Petroteq Completes Continuity Testing of New Plant

Sherman Oaks, California--(Newsfile Corp. - August 10, 2018) - **Petroteq Energy Inc.** ("**Petroteq**" or the "**Company**") (TSXV: PQE) (OTC Pink: PQEFF) (FSE: PQCF), a fully integrated oil and gas company, has finalized continuity testing at its Asphalt Ridge facility and is making final arrangements for continuous operations and marketing activities.

"While the pricing and structure of the sales production/marketing strategy are yet to be finalized, Petroteq management is confident that operational costs and related discounts will be much lower than the discount on Canada's heavy crude, which reached a nearly five-year high last week. The discount should remain high with pipelines at capacity and the refining customers going offline for seasonal maintenance," stated CEO David Sealock.

"We believe that the market for Petroteq's heavy oil product is attractive as our Asphalt Ridge facility is in close proximity to major refineries in Utah. We expect pricing to track West Texas Intermediate quite closely, as the refiners are already used to buying and using Utah Heavy Oil as part of their refining mix," commented Mr. Sealock.

"As we progress our operational activities key aspects of operations and proprietary solvent processes are being reviewed and vetted by Dr. Jerry Bailey, President and Director, and Mr. Vladimir Podlipskiy, Chief Technology Officer, and since we have added a lot of new equipment to our enhanced facility, we are already finding opportunities to refine our techniques for more efficient production," stated Executive Chairman and Founder, Mr. Alex Blyumkin.

"We continue to focus on becoming the first environmentally friendly oil sands mining facility," stated Jerry Bailey. "I am extremely impressed with the work completed by our site operations team. As I review all 14 operating processes that comprise the ten stages of our facility, I have to mention the dedication and experience of our field team. The diversity of the team, comprised of U.S. Armed Forces veterans, Native Americans and the local Unitah Basin workforce is a key component in our success," he concluded.

Mr. Vladimir Podlipskiy, Chief Technology Officer of Petroteq, stated, "The operational readiness of the facility coincides with the laboratory testing that we have been conducting. With multiple samples that have been taken from our mining operations, we have determined the proprietary solvent molecular and volumetric specifications to effectively and efficiently work with our proprietary extraction process. We are also looking at the many new and compelling products that will work with and integrate with our proprietary solvent process to improve the separation of oil from sand as well as stabilize and reduce asphaltenes in the oil to produce a better grade of heavy oil. We are continually improving our proprietary processes which uses no water, produces zero greenhouse gas, zero waste and requires no high temperatures."

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. 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**.

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: continuous operations of the facility; operational costs and related discounts being much lower than the discount on Canada's heavy crude; pricing tracking West Texas Intermediate quite closely; and the Company successfully developing block chain technology for the oil and gas industry, 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: the plant producing as expected by the Company and the Company having the funds (through cash flow or financing) to fund the expansion of its plant as projected; high pipeline capacity and seasonal maintenance causing local refineries to reduce their throughput; the continued need for refineries to include Utah Heavy Oil as part of their refining mix; and PetroBLOQ successfully developing and implementing a blockchain-based supply chain management system. 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 itsexpectations. 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;

*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 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 GR Energy Inc., 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 GR Energy Inc. 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.

CONTACT INFORMATION
Petroteq Energy Inc.
Alex Blyumkin Executive Chairman
Tel: (800) 979-1897