

November 12, 2019



Viking Energy Group, Inc.

# Viking Energy Group Announces Record Third Quarter 2019 Results

*Revenues of \$9.0 Million, Up 373% Year-Over-Year  
Income from Operations of \$1.5 Million*

HOUSTON, Nov. 12, 2019 (GLOBE NEWSWIRE) -- Viking Energy Group, Inc. (OTCQB: [VKIN](#)) ("Viking" or the "Company"), an independent exploration and production company focused on the acquisition and development of oil and natural gas properties in the onshore Gulf Coast and Mid-Continent regions, today announced financial results for the third quarter ended September 30, 2019.

## **Key Financial Highlights for Third Quarter 2019 (all figures are approximate):**

- Net production averaged 2,546 BOE per day, up 629% compared to Q-3 2018
- Oil volume averaged 1,387 Bbls per day, up over 312% from Q-3 2018
- Gas volume averaged 6,954 Mcf per day, where Q3 2018 only averaged 72 Mcf per day
- Revenues increased by over 373% to \$9.0 million as compared to \$1.9 million for the third quarter of 2018.
- Revenue in excess of lease operating costs increased to \$5.5 million (61% of total revenue) as compared to \$1.0 million (52% of total revenue) for the third quarter of 2018.
- Income from operations improved to a profit of \$1.5 million, as compared to a loss of (\$1.5) million in the third quarter of 2018
- Net income of \$1.4 million, as compared to a loss of (\$2.9) million in the third quarter of 2018.
- EPS of \$0.02 from a loss of (\$0.03) in the third quarter 2018.
- Cash balance of \$7.6 million (the majority of the cash is within the Company's Ichor division and subject to the terms of the credit agreement involving the Ichor entities)
- Total book value of assets approximately \$135 million

James Doris, Viking's President and Chief Executive Officer, commented, "We are pleased to be able to report record results for three straight quarters. We are committed to executing our business strategy and increasing value for all company stakeholders."

**The following table summarizes the Company's oil and gas activities by classification for the nine months ended September 30, 2019:**

	December 31, 2018	Adjustments	Impairments	September 30, 2019
Proved developed producing oil and gas properties				
United States cost center	\$ 81,936,721	\$ (578,384)	\$ -	\$ 81,358,337
Accumulated depreciation, depletion and amortization	(604,735)	(5,078,054)	-	(5,682,789)
Proved developed producing oil and gas properties, net	\$ 81,331,986	\$ (5,656,438)	\$ -	\$ 75,675,548
Undeveloped and non-producing oil and gas properties				
United States cost center	\$ 51,973,719	\$ (496,028)	\$ -	\$ 51,477,691
Accumulated depreciation, depletion and amortization	(1,480,813)	(1,853,763)	-	(3,334,576)
Undeveloped and non-producing oil and gas properties, net	\$ 50,492,906	\$ (2,349,791)	\$ -	\$ 48,143,115
Total Oil and Gas Properties, Net	\$ 131,824,892	\$ (8,006,229)	\$ -	\$ 123,818,663

## Financial Results for the Three and Nine Months Ended September 30, 2019

Analysis of Total Revenues and corresponding Lease Operating Costs for the Three and Nine Months Ended September 30, 2019

as compared to the year ended December 31, 2018 on an annual basis as well as on a quarterly basis

	Financial Data for the Year Ended December 31, 2018					Three Months	Nine Months
	Quarter Ended Totals				Twelve Months	Ended	Ended
	3/31/18	6/30/18	9/30/18	12/31/18	12/31/18	9/30/19	9/30/19
Total Revenue - Oil and Gas	\$2,161,947	\$2,318,622	\$1,895,932	\$1,591,471	\$ 7,967,972	\$ 9,000,591	\$ 27,081,506
Lease Operating Costs (LOE)	1,008,268	1,035,474	913,331	878,476	3,835,549	3,547,662	9,004,334
Revenue in excess of lease operating costs	\$1,153,679	\$1,283,148	\$ 982,601	\$ 712,995	\$ 4,132,423	\$ 5,452,929	\$ 18,077,172
LOE as a % of Total Revenue	47%	45%	48%	55%	48%	39%	33%
Revenue in excess of lease operating costs as a % of Total Revenue	53%	55%	52%	45%	52%	61%	67%

Analysis of Crude Oil and Natural Gas Production for the Three and Nine Months Ended September 30, 2019

as compared to the year ended December 31, 2018 on an annual basis as well as on a quarterly basis

	Financial Data for the Year Ended December 31, 2018					Three Months	Nine Months
	Quarter Ended Totals				Twelve Months	Ended	Ended
	3/31/18	6/30/18	9/30/18	12/31/18	12/31/18	9/30/19	9/30/19
Total Crude Production (bbls)	33,425.61	36,985.93	30,990.66	29,487.04	130,889.24	127,590.19	405,564.48
Avg \$ / bbl	\$ 61.47	\$ 65.72	\$ 63.61	\$ 56.47	\$ 62.05	\$ 60.93	\$ 60.77
Total Gas Production (mcf)	41,615.92	1,168.81	6,665.29	7,235.17	56,685.19	639,740.17	1,759,099.77
Avg \$ / mcf	\$ 3.17	\$ 7.90	\$ 3.50	\$ 3.67	\$ 3.37	\$ 2.38	\$ 2.66
BOE - Barrel of Oil Equivalent	40,361.60	37,180.73	32,101.54	30,692.90	140,336.77	234,213.55	698,747.78

The Company generated gross revenues of \$9.0 million for the three months ended September 30, 2019, as compared to \$1.9 million for the three months ended September 30, 2018, reflecting an increase in excess of 373% or \$7.1 million. This substantial increase in revenue is primarily a result of the increased production from the oil and gas assets acquired at the end of 2018.

Revenue in excess of lease operating costs of \$5.5 million for the three months ended September 30, 2019 represents a 61% margin on total revenues, as compared to \$1.0 million for the three-month period ended September 30, 2018, which reflected a 52% margin on total revenue. The increase in margins is attributed to the acquisition of more productive assets, enhancement initiatives, disposition of marginal properties, and an effort to control costs.

The Company, through the increased production from its latest acquisition, and controlling operational and administrative costs, generated an income from operations totaling \$1.5 million for the three months ended September 30, 2019, as compared to a loss from operations of (\$1.5) million for the three months ended September 30, 2018.

The Company realized a net income of \$1.4 million during the three-month period ended September 30, 2019, compared with a net loss of (\$2.9) million for the three-month period ended September 30, 2018.

At September 30, 2019, Viking had approximately 96.3 million shares issued and outstanding.

*Note: The figures referenced in the summaries above are approximate and in most cases have been rounded to the nearest \$100,000. For specific amounts, please refer to Viking's Quarterly Report on Form 10-Q filed on November 12, 2019 with the Securities and Exchange Commission and available under "Investors -- SEC Filings" at [www.vikingenergygroup.com](http://www.vikingenergygroup.com).*

### **About Viking Energy Group, Inc.**

Viking is an independent exploration and production company focused on the acquisition and development of oil and natural gas properties in North America. The company owns oil and gas leases in Texas, Louisiana, Mississippi and Kansas. Viking targets under-valued assets with realistic appreciation potential.

For additional information, please visit: <https://www.vikingenergygroup.com>.

### **Forward-Looking Statements**

This press release may contain forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and any statements that are not historical facts contained in this press release are "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995 ("PSLRA"), which statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning. Such forward-looking statements are based on current expectations, involve known and unknown risks, a reliance on third parties for information, transactions that may

be cancelled, and other factors that may cause our actual results, performance or achievements, or developments in our industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties related to the fluctuation of global economic conditions or economic conditions with respect to the oil and gas industry, the performance of management, actions of government regulators, vendors, and suppliers, our cash flows and ability to obtain financing, competition, general economic conditions and other factors that are detailed in our filings with the Securities and Exchange Commission (“SEC”), including our Annual Report on Form 10-K for the year ending December 31, 2018, and our Quarterly Reports on Form 10-Q for the quarters ending March 31, 2019, and June 30, 2019. We intend that all forward-looking statements be subject to the safe-harbor provisions of the PSLRA.

### **Contact Information**

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