

Petroteq Shareholders Remind Board of Directors of Fiduciary Duties

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CHEYENNE, WYOMING, UNITED STATES, June 6, 2022 /EINPresswire.com/ -- Petroteq Shareholders Remind Board of Directors of Fiduciary Duties

Shareholders of Petroteq Energy are extremely alarmed and concerned by actions the board of directors have approved to the detriment of the company.

Besides continual dilution, an extended cease trade order, a seemingly unelected board of directors with no financial stake in the company, and a revolving door of executives, there is much to be displeased with in regard to the current operations of this company, which has been unable to fund a plant or meaningfully monetize any of its substantial and valuable IP.

Thankfully, a suitor arrived in the form of a hostile takeover by Viston United, but the recent actions of the company have jeopardized this offer inexplicably for unknown reasons and at economically uncommercial terms. The company, which has almost no employees or field activities, and recently received money due to warrant conversions, has no reason why it needs to do a capital raise at this very moment jeopardizing the offer put out by Viston United.

Per press release dated January 04th 2022, "Petroteq's Board of Directors Unanimously Recommended Acceptance of Viston Offer."

As part of Viston's offer, knowing the proclivity of this company to hand out shares like monopoly money, put a maximum outstanding share limit of 795,000,000 on a fully diluted basis.

As of the last corporate filing of Petroteq, there are currently 788,867,086 shares on a fully diluted basis issued.

On June 2nd, to the detriment of shareholders, the company decided to announce an equity offering of 12,195,121 units of Petroteq comprising 12,195,121 common shares and 6,097,560.5 warrants at a material discount to the current trading price of the company.

The warrants are at a strike price of 27 cents and the shares at 20.5 cents. Also, the placement agent is entitled to 2,073,170 warrants at a strike price of 20.5 cents.

The proposed price to be paid on the stock is a material discount to the trading price of the

company of 27.5 cents, as of market open the day of the press release. This constitutes more than a 25% discount to the market. The inclusion of in the money warrants adds insult to injury in this non-commercial deal done exclusively and inappropriately with Petroteq's largest shareholder.

Of the most importance, this offering puts Petroteq's outstanding share count above the Viston offer conditions that were laid out. This directly contradicts what the company has said regarding their support of the Viston offer and violates one of the key conditions for closing of the Viston offer.

It is clear that the company is not looking out for the best interest of shareholders.

In this regard, we expect and demand the following:

- 1) Accountability of the board to its fiduciary duty
- 2) Explanation as to why it agreed to this dilutive and unnecessary equity offering
- 3) Rescission of this equity offering immediately to avoid jeopardizing the Viston offer
- 4) Election of a new slate of directors that have interest in the company and will not engage in activities contrary to closing the Viston transaction
- 5) Executive management that has actual oil and gas experience and relevant skills to move the company forward

The board must execute its fiduciary duty and cancel this equity offering immediately. Without rescission of the offering, we believe that the Viston United deal will be in jeopardy of not closing. In this event, we believe the board will be found to be financially liable for damages to shareholders.

If the board is unwilling or unable to properly manage the company, they must step aside. All legal remedies will be considered if the board continues to endanger shareholder value.

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