

Quadrise Fuels International PLC

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Quadrise shares soar as Utah heavy oil trial advances

Quadrise Fuels International PLC (LON:QFI) shares soared in Tuesday morning's deals as it confirmed a partnership aimed at heavy and paraffinic oil deposits in Utah is advancing.

The chemical technology firm in February signed a memorandum of understanding to evaluate a proposed opportunity being pursued by Greenfield Energy LLC, a joint venture company for TomCo Energy plc (LON:TOM) and Valkor Technologies - which previously had a technology licensing agreement with Quadrise.

Quadrise today announced that the partnership with Greenfield has entered Phase 1 which will see a commercial trial, using its MSAR technology - which creates an emulsified synthetic heavy fuel oil - at the Petroteq Oil Sands Plant (POSP) at the Asphalt Ridge Facility in Utah.

Phase 1 has a commercial value of US\$150,000 to Quadrise, the company noted. It will initially see proof of concept work at the Quadrise Research Facility using oil samples supplied by Greenfield.

Additionally, Quadrise will loan a range of MSAR equipment to Greenfield, along with specialist services to assist Greenfield in completing a proposed commercial-scale demonstration.

The demo operation will aim to produce over 600 barrels (100 tonnes) of power grade MSAR fuel.

Quadrise noted that it will continue to cooperate in good faith to agree the commercial terms of a conditional MSAR licence and commercial supply agreement for the production of MSAR fuel under Phase 2 - envisaged as a 10,000 barrels per day operation at Utah facilities owned or operated by Greenfield.

The company also noted that it is now envisaged that such a licence, if awarded, would be provided directly to Greenfield rather than Valkor (to be assignable to JVs) and it will only be finalised upon satisfactory results in Phase 1 and conditional on the entry of binding agreements.

"We are delighted to have concluded the MSAR Commercial Trial Agreement with Greenfield," said Mike Kirk, QFI chairman in a statement.

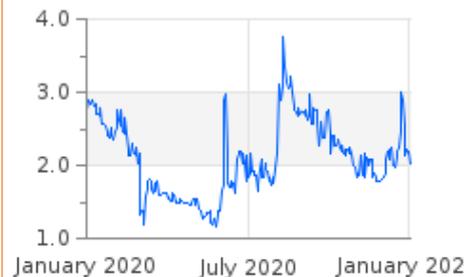
"We are looking forward to being able to take our technology to site and demonstrate its effectiveness in enhancing the value of the sweet heavy or paraffinic oil deposits in Utah. We will also be providing our expertise to the Greenfield team from joint-venture partners Valkor and Tomco to assist with the subsequent commercial development of the facilities there," he added.

Steven Byle, director of Greenfield and Valkor chief executive, meanwhile, said: "We see the MSAR technology from

Price: 2.11

Market Cap: £23.32 m

1 Year Share Price Graph



Share Information

Code: QFI

Listing: LSE

52 week High Low
4.2439 1.0578

Sector: Oil & Gas

Website: www.quadrisefuels.com

Company Synopsis:

Proprietary technology that enables a low cost, modular and rapidly implemented solution to upgrading the bottom of the crude oil barrel which has typically been achieved through large, complex, capital intensive solutions.

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QFI to provide a real opportunity to take advantage of the huge and unique resource of undervalued heavy sweet and high paraffin oil in Utah."

"We will use this commercial trial to attempt to demonstrate a viable retail product direct from site. We will be seeking markets for this product at a premium above WTI pricing. If successful, this effort could provide outstanding economics for oil sands production through ordinary price regimes while enabling profitability through low or even crisis crude pricing.

"We will also look at the application to high paraffin crude to allow conventional transport and superior economics," Byle added

In London, Quadrise shares rose by 0.77p or 36% to change hands at 2.92p each.

TomCo Energy shares, meanwhile, gained 27.25% to trade at 1.05p.

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