

## **FRACTAL SYSTEMS ANNOUNCES START UP OF COMMERCIAL DEMO FACILITY**

### **Company To Process Diluted Heavy Oil Following Commissioning of Facility**

Calgary, Alberta – Fractal Systems has started up its JetShear™ Commercial Demonstration Facility near Provost, Alberta. Upgrading of the heavy oil will begin following commissioning of the facility. The feedstock for this demonstration is a diluted heavy oil. The density of the undiluted heavy oil is approximately 11 °API, with some diluent will be added prior to processing by the JetShear™ facility.

It is anticipated the testing will take approximately one year per the agreement that was signed with the heavy oil producer in mid-2010. Terms of the agreement and the name of the heavy oil producer remain confidential.

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

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.