

November 14, 2018



Petroteq Delivers Oil to the Market

SHERMAN OAKS, CA, Nov. 14, 2018 (GLOBE NEWSWIRE) -- via NEWMEDIAWIRE – [Petroteq Energy Inc.](#) (“**Petroteq**” or the “**Company**”) (TSXV: PQE; OTC: PQEFF; FSE: PQCF), a fully integrated oil and gas company, is pleased to announce that it has begun delivering oil into its regional market.



Petroteq Energy Inc.

"Our first sale of our product this week represents a critical milestone in Petroteq's evolving history," stated CEO David Sealock. "From a strong entrepreneurial spirit, Petroteq has developed into an oil sands mining producer and technological leader in the sector, and this is due to the hard work of everyone at the Company. Throughout 2018, we've continued to improve on four critical focus areas – focusing of health and safety, increasing production, reducing per barrel costs and working to maximize the value of every barrel we produce."

The Company goal is to deliver oil on a regular basis while ramping production up to the stated nameplate production capacity of 1,000 barrels per day (bpd).

Additionally, the Company is working with several parties on identifying growth capital for the intended expansion of the Company's Asphalt Ridge Plant. The predicted economies that come from a larger production capacity could include:

- Reduced labor costs as an expanded plant would not require significantly more manpower to operate
- Reduced production costs as a result of more efficient purchasing power and bidding of services
- Better product pricing as a result of having more leverage with refineries that are looking for reliable sources of oil

A report titled "Evaluation of Contingent Resources" from Chapman Petroleum Engineering,

Ltd. dated May 31, 2018 (the “Chapman Report”) states that the Company’s leases contain 93.4 million barrels of contingent resource. Such contingencies are stated below.

The Company has recently released a short video that unveils the completed plant: [Click Here to View Video](#)

About Petroteq Energy Inc.

Petroteq is a fully integrated oil and gas company focused on the development and implementation of a new proprietary technology for oil extraction. The Company has an environmentally safe and sustainable technology for the extraction of heavy oils from oil sands, oil shale deposits and shallow oil deposits. Petroteq is engaged in the development and implementation of its patented environmentally friendly heavy oil processing and extraction technologies. Our proprietary process produces zero greenhouse gas, zero waste and requires no high temperatures. Petroteq is currently focused on developing its oil sands resources and expanding production capacity at its Asphalt Ridge heavy oil extraction facility located near Vernal, Utah. In addition, the Company, through its wholly owned subsidiary PetroBLOQ, LLC, is seeking to develop the first blockchain based platform created exclusively for the supply chain needs of the oil & gas sector. For more information, visit www.Petroteq.energy and PetroBLOQ.com.

Forward-Looking Statements

Certain statements contained in this press release contain forward-looking statements within the meaning of the U.S. and Canadian securities laws. Words such as “may,” “would,” “could,” “should,” “potential,” “will,” “seek,” “intend,” “plan,” “anticipate,” “believe,” “estimate,” “expect” and similar expressions as they relate to the Company, including: including the production capacity of the plant and when it may be achieved; the ability of the Company and its agents of identifying growth capital; the predicted economies that come from a larger production capacity; and the Company successfully developing block chain technology for the oil and gas industry and the anticipated benefits of such technology, are intended to identify forward-looking information. Readers are cautioned that there is no certainty that it will be commercially viable to produce any portion of the resources. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Company’s current views and intentions with respect to future events, based on information available to the Company, and are subject to certain risks, uncertainties and assumptions. Material factors or assumptions were applied in providing forward-looking information, including: the contingencies in the Chapman Report being overcome; and PetroBLOQ successfully developing and implementing a blockchain-based supply chain management system. While forward-looking statements are based on data, assumptions and analyses that the Company believes are reasonable under the circumstances, whether actual results, performance or developments will meet the Company’s expectations and predictions depends on a number of risks and uncertainties that could cause the actual results, performance and financial condition of the Company to differ materially from its expectations. Petroteq’s proprietary solvent based extraction technology is unproven to produce on a commercial basis at 1,000/bpd. Commercial production of 1,000/bpd at its existing plant is unproven and expansion at the existing plant or a new larger plant is subject to financing, development and testing to prove it is achievable and commercial. Certain of the “risk factors” that could cause actual results to differ materially from the Company’s forward-looking statements in this press release

include, without limitation: uncertainties inherent in the estimation of resources including whether any reserves will ever be attributed to the Company's properties; since the Company's extraction technology is proprietary, not widely used in the industry, and has not been used in consistent commercial production, the Company's bitumen resources are classified as a contingent resource, because they are not currently considered to be commercially recoverable; full scale commercial production may engender public opposition; the Company cannot be certain that the bitumen resources will be economically producible and thus cannot be classified as proved or probable reserves in accordance with applicable securities laws; PetroBLOQ not having the expertise and/or funds necessary to develop and implement a blockchain-based supply chain management system; PetroBLOQ not being able to develop the blockchain technology to completion; blockchain technology not being adopted by the oil and gas industry; changes in laws or regulations; the ability to implement business strategies or to pursue business opportunities, whether for economic or other reasons; status of the world oil markets, oil prices and price volatility; oil pricing; state of capital markets and ability by the Company to raise capital; litigation; the commercial and economic viability of the Company's oil sands hydrocarbon extraction technology, and other proprietary technologies developed or licensed by the Company or its subsidiaries, which are of experimental nature and have not been used at full capacity for an extended period of time; reliance on suppliers, contractors, consultants and key personnel; the ability of the Company to maintain its mineral lease holdings; potential failure of the Company's business plans or model; the nature of oil and gas production and oil sands mining, extraction and production; uncertainties in exploration and drilling for oil, gas and other hydrocarbon-bearing substances; unanticipated costs and expenses, availability of financing and other capital; potential damage to or destruction of property, loss of life and environmental damage; risks associated with compliance with environmental protection laws and regulations; uninsurable or uninsured risks; potential conflicts of interest of officers and directors; and other general economic, market and business conditions and factors, including the risk factors discussed or referred to in the Company's disclosure documents, filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release, and the Company undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.

Pursuant to the Chapman Report, the following is a summary of contingencies and project risk related to the Company's 93.4 million barrels of contingent resource, listed in order of importance: (i) Verification of actual full scale processing and operating costs. Although the Company has developed detailed estimates of these costs by operating the pilot plant, they will need to implement the full scale project in order to know these costs with certainty. Chapman has estimated a 90% probability that operating costs will be in the ranges estimated in the monte carlo simulation, as documented in our September 1, 2016 report. The simulation indicates that there is a 97.5% likelihood of having an economic project if costs are in those ranges. Therefore, the probability of this contingency being overcome (i.e.

operating costs are in the range estimated by Chapman) is estimated at 88%; (ii) Mining costs will be similar on all Company lands. Detailed mining cost estimates have only been prepared for the first 12.8 MMSTB of bitumen to be mined, but it is anticipated that the bitumen volumes could be scaled up at a similar cost. The probability of this contingency being overcome (i.e. all actual mining costs being in line with initial estimates) is estimated at 95%; and (iii) Regulatory permission will be granted for all future stages. This is seen as very likely, and there are no major regulatory hurdles remaining to overcome. However, there is potential for public opposition to a project of this nature. The probability of this contingency being overcome (i.e. all future regulatory approvals being granted) is estimated at 98%. Chapman has estimated that it is 81.9% likely that all of the above contingencies will be overcome.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Attachment

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Source: Petroteq Energy Inc.