

MATRRIX ANNOUNCES SECOND QUARTER 2015 RESULTS

DATE: August 28, 2015

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, 2015.

(Expressed in Thousands of Canadian Dollars except for per share amounts and operational days)

OVERALL HIGHLIGHTS

For the three and six months ended June 30, 2015, the Corporation experienced a significant decline in drilling and motor rental activity in both Canada and the US. The anticipated decline in overall operational activity was due to the overall decrease in capital expenditures by the Corporation’s key customers and the industry as a whole, due to weak commodity prices.

The Corporation continues to be in a strong financial position with positive working capital of \$6,734 including \$5,719 of cash on hand as at June 30, 2015.

SECOND QUARTER 2015 SUMMARY (Compared with the Second quarter of 2014)

- consolidated revenue of \$391, down 92% from \$4,734
- net loss of (\$1,895), down 106% from (\$919)
- adjusted EBITDA of (\$1,023), down 253% from (\$290)
- consolidated gross margins of (66%), down 488% from 17%

SIX MONTHS ENDED 2015 SUMMARY (Compared with six months ended in 2014)

- consolidated revenue of \$2,494, down 84% from \$15,589
- net loss of (\$3,197), down 2,098% from \$160
- adjusted EBITDA of (\$1,701), down 204% from \$1,635
- consolidated gross margins of (2%), down 108% from 26%

OUTLOOK

The principal business strategy of MATRRIX is to purchase and deploy drilling technology in Canada and the United States, within acceptable levels of risk and rates of return, while actively evaluating opportunities to acquire existing drilling technology services businesses in those markets. As of the date of this Press release, 25 Systems are available for concurrent deployment to the field in Canada and the United States.

Horizontal drilling is now extensively used to develop conventional and unconventional oil and liquids-rich natural gas plays in North America. Currently, there is a high level of uncertainty over commodity pricing and related customer capital expenditure programs. Macroeconomic factors continue to negatively affect oil and gas capital spending and drilling activity levels in North America, which is the Corporation’s only operating area. During the first half of 2015, management of the Corporation responded to significant reductions in drilling activity and pricing to position itself for a prolonged downturn. Given the Corporation’s solid balance sheet with zero debt, \$5,719 in cash and working capital of \$6,734, MATRRIX will seek opportunities to improve its competitive

position in this environment. The Corporation intends to be well-positioned for the eventual upturn when macroeconomic and industry conditions are more favourable.

Canada

The Corporation continued to experience low activity levels and pricing pressure in the Canadian market during the first half of 2015, with the potential for the poor oil and gas environment to extend into 2016. Canadian results are down dramatically as the market is saturated with competitors and an abundance of equipment that serviced peak 2014 activity levels. There continues to be promise of potentially large field developments of LNG for eventual export from Canada, leading to optimism for improvements in activity beyond 2015, subject to marked improvements in oil and gas commodity pricing and the approval of LNG infrastructure projects. However, the timing and likelihood of these projects being completed is uncertain, as is the level of involvement of the Corporation. MATRRIX continues to market its equipment and services to active current and potential customers in Canada to maximize revenue in this challenging environment. The Corporation has significantly reduced Canadian staffing and compensation levels while managing equipment vendor relationships, in a continuous effort to improve operational efficiency and preserve reasonable field margins.

USA

The Corporation had 12 days of drilling activity in its Oklahoma operation during Q2, 2015. These levels of activity are not sufficient to justify continued spending in the area and therefore, in August 2015 the Corporation decided to exit this market until activity levels, pricing, and the competitive environment improves. Given spending flexibility designed into the US operations, MATRRIX will not have any ongoing expenses past August 31, 2015.

The Corporation's Texas operation has also been under significant competitive, pricing, and activity pressure. MATRRIX intends to discontinue operations in this region until acceptable levels of activity, risk, and rates of return justify investment in the region. This operation also has flexibility in its costs, and is not expected to have any ongoing spending commitments past September 30, 2015.

All equipment currently in the US will be shipped back to be used in Canadian Operations. On a go-forward basis, given the focus on Canada for the entire MATRRIX team, the Corporation is well positioned to improve its competitive position through this downturn. Cost savings from the exit of non-performing regions, along with a strong balance sheet should allow the Corporation maximum financial flexibility to pursue opportunities that are expected to arise in this part of the cycle.

President Richard Ryan states: "While the second quarter of the year in Canada is always challenging given spring break-up, this year has been especially challenging given low commodity prices and the economic break-up that started in the first quarter of 2015. With approximately 90% of all wells in western Canada being drilled using some sort of steering (horizontal or directional) technology, up from approximately 20% fifteen years ago, that historically strong percentage growth is now behind us. With almost all wells drilled now using horizontal or directional drilling technology, within this lower activity environment, we intend to maintain a healthy balance sheet while still mining opportunities for growth."

"With the uncertainty as to the length of this downturn, we're focused on generating and preserving cash. To that end, we've adjusted our costs to meet expected activity levels, and worked with our vendors targeting a reasonable margin on existing wells or projects. We continue to sell on value rather than price, and those clients that buy on value appreciate the wisdom in that approach."

Mr. Ryan continued: “With our strong balance sheet and staying power in this market, our staff remains positive, hardworking, and motivated to do what is best for our Clients and shareholders. We look forward to meeting challenges head on, while uncovering and executing on opportunities as we work through this part the cycle.”

FINANCIAL HIGHLIGHTS

(000's CAD \$)	Three Months Ended			Six Months Ended		
	June 30, 2015	June 30, 2014 ⁽¹⁾	% Change	June 30, 2015	June 30, 2014 ⁽¹⁾	% Change
Revenue	391	4,734	(92%)	2,494	15,589	(84%)
EBITDA (i)	(1,121)	(247)	(354%)	(1,621)	1,483	(209%)
EBITDA per share						
Basic	(0.03)	(0.01)	(200%)	(0.05)	0.05	(200%)
Diluted	(0.03)	(0.01)	(200%)	(0.05)	0.05	(200%)
Adjusted EBITDA (ii)	(1,023)	(290)	(253%)	(1,701)	1,635	(204%)
Adjusted EBITDA per share						
Basic	(0.03)	(0.01)	(200%)	(0.05)	0.05	(200%)
Diluted	(0.03)	(0.01)	(200%)	(0.05)	0.05	(200%)
Net Income (loss)	(1,895)	(919)	(106%)	(3,197)	160	(2,098%)
Net Income (loss) per share						
Basic	(0.06)	(0.03)	(100%)	(0.10)	0.00	-
Diluted	(0.06)	(0.03)	(100%)	(0.10)	0.00	-
Funds flow from operations (iii)	(1,066)	(427)	(150%)	(1,746)	1,524	(215%)
Gross Margin (iv)	(259)	804	(132%)	(56)	4,081	(101%)
Capital expenditures (net of lost in hole replacements)	150	380	(61%)	200	1,414	(86%)
Directional and horizontal systems available	25	23	9%	25	23	9%
Weighted Average common shares outstanding	32,185	32,185	-	32,185	32,185	-
Weighted Average diluted common shares outstanding	32,185	32,185	-	32,185	32,185	-

(1) – Amounts related to this period are revised amounts as discussed in the June 30, 2015 Corporation's MD&A

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

(000's CAD \$)	Three Months Ended			Six Months Ended		
	June 30, 2015	June 30, 2014	% Change	June 30, 2015	June 30, 2014	% Change
Net income (loss)	(1,895)	(919)	(106%)	(3,197)	160	(2,098%)
Depreciation	774	672	15%	1,576	1,323	19%
EBITDA	(1,121)	(247)	(354%)	(1,621)	1,483	(209%)

(ii) Adjusted EBITDA is defined as “income (loss) before interest income, interest expense, taxes, business acquisition transaction costs, reverse takeover adjustments, depreciation and amortization, 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.

(000's CAD \$)	Three Months Ended			Six Months Ended		
	June 30, 2015	June 30, 2014	% Change	June 30, 2015	June 30, 2014	% Change
EBITDA	(1,121)	(247)	(354%)	(1,621)	1,483	(209%)
(Gain)/loss from disposition of property and equipment	-	(2)	(100%)	-	144	(100%)
Gain from equipment lost in hole	-	(132)	(100%)	(142)	(173)	18%
Interest and other income	(3)	(6)	50%	(3)	(8)	63%
Share based payments	55	92	(40%)	133	184	(28%)
Foreign exchange loss (gain)	46	5	820%	(68)	5	(1,460%)
Adjusted EBITDA	(1,023)	(290)	253%	(1,701)	1,635	(204%)

(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.

(000's CAD \$)	Three Months Ended			Six Months Ended		
	June 30, 2015	June 30, 2014	% Change	June 30, 2015	June 30, 2014	% Change
Operating cash flow	705	4,350	(84%)	3,643	4,194	(13%)
Changes in non-cash working capital	(1,771)	(4,777)	63%	(5,389)	(2,670)	(102%)
Funds flow	(1,066)	(427)	(150%)	(1,746)	1,524	(215%)

(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.

(000's CAD \$)	Three Months Ended			Six Months Ended		
	June 30, 2015	June 30, 2014	% Change	June 30, 2015	June 30, 2014	% Change
Gross profit	(1,012)	160	(733%)	(1,587)	2,816	(156%)
Depreciation	753	644	17%	1,531	1,265	21%
Gross margin	(259)	804	(132%)	(56)	4,081	(101%)
	(66%)	17%	(488%)	(2%)	26%	(108%)

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: an expected decrease in costs related to field supervision in 2015 due to significantly decreased drilling activity and a decrease in capital expenditures by the Corporation's key customers due to weak commodity prices and a corresponding increase in the available field supervision personnel; the impact of negative commodity price changes and seasonality in the oil and gas industry in North America; the ability of the Corporation to deploy 25 Systems to the field in Canada and the United States; the Corporation's ability to maintain its approved capital expenditure budget; uncertainty over commodity prices and related customer capital expenditure programs; the significant effect macro-economic factors have had on capital spending and overall drilling activity levels in North America; the Corporation's expectation that the significant reductions in activity and pricing will continue for 2015 and extend into 2016; the Corporation will seek opportunities to improve its competitive position in the current environment; the Corporation's expectation that its overall Canadian results will be down dramatically in 2015; the potential for large field developments of LNG for eventual export from Canada, subject to marked improvements in oil and gas commodity pricing and the approval of LNG infrastructure projects; MATRRIX's ability to continue to build relationships with active current and potential customers in Canada; the expected benefits of managing costs through reductions in staffing and compensation levels, while managing equipment vendor relationships, and ceasing US operations with a view to reducing US costs to nil.

With respect to forward-looking information contained in this press release, assumptions have been made regarding, among other things: future growth in world-wide demand for crude oil and petroleum products; the Corporation's ability to obtain qualified personnel and equipment in a timely and cost-efficient manner; operating costs; future capital expenditures to be made by the Corporation; the Corporation's future debt levels; and the impact of increasing competition on the Corporation. This forward-looking information involves material assumptions and known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking information including, but not limited to, the risks and uncertainties described in the Corporation's AIF for the year ended December 31, 2014. No assurances can be given that any of the events anticipated by the forward-looking information will prove to be correct and such forward-looking information included in this press release should not be unduly relied upon. 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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