

FRACTAL SYSTEMS TO PRESENT AT THE WORLD HEAVY OIL CONGRESS

Heavy Oil Professionals from Around the Globe to Meet In Calgary, AB in September 2016

Calgary, Alberta – Fractal Systems, Inc. ("Fractal" or the "Company") has been selected to publish a peer-reviewed technical paper and make a presentation at the World Heavy Oil Congress ("WHOC") on September 9, 2016. The WHOC will be held in Calgary from September 6 through September 9, 2016. This Congress is recognized as the pre-eminent gathering of heavy oil professionals from around the world. The 2016 WHOC represents the tenth anniversary since the inaugural Congress held in Beijing, China in 2006.

Ed Veith, COO, Fractal Systems (USA), Inc. will present a summary of the technical paper entitled "Field Demonstration Results of a Novel Cavitation Technology that Dramatically Reduces Diluent Required for Transportation and Improves Heavy Oil and Bitumen Properties", in the Technical Program on September 9, 2016.

The Company announced on May 1, 2015 that it had completed the demonstration phase of its patented JetShear technology with its partner, a large oil sands producer. The 1,000 barrel per day facility processed over 100,000 barrels of partially diluted bitumen that was trucked to the site near Provost, Alberta from SAGD projects in the Athabasca region operated by Fractal's partner. The paper and presentation is focused on the results of the field trial and illustrates the economic benefits of the technology. In addition, the Company will participate in poster sessions over the course of the event where interested parties can meet one-on-one with the Company to discuss the technology and its benefits in more detail.

The JetShear technology platform (which includes JetShear, Enhanced JetShear and Acid Reduction Process) is being recognized by producers and other stakeholders for supporting the efficient development of Canadian bitumen and extra-heavy oil. The JetShear technology platform is designed to:

- significantly reduce the cost of transporting bitumen and extra-heavy oil and improve the price received for the product,
- improve export pipeline utilization leading to 20 to 25% increase in export capacity, and
- reduce the GHG footprint compared to the status quo of shipping conventional dilbit.

New technologies and approaches will be required to manage sustainable growth in the oilsands for the benefit of Canada, North America and the world. Fractal's JetShear technology platform can play a vital role in improving producer operating margins while also improving the GHG footprint and long-term sustainability of the oilsands.



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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 and licensing systems to oil producers and mid-stream companies.

Jetshear™, Fractal System's first technology, has been successfully field demonstrated in Canada. The technology dramatically reduces the viscosity of heavy oil allowing the oil to move more freely in pipelines for transportation. This result allows the owner or transporter of the oil to significantly reduce costs and the environmental footprint associated with moving bitumen or extra-heavy oil to market.

Enhanced JetShear™ and the Acid Reduction Process™ ("ARP™ ") technologies are currently being demonstrated in the field and are the focus of a \$3.7 million Sustainable Development Technology Canada ("SDTC") grant announced in March 2015. These two technologies represent a new approach that allows for further reductions in the diluent required and increases transportation infrastructure utilization.

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