

FRACTAL SYSTEMS SIGNS JOINT TECHNOLOGY DEVELOPMENT AGREEMENT

Technology Development Agreement with Major Oil Sands Producer

Sherbrooke, Québec – Fractal Systems is pleased to announce the execution of a Joint Technology Development Agreement with a major oil sands producer. The agreement provides for technology development for up to two years. All laboratory work will be conducted at Fractal Systems' facility in Sherbrooke, Québec.

The technology development agreement will provide for testing and development of selected heavy oil and bitumen upgrading technology concepts that have been developed by Fractal Systems. In addition, the agreement will provide for testing and development of concepts developed by the oil sands producer. Details of the agreement including the name of the oil sands producer remain confidential.

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.