

FRACTAL SYSTEMS TO PRESENT AT THE RICE ALLIANCE ENERGY AND CLEAN TECHNOLOGY FORUM

Calgary, Alberta – Fractal Systems announced today that the company has been selected to present at the Rice Alliance Energy Forum on September 14, 2017.

Fractal's Enhanced JetShear™ and Acid Reduction Process (APR) technologies are increasingly becoming recognized for improving the sustainable development of Canadian bitumen and extra heavy oil by:

- significantly reducing the diluent needed for blending oil sands bitumen and product TAN, resulting in lower transportation costs and improved product pricing;
- providing a pathway, through the broad adoption of Fractal's technologies, to increasing utilization of existing pipeline export capacity by 20 to 25%; and
- lowering GHG emissions when transporting bitumen to market.

The 15th Annual Rice Alliance Energy Forum will be held in Houston on September 13 and 14, 2017. The Rice Alliance Energy Forum is the largest energy and clean tech venture capital conference in the southwestern US.

The event highlights the latest emerging technologies and will include industry luminary speakers, investors and promising US and international startups.

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 a significant cost advantage over alternatives. The company will be active in manufacturing and licensing systems to oil producers and mid-stream companies.

The JetShear technology platform (which includes JetShear™, Enhanced JetShear™ and Acid Reduction Process™ ("ARP™")) is being recognized by producers and other stakeholders for supporting the

sustainable 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 by partially upgrading the bitumen and reducing the TAN,
- improve bitumen 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.

Enhanced JetShear and the ARP technologies have been successfully demonstrated in the field in Canada. The Enhanced JetShear 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. The ARP technology lowers the acid number (TAN) of the bitumen to below 1.0 and increases transportation infrastructure utilization.

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