Energy Technologies Inc.
MATRRIX
Drilling. Technology. Focused.

MATRRIX ANNOUNCES FIRST QUARTER 2017 RESULTS
DATE: May 17, 2017

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. ("MATRRIX" or the "Corporation") (TSX-V: MXX) announces financial results for the three month period ended March 31, 2017.

(All monetary amounts contained herein are expressed in thousands of Canadian dollars, except for per share amounts)

OVERALL HIGHLIGHTS

For the three month period ended March 31, 2017, the Corporation experienced a 119% increase in operating days related to horizontal drilling and motor rental activity in Canada relative to the comparative 2016 period. The Corporation's overall increase in operational activity was due to the addition of new customers related to the increase in overall activity in the Western Canadian Sedimentary Basin ("WCSB") as compared to the comparative 2016 period.

The Corporation continues to be in a strong financial positon with positive working capital of $4,143 ($0.13/per share) including $3,119 ($0.10/per share) of cash and cash equivalents on hand as at March 31, 2017.

FIRST QUARTER 2017 SUMMARY (Compared with the first quarter of 2016)

- revenue of $1,549, up 67% from $925
- operating days of 232, up 119% from 106
- net loss of ($693), improved 15% from ($816)
- adjusted EBITDA of ($55), improved 7% from ($59)

OUTLOOK

The current business strategy of MATRRIX is to deploy horizontal and directional drilling technology in Canada, while actively seeking investment opportunities to acquire existing drilling services businesses and/or equipment. As at the date of this MD&A, 25 Horizontal and Directional Systems are available within MATRRIX for deployment to the field in the WCSB.

The Corporation has announced it intends to investigate entering the land-based contract drilling business to complement its business of supplying horizontal and directional drilling technologies for the oil and gas industry in North America. MATRRIX continues to evaluate opportunities to purchase contract drilling companies and/or drilling rig assets and will transact when and if an appropriate opportunity exists.

The oil and gas industry in North America extensively uses horizontal drilling to exploit conventional and unconventional oil and liquids-rich natural gas plays in most basins within North America. Oil prices have significantly rebounded from lows experienced in early 2016, which have positively affected capital expenditures and drilling programs by the Corporation's oil and gas clients, while improving the outlook for oil and gas service companies including MATRRIX.

The Corporation expects 2017 to be a recovery year for the industry. Supply of oil and gas services equipment continues to exceed demand, and until activity meets a reasonable threshold to improve the supply / demand imbalance, we expect the market for the Corporation's services to remain highly competitive. To that end, the Corporation continues to drive efficiency and scalability into its systems and processes, with a view that fixed expenses will be spread over a larger revenue base as the Corporation's revenue base recovers.

Canada

Predicated upon improvements in oil and gas prices, and improvements in market access, the Corporation expects industry activity levels in Western Canada to grow through 2017 and into 2018.

MATRRIX continues to have success leveraging and building relationships with active current and potential customers in Western Canada, and expects growth in revenue and earnings within an improving industry environment. The Corporation continues to effectively balance costs with forecasted activity levels, while managing equipment vendor relationships, and perpetually improving operational results and efficiency through use of its proprietary D²ROX™ software platform

OTHER MARKETS

The Corporation will evaluate, assess, and execute (if it deems appropriate) an expansion program into markets outside of North America, with a goal to improving geographic diversity. Opportunities will be evaluated based upon 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 certain regions of interest.

President Richard Ryan states:

"In the Canadian market, fundamentals and service company activity levels continue to improve, the catalyst being stronger oil prices and stronger levels of industry investment when compared to 2016.

The company's first quarter 2017 activity levels were certainly improved from the comparable period in 2016. Certain MATRRIX clients experienced delays in accessing pressure pumping and cementing equipment during Q1 2017, causing wells scheduled for that period to be delayed into Q2 2017 and beyond.

With respect to improving quality of well-bore life cycles, we are very encouraged by client feedback regarding the effect of D²ROX™ on client drilling operations. D²ROX™ is a proprietary web based software platform, designed and utilized by MATRRIX in all aspects of service delivery, resulting in high quality field operations and highly accurate wellbore placement for MATRRIX clients.

As activity continues to improve, it's our intention to use D²ROX™ to drive scalable growth, maintain high levels of service quality, while automating certain routine aspects of the sales / engineering / operations / accounting cycle of MATRRIX drilling services. The D²ROX™ foundation is designed to operate in both Canadian and American units, and will accommodate needs of the MATRRIX drilling rig division, assuming the company is successful in launching that service offering.

We have zero debt and strong working capital and cash positions. We're very encouraged by the firming market, our activity increases and sales momentum, and the growth opportunities that exist for the company. Our team is working hard to leverage market improvements, remaining focused on measurable, sustainable value for clients and shareholders while returning to a mindset of growth and profitability."

FINANCIAL HIGHLIGHTS

(000's CAD $)	Three Months Ended March 31, 2017	2016	% Change
Revenue	1,549	925	67%
EBITDA (i)	(59)	(130)	55%
EBITDA per share			
Basic	(0.00)	(0.00)	-
Diluted	(0.00)	(0.00)	-
Adjusted EBITDA (ii)	(55)	(59)	7%
Adjusted EBITDA per share			
Basic	(0.00)	(0.00)	-
Diluted	(0.00)	(0.00)	-
Net loss	(693)	(816)	15%
Net loss per share			
Basic	(0.02)	(0.03)	33%
Diluted	(0.02)	(0.03)	33%
Funds flow from operations (iii)	(49)	(76)	36%
Gross Margin (iv)	603	442	36%
Assets	13,790	17,536	(21%)
Liabilities	673	288	(134%)
Capital expenditures (net of lost in hole replacements)[(1)]	-	38	(100%)
Directional and horizontal systems available	25	25	-
Weighted Average common shares outstanding	32,185	32,185	-
Weighted Average diluted common shares outstanding	32,185	32,185	-

[(1)] Non-GAAP measure

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.

(000's CAD $)	Three Months Ended March 31, 2017	2016	% Change
Net loss	(693)	(816)	15%
Depreciation	634	686	(8%)
EBITDA	(59)	(130)	55%

(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 March 31,		
(000's CAD $)	**2017**	**2016**	**% Change**
EBITDA	(59)	(130)	55%
Gain from equipment lost in hole	(30)	-	100%
Interest and other income	(7)	(8)	(13%)
Share based payments	32	71	(55%)
Foreign exchange (gain) loss	9	8	13%
Adjusted EBITDA	(55)	(59)	7%

(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 March 31,		
(000's CAD $)	**2017**	**2016**	**% Change**
Operating cash flow	(545)	(9)	5,956%
Changes in non-cash working capital	496	(67)	840%
Funds flow	(49)	(76)	36%

(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.

(000's CAD $)	Three Months Ended March 31, 2017	2016	% Change
Loss from operations	(20)	(221)	91%
Depreciation	623	663	(6%)
Gross margin	603	442	36%
Gross margin %	39%	48%	(19%)

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: the Corporation's intentions to enter the land based contract drilling business; the Corporation's continued evaluation of opportunities to purchase contract drilling companies and/or drilling rig assets; the Corporation's expectation is that 2017 will be a recovery year for the industry; the Corporation's expectation that the market for the Corporation's services will remain competitive until the supply/demand imbalance is improved and the expectation that industry activity levels in Western Canada will grow through 2017 and into 2018.

This forward-looking information involves material assumptions and known and unknow risks and uncertainties, certain of which are beyond the Corporation's control. The Corporation's Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describe the risks, the material assumptions and other factors that could influence actual results and which are incorporated herein by reference. Actual results, performance or achievements could differ material from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom.

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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