Energy Technologies Inc.
MATRRIX
Drilling. Technology. Focused.

MATRRIX ANNOUNCES FOURTH QUARTER AND 2015 ANNUAL RESULTS
DATE: March 24, 2016

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. (“MATRRIX” or the “Corporation”) (TSX-V: MXX) announces financial results for the three month period and the year ended December 31, 2015.

(Expressed in Thousands of Canadian Dollars except for per share amounts and operational days)

OVERALL HIGHLIGHTS

For the three months and year ended December 31, 2015, the Corporation experienced a significant decline in drilling and motor rental activity in both Canada and the US relative to comparative periods in 2014. The anticipated decline in the Corporation’s overall operational activity was due to the overall decrease in capital expenditures by the Corporation’s key customers, due to weak commodity prices.

As a result of the continued decline in overall operational activity and reduced outlook for oilfield services activity and pricing, the Corporation recorded a $3,679 property and equipment impairment loss in the third quarter of 2015. The Corporation continues be in a strong financial positon with positive working capital of $5,848 ($0.18/per Share) including $5,058 ($0.16/per Share) of cash on hand as at December 31, 2015.

FOURTH QUARTER 2015 SUMMARY (Compared with year prior)

- Consolidated revenue of $797, down 92% from $9,818
- Consolidated gross margin of 34%, up 42% from 24%
- Recorded net loss of $1,343, down 615% from net income of $261
- Adjusted EBITDA loss of $502, down 147% from Adjusted EBITDA of $1,074

YEAR ENDED 2015 SUMMARY (Compared with year prior)

- Consolidated revenue of $4,381, down 87% from $34,844
- Consolidated gross margins of 13%, down 50% from 26%
- Recorded net loss of $9,492, down 758% from net income of $1,442
- Adjusted EBITDA loss of $2,588, down 157% from $4,529

OUTLOOK

The current business strategy of MATRRIX is to deploy drilling technology in Canada and the United States, and actively seek investment opportunities to acquire existing drilling technology services businesses and/or equipment. As at the date of this press release, 25 Systems are available within MATRRIX for deployment to the field in the WCSB and the United States.

While focusing on shale gas and oil targets, the oil and gas industry in North America now uses horizontal drilling to drill conventional and unconventional oil and liquids-rich natural gas plays in many basins across North America. Currently, there is significant uncertainty over commodity price levels and related customer capital expenditure programs. Macro-economic factors have affected capital spending and overall drilling activity levels in North America, which is the Corporation’s operating area. As a result, the Corporation experienced reductions in activity and pricing during 2015 and expects reductions to continue for 2016, until commodity prices and related customer capital expenditures recover.

Canada

Canadian customers were extremely cautious about capital spending in 2015, and the Corporation expects industry activity levels in Western Canada to continue to be challenged in 2016. The macro commodity price environment, along with associated competitive and pricing pressures, leads the Corporation to expect its overall Canadian results will be down materially in 2016.

With potential for significant field development of Liquified Natural Gas (LNG) for eventual export from Western Canada, there is optimism for improvement in activity beyond 2016, subject to marked increases in oil and gas commodity pricing and the approval of infrastructure projects. However, the timing and likelihood of those projects is uncertain. MATRRIX continues to leverage and build relationships with active current and potential customers in Western Canada to maximize revenue and cash flow in this challenging environment. The Corporation continues to manage costs through adjustments in staffing and compensation levels, while managing equipment vendor relationships, and continuously improving operational efficiency.

USA

Due to significant reductions in USA client capital expenditures and associated drilling rig counts, and high levels of competition, the Corporation temporarily ceased operations in the USA during 2016. This has assisted the Corporation in preserving its strong balance sheet and cash position.

The Corporation is continually assessing opportunities and timing to re-enter the USA market, and remains opportunistic in its approach to re-establish its presence in that important sector of the North American market.

OTHER MARKETS

The Corporation will also evaluate, assess, and execute (if it deems appropriate) an expansion program into markets outside of North America, with a goal to improving its geographic diversity.

Opportunities will be evaluated based upon their expected financial impact and risk to the Corporation through delivery of appropriate levels of revenue, income, and returns in each geographic region.

In considering geographic expansion, the Corporation will assess the potential of partnering with established organizations that have significant, existing operations in its regions of interest.

President Richard Ryan states: “Over the last several weeks, oil prices have certainly enjoyed an uptick from lows felt through the beginning of 2016. Assuming commodity prices continue moving in a positive direction, oil and gas clients will eventually decide to increase investment in drilling related capital expenditures. With zero debt, a strong working capital position, and approximately $5 million in cash, MATRRIX is well positioned to respond to the upturn when that market opportunity presents itself.

We continue to focus on balance sheet preservation by appropriate management and reduction of costs. Due to convergence of economic and weather (spring break-up) related timing, the drilling market in Canada will most certainly be activity challenged in the second quarter of 2016.

Today's low Western Canadian rig count is at levels not seen in decades. Any pause in activity is time for MATRRIX to leverage opportunities for improvements in efficiency and cost with an eye to eventually scaling up. When industry and drilling activity improves, our response will be from the standpoint of a leaner organization using scalable systems and processes, growing financial results without field support costs typically seen during the last high activity period of 2014.

MATRRIX will be five years old in 2016, with this down cycle being the first for the company. Regardless of the tough environment, our employees have a positive attitude and are committed to change, improvement, and exploiting opportunities before us. We are in the enviable position of having zero debt, intending to use that financial strength to re-emerge from this downturn as a stronger, leaner, focused company."

FINANCIAL HIGHLIGHTS

		Three Months Ended December 31,			Year Ended December 31,			
(000's CAD $)		**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**	**2013[1]**
Revenue		797	9,818	(92%)	4,381	34,844	(87%)	25,256
EBITDA	(i)	(679)	1,032	(166%)	(6,430)	4,285	(250%)	685
EBITDA per share								
Basic		(0.02)	0.03	(167%)	(0.20)	0.13	(254%)	0.01
Diluted		(0.02)	0.03	(167%)	(0.20)	0.13	(254%)	0.01
Adjusted EBITDA	(ii)	(502)	1,074	(147%)	(2,588)	4,529	(157%)	731
Adjusted EBITDA per share								
Basic		(0.02)	0.03	(167%)	(0.08)	0.14	(157%)	0.01
Diluted		(0.02)	0.03	(167%)	(0.08)	0.14	(157%)	0.01
Net Income (loss)		(1,343)	261	(615%)	(9,492)	1,442	(758%)	(1,795)
Net Income (loss) per share								
Basic		(0.04)	0.01	(500%)	(0.29)	0.04	(825%)	(0.06)
Diluted		(0.04)	0.01	(500%)	(0.29)	0.04	(825%)	(0.06)
Funds flow from operations	(iii)	(371)	1,320	(128%)	(2,444)	4,426	(155%)	682
Gross Margin	(iv)	274	2,399	(89%)	556	9,103	(94%)	6,154
Capital expenditures (net of lost in hole replacements)		10	2,279	(100%)	251	5,752	(96%)	3,552
Directional and horizonal systems available		25	26	(4%)	25	26	(4%)	23
Weighted Average common shares outstanding		32,185	32,185	-	32,185	32,185	-	32,183
Weighted Average diluted common shares outstanding		32,185	32,185	-	32,185	32,185	-	32,183

[1] The overall increase in revenue and earnings over the period between 2013 to 2015 relates to the continuing organic growth of the Corporation from the commencement of operations in 2011. The decline in 2015 operating activity is due to low oil and gas commodity pricing.

NON-GAAP MEASURES

This press release contains references to (i) EBITDA; (ii) Adjusted EBITDA; (iii) Funds Flow; and (iv) Gross Margin. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as non-GAAP measures. The non-GAAP measures used by the Corporation may not be comparable to similar measures used by other companies.

(i) EBITDA is not a measure recognized under IFRS and does not have a standardized meanings prescribed by IFRS. EBITDA is defined as "income (loss) before interest expense, income taxes, depreciation and amortization.

	Three Months Ended December 31,			Year Ended December 31,		
(000's CAD $)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Net income (loss)	(1,343)	261	(615%)	(9,492)	1,442	(758%)
Depreciation	695	771	(10%)	3,093	2,799	11%
Tax Expense (recovery)	(31)	-	(100%)	(31)	44	(170%)
EBITDA	(679)	1,032	(166%)	(6,430)	4,285	(250%)

(ii) Adjusted EBITDA is defined as "income (loss) before interest income, interest expense, taxes, business acquisition transaction costs, depreciation and amortization, shared based compensation expense, gains on disposal of property and equipment, impairment expenses, interest and other income, and foreign exchange." Management believes that in addition to net and total comprehensive income (loss), Adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed, how assets are depreciated, amortized and impaired: the impact of foreign exchange, or how the results are affected by the accounting standards associated with the Corporation's stock based compensation plan.

	Three Months Ended December 31,			Year Ended December 31,		
(000's CAD $)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
EBITDA	(679)	1,032	(166%)	(6,430)	4,285	(250%)
Loss from disposition of property and equipment	114	43	165%	117	194	(40%)
Gain from equipment lost in hole	-	-	-	(142)	(392)	64%
Interest and other income	(6)	8	(173%)	(23)	(21)	(10%)
Share based payments	70	96	(27%)	282	356	21%
Foreign exchange (gain) loss	(1)	(105)	(99%)	(71)	107	166%
Impairment of assets	-	-	-	3,679	-	100%
Adjusted EBITDA	(502)	1,074	(147%)	(2,588)	4,529	(157%)

(iii) Funds flow from operations is defined as "cash provided by operating activities before the change in non-cash working capital". Funds flow from operations is a measure that provides shareholders and potential investors additional information regarding the Corporation's liquidity and its ability to generate funds to finance its operations. Management utilizes this measure to assess the Corporation's ability to finance operating activities and capital expenditures.

	Three Months Ended			Year Ended December 31,		
(000's CAD $)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Operating cash flow	137	(1,284)	111%	3,113	2,529	23%
Changes in non-cash working capital	(508)	2,604	(120%)	(5,557)	1,897	393%
Funds flow	(371)	1,320	(128%)	(2,444)	4,426	(155%)

(iv) Gross margin is defined as "gross profit from services revenue before stock based compensation and depreciation". Gross margin is a measure that provides shareholders and potential investors additional information regarding the Corporation's cash generating and operating performance. Management utilizes this measure to assess the Corporation's operating performance.

	Three Months Ended			Year Ended December 31,		
(000's CAD $)	**2015**	**2014**	**% Change**	**2015**	**2014**	**% Change**
Gross profit	(403)	1,652	(124%)	(2,454)	6,400	(138%)
Depreciation	677	747	(9%)	3,010	2,703	11%
Gross margin	274	2,399	(89%)	556	9,103	(94%)
Gross margin	34%	24%	42%	13%	26%	(50%)

FORWARD-LOOKING INFORMATION

Certain statements contained in this press release constitute forward-looking information. This information relates to future events or the Corporation's future performance. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "could", "believe", "predict" and "forecast" are intended to identify forward-looking information.

In particular, this press release contains forward-looking information pertaining to the following: an expected decrease operations due to significantly decreased drilling activity and a decrease in capital expenditures by the Corporation's key customers due to weak commodity prices and a reduced outlook for oilfield services activity and pricing; the potential for the Corporation to generate negative operating cash flows due to the buildup of working capital as well as the impact of negative commodity price changes and seasonality in the oil and gas industry in North America; the Corporation's ability to maintain its approved capital expenditure budget; the significant affect macro-economic factors have on capital spending and overall drilling activity levels in North America; the Corporation's expectation that the significant reductions in activity and pricing will continue for 2016; the Corporation's expectation that its overall Canadian results will be down dramatically in 2016; the potential for large field developments of LNG for eventual export from Canada, subject to marked improvements in oil and gas commodity pricing and the approval of LNG infrastructure projects; MATRRIX's ability to continue to build relationships with active current and potential customers in Canada; the ongoing trend of the oil and gas industry in North America using horizontal drilling to drill conventional and unconventional oil and liquids rich natural gas plays in basins across North America; Approval of large scale infrastructure projects; the significant reduction in USA client capital expenditures and associated drilling rig counts; high levels of completion; the impact of ceasing US operations and the prospect of MATRRIX re-entering the US market.

With respect to forward-looking information contained in this press release, assumptions have been made regarding, among other things: future growth in word-wide demand for crude oil and petroleum products; the Corporation's ability to obtain qualified personnel and equipment in a timely and cost-efficient manner; operating costs; future capital expenditures to be made by the Corporation; the Corporation's future debt levels; and the impact of increasing competition on the Corporation. This forward-looking information involves material assumptions and known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking information including, but not limited to, the risks and uncertainties described in the Corporation's AIF for the year ended December 31, 2015. No assurances can be given that any of the events anticipated by the forward-looking information will prove to be correct and such forward-looking information included in this press release should not be unduly relied upon. The forward-looking information contained herein is provided as at the date hereof and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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