

PETROTEQ ENERGY INC. ANNOUNCES SHARES FOR DEBT TRANSACTIONS

Toronto, Canada – May 19, 2017 – Petroteq Energy Inc. (formerly MCW Energy Group Limited) (the “Company”) (TSXV:PQE, OTCQX: MCWED), an oil sands technology and oil and gas exploration company, announces it has entered into shares for debt agreements, pursuant to which the Company will issue 31,083,287 common shares in satisfaction of US\$12,189,956.47 of indebtedness currently owed to twenty creditors. The Company determined to satisfy the indebtedness with common shares in order to preserve its cash for use on its extraction and heavy oil technologies, and for working capital. The shares will be issued upon acceptance by the TSX Venture Exchange and approval by the directors of the Company. The common shares issued in satisfaction of the indebtedness will be subject to a four month hold period from the date of issuance.

Alex Blyumkin, an officer and director of the Company, and three of the creditors controlled by Mr. Blyumkin, represent four of the twenty creditors, thereby making such shares for debt transactions, representing US\$620,277.12 of indebtedness, “related party transactions” as defined under Multilateral Instrument 61-101 (“MI 61-101”). Each of the proposed shares for debt transactions are exempt from the formal valuation approval requirements of MI 61-101 as none of the securities of the Company are listed on a prescribed stock exchange. The proposed shares for debt transactions are exempt from the minority shareholder approval requirements of MI 61-101 as at the time the transactions were agreed to, neither the fair market value of the transactions, nor the fair market value of the consideration for, the transactions, insofar as it involves interested parties, exceeded 25% of the Company’s market capitalization.

About Petroteq Energy Inc.

The Company is focused on value creation via the development and implementation of (i) proprietary, environmentally-friendly oil sands extraction technologies and remedial tailings ponds project solutions, (ii) expanding production capacities of its now operational oil sands project in Asphalt Ridge, Utah, (iii) the formulation of worldwide joint ventures and the licensing of oil sand opportunities with private and governmental resource entities within countries possessing extensive oil sands/shale deposits, and (iv) oil and gas exploration and production through the development and recovery of heavy oil utilizing licensed technologies, currently being implemented by Accord GR Energy, Inc., which is majority (57.3%) held by the Company, on mineral leases located in southwest Texas.

For more information, please contact: **Petroteq Energy Inc.**
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Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to the Company, including final approval of the shares for debt transactions by the TSX Venture Exchange and the directors of the Company, 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, and current 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 Company receiving approval of the shares for debt transactions by the TSX Venture Exchange and the directors of the Company. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. These factors include, without limitation, the TSXV not providing its final approval of the private placement; changes in law; the ability to implement business strategies and pursue business opportunities; state of the capital markets; the availability of funds and resources to pursue operations; litigation; the commercial viability of the Company's oil sands extraction technology; reliance on major customers and key personnel; reliance on banking facilities and dependence on sustainability of customer orders; the risk that the Company's business plan may fail; volatility of oil prices which can fluctuate widely; the nature of oil sands and resource exploration and development; risks related to the start-up of the Company's technology business; access to skilled consultants; the possibility that future exploration results will not be consistent

with the Company's expectations; uncertainties involved in interpreting drilling results; unanticipated costs and expenses; timing and availability of external financing on acceptable terms; dependence on key personnel; failure of equipment or processes to operate as anticipated; risks inherent in oil and gas exploration and development; the potential hazards of the work operations potentially resulting in work stoppages, damage to or destruction of property, loss of life and environmental damage; risks related with compliance with environmental protection regulations (including climate change legislation, and enforcement actions which may cause operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions); uninsurable or uninsured risks; potential for conflicts of interest of directors and officers; risks relating to Bitumen supply; as well as general economic, market and business conditions, as well as those risk factors discussed or referred to in the Company's annual Management's Discussion and Analysis for the year ended 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 Inspira 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 for sale, 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.