

Industrial Rubber Products Agrees to Merger Proposal

Affiliates of Lime Rock Partners and Thompson Street Capital Partners Sign Definitive Merger Agreement

Hibbing, Minn., August 18, 2008 – Industrial Rubber Products, Inc. (OTC: INRB), a leading designer, producer, and applicator of protective coatings to pipeline and industrial markets, today announced that it has entered into a definitive Merger Agreement with Affiliates of Lime Rock Partners, a Westport, Connecticut-based private equity firm focusing on the global energy industry, and Thompson Street Capital Partners, a St. Louis-based private equity firm focused on the manufacturing, distribution, and services industries. The merger provides for the acquisition of Industrial Rubber Products for \$16.50 per share (inclusive of approximately \$0.89 per share that is subject to escrow) in cash, which per share price may be reduced for customary transaction expenses incurred by the company. The acquisition price represents an approximate 49% premium to the average closing price of Industrial Rubber over the preceding twenty trading days.

It is anticipated that the management of the company, including its President, Daniel Burkes, will continue in their current officer positions and retain a meaningful portion of their ownership.

The Board of Directors of Industrial Rubber Products, upon the recommendation of a special committee of disinterested directors, unanimously approved the Merger Agreement and recommends that the shareholders of Industrial Rubber Products vote in favor of the Merger Agreement and the merger. Stifel, Nicolaus & Company Incorporated served as financial adviser to Industrial Rubber Products, and has delivered a fairness opinion to the special committee of its Board of Directors.

The Board of Directors of Industrial Rubber Products believes that this transaction provides a substantial share price premium and market liquidity for its current shareholders, while producing a more focused and flexible, private ownership structure for the company, and its employees, as it continues to deliver its IRACORE™ Pipe System and other leading-edge products to its customers in the oil, mining, and industrial sectors.

Mr. Burkes, CEO of Industrial Rubber Products, said, “The Board and I fully agree that the transaction with Lime Rock and Thompson Street offers the best of both worlds: a fair price for our existing shareholders and two new partners that will help Industrial Rubber Products grow. We are singularly focused on delivering unique, customized, superior solutions to our customers.”

Founded as Industrial Rubber Applicators in 1957, Industrial Rubber Products sells protective products and coating for applications to steel pipe and other industrial equipment. With seventeen product lines, the company serves customers worldwide in the energy, mining, aggregates, and other end markets. Since 2006, the company’s revenue has almost doubled, driven in large part by the success of the IRACORE™ Pipe Systems, which has broad applications to the oil sands and other industries.

J McLane, Director of Lime Rock Partners, noted, “As longstanding investors in the Canadian oil sands, we know that technology like IRACORE is vital to reducing costs and improving performance in an increasingly strained operating environment. We are thrilled to be partnering with Dan and his management team as they seek to find new ways to develop and deliver IRACORE and their other products to their customers.” Bob Dunn, Managing Director of Thompson Street, added, “Industrial Rubber Products has shown, time and again, the ability to open up new markets for its products by delivering customized and technologically advanced solutions. We are gratified that the Board has

agreed to our offer and look forward to applying our manufacturing investment expertise to helping the company execute on its business plan.”

The Board of Industrial Rubber Products expects the transaction to close in September 2008 subject to shareholder approval and other customary closing conditions. A detailed proxy statement is expected to be mailed to Industrial Rubber Products’ shareholders in advance of a special shareholder meeting at the Hibbing Park Hotel on or about September 12, 2008.

About the Companies

Founded in 1957, Industrial Rubber Products is a leading designer, producer, and applicator of elastomeric protective coatings for pipelines and other equipment used in demanding industrial applications. It serves U.S. and international customers in the energy, mining, aggregates, and other end markets. The company attracts and maintains strong customer relationships by utilizing proprietary compounds and manufacturing processes to create unique product solutions with performance and economic attributes superior to substitute products. Since the launch in late 2006 of the company’s patent-pending IRACORE™ Pipe System, IRACORE has become the technology-leading pipe system for the fast growing oil sands industry in Canada and is beginning to penetrate other end markets. For more information, please see www.irproducts.com.

Established in 1998, Lime Rock manages \$3.5 billion of private capital for investment in the energy industry through Lime Rock Partners, investors of growth capital in energy companies worldwide, and Lime Rock Resources, acquirers and operators of oil and gas properties in the United States. Lime Rock Partners is a creative, value-adding, and long-term investor of growth capital in exploration and production, energy service, and oil service technology companies worldwide. From locations in Aberdeen, Scotland; Houston, Texas; and Westport, Connecticut, the Lime Rock Partners team brings together a global network of relationships, deep interdisciplinary expertise in finance and energy company operations, and a strong track record of value creation. For more information, please visit www.lrpartners.com.

Thompson Street Capital Partners has \$450 million in capital under management. The private equity firm makes investments in manufacturing, service and distribution businesses with annual revenues between \$20 million and \$200 million, and a minimum EBITDA of \$5 million. The fund’s philosophy is to partner with management in leveraged acquisitions, recapitalizations, corporate divestitures and going-private transactions. Thompson Street Capital Partners was founded in 2001 by James A. Cooper and Peter S. Finley and is located in St. Louis, Mo. For more information, please visit www.thompsonstreet.net.