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Petroteq Energy Announces Investment by Chairman

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SHERMAN OAKS, Calif., March 05, 2019 (GLOBE NEWSWIRE) -- Petroteq Energy Inc. ("**Petroteq**" or the "**Company**") (TSXV:PQE; OTC:PQEFF; FSE: PQCF), a fully integrated oil and gas company, announces the following:

The Company is pleased to announce the subscription by Alex Blyumkin, the Executive Chairman and a director of the Company, for 2,222,222 common shares of the Company at US\$0.45 per share for gross proceeds of US\$1,000,000. "The continuing progress of our company in the expansion of our Utah oil sands facility, combined with our business development strategies, have been encouraging and, in my view, merit further investment in the company," stated Mr. Blyumkin. All shares issued pursuant to the transaction are subject to director and TSX Venture Exchange approval and will be subject to a four-month hold period. The net proceeds will be used by the Company for use on its extraction technology in Utah and for working capital.

The Company has agreed to complete a shares for debt transaction, pursuant to which it will issue 1,000,000 common shares in satisfaction of US\$500,000 of indebtedness currently owed to an arm's length service provider. 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 transaction are subject to director and TSX Venture Exchange approval and will be subject to a four-month hold period.

The Company is also pleased to announce the issuance of 135,135 units of the Corporation at US\$0.37 per unit, with each unit consisting of (i) one common share of the Company, and (ii) one share purchase warrant, with each warrant entitling the holder thereof to acquire an additional common share at US\$0.37 per share for 12 months. All securities issued pursuant to the financing are subject to a four-month hold period. The net proceeds will be used by the Company for use on its extraction technology in Utah and for working capital.

The Company also announces the closing of (i) the subscription by David Sealock, the Chief Executive Officer of the Company, for 62,500 common shares of the Company at US\$0.40 per share for gross proceeds of US\$25,000, (ii) the subscriptions by three arm's length subscribers for 7,242,424 common shares of the Company at US\$0.33 per share for gross proceeds of US\$2,390,000, and (iii) shares for debt transactions, pursuant to which it issued an aggregate of 550,241 common shares in satisfaction of US\$238,000 of indebtedness owed to three arm's length service providers, previously announced on

February 13, 2019.

The subscription by Mr. Blyumkin is a “related party transaction” as defined under Multilateral Instrument 61-101 (“MI 61-101”). The transaction is exempt from the formal valuation approval requirements of MI 61-101 since none of the securities of the Company are listed on a prescribed stock exchange. The proposed transaction is exempt from the minority shareholder approval requirements of MI 61-101 since, at the time the transaction was agreed to, neither the fair market value of the transaction nor the fair market value of the consideration for the transaction, insofar as it involves interested parties, exceeded 25% of the Company’s market capitalization.

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. 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 closing of the above noted transactions, 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. Material factors or assumptions were applied in providing forward-looking information, including: director approval; TSX Venture Exchange approval; and closing conditions being met, including receipt of subscription proceeds. 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 heavy oil and 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 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 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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