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Petroteq Partners with Cavitation Technologies Inc. to Test Equipment for Non-Conventional Oil Production

STUDIO CITY, CA, July 10, 2018 (GLOBE NEWSWIRE) -- [Petroteq Energy Inc.](#) (TSXV: PQE) (OTC: PQEFF) (FSE: A2DYWC) ("Petroteq" or the "Licensee"), a company focused on the development and implementation of proprietary technologies for the energy industry, announced an agreement with [Cavitation Technologies, Inc.](#) (OTCQB: CVAT) (Berlin: WDC) ("CTi" or the "Licensor"), a company providing highly scalable and cost-effective solutions to various fluids processing industries. The companies have entered into a licensing agreement to test its equipment during oil production for workflow efficiencies and to lower its cost of production obtained through Petroteq's oil sands extraction process.



Petroteq's Asphalt Ridge Facility

The agreement between Petroteq and CTi will seek to generate a modification of non-conventional oil, in the form of bitumen, obtained through oil sands. CTi's Nano Reactor System™ utilizes proprietary technology that is capable of influencing and altering the chemical and physical composition of certain crude oils and hydrocarbon substances in a manner that may enhance the yield and economic value of refined or processed oils and related hydrocarbon products.

"We are excited to be partnering with CTi. With our recent upgraded facility site, we are now exploring opportunities to make our products more cost-effective and efficient. We feel that it is important to engage on the innovation of our R&D with other compelling technologies that have the potential of generating scalable solutions within the industry," commented David Sealock, Chief Executive Officer of Petroteq.

Additionally, CTi's Founder and Global Technology Manager Roman Gordon stated, "Over the last decade we have introduced our proprietary technology in a number of different verticals while creating partnerships with industry leaders. This agreement provides our

companies the opportunity to develop and implement technologically advanced processes that will greatly improve efficiencies over conventional methods while achieving increased margins and profitability.”

CTi's Nano Reactor System™ will combine bitumen extracted by Petroteq with a catalyst to create a fluidic crude oil. The fluidic crude oil is pumped through a cavitation device at varying pressures to create cavitation features. Reacting with the fluidic crude oil, the process generates cavitation bubbles, which mix with adjacent layers of condensed fluidic crude oil. This mixture induces chemical reactions between components in the fluidic crude oil to promote molecular rearrangement to improve viscosity, API gravity, and heterogeneity.

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. The Company also owns a minority stake in an exploration and production play located in southwest Texas held by Accord GR Energy Inc. 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.

About CTi

Founded in 2007, the company designs and manufactures state-of-the-art, flow-through, devices and systems as well as develops processing technologies for use in edible oil refining, renewable fuel production, expeditious petroleum upgrading, algal oil extraction, alcoholic beverage enhancement, water treatment and the emulsification of cannabidiol (CBD). As an add-on to its existing neutralization systems, the company's patented Nano Reactor™ allows refiners to significantly reduce both processing costs and environmental impact, while also increasing yield. <http://www.ctinanotech.com/>

Follow us on Twitter for real time updates: <https://twitter.com/CavitationTech>.

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Petroteq 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 the Company successfully developing block chain technology for the oil and gas industry, making continued strategic hires, and adding more Companies to its roster of partners, are intended

to identify forward-looking information. 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 successful implementation of CTi's Nano Reactor System™ during the pilot test period and in the future at the Company's Asphalt Ridge facility and its ability to increase workflow efficiencies, lower the cost of production, modify the non-conventional oil produced in a positive manner and enhance yield and economic value. 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: 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 or other applications 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, 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 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.

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.

CTi Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases forward-looking statements can be identified by terminology such as “may,” “should,” “potential,” “continue,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” and similar expressions, and include statements regarding expected substantial revenues expected to be generated in the future from the relationship with ABI, including the opportunity to provide a significant return to shareholders through the substantial equity position and payouts that CTi will retain in ABI and the value of the business opportunity. These forward-looking statements are based largely on CTi’s expectations and are subject to a number of risks and uncertainties, certain of which are beyond CTi’s control including the ability of CTi to generate revenue from the new opportunity. Actual results could differ materially from these forward looking statements as a result of a variety of factors including, among others, the state of the economy, the competitive environment and our ability to perform the installation as anticipated and other factors described in our most recent Form 10-K and our other filings with the SEC, including subsequent periodic reports on Forms 10-Q and 8-K. In light of these risks and uncertainties there can be no assurances that the forward looking statements contained in this press release will in fact transpire or prove to be accurate. The information in this release is provided only as of the date of this release, and we undertake no obligation to update any forward-looking statements contained in this release on account of new information, future events, or otherwise, except as required by law.

Attachment

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CONTACTS:

Petroteq Energy Inc.
Alex Blyumkin
Chairman
(800) 979-1897

David Sealock
Chief Executive Officer
(403) 561-9882
investors@petroteq.energy

Cavitation Technologies, Inc
Investor Relations
IR@ctinanotech.com
<http://cvatinfo.com/>
Phone (818) 718-0905



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