

Quadrise Fuels International

Enhancing the value of oil deposits in Utah

Further to the statement in June about a potential upstream trial in Utah, Quadrise has announced that it has entered into a commercial trial agreement with Greenfield Energy LLC. Quadrise will receive US\$150k for providing equipment and support during the trial. If this is successful, it could lead to the development of commercial MSAR plants processing up to 10,000 barrels of oil per day at sites owned or operated by Greenfield in Utah.

Year end	Revenue (£m)	EBITDA (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)
06/16	0.0	(4.0)	(4.1)	(0.49)	0.0	N/A
06/17	0.1	(3.9)	(4.1)	(0.45)	0.0	N/A
06/18	0.0	(3.3)	(3.5)	(0.37)	0.0	N/A
06/19	0.0	(2.8)	(3.0)	(0.32)	0.0	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

The trial phase includes testing Greenfield's oil samples at Quadrise's research facility, lending Greenfield commercial MSAR production and test equipment, supplying specialist MSAR additives for the trial and supporting the commercial-scale demonstration. Greenfield intends to produce over 600 barrels of power-grade MSAR during the trial. The trial is scheduled to complete by the end of calendar 2020, assuming that coronavirus restrictions do not limit site access.

Greenfield Energy is a joint venture, established in June 2020 between oil exploration and technology company Tomco Energy and engineering services provider Valkor Technologies. Greenfield has taken over the management and operations of Petroteq Energy's existing oil sands plant at Asphalt Ridge in Utah. This plant uses Petroteq's patented solvent extraction technology to extract crude oil from oil sands. Greenfield intends to expand capacity at the site to support extensive trials, complementing the Petroteq process with Quadrise's patented MSAR technology. This step is designed to convert the crude oil into a premium, heavy fuel oil product for retail sale as a diesel replacement for medium speed engines, boilers and other heavy machinery. Alternatively, since the bituminous sands in Utah have a relatively low sulphur content, the crude oil could be converted via the MSAR process into a bunker fuel that is compliant with the latest regulations from the International Maritime Organization. If the trial is successful and it can identify a suitable market for its oil, Greenfield intends to develop its own commercial-scale (up to 10,000 barrels of oil per day) oil sands plants in Utah, which will deploy MSAR technology.

Quadrise has indicated that if the initial trial is successfully completed in 2020 and Greenfield progresses its plans to commercialise the assets, it would be in a position to start providing equipment to site in calendar H121. However, the timing of any progression to commercial operations will be determined by Greenfield's assessment of the economics of field development, which will include a decision on the technology used to extract heavy oil from the oil sands.

Commercial trial agreement

Alternative energy

19 August 2020

Price 2.15p

Market cap £22m

Net cash (£m) at end December 2019 excluding potential £2m from second tranche of Bergen convertible 3.8

Shares in issue 1.04bn

Free float 67%

Code QFI

Primary exchange AIM

Secondary exchange N/A

Share price performance



Business description

Quadrise Fuels International is the innovator, supplier and global licensor of disruptive residual oil technology that produces a synthetic, enhanced heavy fuel oil called MSAR. The technology enables refiners to produce MSAR for use as a low-cost substitute for heavy fuel oil.

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