Positive IMF Global Growth Forecasts Propel Oil Prices Upwards

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Oil prices rose last week, after several significant political and economic developments around the world, including Saudi Arabia's suspension of oil shipments through a strait in the Red Sea following an attack on two oil tankers as well as eased trade tensions between the United States and the European Union. WTI Crude futures settled at about USD 69 on Friday, a 15% gain year-to-date. The agreement reached between the United States and the European Union focused on the reduction of trade barriers and, together with other partners, the efforts to strengthen the World Trade Organization (WTO). The International Monetary Fund (IMF) had a positive response to the agreement, "The global economy can only benefit when countries engage constructively to resolve trade and investment disagreements without resort to exceptional measures." Petroteq Energy Inc. (OTC: PQEFF), Superior Energy Services Inc. (NYSE: SPN), W&T Offshore Inc. (NYSE: WTI), Halcón Resources Corporation (NYSE: HK), Cenovus Energy Inc. (NYSE: CVE)

The rise of oil prices is also attributed to higher demand, which is influenced by the strength of the global economy and global GDP growth. OPEC has pointed out recently that emerging economies seem to have fared better and a global growth recovery in the remainder of 2018 is still very likely, supported in large by the U.S. fiscal stimulus measures that will continue to materialise in the short term. According to a report by OPEC, "the IMF has raised its global growth forecast to 3.9% for 2018 and expects this considerable growth level to remain in 2019. It also confirmed that while the U.S. fiscal stimulus will be a very important support factor for near-term global growth appreciation, trade has been and is expected to continue to be an important element for short-term momentum to continue. The appreciation in trade has been considerable in past years and very helpful for the global recovery. It also helped oil-exporting economies."

Petroteq Energy Inc. (OTC: PQEFF) is also listed on the TSX Venture Exchange under the ticker (TSX-V: PQE). Earlier last week, the Company announced that it, "has signed a letter of intent to pursue additional acreage and resources in Utah.

Petroteq's Asphalt Ridge facility: Petroteq has reached an agreement with Mareton Alliance LP with a view to acquiring leases and resources within the Utah oil sands region. These assets meet all of the criteria set by Petroteq's management and board.

The Company believes that growing its asset base is crucial at this juncture. It is in the process of bringing its new facility in Asphalt Ridge up to its nameplate production capacity of 1,000 barrels of oil per day.

David Sealock, Chief Executive Officer, stated: 'Growing our asset base is a key initiative that I have been pushing since my arrival at Petroteq this year. I know that our valuation will be driven by our production and technology, as well as our assets in the ground. The discussions with Mareton Alliance have the potential to significantly increase the resource assets on our balance sheet.'

The pricing and structure of the transaction have yet to be finalized, but Petroteq management is confident that an attractive transaction can be structured. The letter of intent is non-binding and the transaction contemplated is subject to board and exchange approval."

Superior Energy Services Inc. (NYSE: SPN) serves the drilling, completion and production-related needs of oil and gas companies worldwide through a diversified portfolio of specialized oilfield services and equipment that are used throughout the economic life cycle of oil and gas wells. Recently, the Company announced a net loss from continuing operations for the second quarter of 2018 of USD 25.4 Million, or USD 0.16 per share, on revenue of USD 535.5 Million. This compares to a net loss from continuing operations of USD 59.9 Million, or USD 0.39 per share, for the first quarter of 2018, on revenue of USD 482.3 Million and a net loss from continuing operations of USD 62.0 Million, or USD 0.41 per share for the second quarter of 2017, on revenue of USD 470.1 Million. David Dunlap, President and CEO, commented, "Sand supply chain issues, which impeded completions oriented utilization during the first quarter were resolved. We also activated additional hydraulic horsepower ("HHP"), bringing the active size of our pressure pumping fleet to 750,000 HHP. Higher levels of utilization and active horsepower resulted in an approximate 25% increase of sand volumes pumped sequentially.

W&T Offshore Inc. (NYSE: WTI) is an independent oil and natural gas producer with operations offshore in the Gulf of Mexico and has grown through acquisitions, exploration and development. Earlier this year, W&T Offshore Inc. and Baker Hughes, a GE company, announced a strategic partnership related to W&T's joint exploration and development program, which includes 14 drilling projects, most of which are operated by W&T in the Gulf of Mexico. The project utilizes a commercial model that consolidates BHGE engineering, products and services expertise in order to reduce total project costs and time to first production. The field development agreement will leverage BHGE's portfolio to improve execution efficiency, reduce risk, and incentivize performance through shared objectives. The deal demonstrates BHGE's full-stream capability by leveraging its integrated portfolio of offerings from oilfield equipment (OFE) and oilfield services (OFS).

Halcón Resources Corporation (NYSE: HK) is an independent energy company focused on the acquisition, production, exploration and development of liquids-rich assets in the Delaware Basin. Last month, the Company announced that it will reduce its operated rig count in July 2018 from four to three. The Company's decision to reduce its rig count was primarily driven by lower near-term realized oil prices in the Midland market. Halcón is currently in advanced negotiations to secure 25,000 bbl/d of firm capacity on a pipeline to the Gulf Coast, which is targeted to be in service by the second half of 2019. This agreement will result in the Company sending a majority of its forecasted oil production to Gulf Coast markets once the pipeline is operational. The agreement is not expected to include any minimum volume commitments or similar obligations

Cenovus Energy Inc. (NYSE: CVE) is a Canadian integrated oil and natural gas company. Recently, the Company achieved record production and delivered solid financial performance in the second quarter of 2018. The company had adjusted funds flow of USD 774 Million, even after a realized risk management loss of USD 697 Million, and generated free funds flow of USD 482 Million. Cenovus ramped up its oil sands operations in the second quarter and achieved record high production volumes and record low per-barrel oil sands operating costs after using the dynamic storage capability of its reservoirs to strategically slow oil sands production in the first quarter due to market conditions. Adjusted funds flow of USD 0.63 per share compared with a shortfall of USD 0.03 per share in the first quarter of 2018.

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