

December 27, 2017



Petroteq Energy Inc., Year-End Message from the Chairman

LOS ANGELES, CA, Dec. 27, 2017 (GLOBE NEWSWIRE) -- [Petroteq Energy Inc.](#) (the "Company") (TSX VENTURE: [PQE](#)) (OTCQX: [PQEFF](#)) (FRANKFURT: [A2DYWC](#)), a Company focused on the development and implementation of proprietary technologies including environmentally safe extraction of heavy oils from oil shale deposits and shallow oil deposits, and blockchain technology named [PetroBlox](#), released the following letter to Shareholders:

Dear Shareholders,

As 2017 comes to a close I wanted to share with you some of my thoughts on where we have been and where I believe we are as we embark on 2018.

To put things in context, I should start by saying that Petroteq started out as a fuel delivery company here in Southern California. It is a highly competitive and low margin business, not necessarily attractive for public market investment. When I took over as Chairman I chose to reposition the Company as a player in the Energy Technology as being a developer of new technology that brings the opportunity of disruptive profits coming from new revenue streams, and (hopefully) wide margins.

We identified and developed what is now our patented clean heavy oil extraction technology as a means to seek those disruptive returns and profits. We have been successful in proving that technology and we are on the cusp of monetizing it within our Utah resource that stands at 87 million barrels of contingent resource.

We have moved our production equipment next to the mine site to make our process even more efficient and for the first time in a long time – the commodity market is providing some wind at our backs. I am very excited that we have brought in additional equipment which can bring our production capacity to 1000 bpd (barrels per day). Additionally, our recently announced Joint Venture should allow us to grow the capacity much further than that level, but before I get ahead of myself, we're excited to be generating revenues again in the beginning of 2018.

Through discussions with my team, and especially President Jerry Bailey, we have identified an aspect of the energy industry where believe we can have further impact. It was Jerry's experience as head of Exxon in the Middle East that really confirmed the opportunity for bringing the blockchain to the Energy Industry. Through our recently created [PetroBlox](#) subsidiary, and a working relationship with [First Bitcoin Capital](#) we intend to help reduce the massive administrative costs in the Energy Industry, as a developer and service provider of Blockchain enabled technology products.

In conclusion, through a lot of heavy lifting we now have a lot of things going our way – we are firmly positioned as an Energy Technology Company with multiple verticals of

technology on offer. We look forward to reporting our progress on the Asphalt Ridge Facility, and will also keep you updated on developments with PetroBloq.

Best Regards,

Aleksandr Blyumkin, Chairman and Chief Executive Officer

About Petroteq Energy, Inc.

The Company is engaged in the development and implementation of its proprietary 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. Petroteq is also developing technologies to optimize petrochemical industry workflow processes and will bring a team of professionals to expedite the process. For this purpose, Petroteq is developing an advanced blockchain solution for the Energy industry, this project is named PetroBloq.

For more information about Petroteq Energy Inc. visit: <https://petroteq.energy> For more on PetroBloq visit: <https://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, and the Company successfully increasing production capacity of its extraction plan to 1,000 barrels per day, the recently announced Joint Venture allowing us to grow the capacity much further than that level, and reducing billions in administrative costs in the Energy Industry, as a developer and service provider of Blockchain enabled technology products. 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: our ability to increase production capacity of our extraction plant, our ability to reduce billions in administrative costs in the Energy Industry, as a developer and service provider of Blockchain enabled technology products; and the Company having the funds necessary to complete the expansion of the production capacity. 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 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, the SWEPT technology, the S-BRPT technology, and other proprietary technologies developed or licensed by the Company or by Accord, 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 and Accord to maintain their respective 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 annual Management's Discussion and Analysis for the year ending August 31, 2016, 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.

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.

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.

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