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The Co-Investment Plan. The named executives are required to use part of their annual incentive compensation to buy shares in the Corporation and an award of matching stock is made. In order to receive the matching shares, executives must remain employed with the Corporation and continue to hold the shares they purchased with their bonus. The stock awards detailed in the table under All other stock awards relates to the matching shares awarded under this scheme.

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Outstanding Equity Awards at Fiscal Year End

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Un-Exercised Options Exercisable**	**Number of Securities Underlying Un-Exercised Options Un-Exercisable**	**Equity Incentive Plans Awards: Number of Securities: Underlying Un-Exercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested ($)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested**
Paul W. Jennings(*)		9,640	10,000	9.97	02/13/2016	5,326	31,370		
President and Chief Executive Officer		6,286	14,444	27.09	02/21/2017	2,192	12,911		
		18,174	14,146	20.23	02/20/2018	10,200	60,078		
			50,000	0.00	07/25/2015				
			50,000	0.00	02/13/2016				
			200	0.00	02/21/2017				
			32,713	0.00	03/02/2017				
				0.00	03/02/2017				
				0.00	03/12/2017				
				0.00	02/20/2018				
Ian P. Cleminson		1,354	428	27.09	02/21/2017	352	2,073		
Executive Vice President and Chief Financial Officer		3,858	10,000	20.23	02/20/2018	3,300	19,437		
			2,438	0.00	02/13/2016				
			200	0.00	07/05/2016				
			6,367	0.00	02/21/2017				
				0.00	03/12/2017				
				0.00	02/20/2018				
Patrick S. Williams		5,270	6,320	9.97	02/13/2016	1,500	8,835		
		3,052	5,495	27.09	02/21/2017	2,000	11,780		

Executive Vice President and President Fuel Specialties		9,347	20,000	20.23	02/20/2018		
			30,000	0.00	02/13/2016		
			200	0.00	02/21/2017		
			14,582	0.00	03/02/2017		
				0.00	03/02/2017		
				0.00	03/12/2017		
				0.00	02/20/2018		
Ian McRobbie	3,140	3,060	3,668	9.89	02/18/2015	1,630	9,601
Senior Vice President, Research & Technology		1,654	2,978	9.97	02/13/2016	366	2,156
		3,699	200	27.09	02/21/2017	3,900	22,971
			6,104	20.23	02/20/2018		
				0.00	02/13/2016		
				0.00	02/21/2017		
				0.00	03/12/2017		
				0.00	02/20/2018		
Cathy Hessner		2,940	3,528	9.97	02/13/2016	700	4,123
Senior Vice President, Human Resources		1,274	2,293	27.09	02/21/2017	354	2,085
		2,927	200	20.23	02/20/2018	1,200	7,068
			4,829	0.00	02/13/2016		
				0.00	02/21/2017		
				0.00	03/12/2017		
				0.00	02/20/2018		

(*) Mr. Jennings resigned as a director and officer of the Corporation on March 20, 2009.

With respect to non vested or unearned performance based share options, the number of shares reported in the table is based on achieving threshold performance goals, as in the previous fiscal year (2008) the performance achieved did not exceed the threshold performance levels as detailed below:

- 6% increase in TSR per annum for options which expire in February 2016

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- 4% increase in TSR per annum and relative performance of 90% of the Chemical Week 75 performance for those options which expire in February 2017

- 6% increase in TSR per annum and relative performance of 90% of the Russell 2000 Index performance for those options which expire in February 2018

The number of shares reported for Mr. Cleminson in the case of those granted in July 2006, which expire on July 5, 2016 and those reported for Mr. Williams and Mr. Jennings in the case of those which expire on March 2, 2017, are based on full achievement of the performance criteria as this is the expected outcome in each case. In the case of the 200 options granted to all named officers which expire on March 12, 2017 the number of shares reported in each case is based on the full achievement of the performance criteria as this is the expected outcome.

With respect to the options granted in February 2006 at zero cost and due to expire in February 2016, the Compensation Committee, after taking appropriate advice have considered the appropriateness of the performance conditions including vesting dates given the excessive and uncertainty volatility in the financial markets. Under the rules of the PRSOP Plan the Compensation Committee have the power to change performance conditions providing that any such change would be no more or less difficult to satisfy than when originally imposed. After due consideration the Compensation Committee have concluded that given the excessive volatility of the financial markets it is appropriate to extend the vesting period for the PRSOP options granted in February 2006 by two years and to extend the performance measure for a further two years. The earliest possible vesting date for these options, subject to achievement of performance measures as detailed below, will now be February 2011 and the expiry date remains unchanged at February 2016.

% growth in TSR per annum by 2010 year end compared to 2005 year end position of $8.20 (share price of $8.13 plus 7 cents dividend (post split values))	**% of total shares vesting**
10% average compound growth per annum	100%
8% average compound growth per annum	80%
6% average compound growth per annum	60%
Less than 6%	0

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Options Exercise and Stock Vested Table

The following table provides information for the named executive officers on stock option exercises during the fiscal year 2008, including the number of shares acquired on exercise and the value realized.

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realised on Exercise	Number of Shares Acquired on Vesting	Value Realised on Vesting
Paul W. Jennings(*)	16,920	331,886	1,556	30,080
	5,640	54,877		
Ian P. Cleminson	480	9,451		
Patrick S. Williams	1,200	24,372		
Ian McRobbie	5,004	52,651	636	12,295
	978	11,053		
	2,600	19,725		
	7,700	146,967		
	1,182	22,560		
	48,000	916,162		
	9,420	190,190		
Cathy Hessner	6,800	137,212	612	11,831
	2,260	13,146		

(*) Mr. Jennings resigned as a director and officer of the Corporation on March 20, 2009.

The aggregate dollar amount realized on exercise of option awards was computed by calculating the closing price of all underlying common stock on the date of exercise, less the exercise price of the option, multiplied by the number of shares underlying the options exercised.

Pensions Benefit Table

Name	Plan Name	Number of years of credited service at December 31, 2008	Present Value of Accumulated Benefits ($)	Payments During Last Fiscal Year
Paul W. Jennings(*) President and Chief Executive Officer	Innospec Limited Pension Plan	7.563	301,989	0
Ian Cleminson Executive Vice President and Chief Financial Officer	Innospec Limited Pension Plan	14.333	340,137	0
Ian McRobbie	Innospec Limited Pension Plan	7.00	531,444	0

Senior Vice President, Research and Technology				
Cathy Hessner	Innospec Limited Pension Plan	8.771	305,463	0
Senior Vice President, Human Resources				

(*) Mr. Jennings resigned as a director and officer of the Corporation on March 20, 2009.

- The Corporation operates a defined benefit pension plan for relevant employees based in the UK called the Innospec Limited Pension Plan. The scheme was available to all employees in the UK, but is now effectively closed to new members. Mr. Jennings, Mr. Cleminson, Dr. McRobbie and Dr. Hessner are members of this scheme. The Corporation does not participate in any other defined benefit pension arrangements in respect of any of the named executives. The Defined Benefit Pension Table therefore covers the Innospec Limited Pension Plan only.

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- The scheme provides a pension on retirement of 1/57 of pensionable salary for each year of service. The amount of annual salary which is defined as pensionable under this scheme is capped and for 2008 this cap was set at $221,794. In the case of Mr. Jennings, Mr. Cleminson and Dr. Hessner, salary in excess of this is not pensionable. Dr. McRobbie is also a member of this pension plan but is not subject to the cap on pensionable salary as he joined the scheme prior to the introduction of the cap. As a result, Dr. McRobbie s pensionable salary is his full base salary.

- In the case of the named executives, pensionable salary under the scheme is defined as base salary only, up to the pensions cap where relevant. Any bonus payments or supplementary payments are not treated as pensionable.

- Under the rules of the Plan, normal retirement age is 65 although members can retire at 60 without an actuarial reduction. Retirement between the ages of 55 and 60 is permitted, but the pension payable is reduced by an amount determined by the actuarial advisors to the trustees of the Plan. If a member of the scheme is made redundant by the Corporation and is already age 50 or over, then, under the rules of the Plan, they are able to take their pension immediately without any actuarial reduction. If, however, a member was under 50 at the time of severance, they would be entitled to unreduced pension benefits from age 55. From April 2010, the minimum age from which pension benefits can be paid will increase to 55, (with the exception of certain members protected under UK pensions legislation). The earliest age Mr. Cleminson would be able to take his pension, if he were made redundant, would be 55. Mr. Jennings, Dr. McRobbie and Dr. Hessner are classed as protected members and are therefore unaffected by the change in April 2010. Any benefit paid would be in the normal form payable by the Plan, namely a monthly pension with an option to surrender part of this pension for a tax free lump sum, in line with UK tax regulations.

- If an individual chooses to transfer benefits into the Plan from another scheme, they will be provided with a service credit in lieu of the transferred in benefits. The amount of service credit given is calculated by the actuaries on behalf of the Trustees of the Plan and is designed to be cost neutral to the Plan. The right to transfer is subject to the approval of the Trustees of the Plan.

- Mr. Jennings joined the Innospec Limited Pension Plan on July 1, 2004 and received a service credit of 3.063 years in lieu of transferred in benefits from another scheme. His credited service in the Plan at December 31, 2008 was therefore 7.563 years. Dr. Hessner joined the Innospec Limited Pension Plan on July 1, 2004, and on joining the Plan, received a service credit of 1.708 years in lieu of transferred in benefits. In addition, Dr. Hessner received a further service credit of 2.563 years in lieu of additional transferred in benefits from another scheme, giving a total credited service in the Plan at December 31, 2008 of 8.771 years. Mr. Cleminson joined the Innospec Limited Pension Plan on October 1, 2008, and on joining the Plan, received a service credit of 14.083 years in lieu of transferred in benefits, giving a credited service in the Plan at December 31, 2008 of 14.333 years.

- The Corporation does not provide any non qualified deferred compensation programs.

- The present value of accumulated benefits as at December 31, 2008 has been calculated using the following principal assumptions

Discount rate	**6.5%**
Post retirement pensions Increases	3.0% per annum on pensions in excess of the Guaranteed Minimum Pension (GMP). GMP is assumed to increase in line with statutory requirements.
Pre retirement decrements	Individuals are assumed to remain in service and retire at the earliest age at which they can take their full pension benefits unreduced in normal health and circumstances (age 60 for each of the above individuals).
Post retirement mortality	PA92 series tables projected to current calendar year. An allowance is made for future improvements in mortality which is equivalent to reducing the discount rate by 0.25% pa. The discount rate of 6.5% pa is before this reduction.

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Post Employment Payments Table

Name & Principal position	Benefit		Retirement ($)	Termination without cause ($)	Termination in event of Change of Control ($)	Death in Service ($)
Paul W. Jennings(*)	Cash Severance	Salary and benefits	0	819,165	1,638,330	0
President and Chief Executive Officer	Cash Severance	Bonus	0	436,359	872,718	0
	Vested Stock options		0	0	0	0
	Unvested Stock options		0	0	1,426,122	1,426,122
	Life Assurance		0	0	0	3,173,520
	Total		**0**	**1,255,524**	**3,937,170**	**4,599,642**
Ian P. Cleminson	Cash Severance	Salary and benefits	0	309,158	618,315	0
Executive Vice President and Chief Financial Officer	Cash Severance	Bonus	0	113,349	226,698	0
	Vested Stock options		0	0	0	0
	Unvested Stock options		0	0	174,332	174,332
	Life Assurance		0	0	0	1,133,491
	Total		**0**	**422,507**	**1,019,345**	**1,307,823**
Patrick S. Williams	Cash Severance	Salary and benefits	0	504,259	1,008,518	0
Executive Vice President and President, Fuel Specialties	Cash Severance	Bonus	0	420,199	840,398	0
	Vested Stock options		0	0	0	0
	Unvested Stock options		0	0	606,440	606,440
	Life Assurance		0	0	0	630,324
	Total		**0**	**924,458**	**2,455,356**	**1,236,764**
Ian McRobbie	Cash Severance	Salary and benefits	0	280,800	561,600	0
Senior Vice President, Research & Technology	Cash Severance	Bonus	0	102,006	204,012	0
	Vested Stock options		0	0	0	0
	Unvested Stock options		0	0	179,074	179,074
	Life Assurance		0	0	0	1,020,060
	Total		**0**	**382,806**	**944,685**	**1,199,134**
Cathy Hessner	Cash Severance	Salary and benefits	0	265,227	530,454	0
Senior Vice President, Human Resources	Cash Severance	Bonus	0	95,777	191,554	0
	Vested Stock options		0	0	0	0
	Unvested Stock options		0	0	136,324	136,324
	Life Assurance		0	0	0	957,768
	Total		**0**	**361,004**	**858,332**	**1,094,092**

(*) Mr. Jennings resigned as President, Chief Executive Officer and director of the Corporation on March 20, 2009. The Corporation filed a Form 8-K in this regard on March 24, 2009 which also describes the compensation and other terms on which Mr. Jennings has separated from the Corporation.

- In the case of resignation, none of the named executives would be entitled to any post employment payments from the Corporation.

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- In terms of any payments relating to stock options, the named executives are treated in line with the majority of salaried employees in their relevant business in the event of retirement or change of control. In the case of retirement under the rules of the Company Share Option Plan (CSOP), any CSOP options granted will vest and become exercisable; whilst under the rules of the Performance Related Share Option Plan (PRSOP) options which have not vested will lapse. In both cases, the named executives are treated as all other employees with options under the plan. The value of any share options which will become exercisable under each scenario, using the 2008 year end share price of $5.89, is included in the table above.

- In the case of a change of control, under the rules of the stock option plans, all options will become exercisable. Change of control is deemed to have occurred if a person or group becomes the beneficial owner of 30% or more of the combined voting power of the Corporation; there is a consolidation or merger and the Corporation is not the surviving corporation; the shareholders of the Corporation approve plans or proposals for a liquidation or dissolution of the Corporation or, if following a cash offer or merger, the members of the Board cease to constitute a majority of the Board. The value of any share options which will become exercisable in these scenarios, using the year end share price of $5.89, is included in the table above.

- Named executives based in the UK are provided with life assurance cover at four times their base salary if they die in service. In the case of executives based in the US, the death in service cover is 1.25 times base salary. The amount of these potential payments for each named officer is included in the table above.

- In case of termination without cause, the Corporation would normally be liable for a severance payment to the individual. The severance payment would normally cover loss of salary and other direct compensation for the duration of the notice period specified in the employment agreement with the executive. In the case of all the named executives, this notice period is twelve months. In addition, in line with the rules of the share option plans, any CSOP options would vest and the executive would have twelve months from the date of termination to exercise these and any vested options under any of the share plans. With regards to the options, the named executives are treated the same way as other employees who hold options under the plans. The amounts detailed in the post employment payments table include the severance payments and the value of any share options which will become exercisable, using the year end share price of $5.89.

- The named executives have a change of control agreement with the Corporation. This specifies that in the event of a change of control of the Corporation, then if the Corporation terminates the executive within twelve months of the change of control, or if the executive terminates his employment within twelve months for good cause, the executive will be entitled to a compensation payment. In the case of the Corporation terminating the executive, this is calculated as twenty four months compensation defined as base salary, bonus at target and any car allowance from the date of notice of termination. If the executive terminates his employment, the payment is calculated as twenty four months compensation, defined as above, from the date of the change of control. In addition, under the rules of the share option plans, all options would vest on the change of control. The named executives are treated in the same way as other employees who hold options under the plans. The amounts detailed in the post employment payments table include the compensation payments and the value of any share options which will become exercisable, using the year end share price of $5.89 as an indication.

- As part of their employment agreement with the Corporation, each of the named executives, including the Chief Executive Officer and the Chief Financial Officer is subject to a twelve month non solicitation period, with respect to customers and employees, and a twelve month non compete period, from the date their employment with the Corporation ends.

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Directors Compensation Table

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Stock Incentive Compensation	All Other Compensation	Total ($)
Robert E. Bew	194,300	34,986	17,280			246,567
James M. C. Puckridge	128,450	9,993	17,280			155,724
Martin M. Hale	134,300	9,993	17,280			161,574
Charles M. Hale[1]	40,950	9,993	17,280			68,224
Hugh G. C. Aldous	123,350	9,993	17,280			150,624
Samuel A. Haubold[1]	60,500	9,993	17,280			87,774
Joachim Roeser	85,750	9,993	27,220			122,964
Peter Fearn	81,250	9,993	27,220			118,464

1. Mr. C. Hale and Mr. S. Haubold retired from the Board on May 6, 2008.

Under the NED Stock Plan, the Non Employee Directors are required to take one quarter of their annual retainer fee in stock in the Corporation. This is taken at fair market value and the NEDs are required to hold the stock as long as they remain a NED.

During fiscal year 2008 the non-employee directors received the following compensation:

- An annual retainer of $140,000, paid quarterly, to Dr. Bew, as Chairman of the Board;
- Mr. Bew received a fee of $5,000 as a member of the Audit Committee for nine months of 2008 and received a fee of $1,500 for acting as Chairman of the Nominating and Governance Committee for three months of the year;
- An annual retainer of $40,000, paid quarterly, for all other non employee directors. In the case of Mr. C. Hale and Mr. Haubold, the value of the retainer paid in the year was $20,000;
- Mr. Puckridge received an annual retainer of $6,000 as Chairman of the Compensation Committee;
- Mr. Haubold received a retainer of $3,000 in total as Chairman of the Nominating and Governance Committee until his retirement from the Board;
- Mr. M. Hale received an annual retainer of $16,000 as Chairman of the Audit Committee;
- Mr. Aldous received a retainer of $1,500 as Chairman of the Nominating and Governance Committee since October 2008 as well as receiving an annual retainer of $5,000 as member of the Audit Committee;
- Mr. C. Hale received a retainer of $2,500 in total as a member of the Audit Committee until his retirement from the Board;

- Each NED receives a daily fee of $2,500 for each Board Meeting attended;

- Each NED receives a daily fee of $1,800 for each Committee Meeting attended and for special assignments;

- Mr. Puckridge also acts as Chairman of the UK Pension Fund Trustees on behalf of the Corporation and as such receives an annual retainer of $25,000 and $1,800 per day for attending pensions meetings;

- Each director is entitled to reimbursement for his reasonable out-of-pocket expenses incurred in connection with travel to and from, and attendance at, meetings of the Board of Directors or its Committees and related activities.

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SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Corporation s directors and officers, and persons who beneficially own more than 10% of a registered class of the Corporation s Common Stock and other equity securities, to file initial reports of ownership and reports of changes in ownership of the Corporation s Common Stock or other equity securities with the SEC. Such persons are required by SEC regulations to furnish the Corporation with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to the Corporation, or written representations that no Form 5 filings were required, the Corporation believes that each of its officers, directors and beneficial owners of more than 10% of the Common Stock complied with all Section 16(a) filing requirements applicable to them during fiscal 2008.

TRANSACTIONS WITH EXECUTIVES, OFFICERS, DIRECTORS AND OTHERS

During the past fiscal year, the Corporation and its subsidiaries had no transactions in which any director, or any member of the immediate family of any director, had a material direct or indirect interest reportable under the applicable rules of the SEC. The Corporation has not made any charitable contributions to any charity on which any director serves as an executive officer.

CERTAIN OTHER TRANSACTIONS AND RELATIONSHIPS

The Corporation has retained and continues to retain Kirkland & Ellis International LLP, a law firm in which Mr. Haubold was formerly a partner, to perform significant legal services for the Corporation. Mr. Haubold retired from Kirkland & Ellis International LLP in June 2003 and he retired as a Director of the Corporation on May 6, 2008.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL

OWNERS AND MANAGEMENT

The table Beneficial Owners as of December 31, 2008 sets forth certain information with respect to the beneficial ownership of the Corporation s Common Stock as of December 31, 2008 by holders of more than 5% of the Corporation s outstanding Common Stock and as of December 31, 2008. The table Share Ownership of Directors and Officers sets forth information with regard to the directors of the Corporation and the executive officers of the Corporation included in the Summary Compensation Table in the CD&A (Named Executives), and all current directors and executive officers of the Corporation as a group. As of December 31, 2008, excluding treasury stock, there were 23,598,116 shares of Common Stock outstanding. According to the rules adopted by the Securities and Exchange Commission, a person is the beneficial owner of securities if he or she has or shares the power to vote them or to direct their investment or has the right to acquire beneficial ownership of such securities within sixty days through the exercise of an option, warrant, right of conversion of a security or otherwise. The percentage of the Corporation s Common Stock beneficially owned by a person assumes that the person has exercised all options and converted all convertible securities that the person holds which are exercisable or convertible within sixty days of December 31, 2008 for five percent holders and executive officers of the Corporation. To the knowledge of the Corporation, each stockholder has sole voting and investment power with respect to the shares indicated as beneficially owned, unless otherwise indicated in a footnote. Unless otherwise indicated, the business address of each person is the Corporation s corporate address.

Beneficial Owners as of December 31, 2008

(Information as Reported in Schedule 13Gs as of December 31, 2008)

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Tontine (through various funds)(1) 55 Railroad Avenue 3rd Floor Greenwich CA 06830	4,828,345	20.50%
T. Rowe Price Associates, Inc(2) 100 East Pratt Street Baltimore MD 21202	3,116,100	13.20%
FMR LLC(3) 82 Devonshire Street Boston	2,029,971	8.60%

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Based on a review of filings with the Securities and Exchange Commission, the Corporation is unaware of other holders of more than 5% of the outstanding shares of Innospec Inc Common Stock.

Notes

(1) According to Schedule 13D dated November 10, 2008 filed jointly by Tontine Capital Partners, L.P., a Delaware limited partnership (TCP), Tontine 25 Overseas Master Fund, L.P., a Cayman Islands limited partnership (T25), Tontine Capital Management, L.L.C., a Delaware limited liability company (TCM), Tontine Capital Overseas Master Fund , L.P., a Cayman Islands limited partnership (TMF), Tontine Capital Overseas GP, L.L.C., a Delaware limited liability company (TCO) and Jeffrey L. Gendell (Gendell), 4,828,345 shares are jointly controlled by Gendell split into the various funds as follows:

TCP	4,202,663	17.80%
T25	99,700	0.40%
TCM	4,302,363	18.20%
TMF and TCO	525,982	2.20%
Gendell	4,828,345	20.50%

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(2) According to a Schedule 13G dated February 13, 2009 filed jointly by T. Rowe Price Associates, Inc., a Maryland corporation, (T. Rowe Price) and T. Rowe Price Small-cap Value (TRP Fund), T. Rowe Price and TRP Fund beneficially hold 2,306,400 shares. T Rowe Price has sole voting power over 737,700 shares and TRP Fund sole voting power over 2,306,400 shares. T Rowe Price has sole dispositive power over 3,116,100 shares.
(3) According to a Schedule 13G dated February 16, 2009 filed jointly by FMR LLC. (FMR), Edward C Johnson 3d (Mr. Johnson), Fidelity Management & Research Company (FM&R) and Fidelity Low-Priced Stock Fund (Fidelity Stock), various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock shown as beneficially owned by FM&R and Fidelity Stock. Edward C. Johnson 3d and FMR, through its capital of FM&R and Fidelity Stock have sole power to dispose of the shares.

Share Ownership of Directors and Officers

as of January 31, 2009

The following table sets forth the amount of the Corporation s common stock beneficially owned by each of the directors, the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation:

Name	Shares Owned Directly or Indirectly	Shares Underlying Options Exercisable within 60 days	Total	Percent of Class
Hugh G.C. Aldous[(1)]	8,377	8,652	17,029	*
Robert E. Bew	57,206	3,312	60,518	*
Ian P. Cleminson	4,335	0	4,335	*
Peter Fearn	531	0	531	*
Martin M. Hale[(2)]	229,765	43,244	273,009	*
Cathy Hessner	17,537	3,640	21,177	*
Paul W. Jennings[(3)]	92,251	14,966	107,217	*
Ian McRobbie	49,973	7,830	57,803	*
James M.C. Puckridge	9,339	6,652	15,991	*
Joachim Roeser	531	0	531	*
Patrick S. Williams	18,700	5,270	23,970	
Directors and Executive Officers as a group (15 persons)[(4)]	504,811	104,816	609,627	*

Notes:

(*) Less than 1%
(1) In the case of Mr. Aldous this figure Includes 6,000 shares held by Union Pension Trustees
(2) In the case of Mr. Hale, this figure includes 24,000 over which Mr. Hale disclaims beneficial ownership as such shares are held indirectly through a trust.
(3) Mr. Jennings resigned as a director and officer of the Corporation on March 20, 2009.
(4) Includes the above named directors and officers as well as Mr. Hartley and Mr. Shone.

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Equity Compensation Plans

The following table summarizes information, as of December 31, 2008, relating to current stock option plans of the Corporation approved by security holders pursuant to which grants of options, restricted stock, restricted stock units or other rights to acquire shares have been granted from time to time under the CSOP, PRSOP, NEDs Stock Option Plan, Co-Investment Plan, NED Stock Plan and Savings Related Plan. The Corporation does not have any equity compensation plans which have been not been approved by security holders.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights a	Weighted average exercise price of outstanding options, warrants and rights b	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) c
Equity compensation plans approved by security holders	844,551	$ 4.073	1,812,338
Equity compensation plans not approved by security holders	0	0	0
Total	**844,551**	**$ 4.073**	**1,812,338**

The closing price of the Corporation s Common Stock on NASDAQ Stock Market on March 11, 2009 was $3.22.

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AUDIT COMMITTEE REPORT

The Board has adopted a written Audit Committee Charter.

As part of fulfilling its responsibilities, the Audit Committee:

1. held meetings with the Corporation s internal auditors and the independent registered public accounting firm, both in the presence of management and privately to discuss the overall scope and plans for the respective audits, the results of the audits, the evaluations of the Corporation s internal controls and the overall quality of the Corporation s final reports;

2. reviewed and discussed the audited financial statements for fiscal year 2008 with management and the independent registered public accounting firm;

3. discussed with the independent registered public accounting firm the matters required by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and

4. received the written disclosure and the letter from PricewaterhouseCoopers LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the Audit Committee concerning independence, and discussed that firm s independence with representatives of the firm. The Audit Committee has also considered whether PricewaterhouseCoopers LLP s provision of non-audit services to the Corporation is compatible with its independence.

Based upon these reviews and discussions, the Audit Committee has recommended to the Board of Directors, and the Board of Directors has approved, that the Corporation s audited financial statements be included in the Corporation s Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the Securities and Exchange Commission.

Principal accountant fees and services

Aggregate fees for professional services rendered for the Corporation by PricewaterhouseCoopers LLP as of or for the years ended December 31, 2008 and 2007 (Note 1) were:

	2008	2007
	$,000	$,000
Audit	**1,418**	**1,463**
Audit related		**3**
Tax: Compliance		5
Advisory	90	164

Tax Total	**90**	**169**
Other	7	29
Total	**1,515**	**1,664**
Audit, Audit related, tax compliance	1,418	1,471
Tax advisory and other fees	97	193
	1,515	**1,664**

Note 1: A substantial proportion of the fees billed in all of the categories as of or for the years ended December 31, 2008 and 2007 are denominated in a currency other than US dollars. Accordingly, fees billed as of or for both periods have been translated at consistent exchange rates.

Note 2: The aggregate fees included in *Audit Fees* are fees billed for the fiscal years for the audits of the consolidated financial statements of the Corporation, statutory and subsidiary audits, and review of documents filed with SEC. The aggregate fees included in each of the other categories are fees billed in the fiscal years.

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The *Audit Related* fees as of the year ended December 31, 2007 were for assurance and services relating to consultations concerning financial accounting and reporting standards.

Taxation Compliance fees as of the year ended December 31, 2007 were for services related to tax compliance, including the preparation of tax returns and claims for refund.

Taxation Advisory fees as of the years ended December 31, 2008 and 2007, respectively, were for tax planning and tax advice and advice related to mergers and acquisitions.

Other fees as of the years ended December 31, 2008 and 2007, respectively, were for services related to IFRS training, US GAAP training, testing of subsidiary merger documents and advice on the stock split.

Audit Committee Pre-approval Policies and Procedures

The Corporation s Audit Committee adopted pre-approval policies and procedures for audit and non-audit services in August 2005. This was attached as an appendix to the Corporation s 2006 Proxy Statement. For the years ended December 31, 2008 and 2007, no fees were paid to the principal accountant for which the *de minimis* exception was used. The Audit Committee reviewed and approved the audit and non-audit services rendered by PricewaterhouseCoopers to the Corporation during the year 2008 and concluded such services were compatible with maintaining PricewaterhouseCoopers independence.

No portion of this Audit Committee Report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act, through any general statement incorporating by reference in its entirety the Proxy Statement in which this report appears, except to the extent that the Corporation specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed to be filed under either the Securities Act or the Exchange Act.

AUDIT COMMITTEE

Current Members	Position	Date Appointed
Martin M. Hale	Chairman	February 20, 2002
Hugh G.C. Aldous	Member	February 15, 2005
Robert E. Bew	Member	July 28, 2008

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INFORMATION REGARDING THE CORPORATION S

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The independent registered public accounting firm of the Corporation, selected by the Audit Committee for the fiscal year ending December 31, 2009, is PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW, England. A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting and will have the opportunity to make a statement if such representative desires to do so. The representative is also expected to be available to respond to appropriate questions.

OTHER MATTERS

As of the date of this Proxy Statement, management is not aware of any matters to be presented at the meeting other than the matters specifically stated in the Notice of Meeting and discussed in this Proxy Statement. If any other matter or matters are properly brought before the meeting, the persons named in the enclosed Proxy Form have discretionary authority to vote the proxy on each such matter in accordance with their judgment.

SOLICITATION AND EXPENSES OF SOLICITATION

The solicitation of proxies will be made initially through the internet and by e-mail. The Corporation s directors, officers and employees may also solicit proxies in person or by telephone without additional compensation. In addition, proxies may be solicited by certain banking institutions, brokerage firms, custodians, trustees, nominees and fiduciaries who will mail material to or otherwise communicate with the beneficial owners of shares of the Corporation s Common Stock. All expenses of solicitation of proxies will be paid by the Corporation.

ANNUAL REPORT TO STOCKHOLDERS

A copy of the Corporation s 2008 Annual Report on Form 10-K to Stockholders for the fiscal year ended December 31, 2008 is now available to Stockholders via the internet at *www.envisionreports.com/iosp*. Stockholders who require a printed copy of the Annual Report on Form 10-K to Stockholders may obtain one by writing or calling Investor Relations, Innospec Inc., Innospec Manufacturing Park, Oil Sites Road, Ellesmere Port, Cheshire, CH65 4EY, England, telephone +44 151 355 3611, or by e-mail to *investor@innospecinc.com*.

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STOCKHOLDERS PROPOSALS FOR THE 2010 ANNUAL MEETING

The Corporation anticipates holding its 2010 Annual Meeting of Stockholders on May 6, 2010.

Under the regulations of the Securities and Exchange Commission, any stockholder desiring to make a proposal to be acted upon at the 2010 Annual Meeting of Stockholders and have it included in our proxy materials must present such proposals to the Secretary of the Corporation not later than December 1, 2009.

Stockholder proposals or director nominations not included in a proxy statement for an annual meeting must comply with the advance notice procedures and information requirements set forth in the by-laws of the Corporation in order to be properly brought before that annual meeting of stockholders. Under the Corporation s by-laws, any stockholder desiring to make a proposal to be acted upon at the 2010 Annual Meeting of Stockholders must present such proposals to the Secretary of the Corporation not before February 8, 2010 or later than March 9, 2010.

By order of the Board of Directors

Andrew Hartley

Vice President and General Counsel

March 27, 2009

PLEASE VOTE VIA THE INTERNET OR BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS ON YOUR NOTICE OR ALTERNATIVELY, IF YOU HAVE REQUESTED WRITTEN MATERIALS SIGN, DATE AND RETURN YOUR PROXY CARD

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