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Petroteq Announces Completion of Automation, Strategic Account Payment Structure With Valkor Oil and Gas and Appoints New Advisory Board Member

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SHERMAN OAKS, Calif., Nov. 20, 2019 (GLOBE NEWSWIRE) -- Petroteq Energy Inc. ("**Petroteq**" or the "**Company**") (TSXV:PQE; OTC:PQEFF; FSE:PQCF), an oil sands mining and production company having a proprietary technology that extracts hydrocarbons from oil sands without the use of water, is pleased to announce the completion of facility automation, a strategic account payment structure with Valkor Oil and Gas ("**Valkor**") and the addition of Dr. Mark Rollins to its advisory board.

The Company has completed the automation of the front end processes for sand separation, oil quality control and centrifugal agitation. The Company believes that with the engineering and technical assistance from Valkor and Alfa Laval, its production of crude oil and potential reduction in operating, maintenance and labor costs will now be achieved. This marks a very important milestone in becoming an oil company focused on the development and implementation of a proprietary, environmentally clean technology for heavy oil extraction.

The Company has also completed a strategic account payment structure with Valkor where the account payable amount for engineering to date of US\$989,500 will be paid to Valkor in 3,958,000 common shares of the Company at US\$0.25 per share. This is more than a 28% increase to the current trading share value (OTC:PQEFF – November 19, 2019). "In working with Petroteq for the past year at its Asphalt Ridge facility in Utah, and signing a technology licensing agreement in July, it is more apparent that Petroteq's technology is highly effective," stated Steve Byle, CEO of Valkor. "As Valkor has worked on providing many of the solutions to increase the efficiencies in all aspects of the Asphalt Ridge facility, we are pleased to be offering this account payment structure to Petroteq."

The Company is pleased to announce that Dr. Mark Rollins will be joining Petroteq's advisory Board. "Dr. Rollins is joining our company at what I believe to be an auspicious time. His deep understanding of engineering, combined with his decades of commercial experience in the oil sector, will be instrumental in helping communicate the Petroteq story to potential investors and partners around the world," stated Alex Blyumkin, Chairman.

Dr. Rollins was until recently Chairman and CEO of Ukrnafta, the publicly-listed company responsible for 70% of oil production in Ukraine, with 27,000 employees. Between 2008 and 2015, he was a senior executive at BG Group, a FTSE top ten listed E&P company based in the UK. His other experiences have included senior leadership positions across international

E&P, midstream and downstream oil and gas, and deregulated utility sectors. He holds a doctorate in Engineering Science from Oxford University, as well as a Master's in Mathematics from Cambridge University.

"I'm very pleased to take on this advisory role at such an exciting time for the company. Having recently achieved the important milestone of continuous production of high-quality crude oil, the Petroteq process is what I believe to be a proven success. I look forward to helping the company capture the full potential of this exciting technology as it goes through the next phase of expansion and development," stated Dr. Rollins.

In addition, the Company intends to complete shares for debt transactions, pursuant to which it will issue an aggregate of 350,000 common shares in satisfaction of US\$76,000 of indebtedness (100,000 shares at a deemed price of US\$0.21 per share and 250,000 shares at a deemed price of US\$0.22 per share) currently owed to two arm's length service providers. The Company determined to satisfy the indebtedness with common shares in order to preserve the Company's cash for use on its extraction technology in Asphalt Ridge, Utah, and for working capital. All shares issued pursuant to the shares for debt transactions (including the shares issuable to Valkor) are subject to TSX Venture Exchange (the "TSXV") approval and will be subject to resale restrictions, including, without limitation, a Canadian four-month hold period.

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 and bitumen 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 and processing facility located near Vernal, Utah.

For more information, visit www.Petroteq.energy.

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: building an enlarged facility; and closing of the transactions noted herein; 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, including, without limitation: receipt of TSXV approval for the shares for debt transactions; execution of definitive shares for debt agreements; the directors of the Company approving the shares for debt transactions; the Company's technology producing as expected without

additional or unforeseen technical problems; oil prices remaining at or above current prices; and the Company's ability to continue financing existing expenses, including capital expenses. Material factors or assumptions were applied in providing forward-looking information. 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. 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: failure by the TSXV or the directors of the Company to approve the shares for debt transactions; failure of the parties to execute definitive shares for debt agreements; 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, is 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 its bitumen resources will be economically producible and thus cannot be classified as proved or probable reserves in accordance with applicable securities laws; 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 the ability of 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 currently are of an 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.

The securities referred to in this news release have not been, nor will they be, registered

under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This news release does not constitute an offer for sale of securities, nor a solicitation for offers to buy any securities. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.

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.

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