



PETRO-VICTORY ENERGY

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FORM 51-101F1

STATEMENT OF RESERVES DATA

AND OTHER OIL & GAS INFORMATION



PETRO VICTORY ENERGY



STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

In accordance with NI 51-101, Petro-Victory engaged GLJ to prepare the GLJ Reserve Report. The GLJ Reserve Report was an evaluation of all reserves of Petro-Victory as of December 31, 2020, including the Andorinha, Sao Joao, and Carapitanga oil fields. The GLJ Reserve Report is dated April 13th, 2021 with an effective date of December 31, 2020. All of Petro-Victory's reserves are located in Brazil.

The tables below are a summary of the reserves attributable to the properties of the Corporation and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ Reserve Report based on forecast price and cost assumptions. The tables summarize the data contained in the GLJ Reserve Report and, as a result, may contain slightly different numbers than such report due to rounding. Also, due to rounding, certain columns may not add exactly.

The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, well abandonment and reclamation costs for only those wells assigned reserves and material dedicated gathering systems and facilities. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

The GLJ Reserve Report is based on certain factual data supplied by the Corporation and GLJ's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by the Corporation to GLJ.



Summary of Oil and Gas Reserves – Forecast Prices and Costs

Table 1

Light & Medium Oil		
	Company Gross (Mbbbl)	Company Net (Mbbbl)
Proved		
Producing	90	85
Developed Non-Producing	432	410
Undeveloped	580	520
Total Proved	1,103	1,015
Probable	1,724	1,551
Total Proved plus Probable	2,827	2,566
Possible	1,184	1,064
Total Proved plus Probable plus Possible	4,011	3,630

Summary of Before Tax Net Present Value of Future Net Revenue

Table 2

M\$	0%	5%	10%	15%	20%
Proved					
Producing	3,528	2,873	2,414	2,082	1,833
Developed Non-Producing	24,367	17,997	13,839	10,998	8,979
Undeveloped	24,593	21,191	18,549	16,448	14,742
Total Proved	52,489	42,061	34,802	29,527	25,553
Probable	84,217	67,571	55,585	46,666	39,837
Total Proved plus Probable	136,706	109,631	90,386	76,193	65,390
Possible	61,105	46,815	36,946	29,868	24,629
Total Proved plus Probable plus Possible	197,811	156,446	127,332	106,062	90,019



Summary of After-Tax Net Present Value of Future Net Revenue

Table 3

M\$	0%	5%	10%	15%	20%
Proved					
Producing	2,310	1,889	1,591	1,373	1,209
Developed Non-Producing	16,046	11,858	9,117	7,241	5,907
Undeveloped	16,180	13,938	12,187	10,789	9,652
Total Proved	34,536	27,685	22,894	19,403	16,768
Probable	55,418	44,504	36,602	30,706	26,185
Total Proved plus Probable	89,953	72,188	59,496	50,109	42,954
Possible	40,255	30,840	24,321	19,640	16,172
Total Proved plus Probable plus Possible	130,208	103,028	83,816	69,749	59,126

Summary of Before Tax Net Present Value of Future Net Revenue on a Unit Basis

Table 4

	Unit Value Before Income Tax Discounted at 10%/year
	\$/bo
Proved	
Producing	28.31
Developed Non-Producing	33.79
Undeveloped	35.68
Total Proved	34.30
Probable	35.83
Total Proved plus Probable	35.23
Possible	34.72
Total Proved plus Probable plus Possible	35.08



Net Present Value of Future Net Revenue by Product Type – Forecast Prices and Costs

Table 5

Light and Medium Crude Oil	Future Net Revenue Before Income Taxes (Discounted at 10% per year)	
	M\$	\$/boe
Proved Producing		
Producing	2,414	28.31
Developed Non-Producing	13,839	33.79
Undeveloped	18,549	35.68
Total Proved	34,802	34.30
Probable	55,585	35.83
Total Proved plus Probable	90,386	35.23
Possible	36,946	34.72
Total Proved plus Probable plus Possible	127,332	35.08

Total Future Net Revenue (Undiscounted) – Forecast Prices and Costs

Table 6

M\$ Undiscounted	Revenue	Royalties	Operating Costs	Capital Development Costs	Abandonment & Reclamation Costs	Revenue Before Income Taxes	Future Income Tax	Revenue After Income Taxes
Proved								
Producing	5,470	312	1,477	0	153	3,528	1,218	2,310
Developed Non-Producing	27,688	1,450	1,392	309	169	24,367	8,322	16,046
Undeveloped	34,384	3,548	2,575	3,466	203	24,593	8,413	16,180
Total Proved	67,542	5,310	5,444	3,775	525	52,489	17,953	34,536
Probable	108,102	10,805	7,205	5,446	429	84,217	28,800	55,418
Total Proved plus Probable	175,645	16,115	12,649	9,221	954	136,706	46,752	89,953
Possible	76,483	7,735	4,824	2,627	192	61,105	20,851	40,255
Total Proved plus Probable plus Possible	252,128	23,850	17,473	11,848	1,145	197,811	67,603	130,208



Pricing Assumptions – Forecast Prices and Costs

GLJ employed the following pricing and inflation rate assumptions as of December 31, 2020 in the GLJ Reserve Report in estimating reserves data using forecast prices and costs.

Table 7

Year	Inflation %	Brent Spot Crude Oil USD/bbl
2021 Full		
Year	0.00	50.75
2022	1.00	55.00
2023	2.00	58.50
2024	2.00	61.79
2025	2.00	62.95
2026	2.00	64.13
2027	2.00	65.33
2028	2.00	66.56
2029	2.00	67.81
2030	2.00	69.17
2031+	2.00	+2%/yr

GLJ's oil price forecast in effect on January 1, 2021 for Brent crude formed the basis for the prices used in its evaluation of the Corporation's oil reserves.

Reconciliation of Changes in Reserves

The key change in reserves is due to the commencement of production revenue in 2020 realized in Brazil for the first time in the company's history, and significant technical revisions and advancements of the Petro-Victory development plans for the 3 fields with reported reserves and production.

The following table summarizes the changes in Gross Reserves from December 31, 2019 to December 31, 2020:



Table 8

	Proved (Mboe)	Probable (Mboe)	Proved Plus Probable (Mboe)	Possible (Mboe)	Proved plus Probable plus Possible (Mboe)
December 31, 2019	0	0	0	0	0
Discoveries	-	-	-	-	-
Extensions	-	-	-	-	-
Improved Recovery	-	-	-	-	-
Technical Revisions	1,103	1,724	2,827	1,184	4,011
Disposition	-	-	-	-	-
Production	-	-	-	-	-
December 31, 2020	1,103	1,724	2,827	1,184	4,011

Additional Information Relating to Reserves Data

Undeveloped Reserves

The following table sets forth the Company's Gross Reserves for proved undeveloped reserves, probable undeveloped reserves, and possible undeveloped reserves, attributed to our assets:

Table 9

	Light & Medium Oil
	Company Gross (Mbbbl)
Proved Undeveloped	580
Probable Undeveloped	1,430
Possible Undeveloped	1,027

The Corporation's proved, probable and possible undeveloped oil reserves at December 31, 2020 are attributable to the Andorinha, Sao Joao, and Carapitanga fields. The majority of the reserves associated with this project are classified as Probable Undeveloped due to the requirement to drill a total of 10 development wells at Andorinha (5 wells to target Proven Undeveloped, and 5 wells to target Probable Undeveloped) to fully drain the attributed



reserves. The Company is in the process of applying for the necessary environmental permits for to commence drilling operations and expects to receive approvals later in 2021.

Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change or additional data becomes available, reserve estimates can change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential process based on information available at that time. As a result, subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and natural gas prices and reservoir performance. Such revisions can be either positive or negative.

Future Development Costs

The table below sets out the total development costs deducted in the estimation in the GLJ Reserve Report of future net revenue attributable to proved reserves, proved plus probable reserves and proved plus probable plus possible reserves (using forecast prices and costs).

Company Total

Table 10

Forecast Prices and Costs								
MUS\$, Undiscounted	Proved Developed			Total Proved	Total Probable	Total Plus Probable	Total Possible	Total PPP
	Proved Producing	Non-Producing	Proved Undeveloped					
2021	-	136	1,500	1,636	300	1,936	-	1,936
2022	-	111	1,178	1,289	2,055	3,345	-	3,345
2023	-	62	0	62	3,091	3,152	-	3,152
2024	-	-	788	788	-	788	2,627	3,415
2025	-	-	-	-	-	-	-	-
Remaining Years	-	-	-	-	-	-	-	-
Total Undiscounted	0	309	3,466	3,775	5,446	9,221	2,627	11,848



By Field

Table 11

MUS\$, Undiscounted	2021	2022	2023	2024	2025	Remaining	Total
Proved							
Andorinha Field	1,600	1,010	-	-	-	-	2,610
Carapitanga Field	36	168	-	-	-	-	204
Sao Joao Field	-	111	62	788	-	-	961
Total Proved	1,636	1,289	62	788	0	0	3,775
Proved Plus Probable							
Andorinha Field	1,900	3,030	3,091	-	-	-	8,021
Carapitanga Field	36	168	-	-	-	-	204
Sao Joao Field	-	146	62	788	-	-	996
Total Proved Plus Probable	1,936	3,345	3,152	788	0	0	9,221
Proved Plus Probable Plus Possible							
Andorinha Field	1,900	3,030	3,091	2,627	-	-	10,648
Carapitanga Field	36	168	-	-	-	-	204
Sao Joao Field	-	146	62	788	-	-	996
Total Proved Plus Probable Plus Possible	1,936	3,345	3,152	3,415	0	0	11,848

The future development costs for the Andorinha field in the proved category are for the drilling of the PVE-01, 02, 03, 04, and 09, development wells, in addition to general field facility development. In the probable and possible categories, there are future development costs for an additional development locations. The future development costs for Carapitanga in the proved category include costs for workovers on the CG-03 and CG-04 wells, and drilling a sidetrack development well from the CG-05 well. Future development costs for Sao Joao relate to workover costs over a total of 9 existing wells at the field and the development drilling of 1 well (SJ-12) in 2024.

Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table summarizes Petro-Victory's gross wells for the 3 properties that contain certified reserves as of December 31, 2020, which are shut-in or are producing, or which Petro-Victory considers to be capable of production:

Table 12

	Gross		Net	
	Producing	Non-Producing	Producing	Non-Producing
Brazil				
Oil	6.0	11.0	4.0	4.0
Gas	0.0	0.0	0.0	0.0
Total	6.0	11.0	4.0	4.0



Properties with no Attributed Reserves

As of December 31, 2020, Petro-Victory held 1 property, the Alto Alegre field, of 1,315 (gross and net) acres with no attributed reserves or production in Brazil. Alto Alegre is currently in the evaluation phase and the Company plans to re-enter and test one temporarily abandoned well in 2021. On success, the Company must notify the ANP of its declaration of commerciality and submit a field development plan for their review. On submission of a field development plan to the ANP, the Company will also seek to get an audited reserve report on the Alto Alegre in time for year-end 2021 filings.

Additional Information Concerning Abandonment and Reclamation Costs

The estimated costs used to calculate total future net revenue from proved plus probable reserves in the GLJ Reserve Report include abandonment and reclamation costs associated with existing and future wells with reserves assigned and material, dedicated gathering systems and facilities required to enable production of these wells. The estimated abandonment and reclamation costs (with respect to wells and facilities included in the GLJ Reserve Report) used to calculate total future net revenue from proved plus probable reserves is \$0.954 million undiscounted, with the majority of the cost expected to be incurred from 2040.

Costs Incurred

The following table summarizes capital expenditures including capitalized general and administrative and finance expenses related to Petro-Victory's activities for the year ended December 31, 2020:

Table 13

	Year ended December 31, 2020 (M\$)
Property Acquisition Costs	1,250,364
Proved Properties	0
Unproved Properties	1,250,364
Exploration Costs	0
Development Costs	118,769
Total	1,369,133



Exploration and Development Activities

Andorinha: Oil production in 2020 occurred exclusively from 2 mature producing wells (GALP-01 and AND-01) and the combined production averaged 15 BOPD during the year. Petro-Victory took over operatorship of the field from 1st November 2020 and immediately lowered operating costs by >20%. In December 2020 the company commenced minor workover operations at a third well, GALP-38, which was brought online in January 2021 and has averaged 2 BOPD from January-March 2021. The team have been working on integrating and interpreting all of the available subsurface data related to the Andorinha field, and submitted an updated development plan to the company's reserve auditors, GLJ, for their review. The results of the updated development plan have been reported in the reserve tables above.

São João: After successfully installing production facilities at the field area, including storage tanks, flow lines, road access, and general civil and mechanical work, in Q4 2019 and Q1 2020, a workover rig was mobilized in Q2 2020 to commence production testing. Successful oil tests were completed on 3 wells (SJ-01, SJ-06, and SJ-11) throughout the year. Following successful production testing, the SJ-06 well was suspended in August 2020 to install a progressive cavity pump (PCP) system to provide artificial lift. SJ-06 has averaged 32 BOPD since resuming production in October 2020. An updated development plan for the São João field has been submitted to the ANP at their request following the declaration of commerciality and the commencement of commercial production. In addition, the company has also submitted an updated development plan to the company's reserve auditors, GLJ, for their review. The results of the updated development plan have been reported in the reserve tables above.

Carapitanga: Oil production at one producing well (CG-02) was consistent throughout the year, averaging 9 BOPD (4.5 BOPD net to the company). No new work items were executed at the field in 2020. The company is in discussions with its operating partners in regards to the timing and execution of 2 workovers and 1 new drill at the field. In addition, the company has also submitted an updated development plan to the company's reserve auditors, GLJ, for their review. The results of the updated development plan have been reported in the reserve tables above.

Production Estimates

The following table discloses the average daily production estimated in the GLJ Reserve Report in the estimates of future net revenue from gross proved, gross proved plus probable, and gross proved plus probable plus possible reserves disclosed for 2021. The 2021 production estimate is primarily attributable to the Andorinha oil field.



Table 14

	Light and Medium Oil		Oil Equivalent	
	Company Gross bbl/d	Company Net bbl/d	Company Gross bbl/d	Company Net bbl/d
Proved Producing				
Andorinha	13	12	13	12
Other Properties	31	30	31	30
Total: Proved Producing	44	41	44	41
Proved				
Andorinha	181	161	181	161
Other Properties	35	33	35	33
Total: Proved	216	194	216	194
Proved Plus Probable				
Andorinha	263	234	263	234
Other Properties	36	34	36	34
Total: Proved Plus Probable	298	268	298	268
Proved Plus Probable Plus Possible				
Andorinha	295	263	295	263
Other Properties	36	34	36	34
Total: PPP	331	297	331	297

Production Royalties

Production royalties vary across the Brazilian portfolio. The Andorinha field has a 10% production royalty. The Carapitanga, Sao Joao, Alto Alegre, and Trapia fields have a 5% production royalty. The 15 exploration concessions which are to be acquired in 2021 will all have a 7.5% production royalty.

Tax Horizon

The GLJ Reserve Report estimates that the Corporation will be taxable in 2021 which is consistent with the Company's expectations. Ultimately, future taxability will depend on future activity levels and may be due to additional capital spending and other additional costs such as general and administrative costs not included in the GLJ Reserve Report but included in the computations of Corporation's taxable income.



Forward Contracts

As of December 31, 2020, Petro-Victory had no risk management contracts in place to hedge its exposure to commodity price fluctuations.

FORM 51-101F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

To the board of directors of Petro Victory Energy (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2020. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2020, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2020, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

<u>Independent Qualified Reserves Evaluator or Auditor</u>	<u>Effective Date of Evaluation Report</u>	<u>Location of Reserves (Country or Foreign Geographic Area)</u>	<u>Net Present Value of Future Net Revenue (before income taxes, 10% discount rate – M\$)</u>			
			<u>Audited</u>	<u>Evaluated</u>	<u>Reviewed</u>	<u>Total</u>
GLJ Ltd.	December 31, 2020	Brazil	-	90,386	-	90,386

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.

8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, March 31, 2021

“Originally Signed By”

Patrick A. Olenick, P. Eng.
Vice President

FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

1. Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of NI 51-101 must in all material respects be as follows:

Report of Management and Directors
on Reserves Data and Other Information

Management of Petro-Victory Energy Corp.. (the "**Company**") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, and includes, if disclosed in the statement required by Item 1 of section 2.1 of NI 51-101, other information such as contingent resources data or prospective resources data.

An independent qualified reserves evaluator has evaluated the Company's contingent resources data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and, in the event of a proposal to change the independent qualified reserves evaluator, to inquire whether there had been disputes between the previous independent qualified reserves evaluator and management; and
- (c) reviewed the contingent resources data with management and the independent qualified reserves evaluator.

The Reserves Committee board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing contingent resources data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data, contingent resources data or prospective resources data; and
- (c) the content and filing of this report.

Because the contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

(s) "Richard Gonzalez"
Richard Gonzalez
Chief Executive Officer

(s) "J. Mark Bronson"
J. Mark Bronson
Chief Financial Officer

(s) "Jonathon G. Weiss"
Jonathon G. Weiss
Director

(s) "Mark Scruggs"
Mark Scruggs
Director

April 30, 2021