

FRACTAL SYSTEMS ADDS TO SENIOR MANAGEMENT

Ed Veith Joins Fractal USA as Chief Operating Officer

Austin, Texas – Joe Gasca, President & CEO of Fractal Systems USA, is pleased to announce that Ed Veith has joined Fractal Systems USA as Chief Operating Officer. Ed joins Fractal Systems from Ivanhoe Energy where he was the Senior Vice President, Canadian Projects. Ed will be based in the US, with future plans to move to Calgary to guide the commercialization of Fractal's suite of technologies.

Ed Veith is an energy executive with over 32 years of broad experience in the oil and gas industry. He has significant experience in strategic decision making, business development and enhanced oil recovery. Ed most recently held senior leadership positions with Ivanhoe Energy Inc. (IE), an independent international heavy oil exploration and development company. While with IE, Ed held various leadership positions including Senior Vice-President and Executive Vice-President and reported directly to the Executive Chairman of the Board and acting CEO.

In those roles Ed was deeply involved with the M&A strategy of the company. He was instrumental in the successful acquisition of a Canadian private company that had a proprietary heavy oil upgrading technology and with growing the company's reserve and resource base to over 500 million barrels. Business development efforts in the Americas, Asia and MENA focused on the commercialization of the heavy oil upgrading technology and provided Ed with exposure to global emerging heavy oil markets. Ed was responsible for running the company's business in Canada including the development of its oil sands properties and growth strategy in Canada. As a member of the senior leadership team, Ed interacted with investors which resulted in the company's ability to raise over \$285 million in financing through private placement and bought deal public offering structures.

Ed holds a Bachelor of Science Degree in Petroleum Engineering from the University of Oklahoma and a MS in Petroleum Engineering from the University of Southern California. He earned his Professional Engineers license in the state of California in Petroleum Engineering and has been published in numerous industry journals.

Ed will help drive business development in heavy oil provinces around the globe. Working closely with Fractal's Sherbrooke engineering and technology development team, Ed will provide guidance in the fabrication, installation and operation of Fractal System's JetShear facilities as the company moves forward in commercializing its technologies.

Fractal Systems Inc. is a private Canadian company with offices in Calgary, Alberta and Sherbrooke, Quebec. Fractal is engaged in the business of processing/upgrading heavy-oil and bitumen, by applying proprietary technology that has **significant cost advantage** over alternatives. The company will be active in licensing systems to oil producers and mid-stream companies. Fractal Systems USA is a wholly owned subsidiary of Fractal Systems Inc. Fractal Systems USA is responsible for supporting the company's business development activities including building an international portfolio of opportunities.

Jetshear[™], Fractal System's first technology, has been **successfully piloted** in Canada. The technology dramatically reduces the viscosity of heavy oil allowing the oil to move more freely in pipelines for transportation. This result provides the owner or transporter of the oil to significantly reduce their costs associated with moving it. In addition, the heavy oil processed by Jetshear[™] has a reduced density.