

FRACTAL SYSTEMS COMPLETES GHG ASSESSMENT

The JetShear Technology Platform Has the Potential to Significantly Reduce GHG Emissions

Sherbrooke, Québec – Fractal Systems Inc. ("Fractal" or the "Company") announced today that ClimateCHECK, a leading Canadian environmental consulting firm, has completed a wells-to-refinery greenhouse gas ("GHG") assessment (the "Assessment") of the potential GHG emission reductions associated with SAGD dilbit when employing Fractal's Enhanced JetShear technology ("Enhanced JetShear™"), one of the technologies under its innovative JetShear technology platform ("JetShear™"). Based on the findings of the Assessment, it is estimated that significant GHG reduction could be achieved by oil sands producers utilizing Enhanced JetShear in their operations, which can also improve the sustainability of their projects.

ClimateCHECK determined that Fractal's Enhanced JetShear could potentially reduce GHG emissions from 5.4% to 11%, depending on the transportation mode, by removing 55% of the diluent from the system. The Assessment illustrates that in addition to cost savings and increased infrastructure utilization, employing the Enhanced JetShear could also result in a significant reduction in the GHG emissions associated with the production, processing and transportation of diluent in North America.

Fractal engaged ClimateCHECK to perform the Assessment according to the System of Measurement and Reporting for Technologies ("SMART") used by Sustainable Technology Development Canada ("SDTC"). The Assessment compared a typical Canadian SAGD-sourced dilbit with a SAGD project that is integrated with Enhanced JetShear to determine the wells-to-refinery GHG impacts.

Canada and other countries are legislating policies to limit GHG emissions and improve efficiencies. New technologies and approaches will be required to manage sustainable growth in the oil sands for the benefit of Canada, North America and the world. Fractal's Enhanced JetShear technology can play a vital role in the continuous improvement in the GHG footprint associated with oil sands development.

About Fractal

Fractal Systems Inc. is a private Canadian company with offices in Calgary, Alberta and Sherbrooke, Quebec. Fractal is engaged in the business of partially upgrading heavy oil and bitumen, by applying proprietary technology that has significant cost advantage over alternatives. The company will be active in manufacturing & licensing systems to oil producers and mid-stream companies

Jetshear™, Fractal's first technology, has been successfully field demonstrated in Canada. The technology dramatically reduces the viscosity of heavy oil and bitumen 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 and environmental footprint associated with moving it to market. Enhanced JetShear™ and the Acid Reduction Process™ ("ARP™") platform are currently being demonstrated in the field and are the focus of a \$3.7 million SDTC grant announced in March 2015. Using these two technologies is a new

approach that allows for further reductions in the diluent required.

About SDTC

On behalf of the Government of Canada, SDTC helps bring Canadian clean technologies closer to market, readying them for growth and export markets. Through its SD Tech Fund™, SDTC helps companies through the critical juncture when capital and scaling costs become challenges and the risk profile deters other investors. The SDTC portfolio is currently comprised of 269 clean technology projects with a total value of \$2.5 billion, of which over \$1.8 billion is leveraged primarily from the private-sector.

About ClimateCHECK

Founded in 2007, ClimateCHECK has delivered a wide range of services to hundreds of companies across nearly all sectors including global emissions inventories, international capacity building, due diligence for innovative clean tech projects, and supporting corporate leaders on climate change and sustainability.