

**FluidOil Limited**  
("FluidOil")

**FluidOil completes acquisition of  
Ivanhoe Energy**

London, United Kingdom, 4 April 2016 - FluidOil Limited ("FluidOil"), a provider of oil upgrading technology solutions, has completed the acquisition of the intellectual property of Vancouver, Canada-based Ivanhoe Energy Inc. ("Ivanhoe Energy") as well as the acquisition of its Texas, USA-based subsidiary Ivanhoe Energy Holdings Inc.

Ivanhoe Energy was recognised as an international leader in heavy oil development and production with core operations in Canada, Ecuador, China and Mongolia. The acquisition includes Ivanhoe Energy's irrevocable licence to its HTL heavy oil upgrading technology, which provides an alternative to the traditional approach to the transportation of heavy crude oil.

The acquisition consolidates FluidOil's position as a global leader in onsite oil upgrading technology. Ivanhoe Energy's HTL technology will be incorporated into FluidOil's existing *Viscositor* technology to create a fully patented, enhanced, heavy oil upgrading solution, to be called *Viscositor HTL*.

*Viscositor HTL* will provide a commercially attractive solution to enable on-site upgrading of heavy oil to circa. 30 degree API light oil whilst producing less than 0.3% Olefins. This enables oil producers to increase the value at the wellhead of each barrel of oil produced by eliminating the need to purchase or transport site diluents, supplying higher grade oil direct to refineries and reducing energy usage. The technology will also be used to process waste oils.

Charles Parker, FluidOil CEO, said: "*We are extremely excited about this acquisition which fits well with our strategy to provide market-leading heavy oil upgrading solutions. By installing Viscositor HTL technology at the production site or midstream in the supply chain, countries and companies being squeezed by declining rates of benchmark crudes will realise significant improvements in the feasibility and economics of producing and refining heavier crude oils.*"

FluidOil, with its Canadian joint venture partner, Red Giant Energy Services ("Red Giant"), intends to test the combined *Viscositor HTL* technology at Ivanhoe's Feedstock Test Facility in San Antonio, Texas, USA, secured with Red Giant as part of the acquisition. The data from these tests, together with data from tests being conducted on FluidOil's pilot plant at its development centre in London, UK, will be used to finalise the engineering of a 300 barrel per day commercial demonstration plant to be commissioned in Alberta at the end of 2016.

For further information, please contact:

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**Notes to Editors:**

**About FluidOil**

FluidOil Limited is an oil services technology company which has developed Viscositor, a cost efficient and environmentally friendly solution for upgrading heavy and ultra heavy oil.

Viscositor enables continuous onsite upgrading of heavy oil to light oil (up to 29.5oAPI) at any scale above 50bpd and at a yield above 90%. The technology is modular and containerised, allowing flexible deployment thus saving on construction and decommissioning costs. It also generates significant surplus high grade steam capable of being used for production operations or electrical generation, whilst capturing the vast majority of its emissions, thereby reducing any potential environmental impact. The product can be used as an onsite source of diluent or sold directly to a refinery.

FluidOil is now working with strategic partners throughout the world to deploy this upgrading technology with a range of different oil producers from National Oil Companies to small local oil producers.

**About Ivanhoe Energy Inc.**

Ivanhoe Energy Inc. was an independent international heavy oil exploration and development company with core operations in Canada, United States, Ecuador, China and Mongolia, and business development opportunities across the world. Ivanhoe Energy was responsible for developing and testing its proprietary HTL technology. In April 2005, Ivanhoe merged with Ensyn and thereby obtained an exclusive, irrevocable license to the HTL process for all applications other than biomass. Ivanhoe Energy was declared bankrupt in June 2015 after failing to reach a viable restructuring proposal.

**About Viscositor and HTL Upgrading Technology**

Heavy to light oil upgrading is intended to provide an alternative to the traditional approach to the transportation of heavy crude oil by converting heavy, viscous crude oil into lighter, stable, more valuable and more easily transportable products.

Both the Viscositor and HTL technologies are mechanically similar to the well established fluidised catalytic cracking process ("FCC"), at the core of every modern refinery, which undertakes rapid thermal conversion of heavy oil into high value Synthetic Crude Oil (SCO).

The combination of these technologies will enable FluidOil to incorporate the best elements of each to produce an enhanced on-site technology which has superior commercial benefits.

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