March 29, 2022

Petroteq Announces That Its Founder, Former Chairman and CEO, Mr. Alex Blyumkin Supports the Takeover Bid and Has Tendered Shares To Takeover-Bid From Viston Swiss United AG

SHERMAN OAKS, CA / ACCESSWIRE / March 29, 2022 /Petroteq Energy Inc. (**"Petroteq"** or the **"Company"**) (TSXV:PQE)(OTC PINK:PQEFF)(FSE:PQCF), an oil company focused on the development and implementation of its proprietary oil-extraction and remediation technologies, announces that it has been advised by its Founder, Former Chairman and CEO, Mr. Alex Blyumkin, that he has tendered shares in respect to the tender offer (the **"Offer"**) by 869889 Ontario Inc. (the **"Offeror"**), an indirect wholly-owned subsidiary of Viston United Swiss AG ("Viston"), to purchase all of the issued and outstanding common shares of Petroteq. The Offer remains open for acceptance until 5:00 p.m. (Toronto time) on April 14, 2022, unless the Offer is further extended, accelerated or withdrawn by the Offeror in accordance with its terms.

Recognizing that Mr. Blyumkin holds a significant number of shares, his tender will assist the Offeror with acquiring the majority needed to complete their Offer. The Board of Directors has already recommended to shareholders to tender to the Offer.

For More Information and How to Tender Shares to the Offer
Shareholders who hold Common Shares through a broker or intermediary should promptly contact them directly and provide their instructions to tender to the Offer, including any U.S. dollar currency election. Registered shareholders that hold Common Shares in their own name need to complete a Letter of Transmittal and send, along with share certificates or DRS statements to the Depositary at the address listed on the Letter of Transmittal.

For assistance or to ask any questions, Shareholders should visit www.petroteqoffer.com or contact Kingsdale Advisors, the Information Agent and Depositary in connection with the Offer, within North America toll-free at 1-866-581-1024, outside North America at 1-416-867-2272 or by e-mail at contactus@kingsdaleadvisors.com.

The value of the Company has been thoroughly examined this year by third parties and appropriate news releases have been issued, and the Company wishes to reiterate the results from those studies. The details of those studies are shown below, and investors can refer to the original series of news releases on these items. The Company believes it has established a strong and substantial value for its shareholders.

On December 23, 2021, Petroteq issued a news release regarding a reserve and economic evaluation report (the "Chapman Report") which defines bitumen reserves on the bitumen properties covered by three Utah state mineral leases located in the

Asphalt Ridge Northwest area of Uintah County, Utah (the "Asphalt Ridge NW Leases").

The Company's acquisition of the Asphalt Ridge NW Leases is pending completion. The Company's acquisition of the Asphalt Ridge NW Leases is pending completion. As disclosed in its news release dated November 29, 2021 and described in more detail in its most recent annual report on Form 10-K, Petroteq, acting through its subsidiaries, Petroteq Oil Sands Recovery, LLC (**"POSR"**) and TMC Capital, LLC (**"TMC Capital"**), has entered into an agreement with Valkor Energy Holdings, LLC ("Valkor") dated October 15, 2021 (the **"Exchange Agreement"**), under which (a) TMC Capital/POSR agreed to assign to Valkor all of their respective rights and interests in the certain oil sands leases collectively referred to as the "Temple Mountain Leases", and (b) Valkor agreed to assign to TMC Capital all of its rights and interests in the Asphalt Ridge NW Leases, which cover or encompass approximately 3,458.22 acres.

The Chapman Report was prepared by Chapman Petroleum Engineering Ltd. (**"Chapman"**) of Calgary, Alberta, Canada, an independent qualified reserves evaluator, with an effective date of November 30, 2021. Portions of the Chapman Report (the **"Canadian Evaluation"**) were prepared in accordance with definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook (**"COGE Handbook"**) and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* (**"NI 51-101"**). Portions of the Chapman Report (the **"US Evaluation"**) were also prepared in accordance with Rule 4-10(a) of Regulation S-X, as adopted by the United States Securities and Exchange Commission. Both the Canadian Evaluation and US Evaluation were calculated in United States dollars. Based on the Chapman Report, the reserve profile of the Asphalt Ridge NW Leases as at November 30, 2021 is summarized below:

<u>Canadian Evaluation</u>:

- 26 million stock tank barrels (**"MMSTB"**) of Proved Undeveloped bitumen reserves
- 82 MMSTB of Proved Plus Probable Undeveloped bitumen reserves
- US$265 million before-tax net present value (**"NPV"**) of future net revenue for Proved Undeveloped bitumen reserves, discounted at 10%
- US$1,017 million before-tax NPV of future net revenue for Proved Plus Probable Undeveloped bitumen reserves, discounted at 10%

<u>US Evaluation</u>:

- Proved Undeveloped valuation US$213 million at 10% discount (BIT)
- Proved Plus Probable valuation US$790 million at 10% discount (BIT)
- The bitumen reserves for the Asphalt Ridge NW Leases were evaluated using Chapman forecast pricing as at December 1, 2021. The NPV is prior to provision for interest, debt service charges, and general and administrative expenses. It should not be assumed that the NPV of future net revenue estimated by Chapman in the Chapman Report represents the fair market value of the reserves.

The bitumen reserves for the Asphalt Ridge NW Leases were evaluated using Chapman forecast pricing as at December 1, 2021. The NPV is prior to provision for interest, debt service charges, and general and administrative expenses. It should not be assumed that the NPV of future net revenue estimated by Chapman in the Chapman Report represents the fair market value of the reserves.

The difference between the Canadian Evaluation and the US Evaluation is the oil price used, which under the Canadian Standards price forecasts are the norm compared to the SEC Standards where a specified procedure is used to determine the appropriate Constant price for the project life.

Accordingly, the Canadian evaluation uses escalated operating and capital costs and the US evaluation does not. All other technical factors in the Chapman Report are identical for the Canadian and US evaluations.

Under the terms of the Exchange Agreement, Valkor has executed an assignment to TMC Capital of the record lease title and all of the operating rights (working interests) under the Asphalt Ridge NW Leases, and TMC Capital has in turn executed assignments transferring to Valkor all of TMC Capital's rights and interests in the Temple Mountain Leases. However, the reciprocal assignment under the Exchange Agreement of certain leases under the jurisdiction of Utah's School and Institutional Trust Land Administration (**"SITLA"**), including the assignment of the Asphalt Ridge NW Leases to TMC Capital, will not constitute final and completed transactions until the assignments have been reviewed and approved by SITLA.

The Company filed a statement of reserves data and other oil and gas information (the **"Statement"**) on www.sedar.com on December 14, 2021 as required by NI 51-101. The effective date of the Statement is August 31, 2021. As of August 31, 2021, there were no oil or natural gas reserves attributed to the Company's properties. As such no reserve report was prepared for the year ended August 31, 2021, and no bitumen reserves were disclosed in the Company's most recent annual report on Form 10-K. The Statement included an updated evaluation of, among other things, estimates of the Company's contingent resources, effective August 31, 2021, for its working interest in all of its properties located in Utah, USA, including (A) the Asphalt Ridge area and (B) the PR Springs area. The Statement did not include an evaluation of the reserves or resources of the Asphalt Ridge NW Leases. If the Company had completed the acquisition of the Asphalt Ridge NW Leases on or prior to the effective date of the Statement (which acquisition is still pending completion, as described above), the Company's reasonable expectation of how such acquisition would have effected such Statement is that the estimates related to resources for its Asphalt Ridge area and PR Springs properties would have remained unchanged and the estimates related to reserves for the Asphalt Ridge NW Leases would have been included.

On February 14, 2022, Petroteq Announced Peak Value IP, LLC Valuation of Company's Intellectual Property (IP)

A valuation study (the "Valuation Study") prepared by Peak Value IP, LLC (**"Peak Value"**) of Petroteq's CORT indicated a fair market value (FMV) ranging from $229 Million to $326 Million. The analysis of investment value (IV) ranging from $598 Million to $850 Million. The analysis assumed a proposed production facility to be operated in Utah that produces 5,000 barrels of oil per day. The Valuation Study also encompasses the value of the separated sand as salable to third-parties, providing additional value to the IP beyond the market of oil. The valuation conclusions are based on certain practices, methods and assumptions as detailed in the Valuation Study. Peak Value utilized data provided by Petroteq, along with public information and industry knowledge of intellectual property licensing. In addition, Peak Value reviewed the historical costs as well as expected future revenue as it relates to the assets.

On February 15, 2022, Petroteq Announced Economic Evaluation of Sands By-Product from Oil Extraction

Petroteq announced the completion of a third-party economic evaluation report dated February 10, 2022 (the **"Broadlands Report"**) in relation to sands anticipated to be produced as by-products of petroleum products from oil sands at the Asphalt Ridge NW Leases. The Broadlands Report was prepared by Broadlands Minerals Advisory Services Ltd. (**"Broadlands"**), a U.S. based, independent mineral advisory company, with input from Q4 Impact Group, LLC (**"Q4 Impact"**), under engagement to Broadlands, on markets and prices for the sand products.

The Broadlands Report is premised on the completion by Petroteq of an extraction plant capable of producing 5,000 barrels of high-grade oil per day (bpd) on the Asphalt Ridge NW Leases.

The Company believes that the sands are suitable for use as (a) silica flour, (b) fracking sand, and (c) bulk construction sands and aggregates (including road base). Accordingly, Broadlands economic analysis focused on the markets available for the sale of the three categories of by-product sands. Broadlands noted that an extraction plant producing 5,000 bpd is estimated by Petroteq to be capable of yielding 6,000 tons of sand per day or 1,860,000 tons per year (based on 310 operating days per year and operating 24 hours per day), and that silica flour is postulated to be 15 percent of the saleable product, fracking quality sand 55 percent, and bulk sand 30 percent. The economic forecast is based on 20 years of sales from such a 5,000 bpd operation, following two years for construction and start-up of the extraction plant and sands processing facility and related infrastructure.

The cash flow analysis was run on a pre-income tax basis, at discount rates of 0.0, 7.5 and 15 percent; the results show potential economic benefit in the base case of a Net Present Value (NPV) of $1,285, $602, and $341 million, respectively. The base case cash flow used a selling price of $40 per ton for the unprocessed dry, clean by-product sand. Q4 Impact provided market sale price analysis to arrive at a reasonable selling price for the cash flow forecast. Broadlands notes the economic model and base case numbers may not be realized due to market factors.

Broadlands based their economic analysis on information orally conveyed to them and no testing of sands from the Asphalt Ridge NW Leases has been performed by Broadland or by the Company. Broadlands confirmed that they performed their analysis in general accordance with acceptable mineral industry standards, and that technical issues discussed in the Report are in accordance with the standards of Subpart 1300 of Regulation S-K (**"SEC S-K 1300"**) promulgated by the Securities and Exchange Commission. In particular, Broadlands confirmed that they consider the sands at the Asphalt Ridge NW Leases to be Material of Economic Interest, as defined in SEC S-K 1300, and that Broadlands is required to expressly note that, as such, there is no assurance that the sands at the Asphalt Ridge NW Leases will be converted to saleable material.

Broadlands also indicated that they have relied on reports prepared for Petroteq by other parties, discussions with Petroteq and Valkor, reviews of publicly available information, and information gathered during a visit to the oil sands around Venal, Utah on December 21, 2021, which, due to illness of the party that Broadlands was to meet, was perfunctory and limited in scope. Broadlands also visited Petroteq's existing plant and examined stockpiles of raw material.

Meanwhile, the Company continues with business as usual, awaiting the results of the Offer.

About Petroteq Energy Inc.

Petroteq is a clean technology company focused on the development, implementation and licensing of a patented, environmentally safe and sustainable technology for the extraction and reclamation of heavy oil and bitumen from oil sands and mineable oil deposits. The versatile technology can be applied to both water-wet deposits and oil-wet deposits - outputting high-quality oil and clean sand.

Petroteq believes that its technology can produce a relatively sweet heavy crude oil from deposits of oil sands at Asphalt Ridge without requiring the use of water, and therefore without generating wastewater which would otherwise require the use of other treatment or disposal facilities which could be harmful to the environment. Petroteq's process is intended to be a more environmentally friendly extraction technology that leaves clean residual sand that can be sold or returned to the environment, without the use of tailings ponds or further remediation.

For more information, visit www.Petroteq.energy.

Unless otherwise specified, all dollar amounts in this press release are expressed in U.S. dollars.

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.

Oil and Gas Advisories

The reserves estimates contained in this news release represent the net reserves of the Asphalt Ridge NW Leases as at November 30, 2021. The acquisition of the Asphalt Ridge NW Leases is pending completion, as described above.

Reserves included herein are stated on a company net basis (working interest share after deducting the amounts attributable to royalties owned by others).

Reserves are estimated remaining quantities of crude oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates as follows:

- *Proved reserves ("1P") are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.*
- *Probable reserves ("2P") are those additional reserves that are less certain to be*

recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated.

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

- *Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production.*
- *Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.*

It should not be assumed that the present worth of estimated future net revenues presented in the above represents the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions will be attained and variances could be material. The recovery and reserves estimates of the bitumen reserves for the Asphalt Ridge NW Leases provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered or the acquisition of such leases will be completed. Actual bitumen reserves may be greater than or less than the estimates provided herein.

All future net revenues are estimated using forecast prices arising from the anticipated development and production of reserves, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs and are stated prior to provision for interest and general and administrative expenses. Future net revenues have been presented on a before tax basis.

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: statements concerning SITLA's pending review and approval of the assignment of the Asphalt Ridge NW Leases to TMC Capital; and management's expectation that the reserves identified in the Chapman Report should help to unlock access to funding from investors and financial institutions; the plan to proceed with construction of a 5,000 bpd extraction plant sands processing facility and related infrastructure; the expectation that the plant, once completed would be capable of yielding 6,000 tons of sand per day or 1,860,000 tons per year; the expectation that the Company will be successful in developing sales channels for sand for as silica flour, fracking sand, and bulk and aggregate sand, with a view towards maximizing the value of the clean sand tailings; and that the projected prices for the sand by-products on which the economic analysis are premised are achievable and sustainable; are intended to identify forward-looking information. Readers are cautioned that there is no certainty that SITLA will approve the assignment of the Asphalt Ridge NW Leases to TMC Capital, or that it will be commercially viable extract oil from the identified reserves. 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: the technology performing as expected; availability of labor and parts; adequate capital raising efforts; and Petroteq's ability to execute on its operational plans. 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: the risk that SITLA will not approve the assignment of the Asphalt Ridge NW Leases to TMC Capital; that full scale commercial production may engender public opposition; 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; litigation; 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; loss of life and environmental damage; risks associated with compliance with environmental protection laws and regulations; and directors; risks related to COVID-19 including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; 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 United States Securities and Exchange Commission and available at www.sec.gov (including, without limitation, its most recent annual report on Form 10-K under the Securities Exchange Act of 1934, as amended), and 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.

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