

01 August 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 sectors from heavy sweet oil ("HSO").

The State of Utah's Board of Oil, Gas and Mining ("the Board") met yesterday and approved Valkor's plan to commercialise HSO recovered from sands within the designated Asphalt Ridge area. The plan details unit operations for enhanced oil recovery and the establishment of an Enhanced Recovery Unit (the "Unit Plan") on behalf of project sponsors Heavy Sweet Oil LLC and AC Oil LLC ("the Sponsors"). The Unit Plan also allows for reduced spacing between wells, so as to optimise HSO recovery and project profitability.

The Sponsors submitted evidence from the drilling of the first two pilot wells for a sizeable and common pooled supply of HSO. Commercialisation requires the use of the latest enhanced oil recovery techniques for low-carbon extraction and processing. Production of the HSO by Valkor will commence from the pilot wells using electrical heating initially to maintain oil flow, as the HSO is extremely viscous otherwise at reservoir conditions. After 1-2 years the electrical heating will be replaced with steam and CO<sub>2</sub> flooding. This will provide stable long-term production for 20+ years per well.

HSO samples have been prepared by Valkor and are being sent to Quadrise for MSAR® and bioMSAR™ formulation and pilot testing in Q3 2024. Commercial marketing to the marine, utilities and industrial sectors is expected to commence once successful testing is completed by Quadrise. The initial marketing targets will be local power producers and marine vessels bunkering on the US West Coast.

Valkor is now planning to progress with further drilling and HSO production in accordance with the Unit Plan to support project financing. 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 payments of US\$75,000 for technology transfer and marketing support.

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

*"We are delighted to be notified that Valkor's Sponsors have received approval from the State of Utah to commercialise heavy sweet oil production. We look forward to testing the recently drilled oil samples at the Quadrise Research Facility prior to commercial marketing of the fuels subject to successful testing. The continued operation and production from the oil wells will assist the next phase of customer acquisition and sales.*

*The adoption of Quadrise energy decarbonisation technology combined with Valkor's low carbon enhanced oil recovery and production methods will provide very attractive low sulphur fuels and biofuels with compelling economics and environmental credentials."*

***Steven Byle, Chief Executive Officer of Valkor, added:***

*"We are extremely pleased that our recent drilling program has confirmed substantial heavy sweet oil deposits are available for commercial extraction from our Sponsor's leases in Utah. Our application to establish the Asphalt Ridge Enhanced Recovery Unit and approve unit operations for enhanced oil recovery was supported by the Division of Oil, Gas & Mining and the land owners SITLA. This now allows us to proceed with our initial planned 100+ well drilling program on optimized spacing hence we're delighted with the recent board approval from the State of Utah.*

*We look forward to securing funding with our Sponsors during the coming months and to be working with*

*we look forward to securing funding with our sponsors during the coming months and to be working with Quadrise to market their fuels and implement their technology in Utah."*

### **About the Valkor Project**

The use of low-carbon extraction and production methods by Valkor in Utah for the project sponsors 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.

Learn more at: [www.quadrise.com](http://www.quadrise.com)

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*This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

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