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Petroteq Energy Announces That Testing of the Sand Tailings Indicates That the Tailings Are Suitable for Sale as a Frac Sand or as an Aggregate for Concrete

The Restart of Petroteq's Oil Sands Plant at Asphalt Ridge has been Rescheduled to January 2021

SHERMAN OAKS, CA / ACCESSWIRE / December 22, 2020 /Petroteq Energy Inc. ("Petroteq" or the "Company") (TSXV:PQE)(OTC PINK:PQEFF)(FSE:PQCF), an integrated oil company focused on the development and implementation of its proprietary oil-extraction technologies, recently announced that work to upgrade the capacity and reliability of its oil sands plant at Asphalt Ridge (the "POSP") had been completed. Commissioning of the POSP is now also complete. The restart of the POSP, which was planned to commence this past week, has been impacted as a result of Covid-19 related restrictions placed on the mining permitting authority. It now appears that the Mine Safety and Health Administration ("MSHA") operating plan likely won't be approved before December 21, 2020. As a result, it has been decided to reschedule the restart of the POSP to January 4, 2021 after the planned Christmas/New Year holiday shutdown.

The Company has recently completed an evaluation of the clean sand tailings that are a byproduct of the oil extraction process. It was determined that 60-70% of the sand falls within a 40-140 mesh size range and has a crush strength exceeding 8,000 psi, giving the sand an 8K crush factor and confirming that the sand is suitable for use as a frac sand. The 20% of tailings grading larger than 40 mesh can be used as an aggregate for concrete. The Company is now working to develop sales channels for the frac sand and aggregate components of the tailings with a view towards maximizing the value of the clean sand tailings.

George Stapleton, Petroteq COO, commented: "While we had hoped to restart the POSP last week, we should now be able to operate more or less continuously following the restart, without any planned Holiday shutdowns ahead of us. The test results obtained for the sand tailings are a welcome outcome. Any revenue received from the sale of frac sand and/or aggregate is expected to assist us in lowering the operating costs for the POSP, thereby providing higher than expected netbacks per barrel of oil produced."

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. Petroteq is currently focused on developing its oil sands resources at Asphalt Ridge and upgrading production capacity at its pilot heavy oil extraction facility located near Vernal, Utah.

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 returned to the environment, without the use of tailings ponds or further remediation.

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 are intended to identify forward-looking information, including: proposed new timing for the restart of the POSP; that 20% of tailings grading larger than 40 mesh can be used as an aggregate for concrete; the Company being able to operate the POSP continuously following its restart; revenue received from the sale of frac sand and/or aggregate assist the Company in lowering the operating costs for the POSP and providing higher than expected netbacks per barrel of oil produced. 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: the Company and its partners having the resources and services available to continue and complete work on the POSP and operate it continuously. 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: 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; 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.

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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