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***REFR blows \$11.3 million, cash down to \$8.3 million, reports Asensio***

During the last nine months Research Frontiers Incorporated (NASDAQ: REFR) (Price: \$17.46) used over \$8 million in a futile attempt to prop-up its own stock. Last year REFR spent \$3.3 million trading its own stock bringing the total to \$11.3 million in the last 21 months. As of September 30, 2001 REFR had only \$8.3 million in cash remaining.

REFR does not have earnings or cash flow to pay for its stock trading. REFR pays penny-stock promoters such as Ailouros Ltd. to get cash. Wasting \$11.3 million on a stock scheme has not prevented the stock's well-deserved drop and has drained its cash. In the last two years, REFR has paid its officers bonuses based on short-term movements of its stock. This unusual incentive to temporarily pop-up REFR's stock may explain management's absurd conduct.

REFR's on-going dealings with Ailouros adds further concerns to this apparent wrongful use of \$11.3 million in cash. Last year REFR and Ailouros extended their arrangement indefinitely. The agreement covers the private sale of unregistered REFR stock to Ailouros, an off-shore "underwriter" with ties to numerous defunct penny-stock scams. There is no reasonable justification for the use of cash generated entirely from these undisclosed, private stock sales to buy stock in the open market.

Asensio & Company believes REFR shares are worth less than \$1 per share and expects the shares to trade for less than \$1 per share soon. The firm and its clients have a short position in REFR shares. Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.