

November 2, 2017



Petroteq Energy Inc. Secures Interest-Free Loan From Founder to Increase Facility and Accelerate Production Capacity

STUDIO CITY, CA -- (Marketwired) -- 11/02/17 -- Petroteq Energy Inc. (the "**Company**") (TSX VENTURE: PQE) (OTCQX: PQEFF) (FRANKFURT: MW4A), a company focused on the development and implementation of proprietary technologies for the environmentally safe extraction of heavy oils from oil sands, oil shale deposits and shallow oil deposits, today announced that its founder and CEO, Alex Blyumkin, has provided an interest-free unsecured non-convertible loan for up to US\$2 million to fund the Company's operations and expansion plans, \$200,000 of which has already been advanced.

As part of the Company's growth strategy, the loan will allow for building a larger facility, which will expand the Company's operations and increase production capacity from 250 to 1,000 barrels per day. The Company anticipates having the new plant in full production by February 1st of 2018 with revenues from the production to be reported for the second quarter ending on February 28, 2018. Once the plant is in full production the company will deploy its global strategy to unlock heavy oil deposits worldwide by licensing its technology to oil producers owning reserves with similar geological profiles.

"My personal investment demonstrates the confidence that I have in the future of the Company," said Blyumkin. "We restructured our operations and balance sheet to facilitate the growth of our business and we are executing accordingly. With the increase in capital, we will have the ability to accelerate our production capacity to create future revenues for our business once the plant is put into production. With lower production costs and our advanced technologies, we believe heavy oil investments can generate improved performance similar to tight oil when compared on a full-cycle basis."

The Company launched its first extraction plant in the area known as Asphalt Ridge, just south of Vernal, Utah. The extraction plant has been moved to the Company's Temple Mountain Mine lease site in Asphalt Ridge that has an 87 million barrel oil contingent resource pursuant to an independent resource evaluation report dated January 16, 2015 prepared by Chapman Petroleum Engineering Ltd. in accordance with the Canadian Oil and Gas Evaluation Handbook (COGEH). Asphalt Ridge is one of Utah's eight major oil sand deposits and alone is believed to hold approximately 1 billion barrels of recoverable oil. Utah holds an estimate of 55% (Department of Energy Estimate: 32 billion barrels) of the United States oil sands deposits.

The loan provided by Mr. Blyumkin, an officer and director of the Company, 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 as none of the securities of the Company are listed on a prescribed stock exchange. The transaction is exempt from the minority shareholder approval requirements of MI 61-101 as 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.

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. The company also owns a minority stake in an exploration and production play located in southwest Texas held by Accord GR Energy Inc. Under a joint venture agreement with Recruiter.com and Oilprice.com, we anticipate that the website offering employment opportunities in the Energy sector will be launched in the month of November 2017. Petroteq is also developing technologies to optimize petrochemical industry workflow processes and will bring a team of professionals to expedite the process.

For more information, visit www.PetroteqEnergy.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, including the balance of the loan being advanced, TSX Venture Exchange approval of the loan, and the Company successfully increasing production capacity of its extraction plant from 250 to 1,000 barrels per day, 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 TSX Venture Exchange providing final approval of the loan; Mr. Blyumkin advancing the balance of the loan; and the Company having the funds necessary to complete the expansion of the production capacity from 250 to 1,000 barrels per day. 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 depend 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 TSX Venture Exchange not providing final approval of the loan; Mr. Blyumkin not

advancing the balance of the loan; 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 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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