



26 January 2007

**Quadrise Fuels International plc
("Quadrise" or "the Company")
AIM: QFI**

Update on Activities

Quadrise is pleased to provide this update on the Company's business activities.

Key milestones have been reached on important elements of the Company's Strategic Plan.

The Review Phase has been completed and resulted in:

- ◆ Selection and detailed analyses of candidate major power plants and world scale oil refineries.
- ◆ Identification of 2,500MW of highly prospective power plant offtake opportunity for MSAR fuel.
- ◆ Confirmation that Quadrise technology offers major potential benefits to the oil refining industry in terms of profitability, investment avoidance and environmental performance.

This phase was followed by a programme of selective engagement with potential clients and partners focused on the prospects for Quadrise fuels related application in their individual plants and operations.

Priority has now shifted to formulation of specific project proposals and progressing associated negotiations to agree terms for commercial trials for both the power plant and refinery fuelling applications.

Securing contracts for fuel supply to only a very modest share of the identified 2,500 MW of generating capacity will financially underpin the business and this remains a prime early objective. Thereafter, focus will shift to the medium term development of highly prospective oil burning power markets in the Far East, Mexico and the Middle East.

The Company's independently managed associate, Quadrise Canada Corporation ('QCC') completed the strategic acquisition of the sole manufacturer of proprietary MSAR manufacturing units in late 2006. In addition, QCC completed successful trials of MSAR fuel with the world's leading manufacturer of large scale diesel fuelled power plants, thereby opening an additional large international market for Quadrise MSAR fuels. The Company holds a 21.17% interest in QCC.

Bill Howe, Quadrise CEO, commented, "Our programme has confirmed a positive business case for Quadrise MSAR fuels in our target markets. The recent oil price trend is also generally positive for our business. Lower oil prices sustain the potential for oil fired thermal and diesel power generation, and also improve our competitiveness against other energy sources.

"Our success will be measured by closing contracts for our products and services. We are confident that maintaining focus and momentum with our defined programme will deliver on early identified project contracts, financially underpin the business and provide funds for expansion."

The Company's interim results to 31 December 2006, due to be released on 19 March 2007 will include a further update on activities.

MSAR is a registered trade mark of Quadrise Fuels International plc.

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Notes to editors:

Quadrise Fuels International plc ("Quadrise") produces an emulsion fuel as a low cost substitute for conventional heavy fuel oil ("HFO") for use in power generation plants and large steam raising or energy consuming industries.

In manufacturing its fuels, Quadrise uses the least valuable elements of the oil barrel, thus providing a very cost effective product whilst simultaneously facilitating a means to market for the least desirable heavy crudes and refinery derived residues.

The emulsion fuel product, termed MSAR (Multiphase Superfine Atomised Residue), has superior combustion characteristics to conventional HFO and coal, and has comparable or superior environmental performance in respect of greenhouse emissions.

In addition to providing operating cost savings MSAR may facilitate the upward revaluation of resource or industrial plant assets by extending their economic life or increasing their on-line load factor.

Quadriase adopts a number of business models, including on site fuels manufacture at refineries, at point of use – either adjacent to or on customers facilities, and at central manufacturing facilities acting as bulk fuel suppliers.