

FRACTAL SYSTEMS TO PRESENT AT THE PROPEL ENERGY TECH FORUM

Company to Participate in the Rapid-Fire Pitch Session

Calgary, Alberta – Fractal Systems announced today that the company has been selected to present at the PROPEL Energy Tech Forum and Canadian Financing Forum during March 2017. The Company will be part of the Alumni Rapid-Fire Pitch Session to be held on March 1.

Fractal's JetShear™ technologies are quickly becoming recognized for supporting the efficient development of Canadian bitumen and extra heavy oil:

- Enhanced JetShear and ARP can significantly reduce the cost of transporting heavy oil while improving the price received for the product by reducing high TAN discounts.
- Broad use of Enhanced JetShear can lead to 20 to 25% greater utilization of pipeline export capacity.
- Enhanced JetShear results in lower GHG emissions for transporting heavy oil to market.

The 4th Annual PROPEL Energy Tech Forum will be held in Calgary on March 1 to 2, 2017. The PROPEL Energy Technology Venture Forum brings together the best, boldest, most innovative, emerging and established energy technology companies. Now more than ever, technology adoption is critical to the long-term viability and stewardship of global energy resources. Calgary is at the forefront of this revolution, standing as the key setting for fostering, commercializing, and integration of new energy technologies. More information can be found on the PROPEL website at:

<http://www.propelenergytech.com/>

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



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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 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.

Jetshear™ 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 ARP technologies are currently being demonstrated in the field. These two technologies represent a new approach that allows for further reductions in the diluent required, lowers the acid number (TAN) of the bitumen to below 1.0 and increases transportation infrastructure utilization.

For further information, please contact:

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