MATRRIX Energy Technologies Inc.
Drilling. Technology. Focused.

MATRRIX ANNOUNCES SECOND QUARTER 2017 RESULTS
DATE: August 9, 2017

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. ("MATRRIX" or the "Corporation") (TSX-V: MXX) announces financial results for the three month and six month periods June 30, 2017.

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

OVERALL HIGHLIGHTS

For the three and six month periods ended June 30, 2017, the Corporation experienced an overall increase in operating days related to horizontal drilling and motor rental activity in Canada relative to the comparative 2016 periods. The Corporation's overall increase in operational activity was due to the addition of new customers and the increase in overall activity in the Western Canadian Sedimentary Basin ("WCSB").

The Corporation continues to be in a strong financial position with positive working capital of $3,756 ($0.12/per share) including $2,705 ($0.08/per share) of cash and cash equivalents on hand as at June 30, 2017.

SECOND QUARTER 2017 SUMMARY (Compared with the second quarter of 2016)

- revenue of $1,061, up from $7
- operating days of 170, up from Nil
- net loss of ($976), improved from ($1,373)
- adjusted EBITDA of ($353), improved from ($662)

SIX MONTHS ENDED 2017 SUMMARY (Compared with the six months ended in 2016)

- revenue of $2,611, up from $925
- operating days of 402, up from 94
- net loss of ($1,667), improved from ($2,190)
- adjusted EBITDA of ($407), improved from ($723)

OUTLOOK

MATRRIX will continue to deploy horizontal and directional drilling technology in Canada, while actively seeking investment opportunities to acquire existing drilling service businesses and equipment that meet strategic objectives. As at the date of this MD&A, 25 sub-surface Horizontal and Directional Systems are owned and available within MATRRIX for deployment to the field within the WCSB.

The Corporation continues to assess opportunities to enter 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 intends 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 now uses well established horizontal drilling practices to exploit conventional and unconventional oil and liquids-rich natural gas plays in most basins within

North America. Oil prices have rebounded from lows experienced in early 2016, positively affecting capital expenditures and drilling programs initiated by the Corporation's oil and gas clients.

WCSB oil and gas producers continually assess capital expenditures as oil and gas prices fluctuate. Assuming further strengthening of commodity prices, we expect an overall improvement in the outlook for oil and gas service companies including MATRRIX.

Supply of oil and gas services equipment continues to exceed demand, and until activity meets a reasonable threshold to improve the supply / demand imbalance, the market for the Corporation's services could remain highly competitive. The Corporation continues to drive efficiency and scalability into all aspects of its business, with a view that fixed expenses will be spread over a larger revenue base as the Corporation's revenue grows.

The Corporation is optimistic that its strategic initiative to enter the land based contract drilling business is very timely, and if successful will yield opportunities for MATRRIX and its clients to realize improvements on efficiency, cost, and return on equity within a potentially "lower for longer" commodity price environment.

Canada

Assuming commodity prices continue to strengthen, the Corporation expects industry activity levels in Western Canada to improve within 2017 and into 2018. With a vision for how the industry needs to evolve, MATRRIX continues to drive operational results and efficiency improvements through use of its proprietary D²ROX™ software platform, combined with solid engineering and field execution.

Strong knowledge of sub-surface drilling parameters is critical, a skill inherent to the Corporation and a competitive advantage to MATRRIX within our market. We intend to leverage that knowledge and use of systems and processes to drive predictability, repeatability and risk management into all aspects of our drilling operation, for the benefit of active current and potential MATRRIX clients. That same culture and discipline will form the foundation for our drilling contracting business, once established.

The Corporation continues to balance costs with forecasted activity levels, while prudently managing our cash reserves in light of opportunities for growth.

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:

"While the second quarter is historically quiet due to spring break-up in Canada, we used this pause in field activity to further strengthen our systems and processes approach to field execution, while broadening exposure to those clients in Western Canada unfamiliar with MATRRIX and our unique approach to horizontal drilling.

Assuming commodity prices continue to improve, and based on current business booked, we expect firming activity levels through Q3, into Q4 and ultimately through the busier Q1 drilling season in western Canada.

The best measure of success is positive feedback from Clients. With an approach that delivers field results exceeding expectations, we're confident in our vision. D^2ROX^{TM} is proprietary to MATRRIX, central to our service offering, and utilized in all aspects of our service delivery. We're focused on measurable results, while delivering predictable, repeatable field operations and operational support.

Our team is focused on creating sustainable value for clients and shareholders in the midst of this evolving market for drilling services. With zero debt and strong working capital and cash positions, we intend to leverage our unique position to predict, drive and evolve change within the drilling segment of the market we serve."

FINANCIAL HIGHLIGHTS

	Three Months Ended June 30,			Six Months Ended June 30,		
(000's CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
Revenue	1,061	7	nm	2,611	932	180%
EBITDA (i)	(365)	(702)	48%	(422)	(833)	49%
EBITDA per share						
Basic	(0.01)	(0.02)	50%	(0.01)	(0.03)	67%
Diluted	(0.01)	(0.02)	50%	(0.01)	(0.03)	67%
Adjusted EBITDA (ii)	(353)	(662)	47%	(407)	(723)	44%
Adjusted EBITDA per share						
Basic	(0.01)	(0.02)	50%	(0.01)	(0.02)	50%
Diluted	(0.01)	(0.02)	50%	(0.01)	(0.02)	50%
Net loss	(976)	(1,373)	29%	(1,667)	(2,190)	24%
Net loss per share						
Basic	(0.03)	(0.04)	25%	(0.05)	(0.07)	29%
Diluted	(0.03)	(0.04)	25%	(0.05)	(0.07)	29%
Funds flow from operations (iii)	(338)	(676)	50%	(387)	(736)	47%
Gross Margin (iv)	273	(121)	326%	877	321	173%
Assets	13,034	16,143	(19%)	13,034	16,143	(19%)
Liabilities	839	220	281%	839	220	282%
Capital expenditures (net of lost in hole replacements)	77	-	100%	77	34	126%
Directional and horizontal systems available	25	25	-	25	25	-
Weighted Average common shares outstanding	32,185	32,185	-	32,185	32,185	-
Weighted Average diluted common shares outstanding	32,185	32,185	-	32,185	32,185	-

nm - not meaningful

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 June 30,			Six Months Ended June 30,		
(000’s CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
Net loss	(976)	(1,373)	29%	(1,667)	(2,190)	24%
Depreciation	611	671	(9%)	1,245	1,357	(8%)
EBITDA	(365)	(702)	48%	(422)	(833)	49%

(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 June 30,			Six Months Ended June 30,		
(000’s CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
EBITDA	(365)	(702)	48%	(422)	(833)	49%
Gain from equipment lost in hole	-	-	-	(30)	-	100%
Interest and other income	(6)	(10)	(40%)	(13)	(18)	(28%)
Share based payments	22	50	(56%)	54	121	(55%)
Foreign exchange (gain) loss	(4)	-	(100%)	4	7	(43%)
Adjusted EBITDA	(353)	(662)	47%	(407)	(723)	44%

(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.

(000's CAD $)	Three Months Ended June 30, 2017	2016	% Change	Six Months Ended June 30, 2017	2016	% Change
Operating cash flow	(365)	(245)	49%	(910)	(240)	279%
Changes in non-cash working capital	27	(431)	106%	523	(496)	(205%)
Funds flow	(338)	(676)	50%	(387)	(736)	47%

(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 June 30, 2017	2016	% Change	Six Months Ended June 30, 2017	2016	% Change
Loss from operations	(329)	(777)	58%	(348)	(998)	65%
Depreciation	602	656	(8%)	1,225	1,319	(7%)
Gross margin	273	(121)	326%	877	321	173%
Gross margin %	26%	nm	-	34%	34%	-

nm - not meaningful

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 unknown 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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