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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: **December 31, 2019**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission File Number: **000-29219**

VIKING ENERGY GROUP, INC.

(Formerly Viking Investments Group, Inc.)
(Exact name of registrant as specified in its charter)

Nevada	**98-0199508**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

15915 Katy Freeway, Suite 450
Houston, TX 77094
(Address of principal executive offices)

(281) 404-4387
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Not applicable.	Note applicable.	Not applicable.

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.001

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes☐ No ☒

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

As of June 30, 2019, the aggregate market value of the shares of the registrant's common equity held by non-affiliates was approximately $16,740,719, using the June 30, 2019 closing price of the Registrant's common stock of $0.19/share. Shares of the registrant's common stock held by each executive officer and director and by each person who beneficially owns 10 percent or more of the registrant’s outstanding common stock have been excluded in that such persons may be deemed to be "affiliates" of the registrant for purposes of the above calculation. This determination of affiliate status is not a conclusive determination for other purposes.

The number of shares of the Registrant's common stock outstanding as of March 16, 2020, was 126,127,314.

NOTE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements that constitute "forward-looking statements." These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology like "believes," "anticipates," "expects," "estimates," "may," or similar terms. These statements appear in a number of places in this annual report and include statements regarding the Company's intent, belief or current expectations and those of its directors or officers with respect to, among other things:(i) trends affecting its financial condition or results of operations, (ii) its business and growth strategies, and (iii) its financing plans. You are cautioned that forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Factors that could adversely affect actual results and performance include, among others, the Company's need for additional capital, its history of losses, the intense competition the Company faces in its business, the fact that its stock is a "penny stock" and the other material risks described under "Risk Factors". The accompanying information contained in this annual report, including, without limitation, the information set forth under the heading "Item 1. Business" identifies important additional factors that could materially adversely affect actual results and performance. You are urged to carefully consider these factors. All forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statement.

Table of Contents

Table of Contents

PART I

Item 1. Business

Viking Energy Group, Inc., is sometimes referred to hereinafter as "Viking Energy" or the "Company." The Company was incorporated under the laws of the State of Florida on May 3, 1989 and remained inactive until June 27, 1998. After several name changes, the Company merged with and into a wholly-owned subsidiary, SinoCubate, Inc., which was formed in the State of Nevada on September 11, 2008. The merger resulted in a change of name to SinoCubate, Inc., and a change in the state of incorporation of the Company 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." On March 17, 2017, the Company changed its name to Viking Energy Group, Inc.

The Company's business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through collaborative partnerships with other companies in this field of endeavor. On March 8, 2016, the Company incorporated a wholly owned subsidiary, Viking Oil & Gas (Canada) ULC, in Alberta, Canada, to hold its Canadian oil and gas interests. On August 30, 2016, the Company organized a wholly owned subsidiary, Mid-Con Petroleum, LLC (“Mid-Con Petroleum”), a Kansas limited liability company, to hold oil and gas interests in the central United States. On August 25, 2017, the Company organized another wholly owned subsidiary, Mid-Con Drilling, LLC (“Mid-Con Drilling”), a Kansas limited liability company, to hold additional oil and gas interests in the central United States. On December 27, 2017, the Company organized a third wholly owned subsidiary, Mid-Con Development, LLC (“Mid-Con Development”), a Kansas limited liability company, to hold additional oil and gas interests in the central United States. In 2016 and 2017, the Company acquired oil and gas interests in Kansas through these subsidiaries, and in December of 2017, the Company acquired Petrodome Energy, LLC, a Texas limited liability company based in Houston, Texas, with interests in oil and gas leases in Texas, Louisiana and Mississippi. During November, 2018, the Company organized created, Ichor Energy Holdings, LLC, (a Nevada limited liability company), Ichor Energy, LLC (a Nevada limited liability company), Ichor Energy (TX), LLC (a Texas limited liability company), and Ichor

Energy (LA), LLC (a Louisiana limited liability company) to facilitate the acquisition and ownership of additional oil and gas interests in Texas and Louisiana. On December 28, 2018, the Company completed an acquisition of additional oil and gas interests in Texas and Louisiana,and in connection therewith: (i) Ichor Energy (LA), LLC, a wholly-owned subsidiary of Ichor Energy LLC, acquired all of the purchased assets located in Louisiana; and (ii) Ichor Energy (TX), LLC, an initially wholly-owned subsidiary of Ichor Energy, acquired all of the purchased assets located in Texas. . On February 3, 2020, the Company completed an acquisition of additional oil and gas interests in Texas and Louisiana through a partially owned Nevada subsidiary, Elysium Energy Holdings, LLC.

On February 3, 2020, the Company entered into an Agreement and Plan of Merger with Camber Energy, Inc. (NYSE American: CEI). The Merger Agreement provides that a newly-formed wholly-owned subsidiary of Camber will merge with and into Viking, with Viking surviving the merger as a wholly-owned subsidiary of Camber. The proposed merger contemplates Camber issuing newly-issued shares of common stock, with the equity holders of Viking having an 80% interest in the post-closing entity. The merger, if completed, will provide the opportunity for our common stock to be listed on the NYSE American. Listing on the NYSE American could improve awareness and support a more robust capital market for existing and new shareholders of both company's

Table of Contents

Other Information

Neither the Company nor any of its subsidiaries engaged in any research and development activities during 2018. The Company does not manufacture any products or engage in any activity that requires compliance with environmental laws except as described elsewhere herein.

Employees

The Company now has 10 full time employees, all working at the Company's office in Houston, Texas. Outside of the Houston operation the Company continues to retain outside consultants as needed, involved in business development, business analysis, financial consulting, web programming and designing, execution and support of the Company's business.

Reports to Securities Holders

The Company provides its annual report that includes its audited financial information to its shareholders upon written request. The Company also makes its financial information equally available to any interested parties or investors through compliance with the disclosure rules of the Exchange Act. The Company is subject to disclosure filing requirements including filing Form 10-K's annually and Form 10-Q's quarterly. In addition, the Company files Form 8-K and other proxy and information statements from time to time as required.

The public may read and copy any materials that the Company files with the SEC at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Item 1A. Risk Factors

The Company, as a smaller reporting company (as defined by Rule 12b-2 of the Exchange Act), is not required to furnish information required by this item. However, the following important factors among others, could cause our actual operating results to differ materially from those indicated or suggested by forward-looking statements made in this Form 10-K or presented elsewhere by management from time to time.

There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors could lose all or part of their investment.

Oil and gas price fluctuations in the market may adversely affect the results of our operations.

Our profitability, cash flows and the carrying value of our oil and natural gas properties are highly dependent upon the market prices of oil and natural gas. A significant portion of our sales of oil and natural gas, if any, are made in the spot market, or pursuant to contracts based on spot market prices, and not pursuant to long-term, fixed-price contracts. Accordingly, the prices received for our oil and natural gas production are dependent upon numerous factors beyond our control. These factors include the level of consumer product demand, governmental regulations and taxes, the price and availability of alternative fuels, the level of foreign imports of oil and natural gas and the overall economic environment.

Historically, the oil and natural gas markets have proven cyclical and volatile as a result of factors that are beyond our control. Any additional declines in oil and natural gas prices or any other unfavorable market conditions could have a material adverse effect on our financial condition.

Table of Contents

Actual quantities of recoverable oil and gas reserves and future cash flows from those reserves most likely will vary from our estimates.

Estimating accumulations of oil and gas is complex. The process relies on interpretations of available geological, geophysical, engineering and production data. The extent, quality and reliability of this data can vary. The process also requires certain economic assumptions, some of which are mandated by the SEC, such as oil and gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. The accuracy of a reserve estimate is a function of:

- the quality and quantity of available data;
- the interpretation of that data;
- the accuracy of various mandated economic assumptions; and
- the judgment of the persons preparing the estimate.

Estimates of proved reserves prepared by others might differ materially from our estimates. Actual quantities of recoverable oil and gas reserves, future production, oil and gas prices, revenues, taxes, development expenditures and operating expenses most likely will vary from our estimates. Any significant variance could materially affect the quantities and net present value of our reserves. In addition, we may adjust estimates of proved reserves to reflect production history, results of exploration and development and prevailing oil and gas prices. Our reserves also may be susceptible to drainage by operators on adjacent properties.

Our operations will require significant expenditures of capital that may not be recovered.

We require significant expenditures of capital to locate and develop producing properties and to drill exploratory and exploitation wells. In conducting exploration, exploitation and development activities for a particular well, the presence of unanticipated pressure or irregularities in formations, miscalculations or accidents may cause our exploration, exploitation, development and production activities to be unsuccessful, potentially resulting in abandonment of the well. This could result in a total loss of our investment. In addition, the cost and timing of drilling, completing and operating wells is difficult to predict.

Compliance with, or breach of, environmental laws can be costly and could limit our operations.

Our operations will be subject to numerous and frequently changing laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Any properties we might own for the exploration and production of oil and gas and the wastes disposed on these properties may be subject to the Comprehensive Environmental Response, Compensation and Liability Act, the Oil Pollution Act of 1990, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, similar state laws, and similar Canadian laws. Under such laws, we could be required to remove or remediate previously released wastes or property contamination. Laws and regulations protecting the environment have generally become more stringent and may, in some cases, impose "strict liability" for environmental damage. Strict liability means that we may be held liable for damage without regard to whether we were negligent or otherwise at fault. Environmental laws and regulations may expose us to liability for the conduct of or conditions caused by others or for acts that were in compliance with all applicable laws at the time they were performed. Failure to comply with these laws and regulations may result in the imposition of administrative, civil and criminal penalties.

Although we believe that our operations are in substantial compliance with existing requirements of governmental bodies, our ability to conduct continued operations is subject to satisfying applicable regulatory and permitting controls. Our current permits and authorizations and ability to get future permits and authorizations may be susceptible on a going forward basis, to increased scrutiny, greater complexity resulting in increased costs, or delays in receiving appropriate authorizations.

We are subject to changing laws and regulations and other governmental actions that can significantly and adversely affect our business.

Federal, state, local, territorial and foreign laws and regulations relating to tax increases and retroactive tax claims, disallowance of tax credits and deductions, expropriation or nationalization of property, mandatory government participation, cancellation or amendment of contract rights, and changes in import and export regulations, limitations on access to exploration and development opportunities, as well as other political developments may adversely affect our operations.

The oil and gas we produce may not be readily marketable at the time of production.

Crude oil, natural gas, condensate and other oil and gas products are generally sold to other oil and gas companies, government agencies and other industries. The availability of ready markets for oil and gas that we might discover and the prices obtained for such oil and gas depend on many factors beyond our control, including:

- the extent of local production and imports of oil and gas,
- the proximity and capacity of pipelines and other transportation facilities,
- fluctuating demand for oil and gas,
- the marketing of competitive fuels, and
- the effects of governmental regulation of oil and gas production and sales.

Natural gas associated with oil production is often not marketable due to demand or transportation limitations and is often flared at the producing well site. Pipeline facilities do not exist in certain areas of exploration and, therefore, we intend on utilizing trucks to transport any oil that is discovered.

The price of oil and natural gas has historically been volatile. If it were to decrease substantially, our projections, budgets and revenues would be adversely affected, potentially forcing us to make changes in our operations.

Our future financial condition, results of operations and the carrying value of any oil and natural gas interests we acquire will depend primarily upon the prices paid for oil and natural gas production. Oil and natural gas prices historically have been volatile and likely will continue to be volatile in the future, especially given current world geopolitical conditions. Our cash flows from operations are highly dependent on the prices that we receive for oil and natural gas. This price volatility also affects the amount of our cash flows available for capital expenditures and our ability to borrow money or raise additional capital. The prices for oil and natural gas are subject to a variety of additional factors that are beyond our control. These factors include:

- the level of consumer demand for oil and natural gas;
- the domestic and foreign supply of oil and natural gas;
- the ability of the members of the Organization of Petroleum Exporting Countries ("OPEC") to agree to and maintain oil price and production controls;
- the price of foreign oil and natural gas;
- domestic governmental regulations and taxes;
- the price and availability of alternative fuel sources;
- weather conditions;
- market uncertainty due to political conditions in oil and natural gas producing regions, including the Middle East; and
- worldwide economic conditions.

These factors as well as the volatility of the energy markets generally make it extremely difficult to predict future oil and natural gas price movements with any certainty. Declines in oil and natural gas prices affect our revenues, and could reduce the amount of oil and natural gas that we can produce economically. Accordingly, such declines could have a material adverse effect on our financial condition, results of operations, oil and natural gas reserves and the carrying values of our oil and natural gas properties. If the oil and natural gas industry experiences significant price declines, we may be unable to make planned expenditures, among other things. If this were to happen, we may be forced to abandon or curtail our business operations, which would cause the value of an investment in us to decline in value, or become worthless.

Because of the inherent dangers involved in oil and gas operations, there is a risk that we may incur liability or damages as we conduct our business operations, which could force us to expend a substantial amount of money in connection with litigation and/or a settlement.

The oil and natural gas business involves a variety of operating hazards and risks such as well blowouts, pipe failures, casing collapse, explosions, uncontrollable flows of oil, natural gas or well fluids, fires, spills, pollution, releases of toxic gas and other environmental hazards and risks. These hazards and risks could result in substantial losses to us from, among other things, injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. In addition, we may be liable for environmental damages caused by previous owners of property purchased and leased by us. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could reduce or eliminate the funds available for exploration, development or acquisitions or result in the loss of our properties and/or force us to expend substantial monies in connection with litigation or settlements. We currently have no insurance to cover such losses and liabilities, and even if insurance is obtained, there can be no assurance that it will be adequate to cover any losses or liabilities. We cannot predict the availability of insurance or the availability of insurance at premium levels that justify our purchase. The occurrence of a significant event not fully insured or indemnified against could materially and adversely affect our financial condition and operations. We may elect to self-insure if management believes that the cost of insurance, although available, is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event not fully covered by insurance could have a material adverse effect on our financial condition and results of operations, which could lead to any investment in us becoming worthless.

[Table of Contents](#)

We may encounter operating hazards that may result in substantial losses.

We will be subject to operating hazards normally associated with the exploration and production of oil and gas, including hurricanes, blowouts, explosions, oil spills, cratering, pollution, earthquakes, labor disruptions and fires. The occurrence of any such operating hazards could result in substantial losses to us due to injury or loss of life and damage to or destruction of oil and gas wells, formations, production facilities or other properties. We do not maintain insurance coverage for matters that may adversely affect our operations, including war, terrorism, nuclear reactions, government fines, treatment of waste, blowout expenses, wind damage and business interruptions. Losses and liabilities arising from uninsured or underinsured events could reduce our revenues or increase our costs. There can be no assurance that any insurance we do obtain will be adequate to cover losses or liabilities associated with operational hazards. We cannot predict the continued availability of insurance, or its availability at premium levels that justify its purchase.

We face strong competition from larger oil and gas companies, which could result in adverse effects on our business.

The petroleum exploration and production business is highly competitive. Many of our competitors have substantially larger financial resources, staffs and facilities. Our competitors in the United States and Canada include numerous major oil and gas exploration and production companies. Additionally, other companies engaged in our line of business may compete with us from time to time in obtaining capital from investors. Competitors include larger companies which, in particular, may have access to greater resources, may be more successful in the recruitment and retention of qualified employees and may conduct their own refining and petroleum marketing operations, which may give them a competitive advantage. Actual or potential competitors may be strengthened through the acquisition of additional assets and interests. Additionally, there are numerous companies focusing their resources on creating fuels and/or materials which serve the same purpose as oil and gas, but are manufactured from renewable resources.

Our estimates of the volume of reserves could have flaws, or such reserves could turn out not to be commercially extractable. as a result, our future revenues and projections could be incorrect.

Estimates of reserves and of future net revenues prepared by different petroleum engineers may vary substantially depending, in part, on the assumptions made and may be subject to adjustment either up or down in the future. Our actual amounts of production, revenue, taxes, development expenditures, operating expenses, and quantities of recoverable oil and gas reserves may vary substantially from the estimates. Oil and gas reserve estimates are necessarily inexact and involve matters of subjective engineering judgment. In addition, any estimates of our future net revenues and the present value thereof are based on assumptions derived in part from historical price and cost information, which may not reflect current and future values, and/or other assumptions made by us that only represent our best estimates. If these estimates of quantities, prices and costs prove inaccurate, we may be unsuccessful in expanding our oil and gas reserves base with our acquisitions. Additionally, if declines in and instability of oil and gas prices occur, then write downs in the capitalized costs associated with any oil and gas assets we obtain may be required. Because of the nature of the estimates of our reserves and estimates in general, we can provide no assurance that reductions to our estimated proved oil and gas reserves and estimated future net revenues will not be required in the future, and/or that our estimated reserves will be present and/or commercially extractable. If our reserve estimates are incorrect, the value of our common stock could decrease and we may be forced to write down the capitalized costs of our oil and gas properties.

Our business will suffer if we cannot obtain or maintain necessary licenses.

Our operations will require licenses, permits and in some cases renewals of licenses and permits from various governmental authorities. Our, or our partners', ability to obtain, sustain or renew such licenses and permits on acceptable terms is subject to change in regulations and policies and to the discretion of the applicable governments, among other factors. Our inability to obtain, or our loss of or denial of extension of, any of these licenses or permits could hamper our ability to produce revenues from our operations.

Our operations may be subject to various litigation matters in the future that could have an adverse effect on our business.

From time to time we may become a defendant in various litigation matters. The nature of our operations exposes us to further possible litigation claims, including litigation relating to climate change in the future. There is risk that any matter in litigation could be adversely decided against us regardless of our belief, opinion and position, which could have a material adverse effect on our financial condition and results of operations. Litigation is highly costly and the costs associated with defending litigation could also have a material adverse effect on our financial condition.

We may be affected by global climate change or by legal, regulatory, or market responses to such change.

The growing political and scientific sentiment is that increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere are influencing global weather patterns. Changing weather patterns, along with the increased frequency or duration of extreme weather conditions, could impact the availability or increase the cost to produce our products. Additionally, the sale of our products can be impacted by weather conditions.

Concern over climate change, including global warming, has led to legislative and regulatory initiatives directed at limiting greenhouse gas emissions. For example, proposals that would impose mandatory requirements on greenhouse gas emissions continue to be considered by policy makers in the provinces, states or territories where we operate. Laws enacted that directly or indirectly affect our oil and gas production could impact our business and financial results.

Table of Contents

If oil or natural gas prices decrease or drilling efforts are unsuccessful, we may be required to record writedowns of our oil and natural gas properties.

We could be required to write down the carrying value of certain of our oil and natural gas properties. Write-downs may occur when oil and natural gas prices are low, or if we have downward adjustments to our estimated proved reserves, increases in our estimates of operating or development costs, deterioration in drilling results or mechanical problems with wells where the cost to re-drill or repair is not supported by the expected economics.

Accounting rules require that the carrying value of oil and natural gas properties be periodically reviewed for possible impairment. Under the full cost method of accounting, capitalized oil and natural gas property costs less accumulated depletion, net of deferred income taxes, may not exceed a ceiling amount equal to the present value, discounted at 10%, of estimated future net revenues from proved oil and natural gas reserves plus the cost of unproved properties not subject to amortization (without regard to estimates of fair value), or estimated fair value, if lower, of unproved properties that are subject to amortization. Should capitalized costs exceed this ceiling, which is tested on a quarterly basis, an impairment is recognized. While an impairment charge reflects our long-term ability to recover an investment, reduces our reported earnings and increases our leverage ratios, it does not impact cash or cash flow from operating activities.

Our future success depends on our ability to replace reserves that are produced.

Because the rate of production from oil and natural gas properties generally declines as reserves are depleted, our future success depends upon our ability to economically find or acquire and produce additional oil and natural gas reserves. Except to the extent that we acquire additional properties containing proved reserves, conduct successful exploration and development activities, or, through engineering studies, identify additional behind-pipe zones or secondary recovery reserves, our proved reserves will decline as our reserves are produced. Future oil and natural gas production, therefore, is highly dependent upon our level of success in acquiring or finding additional reserves that are economically recoverable. We cannot assure you that we will be able to find or acquire and develop additional reserves at an acceptable cost.

We may acquire significant amounts of unproved property to further our development efforts. Development and exploratory drilling and production activities are subject to many risks, including the risk that no commercially productive reservoirs will be discovered. We may acquire both proved and producing properties as well as undeveloped acreage that we believe will enhance growth potential and increase our earnings over time. However, we cannot assure you that all of these properties will contain economically viable reserves or that we will not abandon our initial investments. Additionally, we cannot assure you that unproved reserves or undeveloped acreage that we acquire will be profitably developed, that new wells drilled on our properties will be productive or that we will recover all or any portion of our investments in our properties and reserves.

Our lack of industry and geographical diversification may increase the risk of an investment in our company.

We operate in the oil and gas sector and our leases are located in North America in Kansas, Missouri, Texas, Louisiana, and Mississippi. This lack of geographic diversification may make our holdings more sensitive to economic developments within a regional area, which may result in reduced rates of return or higher rates of default than might be incurred with a company that is more geographically diverse.

Our business depends on oil and natural gas transportation and processing facilities and other assets that are owned by third parties.

The marketability of our oil and natural gas depends in part on the availability, proximity and capacity of pipeline systems, processing facilities, oil trucking fleets and rail transportation assets owned by third parties. The lack of available capacity on these systems and facilities, whether as a result of proration, physical damage, scheduled maintenance or other reasons, could result in the delay or discontinuance of development plans for our properties. The curtailments arising from these and similar circumstances may last from a few days to several months.

Our leasehold acreage is subject to leases that will expire over the next several years unless production is established or maintained or the leases are extended.

Some of our acreage is currently held by production or held by operations, but some is not. Unless production in paying quantities is established or operations are commenced on units containing these latter leases during their terms, those leases may expire. Likewise, if we are unable to maintain production on acreage held by production or operations, those leases may expire. If our leases expire and we are unable to renew the leases, we will lose our right to develop or utilize the related properties.

Deficiencies of title to our leased interests could significantly affect our financial condition.

We, or our partners, often incur the expense of a title examination prior to acquiring oil and natural gas leases or undivided interests in oil and natural gas leases or other developed rights. If an examination of the title history of a property reveals that an oil or natural gas lease or other developed rights have been purchased in error from a person who is not the owner of the mineral interest desired, our interest would substantially decline in value or be eliminated. In such cases, the amount paid for such oil or natural gas lease or leases or other developed rights may be lost.

We have not established an effective system of internal control over our financial reporting, and if we fail to maintain such internal control, we may not be able to accurately report our financial results, and current and potential stockholders may lose confidence in our financial reporting.

We have not established and maintained adequate and effective internal control over financial reporting that would provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. We are, however, required to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses in those internal controls.

Any failure to maintain adequate internal controls could adversely impact our ability to report our financial results on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis as required by the SEC and the Capital Market, we could face severe consequences from those authorities. In either case, there could result a material adverse effect on our business. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

Need for Additional Financing

The Company currently has limited funds and the lack of additional funds may negatively impact the Company's ability to pursue its business strategy to conduct operations in the oil and gas industry and to acquire, invest in and/or provide professional advisory and consulting services to companies undergoing or anticipating periods of rapid growth. Even if the Company's funds prove to be sufficient to provide such services or to acquire an interest in, or complete a transaction with, an entity, the Company may not have enough capital to exploit the opportunity. The ultimate success of the Company may depend upon its ability to raise additional capital. The Company may investigate the availability, source, or terms that might govern the acquisition of additional capital but will not do so until it determines a need for additional financing. If additional capital is needed, there is no assurance that funds will be available from any source or, if available, that they can be obtained on terms acceptable to the Company. If not available, the Company's operations will be limited to those that can be financed with its modest capital.

Regulation of Penny Stocks

The Company's securities may be subject to a SEC rule that imposes special sales practice requirements upon broker-dealers who sell such securities to persons other than established customers or accredited investors. For purposes of the rule, the phrase "accredited investors" means, in general terms, institutions with assets in excess of $5,000,000, or individuals having a net worth, or joint net worth with spouse, in excess of $1,000,000 excluding the value of the person's primary residence or having an annual income that exceeds $200,000 (or that, when combined with a spouse's income, exceeds $300,000). For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell the Company's securities and also may affect the ability of purchasers in an offering to sell their securities in any market that might develop.

Table of Contents

In addition, the SEC has adopted a number of rules to regulate "penny stocks." Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, 15g-7, and 15g-9 under the Securities Exchange Act of 1934, as amended or the Exchange Act. Because the securities of the Company may constitute "penny stocks" within the meaning of the rules, the rules would apply to the Company and to its securities. The rules may further affect the ability of owners of shares to sell the securities of the Company in any market that might develop for them.

Shareholders should be aware that, according to SEC, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses.

Lack of Operating History

Due to the numerous risks inherent in the implementation of a new business emphasis and plan, the Company must be regarded as a new or start-up venture with all of the unforeseen costs, expenses, problems, and difficulties to which such ventures are subject.

No Assurance of Success or Profitability

There is no assurance that the Company will be able to successfully implement its business plan and provide the contemplated services to its client companies. Even if the Company is successful in providing its services to its client companies, there is a risk that it will not generate revenues or profits, or that the market price of the Company's common stock will increase.

Impracticality of Exhaustive Investigation

The Company has limited operating funds, and this makes it impracticable for the Company to conduct a complete and exhaustive investigation and analysis of its opportunities. Decisions will therefore likely be made without detailed geotechnical reports, feasibility studies, independent analysis, market surveys and the like, which, if the Company had more funds available to it, would be desirable. The Company will be particularly dependent in making decisions upon information provided by third parties with interests in the transaction. A significant portion of the Company's available funds could be expended for investigative expenses and other preliminary expenses, and potential profits could therefore be lessened.

Lack of Diversification

Because of the limited financial resources that the Company has, it is unlikely that the Company will be able to diversify its acquisitions or operations. The Company's probable inability to diversify its activities into multiple areas will subject the Company to economic fluctuations within a particular business or industry and therefore increase the risks associated with the Company's operations.

Reliance upon Financial Statements

The Company generally will require audited financial statements from companies with which it seeks to enter into a contractual arrangement. In cases where no audited financials are available, the Company will have to rely upon interim period unaudited information received from a prospective client company's management that has not been verified by outside auditors. The lack of the type of independent verification which audited financial statements would provide increases the risk that the Company, in evaluating a contractual arrangement with such a company, will not have the benefit of full and accurate information about the financial condition and recent interim operating history of that company. This risk increases the prospect that the contractual arrangement with such a company might prove to be an unfavorable one for the Company or the holders of the Company's securities.

Moreover, the Company will be subject to the reporting provisions of the Exchange Act, and thus will be required to furnish certain information about significant contractual arrangements, including audited financial statements for any business with which it enters into a contractual arrangement for control. Consequently, prospects that do not have, or are unable to provide reasonable assurances that they will be able to obtain, the required audited statements would not be considered by the Company to be appropriate clients so long as the reporting requirements of the Exchange Act are applicable. Should the Company, during the time it remains subject to the reporting provisions of the Exchange Act, complete into a contract for control of an entity for which audited financial statements prove to be unobtainable, the Company would be exposed to enforcement actions by the SEC and to corresponding administrative sanctions, including permanent injunctions against the Company and its management. The legal and other costs of defending an SEC enforcement action would have material, adverse consequences for the Company and its business. The imposition of administrative sanctions would subject the Company to further adverse consequences. In addition, the lack of audited financial statements would prevent the securities of the Company from becoming eligible for listing on NASDAQ, or on any existing stock exchange.

Moreover, the lack of such financial statements is likely to discourage broker-dealers from becoming or continuing to serve as market makers in the securities of the Company. Without audited financial statements, the Company would almost certainly be unable to offer securities under a registration statement pursuant to the Securities Act of 1933 or the Securities Act, and the ability of the Company to raise capital would be significantly limited until such financial statements were to become available.

Other Regulation

A contractual arrangement for acquisition of equity ownership of or control may be of a company that is subject to rules and regulation by federal, state, local or foreign authorities. Compliance with such rules and regulations can be expected to be a time-consuming, expensive process and may limit other opportunities of the Company.

Lack of Continuity in Management

The Company does not currently have employment agreements with its Chief Executive Officer and President, Mr. Doris, and its Chief Financial Officer, Mr. Barker. As a result, there is no assurance that Mr. Doris or Mr. Barker will continue to be associated with the Company in the future. In connection with future business opportunities, it is possible that Mr. Doris or Mr. Barker may resign as an officer and director of the Company subject to compliance with Section 14f of the Exchange Act. Any decision to resign would occur without the vote or consent of the stockholders of the Company.

The Company is required to indemnify its Officers and Directors

Nevada law provides for the indemnification of the Company's directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party arising from their association with or activities on behalf of the Company. If the Company were called upon to indemnify an officer or director, then the portion of its available funds expended for such purpose would reduce the amount otherwise available for the Company's business. This indemnification obligation and the resultant costs associated with indemnification may also discourage our Company from bringing a lawsuit against directors and officers for breaches of their fiduciary duties and may similarly discourage the filing of derivative litigation by our shareholders against our directors and officers even though such actions, if successful, might otherwise benefit our company and shareholders.

The Company would bear the expenses of such litigation for any of its directors, officers, employees, or agents, upon such person's promise to repay the Company if it is ultimately determined that any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by the Company which it may be unable to recoup.

We may be dependent upon outside advisors.

To supplement the Company's officers, directors and principal shareholders, the Company may be required to employ accountants, technical experts, appraisers, attorneys, or other outside consultants or advisors. The selection of any such advisors will be made by the Company without any input from stockholders. Furthermore, it is anticipated that such persons may be engaged on an "as needed" basis without a continuing fiduciary or other obligation to the Company. In the event the Company considers it necessary to hire outside advisors, such persons may be affiliates of the Company.

We do not anticipate paying any cash dividends to our common shareholders.

We presently do not anticipate that we will pay dividends on any of our common stock in the foreseeable future. If payment of dividends does occur at some point in the future, it would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any common stock dividends will be within the discretion of our Board of Directors. We presently intend to deploy available capital to execute our business plan; accordingly, we do not anticipate the declaration of any dividends for common stock in the foreseeable future.

The Company's CEO, James Doris, holds preferred stock which currently affords him enough shareholder votes to control the Company.

The Company's CEO and director, James Doris, holds 28,092 shares of the Company's Series C Preferred Stock, with each share of preferred stock entitling the holder to 32,500 votes on all matters submitted to the vote of the Company's security holders. By virtue of such stock ownership, Mr. Doris is able to control the election of the members of the Company's Board of Directors and to generally exercise control over the affairs of the Company. Such concentration of ownership could have the effect of delaying, deterring or preventing a change in control of the Company that might otherwise be beneficial to stockholders. There can be no assurance that conflicts of interest will not arise with respect to Mr. Doris's ownership of the preferred stock, or that such conflicts will be resolved in a manner favorable to the Company.

Our outstanding securities may become freely tradable pursuant to Rule 144 and may have a depressive effect on the price of the shares of our common stock.

We have outstanding a large number of shares of common stock. Many of these securities are currently issued with a "restrictive legend" and characterized as "restricted securities" within the meaning of Rule 144 ("Rule 144") promulgated under the Securities Act of 1933, as amended (the "Securities Act"). As restricted securities, these securities may be resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act and as required under applicable state securities laws. Rule 144 provides in essence that once restricted securities have been held for a period of at least six months and the other requirements in the rule have been satisfied, holders of the securities may resell their securities without registration or restriction on transfer. As many of our outstanding shares of common stock have been held by their holders in excess of six months, such holders may be able to resell their shares of common stock into the market without restriction pursuant to Rule 144. Those resales could have a depressive effect upon our stock price.

The outbreak of the coronavirus may negatively impact demand for oil and natural gas and our business, results of operations and financial condition.

In December 2019, a novel strain of coronavirus was reported to have surfaced in Wuhan, China, which spread in China and is continuing to spread throughout the United States and other parts of the world. On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease (COVID-19) a "Public Health Emergency of International Concern." On January 31, 2020, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the U.S. healthcare community in responding to COVID-19, and on March 11, 2020, the World Health Organization characterized the outbreak as a "pandemic". The significant outbreak of COVID-19 has resulted in a widespread health crisis that could adversely affect the economies and financial markets worldwide, and could adversely affect demand for oil and natural gas and our business, results of operations and financial conditions. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on demand for oil and natural gas and our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis, such as

COVID-19, could therefore materially and adversely affect demand for oil and natural gas and our business, financial condition and results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Company's headquarters are located at 15915 Katy Freeway, Suite 450, Houston, Texas 77094.

Oil and Natural Gas Properties

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 acquired a 50% working interest in the Joffre oil and gas property located in Alberta, Canada (the "Joffre Property"). On or about March 30, 2016, the working interest was registered in the name of the Company's wholly owned subsidiary, Viking Oil & Gas (Canada) ULC. The administration of these assets proved to be inefficient and unprofitable. The investment in these properties, as well as all uncollected receivables associated with it, were either fully impaired or fully reserved. Effective September 30, 2018, the Company negotiated a sale and settlement of this Canadian interest and a resolution of all intercompany balances associated with it, for proceeds to the Company of $232,545. An asset retirement obligation of $466,031, offset by the net asset retirement cost of $293,296 associated with this investment, generated a gain from disposal of these assets of $405,280.

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. On October 4, 2016, the Company completed an acquisition whereby the Company (i) increased its working interest in three existing oil and gas leases in Miami and Franklin Counties in Eastern Kansas, and (ii) acquired a working interest in four new oil and gas leases in the same region, comprising approximately 660 acres of property. On September 11, 2017, the Company through its wholly owned subsidiary, Mid-Con Drilling, LLC (“Mid-Con Drilling”) acquired a 90% working interest in four new oil and gas leases in Anderson County in Eastern Kansas, comprising approximately 980 acres of property. On October 2, 2017, the Company, through Mid-Con Drilling, closed on an acquisition, effective October 1, 2017, of a 100% working interest in six new oil and gas leases in Miami and Franklin Counties in Eastern Kansas. On October 4, 2017, the Company, through Mid-Con Drilling, closed on an acquisition, effective September 1, 2017, of an 80% working interest in six new oil and gas leases in Riley, Geary and Wabaunsee Counties in Kansas. On December 29, 2017, the Company through its wholly owned subsidiary, Mid-Con Development, LLC (“Mid-Con Development”) completed an acquisition of working interests in approximately 41 oil and gas leases in Ellis and Rooks Counties in Kansas, comprising several thousand acres. On January 12, 2018, the Company, through Mid-Con Drilling, completed an acquisition of a 100% working interest in seven new oil and gas leases in Woodson and Allen Counties in Eastern Kansas. Effective February 1, 2018, the Company, through Mid-Con Drilling, closed on the acquisition of a working interest in a lease with access to the mineral rights (oil and gas) concerning approximately 80 acres of property in Douglas County in eastern Kansas. As of December 31, 2019, these central United States oil and gas properties consist of interests in approximately 377 producing wells and 135 injector wells.

On December 22, 2017, the Company closed on the acquisition of 100% of the membership interests in Petrodome Energy, LLC, a Texas limited liability company based in Houston, Texas, with multiple subsidiaries (described in Exhibit 21.1 hereto) having working interests in multiple oil and gas leases in Texas, Louisiana and Mississippi, comprising approximately 11,700 acres. As of December 31, 2019, these properties consist of interests in 16 producing wells, 17 non-producing wells and two salt water disposal wells.

On January 12, 2018, the Company, through its subsidiary Mid-Con Drilling, LLC (“Mid-Con Drilling”) completed an acquisition of a 100% working interest in seven new oil and gas leases in Woodson and Allen Counties in Eastern Kansas.

Effective February 1, 2018, the Company, through Mid-Con Drilling, closed on the acquisition of a working interest in a lease with access to the mineral rights (oil and gas) concerning approximately 80 acres of property in Douglas County in eastern Kansas.

On December 28, 2018, the Company, through its subsidiary Ichor Energy, LLC ("Ichor Energy") completed an acquisition (the "Ichor Energy Acquisition") of working interests in certain oil and gas leases in Texas (primarily in Orange and Jefferson Counties) and Louisiana (primarily in Calcasiue Parish), which include 58 producing wells, 31 salt water disposal wells, 46 shut in wells and 4 non-producing wells. The properties produce hydrocarbons from known reservoirs/sands in the on-shore Gulf Coast region, with an average well depth in excess of 10,600 feet.

On May 1, 2019, the Company's subsidiary, Mid-Con Development, LLC sold all of its interests in the oil and gas assets Mid-Con Development, LLC owned in Ellis and Rooks Counties, Kansas, consisting of working interests in approximately 41 oil leases comprising several thousand acres.

On May 10, 2019, Petrodome Louisiana Pipeline LLC ("Petrodome LA"), a subsidiary of the Company's subsidiary, Petrodome Energy, LLC, acquired a majority working interest in 6 gas wells (including 2 producing gas wells), 1 producing oil well and 1 salt water disposal well located in the East Mud Lake Field in Cameron Parish, Louisiana, with leases to mineral rights (oil and gas) concerning approximately 765 acres.

Oil and Natural Gas Reserves

As of December 31, 2019, all of our proved oil and natural gas reserves were located in the United States, in the States of Texas, Louisiana, Mississippi and Kansas.

Table of Contents

The following tables set forth summary information with respect to our proved reserves as of December 31, 2019 and 2018. For additional information see *Supplemental Information "Oil and Natural Gas Producing Activities (Unaudited)"* to our consolidated financial statements in "Item 8—Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

	Proved Reserves at December 31, 2019		
Reserves Category	**Crude Oil (MBBLs)**	**Natural Gas (MMCF)**	**Total Proved (BOE) (1)**
Proved Reserves			
Developed	4,524,462	18,888,400	7,672,566
Developed Non-Producing	959,240	6,125,500	1,980,157
Undeveloped	2,512,363	9,958,800	4,172,167
Total Proved Reserves	7,996,065	34,972,700	13,824,890
Estimated Future Net Cash Flows			$ 303,763,487
10% annual discount for estimated timing of cash flows			(135,523,587)
Standardized Measure of Discounted Future Net Cash Flows - (PV10) (2)			$ 168,239,900

Reserves Category	Proved Reserves at December 31, 2018		
	Crude Oil (MBBLs)	Natural Gas (MMCF)	Total Proved (BOE) (1)
Proved Reserves			
Developed	5,808,882	20,195,830	9,174,854
Developed Non-Producing	916,914	2,515,620	1,336,184
Undeveloped	4,005,422	12,046,650	6,013,197
Total Proved Reserves	10,731,218	34,758,100	16,524,235
Estimated Future Net Cash Flows			$ 464,214,477
10% annual discount for estimated timing of cash flows			(219,657,382)
Standardized Measure of Discounted Future Net Cash Flows - (PV10) (2)			$ 244,557,095

(1) - BOE (barrels of oil equivalent) is calculated by a ratio of 6 MCF to 1 BBL of Oil

(2) - PV-10 represents the discounted future net cash flows attributable to our proved oil and natural gas reserves discounted at 10%. PV-10 of our total year-end proved reserves is considered a non-US GAAP financial measure as defined by the SEC. We believe that the presentation of the PV-10 is relevant and useful to our investors because it presents the discounted future net cash flows attributable to our proved reserves. We further believe investors and creditors use our PV-10 as a basis for comparison of the relative size and value of our reserves to other companies.

Table of Contents

Net Production, Unit Prices and Costs

The following table presents certain information with respect to oil and natural gas production attributable to our interests in all of our properties in the United States, the revenue derived from the sale of such production, average sales prices received and average production costs during the years ended December 31, 2019 and 2018.

	Unit of Measure	December 31, 2019	December 31, 2018
Production			
Oil	Barrels	531,893	130,889
Natural Gas	Mcf	2,366,280	56,685
BOE		926,273	140,337
Sales			
Oil	Barrels	$ 32,056,714	$ 8,032,407
Natural Gas	Mcf	$ 6,019,879	$ 190,872
Average Sales Prices			
Oil	Barrels	$ 60.27	$ 61.37
Natural Gas	Mcf	$ 2.54	$ 3.37

Production - Lease operating expenses	$ 13,076,020	$ 3,835,549
Average Cost of Production per BOE	$ 14.12	$ 27.33

Drilling and other exploratory and development activities

During the year the ended December 31, 2019 the Company invested approximately $2.5 million relative to drilling and development activities.

In the counties of Riley and Wabaunsee, Kansas, the Company commenced drilling projects on two new wells. The first project proved to be non-productive and the Company elected to plug and abandon the project. The second project was not completed, and the Company hopes to pursue this in 2020.

In Liberty County, Texas, the Company performed a recompletion on a well, shot new perforations and brought it back to production for a small increase in output. Additionally, we opened two previously shut-in wells resulting in increased gas production of 300 mcf per day and an increase in oil production of 100 barrels per day. We shot new zones and perforations in a salt water disposal well to achieve lower pressure on the well. Additional swabbing of the casing is still needed to achieve the desired results. We also used a coil unit on an additional well to achieve lowering pressures to desired results.

In Newton County, Texas we moved in a workover rig to mill through an obstruction that was impeding production on a particular well. After washing it out, we were able to bring it back to production.

In St. Landry Parish, Louisiana, we replaced a failed down hole pump with a larger pump and corresponding tubing to increase production.

In Acadia Parish, Louisiana, we moved in a coil unit to wash out a salt water disposal well, moved in an electric line unit and shot a new zone, resulting in a lower pressure and an increased capacity to dispose of water.

In Calcasieu Parish, Louisiana, we washed out the perforations on several salt water wells using a coil unit to lower pressure on the wells, and also performed equipment repairs on a separator. We moved a workover rig in to fix the casing on a well, and attempted to pull a packer in the process. While washing it down to get the packer we discovered additional leaks and determined to shut in the well. In two wells we installed a dehydration unit to dry the gas, and stop it from freezing. We also performed an acid treatment on a well to help clean out the tubing and the perforations.

In Jefferson Parish, Louisiana, we swabbed a well in to help bring the oil and water to the surface because of low bottom hole pressure on the well.

In Cameron Parish, Louisiana, we utilized a workover rig on some newly purchased assets to pull tubing and a packer, and to re-perforate a new zone. As we were pulling the tubing, we found parted tubing and tried fishing it out. We reached a point where we couldn’t pull more tubing, so we ran back into the hole, set a new packer and tubing, and turned the well back to production at a volume a bit lower than we started. On yet another well we were able to increase production by converting the well from a pumping unit to a down hole pump.

Table of Contents

Present Activities

The Company is not presently drilling any new wells.

Delivery Commitments

The Company is not currently committed to provide a fixed and determinable quantity of oil or gas in the near future under existing contracts or agreements.

Productive Wells

The following table sets forth the number wells in our inventory, in which we maintained ownership interests as of December 31, 2019 and 2018. All wells are located in the United States, in the States of Texas, Louisiana, Mississippi and Kansas.

	December 31, 2019		December 31, 2018	
Well Category	**Oil**	**Gas**	**Oil**	**Gas**
Producers	261	38	472	34
Producer - P&A'd	6	-	9	-
Non-Producing	13	-	18	-
Injector	89	-	129	-
Salt Water Disposal	36	-	44	-
Shut In	46	-	46	-
ORRI	1	-	1	-
	452	38	719	34

Item 3. Legal Proceedings

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of December 31, 2019, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the Company's results of operations.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

There is no "established trading market" for shares of the Company's common stock. As of December 31, 2019, the Company's common stock was quoted on the OTC Link LLC operated by OTC Markets Group, Inc. under the symbol "VKIN." No assurance can be given that any "established trading market" for the Company's common stock will develop or be maintained.

The range of high and low closing bid quotations for the Company's common stock during each quarter of the calendar years ended December 31 2019 and 2018, is shown below, as quoted by http://finance.yahoo.com. Prices are inter-dealer quotations, without retail mark-up, markdown or commissions and may not represent actual transactions.

Stock Quotations

Quarter Ended	High	Low
March 31, 2018	0.24	0.12
June 30, 2018	0.23	0.15
September 30, 2018	0.42	0.16
December 31, 2018	0.42	0.22
March 31, 2019	0.29	0.16
June 30, 2019	0.24	0.14
September 30, 2019	0.24	0.15
December 31, 2019	0.18	0.07

The future sale of the Company's presently outstanding "unregistered" and "restricted" common stock by present members of management and persons who own more than five percent of the Company's outstanding voting securities may have an adverse effect on any "established trading market" that may develop in the shares of the Company's common stock.

Holders

As of December 31, 2019 the Company had approximately 194 shareholders of record of common stock, including shares held in “street name” by banks, brokerage clearing houses, depositories or otherwise in unregistered form. The Company does not know the beneficial owners of such shares, or the number of beneficial holders of such shares.

Dividend Distributions

We have not historically distributed dividends to stockholders, nor do we intend to do so in the foreseeable future.

Securities authorized for issuance under equity compensation plans

The Company does not have any securities authorized for issuance under equity compensation plans.

Table of Contents

Penny Stock

Our common stock is considered "penny stock" under the rules the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ Stock Market System, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or quotation system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the Commission, that:

- contains a description of the nature and level of risks in the market for penny stocks in both public offerings and secondary trading;
- contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation to such duties or other requirements of Securities' laws; contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price;
- contains a toll-free telephone number for inquiries on disciplinary actions;
- defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- contains such other information and is in such form, including language, type, size and format, as the Commission shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with:

- bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the marker for such stock; and
- monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules that require that prior to a transaction in a penny stock not otherwise exempt from those rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgement of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitably statement.

These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our stock.

Related Stockholder Matters

None.

Purchase of Equity Securities

None.

Item 6. Selected Financial Data

The Company, as a smaller reporting company (as defined by Rule 12b-2 of the Exchange Act), is not required to furnish information required by this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this annual report on Form 10-K.

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, as amended 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: the Company's ability to raise capital and the terms thereof; and other factors referenced in the Form 10-K.

The use in this Form 10-K 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

The Company's business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through collaborative partnerships with other companies in this field of endeavor. Viking has relationships with industry experts and formulated an acquisition strategy, with emphasis on acquiring under-valued, producing properties from distressed vendors or those deemed as non-core assets by larger sector participants. The Company does not focus on speculative exploration programs, but rather targets properties with current production and untapped reserves. The Company’s growth strategy includes the following key initiatives:

- Acquisition of under-valued producing oil and gas assets
- Employ enhanced recovery techniques to maximize production
- Implement responsible, lower-risk drilling programs on existing assets
- Aggressively pursue cost-efficiencies
- Opportunistically explore strategic mergers and/or acquisitions
- Actively hedge mitigating commodity risk

The following overview provides a background for the current strategy being implemented by management during the years ended December 31, 2019 and 2018.

Kansas

- On January 12, 2018, the Company, through Mid-Con Drilling, completed an acquisition of a 100% working interest in seven new oil and gas leases in Woodson and Allen Counties in Eastern Kansas.
- Effective February 1, 2018, the Company, through Mid-Con Drilling, closed on the acquisition of a working interest in a lease with access to the mineral rights (oil and gas) concerning approximately 80 acres of property in Douglas County in eastern Kansas.

These Kansas properties are operated by third party contractors. The Company’s plans relative to these properties includes the development of the production potential of existing wells and capitalizing on the drilling opportunities that exist within the acreage covered by these working interests. In 2018, the Company began drilling new wells in various Kansas locations.

- On May 1, 2019, the Company’s subsidiary, Mid-Con Development, LLC sold all of its interests in the oil and gas assets Mid-Con Development, LLC owned in Ellis and Rooks Counties, Kansas, consisting of working interests in approximately 41 oil leases comprising several thousand acres.

Acquisitions – Texas, Louisiana and Mississippi

On December 22, 2017, the Company completed an acquisition of 100% of the membership interests of Petrodome Energy, LLC, a privately-owned company, with working interests in multiple oil and gas fields across Texas, Louisiana and Mississippi, comprising approximately 11,700 acres.

As a part of this acquisition, the Company retained an operational office in Houston, Texas that includes several senior level professionals with over 100 years of combined oil and gas experience which provides the Company the capability of operating many of its own wells internally. This expertise has since been utilized to evaluate additional oil and gas acquisitions, evaluate the profitable management of all of the Company's oil and gas assets, and evaluate and develop new drilling prospects.

Acquisitions – Texas and Louisiana

On December 28, 2018, the Company, through its newly formed Ichor Energy subsidiaries completed an acquisition (the "Ichor Energy Acquisition") of working interests in certain oil and gas leases in Texas (primarily in Orange and Jefferson Counties) and Louisiana (primarily in Calcasiue Parish), which include 58 producing wells and 31 salt water disposal wells. The properties produce hydrocarbons from known reservoirs/sands in the on-shore Gulf Coast region, with an average well depth in excess of 10,600 feet, and daily production volumes averaging in excess of 2,300 BOE. This acquisition of these assets is consistent with the location of our Petrodome assets and are effectively managed from our Houston office.

On October 10, 2019, the Company, through its newly formed subsidiary, Elysium Energy, LLC, entered into a Purchase and Sale Agreement to purchase working interests and over-riding royalty interests in oil and gas properties in Texas (approximately 71 wells in 11 counties) and Louisiana (approximately 52 wells in 6 parishes), along with associated wells and equipment (the "Elysium Energy Acquisition"). As of December 31, 2019, the Company paid deposits of $2,750,000 into escrow in connection with this acquisition, which deposits were applied toward the purchase price at closing of the Elysium Energy Acquisition on or about February 3, 2020 (see the "Subsequent Events" description in Note 10 to our financial statements).

Acquisitions – Louisiana

On May 10, 2019, Petrodome Louisiana Pipeline LLC ("Petrodome LA"), a subsidiary of the Company's subsidiary, Petrodome Energy, LLC, acquired a majority working interest in 6 gas wells (including 2 producing gas wells), 1 producing oil well and 1 salt water disposal well located in the East Mud Lake Field in Cameron Parish, Louisiana, with leases to mineral rights (oil and gas) concerning approximately 765 acres.

Going Concern Qualification

These 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 generated a net loss of $19,390,850 and $15,117,547 for the years ended December 31, 2019 and 2018 respectively. As of December 31, 2019, the Company has a working capital deficiency in excess of $25.5 million. The largest components of current liabilities creating this deficiency are (a) notes payable with a face value aggregating approximately $13.2 million due in August of 2020 and (b) other debtor obligations requiring principal payments of approximately $9 million in 2020.

Management has evaluated these conditions and has developed a plan which, in part, address these obligations as follows:

- The acquisition of Petrodome Energy LLC in 2017 and the oil and gas expertise retained by Petrodome at the end of 2017 provided an internal lease operating company to efficiently evaluate development opportunities.

- The Ichor Energy Acquisition at the end of 2018 is believed to provide cash flow sufficient to not only satisfy the Company's debt service associated with this acquisition, but to also fund a work over program to increase this purchased production beyond its current average daily production of 2,300 BOE and provide a quicker principal reduction, resulting in an increased equity position relative to these assets. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the associated term loan, and distributions to Viking of $65,000 per month for general and administrative expenses, and a quarterly tax distribution at the current statutory rates. On a quarterly basis after appropriate distributions to the Company, any cash in excess of $2,000,000 plus unfunded approved development projects is swept by the term loan lender as an additional principal payment on the debt.

- The Company has a revolving credit facility with CrossFirst Bank, which was approved for $30,000,000. The balance outstanding at December 31, 2019 is approximately $7,690,000 with an amended maturity date of May 10, 2021. Additional funds could be made available to the Company for projects reviewed and approved by the lender.

- The Elysium Energy Acquisition on February 3, 2020 is believed to provide cash flow sufficient to not only satisfy the Company's debt service associated with this acquisition, but to also fund a development program to increase this purchased production beyond its current average daily production of 2,700 BOE and provide a quicker principal reduction, resulting in an increased equity position relative to these assets. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the associated term loan, certain oil and gas development projects approved by the lender, and a cost allocation for general and administrative expenses of $150,000 per month. Additionally, to the extent that Elysium has Excess Cash Flow (as defined in the loan agreement), the Company is required to make mandatory prepayments, without penalty or premium, equal to seventy-five percent (75%) of such Excess Cash Flow.

- With respect to the $13.2 million notes payable due in August of 2020, the Company has invited holders of the promissory notes to exchange all or a portion of their principal and/or accrued interest into a new subordinated, secured, convertible debt offering (see Note 10, Subsequent Events, in the consolidated financial statements included herein). The new offering commenced on February 18, 2020, and includes equity incentives, a conversion entitlement, additional security and a maturity date of February 11, 2022. There is no obligation for holders to exchange into the New Offering.

Furthermore, the global COVID-19 pandemic could have a negative impact on our financial position and results of operations. Negative impacts could include but are not limited to: our ability to sell our oil and gas production, reduction in the selling price of our oil and gas, failure of a counterparty to make required hedge payments, possible disruption of production as a result of worker illness or mandated production shutdowns, our ability to maintain compliance with loan covenants and/or refinance existing indebtedness, and access to new capital.

These conditions described above raise substantial doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to utilize the resources in place to generate future profitable operations, to develop additional acquisition opportunities, and to obtain the necessary financing to meet its obligations and repay its liabilities arising from business operations when they come due. Management believes the Company will be able to continue to develop new opportunities, and will be able to obtain additional funds through debt and / or equity financings to facilitate its development strategy; however, there is no assurance of additional funding being available. These 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.

RESULTS OF OPERATIONS

The following discussion of the consolidated financial condition and results of operation of the Company should be read in conjunction with the consolidated financial statements and the related Notes included elsewhere in this Report.

Liquidity and Capital Resources

	December 31,	
Working Capital:	**2019**	**2018**
Current assets	$ 8,671,832	$ 4,392,635
Current liabilities	$ 34,243,588	$ 19,504,401

Asset retirement obligation	$ 3,538,637	$ 4,413,465
Working capital (deficit)	$ (25,571,756)	$ (15,111,766)

Cash Flows:	Years Ended December 31, 2019	2018
Net Cash Provided by (Used in) Operating Activities	$ 4,027,639	$ (3,926,435)
Net Cash Provided by (Used in) Investing Activities	$ (4,654,725)	$ (6,514,936)
Net Cash Provided by (Used in) Financing Activities	$ 2,255,918	$ 8,716,004
Increase (Decrease) in Cash during the Period	$ 1,628,832	$ 1,725,367)
Cash and Cash Equivalents, end of Period	$ 5,638,724	$ 4,009,892

The Company had current assets of $8,671,832 as of December 31, 2019, as compared to $4,392,635 in the comparable period in 2018. The Company had current liabilities of $34,243,588 as of December 31, 2019, as compared to $19,504,401 in the comparable period in 2018. The increase in current assets and current liabilities is mainly a result of the increased volumes associated with the assets acquired through Ichor Energy at the end of 2018. The Company had a working capital deficit of $25,571,756 as of December 31, 2019 as compared to a working capital deficit of $15,111,766 as of December 31, 2018.

Net cash provided by operating activities increased to 4,027,639 during the fiscal year ended December 31, 2019, as compared to cash used by operating activities of ($3,926,435) in the comparable period in 2018.

Net cash flows from financing activities decreased to $2,255,918 during the fiscal year ended December 31, 2019, as compared to $8,716,004 in the comparable period in 2018. This decrease is mainly the result of reduced borrowings during 2019, coupled with an extra $4 million principal payment applied to the financing associated with the Ichor Energy Acquisition.

Net cash used in investing activities decreased to ($4,654,725) during the fiscal year ended December 31, 2019, as compared to ($6,514,936) in the comparable period in 2018. The decrease is a reflection of reduced capital expenditures during 2019.

Revenue

The Company had gross revenues of $34,592,850 for the year ended December 31, 2019 as compared to 7,967,972 for the year ended December 31, 2018 reflecting the impact of the acquisition of the assets acquired by Ichor Energy at the end of 2018, along with continued oil and gas acquisitions and development in the central United States.

Expenses

The Company's operating expenses increased by $14,581,148 to $29,716,265 for the year ended December 31, 2019, from $15,135,117 for the year ended

December 31, 2018. This increase is mainly attributable to increases in lease operating costs commensurate with the new oil and gas wells purchased, as well as a substantial increase in depletion expenses, Additionally, there were increases in accretion expense, depreciation and amortization expense.

Income (Loss) from Operations

The Company generated an income from operations of $4,876,585 for the year ended December 31, 2019, as compared to a loss from operations of $7,167,145 for the year ended December 31, 2018. This increase in income from operations was mainly due to the increased production resulting from the acquisitions of oil and gas assets during 2019 and at the end of 2018 through Ichor Energy.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity or capital expenditures or capital resources that is material to an investor in the Company's securities.

Seasonality

The Company's operating results are not affected by seasonality.

Inflation

The Company's business and operating results are not currently affected in any material way by inflation although they could be adversely affected in the future were inflation to increase, resulting in cost increases.

Critical Accounting Policies

We prepare our financial statements in conformity with GAAP, which requires management to make certain estimates and assumptions and apply judgments. We base our estimates and judgments on historical experience, current trends and other factors that management believes to be important at the time the financial statements are prepared and actual results could differ from our estimates and such differences could be material. Due to the need to make estimates about the effect of matters that are inherently uncertain, materially different amounts could be reported under different conditions or using different assumptions. On a regular basis, we review our critical accounting policies and how they are applied in the preparation of our financial statements, as well as the sufficiency of the disclosures pertaining to our accounting policies in the footnotes accompanying our financial statements. Described below are the most significant policies we apply in preparing our consolidated financial statements, some of which are subject to alternative treatments under GAAP. We also describe the most significant estimates and assumptions we make in applying these policies. See “Note 2 - Summary of Significant Accounting Policies” to our consolidated financial statements.

[Table of Contents](#)

Oil and Gas Property Accounting

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 of acquisition, exploration and development of oil and natural gas properties (including such costs as leasehold acquisition costs, geological expenditures, dry hole costs, tangible and intangible development costs and direct internal costs) are capitalized as the cost of oil and natural gas properties when incurred.

The full cost method requires the Company to calculate quarterly, by cost center, a "ceiling," or limitation on the amount of properties that can be capitalized on the balance sheet. To the extent capitalized costs of oil and natural gas properties, less accumulated depletion and related deferred taxes exceed the sum of the discounted future net revenues of proved oil and natural gas reserves, the lower of cost or estimated fair value of unproved properties subject to amortization, the cost of properties not being amortized, and the related tax amounts, such excess capitalized costs are charged to expense.

Proved Reserves

Estimates of our proved reserves included in this report are prepared in accordance with U.S. SEC guidelines for reporting corporate reserves and future net revenue. The accuracy of a reserve estimate is a function of:

i. the quality and quantity of available data;

ii. the interpretation of that data;

iii. the accuracy of various mandated economic assumptions; and

iv. the judgment of the persons preparing the estimate.

Our proved reserve information included in this report was predominately based on estimates. Because these estimates depend on many assumptions, all of which may substantially differ from future actual results, reserve estimates will be different from the quantities of oil and gas that are ultimately recovered. In addition, results of drilling, testing and production after the date of an estimate may justify material revisions to the estimate.

In accordance with SEC requirements, we based the estimated discounted future net cash flows from proved reserves on the unweighted arithmetic average of the prior 12-month commodity prices as of the first day of each of the months constituting the period and costs on the date of the estimate.

The estimates of proved reserves materially impact depreciation, depletion, amortization and accretion (“DD&A”) expense. If the estimates of proved reserves decline, the rate at which we record DD&A expense will increase, reducing future net income. Such a decline may result from lower market prices, which may make it uneconomic to drill for and produce from higher-cost fields.

Asset Retirement Obligation

Asset retirement obligations ("ARO") primarily represent the estimated present value of the amount we will incur to plug, abandon and remediate our producing properties at the projected end of their productive lives, in accordance with applicable federal, state and local laws. We determined our ARO by calculating the present value of estimated cash flows related to the obligation. The retirement obligation is recorded as a liability at its estimated present value as of the obligation's inception, with an offsetting increase to proved properties. Periodic accretion of discount of the estimated liability is recorded as accretion expense in the accompanying consolidated statements of operations and comprehensive income.

ARO liability is determined using significant assumptions, including current estimates of plugging and abandonment costs, annual inflation of these costs, the productive lives of wells and a risk-adjusted interest rate. Changes in any of these assumptions can result in significant revisions to the estimated ARO.

Commodity derivatives

The Company does not designate its commodities derivative instruments as hedges and therefore does not apply hedge accounting. Changes in fair value of derivative instruments subsequent to the initial measurement are recorded as change in fair value on derivative liability, in other income (expense). The estimated fair value amounts of the Company's commodity derivative instruments have been determined at discrete points in time based on relevant market information which resulted in the Company classifying such derivatives as Level 2. Although the Company's commodity derivative instruments are valued using public indices, as well as the Black-Sholes model, the instruments themselves are traded with unrelated counterparties and are not openly traded on an exchange.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company, as a smaller reporting company (as defined by Rule 12b-2 of the Exchange Act), is not required to furnish information required by this item.

[Table of Contents](#)

Item 8. Financial Statements and Supplementary Data

[Table of Contents](#)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Viking Energy Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Viking Energy Group, Inc. and its subsidiaries (the "Company") as of December 31, 2019 and 2018 and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2019 and 2018, and the results of its consolidated operations and its consolidated cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations since inception and has a significant working capital deficiency both of which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Turner, Stone & Company, L.L.P.
Dallas, Texas
March 30, 2020
We have served as the Company's auditor since 2016.

[Table of Contents](#)

VIKING ENERGY GROUP, INC.
Consolidated Balance Sheets

	December 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash	$ 1,761,495	$ 4,009,892
Restricted cash	3,877,229	-
Accounts receivable – oil and gas	2,864,114	258,300
Prepaid expenses	168,994	124,443
Total current assets	8,671,832	4,392,635
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	68,924,441	81,331,986
Proved undeveloped and non-producing oil and gas properties, net	50,817,675	50,492,906
Total Oil and gas properties, net	119,742,116	131,824,892
Fixed assets, net	509,934	200,243
Derivative asset	-	681,776
Deposits	2,821,594	110,194
TOTAL ASSETS	$ 131,745,476	$ 137,209,740
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 3,791,894	$ 2,549,280
Accrued expenses and other current liabilities	3,229,594	1,014,661
Undistributed revenues and royalties	2,247,678	1,207,605
Derivative liability	5,158,822	2,531,718
Amount due to director	590,555	395,555
Current portion of long-term debt - net of debt discount	19,225,045	11,805,582
Total current liabilities	34,243,588	19,504,401
Long term debt – net of current portion and debt discount	84,988,117	92,076,857
Operating lease liability	308,279	-
Asset retirement obligation	3,538,637	4,413,465
TOTAL LIABILITIES	123,078,621	115,994,723
Commitments and contingencies (Note 8)	-	-
STOCKHOLDERS' EQUITY		
Preferred stock, $0.001 par value, 5,000,000 shares authorized, 28,092 Shares issued and outstanding as of December 31, 2019 and 2018	28	28
Common stock, $0.001 par value, 500,000,000 shares authorized, 124,198,309 and 90,989,025 shares issued and outstanding as of December 31, 2019 and 2018, respectively	124,198	90,989
Additional Paid-In Capital	38,825,392	32,015,913
Retained Earnings (Accumulated deficit)	(30,282,763)	(10,891,913)
TOTAL STOCKHOLDERS' EQUITY	8,666,855	21,215,017
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 131,745,476	$ 137,209,740

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

VIKING ENERGY GROUP, INC.
Consolidated Statements of Operations

	For the Years Ended December 31,	
	2019	**2018**
Revenue		
Oil and gas sales	$ 34,592,850	$ 7,967,972
Operating expenses		
Lease operating costs	12,203,777	3,835,549
General and administrative	5,233,027	7,265,639
Stock based compensation	951,533	2,303,213
Accretion – asset retirement obligations	391,482	86,023
Depreciation, depletion & amortization	10,936,446	1,644,693
Total operating expenses	29,716,265	15,135,117
Income (Loss) from operations	4,876,585	(7,167,145)
Other income (expenses)		
Interest expense	(12,988,695)	(1,910,387)
Amortization of debt discount	(7,975,244)	(5,969,886)
Change in fair value of derivatives	(3,308,880)	(1,604,916)
Gain on disposal of assets	-	623,960
Interest and other income	5,384	-
Total other income (expenses)	(24,267,435)	(8,861,229)
Net loss before income taxes	(19,390,850)	(16,028,374)
Income tax benefit (expense)	-	910,827
Net loss	$ (19,390,850)	$ (15,117,547)
Loss per weighted average number of common shares outstanding – basic and diluted	$ (0.20)	$ (0.18)
Weighted average number of common shares outstanding – basic and diluted	96,379,785	81,950,037

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

Table of Contents

VIKING ENERGY GROUP, INC.
Consolidated Statements of Cash Flows

	For the Years Ended December 31, 2019	For the Years Ended December 31, 2018
Cash flows from operating activities:		
Net income (loss)	$ (19,390,850)	$ (15,117,547)
Adjustments to reconcile net loss to cash used in operating activities:		
Change in fair value of derivative liability	3,308,880	1,604,916
Stock based compensation	951,533	2,303,212
Gain on disposal of assets	-	(613,589)
Depreciation, depletion and amortization	10,936,446	1,644,693
Accretion - Asset retirement obligation	391,482	86,023
Amortization of right-of-use assets	3,766	
Allowance for bad debt	-	217,057
Amortization of debt discount	7,975,244	5,969,886
Changes in operating assets and liabilities		
Accounts receivable	(2,517,727)	131,343
Other receivables	-	548,714
Prepaid expenses and other assets	(2,755,951)	(159,791)
Accounts payable	1,247,148	(336,903)
Accrued expenses and other current liabilities	2,837,595	614,773
Undistributed revenues and royalties	1,040,073	32,405
Deferred tax liability	-	(910,827)
Amounts due to director	-	59,200
Net cash provided by (used) in operating activities	4,027,639	(3,926,435)
Cash flows from investing activities:		
Investment in and acquisition of oil and gas properties	(5,196,576)	(7,995,476)
Acquisition of fixed assets	(11,115)	(130,000)
Proceeds from sale of fixed assets		45,000
Proceeds from sale of oil and gas interests	552,966	1,565,540
Net cash used in investing activities	(4,654,725)	(6,514,936)
Cash flows from financing activities:		
Proceeds from long-term debt	10,258,123	19,182,768

Repayment of long-term debt	(9,131,911)	(8,567,657)
Debt issuance costs	-	(1,042,492)
Short term advance	693,706	-
Proceeds from amount due to director	195,000	583,000
Repayment of amount due to director	-	(1,439,615)
Proceeds from exercise of warrants	241,000	-
Net cash provided by financing activities	2,255,918	8,716,004
Net increase (decrease) in cash	1,628,832)	(1,725,367)
Cash, beginning of year	4,009,892	5,735,259
Cash, end of year	$ 5,638,724	$ 4,009,892
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	$ 10,034,325	$ 644,000
Income taxes	$ -	$ -
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Recognition of asset retirement obligation	$ 94,796	$ 1,901,019
Recognition of right-of-use asset and lease liability	$ 367,365	$ -
Amortization of right-of-use asset and lease liability	$ 59,086	$ -
Purchase of transportation equipment through direct financing	$ 56,760	$ -
Proceeds from sale of oil and gas properties paid directly to reduce debt	$ 3,800,000	$ -
Elimination of asset retirement obligation associated with sale of assets	$ 1,361,106	$ -
Issuance of shares as payment of interest on debt	$ 620,508	$ -
Issuance of warrants for services	$ 167,151	$ -
Warrants exercised to reduce debt	$ 1,900,635	$ -
Financing associated with oil and gas property acquisition	$ -	$ 81,957,150
Issuance of shares and warrants as discount on debt	$ 3,129,012	$ 8,263,789
Debt refinanced through new credit facility	$ 3,310,000	$ 7,633,389
Purchase price adjustment of short-term advance	$ 693,706	$ -
Private placement debt exchanged for new private placement debt	$ -	$ 5,583,311
Purchase of working interest through new debt	$ -	$ 165,000
Issuance of shares and warrants for services	$ -	$ 2,303,212
Accrued expenses exchanged for long term debt	$ -	$ (866,743)
Conversion of debt	$ -	$ (15,000)

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

Table of Contents

VIKING ENERGY GROUP, INC.
Consolidated Statements of Changes in Stockholders' Equity

	Preferred Stock		Common Stock		Additional Paid-in	Prepaid Equity-Based	Retained Earnings(Accumulated	Total Stockholders'
	Number	Amount	Number	Amount	Capital	Compensation	Deficit)	Equity
Balances at December 31, 2017	28,092	$ 28	72,347,990	$ 72,348	$ 19,029,892	$ (11,827)	$ 3,417,872	$ 22,508,313
Accounting principle change relative to certain derivative liabilities - Note 2.							807,762	807,762
Shares issued as debt discount			11,447,000	11,447	2,467,086			2,478,533
Shares issued as prepaid equity-based compensation			250,000	250	54,750	(55,000)		-
Amortization of prepaid equity-based compensation						66,827		66,827
Shares issued for services			6,305,297	6,306	1,456,691			1,462,997
Shares issued in debt conversion			75,000	75	14,925			15,000
Warrants issued for services					773,388			773,388
Shares issued in cashless exercise of warrants			563,738	563	(563)			-
Warrants issued as debt discount					5,226,855			5,226,855

Beneficial conversion feature of debt as debt discount					2,812,145			2,812,145
Warrants issued for subsidiary equity in acquisition of oil and gas properties					180,744			180,744
Net loss							(15,117,547)	(15,117,547)
Balances at December 31, 2018	28,092	$ 28	90,989,025	$ 90,989	$ 32,015,913	$ -	$ (10,891,913)	$ 21,215,017
Shares issued for services			6,181,133	6,181	777,601			783,782
Shares issued for interest			3,650,046	3,650	616,858			620,508
Warrants issued for services					167,751			167,751
Warrants issued as debt discouint					3,129,012			3,129,012
Warrants exercised through reduction of debt			19,006,350	19,006	1,881,629			1,900,635
Warrants exercised for cash			2,410,000	2,410	238,590			241,000
Shares issued in cashless exercise of warrants			1,961,755	1,962	(1,962)			-
Net loss							(19,390,850)	(19,390,850)
Balances at December 31, 2019	28,092	$ 28	124,198,309	$ 124,198	$ 38,825,392	$ -	$ (30,282,763)	$ 8,666,855

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

VIKING ENERGY GROUP, INC.
Notes to Consolidated Financial Statements

Note 1. Nature of Business and Going Concern

Viking Energy Group, Inc. (“Viking” or the “Company”) is incorporated under the laws of the State of Nevada. In March 2017, the Company changed its name from Viking Investments Group, Inc. to Viking Energy Group, Inc.

The Company's business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through collaborative partnerships with other companies in this field of endeavor. Since the beginning of 2018 the Company has had the following related activities:

- On January 12, 2018, the Company, through Mid-Con Drilling, completed an acquisition of a 100% working interest in seven new oil and gas leases in Woodson and Allen Counties in Eastern Kansas.

- Effective February 1, 2018, the Company, through Mid-Con Drilling, closed on the acquisition of a working interest in a lease with access to the mineral rights (oil and gas) concerning approximately 80 acres of property in Douglas County in eastern Kansas.

- On December 28, 2018, the Company, through its subsidiary Ichor Energy, LLC (“Ichor Energy”) completed an acquisition of working interests in certain oil and gas leases in Texas (primarily in Orange and Jefferson Counties) and Louisiana (primarily in Calcasiue Parish), which include 58 producing wells and 31 salt water disposal wells. The properties produce hydrocarbons from known reservoirs/sands in the on-shore Gulf Coast region, with an average well depth in excess of 10,600 feet.

- On May 1, 2019, the Company’s subsidiary, Mid-Con Development, LLC sold all of its interests in the oil and gas assets Mid-Con Development, LLC owned in Ellis and Rooks Counties, Kansas, consisting of working interests in approximately 41 oil leases comprising several thousand acres.

- On May 10, 2019, Petrodome Louisiana Pipeline LLC ("Petrodome LA"), a subsidiary of the Company’s subsidiary, Petrodome Energy, LLC, acquired a majority working interest in 6 gas wells (including 2 producing gas wells), 1 producing oil well and 1 salt water disposal well located in the East Mud Lake Field in Cameron Parish, Louisiana, with leases to mineral rights (oil and gas) concerning approximately 765 acres.

These 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 generated a net loss of $19,390,850 and $15,117,547 for the years ended December 31, 2019 and 2018 respectively. As of December 31, 2019, the Company has a working capital deficiency in excess of $25.5 million. The largest components of current liabilities creating this deficiency are (a) notes payable with a face value aggregating approximately $13.2 million due in August of 2020 and (b) other debtor obligations requiring principal payments of approximately $9 million in 2020.

Management has evaluated these conditions and has developed a plan which, in part, address these obligations as follows:

- The acquisition of Petrodome Energy LLC in 2017 and the oil and gas expertise retained by Petrodome at the end of 2017 provided an internal lease operating company to efficiently evaluate development opportunities.

- The Ichor Energy Acquisition at the end of 2018 is believed to provide cash flow sufficient to not only satisfy the Company's debt service associated with this acquisition, but to also fund a work over program to increase this purchased production beyond its current average daily production of 2,300 BOE and provide a quicker principal reduction, resulting in an increased equity position relative to these assets. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the associated term loan, and distributions to Viking of $65,000 per month for general and administrative expenses, and a quarterly tax distribution at the current statutory rates. On a quarterly basis after appropriate distributions to the Company, any cash in excess of $2,000,000 plus unfunded approved development projects is swept by the term loan lender as an additional principal payment on the debt.

- The Company has a revolving credit facility with CrossFirst Bank, which was approved for $30,000,000. The balance outstanding at December 31, 2019 is approximately $7,690,000 with an amended maturity date of May 10, 2021. Additional funds could be made available to the Company for projects reviewed and approved by the lender.

- The Elysium Energy Acquisition on February 3, 2020 is believed to provide cash flow sufficient to not only satisfy the Company's debt service associated with this acquisition, but to also fund a development program to increase this purchased production beyond its current average daily production of 2,700 BOE and provide a quicker principal reduction, resulting in an increased equity position relative to these assets. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the associated term loan, certain oil and gas development projects approved by the lender, and a cost allocation for general and administrative expenses of $150,000 per month. Additionally, to the extent that Elysium has Excess Cash Flow (as defined in the loan agreement), the Company is required to make mandatory prepayments, without penalty or premium, equal to seventy-five percent (75%) of such Excess Cash Flow.

- With respect to the $13.2 million notes payable due in August of 2020, the Company has invited holders of the promissory notes to exchange all or a portion of their principal and/or accrued interest into a new subordinated, secured, convertible debt offering (see Note 10, Subsequent Events). The new offering commenced on February 18, 2020, and includes equity incentives, a conversion entitlement, additional security and a maturity date of February 11, 2022. There is no obligation for holders to exchange into the New Offering.

Furthermore, the global COVID-19 pandemic could have a negative impact on our financial position and results of operations. Negative impacts could include but are not limited to: our ability to sell our oil and gas production, reduction in the selling price of our oil and gas, failure of a counterparty to make required hedge payments, possible disruption of production as a result of worker illness or mandated production shutdowns, our ability to maintain compliance with loan covenants and/or refinance existing indebtedness, and access to new capital.

These conditions raise substantial doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to utilize the resources in place to generate future profitable operations, to develop additional acquisition opportunities, and to obtain the necessary financing to meet its obligations and repay its liabilities arising from business operations when they come due. Management believes the Company will be able to continue to develop new opportunities, and will be able to obtain additional funds through debt and / or equity financings to facilitate its development strategy; however, there is no assurance of additional funding being available. These 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 consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for consolidated financial information and with the instructions to Form 10-K as promulgated by the Securities and Exchange Commission (the "SEC"). Accordingly, these consolidated financial statements include all of the disclosures required by generally accepted accounting principles for complete consolidated financial statements.

Certain prior year amounts have been reclassified for consistency with the current year presentation. An adjustment has been made to the Consolidated Statement of Operations for the year ended December 31, 2018 to separately identify amortization of debt discount of $5,969,886 previously included in interest expense. This reclassification had no effect on the previously reported net loss.

b) Basis of Consolidation

The financial statements presented herein reflect the consolidated financial results of the Company and its wholly owned subsidiaries, Viking Oil & Gas (Canada) ULC, a Canadian corporation formed to provide a base of operations for properties in Canada; Mid-Con Petroleum, LLC, Mid-Con Drilling, LLC, and Mid-Con Development, LLC, which were all formed to provide a base of operations for properties in the Central United States, and Petrodome Energy, LLC, Ichor Holdings, LLC, Ichor Energy, LLC, Ichor Energy (TX), LLC, and Ichor Energy (LA), LLC, all based in Houston, Texas which provides a base of operations to facilitate property acquisitions in Texas, Louisiana and Mississippi. All significant intercompany transactions and balances have been eliminated.

c) Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and disclosure of contingent assets and liabilities. Significant areas requiring the use of management estimates relate to impairment of long-lived assets, stock-based compensation, asset retirement obligations, and the determination of expected tax rates for future income tax recoveries.

The estimates of proved, probable and possible oil and gas reserves are used as significant inputs in determining the depletion of oil and gas properties and the impairment of proved and unproved oil and gas properties. There are numerous uncertainties inherent in the estimation of quantities of proved, probable and possible reserves and in the projection of future rates of production and the timing of development expenditures. Similarly, evaluations for impairment of proved and unproved oil and gas properties are subject to numerous uncertainties including, among others, estimates of future recoverable reserves and commodity price outlooks. Actual results could differ from the estimates and assumptions utilized.

d) Financial Instruments

Accounting Standards Codification, "ASC" Topic 820-10, "Fair Value Measurement" requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 820-10, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measurement. The carrying amounts reported in the consolidated balance sheets for deposits, accrued expenses and other current liabilities, accounts payable, derivative liabilities, amount due to director, and convertible notes 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.

[Table of Contents](#)

Assets and liabilities measured at fair value as of December 31, 2019 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				
Commodity Derivative	$ -	$ -	$ -	$ -
Financial liabilities				
Commodity Derivative	$ -	$ 5,158,822	$ -	$ (3,308,880)
	$ -	$ 5,158,822	$ -	$ (3,308,880)

Assets and liabilities measured at fair value as of December 31, 2018, are classified below based on the three-level 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				
Commodity Derivative	$ -	$ 681,776	$ -	$ 926,802
	$ -	$ 681,776	$ -	$ 926,802

Financial liabilities				
Commodity Derivative	$ -	$ 2,531,718	$ -	$ (2,531,718)
	$ -	$ 2,531,718	$ -	$ (2,531,718)

The Company has entered into certain commodity derivative instruments containing swaps and collars, which management believes are effective in mitigating commodity price risk associated with a portion of its future monthly natural gas and crude oil production and related cash flows. The Company does not designate its commodities derivative instruments as hedges and therefore does not apply hedge accounting. Changes in fair value of derivative instruments subsequent to the initial measurement are recorded as change in fair value on derivative liability, in other income (expense). The estimated fair value amounts of the Company's commodity derivative instruments have been determined at discrete points in time based on relevant market information which resulted in the Company classifying such derivatives as Level 2. Although the Company's commodity derivative instruments are valued using public indices, as well as the Black-Sholes model, the instruments themselves are traded with unrelated counterparties and are not openly traded on an exchange.

In a commodities swap agreement, the Company trades the fluctuating market prices of oil or natural gas at specific delivery points over a specified period, for fixed prices. As a producer of oil and natural gas, the Company holds these commodity derivatives to protect the operating revenues and cash flows related to a portion of its future natural gas and crude oil sales from the risk of significant declines in commodity prices, which helps reduce exposure to price risk and improves the likelihood of funding its capital budget. If the price of a commodity rises above what the Company has agreed to receive in the swap agreement, the amount that it agreed to pay the counterparty is expected to be offset by the increased amount it received for its production.

The Company has also entered into collar agreements related to oil and gas production with established floors and ceilings. Upon settlement, if the current market price of the commodity is below the floor, the Company receives the difference. Conversely, if the current market price of the commodity is above the ceiling at settlement, the Company pays the excess over the ceiling price.

Although the Company is exposed to credit risk to the extent of nonperformance by the counterparties to these derivative contracts, the Company does not anticipate such nonperformance and monitors the credit worthiness of its counterparties on an ongoing basis.

The derivative assets were $1,402,543 and $681,776 as of December 31, 2019 and 2018 respectively, and the derivative liabilities were $6,561,364 and $2,531,718 as of December 31, 2019 and 2018 respectively. The change in the fair value of the derivative assets and liabilities for the year ended December 31, 2019 consisted of a decrease of $4,512,598 associated with existing commodity derivatives and an increase of $1,203,719 associated with the new commodity derivative related to the acquisition accomplished on December 28, 2018, and a loss recognized in the consolidated statement of operations in the amount of $3,308,880.

The table below is a summary of the Company's commodity derivatives as of December 31, 2019:

Natural Gas	**Period**	**Average MMBTU per Month**	**Fixed Price per MMBTU**
Swap	Dec-18 to Dec-22	118,936	$ 2.715

Crude Oil	Period	Average BBL per Month	Price per BBL
Swap	Dec-18 to Dec- 22	24,600	$ 50.85
Swap	Jan-20 to Jun-20	1,400	$ 52.71
Collar	Dec-17 to Jun-20	4,000	$ 55.00/$72.00

e) Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and highly liquid investment securities that have original maturities of three months or less. At December 31, 2019 and 2018, the Company has cash deposits in excess of FDIC insured limits in the amounts of $4,163,360 and $3,045,695.

Restricted cash in the amount of $3,877,229 as of December 31, 2019 represents the balance of cash held by Ichor Energy, LLC (the "Borrower") and/or its subsidiaries, generated through the operations of those subsidiaries. Pursuant to the Term Loan Credit Agreement to which the Borrower and its subsidiaries are parties, following March 31, 2019 the Borrower is required at all times to maintain a minimum cash balance of $2,000,000 (the "MLR"). Within 30 days of the end of each quarter, commencing with the quarter ended June 30, 2019, the Borrower is required to pay the lenders, as an additional principal payment on the debt, any cash in excess of (i) the MLR and (ii) any funds necessary for the capital expenditures contemplated to be expended in the next six month period by an approved plan of development ("APOD Capex Amount"). At December 31, 2019, the restricted cash did not exceed the MLR and the APOD Capex Amount.

f) Accounts receivable

Accounts receivable consist of oil and gas receivables. The Company evaluates these accounts receivable for collectability and, when necessary, records allowances for expected unrecoverable amounts. The Company has recorded an allowance for doubtful accounts of $217,057 at December 31, 2019 and 2018 respectively.

g) 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 of 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 in operations. 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 operations before income taxes and the adjusted carrying amount of the unproved properties is amortized on the unit-of-production method.

Depreciation, depletion and amortization expense utilizing the unit-of-production method for the Company's oil and gas properties for the years ended

December 31, 2019 and 2018 were as follows:

Oil and Gas Properties by Geographical Cost Center

Cost Center	Years ended, December 31, 2019	Years ended, December 31, 2018
Canada	$ -	$ 21,387
United States	10,936,446	1,623,306
	$ 10,936,446	$ 1,644,693

h) Limitation on Capitalized Costs

Under the full-cost method of accounting, we are required, at the end of each reporting date, 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. 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; 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.

The Company did not recognize an impairment loss on oil and gas properties for the years ended December 31, 2019 and 2018, respectively.

Table of Contents

i) Oil and Gas Reserves

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.

j) Income (loss) per Share

Basic income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (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. At December 31, 2019 there were approximately 84,554,939 common stock equivalents that were anti-dilutive. At December 31, 2018, there were 183,313,800 common stock equivalents that were not dilutive due to the market price being at or lower than the corresponding exercise price.

k) Revenue Recognition

Sales of crude oil, natural gas, and natural gas liquids (NGLs) are included in revenue when production is sold to a customer in fulfillment of performance obligations under the terms of agreed contracts. Performance obligations primarily comprise delivery of oil, gas, or NGLs at a delivery point, as negotiated within each contract. Each barrel of oil, million BTU (MMBtu) of natural gas, or other unit of measure is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the product has been transferred to the customer. The Company considers a variety of facts and circumstances in assessing the point of control transfer, including but not limited to: whether the purchaser can direct the use of the hydrocarbons, the transfer of significant risks and rewards, the Company's right to payment, and transfer of legal title. In each case, the time between delivery and when payments are due is not significant.

The following table disaggregates the Company's revenue by source for the years ended December 31, 2019 and 2018:

	Years Ended December 31,	
	2019	**2018**
Oil	$ 28,572,971	$ 7,777,100
Natural gas and Natural gas liquids	6,019,879	190,872

	$ 34,592,850	$ 7,967,972

l) Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

Table of Contents

The Company recognizes deferred tax assets and liabilities to the extent that we believe that these assets and/or liabilities are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and results of recent operations. If we determine that the Company would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of its deferred tax assets, management evaluated whether it is more likely than not that some portion, or all of its deferred tax assets, will be realized. The realization of its deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted accordingly.

The Company has estimated net operating losses in excess of $20,000,000 at December 31, 2019. The potential benefit of these net operating losses has not been recognized in these financial statements because the Company cannot be assured it is more likely than not that it will utilize the net operating losses carried forward in future years. In December 2017, tax legislation was enacted limiting the deduction for net operating losses from taxable years beginning after December 31, 2017 to 80% of current year taxable income and eliminating net operating loss carrybacks for losses arising in taxable years ending after December 31, 2017 (though any such tax losses may be carried forward indefinitely). Net operating losses originating in taxable years beginning prior to January 1, 2018 are still subject to former carryover rules. The net operating loss carryforwards generated prior to this date of approximately $11,000,000, will expire between 2019 through 2038.

m) 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 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 options and warrants is 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 year ended December 31, 2019:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Warrants Outstanding – December 31, 2018	54,821,690	0.26	6.0 years	-
Granted	18,922,500	0.30	4.9 years	-
Exercised	29,114,251	-	-	-
Forfeited/expired/cancelled	-	-	-	-
Warrants Outstanding – December 31, 2019	44,629,939	$ 0.26	5.6 years	$ -
Outstanding Exercisable – December 31, 2018	54,821,690	$ 0.27	6.0 years	$ -
Outstanding Exercisable – December 31, 2019	44,629,939	$ 0.26	5.6 years	$ -

Table of Contents

n) Impairment 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 years ended December 31, 2019 and 2018.

t) Accounting for Asset Retirement Obligations

Asset retirement obligations ("ARO") primarily represent the estimated present value of the amount the Company will incur to plug, abandon and remediate its producing properties at the projected end of their productive lives, in accordance with applicable federal, state and local laws. The Company determined its ARO by calculating the present value of estimated cash flows related to the obligation. The retirement obligation is recorded as a liability at its estimated present value as of the obligation's inception, with an offsetting increase to proved properties.

The following table describes the changes in the Company's asset retirement obligations for the years ended December 31, 2019 and 2018:

	Year ended December 31, 2019	**Year ended December 31, 2018**
Asset retirement obligation – beginning	$ 4,413,465	$ 3,096,263
Oil and gas purchases	94,796	1,898,019
Adjustments through disposals and settlements	(1,361,106)	(666,840)
Accretion expense	391,482	86,023
Asset retirement obligation – ending	$ 3,538,637	$ 4,413,465

u) Undistributed Revenues and Royalties

The Company records a liability for cash collected from oil and gas sales that have not been distributed. The amounts get distributed in accordance with the working interests of the respective owners.

v) Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02 “Leases” (ASU 2016-02) and subsequently issued supplemental adoption guidance and clarification (collectively, Topic 842). Topic 842 amends a number of aspects of lease accounting, including requiring lessees to recognize right-of-use assets and lease liabilities for operating leases with a lease term greater than one year. Topic 842 supersedes Topic 840 “Leases.” On January 1, 2019, the Company adopted Topic 842 using the modified retrospective approach. Results for reporting periods beginning after January 1, 2019 are presented under Topic 842, while prior period amounts are not adjusted and continue to be reported in accordance with our historical accounting under Topic 840. We elected the package of practical expedients permitted under the transition guidance within Topic 842, which allowed us to carry forward the historical lease classification, retain the initial direct costs for any leases that existed prior to the adoption of the standard and not reassess whether any contracts entered into prior to the adoption are leases. We also elected to account for lease and non-lease components in our lease agreements as a single lease component in determining lease assets and liabilities. In addition, we elected not to recognize the right-of-use assets and liabilities for leases with lease terms of one year or less. Upon adoption of Topic 842, we recorded $367,365 of right-of-use assets and operating lease liabilities as of January 1, 2019. The adoption did not have a material impact on our Consolidated Statements of Operations or Consolidated Statements of Cash Flows

[Table of Contents](#)

w) Subsequent events

The Company has evaluated all subsequent events from December 31, 2019, through the date of filing this report, and determined there are no additional items to disclose other than those described in Note 10.

Note 3. Business Acquisition

Certain Working Interests in Texas and Louisiana

As discussed in Note 1, on December 28, 2018, the Company, through its subsidiary Ichor Energy, LLC ("Ichor Energy") completed an acquisition of working interests in certain oil and gas leases in Texas and Louisiana.

The total consideration given, representing the full purchase price of the working interests in these certain oil and gas leases in Texas and Louisiana, is calculated as follows:

Total Consideration Given

Cash consideration	$ 3,701,698
Term loan - net	61,528,602
Fair value of Ichor Energy Warrants	180,744
Accrued obligation	330,314
Note payable Seller	23,777,948
	$ 89,519,306

Provisional Fair Value of Assets and Liabilities	
Oil and Gas Properties	$ 91,189,272
Asset retirement obligations assumed	(1,669,966)
	$ 89,519,306

The accrued obligation of $330,314 is included in accrued expenses at December 31, 2018.

[Table of Contents](#)

Proforma unaudited condensed selected financial data for the year ended December 31, 2018 as though this acquisition had taken place at January 1, 2018 are as follows:

	Year Ended December 31, 2018
Revenues	$ 49,664,112
Net Loss (excludes unrealized gains / losses)	$ 1,441,930
Loss per share	$ 0.02

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 year ended December 31, 2019:

	December 31, 2018	Adjustments	Impairments	December 31, 2019
Proved developed producing oil and gas properties				
Canada cost center	$ -	$ -	$ -	$ -
United States cost center	81,936,721	(5,403,736)	-	76,532,985
Accumulated depreciation, depletion and amortization	(604,735)	(7,003,809)	-	(7,608,544)
Proved developed producing oil and gas properties, net	$ 81,331,986	$ (12,407,545)	$ -	$ 68,924,441
Undeveloped and non-producing oil and gas properties				
Canada cost center	$ -	$ -	$ -	$ -
United States cost center	51,973,719	4,194,709	-	56,168,428
Accumulated depreciation, depletion and amortization	(1,480,813)	(3,869,940)	-	(5,350,753)
Undeveloped and non-producing oil and gas properties, net	$ 50,492,906	$ 324,769	$ -	$ 50,817,675
Total Oil and Gas Properties, Net	$ 131,824,892	$ (12,082,776)	$ -	$ 119,742,116

Table of Contents

The following table summarizes the Company's oil and gas activities by classification and geographical cost center for the year ended December 31, 2018:

	December 31, 2017	Adjustments	Impairments	December 31, 2018
Proved developed producing oil and gas properties				
Canada cost center	$ 23,279	$ (23,279)	$ -	$ -
United States cost center	12,513,088	69,423,633	-	81,936,721
Accumulated depreciation, depletion and amortization	(235,226)	(369,509)	-	(604,735)
Proved developed producing oil and gas properties, net	$ 12,301,141	$ 69,030,845	$ -	$ 81,331,986
Undeveloped and non-producing oil and gas properties				
Canada cost center	$ 382,935	$ (382,935)	$ -	$ -
United States cost center	26,851,244	25,122,475	-	51,973,719
Accumulated depreciation, depletion and amortization	(374,545)	(1,106,268)	-	(1,480,813)
Undeveloped and non-producing oil and gas properties, net	$ 26,859,634	$ 23,633,272	$ -	$ 50,492,906

Total Oil and Gas Properties, Net	$ 39,160,775	$ 92,664,117	$ -	$ 131,824,892

On January 12, 2018, the Company, through Mid-Con Drilling, closed on an acquisition of a 100% working interest in seven new oil and gas leases in Woodson and Allen Counties in Kansas. The purchase includes an undivided interest in all oil and gas wells, equipment, fixtures and other personal property located upon the leased properties. To facilitate this transaction, the Company, through Mid-Con Drilling, executed a Promissory Note, dated January 12, 2018, in favor of Cornerstone Bank in the amount of $366,000. The acquisition price for this acquisition was $480,000.

Effective February 1, 2018, the Company, through Mid-Con Drilling, closed on the acquisition of a working interest in a lease with access to the mineral rights (oil and gas) concerning approximately 80 acres of property in Douglas County in eastern Kansas. The acquisition price was $50,000.

During November, 2018, the Company created, Ichor Energy Holdings, LLC, (a Nevada Limited Liability Company), Ichor Energy, LLC (a Nevada Limited Liability Company), Ichor Energy (TX), LLC (a Texas Limited Liability company), and Ichor Energy (LA), LLC (a Louisiana Limited Liability Company) to facilitate the acquisition and ownership of certain oil and gas leases in Texas and Louisiana. The acquisition closed on December 28, 2018, and in connection therewith: (i) Ichor Energy (LA), LLC, a wholly-owned subsidiary of Ichor Energy, acquired all of the purchased assets located in Louisiana; and (ii) Ichor Energy (TX), LLC, a wholly-owned subsidiary of Ichor Energy, acquired all of the purchased assets located in Texas.

To facilitate the above-noted acquisition, the Company executed a Security and Pledge Agreement along with a $23,777,948 Promissory Note in favor of the seller, and caused Ichor Energy Holdings and Ichor Energy Holdings' wholly-owned subsidiary, Ichor Energy, to enter into a *Term Loan Credit Agreement* dated December 28, 2018, with ABC Funding LLC, as administrative agent for various lenders the "Term Loan").

Table of Contents

On December 28, 2018, the Company, through one of its subsidiaries, Ichor Energy LLC, entered into a Term Loan Credit Agreement with various lenders represented by ABC Funding, LLC as administrative agent. The agreement provides for a total loan amount of $63,592,000, bearing interest at a rate per annum equal to the greater of (i) a floating rate of interest equal to 10% plus LIBOR, and (ii) a fixed rate of interest equal to 12%, payable monthly on the last day of each calendar month, commencing January 31, 2019. Principal payments shall be made quarterly at 1.25% of the initial loan amount, commencing on the last business day of the fiscal quarter ending June 30, 2019. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the Term Loan, approximately $12,000,000 of oil and gas development projects approved by the lender, and distributions to the Company of $65,000 per month for general and administrative expenses, and a quarterly tax distribution at the current statutory rates. On a quarterly basis, commencing with the quarter ended June 30, 2019, after appropriate distributions to the Company, any cash in excess of $2,000,000 plus unfunded approved development projects will be swept by the lender as an additional principal payment on the debt. To the extent not previously paid, all loans under the Loan Agreement shall be due and payable on the December 28, 2023 (the Maturity Date).

Note 5. Related Party Transactions

The Company's CEO and director, James Doris has incurred expenses on behalf of, and made advances to, the Company in order to provide the Company with funds to carry on its operations. Additionally, Mr. Doris has made several loans through promissory notes to the Company, all accruing interest at 12%, and payable on demand. As of December 31, 2019 and 2018, the total amount due to Mr. Doris for these loans is $590,555 and $395,555, respectively. Accrued interest of $102,505 and $78,116 is included in accrued expenses and other current liabilities at December 31, 2019 and 2018, respectively,

The Company's CFO, Frank W. Barker, Jr., renders professional services to the Company through FWB Consulting, Inc., an affiliate of Mr. Barker's. As of December 31, 2019, and 2018, the total amount due to FWB Consulting, Inc. is $184,468 and $114,468, respectively, and is included in accounts payable.

Note 6. 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"). Pursuant to the amended Certification of Designation of the Series C Preferred Stock filed on September 5, 2019, each share of Series C Preferred Stock entitles the holder thereof to 32,500 votes on all matters submitted to the vote of the stockholders of the Company. Each share of Series C Preferred Stock is convertible, at the option of the holder, at any time after the date of issuance of such share, at the office of the Company or any transfer agent for such stock, into one share of fully paid and non-assessable common stock.

(b) Common Stock

On November 5, 2018, the Company amended its Articles of Incorporation to increase the number of shares of common stock the Company is authorized to issue from 100,000,000 to 500,000,000.

During the year ended December 31, 2018, the Company issued the shares of its common stock as follow:

- 11,447,000 shares of common stock issued as debt discount valued at fair market value on the date of each transaction totaling $2,478,533.
- 250,000 shares of common stock issued as prepaid equity-based compensation valued at fair market value at the date of the transaction, totaling $55,000.
- 6,305,297 shares of common stock issued for services valued at the fair market value on the date of each transaction totaling $1,462,997
- 75,000 shares of common stock issued in a debt conversion valued at $0.20 per share, or $15,000.
- 563,738 shares of common stock issued pursuant to a cashless exercise of warrants valued at fair market value on the date of exercise.

During the year ended December 31, 2019, the Company issued the shares of its common stock as follow:

- 6,181,133 shares of common stock issued for services valued at the fair market value on the date of each transaction totaling $783,782.
- 3,650,046 shares of common stock issued to satisfy accrued interest valued at fair market value at the date of the transaction, totaling $620,508.
- 19,006,350 shares of common stock issued pursuant to a warrant exercise for the reduction of debt in the amount of $1,900,635.
- 2,410,000 shares of common stock issued pursuant to the exercise of warrants in the amount of $241,000.
- 1,961,755 shares of common stock issued pursuant to cashless exercise of warrants

[Table of Contents](#)

Note 7. Long Term Debt and other short-term borrowings

Long term debt and other short-term borrowings consisted of the following at December 31, 2019 and December 31, 2018:

	December 31, 2019	**December 31, 2018**
Long-term debt:		
During June through December of 2018, the Company borrowed $9,459,750 from private lenders, and exchanged $5,514,000 of amounts due lenders from prior borrowings as well as $191,250 in accrued interest, pursuant to a 10% Secured Promissory Note with 50% of the principal convertible into the Company's common stock at $0.20 per share, all principal and accrued interest payable on the initial maturity date of August 31, 2019. Concurrently, the Company issued the Note holders 11,373,750 warrants (5-year term and an exercise price of $0.20 per share). On August 31, 2019, the Company, pursuant to the terms of the notes, elected to extend the maturity date to August 31, 2020, by increasing the interest rate to 12%, and issuing the Note holders an additional 115,000 warrants (5-year term and an exercise price of $0.20 per share) for every $100,000 invested, resulting in an additional 17,422,500 new warrants. The fair value of all these warrants was recorded as a debt discount and amortized over the life of the notes. The balance shown is net of unamortized discount of $2,086,008 at December 31, 2019 and $5,981,012 at December 31, 2018. A majority of these lenders are also Viking shareholders.	11,163,357	9,168,988
On June 13, 2018, the Company borrowed $12,400,000 pursuant to a revolving line of credit facility with a maximum principal amount of $30,000,000 from Crossfirst Bank, bearing interest 1.5% above a base rate equal to the prime rate of interest published by the Wall Street Journal, interest only for June and July of 2018, at which time Principal is payable at $100,000 monthly through the maturity date of May 10, 2021, at which time all remaining unpaid principal and accrued interest shall be due. The balance shown is net of unamortized discount of $34,411 at December 31, 2019 and $103,421 at December 31, 2018	7,655,589	11,728,911

On December 28, 2018, to facilitate the acquisition of certain oil and gas assets, the Company, through one of its subsidiaries, Ichor Energy LLC, entered into a Term Loan Credit Agreement with various lenders represented by ABC Funding, LLC as administrative agent. The agreement provides for a total loan amount of $63,592,000, bearing interest at a rate per annum equal to the greater of (i) a floating rate of interest equal to 10% plus LIBOR, and (ii) a fixed rate of interest equal to 12%, payable monthly on the last day of each calendar month, commencing January 31, 2019. Principal payments are made quarterly at 1.25% of the initial loan amount, commencing on the last business day of the fiscal quarter ending June 30, 2019. Cash generated from the operation of these assets is restricted to lease operating expenses, the payment of debt service on the Term Loan, approximately $12,000,000 of oil and gas development projects approved by the lender, and distributions to the Company of $65,000 per month for general and administrative expenses, and a quarterly tax distribution at the current statutory rates. Within 30 days of the end of each quarter, commencing with the quarter ended June 30, 2019, Ichor Energy, LLC is required to pay, as an additional principal payment on the debt, any cash in excess of the MLR and the APOD Capex Amount. To the extent not previously paid, all loans under the Loan Agreement shall be due and payable on the December 28, 2023 (the Maturity Date). The loan agreement contains prepayment penalties through December 28, 2021 and "make-whole" obligations through December 28, 2020. In addition, at maturity (or sooner under certain circumstances which include prepayment of the loan or sale of Ichor Energy, LLC) the lenders will receive a payment approximating 5% of the fair value of Ichor Energy, LLC at that time; such amount is not estimable. The balance shown is net of unamortized discount of $3,507,364 at December 31, 2019 and $4,385,408 at December 31, 2018.	53,699,940	59,206,592
On December 28, 2018, the Company issued a 10% secured promissory note in the amount of $23,777,948, payable to RPM Investments, secured by 100% of the membership interests of Ichor Energy Holdings, LLC. All accrued interest and unpaid principal are due on the earlier of (i) the date the Company or one of its affiliates completes an acquisition with one or more of the sellers for a purchase price equal to or greater than $50,000,000 or (ii) January 31, 2020. As described in Note 10, Subsequent Events, this note was extinguished on February 3, 2020 in connection with an acquisition of oil and gas interests and exchanged for a new note in the amount of approximately $20.869 million with a maturity date of June 1, 2021. As a result, the balance of this note at December 31, 2019 has been classified as non-current.	23,777,948	23,777,948
On February14, 2019, the Company executed a promissory note payable to CrossFirst Bank in the amount of $56,760 for the purchase of transportation equipment, bearing interest at 7.15%, payable in 60 installments of $1,130, with a maturity date of February 14, 2024.	48,658	-
On July 24, 2019, the Company through its wholly owned subsidiary, Mid-Con Petroleum, LLC, executed a promissory note payable to Cornerstone Bank in the amount of $2,241,758, bearing interest at 6%, payable interest only for the first year, then payable in 59 installments of $43,438, with a final payment due on a maturity date of July 24, 2025. The balance shown is net of unamortized discount of $26,538 at December 31, 2019.	2,215,221	-
On July 24, 2019, the Company through its wholly owned subsidiary, Mid-Con Drilling, LLC, executed a promissory note payable to Cornerstone Bank in the amount of $1,109,341, bearing interest at 6%, payable interest only for the first year, then payable in 59 installments of $21,495, with a final payment due on a maturity date of July 24, 2025. The balance shown is net of unamortized discount of $26,464 at December 31, 2019.	1,032,215	-
	99,592,928	103,882,439
Other short-term borrowings:		
On September 30, 2019, the Company received $910,000 under an agreement that requires the Company to make 28 weekly payments aggregating $1,237,600 through April 13, 2020. On December 23, 2019, the Company received an additional $242,750 under a replacement agreement that requires the Company to make 25 weekly payments aggregating $1,620,000 through June 15, 2020. The agreement provides discounts for early payment. The balance shown is net of the maximum discount of $413,445 at December 31, 2019.	1,141,755	-
On October 3, 2019, the Company received $480,200 under an agreement that requires the Company to make 28 weekly payments aggregating $666,400 through April 20, 2020. The agreement provides discounts for early payment. The balance shown is net of the maximum discount of $132,289 at December 31, 2019.	423,111	-
On December 23, 2019, the Company received $2,939,970 under an agreement that requires the Company to make 25 weekly payments aggregating $4,050,000 through June 15, 2020. The agreement provides discounts for early payment. The balance shown is net of the maximum discount of $1,110,030 at December 31, 2019.	2,855,368	-
On November 26, 2019, the Company received $200,000 from an individual. The advance is non-interest bearing and payable on demand.	200,000	-
Total long-term debt and other short-term borrowings	104,213,162	103,882,439
Less current portion	(19,225,045)	(11,805,582)
	$ 84,988,117	$ 92,076,857

Table of Contents

Principal maturities of long-term debt for the next five years and thereafter are as follows:

Period ended December 31,	Principal	Unamortized Discount	Net
2020	$ 22,233,521	$ 3,008,476	$ 19,225,045
2021	33,800,583	888,057	32,912,526
2022	3,571,250	888,057	2,683,193
2023	49,183,721	881,309	48,302,412
2024	735,234	9,529	725,705
Thereafter	369,637	5,356	364,281
	$ 109,893,946	$ 5,680,784	$ 104,213,162

Loan Covenants

Pursuant to the terms of the Revolving Line of Credit Facility executed on June 13, 2018 with CrossFirst Bank for a maximum principal amount of $30,000,000, the Company is required to provide on a quarterly basis, certain information to the Bank relative to operational performance of the Borrowers, to include internally prepared consolidated financial statements, hedge reports, and a compliance certificate.

Pursuant to the terms of the Term Loan Credit Agreement executed on December 28, 2018 with various lenders in the initial amount of $63,592,000, the Company is required to provide, periodically to the lenders, certain information relative to financial and operational performance of the related assets , accompanied by a compliance certificate

At December 31, 2019, the Company is not in default of any loan covenants.

Note 8. Commitments and contingencies

In April 2018, the Company's subsidiary, Petrodome Energy, LLC entered into a 66-month lease for 4,147 square feet of office space for the Company's corporate office in Houston, Texas. The annual base rent commenced at $22.00 per square foot, and escalates at $0.50 per foot each year through expiration of the lease term. A right-of-use asset and operating lease liability has been recorded with the adoption of Topic 842, pertaining to this office lease. As this lease does not provide an implicit interest rate, we used a portfolio approach to determine a collateralized incremental borrowing rate of 10% based on the information available at the date of adoption of Topic 842 to determine the lease liability. Operating lease expense is recognized on a straight-line basis over the lease term. Operating lease expense was $96,304 for the year ended December 31, 2019.

The Company's commitment for minimum lease payments under this operating lease for the next five years and thereafter as of December 31, 2019 are as follows:

Period ended December 31,	
2020	$ 94,690
2021	96,763
2022	98,837
2023	82,940
	$ 373,230

From time to time the Company may be a party to litigation involving commercial claims against the Company. Management believes that the ultimate resolution of these matters will not have a material effect on the Company's financial position or results of operations.

Table of Contents

The staff (the "Staff") of the SEC's Division of Enforcement has notified the Company, that the Staff has made a preliminary determination to recommend that the SEC file an enforcement action against the Company, as well as against its CEO and it CFO, for alleged violations of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder during the period from early 2014 through late 2016. The Staff's notice is not a formal allegation or a finding of wrongdoing by the Company, and the Company is in dialogue with the Staff regarding its preliminary determination. The Company believes it has adequate defenses and intends to vigorously defend any enforcement action that may be initiated by the SEC.

Note 9. Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

The Company recognizes deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and results of recent operations. If we determine that the Company would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of its deferred tax assets, management evaluated whether it is more likely than not that some portion, or all of its deferred tax assets, will be realized. The realization of its deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted accordingly.

The Company has estimated net operating loss carry forwards of approximately $35,800,000 and $20,700,000 (revised from prior year estimate) as of December 31, 2019 and 2018 respectively. The potential benefit of these net operating losses has not been recognized in these financial statements because the Company cannot be assured it is more likely than not that it will utilize the net operating losses carried forward in future years. The net operating loss carryforwards generated prior to the January 1, 2018 effective date of the "Tax Cuts and Jobs Act of 2017" will expire in 2027 through 2037. Net operating losses arising in taxable years beginning after December 31, 2017 are carried forward indefinitely and are limited to 80 percent of taxable income.

The current and deferred income tax expense (benefit) consists of the following for the years ending December 31, 2019 and 2018:

	December 31, 2019	December 31, 2018
Current		
Federal	$ (3,174,242)	$ (2,496,519)
State	-	-
Total current tax expense (benefit)	(3,174,242)	(2,496,519)
Deferred tax timing differences		
Federal	(894,687)	(866,288)
State	-	-
Increase (decrease) in valuation allowance	4,068,929	2,451,980
Income tax expense (benefit)	$ -	$ (910,827)

Table of Contents

The components of deferred tax assets and liabilities as of December 31, 2019, and 2018 is as follows:

	December 31, 2019	December 31, 2018
Deferred tax assets:		
NOL carry forwards	$ 8,077,099	$ 4,902,857
Bad debt reserves	77,896	77,896
Impairment of oil and gas assets	403,289	403,289
Unrealized loss	695	695
Derivative losses	1,301,952	607,087
Share based compensation	2,456,423	2,256,601
Total deferred tax assets	12,317,354	8,248,425
Deferred tax liabilities:		
Derivative gains	(121,947)	(121,947)
Bargain purchase gain	(5,674,498)	(5,674,498)
Total deferred tax liabilities	(5,796,445)	(5,796,445)
Deferred tax asset (liability) - before valuation allowance	6,520,909	2,451,980
Less valuation allowance	(6,520,909)	(2,451,980)
Deferred tax asset (liability) - net	$ -	$ -

A reconciliation of the federal and state statutory income tax rates to the Company's effective income tax rate applicable to income before income tax benefit from continuing operations is as follows for the years ended December 31, 2019 and 2018:

	December 31, 2019	December 31, 2018
Continuing operations		
Expected provision at US statutory rate	21.00%	21.00%
State income tax net of federal benefit	0.00%	0.00%
Other items effecting timing differences	-4.6%	-5.4%
Valuation allowance	0.00%	-%
Effective income tax rate	16.4%	15.6%

[Table of Contents](#)

The Company files income tax returns on a consolidated basis in the United States federal jurisdiction. As of December 31, 2019, the tax returns for the Company for the years ending 2016 through 2018 remain open to examination by the Internal Revenue Service. The Company and its subsidiaries are not currently under examination for any period.

Should the Company undergo an ownership change as defined in Section 382 of the Internal Revenue Code, the Company's tax net operating loss carry forwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of these losses.

Note 10. Subsequent Events

Acquisition of Oil and Gas Properties

Purchase and Sale Agreement

On February 3, 2020, Elysium Energy, LLC ("Elysium"), a wholly-owned subsidiary of Viking's subsidiary, Elysium Energy Holdings, LLC ("Elysium Holdings"), acquired interests in certain oil and gas properties located in Texas and Louisiana (the "Acquisition"). The purchase price was approximately $46.3 million (subject to adjustment) which was substantially accomplished through cash on hand (which included the proceeds provided by the Camber Energy, Inc. ("Camber") promissory note described below), a term loan, and settlement of a promissory note previously issued to certain of the sellers. The assets purchased included leases, working interests, and over-riding royalty interests in oil and gas properties in Texas (approximately 72 wells) and Louisiana (approximately 55 wells), along with associated equipment. On February 4, 2020, Elysium hedged **75%** of the estimated oil and gas production associated with the newly acquired assets for 2020, 60% of the estimated production for 2021 and 50% of the estimated production for the period between January, 2022 to July, 2022. Theses hedges have a floor of $45 and a ceiling ranging from $52.70 to $56 for oil, and a floor of $2 and a ceiling of $2.425 for natural gas

Supplemental pro forma financial information has not been provided as the initial accounting for the acquired interests has not been completed.

Term Loan

In connection with the Acquisition, Elysium Holdings (Elysium's parent), Elysium, and Elysium's subsidiaries (collectively the "Borrowers") entered into a $35.0 million term loan at a 4.0% original issue discount. The loan matures on August 3, 2022, unless accelerated sooner pursuant to the loan agreement. The loan bears interest at the prime rate plus seven and three quarters percent (7.75%) payable monthly. Principal payments are due beginning on May 1, 2020, and on each month thereafter at one percent (1%) of the then-outstanding balance and, to the extent not previously paid, on the maturity date.

The Borrowers have the right to prepay the term loan, subject to a prepayment fee of 5% for prepayments prior to February 3, 2021, 3% for prepayments from February 3, 2021 to February 3, 2022, and 0% for prepayments thereafter.

Additionally, to the extent that the Borrowers have Excess Cash Flow (as defined in the loan agreement), the Borrowers are required to make mandatory prepayments, without penalty or premium, equal to seventy-five percent (75%) of such Excess Cash Flow.

The Loan Agreement contains various customary covenants, some of which limit the ability of Elysium to, among other things, incur additional indebtedness; grant certain liens; engage in certain asset acquisitions and dispositions; make certain loans; make or declare certain dividends or distributions; issue additional equity interests; engage in certain changes in their organizational structure; engage in certain transactions with affiliates; make certain capital expenditures; amend their organizational documents or form or acquire additional subsidiaries. The loan agreement also contains covenants that require the maintenance of specified financial ratios or conditions.

Obligations under the loan agreement are secured by mortgages on the oil and gas leases of the Elysium and its subsidiaries, a security agreement covering all assets of Elysium and its subsidiaries, and a pledge of all of Elysium's membership interests.

Promissory Notes

Certain of the selling entities were holders of the Company's $23.7 million secured promissory note dated December 31, 2018. This note (and all unpaid accrued interest) was extinguished in connection with this acquisition. In exchange, the Company issued a new promissory note dated February 3, 2020, for approximately $20.869 million, which is secured by a pledge of the membership interests of Viking's wholly-owned subsidiary, Ichor Energy Holdings, LLC. The note bears interest at a rate of 10% per annum, payable at maturity (June 1, 2021). The note also requires that if following Viking's merger with Camber (as described below) or Viking's direct up-listing to a national stock exchange, it completes an equity raise through the issuance of its common stock, then seventy-five percent (75%) of such proceeds are to be applied to reduce the amount outstanding under the promissory note. Further, to the extent the Borrowers are due any post-closing adjustment payments in connection with the Acquisition, such payments are to be applied to reduce the balance owing under the promissory note.

Merger Agreement and Promissory Note with Camber Energy, Inc.

Merger Agreement

On February 3, 2020, Viking entered into an Agreement and Plan of Merger (the "Merger Agreement") with Camber. The Merger Agreement provides that a newly-formed wholly-owned subsidiary of Camber will merge with and into Viking, with Viking surviving the merger as a wholly-owned subsidiary of Camber.

Upon the terms of the Merger Agreement, Viking shareholders will own approximately 80% of Camber at the time of the merger, subject to adjustment in certain circumstances.

The Merger Agreement provides, among other things, that the board of directors of the combined company will be comprised of five directors, one to be appointed by Camber and four to be appointed by Viking. The Merger Agreement also provides that James A. Doris, the Chief Executive Officer of Viking, shall serve as the Chief Executive Officer of the combined company. The combined company will have its headquarters in Houston, Texas.

The completion of the Merger is subject to numerous conditions including (i) the effectiveness of a registration statement registering the shares of Camber common stock to be issued to Viking's shareholders in the merger and (ii) shareholder approval of the merger transactions by Camber's shareholders and Viking's shareholders. Additional closing conditions include (i) that in the event the NYSE American determines that the merger constitutes, or will constitute, a "back-door listing"/"reverse merger", Camber (and its common stock) is required to qualify for initial listing on the NYSE American, and (ii) that the only loan obligations with a maturity date in 2020 that Viking shall have at closing shall be the $13.5 million of convertible debt issued in December of 2018.

The Merger can be terminated under various conditions or circumstances. The Merger Agreement contains customary indemnification obligations of the parties and representations and warranties. Upon consummation of the merger, Viking will be deemed the acquirer for accounting purposes.

Promissory Note

As a condition of the merger, Camber loaned Viking $5 million pursuant to the terms of a Securities Purchase Agreement and 10.5% Secured Promissory Note dated February 3, 2020 (the "Camber Note"). This Camber note accrues interest at the rate of 10.5% per annum, payable quarterly, and is due on February 3, 2022. The note includes customary events of default and can be prepaid at any time together with a prepayment penalty of 10.5%. The note is generally convertible into common shares of Viking at a conversion price of $0.24 per share subject to certain restrictions.

As additional consideration for Camber making the loan to Viking and entering into the Merger Agreement, Viking assigned Camber 25% of the membership interests in Elysium Holdings. All or a portion of the assigned interests will be retained by Camber or returned to Viking under different circumstances relating to the possible termination of the Merger Agreement and the Camber Note repayment.

The terms of the Securities Purchase Agreement and accompanying security agreement provide Camber a security interest (subject to certain prerequisites) in Viking's 75% ownership of Elysium Holdings and 100% ownership of Ichor Energy Holdings, LLC. Additionally, Viking provided Camber a junior security interest in the membership, common stock or ownership interests of all of Viking's other existing and future, directly-owned or majority-owned subsidiaries.

The Merger Agreement provides that the Camber Note will be forgiven in the event the merger closes, or will be payable in full 90 days after the date that the Merger Agreement is terminated by any party for any reason, at which time an additional payment will also be due to Camber in an amount equal to (i) the amount owed by Camber to its Series C Preferred Stock holder in connection with the redemption of 525 shares of Camber's Series C Preferred Stock minus (ii) the Camber Note repayment amount.

New Debt Offering

On or about February 18, 2020, the Company commenced an offering of securities consisting of a subordinated, secured, convertible debt instrument with equity features (the "New Offering"), the summary terms of which are as follows: (i) *Maturity Date:* Feb. 11, 2022; (ii) *Interest Rate:* 12% per annum (payable quarterly or monthly at the Company's option; (iii) *Conversion Entitlement:* the holder may convert all or a portion of the amount outstanding into common shares in the capital stock of the Company at a price of $0.175 per share; (iv) *Equity Kicker*: for every $100,000 exchanged or advanced into the new offering, the holder will receive 60,000 common shares in the capital stock of the Company; and (v) *Security*: holders will receive, pari passu with all other holders, including Camber Energy, Inc. (which is further described in this Subsequent Events section), a pledge of the membership interests of the Company's interest in Elysium Energy Holdings, LLC, and, as soon as the Company's obligations to EMC Capital Partners, LLC are satisfied, a pledge of the membership interests of the Company's interest in Ichor Energy Holdings, LLC.

With respect to the $13.2 million of promissory notes due in August of 2020, the Company has invited the holders of these notes to exchange all or a portion of their principal and/or accrued interest into the new offering, however. there is no obligation for the holders to do so. As of March 23, 2020, 5 of the 2018 Note Holders have agreed to exchange into and/or contribute additional cash to the New Offering, representing an aggregate investment amount of $980,000, and 1 new participant invested in the New Offering, representing an aggregate investment amount of $100,000.

[Table of Contents](#)

SUPPLEMENTAL INFORMATION ON OIL AND GAS PRODUCING ACTIVITIES – (unaudited)

The following supplemental unaudited information regarding Viking's oil and gas activities is presented pursuant to the disclosure requirements of ASC 932. Viking's oil and gas activities are located in the United States and Canada.

Results of Operations

	United States		Canada	
	2019	**2018**	**2019**	**2018**
Results of operations				
Sales	$ 35,465,093	$ 7,878,714	$ -	$ 89,258
Lease operating costs	(13,076,020)	(3,787,016)	-	(48,533)
Depletion, accretion and impairment	(11,327,928)	(1,697,977)	-	(32,739)
Net	$ 11,061,145	$ 2,393,721	$ -	$ 7,986

Oil and Gas Production and Sales by geographic area for the years ended December 31, 2019 and 2018:

Reserve Quantity Information

The supplemental unaudited presentation of proved reserve quantities and related standardized measure of discounted future net cash flows provides estimates only and does not purport to reflect realizable values or fair market values of the Company's reserves. The Company emphasizes that reserve estimates are inherently imprecise and that estimates of new discoveries are more imprecise than those of producing oil and gas properties. Accordingly, significant changes to these estimates can be expected as future information becomes available.

Proved reserves are those estimated reserves of crude oil (including condensate and natural gas liquids) and natural gas that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Proved developed reserves are those expected to be recovered through existing wells, equipment, and operating methods.

Estimated Quantities of Proved Reserves

	United States		Canada	
	2019	**2018**	**2018**	**2018**
Proved Developed, Producing	7,672,566	9,174,854	-	-
Proved Developed, Non Producing	1,980,157	1,336,184	-	-
Total Proved Developed	9,652,723	10,511,038	-	-
Proved Undeveloped	4,172,167	6,013,197	-	-
Total Proved	13,824,890	16,524,235	-	-

[Table of Contents](#)

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.

Standardized Measure of Discounted Future Net Cash Flows Relating to Proved Reserves

The standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves and the changes in standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves were prepared in accordance with provisions of ASC 932 - *Extractive Activities - Oil and Gas*. Future cash inflows at December 31, 2019 and 2018 were computed by applying the unweighted, arithmetic average of the closing price on the first day of each month for the 12-month period prior to December 31, 2019 and 2018 to estimated future production. Future production and development costs are computed by estimating the expenditures to be incurred in developing and producing the proved oil and natural gas reserves at year-end, based on year-end costs and assuming continuation of existing economic conditions.

Future income tax expenses are calculated by applying appropriate year-end tax rates to future pretax net cash flows relating to proved oil and natural gas reserves, less the tax basis of properties involved. Future income tax expenses give effect to permanent differences, tax credits and loss carry forwards relating to the proved oil and natural gas reserves. Future net cash flows are discounted at a rate of 10% annually to derive the standardized measure of discounted future net cash flows. This calculation procedure does not necessarily result in an estimate of the fair market value of the Company's oil and natural gas properties.

The standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves for the year ended December 31, 2019 and 2018 are as follows:

	United States		Canada	
	2019	2018	2019	2018
Future cash inflows	$ 541,243,657	$ 812,837,838	$ -	$ -
Future production costs	(156,167,716)	(221,055,038)	-	-
Future development costs	(42,539,780)	(45,417,745)	-	-
Future income tax expense	(38,772,674)	(82,150,578)	-	-
Future net cash flows	303,763,487	464,214,477	-	-
10% annual discount for estimated timing of cash flows	(135,523,587)	(219,657,382)	-	-
Standardized measure of DFNCF	$ 168,239,900	$ 244,557,095	$ -	$ -

Table of Contents

Changes in Standardized Measure of Discounted Future Net Cash Flows

The changes in the standardized measure of discounted future net cash flows relating to proved oil and natural gas reserves for the years ended December 31, 2019 and 2018 are as follows:

	United States		Canada	
	2019	2018	2019	2018
Balance - beginning	$ 244,557,095	$ 70,760,702	$ -	$ 573,095)
Net changes in prices and production costs	(49,623,771)	663,233	-	-
Net changes in future development costs	502,197	16,523,269	-	-
Sales of oil and gas produced, net	(22,389,073)	(4,132,423)	-	-
Extensions, discoveries and improved recovery	-	-	-	-
Purchases of reserves	25,556,000	180,681,000	-	-
Sales of reserves	(12,106,298)	-	-	(573,095)
Revisions of previous quantity estimates	(67,757,693)	7,399,086	-	-
Previously estimated development costs incurred	3,636,007	3,813,777	-	-
Net change in income taxes	24,288,680	(44,289,094)	-	-
Accretion of discount	28,884,619	7,076,070	-	-
Other	(7,307,863)	6,061,475	-	-
Balance - ending	$ 168,239,900	$ 244,557,095	$ -	$ -

In accordance with SEC requirements, the pricing used in the Company's standardized measure of future net revenues is based on the 12-month un-weighted arithmetic average of the first-day-of-the-month price for the period January through December for each period presented and adjusted by lease for transportation fees and regional price differentials. The use of SEC pricing rules may not be indicative of actual prices realized by the Company in the future.

Table of Contents

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There are no reportable events under this item for the year ended December 31, 2019.

Item 9A. Controls and Procedures.

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. Management must evaluate its internal controls over financial reporting, as required by Sarbanes-Oxley Act Section 404 (a). The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles or GAAP.

As of December 31, 2019, management assessed the effectiveness of the Company's internal control over financial reporting based on the criteria for effective internal control over financial reporting established in the 2013 Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and SEC guidance on conducting such assessments. Based on that evaluation, they concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of the Company's internal controls over financial reporting that adversely affected its internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that the Company's management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1)) inadequate segregation of duties consistent with control objectives; (2) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements; and (3) ineffective controls over period end financial disclosure and reporting processes. The aforementioned material weaknesses were identified by the Company's Chief Financial Officer in connection with the audit of the Company's financial statements as of December 31, 2019 and communicated the matters to the Company's management.

Management believes that the material weaknesses set forth in items (1), (2) and (3) above did not have an effect on the Company's financial results.

Management believes that preparing and implementing sufficient written policies and checklists will remedy the following material weaknesses (i) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements; and (ii) ineffective controls over period end financial close and reporting processes. Further, management believes that the hiring of additional personnel who have the technical accounting expertise and knowledge will result in proper segregation of duties and provide more checks and balances within the financial reporting department. Additional personnel will also provide the cross training needed to support the Company if personnel turn over issues within the financial reporting department occur.

Management will continue to monitor and evaluate the effectiveness of its internal controls and procedures and its 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.

(a) Disclosure Controls and Procedures; Changes in Internal Control Over Financial Reporting

Management has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of December 31, 2019. Based on this evaluation, management concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2019.

(b) Management Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and Rule 15d-15(f) promulgated under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2019. Based on this assessment, management concluded that, as of December 31, 2019 the Company's internal control over financial reporting was not effective based on those criteria.

To remediate our internal control weaknesses, management intends to implement the following measures:

- The Company will add sufficient knowledgeable accounting personnel to properly segregate duties and to effect a timely, accurate preparation of the financial statements.
- Upon the hiring of additional accounting personnel, the Company will develop and maintain adequate written accounting policies and procedures.

The additional hiring is contingent upon the Company's efforts to obtain additional funding through equity or debt for its continued operational activities and corporate expenses. Management expects to secure funds in the coming fiscal year but provides no assurances that it will be able to do so.

We understand that remediation of material weaknesses and deficiencies in internal controls are a continuing work in progress due to the issuance of new standards and promulgations. However, remediation of any known deficiency is among our highest priorities. Our management will periodically assess the progress and sufficiency of our ongoing initiatives and make adjustments as and when necessary.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant rules of the SEC that permit us to provide only management's report in this annual report. On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act. Included in the Act is a provision that permanently exempts smaller public companies that qualify as either a Non-Accelerated Filer or Smaller Reporting Company from the auditor attestation requirement of Section 404(b) of the Sarbanes-Oxley Act of 2002.

There was no change in our internal control over financial reporting during the quarter ended December 31, 2019, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Identification of Directors and Executive Officers

The name of the officers and directors of the Company as of December 31, 2018, as well as certain information about them, are set forth below:

Name	Age	Position
James A. Doris	47	Director/CEO/President
Lawrence Fisher	81	Director
David Herskovits	69	Director
Timothy Swift	45	COO
Frank W. Barker, Jr.	64	CFO
Mark Finckle	57	EVP

Background of Officers and Directors

James A. Doris

Mr. Doris has been an officer and director of the Company since 2014 and has been an integral part of transitioning the Company's to an appropriate platform to facilitate growth. He has over 25 years of experience negotiating national and international business transactions. Formerly a lawyer in Canada, Mr. Doris represented domestic and foreign clients regarding their investment activities in Canada for over 16 years. Prior to starting his own law firm, Mr. Doris served as Executive Vice President and In-House Counsel for a real estate investment and development company as well as working at one of Canada's leading law firms. Mr. Doris graduated cum laude from the University of Ottawa.

Lawrence B. Fisher

Mr. Fisher practiced securities law in New York City for over 50 years. He was Partner in the law firm Orrick, Herrington & Sutcliffe for 11 years until retirement in 2002. While at the firm, Mr. Fisher was Partner-In-Charge of the New York office and a member of the firm's Executive Committee. Prior to Orrick, Mr. Fisher was a partner in the New York law firm Kelley, Drye & Warren for 10 years, including 3 years as a member of the firm's Executive Committee, and prior to his time at Kelley, Drye & Warren, Mr. Fisher was associate and then partner in the law firm Parker, Chapin and Flattau for an aggregate of 22 years, 5 as an associate and the remainder as a partner. There, too, Mr. Fisher was a member of the firm's Executive Committee. Mr. Fisher graduated from Columbia College in 1960 and Columbia Law School in 1963 and was a Research Fellow at the London School of Economics from 1963-1965. Mr. Fisher was a member of the Board of Directors of National Bank of New York City in excess of 30 years until retirement in 2000, and he was a member of the Board of Directors of Financial Federal Corporation until its sale 7 years ago.

David Herskovits

Mr. Herskovits is a retired audit partner of Deloitte & Touche LLP. Mr. Herskovits joined Deloitte in 1974, was admitted to the partnership in 1985, and retired in 2013. During his career, Mr. Herskovits was responsible for major audit engagements for public and private companies. He also served in several technical and quality assurance roles at the firm. Mr. Herskovits received an MBA from Harvard University and a B.S. from Cornell University.

Timothy Swift

Mr. Swift has more than 17 years' experience in the financial services industry with a focus on energy and energy related companies. Mr. Swift's experience included research and trading of both credit and equity products. While most recently Mr. Swift focused exclusively on the private placement of highly structured middle market credit products. Prior to joining Viking Energy Group, Mr. Swift was a founding partner and Managing Director on the Debt Capital Markets desk at Cantor Fitzgerald & Co. Prior to Cantor, Mr. Swift was a Vice President on the Cowen & Co debt capital market team. At both Cantor Fitzgerald & Co and Cowen & Co, Mr. Swift participated in more than 50 transactions raising over $5.5 billion. Prior to Cowen & Co, Mr. Swift served in various capacities at R.W. Pressprich and CRT Capital Group. Mr. Swift holds a B.S. in Finance from Babson College. Mr. Swift's employment with the Company ended effective February 13, 2020, and Mr. Swift was no longer an officer of the Company after that date.

Frank W. Barker, Jr.

Mr. Barker is a Certified Public Accountant licensed to practice in the State of Florida. Mr. Barker has been providing professional services to the Company since the beginning of 2015. On December 29, 2017, Mr. Barker accepted the position as Chief Financial Officer of the Company. Mr. Barker has vast experience providing strategic, financial, accounting and tax-related services in various capacities to both Public and Private entities, including Compliance Reporting with the Securities and Exchange Commission, the planning, preparation and oversight of annual audit functions, presentation of financial data to Public Company Boards, turn-around management, bankruptcy and asset recovery, Strategic planning for survival of troubled companies, financial forecasting and cash flow management, litigation support and forensic analysis, mergers and acquisitions and reverse mergers. Mr. Barker has served as Chief Financial Officer of several Public Companies with Revenues in excess of $40 million. Mr. Barker's Industry experience include the fields of Defense Contracting, Manufacturing, Alternative Energy, Electrical Contracting, Healthcare Research and Construction, Oil and Gas, Health Care Services and Administration, Not for Profit, Retail, Distribution, Gaming, Real Estate, Professional Services, Internet Technologies, Media Communications, Web Based Technologies, Banking, Investments, Insurance, Private Equity, Municipal and County Governments and Treasure Exploration. Mr. Barker received a B.A. in Accounting and Finance from the University of South Florida, Tampa, Florida in 1978.

Mark Finckle

Mr. Finckle has over 30 years of experience as an accounting and financial professional. Prior to joining the Company in 2019, Mr. Finckle spent approximately 25 years as an investment banker, holding positions of increasing responsibility at Wall Street firms, including Bear Stearns, PaineWebber and Thomas Weisel Partners. Before embarking on his banking career, Mr. Finckle served as a Director of Financial Planning and Capital Budgeting at Ameritech, a large national telecommunications provider. Mr. Finckle began his career as a Certified Public Accountant, employed by the international accounting firm of Coopers & Lybrand. He holds a B.S in Finance from the University of Iowa and received his MBA from Northwestern University.

Family Relationships

There are no family relationships between any of the Company's officers and directors.

Audit Committee and Audit Committee Financial Expert

The Company, with the appointment of David Herskovits as an independent member of the board of directors, established an audit committee, with Mr. Herskovits serving as the audit committee financial expert.

Code of Ethics

The Company has not yet formally adopted a written code of ethics to be applied to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Based on its small size, limited financial and human resources, the Company has not adopted written code of ethics.

Table of Contents

Involvement in Certain Legal Proceedings

To the best of the registrant's knowledge, during the past five years, no director, executive officer, promoter or control person of the Company:

(1) has filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or present of such a person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer within two years before the time of such filing;

(2) were convicted in a criminal proceeding or named subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) were the subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of the following activities:

(i) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, associated person of any of the foregoing, or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director of any investment company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) engaging in any type of business practice;

(iii) engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or federal commodity laws.

(4) were the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described above under this Item, or to be associated with persons engaged in any such activity;

(5) were found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities law and the judgment in such civil finding or find by the Securities and Exchange Commission has not been subsequently reversed, suspended or vacated;

(6) were found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

Compliance with Section 16(A) of the Exchange Act

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who beneficially own 10% or more of a class of securities registered under Section 12 of the Exchange Act to file reports of beneficial ownership and changes in beneficial ownership with the SEC. Directors, executive officers and greater than 10% stockholders are required by the rules and regulations of the SEC to furnish the Company with copies of all reports filed by them in compliance with Section 16(a).

[Table of Contents](#)

Delinquent Section 16(a) Reports

Based solely on our review of certain reports filed with the Securities and Exchange Commission pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended, the reports required to be filed with respect to transactions in our common stock by each person who, at any time during the 2019 fiscal year, was a director, officer, or beneficial owner of more than 10% of our common stock, were timely, except that (i) James Doris did not timely file a Form 3 upon his appointment as a director of the Company on June 28, 2014, and he did not timely file a Form 4 upon his receipt of shares of Series C Preferred Stock on July 16, 2015, his receipt of 2,000,000 shares of Company common stock on July 28, 2015, his receipt of additional shares of Series C Preferred Stock on May 15, 2017, and his receipt of warrants to purchase 15,000,000 shares of Company common stock on December 29, 2017; (ii) Frank Barker, Jr. did not timely file a Form 3 upon his appointment as an executive officer and director on December 29, 2017, and he did not timely file a Form 4 upon his receipt of warrants to purchase 5,000,000 shares of Company common stock on December 29, 2017; (iii) Timothy Swift did not timely file a Form 3 upon his appointment as an executive officer of the Company on April 16, 2018, he did not timely file a Form 4 upon his receipt of warrants to purchase 3,500,000 shares of Company common stock on April 16, 2018, and he did not timely file a Form 4 upon his receipt of 500,000 shares of Company common stock on May 21, 2018, 500,000 shares of Company common stock on December 31, 2018 and 875,000 shares of Company common stock on December 30, 2019; (iv) Lawrence Fisher did not timely file a Form 3 upon his appointment as a director of the Company on August 20, 2018, and he did not timely file a Form 4 upon his receipt of 25,907 shares of Company common stock on October 8, 2018; (v) David Herskovits did not timely file a Form 3 upon his appointment as director of the Company on August 20, 2018,; and (vi) Mark Finckle did not timely file a Form 3 upon his appointment as an executive officer of the Company on September 9, 2019, he did not timely file a Form 4 upon his receipt of warrants to purchase 1,000,000 shares of Company common stock on September 9, 2019, and he did not timely file a Form 4 upon his receipt of 500,000 shares of Company common stock on September 23, 2019, and 266,789 shares of Company common stock on December 31, 2019.

Item 11. Executive Compensation

Summary Compensation Table — Fiscal Years Ended December 31, 2019 and 2018

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to the named persons for services rendered in all capacities during the noted periods. No other executive officers received total annual salary and bonus compensation in excess of $100,000.

Name and Principal Position	Year	Salary	Bonus	Stock Awards (5)	Option Awards (4)	Non-Equity Incentive Plan Compensation Earnings	Non-Equity Deferred Compensation Earnings	All Other Compensation	Total
James A. Doris	2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CEO & President (1)	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Timothy Swift	2019	$ 275,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 275,000
EVP & COO (2)	2018	$ 211,538	$ -	$ 200,000	$ 699,245	$ -	$ -	$ -	$ 1,110,783
Frank W. Barker, Jr.	2019	$ -	$ -	$ -	$ -	$ -	$ -	$ 170,000	$ 170,000
CFO (3)	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,500	$ 23,500
Mark Finckle	2019	$ 71,923	$ -	$ 81,000	$ 167,751	$ -	$ -	$ -	$ 320,674
EVP	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

<u>Narrative to Summary Compensation Table</u>

1. On June 28, 2014, Mr. Doris was appointed as a director, and on December 12, 2014, as the Chief Executive Officer and President of the Company.

2. On March 19, 2018, Mr. Swift was appointed as Executive Vice President and Chief Operating Officer of the Company, and effective February 13, 2020, Mr. Swift was no longer an officer or employee of the Company.

3. On December 29, 2017, Mr. Barker was appointed as a director and as the Chief Financial Officer of the Company. On August 20, 2018, Mr. Barker resigned as a director. Amounts reflected in other compensation represent amounts paid to FWB Consulting Inc., a company affiliated with Mr. Barker.

4. The fair value of the warrants were determined using the Black-Scholes option pricing model.

5. The fair value of stock awards are based on the closing market price on the date of issue.

Table of Contents

Outstanding Equity Awards at Fiscal Year End

As of December 31, 2019, the Company did not maintain an equity incentive plan or other plan, including but not limited to bonus, deferred compensation or retirement plan under which the Company's securities may be issued to its named executive officers as compensation.

Employment Agreements

As of December 31, 2019, the Company had an employment agreement and restricted stock agreement with Timothy Swift as EVP and COO of the Company, and Mark Finckle as EVP of Capital Markets, described below, and the Company had issued each of them warrants to purchase Company stock described below. As of December 31, 2019, the Company did not have any formal compensation arrangements with any other executive officers at December 31, 2019, except that the Company had orally agreed to pay the entity of the Company's CFO $20,000 per month. The Company has seven other full-time employees in Houston at the Corporate Headquarters who are not executive officers.

Pursuant to Mr. Swift's employment agreement with the Company, Mr. Swift was to receive an annual base salary of $275,000 and was eligible to receive, at the discretion of the Company's Board of Directors, an annual bonus of up to 110% of his base salary and incentive equity compensation equal approximately 130% of his base salary. Pursuant to the restricted stock agreement, Mr. Swift was to receive 1,000,000 shares of the Company's common stock, with 50% of the shares vesting immediately and the remaining shares vesting on October 1, 2018, unless Mr. Swift had resigned from employment or had been terminated for cause on or prior to that time. Pursuant to the warrant issued to Mr. Swift, Mr. Swift received the right to purchase 3,500,000 shares of the Company's common stock at $0.30 per share exercisable through April 1, 2023, with (i) 1,000,000 of the warrant shares vesting immediately; (ii) 2,000,000 of the warrant shares vesting on July 1, 2018, or another date as agreed in writing by both parties so long as the Company had closed a financing transaction consolidating the Company's debt, had raised an additional $5,000,000 in financing at such time, and Mr. Swift had not resigned from employment or been terminated for cause at that time; and (iii) 500,000 of the warrant shares vesting on December 31, 2018, so long as Mr. Swift had not resigned from employment or been terminated for cause at that time.

Pursuant to Mr. Finckle's employment agreement with the Company, Mr. Finckle is to receive an annual base salary of $250,000 and is eligible to receive in calendar year 2020, at the discretion of the Company's Board of Directors, an annual bonus of up to 110% of his base salary and incentive equity compensation equal to approximately 130% of his base salary. Pursuant to the Company's restricted stock agreement with Mr. Finckle, Mr. Finckle is to receive 1,000,000 shares of the Company's common stock, with 50% of the shares vesting immediately, and the remaining shares vesting on March 1, 2020, unless Mr. Finckle has resigned from employment or has been terminated for cause on or prior to that time. Pursuant to the warrant issued to Mr. Finckle, Mr. Finckle received the right to purchase 3,500,000 shares of the Company's common stock at $0.30 per share exercisable through April 1, 2024, with (i) 1,000,000 of the warrant shares vesting immediately; (ii) 2,000,000 of the warrant shares vesting on January 30, 2020, or another date as agreed in writing by both parties so long as the Company has closed a financing and/or acquisition transaction extinguishing or materially extending the maturity date of the promissory note executed by the Company on or about December 28, 2018, in the principal amount of approximately $23.77 million, and Mr. Finckle has not resigned from employment or been terminated for cause at that time; and (iii) 500,000 of the warrant shares vesting on August 31, 2020, so long as Mr. Finckle has not resigned from employment or been terminated for cause at that time.

Compensation of Directors

The directors and former directors of the Company were compensated as such during the fiscal years ended December 31, 2019, and December 31, 2018, respectively, as follows:

Name and Principal Position	Year	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation Earnings	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
James A. Doris	2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Frank W. Barker, Jr. (1)	2019	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lawrence Fischer	2019	$ 35,933	$ -	$ -	$ -	$ -	$ -	$ 35,933
	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -
David Herskovits	2019	$ 33,333	$ -	$ -	$ -	$ -	$ -	$ 33,333
	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -

1. Appointed as a director and an executive officer on December 29, 2017; resigned as director on August 18, 2018.

Table of Contents

Directors of the Company may be reimbursed for any out-of-pocket expenses incurred by them for each regular or special meeting attendance. The Company presently has no pension, health, annuity, insurance or profit sharing plans.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information regarding beneficial ownership of our common stock as of December 31, 2019, by (i) each person known by us to be the beneficial owner of more than 5% of our outstanding Common Stock, (ii) each director and each of our named executive officers and (iii) all executive officers and directors as a group.

The number of shares of Common Stock beneficially owned by each person is determined under the rules of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares as to which such person has sole or shared voting power or investment power and also any shares which the individual has the right to acquire within 60 days after the date hereof, through the exercise of any stock option, warrant or other right. Unless otherwise indicated, each person has sole investment and voting power (or shares such power with his or her spouse) with respect to the shares set forth in the following table. The inclusion herein of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares.

The information reflected in the following table was, unless otherwise specified, the address of each of the persons set forth below, or is in care of the Company at 15915 Katy Freeway, Suite 450, Houston, Texas, 77094.

Title of Class	Name & Address of Beneficial Owners	Amount & Nature of Beneficial Ownership (1)	Percent of Class (2)
Common Stock	James Doris (3)	17,000,000	12.21 %
Common Stock	Timothy Swift	1.875.000	1.51 %
Common Stock	Frank W. Barker, Jr. (4)	5,000,000	3.87 %
Common Stock	Mark Finckle (5)	2,766,789	2.19 %
Common Stock	David Herskovits	65,000	0.05 %
Common Stock	Lawrence Fisher	25,907	0.02 %
Common Stock	All Officers and Directors as a Group	26,732,696	18.29 %
Series C Preferred	James A. Doris	28,092	100.0 %
Series C Preferred	All Officers and Directors as a Group	28,092	100.0 %

1. Beneficial Ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to the shares of the Company's common stock.

2. As of December 31, 2019, a total of 124,198,309 shares of the Company's common stock, and 28,092 shares of the Company's preferred stock, as well as 44,629,939 warrants are considered to be outstanding pursuant to SEC Rule 13d-3(d)(1). For each Beneficial Owner above, any warrants exercisable within 60 days have been included for purposes of calculating the relevant percentage.

3. Includes 15,000,000 warrants held by James Doris.

4. Includes 5,000,000 warrants held by FWB Consulting, Inc., a company controlled by Frank W. Barker, Jr.

5. Includes 2,000,000 warrants held by Mark Finckle.

Table of Contents

Item 13. Certain Relationships and Related Transactions

Related Transactions

The Company's CEO and director, James Doris has incurred expenses on behalf of, and made advances to, the Company in order to provide the Company with funds to carry on its operations. Additionally, Mr. Doris has made several loans through promissory notes to the Company, all accruing interest at 12%, and payable on demand. As of December 31, 2019, the total amount due to Mr. Doris for these loans is $590,555. Accrued interest of $102,505 is included in accrued expenses and other current liabilities at December 31, 2019.

The Company's CFO, Frank W. Barker, Jr., renders professional services to the Company through FWB Consulting, Inc., an affiliate of Mr. Barker's. As of December 31, 2019, the total amount due to FWB Consulting, Inc. is $184,468 and is included in accounts payable.

The following table reflects the balances of related parties' transactions as of December 31, 2019 and 2018:

	Years ended December 31,	
	2019	**2018**
Due to Mr. James A. Doris – demand loans	590,555	395,555
Due to FWB Consulting, Inc.	184,468	114,468
	$ 775,023	$ 510,023

Other than as disclosed, there were no material transactions, series of similar transaction, current transactions, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeded $120,000 or 1% of the Company's total assets as of December 31, 2019, and in which any director or executive officer, or any security holder who is known to the Company to own of record or beneficially more than five percent of the Company's common stock, or any member of the immediate family of any of the foregoing persons, had a material interest.

Item 14. Principal Accounting Fees and Services

The following table sets forth the fees billed by our independent accounting firm of Turner, Stone & Company, LLP, and prior independent accounting firms, for each of our last two fiscal years for the categories of services indicated.

	Years Ended December 31,	
Category	**2019**	**2018**
Audit Fees	$ 42,000	$ 42,000
Audit Related Fees	-	-
Tax Fees	-	-
All Other Fees	-	-
Total	$ 42,000	$ 42,000

Audit fees. Consists of fees billed for the audit of our annual financial statements and review of our interim financial information and services that are normally provided by the accountant in connection with year-end and quarter-end statutory and regulatory filings or engagements.

Audit-related fees. Consists of fees billed for services relating to review of other regulatory filings including registration statements, periodic reports and audit related consulting.

Tax fees. Consists of professional services rendered by our principal accountant for tax compliance, tax advice and tax planning.

Other fees. Other services provided by our accountants.

Table of Contents

PART IV

Item 15. Exhibits, Financial Statement Schedules.

Number	Description
2.1	Agreement and Plan of Merger, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
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 Current Report on Form 8-K filed on November 6, 2018)
3.4	Certificate of Amendment to Designation - After Issuance of Class or Series (incorporated by reference to our Current Report on Form 8-K filed on September 5, 2019)
10.1	Term Loan Agreement, dated December 22, 2017, by the Borrowers listed therein, 405 Petrodome LLC, as Administrative Agent, and 405 Petrodome LLC and Cargill, Incorporated, as Lenders (incorporated by reference to our Current Report on Form 8-K filed on December 29, 2017)
10.2	Purchase and Sale Agreement, executed as of September 1, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on September 5, 2018)
10.3	First Amendment to Purchase and Sale Agreement, executed as of November 1, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on November 5, 2018)
10.4	Second Amendment to Purchase and Sale Agreement, executed as of November 1, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.5	Collateral Agreement to Purchase and Sale Agreement, executed as of December 26, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.6	Term Loan Credit Agreement, dated as of December 28, 2018, by and among Ichor Energy Holdings, LLC, Ichor Energy, LLC, ABC Funding, LLC, as Administrative Agent, and the Lender Parties (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.7	10% Secured Promissory Note, dated December 27, 2018, issued by Viking Energy Group, Inc. to RPM Investments, a Division of Opus Bank, in favor of Sellers (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)
10.8	Security and Pledge Agreement, executed as of December 27, 2018, by and among Viking Energy Group, Inc. and Bodel Holdings, L.L.C., Cleveland Holdings, L.L.C., Delbo Holdings, L.L.C., DeQuincy Holdings, L.L.C., Gulf Coast Working Partners, L.L.C., Oakley Holdings, L.L.C., SamJam Energy, L.L.C., and Perry Point Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on December 31, 2018)

10.9	Purchase and Sale Agreement, dated as of October 10, 2019, by and among Elysium Energy, LLC, 5Jabor, LLC, Bass Petroleum, L.L.C., Bodel Holdings, LLC, Delbo Holdings, L.L.C., James III Investments, L.L.C., JamSam Energy, LLC, Lake Boeuf Investments, LLC, Oakley Holdings, L.L.C., and Plaquemines Holdings, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on October 11, 2019)
10.10	First Amendment to Purchase and Sale Agreement, effective as of December 23, 2019, by and among 5Jabor, LLC; Bass Petroleum, L.L.C.; Bodel Holdings, LLC; Delbo Holdings, L.L.C.; James III Investments, LLC; JamSam Energy, L.L.C.; Lake Boeuf Investments, LLC; Oakley Holdings, L.L.C.; Plaquemines Holdings, L.L.C.; Elysium Energy, LLC; Viking Energy Group, Inc. and Five JAB, Inc. (incorporated by reference to our Current Report on Form 8-K filed on December 30, 2019)
10.11	Second Amendment to Purchase and Sale Agreement and Waiver, effective as of February 2, 2020, by and among 5Jabor, LLC; Bass Petroleum, L.L.C.; Bodel Holdings, LLC; Delbo Holdings, L.L.C.; James III Investments, LLC; JamSam Energy, L.L.C.; Lake Boeuf Investments LLC; Oakley Holdings, L.L.C.; Plaquemines Holdings, L.L.C. and Elysium Energy, LLC (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.12	Term Loan Agreement, dated as of February 3, 2020, by and among Elysium Energy Holdings, LLC; Elysium Energy, LLC; Elysium Energy LA, LLC; Elysium Energy TX, LLC; Pointe a la Hache, L.L.C.; Turtle Bayou, L.L.C.; Potash, L.L.C.; Ramos Field, L.L.C.; 405 Woodbine LLC, as Administrative Agent, and the Lenders signatory thereto. (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.13	Security Agreement, dated as of February 3, 2020, by and among Elysium Energy, LLC; Elysium Energy LA, LLC; Elysium Energy TX, LLC; Pointe a la Hache, L.L.C.; Turtle Bayou, L.L.C.; Potash, L.L.C.; Ramos Field, L.L.C. and 405 Woodbine LLC (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.14	Guarantee and Pledge Agreement, dated as of February 3, 2020, by Elysium Energy Holdings, LLC and 405 Woodbine LLC (incorporated by reference to our Current Report on Form 8-K filed on February 6, 2020)
10.15	Securities Purchase Agreement, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)

Table of Contents

10.16	$5,000,000 10.5% Secured Promissory Note, dated as of February 3, 2020, Issued by Viking Energy Group, Inc. to Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.17	Security and Pledge Agreement, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.18	Security and Pledge Agreement, dated as of February 3, 2020, by and between Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.19	Assignment of Membership Interests by Viking Energy Group, Inc. in favor of Camber Energy, Inc. dated February 3, 2020 (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.20	Employment Agreement with Timothy Swift dated as of March 19, 2018 (incorporated by reference to our Quarterly Report on Form 10-Q filed on May 21, 2018)
10.21	Restricted Stock Agreement with Timothy Swift dated as of April 1, 2018 (incorporated by reference to our Quarterly Report on Form 10-Q filed on May 21, 2018)
10.22	Employment Agreement with Mark Finckle dated as of September 9, 2019 (incorporated by reference to our Quarterly Report on Form 10-Q filed on November 12, 2019)
10.23	Restricted Stock Agreement with Mark Finckle dated as of September 9, 2019 (incorporated by reference to our Quarterly Report on Form 10-Q filed on November 12, 2019)
21.1*	Subsidiaries of Viking Energy Group, Inc.
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 and Accounting 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 Principal 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 Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
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

* Filed herewith
** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

Table of Contents

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 ENERGY GROUP, INC.
(Registrant)

Date: March 30, 2020

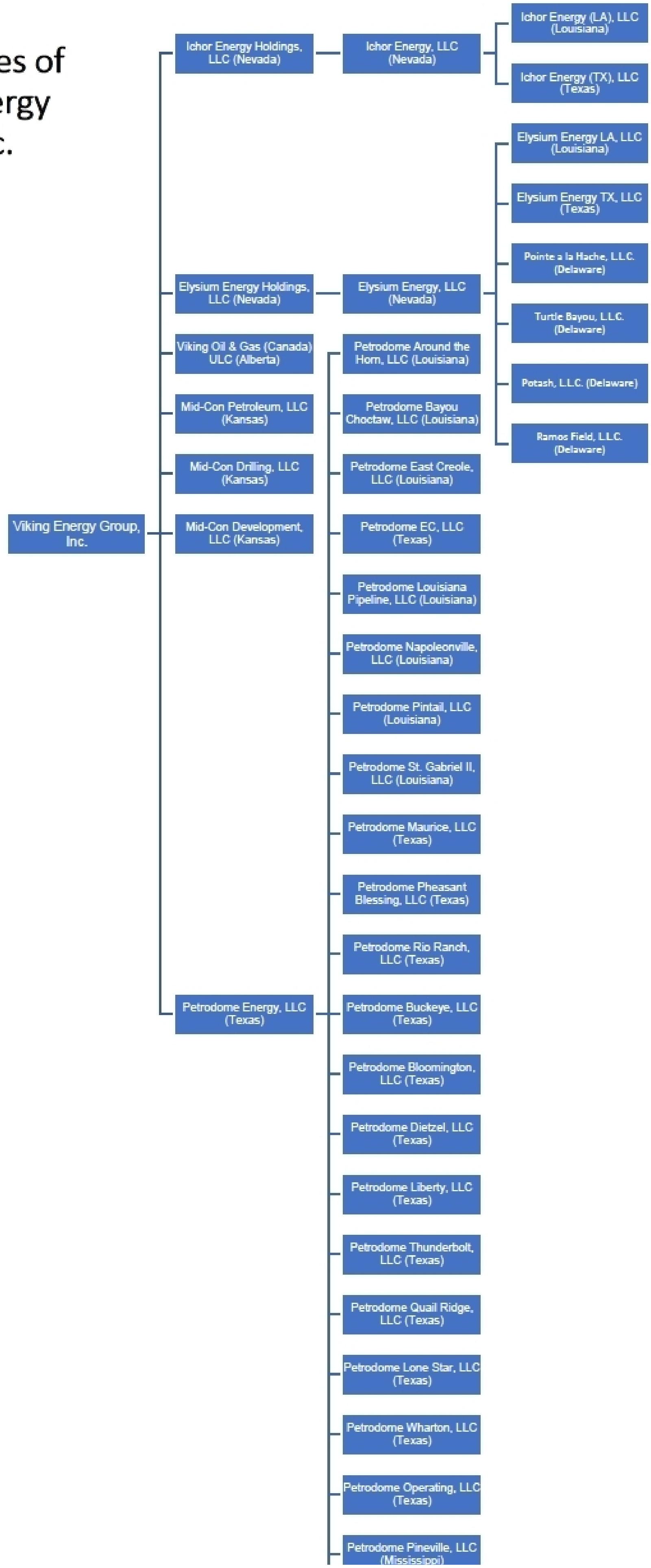
By: */s/ James Doris*
James Doris
Principal Executive Officer

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: March 30, 2020

By: */s/ Frank W. Barker, Jr.*
Frank W. Barker, Jr.
Principal Financial and Accounting Officer

Subsidiaries of Viking Energy Group, Inc.



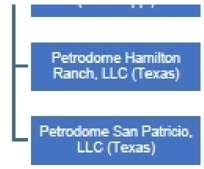

Petrodome Hamilton Ranch, LLC (Texas)
Petrodome San Patricio, LLC (Texas)

EXHIBIT 31.1

VIKING ENERGY GROUP, INC.
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James Doris, Principal Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Viking Energy Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

    (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

    (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2020

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

EXHIBIT 31.2

VIKING ENERGY GROUP, INC
Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frank W. Barker, Jr., Principal Financial and Accounting Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Viking Energy Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant's as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2020

By: */s/ Frank W. Barker, Jr.*
Frank W. Barker, Jr.
Principal Financial and Accounting Officer

EXHIBIT 32.1

VIKING ENERGY GROUP, INC.
Certification Pursuant to 18 U.S.C. Section 1350, as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Viking Energy Group, Inc. (the Company) on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, James Doris, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2020

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

EXHIBIT 32.2

VIKING ENERGY GROUP, INC.
Certification Pursuant to18 U.S.C. Section 1350, as Adopted
Pursuant toSection 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Viking Energy Group, Inc. (the Company) on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Tom Simeo, Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2020

By: *<u>/s/ Frank W. Barker, Jr.</u>*
Frank W. Barker, Jr.
Principal Financial and Accounting Officer