UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED: **September 30, 2016**

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______.

Commission file number: 000-29219

VIKING INVESTMENTS GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada	**98-0199508**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
1330 Avenue of the Americas, Suite 23 A, New York, New York	**10019**
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number **(212) 653 0946**

____
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☐
Non Accelerated Filer	☐	Smaller Reporting Company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 11, 2016, the registrant had 47,647,419 shares of common stock outstanding, including 1,996,590 issuable.

EXPLANATORY NOTE

As disclosed in the Current Report on Form 8-K of Viking Investments Group, Inc. (the "Company") filed on November 14, 2016, on November 9, 2016, the Company engaged Turner, Stone & Company, L.L.P. (the "New Auditors") as the Company's new independent registered public accounting firm. The New Auditors have been engaged to audit the Company's financial statements for the year ended December 31, 2015, and review the Company's financial statements for the periods ending March 31, 2016, June 30, 2016, and September 30, 2016, but they have not completed the audit or reviews.

As a result, this report is deficient because the unaudited financial statements contained in this report for the period ended September 30, 2016, have not been reviewed by an independent registered public accountant as required by rule 10-01(d) regulation S-X. Completion of the New Auditors' independent review of the Company's financial statements for the period ended September 30, 2016, and the subsequent filing of an amendment to this report after the completion of that review, will make this report current. When the review is complete, the Company intends to file an amendment to this report which will include the required certifications of the Company's Principal Executive Officer and Principal Financial and Accounting Officer as required by sections 302 and 906 of the Sarbanes-Oxley Act.

VIKING INVESTMENTS GROUP, INC.

Part I – Financial Information

Item 1	Financial Statements	4
	Consolidated Balance Sheets as of September 30, 2016 (unaudited) and December 31, 2015 (unaudited)	4
	Consolidated Statements of Operations and Comprehensive Loss for the three and nine months ended September 30, 2016 and 2015 (unaudited)	5
	Consolidated Statements of Cash Flows for the nine months ended September 30, 2016 and 2015 (unaudited)	6
	Consolidated Statements of Stockholders' Deficit (unaudited)	7
	Notes to the Unaudited Consolidated Financial Statements (unaudited)	8
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	37
Item 3	Quantitative and Qualitative Disclosures about Market Risk	40
Item 4	Controls and Procedures	40

Part II – Other Information

Item 1	Legal Proceedings	41
Item 2	Unregistered Sales Of Equity Securities And Use Of Proceeds	41
Item 3	Defaults Upon Senior Securities	42
Item 4	Mine Safety Disclosures	42
Item 5	Other Information	42
Item 6	Exhibits	43

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VIKING INVESTMENTS GROUP, INC.
Consolidated Balance Sheets
(Unaudited)
(Amounts expressed in US dollars)

	September 30, 2016 (Unaudited)	December 31, 2015 (Unaudited)
ASSETS		
Current assets:		
Cash	$ 88,625	$ 30,585
Accounts receivable – oil and gas	11,948	-
Other receivable – related party	76,719	76,719
Total current assets	177,292	107,304
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	1,305,414	48,221
Undeveloped and non-producing oil and gas properties, net	1,557,632	755,439
Total oil and gas properties, net	2,863,046	803,660
Long term investment – related party	235,819	87,156
Deposit	288,000	-
TOTAL ASSETS	$ 3,564,157	$ 998,120
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accrued expenses and other current liabilities	$ 244,103	$ 95,575
Accounts payable	15,492	104,774
Derivative liability	547,894	810,647
Amount due to directors	756,215	614,991
Secured notes payable, net of debt discount	632,904	-
Convertible notes – current, net of debt discount	1,225,000	16,770
Total current liabilities	3,421,608	1,642.757
Convertible notes – net of current portion and debt discount	-	6,778
Asset retirement obligation	431,760	416,246
TOTAL LIABILITIES	3,853,367	2,065,781
Commitments and contingencies	-	-
STOCKHOLDERS' DEFICIT		
Capital Stock		
Preferred stock, $0.001 par value, 5,000,000 shares authorized, 28,092 shares issued and outstanding as of September 30, 2016 and December 31, 2015	28	28
Common stock, $0.001 par value, 100,000,000 shares Authorized, 47,534,919 and 30,333,993 shares issued, issuable and outstanding as of September 30, 2016 and December 31, 2015 respectively. (1,996,590 and 0 shares issuable, respectively).	47,648	30,334
Additional Paid-In Capital	10,640,079	7,960,372
Prepaid equity-based compensation	(97,095)	(145,561)
Accumulated other comprehensive income	(9,761)	(158,424)
Deficit	(10,870,110)	(8,754,410)
TOTAL STOCKHOLDERS' DEFICIT	(289,211)	(1,067,661)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 3,564,157	$ 998,120

The accompanying notes are an integral part of these unaudited consolidated financial statements.

VIKING INVESTMENTS GROUP, INC.
Consolidated Statements Of Operations And Comprehensive Loss
(Unaudited)
(Amounts expressed in US dollars)

	Three months ended, September 30,		Nine months ended, September 30,	
	2016	**2015**	**2016**	**2015**
	$	$	**$**	**$**
Revenue				
Oil and gas sales	105,426	32,425	232,013	64,448
Operating expenses				
Lease operating costs	66,456	24,961	165,773	46,736
General and administrative	166,507	181,010	419,603	403,927
Stock based compensation	172,219	-	578,363	108,000
Accretion – ARO	5,234	4,985	15,514	4,985
Depreciation, depletion and amortization	40,677	10,155	110,863	10,155
Total operating expenses	451,093	221,111	1,290,116	573,804
Loss from operations	(345,667)	(188,686)	(1,058,103)	(509,356)
Other income (expense)				
Interest expense	(542,107)	(137,801)	(1,966,015)	(195,702)
Debt settlement income	-	-	75,000	-
Derivative expense		-	-	(403,193)
Change in the fair value of derivative liability	2,765,013	(36,424)	833,418	77,682
Total other income (expense)	2,222,906	(174,225)	(1,057,597)	(521,213)
Net Income (loss)	1,877,239	(362,911)	(2,115,700)	(1,030,569)
Other comprehensive income (loss)				
Unrealized gain (loss) on securities available-for-sale	(3,394)	(4,420)	148,663	(16,642)
Total comprehensive income (loss)	(3,394)	(4,420)	148,663	(16,642)
Net Comprehensive Income (loss)	1,873,845	(367,331)	(1,967,037)	(1,047,211)
Income (loss) per common share - Basic and diluted	0.041	(0.013)	(0.049)	(0.040)
Weighted average number of common shares outstanding – basic and diluted	45,837,636	27,602,291	43,584,699	25,882,581

The accompanying notes are an integral part of these unaudited consolidated financial statements.

VIKING INVESTMENTS GROUP, INC.
Consolidated Statements of Cash Flows
(Unaudited)
(Amounts expressed in US dollars)

	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
	$	$
Cash flows from operating activities:		
Net loss	(2,115,700)	(1,030,569)
Adjustments to reconcile net loss to net cash used in operating activities:		
Chang in the fair value of derivative liability	(833,418)	(77,682)
Derivative expense	-	403,193
Stock based compensation	578,363	108,000
Stock based interest payment	52,500	
Depreciation, depletion and amortization	110,863	10,155
Accretion – Asset retirement obligation	15,514	4,985
Amortization of debt discount	1,626,062	119,211
Gain on settlement of debt	(75,000)	-
Changes in operating assets and liabilities:		
Increase(decrease) in accounts payable	(14,282)	82,904
Increase in accrued expenses and other liabilities	151,862	29,826
Decrease (increase) in other receivables	-	(76,719)
Decrease (increase) in accounts receivables	(11,948)	-
Net cash used in operating activities	(515,184)	(426,696)
Cash flows from investing activities:		
Acquisition of oil and gas properties	(1,350,000)	(77,158)
Net cash used in investing activities	(1,350,000)	(77,158)
Cash flows from financing activities:		
Advances from Directors	197,280	479,400
Repayments to Directors	(56,056)	(15,000)
Sale of common stock	388,125	-
Proceeds from notes payable	619,875	-
Repayments of notes payable	(98,000)	-
Payment of issuance costs	(37,500)	-
Proceeds from convertible notes	1,480,000	211,000
Repayment of convertible notes	(570,500)	(164,000)
Net cash provided by financing activities	1,923,224	511,400
Net increase (decrease) in cash	58,040	7,546
Cash, beginning of period	30,585	1,345
Cash, end of period	88,625	8,891
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	$ 125,431	$ 63,741
Income taxes	$ -	$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Conversion of convertible note and accrued interest into shares	$ 10,111	$ -
Issuance of shares as part of oil and gas property acquisition	$ 820,250	$ -
Notes payable for oil and gas property acquisition	$ 1,350,000	$ -
Issuance of warrants for 4,062,500 common shares as debt discount	$ 415,569	$ -
Derivative liability at inception	$ 1,216,303	$ 1,374,808
Extinguished derivative liability	$ 645,638	$ 143,403
Issuance of shares for prepaid equity-based compensation	$ 800,000	$ -
Stock issued for debt	$ -	$ 227,807

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents

VIKING INVESTMENTS GROUP, INC.
Consolidated Statements of Stockholders' Deficit
(Unaudited)
(Amounts expressed in US dollars)

	Common Stock		Shares to be Issued		Preferred Stock		Additional Paid-in Capital	Prepaid Equity-Based Compensation	Accumulated Other Comprehensive Income	Deficit	Total Stockholders' Equity (Deficiency)
	Number	Amount	Number	Amount	Number	Amount					
Balance at December 31, 2014	24,094,551	$ 24,095	675,000	$ 675	28,092	$ 28	$ 7,162,660	$ -	$ (177,452)	$ (7,067,267)	$ (57,261)
Shares issued to investors	675,000	675	(675,000)	(675)							-
Shares issued for consulting services	720,000	720					107,280				108,000
Shares issued in satisfaction of debt	421,571	421					29,579				30,000
Shares issued in satisfaction of debt	2,872,871	2,873					198,228				201,101
Shares issued for convertible debt	550,000	550					20,450				21,000
Shares issued as prepaid equity-based compensation	1,000,000	1,000					164,000	(165,000)			-
Derivative liability adjustment - satisfaction of convertible debt							278,175				278,175
Unrealized gain (loss) on securities held for sale									19,028		19,028
Amortization of prepaid equity-based compensation								19,439			19,439
Net loss for the year ended December 31, 2015										(1,687,143)	(1,687,143)
Balances at December 31, 2015	30,333,993	$ 30,334	-	$ -	28,092	$ 28	$ 7,960,372	$ (145,561)	$ (158,424)	$ (8,754,410)	$ (1,067,661)
Shares issued for convertible debt	300,926	301					9,810				10,111
Shares issued for consulting services	1,000,000	1,000					101,500				102,500
Shares issued in acquisition of oil and gas properties	9,650,000	9,650					810,600				820,250
Shares issued as prepaid equity-based compensation	4,000,000	4,000					636,000	(640,000)			-
Shares committed for prepaid equity-based compensation			1,000,000	1,000			159,000	(160,000)			-
Derivative liability adjustment - satisfaction of convertible debt							17,745				17,745
Shares issued from sale of stock	1,250,000	1,250					186,250				187,500
Debt issuance costs							(37,500)				(37,500)
Derivative liability adjustment - satisfaction of convertible debt							602,580				602,580
Cancelation of shares issued as prepaid equity-based compensation	(4,000,000)	(4,000)					(368,603)	372,603			-
Shares issued to secure an oil and gas property acquisition	2,400,000	2,400					285,600				288,000
Shares commited as costs associated with settlement of debt			375,000	375			52,125				52,500

Shares committed from sale of stock			1,337,500	1,338			199,287				200,625
Issuable shares issued	715,910	716	(715,910)	(716)							-
Derivative liability adjustment - satisfaction of convertible debt							25,313				25,313
Unrealized gain (loss) on securities held for sale									148,663		148,663
Amortization of prepaid equity-based compensation								475,863			475,863
Net loss for the nine months ended September 30, 2016										(2,115,700)	(2,115,700)
Balances at September 30, 2016	45,650,829	$ 45,651	1,996,590	$ 1,997	28,092	$ 28	$10,640,079	$ (97,095)	$ (9,761)	$(10,870,110)	$ (289,211)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

VIKING INVESTMENTS GROUP, INC.
Notes to Consolidated Financial Statements
(Unaudited)
(Amounts expressed in US dollars)

Note 1. Nature of Business and Going Concern

The Company was incorporated under the laws of the State of Florida on May 3, 1989, as Sparta Ventures Corp. and remained inactive until June 27, 1998. After several name changes, the Company merged with and into a wholly-owned subsidiary, SinoCubate, Inc., which remained the surviving entity of the merger. SinoCubate, Inc. was formed in the State of Nevada on September 11, 2008. The merger resulted in a change of name of the Company from Synthenol Inc. to SinoCubate, Inc., and a change in the state of incorporation of the Company from Florida to Nevada. On June 13, 2012, the Company changed its name to Viking Investments Group, Inc., and the Company's ticker symbol was changed to "VKIN."

Prior to the first quarter of 2016, the Company's business plan consisted of two strategies: (a) identifying target companies that were undergoing or anticipating periods of rapid growth to provide advisory and consulting services, and (b) identifying investments in oil and gas properties for future exploration and development. In November of 2014, the Company entered into its first contract relative to oil and gas activities involving jointly controlled assets and related liabilities by purchasing an undivided 50% interest in the Joffre project located in Alberta, Canada, as explained in note 4.

Commencing with the first quarter of 2016, the Company determined that its singular business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties. Consistent with its refocused efforts, on February 23, 2016, the Company closed on the acquisition of working interests in four leases with access to the mineral rights (oil and gas) concerning approximately 281 acres of property in Miami and Franklin Counties in eastern Kansas.

These unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had a net loss of $2,120,840 and $1,030,569 for the nine months ended September 30, 2016 and 2015, respectively. The Company has accumulated a stockholders' deficit of ($294,351) as of September 30, 2016. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances; however, there is no assurance of additional funding being available. These unaudited consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

Note 2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying unaudited consolidated financial statements of Viking Investments Group, Inc. ("Viking" or the "Company") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited financial statements and notes thereto contained in Viking's latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses for the period. Actual results could differ significantly from those estimates.

b) Basis of Consolidation

The financial statements presented herein reflect the consolidated financial results of the Company and its wholly owned subsidiary, Viking Oil & Gas (Canada) ULC, a Canadian corporation formed on March 8, 2016. This subsidiary is intended to provide a base of operations in Canada, although at the time of this filing there has been no activity. All significant intercompany transactions and balances have been eliminated upon consolidation.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts assets, liabilities, revenues and expenses, as well as certain financial statement disclosures. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results could differ from these estimates. Significant estimates generally include those with respect to the amount of recoverable oil and gas reserves, the fair value of financial instruments, oil and gas depletion, asset retirement obligations, stock-based compensation, derivative liabilities and impairment of long-term investment.

d) Financial Instruments

ASC Topic 820-10, “Fair Value Measurements and Disclosures,” requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 820-10, “Financial Instruments,” defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for other receivables, other payable, accrued liabilities, short term loan and due to director each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

- Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The changes in the Level 3 investments during the nine months ended September 30, 2016 consisted of an investment in the oil and gas properties acquired in February of 2016 in the amount of $2,170,250 minus depreciation of the recorded Asset Retirement Cost in the amount of $30,466 and depletion of $80,397.

Assets and liabilities measured at fair value as of September 30, 2016 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Financial Assets				
Long term investment	$ 235,819	$ -	$ -	$ 148,663
Oil and Gas properties - net	-	-	2,863,046	-
	$ 239,213	$ -	$ 2,863,046	$ 152,057
Financial liabilities				
Derivative liabilities	$ -	$ 547,894	$ -	$ 833,418
	$ -	$ 547,894	$ -	$ 833,418

Assets and liabilities measured at fair value as of December 31, 2015 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Financial Assets				
Long term investment	$ 87,156	$ -	$ -	$ 19,028
Oil and Gas properties - net	-	-	803,660	-
	$ 87,156	$ -	$ 803,660	$ 19,028
Financial liabilities				
Derivative liabilities	$ -	$ 810,647	$ -	$ 266,378
	$ -	$ 810,647	$ -	$ 266,378

e) Cash

Cash includes bank deposits and cash on hand.

f) Accounts receivable

Accounts receivable consist of oil and gas receivables. The Company has classified these as short-term assets in the balance sheet because the Company expects repayment or recovery within the next 12 months. The Company evaluates these accounts receivable for collectability and, when necessary, records allowances for expected unrecoverable amounts. The Company deems all accounts receivable to be collectable, and has not recorded any allowance for doubtful accounts.

g) Prepaid equity-based compensation

Prepaid equity-based expenses represent amounts paid in advance through the issuance of restricted shares of stock, for future contractual benefits to be received. These expenses paid in advance are recorded as prepaid equity-based compensation as a component of "Stockholders' Equity" and then amortized to the statements of operations over the life of the contract using the straight-line method. At September 30, 2016 and December 31, 2015, the balances of the prepaid equity-based compensation were comprised of the following:

	September 30, 2016	December 31, 2015
In November, 2015, a one-year consulting agreement with an unrelated party for services related to the petroleum industry in the amount of $165,000.	$ 21,698	145,561
In March, 2016, 3 one-year consulting agreements with 3 unrelated parties for services related to the petroleum industry for a combined total amount of $800,000. Two of the agreements have been cancelled. The balance remaining pertains to only of the original agreements	75,397	-
	$ 97,095	$ 145,561

h) Oil and Gas Properties

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs associated with acquisition, exploration and development of oil and gas reserves, including directly related overhead costs, are capitalized. General and administrative costs related to production and general overhead are expensed as incurred.

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit of production method using estimates of proved reserves. Disposition of oil and gas properties are accounted for as a reduction capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized to income. Investment in unproved properties and major development projects are not amortized until proved reserves associated with the projects can be determined or until impairment occurs. If the results of an assessment indicate that the properties are impaired, the amount of the impairment is included in loss from continuing operations before income taxes and the adjusted carrying amount of the unproved properties is amortized on the unit-of-production method.

Amortization expense utilizing the unit-of-production method for the Company's oil and gas properties in both Canada and the United States for the three and nine months ended September 30, 2016 and 2015 were as follows:

Oil and Gas Properties by Geographical Cost Center

	Three months ended, September 30,		Nine months ended, September 30,	
Cost Center	**2016**	**2015**	**2016**	**2015**
Canada	$ 8,374	$ -	$ 15,046	$ 14,570
United States	22,148	-	65,351	-
	$ 30,522	$ -	$ 80,397	$ 14,570

i) Limitation on Capitalized Costs

Under the full-cost method of accounting, we are required, at the end of each fiscal quarter, to perform a test to determine the limit on the book value of our oil and natural gas properties (the "Ceiling" test). If the capitalized costs of our oil and natural gas properties, net of accumulated amortization and related deferred income taxes, exceed the Ceiling, this excess or impairment is charged to expense and reflected as additional accumulated depreciation, depletion and amortization or as credit to oil and natural gas properties. The expense may not be reversed in future periods, even though higher oil and natural gas prices may subsequently increase the Ceiling. The Ceiling is defined as the sum of:

(a) the present value, discounted at 10 percent, and assuming continuation of existing economic conditions, of 1) estimated future gross revenues from proved reserves, which is computed using oil and natural gas prices determined as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month hedging arrangements pursuant to SAB 103, less 2) estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves, plus

(b) the cost of properties not being amortized (pursuant to Reg. S-X Rule 4-10 (c)(3)(ii); plus

(c) the lower of cost or estimated fair value of unproven properties included in the costs being amortized, net of

(d) the related tax effects related to the difference between the book and tax basis of our oil and natural gas properties.

j) Oil and Gas Reserves

Our proved oil and gas reserves are estimated by independent petroleum engineers. Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof, including evaluations and extrapolations of well flow rates and reservoir pressure. Estimates by different engineers often vary sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Because proved reserves are required to be estimated using recent prices of the evaluation, estimated reserve quantities can be significantly impacted by changes in product prices.

The standardized measure of discounted future net cash flows and changes in such cash flows are prepared using assumptions required by the Financial Accounting Standards Board and the Securities and Exchange Commission. Such assumptions include using a 10% rate. Changes in any of these assumptions could have a significant impact on the standardized measure. Accordingly, the standardized measure does not represent management's estimated current market value of proved reserves. At September 30, 2016, the Company's net book value of oil and natural gas properties did not exceed the ceiling amount calculated for the quarter.

k) Revenue Recognition

All revenue is recognized when persuasive evidence of an arrangement exists, the service or sale is complete, the price is fixed or determinable and collectability is reasonably assured. Revenue is derived from the sale of crude oil and natural gas. Revenue from crude oil and natural gas sales is recognized when the product is delivered to the purchaser and collectability is reasonably assured. The Company follows the "sales method" of accounting for oil and natural gas revenue, so it recognizes revenue on all natural gas or crude oil sold to purchasers.

l) Comprehensive Income

FASB ASC 220 "Comprehensive Income," establishes standards for the reporting and display of comprehensive income and its components in the consolidated financial statements. The comprehensive income for the three months ended September 30, 2016 was $1,868,704 and the comprehensive loss for the nine months ended September 30, 2016 was ($1,972,177) respectively, and the comprehensive losses for the three and nine months ended September 30, 2015 was ($367,331) and ($1,047,211) respectively.

m) Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and, adjusted by any effects of warrants and options outstanding, if dilutive, that may add to the number of common shares during the period. Dilution is computed by applying the treasury stock method for options and warrants. Under this method, "in-the money" options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. At September 30, 2016, there were 4,062,500 common stock equivalents that were anti-dilutive and not included in the calculation.

n) Income Taxes

The Company accounts for income taxes under FASB Codification Topic 740-10-25 ("ASC 740-10-25"). Under ASC 740-10-25, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740-10-25, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets likely. The Company did not incur any material impact to its financial condition or results of operations due to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company is subject to U.S federal jurisdiction income tax examinations for the tax years 2006 through 2014. In addition, the Company is subject to state and local income tax examinations for the tax years 2006 through 2015.

o) Stock-Based Compensation

The Company may issue stock options to employees and stock options or warrants to non-employees in non-capital raising transactions for services and for financing costs. The Company has adopted ASC Topic 718 (formerly SFAS 123R), "Accounting for Stock-Based Compensation," which establishes a fair value method of accounting for stock-based compensation plans. In accordance with guidance now incorporated in ASC Topic 718, the cost of stock options and warrants issued to employees and non-employees is measured on the grant date based on the fair value. The fair value is determined using the Black-Scholes option pricing model. The resulting amount is charged to expense on the straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

The fair value of stock warrants was determined at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option model requires management to make various estimates and assumptions, including expected term, expected volatility, risk-free rate, and dividend yield. The expected term represents the period of time that stock-based compensation awards granted are expected to be outstanding and is estimated based on considerations including the vesting period, contractual term and anticipated employee exercise patterns. Expected volatility is based on the historical volatility of the Company's stock. The risk-free rate is based on the U.S. Treasury yield curve in relation to the contractual life of stock-based compensation instrument. The dividend yield assumption is based on historical patterns and future expectations for the Company dividends.
The following table represents stock warrant activity as of and for the nine months ended September 30, 2016:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Warrants Outstanding – December 31, 2015	-	-.	-	-
Granted	4,062,500	$ 0.20	5.0 years	-
Exercised	-	-	-	-
Forfeited/expired/cancelled	-		-	-
Warrants Outstanding – September 30, 2016	4,062,500	$ 0.20	4.25 years	$ -
Outstanding Exercisable – December 31, 2015	-	$ -	-	$ -
Outstanding Exercisable – September 30, 2016	4,062,500	$ 0.20	4.25 years	$ -

p) Long-term Investment

Management determines the appropriate classification of investment securities at the time of purchase. Securities are classified held-to-maturity when the Company has both the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost. Securities that are bought and held principally for the purpose of selling in the near term are classified as trading securities and reported at fair value, with unrealized gains and losses included in earnings. Securities not classified as held-to-maturity or trading are classified as available-for-sale. Available-for-sale securities are stated at fair value, the changes in the market value of available-for-sale securities, excluding other-than-temporary impairments, are reflected in Other Comprehensive Income, with the impairment losses, net of income taxes, charged to net income in the period in which it occurs.

The fair value of securities is based on quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. A decline in the market value of any available-for-sale or held-for-maturity security below cost that is deemed to be other-then-temporary results in a reduction in carrying amount to fair value.

Impairments that are considered other-than-temporary are recognized as a loss in the consolidated statements of operations. The Company considers various factors in reviewing impairments, including the length of time and extent to which fair value has been less than the Company's cost basis, the financial condition and near-term prospects of the issuer, and the Company's intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in market value.

As of September 30, 2016 and December 31, 2015, the Company had no trading and held-to-maturity securities.

On September 9, 2014, the Company subscribed for 1,250,000 units of Tanager Energy Inc. ("Tanager"), a Canadian mining company listed on the Canadian TSXVenture Exchange as a Tier 2 company and trading under the stock symbol "TAN," at a price of C$0.08 per unit. Each unit consists of one share of Tanager's common stock and one warrant to purchase one additional common share at a price of C$0.15 at any time until October 5, 2016. The warrants expire on October 5, 2016. The total price for the units subscribed for was C$101,247.47. The Company paid $92,000, which was equivalent to C$101,247.47 on September 11, 2014.

On October 6, 2014, the Company subscribed for an additional 2,187,500 units of Tanager at a price of C$0.08 per unit. Each unit consists of one share of Tanager's common stock to purchase one additional common share at a price of C$0.15 at any time until October 5, 2016. The warrants expire on October 5, 2016. The total price for the units subscribed for was C$175,000. The Company paid $155,444, which was equivalent to C$175,000 on October 17, 2014.

The Company's investment in Tanager is considered as "available-for-sale" securities, and an unrealized gain of $148,663 was recorded in other comprehensive income for the nine months ended September 30, 2016.

q) Impairment of long-lived assets

In accordance with ASC 360, "Accounting for the Impairment or Disposal of Long-Lived Assets", the Company is required to review its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value.

Assets are grouped and evaluated at the lowest level for their identifiable cash flows that are largely independent of the cash flows of other groups of assets. The Company considers historical performance and future estimated results in its evaluation of potential impairment and then compares the carrying amount of the asset to the future estimated cash flows expected to result from the use of the asset. If the carrying amount of the asset exceeds estimated expected undiscounted future cash flows, the Company measures the amount of impairment by comparing the carrying amount of the asset to its fair value. The estimation of fair value is generally determined by using the asset's expected future discounted cash flows or market value. The Company estimates fair value of the assets based on certain assumptions such as budgets, internal projections, and other available information as considered necessary. There is no impairment of long-lived assets during the nine months ended September 30, 2016 and 2015.

r) Foreign Currency Exchange

An entity's functional currency is the currency of the primary economic environment in which it operates, normally that is the currency of the environment in which the entity primarily generates and expends cash. Management's judgment is essential to determine the functional currency by assessing various indicators, such as cash flows, sales price and market, expenses, financing and inter-company transactions and arrangements. Functional currency of the parent company is the U.S. Dollar. The reporting currency of the Company is the U.S. Dollar. The Company has oil and gas operations in Alberta, Canada in which the Canadian Dollar ("CAD" or "C$" herein) is the primary economic environment. The reporting currency of these consolidated financial statements is the U.S. Dollar.

For financial reporting purposes, the operational results of the Company's oil and gas operations in Canada are prepared using the CAD, and are translated in the Company's reporting currency, the U.S. Dollar. Revenue and expenses applicable to the oil and gas operations in Alberta, Canada are translated using average rates prevailing during each reporting period. Gains or losses resulting from the settlement of foreign currency transactions are recorded as a separate component of accumulated other comprehensive income in stockholders; equity when realized. There have been no settlement transactions that resulted in the recognition of a foreign currency exchange gain or loss during the three or nine months ended September 30, 2016 and 2015.

s) Convertible Notes Payable

The Company accounts for conversion options embedded in convertible notes in accordance with ASC 815. ASC 815 generally requires companies to bifurcate conversion options embedded in convertible notes from their host instruments and to account for them as free standing derivative financial instruments.

The Company has evaluated the terms and conditions of the convertible note under the guidance of ASC 815. The conversion feature did not meet the definition of "indexed to a company's own stock" provided for in ASC 815 due to the down round protection feature. Therefore, the conversion feature requires bifurcation and liability classification. Additionally, the default put requires bifurcation because it is indexed to risks that are not associated with credit or interest risk. As a result, the compound embedded derivative comprises of (i) the embedded conversion feature and (i) the default put. Rather than bifurcating and recording the compound embedded derivative as a derivative liability, the Company elected to initially and subsequently measure the convertible note in its entirety at fair value, with changes in fair value recognized in earnings in accordance with ASC 815-15-25-4.

t) Derivative Liability

We review the terms of convertible debt issues to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as non-operating income or expense. When the equity or convertible debt instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the host instruments themselves, usually resulting in those instruments being recorded at a discount from their face value. The discount from the face value of the convertible debt, together with the stated interest on the instrument, is amortized over the life of the instrument through periodic charges to interest expense.

u) Accounting for Asset Retirement Obligations

On July 1, 2015, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 143, *Accounting for Asset Retirement Obligations,* which addresses the financial accounting and reporting obligations and retirement costs related to the retirement of tangible long-lived assets. Among other things, SFAS No. 143 requires oil and gas companies to reflect decommissioning liabilities on the face of the balance sheet at fair value on a discounted basis. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred. The associated asset retirement costs are capitalized as part of the carrying cost of the asset. Our asset retirement obligations consist of estimated costs for dismantlement, removal, site reclamation and similar activities associated with our oil and gas properties.

With the adoption of SFAS No. 143, an asset retirement obligation and the related asset retirement cost in the amount of $406,214 have been recorded. This asset retirement cost was determined and discounted to present value using a credit-adjusted risk-free rate. After the initial recording, the liability is increased for the passage of time, with the increase being reflected as accretion expense in the statement of operations. Subsequent adjustments in the cost estimate are reflected in the liability and the amounts continue to be amortized over the useful life of the related long-lived asset.

Pursuant to the terms of the operating agreement associated with the oil and gas property acquisitions in the United States made during the quarter ended March 31, 2016, the Company has not incurred any additional asset retirement obligations as a result of this acquisition.

The following table describes the changes in the Company's asset retirement obligations for the nine months ended September 30, 2016:

Asset retirement obligation at December 31, 2015	$ 416,246
Accretion expense	15,514
Asset retirement obligation at September 30, 2016	$ 431,760

v) Reclassification of Prior Year Presentation

Certain reclassifications have been made to conform the prior period data to the current presentations.

w) Recent Accounting Pronouncements

The Financial Accounting Standards Board and other entities issued new or modifications to, or interpretations of, existing accounting guidance during 2016. Management has carefully considered the new pronouncements that altered generally accepted accounting principles and does not believe that any other new or modified principles will have a material impact on the Company's reported financial position or operations in the near term.

x) Subsequent events

The Company has evaluated all transactions through the date the consolidated financial statements were issued for subsequent event disclosure consideration.

Note 3. Related Party Transactions

During April 2015, the Company made an advance to Tanager Energy Inc., in conjunction with a joint investment in the second oil well of the Joffre Project. As of September 30, 2016, the balance owed by Tanager to the Company is $76,719, which is shown as "Other receivable – related party" on the balance sheet.

During the nine months ended September 30, 2016, the Company's Executive Chairman and Director, Tom Simeo did not accrue payroll and made no advances to the Company. The Company paid a total of $1,056 against prior advances by Mr. Simeo. Any accruals and advances do not bear interest, are unsecured and have no specific terms of repayment. As of September 30, 2016, the net amount due for prior accruals and expenses paid on behalf of the Company is $36,103. The Company has not imputed interest as the amount is deemed immaterial.

During the nine months ended September 30, 2016, the Company's CEO and Director, James Doris incurred expenses on behalf of, and made advances to the Company in the amount of $197,281 in order to provide the Company with funds to carry on its operations, and the Company made repayments of $55,000 against prior advances. These advances by Mr. Doris do not bear interest, are unsecured and have no specific terms of repayment. As of September 30, 2016, the amount due for expenses paid on behalf of the Company is $253,276. The Company has not imputed interest as the amount is deemed immaterial. Additionally, Mr. Doris made several loans to the Company totaling $466,836, all accruing interest at 12%, and payable on demand. As of September 30, 2016, the total amount due to Mr. Doris for advances and expenses paid on behalf of the Company and loans is $720,112. Accrued interest of $53,931 is included in accrued expenses and other current liabilities at September 30, 2016.

On June 5, 2015, the Company authorized and approved the issuance of 2,000,000 and 872,871 restricted shares of common stock in settlement and cancellation of a total of $201,101 of amounts owed to directors at a cost basis of $0.07 per share.

Note 4. Oil and Gas Properties

The following table summarizes the Company's oil and gas activities by classification and geographical cost center for the nine months ended September 30, 2016:

	December 31, 2015	Additions	Disposals	September 30, 2016
Proved developed producing oil and gas properties				
Canada cost center	$ 50,313	$ -	$ -	$ 50,313
United States cost center	-	1,308,938	-	1,308,938
Accumulated depletion and impairment	(874)	(49,918)	-	(50,792)
Accumulated depreciation, asset retirement costs	(1,218)	(1,827)	-	(3,045)
Proved developed producing oil and gas properties, net	$ 48,221	$ 1,257,193	$ -	$ 1,305,414
Undeveloped and non-producing oil and gas properties				
Canada cost center	$ 788,227	$ -	$ -	$ 788,227
United States cost center	-	861,312	-	861,312
Accumulated depletion and impairment	(13,696)	(30,481)	-	(44,177)
Accumulated depreciation, asset retirement costs	(19,092)	(28,638)	-	(47,730)
Undeveloped and non-producing oil and gas properties, net	$ 755,439	$ 802,193	$ -	$ 1,557,632
Total Oil and Gas Properties, Net	$ 803,660	$ 2,059,386	$ -	$ 2,863,046

On November 3, 2014, the Company entered into a Purchase and Sale, Petroleum and Natural Gas Conveyance Agreement (the "Agreement"), with Tanager Energy Inc., a Canadian corporation listed on the TSX Venture Exchange as a Tier 2 company and trading under the stock symbol "TAN" ("Tanager Energy"). Pursuant to the Agreement, the Company was to receive a 50% working interest in the Joffre oil and gas property located in Alberta, Canada (the "Joffre Property"), and the Company was obligated to pay Tanager C$400,000 for the interest in the Joffre Property, with C$340,000 payable at closing.

On November 4, 2014, the Company closed the transaction by paying Tanager $302,367, with the balance of $52,801 (C$60,000) paid in January of 2015. Tanager owns the remaining 50% working interest in the property and operates and manages the property in accordance with an operating agreement pursuant to the Canadian Association of Petroleum Landman Operating Procedure. The proceeds were to be used by Tanager to complete and place on production the first of four suspended Devonian oil wells in the Joffre D-3 B oil pool (the "Joffre Project"). The Company's (and Tanager's) working interest in the Joffre Property will generally terminate when future production, if any, ceases (or in the case of the water disposal well on the Joffre Property, on the date that production ceases after 5 years has elapsed).

In April 2015, the Company advanced to Tanager Energy Inc., an additional $153,877 (C$190,000) as an investment in the second well in the Joffre D-3 oil pool. As the Company and Tanager each own 50% of each phase of this project, the Company has accounted for this transaction as an investment by the Company of $77,158 (C$95,270), with a loan receivable from Tanager of $76,719 (C$94,730).

On February 23, 2016, the Company closed on the acquisition of working interests in four leases with access to the mineral rights (oil and gas) concerning approximately 281 acres of property in Miami and Franklin Counties in eastern Kansas. This project produces oil from the Cherokee formation at a depth of approximately 600 feet. These leases offer the potential for several future drilling locations. The purchase includes an undivided interest in all oil and gas wells, equipment, fixtures and other personal property located upon the leased properties and used in connection with oil and gas operations upon the leases attributable to the working interests purchased by the Company. The names of the four leases and Viking's percentage ownership of the working interest of each lease is as follows:

Lease Name	Viking's Working Interest Percentage
HAHN	32.299%
JOHNSTON	84.041%
WILSON, EAST	15.000%
WILSON, WEST	55.003%

The effective date of the acquisitions is February 1, 2016, so the Company was entitled to net revenues from its share of production as of such date. As consideration for this transaction, the Company paid $1,350,000, plus 4,650,000 shares of common stock valued at $0.10 per share, or $465,000.

The Company also purchased a 100% working interest (a net revenue interest of 83%) in certain non-producing leases as follows: (i) three leases with access to the mineral rights (oil and gas) concerning approximately 270 acres of property in Miami and Franklin Counties in eastern Kansas; and (ii) 31 leases with access to the mineral rights (oil and gas) concerning approximately 5,500 acres of property in Cass and Bates Counties in Missouri. The purchase includes an undivided interest in all oil and gas wells, equipment, fixtures and other personal property located upon the leased properties and used in connection with oil and gas operations upon the leases attributable to the working interests purchased by Viking. As consideration for this transaction, Viking agreed to issue the vendors 5,000,000 shares of common stock valued at $0.10 per share, or $500,000.

The total purchase of these oil and gas interests is calculated as follows, and is included as an investment in Petroleum and Gas properties on the balance sheet at September 30, 2016:

Cash consideration	$1,350,000
Stock for producing interests	395,250
Stock for non-producing interests	425,000
Total purchase price	$2,170,250

Proforma condensed selected financial data for the three and nine months ended September 30, 2016 and 2015, as though this acquisition had taken place at January 1, 2015, are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues	$ 105,426	$ 68,985	$ 246,449	$ 243,708
Net Loss	$ (688,024)	$ (619,621)	$(2,114,117)	$ (966,696)
Loss per share	$ (0.016)	$ (0.003)	$ (0.034)	$ (0.039)

For the three and nine months ended September 30, 2016, the Company has included $49,232 and $135,334 of revenue providing $11,947 and $46,138 of net earnings in its consolidated income statement from the date of acquisition.

To facilitate these acquisitions, the Company borrowed $1,450,000 from private lenders pursuant to a 15% Senior Secured Convertible Promissory Note (the "Note"), arranged through a licensed broker/dealer, with the primary terms of the loan being as follows: (i) *Term* – 6 months; (ii) *Rate* – 15% per annum; (iii) *Security* – 1st ranking charge against company assets pursuant to a Security and Pledge Agreement (the "Security Agreement"); (iv) *Conversion* – the lenders have a right to convert all or part of the note into common stock of Viking at a price of $0.15 per share, subject to certain ownership restrictions; and (v) *Warrants* – the lenders were given an option to purchase, within the next 5 years, 4,062,500 shares of common stock of Viking at an initial exercise price of $0.20 per share pursuant to a Common Stock Purchase Warrant. Viking's CEO and director, James Doris, also personally guaranteed repayment of the loan and granted the lenders a security interest in his assets.

Note 5. Capital Stock and Additional Paid-in Capital

(a) Preferred Stock

The Company is authorized to issue 5,000,000 shares of Preferred Stock, par value $0.001 per share (the “Preferred Stock”), of which 50,000 have been designated as Series C Preferred Stock (the “Series C Preferred Stock”).

On October 3, 2012, the Company issued 28,092 shares of Series C Preferred Stock to Tom Simeo in exchange for the return of the equal amount of shares of common stock, owned by Tom Simeo, deposited in a brokerage account, to the Company for cancellation. On or about September 1, 2015, Tom Simeo instructed the Company’s Stock Transfer Agent, VStock Transfer LLC, to cancel stock certificate number 3032, representing 28,092 shares of common stock, in consideration for the missing 28,092 shares of common stock. Neither the common stock, nor the preferred stock, were assessed any value.

Each share of Series C Preferred Stock shall entitle the holder thereof to two thousand (2,000) votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time on or after the date that Preferred Stock has been issued (“Distribution Date) declare or pay any dividend on common stock payable in shares of common stock, or effect a subdivision or combination or consolidation of the outstanding shares of common stock (by reclassification or otherwise than by payment of a dividend in shares of common stock) into a greater or lesser number of shares of common stock, then in each such case the number of votes per share to which holders of shares of Series C Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction of the numerator of which is the number of shares of common stock outstanding immediately after such event and the denominator of which is the number of shares of common stock that were outstanding immediately prior to such event.

Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into one share of fully paid and non-assessable common stock (the “Conversion Rate”).

On July 16, 2015, Tom Simeo, Executive Chairman, and a director of the Company, who owned 28,092 shares of the Company’s Series C Preferred Stock (the “Shares”), transferred 50% (14,046) of the Shares to James A. Doris, President, CEO and a director of the Company in consideration of the purchase price of $10,000, paid from the personal funds of Mr. Doris. Mr. Simeo retained 14,046 shares of the Company’s Series C Preferred Stock, and no other shares of Series C Preferred Stock are issued or outstanding. Since each of the preferred shares entitles the voter of 2,000 votes per share, or 70,230,000 each, Mr. Simeo and Mr. Doris effectively control the Company jointly, neither of them solely controls the Company, and the transfer of the preferred shares constituted a change of control of the Company.

(b) Common Stock

The Company is authorized to issue 100,000,000 shares of common stock, par value $0.001 per share.

In May 2015, the Company authorized and approved the issuance of 720,000 shares of its common stock in conjunction with a six month consulting agreement, at a cost basis of $0.15 per share, the current fair market value at the time of the agreement.

On August 3, 2015, the Company issued 421,571 restricted shares of common stock in settlement and cancellation of $30,000 of accrued payroll, and 2,000,000 and 872,871 restricted shares of common stock in settlement and cancellation of a total of $201,101 of amounts owed to directors, at a cost basis of $0.07 per share.

On November 18, 2015, the Company issued 1,000,000 restricted shares of its common stock in conjunction with a one-year consulting agreement, at a cost of $0.165 per share, the current fair market value at the time of agreement.

On November 23, 2015, a convertible note holder elected to convert $4,200 of the principal amount of the convertible note dated May 22, 2015, into 100,000 shares of the Company's common stock in accordance with the convertible note agreement.

On December 1, 2015, a convertible note holder elected to convert $8,400 of the principal amount of the convertible note dated May 22, 2015, into 200,000 shares of the Company's common stock in accordance with the convertible note agreement.

On December 24, 2015, a convertible note holder elected to convert $8,400 of the principal amount of the convertible note dated May 22, 2015, into 250,000 shares of the Company's common stock in accordance with the convertible note agreement.

On January 12, 2016, the Company issued 300,926 common shares upon the conversion of convertible debt in the amount of $10,111.

On March 16, 2016, the Company issued 1,000,000 common shares for services, valued at $102,500.

As of February 1, 2016, the Company issued 9,650,000 common shares as part of the consideration for the acquisition of the oil and gas investment made at that time.

On March 21, 2016, the Company executed two one-year consulting agreements requiring the issuance of 2,000,000 common shares for each contract. Both of these contracts were terminated, the shares were returned to the Company, and were cancelled in August 2016.

On March 21, 2016, the Company executed a one-year advisory services agreement requiring the issuance of 1,000,000 common shares for the contract. The shares are to be issued as 375,002 upon execution of the contract, with 56,818 shares being issued at the beginning of each month for the remaining eleven months. The Company has determined to account for all 1,000,000 common shares valued at $0.16 per share upon execution of the agreement as prepaid equity-based compensation to be amortized over the term of the contract. As of September 30, 2016, 284,090 shares remain unissued, and are accounted for as issuable.

As of April 29, 2016, the Company, pursuant to a securities purchase agreement, sold 1,250,000 shares of its common stock at $0.15 per share.

On September 28, 2016, the Company issued 2,400,000 common shares, at the current market value of $288,000 as a portion of the purchase price of additional oil and gas properties acquired on October 4, 2016. This amount is included as a deposit in other assets as of September 30, 2016.

During September 2016, the Company negotiated the payment of certain convertible notes, and committed to the issuance of 375,000 common shares at the current market value of $52,500 as additional interest. These shares have not been issued as of the date of this report, and are accounted for as issuable at September 30, 2016.

As of September 30, 2016, the Company, pursuant to a securities purchase agreement, sold $1,337,500 shares of its common stock at $0.15 per share.

(c) Prepaid Equity-Based Compensation

From time to time, the Company has issued shares of restricted common stock to various unrelated parties as prepayment for certain services to be rendered over a term of one year from the date of the agreement. The Company has recorded the fair value of the shares at the date of the agreement as prepaid equity-based compensation, and then amortizes this amount to stock based compensation ratably over the life of the agreements. As of September 30, 2016, the prepaid equity-based compensation balance is $97,095.

Note 6. Convertible Notes

Convertible notes payable at September 30, 2016, and December 31, 2015, as detailed below, are summarized as follows:

	September 30, 2016	December 31, 2015
(e) - JMJ Financial	$ -	$ 6,778
(f) - LG Capital	-	63,000
(g) - GW Holdings	-	30,000
(h) - EMA Financial	-	50,000
(i) - JDF Capital	-	27,500
(j) - (p) Senior Secured 15% Convertible Promissory Notes (7)	1,225,000	-
	1,225,000	177,278
Net of unamortized debt discount	-	(153,730)
	$ 1,225,000	$ 23,548
Less current portion	(1,225,000)	(16,770)
	$ -	$ 6,778

(a) March 11, 2015 Convertible Note

On March11, 2015, the Company issued a $50,000 8% convertible note with a term expiring on March 11, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 58% of the lowest trading price of the common stock for the fifteen prior trading days including the day upon which a Notice of Conversion is received by the Company. In the event the Company prepays the note in full, the Company is required to pay off all principal, interest and any other amounts owing multiplied by (i) 115% if prepaid during the period commencing on the closing date through 30 days thereafter, (ii) 121% if prepaid 31 days following the closing through 60 days following the closing, (iii) 127% if prepaid 61 days following the closing through 90 days following the closing, (iv) 133% if prepaid 91 days following the closing through 120 days following the closing, (v) 139% if prepaid 121 days following the closing through the 150 days following the closing, (vi) 145% if prepaid 151 days following the closing through the 180 days following the closing, and (vii) the Company shall have no right of prepayment after the expiration of 180 days following the closing. This note was paid in full on September 8, 2015.

(b) March 12, 2015 Convertible Note

On March12, 2015, the Company issued a $25,000 8% convertible note with a term expiring on March 12, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 58% of the lowest trading price of the common stock for the fifteen prior trading days including the day upon which a Notice of Conversion is received by the Company. In the event the Company prepays the note in full, the Company is required to pay off all principal, interest and any other amounts owing multiplied by (i) 115% if prepaid during the period commencing on the closing date through 30 days thereafter, (ii) 121% if prepaid 31 days following the closing through 60 days following the closing, (iii) 127% if prepaid 61 days following the closing through 90 days following the closing, (iv) 133% if prepaid 91 days following the closing through 120 days following the closing, (v) 139% if prepaid 121 days following the closing through the 150 days following the closing, (vi) 145% if prepaid 151 days following the closing through the 180 days following the closing, and (vii) the Company shall have no right of prepayment after the expiration of 180 days following the closing. This note was paid in full on September 8, 2015.

(c) March 12, 2015 Convertible Note

On March12, 2015, the Company issued a $25,000 8% convertible note with a term expiring on March 12, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 58% of the lowest trading price of the common stock for the fifteen prior trading days including the day upon which a Notice of Conversion is received by the Company. In the event the Company prepays the note in full, the Company is required to pay off all principal, interest and any other amounts owing multiplied by (i) 115% if prepaid during the period commencing on the closing date through 30 days thereafter, (ii) 121% if prepaid 31 days following the closing through 60 days following the closing, (iii) 127% if prepaid 61 days following the closing through 90 days following the closing, (iv) 133% if prepaid 91 days following the closing through 120 days following the closing, (v) 139% if prepaid 121 days following the closing through the 150 days following the closing, (vi) 145% if prepaid 151 days following the closing through the 180 days following the closing, and (vii) the Company shall have no right of prepayment after the expiration of 180 days following the closing. This note was paid in full on September 8, 2015.

(d) March 25, 2015 Convertible Note

On March 25, 2015, the Company issued a $35,000 12% convertible note with a term expiring on March 24, 2016 (the "Maturity Date"), and which was funded on April 23 2015. The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 58% of the lowest trading price of the common stock for the fifteen prior trading days including the day upon which a Notice of Conversion is received by the Company. This note was paid in full on October 22, 2015.

(e) May 22, 2015 Convertible Note

On May 22, 2015, the Company issued a convertible promissory note with a cap of $50,000 with a 0% interest rate for the first three months. The terms of the note include a $5,000 Original Issue Discount, providing for a maximum funding of $45,000. The amount of the note funded as of September 30, 2016 was $25,000. The Company may repay this Note at any time on or before 90 days from the effective date. If the Company does not make a payment on or before 90 days from the notes effective date, a one-time interest charge of 12%shall be applied to the principal sum. The maturity date of the note is two years from the effective date of the note. The investor has the right, at any time after the Effective Date, at its election, to convert all of part of the outstanding and unpaid Principal Sum and accrued interest. The conversion price is the lesser of $0.10 or 60% of the lowest trade price in the 25 trading days previous to the conversion. As of September 30, 2016 the full amount of the note has been converted to common shares.

(f) November 3, 2015 Convertible Note

On November 3, 2015, the Company issued a $63,000 8% convertible note with a term expiring on November 3, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 58% of the lowest trading price of the common stock for the fifteen prior trading days including the day upon which a Notice of Conversion is received by the Company. The note was paid in full on April 29, 2016.

(g) November 20, 2015 Convertible Note

On November 20, 2015, the Company issued a $30,000 12% convertible note with a term expiring on November 20, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 52% of the lowest trading price of the common stock for the twenty prior trading days including the day upon which a Notice of Conversion is received by the Company. The note was paid in full on May 9, 2016.

(h) November 19, 2015 Convertible Note

On November 19, 2015, the Company issued a $50,000 12% convertible note with a term expiring on November 19, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 52% of the lowest trading price of the common stock for the twenty prior trading days including the day upon which a Notice of Conversion is received by the Company. The note was paid in full on May 12, 2016.

(i) November 25, 2015 Convertible Note

On November 25, 2015, the Company issued a $27,500 8% convertible note with a term expiring on November 25, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, at a price equal to 42% of the lowest trading price of the common stock for the twenty-five prior trading days including the day upon which a Notice of Conversion is received by the Company. The note was paid in full on May 2, 2016.

(j) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $75,000 15% convertible note with a term expiring August 18, 2016 (the “Maturity Date”). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder’s option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company’s securities that are sold in any offering of the Company’s securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The maturity date of this note has been extended.

(k) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $50,000 15% convertible note with a term expiring August 18, 2016 (the “Maturity Date”). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder’s option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company’s securities that are sold in any offering of the Company’s securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The maturity date of this note has been extended.

(l) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $50,000 15% convertible note with a term expiring August 18, 2016 (the “Maturity Date”). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder’s option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company’s securities that are sold in any offering of the Company’s securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The note was paid in full on September 30, 2016.

(m) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $1,100,000 15% convertible note with a term expiring August 18, 2016 (the “Maturity Date”). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder’s option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company’s securities that are sold in any offering of the Company’s securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The note was paid in full on October 4, 2016.

(n) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $200,000 15% convertible note with a term expiring August 18, 2016 (the “Maturity Date”). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder’s option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company’s securities that are sold in any offering of the Company’s securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The note was paid in full on September 30, 2016.

(o) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $100,000 15% convertible note with a term expiring August 18, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company's securities that are sold in any offering of the Company's securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The note was paid in full on August 18, 2016.

(p) February 19, 2016 Senior Secured Convertible Promissory Note

On February 19, 2016, the Company issued a $50,000 15% convertible note with a term expiring August 18, 2016 (the "Maturity Date"). The principal amount of the note and interest is payable on the maturity date. The note is convertible into common stock at any time, at the holder's option, The conversion price shall be the lowest of (i) $0.15, (ii) 58% of the price of the Company's securities that are sold in any offering of the Company's securities in excess of $100,000, of (iii) the conversion price of any Equity converted on or prior to the Conversion Date. The note was paid in full on September 30, 2016.

Note 7. Secured Notes

As of April 29, 2016, the Company issued a total of $375,000 of 10% Secured Subordinated promissory notes with a term expiring January 12, 2017 (the "Maturity Date"), and an original issue discount of fifty percent (50%). Interest is payable on the outstanding principal of these notes at 10% per annum on the Maturity Date. The balance of these notes as of September 30, 2016, is $298,529, net of an unamortized discount of $76,471.

As of September 2016, the Company issued a total of $535,000 of 10% Secured promissory notes with a term expiring April 3, 2017 (the "Maturity Date"), and an original issue discount of thirty seven and one half percent (37.5%). Interest is payable on the outstanding principal of these notes at 10% per annum on the Maturity Date. The balance of these notes as of September 30, 2016 is $334,375, net of an unamortized discount of $200,625.

Note 8. Revolver Loan

On September 30, 2016, the Company entered into a Revolver Loan agreement with Crossfirst Bank, a Kansas banking corporation for a revolving line of credit facility in the amount of $3,000,000, with an initial funding commitment of $1,800,000, interest at Prime plus 1.5%, and a final maturity date of September 30, 2018. As of September 30, 2016, the Company had not borrowed any money under this agreement.

Note 9. Subsequent Events

The Company has evaluated subsequent events from September 30, 2016, through the date of filing this report, and determined there are no other items to disclose other than those disclosed below:

On October 4, 2016, the Company closed on the purchase of working interests in various oil and gas leases in Eastern Kansas. Simultaneously, to facilitate the purchase, the Company closed on its initial funding from Crossfirst Bank under the September 30, 2016 Revolver Agreement in the amount of $1,800,000.

SUPPLEMENTAL INFORMATION – OIL AND NATURAL GAS PRODUCTION – (unaudited)

As of September 30, 2016, the Company has two separate oil and gas production projects as follows:

(1) The Company has a 50% undivided interest in an oil property located approximately ten miles northeast of Red Deer, Alberta in Canada. The property consists of one oil well producing from the Leduc Formation, three suspended oil wells, one abandoned oil well, and a suspended water injector.

The Lake Devonian Leduc formation is represented by large barrier reef and smaller pinnacle reef bioherms which grew on the Cooking Lake platform carbonates. Trending northeast to southwest, the limestones and dolostones of the Leduc/Cooking Lake Formations were deposited on the bathymetric highs of the Lake Devonian seas. Hydrocarbons are trapped by lateral stratigraphic pinch out of these dolomitic carbonates into deeper water shale sediments.

Proved developed producing reserves have been assigned to the first producing oil well. The well was re-activated and came on production in January 2015. The well has produced sporadically since January averaging seven to ten days of production per month. Production forecasts have taken into account this workover and reflect the increase of reserves in the total proved and proved plus probable cases.

The Company plans on installing a pumpjack to the well in early 2016 to enhance performance. The three suspended wells are scheduled to be re-activated in 2016. Proved reserves are assigned to these wells as the wells have demonstrated production over a number of years.

(2) The Company has various working interests in four leases with access to the mineral rights (oil and gas) concerning approximately 281 acres of property in Miami and Franklin Counties in eastern Kansas. This project produces oil from the Cherokee formation at a depth of approximately 600 feet. These leases offer the potential for several future drilling locations.

The Company also purchased a 100% working interest (a net revenue interest of 83%) in certain non-producing leases as follows: (i) three leases with access to the mineral rights (oil and gas) concerning approximately 270 acres of property in Miami and Franklin Counties in eastern Kansas; and (ii) 31 leases with access to the mineral rights (oil and gas) concerning approximately 5,500 acres of property in Cass and Bates Counties in Missouri.

Results of Operations

The results of operations for petroleum and natural gas production for the three and nine months ended September 30, 2016, consist of both the 50% undivided interest in the Joffre oil and gas property located in Alberta, Canada as well as the various working interests in the four leases in eastern Kansas, as follows:

	Three Months Ended September 30, 2016		
Results of Operations by Geographic Area	**Canada**	**United States**	**Total**
Revenue			
Oil	$ 47,656	$ 49,232	$ 96,888
Gas	4,844	-	4,844
Liquids	3,296	-	3,296
Sulphur	398	-	398
Total revenues	56,194	49,232	105,426
Production costs	29,172	37,285	66,457
	$ 27,022	$ 11,947	$ 38,969

Oil and Gas Production and Sales by Geographic Area	Canada	United States	Totals
Production			
Oil - (barrels)	1,319	1,307	2,626
Natural Gas - (mcf)	2,813	-	2,813
Natural Gas Liquids - (barrels)	415	-	415
Sulphur - (tonnes)	16	-	16
Sales			
Oil - (barrels)	1,319	1,307	2,626
Natural Gas - (mcf)	2,813	-	2,813
Natural Gas Liquids - (barrels)	415	-	415
Sulphur - (tonnes)	16	-	16
Average Sales Prices			
Oil - (barrels)	$ 36.13	$ 37.67	$ 36.90
Natural Gas - (mcf)	$ 1.72	$ -	$ 1.72
Natural Gas Liquids - (barrels)	$ 7.94	$ -	$ 7.94
Sulphur - (tonnes)	$ 24.88	$ -	$ 24.88
Mcf = thousands of cubic feet			
Tonnes = Metric tons			

	Nine Months Ended September 30, 2016		
Results of Operations by Geographic Area	**Canada**	**United States**	**Total**
Revenue			
Oil	$ 79,653	$ 135,334	$ 214,987
Gas	9,328	-	9,328
Liquids	7,207	-	7,207
Sulphur	491	-	491
Total revenues	96,679	135,334	232,013
Production costs	76,577	89,196	165,773
	$ 20,102	$ 46,138	$ 66,240

Oil and Gas Production and Sales by Geographic Area	Canada	United States	Totals
Production			
Oil - (barrels)	2,276	3,857	6,133
Natural Gas - (mcf)	8,666	-	8,666
Natural Gas Liquids - (barrels)	887	-	887
Sulphur - (tonnes)	25	-	25
Sales			
Oil - (barrels)	2,229	3,857	6,086
Natural Gas - (mcf)	6,597	-	6,597
Natural Gas Liquids - (barrels)	941	-	941
Sulphur - (tonnes)	25	-	25
Average Sales Prices			
Oil - (barrels)	$ 35.73	$ 35.09	$ 35.32
Natural Gas - (mcf)	$ 1.41	$ -	$ 1.41
Natural Gas Liquids - (barrels)	$ 7.66	$ -	$ 7.66
Sulphur - (tonnes)	$ 19.64	$ -	$ 19.64
Mcf = thousands of cubic feet			
Tonnes = Metric tons			

Petroleum and Natural Gas Exploration and Production Costs

The amounts shown as net capitalized costs for petroleum and natural gas rights of $2,863,046 and $803,660 consist of the initial investment to acquire the undivided interest in the Joffre Project, as well as additional licensing costs at that location, as well as the investment made during the first quarter of this year, to acquire the oil and gas properties in Kansas. The Company does not incur any production or exploratory costs as the entire project is operated through a subcontract relationship.

Petroleum and Natural Gas Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations – prior to the time at which contracts providing the right to operate expire. The detailed reserve information and production forecasts for the Joffre project in Alberta, Canada were presented in the Company's annual report on Form 10-K for the year ended December 31, 2015, and is incorporated herein.

The following information is an estimate of the proved oil reserve, and the associated economic values of those certain properties in Franklin, Linn and Miami counties, Kansas, acquired by the Company in February 2016

The following tables summarize projected revenues, expenses and discounted cash flows:

Proved, Developed Producing Reserves

The Proved, Developed Producing (PDP) reserves were determined by extrapolation of the lease production decline curves. Waterflood reserves are classified as PDP on these leases by virtue of the successful past operations in these, and regional analogous, reservoirs. Developed reserves are those expected to be recovered from existing wells (including reserves behind pipe). Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. The gross PDP reserves (November 1, 2015) of the subject leases are:

	Gross PDP Reserves			Working Interest PDP Reserves		Viking PDP Reserves	
Lease Name	**Cumulative Production to Date**	**Remaining Reserve**	**Ultimate Production**	**Net Revenue Interest % (Working Interest)**	**NRI Remaining Reserve**	**Viking % of Working Interest**	**Viking Reserve Balances**
HAHN	5,092	64,908	70,000	86.500%	56,145	32.299%	18,134
JOHNSTON	40,738	81,762	122,500	83.000%	67,862	84.041%	57,032
WILSON, EAST	16,346	153,654	170,000	83.000%	127,533	15.000%	19,130
WILSON, WEST	7,962	134,438	142,400	83.000%	111,584	55.003%	61,375
	70,138	434,762	504,900		363,124		155,671

The following table summarizes PDP projected revenues, expenses and discounted cash flows for the HAHN lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Hahn Lease
Proved, Developed, Producing Reserves - (PDP)

Year	**Number of Wells**	**Volume (mbbl)**	**Price ($/bbl)**	**Revenue (m$)**	**Sev + Adv Taxes (m$)**	**Net Operating Expenses (m$)**	**Capital Outlay (m$)**	**Annual Cash Flow (m$)**	**Cumulative Discounted Cash Flow at 10% (m$)**
2015	14	0.184	39.68	7.318	0.073	2.035	-	5.210	5.168
2016	14	1.450	44.55	64.579	0.646	12.209	-	51.724	53.708
2017	14	1.475	48.43	71.439	0.714	12.209	-	58.515	103.629
2018	14	1.367	51.03	69.753	0.698	12.209	-	56.846	147.717
2019	14	1.261	52.87	66.684	0.667	12.209	-	53.808	185.655
2020	14	1.164	54.08	62.952	0.630	12.209	-	50.114	217.776
2021	14	1.074	56.25	60.409	0.604	12.209	-	47.596	245.510
2022	14	0.991	58.00	57.474	0.575	12.209	-	44.691	269.183
2023	14	0.915	58.00	53.053	0.531	12.209	-	40.313	288.597
2024	14	0.844	58.00	48.932	0.489	12.209	-	36.233	304.459
2025	14	0.779	58.00	45.166	0.452	12.209	-	32.506	317.396
2026	14	0.719	58.00	41.682	0.417	12.209	-	29.056	327.909
2027	14	0.663	58.00	38.460	0.385	12.209	-	25.866	336.417
2028	14	0.611	58.00	35.462	0.355	12.209	-	22.899	343.264
2029	14	0.565	58.00	32.746	0.328	12.209	-	20.209	348.758
2030	14	0.521	58.00	30.198	0.302	12.209	-	17.687	353.129
2031	14	0.481	58.00	27.875	0.279	12.209	-	15.388	356.586
2032	14	0.444	58.00	25.740	0.257	12.209	-	13.273	359.297
2033	14	0.409	58.00	23.717	0.237	12.209	-	11.270	361.389
2034	14	0.378	58.00	21.899	0.219	12.209	-	9.471	362.988
Sub-Total		16.293	54.35	885.538	8.856	234.006	-	642.676	362.988
Remaining		1.841	58.00	106.799	1.068	79.672	-	26.059	366.444
Total		18.134	54.72	992.337	9.924	313.678	-	668.735	366.444

Table of Contents

The following table summarizes PDP projected revenues, expenses and discounted cash flows for the JOHNSTON lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Johnston Lease
Proved, Developed, Producing Reserves - (PDP)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	29	0.490	39.68	19.442	0.194	10.967	-	8.280	8.214
2016	29	5.085	44.55	226.551	2.266	65.804	-	158.481	156.939
2017	29	6.721	48.43	325.486	3.255	65.804	-	256.427	375.704
2018	29	5.390	51.03	275.072	2.751	65.804	-	206.517	535.871
2019	29	4.200	52.87	222.029	2.220	65.804	-	154.005	644.453
2020	29	3.506	54.08	189.615	1.896	65.804	-	121.915	722.596
2021	29	3.043	56.25	171.176	1.712	65.804	-	103.660	782.998
2022	29	2.709	58.00	157.101	1.571	65.804	-	89.726	830.528
2023	29	2.453	58.00	142.283	1.423	65.804	-	75.056	866.673
2024	29	2.250	58.00	130.487	1.305	65.804	-	63.378	894.419
2025	29	2.085	58.00	120.933	1.209	65.804	-	53.920	915.879
2026	29	1.946	58.00	112.891	1.129	65.804	-	45.958	932.506
2027	29	1.830	58.00	106.115	1.061	65.804	-	39.250	945.416
2028	29	1.728	58.00	100.217	1.002	65.804	-	33.411	955.407
2029	29	1.640	58.00	95.148	0.951	65.804	-	28.392	963.125
2030	29	1.562	58.00	90.615	0.906	65.804	-	23.905	969.032
2031	29	1.493	58.00	86.618	0.866	65.804	-	19.947	973.513
2032	29	1.431	58.00	83.011	0.830	65.804	-	16.376	976.858
2033	29	1.376	58.00	79.794	0.798	65.804	-	13.192	979.307
2034	29	1.324	58.00	76.820	0.768	65.804	-	10.248	981.037
Sub-Total		52.263	53.79	2,811.403	28.113	1,261.245	-	1,522.044	981.037
Remaining		4.768	58.00	276.523	2.765	257.225	-	16.533	983.392
Total		57.031	54.14	3,087.926	30.878	1,518.470	-	1,538.577	983.392

The following table summarizes PDP projected revenues, expenses and discounted cash flows for the WILSON, EAST lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Wilson, East Lease
Proved, Developed, Producing Reserves - (PDP)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	43	0.115	39.68	4.553	0.046	2.903	-	1.605	1.592
2016	43	1.075	44.55	47.893	0.479	17.415	-	30.000	29.745
2017	43	1.530	48.43	74.083	0.741	17.415	-	55.928	77.458
2018	43	1.455	51.03	74.241	0.742	17.415	-	56.084	120.955
2019	43	1.347	52.87	71.224	0.712	17.415	-	53.097	158.391
2020	43	1.247	54.08	67.435	0.674	17.415	-	49.346	190.020
2021	43	1.155	56.25	64.943	0.650	17.415	-	46.879	217.336
2022	43	1.069	58.00	61.996	0.620	17.415	-	43.961	240.623
2023	43	0.990	58.00	57.394	0.574	17.415	-	39.405	259.599
2024	43	0.916	58.00	53.131	0.531	17.415	-	35.185	275.003
2025	43	0.848	58.00	49.190	0.492	17.415	-	31.283	287.453
2026	43	0.785	58.00	45.545	0.455	17.415	-	27.674	297.466
2027	43	0.727	58.00	42.160	0.422	17.415	-	24.324	305.466
2028	43	0.673	58.00	39.028	0.390	17.415	-	21.223	311.812
2029	43	0.623	58.00	36.140	0.361	17.415	-	18.363	316.804
2030	43	0.577	58.00	33.452	0.335	14.175	-	18.942	321.485
2031	43	0.534	58.00	30.972	0.310	14.175	-	16.487	325.188
2032	43	0.494	58.00	28.675	0.287	14.175	-	14.213	328.091
2033	43	0.458	58.00	26.544	0.266	14.175	-	12.103	330.338
2034	43	0.424	58.00	24.578	0.246	14.175	-	10.157	332.053
Sub-Total		17.040	54.76	933.177	9.332	317.588	-	606.257	332.053
Remaining		2.089	58.00	121.182	1.212	92.457	-	27.514	335.712
Total		19.130	55.12	1,054.359	10.544	410.044	-	633.771	335.712

The following table summarizes PDP projected revenues, expenses and discounted cash flows for the WILSON, WEST lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Wilson, West Lease
Proved, Developed, Producing Reserves - (PDP)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	53	0.372	39.68	14.754	0.147	13.118	-	1.488	1.477
2016	53	4.056	44.55	180.716	1.807	78.709	-	100.199	95.507
2017	53	6.812	48.43	329.884	3.299	78.709	-	247.876	306.976
2018	53	6.494	51.03	331.399	3.314	78.709	-	249.376	500.384
2019	53	5.787	52.87	305.981	3.060	78.709	-	224.212	658.467
2020	53	5.155	54.08	278.776	2.788	78.709	-	197.279	784.916
2021	53	4.592	56.25	258.311	2.583	78.709	-	177.019	888.064
2022	53	4.091	58.00	237.253	2.372	78.709	-	156.172	970.792
2023	53	3.644	58.00	211.349	2.114	78.709	-	130.526	1033.649
2024	53	3.246	58.00	188.252	1.883	78.709	-	107.660	1080.781
2025	53	2.892	58.00	167.707	1.677	78.709	-	87.321	1115.533
2026	53	2.576	58.00	149.396	1.494	78.709	-	69.193	1140.568
2027	53	2.294	58.00	133.062	1.331	78.709	-	53.022	1158.008
2028	53	2.044	58.00	118.547	1.185	78.709	-	38.652	1169.566
2029	53	1.821	58.00	105.595	1.056	78.709	-	25.829	1176.587
2030	53	1.622	58.00	94.078	0.941	62.373	-	30.764	1184.189
2031	53	1.444	58.00	83.774	0.838	62.373	-	20.563	1188.809
2032	53	1.287	58.00	74.650	0.746	62.373	-	11.530	1191.164
2033	53	1.146	58.00	66.483	0.665	62.373	-	3.445	1191.803
2034	53	-	-	-	-	-	-	-	1191.803
Sub-Total		61.375	54.26	3,329.968	33.299	1,364.542	-	1,932.127	1191.803
Remaining		-	-	-	-	-	-	-	1191.803
Total		61.375	54.26	3,329.968	33.299	1,364.542	-	1,932.127	1191.803

Proved Undeveloped Reserves

The Proved Undeveloped (PUD) reserves were determined by analogy to existing wells on the evaluated leases, or to similar production in the area. Waterflood reserves are included. Undeveloped reserves are those expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects. The gross PUD reserves (November 1, 2015) of the subject leases are:

	Gross PUD Reserves			Working Interest PUD Reserves		Viking PUD Reserves	
Lease Name	**Cumulative Production to Date**	**Remaining Reserve**	**Ultimate Production**	**Net Revenue Interest % (Working Interest)**	**NRI Remaining Reserve**	**Viking % of Working Interest**	**Viking Reserve Balances**
HAHN	-	25,000	25,000	86.500%	21,625	32.299%	6,985
JOHNSTON	-	30,000	30,000	83.000%	24,900	84.041%	20,926
WILSON, EAST	-	30,000	30,000	83.000%	24,900	15.000%	3,735
WILSON, WEST	-	47,000	47,000	83.000%	39,010	55.003%	21,457
	-	132,000	132,000		110,435		53,103

The following table summarizes PUD projected revenues, expenses and discounted cash flows for the HAHN lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Hahn Lease
Proved Undeveloped Reserves - (PUD)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	5	-	39.68	-	-	0.000	22.609	(22.609)	(22.573)
2016	5	0.509	44.55	22.663	0.227	4.360	22.609	(4.533)	(27.278)
2017	5	0.511	48.43	24.746	0.247	4.360	-	20.139	(10.159)
2018	5	0.479	51.03	24.427	0.244	4.360	-	19.822	5.214
2019	5	0.445	52.87	23.514	0.235	4.360	-	18.919	18.553
2020	5	0.413	54.08	22.341	0.224	4.360	-	17.757	29.935
2021	5	0.384	56.25	21.584	0.216	4.360	-	17.008	39.845
2022	5	0.357	58.00	20.682	0.207	4.360	-	16.115	48.381
2023	5	0.331	58.00	19.183	0.192	4.360	-	14.631	55.427
2024	5	0.307	58.00	17.834	0.178	4.360	-	13.296	61.248
2025	5	0.286	58.00	16.560	0.166	4.360	-	12.034	66.037
2026	5	0.265	58.00	15.399	0.154	4.360	-	10.884	69.975
2027	5	0.246	58.00	14.294	0.143	4.360	-	9.790	73.196
2028	5	0.229	58.00	13.282	0.133	4.360	-	8.789	75.824
2029	5	0.213	58.00	12.327	0.123	4.360	-	7.843	77.956
2030	5	0.197	58.00	11.446	0.114	4.360	-	6.971	79.678
2031	5	0.183	58.00	10.641	0.106	4.360	-	6.174	81.065
2032	5	0.171	58.00	9.891	0.099	4.360	-	5.432	82.175
2033	5	0.158	58.00	9.179	0.092	4.360	-	4.727	83.052
2034	5	0.147	58.00	8.524	0.085	4.360	-	4.078	83.741
Sub-Total		5.830	54.63	318.516	3.185	82.847	45.218	187.266	83.741
Remaining		0.872	58.00	50.580	0.506	79.672	-	(29.597)	85.546
Total		6.702	55.07	369.096	3.691	162.519	45.218	157.669	85.546

The following table summarizes PUD projected revenues, expenses and discounted cash flows for the JOHNSTON lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Johnston Lease
Proved, Undeveloped Reserves - (PUD)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	5	-	39.68	-	-	-	-	-	-
2016	5	0.459	44.55	20.442	0.204	9.455	117.657	(106.873)	(103.037)
2017	5	1.931	48.43	93.531	0.935	11.346	-	81.250	(33.721)
2018	5	1.954	51.03	99.710	0.997	11.346	-	87.368	34.039
2019	5	1.811	52.87	95.752	0.957	11.346	-	83.449	92.876
2020	5	1.676	54.08	90.626	0.906	11.346	-	78.375	143.112
2021	5	1.550	56.25	87.172	0.872	11.346	-	74.954	186.787
2022	5	1.433	58.00	83.108	0.831	11.346	-	70.931	224.361
2023	5	1.326	58.00	76.918	0.769	11.346	-	64.803	255.568
2024	5	1.226	58.00	71.117	0.711	11.346	-	59.061	281.424
2025	5	1.135	58.00	65.804	0.658	11.346	-	53.801	302.836
2026	5	1.049	58.00	60.832	0.608	11.346	-	48.878	320.521
2027	5	0.971	58.00	56.299	0.563	11.346	-	44.390	335.121
2028	5	0.898	58.00	52.058	0.520	11.346	-	40.193	347.139
2029	5	0.830	58.00	48.159	0.482	11.346	-	36.332	357.015
2030	5	0.769	58.00	44.601	0.446	11.346	-	32.809	365.123
2031	5	0.710	58.00	41.188	0.412	11.346	-	29.431	371.734
2032	5	0.658	58.00	38.166	0.382	11.346	-	26.439	377.134
2033	5	0.541	58.00	31.391	0.314	10.060	-	21.017	381.057
2034	5	-	-	-	-	-	-	-	-
Sub-Total		20.926	55.28	1,156.875	11.567	201.043	117.657	826.608	381.057
Remaining		-	-	-	-	-	-	-	381.057
Total		20.926	55.28	1,156.875	11.567	201.043	117.657	826.608	381.057

Table of Contents

The following table summarizes PUD projected revenues, expenses and discounted cash flows for the WILSON, EAST lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Wilson, East Lease
Proved, Undeveloped Reserves - (PUD)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	5	-	39.68	-	-	-	25.200	(25.200)	(25.160)
2016	5	0.102	44.55	4.551	0.045	1.856	25.200	(22.551)	(46.903)
2017	5	0.354	48.43	17.151	0.171	2.025	-	14.955	(34.144)
2018	5	0.347	51.03	17.697	0.177	2.025	-	15.495	(22.127)
2019	5	0.321	52.87	16.979	0.170	2.025	-	14.784	(11.703)
2020	5	0.297	54.08	16.062	0.161	2.025	-	13.876	(2.809)
2021	5	0.275	56.25	15.458	0.155	2.025	-	13.278	4.928
2022	5	0.254	58.00	14.747	0.147	2.025	-	12.574	11.589
2023	5	0.235	58.00	13.633	0.136	2.025	-	11.472	17.114
2024	5	0.218	58.00	12.615	0.126	2.025	-	10.464	21.695
2025	5	0.201	58.00	11.667	0.117	2.025	-	9.525	25.485
2026	5	0.186	58.00	10.788	0.108	2.025	-	8.655	28.617
2027	5	0.172	58.00	9.988	0.100	2.025	-	7.863	31.203
2028	5	0.159	58.00	9.239	0.092	2.025	-	7.122	33.333
2029	5	0.147	58.00	8.535	0.085	2.025	-	6.424	35.079
2030	5	0.136	58.00	7.908	0.079	2.025	-	5.804	36.513
2031	5	0.126	58.00	7.308	0.073	2.025	-	5.210	37.684
2032	5	0.117	58.00	6.760	0.068	2.025	-	4.667	38.637
2033	5	0.087	58.00	5.063	0.051	1.627	-	3.386	39.271
2034	5	-	58.00	-	-	0.000	-	-	-
Sub-Total		3.735	55.20	206.148	2.062	35.883	50.400	117.804	39.271
Remaining		-	-	-	-	-	-	-	39.271
Total		3.735	55.20	206.148	2.062	35.883	50.400	117.804	39.271

Table of Contents

The following table summarizes PUD projected revenues, expenses and discounted cash flows for the WILSON, WEST lease as of November 1, 2015:

Projected Revenues and Discounted Cash Flows - Wilson, West Lease
Proved, Undeveloped Reserves - (PUD)

Year	Number of Wells	Volume (mbbl)	Price ($/bbl)	Revenue (m$)	Sev + Adv Taxes (m$)	Net Operating Expenses (m$)	Capital Outlay (m$)	Annual Cash Flow (m$)	Cumulative Discounted Cash Flow at 10% (m$)
2015	14	-	39.68	-	-	0.000	-	-	-
2016	14	0.661	44.55	29.429	0.294	17.326	213.412	(201.603)	(199.054)
2017	14	2.218	48.43	107.431	1.074	20.791	-	85.566	(126.056)
2018	14	2.183	51.03	111.402	1.114	20.791	-	89.497	(56.645)
2019	14	1.957	52.87	103.467	1.035	20.791	-	81.641	0.917
2020	14	1.752	54.08	94.770	0.948	20.791	-	73.031	47.727
2021	14	1.569	56.25	88.239	0.882	20.791	-	66.565	86.514
2022	14	1.404	58.00	81.413	0.814	20.791	-	59.808	118.196
2023	14	1.257	58.00	72.927	0.729	20.791	-	51.407	142.952
2024	14	1.125	58.00	65.239	0.652	20.791	-	43.796	162.125
2025	14	1.007	58.00	58.412	0.584	20.791	-	37.037	176.865
2026	14	0.901	58.00	52.287	0.523	20.791	-	30.973	188.071
2027	14	0.807	58.00	46.800	0.468	20.791	-	25.541	196.472
2028	14	0.723	58.00	41.919	0.419	20.791	-	20.709	202.664
2029	14	0.647	58.00	37.516	0.375	20.791	-	16.350	207.108
2030	14	0.579	58.00	33.561	0.336	14.851	-	18.374	211.649
2031	14	0.518	58.00	30.051	0.300	14.851	-	14.900	214.996
2032	14	0.464	58.00	26.893	0.269	14.851	-	11.773	217.401
2033	14	0.415	58.00	24.086	0.241	14.851	-	8.994	219.071
2034	14	0.372	58.00	21.566	0.216	14.851	-	6.499	220.168
Sub-Total		20.558	54.84	1,127.408	11.273	361.865	213.412	540.857	220.168
Remaining		0.898	58.00	52.064	0.520	44.55	-	6.991	221.196
Total		21.456	54.97	1,179.471	11.794	406.417	213.412	547.848	221.198

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the financial statements and notes thereto appearing elsewhere in this annual report on Form 10-Q. In preparing the management's discussion and analysis, the registrant presumes that you have read or have access to the discussion and analysis for the preceding fiscal year.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 or the Reform Act. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earning, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions of performance; and statements of belief; and any statements of assumptions underlying any of the foregoing. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: our ability to raise capital and the terms thereof; ability to gain an adequate player base to generate the expected revenue; competition with established gaming websites; adverse changes in government regulations or polices; and other factors referenced in this Form 10-Q.

The use in this Form 10-Q of such words as "believes", "plans", "anticipates", "expects", "intends", and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. These forward-looking statements present the Company's estimates and assumptions only as of the date of this Report. Except for the Company's ongoing obligation to disclose material information as required by the federal securities laws, the Company does not intend, and undertakes no obligation, to update any forward-looking statements.

Although the Company believes that the expectations reflected in any of the forward-looking statements are reasonable, actual results could differ materially from those projected or assumed or any of the Company's forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties.

PLAN OF OPERATIONS

Overview

Prior to the first quarter of 2016, the Company's business plan consisted of two strategies: (a) identifying target companies that were undergoing or anticipating periods of rapid growth to provide advisory and consulting services, and (b) identifying investments in oil and gas properties for future exploration and development. In November of 2014, the Company entered into its first contract relative to oil and gas activities involving jointly controlled assets and related liabilities by purchasing an undivided 50% interest in the Joffre project located in Alberta, Canada, as explained in note 4.

Commencing with the first quarter of 2016, the Company has determined that its singular business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties. Consistent with its refocused efforts, on February 23, 2016, the Company closed on the acquisition of working interests in four leases with access to the mineral rights (oil and gas) concerning approximately 281 acres of property in Miami and Franklin Counties in eastern Kansas.

Going Concern Qualification

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances; however there is no assurance of additional funding being available.

RESULTS OF CONTINUING OPERATIONS

The following discussion of the financial condition and results of operation of the Company for the three and nine months ended September 30, 2016 and 2015, should be read in conjunction with the audited consolidated financial statements and the notes thereto in the Company's Form 10-K for the year ended December 31, 2015.

Liquidity and Capital Resources

As of September 30, 2016 and December 31, 2015, the Company had $88,625 and $30,585 in cash holdings, respectively.

Three months ended September 30, 2016, compared to the three months ended September 30, 2015

Revenue

The Company had gross revenues of $105,426 for the three months ended September 30, 2016, representing its share of revenue from its 50% undivided interest in the Joffre Property as well as the new revenues from the investment in the oil properties in Kansas, as compared to $32,425 for the three months ended September 30, 2015, which only represented revenue from the Joffre Property. This revenue from the Joffre Property comes from the first two oil wells in the project which began producing during April of 2015, and the revenue from the Kansas property comes from four leases.

Expenses

The Company's operating expenses increased by $229,982 to $451,093 for the three-month period ended September 30, 2016, from $221,111 in the corresponding period in 2015. The increase was mainly due to stock based compensation of $172,219 as well as depreciation, depletion and amortization costs associated with ownership of oil and gas properties, as compared to the three months ended September 30, 2015.

Other Income and Expense

The Company's interest expense increased by $404,306 to $542,107 for the three months ended September 30, 2016, as compared to $137,801 for the three months ended September 30, 2015. This large increase in interest cost is reflective of the increase in debt associated with the Company's growth strategy relative to oil and gas property acquisitions. This expense item is expected to go down as the Company anticipates replacing debt with unfavorable terms. The Company also had a gain on derivatives of $2,765,013 as compared to a derivative loss of $36,424 for the three months ended September 30, 2015.

Net Loss

The Company incurred a net comprehensive income of $1,873,845 during the three-month period ended September 30, 2016, compared with a net comprehensive loss of $367,331 for the three-month period ended September 30, 2015. The increase in Net comprehensive income was mainly due to the items referred to in the analysis of operating expenses and other income.

Nine months ended September 30, 2016, compared to the nine months ended September 30, 2015

Revenue

The Company had gross revenues of $232,013 for the nine months ended September 30, 2016, representing its share of revenue from its 50% undivided interest in the Joffre Property as well as the new revenues from the investment in the oil properties in Kansas, as compared to $64,448 for the nine months ended September 30, 2015, which only represented revenue from the Joffre project.

Expenses

The Company's operating expenses increased by $716,312 to $1,290,116 for the nine month period ended September 30, 2016, from $573,804 in the corresponding period in 2015. The increase was mainly due to stock based compensation of $578,363 for the nine months ended September 30, 2016 as compared to 108,000 for the prior year. Additionally is the increase in both lease operating costs and depletion expense as production from the wells increases.

Other Income and Expense

The Company's interest expense increased by $1,770,313 to $1,966,015 for the nine months ended September 30, 2016, as compared to $195,702 for the nine months ended September 30, 2015. This large increase in interest cost is reflective of the increase in debt associated with the Company's growth strategy relative to oil and gas property acquisitions, which also created a large amortization of debt discount. This expense item is expected to go down as the Company anticipates replacing debt with unfavorable terms. The Company also had a gain on the settlement of debt associated with professional services in the amount of $75,000 during the nine months ended September 30, 2016, and a gain on derivatives of $833,418 as compared to a derivative gain of $77,682 for the nine months ended September 30, 2015.

Net Loss

The Company incurred a net comprehensive loss of $1,967,037 during the nine month period ended September 30, 2016, compared with a net comprehensive loss of $1,047,211 for the nine month period ended September 30, 2015. The increase in net loss was mainly due to the items referred to in the analysis of operating expenses and other income.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company has adopted various accounting policies that govern the application of accounting principles generally accepted in the United States of America in the preparation of the Company's financial statements which requires it to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Although these estimates are based on management's knowledge of current events and actions the Company may undertake in the future, the final results may ultimately differ from actual results. Certain accounting policies involve significant judgments and assumptions, which have a material impact on the Company's financial condition and results. Management believes its critical accounting policies reflect its most significant estimates and assumptions used in the presentation of the Company's financial statements. The Company's critical accounting policies include debt management and accounting for stock-based compensation. The Company does not have off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities."

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company does not currently maintain controls and procedures that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified by the Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Company’s Chief Executive Officer, the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2016, have been evaluated, and, based upon this evaluation, the Company’s Chief Executive Officer has concluded that these controls and procedures are not effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

Management and directors will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and the Company's internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. There were no changes in internal control over financial reporting during the quarter ended September 30, 2016.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The disclosure in Items 4.01 and 4.02 of the Company's Current Report on Form 8-K/A filed on November 18, 2016, is incorporated by reference herein regarding the resignation of the Company's former independent registered public accounting firm.

ITEM 1A. RISK FACTORS

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On August 3, 2015, the Company issued 421,571 restricted shares of common stock in settlement and cancellation of $30,000 of accrued payroll, and 2,000,000 and 872,871 restricted shares of common stock in settlement and cancellation of a total of $201,101 of amounts owed to directors.

On November 18, 2015, the Company issued 1,000,000 restricted shares of its common stock in conjunction with a one-year consulting agreement, at a cost of $0.165 per share, the current fair market value at the time of agreement.

On November 23, 2015, a convertible note holder elected to convert $4,200 of the principal amount of the convertible note dated May 22, 2015, into 100,000 shares of the Company's common stock in accordance with the convertible note agreement.

On December 1, 2015, a convertible note holder elected to convert $8,400 of the principal amount of the convertible note dated May 22, 2015, into 200,000 shares of the Company's common stock in accordance with the convertible note agreement.

On December 24, 2015, a convertible note holder elected to convert $8,400 of the principal amount of the convertible note dated May 22, 2015, into 250,000 shares of the Company's common stock in accordance with the convertible note agreement.

On January 12, 2016, the Company issued 300,926 common shares for convertible debt in the amount of $10,111.

On March 16, 2016, the Company issued 1,000,000 common shares for services, valued at $40,000.

As of February 1, 2016, the Company authorized the issuance of 9,650,000 common shares as part of the consideration for the acquisition of the Oil and Gas investment made at that time.

On March 21, 2016, the Company executed two one-year consulting agreements requiring the issuance of 2,000,000 common shares for each contract. Both of these contracts were terminated, the shares were returned to the Company, and were cancelled in August 2016.

On March 21, 2016, the Company executed a one-year advisory services agreement requiring the issuance of 1,000,000 common shares for the contract. The shares are to be issued as 375,002 upon execution of the contract, with 56,818 shares being issued at the beginning of each month for the remaining eleven months. The Company has determined to account for all 1,000,000 common shares valued at $0.16 per share upon execution of the agreement as prepaid equity-based compensation to be amortized over the term of the contract. As of September 30, 2016, 284,090 shares remain unissued, and are accounted for as issuable.

As of April 29, 2016, the Company, pursuant to a securities purchase agreement, sold 1,250,000 shares of its common stock at $0.15 per share.

On September 28, 2016, the Company issued 2,400,000 common shares, at the current market value of $288,000 as a portion of the purchase price of additional oil and gas properties acquired on October 4, 2016. This amount is included as a deposit in other assets as of September 30, 2016.

During September 2016, the Company negotiated the payment of certain convertible notes, and committed to the issuance of 375,000 common shares at the current market value of $52,500 as additional interest. These shares have not been issued as of the date of this report, and are accounted for as issuable at September 30, 2016.

As of September 30, 2016, the Company, pursuant to a securities purchase agreement, sold $1,337,500 shares of its common stock at $0.15 per share.

The securities identified in this Item were originally or will be issued pursuant to exemptions from registration requirements relying on Section 4(a)(2) of the Securities Act of 1933 and upon Rule 506 of Regulation D of the Securities Act of 1933 as there was no general solicitation, and the transactions did not involve a public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

Table of Contents

ITEM 6. EXHIBITS

Number	Description
3.1	Articles of Incorporation (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on October 14, 2008)
3.2	Bylaws (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on October 14, 2008)
3.3	Certificate of Amendment to Articles of Incorporation (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on May 23, 2012)
10.1	Purchase and Sale, Petroleum and Natural Gas Conveyance Agreement with Tanager Energy Inc. dated November 3, 2014 (incorporated by reference to our Current Report on Form 8-K filed on November 10, 2014)
10.2	Purchase, Sale and Capital Contribution Agreement effective February 1, 2016 (incorporated by reference to our Annual Report on Form 10-K/A filed on May 16, 2016)
31.1*	Certification of Principal Executive Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
99.1	Guaranty and Repurchase Agreement dated April 11, 2012 (incorporated by reference to our Annual Report on Form 10-K filed on April 18, 2013)
99.2	Repurchase Agreement dated April 15, 2013 (incorporated by reference to our Annual Report on Form 10-K filed on April 18, 2013)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* to be filed or furnished by amendment.

ITEM 7. OFF BALANCE-SHEET ARRANGEMENTS

None.

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VIKING INVESTMENTS GROUP, INC.
(Registrant)

Date: November 21, 2016

By: */s/ James Doris*
James Doris
Principal Executive Officer

In accordance with the Securities Exchange Act this report has been signed below by the following person(s) on behalf of the registrant and in the capacities and on the dates indicated.

Date: November 21, 2016

By: */s/ Tom Simeo*
Tom Simeo
Principal Financial and Accounting Officer