

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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2022

OR

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

For the transition period from _____ to _____.

Commission file number: 000-29219

VIKING ENERGY GROUP, INC.

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

Nevada

(State or other jurisdiction of
incorporation or organization)

98-0199508

(IRS Employer
Identification No.)

15915 Katy Freeway, Suite 450

Houston, TX 77094

(Address of principal executive offices)

(281) 404 4387

(Registrant's telephone number, including area code)

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

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.	Not applicable.	Not applicable.

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

Large Accelerated Filer
Non-accelerated Filer

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 Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 12, 2022, the registrant had 114,780,967 shares of common stock outstanding.

VIKING ENERGY GROUP, INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

VIKING ENERGY GROUP, INC.

Consolidated Balance Sheets

	June 30, 2022	December 31, 2021
	(unaudited)	(unaudited)
ASSETS		
Current assets:		
Cash	\$ 3,332,399	\$ 3,467,938
Accounts receivable, net	6,125,290	8,781,086
Inventory	8,146,111	5,490,435
Notes receivable	1,960,000	3,000,000
Prepays and other current assets	670,957	1,065,967
Total current assets	<u>20,234,757</u>	<u>21,805,426</u>
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	6,302,596	6,609,198
Proved undeveloped and non-producing oil and gas properties, net	7,859,459	8,216,373
Total oil and gas properties, net	<u>14,162,055</u>	<u>14,825,571</u>
Fixed assets, net	1,510,486	1,487,012
Right of use assets, net	5,000,859	5,790,147
ESG Clean Energy license, net	4,732,747	4,885,825
Due from related parties	456,965	4,835,153
Other intangibles – Simson Maxwell, net	3,790,935	3,874,117
Other intangibles – Variable Interest Entities	15,433,340	-
Goodwill	252,290	252,290
Deposits and other assets	10,300	395,315
TOTAL ASSETS	<u>\$ 65,584,734</u>	<u>\$ 58,150,856</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,324,595	\$ 8,325,469
Accrued expenses and other current liabilities	879,004	1,600,209
Customer deposits	1,396,347	23,015
Due to Camber Energy, Inc.	8,022,300	4,100,000
Undistributed revenues and royalties	3,228,070	1,332,282
Current portion of operating lease liability	1,354,637	1,324,722
Due to related parties	674,604	4,870,020
Current portion of notes payable – related parties	74,645	64,418
Bank indebtedness – credit facility	3,310,982	-
Current portion of long-term debt – net of discount	4,549,393	8,430,318
Total current liabilities	<u>26,814,577</u>	<u>30,070,453</u>
Notes payable – related parties – net of current portion	673,252	724,502
Long term debt - net of current portion and debt discount	2,425,034	2,741,190
Operating lease liability, net of current portion	3,786,750	4,474,832
Contingent obligations	1,435,757	-
Asset retirement obligation	2,193,281	2,111,650
TOTAL LIABILITIES	<u>37,328,651</u>	<u>40,122,627</u>
Commitments and contingencies	-	-
STOCKHOLDERS' EQUITY		
Preferred Stock Series C, \$0.001 par value, 50,000 shares authorized, 28,092 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	28	28
Preferred Stock Series E, \$0.001 par value, 2,075 shares authorized, 475 and 0 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	5	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 114,780,967 and 111,030,965 shares issued and outstanding as of June 30, 2022, and December 31, 2021, respectively.	114,781	111,031
Additional paid-in capital	126,909,137	120,246,224
Accumulated other comprehensive loss	(112,686)	(177,981)
Accumulated deficit	(110,046,514)	(106,760,344)
Parent's Stockholders' Equity in Viking	16,864,751	13,418,958
Non-controlling interest	11,391,332	4,609,271
TOTAL STOCKHOLDERS' EQUITY	<u>28,256,083</u>	<u>18,028,229</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 65,584,734</u>	<u>\$ 58,150,856</u>

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

VIKING ENERGY GROUP, INC.
Consolidated Statements of Operations (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Revenue				
Oil and gas sales	\$ 1,870,055	\$ 10,696,633	\$ 3,548,872	\$ 21,190,712
Power generation units and parts	1,496,526	-	3,634,127	-
Service and repairs	3,218,864	-	5,322,563	-
	<u>6,585,445</u>	<u>10,696,633</u>	<u>12,505,562</u>	<u>21,190,712</u>
Operating expenses				
Cost of goods sold	2,602,290	-	5,053,599	-
Lease operating costs	617,653	5,228,732	1,186,168	9,974,748
General and administrative	3,186,601	1,199,699	8,480,762	2,320,934
Stock based compensation	296,062	114,793	588,870	388,543
Depreciation, depletion and amortization	513,701	2,306,225	1,013,470	4,663,227
Accretion - ARO	46,565	147,308	81,631	289,674
Total operating expenses	<u>7,262,872</u>	<u>8,996,757</u>	<u>16,404,500</u>	<u>17,637,126</u>
Income (loss) from operations	<u>(677,427)</u>	<u>1,699,876</u>	<u>(3,898,938)</u>	<u>3,553,586</u>
Other income (expense)				
Interest expense	(219,283)	(3,179,380)	(353,045)	(6,431,875)
Amortization of debt discount	(2,374)	(1,086,680)	(94,896)	(2,145,036)
Change in fair value of derivatives	-	(7,307,567)	-	(12,976,173)
Loss on financing settlements	-	-	-	(926,531)
Other income	707,124	21,997	511,855	22,002
Total other income (expense)	<u>485,467</u>	<u>(11,551,630)</u>	<u>63,914</u>	<u>(22,457,613)</u>
Net loss before income taxes	(191,960)	(9,851,754)	(3,835,024)	(18,904,027)
Income tax benefit (expense)	-	-	-	-
Net loss	(191,960)	(9,851,754)	(3,835,024)	(18,904,027)
Net loss attributable to non-controlling interest	(188,349)	-	(548,854)	-
Net loss attributable to Viking Energy Group, Inc.	<u>\$ (3,611)</u>	<u>\$ (9,851,754)</u>	<u>\$ (3,286,170)</u>	<u>\$ (18,904,027)</u>
Earnings (loss) per common share				
Basic and Diluted	\$ -	\$ (0.14)	\$ (0.03)	\$ (0.28)
Weighted average number of common shares outstanding				
Basic and Diluted	<u>114,780,967</u>	<u>68,132,199</u>	<u>114,364,300</u>	<u>67,350,993</u>

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

VIKING ENERGY GROUP, INC.
Consolidated Statements of Comprehensive Loss (Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Net loss	\$ (191,960)	\$ (9,851,754)	\$ (3,835,024)	\$ (18,904,027)
Foreign currency translation adjustment	(134,882)	-	65,295	-
Total comprehensive loss	(326,842)	(9,851,754)	(3,769,729)	(18,904,027)
Less comprehensive loss attributable to non-controlling interest		-		-
Loss attributable to non-controlling interest	(188,349)	-	(548,854)	-
Foreign currency translation adjustment attributable to non-controlling interest	(53,278)	-	25,792	-
Comprehensive loss attributable to non-controlling interest	(241,627)	-	(523,062)	-
Comprehensive loss attributable to Viking	<u>\$ (85,215)</u>	<u>\$ (9,851,754)</u>	<u>\$ (3,246,667)</u>	<u>\$ (18,904,027)</u>

VIKING ENERGY GROUP, INC.
Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended	
	June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (3,835,024)	\$ (18,904,027)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:		
Change in fair value of derivative liability	-	12,976,173
Stock based compensation	588,870	388,543
Depreciation, depletion and amortization	1,013,470	4,663,227
Amortization of operational right-of-use assets	11,560	155
Accretion – asset retirement obligation	81,631	289,674
Bad debt expense	1,800,000	-
Amortization of debt discount	94,896	2,145,036
Loss on debt settlement	-	926,531
Changes in operating assets and liabilities		
Accounts receivable	855,796	(1,785,700)
Prepaid expenses and other assets	191,155	-
Inventory	(2,655,676)	-
Accounts payable	(5,000,874)	433,677
Accrued expenses and other current liabilities	(721,205)	(326,986)
Related party payables	182,772	-
Customer deposits	1,373,332	-
Undistributed revenues and royalties	1,895,788	1,718,420
Net cash provided by (used in) operating activities	(4,123,509)	2,524,723
Cash flows from investing activities:		
Proceeds from sale of oil and gas properties	24,688	876,613
Investment in and acquisition of oil and gas properties	(9,813)	(999,365)
Acquisition of fixed assets	(32,484)	-
Proceeds from sale of notes receivable	1,040,000	-
Net cash provided by (used in) investing activities	1,022,391	(122,752)
Cash flows from financing activities:		
Proceeds from long-term debt	-	510,000
Repayment of long-term debt	(4,332,998)	(3,219,637)
Proceeds from non-interest-bearing advances from Camber	3,922,300	-
Advances from bank credit facility	3,310,982	-
Repayment of amount due to director	-	(60,843)
Net cash provided by (used in) financing activities	2,900,284	(2,770,480)
Effect of exchange rates on cash	65,295	-
Net decrease in cash	(135,539)	(368,509)
Cash, beginning of period	3,467,938	7,839,539
Cash, end of period	\$ 3,332,399	\$ 7,471,030
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	\$ 353,045	\$ 6,564,807
Income taxes	\$ -	\$ -
Supplemental disclosure of Non-Cash Investing and Financing Activities:		
Amortization of right-of-use asset and lease liability	\$ 628,952	\$ 36,872
Issuance of shares for purchase of VIE interests	\$ 2,250,000	\$ -
Issuance of preferred shares for purchase of VIE interest	\$ 4,750,000	\$ -
Contingent obligation associated with acquisition of VIE interests	\$ 1,435,757	-
Issuance of shares as discount on debt	\$ -	\$ 141,321
Issuance of shares to parent for reduction of debt and accrued expenses	\$ -	\$ 18,900,000

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

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

For the six months ended June 30,
2022

	Preferred Stock Series C		Preferred Stock Series E		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Noncontrolling Interest	Total Stockholders' Equity
	Number	Amount	Number	Amount	Number	Amount					
Balances at December 31, 2021	28,092	\$ 28	-	\$ -	111,030,967	\$ 111,031	\$ 120,246,224	\$ (177,981)	\$ (106,760,344)	\$ 4,609,271	\$ 18,028,229
Shares issued in acquisition of membership interests of Viking Ozone LLC	-	-	-	-	3,333,333	3,333	1,996,667	-	-	2,420,189	4,420,189
Shares issued in acquisition of membership interests of Viking Sentinel LLC	-	-	-	-	416,667	417	232,917	-	-	224,184	457,518
Shares issued in acquisition of membership interests of Viking Protection LLC	-	-	475	5	-	-	4,433,329	-	-	4,686,542	9,119,876
Foreign currency translation adjustment								65,295			65,295
Net loss									(3,286,170)	(548,854)	(3,835,024)
Balances at June 30, 2022	<u>28,092</u>	<u>\$ 28</u>	<u>475</u>	<u>\$ 5</u>	<u>114,780,967</u>	<u>\$ 114,781</u>	<u>\$ 126,909,137</u>	<u>\$ (112,686)</u>	<u>\$ (110,046,514)</u>	<u>\$ 11,391,332</u>	<u>\$ 28,256,083</u>

For the six months ended
June 30, 2021

	Preferred Stock Series C		Preferred Stock Series E		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Noncontrolling Interest	Total Stockholders' Equity
	Number	Amount	Number	Amount	Number	Amount					
Balances at December 31, 2020	28,092	\$ 28	-	\$ -	51,494,956	\$ 51,495	\$ 75,920,811	\$ -	\$ (92,274,497)	\$ -	\$ (16,302,163)
Rounding due to reverse split					1,770	2	-				2
Shares issued for services					428,067	428	358,234				358,662
Shares issued as debt discount					169,336	169	141,152				141,321
Warrants issued for services							29,881				29,881
Shares issued to parent for reduction of debt and accrued expenses					16,153,846	16,154	19,605,846				19,622,000
Net loss									(18,904,027)	-	(18,904,027)
Balances at June 30, 2021	<u>28,092</u>	<u>\$ 28</u>	<u>-</u>	<u>\$ -</u>	<u>68,247,975</u>	<u>\$ 68,248</u>	<u>\$ 96,055,924</u>	<u>\$ -</u>	<u>\$ (111,178,524)</u>	<u>\$ -</u>	<u>\$ (15,054,324)</u>

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

VIKING ENERGY GROUP, INC.
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 Relationship with and Ownership by Camber Energy, Inc.

On December 23, 2020 Camber Energy, Inc. (“Camber”) acquired a 51% interest in Viking Energy Group, Inc. (“Viking” or the “Company”). On January 8, 2021 and July 29, 2021, Camber acquired additional interests in the Company resulting in Camber owning approximately 62% of the outstanding common shares of the Company after the January transaction and approximately 73% of the outstanding common shares of the Company after the July transaction. As a result of subsequent issuances of the Company’s common shares, Camber’s ownership interest is approximately 61% as of June 30, 2022. The December 2020, January 2021 and July 2021 transactions, along with a new merger agreement executed by Viking and Camber in February 2021 are described further below.

December 23, 2020 Transaction

On December 23, 2020, the Company entered into a Securities Purchase Agreement with Camber, pursuant to which Camber acquired (“Camber’s Acquisition”) 26,274,510 shares of Viking common stock (“Camber’s Viking Shares”), constituting 51% of the common stock of Viking, in consideration of (i) Camber’s payment of \$10,900,000 to Viking (the “Cash Purchase Price”), and (ii) cancellation of \$9,200,000 in promissory notes issued by Viking to Camber (“Camber’s Viking Notes”). Pursuant to the Securities Purchase Agreement, if at any time between December 23, 2020 and July 2, 2022 Viking issued shares of its common stock to one or more persons such that Camber’s percentage ownership of Viking’s common stock is less than 51%, Viking was obligated to issue additional shares to Camber to ensure that Camber owns at least 51% of the common stock of Viking (the “Adjustment Entitlement”). The Adjustment Entitlement expired on July 1, 2022.

On December 23, 2020, Viking and Camber closed on the Camber Acquisition, with Camber paying the Cash Purchase Price to Viking and cancelling Camber’s Viking Notes, and Viking issuing Camber’s Viking Shares. At the closing, James Doris and Frank Barker, Jr., Viking’s CEO and CFO, were appointed the CEO and CFO of Camber, and Mr. Doris was appointed a member of the Board of Directors of Camber.

January 8, 2021 Transactions

On January 8, 2021, the Company entered into another purchase agreement with Camber pursuant to which Camber agreed to acquire an additional 6,153,846 shares of Company common stock (the “Shares”) in consideration of (i) Camber issuing 1,890 shares of Camber’s Series C Redeemable Convertible Preferred Stock to EMC Capital Partners, LLC (“EMC”), one of the Company’s lenders which held a secured promissory note issued by the Company to EMC in the original principal amount of \$20,869,218 in connection with the purchase of oil and gas assets on or about February 3, 2020 (the “EMC Note”); and (ii) EMC considering the EMC Note paid in full and cancelled pursuant to the Cancellation Agreement described below. The fair value of the 1,890 shares of Camber’s Series C Redeemable Convertible Preferred Stock was determined to be \$19,622,000 at the date of the transaction; as a result, the Company recognized a loss on debt settlement in the amount of \$26,531.

February 2021 Merger Agreement with Camber

On February 15, 2021, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Camber. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a newly formed wholly owned subsidiary of Camber (“Merger Sub”) will merge with and into the Company (the “Merger”), with the Company surviving the Merger as a wholly owned subsidiary of Camber.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share: (i) of common stock, par value \$0.001 per share, of the Company (the “Viking Common Stock”) issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, the Company and Merger Sub, will be converted into the right to receive one share of common stock of Camber; and (ii) of Series C Convertible Preferred Stock of the Company (the “Viking Preferred Stock”) issued and outstanding immediately prior to the Effective Time will be converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the “Camber Series A Preferred Stock”). Each share of Camber Series A Preferred Stock will convert into 890 shares of common stock of Camber (subject to a beneficial ownership limitation preventing conversion into Camber common stock if the holder would be deemed to beneficially own more than 9.99% of Camber’s common stock), will be treated equally with Camber’s common stock with respect to dividends and liquidation, and will only have voting rights with respect to voting: (a) on a proposal to increase or reduce Camber’s share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber’s property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party. Holders of Viking common stock and Viking Preferred Stock will have any fractional shares of Camber common stock or preferred stock after the Merger rounded up to the nearest whole share.

At the Effective Time, each outstanding Company equity award, will be converted into the right to receive the merger consideration in respect of each share of Viking Common Stock underlying such equity award and, in the case of Company stock options, be converted into vested Camber stock options based on the merger exchange ratio calculated as provided above (the “Exchange Ratio”).

The Merger Agreement provides, among other things, that effective as of the Effective Time, James A. Doris, the current Chief Executive Officer of both the Company and Camber, shall serve as President and Chief Executive Officer of the Combined Company following the Effective Time. The Merger Agreement provides that, as of the Effective Time, the Combined Company will have its headquarters in Houston, Texas.

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The Merger Agreement also provides that, during the period from the date of the Merger Agreement until the Effective Time, each of Camber and Company will be subject to certain restrictions on its ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals, subject to customary exceptions. Company is required to hold a meeting of its stockholders to vote upon the adoption of the Merger Agreement and, subject to certain exceptions, to recommend that its stockholders vote to adopt the Merger Agreement. Camber is required to hold a meeting of its stockholders to approve the issuance of Viking Common Stock and Viking Preferred Stock in connection with the Merger (the “Share Issuance”).

The completion of the Merger is subject to customary conditions, including (i) adoption of the Merger Agreement by Camber’s stockholders and approval of the Share Issuance by Camber’s stockholders, (ii) receipt of required regulatory approvals, (iii) effectiveness of a registration statement on Form S-4 for the Camber common stock to be issued in the Merger (the “Form S-4”), and (iv) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party’s obligation to complete the Merger is also subject to certain additional customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) subject to certain exceptions, performance by the other party of its obligations under the Merger Agreement and (iii) the absence of any material adverse effect on the other party, as defined in the Merger Agreement.

Additional closing conditions to the Merger include 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, pursuant to the applicable guidance and requirements of the NYSE as of the Effective Time.

The Merger Agreement can be terminated (i) at any time with the mutual consent of the parties; (ii) by either Camber or Company if any governmental consent or approval required for closing is not obtained, or any governmental entity issues a final non-appealable order or similar decree preventing the Merger; (iii) by either Company or Camber if the Merger shall not have been consummated on or before August 1, 2021; (iv) by Camber or Company, upon the breach by the other of a term of the Merger, which is not cured within 30 days of the date of written notice thereof by the other; (v) by Camber if Company is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Company if Camber is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Company or Camber if there is a willful breach of the Merger Agreement by the other party thereto. The Merger Agreement contains customary indemnification obligations of the parties and representations and warranties.

As of August 12, 2022, neither Viking nor Camber has advised of its intention to terminate the Merger Agreement. However, given the lapse of time since the date of the Merger Agreement and the lack of progress during that period toward completing certain of the transaction requirements and satisfying certain of the conditions to the merger, we believe it is reasonably likely that certain terms, including economic terms of the merger, would need to be modified by the parties in order for the parties to proceed with the merger. While the parties have discussed this likelihood, neither party has determined the revised terms, if any, upon which it would be prepared to proceed with a revised merger agreement. Any revisions to the terms and conditions of the merger agreement would be subject to the written agreement of the parties, and there is no assurance Viking and Camber will agree on any such proposed modifications or conditions. Moreover, the satisfaction of conditions, whether existing or new, may be outside of Viking’s control.

July 29, 2021 Equity Transaction by Camber in Viking:

On July 29, 2021, the Company entered into a Securities Purchase Agreement with Camber, pursuant to which Camber acquired an additional 27,500,000 shares of Viking common stock for an aggregate purchase price of \$11,000,000. As a result, Camber’s ownership increased as of such date to approximately 73% of the issued and outstanding shares of Viking common stock.

Loan Transactions at Camber (Guaranteed by Viking):

Camber executed and delivered the following promissory notes (each a “Note” and collectively, the “Notes”) in favor of Discover Growth Fund, LLC:

- a. Promissory Note dated December 11, 2020 in the principal amount of \$6,000,000;
- b. Promissory Note dated December 18, 2020 in the principal amount of \$2,000,000;
- c. Promissory Note dated April 23, 2021 in the principal amount of \$2,500,000; and
- d. Promissory Note dated December 31, 2021 in the principal amount of \$6,315,789.

The Notes have the following terms: (i) Maturity Date of January 1, 2027; (ii) interest rate equal to the WSJ Prime Rate, per annum, payable at Maturity, except if Camber is noted in default in which case, at the option of the lender, the principal and interest are due immediately and the interest rate increases to the maximum rate allowed under the laws of Texas; and (iii) all or a portion of the amount owing under the Notes may, at the lender’s option, be converted into shares of common stock of Camber at price of \$ 1.50 per share.

Camber granted Discover a first-priority security interest in Camber’s Viking Shares and Camber’s other assets pursuant to various pledge agreements and general security agreements, respectively. Viking entered into Guaranty Agreements, guaranteeing repayment of the Notes (see Note 3). Viking also entered into a Security Agreement in favor of Discover granting Discover a first-priority security interest in any assets purchased by Viking with funds advanced to Viking by Camber that were loaned by Discover.

Camber’s Series C Preferred Share Designation

The Certificate of Designation(s) (the “COD”) regarding Camber’s Series C Convertible Preferred Shares requires, among other things, Camber to timely file with the Securities and Exchange Commission all reports required to pursuant to the Exchange Act. Any breach under the COD is also a default under the Notes. Camber is currently in compliance with the requirements under the COD.

Note 2 Company Overview and Operations

Viking Energy Group, Inc. (“Viking”, the “Company”, “we”, “us” or “our”) is a growth-oriented diversified energy company. Through various majority-owned subsidiaries, Viking provides custom energy and power solutions to commercial and industrial clients in North America and owns interests in oil and natural gas assets in Kansas. The Company also (i) holds an exclusive license in Canada to a patented carbon-capture system, and: (ii) owns a majority interest in entities with intellectual property rights to a patent pending, proprietary medical & biohazard waste treatment system using ozone technology; and electric transmission and open conductor detection systems. The Company is also exploring other renewable energy-related opportunities and/or technologies, which are currently generating revenue, or have a reasonable prospect of generating revenue within a reasonable period of time.

Custom Energy & Power Solutions:

Simson-Maxwell Acquisition

On August 6, 2021, the Company acquired approximately 60.5% of the issued and outstanding shares of Simson-Maxwell Ltd. (“Simson-Maxwell”), a Canadian federal corporation, for \$7,958,159 in cash. Simson-Maxwell manufactures and supplies power generation products, services and custom energy solutions. Simson-Maxwell provides commercial and industrial clients with efficient, flexible, environmentally responsible and clean-tech energy systems involving a wide variety of products, including CHP (combined heat and power), tier 4 final diesel and natural gas industrial engines, solar, wind and storage. Simson-Maxwell also designs and assembles a complete line of electrical control equipment including switch gear, synchronization and paralleling gear, distribution, Bi-Fuel and complete power generation production controls. Operating for over 80 years, Simson-Maxwell’s seven branches assist with servicing a large number of existing maintenance arrangements and meeting the energy and power-solution demands of the company’s other customers.

Clean Energy and Carbon-Capture System:

In August 2021, the Company entered into a license agreement with ESG Clean Energy, LLC (“ESG”), to utilize ESG’s patent rights and know-how related to stationary electric power generation and heat and carbon dioxide capture (the “ESG Clean Energy System”). The intellectual property licensed by Viking includes certain patents and/or patent applications, including: (i) U.S. Patent No.: 10,774,733, File date: October 24, 2018, Issue date: September 15, 2020, Titled: “Bottoming Cycle Power System”; (ii) European Patent Application No.: EP18870699.8, International File date: October 24, 2018, Titled: “Bottoming Cycle Power System”; (iii) U.S. Patent Application No.: 17/224,200, File date: April 7, 2021, Titled: “Bottoming Cycle Power System” (which was subsequently approved by the U.S. Patent & Trademark Office in March, 2022 (No. 11,286,832); (iv) U.S. Patent Application No.: 17/358,197, File date: June 25, 2021, Titled: “Bottoming Cycle Power System”; (v) U.S. Patent Application No.: 17/448,943, File date: September 27, 2021, Titled: “Systems and Methods Associated With Bottoming Cycle Power Systems for Generating Power and Capturing Carbon Dioxide”; and (vi) U.S. Patent Application No.: 17/448,938, File date: September 27, 2021, Titled: “Systems and Methods Associated With Bottoming Cycle Power Systems for Generating Power, Capturing Carbon Dioxide and Producing Products.

The ESG Clean Energy System is designed to, among other things, generate clean electricity from internal combustion engines and utilize waste heat to capture approximately 100% of the carbon dioxide (CO₂) emitted from the engine without loss of efficiency, and in a manner to facilitate the production of certain commodities. Patent No. 11,286,832, for example, covers the invention of an “exhaust-gas-to-exhaust-gas heat exchanger” that efficiently cools - and then reheats - exhaust from a primary power generator so greater energy output can be achieved by a secondary power source with safe ventilation. Another key aspect of this patent is the development of a carbon dioxide capture system that utilizes the waste heat of the carbon dioxide pump to heat and regenerate the adsorber that enables carbon dioxide to be safely contained and packaged.

The Company intends to sell, lease and/or sub-license the ESG Clean Energy System to third parties using, among other things, Simson-Maxwell’s existing distribution channels. The Company may also utilize the ESG Clean Energy System for its own account, whether in connection with its petroleum operations, Simson-Maxwell’s power generation operations, or otherwise.

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Medical Waste Disposal System Using Ozone Technology:

In January 2022, the Company acquired a 51% interest in Viking Ozone Technology, LLC (“Viking Ozone”), which owns the intellectual property rights to a patent pending (i.e. US Application 17/576,801), proprietary medical and biohazard waste treatment system using ozone technology. Simson-Maxwell has been designated the exclusive worldwide manufacturer and vendor of this system. The technology is designed to be a sustainable alternative to incineration, chemical, autoclave and heat treatment of bio-hazardous waste, and for the treated waste to be classified as renewable fuel for waste-to-energy (WTE) facilities in many locations around the world.

Open Conductor Detection Technologies:

In February 2022, the Company acquired a 51% interest in two entities, Viking Sentinel Technology, LLC (“Viking Sentinel”) and Viking Protection Systems, LLC (Viking Protection”), that own the intellectual property rights to patent pending (i.e., US Applications 16/974,086, 17/672,422 and 17/693,504), proprietary electric transmission and distribution open conductor detection systems. The systems are designed to detect a break in a transmission line, distribution line, or coupling failure, and to immediately terminate the power to the line before it reaches the ground. The technology is intended to increase public safety and reduce the risk of causing an incendiary event, and to be an integral component within grid hardening and stability initiatives by electric utilities to improve the resiliency and reliability of existing infrastructure.

Oil & Gas Properties

Existing Assets:

As at June 30, 2022, the Company, through its wholly owned subsidiary, Petrodome Energy, LLC (“Petrodome”), owned working interests in oil and gas fields in Texas, Louisiana and Mississippi, which include approximately 7 producing wells, 8 non-producing wells and 1 Salt Water Disposal Well (SWD). As further described in Note 16, Subsequent Events, Petrodome sold such interests on July 8, 2022, and proceeds from such sale were used to repay Petrodome’s indebtedness to CrossFirst Bank.

The Company, through its wholly owned subsidiaries Mid-Con Petroleum, LLC and Mid-Con Drilling, LLC (collectively, the “Mid-Con Entities”) owns working interests in oil fields in Kansas, which include a combination of producing wells, non-producing wells and water injection wells.

Divestitures in 2021:

On October 5, 2021, the Company disposed of all of membership interests of Ichor Energy Holdings, LLC (“Ichor”). The third-party purchaser assumed all of the rights and obligations associated with such membership interests, including the debt and derivatives associated with Ichor and/or its subsidiaries. The Company originally acquired the assets owned by Ichor on December 28, 2018, which at the time included interests in approximately 58 producing wells and approximately 31 saltwater disposal wells in Texas and Louisiana.

On October 12, 2021, the Company disposed of all of the membership interests of Elysium Energy Holdings, LLC (“Elysium”). The third-party purchaser assumed all of the rights and obligations associated with such membership interests, including the debt and derivatives associated with Elysium Energy Holdings and/or its subsidiaries. The Company originally acquired the assets owned by Elysium on February 3, 2020, which included interests in approximately 127 wells, along with associated equipment in Texas and Louisiana.

Note 3 Going Concern

The Company's consolidated financial statements included herein 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 \$(3,835,024) for the six months June 30, 2022, as compared to a net loss of \$(8,904,027) for the six months ended June 30, 2021. The loss for the six months ended June 30, 2022 was comprised of, among other things, certain non-cash items, including: (i) stock-based compensation of \$588,870; (ii) accretion of asset retirement obligation of \$81,631; (iii) depreciation, depletion & amortization of \$1,013,470; (iv) bad debt expense of \$1,800,000 and; (v) amortization of debt discount of \$94,896.

As of June 30, 2022, the Company has a stockholders' equity of \$28,256,083 and long-term debt of \$6,974,428. As of June 30, 2022, the Company has a working capital deficiency of \$6,579,820. The largest components of current liabilities creating this working capital deficiency is a \$8.0 million non-interest-bearing loan from Camber Energy, Inc. with no stipulated repayment terms.

As further described in Note 1, Viking has Guaranteed Camber Energy's indebtedness to Discover, as well as entered into a Security Agreement in favor of Discover granting Discover a first-priority security interest in any assets purchased by Viking with funds advanced to Viking by Camber that were loaned by Discover. In the event of a default by Camber, Viking may be called upon to honor its obligations under the Guaranty and Security Agreements executed by Viking in favor of Discover. The Company believes the likelihood that it will be required to perform under the guarantee to be remote and has not recognized a liability associated with any performance obligations of the guarantee.

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 may be able to continue to develop new opportunities and may be able to obtain additional funds through debt and / or equity financings to facilitate its business 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 4 Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying unaudited 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") and the interim reporting rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited financial statements and notes thereto contained in Viking's latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments (unless otherwise indicated), necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

b) Basis of Consolidation

The financial statements presented herein reflect the consolidated financial results of the Company, its wholly owned subsidiaries, 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, based in Houston, Texas which provides a base of operations to facilitate property acquisitions in Texas, Louisiana and Mississippi. Additionally, these financial statements also include financial results of Simson-Maxwell using the equity method from August 6, 2021 through October 18, 2021, and consolidated results subsequent to October 18, 2021.

In January 2022, the Company acquired a 51% ownership interest Viking Ozone, and in February 2022, the Company acquired a 51% ownership interest in both Viking Sentinel and Viking Protection. These entities were formed to facilitate the monetization of acquired intellectual properties (see Note 8). These entities are variable interest entities in which the Company owns a controlling financial interest; consequently, these entities are also consolidated.

All significant intercompany transactions and balances have been eliminated.

c) Foreign Currency

Foreign currency denominated assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Results of operations and cash flows of businesses conducted in foreign currency are translated using the average exchange rates throughout the period. The effect of exchange rate fluctuations on translation of assets and liabilities is included as a component of shareholders' equity in accumulated other comprehensive income (loss). Gains and losses from foreign currency transactions have been insignificant.

d) 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, goodwill, fair value of commodity derivatives, 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.

f) 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. Accounts at banks in the United States are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000, while accounts at banks in Canada are insured by the Canada Deposit Insurance Corporation ("CDIC") up to CAD \$100,000. At June 30, 2022 and December 31, 2021, the Company had \$4,869,080 and \$2,246,407 in excess of the FDIC and CDIC insured limits, respectively.

g) Accounts receivable

Accounts receivable for the Company's oil and gas operations consist of purchaser receivables and joint interest billing receivables. The Company evaluates these accounts receivable for collectability and, when necessary, records allowances for expected unrecoverable amounts. During the six months ended June 30, 2022, the Company determined that the collectability of certain accounts receivable balances associated with the disposals of Ichor and Elysium, as described in Note 2, had become questionable, and that a reserve of \$1.8 million should be recorded. The Company has recorded an allowance for doubtful accounts on oil and gas accounts of \$2,267,057 at June 30, 2022 and \$754,472 at December 31, 2021.

The Company extends credit to its power generation customers in the normal course of business. The Company performs ongoing credit evaluations and generally do not require collateral. Payment terms are generally 30 days. The Company carries its trade accounts receivable at invoice amount less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts based upon management's estimates that include a review of the history of past write-offs and collections and an analysis of current credit conditions. As of June 30, 2022, the Company established a reserve for doubtful power generation accounts of approximately \$40,000. The Company does not accrue interest on past due accounts receivable.

h) Inventory

Inventories are stated at the lower of cost or net realizable value, and consist of parts, equipment and work in process. Work-in-process and finished goods included the cost of materials, direct labor and overhead. At the closing of each reporting period, the Company evaluates its inventory in order to adjust the inventory balance for obsolete and slow-moving items.

Inventory consisted of the following at June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Units and work in process	\$ 6,466,338	\$ 4,125,451
Parts	3,208,764	2,920,045
	9,675,102	7,045,496
Reserve for obsolescence	(1,528,991)	(1,555,061)
	<u>\$ 8,146,111</u>	<u>\$ 5,490,435</u>

i) Notes Receivable

As of June 30, 2022, note's receivable included three secured promissory notes due from New Rise Processing Reno, LLC in the amounts of \$1,000,000, \$500,000 and \$460,000, for a combined total of \$1,960,000. The notes are secured by a 20% membership interest in RESC /Renewable Holdings, LLC, and bear interest at a rate of 10% per annum and with a maturity date of June 30, 2022. See Note 16, Subsequent Events, regarding note repayments in July 2022.

j) Prepaid expenses

Prepaid expenses include amounts paid in advance for certain operational expenses, as well as amounts paid through the issuance of restricted shares of stock for future contractual benefits to be received. These advances are amortized over the life of the contract using the straight-line method.

k) 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.

l) 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.

m) 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.

n) Investment in Unconsolidated Entity

The Company accounts for its investment in unconsolidated entities under the equity method of accounting when it (i) does not have a controlling financial interest and (ii) has the ability to exercise significant influence over the operating and financial policies of the entity. As described in Note 2, during August 2021 the Company acquired a 60.5% interest in Simson-Maxwell. Pursuant to a shareholder agreement in effect as of September 30, 2021, the Company did not have the ability to control the operating and financial policies of the entity as of such date, and as such has accounted for such ownership under the equity method of accounting. The investment is adjusted for its proportionate share of earnings or losses of the entity.

On October 18, 2021, the shareholder agreement was amended, resulting in Viking having control over Simson-Maxwell. As a result, commencing with the date of the amendment, the Company has included Simson-Maxwell in its consolidation.

o) Accounting for leases

The Company uses the right-of-use (“ROU”) model to account for leases where the Company is the lessee, which requires an entity to recognize a lease liability and ROU asset on the lease commencement date. A lease liability is measured equal to the present value of the remaining lease payments over the lease term and is discounted using the incremental borrowing rate, as the rate implicit in the Company’s leases is not readily determinable. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. Lease payments include payments made before the commencement date and any residual value guarantees, if applicable. When determining the lease term, the Company includes option periods that it is reasonably certain to exercise as failure to renew the lease would impose a significant economic detriment.

For operating leases, minimum lease payments or receipts, including minimum scheduled rent increases, are recognized as rent expense where the Company is a lessee on a straight-line basis (“Straight-Line Rent”) over the applicable lease terms. The excess of the Straight-Line Rent over the minimum rents paid is included in the ROU asset where the Company is a lessee. Short-term lease cost for operating leases includes rental expense for leases with a term of less than 12 months.

The Company elected the package of practical expedients permitted under the transition guidance for the revised lease standard, which allowed Viking 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. The Company also elected to account for lease and non-lease components in lease agreements as a single lease component in determining lease assets and liabilities. In addition, the Company elected not to recognize the right-of-use assets and liabilities for leases with lease terms of one year or less.

p) Business Combinations

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired customer lists, acquired technology, and trade names from a market participant perspective, useful lives and discount rates. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

q) Goodwill

Goodwill is the excess of cost of an acquired entity over the fair value of amounts assigned to assets acquired and liabilities assumed in a business combination. Goodwill is subject to impairment testing at least annually and will be tested for impairment between annual tests if an event occurs or circumstances change that would indicate the carrying amount may be impaired. An entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after completing the assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, the Company will proceed to a quantitative test. The Company may also elect to perform a quantitative test instead of a qualitative test for any or all of our reporting units. The test compares the fair value of an entity’s reporting units to the carrying value of those reporting units. This quantitative test requires various judgments and estimates. The Company estimates the fair value of the reporting unit using a market approach in combination with a discounted operating cash flow approach. Impairment of goodwill is measured as the excess of the carrying amount of goodwill over the fair values of recognized and unrecognized assets and liabilities of the reporting unit.

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The Company preliminarily recorded goodwill of \$252,290 in connection with the October 18, 2021 acquisition of Simson-Maxwell. As of June 30, 2022 and December 31, 2021, there were no indicators of potential impairment of goodwill. The Company plans to perform its goodwill impairment test annually in September.

r) Intangible assets

Intangible assets include amounts capitalized for the Company's license agreement with ESG Clean Energy, LLC as described in Note 2. This asset is amortized on a straight-line basis over the remaining life of the related patents being licensed, which is approximately 16 years.

s) Income (loss) per Share

Basic net 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 outstanding and adjusted by any effects of warrants and options outstanding during the period, if dilutive. For the six months ended June 30, 2022 there were approximately 15,324,946 common stock equivalents that were omitted from the calculation of diluted income per share as they were anti-dilutive.

t) Revenue Recognition

Oil and Gas Revenues

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 oil and gas revenue by source for the three and six months ended June 30, 2022 and 2021:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Oil	\$ 878,515	\$ 8,104,816	\$ 1,618,796	\$ 14,942,504
Natural gas and natural gas liquids	776,298	4,199,274	1,214,450	8,722,887
Settlement on Hedge Contracts	-	(2,116,873)	-	(3,077,753)
Well operations	215,242	509,416	715,626	603,074
	<u>\$ 1,870,055</u>	<u>\$ 10,696,633</u>	<u>\$ 3,548,872</u>	<u>\$ 21,190,712</u>

Power Generation Revenues

Through its 60.5% ownership in Simson-Maxwell, the Company manufactures and sells power generation products, services and custom energy solutions. Simson-Maxwell provides commercial and industrial clients with emergency power generation capabilities. Simson Maxwell's derives its revenues as follows:

1. Sale of power generation units Simson-Maxwell manufactures and assembles power generation solutions. The solutions may consist of one or more units and are generally customized for each customer. Contracts are required to be executed for each customized solution. The contracts generally require customers to submit non-refundable progress payments for measurable milestones delineated in the contract. The Company considers the completed unit or units to be a single performance obligation for purposes of revenue recognition and recognizes revenue when control of the product is transferred to the customer, which typically occurs upon shipment or delivery to the customer. Sales, use, value add and other similar taxes assessed by governmental authorities and collected concurrent with revenue-producing activities are excluded from revenue. Progress payments are recognized as contract liabilities until the completed unit is delivered. Revenue is measured as the amount of consideration the Company expects to be entitled in exchange for the transfer of the units, which is generally the price stated in the contract. The Company does not allow returns because of the customized nature of the units and does not offer discounts, rebates, or other promotional incentives or allowances to customers. Simson-Maxwell has elected to recognize the cost for freight activities when control of the product has transferred to the customer as an expense within cost of goods.

At the request of certain customers, the Company will warehouse inventory billed to the customer but not delivered. Unless all revenue recognition criteria have been met, the Company does not recognize revenue on these transactions until the customer takes possession of the product.

2. **Parts Revenue**- Simpson Maxwell sells spare parts and replacement parts to its customers. Simson-Maxwell is an authorized parts distributor for a number of national and international power generation manufacturers. The Company considers the purchase orders for parts, which in some cases are governed by master sales agreements, to be the contracts with the customers. For each contract, the Company considers the commitment to transfer products, each of which is distinct, to be the identified performance obligations. Revenue is measured as the amount of consideration the Company expects to be entitled in exchange for the transfer of product, which is generally the price stated in the contract specific for each item sold, adjusted for the value of expected returns. Sales, use, value add and other similar taxes assessed by governmental authorities and collected concurrent with revenue-producing activities are excluded from revenue. Simson-Maxwell has elected to recognize the cost for freight activities when control of the product has transferred to the customer as an expense within cost of goods sold in the consolidated statements of comprehensive income. Parts revenues are recognized at the point in time when control of the product is transferred to the customer, which typically occurs upon shipment or delivery to the customer.
3. **Service and repairs**- Simson-Maxwell offers service and repair of various types of power generation systems. Service and repairs are generally performed on customer owned equipment and billed based on labor hours incurred. Each repair is considered a performance obligation. As a result of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. Simson-Maxwell generally uses the cost-to-cost measure of progress for its service work because the customer controls the asset as it is being serviced. Most service and repairs are completed within one or two days.

The following table disaggregates Simson-Maxwell's revenue by source for the three and six months ended June 30, 2022:

	Three months ended June 30, 2022	Six months ended June 30, 2022
Power Generation Units	\$ 537,054	\$ 1,509,147
Parts	959,472	2,124,980
Total Units and Parts	1,496,526	3,634,127
Service and repairs	3,218,864	5,322,563
	<u>\$ 4,715,390</u>	<u>\$ 8,956,690</u>

u) 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 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.

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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.

v) 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 six months ended June 30, 2022:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Warrants Outstanding – December 31, 2021	7,306,854	0.81	4.90 years	-
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited/expired/cancelled	174,445	-	-	-
Warrants Outstanding – June 30, 2022	7,132,409	\$ 0.82	4.27 years	\$ -
Outstanding Exercisable – June 30, 2022	7,132,409	\$ 0.82	4.27 years	\$ -

w) Impairment of long-lived assets

The Company, at least annually, 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 six months ended June 30, 2022 and 2021.

x) 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 six months ended June 30, 2022 and 2021:

	Six Months Ended	
	June 30,	
	2022	2021
Asset retirement obligation – beginning	\$ 2,111,650	\$ 6,164,231
Oil and gas purchases	-	-
Revisions	-	1,800
Accretion expense	81,631	289,674
Asset retirement obligation – ending	\$ 2,193,281	\$ 6,455,705

y) 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.

z) Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk as a result of any non-performance by the financial institutions.

Oil and Gas

The Company's oil and gas customer base is made up of purchasers of oil and natural gas produced from the Company's properties. The Company attempts to limit the amount of credit exposure to any one company through procedures that include credit approvals, credit limits and terms. The Company believes the credit quality of its customer base is high and has not experienced significant write-offs in its accounts receivable balances.

Power Generation

The Company uses procedures including credit approvals, credit limits and terms to manage its exposure. Additionally, the Company regularly issues progress billings on longer term orders to mitigate both credit risk and overall working capital requirements.

aa) Subsequent events

The Company has evaluated all subsequent events from June 30, 2022 through the date of filing of this report.

Note 5. Acquisition of Simson-Maxwell

Effective August 6, 2021, Viking entered into a Share Purchase Agreement with Simmax Corp., ("Simmax"), Remora EQ LP, ("Remora"), and Simson-Maxwell Ltd., ("Simson"), pursuant to which Viking agreed to purchase 419 Class A Common Shares of Simson from Simmax and 555 Class A Common Shares of Simson from Remora for a total purchase price of CA\$3,998,045 (approx. US\$3,198,936) (the "Purchase Price").

Simultaneously, effective August 6, 2021, Viking entered into a Subscription Agreement with Simson (the "Subscription Agreement"), pursuant to which Viking agreed to purchase from Simson 1,462 Class A Common Shares of Simson for a purchase price of CA\$6,001,641.58 (approx. US \$4,799,009. (the "Subscription Price").

These acquisitions resulted in Viking owning a total of 2,436 Class A Common Shares of Simson, representing approximately 60.5% of the total issued and outstanding shares of Simson.

Also on August 6, 2021, Viking entered into a Unanimous Shareholders Agreement with Simmax, Remora and Simson regarding the ownership and governance of Simson, and pursuant to which Viking shall nominate two members of the Board of Directors of Simson, Simmax shall nominate one member of the Simson Board, Remora shall nominate one member of the Simson Board, and Viking, Remora and Simmax shall jointly nominate the fifth member of the Simson Board.

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The August 6, 2021 amendment also contained certain provisions that required 2/3rds majority of the Board to vote for changes in the capital budget of the company, capital expenditures in excess of \$250k and other provisions generally considered to be participatory rights, which would preclude Viking from consolidating Simson.

On October 18, 2021, the company amended the Unanimous Shareholders Agreement with Simmax, Remora and Simson to increase the number of board member to 5 with three board members nominated by Viking and to require two thirds approval of the board of directors only for matters affecting issuance of dilutive shares, dissolution of Simson and other matters that generally would protect non-controlling shareholders. The changes to the Unanimous Shareholders Agreement on October 18, 2021 rescinded the two thirds Board approval requirement for all matters except those that are protective in nature, at which point, Viking obtained control of Simson.

As a result, Simson-Maxwell is included in the accompanying consolidated financial statements under the equity method from August 6, 2021 to October 18, 2021 and is consolidated from the effective date (October 18, 2021) of the acquisition. The recorded cost of this acquisition was based upon the fair market value of the assets acquired based on an independent valuation.

The total value of the consideration given was determined as follows:

Cash consideration – August 6, 2021	\$ 7,958,159
Equity in earnings (losses) through October 18, 2021	<u>(178,942)</u>
Total value of consideration given – October 18, 2021	<u>\$ 7,779,217</u>

The preliminary fair values of assets acquired and liabilities assumed in connection with this acquisition are as follows:

Total Purchase Price	\$ 7,779,217
Fair Value of Assets and Liabilities including the recognition of a 39.5% noncontrolling interest	
Cash	\$ 5,668,384
Accounts receivable	7,559,748
Inventory	5,819,612
Prepaid expenses	288,032
Fixed assets	1,397,187
Identifiable intangible assets	3,908,126
Accounts payable	(5,475,967)
Accrued expenses and other liabilities	(948,669)
Bank credit facility	(4,007,971)
Related party liabilities - net	(422,682)
Promissory notes payable	(1,344,599)
Noncontrolling interest recognized at fair value acquisition	<u>(4,914,274)</u>
Total fair value of acquisition	<u>7,526,927</u>
Fair value of goodwill	<u>\$ 252,290</u>

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The Company is still in the process of determining fair value for certain assets and liabilities. All amounts are considered preliminary and subject to adjustment.

The Company has determined, on a provisional basis, a valuation of goodwill and noncontrolling interest, which approximate \$52,290 and \$4,914,275, respectively. Goodwill is driven by other intangible assets that do not qualify for separate recognition and is not deductible for tax purposes.

Proforma financial data is not presented as it was impractical to do so as Simson-Maxwell did not have quarterly information prepared utilizing an acceptable basis of accounting.

Note 6. Oil and Gas Properties

The following table summarizes the Company's oil and gas activities by classification and geographical cost center for the six months ended June 30, 2022:

	December 31, 2021	Adjustments	Impairments	June 30, 2022
Proved developed producing oil and gas properties				
United States cost center	\$ 17,416,106	\$ (6,289)	\$ -	\$ 17,409,817
Accumulated depreciation, depletion and amortization	(10,806,908)	(300,313)	-	(11,107,221)
Proved developed producing oil and gas properties, net	\$ 6,609,198	\$ (306,602)	\$ -	\$ 6,302,596
Undeveloped and non-producing oil and gas properties				
United States cost center	22,082,329	(8,590)	-	22,073,739
Accumulated depreciation, depletion and amortization	(13,865,956)	(348,324)	-	(14,214,280)
Undeveloped and non-producing oil and gas properties, net	\$ 8,216,373	\$ (356,914)	\$ -	\$ 7,859,459
Total Oil and Gas Properties, Net	\$ 14,825,571	\$ (663,516)	\$ -	\$ 14,162,055

Note 7. Intangible Assets*ESG Clean Energy License*

The Company's intangible assets include costs associated with securing in August 2021 an Exclusive Intellectual Property License Agreement with ESG Clean Energy, LLC ("ESG"), pursuant to which the Company received (i) an exclusive license to ESG's patent rights and know-how related to stationary electric power generation (not in connection with vehicles), including methods to utilize heat and capture carbon dioxide in Canada, and (ii) a non-exclusive license to the intellectual property in up to 25 sites in the United States that are operated by the Company or its affiliates.

In consideration of the licenses, the Company paid an up-front royalty of \$1,500,000 and the Company is obligated to make additional royalty payments as follows: (i) an additional \$1,500,000 on or before January 31, 2022, which may be paid in whole or in part in the form of Viking's common stock based on the price of Viking's common stock on August 18, 2021, at ESG's election; (ii) an additional \$2,000,000 on or before April 20, 2022, which may be paid in whole or in part in the form of Viking's common stock based on the price of Viking's common stock on August 18, 2021, at ESG's election; and (iii) continuing royalties of not more than 15% of the net revenues of Viking generated using the intellectual property, with the continuing royalty percentage to be jointly determined by the parties collaboratively based on the parties' development of realistic cashflow models resulting from initial projects utilizing the intellectual property, and with the parties utilizing mediation if they cannot jointly agree to the continuing royalty percentage.

With respect to the payments noted in (i) and (ii) above, totaling \$3,500,000, on or about November 22, 2021, the Company paid \$500,000 to or on behalf of ESG and ESG elected to accept \$2,750,000 in shares of Viking's common stock at the applicable conversion price, resulting in 6,942,691 shares, leaving a balance owing by Viking of \$250,000 which was paid by Viking in January 2022.

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Viking's exclusivity with respect to Canada shall terminate if minimum continuing royalty payments to ESG are not at least equal to the following minimum payments based on the date that ESG first begins capturing carbon dioxide and selling for commercial purposes one or more commodities from a system installed and operated by ESG using the Intellectual Property (the "Trigger Date"):

Years from the Trigger Date:	Minimum Payments For Year Ended
Year two	\$ 500,000
Year three	750,000
Year four	1,250,000
Year five	1,750,000
Year six	2,250,000
Year seven	2,750,000
Year eight	3,250,000
Year nine and after	3,250,000

If the continuing royalty percentage is adjusted jointly by the parties downward from the maximum of 15%, then the minimum continuing royalty payments for any given year from the Trigger Date shall also be adjusted downward proportionally.

The Company recognized amortization expense of \$153,078 for the six months ended June 30, 2022. The estimated future amortization expense for each of the next five years is \$304,465 per year.

The ESG Clean Energy intangible asset consisted of the following at June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
ESG Clean Energy License	\$ 5,000,000	\$ 5,000,000
Accumulated amortization	(267,253)	(114,175)
	<u>\$ 4,732,747</u>	<u>\$ 4,885,825</u>

Other intangibles – Simson-Maxwell – Customer Relationships and Brand

On October 18, 2021, the Company completed the acquisition of Simson-Maxwell, and allocated a portion of the purchase price to Customer Relationships with a fair value of \$1,677,453 and an estimated useful life of 10 years, and the Simmax Brand with a fair value of \$2,230,673 and an indefinite useful life.

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The Company recognized amortization expense for the Customer Relationship intangible of \$83,183 for the six months ended June 30, 2022. The estimated future amortization expense for each of the next five years is \$167,745 per year.

As the Simmax Brand intangible fair value is deemed to have an indefinite life, the Company periodically reviews its fair value to determine if an impairment charge should be recognized. The Company did not recognize any impairment for the six months ended June 30, 2022.

The Other intangibles – Simson-Maxwell consisted of the following at June 30, 2022 and December 31, 2021:

	June 30, 2021	December 31, 2021
Simmax Brand	\$ 2,230,673	\$ 2,230,673
Customer Relationships	1,677,453	1,677,453
Accumulated amortization	(117,191)	(34,009)
	<u>\$ 3,790,935</u>	<u>\$ 3,874,117</u>

Note 8. Intangible Assets - Variable Interest Entity Acquisitions (VIE's)

Medical Waste Disposal System

Choppy:

On January 18, 2022, Viking entered into a Securities Purchase Agreement to purchase (the "Purchase") 51 units, representing 51%, of Viking Ozone, from Choppy Group LLC, a Wyoming limited liability company ("Choppy"), in consideration of the issuance of 8,333,333 shares of Viking common stock to Choppy, 3,333,333 of which shares were issued at closing, 3,333,333 of which shares are to be issued to Choppy after 5 units of the System (as defined below) have been sold, and 1,666,667 of which shares are to be issued to Choppy after 10 units of the System have been sold. Viking Ozone was organized on or about January 14, 2022, for the purpose of developing and distributing a medical and biohazard waste treatment system using ozone technology (the "System"), and on or about January 14, 2022, Choppy was issued all 100 units of Viking Ozone in consideration of Choppy's assignment to Viking Ozone of all of Choppy's intellectual property and intangible assets, including patent rights, know-how, procedures, methodologies, and contract rights in connection with the System, and specifically the invention entitled "Multi-Chamber Medical Waste Ozone-Based Treatment Systems and Methods (Docket No. RAS-101A) and related patent application. On January 18, 2022 Viking acquired 51 units (51%) of Viking Ozone from Choppy with Choppy retaining the remaining 49 units (49%) of Viking Ozone, and Viking issued 3,333,333 shares of Viking common stock to Choppy. Viking and Choppy then entered into an Operating Agreement on January 18, 2022 governing the operation of Viking Ozone. Based on the closing price of the Company's stock on the January 18, 2022, the fair value was approximately \$2,000,000. The Company determined the acquisition of a 51% interest in Viking Ozone was the acquisition of and initial consolidation of a VIE that is not a business. The acquisition was recorded as follows:

Purchase Price:	
Fair value of stock at closing	\$ 2,000,000
Fair value of contingent consideration	495,868
Total consideration	<u>\$ 2,495,868</u>
Purchase Price Allocation:	
Intangible asset - IP	\$ 4,916,057
Non-controlling interest	(2,420,189)
Viking ownership interest	<u>\$ 2,495,868</u>

Open Conductor Detection Technologies

Virga:

On February 9, 2022, Viking entered into a Securities Purchase Agreement to purchase (the “Purchase”) 51 units, representing 51% of Viking Sentinel, from Virga Systems LLC, a Wyoming limited liability company (“Virga”), in consideration of the issuance of 416,667 shares of Viking common stock to Virga. Viking Sentinel was formed on or about January 31, 2022, and Virga was issued all 100 units of Viking Sentinel in consideration of Virga’s assignment to Viking Sentinel of all of Virga’s intellectual property and intangible assets, including patent rights, know-how, procedures, methodologies, and contract rights in connection with an end of line protection with trip signal engaging for distribution system, and related patent application(s). On February 9, 2022 Viking acquired 51 units (51%) of Viking Sentinel from Virga with Virga retaining the remaining 49 units (49%) of Viking Sentinel, and Viking issued 416,667 shares of Viking common stock to Virga. Viking and Virga then entered into an Operating Agreement on February 9, 2022 governing the operation of Viking Sentinel. The Company determined the acquisition of a 51% interest in Viking Sentinel was the acquisition and initial consolidation of a VIE that is not a business. The acquisition was recorded as follows:

Purchase Price:	
Fair value of stock at closing	\$ 233,334
Total consideration	<u>\$ 233,334</u>
Purchase Price Allocation:	
Intangible asset - IP	\$ 457,518
Non-controlling interest	(224,184)
Viking ownership interest	<u>\$ 233,334</u>

Jedda:

On February 9, 2022, Viking entered into a Securities Purchase Agreement to purchase (the “Purchase”) 51 units (the “Units”), representing 51% of Viking Protection Systems, LLC (“Viking Protection”), from Jedda Holdings LLC (“Jedda”). In consideration for the Units, Viking agreed to issue to Jedda, shares of a new class of Convertible Preferred Stock of Viking with a face value of \$10,000 per share (the “Preferred Shares”), or pay cash to Jedda, if applicable, as follows:

No.	Purchase Price*	When Due	No. of VKIN Pref. Shares	Conversion Price	No. of Underlying VKIN Common Shares	Estimated Revenues if Sales Target Achieved**
1	\$ 250,000	On closing	N/A	\$ 0.60	416,667	N/A
2	\$ 4,750,000	On closing	475	\$ 0.60	7,916,667	N/A
3	\$ 1,000,000	Upon the sale of 10k units	100	\$ 0.75	1,333,333	\$ 50,000,000
4	\$ 2,000,000	Upon the sale of 20k units	200	\$ 1.00	2,000,000	\$ 100,000,000
5	\$ 3,000,000	Upon the sale of 30k units	300	\$ 1.25	2,400,000	\$ 150,000,000
6	\$ 4,000,000	Upon the sale of 50k units	400	\$ 1.50	2,666,667	\$ 250,000,000
7	\$ 6,000,000	Upon the sale of 100k units	600	\$ 2.00	3,000,000	\$ 500,000,000
Total	\$ 21,000,000		2,075	\$ 0.94(avg.)	19,733,334	\$ 500,000,000

* The \$5 million due on closing was payable solely in stock of Viking. All other payments, if the subject sales targets are met, are payable in cash or in shares of convertible preferred stock of Viking, at the seller’s option.

** These are estimates only. There is no guarantee any sales targets will be reached.

Notwithstanding the above, Viking shall not effect any conversion of any Preferred Shares, and Jedda shall not have the right to convert any Preferred Shares, to the extent that after giving effect to the conversion, Jedda (together with Jedda’s affiliates, and any persons acting as a group together with Jedda or any of Jedda’s affiliates) would beneficially own in excess of 4.99% of the number of shares of the Viking Common Stock outstanding immediately after giving effect to the issuance of shares of Viking Common Stock issuable upon conversion of the Preferred Share(s) by Jedda. Jedda, upon not less than 61 days’ prior notice to Viking, may increase or decrease the beneficial ownership limitation, provided that the beneficial ownership limitation in no event exceeds 9.99% of the number of shares of Viking Common Stock outstanding immediately after giving effect to the issuance of shares of Viking Common Stock upon conversion of the Preferred Share(s) held by Jedda and the beneficial ownership limitation provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to Viking.

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Viking Protection was formed on or about January 31, 2022, and Jedda was issued all 100 units of Viking Protection in consideration of Jedda's assignment to Viking Protection of all of Jedda's intellectual property and intangible assets, including patent rights, know-how, procedures, methodologies, and contract rights in connection with an electric transmission ground fault prevention trip signal engaging system, and related patent application(s). On February 9, 2022 Viking acquired 51 units (51%) of Viking Protection from Jedda with Jedda retaining the remaining 49 units (49%) of Viking Protection, and Viking issued the 475 Preferred Shares to Jedda. Viking and Jedda then entered into an Operating Agreement on February 9, 2022 governing the operation of Viking Protection. The Company determined the acquisition of a 51% interest in Viking Protection was the acquisition and initial consolidation of a VIE that is not a business. The acquisition was recorded as follows:

Purchase Price:	
Fair value of stock at closing	\$ 4,433,334
Fair value of contingent consideration	939,889
Total consideration	<u>\$ 5,373,223</u>
Purchase Price Allocation:	
Intangible asset - IP	\$ 10,059,765
Non-controlling interest	(4,686,542)
Viking ownership interest	<u>\$ 5,373,223</u>

The Company consolidates any VIEs in which it holds a variable interest and is the primary beneficiary. Generally, a VIE, is an entity with one or more of the following characteristics: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support; (b) as a group the holders of the equity investment at risk lack (i) the ability to make decisions about an entity's activities through voting or similar rights, (ii) the obligation to absorb the expected losses of the entity, or (iii) the right to receive the expected residual returns of the entity; or (c) the equity investors have voting rights that are not proportional to their economic interests and substantially all of the entity's activities either involve, or are conducted on behalf of, an investor that has disproportionately few voting rights. The primary beneficiary of a VIE is generally the entity that has (a) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

The Company has determined that it is the primary beneficiary of three VIEs, Viking Ozone, Viking Sentinel and Viking Protection, and consolidates the financial results of these entities, as follows:

	<u>Viking Ozone</u>	<u>Viking Sentinel</u>	<u>Viking Protection</u>	<u>Total</u>
Intangible asset - IP	\$ 4,916,057	\$ 457,518	\$ 10,059,765	\$ 15,433,340
Non-controlling Interest	(2,420,189)	(224,184)	(4,686,542)	(7,330,915)
Viking ownership interest	<u>\$ 2,495,868</u>	<u>\$ 233,334</u>	<u>\$ 5,373,223</u>	<u>\$ 8,102,425</u>

Note 9. Related Party Transactions

The Company's CEO and director, James Doris, renders professional services to the Company through AGD Advisory Group, Inc., an affiliate of Mr. Doris's. As of June 30, 2022 and December 31, 2021, the total amount due to AGD Advisory Group, Inc. was \$ 370,000 and \$270,000, respectively and is included in accounts payable. Additionally, Mr. Doris has made several loans through promissory notes to the Company, all accruing interest at 12%, and payable on demand. During the twelve months ended December 31, 2021, the Company made payments totaling \$63,319 toward principal and interest associated with these loans, and Mr. Doris in separate transactions sold \$506,000 of his loans to independent third parties. As of June 30, 2022 and December 31, 2021, there are no remaining balances due to Mr. Doris for these loans.

The Company's former CFO, Frank W. Barker, Jr., renders professional services to the Company through FWB Consulting, Inc., an affiliate of Mr. Barker's. As of June 30, 2022 and December 31, 2021, the total amount due to FWB Consulting, Inc. was \$1,450 and \$341,968, respectively and is included in accounts payable.

Simson-Maxwell

Simson-Maxwell was a privately held Canadian company that was formerly a part of a consolidated group, Simmax Corp. At the time of the acquisition, Simson-Maxwell had intercompany balances due to/due from Simmax Corp., a receivable from Adco Power Ltd. and its majority owner and had entered into various note agreements with certain employees, officers, family members and entities owned or controlled by such individuals. As of December 31, 2021, Simmax Corp had a 17% noncontrolling interest in Simson-Maxwell. Viking assumed the intercompany balances and the loan agreements in connection with the acquisition. Simson-Maxwell conducts business with Adco Power Ltd., an entity owned and controlled by an employee and officer of Simson Maxwell. Adco Power Ltd. is an industrial, electrical and mechanical construction company.

During the period October 18, 2021 to December 31, 2021 revenues from Adco Power Ltd. were approximately \$6,000.

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The balances of the related party receivables and payables as of June 30, 2022 and December 31, 2021 are as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Related party receivable		
Simmax Corp	\$ -	\$ 1,913,786
Adco Power Ltd. and majority owner	<u>14,035</u>	<u>2,921,367</u>
Total	<u>\$ 14,035</u>	<u>\$ 4,835,153</u>
Related party payable		
Simmax Corp	\$ 665,310	\$ 1,858,405
Adco Power Ltd. and majority owner	<u>9,294</u>	<u>3,011,615</u>
Total	<u>\$ 674,604</u>	<u>\$ 4,870,020</u>
Net (due to) from		
Simmax Corp	\$ (665,310)	\$ 55,381
Adco Power Ltd. and majority owner	<u>4,741</u>	<u>(90,248)</u>
Total	<u>\$ (660,569)</u>	<u>\$ (34,867)</u>

Notes payable to related parties represent loans from certain employees, officers, family members and entities owned or controlled by such individuals. The notes bear interest at six percent per annum with monthly principal and interest payments and a maturity date of December 31, 2023. The notes payable to related parties as of June 30, 2022 and December 31, 2021 are as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Total notes payable to related parties	\$ 747,897	\$ 788,920
Less current portion of notes payable - related parties	<u>(74,645)</u>	<u>(64,418)</u>
Notes payable - related parties, net of current portion	<u>\$ 673,252</u>	<u>\$ 724,502</u>

Due to Camber Energy, Inc.

During 2021 and the first six months of 2022, Camber made various cash advances to the Company. The advances are non-interest bearing and stipulate no repayment terms or restrictions. Camber owns 63% of the Company but does not control the Company. As of June 30, 2022 and December 31, 2021, the amounts due to Camber aggregated \$8,022,300 and \$4,100,000, respectively.

Note 10. Noncontrolling Interests

As described in Note 5, on October 18, 2021, the Company acquired 60.5% of Simson-Maxwell. At the time of the acquisition, the fair value of the noncontrolling interest was independently determined by a valuation specialist.

The following discloses the effects of changes in the Company's ownership interest in Simson-Maxwell, and on the Company's equity for six months ended June 30, 2022:

Noncontrolling interest - January 1, 2022	\$ 4,609,271
Transfers to the noncontrolling interest	
Recognition of noncontrolling interest at fair value	-
Net loss attributable to noncontrolling interest	<u>(548,854)</u>
Noncontrolling interest - June 30, 2022	<u>\$ 4,060,417</u>

As described in Note 8, during January and February 2022, the Company acquired a 51% interest in Viking Ozone, Viking Sentinel and Viking Protection, all of which have been identified as variable interest entities.

The following discloses the effects of the Company's ownership interest in these three entities in the aggregate, and on the Company's equity for six months ended June 30, 2022:

Noncontrolling interest - January 1, 2022	\$ -
Transfers to the noncontrolling interest	
Recognition of noncontrolling interest at fair value	7,330,915
Net loss attributable to noncontrolling interest	<u>-</u>
Noncontrolling interest - June 30, 2022	<u>\$ 7,330,915</u>

Note 11. Equity

(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”).

Preferred Stock – Series C

The Company has designated 50,000 preferred shares as Series C Preferred Stock (the “Series C Preferred Stock”). As of June 30, 2022 there were 28,092 shares of Series C Preferred Stock issued and outstanding, all of which are held by the Company’s CEO, James Doris. Pursuant to the Certification of Designation of the Series C Preferred Stock, as amended (and pursuant to a Certificate of Correction to the Certificate of Designation of the Series C Preferred Stock filed with the State of Nevada on or about January 20, 2022), (i) the holders of the Series C Preferred Stock have no voting rights until the later of July 1, 2022, or the date on which Camber is no longer entitled to own at least 51% of the outstanding shares of Viking’s common stock (the “Voting Trigger Date”); and (ii) each share of Series C Preferred Stock is only convertible into one share of common stock, except that upon any business combination of Viking and Camber whereby Camber acquires substantially all of the outstanding assets or common stock of Viking (a “Combination”), the Series C Preferred Stock would convert into the greater of (A) 25,000,000 common shares of Camber (or a number of preferred shares of Camber convertible into that number of common shares of Camber), or (B) that number of common shares of Camber that 25,000,000 shares of Viking common stock at that time would be convertible or exchange into in the Combination (or a number of preferred shares of Camber convertible into such number of common shares of Camber). After the Voting Trigger Date, each share of Series C Preferred Stock entitles the holder thereof to 37,500 votes on all matters submitted to the vote of the stockholders of the Company.

Preferred Stock – Series E

On February 14, 2022, the Company filed an amendment to its Articles of Incorporation to designate 2,075 of its authorized preferred shares as Series E Convertible Preferred Stock (the “Series E Preferred Stock”), with a par value of \$0.001 per share and a stated value equal to \$10,000. The holders of the Series E Preferred Stock have voting rights equal to one vote per share. Each share of the Series E Preferred Stock is convertible, at any time after the date of issuance at various conversion prices and subject to certain milestone achievements associated with the acquisition of 51% of Viking Protection as described in Note 8. As of June 30, 2022 there were 475 shares of Series E Preferred Stock issued and outstanding.

(b) Common Stock

On January 5, 2021 the Company filed a Certificate of Amendment with the Secretary of State of the State of Nevada to effect a reverse split of the Company’s common stock at a ratio of 1-for-9 (the “Reverse Stock Split”). As a result of the Reverse Stock Split, each nine (9) pre-split shares of common stock outstanding were automatically combined into one (1) new share of common stock. Unless otherwise stated, all share and per shares numbers in this Annual Report on Form 10-K have been adjusted to reflect the Reverse Stock Split.

During the six months ended June 30, 2022, the Company issued shares of its common stock as follows:

- 3,333,333 shares of common stock issued for purchase of VIE interest valued at fair value on the date of the transactions, totaling \$3,000,000.
- 416,667 shares of common stock issued for purchase of VIE interest valued at fair value on the date of the transaction totaling \$50,000.

Note 12. Long-Term Debt and Other Short-Term Borrowings

Long term debt and other short-term borrowings consisted of the following at June 30, 2022 and December 31, 2021:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Long-term debt:		
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. Principal is payable at \$100,000 monthly through the amended maturity date of July 5, 2022, at which time all remaining unpaid principal and accrued interest is due (see Note 16). The loan is secured by a mortgage on all of the oil and gas leases of Petrodome Energy, LLC and its subsidiaries, a security agreement covering all of Petrodome Energy, LLC's assets and a guaranty by Viking Energy Group, Inc.	3,590,000	5,140,000
On February 14, 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, secured by a vehicle, with a maturity date of February 14, 2024.	21,344	27,133
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 through July 24, 2021, then on August 24, 2021, payable in monthly installments of \$43,438, with a final payment due on a maturity date of July 24, 2025. The note is secured by a first mortgage on all of the assets of Mid-Con Petroleum, LLC and a guarantee of payment by Viking Energy Group, Inc. The balance shown is net of unamortized discount of \$14,627 at June 30, 2022 and \$16,991 at December 31, 2021.	1,965,867	2,160,523
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 through July 24, 2021, then on August 24, 2021, payable in monthly installments of \$21,495, with a final payment due on a maturity date of July 24, 2025. The note is secured by a first mortgage on all of the assets of Mid-Con Drilling, LLC and a guarantee of payment by Viking Energy Group, Inc. The balance shown is net of unamortized discount of \$14,586 at June 30, 2022 and \$16,944 at December 31, 2021.	912,716	1,009,427

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 notes bear interest at 12%, payable quarterly, contain a conversion entitlement to convert all or a portion of the amount outstanding into common shares of the Company at \$1.35 per share, and provide for the issuance of 16,667 common shares of the Company for every \$100,000 exchanged or advanced. As security, the holders received, pari passu with all other holders, a pledge of the Company's membership interest in Elysium Energy Holdings, LLC, and, as soon as the Company's obligations to EMC Capital Partners, LLC were satisfied, a pledge of the Company's membership interest in Ichor Energy Holdings, LLC. These security interests were released by the collateral agent at the time of the transfer of the membership interests as described in Note 2. Any unpaid principal and interest are due on the extended maturity date of August 11, 2022. During September 2021, the Company offered the noteholders an amended conversion price under these notes of \$0.75 per share for conversions prior to October 31, 2021; \$1.00 per share for conversions prior to November 30, 2021; \$1.10 per share for conversions prior to December 31, 2021; \$1.20 per share for conversions prior to January 31, 2022; and back to \$1.35 for any conversions thereafter. During September 2021, noteholders converted debt aggregating \$1,952,354 into 2,603,139 shares of common stock valued at \$3,800,164 pursuant to the amended conversion prices. The balance shown is net of unamortized discount of \$nil and \$90,175 as of June 30, 2022 and December 31, 2021.

334,500 2,684,425

An Event of Default under these outstanding Promissory Notes includes an event whereby the Company fails to file with the Securities and Exchange Commission any required reports under Section 13 or 15(d) of the Exchange Act such that the Company is not in compliance with Rule 144(c)(1) (or Rule 144(i)(2), if applicable). If any Event of Default occurs, a holder of the outstanding Promissory Note may, at the holder's option, elect to accelerate the maturity date of the Promissory Note and request all amounts owing under the Promissory Note(s) be payable immediately.

On July 1, 2020 the Company received a loan of \$150,000 from the U.S. Small Business Administration. The loan bears interest at 3.75% and is payable in monthly installments of at \$731 monthly beginning 12 months from the date of the note, with the remaining principal and accrued interest due 30 years from the date of the note. No payments have been made to date.

150,000 150,000

Total long-term debt	6,974,427	11,171,508
Less current portion	(4,549,393)	(8,430,318)
	<u>\$ 2,425,034</u>	<u>\$ 2,741,190</u>

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

Twelve-month period ended June 30,

	<u>Principal</u>	<u>Unamortized Discount</u>	<u>Net</u>
2023	\$ 4,558,783	\$ (9,390)	\$ 4,549,393
2024	670,475	(9,390)	661,085
2025	704,063	(9,390)	694,673
2026	928,654	(1,044)	927,610
2027	3,520	-	3,520
Thereafter	138,146	-	138,146
	<u>\$ 7,003,641</u>	<u>\$ (29,214)</u>	<u>\$ 6,974,427</u>

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 \$0,000,000, 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. At June 30, 2022, the Company is in compliance with these loan covenants.

Bank Credit Facility

Simson-Maxwell has an operating credit facility with TD Bank, secured by accounts receivable and inventory, bearing interest at prime plus 1.00% on Canadian funds up to CAD \$5,000,000 and the bank's US dollar base rate plus 1.00% on US funds, plus a monthly administration fee of CAD \$500. The balance outstanding under this credit facility is CAD \$3,975,000 and \$0 as of June 30, 2022 and December 31, 2021, respectively.

Note 13. Other Commitments and Contingencies

Office lease – Petrodome Energy

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. Operating lease expense is recognized on a straight-line basis over the lease term. Operating lease expense was \$50,292 and \$45,378 for the six months ended June 30, 2022 and 2021, respectively.

Building, vehicle and equipment leases – Simson-Maxwell

In October 2021, the Company recognized right-of-use assets and operating lease liabilities associated with various operating lease agreements of Simson-Maxwell pertaining to seven business locations, for the premises, vehicles and equipment used in operations in the amount of \$5,845,810. These values were determined using a present value discount rate of 3.45% for the premises, and 7.5% for vehicles and equipment. The leases have varying terms, payment schedules and maturities. Operating lease expense is recognized on a straight-line base over each of the lease terms.

Payments due in each of the next five years and thereafter at June 30, 2022 under these leases are as follows:

	Building Leases	Vehicle and Equipment Leases	Totals
2023	\$ 1,021,829	\$ 414,583	\$ 1,436,412
2024	1,038,338	242,496	1,280,834
2025	762,700	56,327	819,027
2026	502,187	4,546	506,733
2027 and thereafter	<u>1,502,240</u>	<u>1,796</u>	<u>1,504,036</u>
	\$ 4,827,294	\$ 719,748	\$ 5,547,042
Less imputed interest			(405,655)
Present value of remaining lease payments			<u>\$ 5,141,387</u>
Current			<u>\$ 1,354,637</u>
Non-current			<u>\$ 3,786,750</u>

Operating lease expense for these leases was \$737,480 for the six months ended June 30, 2022.

Legal matters

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.

Note 14. Income Taxes

The Company has estimated net operating loss carry forwards of approximately \$55,400,000 and \$44,200,000 as of December 31, 2021 and 2020, 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. 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, eliminating net operating loss carrybacks for losses arising in taxable years ending after December 31, 2017, and allowing net operating losses to be carried forward indefinitely. On March 27, 2020 the Coronavirus Aid Relief, and Economic Security Act was enacted which modified the prior legislation to allow 100% of the net operating losses arising in tax years 2018, 2019, and 2020 to be carried back five years. The Company does not have taxable income available in the carryback period. 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 2022 through 2038.

The Company files income tax returns on a consolidated basis in the United States federal jurisdiction. As of December 31, 2021, the tax returns for the Company for the years ending 2019 through 2021 remain open to examination by the Internal Revenue Service. The Company and its subsidiaries are not currently under examination for any period.

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As a result of the Company becoming a majority-owned subsidiary of Camber as discussed in Note 1, the Company has undergone an ownership change as defined in Section 382 of the Internal Revenue Code, and 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 15 Business Segment Information and Geographic Data

With the acquisition of a controlling interest in Simson-Maxwell, Oil and Gas exploration and Power Generation now represent our two reportable segments. The power generation segment provides custom energy and power solutions to commercial and industrial clients in North America and the oil and gas segment is involved in exploration and production with properties in central and southern United States. We evaluate segment performance based on revenue and operating income (loss).

Information related to our reportable segments and our consolidated results for the six months ended June 30, 2022 is presented below.

	Six Months Ended June 30, 2022		
	Oil and Gas	Power Generation	Total
Income (Loss) from Operations is as follows:			
Revenue	\$ 3,548,872	\$ 8,956,690	\$ 12,505,562
Operating expenses			
Cost of goods	-	5,053,599	5,053,599
Lease operating costs	1,186,168	-	1,186,168
General and administrative	3,365,565	5,115,197	8,480,762
Stock based compensation	588,870	-	588,870
Accretion - ARO	81,631	-	81,631
Depreciation, depletion and amortization	840,042	173,428	1,013,470
Total operating expenses	6,062,276	10,342,224	16,404,500
Income (loss) from operations	\$ (2,513,404)	\$ (1,385,534)	\$ (3,898,938)
Assets			
Segment Assets	\$ 18,045,937	\$ 23,914,383	\$ 41,960,320
Corporate and unallocated assets			23,624,414
Total Consolidated Assets			<u>\$ 65,584,734</u>

Note 16. Subsequent Events

On July 8, 2022, four of the wholly owned subsidiaries of Petrodome Energy, LLC, a wholly owned subsidiary of Viking Energy Group, Inc., entered into Purchase and Sale Agreements to sell all of their interests in the oil and gas assets owned by those Petrodome subsidiaries, including in the aggregate, interests in 8 producing wells, 8 shut-in wells, 2 salt water disposal wells and 1 inactive well, to third parties for \$3,590,000 in cash. The Company expects to record a loss in the third quarter of 2022 related to this transaction of approximately \$7.9 million.

The proceeds of the sale were received and applied to repay the balance of \$3,590,000 due to CrossFirst Bank under the June 13, 2018 revolving line of credit loan.

In July 2022, the Company received payment of the three outstanding promissory notes due from New Rise Processing Reno, LLC in the amount of \$1,960,000.

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

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

PLAN OF OPERATIONS

Company Overview

Viking Energy Group, Inc. (“Viking”, the “Company”, “we”, “us” or “our”) is a growth-oriented diversified energy company. Through various majority-owned subsidiaries, Viking provides custom energy and power solutions to commercial and industrial clients in North America and owns interests in oil and natural gas assets in Kansas. The Company also (i) holds an exclusive license in Canada to a patented carbon-capture system, and; (ii) owns a majority interest in entities with intellectual property rights to a fully developed, patent pending, proprietary medical & biohazard waste treatment system using ozone technology; and electric transmission and open conductor detection systems. The Company is also exploring other renewable energy-related opportunities and/or technologies, which are currently generating revenue, or have a reasonable prospect of generating revenue within a reasonable period of time.

Custom Energy & Power Solutions

Simson-Maxwell Acquisition:

On August 6, 2021, the Company acquired approximately 60.5% of the issued and outstanding shares of Simson-Maxwell Ltd. (“Simson-Maxwell”), a Canadian federal corporation, for \$7,958,159 in cash. Simson-Maxwell manufactures and supplies power generation products, services and custom energy solutions. Simson-Maxwell provides commercial and industrial clients with efficient, flexible, environmentally responsible and clean-tech energy systems involving a wide variety of products, including: CHP (combined heat and power), tier 4 final diesel and natural gas industrial engines, solar, wind and storage. Simson-Maxwell also designs and assembles a complete line of electrical control equipment including switch gear, synchronization and paralleling gear, distribution, Bi-Fuel and complete power generation production controls. Operating for over 80 years, Simson-Maxwell’s seven branches assist with servicing a large number of existing maintenance arrangements and meeting the energy and power-solution demands of the company’s other customers.

Clean Energy and Carbon-Capture System:

In August 2021, the Company entered into a license agreement with ESG Clean Energy, LLC (“ESG”), to utilize ESG’s patent rights and know-how related to stationary electric power generation and heat and carbon dioxide capture (the “ESG Clean Energy System”). The intellectual property licensed by Viking includes certain patents and/or patent applications, including: (i) U.S. Patent No.: 10,774,733, File date: October 24, 2018, Issue date: September 15, 2020, Titled: “Bottoming Cycle Power System”; (ii) European Patent Application No.: EP18870699.8, International File date: October 24, 2018, Titled: “Bottoming Cycle Power System”; (iii) U.S. Patent Application No.: 17/224,200, File date: April 7, 2021, Titled: “Bottoming Cycle Power System” (which was subsequently approved by the U.S. Patent & Trademark Office in March, 2022 (No. 11,286,832); (iv) U.S. Patent Application No.: 17/358,197, File date: June 25, 2021, Titled: “Bottoming Cycle Power System”; (v) U.S. Patent Application No.: 17/448,943, File date: September 27, 2021, Titled: “Systems and Methods Associated With Bottoming Cycle Power Systems for Generating Power and Capturing Carbon Dioxide”; and (vi) U.S. Patent Application No.: 17/448,938, File date: September 27, 2021, Titled: “Systems and Methods Associated With Bottoming Cycle Power Systems for Generating Power, Capturing Carbon Dioxide and Producing Products.

The ESG Clean Energy System is designed to, among other things, generate clean electricity from internal combustion engines and utilize waste heat to capture approximately 100% of the carbon dioxide (CO₂) emitted from the engine without loss of efficiency, and in a manner to facilitate the production of certain commodities. Patent No. 11,286,832, for example, covers the invention of an “exhaust-gas-to-exhaust-gas heat exchanger” that efficiently cools - and then reheats - exhaust from a primary power generator so greater energy output can be achieved by a secondary power source with safe ventilation. Another key aspect of this patent is the development of a carbon dioxide capture system that utilizes the waste heat of the carbon dioxide pump to heat and regenerate the adsorber that enables carbon dioxide to be safely contained and packaged.

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The Company intends to sell, lease and/or sub-license the ESG Clean Energy System to third parties using, among other things, Simson-Maxwell's existing distribution channels. The Company may also utilize the ESG Clean Energy System for its own account, whether in connection with its petroleum operations, Simson-Maxwell's power generation operations, or otherwise.

Medical Waste Disposal System Using Ozone Technology:

In January 2022, the Company acquired a 51% interest in Viking Ozone Technology, LLC ("Viking Ozone"), which owns the intellectual property rights to a fully developed, patent pending (i.e., US Application 17/576,801), proprietary medical and biohazard waste treatment system using ozone technology. Simson-Maxwell, another majority-owned subsidiary of the Company, has been designated the exclusive worldwide manufacturer and vendor of this system. The technology is designed to be a sustainable alternative to incineration, chemical, autoclave and heat treatment of bio-hazardous waste, and for the treated waste to be classified as renewable fuel for waste-to-energy (WTE) facilities in many locations around the world.

Open Conductor Detection Technologies:

In February 2022, the Company acquired a 51% interest in two entities, Viking Sentinel Technology, LLC ("Viking Sentinel") and Viking Protection Systems, LLC (Viking Protection"), that own the intellectual property rights to fully developed, patent pending (i.e., US Applications 16/974,086, 17/672,422 and 17/693,504), proprietary electric transmission and distribution open conductor detection systems. The systems are designed to detect a break in a transmission line, distribution line, or coupling failure, and to immediately terminate the power to the line before it reaches the ground. The technology is intended to increase public safety and reduce the risk of causing an incendiary event, and to be an integral component within grid hardening and stability initiatives by electric utilities to improve the resiliency and reliability of existing infrastructure.

Oil & Gas Properties

As at June 30, 2022, the Company, through its wholly owned subsidiary, Petrodome Energy, LLC ("Petrodome"), owned working interests in oil and gas fields in Texas, Louisiana and Mississippi, which include approximately 7 producing wells, 8 non-producing wells and 1 Salt Water Disposal Well (SWD). As further described in Note 16 to the Company's financial statements herein, "Subsequent Events," Petrodome sold such interests on July 8, 2022, and proceeds from such sale were used to repay Petrodome's indebtedness to CrossFirst Bank.

The Company, through its wholly owned subsidiaries Mid-Con Petroleum, LLC and Mid-Con Drilling, LLC (collectively, the "Mid-Con Entities") owns working interests in oil fields in Kansas, which include a combination of producing wells, non-producing wells and water injection wells.

Divestitures in 2021:

On October 5, 2021, the Company disposed of all of membership interests of Ichor Energy Holdings, LLC (“Ichor”). The third-party purchaser assumed all of the rights and obligations associated with such membership interests, including the debt and derivatives associated with Ichor and/or its subsidiaries. The Company originally acquired the assets owned by Ichor on December 28, 2018, which at the time included interests in approximately 58 producing wells and approximately 31 salt water disposal wells in Texas and Louisiana.

On October 12, 2021, the Company disposed of all of the membership interests of Elysium Energy Holdings, LLC (“Elysium”). The third-party purchaser assumed all of the rights and obligations associated with such membership interests, including the debt and derivatives associated with Elysium Energy Holdings and/or its subsidiaries. The Company originally acquired the assets owned by Elysium on February 3, 2020, which included interests in approximately 127 wells, along with associated

February 2021 Merger Agreement with Camber Energy, Inc.

On February 15, 2021, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Camber Energy, Inc. (“Camber”), the majority owner of the Company’s common stock. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a newly formed wholly owned subsidiary of Camber (“Merger Sub”) will merge with and into the Company (the “Merger”), with the Company surviving the Merger as a wholly- owned subsidiary of Camber.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time of the Merger (the “Effective Time”), each share: (i) of common stock, par value \$0.001 per share, of the Company (the “Viking Common Stock”) issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, the Company and Merger Sub, will be converted into the right to receive one share of common stock of Camber; and (ii) of Series C Convertible Preferred Stock of the Company (the “Viking Preferred Stock”) issued and outstanding immediately prior to the Effective Time will be converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the “Camber Series A Preferred Stock”). Each share of Camber Series A Preferred Stock will convert into 890 shares of common stock of Camber (subject to a beneficial ownership limitation preventing conversion into Camber common stock if the holder would be deemed to beneficially own more than 9.99% of Camber’s common stock), will be treated equally with Camber’s common stock with respect to dividends and liquidation, and will only have voting rights with respect to voting: (a) on a proposal to increase or reduce Camber’s share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber’s property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party. Holders of Viking Common Stock and Viking Preferred Stock will have any fractional shares of Camber common stock or preferred stock after the Merger rounded up to the nearest whole share.

At the Effective Time, each outstanding Company equity award, will be converted into the right to receive the merger consideration in respect of each share of Viking Common Stock underlying such equity award and, in the case of Company stock options, be converted into vested Camber stock options based on the merger exchange ratio calculated as provided above (the “Exchange Ratio”).

The Merger Agreement provides, among other things, that effective as of the Effective Time, James A. Doris, the current Chief Executive Officer of both the Company and Camber, shall serve as President and Chief Executive Officer of the Combined Company following the Effective Time. The Merger Agreement provides that, as of the Effective Time, the Combined Company will have its headquarters in Houston, Texas.

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The Merger Agreement also provides that, during the period from the date of the Merger Agreement until the Effective Time, each of Camber and Company will be subject to certain restrictions on its ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals, subject to customary exceptions. Company is required to hold a meeting of its stockholders to vote upon the adoption of the Merger Agreement and, subject to certain exceptions, to recommend that its stockholders vote to adopt the Merger Agreement. Camber is required to hold a meeting of its stockholders to approve the issuance of Viking Common Stock and Viking Preferred Stock in connection with the Merger (the “Share Issuance”).

The completion of the Merger is subject to customary conditions, including (i) adoption of the Merger Agreement by Camber’s stockholders and approval of the Share Issuance by Camber’s stockholders, (ii) receipt of required regulatory approvals, (iii) effectiveness of a registration statement on Form S-4 for the Camber common stock to be issued in the Merger (the “Form S-4”), and (iv) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party’s obligation to complete the Merger is also subject to certain additional customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) subject to certain exceptions, performance by the other party of its obligations under the Merger Agreement and (iii) the absence of any material adverse effect on the other party, as defined in the Merger Agreement.

Additional closing conditions to the Merger include 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, pursuant to the applicable guidance and requirements of the NYSE as of the Effective Time.

The Merger Agreement can be terminated (i) at any time with the mutual consent of the parties; (ii) by either Camber or Company if any governmental consent or approval required for closing is not obtained, or any governmental entity issues a final non-appealable order or similar decree preventing the Merger; (iii) by either Company or Camber if the Merger shall not have been consummated on or before August 1, 2021; (iv) by Camber or Company, upon the breach by the other of a term of the Merger, which is not cured within 30 days of the date of written notice thereof by the other; (v) by Camber if Company is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Company if Camber is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Company or Camber if there is a willful breach of the Merger Agreement by the other party thereto.

As of August 12, 2022, neither Viking nor Camber has advised of its intention to terminate the Merger Agreement. However, given the lapse of time since the date of the Merger Agreement and the lack of progress during that period toward completing certain of the transaction requirements and satisfying certain of the conditions to the merger, we believe it is reasonably likely that certain terms, including economic terms of the merger, would need to be modified by the parties in order for the parties to proceed with the merger. While the parties have discussed this likelihood, neither party has determined the revised terms, if any, upon which it would be prepared to proceed with a revised merger agreement. Any revisions to the terms and conditions of the merger agreement would be subject to the written agreement of the parties, and there is no assurance Viking and Camber will agree on any such proposed modifications or conditions. Moreover, the satisfaction of conditions, whether existing or new, may be outside of Viking’s control.

Going Concern Qualification

The Company’s consolidated financial statements included herein 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 \$(3,835,024) for the six months June 30, 2022, as compared to a net loss of \$(18,904,027) for the six months ended June 30, 2021. The loss for the six months ended June 30, 2022 was comprised of, among other things, certain non-cash items, including: (i) stock-based compensation of \$588,870; (ii) accretion of asset retirement obligation of \$81,631; (iii) depreciation, depletion & amortization of \$1,013,470; (iv) bad debt expense of \$1,800,000 and; (v) amortization of debt discount of \$94,896.

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As of June 30, 2022, the Company has a stockholders' equity of \$28,256,083 and long-term debt of \$6,974,428. As of June 30, 2022, the Company has a working capital deficiency of \$6,579,820. The largest components of current liabilities creating this working capital deficiency is a \$8.0 million non-interest-bearing loan from Camber Energy, Inc. with no stipulated repayment terms.

As further described in Note 1, to Viking's consolidated financial statements, Viking has guaranteed Camber Energy's indebtedness to Discover, as well as entered into a Security Agreement in favor of Discover granting Discover a first-priority security interest in any assets purchased by Viking with funds advanced to Viking by Camber that were loaned by Discover. The Company believes the likelihood that it will be required to perform under the guarantee to be remote and has not recognized a liability associated with any performance obligations of the guarantee.

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 may be able to continue to develop new opportunities and may be able to obtain additional funds through debt and / or equity financings to facilitate its business 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 CONTINUING OPERATIONS

The following discussion of the financial condition and results of operation of the Company for the six months ended June 30, 2022 and 2021, should be read in conjunction with the audited consolidated financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on April 20, 2022.

Liquidity and Capital Resources

As of June 30, 2022, and December 31, 2021, the Company had \$3,332,399 and \$3,467,938 in cash holdings, respectively.

On July 29, 2021, the Company issued 27.5 million shares of common stock to Camber for \$11 million in cash. Subsequently, on August 6, 2021, the Company acquired a 60.5% interest in Simson-Maxwell Ltd. for approximately \$8 million in cash. Simson-Maxwell Ltd. is a leading manufacturer and supplier of industrial engines, power generation products, services and custom energy solutions with seven branches and over 4,000 maintenance contracts in Canada.

Three months ended June 30, 2022 compared to the three months ended June 30, 2021

Revenue

The Company had gross revenues of \$6,585,445 for the three months ended June 30, 2022, as compared to \$10,696,633 for the three months ended June 30, 2021, reflecting a decrease of 38% or \$4,111,188. This decrease in revenue is a combination of activities, including the disposition of oil and gas properties in October of 2021 coupled with the acquisition of Simson-Maxwell accomplished during the same month of 2021.

Expenses

The Company's operating expenses decreased by \$1,733,885 to \$7,262,872 for the three-month period ended June 30, 2022, from \$8,996,757 in the corresponding prior period. Cost of goods sold of \$2,602,290, is a new category of expense due to the acquisition of Simson-Maxwell, and the operations of the new power generation segment. Lease operating costs decreased by \$4,611,079 to \$617,653 for the three-month period ended June 30, 2022 as compared to \$5,228,732 for the three-month period ended June 30, 2021, due to the disposition of oil and gas properties in October 2021. DD&A expense decreased by \$1,792,524 to \$513,701 for the three-month period ended June 30, 2022 as compared to \$2,306,225 for the period ended June 30, 2021 primarily as a result of the disposition of oil and gas properties. General and administrative expenses reflected an increase of \$1,986,902 to \$3,186,601, when compared to \$1,199,699 in the corresponding prior period due to the reserve for bad debts, the operations of the new power generation segment, and the overhead associated with it.

Income (Loss) from Operations

The Company generated a loss from operations for the three months ended June 30, 2022 of \$(677,427), when compared to an income from operations of \$1,699,876 for the three months ended June 30, 2021.

Other Income (Expense)

The Company had other income of \$485,647 for the three months ended June 30, 2022, as compared to other expense of \$(11,551,630) for the three months ended June 30, 2021. Interest expense decreased by \$2,960,097 to \$219,283 for the three-month period ended June 30, 2022 as compared to \$3,179,380 for the three months ended June 30, 2021 due to a reduction in long term debt resulting from the dispositions described in Note 1 to the Company's consolidated financial statements. Additionally, the Company does not have a loss from the change in fair value of derivatives for the three months ended June 30, 2022 as compared to a loss of \$(7,307,567) for the three-month period ended June 30, 2021.

Net Income (Loss)

The Company had a net loss of \$(191,960) during the three-month period ended June 30, 2022, compared with a net loss of \$(9,851,754) for the three-month period ended June 30, 2021, a \$9,659,794 difference primarily as a result of the items discussed above.

Six months ended June 30, 2022 compared to the six months ended June 30, 2021

Revenue

The Company had gross revenues of \$12,505,562 for the six months ended June 30, 2022, as compared to \$21,190,712 for the six months ended June 30, 2021, reflecting a decrease of 41% or \$8,685,150. This decrease in revenue is a combination of activities, including the disposition of oil and gas properties in October of 2021 coupled with the acquisition of Simson-Maxwell accomplished during the same month of 2021.

Expenses

The Company's operating expenses decreased by \$1,232,626 to \$16,404,500 for the six-month period ended June 30, 2022, from \$17,637,126 in the corresponding prior period. Cost of goods sold of \$5,053,599, is a new category of expense due to the acquisition of Simson-Maxwell, and the operations of the new power generation segment. Lease operating costs decreased by \$8,788,580 to \$1,186,168 for the six-month period ended June 30, 2022 as compared to \$9,974,748 for the six-month period ended June 30, 2021, due to the disposition of oil and gas properties in October 2021. DD&A expense decreased by \$3,649,757 to \$1,013,470 for the six-month period ended June 30, 2022 as compared to \$4,663,227 for the period ended June 30, 2021 primarily as a result of the disposition of oil and gas properties. General and administrative expenses reflected an increase of \$6,159,828 to \$8,480,762, when compared to \$2,320,934 in the corresponding prior period due to the reserve for bad debts, the operations of the new power generation segment, and the overhead associated with it.

Income (Loss) from Operations

The Company generated a loss from operations for the six months ended June 30, 2022 of \$(3,898,938), when compared to an income from operations of \$3,553,586 for the six months ended June 30, 2021.

Other Income (Expense)

The Company had other income of \$63,914 for the six months ended June 30, 2022, as compared to other expense of \$(22,457,613) for the six months ended June 30, 2021. Interest expense decreased by \$6,078,830 to \$353,045 for the six-month period ended June 30, 2022 as compared to \$6,431,875 for the six months ended June 30, 2021 due to a reduction in long term debt resulting from the dispositions described in Note 1 to the Company's consolidated financial statements. Additionally, the Company does not have a loss from the change in fair value of derivatives for the six months ended June 30, 2022 as compared to a loss of \$(12,976,173) for the six-month period ended June 30, 2021.

Net Income (Loss)

The Company had a net loss of \$(3,835,024) during the six-month period ended June 30, 2022, compared with a net loss of \$(18,904,027) for the six-month period ended June 30, 2021, a \$15,069,003 difference primarily as a result of the items discussed above.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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.

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 not 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.

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.

Revenue Recognition

Oil and Gas Revenues

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.

Power Generation Revenues

Through its 60.5% ownership in Simson-Maxwell, the Company manufactures and sells power generation products, services and custom energy solutions.

Sale of Power Generation Units

The Company considers the completed unit or units to be a single performance obligation for purposes of revenue recognition and recognizes revenue when control of the product is transferred to the customer, which typically occurs upon shipment or delivery to the customer. Progress payments are recognized as contract liabilities until the completed unit is delivered. Revenue is measured as the amount of consideration the Company expects to be entitled in exchange for the transfer of the units, which is generally the price stated in the contract. The Company does not allow returns because of the customized nature of the units and does not offer discounts, rebates, or other promotional incentives or allowances to customers. Simson-Maxwell has elected to recognize the cost for freight activities when control of the product has transferred to the customer as an expense within cost of goods.

Parts Revenue

The Company considers the purchase orders for parts, which in some cases are governed by master sales agreements, to be the contracts with the customers. For each contract, the Company considers the commitment to transfer products, each of which is distinct, to be the identified performance obligations. Revenue is measured as the amount of consideration the Company expects to be entitled in exchange for the transfer of product, which is generally the price stated in the contract specific for each item sold, adjusted for the value of expected returns. Simson-Maxwell has elected to recognize the cost for freight activities when control of the product has transferred to the customer as an expense within cost of goods sold in the consolidated statements of comprehensive income. Parts revenues are recognized at the point in time when control of the product is transferred to the customer, which typically occurs upon shipment or delivery to the customer.

Service and Repairs

Service and repairs are generally performed on customer owned equipment and billed based on labor hours incurred. Each repair is considered a performance obligation. As a result of control transferring over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. Simson-Maxwell generally uses the cost-to-cost measure of progress for its service work because the customer controls the asset as it is being serviced. Most service and repairs are completed in one or two days.

Intangible Assets

Intangible assets include amounts capitalized for the Company's license agreement with ESG Clean Energy, LLC as described in Note 2. This asset is amortized on a straight-line basis over the remaining life of the related patents being licensed, which is approximately 16 years.

Additionally, with the acquisition of Simson-Maxwell, the Company identified other intangible assets consisting of customer relationships (which is being amortized on a straight-line basis over 10 years) and Simson-Maxwell brand (which is not being amortized) with an aggregate appraised fair value \$3,908,126.

With the acquisition of a 51% interest in Viking Ozone, Viking Sentinel and Viking Protection, as described in Note 8, the Company has aggregate intangible assets of \$15,433,340. These assets have an indefinite life and are not being amortized.

The Company reviews these intangible assets, at least annually, for possible impairment when events or changes in circumstances that the assets carrying amount may not be recoverable. In evaluating the future benefit of its intangible assets, the Company estimates the anticipated undiscounted future net cash flows of the intangible assets over the remaining estimated useful life. If the carrying amount is not recoverable, an impairment loss is recorded for the excess of the carrying value of the asset over its fair value.

The Company did not record any impairment of intangible assets during the six months ended June 30, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

Under the supervision and with the participation of management, including the Company's Chief Executive Officer, the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2022, have been evaluated, and, based upon this evaluation, the Company's Chief Executive Officer has concluded that these controls and procedures are not effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

Management will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and the Company's internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. There were no changes in Internal Control Over Financial Reporting during the quarter ended June 30, 2022.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be involved in litigation relating to claims arising out of commercial operations in the normal course of business. As of June 30, 2022, 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 1A. RISK FACTORS

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

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

During the three months ended June 30, 2022, the Company did not issue any unregistered equity securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Number	Description
2.1	Agreement and Plan of Merger, dated as of February 15, 2021, 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 18, 2021)
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 Annual Report on Form 10-K filed on March 25, 2021)
3.4	Certificate of Correction to Designation - After Issuance of Class or Series (incorporated by reference to our Current Report on Form 8-K filed on January 21, 2022)
3.5	Certificate of Designation (Series E Preferred Stock) (incorporated by reference to our Quarterly Report on Form 10-Q filed on June 7, 2022)
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)

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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	First Amendment to Term Loan Agreement, effective as of September 1, 2020, by and among Viking Energy Group, Inc.; Elysium Energy, LLC; Elysium Energy Holdings, 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 Agent, and the Lenders (incorporated by reference to our Current Report on Form 8-K filed on September 4, 2020)
10.14	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)
10.15	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)
10.16	Securities Purchase Agreement, dated as of February 3, 2020, Issued by Viking Energy Group, Inc. and Camber Energy, Inc. (incorporated by reference to our Current Report on Form 8-K filed on February 5, 2020)
10.17	\$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)
10.18	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	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)
10.20	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)
10.21	Mutual Termination Agreement, by and between Viking Energy Group, Inc. and Camber Energy, Inc., dated December 22, 2020 (incorporated by reference to Current Report on Form 8-K filed on December 28, 2020)
10.22	Assignment of Membership Interests, by Camber Energy, Inc. in favor of Viking Energy Group, Inc., dated December 22, 2020 (incorporated by reference to Current Report on Form 8-K filed on December 28, 2020)
10.23	Securities Purchase Agreement (with Cancellation Agreement), by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 22, 2020 (incorporated by reference to our Current Report on Form 8-K filed on December 28, 2020)
10.24	Form of Guaranty, issued by Viking Energy Group, Inc., dated December 22, 2020 (incorporated by reference to our Current Report on Form 8-K filed on December 28, 2020)
10.25	Securities Purchase Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 31, 2020 (incorporated by reference to our Current Report on Form 8-K filed on January 13, 2021)
10.26	Cancellation Agreement, by and between Viking Energy Group, Inc. and EMC Capital Partners, LLC, dated December 31, 2020 (incorporated by reference to our Current Report on Form 8-K filed on January 13, 2021)
10.27	Form of Guaranty, issued by Viking Energy Group, Inc., dated April 23, 2021 (incorporated by reference to our Current Report on Form 8-K filed on April 27, 2021)

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10.28	Securities Purchase Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated July 29, 2021 (incorporated by reference to our Current Report on Form 8-K filed on July 30, 2021)
10.29	Share Purchase Agreement, by and between Viking Energy Group, Inc., Simmax Corp., Remora EQ LP and Simson-Maxwell Ltd., dated August 6, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2021)
10.30	Subscription Agreement between Viking Energy Group, Inc. and Simson-Maxwell Ltd., dated August 6, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2021)
10.31	Unanimous Shareholders Agreement, by and between Viking Energy Group, Inc., Simmax Corp., Remora EQ LP and Simson-Maxwell Ltd., dated August 6, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 9, 2021)
10.32	First Amendment to Unanimous Shareholders Agreement, by and between Viking Energy Group, Inc., Simmax Corp., Remora EQ LP and Simson-Maxwell Ltd., dated October 18, 2021 (incorporated by reference to our Quarterly Report on Form 10-Q filed on November 15, 2021)
10.33	Exclusive Intellectual Property License Agreement between ESG Clean Energy, LLC and Viking Energy Group, Inc., dated August 18, 2021 (incorporated by reference to our Current Report on Form 8-K filed on August 23, 2021)
10.34	Assignment of Membership Interests, by and between Viking Energy Group, Inc. and TO Ichor 2021, L.L.C., dated October 5, 2021 (incorporated by reference to our Current Report on Form 8-K filed on October 12, 2021)
10.35	Assignment of Membership Interests, by and between Viking Energy Group, Inc. and Elysium 2021, L.L.C., dated October 12, 2021 (incorporated by reference to our Current Report on Form 8-K filed on October 18, 2021)
10.36	Membership Interest Purchase Agreement, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated November 18, 2021 (incorporated by reference to our Current Report on Form 8-K filed on November 19, 2021)
10.37	Promissory Note, by New Rise Processing Reno, LLC, in favor of Viking Energy Group, Inc., dated November 18, 2021 (incorporated by reference to our Current Report on Form 8-K filed on November 19, 2021)
10.38	Guaranty, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated November 18, 2021 (incorporated by reference to our Current Report on Form 8-K filed on November 19, 2021)
10.39	Security Agreement-Pledge, by and between Viking Energy Group, Inc., and RESC, LLC, dated November 18, 2021 (incorporated by reference to our Current Report on Form 8-K filed on November 19, 2021)
10.40	First Amendment to Membership Interest Purchase Agreement, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on December 27, 2021)

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10.41	Promissory Note, by New Rise Processing Reno, LLC, in favor of Viking Energy Group, Inc., dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on December 27, 2021)
10.42	Guaranty, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on December 27, 2021)
10.43	Security Agreement-Pledge, by and between Viking Energy Group, Inc., and RESC, LLC, dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on December 27, 2021)
10.44	Promissory Note, by New Rise Processing Reno, LLC, in favor of Viking Energy Group, Inc., dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on January 5, 2022)
10.45	Guaranty, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on January 5, 2022)
10.46	Security Agreement-Pledge, by and between Viking Energy Group, Inc., and RESC, LLC, dated December 22, 2021 (incorporated by reference to our Current Report on Form 8-K filed on January 5, 2022)
10.47	Promissory Note, by New Rise Processing Reno, LLC, in favor of Viking Energy Group, Inc., dated January 13, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 19, 2022)
10.48	Guaranty, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated January 13, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 19, 2022)
10.49	Security Agreement-Pledge, by and between Viking Energy Group, Inc., and RESC, LLC, dated January 13, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 19, 2022)
10.50	Securities Purchase Agreement, by and between Viking Energy Group, Inc., and Choppy Group LLC, dated as of January 18, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 24, 2022)
10.51	Operating Agreement of Viking Ozone Technology, LLC, by and between Viking Energy Group, Inc., and Choppy Group LLC, dated as of January 18, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 24, 2022)
10.52	Promissory Note, by New Rise Processing Reno, LLC, in favor of Viking Energy Group, Inc., dated January 24, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 28, 2022)

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10.53	Guaranty, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated January 24, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 28, 2022)
10.54	Security Agreement-Pledge, by and between Viking Energy Group, Inc., and RESC, LLC, dated January 24, 2022 (incorporated by reference to our Current Report on Form 8-K filed on January 28, 2022)
10.55	Manufacturing License Agreement, by and between Viking Ozone Technology, LLC and Simson-Maxwell, dated February 2, 2022 (incorporated by reference to our Current Report on Form 8-K filed on February 3, 2022)
10.56	Securities Purchase Agreement, by and between Viking Energy Group, Inc., and Virga Systems LLC, dated as of February 9, 2022 (incorporated by reference to our Current Report on Form 8-K filed on February 15, 2022)
10.57	Operating Agreement of Viking Sentinel Technology, LLC, by and between Viking Energy Group, Inc., and Virga Systems LLC, dated as of February 9, 2022 (incorporated by reference to our Current Report on Form 8-K filed on February 15, 2022)
10.58	Securities Purchase Agreement, by and between Viking Energy Group, Inc., and Jedda Holdings LLC, dated as of February 9, 2022 (incorporated by reference to our Current Report on Form 8-K filed on February 15, 2022)
10.59	Operating Agreement of Viking Protection Systems, LLC, by and between Viking Energy Group, Inc., and Jedda Holdings LLC, dated as of February 9, 2022 (incorporated by reference to our Current Report on Form 8-K filed on February 15, 2022)
10.60	Termination Agreement, by and between Viking Energy Group, Inc., and RESC Renewable Holdings, LLC, dated as of May 31, 2022 (incorporated by reference to our Quarterly Report on Form 10-Q filed on June 7, 2022)
10.61	Purchase and Sale Agreement, by and between Viking Energy Group, Inc., and the seller named therein, dated June 7, 2022 (incorporated by reference to our Current Report on Form 8-K filed on June 8, 2022)
10.62	Letter Agreement, between Viking Energy Group, Inc. and John McVicar, dated June 8, 2022 (incorporated by reference to our Current Report on Form 8-K filed on June 14, 2022)
10.63	Purchase and Sale Agreement by and between Petrodome Napoleonville, LLC and Napoleonville, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.64	Purchase and Sale Agreement by and between Petrodome Napoleonville, LLC and WPP Petro, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.65	Purchase and Sale Agreement by and between Petrodome Bloomington, LLC and Bloomington, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.66	Purchase and Sale Agreement by and between Petrodome Bloomington, LLC and WPP Petro, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.67	Purchase and Sale Agreement by and between Petrodome Pineville, LLC and Bay Springs North, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.68	Purchase and Sale Agreement by and between Petrodome Pineville, LLC and WPP Petro, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.69	Purchase and Sale Agreement by and between Petrodome Louisiana Pipeline, LLC and East Mud Lake, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
10.70	Purchase and Sale Agreement by and between Petrodome Louisiana Pipeline, LLC and WPP Petro, L.L.C. (incorporated by reference to our Current Report on Form 8-K filed on July 14, 2022)
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**	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* 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.

ITEM 7. OFF BALANCE-SHEET ARRANGEMENTS

None.

SIGNATURES

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

VIKING ENERGY GROUP, INC.
(Registrant)

/s/ James Doris _____ Date: August 12, 2022
Principal Executive Officer

/s/ John McVicar _____ Date: August 12, 2022
Principal Financial and Accounting Officer

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 quarterly report on Form 10-Q 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, 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: August 12, 2022

/s/ James Doris

James Doris
Principal Executive Officer

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

I, John McVicar, Principal Financial and Accounting Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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, 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: August 12, 2022

/s/ John McVicar

John McVicar

Principal Financial and Accounting Officer

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 Quarterly Report of Viking Energy Group, Inc. (the Company) on Form 10-Q for the quarterly period ended June 30, 2022, 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.

/s/ James Doris

James Doris
Principal Executive Officer
August 12, 2022

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 Quarterly Report of Viking Energy Group, Inc. (the Company) on Form 10-Q for the quarterly period ended June 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, John McVicar, 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.

/s/ John McVicar

John McVicar
Principal Financial and Accounting Officer
August 12, 2022