



MATRRIX CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT FINANCING

DATE: October 18, 2017

CALGARY, ALBERTA – MATRRIX Energy Technologies Inc. (“MATRRIX” or the “Corporation”) (TSX-V: MXX) is pleased to announce that it has successfully closed a first tranche (the “First Tranche”) of its previously announced private placement (the “Offering”) of unsecured, subordinated convertible debentures of the Corporation (the “Debentures”) for an aggregate principal amount of \$2,305,000.

The Debentures will mature on October 31, 2020 (the “Maturity Date”), will bear interest at a rate of 10% per annum paid semi-annually, in arrears on December 31 and June 30 of each year, and will be convertible into common shares in the capital of the Corporation (“Common Shares”) at a price of \$0.49 per Common Share based on a conversion premium of approximately 25% to the last trade on the TSX Venture Exchange (the “TSXV”) on October 6, 2017 (being the date on which the Offering was announced), subject to adjustments in certain circumstances.

The principal amount of the Debentures (the “Principal Amount”) shall be convertible at the option of the holder at any time prior to the close of business on the earlier of (i) the business day immediately preceding the Maturity Date or, (ii) if called for redemption, on the business day immediately preceding the date fixed for redemption, or (iii) if called for repurchase pursuant to a transaction resulting in any person or persons acquiring voting control or direction over at least 50% of the aggregate voting rights attached to the Common Shares then outstanding, on the business day immediately preceding the payment date.

The Debentures may not be redeemed by the Corporation prior to October 31, 2018. On and after October 31, 2018 and prior to October 31, 2019, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, on not more than 60 days and not less than 40 days prior notice at a redemption price equal to their Principal Amount plus accrued and unpaid interest, if any, up to but excluding the date set for redemption, provided that the weighted average trading price of the Common Shares on the TSXV, for the 30 consecutive trading days ending five trading days prior to the date on which notice of redemption is provided is at least 125% of the conversion price. On and after October 31, 2019 and prior to the Maturity Date, the debentures may be redeemed by the Corporation, from time to time, on not more than 60 days and not less than 40 days prior notice of redemption at a redemption price equal to the Principal Amount plus accrued and unpaid interest, if any, up to but excluding the date set for redemption.

The net proceeds of the Offering will be used by the Corporation (i) for general corporate and working capital purposes and (ii) to partially fund the acquisition by the Corporation of three complete tele-double drilling packages with spares from Vortex Drilling Ltd., through its receiver Deloitte Restructuring Inc.

Insiders of the Corporation participated in the First Tranche and purchased Debentures having an aggregate Principal Amount of \$880,000, or approximately 38.18% of the First Tranche.

The Debentures are subject to a hold period under applicable securities laws until February 19, 2018.

About MATRRIX

The Corporation commenced operations in 2011. MATRRIX has grown 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. MATRRIX has developed and implemented a proprietary system called D2ROXTM (pronounced DEE-ROCKS) to aid the Corporation and its oil and gas clients to drive predictable, repeatable, cost effective, safe field operations at the rig site. Since inception, the Corporation has maintained a balance sheet with zero debt and a strong working capital position.

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 Corporation's intention to complete the Offering and the use of proceeds from the Offering.

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:

Richard Ryan
President & Chief Executive Officer
MATRRIX Energy Technologies Inc.
Tel: (403) 984-5062

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.