Energy Technologies Inc.

MATRRIX

Drilling. Performance. Focused.

MATRRIX ANNOUNCES THIRD QUARTER 2017 RESULTS
DATE: November 17, 2017

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. (“MATRRIX” or the “Corporation”) (TSX-V: MXX) announces financial results for the three month and nine month periods ending September 30, 2017.

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

FINANCIAL HIGHLIGHTS

	Three Months Ended September 30,			Nine Months Ended September 30,		
(000's CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
Revenue	1,933	268	621%	4,544	1,199	279%
EBITDA (i)	(151)	(539)	72%	(574)	(1,373)	58%
EBITDA per share						
Basic	-	(0.02)	100%	(0.02)	(0.04)	50%
Diluted	-	(0.02)	100%	(0.02)	(0.04)	50%
Adjusted EBITDA (ii)	(135)	(516)	74%	(543)	(1,241)	56%
Adjusted EBITDA per share						
Basic	-	(0.02)	100%	(0.02)	(0.04)	50%
Diluted	-	(0.02)	100%	(0.02)	(0.04)	50%
Net loss	(743)	(1,192)	38%	(2,411)	(3,383)	29%
Net loss per share						
Basic	(0.02)	(0.04)	50%	(0.07)	(0.11)	36%
Diluted	(0.02)	(0.04)	50%	(0.07)	(0.11)	36%
Funds flow from operations (iii)	(116)	(503)	77%	(503)	(1,214)	59%
Gross Margin (iv)	582	31	nm	1,458	351	316%
Assets	13,455	16,143	(17%)	13,455	16,143	(17%)
Liabilities	780	220	255%	780	220	255%
Capital expenditures (net of lost in hole replacements)	-	-	-	77	34	126%
Directional and horizontal systems available	25	25	-	25	25	-
Weighted Average common shares outstanding	33,862	32,185	1%	32,750	32,185	2%
Weighted Average diluted common shares outstanding	33,862	32,185	1%	32,750	32,185	2%

nm - not meaningful

OVERALL HIGHLIGHTS

For the three and nine month periods ended September 30, 2017, the Corporation experienced an overall increase in operating days related to horizontal and directional drilling 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.

The Corporation continues to be in a strong financial position with positive working capital of $4,841 ($0.14/per share) including $3,349 ($0.09/per share) of cash and cash equivalents on hand as at September 30, 2017.

THIRD QUARTER 2017 SUMMARY (Compared with the third quarter of 2016)

- revenue of $1,933, up from $268
- operating days of 256, up from 42
- net loss of ($743), improved from ($1,192)
- adjusted EBITDA of ($135), improved from ($516)

NINE MONTHS ENDED 2017 SUMMARY (Compared with the nine months ended in 2016)

- revenue of $4,544, up from $1,199
- operating days of 658, up from 136
- net loss of ($2,411), improved from ($3,383)
- adjusted EBITDA of ($543), improved from ($1,241)

OPERATIONS REVIEW

MATRRIX continues 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 press release, MATRRIX owns 25 sub-surface Horizontal and Directional Systems available for deployment to the field within the WCSB.

Consistent with strategic initiatives outlined earlier in 2017, Elson McDougald returned to the Corporations board of directors, Lyle Whitmarsh was appointed President - Rig Division, Terry Kuiper was appointed Sales Manager - Rig Division, the Corporation purchased three (3) heavy, telescopic double drilling rigs located in Southeast Saskatchewan from Vortex Drilling Ltd. through a receivership process, and the Corporation signed a definitive agreement to purchase all the outstanding shares of Stampede Drilling Ltd. ("Stampede"), expected to close on or about November 21, 2017.

Upon closing of the Stampede acquisition, the Corporation will deliver high quality, regionally focused drilling operations for its oil and gas clients, utilizing the existing Stampede leadership and the resulting 6 rig fleet of compatible telescopic double drilling rigs (which include the 3 rigs acquired from Vortex Drilling Ltd.).

MATRRIX continues to enjoy strong interest in its proprietary software platform called D^{2}ROX™ (pronounced DEE-ROCKS), which allows the Corporation and its oil and gas clients to drive safe, predictable, repeatable, cost effective drilling operations at the rig site, for the Corporation's existing horizontal and directional drilling operation and its emerging drilling rig business.

WCSB oil and gas producers continually assess capital expenditures as oil and gas prices fluctuate. With strengthening commodity prices, the Corporation expects an overall improvement in the outlook for oil and gas service companies including MATRRIX. The Corporation believes its strategic entry into the land based contract drilling sector is timely, and it intends to continue assessing and executing on this contract drilling consolidation strategy so long as financially and operationally feasible opportunities exist.

President Richard Ryan states:

“Our vision, focus and tenacity to drive change into this industry appears to be gaining traction, with our horizontal and directional drilling business improving despite a relatively unchanged year over year rig count in Western Canada. As for our strategic entry into the drilling rig business, we’ve attracted a solid team to lead that strategic expansion, led by Lyle Whitmarsh. With Lyle’s vision and experience in growing a drilling rig operation, the foundation we’ve built in horizontal and directional drilling, and with confidence demonstrated by the investment community through our recent $20 million financing that is set to close on or about November 21st, we’re well positioned to continue with expansion, growth and consolidation at a very opportune part of the cycle. We’ve demonstrated the ability to turn vision into action over the last few months, and are very pleased to have capital and momentum for execution of this complementary new strategy.”

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 meaning prescribed by IFRS. EBITDA is defined as “income (loss) before interest expense, income taxes, depreciation and amortization.

	Three Months Ended September 30,			Three Months Ended September 30,		
(000’s CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
Net loss	(743)	(1,192)	38%	(2,411)	(3,383)	29%
Depreciation	592	653	(9%)	1,837	2,010	(9%)
EBITDA	(151)	(539)	72%	(574)	(1,373)	58%

(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 September 30,			Nine Months Ended September 30,		
(000’s CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
EBITDA	(151)	(539)	72%	(574)	(1,373)	58%

Gain from equipment lost in hole	(12)	-	-	(42)	-	-
Interest and other income	(6)	(18)	(67%)	(19)	(37)	(49%)
Share based payments	71	40	78%	124	161	(23%)
Foreign exchange (gain) loss	(37)	1	nm	(32)	8	nm
Adjusted EBITDA	(135)	(516)	74%	(543)	(1,241)	56%

nm - not meaningful

(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 September 30,			Nine Months Ended September 30,		
(000's CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
Operating cash flow	(557)	(656)	15%	(1,467)	(870)	(69%)
Changes in non-cash working capital	441	153	188%	964	(344)	380%
Funds flow	(116)	(503)	77%	(503)	(1,214)	59%

(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.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(000's CAD $)	**2017**	**2016**	**% Change**	**2017**	**2016**	**% Change**
Revenue	1,933	268	621%	4,544	1,199	279%
Direct operating expenses	1,351	237	470%	3,086	848	264%
Gross margin (3)	582	31	nm	1,458	351	315%
Gross margin %	30%	12%	150%	32%	29%	10%

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 closing of the Stampedes acquisition; the Corporation's expectation of an overall improvement for oil and gas service companies including MATRRIX; and the Corporation's intention to continue assessing and executing on its contract drilling consolidation strategy.

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.

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