

19 April 2024

Quadrise Plc
("Quadrise" or the "Company")

Valkor Project Update

Quadrise Plc (AIM: QED), the supplier of innovative energy solutions for a cleaner planet, provides an update on its project with Valkor Technologies LLC ("Valkor") in Utah, USA, which targets the supply of low sulphur MSAR® and bioMSAR™ to the marine and power sector.

Further to the Company's announcement of 2 October 2023, Valkor has now confirmed that their project partner, Heavy Sweet Oil LLC ("HSO"), has received multi-million dollar funding and approval for their Application for Permit to Drill ("APD") from the Utah Division of Oil, Gas and Mining.

The Company understands that Valkor intends to commence drilling of the initial oil well at the Asphalt Ridge in Utah next week, with completion before the end of April. This oil well is expected to yield between 20 and 40 barrels per day of heavy sweet oil. Samples from the first well will be treated to remove impurities and then sent to Quadrise for conversion to MSAR® and bioMSAR™ and for testing. Commercial marketing to the marine, utilities and industrial sectors is expected to commence before the end of Q2 2024 once samples have been received and tested at QRF.

In support of the drilling programme, HSO plans to submit further drilling and Underground Injection Control permit applications for the injection of steam for enhanced recovery with optimised oil well spacing. The latest applications, if approved, will allow for multiple wells to be drilled from the same drill pad, the results of which should enhance the oil field unitisation application for approval of the larger project.

Valkor is managing several conventional oil sands and drilling exploration projects in Utah. With this initial drilling program funded for 3-4 wells, they expect to conclude full project financing and approvals by mid-2024. As previously advised, once a minimum of US\$15 million project finance is raised by Valkor, they will pay Quadrise US\$1.0 million under the terms of the Site License and Supply Agreement concluded in June 2023. A further US\$0.5 million is then due upon delivery of an MSAR® Manufacturing Unit to the project site in Utah, followed by quarterly technology transfer payments of US\$75,000.

Commenting on the update, Jason Miles, Chief Executive Officer of Quadrise, said:

"We are delighted to see that Valkor has reached another operational milestone and look forward to the commencement of their drilling operations and the receipt of new heavy sweet oil samples for testing at the Quadrise Research Facility."

The adoption of Quadrise energy decarbonisation technology combined with Valkor's low carbon extraction methods is expected to result in highly marketable low sulphur fuels with compelling economics and environmental credentials."

Steven Byle, Chief Executive Officer of Valkor, added:

"We are very pleased to announce to project stakeholders that the drilling programme is commencing imminently in Utah. We are looking forward to supplying larger samples of heavy sweet oil to commence testing and marketing of MSAR® and bioMSAR™, and to conclude state approvals and project financing of the first production site."

About the Valkor Project

The use of low-carbon extraction methods by Valkor in Utah for HSO and other developers is expected to result in heavy sweet oil with a very low well-to-tank carbon intensity. MSAR® produced using this oil is calculated to have a 15-20% lower well-to-wake (or well-to-stack) carbon intensity than conventional very low sulphur fuel oil (VLSFO). The production of bioMSAR™ using renewable glycerine or other biofuel feedstocks would then further reduce fuel carbon intensity. The project is well located to supply local industrial and powerplant consumers, and marine consumers in the west and gulf coasts of the USA via rail, in line with the Company's shipping decarbonisation strategy.

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About Quadrise

Quadrise is the supplier of MSAR® and bioMSAR™ emulsion technology, fuels and biofuels, providing innovative solutions to reduce energy costs and greenhouse gas emissions today for clients in the global power generation, shipping, industrial and refining industries.

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