

O·I·CORPORATION

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NEWS RELEASE

O.I. CORPORATION ANNOUNCES RESULTS FOR THE SECOND QUARTER OF 2004

College Station, Texas, August 13, 2004 – O.I. Corporation (NASDAQ Symbol: OICO) today announced results for the three and six months ended June 30, 2004.

For the Second Quarter Ended June 30, 2004

Net revenues for the second quarter of 2004 increased 27% to \$7,329,000, compared to \$5,774,000 for the same period of the prior year. Net income was up 91% to \$515,000 and diluted earnings per share were \$0.18, compared to \$270,000 and \$0.10, respectively, for the same period of the prior year.

For the Six Months Ended June 30, 2004

Net revenues increased 13% to \$13,723,000 for the six months ended June 30, 2004, compared to \$12,195,000 for the same period of the prior year. Year-to-date net income was \$941,000, and diluted earnings per share were \$0.33, compared to net income of \$628,000, and diluted earnings per share of \$0.23 for the same period of the prior year.

William W. Botts, president, said,

“We are pleased with the second quarter results, which included the highest quarterly revenue in the history of the Company. Revenues were driven by sales of the Eclipse™ purge and trap sample concentrator, MINICAMS® chemical agent monitors, and LAN9000 on-line beverage monitor. We are especially pleased that net income increased even though we increased spending on R&D and absorbed charges relating to our investment in an unconsolidated investee.

As we approached the end of the second quarter, we were encouraged by increased order bookings, which our manufacturing team rapidly converted to shipments. We are reluctant to conclude that the economic slow down, which has affected capital spending for several quarters, has ended, but we are hopeful that the increased market activity seen at the end of second quarter will continue.

We are pleased to announce that we have established a Company legal entity located in Shanghai, China (U.S.A. O.I. Corporation Shanghai Representative Office). The office will be used as a local contact point to provide sales and technical support to our local manufacturing representatives, partners, and customers in China.

We believe the continuing increase in sales of our new Eclipse purge and trap sample concentrator demonstrates the success that can be achieved by increasing our commitment to R&D. Consistent with the plan announced in December 2003 to increase R&D, we incurred R&D expenses of \$1,465,000 in the first half of 2004, compared to \$1,299,000 in the same period of the prior year.

We plan to continue our strategy of investing in R&D, even at the expense of reduced operating results, including the possibility of incurring an operating loss. In addition, we continue to pursue acquisition opportunities relating to product lines, businesses, or technologies that fit with our strategy for the future. We also will continue to evaluate strategic investment opportunities keeping in mind that investments in technology and development-stage companies involve substantial risk, which could result in loss of the entire investment, in delays, or in redirection of the Company's development programs for which the investment was made. We believe that our current cash, investments, and cash flow will provide us with the resources to execute this plan. As the economic cycle improves, we intend to be in position to launch new products, applications, and provide services that add value to our customers' businesses and that address the public's increasing concerns for the quality of the water we drink and the air we breathe."

FINANCIAL HIGHLIGHTS

	Three Months Ended June 30		Six Months Ended June 30	
	2004	2003	2004	2003
Net revenues	\$ 7,329,000	\$ 5,774,000	\$13,723,000	\$12,195,000
Income before provision for income taxes	779,000	435,000	1,424,000	1,007,000
Provision for income taxes	264,000	165,000	483,000	379,000
Net income	515,000	270,000	941,000	628,000
Weighted average shares, basic	2,783,218	2,754,823	2,773,687	2,756,997
Basic earnings per share	\$0.19	\$0.10	\$0.34	\$0.23
Weighted average shares, diluted	2,861,367	2,771,633	2,854,106	2,769,955
Diluted earnings per share	\$0.18	\$0.10	\$0.33	\$0.23

O.I. Corporation provides innovative products for chemical analysis. The Company's products perform sample preparation, detection, analysis, measurement, and monitoring applications in the food, beverage, pharmaceutical, semiconductor, power generation, chemical, petrochemical, and defense industries. Headquartered in College Station, Texas, the Company's products are sold worldwide by a direct sales force, independent sales representatives, and distributors.

This press release includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. See "Risk Factors and Cautionary Statement Regarding Forward-Looking Statements" in the Company's form 10-K for the year ended December 31, 2003.