



MATRRIX ENERGY TECHNOLOGIES INC. TO ACQUIRE D2 DRILLING INC. AND DRILLING RIG ASSETS

DATE: January 17, 2018

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 the issued and outstanding shares of D2 Drilling Inc. (“D2”), a private corporation which owns one heavy telescopic double drilling rig in the Weyburn/Estevan area of southeast Saskatchewan (the “Acquisition”).

Under the terms of a share purchase agreement between MATRRIX and all shareholders of D2 (the “Share Purchase Agreement”), MATRRIX has agreed to acquire all the issued and outstanding shares of D2 (the “D2 Shares”) for total consideration of approximately \$3.53 million, consisting of the issuance of 6,666,660 common shares of MATRRIX (“MATRRIX Shares”) at a deemed price of \$0.45 per share, and a cash payment of \$530,000 equal to D2’s working capital at the time of closing.

Holders of D2 Shares (the “D2 Shareholders”) will receive, for each D2 Share, 1.20992 MATRRIX Shares and a cash amount equal to .09624, assuming D2’s working capital, as contemplated in the Share Purchase Agreement, is \$530,000 at the time of closing.

Pursuant to the Acquisition, MATRRIX will acquire one heavy telescopic double with strong historic utilization, and crews that deliver quality consistent with the Corporation’s existing Stampede Drilling (Stampede) division based in S.E. Saskatchewan. Stampede will market the D2 rig alongside the six rigs currently within Stampede’s fleet. The D2 rig is essentially a sister rig to the existing Stampede rigs, allowing Stampede management to share equipment and crews, maximizing efficiency, field performance, and cost control.

With the previously announced acquisition of 3 drilling rigs from Vortex Drilling Ltd. and the acquisition of 3 drilling rigs through its acquisition of Stampede Drilling Ltd., upon closing this Acquisition, MATRRIX will have a contract drilling business consisting of 7 modern telescopic double drilling rigs, all manufactured since 2011, with proven mind and management in place.

MATRRIX President and CEO Richard Ryan states; “We’re very pleased to welcome the D2 shareholders to MATRRIX as shareholders in this exciting consolidation opportunity. With essentially a \$3.0 million purchase price, this single rig operation fits our existing rig fleet from a price, operational capability, utilization, and performance standpoint. We’re pleased to market this fully crewed, warm rig, with a solid reputation for performance, to our clients in the S.E. Saskatchewan area.”

Management of D2 has agreed to not solicit further offers or initiate discussions or negotiations with any third party concerning the sale of D2. It is anticipated that the Acquisition will close on or about January 19, 2018, subject to customary closing conditions including, but not limited to, the approval of the TSX Venture Exchange Inc.

Upon completion of the Acquisition, MATRRIX will have approximately 129,744,947 shares outstanding.

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



Assets Purchase

MATTRIX is also pleased to announce it has entered into an asset purchase agreement with Derek Simpson, the Chief Executive Officer of D2, pursuant to which MATTRIX will acquire additional drilling rig components from Mr. Simpson for aggregate consideration of \$130,000 in cash. The purchase of these assets is anticipated to occur concurrent with closing of the Acquisition.

About MATTRIX

The Corporation commenced operations in 2011 as a pure play horizontal and directional competitor in Western Canada. MATTRIX grew 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.

MATTRIX has developed and implemented a proprietary software platform called D²ROX™ (pronounced DEE-ROCKS) enabling the Corporation and its oil and gas clients to drive predictable, repeatable, cost effective, safe drilling operations at the rig site for the Corporation's horizontal and directional drilling business.

In 2017, MATTRIX embarked on a strategy to expand into the land based contract drilling business. Consistent with that strategy, MATTRIX purchased 6 drilling rigs in 2 separate transactions in late 2017. After closing the Acquisition, Stampede will have a fleet of 7 modern telescopic double drilling rigs serving clients in the S.E. Saskatchewan market. All rigs were purchased for between \$2.0 and \$3.0 million dollars each, consistent with the Corporation's strategy of responsible allocation of capital, with the stated intent of delivering industry leading returns.

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 completion of the Acquisition and related matters and the completion of the purchase of assets from Derek Simpson.

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.

For further information, please contact:

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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.