



MATRRIX ENERGY TECHNOLOGIES INC. TO ACQUIRE STAMPEDE DRILLING LTD. AND COMPLETE CONCURRENT PRIVATE PLACEMENT

DATE: October 31, 2017

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. (“MATRRIX” or the “Corporation”) (TSXV: MXX) is pleased to announce that it has entered into an agreement to acquire all of the issued and outstanding shares of Stampede Drilling Ltd. (“Stampede”), a private corporation which owns 3 heavy telescopic double drilling rigs in the Weyburn/Estevan area of southeast Saskatchewan (the “Acquisition”).

Under the terms of a pre-acquisition agreement with Stampede (the “Pre-Acquisition Agreement”), MATRRIX has agreed to make an offer (the “Offer”) to acquire all of Stampede’s outstanding Class “A” common shares (“Class A Shares”) and Class “B” common shares (“Class B Shares” and collectively with the Class A Shares, the “Stampede Shares”) for total consideration of approximately \$7 million (plus the assumption of debt of approximately \$2 million), consisting of the issuance of common shares of MATRRIX (“MATRRIX Shares”) for a total purchase price of approximately \$9 million.

Pursuant to the Offer, holders of Stampede Shares (the “Stampede Shareholders”) will receive 1.25448 MATRRIX Shares for each Class A Share and 1.25448 MATRRIX Shares for each Class B Share.

Pursuant to the Acquisition, MATRRIX will acquire 3 fully crewed, modern, heavy telescopic double rigs currently enjoying profitability and high utilization. It is expected that key employees and management of Stampede will be retained and continue with MATRRIX, forming a strong operational nucleus for the Corporation’s southeast Saskatchewan contract drilling business.

Founded in 2011, Stampede is a privately owned and operated Saskatchewan drilling rig contractor based in Estevan, SK. The management team and field staff are local residents of the Weyburn/Estevan area and have over 60 years of drilling experience in the southeast Saskatchewan oil and gas services industry.

With the previously announced acquisition of 3 drilling rigs from Vortex Drilling Ltd. (“Vortex”), MATRRIX enters the contract drilling business with 6 modern telescopic double drilling rigs, all manufactured since 2011, with proven mind and management in place. With favorable acquisition costs for the Stampede rig business and the 3 drilling rigs from Vortex, the Corporation believes the transactions will add meaningfully to financial results and its base of horizontal and directional drilling services and technology in the Western Canadian Sedimentary Basin (“WCSB”).

The Corporation intends to operate its 6-rig southeast Saskatchewan contract drilling business under the Stampede Drilling banner, leveraging from the excellent reputation of management and field crews associated with Stampede in the region.

MATRRIX President and CEO Richard Ryan states; “Since announcing our intended entry into the contract drilling business in March of this year, we’ve been fortunate to attract very high quality drilling rig talent to our organization, beginning with the return of Elson McDougald to our board of directors in August. With Lyle Whitmarsh as our rig division president, and now Jackie White and Bill Devins of Stampede Drilling, I couldn’t be more pleased with our positioning as a solid new entrant to the drilling rig industry in the WCSB.”



The Offer is subject to certain conditions including the acquisition by MATRRIX of not less than 50.1% of the outstanding Class A Shares and 50.1% of the outstanding Class B Shares and the receipt of all regulatory approvals, including the approval of the TSX Venture Exchange (“TSXV”). The board of directors of Stampede has unanimously recommended that the Stampede Shareholders accept the Offer. Certain Stampede Shareholders holding 61% of the outstanding Class A Shares and 100% of the outstanding Class B Shares have executed lock-up agreements agreeing to deposit their Stampede Shares in acceptance of the Offer.

Stampede has agreed not to solicit further offers or initiate discussions or negotiations with any third party concerning the sale of Stampede, subject to fiduciary obligations. The Offer is expected to be mailed to all Stampede Shareholders as soon as practical. It is anticipated that the Acquisition will close on or about November 21, 2017.

Upon completion of the Acquisition, MATRRIX will have approximately 58,558,285 shares outstanding.

Lightyear Capital Inc. (“Lightyear”) acted as financial advisor to MATRRIX on the Acquisition.

Private Placement

Concurrent with the acquisition of Stampede, MATRRIX has engaged Lightyear as its agent to complete a private placement of MATRRIX Shares on a best efforts basis at a price of \$0.31 per MATRRIX Share for gross proceeds of approximately \$7 million (the “Private Placement”). The proceeds of the Private Placement will be used to for repayment of debt, capital expansion and working capital.

Closing of the Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the TSXV.

About MATRRIX

The Corporation commenced operations in 2011. MATRRIX has grown its concurrent capacity of horizontal and directional drilling systems (“Systems”) organically with the acquisition and assembly of 25 Systems as at the date of this press release. MATRRIX has developed and implemented a proprietary software platform called D²ROX™ (pronounced DEE-ROCKS) to aid the Corporation and its oil and gas clients to drive predictable, repeatable, cost effective, safe drilling operations at the rig site.



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 completion of the Acquisition and related matters; the retention of certain Stampede employees; the impact of the Acquisition and the Vortex transaction on financial results; the Corporation's intentions with respect to its 6-rig contract drilling business; the Corporation's intention to complete the Private Placement and the use of proceeds from the Private Placement.

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 materially 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.

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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.