

POSITIVE PROFILE

CORPORATE & FINANCIAL COMMUNICATIONS

PRESS RELEASE

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[MicroFuze International Plc](#)

[MicroFuze International Plc \(MFZ\) to make initial investment in a South African Water Treatment Company and Raise Additional Working Capital](#)

The Directors of MicroFuze International Plc (“MFZ” or “The Company”) are pleased to announce that the Company has entered into an agreement with Western Utilities Corporation (Proprietary) Ltd (“WUC”), a small start-up South African-based water treatment technology company. The agreement covers the acquisition of the 100 shares (representing 100% of the issued capital) currently on issue in WUC for a nominal amount together with an option to fund the development of a pilot plant to treat acid mine drainage (toxic water) currently emanating from the mining activities of the various major mining houses based on the West Rand in South Africa. The treatment and recycling of the water has become a significant and growing issue for many of the mining houses in South Africa.

Directors wish to reiterate, as recently explained, that MFZ will continue to focus its activities on the core metal diffusion technology with its current focus on boronising – having moved away from the original focus of diffusing chrome into steel.

The original MFZ technology has continued to be developed and directors remain confident that it is capable of achieving its initial commercial outcomes during the current year. Whilst the focus will remain on the commercialisation and rollout of the MFZ technology and identification of other potential applications for the technology, the South African water treatment opportunity represents a potentially commercially attractive technology which balances and potentially de-risks MFZ from its current sole reliance on the microwave technology.

As a consequence of this, the Company has also decided to raise additional capital in the amount of up to £2.5m at a price of 5.0p per share. This funding will be provided by institutional investors and will be used as general working capital to continue to fund the Company’s existing technology. In addition if the Company proceeds with the option to fund the new water project, funding will over time be directed to the new project which, as stated above, is at an early stage of development. As a consequence, funding will also be milestone-based and staged over a 2 year period.

The Directors believe that the continued focus on the MFZ technology and the bolstering of the portfolio with the new project represents a commercially sound strategy and in the longer term interests of all shareholders. Further details on the project will be provided in due course.

ENDS.