

## MicroFuze International Plc announces progress on the Water Project for Western Utilities Corporation

December 18, 2007

Directors of MicroFuze International plc (MFZ) are pleased to announce that its wholly-owned subsidiary, Western Utilities Corporation (“WUC”), has successfully completed infrastructure preparation of the Pilot Plants construction sites. This work includes the site clearing and laying of foundations, as well as the installation of the fencing, electrical and water supplies to the respective pilot plants.

Construction of the Council for Scientific & Industrial Research (CSIR) pilot plant (using the CSIR designed process) is positive and the work is on schedule and on budget. Procurement and delivery of all major pieces of equipment have been completed and the start-up chemicals are already on site. Final construction of piping and installation of cabling is continuing. Commissioning of the plant is scheduled for completion in January 2008.

The procurement and delivery of all major equipment for the SAVMIN plant (using a patented process licensed from Mintek, and designed and constructed by Atomaer) has also been finalised, with the exception of the structural steel work, which has been subject to some supplier delays. Finalisation and commissioning of this plant is scheduled for February 2008.

At the same time the Board is pleased to announce the conclusion of a Water Treatment Plant Management Agreement between WUC and Mogale Gold. This agreement entails WUC taking management responsibility for the treatment of Acid Mine Drainage (AMD) on behalf of Mogale Gold, for use in its own processes and for the discharge of excess water. WUC has partnered with a leading engineering group, Africon Engineering in South Africa, to supply specialised technical skills. This agreement will realise the first revenue generated for WUC in January 2008, which is significantly ahead of anticipated revenue generation from existing activities.

Contd./2

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**Notes to Editors:**

**MicroFuze International plc**

MicroFuze is a metals technology company which owns, through its 85% owned subsidiary MicroFuze Americas, Inc., the sole licence to commercialise the US Department of Energy's patented process for Microwave Diffusion Treatment ("MDT") discovered by their Oak Ridge, Tennessee Nuclear Research Facility. The US Department of Energy retains a 10% interest in MicroFuze Americas and Harley Grant, the Oak Ridge inventor of the process, holds the remaining 5% of MicroFuze Americas shares.

Because MDT is quicker, cheaper and cleaner than all known existing surface treatments of metals, it provides significant physical, economic and environmental advantages. MDT can make cheap steel nearly impenetrable and has a large number of potential uses for parts, components and accessories which require hardening, lubricity, wear resistance and corrosion protection. Industries that will benefit from MDT include power generation, automotive, aeronautical and general manufacturing in a global market worth US\$6 billion annually.

MicroFuze also owns 100% of Western Utilities Corporation (Pty) Ltd (WUC), a newly-formed venture to build a state-of-the-art water treatment plant in the Witwatersrand Basin of West Rand, South Africa to clean Acid Mine Drainage (AMD) from gold mines and then re-sell the cleaned water to third parties (chiefly nearby platinum mines with major expansion strategies).

The plant will be capable of processing up to 75 Mega Litres of water per [day], relieving the growing pressure on existing potable and industrial water resources in Johannesburg's fast-developing West Rand and eliminating the risk of water damage

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to an environmentally-sensitive site caused by more than a century of gold mining activity.

### CSIR

Integrated Barium Sulphide process consisting of preliminary treatment with lime, sulphate precipitation as barium sulphate, H<sub>2</sub>S-stripping, crystallization of CaCO<sub>3</sub>, and recovery of barium sulphide.

### SAVMIN

Uses a calcium/aluminium precipitation process carrying out multiple precipitation steps through the addition of lime and aluminium hydroxide (Al(OH)<sub>3</sub>). The SAVMIN system has been effectively demonstrated on mine waste in South Africa, reducing sulphate from 600 to 800 mg/L to below 200 mg/L.