



FORM 51-101F1

**STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018**

April 25, 2019

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GLOSSARY OF TERMS

In this document, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Certain other terms used in this document but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101. Words importing the singular include the plural and vice versa and words importing a gender include any genders.

“**Company**” means Petro-Victory Energy Corp., a company incorporated pursuant to the laws of the BVI, and where the context so requires, includes the Company’s direct and indirect subsidiaries, PHSRL, Petro-Victory U.S., and Petro-Victory, LLC;

“**Management**” means, collectively, the executive officers of the Company;

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

“**Paraguay**” means the Republic of Paraguay; and

“**President Energy**” means President Energy PLC, an international oil and gas exploration and production company that is listed on the AIM market of the London Stock Exchange with whom the Company entered into the Pirity Farm-Out and which owns a Paraguayan subsidiary, “President Energy Paraguay S.A.”.

ABBREVIATIONS

In this document, the following abbreviations have the meanings set forth below:

API	American Petroleum Institute	MMBOE	millions of barrels of oil equivalent
bbbl	barrel, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	MBOE/d	thousands of barrels of oil equivalent per day
bbls/d	barrels per day	Mcf	thousand cubic feet
Bcf	billion cubic feet	Mcf/d	thousand cubic feet per day
BOE	barrels of oil equivalent	MMcf/d	million cubic feet per day
BOE/d	barrels of oil equivalent per day	MMBTU	million British Thermal Units
Mbbls	thousands of barrels	MMcf	million cubic feet
MBOE	thousands of barrels of oil equivalent	MMstb	million stock tank barrels
		stb	stock tank barrel, a barrel volume of a fluid at standard (stock tank) conditions

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To convert from	To imperial units	Multiply by
Mcf	cubic metres	28.328
cubic metres	cubic feet	35.301
bbl	cubic metres	0.159
cubic metres	bbl	6.292
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

Disclosure provided in this document for BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this document constitute forward-looking statements and forward-looking information as defined by Canadian securities legislation. Such forward-looking statements and information relate to possible events, conditions or financial performance of the Company based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes there is a reasonable basis for the expectations reflected in the forward-looking information however, no assurance can be given that these expectations will prove to be correct and the forward-looking information included in this document should not be unduly relied upon by investors. The forward-looking information and forward-looking statements speak only as of the date of this document and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this document contains forward-looking statements pertaining to the following:

- the Pirity Concession NPI (as defined herein);
- the performance characteristics of the Pirity Concession;
- projections of market prices for oil and natural gas and exploration, development and production costs;
- supply and demand for oil and natural gas;
- sale, farming in, farming out or development of certain exploration properties using third party resources;
- the Company’s ability to raise capital;
- the Company’s expected capital and exploration expenditures;
- the Company’s treatment under regulatory regimes and tax laws; and
- expected levels of royalty rates, operating costs, general administrative costs, costs of services and other costs and expenses.

With respect to forward-looking statements and forward-looking information contained in this document, the Company has made assumptions regarding, among other things:

- the Pirity Concession NPI (as defined herein);
- future oil and natural gas prices;
- the recoverability of the oil and natural gas resources that may be located in the Pirity Concession;
- the Company’s ability to obtain and retain qualified staff and equipment in a timely and cost-effective manner;
- the legislative and regulatory environment governing royalties, taxes and environmental matters in Paraguay and any other jurisdictions in which the Company may conduct its business in the future;
- the ability to obtain additional financing on satisfactory terms; and
- the Company’s future debt levels.

The Company’s actual results could differ materially from those anticipated in the forward-looking statements and forward-looking information as a result of the risk factors set forth below and elsewhere in this document:

- volatility in market prices for crude oil and natural gas and hedging activities related thereto;
- general economic, political, market and business conditions;
- risks related to the exploration, development and production of oil and natural gas;
- risks inherent in the Company’s international operations, including political, security and legal risks in Paraguay;
- competition for, among other things, capital, the acquisition of resources and skilled personnel;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;

- changes in tax laws and incentive programs relating to the oil and gas industry;
- unpredictable weather conditions;
- risks associated with foreign operations and the use of foreign subsidiaries;
- fluctuations in foreign currency and exchange rates;
- the availability of capital on acceptable terms;
- political risks;
- adverse claims made in respect of the Company's assets;
- failure to engage or retain key personnel;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and resources;
- failure by counterparties to make payments or perform their operational or other obligations to the Company in compliance with the terms of contractual arrangements between the Company and such counterparties, particularly as regards to the Pirity Concession NPI, the Company's primary asset;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility; and
- the other factors referred to under the heading "*Risk Factors*" in the Company's final prospectus dated July 11, 2014 available under the Company's profile at www.sedar.com.

Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive.

The forward-looking statements included in this document are expressly qualified by this cautionary statement and are made as of the date of this document. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. Subscribers should read this entire document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Units.

Unless otherwise indicated, references herein to "\$" or "dollars" are to United States dollars.

**FORM 51-101F1
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION**

PART 1: INTRODUCTION

The statement of reserves data and other oil and gas information set forth below (the "**Statement**") is dated April 25, 2019. The effective date of the Statement is December 31, 2018. The preparation dates of the Statement April 25, 2019.

PART 2: DISCLOSURE OF RESERVES DATA

The Company does not have any reserves (as such term is defined in NI 51-101).

PART 6: OTHER OIL AND NATURAL GAS INFORMATION

6.1 OIL AND GAS PROPERTIES AND WELLS

The Company does not have any interest in oil and gas properties or wells other than its net profits interest in the Purity Concession (the "Purity Concession NPI").

The Company, through its subsidiaries, was previously engaged in the exploration for, and the acquisition and development of, crude oil and natural gas resources in Latin America, primarily in Paraguay.

As at September 30, 2015, the Company held a 36 percent working interest in the Purity Concession, which is approximately two million acres in size and located in western Paraguay's underexplored Purity Sub-basin, near the Argentinian-Paraguayan border.

In the fourth quarter of 2015, management and the board determined that it was advisable to reduce exposure to the Purity Concession and simultaneously reduce the need for the related cash outlays that were otherwise expected over the next few years. Accordingly, on October 5, 2015, the Company announced a sale/exchange of its working interest in the Purity Concession and on October 7, 2015, confirmed the closing of the transaction.

The Company sold/exchanged to President Energy its entire 36 percent working interest for a 3 percent net profits interest, being the Purity Concession NPI. The Purity Concession NPI is 3% of net income generated from future successful commercial production of hydrocarbons in the Purity Concession. The exchange significantly reduced the Company's exposure to potential profits from the Purity Concession in Paraguay, but also virtually eliminated the need for any future additional cash investment.

The Company's strategy is to maintain a presence in Latin America, assist the operator of the Purity Concession in its further development of the Concession, and to potentially pursue further exploration opportunities in areas with proven hydrocarbon systems that the Company considers to be cost-effective and of low to moderate risk.

6.2 PROPERTIES WITH NO ATTRIBUTED RESERVES

The Company's only interest in the Purity Concession is the Purity Concession NPI. The Company understands that the Purity Concession is 1,976,840 acres (gross) in size, all of which is located in Paraguay. Undeveloped acreage includes rights granted pursuant to President Energy's E&P Contracts with the Government of Paraguay, which likely require certain work commitments. If President Energy elects not to proceed with additional work commitments, all or a portion of this acreage may revert back to the Government of Paraguay.

6.3 SIGNIFICANT FACTORS OR UNCERTAINTIES RELEVANT TO PROPERTIES WITH NO ATTRIBUTED RESERVES

The Company's only interest in the Purity Concession is the Purity Concession NPI. The Company understands that no reserves are currently attributed to the Purity Concession in Paraguay. The significant factors or uncertainties

relevant to the Company's interest in the Pirity Concession include the fact that the Pirity Concession may never profitably produce hydrocarbons, the potential adverse effects of changes in Paraguay's government policies and legislation (which in some instances may apply retrospectively) or social instability in Paraguay and other factors which are not within the control of the Company. Further, Paraguay is not currently a producer of oil or natural gas and it has neither oil and gas pipelines nor a railway system to transport oil and natural gas. In the event of an oil or gas-condensate discovery in the Pirity Concession, Management believes that the transportation of any such oil or gas-condensate will initially be truck, using existing roads and highways, from the producing field to the final destination point or to an intermediate transfer point (whereby the oil or gas-condensate may be transferred to a barge for river transportation).

6.4 FORWARD CONTRACTS

The Company does not have any forward contracts.

6.5 TAX HORIZON

Due to the accumulated net operating losses in Paraguay, lack of revenue in the immediate future, and potential exploration costs in other countries, Management does not expect that it will have current taxable income during the next five years.

6.6 COSTS INCURRED

The following table summarizes certain expenditures for the Company in Paraguay during the year ended December 31, 2018.

<u>Property Acquisition Costs</u>		<u>Exploration Costs</u>	<u>Development Costs</u>
<u>Proved Properties</u>	<u>Unproved Properties</u>		
-	-	-	-

6.7 EXPLORATION AND DEVELOPMENT ACTIVITIES

The Company did not drill any wells in 2018. The Company does not have any exploration and development plans for 2018.

6.8 PRODUCTION ESTIMATES

The Company does not have any production estimates.

6.9 PRODUCTION HISTORY

The Company does not have any production history.