MATRRIX ANNOUNCES FOURTH QUARTER AND ANNUAL 2013 RESULTS

DATE: March 24, 2014

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. ("MATRRIX" or the "Corporation") (TSX-V: MXX) announces financial results for the fourth quarter and year ended December 31, 2013.

MATRRIX achieved strong revenue growth in both the fourth quarter and 2013 as compared to 2012 due to continued growth in Canadian operations and commencement of horizontal and directional drilling operations in the US.

MATRRIX 2013 fourth quarter and annual results were negatively impacted by the following:

- increased motor rental charges as a result of higher activity and customer requirements changing throughout 2013 in Canada
- increased equipment repairs as a result of drilling environments causing increased damage to equipment in Canada
- start-up costs of the US directional and horizontal drilling business and related higher operating costs due to US equipment rental

During the quarter MATRRIX altered its horizontal and directional drilling operations in the US to strategically focus from the Niobrara basin and Marcellus basin and target customers in the Permian basin along with its existing performance motor drilling operations to increase operational efficiencies.

MATRRIX has committed or expects to commit an additional $1,400,000 of capital in 2014 (which includes $800,000 committed and unexpended from 2013) primarily for horizontal and directional drilling related equipment to further reduce third party equipment rentals in both Canada and the US.

Activity in Canada increased in Q1 2014 and MATRRIX expects improved US results in Q1 2014 through the strategic focus to the Permian basin that began in December 2013.

HIGHLIGHTS OF FOURTH QUARTER 2013 (COMPARED WITH FOURTH QUARTER 2012)

Overall

- The Corporation's concurrent job capacity was 23 directional and horizontal drilling systems ("Systems") during the quarter with 20 Systems in Canada and 3 in the US, up 3 Systems from 20, which all were located in Canada
- achieved consolidated revenue of $7,626,172, up 140% from $3,175,142
- consolidated gross margins of 21%, down from 27%
- recorded net loss of $510,680, up 35% from net loss of $379,409
- Adjusted EBITDA of $38,894, up 145% from $15,879

Canada

- 35% increase in average job capacity to 19.3 Systems, up from 14.3 Systems
- achieved revenue of $5,878,775, up 129% from $2,528,565
    - a result of 145% increase in operating days to 542 from 221
    - offset by a 6% decrease in average day rates to $10,846 from $11,441
- increase in operating days was primarily a result of increased activity in the Montney and Shaunavon areas with new customers added during 2013 and increased activity with existing customers

- operating margins down as a result of Canadian motor rental charges representing 13% of total Canadian cost of sales, up from 6%; and Canadian equipment repairs costs representing 25% of total Canadian cost of sales, up from 16%

US

- US performance motor drilling revenue $588,160, down 8% from $638,342 as a result of a key customer in that market reducing activity in the quarter
- US directional and horizontal drilling operations achieved revenue of $1,159,237 (no comparative as first year of operations)
- US directional and horizontal drilling operating gross margins of 5% primarily as a result of fixed labour costs of approximately 6% and equipment rental costs of approximately 58% of total US cost of sales, respectively
    - MATRRIX expects reduced fixed labour costs into Q1 2014 as the US strategic focus to the Permian basin has reduced the head count to one employee who will be supported by field consultants and Canadian employees as activity requires
    - With the focus to the Permian basin and recent US capital additions, MATRRIX expects reduced equipment rental costs in the future

HIGHLIGHTS FOR YEAR ENDED 2013 (COMPARED WITH THE YEAR ENDED 2012)

Overall

- The Corporation's concurrent job capacity was 23 Systems during the year with 20 Systems in Canada and 3 in the US, up 3 Systems from 20 which were all were located in Canada
- achieved consolidated revenue of $25,255,914, up 95% from $12,960,491
- consolidated gross margins of 22%, down from 30%
- recorded net loss of $2,006,412, up 328% from net loss of $468,946
- Adjusted EBITDA of $176,583, down 88% from $1,476,773
- The Corporation maintained a strong balance sheet with $4,243,319 of cash and cash equivalents and working capital of $7,588,171 at December 31, 2013

Canada

- 51% increase in job capacity to 19.3 Systems, up from 12.8 Systems
- achieved revenue of $20,102,853, up 80% from $11,036,685
    - a result of 93% increase in operating days to 1,849 from 959
    - offset by a 6% decrease in average day rates to $10,872 from $11,514
- increase in operating days was primarily a result of increased activity in the Cardium, Montney, Bakken, Doig, Charlie Lake and Shaunavon areas with new customers added during 2013 and increased activity with existing customers
- Operating margins down as a result of Canadian equipment repairs costs representing 23% of total cost of sales, up from 18%

US

- US performance motor drilling revenue $1,841,408, down 1% from $1,859,486 as a result of increased activity the first half of 2013 offset by decreased activity in second half of 2013
- US directional and horizontal drilling operations achieved revenue of $3,322,559 (no comparative as first year of operations)
- US directional and horizontal drilling operating gross margins of 2% primarily as a result of higher fixed labour costs of approximately 16% and equipment rental costs of approximately 50% of total US costs of sales respectively

FINANCIAL SUMMARY HIGHLIGHTS

		Three Months Ended			For the year ended			Period from Incorporation on January 7, 2011 to
		December 31, 2013	December 31, 2012	% Change	**December 31, 2013**	December 31, 2012	% Change	December 31, 2011
Revenue		$7,626,172	$3,175,142	140%	$25,255,914	$12,960,491	95%	$3,805,489
EBITDA	(i)	$91,862	($45,276)	303%	$129,997	$788,974	-84%	($4,304,759)
EBITDA per share								
Basic		$0.00	($0.00)	nm	$0.00	$0.02	-84%	($0.21)
Diluted		$0.00	($0.00)	nm	$0.00	$0.02	-84%	($0.21)
Adjusted EBITDA	(ii)	$38,894	$15,879	145%	$176,583	$1,476,773	-88%	($111,234)
Adjusted EBITDA per share	(ii)							
Basic		$0.00	$0.00	nm	$0.01	$0.05	-88%	($0.01)
Diluted		$0.00	$0.00	nm	$0.01	$0.05	-88%	($0.01)
Net loss		($510,680)	($379,409)	-35%	($2,006,412)	($468,946)	-328%	($4,418,196)
Net loss per share								
Basic		($0.02)	($0.01)	nm	($0.06)	($0.01)	-321%	($0.22)
Diluted		($0.02)	($0.01)	nm	($0.06)	($0.01)	-321%	($0.22)
Weighted Average common shares outstanding		32,184,638	32,078,812	nm	32,182,739	31,697,113	2%	20,517,645
Weighted Average diluted common shares outstanding		32,184,638	32,078,812	nm	32,182,739	31,697,113	2%	20,517,645

As at	December 31, 2013	December 31, 2012	% Change	December 31, 2011
Working capital	$7,588,171	$10,375,669	-27%	$19,023,869
Total assets	$30,879,488	$29,474,785	5%	$26,848,999
Long-term debt	$ Nil	$ Nil	nm	$ Nil
Shareholders' equity	$24,378,211	$25,867,864	-6%	$24,727,378
Common shares outstanding	$32,184,638	$32,151,638	nm	$30,771,021

nm - not meaningful

OUTLOOK

The principal business strategy of MATRRIX is to purchase and deploy drilling technology in Canada and the United States and actively seek investment opportunities to acquire existing drilling technology services businesses. As at the date of this MD&A 23 Systems were available for deployment to the field in the WCSB and the US.

Canada

The customer base in Canada expanded through 2013 with customers having a mix of oil and/or liquids rich capital programs. The growth in revenue is from both increased work with existing and new customers. Customers remain cautious about their capital spending; however, there is market optimism for increased spending levels in 2014 and 2015. Additionally, with potentially large field developments as a result of the proposed west coast LNG terminals, there may be increased incremental investment into the WCSB in 2014 and beyond. MATRRIX is focused on building customer relationships and increasing its customer base with operators active in areas with oil and/or liquids rich opportunities and strong capital expenditure programs. MATRRIX is also focused on managing its costs and reducing third party rentals to improve operating margins.

US

MATRRIX continued its performance drilling operations in Texas (Permian basin) and continues to look to expand operations in this region. MATRRIX commenced expansion of its directional and horizontal drilling business into the US in 2013 with operations in the Niobrara and Marcellus areas. Management reviewed results of its start-up US directional and horizontal drilling business and refocused the operations in the Permian basin along with its existing performance drilling operations to increase operational efficiencies. In the short term, this adjustment of strategy negatively impacted Q4 revenue and delayed growth in the US; however, MATRRIX expects these changes to result in positive increases in operating margins and lower administration costs in the future.

The Corporation will continue to evaluate opportunities for further capital investment and business acquisitions in Canada and the United States, with future investment being dependent upon customer demand, prospect of strong returns on invested capital, and growth opportunities in that region. In 2014 the focus will be to improve field margins through strong operational execution and improving field support infrastructure for improved efficiency.

President Richard Ryan stated, “We’re very pleased with our 95% year over year revenue growth, and the corresponding increase in market share. From inception in July 2011, we’ve managed to establish MATRRIX as a premium supplier of horizontal, directional, performance drilling, and MWD services in the four provinces of Western Canada, and in key strategic market in the US (Permian). Our current focus is delivering top line growth on both sides of the border, leveraging operational efficiencies into our now well established revenue base, and delivering bottom line results for 2014.”

The Corporation's financial statements and management's discussion and analysis for the three months and year ended December 31, 2013 will be available on SEDAR at www.sedar.com.

NON-GAAP MEASURES

This press release contains references to EBITDA, Adjusted EBITDA and gross margin. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as a non-GAAP measure. 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			For the year ended		
	December 31, 2013	December 31, 2012	% Change	**December 31, 2013**	December 31, 2012	% Change
Net income (loss)	$ (510,680)	(379,409)	-35%	$ (2,006,412)	$ (468,946)	-328%
Depreciation	602,542	334,133	80%	2,236,525	1,154,800	94%
Interest expense	-	-	-	-	-	-
Deferred tax expense	-	-	-	(100,115)	103,120	-197%
EBITDA	$ 91,862	$ (45,276)	303%	$ 129,997	$ 788,974	-84%

(ii) Adjusted EBITDA is defined as “income (loss) before interest, taxes, business acquisition transaction costs, reverse takeover adjustments, depreciation, shared based compensation expense, gains on disposal of property and equipment 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 the results are taxed in various jurisdictions, or how the results are affected by the accounting standards associated with the Corporation’s stock based compensation plan.

	Three Months Ended						For the year ended				
	December 31, 2013		December 31, 2012		% Change	**December 31, 2013**		December 31, 2012		% Change
EBITDA	$	91,862	$	(45,276)	303%	$	129,997	$	788,974	84%
Gain (loss) from disposition of property and equipment	$	(2,555)	$	-	-	$	(219,800)	$	(10,041)	-2089%
Interest and other income	$	(4,323)	$	(26,936)	-84%	$	(62,273)	$	217,035	-129%
Share based payments		81,578		70,949	15%		415,369		431,900	-4%
Foreign exchange (gain)/loss		(127,668)		17,142	-845%		(86,711)		48,904	277%
Adjusted EBITDA	$	38,894	$	15,879	145%	$	176,583	$	1,476,773	88%

(iii) 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 operating performance. Management utilizes this measure to assess the Corporation's operating performance.

	Three Months Ended					For the year ended				
	December 31, 2013		December 31, 2012		% Change	**December 31, 2013**		December 31, 2012		% Change
Revenue	$	7,626,172	$	3,175,142	140%	$	25,255,914	$	12,960,491	95%
Direct operating expenses	$	6,021,231	$	2,319,334	160%	$	19,656,277	$	9,031,524	118%
Gross margin (1)	$	1,604,941	$	855,808	88%	$	5,599,637	$	3,928,967	43%
Gross margin %		21%		27%	-22%		22%		30%	-27%

MATRRIX is engaged in the acquisition and supply of horizontal and directional drilling technologies for the oil and gas industry in Canada and the US.

FORWARD-LOOKING INFORMATION

This press release contains certain statements or disclosures relating to MATRRIX that are based on the expectations of MATRRIX as well as assumptions made by and information currently available to MATRRIX which may constitute forward-looking information under applicable securities laws. In particular, this press release contains forward-looking information related to: expected commitment of additional capital; customer capital spending; expectations and assumptions regarding increased spending levels in 2014 and 2015; potentially large field developments as a result of the proposed west coast LNG terminals leading to expected incremental investment into the WCSB in 2014 and beyond; the Corporation's ability to continue to build and maintain customer relationships and increasing its customer base with operators active in areas with oil and/or liquids rich opportunities and strong capital expenditure programs; the Corporation's ability to identify and procure readily available resources to fund incremental growth in 2014 and beyond; the Corporation's strategy to focus its US directional and horizontal operations in the Permian along with its existing performance motor drilling operations to increase operational efficiencies; adjustment of the Corporation's US strategy will negatively impact current and expected quarter over quarter revenue and growth in the US in the short term; adjustment of the Corporations US strategy which is intended to help the Corporation achieve year over year overall company growth for 2014, along with an improvement in overall financial metrics. Such forward-looking information involves material assumptions and known and unknown risks and uncertainties, certain of which are beyond MATRRIX's control. Many factors could cause the performance or achievement by MATRRIX to be materially different from any future results, performance or achievements that may be expressed or implied by such forward looking information. MATRRIX's documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference. MATRRIX disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

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