

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**July 20, 2020**

Date of Report (Date of earliest event reported)

**PETROTEQ ENERGY INC.**

(Exact name of registrant as specified in its charter)

**Ontario, Canada**

(State or other jurisdiction of incorporation)

**000-55991**

(Commission File Number)

**None**

(IRS Employer Identification No.)

**15315 W. Magnolia Blvd., Suite 120**

**Sherman Oaks, California**

(Address of principal executive offices)

**91403**

(Zip Code)

**(800) 979-1897**

Registrant's telephone number, including area code

**Not applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

<input type="checkbox"/>	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
<input type="checkbox"/>	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
<input type="checkbox"/>	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
<input type="checkbox"/>	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## SECTION 1 - REGISTRANT'S BUSINESS AND OPERATIONS

### Item 1.01 Entry into a Material Definitive Agreement.

Petroteq Energy Inc. (the "**Company**" or "**Petroteq**") and Valkor LLC ("**Valkor Engineering**") have entered into a Debt Conversion Agreement dated as of July 20, 2020, pursuant to which Valkor Engineering has agreed to accept 45,000,000 common shares of the Company at a deemed price of US\$0.04 per share - representing a 20% premium to the current market price for the Company's common shares on the TSX Venture Exchange (the "**TSXV**") - in full and final satisfaction and payment of US\$1,800,000 of the US\$2,500,000 debt owed to Valkor for previous engineering services under an invoice dated July 13, 2020.

The issuance of the common shares by Petroteq to Valkor Engineering is conditional on: (a) such issuance being exempt from the prospectus and registration requirements under applicable securities laws, including the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and applicable state securities laws; (b) the Company receiving final approval from the TSX Venture Exchange (the "**TSXV**") for the issuance and listing of the shares; and (c) the closing taking place no later than 30 business days subsequent to the date of the Debt Conversion Agreement, or such later time the parties may agree.

The Company had 227,596,058 common shares outstanding as of July 23, 2020. The common shares issuable to Valkor Engineering will represent 16.51% of the 272,596,058 common shares of the Company that would be issued and outstanding immediately following such issuance, assuming that no other common shares are issued during the intervening period of time.

## SECTION 3 - SECURITIES AND TRADING MARKETS

### Item 3.02 Unregistered Sales of Equity Securities.

1. Alex Blyumkin, the Executive Chairman and Interim Chief Executive Officer of the Company, has executed a subscription agreement dated July 20, 2020, pursuant to which he has irrevocably agreed to purchase 15,000,000 common shares in the capital of the Company at a subscription price of US\$0.04 per share, for aggregate gross proceeds of US\$600,000. The subscription price represents a 20% premium to the market price of the Company's common shares on the TSXV. The subscription remains subject to TSXV approval. Upon receipt of TSXV approval, the shares will be issued in reliance on the exemptions from the registration requirements of the U.S. Securities Act provided by section 4(a)(2) thereof and/or Rule 506(b) of Regulation D thereunder, and similar exemptions under applicable state securities laws. The shares will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such shares will be subject to a Canadian four-month hold period.
2. The Company and Valkor Engineering have entered into a shares-for-debt agreement dated July 20, 2020, pursuant to which Valkor Engineering has agreed accept 45,000,000 common shares of the Company, to be issued at a deemed price of US\$0.04 per share, in satisfaction of US\$1,800,000 of debt for engineering services previously rendered to the Company by Valkor Engineering. The transaction remains subject to TSXV approval. Upon receipt of TSXV approval, the shares will be issued in reliance on the exemptions from the registration requirements of the U.S. Securities Act provided by section 4(a)(2) thereof and/or Rule 506(b) of Regulation D thereunder, and similar exemptions under applicable state securities laws. The shares will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such shares will be subject to a Canadian four-month hold period.

3. The Company, its indirect wholly-owned subsidiary Petroteq Oil Recovery, LLC ("**Petroteq OSR**"), and Beverly Pacific Holdings, Inc. ("**Beverley**"), have entered into a Debt Conversion Agreement dated July 20, 2020, pursuant to which Beverly has agreed to accept 6,099,785 common shares of the Company, to be issued at a deemed price of US\$0.04 per share, in satisfaction of US\$243,991 of debt (including accrued and unpaid interest) owing by Petroteq OSR to Beverly under a promissory note dated August 20, 2018. The transaction remains subject to TSXV approval. Upon receipt of TSXV approval, the shares will be issued in reliance on the exemptions from the registration requirements of the U.S. Securities Act provided by section 4(a)(2) thereof and/or Rule 506(b) of Regulation D thereunder, and similar exemptions under applicable state securities laws. The shares will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such shares will be subject to a Canadian four-month hold period.
4. The Company, Petroteq OSR, and Alex Blyumkin, the Company's Executive Chairman and Interim Chief Executive Officer, have entered into a Debt Conversion Agreement dated July 20, 2020, pursuant to which Mr. Blyumkin has agreed to accept 2,356,374 common shares of the Company, to be issued at a deemed price of US\$0.04 per share, in satisfaction of approximately US\$94,254 of debt (including accrued and unpaid interest) owing by Petroteq OSR to Mr. Blyumkin under a promissory note dated August 31, 2018. The transaction remains subject to TSXV approval. Upon receipt of TSXV approval, the shares will be issued in reliance on the exemptions from the registration requirements of the U.S. Securities Act provided by section 4(a)(2) thereof and/or Rule 506(b) of Regulation D thereunder, and similar exemptions under applicable state securities laws. The shares will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such shares will be subject to a Canadian four-month hold period.
5. The Company and an arm's length service provider have entered into a shares-for-debt agreement dated March 2, 2020, pursuant to which the service provider has agreed to accept 300,000 common shares of the Company, to be issued at a deemed price of US\$0.10 per share, in satisfaction of US\$30,000 of debt for services previously rendered to the Company. The transaction remains subject to TSXV approval. Upon receipt of TSXV approval, the shares will be issued in reliance on the exemptions from the registration requirements of the U.S. Securities Act provided by section 4(a)(2) thereof and/or Rule 506(b) of Regulation D thereunder, and similar exemptions under applicable state securities laws. Closing must take place on or before August 15, 2020. The shares will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such shares will be subject to a Canadian four-month hold period.

## SECTION 8 - OTHER EVENTS

### Item 8.01 Other Events.

On July 20, 2020, Petroteq issued a news release announcing that both Alex Blyumkin, the Company's Executive Chairman and Interim Chief Executive Officer, and Valkor Engineering are investing into the Company at a premium to the public market price of its common shares, as described above, pursuant to, respectively:

Mr. Blyumkin's subscription agreement with the Company dated July 20, 2020 pursuant to which he has agreed to subscribe for 15,000,000 common shares of Petroteq at a price of US\$0.04 (CAD\$0.054) per share; and the Debt Conversion Agreement dated as of July 20, 2020 between Petroteq and Valkor Engineering, pursuant to which Petroteq will issue 45,000,000 common shares to Valkor Engineering in satisfaction of US\$1,800,000 of the US\$2,500,000 debt owed to Valkor for previous engineering work.

In addition, Petroteq reported that Mr. Blyumkin has agreed to accept 2,356,374 common shares in satisfaction of US\$94,255 (including accrued interest) owed to him by Petroteq for previous loans to the Company.

The Company also announced the intention to complete two additional shares for debt transactions, pursuant to which it will issue an aggregate of 6,399,785 common shares in satisfaction of US\$273,991 (including accrued interest) of indebtedness.

All shares to be issued pursuant to the above transactions are subject to approval of the TSXV. The shares will be issued in reliance on exemptions from the registration requirements of the U.S. Securities Act, and applicable state securities laws, and will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such securities will be subject to a Canadian four-month hold period.

The subscription and shares for debt transactions by Mr. Blyumkin are each a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transactions are exempt from the formal valuation requirements of MI 61-101 since none of the securities of the Company are listed on a stock exchange specified in section 5.5(b) thereof. The proposed transactions are exempt from the minority shareholder approval requirements of MI 61-101 since, at the time the transactions were 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.

**SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS**

**Item 9.01 Financial Statements and Exhibits**

**(d) Exhibits**

**Exhibit      Description**

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99.1      News Release dated July 20, 2020.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**PETROTEQ ENERGY INC.**

DATE: July 24, 2020

By: /s/Alex Blyumkin  
**Alex Blyumkin**  
**Executive Chairman**

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## PETROTEQ ANNOUNCES SIGNIFICANT INSIDER INVESTMENT AND SHARES FOR DEBT TRANSACTIONS

SHERMAN OAKS, California, July 20, 2020 -- Petroteq Energy Inc. ("**Petroteq**" or the "**Company**") (TSXV:PQE; OTC:PQEFF; FSE:PQCF), an integrated oil company focused on the development and implementation of its proprietary oil-extraction and remediation technologies, is pleased to announce that both Valkor Engineering and Petroteq's Chairman Alex Blyumkin have agreed to invest in the Company at a premium to the public market price of its common shares.

Mr. Blyumkin has delivered an irrevocable subscription agreement to the Company for US\$600,000 for 15,000,000 common shares of Petroteq at a price of US\$0.04 (CAD\$0.054) per share - a 20% premium to the current market price. Additionally, Valkor Engineering, Petroteq's strategic technology partner, has agreed to complete a shares for debt transaction, pursuant to which Petroteq will issue Valkor 45,000,000 common shares in satisfaction of US\$1,800,000 of the US\$2,500,000 owed to Valkor for previous engineering work. The willingness of Valkor to accept partial payment in shares is a huge vote of confidence by a sophisticated and capable technical partner and the Company believes it is a validation of the potential of the Company's extraction technology at the Asphalt Ridge, Utah facility.

"I have been working with Petroteq on their proprietary technology for a few years now, and my confidence in the platform and its capabilities have only grown. We look forward to completing the upgrade work and the design of the commercial scale plant over the next couple of months," stated Steve Byle, CEO of Valkor Engineering. "The oil market has rebounded rapidly since the recent turbulence caused by the COVID-19 pandemic and other market forces," stated Mr. Blyumkin. "We believe that our technology combined with the inclusion of the Quadrise technology being tested during the upgrade work, will allow us to mine a very profitable niche in the industry. These investments further solidify my confidence in our Company and I am happy that we are tightly aligned with Valkor as we move forward," Mr. Blyumkin concluded.

Petroteq's management is looking forward to sharing further details on the recent announcements on the relationship with Valkor and TomCo in the coming days.

In addition, Mr. Blyumkin has agreed to accept 2,356,374 common shares in satisfaction of US\$94,255 (including accrued interest) owed to him by Petroteq for previous loans to the Company.

The Company also announces the intention to complete two additional shares for debt transactions, pursuant to which it will issue an aggregate of 6,399,785 common shares in satisfaction of US\$273,991 (including accrued interest) of indebtedness.

The Company determined (with the creditors consent) to satisfy the foregoing 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 above transactions are subject to approval of the TSX Venture Exchange (the "Exchange"). The shares will be issued in reliance on exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and applicable state securities laws, and will be issued as "restricted securities" (as defined in Rule 144 under the U.S. Securities Act). In addition, such securities will be subject to a Canadian four-month hold period.

The subscription and shares for debt transactions by Mr. Blyumkin are each a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transactions are exempt from the formal valuation requirements of MI 61-101 since none of the securities of the Company are listed on a stock exchange specified in section 5.5(b) thereof. The proposed transactions are exempt from the minority shareholder approval requirements of MI 61-101 since, at the time the transactions were 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 clean technology 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 and reclamation 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. Petroteq is currently focused on developing its oil sands resources and expanding production capacity at its Asphalt Ridge soil remediation and heavy oil extraction processing facility located near Vernal, Utah.

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For more information, visit [www.Petroteq.energy](http://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, are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information, including: closing of the financing and shares for debt transactions; the anticipated completion of the upgrade work and design of the Company's commercial scale plant; and the testing of the Quadrise technology during the upgrade work and its integration with the Company's proprietary technology. 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, including, without limitation: receipt of director and Exchange approval for the financing and shares for debt transactions; execution of definitive agreements for the shares for debt transactions; and closing conditions for the financing and shares for debt transactions being satisfied. 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: failure by the Exchange or the directors of the Company to approve the financing and shares for debt transactions; failure of the parties to execute definitive agreements; 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 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 the 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 of an 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; risks related to COVID-19 including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; 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 United States Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov) (including, without limitation, its most recent annual report on Form 10-K under the Securities Exchange Act of 1934, as amended), and with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com).*

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*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.*

#### CONTACT INFORMATION

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