a number of sales and marketing agreements with Ethyl for the sale of TEL in all areas of the world except North America through December 31, 2009. Under these agreements we produce the TEL and all marketing and sales effort is in the Octel name. Ethyl provides bulk distribution, marketing and other services. The net proceeds are paid to Ethyl and Octel on an agreed formula with Octel receiving 68% of the total. The net proceeds are in the main calculated and settled on a monthly basis, but there is an element receivable by us from Ethyl which is computed annually in arrears. In prior years the amounts involved were not significant, but because of increases in the value of this retrospective element we have decided that it is more appropriate to recognize a prudent accrual during the year, based on best current estimates of the expected outcome.

Market Risk

We operate manufacturing and blending facilities, offices and laboratories around the world, though the largest manufacturing facility is located in the UK. We sell a range of TEL and Specialty Chemicals to customers around the world. We use floating rate debt to finance these global operations. Consequently, we are subject to business risks inherent in non-US activities, including political and economic uncertainty, import and export limitations, and market risk related to changes in interest rates and foreign exchange rates. Our political and economic risks are mitigated by the stability of the countries in which our largest operations are located. Credit limits, ongoing credit evaluation and account monitoring procedures are used to minimize bad debt risk. Collateral is not generally required.

Over half of our sales are in US dollars. Foreign currency sales, primarily in UK pounds sterling, offset most of our costs, which are also in UK pounds sterling. To the extent required, US dollars are sold forward to cover local currency needs. Considering our operating profile, a hypothetical 5% change in the value of the US dollar relative to every currency in which our sales are denominated would change net income and cash flows by approximately $5.8 million and $4.7 million, respectively.

We use derivatives, including interest rate swaps and foreign currency forward exchange contracts, in the normal course of business to manage market risks. The derivatives used in hedging activities are considered risk management tools and are not used for trading purposes. In addition, we enter into derivative instruments with a diversified group of major financial institutions in order to monitor the exposure to non-performance of such instruments. Our objective in managing exposure to changes in interest rates is to limit the impact of such changes on earnings and cash flow and to lower overall borrowing costs. Our objective in managing the exposure to changes in foreign exchange rates is to reduce volatility on earnings and cash flow associated with such changes.

We use interest swaps to manage interest rate exposure and, under the terms of the 2001 refinancing agreements, half of the

Senior term loan became the subject of swap agreements. As of December 31, 2002 we had cash and cash equivalents of $26.7 million, a bank overdraft of $4.0 million and long-term debt of $159.2 million. A hypothetical absolute change of 1% in interest rates on these balances for a one-year period would change net income and cash flows by $0.4 million.
The above does not consider the effect of interest or exchange rate changes on overall activity, nor management action to mitigate such changes.

Contractual Commitments

The following represents contractual commitments at December 31, 2002 and the effect of those obligations on future cash flows:

(in millions)	Total	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years
Long-term debt	$ 159.2	$ 56.8	$ 98.1	$ 3.4	$ 0.9
Veritel (gross)	10.0	10.0	-	-	-
Severance payments	4.3	4.3	-	-	-
	$ 173.5	$ 71.1	$ 98.1	$ 3.4	$ 0.9

Environmental Matters and Plant Closures

The Company is subject to environmental laws in all of the countries in which it does business. Under certain environmental laws, Octel is responsible for the remediation of hazardous substances or wastes at currently or formerly owned or operated properties.
Most of our manufacturing operations have been conducted outside the United States and, therefore, any liability pertaining to the investigation and remediation of contaminated properties is likely to be determined under non-US law.
We evaluate costs for remediation, decontamination and demolition projects on a regular basis. Full provision is made for those costs to which we are committed under environmental laws. Total estimated future costs at December 31, 2002 were $59.8 million of which $29.1 million were deemed to be either capital (rather than revenue) in nature or at management's discretion. Full provision has been made for the committed costs of $30.7 million. Expenditure against provisions was $6.6 million, $5.9 million and $5.4 million in the years 2002, 2001 and 2000, respectively.
We have also incurred personnel severance costs in relation to the management of the decline in the TEL market. Total severance expenditure was $4.8 million, $3.5 million and $21.6 million in the years 2002, 2001 and 2000, respectively. Provision is made for severance costs to which the Company is committed. The provision at December 31, 2002 was $0.6 million. Severance charges in 2002 related to the restructuring program were $4.5 million, and expenditure was $1.9 million. The severance element of the restructuring provision at December 31, 2002 was $3.7 million.

Inflation

Inflation has not been a significant factor for the Company over the last several years. Management believes that inflation will continue to be moderate over the next several years.

Cautionary Statement for Safe Harbor Purposes

Some of the information presented in Management's Discussion and Analysis of Financial Condition and Results of Operations constitutes forward-looking comments within the meaning of the Private Litigation Reform Act of 1995. Although we believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our business and operations, there can be no assurance that actual results will not differ materially from our expectations. Factors which could cause actual results to differ from expectations include, without limitation, the timing of orders received from customers, the gain or loss of significant customers, competition from other manufacturers and changes in the demand for our products, including the rate of decline in demand for TEL. In addition, increases in the cost of product, changes in the market in general and significant changes in new product introduction could result in actual results varying from expectations.

Controls and Procedures

Within 90 days of the filing of this report, we carried out an evaluation under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief

Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures are effective in alerting them, on a timely basis, to material information that is required to be included in the periodic reports that we must file with the Securities and Exchange Commission. There have been no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of that evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses. The certificates pursuant to the Securities Exchange Act 1934 rule 13a-14 and 15d-14, and 18 USC Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002) are filed with our December 31, 2002 Form 10-K.

Future Outlook

The future outlook reflects the dichotomy between the growing Specialty Chemicals and the declining TEL business segments. In the last four years, Specialty Chemicals net sales have increased from 18% to 40% of the Company total, and its share of gross profit has grown from 8% to 31%. We expect Specialty Chemicals to continue to grow in importance in the overall Company results.

The TEL market has been in decline since the 1970's, and this trend is expected to continue. Given specific uncertainties in the Middle East and South America, world market decline in 2003 is likely to be between 15% and 25%. Cost control initiatives in prior years have delivered benefits in the current year, and the Company will continue to focus on this. We have met $60 million of the $70 million liability to Veritel, and will clear the outstanding balance in early 2003. We expect the declining TEL business to continue to be cash generative.

The Specialty Chemicals business grew significantly in 2001 through acquisitions. The restructuring charge taken in 2002 will allow us to operate this business effectively both to provide acceptable returns and to build a base from which we expect to grow. The benefits from this restructuring will start to impact results in the second half of 2003 and, more fully, in 2004.

Restructuring activities will continue, and we expect that a further $20 million in aggregate will be incurred in 2003 and 2004. This program is an integral part of our overall business improvement process, allowing us to respond effectively to TEL market decline and to provide a sustainable base for our growth business.

Following our adoption of FAS 142, the annual amortization charge on goodwill has been replaced by an impairment review process. No impairment charge is expected to arise in the Specialty Chemicals business. However, the decline in the TEL market will inevitably result in impairment charges in future years. Our latest review has revealed no need to recognize an impairment in 2003, but beyond this the likelihood is that TEL goodwill will be impaired, based on our current projections, starting in 2004.

MANAGEMENT'S STATEMENT OF RESPONSIBILITY
for financial statements

The management of Octel Corp. is responsible for the preparation and presentation of the accompanying consolidated financial statements and all other information in this Annual Report. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and include amounts that are based on management's informed judgements and estimates.

The Company maintains accounting systems and internal accounting controls that management believes provide reasonable assurance that the Company's financial reporting is reliable, that assets are safeguarded, and that transactions are executed in accordance with proper authorization. This internal control structure is supported by the selection and training of qualified personnel and an organizational structure that permits the delegation of authority and responsibility. The systems are monitored by an internal audit function that reports its findings to management.

The Company's financial statements have been audited by independent accountants, in accordance with auditing standards generally accepted in the United States of America. These standards provide for the review of internal accounting control systems to plan the audit and determine auditing procedures and tests of transactions to the extent they deem appropriate.

The Audit Committee of the Board of Directors, which consists solely of non-employee directors, is responsible to the Board of Directors for overseeing the functioning of the accounting systems and related internal controls and the preparation of annual financial statements. The Audit Committee periodically meets with management, internal auditors and the independent auditors to review and evaluate their accounting, auditing and financial reporting activities and responsibilities. The independent auditors and internal auditors have full and free access to the Audit Committee without management's presence to discuss internal accounting controls, results of their audits and financial reporting matters.

/s/ Paul W. Jennings

Paul W. Jennings
Vice President and
Chief Financial Officer

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Octel Corp.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, cash flows and stockholders' equity present fairly, in all material respects, the financial position of Octel Corp. and its subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.
As discussed in Note 1 to the Consolidated Financial Statements effective January 1, 2002, Octel Corp. ceased amortizing goodwill on adoption of Statement of Financial Accounting Standard No.142, Goodwill and Other Intangible Assets.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
London, United Kingdom

February 10, 2003

CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

Years ended December 31	2002	2001	2000
Net sales (Note 2)	$ 451.5	$ 420.9	$ 422.4
Cost of goods sold	257.3	231.9	257.6
Gross profit (Note 2)	194.2	189.0	164.8
Operating expenses:			
Selling, general and administrative	70.0	57.7	41.5
Research and development	6.0	5.1	3.1
Restructuring charge	19.5	9.4	-
Amortization of goodwill and intangible assets	9.5	58.7	61.5
Total	105.0	130.9	106.1
Operating income (Note 2)	89.2	58.1	58.7
Interest expense	13.1	19.6	22.9
Other expenses	0.9	0.3	0.1
Interest income	(0.7)	(2.1)	(2.1)
Other income	(1.1)	(0.6)	(1.5)
Income before income taxes and minority interest	77.0	40.9	39.3
Minority interest	3.0	4.2	3.6
Income before income taxes (Note 2)	74.0	36.7	35.7
Income taxes (Note 5)	23.0	19.8	17.4
Income after income taxes	51.0	16.9	18.3
Share of affiliated company earnings	1.1	-	-
Extraordinary item, net of income taxes (Note 12)	-	11.3	-
Net income	$ 52.1	$ 5.6	$ 18.3
Basic earnings per share (before extraordinary item)	$ 4.41	$ 1.43	$ 1.46
Basic earnings per share (after extraordinary item)	$ 4.41	$ 0.47	$ 1.46
Diluted earnings per share (before extraordinary item)	$ 4.15	$ 1.35	$ 1.41
Diluted earnings per share (after extraordinary item)	$ 4.15	$ 0.44	$ 1.41
Weighted average shares outstanding (in thousands) -- basic	11,817	11,764	12,581
-- diluted	12,557	12,501	13,000

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share data)

At December 31	2002	2001
ASSETS		
Current assets		
Cash and cash equivalents	$ 26.7	$ 43.0
Accounts receivable (less allowance of $3.1 and $3.2, respectively)	80.7	114.9
Other receivable -- Veritel (Note 8)	3.2	22.4
Inventories		
Finished goods	25.3	32.2
Raw materials and work-in-progress	30.4	22.8
	55.7	55.0
Prepaid expenses	5.5	3.0
Total current assets	171.8	238.3
Property, plant and equipment (Note 10)	56.8	66.9
Goodwill (Note 7)	352.8	341.7
Intangible assets (Note 8)	50.9	50.5
Deferred finance costs (Note 9)	4.4	5.9
Prepaid pension cost (Note 4)	105.2	82.4
Other assets	5.9	3.0
	$ 747.8	$ 788.7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Bank overdraft	$ 4.0	$ -
Accounts payable	55.2	61.9
Other payable -- Veritel (Note 8)	10.0	60.0
Accrued expenses	45.9	38.8
Accrued income taxes	13.7	7.5
Current portion of long-term debt (Note 12)	56.8	65.1
Current portion of deferred income (Note 13)	2.0	2.0
Total current liabilities	187.6	235.3
Plant closure provisions (Note 11)	36.4	39.5
Deferred income taxes (Note 5)	41.7	40.3
Deferred income (Note 13)	8.4	11.4
Long-term debt (Note 12)	102.4	165.9
Other liabilities	4.2	-
Minority interest	4.6	5.9
STOCKHOLDERS' EQUITY (Note 14)		
Common stock, $0.01 par value, authorized 40,000,000 shares, issued 14,777,250 shares	0.1	0.1
Additional paid-in capital	276.7	276.5
Treasury stock (2,934,420 and 3,026,775 shares at cost, respectively)	(34.5)	(35.5)
Retained earnings	157.9	106.4
Accumulated other comprehensive income	(37.7)	(57.1)
Total stockholders' equity	362.5	290.4
	$ 747.8	$ 788.7

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

Years ended December 31	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 52.1	$ 5.6	$ 18.3
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	32.4	87.2	80.2
Deferred income taxes	1.6	(0.8)	5.2
Extraordinary item (gross)	-	17.1	-
Loss on disposal of equipment	5.7	1.1	2.0
Unremitted earnings of affiliated companies	(1.1)	-	-
Changes in operating assets and liabilities:			
Accounts receivable and prepaid expenses	39.7	(33.3)	51.9
Inventories	3.5	4.3	4.7
Accounts payable and accrued expenses	(13.0)	15.3	(7.2)
Deferred income received	-	-	38.6
Income taxes and other current liabilities	0.6	0.4	(20.6)
Other non-current assets and liabilities	(21.5)	(6.9)	(39.1)
Net cash provided by operating activities	100.0	90.0	134.0
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(11.4)	(8.4)	(6.6)
Business combinations, net of cash acquired	(5.8)	(59.1)	-
Veritel (Note 8)	(30.8)	(9.5)	-
Other	(3.8)	(1.0)	(4.1)
Net cash used in investing activities	(51.8)	(78.0)	(10.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Minority interest	(1.4)	0.3	2.0
Receipt of long-term borrowings	16.6	210.0	-
Repayment of long-term borrowings	(88.6)	(191.7)	(103.3)
Refinancing costs (Note 12)	-	(16.7)	-
Dividends paid	(0.6)	-	-
Other	-	0.5	-
Issue of treasury stock	0.2	1.0	-
Repurchase of common stock (Note 14)	(0.2)	(4.0)	(13.6)
Net cash used in financing activities	(74.0)	(0.6)	(114.9)
Effect of exchange rate changes on cash and cash equivalents	5.5	(6.1)	(7.9)
Net change in cash and cash equivalents	(20.3)	5.3	0.5
Cash and cash equivalents at beginning of year	43.0	37.7	37.2
Cash and cash equivalents at end of year	$ 22.7	$ 43.0	$ 37.7

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions)

	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders Equity
Balance at January 1, 2000	$ 0.1	$ (18.9)	$ 276.1	$ 82.5	$ (25.9)	$ 313.9
Net income	-	-	-	18.3	-	18.3
Net CTA/1/ change	-	-	-	-	(23.0)	(23.0)
Repurchase of treasury stock	-	(13.6)	-	-	-	(13.6)
Balance at December 31, 2000	0.1	(32.5)	276.1	100.8	(48.9)	295.6
Net income	-	-	-	5.6	-	5.6
Net CTA/1/ change	-	-	-	-	(8.2)	(8.2)
Repurchase of treasury stock	-	(4.0)	-	-	-	(4.0)
Issue of treasury stock	-	1.0	0.4	-	-	1.4
Balance at December 31, 2001	0.1	(35.5)	276.5	106.4	(57.1)	290.4
Net income	-	-	-	52.1	-	52.1
Dividend ($0.05 per share)	-	-	-	(0.6)	-	(0.6)
Derivatives/2/	-	-	-	-	(1.8)	(1.8)
Net CTA/1/ change	-	-	-	-	21.2	21.2
Repurchase of treasury stock	-	(0.2)	-	-	-	(0.2)
Issue of treasury stock	-	1.2	0.2	-	-	1.4
Balance at December 31, 2002	$ 0.1	$ (34.5)	$ 276.7	$ 157.9	$ (37.7)	$ 362.5

/1/ Cumulative Translation Adjustment
/2/ Unrealized exchange gains/(losses) on derivative instruments

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

Total comprehensive income for the year ended December 31	2002	2001	2000
Net income for the year	$ 52.1	$ 5.6	$ 18.3
Changes in foreign currency translation adjustment	21.2	(8.2)	(23.0)
Unrealized exchange gains/(losses) on derivative instruments	(1.8)	-	-
Total comprehensive income	$ 71.5	$ (2.6)	$ (4.7)

The accompanying notes are an integral part of these statements.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

basis of preparation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and include all subsidiaries of the Company where ownership is 50% or greater and the Company has effective management control. All significant intercompany accounts and balances have been eliminated upon consolidation.
All acquisitions are accounted for as purchases and the results of operations of the acquired businesses are included in the consolidated financial statements from the date of acquisition.
The Company has adopted Statement of Financial Accounting Standards (FAS) 142, Goodwill and Other Intangible Assets. Accordingly, the income statement now excludes goodwill amortization charges.
No adjustment of comparatives on the face of the income statement is required under FAS 142, but the effects on amounts reported for the years ended December 31, 2001 and 2000 would be as follows:

(in millions, except per share)	Reported	FAS 142	Adjusted
2001			
Operating income	$ 59.3	$ 46.6	$ 105.9
Income before income taxes	36.7	46.6	83.3
Net income (before extraordinary item)	16.9	46.6	63.5
Net income (after extraordinary item)	$ 5.6	$ 46.6	$ 52.2
Basic earnings per share (before extraordinary item)	$ 1.43	$ 3.97	$ 5.40
Basic earnings per share (after extraordinary item)	$ 0.47	$ 3.97	$ 4.44
Diluted earnings per share (before extraordinary item)	$ 1.35	$ 3.73	$ 5.08
Diluted earnings per share (after extraordinary item)	$ 0.44	$ 3.73	$ 4.17
2000			
Operating income	$ 58.7	$ 48.2	$ 106.9
Income before income taxes	35.7	48.2	83.9
Net income	$ 18.3	$ 48.2	$ 66.5
Basic earnings per share	$ 1.46	$ 3.83	$ 5.29
Diluted earnings per share	$ 1.41	$ 3.71	$ 5.12

The Company has reviewed certain disclosures:

1) Restructuring charges have been identified separately in the income statement. Prior year charges of $9.4 million have been reclassified from cost of goods sold ($8.3 million), sales, general and administrative costs ($(0.1) million) and other expenses ($1.2 million) to restructuring charges to allow consistent comparison.

2) Certain purchase accruals have been reclassified from accounts payable to accrued expenses, which management feels is more appropriate. The balance sheet at December 31, 2001 has been restated by a transfer of $14.3 million to allow consistent comparison.

3) The revolving bank credit facility has been reclassified from current portion to the long-term element of debt. The balance sheet and cash flow statement at December 31, 2001 have been restated by a transfer of $20.0 million to allow consistent comparison.

Nature of Operations

The Company is a major international manufacturer and distributor of TEL and Specialty Chemicals, operating in 23 countries worldwide. The Company's products are sold globally, primarily to oil refineries. Principal product lines are TEL, other petroleum additives and performance chemicals.

On October 1, 1998, the Company entered into sales and marketing agreements with Ethyl Corporation (Ethyl) to market and sell TEL in all areas of the world except North America and the European Economic Area for the period to December 31, 2009. All marketing and sales effort made under the arrangement is made in the name of Octel. Octel will continue to produce all TEL marketed under the agreements and also provide marketing and other services. Ethyl will continue to provide bulk distribution services, marketing and other services. The net proceeds under the agreements are paid to Octel and Ethyl as compensation for services and are based on an agreed-upon formula, with Octel receiving 68% of the total compensation for services provided. No separate legal entity or joint venture has been established as a consequence of the agreement. Sales and expenses incurred under the agreement are included within Octel's income statement. These comprise all revenues and costs incurred directly by Octel, together with costs recharged by Ethyl for distribution and other services provided under the terms of the agreements. Ethyl's share of the net proceeds for services is charged within cost of goods sold. This relationship was extended effective January 1, 2000 when OBOAdler entered into a similar agreement. Effective July 1, 2001 Ethyl agreed to participate in the Veritel agreement (Note 8) and the scope of the agreements was extended to cover the European Economic Area.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes, principally in the area of remediation provisions (Note 11), goodwill (Note 7) and intangible assets (Note 8). Actual results could differ from those estimates.

Revenue Recognition

The Company supplies products to customers from its various manufacturing sites, and in some instances from containers held on customer sites, under a variety of standard shipping terms and conditions. In each case revenue is recognized when the transfer of legal title, which is defined and generally accepted in the standard terms and conditions, arises between the Company and the customer.

A component of Ethyl's share of net proceeds (see Nature of Operations above) is an amount recoverable from Ethyl that is agreed annually in arrears. The Company recognizes this quarterly, based on best current estimates of the expected outcome.

Cash Equivalents

Investment securities with maturities of three months or less when purchased are considered to be cash equivalents.

Inventories

Inventories are stated at the lower of cost (FIFO method) or market price.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The cost of additions and improvements are capitalized. Maintenance and repairs are charged to expenses.

Goodwill and other Intangible Assets

Effective January 1, 2002, the Company adopted FAS 142, Goodwill and Other Intangible Assets. Under FAS 142, goodwill and intangible assets deemed to have indefinite lives are no longer amortized, but are subject to an annual impairment test. Other intangible assets continue to be amortized over their useful lives. In the second quarter of 2002, the Company completed the transitional impairment tests of goodwill as of January 1, 2002. Additionally, the Company performed its annual impairment test in the fourth quarter of 2002. No impairment was present upon performing either of the 2002 impairment tests.

At December 31, 2002, goodwill associated with the Company's reportable business segments was $270.0 million for TEL and $82.8 million for Speciality Chemicals. The intangible asset with a finite life associated with TEL was $50.9 million at December 31, 2002 and is being amortized on a straight-line basis to December 31, 2007 (see Note 8).

Prior to adoption of FAS 142 goodwill, the excess of investments over the net assets of subsidiaries acquired, was amortized on a straight-line basis for periods of up to 35 years. The majority of goodwill relates to the TEL business and was being amortized over ten years from January 1, 1998, which was then the expected remaining life of the business. Adoption of FAS 142 has not impacted the method of amortizing the intangible asset.

The Company regularly evaluates the realizability of goodwill and the intangible asset based on projected undiscounted cash flows, net of the carrying amount of the tangible net assets, and operating income for each business.

Deferred Finance Costs

The costs related to debt financing are classified as intangible assets and separately disclosed in the balance sheets. All are amortized over the profile of the debt.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of long-lived assets based on undiscounted operating cash flows whenever significant events or changes occur which might impair recovery of recorded costs and writes down net recorded costs to fair value (based on discounted cash flows or market values) if recorded costs, prior to impairment, are higher.

Derivative Financial Instruments

The Company uses various derivative instruments, including forward currency contracts and options and interest rate swaps, to manage certain exposures. These instruments are entered into under the Company's corporate risk management policy to minimize exposure and are not for speculative trading purposes. Management periodically reviews the effectiveness of the use of the derivative instruments.

FAS 133, Accounting for Derivative Instruments and Hedging Activities, was adopted by the Company effective January 1, 2001. FAS 133 establishes accounting and reporting standards for derivative instruments, and requires that an entity recognize all derivatives as either assets or liabilities in the consolidated balance sheet and measure those instruments at fair value. FAS 133 prescribes requirements for designation and documentation of hedging relationships and ongoing assessments of effectiveness in order to qualify for hedge accounting. Changes in the fair value of derivatives that are not designated as hedges, or do not meet the requirements for hedge accounting under FAS 133, are recognized in earnings.

Prior to the adoption of FAS 133, derivatives that were designed as, and effective as, a foreign currency hedge were accounted for using the deferral method.

Environmental Compliance and Remediation

Environmental compliance costs include ongoing maintenance, monitoring and similar costs. Environmental costs are accrued when environmental assessments or remedial efforts are probable and the cost can be reasonably estimated. Such accruals are adjusted as further information develops or circumstances change. Costs of future obligations are not discounted to their present values.

Earnings Per Share

Basic earnings per share is based on the weighted average number of common shares outstanding during the period, while diluted earnings per share includes the effect of options and restricted stock that are dilutive and outstanding during the period.

Foreign Currencies

The local currency has been used as the functional currency throughout the group. Exchange differences arising on the retranslation of opening balance sheets of overseas subsidiaries are taken to a separate equity reserve, the cumulative translation adjustment. Gains and losses on foreign currency transactions are included in other expenses in the income statement.

Stock Option Plans

The Company has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25) and related interpretations in accounting for its employee stock options. Under APB 25, when the exercise price of employee stock options equals the market price of the underlying stock on the date of the grant, no compensation expense is recorded. The Company has adopted the disclosure-only provisions of FAS 123, Accounting for Stock-Based Compensation and FAS 148, Accounting for Stock-Based Compensation -- Transition and Disclosure.

Pension Plans and Other Post-Employment Benefits

Annual costs of pension plans are actuarially determined based on FAS 87, Employers' Accounting for Pensions. The Company has conformed its pension and other post-retirement disclosures to comply with FAS 132, Employers' Disclosures about Pensions and Other Post-Retirement Benefits.

NOTE 2. BUSINESS SEGMENT AND GEOGRAPHICAL AREA DATA

The Company's operations consist of one dominant industry segment: petroleum additives.
The Company has three businesses for management purposes -- TEL, Petroleum Specialties and Performance Chemicals. Because of operational similarities, Petroleum Specialties and Performance Chemicals have been aggregated for reporting purposes as the Specialty Chemicals business segment. Chlorine is not a reportable segment, but has been disclosed separately within TEL to give greater comparability. Prior to 2002, it operated on a cost recovery contractual basis and had no sales. The following table analyzes sales and other financial information by product group:

Product Group Data

(in millions)	2002	2001	2000
NET SALES:			
TEL-Ongoing	$ 256.7	$ 265.0	$ 300.6
TEL-Chlorine	14.0	-	-
	270.7	265.0	300.6
Specialty Chemicals	180.8	155.9	121.8
	$ 451.5	$ 420.9	$ 422.4
GROSS PROFIT:			
TEL-Ongoing	$ 136.3	$ 134.6	$ 129.1
TEL-Chlorine	(1.8)	-	-
	134.5	134.6	129.1
Specialty Chemicals	59.7	54.4	35.7
	$ 194.2	$ 189.0	$ 164.8
OPERATING INCOME:			
TEL-Ongoing	$ 117.9	$ 68.9	$ 58.6
TEL-Chlorine	(1.8)	-	-
	116.1	68.9	58.6
Specialty Chemicals	9.7	13.1	11.3
Corporate	(17.1)	(14.5)	(11.2)
Restructuring	(19.5)	(9.4)	-
	$ 89.2	$ 58.1	$ 58.7

IDENTIFIABLE ASSETS AT YEAR END:			
TEL	$ 535.7	$ 593.6	$ 560.0
Specialty Chemicals	212.1	195.1	140.8
	$ 747.8	$ 788.7	$ 700.8

Sales by geographic area are reported by source (where the transaction originates) and by destination (where the final sale to customers is made). Intercompany sales are priced to recover cost plus an appropriate mark-up for profit and are eliminated in the consolidated financial statements.
Identifiable assets are those directly associated with the operations of the geographical area.

Geographical Area Data

(in millions)	2002	2001	2000
NET SALES BY SOURCE:			
United States	$ 72.7	$ 63.7	$ 59.4
United Kingdom	278.9	271.2	305.2
Rest of Europe	146.8	134.9	108.9
Other	25.3	22.2	6.5
Sales between areas	(72.2)	(71.1)	(57.6)
	$ 451.5	$ 420.9	$ 422.4
NET SALES BY DESTINATION:			
United States	$ 80.1	$ 74.1	$ 51.7
United Kingdom	36.8	24.2	29.4
Rest of Europe	63.1	46.6	36.9
Other	271.5	276.0	304.4
	$ 451.5	$ 420.9	$ 422.4
INCOME /(LOSS) BEFORE INCOME TAXES:			
United States	$ (3.2)	$ (4.5)	$ (0.9)
United Kingdom	63.6	(4.5)	3.8
Rest of Europe	9.2	48.5	32.7
Other	4.4	(2.8)	0.1
	$ 74.0	$ 36.7	$ 35.7
IDENTIFIABLE ASSETS AT YEAR END:			
United States	$ 66.6	$ 74.6	$ 44.0
United Kingdom	531.1	561.0	531.5
Rest of Europe	144.2	145.0	115.9
Other	5.9	8.1	9.4
	$ 747.8	$ 788.7	$ 700.8

NOTE 3. STOCK OPTION PLANS

The Company has six stock option plans which provide for the issuance of options to key employees and directors of the Company. All grants are at the sole discretion of the Compensation Committee of the Board of Directors, which administers the plans. Grants may be priced at market value or at a premium or discount. Vesting periods are up to four years and exercise periods of up to seven years. A total of 2,075,000 shares have been approved by the shareholders for allocation to the issue of share options.
The following table summarizes the transactions of the Company's stock option plans for the three year period ended December 31, 2002:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Fair Value
Options outstanding December 31, 1999	1,113,105	$ 8.09	
Granted -- at discount	444,150	$ 7.19	$ 3.75
Exercised	(21,098)	-	
Cancelled	(59,953)	-	
Options outstanding December 31, 2000	1,476,204	$ 8.26	
Granted -- at discount	97,177	$ -	$ 13.58
-- at premium	149,679	$ 13.09	$ 4.87
Exercised	(87,986)	$ 10.26	
Cancelled	(153,617)	$ 11.32	
Cancelled for payment	(130,146)	-	
Options outstanding December 31, 2001	1,351,311	$ 8.52	
Granted -- at discount	123,406	$ 14.97	$ 5.93
-- at premium	174,813	$ 16.41	$ 4.46
Exercised	(105,855)	$ 1.54	
Cancelled	(33,043)	$ 6.41	

Cancelled for payment	(32,909)	$	1.86
Options outstanding December 31, 2002	1,477,723	$	10.69

The following table summarizes information about options outstanding at December 31, 2002:

Range of Exercise Price	Number Oustanding at 12-31-02	Weighted Average Remaining Life	Weighted Average Exercise Price	Number Exercisable at 12-31-02	Weighted Average Exercise Price
$0-$10	593,331	7.2 years	$ 5.15	88,552	$ -
$11-$20	884,392	6.7 years	$ 14.40	98,470	$ 15.89

The fair value of options granted was estimated using the Black-Scholes model with the following assumptions:

	2002	2001	2000
Dividend yield	3%	0%	0%
Expected life	4 years	4 years	4.21 years
Volatility	35%	40%	40%
Risk free interest rate	3.59%	4.66%	6.75%

The following table summarizes the effect on net income and earnings per share had the Company recorded its compensation expense consistently with the method prescribed by FAS 123:

(in millions, except per share data)	Net income	Earnings per share Basic	Diluted
2002			
As disclosed	$ 52.1	$ 4.41	$ 4.15
Compensation, net of tax, included	0.5		
Compensation, net of tax, that would have been included had FAS 123 been adopted	(1.6)		
Proforma net income	$ 51.0	$ 4.31	$ 4.06
2001			
As disclosed	$ 5.6	$ 0.47	$ 0.44
Compensation, net of tax, included	1.0		
Compensation, net of tax, that would have been included had FAS 123 been adopted	(1.4)		
Proforma net income	$ 5.2	$ 0.44	$ 0.42
2000			
As disclosed	$ 18.3	$ 1.46	$ 1.41
Compensation, net of tax, included	1.9		
Compensation, net of tax, that would have been included had FAS 123 been adopted	(2.5)		
Proforma net income	$ 17.7	$ 1.41	$ 1.36

NOTE 4. PENSION PLANS

The Company maintains a contributory defined benefit pension plan covering substantially all UK employees. The Projected Benefit Obligation ("PBO") is based on final salary and years of credited service, reduced by social security benefits according to a plan formula. Normal retirement age is 65, but provisions are made for early retirement.

The Company's funding policy is to contribute amounts to the plans to cover service costs to date as recommended by the Company's actuary. Employee and employer contributions since April 2000 were at 2% and 5%, respectively, of pensionable pay. The plans' assets are invested by six investment management companies in funds holding UK and overseas equities, UK and overseas fixed interest securities, index linked securities, property unit trusts and cash or cash equivalents.

Assumptions for the plans as of the end of the last three years were as follows:

	2002	2001	2000
Weighted average discount rate	5.60%	5.75%	6.0%
Rate of increase in compensation levels	3.00%	4.0%	4.0%
Rate of return on plan assets	6.75%	6.75%	7.0%

Movements in PBO and the fair value of plan assets, and the funded status and prepaid pension cost of the plan are as follows:

(in millions)	2002	2001
Change in PBO		
Balance at January 1	$ 529.9	$ 563.0
Interest cost	30.5	31.9
Service cost	5.4	7.1
Contributions by participants	0.4	0.4
Benefits paid	(33.2)	(26.2)
Actuarial gains/(losses)	(5.8)	(31.6)
Exchange variance	56.1	(14.7)
Balance at December 31	583.3	529.9
Fair value of plan assets		
Balance at January 1	626.8	745.6
Actual benefits paid	(33.2)	(26.2)
Actual contributions by employer	1.2	1.0
Actual contributions by participants	0.4	0.4
Actual return on assets	(73.2)	(73.8)
Exchange variance	58.7	(20.2)
Balance at December 31	580.7	626.8
Plan assets (deficit)/excess over PBO	(2.6)	96.9
Unrecognized net loss/(gain)	105.1	(17.8)
Unrecognized prior service cost	2.7	3.3
Prepaid pension cost	$ 105.2	$ 82.4

Net pension cost for the UK pension plans is as follows:

(in millions)	2002	2001	2000
Service cost	$ 5.4	$ 7.1	$ 8.8
Interest cost on PBO	30.5	31.9	30.3
Expected return on plan assets	(47.4)	(46.6)	(46.2)
Net amortization and deferral	(0.3)	0.8	(2.6)
	$ (11.8)	$ (6.8)	$ (9.7)

The plan is accounted for in UK pounds sterling. The US dollar rate at December 31, 2002 was 1.6099 (2001-1.4554). A full actuarial valuation of the pension plan will be carried out as of April, 2003 and the Company will review the outcome of the valuation and any accounting implications when reported later in the year.

NOTE 5. INCOME TAXES

Income taxes are accounted for using the asset and liability method pursuant to FAS 109, Accounting for Income Taxes. Deferred taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory rates applicable to future years to differences between the financial statements carrying amounts and the tax bases of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. In addition, FAS 109 requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

The sources of income/(loss) before income taxes were as follows:

(in millions)	2002	2001	2000
Domestic	$ (3.2)	$ (4.5)	$ 2.7
Foreign	77.2	41.2	33.0
	$ 74.0	$ 36.7	$ 35.7

The components of income tax charges are summarized as follows:

(in millions)	2002	2001	2000
CURRENT:			
Federal	$ 1.3	$ (2.4)	$ 0.7
Foreign	24.9	21.8	9.2
	26.2	19.4	9.9
DEFERRED:			
Federal	-	0.1	-
Foreign	(3.2)	0.3	7.5
	(3.2)	0.4	7.5
	$ 23.0	$ 19.8	$ 17.4

Cash payments for income taxes were $21.3 million, $14.5 million and $29.8 million during 2002, 2001, and 2000, respectively.

The effective tax rate varies from the US federal statutory rate because of the factors indicated below:

	2002	2001	2000
Statutory rate	35.0%	35.0%	35.0%
Foreign tax rate differential	(6.1)	(21.5)	(26.1)
Amortization	0.2	41.9	49.0
Other	1.9	(1.4)	(9.1)
	31.0%	54.0%	48.8%

The net change in the effective tax rate arises from a decrease due to the effect of FAS 142 in removing disallowable goodwill amortization, and an increase caused by a change in the disposition of group profits between the various geographical areas in which the group operates.

Details of deferred tax assets and liabilities are as follows:

(in millions)	2002	2001
DEFERRED TAX ASSETS:		
Closure costs	$ -	$ -
Other	13.2	4.7
	13.2	4.7
DEFERRED TAX LIABILITIES:		
Pension costs	31.2	24.7
Other	23.7	20.3
	54.9	45.0
Total net provision	$ 41.7	$ 40.3

NOTE 6. ACQUISITIONS

On March 5, 2001 the Company acquired the Gamlen group of companies from the MacDermid group. The Gamlen group is headquartered in Vernon, France with operations in Spain and Italy. The group manufactures and sells fuel additives and industrial cleaning products.
On April 9, 2001 the Company acquired the remaining 80% of Hi-Mar Specialties Inc, a US company based in Atlanta and Milwaukee. The initial 20% was acquired in December 1999. The business was purchased from the private owner.
On May 14, 2001 the Company acquired a majority stake in Manhoko Limited. Manhoko is a supplier of personal care products in Asia Pacific.
On June 7, 2001 the Company acquired CP Manufacturing BV and CP3500 International Limited. The CP group is headquartered in Holland and manufactures and sells fuel additives for the treatment of heavy oils.
On June 19, 2001 the Company acquired the Bycosin AB group which is headquartered in Sweden. The Bycosin group is a supplier of heavy fuel oil additives.
On August 15, 2001 the Company acquired ProChem Chemicals Inc, a toll processor which is based in High Point, North Carolina.
The following unaudited information illustrates the results of operations for the years ended 31 December, 2001 and 2000 as if all the 2001 acquisitions had occurred on January 1 of each year. They have been adjusted to reflect amortization of goodwill on acquisitions and financing transactions and the related interest expense. This information is for illustrative purposes only and is not meant to be indicative of actual results that might have been achieved or results that might be attained in the future.

Unaudited Proforma Information

(in millions except per share data)	2001	2000
Net sales	$ 440.2	$ 475.8
Net income	$ 15.8	$ 15.3
Earnings per share -- basic	$ 1.34	$ 1.22
-- diluted	$ 1.26	$ 1.18

NOTE 7. GOODWILL

Goodwill comprises the following:

(in millions)	TEL	Specialty	Total
Gross cost			
-- at January 1, 2002	$ 548.0	$ 85.0	$ 633.0
Acquisitions	0.8	0.7	1.5
Exchange effect	10.6	5.8	16.4
Gross cost			
-- at December 31, 2002	559.4	91.5	650.9
Amortization			
-- at January 1, 2002	(284.0)	(7.3)	(291.3)
Exchange effect	(5.4)	(1.4)	(6.8)
Amortization			
-- at December 31, 2002	(289.4)	(8.7)	(298.1)
Net book amount	$ 270.0	$ 82.8	$ 352.8

Based on its most recent analysis, the Company believes that no impairment of goodwill exists as of December 31, 2002.
Amortization expense was $nil, $46.6 million and $48.2 million in 2002, 2001 and 2000, respectively. This excludes foreign exchange variances which are recorded in the cumulative translation adjustment.

NOTE 8. INTANGIBLE ASSETS

Intangible assets comprise the following:

(in millions)	2002	2001
Gross cost		
-- OBOAdler	$ 23.3	$ 21.1
-- Veritel	60.6	50.5
-- Other	0.4	-
	84.3	71.6
Accumulated amortization		
-- OBOAdler	(23.3)	(21.1)
-- Veritel	(10.1)	-
-- Other	-	-
	(33.4)	(21.1)
	$ 50.9	$ 50.5

OBOAdler

An intangible asset was recognized in the balance sheet on the acquisition of the OBOAdler group on November 9, 1999. It relates to unexpired customer contracts and has been amortized over the average of the relevant contract periods.

Veritel

An intangible asset was recognized in 2001 in relation to amounts payable to Veritel Chemicals BV pursuant to a marketing agreement effective July 1, 2001. An initial signing fee of $5 million was paid on entering into the agreement. In December 2001, notice was given of a permanent source interruption which triggered further payments due to Veritel of $70 million. Under the terms of a separate marketing agreement with Ethyl $24.5 million were recoverable from Ethyl, and the Company's share of $50.5 million was capitalized. The asset is being amortized on a straight-line basis over the six years ending December 31, 2007.
Intangible asset amortization expense was $9.5 million, $9.5 million and $10.3 million in 2002, 2001 and 2000, respectively. This excludes foreign exchange variances which are recorded in the cumulative translation adjustment.
Future estimated amortization expense is $10.2 million per annum for 2003 through 2006 and $10.1 million in 2007.

NOTE 9. DEFERRED FINANCE COSTS

During fiscal 2001 the Company agreed a refinancing which replaced the previous debt. The net book amount of the deferred finance costs, some $6.5 million, was written off as an extraordinary item at this point. Refinancing costs of $6.1 million have been capitalized and will be amortized over the new debt profile.

(in millions)	2002	2001
Gross cost	$ 6.9	$ 6.1
Accumulated amortization	(2.5)	(0.2)
	$ 4.4	$ 5.9

Amortization expense was $2.2 million, $2.6 million and $3.3 million in 2002, 2001 and 2000, respectively. This excludes foreign exchange variances which are recorded in the cumulative translation adjustment.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

The estimated useful lives of the major classes of depreciable assets are as follows:

Buildings 7 to 25 years Equipment 3 to 10 years

Property, plant and equipment consists of the following:

(in millions)	2002	2001
Land	$ 3.0	$ 2.8
Buildings	4.9	9.7
Equipment	74.2	56.4
Work in progress	6.8	7.6
	88.9	76.5
Less accumulated depreciation	32.1	9.6
	$ 56.8	$ 66.9

Depreciation charges were $20.7 million, $28.5 million and $18.6 million in 2002, 2001 and 2000, respectively. Over 90% of the group's assets are in foreign currencies, mainly UK pounds sterling, and are subject to variations in the US dollar rate, which was 1.6099 and 1.4554 at 2002 and 2001 year ends, respectively.
The estimated additional cost to complete work in progress is $1.9 million (2001- $5.0 million).
The estimated life of the EDDS plant at Ellesmere Port was re-evaluated in 2001 to reflect its ongoing value to the Specialty Chemicals business. The extension of its life, effective July 1, 2001, increased the Company's net income and earnings per share for 2001 by $0.6 million and $0.05 million, respectively. Due to market changes in 2002 the Company has re-evaluated this plant and has recognized an impairment charge that is included in the restructuring program (see below).
Accelerated depreciation of $6.8 million was provided in 2001 in respect of the UK Chlorine plant following the decision to cease production at the end of 2002.
In 2002, as part of the restructuring program, asset impairment charges of $13.0 million in aggregate have been recorded, mainly relating to UK plants (see Note 11).

NOTE 11. PLANT CLOSURE PROVISIONS

The liability for estimated closure costs of Octel's TEL manufacturing facilities includes costs for personnel reductions (severance) and decontamination and environmental remediation activities (remediation) when demand for TEL diminishes. In 2002 costs associated with restructuring programs have been identified separately, and the analysis of provisions has been restated to reflect this.

Movements in the provisions are summarized as follows:

(in millions)	2002 Restructuring	2002 Severance	2002 Remediation	2002 Total	2001 Total
Balance at January 1	$ -	$ 7.1	$ 32.4	$ 39.5	$ 35.6
Transfer	1.3	(1.3)	-	-	-
Exchange effect	0.1	0.6	3.9	4.6	(0.4)
Charge for the year	6.5	(1.0)	1.0	6.5	12.3
Acquisition	-	-	-	-	1.4
Expenditure	(2.8)	(4.8)	(6.6)	(14.2)	(9.4)
Balance at December 31	$ 5.1	$ 0.6	$ 30.7	$ 36.4	$ 39.5

Severance

The Company has and will continue to downsize and restructure its operations consistent with declining demand for TEL. Octel ceased production in Italy and France in 1996 and the production plant in Germany closed in March, 2002. Two of the three TEL buildings at the Ellesmere Port site have already been closed.

No provision is made for estimated future costs for severance until the employees concerned have been notified and the expenditure is committed. Expenditure in the year related mainly to the closure of the German plant in March, 2002. Severance costs at January 1, 2002 of $1.3 million related to restructuring activities have been reclassified and are addressed further below.

Severance expenditure against provisions in 2002, 2001, and 2000 was $4.8 million, $3.5 million and $21.6 million, respectively. Amounts provided at December 31, 2002 will mostly be paid during 2003.

Remediation

Total costs for remediation are evaluated on a regular basis to take account of expenditure incurred and to amend the scope of future activities in the light of findings from projects carried out. Management's estimate at December 31, 2002 is analyzed as follows:

(in millions)	Decontamination	Remediation	Other	Total
Total estimated future costs	$ 45.6	$ 12.7	$ 1.5	$ 59.8
Operating capital costs	-	-	(1.5)	(1.5)
Discretionary contingent costs	(19.4)	(8.2)	-	(27.6)
Provision	$ 26.2	$ 4.5	$ -	$ 30.7

Decontamination costs relate to the post-operational cleaning and disposal of equipment and the demolition of buildings. Remediation costs relate to soil and groundwater contamination. Other costs include operational compliance with environmental regulations and project management expenses.

Operational capital costs of $1.5 million are expected to arise during the useful life of the plant. They will be included in property, plant and equipment as expenditure is incurred and depreciated over the remaining useful life of the related plant.

Total costs include $27.6 million, which comprise the potential cost of vacating the Ellesmere Port site. Management has no present intention to adopt this course of action and intends to continue manufacturing other products at Ellesmere Port when production of TEL ceases. Consequently management views these costs as a contingent liability and no provision is made for them.

Remediation expenditure against provisions in 2002, 2001, and 2000 was $6.6 million, $5.9 million and $5.4 million, respectively.

Restructuring

Movements in the restructuring provisions may be analyzed as follows:

(in millions)	Severance	Other	Total
Transfer in at January 1	$ 1.3	$ -	$ 1.3
Exchange effect	(0.2)	0.3	0.1
Provided in the year	4.5	2.0	6.5
Expenditure	(1.9)	(0.9)	(2.8)
Released in the year	-	-	-
Balance at December 31	$ 3.7	$ 1.4	$ 5.1

Severance provisions at January 1 related to the closure of the UK Chlorine plant. The charge of $4.5 million relates mainly to items reported in September -- a further 26 Chlorine plant employees ($1.6 million), 11 UK Specialty Chemicals employees ($0.9 million) and 2 TEL employees ($0.6 million). In the fourth quarter the main charge has been $1.4 million related to 13 Specialty Chemicals employees across Europe. All unpaid severance provisions are expected to be paid over in 2003. Other costs relate to a variety of items, the most significant being professional fees.

The total charge noted above was $6.5 million. Asset impairment charges of $13.0 million were also made, but these have not been recorded through the provisions. The total of the two elements is $19.5 million, the amount included in the income statement as a restructuring charge.

NOTE 12. LONG-TERM DEBT

Long-term debt consists of the following:

(in millions)	2002	2001
Senior term loan	$ 122.0	$ 210.0
Revolving credit	25.0	20.0
Other	12.2	1.0
	159.2	231.0
Less current portion	(56.8)	(65.1)
	$ 102.4	$ 165.9

Payments of interest on long-term debt were $8.1 million, $19.0 million and $22.7 million in 2002, 2001 and 2000 respectively.
On April 27, 1998 the Company issued $150 million of Senior Notes due 2006 bearing interest at a fixed rate of 10%. On June 3, 1999 the Company entered into a further $100 million term loan repayable in semi-annual installments to December 31, 2002.
On October 29, 2001 the Company agreed a $250 million refinancing package. It repaid the $45 million outstanding under the 1999 term loan, and on December 6, 2001 it redeemed the $150 million Senior Notes.
The make-whole premium of $10.6 million payable to the bondholders, and the write-off of the net book amount of deferred finance costs relating to the old debt of $6.5 million were expensed in the income statement as an extraordinary item, net of attributable taxation of $5.8 million. New refinancing costs of $6.1 million have been capitalized (see Note 9).
The new credit facility comprises a term loan of $210 million and a revolving credit facility of $40 million. The term loan is repayable in semi-annual installments over three years. The revolving facility is available throughout the loan period until October 2004. The facility is collateralized on the group's assets and bears interest at LIBOR plus 2.625%, the premium reducing as certain leverage ratios are met. There are terms in the facility which, if breached, would result in the loan becoming repayable on demand. These terms contain certain restrictions on the Company's operations, including the ability to pay dividends and buy back shares.
At December 31, 2002 $25 million had been drawn down against the revolving facility.

The following table presents the projected annual maturities for the next five years after 2002:

(in millions)	
2003	$ 56.8
2004	96.4
2005	1.7
2006	1.7
2007	1.7
Thereafter	0.9
	$ 159.2

NOTE 13. DEFERRED INCOME

Movements in deferred income are summarized as follows:

(in millions)	2002	2001
Received	$ 38.6	$ 38.6
Amortized	(28.2)	(25.2)
	10.4	13.4
Less: current portion	(2.0)	(2.0)
	$ 8.4	$ 11.4

Deferred income relates to amounts received from Ethyl relating to a prepayment for services to be provided under the sales and marketing agreement with OBOAdler, effective January 1, 2000.

NOTE 14. STOCKHOLDERS' EQUITY

(in thousands)	Common Stock 2002	2001	2000	Treasury Stock 2002	2001	2000
At January 1	14,777	14,777	14,766	3,027	2,870	1,315
Exercise of options	-	-	11	(106)	(88)	(60)
Stock purchases	-	-	-	13	245	1,615
At December 31	14,777	14,777	14,777	2,934	3,027	2,870

NOTE 15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amount and fair values of the Company's financial instruments at December 31, 2002 and 2001:

	2002		2001	
(in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
NON-DERIVATIVES:				
Cash and cash equivalents	$ 26.7	$ 26.7	$ 43.0	$ 43.0
Bank overdraft	4.0	4.0	-	-
Long-term debt	159.2	159.2	231.0	231.0
DERIVATIVES:				
Interest rate swaps	$ (1.8)	$ (1.8)	$ 0.2	$ 0.2

The following methods and assumptions were used to estimate the fair values of financial instruments:

Cash and cash equivalents: The carrying amount approximates fair value because of the short-term maturities of such instruments.

Long-term debt: The carrying amount of long-term borrowings at variable interest rates approximates fair value. The fair value of fixed interest rate debt is based on the quoted market prices for the same or similar debt.

Derivatives: The fair value of derivatives, including forward exchange contracts and interest rate swaps, was estimated based on current settlement prices and comparable contracts using current assumptions.

NOTE 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has limited involvement with derivative financial instruments and does not trade them. The Company does use derivatives to manage well defined interest rate and foreign exchange exposures.
The Company invoices over half of its sales in US dollars, with the balance mainly invoiced in UK pounds sterling to match the Company's sterling costs.
The Company uses interest rate swap, floor and collar and cap agreements to reduce the impact of changes in interest rates on its floating rate debt. The terms of the refinancing agreement oblige the Company to take out interest hedges for half of the Senior term loan. The swap agreements are contracts to exchange floating rate for fixed interest payments periodically over the life of the agreements without the exchange of the underlying notional amounts. The notional amounts of interest rate agreements are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss.

As of December 31, 2002 the Company had the following interest rate instruments in effect (notional amounts in millions):

	Notional Amount	Strike Rate	Period
Interest swap	$ 72.5	3.625%	10/04

The Company sells a range of TEL and petroleum additives to major oil refineries throughout the world. Credit limits, ongoing credit evaluation and account monitoring procedures are utilised to minimize risk. Collateral is not generally required.

NOTE 17. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July, 2001 FAS 142, Goodwill and Other Intangible Assets, was issued. According to this statement, goodwill and intangible assets with indefinite lives are no longer subject to amortization, but rather an annual assessment of impairment by applying a fair-value-based test. The statement requires a test for impairment to be performed annually, or immediately if conditions indicate that such an impairment could exist. The Company adopted FAS 142 effective January 1, 2002 (see Note 1) and accordingly no longer records goodwill amortization of approximately $46 million per year on unamortized goodwill at December 31, 2001 of $342 million. The Company completed the transitional goodwill impairment tests required under FAS 142 as at June 30, 2002 and re-performed the tests as at December 31, 2002. The Company has continued to amortize intangible assets of approximately $51 million at December 31, 2001, with an expected finite life, resulting in an annual charge of approximately $10 million.
In July, 2001 FAS 143, Accounting for Asset Retirement Obligations, was issued. This requires recording the fair value of a liability for an asset retirement obligation in the period incurred. The amount recorded as a liability is capitalized by increasing the carrying amount of the related long-lived asset, which is then depreciated over its useful life. If the liability is settled for an amount other than the recorded balance, either a gain or loss will be recognized at settlement. The Company will adopt FAS 143 effective January 1, 2003. Based on the Company's evaluation to date, adoption is not expected to result in a significant net after-tax gain or charge.
In August, 2001 FAS 144, Accounting for the Impairment or Disposal of Long-lived Assets, was issued. FAS 144 establishes a single accounting model, based on the framework established in FAS 121, for the disposal by sale of long-lived assets. The Company adopted FAS 144 effective January 1, 2002 and it did not have a material effect on the Company's financial position, results of operations or liquidity.
In April 2002, FAS 145, Rescission of FAS 4, 44 and 64, Amendment to FAS 13, and Technical Corrections, was issued. This standard updates, clarifies and simplifies existing accounting pronouncements. It rescinds FAS 4, which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of related taxes. Upon adoption, the criteria in APB 30 will be used to classify such gains and losses. Gains or losses on extinguishment of debt that were classified as extraordinary in prior periods presented that do not meet APB 30 criteria for classification as extraordinary must be reclassified into earnings from operations. FAS 145 also

rescinds FAS 64, which amended FAS 4 and FAS 44, which established accounting requirements for the transition of the Motor Carrier Act of 1980. FAS 145 amends FAS 13 to require that certain lease modifications that have economic effects similar to saleleaseback transactions be accounted for in the same manner as sale-leaseback transactions. The Company will adopt FAS 145 effective January 1, 2003 and it will not have a material impact on its financial position, results of operations or liquidity.

In July 2002, FAS 146, Accounting for Costs Associated with Exit or Disposal Activities was issued. This addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). FAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred and that an entity's commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. FAS 146 is effective prospectively for exit or disposal activities initiated after December 31, 2002. The Company will adopt FAS 146 effective January 1, 2003 and believes it will not have a material impact on its financial position, results of operations or liquidity. FAS 146 may change the timing of liability and expense recognition but not the ultimate amount of those expenses.

In December 2002, FAS 148, Accounting for Stock-Based Compensation -- Transition and Disclosure was issued which amends FAS 123, Accounting for Stock-Based Compensation. FAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. FAS 148 also requires more prominent and more frequent disclosure in the financial statements about the effects of stock-based compensation. As described in Note 1 the Company has continued to follow the accounting provisions of APB 25, Accounting for Stock Issued to Employees, for stock-based compensation but has provided the pro-forma disclosures required under FAS 148 (see Note 3).

In January 2003, FIN 46, Consolidation of Variable Interest Entities was issued. FIN 46 requires that companies that control another entity through interests other than voting interests should consolidate the controlled entity. FIN 46 applies to variable interest entities created after January 31, 2003, and to variable interest entities in which an enterprise obtains an interest after that date. The related disclosure requirements are effective immediately. The Company is currently evaluating the effect FIN 46 will have on its financial position, results of operations and liquidity.

QUARTERLY SUMMARY
(Unaudited)

(in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2002				
Net sales	$ 114.5	$ 99.5	$ 116.3	$ 121.2
Gross profit	49.3	48.2	48.2	48.5
Operating income/2/	29.9	28.5	25.4	5.4
Net income/(loss)/4/	18.4	17.7	18.3	(2.3)
Net cash provided by operating activities	44.0	22.2	18.1	15.7
Per common share:				
Earnings -- basic	1.56	1.50	1.54	(0.19)
-- fully diluted	1.47	1.40	1.44	(0.19)
Market price -- high	18.95	25.94	26.09	19.71
-- low	16.14	18.60	18.35	15.80
2001				
Net sales	$ 87.2	$ 117.5	$ 104.9	$ 111.4
Gross profit	35.6	53.0	46.3	45.8
Operating income/3/	8.9	23.3	15.1	12.1
Net income (before extraordinary item)	1.5	8.2	3.4	3.9/1/
Net cash provided by operating activities	40.8	19.4	25.2	4.6
Per common share:				
Earnings -- basic (before extraordinary item)	0.12	0.69	0.29	0.33
-- diluted (before extraordinary item)	0.12	0.65	0.27	0.31
Market price -- high	14.2	18.1	18.6	19.2
-- low	11.6	11.4	16.4	15.9

/1/ Extraordinary item, in the fourth quarter, 2001 only, of $11.3 million (net of tax).

/2/ Restructuring charges reduced income in quarter 3 and 4 of 2002 by $3.1 million ($0.26 per share) and $16.4 million ($1.39 per share), respectively.

/3/ Restructuring charges reduced income in quarter 2, 3 and 4 of 2001 by $1.3 million ($0.11 per share), $0.2 million ($0.02 per share) and $7.8 million ($0.66 per share), respectively.

/4/ The effective tax rate for fiscal 2002 was 31.0%. However, the estimated rate used in quarter 1 was 25.2%, and in quarters 2 and 3 it was 23.0%. Had the full year rate been used on a quarterly basis, the effect would have been to reduce net income in the first, second and third quarters by $1.4 million, $2.3 million and $2.0 million, respectively. As a result net income in the fourth quarter would have increased by $5.7 million.

OCTEL CORP.

BOARD OF DIRECTORS

Dr. Robert E. Bew
chairman and director

Retired CEO of ICI Chemical & Polymer Division and Chairman of Phillips Imperial Petroleum Ltd. Former Chairman of European Process Industries Competitiveness Centre

Dennis J. Kerrison
president and chief executive officer

Previously Executive Vice President,
Great Lakes Chemical Corporation
Former CEO of Hickson International PLC

Martin M. Hale
director

Director of Great Lakes Chemical Corporation Former President and CEO of Marsh & McClennan Asset Management Company

Dr. Benito Fiore
director

Former Chairman and CEO of Enichem UK Ltd.

James Puckridge
director

Director of Thomas Swan & Co Ltd.
Director of LINPAC Group Ltd.
Retired Chairman of Elf Atochem UK Ltd.

Charles M. Hale
director

Executive Chairman of Polar Capital Partners Former Managing Director and Vice Chairman of CSFB Europe Ltd.
Former General Partner of Lehman Brothers Kuhn Loeb
Former Managing Director of AG Becker International

Samuel A. Haubold
director

Partner in the law firm of Kirkland & Ellis Member of the Advisory Council of the Institute of United States Studies, University of London

CORPORATE OFFICERS

Dennis J. Kerrison
president and chief executive officer

Philip J. Boon
business director, petroleum specialties

H. Alan Hanslip
vice president, human resources

Dr. Geoffrey J. Hignett
director of corporate leadership

Alan G. Jarvis
business director, lead alkyls

Paul W. Jennings
vice president and chief financial officer

Ian M. McRobbie
chief technology officer

Richard T. Shone
director of safety, health & environment

John P. Tayler
corporate secretary and general counsel

Sharon E. Todd
director of corporate development

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octel corp. common stock

New York Stock Exchange
Symbol: OTL

corporate website

http://www.octel-corp.com

form 10-K and additional information

Form 10-K is the company's annual report filed with the Securities and Exchange Commission.

Copies of the Form 10-K and other financial information are available from the office of Investor Relations.

environment, health and safety report

For copies of our latest report, contact Investor Relations.

www.octel-corp.com

Concept & Design: Ideas On Purpose, New York www.ideasonpurpose.com Portrait photography: Paul Tozer, UK

[LOGO OF OCTEL]

EXHIBIT 21.1

SUBSIDIARIES OF REGISTRANT

1. AK Chemie GmbH (Germany)
2. Alcor Chemie AG (Switzerland)
3. Alcor Chemie Vertriebs GmbH (Switzerland)
4. Associated Octel Company (South Africa)(Pty) Ltd.
5. Bycosin AB (Sweden)
6. Bycosin Corp
7. Bycosin de Mexico SA de CV (Mexico)
8. Bycosin Ecuador SA (Ecuador)
9. Bycosin Far East Pte Ltd. (Singapore)
10. Bycosin Hungary Additive and Distributing Ltd. (Hungary)
11. Bycosin Invest AB (Sweden)
12. Bycosin SA de CV (Mexico)
13. CP3500 Asia Pte Ltd. (Singapore)
14. CP3500 International Ltd. (Cyprus)
15. CP3500 International (Hellas) Ltd. (Greece)
16. CP Manufacturing BV (Holland)
17. Gamlen BV (Holland)
18. Gamlen Industries SA (France)
19. H Performance Products Inc.
20. Hi-Mar Specialties Inc.
21. Interplast BV (Holland)
22. Manhoko Ltd. (Hong Kong)
23. Novoktan GmbH (Germany)
24. OBOAdler Company Ltd. (United Kingdom)
25. Octavision Ltd. (United Kingdom)
26. Octel America Inc.
27. Octel Corp.
28. Octel Deutschland GmbH (Germany)
29. Octel Developments PLC (United Kingdom)
30. Octel Environmental Ltd. (United Kingdom)
31. Octel Exhaust Systems Ltd. (United Kingdom)
32. Octel France SAS (France)
33. Octel Innovations Ltd. (United Kingdom)
34. Octel International Ltd. (United Kingdom)
35. Octel Italia Srl (Italy)
36. Octel Performance Chemicals Ltd. (United Kingdom)
37. Octel Petroleum Specialties Ltd. (United Kingdom)
38. Octel Starreon LLC
39. Octel Trading Ltd. (United Kingdom)
40. Octel Valvemaster Ltd. (United Kingdom)
41. ProChem Chemicals Inc
42. The Associated Octel Co. Ltd. (United Kingdom)

Exhibit 99.2

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Octel Corp. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dennis J Kerrison, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Dennis J Kerrison

Dennis J Kerrison
President and Chief Executive Officer
March 28, 2003

Exhibit 99.3

Certification pursuant to
18 U.S.C. Section 1350,
as adopted pursuant to

Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Octel Corp. (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul W Jennings, Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul W Jennings

Paul W Jennings
Vice President and Chief Financial Officer
March 28, 2003