February 3, 2012

FRACTAL SYSTEMS ANNOUNCES APPROVAL OF SECOND PATENT

US Patent Office Grants Patent on JetShear™ Technology Process

Sherbrooke, Québec – Michel Chornet, Vice President of Engineering for Fractal Systems, announced today that the United States Patent Office has granted the company a patent on company's JetShear™ technology process. The Patent, No. US 8,105,480 B2, was issued on January 31, 2012.

A copy of the patent is available on our website – www.fractalsys.com.

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.