

DATE: August 15, 2018

MATRIX ANNOUNCES SECOND QUARTER 2018 RESULTS

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. (“MATRRIX” or the “Corporation”) (TSX-V: MXX) announces financial results for the three and six month periods ended June 30, 2018. The following should be read in conjunction with the Corporation’s unaudited interim condensed consolidated financial statements and the notes thereto for the three and six month periods ended June 30, 2018 and related management’s discussion and analysis, which are available on SEDAR at www.sedar.com.

During the first half of 2018, the Corporation continued its strategic priority to enter into the land based contract drilling rig business in Western Canada by completing the acquisitions of D2 Drilling Inc. and the purchase of substantially all the assets of Red Dog Drilling Inc.

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

SECOND QUARTER 2018 SUMMARY (Compared with the second quarter 2017)

- Net loss of (\$1,421), increased 46% from a net loss of (\$976);
- Adjusted EBITDA loss of (\$619), down from an Adjusted EBITDA loss of (\$353);
- Revenue of \$2,047, up 93% from \$1,061;
- Gross margin of 23%, decreased 12% from 26%.

SIX MONTHS ENDED JUNE 30, 2018 SUMMARY (Compared with the six months ended June 30, 2017)

- Net loss of (\$1,220), improved 27% from a net loss of (\$1,667);
- Adjusted EBITDA of \$534, up from an Adjusted EBITDA loss of (\$407);
- Revenue of \$9,522, up 265% from \$2,611;
- Gross margin of 30%, decreased 12% from 34%.

FINANCIAL HIGHLIGHTS

(000's CAD \$)	Three months ended			Six months ended		
	June 30,			June 30,		
	2018	2017	% Change	2018	2017	% Change
Revenue	2,047	1,061	93%	9,522	2,611	265%
Adjusted EBITDA ⁽ⁱ⁾	(619)	(353)	(75%)	534	(407)	231%
Adjusted EBITDA per share						
Basic	(0.00)	(0.01)	57%	0.00	(0.01)	132%
Diluted	(0.00)	(0.00)	57%	0.00	(0.01)	132%
Net loss	(1,421)	(976)	(46%)	(1,220)	(1,667)	27%
Net loss per share						
Basic	(0.01)	(0.03)	64%	(0.01)	(0.05)	82%
Diluted	(0.01)	(0.03)	64%	(0.01)	(0.05)	82%
Funds flow	(614)	(338)	(82%)	204	(387)	153%
Gross Margin ⁽ⁱ⁾	464	273	(70%)	2,828	877	(222%)
Capital expenditures	12,026	77	nm	12,339	77	nm
Weighted Average common shares outstanding	130,139	32,185	304%	130,526	32,185	306%
Weighted Average diluted common shares outstanding	130,139	32,185	304%	130,526	32,185	306%

nm - calculation is not meaningful

Revenue

Consolidated revenue for the three and six month periods ended June 30, 2018 was \$2,047 and \$9,522, respectively, up 93% and 265% from \$1,061 and \$2,611, respectively, for the 2017 corresponding periods. Consolidated revenue for the three and six month periods ended June 30, 2018 was comprised of \$1,447 and \$6,935, respectively, related the land based contract drilling rig segment and \$600 and \$2,587, respectively, related to the horizontal and directional drilling segment.

Adjusted EBITDA

Consolidated Adjusted EBITDA for the three and six month periods ended June 30, 2018 was (\$619) and \$534, respectively, as compared to Adjusted EBITDA losses of (\$353) and (\$407), respectively, for the 2017 corresponding periods. Consolidated Adjusted EBITDA for the three and six month periods ended June 30, 2018 was comprised of (\$39) and \$1,487, respectively, related to the land-based contract drilling rig segment and (\$580) and (\$953), respectively, related to the horizontal and directional drilling segment.

Net Loss

Consolidated net loss for the three and six month periods ended June 30, 2018 was (\$1,421) and (\$1,220), respectively, as compared to net losses of (\$976) and (\$1,667), respectively, for the 2017 corresponding periods.

Capital Expenditures

Capital expenditures for the three and six month periods ended June 30, 2018 were \$12,026 and \$12,339, respectively, as compared to \$77 for the corresponding 2017 periods. The Q2 2018 capital expenditures were related to the purchase of drilling rig equipment, recertifications and rig upgrades. As of the date of this press release, the Corporation has committed \$2,072 for rig upgrades as part of its 2018 capital program.

OUTLOOK

The Corporation continues to believe activity in the Western Canadian Sedimentary Basin will remain challenged with similar activity levels in the second half of 2018 as compared to 2017.

The Corporation has made significant capital investments over the past year with the intention of ensuring its business is well positioned to capture new customer demand while growing with its current customer base. The Corporation will continue its strategic plan of purchasing high quality assets that may provide a high rate of return for shareholders.

The Corporation also continues to seek increased market share with the horizontal and directional drilling segment.

Management believes the Corporation's strong balance sheet provides flexibility to grow organically and execute on strategic acquisition opportunities that align with its profitable growth strategy. The Corporation remains focused on reducing variable direct operating and administrative expenses without sacrificing the quality of its service offering. By providing high quality assets and crews management believes the Corporation will continue to help its customers grow and continue to create long-term shareholder value.

NON-GAAP MEASURES

This press release contains references to (i) Adjusted EBITDA and (ii) gross margin. These financial measures are not measures that have any standardized meaning prescribed by International Financial Reporting Standards ("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) 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, foreign exchange, non recurring restructuring charges, accretion of debentures and other income/expenses, and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations." 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. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net income (loss) and comprehensive income (loss) determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's method of calculating Adjusted EBITDA may differ from that of other organizations and, accordingly, its Adjusted EBITDA may not be comparable to that of other companies.

(000's CAD \$)	Three months ended June 30,			Six months ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Net loss	(1,421)	(976)	(46%)	(1,220)	(1,667)	27%
Depreciation	748	611	22%	1,532	1,245	23%
Interest on Convertible Debenture	65	-	nm	130	-	nm
Gain from disposition of property and equipment	(313)	-	nm	(313)	-	nm
Gain from equipment lost in hole	-	-	nm	(635)	(30)	2,046%
Interest and other income	(9)	(6)	51%	(27)	(13)	107%
Share based payments	66	22	204%	147	54	174%
Transaction costs	216	-	nm	493	-	nm
Foreign exchange (gain) loss	6	(4)	(235%)	30	4	589%
Accretion of debentures	23	-	nm	67	-	nm
Non-recurring restructuring charges	-	-	nm	330	-	nm
Adjusted EBITDA	(619)	(353)	(75%)	534	(407)	231%

nm - not meaningful

- (ii) 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,			Six months ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Income (loss) from operations	(283)	(329)	14%	1,298	(348)	473%
Depreciation	747	602	24%	1,530	1,225	25%
Gross margin	464	273	70%	2,828	877	222%
Gross margin %	23%	26%	(12%)	30%	34%	(12%)

nm - not meaningful

FORWARD-LOOKING INFORMATION

Certain statements contained in this press release constitute forward-looking statements or forward-looking information (collectively, "forward-looking information"). Forward-looking 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.

This press release contains forward-looking information pertaining to, among other things: the Corporation's 2018 capital program, including the amount committed for rig upgrades; that industry activity will remain challenged with similar activity levels in the second half of 2018 as compared to 2017; the Corporation's strategic plan, including with respect to asset purchases; the expectation that the Corporation's strategic plans of acquiring assets may provide a high rate of return for shareholders; the Corporation's expectation to increase market share of the horizontal and directional drilling rig segment; and the Corporation's focus on reducing variable direct operating and administrative expenses and creating shareholder value.

This forward-looking information involves material assumptions and known and unknown risks and uncertainties and other factors, certain of which are beyond the Corporation's control, that may cause actual results or events to differ materially from those anticipated in such forward-looking information. This press release, the Corporation's management's discussion and analysis for the three and six month periods ended June 30, 2018, the Corporation's annual information form for the year ended December 31, 2017 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, which include, among other things, anticipated financial performance; the implementation of the Corporation's growth strategy; the ability to execute the Corporation's 2018 capital program; business prospects; conditions in general economic and financial markets; the ability to get additional market share with the horizontal and directional drilling segment; industry conditions; current commodity prices and royalty regimes; regulatory developments; the impact of increasing competition; future exchange rates; the availability and cost of labour and services; the sufficiency of budgeted capital expenditures in carrying out planned activities; timing and amount of capital expenditures; the ability of the Corporation to renew existing contracts and enter into new contracts; utilization and pricing of the Corporation's systems and rigs; supply and demand for oil and natural gas services relating to drilling and ancillary services; effects of regulation by governmental agencies; tax laws; future operating costs; and the ability to obtain financing on acceptable terms, which are subject to

change based on, amongst other factors, commodity prices, market conditions and potential timing delays. Although management of the Corporation considers these assumptions to be reasonable based on information currently available to it, such assumptions may prove to be incorrect. Actual results, performance or achievements could differ material from those expressed in, or implied by, 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.

Statements, including forward-looking information, are made as of the date of this press release and the Corporation does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.

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.

For further information, please contact:

Lyle Whitmarsh
President & Chief Executive Officer
MATRRIX Energy Technologies Inc.
Tel: (403) 984-5042