



5 October 2006

**Quadrise Fuels International plc
("Quadrise" or "the Company")**

Statement re Orimulsion®

Quadrise Fuels International plc (AIM: QFI) has noted the recent statement made by Venezuela's Ministry of Energy and Petroleum regarding the termination of the use of Venezuela's extra-heavy crude to produce Orimulsion®, the first emulsified fuel available to worldwide markets, and the cessation of production of Orimulsion® by the end of 2006 by Sinovensa, the joint venture business between China National Petroleum Corporation and Petroleos de Venezuela SA ("PDVSA"). Full details can be recovered from the PDVSA web site www.pdvsa.com.

As previously anticipated, this development now leaves Quadrise as the only potential provider of bulk quantity oil in water emulsion fuel through the marketing and manufacture of MSAR® fuel in the exclusive territory in which it operates under its licence agreement with Akzo Nobel. This territory covers all countries excluding Canada, Mexico, the United States, Japan and the Peoples Republic of China. In the United States, Quadrise operates through its associate company Quadrise Fuels US LP, in which it has a 50% interest.

Commenting on this development, Bill Howe, Chief Executive Officer of Quadrise, commented:

"Quadrise now has the added opportunity to actively engage with existing Orimulsion® customers with a view to developing new production bases for MSAR® fuel. This opportunity arises at a time when we are actively progressing agreements to source refinery residue feedstock in our chosen target markets where high quantities of oil fired power generation capacity exist. Our current studies suggest a strong synergy between oil refiners and power generators where Quadrise can act as a sink for uncut, refinery vacuum residues."

MSAR®, a second generation emulsion fuel, has the following advantages over Orimulsion®:

- MSAR® is a more finely dispersed emulsion and achieves a superior carbon burnout.
- MSAR® can be produced using feedstock from a variety of sources allowing flexible multi-sourcing and on-site manufacture.
- MSAR® can be manufactured to customer specification (eg low sulphur).

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