UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

May 14, 2008
Date of Report (Date of earliest event reported)

QUAKER CHEMICAL CORPORATION
(Exact name of Registrant as specified in its charter)

Commission File Number 001-12019

PENNSYLVANIA **(State or other jurisdiction of incorporation or organization)**	**No. 23-0993790** **(I.R.S. Employer Identification No.)**

One Quaker Park
901 Hector Street
Conshohocken, Pennsylvania 19428
(Address of principal executive offices)
(Zip Code)

(610) 832-4000
(Registrant’s telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1.01. Entry into a Material Definitive Agreement.

Quaker Chemical Corporation (the “Company”) has finalized plans for a $19.8 million expansion of its Middletown, Ohio manufacturing facility, located at 3431 Yankee Road (the “Facility”). To that end, on May 14, 2008, the Company and FMC Technologies, Inc. (“FMC”) entered into an Engineering, Procurement and Construction Contract (the “FMC Agreement”) pursuant to which FMC’s blending and transfer division will be the general contractor for the Company’s expansion of the Facility. The total value of the FMC Agreement is $18.4 million. The FMC Agreement is a “turnkey” construction contract whereby FMC is obligated to complete the Facility according to the agreed-upon construction plans for the stated contract price. The Company expects construction to begin in the third quarter of 2008 and to be completed in the fourth quarter of 2009.

Further, on May 15, 2008, the Company executed a Financing Agreement with the Butler County Port Authority (the “Authority”) and Brown Brothers Harriman & Co. (“Brown Brothers”) for the issuance of $10.0 million of tax-exempt Industrial Development Revenue Bonds (the “Revenue Bonds”) by the Authority which Revenue Bonds have been purchased by Brown Brothers. The net proceeds of the Revenue Bonds will be used to pay a portion of the construction costs for the expanded facility. The Revenue Bonds have a fixed interest rate of 4.76% per year, have a 20-year term, have customary default provisions, including default for failure to pay principal or interest, and are secured by an interest in certain of the equipment for the expanded Facility to be purchased with the proceeds of the Revenue Bonds.

As part of the total financing of the expansion, the Company has been approved for a low interest loan from the Ohio Department of Development (the “ODOD Loan”) in the amount of $3.5 million for a term of 12 years. The interest rate on the ODOD Loan will vary from 1% to 3% over the term of the loan.

The Company also expects to enter into equipment leases for the expanded facility in the approximate aggregate amount of $5.0 million for terms not to exceed 8 years. The Company plans on using internal sources for any remaining costs.

The Company anticipates dilution in earnings due to accelerated depreciation and other costs related to the realignment of our manufacturing locations. The Company expects the impact to be approximately $0.02 per diluted share in 2008 and approximately $0.12 in 2009 and $0.06 in 2010. Once fully implemented, the Company expects to improve cash flow by approximately $3.0 million per year due primarily to lower manufacturing costs.

Once complete, the expansion project will nearly triple Quaker’s production capacity in Middletown and will centralize the Company’s North American production of steel, cleaner and hydraulic fluid products in Middletown, Ohio.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Reference is made to the discussion on the Revenue Bonds in Item 1.01 of this Report which is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is included as part of this report.

Exhibit No.	
99.1	Press Release of Quaker Chemical Corporation dated May 20, 2008.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUAKER CHEMICAL CORPORATION

Date: May 20, 2008

By: /s/ Mark A. Featherstone
Mark A. Featherstone
Vice President and
Chief Financial Officer

For Release:	**NEWS**	**Contact:**
Immediate		**Mark A. Featherstone**
		Vice President and
		Chief Financial Officer
		610-832-4160

QUAKER CHEMICAL ANNOUNCES MANUFACTURING SITE EXPANSION

May 20, 2008

CONSHOHOCKEN, PA – Quaker Chemical Corporation (NYSE:KWR) today announced plans to triple production capacity in its Middletown, Ohio, facility and centralize Quaker's North American production of steel, cleaner, and hydraulic fluids at that facility.

Upon completion in late 2009, the Middletown facility would become Quaker's second largest facility globally. Quaker will transfer all production except for its metalworking fluids from its plant in Detroit to Middletown. The expanded facility will provide Quaker with additional capacity to meet the growing needs of its customers, increase manufacturing flexibility, and improve production efficiency in a time of rapidly escalating raw material prices. The project will require an investment of approximately $19.8 million, of which approximately $10.0 million will be financed through the issuance of Industrial Development Revenue Bonds by the Butler County Port Authority. Additional financing for the project will include a $3.5 million loan from the Ohio Department of Development and equipment leases, as well as internal sources. The Company expects the loan and equipment leases to be completed in the next few months.

"Our planned expansion in Middletown is an important investment in our future manufacturing capability and also reduces capital expenditures in our Detroit, Michigan, facility. The favorable financing we have secured for this project will enhance our returns and cash flows. Once fully implemented in a couple of years, we expect to improve our cash flow by approximately $3 million per year due primarily to lower manufacturing costs," commented Ronald J. Naples, Chairman and Chief Executive Officer.

Mike Barry, Senior Vice President and Managing Director for Quaker North America said, "The centralization of much of our North American production into a modern facility in Middletown will lower our manufacturing costs while providing additional capacity necessary for our business in the future. In addition, the modern production techniques that are incorporated in the plant design will reduce waste generation and further improve our impact on the environment."

FMC Technologies, Inc. will serve as lead contractor for the expansion.

Quaker Chemical Corporation is a leading global provider of process chemicals, chemical specialties, services, and technical expertise to a wide range of industries – including steel, automotive, mining, aerospace, tube and pipe, coatings and construction materials. Our products, technical solutions, and chemical management services enhance our customers' processes, improve their product quality, and lower their costs. Quaker's headquarters is located near Philadelphia in Conshohocken, Pennsylvania.