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Petroteq Announces Technology Licensing Agreement

SHERMAN OAKS, Calif., July 02, 2019 (GLOBE NEWSWIRE) -- Petroteq Energy Inc. ("**Petroteq**" or the "**Company**") (TSXV: PQE; OTC: PQEFF; FSE: PQCF), a fully integrated surface oil sands mining oil company with proprietary technology, is pleased to announce that it has entered into a non-exclusive technology licensing agreement with Valkor LLC, a company based in Katy, Texas (www.valkor-offshore.com).

The technology licensing agreement (the "**Agreement**") grants to Valkor the right to use Petroteq's proprietary patented technology to engineer, construct, operate and finance oil sands extraction plants (individually, a "**Plant**") to transform highly oil saturated feed ore recovered from mining operations to heavy crude.

Under the Agreement, Valkor has agreed to pay Petroteq a non-refundable license fee of US\$2 million per Plant in two payments, with 50% payable upon start of construction of a Plant and 50% payable upon first production of such Plant. Valkor also agreed to invest (or secure investment) of a minimum US\$20 million towards the construction of a Plant by December 2020, and to have in production a minimum of 1,000 barrels per day. The agreement further provides that Valkor will pay Petroteq a five percent (5%) royalty based on annual gross sales, excluding solvent and or water, for so long as licensed technology is covered by a valid claim in the country in which it is used.

"Technology advancement in unlocking the enormous deposits of global oil reserves has been our focus in achieving energy independence and economic expansion," stated CEO David Sealock, "and Petroteq's CORT (Clean Oil Recovery Technology) is a primary key to develop the tremendous surface mineable oil sands resources in the USA and internationally. Petroteq's technology has the potential to open these resources to new development opportunities and with this should come tremendous value potential."

"In working with Petroteq for the past year at its Asphalt Ridge facility in Utah, it is clear that the Petroteq technology is unique and highly effective. It fits our long term strategy extremely well," stated Steve Byle, CEO of Valkor. "As Valkor is a solutions company offering a range of services and products to the energy industries we are pleased to be offering the Petroteq technology in a project based platform."

This licensing agreement is testament to the tremendous technical and engineering achievements made by Petroteq in recent years. The licensing model is an important component of the Petroteq business model allowing Petroteq to leverage its proprietary technologies and operating techniques to participate in value created through investment by other companies and strategic investors. Petroteq anticipates that this could be the first of many licensing agreements and believes that this aspect of its technology licensing business model will set the Company apart from other resource companies in years to come.

For more information please refer to the Company's website for a recently posted updated

corporate presentation.

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 and bitumen 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 and processing 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: Petroteq’s technology providing tremendous value potential; the Agreement being the first of many licensing agreements; and Petroteq’s technology licensing business model setting it apart from other resource companies in years to come; 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, without limitation: the Company successfully using its technology (including through license agreements) to provide tremendous value potential; access to equipment, access to maintenance parts and personnel, current commodity price, access to capital and access to refineries. 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: Valkor meeting all of its obligations under the Agreement; the Company’s ability to successfully negotiate and conclude other licensing agreements; the Company’s ability to implement its technology licensing business model to set it apart from other resource companies; 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.

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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