

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 **MARCH 31, 2018**

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.)

4200 Montrose Blvd, Suite 410

Houston, TX 77006

(Address of principal executive offices)

(212) 653 0946

(Registrant's telephone number, including area code)

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

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

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

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

Large Accelerated Filer	<input type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for comply 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 May 18, 2018, the registrant had 80,512,548 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
(Amounts expressed in US dollars)

	March 31, 2018	December 31, 2017
	(unaudited)	
ASSETS		
Current assets:		
Cash	\$ 1,947,143	\$ 536,156
Restricted cash	-	5,199,103
Accounts receivable – oil and gas	731,917	573,296
Other receivable – related party	488,486	548,714
Prepaid expenses	75,903	-
Total current assets	<u>3,243,449</u>	<u>6,857,269</u>
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	11,265,471	12,301,141
Undeveloped and non-producing oil and gas properties, net	27,469,468	26,859,634
Total oil and gas properties, net	<u>38,734,939</u>	<u>39,160,775</u>
Fixed assets, net	282,700	166,741
Other assets	9,396	9,396
TOTAL ASSETS	<u>\$ 42,270,484</u>	<u>\$ 46,194,181</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accrued expenses and other current liabilities	\$ 687,767	\$ 397,070
Accounts payable	455,288	2,555,869
Undistributed revenues and royalties	1,113,130	1,175,200
Derivative liability	599,979	1,052,788
Amount due to directors	862,390	1,192,970
Current portion of long term debt – net of debt discount	7,139,004	3,562,051
Total current liabilities	<u>10,857,558</u>	<u>9,935,948</u>
Long term debt - net of current portion and debt discount	4,904,318	9,742,830
Deferred tax liability	639,038	910,827
Asset retirement obligation	3,317,706	3,096,263
TOTAL LIABILITIES	<u>19,718,620</u>	<u>23,685,868</u>
Commitments and contingencies (Note 8)		
STOCKHOLDERS' EQUITY		
Capital Stock		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized, 28,092 shares issued and outstanding as of March 31, 2018 and December 31, 2017	28	28
Common stock, \$0.001 par value, 100,000,000 shares authorized, 77,376,490 and 72,347,991 shares issued, issuable and outstanding as of March 31, 2018 and December 31, 2017 respectively.	77,377	72,348
Additional Paid-In Capital	19,812,708	19,029,892
Prepaid equity-based compensation	(11,000)	(11,827)
Retained earnings	2,672,751	3,417,872
TOTAL STOCKHOLDERS' EQUITY	<u>22,551,864</u>	<u>22,508,313</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 42,270,484</u>	<u>\$ 46,194,181</u>

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

VIKING ENERGY GROUP, INC.
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(Amounts expressed in US dollars)

	Three months ended,	
	March 31,	
	2018	2017
Revenue		
Oil and gas sales	\$ 2,161,947	\$ 206,863
Operating expenses		
Lease operating costs	1,008,268	160,518
General and administrative	900,525	270,341
Stock based compensation	173,487	347,404
Accretion - ARO	48,431	8,837
Depreciation, depletion and amortization	489,686	51,282
Total operating expenses	<u>2,620,397</u>	<u>838,382</u>
Loss from operations	<u>(458,450)</u>	<u>(631,519)</u>
Other income (expense)		
Interest expense	(1,069,310)	(256,710)
Change in fair value of derivatives	(354,953)	336,013
Loss on sale of investments	-	(7,185)
Gain on ARO settlement	58,041	-
Total other income (expense)	<u>(1,366,222)</u>	<u>72,118</u>
Net income (loss) before income taxes	<u>(1,824,672)</u>	<u>(559,401)</u>
Income tax benefit (expense)	271,789	-
Net income (loss)	<u>\$ (1,552,883)</u>	<u>\$ (559,401)</u>
Other comprehensive income (loss)		
Unrealized gain (loss) on securities available-for-sale	-	1,446
Net Comprehensive income (loss)	<u>\$ (1,552,883)</u>	<u>\$ (557,955)</u>
Earnings (loss) per common share		
Basic	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding		
Basic	<u>74,306,169</u>	<u>56,766,673</u>
Diluted	<u>74,306,169</u>	<u>56,766,673</u>

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

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

	Three Months Ended	
	March 31,	
	2018	2017
Cash flows from operating activities:		
Net loss	\$ (1,552,883)	\$ (559,401)
Adjustments to reconcile net loss to cash used in operating activities:		
Derivative gain (loss)	354,953	(336,013)
Amortization of prepaid expenses	-	90,815
Stock based compensation	173,487	347,404
Loss on sale of investments	-	7,185
Depreciation, depletion and amortization	489,686	51,282
Gain on ARO settlement	(58,041)	-
Accretion – Asset retirement obligation	48,431	8,837
Amortization of debt discount	708,107	178,153
Changes in operating assets and liabilities		
Accounts receivable	(158,621)	21,134
Prepaid expenses	(75,903)	-
Other receivable	60,228	-
Accounts payable	(2,100,581)	6,032
Accrued expenses and other current liabilities	267,054	21,433
Deferred tax liability	(271,789)	-
Undistributed revenues and royalties	(62,070)	-
Amounts due to directors	25,191	39,892
Net cash used in operating activities	(2,152,751)	(123,247)
Cash flows from investing activities:		
Investment in, and acquisition of oil and gas properties	(963,709)	-
Acquisition of fixed assets	(130,000)	-
Proceeds from sale of oil and gas interests	1,144,953	-
Proceeds from sale of investments	-	101,191
Net cash provided by investing activities	51,244	101,191
Cash flows from financing activities:		
Proceeds from amount due to directors	583,000	3,900
Repayment of amount due to directors	(938,771)	(144,480)
Proceeds from sale of common stock	-	331,667
Proceeds from long term debt	3,992,143	331,667
Repayment of long term debt	(5,322,981)	(222,500)
Net cash used by financing activities	(1,686,609)	300,254
Net increase (decrease) in cash	(3,788,116)	278,198
Cash, beginning of period	5,735,259	18,605
Cash, end of period	\$ 1,947,143	\$ 296,803
Supplemental Cash Flow Information:		
Cash paid for:		
Interest	\$ 231,822	\$ 67,136
Income taxes	\$ -	\$ -
Supplemental disclosure of Non-Cash Investing and Financing Activities:		
Recognition of asset retirement obligation	\$ 231,053	\$ -
Issuance of shares as discount on debt	\$ 615,185	\$ -
Prepayment of contract through amounts due directors	\$ -	\$ 100,000
Long term debt paid through amounts due directors	\$ -	\$ 104,904
Issuance of shares for contract services	\$ 55,000	\$ 700,920
Sale of shares through satisfaction of unrelated notes payable	\$ -	\$ 127,215
Accrued expenses exchanged for long term debt	\$ -	\$ 9,500

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

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

	<u>Common Stock</u>		<u>Shares to be Issued</u>		<u>Preferred Stock</u>		<u>Additional</u>	<u>Prepaid</u>	<u>Accumulated</u>	<u>Accumulated</u>	<u>Total</u>
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>	<u>Paid-in</u>	<u>Equity-Based</u>	<u>Other</u>		
							<u>Capital</u>	<u>Compensation</u>	<u>Loss</u>	<u>Deficit</u>	<u>Deficit</u>
Balances at December 31, 2017	72,347,990	\$ 72,348	-	\$ -	28,092	\$ 28	\$19,029,892	\$ (11,827)	\$ -	3,417,872	\$ 22,508,313
Accounting principal change relative to certain derivative liabilities - Note 2.										807,762	807,762
Shares issued as debt discount	4,110,000	4,110					611,075				615,185
Shares issued as prepaid equity-based compensation	250,000	250					54,750	(55,000)			
Amortization of prepaid equity-based compensation								55,827			55,827
Shares issued for services	668,500	669					116,991				117,660
Net loss for the three months ended March 31, 2018										(1,552,883)	(1,552,883)
Balances at March 31, 2018	<u>77,376,490</u>	<u>\$ 77,377</u>	<u>-</u>	<u>\$ -</u>	<u>28,092</u>	<u>\$ 28</u>	<u>\$19,812,708</u>	<u>\$ (11,000)</u>	<u>\$ -</u>	<u>2,672,751</u>	<u>\$ 22,551,864</u>

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

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

Note 1 Nature of Business and Going Concern

Viking Energy Group, Inc. (“Viking” or the “Company”) was incorporated under the laws of the State of Florida on May 3, 1989, as Sparta Ventures Corp. and remained inactive until June 27, 1998. After several name changes, the Company merged with and into a wholly-owned subsidiary, SinoCubate, Inc., which remained the surviving entity of the merger. SinoCubate, Inc. was formed in the State of Nevada on September 11, 2008. The merger resulted in a change of name of the Company from Synthenol Inc. to SinoCubate, Inc., and a change in the state of incorporation of the Company from Florida to Nevada. On June 13, 2012, the Company changed its name to Viking Investments Group, Inc., and the Company’s ticker symbol was changed to “VKIN.” On March 17, 2017, the Company changed its name to Viking Energy Group, Inc.

The Company's business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through collaborative partnerships with other companies in this field of endeavor. In November of 2014, the Company entered into its first contract relative to oil and gas activities involving jointly controlled assets and related liabilities by purchasing an undivided 50% interest in the Joffre project located in Alberta, Canada. On March 8, 2016, the Company incorporated a wholly owned subsidiary, Viking Oil & Gas (Canada) ULC, in Alberta, Canada, to hold its Canadian oil and gas interests. On February 23, 2016, the Company closed on the acquisition of working interests in four leases with access to the mineral rights (oil and gas) concerning approximately 281 acres of property in Miami and Franklin Counties in eastern Kansas. On August 30, 2016, the Company incorporated an additional wholly owned subsidiary, Mid-Con Petroleum, LLC, in the State of Kansas to hold certain of its acquisitions in the central United States. On October 4, 2016, the Company, through Mid-Con Petroleum, completed an acquisition whereby the Company (i) increased its working interest in three existing oil and gas leases in Miami and Franklin Counties in Eastern Kansas, and (ii) acquired a working interest in four new oil and gas leases in the same region, comprising approximately 660 acres of property. On August 25, 2017, the Company created an additional wholly owned subsidiary, Mid-Con Drilling, LLC. (“Mid-Con Drilling”), in the State of Kansas to hold additional acquisitions in the central United States. On September 11, 2017, the Company through Mid-Con Drilling, completed an acquisition of a 90% working interest in four new oil and gas leases in Anderson County in Eastern Kansas, comprising approximately 980 acres of property. On October 2, 2017, the Company, through Mid-Con Drilling, closed on an acquisition, effective October 1, 2017, of a 100% working interest in six new oil and gas leases in Miami and Franklin Counties in Eastern Kansas. Existing production from the acquired interests is approximately twenty-two barrels of oil per day. The purchase includes an undivided interest in all oil and gas wells, equipment, fixtures and other personal property located upon the leased properties and used in connection with oil and gas operations upon the leases attributable to the working interests purchased by Viking, through Mid-Con Drilling. On October 4, 2017, the Company, through Mid-Con Drilling, closed on an acquisition of an 80% working interest in six new oil and gas leases in Riley, Geary and Wabaunsee Counties in Kansas. Existing production from the acquired interests is approximately thirteen barrels of oil per day. The purchase includes an undivided interest in all oil and gas wells, equipment, fixtures and other personal property located upon the leased properties. On December 22, 2017, the Company completed an acquisition of 100% of the issued and outstanding membership interests of Petrodome Energy LLC, a privately-owned company, with working interests in multiple oil and gas fields across Texas, Louisiana and Mississippi, comprising approximately 11,700 acres. On December 27, 2017, the Company created an additional wholly owned subsidiary, Mid-Con Development, LLC (“Mid-Con Development”) in the State of Kansas to hold additional acquisition in the central United States. On December 29, 2017, the Company through Mid-Con Development completed an acquisition of working interests in approximately 41 oil leases in Ellis and Rooks Counties in Kansas, comprising several thousand acres. On January 12, 2018, the Company, through Mid-Con Drilling, completed an acquisition of a 100% working interest in seven new oil and gas leases in Woodson and Allen Counties in Eastern Kansas. Effective February 1, 2018, the Company, through Mid-Con Drilling, closed on the acquisition of a working interest in a lease with access to the mineral rights (oil and gas) concerning approximately 80 acres of property in Douglas County in eastern Kansas. The acquisition price was \$50,000.

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These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company had a net comprehensive loss of \$1,552,883, and \$557,955 for the three months ended March 31, 2018 and 2017, respectively. The Company has accumulated a stockholders' equity of \$22,551,864 as of March 31, 2018. The Company has generated losses from operations and has a significant working capital deficit. 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 generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances; however, there is no assurance of additional funding being available. These consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

Note 2 Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and the rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited financial statements and notes thereto contained in Viking's latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments (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. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

b) Basis of Consolidation

The financial statements presented herein reflect the consolidated financial results of the Company and its wholly owned subsidiaries, Viking Oil & Gas (Canada) ULC, a Canadian corporation formed on March 8, 2016, to provide a base of operations for properties in Canada, Mid-Con Petroleum, LLC, formed on August 30, 2016, Mid-Con Drilling, LLC, formed on August 25, 2017, and Mid-Con Development, LLC, formed on December 27, 2017, all to provide a base of operations for properties in the Central United States, and Petrodome Energy, LLC, based in Houston, Texas to provide a base of operations to facilitate property acquisitions in Texas, Louisiana and Mississippi. All significant intercompany transactions and balances have been eliminated upon consolidation.

c) Use of Estimates in the Preparation of Financial Statements

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

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

Actual results could differ from the estimates and assumptions utilized.

d) Financial Instruments

ASC Topic 820-10, "Fair Value Measurement" requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 820-10, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for other receivable – related party, accrued expenses and other current liabilities, accounts payable, derivative liabilities, amount due to directors, and convertible notes each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Liabilities measured at fair value as of March 31, 2018 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Financial Assets				
Long term investment	\$ -	\$ -	\$ -	\$ -
Commodity Derivative	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Financial liabilities				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Commodity Derivative	-	599,979	-	(354,953)
	<u>\$ -</u>	<u>\$ 599,979</u>	<u>\$ -</u>	<u>\$ (354,953)</u>

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Assets and liabilities measured at fair value as of December 31, 2017 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Financial Assets				
Long term investment	\$ -	\$ -	\$ -	\$ 1,446
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,446</u>
Financial liabilities				
Derivative liabilities	\$ -	\$ -	\$ 807,762	\$ 232,840
Commodity Derivative	-	245,026	-	(183,965)
	<u>\$ -</u>	<u>\$ 245,026</u>	<u>\$ 807,762</u>	<u>\$ 48,875</u>

The Company's long-term investment consisted of 1,437,500 common shares of Tanager Energy Inc., as of December 31, 2016, which is traded on the TSX Venture Exchange (Toronto Stock Exchange). During the three months ended March 31, 2017, the Company sold these shares. The change in the fair value of this investment that has been recognized as an unrealized gain in other comprehensive income on the statement of operations and comprehensive loss was \$1,446 for the three months ended March 31, 2017.

The Company had commodity financial derivatives in place at March 31, 2018. The Company does not designate its commodities derivative instruments as hedges and therefore does not apply hedge accounting. Changes in fair value of derivative instruments subsequent to the initial measurement are recorded as change in fair value on derivative liability, in other income (expense). The estimated fair value amounts of the Company's commodity derivative instruments have been determined at discrete points in time based on relevant market information which resulted in the Company classifying such derivatives as Level 2. Although the Company's commodity derivative instruments are valued using public indices, the instruments themselves are traded with unrelated counterparties and are not openly traded on an exchange.

The Company uses the Black-Scholes model to value its derivative liabilities. This model takes into account inputs such as contract terms, including maturity and market parameters, including assumptions associated with interest rates, volatility and credit worthiness. The derivative assets and liabilities of the Company were \$0 and \$599,979 respectively as of March 31, 2018, and \$0 and \$1,052,788 respectively as of December 31, 2017, respectively. The change in the fair value of the derivative liabilities for the three months ended March 31, 2018 consisted of an increase of \$354,953 associated with commodity derivatives. The decrease in the derivative liabilities associated with warrants and the conversion features of convertible debt in the amount of \$807,762 are the result of the Company adopting ASU 2017-11, (Topic 815) *Accounting for certain Instruments with down round features*. The effect is a reduction in the derivative liability and a restatement of beginning retained earnings in the amount of \$807,762.

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e) Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and highly liquid investment securities that have original maturities of three months or less. At March 31, 2018 and December 31, 2017, the Company has cash deposits in excess of FDIC insured limits in the amounts of \$820,641 and \$5,372,818 respectively.

Restricted cash in the amount of \$0 and \$5,199,103 as of March 31, 2018 and December 31, 2017 respectively, represents cash provided through funding for the Petrodome acquisition, restricted for drilling and exploration.

f) Accounts receivable

Accounts receivable consist of oil and gas receivables. The Company has classified these as short-term assets in the balance sheet because the Company expects repayment or recovery within the next 12 months. The Company evaluates these accounts receivable for collectability and, when necessary, records allowances for expected unrecoverable amounts. The Company has recorded an allowance for doubtful accounts of \$72,941 at March 31, 2018.

g) Prepaid equity-based compensation

Prepaid equity-based expenses represent amounts paid in advance through the issuance of restricted shares of stock, for future contractual benefits to be received. These expenses paid in advance are recorded as prepaid equity-based compensation as a component of "Stockholders' Deficit" and then amortized to the statements of operations and comprehensive loss over the life of the contract using the straight-line method. At March 31, 2018 and December 31, 2017, the balances of the prepaid equity-based compensation were comprised of the following:

	March 31, 2018	December 31, 2017
In February 2017, a one-year consulting agreement for services related to investor relations, market exposure and content development for a total amount of \$44,160.	-	6,412
In April 2017, a one-year consulting agreement comprised of four quarterly incremental installments for services related to analysis of potential oil and gas acquisitions, for an initial quarterly amount of \$40,250, a second installment of \$28,000 in July 2017, and a third installment of \$55,000 in January 2018.	11,000	5,415
	<u>\$ 11,000</u>	<u>\$ 11,827</u>

h) Oil and Gas Properties

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

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit of production method using estimates of proved reserves. Disposition of oil and gas properties are accounted for as a reduction 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 continuing operations before income taxes and the adjusted carrying amount of the unproved properties is amortized on the unit-of-production method.

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Depreciation, depletion and amortization expense utilizing the unit-of-production method for the Company's oil and gas properties for the three months ended March 31, 2018 and 2017 were as follows:

Cost Center	Oil and Gas Properties by Geographical Cost Center	
	Three months ended, March 31,	
	2018	2017
Canada	\$ 10,738	\$ 17,007
United States	478,948	34,275
	<u>\$ 489,686</u>	<u>\$ 51,282</u>

i) Limitation on Capitalized Costs

Under the full-cost method of accounting, the Company is 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 its 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.

j) 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.

k) Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and, adjusted by any effects of warrants and options outstanding, if dilutive, that may add to the number of common shares during the period. At March 31, 2018 and 2017 there were approximately 31,503,126 and 6,582,259 common stock equivalents respectively, that were anti-dilutive.

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l) Revenue Recognition

On January 1, 2018, the Company adopted ASU 2014-09, “Revenue from Contracts with Customers (ASC 606),” using the modified retrospective method. Adoption of the new revenue standard had no impact on the Company’s consolidated balance sheet, results of operations, equity or cash flows as of the adoption date, and the Company does not expect any further material impact to its consolidated financial statements on an ongoing basis as a result of adopting the new revenue standard.

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 term between delivery and when payments are due is not significant.

The following table disaggregates the Company’s revenue by source for the periods ended March 31, 2018 and 2017:

	Three Months Ended	
	March 31,	
	2018	2017
Oil	\$ 2,024,184	\$ 197,819
Natural gas and Natural gas liquids	137,763	9,044
	<u>\$ 2,161,947</u>	<u>\$ 206,863</u>

m) Comprehensive Loss

FASB ASC 220 “Comprehensive Income,” establishes standards for the reporting and presentation of comprehensive income and its components in the consolidated financial statements. For the three months ended March 31, 2018 and 2017, comprehensive income (loss) was \$0 and \$1,446 respectively and consisted primarily of unrealized gains and (losses) on available for sale securities.

n) 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.

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

In assessing the realizability of its deferred tax assets and liabilities, management evaluated whether it is more likely than not that some portion, or all of its deferred tax assets and liabilities, will be realized. As of December 31, 2017, based on all the available evidence, management determined that it is more likely than not its deferred tax assets will be fully realized. Accordingly, the Company recorded a deferred tax liability of \$910,827. During the three months ended March 31, 2018, the Company incurred a net loss, which created a decrease in its deferred tax liability with a corresponding income tax benefit in the amount of \$271,789.

o) Stock-Based Compensation

The Company may issue stock options to employees and stock options or warrants to non-employees in non-capital raising transactions for services and for financing costs. In accordance with guidance in ASC Topic 718, the cost of stock options and warrants issued to employees and non-employees is measured on the grant date based on the fair value. The fair value is determined using the Black-Scholes option pricing model. The resulting amount is charged to expense on the straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

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

The following table represents stock warrant activity as of and for the three months ended March 31, 2018:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Warrants Outstanding – December 31, 2017	27,440,626	0.27	8.2 years	-
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited/expired/cancelled	-	-	-	-
Warrants Outstanding – March 31, 2018	27,440,626	\$ 0.27	8.0 years	\$ -
Outstanding Exercisable – December 31, 2017	27,440,626	\$ 0.27	8.2 years	\$ -
Outstanding Exercisable – March 31, 2018	27,440,626	\$ 0.27	8.0 years	\$ -

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p) Impairment of long-lived assets

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

Assets are grouped and evaluated at the lowest level for their identifiable cash flows that are largely independent of the cash flows of other groups of assets. The Company considers historical performance and future estimated results in its evaluation of potential impairment and then compares the carrying amount of the asset to the future estimated cash flows expected to result from the use of the asset. If the carrying amount of the asset exceeds estimated expected undiscounted future cash flows, the Company measures the amount of impairment by comparing the carrying amount of the asset to its fair value. The estimation of fair value is generally determined by using the asset's expected future discounted cash flows or market value. The Company estimates fair value of the assets based on certain assumptions such as budgets, internal projections, and other available information as considered necessary. There is no impairment of long-lived assets during the three months ended March 31, 2018 and 2017.

q) Foreign Currency Exchange

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

For financial reporting purposes, the operational results of the Company's oil and gas operations in Canada are prepared using the CAD, and are translated into the Company's reporting currency, the U.S. Dollar. Revenue and expenses applicable to the oil and gas operations in Alberta, Canada are translated using average rates prevailing during each reporting period. Gains or losses resulting from the settlement of foreign currency transactions are recorded as a separate component of accumulated other comprehensive loss in stockholders' deficit when realized. There have been no settlement transactions that resulted in the recognition of a foreign currency exchange gain or loss during the three months ended March 31, 2018 and 2017.

r) Convertible Notes Payable

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

The Company has evaluated the terms and conditions of its convertible notes under the guidance of ASC 815. The conversion feature did not meet the definition of "indexed to a company's own stock" provided for in ASC 815 due to the down round protection feature. Therefore, the conversion feature requires bifurcation and liability classification. Additionally, the default put requires bifurcation because it is indexed to risks that are not associated with credit or interest risk. As a result, the compound embedded derivative comprises of (i) the embedded conversion feature and (i) the default put. Rather than bifurcating and recording the compound embedded derivative as a derivative liability, the Company elected to initially and subsequently measure the convertible note in its entirety at fair value, with changes in fair value recognized in earnings in accordance with ASC 815-15-25-4. On January 1, 2018, the Company adopted ASU 2017-11, Derivatives and Hedging (Topic 815) and increased beginning retained earnings in the amount of \$807,762.

s) Derivative Liability

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

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

t) Accounting for Asset Retirement Obligations

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

The following table describes the changes in the Company’s asset retirement obligations for the three months ended March 31, 2018 and the year ended December 31, 2017:

	Three months ended March 31, 2018	Year ended December 31, 2017
Asset retirement obligation – beginning	\$ 3,096,263	\$ 833,017
Oil and gas purchases	231,053	2,205,171
Gain on ARO Settlement	(58,041)	
Accretion expense	48,431	58,075
Asset retirement obligation - ending	<u>\$ 3,317,706</u>	<u>\$ 3,096,263</u>

u) Undistributed Revenues and Royalties

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

v) Recent Accounting Pronouncements

As of March 31, 2018, and through the date of this filing, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Company. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Company’s consolidated financial statements. The Company will monitor these emerging issues to assess any potential future impact on its financial statements.

ASU Update 2014-09 *Revenue from Contracts with Customers* (Topic 606) issued May 28, 2014 by FASB and IASB converged guidance on recognizing revenue in contracts with customers on an effective date after December 31, 2017. The ASU outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers which supersedes current revenue recognition guidance, including most industry-specific guidance. The guidance provides that an entity recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments, and assets recognized from costs incurred to obtain or fulfill a contract. We adopted Topic 606 as of January 1, 2018 using the modified retrospective transition method. Under the modified retrospective method, the Company would recognize the cumulative effect of initially applying the standard as an adjustment to opening retained earnings at the date of initial application; however, we did not have any material adjustments as of the date of the adoption. The comparative periods have not been restated.

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In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This standard requires all leases that have a term of over 12 months to be recognized on the balance sheet with the liability for lease payments and the corresponding right-of-use asset initially measured at the present value of amounts expected to be paid over the term. Recognition of the costs of these leases on the income statement will be dependent upon their classification as either an operating or a financing lease. Costs of an operating lease will continue to be recognized as a single operating expense on a straight-line basis over the lease term. Costs for a financing lease will be disaggregated and recognized as both an operating expense (for the amortization of the right-of-use asset) and interest expense (for interest on the lease liability). This standard will be effective for our interim and annual periods beginning January 1, 2019 and must be applied on a modified retrospective basis to leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. Early adoption is permitted. We are currently evaluating the timing of adoption and the potential impact of this standard on our financial position, but we do not expect it to have a material impact on our results of operations.

In July 2017, the Financial Accounting Standards Board (“FASB”) issued ASU 2017-11, “Earnings Per Share (Topic 260); Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815): (Part 1) Accounting for Certain Financial Instruments with Down Round Features, (Part II) Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Non-public Entities and Certain Mandatorily Redeemable Non-controlling Interests with a Scope Exception” (“ASU 2017-11”). Part I relates to the accounting for certain financial instruments with down round features in Subtopic 815-40, which is considered in determining whether an equity-linked financial instrument qualifies for a scope exception from derivative accounting. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced based on the pricing of future equity offerings. An entity still is required to determine whether instruments would be classified as equity under the guidance in Subtopic 815-40 in determining whether they qualify for that scope exception. If they do qualify, freestanding instruments with down round features are no longer classified as liabilities. ASU 2017-11 is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period. Early adoption is permitted, including in an interim period. We adopted Topic 815 as of January 1, 2018. The effect was to no longer recognize certain freestanding instruments with down round features as a liability, through an increase in beginning retained earnings of \$807,762.

w) Subsequent events

The Company has evaluated all subsequent events from March 31, 2018, through the date of filing this report, and determined there are no additional items to disclose other than those listed in Note 9.

Note 3. Business Acquisition

Petrodome Energy LLC

As discussed in Note 1, on December 22, 2017, the Company closed on the acquisition of all of the issued and outstanding membership interests of Petrodome Energy, LLC, a Texas Limited Liability company, with an effective date of November 1, 2017, in a transaction accounted for under the acquisition method of accounting, whereby the assets acquired and the liabilities, if any assumed are to be valued at fair value, and compared to the fair value of the consideration given to identify if there are any identifiable intangible assets to be recognized as a result of the transaction.

The recorded cost of this acquisition was based upon the fair market value of the assets acquired based on an independent valuation. The fair value of the Business Enterprise and its assets exceed the value of the consideration given, creating a bargain purchase gain, which is to be recognized immediately by the purchaser. The fair value of the bargain purchase gain has been recorded in the amount of \$27,021,418 during the year ended December 31, 2017.

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Proforma unaudited condensed selected financial data for the three months ended March 31, 2017 as though this acquisition had taken place at January 1, 2017 are as follows:

	Three Months Ended March 31, 2017
Revenues	<u>\$ 2,976,948</u>
Net Loss (excludes unrealized gains / losses)	<u>\$ (1,587,224)</u>
Loss per share	<u>\$ (0.03)</u>

Note 4. Related Party Transactions

During April 2015, the Company made an advance to Tanager Energy Inc., in conjunction with a joint investment in the second oil well of the Joffre Project. As of March 31, 2018, the balance owed by Tanager to the Company is \$153,877. The Company has determined to reserve 100% of the balance and has reduced the amount shown as other receivable – related party to \$0 on the consolidated balance sheet.

During the three months ended March 31, 2018, the Company’s CEO and Director, James Doris incurred expenses on behalf of, and made advances to the Company in the amount of \$608,191 in order to provide the Company with funds to carry on its operations, and the Company made repayments of \$938,771. These advances do not bear interest, are unsecured and have no specific terms of repayment. As of March 31, 2018, the amount due for advances and expenses paid on behalf of the Company is \$0. The Company has not imputed interest as the amount is deemed immaterial. Additionally, Mr. Doris made several loans to the Company totaling \$862,930, all accruing interest at 12%, and payable on demand. As of March 31, 2018, the total amount due to Mr. Doris for advances and expenses paid on behalf of the Company and loans is \$862,930. Accrued interest of \$176,038 is included in accrued expenses and other current liabilities at March 31, 2018.

Note 5. Oil and Gas Properties

The following table summarizes the Company’s oil and gas activities by classification and geographical cost center for the three months ended March 31, 2018:

	December 31, 2017	Adjustments	Impairments	March 31, 2018
Proved developed producing oil and gas properties				
Canada cost center	\$ 23,279	\$ -	\$ -	\$ 23,279
United States cost center	12,513,088	(899,083)	-	11,614,005
Accumulated depreciation, depletion and amortization	(235,226)	(136,587)	-	(371,813)
Proved developed producing oil and gas properties, net	<u>\$ 12,301,141</u>	<u>\$ (1,035,670)</u>	<u>\$ -</u>	<u>\$ 11,265,471</u>
Undeveloped and non-producing oil and gas properties				
Canada cost center	\$ 382,935	\$ -	\$ -	\$ 382,935
United States cost center	26,851,244	948,891	-	27,800,135
Accumulated depreciation, depletion and amortization	(374,545)	(339,057)	-	(713,602)
Undeveloped and non-producing oil and gas properties, net	<u>\$ 26,859,634</u>	<u>\$ 609,834</u>	<u>\$ -</u>	<u>\$ 27,469,468</u>
Total Oil and Gas Properties, Net	<u>\$ 39,160,775</u>	<u>\$ (425,836)</u>	<u>\$ -</u>	<u>\$ 38,734,939</u>

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The following table summarizes the Company's oil and gas activities by classification for the year ended December 31, 2017:

	December 31, 2016	Adjustments	Impairments	December 31, 2017
Proved developed producing oil and gas properties				
Canada cost center	\$ 34,733	\$ (11,454)	\$ -	\$ 23,279
United States cost center	1,787,840	10,725,248	-	12,513,088
Accumulated depreciation, depletion and amortization	(57,200)	(178,026)	-	(235,226)
Proved developed producing oil and gas properties, net	\$ 1,765,373	\$ 10,535,768	\$ -	\$ 12,301,141
Undeveloped and non-producing oil and gas properties				
Canada cost center	\$ 371,481	\$ 11,454	\$ -	\$ 382,935
United States cost center	917,184	25,934,060	-	26,851,244
Accumulated depreciation, depletion and amortization	(51,176)	(323,369)	-	(374,545)
Undeveloped and non-producing oil and gas properties, net	\$ 1,237,489	\$ 25,622,145	\$ -	\$ 26,859,634
Total Oil and Gas Properties, Net	\$ 3,002,862	\$ 36,157,913	\$ -	\$ 39,160,775

On December 27, 2017, the Company created an additional wholly owned subsidiary, Mid-Con Development, LLC ("Mid-Con Development") in the State of Kansas to hold additional acquisition in the central United States. On December 29, 2017, the Company through Mid-Con Drilling completed an acquisition of working interests in approximately 41 oil leases in Ellis and Rooks Counties in Kansas, comprising several thousand acres. The working interests in the leases range from 84% to 100%, with an average of approximately 96%, and the net revenue interests range from 72% to 85%, with an average of approximately 81%.

The Acquisition purchase price was \$2,200,000. The Company paid \$200,000 at closing on December 29, 2017. Between the closing date and January 18, 2018, Mid-Con assigned 7.5% of the purchased assets to Global Equity Funding, LLC ("Global Equity"), and 5% of the purchased assets to Coal Creek Energy, LLC ("Coal Creek"), leaving Mid-Con with an 87.5% interest in the purchased oil and gas leases. The portion of the Acquisition price attributable to Mid-Con, Global Equity and Coal Creek was \$1,925,000, \$165,000 and \$110,000, respectively, which was paid in full by the close of business on January 18, 2018.

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

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Note 6. Capital Stock and Additional Paid-in Capital

(a) Preferred Stock

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

On December 4, 2017, Viking Energy Group, Inc. (the “Company” or “Viking”) filed with the State of Nevada an amendment to the Certificate of Designation for the Company’s Series C Preferred Stock, pursuant to which each share of Series C Preferred Stock would entitle the holder thereof to 10,000 votes on all matters submitted to the vote of the stockholders of the Company.

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

(b) Common Stock

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

During January 2018, the Company issued 250,000 common shares for services pursuant to a one-year consulting agreement.

During February and March 2018, the Company issued 668,500 common shares for services.

During the quarter ended March 31, 2018, pursuant to a private placement for debt and equity, the Company issued 4,110,000 common shares.

Note 7. Long Term Debt

Long term debt consisted of the following at March 31, 2018 and December 31, 2017:

	<u>March 31,</u> <u>2018</u>	<u>December</u> <u>31,</u> <u>2017</u>
As of December 31, 2016, the Company issued a total of \$630,000 of 10% Secured promissory notes with a term expiring April 3, 2017 (the “Maturity Date”), and an original issue discount of thirty-seven and one-half percent (37.5%). The discount was modified to fifty percent (50%) retroactively with an extension of the maturity to June 2017. During the quarter ended March 31, 2017, the Company issued an additional \$917,833 of 10% Secured promissory notes with terms expiring in June, August and September of 2017, and an original issue discount of fifty percent (50%). Interest is payable on the outstanding principal of these notes at 10% per annum on the various maturity dates. The balance shown is net of unamortized discount of \$0 and \$0 at March 31, 2018 and December 31, 2017 respectively.	-	75,000
On October 4, 2016, the Company closed on a revolver loan with Crossfirst Bank in the amount of \$1,800,000, payable at \$15,000 per month, interest at 10%, with all unpaid principal and accrued interest payable on September 30, 2018. The balance shown is net of unamortized discount of \$6,932 and \$10,341 at March 31, 2018 and December 31, 2017 respectively.	1,598,068	1,594,659
During July and August of 2017, the Company borrowed \$1,475,000 from private lenders pursuant to a 10% Secured Convertible Promissory Note with a twelve-month maturity. The balance shown is net of unamortized discount of \$144,906 and \$271,403 at March 31, 2018 and December 31, 2017 respectively.	1,330,094	1,203,597
During August through December of 2017, the Company borrowed \$2,989,000, and from January through March 2018, the Company borrowed 2,055,000, all from private lenders pursuant to a 10% Secured Promissory Note with all principal and accrued interest payable on the maturity date of October 31, 2018. The promissory notes are secured by the membership interests of Mid-Con Drilling, LLC. The balance shown is net of unamortized discount of \$1,294,722 and \$867,399 at March 31, 2018 and December 31, 2017 respectively.	3,749,278	2,121,601

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On September 8, 2017, the Company closed on a Promissory Note with Cornerstone Bank in the amount of \$256,983, payable interest only for the first twelve months commencing October 8, 2017, variable interest rate, currently at 5.5%, followed by 83 monthly payments of \$3,765, interest at 6%, final payment due on September 8, 2025. The balance shown is net of unamortized discount of \$3,113 and \$0 at March 31, 2018 and December 31, 2017 respectively.	253,969	253,870
On September 29, 2017, the Company closed on a Promissory Note with Cornerstone Bank in the amount of \$290,000, payable interest only for the first twelve months commencing October 29, 2017, variable interest rate, currently at 5.5%, followed by 83 monthly payments of \$3,765, interest at 6%, final payment due on September 29, 2025. The balance shown is net of unamortized discount of \$3,800 and \$3,925 at March 31, 2018 and December 31, 2017 respectively.	286,200	286,075
On October 3, 2017, the Company closed on a Promissory Note with Cornerstone Bank in the amount of \$204,000, payable interest only for the first twelve months commencing November 3, 2017, variable interest rate, currently at 5.5%, followed by 83 monthly payments of \$3,765, interest at 6%, final payment due on October 3, 2025. The balance shown is net of unamortized discount of \$3,341 and \$3,451 at March 31, 2018 and December 31, 2017 respectively.	200,659	200,549
On December 22, 2017, the Company borrowed \$8,510,638, through 405 Petrodome, LLC, as agent for Lenders, with an OID of 6%., bearing interest initially at 9.875% through June 2018, then 11.375% through December 2018, then 12.875% through June 2019, then 14.375% through December 2019. Interest only through June 2018, at which time Principal will be payable at \$75,000 monthly for six months and then \$125,000 monthly to the maturity date of December 22, 2019. The balance shown is net of unamortized discounts of \$823,633 and \$941,108 at March 31, 2018 and December 31, 2017 respectively.	2,779,781	7,569,530
On January 12, 2018, the Company closed on a Promissory Note with Cornerstone Bank in the amount of \$366,000, payable interest only for the first twelve months commencing February 12, 2018, variable interest rate, currently at 5.5%, followed by 83 monthly payments of \$5,362, interest at 6%, final payment due on January 12, 2026. The balance shown is net of unamortized discount of \$4,727 at March 31, 2018.	361,273	-
Promissory note payable to an individual, dated January 17, 2018, in the initial amount of \$300,000, payable on demand, no stipulated interest rate.	200,000	-
Merchant cash advance in the amount of \$1,200,000, dated January 23, 2018, with no stipulated interest rate, payable at \$48,000 per month commencing in February 2018 for 6 months, with a balance of \$1,212,000 payable July 23, 2018. The balance shown is net of unamortized discount of \$216,000 at March 31, 2018.	1,284,000	-
	12,043,322	13,304,881
Less current portion	(7,139,004)	(3,562,051)
	<u>\$ 4,904,318</u>	<u>\$ 9,742,830</u>

Note 8. Commitments and contingencies

From time to time the Company may be a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company's consolidated financial position or results of operations.

As reported on Form 8-K, filed on April 19, 2018, the Company entered into an employment agreement, restricted stock agreement, and warrant with Timothy Swift, appointing Mr. Swift as Executive Vice President and Chief Operating Officer of the Company. Pursuant to Mr. Swift's employment agreement with the Company, Mr. Swift is to receive an annual base salary of \$275,000 and is eligible to receive, at the discretion of the Company's Board of Directors, an annual bonus of up to 110% of his base salary and incentive equity compensation equal to approximately 130% of his base salary. Pursuant to the restricted stock agreement, Mr. Swift is to receive 1,000,000 shares of the Company's common stock, with 50% of the shares vesting immediately and the remaining shares vesting on October 1, 2018, unless Mr. Swift has resigned from employment or has been terminated for cause on or prior to that time. Pursuant to the warrant, Mr. Swift received the right to purchase 3,500,000 shares of the Company's common stock at \$0.30 per share exercisable through April 1, 2023, with (i) 1,000,000 of the warrant shares vesting immediately; (ii) 2,000,000 of the warrant shares vesting on July 1, 2018, or another date as agreed in writing by both parties so long as the Company has closed a financing transaction consolidating the Company's debt, has raised an additional \$5,000,000 in financing at such time, and Mr. Swift has not resigned from employment or been terminated for cause at that time; and (iii) 500,000 of the warrant shares vesting on December 31, 2018, so long as Mr. Swift has not resigned from employment or been terminated for cause at that time.

Note 9. Subsequent Events

The Company has evaluated subsequent events from March 31, 2018, through the date of filing this Form 10-Q, and determined there are no additional items to disclose other than the following:

During April 2018, the Company issued 60,312 common shares in a cashless exercise of common stock warrants

During April 2018, the Company issued 1,388,246 common shares for services

During April and May 2018, the Company issued 1,687,500 common shares pursuant to a private placement for debt and equity.

On April 26, 2018, the Company authorized and issued 2,000,000 common stock warrants to various parties for services. The warrants have a term of 5 years with an exercise price of \$0.30 per share.

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 policies; and other factors referenced in this Form 10-Q.

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

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

PLAN OF OPERATIONS

Overview

The Company's business plan is to engage in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through collaborative partnerships with other companies in this field of endeavor. In November of 2014, the Company entered its first contract of this kind.

On March 8, 2016, the Company incorporated a wholly owned subsidiary, Viking Oil & Gas (Canada) ULC, in Alberta, Canada, to hold Canadian oil and gas interests which were registered in its name. On August 30, 2016, the Company organized a wholly owned subsidiary, Mid-Con Petroleum, LLC ("Mid-Con Petroleum"), a Kansas limited liability company, to hold oil and gas interests in the central United States. On August 25, 2017, the Company organized another wholly owned subsidiary, Mid-Con Drilling, LLC ("Mid-Con Drilling"), a Kansas limited liability company, to hold additional oil and gas interests in the central United States. On December 27, 2017, the Company organized a third wholly owned subsidiary, Mid-Con Development, LLC ("Mid-Con Development"), a Kansas limited liability company, to hold further oil and gas interests in the central United States. In 2016, 2017 and 2018, the Company acquired numerous oil and gas interests in Kansas, and in December of 2017, the Company acquired Petrodome Energy, LLC, a Texas limited liability company based in Houston, Texas, with interests in oil and gas leases in Texas, Louisiana and Mississippi.

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Going Concern Qualification

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

RESULTS OF CONTINUING OPERATIONS

The following discussion of the financial condition and results of operation of the Company for the three months ended March 31, 2018 and 2017, 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/A for the year ended December 31, 2017, filed with the SEC on April 25, 2018.

Liquidity and Capital Resources

As of March 31, 2018, and December 31, 2017, the Company had \$1,947,143 and \$5,75,259 in cash holdings, respectively.

Three months ended March 31, 2018, compared to the three months ended March 31, 2017

Revenue

The Company had gross revenues of \$2,161,947 for the three months ended March 31, 2018, as compared to \$206,863 for the three months ended March 31, 2017, representing its share of revenue from its 50% working interest in the Joffre Property, and the revenue being generated through the oil and gas acquisitions in the central United States.

Expenses

The Company's operating expenses increased by \$1,782,015 to \$2,620,397 for the three-month period ended March 31, 2018, from \$838,382 in the corresponding period in 2017. The increase is mainly attributable to increased lease operating costs commensurate with the new oil and gas wells purchased in 2017 and the first quarter of 2018. Additionally, there were increases in general and administrative associated with the office operations of Petrodome, and increases in accretion expense and depreciation, depletion and amortization expense.

Other income (expense)

The Company had other income (expense) of \$(1,366,222) for the three months ended March 31, 2018, as compared to \$72,118 for the three months ended March 31, 2017. This significant difference is primarily a result of increased interest expense due to increased debt associated with acquisitions, and loss on commodity derivatives

Net Income (Loss)

The Company incurred a net (loss) of \$(1,552,883) during the three-month period ended March 31, 2018 compared with a net loss of (\$59,401) for the three-month period ended March 31, 2017. The decrease in net loss was mainly due to the items referred to in the analysis of operating expenses and other income (expense).

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 3 - 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 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.

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

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

Asset Retirement Obligation

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

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

Revenues from oil and gas properties are recognized under the entitlements method of accounting, whereby revenue is recognized on the amount the Company is entitled to, based on its interest in the property after all costs associated with exploration, gathering, marketing and sales relative to the volumes of product sold.

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

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

Under the supervision and with the participation of management, including the Company’s Chief Executive Officer, the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2018, have been evaluated, and, based upon this evaluation, the Company’s Chief Executive Officer has concluded that these controls and procedures are not effective in providing reasonable assurance of compliance.

Changes in Internal Control over Financial Reporting

Management and directors will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and the Company's internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. There were no changes in Internal Control over Financial Reporting during the quarter ended March 31, 2018.

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 operations in the normal course of business. As of March 31, 2018, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the 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 January 2018, the Company issued 250,000 common shares for services pursuant to a one-year consulting agreement.

During February and March 2018, the Company issued 668,500 common shares for services.

During the quarter ended March 31, 2018, pursuant to a private placement for debt and equity, the Company issued 4,110,000 common shares

The share issuances described above were issued pursuant to exemptions from registration requirements relying on Section 4(a)(2) of the Securities Act of 1933 and/or Rule 506 of Regulation D promulgated thereunder as there was no general solicitation, and the transactions did not involve a public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

Number	Description
3.1	Articles of Incorporation (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on October 14, 2008)
3.2	Bylaws (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on October 14, 2008)
3.3	Certificate of Amendment to Articles of Incorporation (incorporated by reference to our Definitive Information Statement on Schedule 14C filed on May 23, 2012)
10.1	Membership Interest Purchase Agreement, dated November 10, 2017, by Viking Energy Group, Inc. and Black Rhino, LP (incorporated by reference to our Current Report on Form 8-K filed on December 29, 2017)
10.2	First Amendment to Membership Interest Purchase Agreement, dated November 30, 2017, by Viking Energy Group, Inc. and Black Rhino, LP (incorporated by reference to our Current Report on Form 8-K filed on December 29, 2017)
10.3	Second Amendment to Membership Interest Purchase Agreement, dated December 22, 2017, by Viking Energy Group, Inc., Black Rhino, LP, and Petrodome Energy, LLC (incorporated by reference to our Current Report on Form 8-K filed on December 29, 2017)
10.4	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)
10.5	Purchase and Sale Agreement, dated December 22, 2017, by Viking Energy Group, Inc. and Woodway Oil & Gas – KS-I, LLC (incorporated by reference to our Current Report on Form 8-K filed on January 8, 2018)
10.6	Assignment and Bill of Sale, dated December 22, 2017, by Mid-Con Development, LLC and Woodway Oil & Gas – KS-I, LLC (incorporated by reference to our Current Report on Form 8-K filed on January 8, 2018)
10.7*	Employment Agreement with Timothy Swift dated as of March 19, 2018
10.8*	Restricted Stock Agreement with Timothy Swift dated as of April 1, 2018
21.1	Subsidiaries of Viking Energy Group, Inc. (incorporated by reference to our Current Report on Form 10-K/A filed on April 25, 2018)
31.1*	Certification of Principal Executive Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
99.1	Purchase and Sale, Petroleum and Natural Gas Conveyance Agreement with Tanager Energy Inc. dated November 3, 2014 (incorporated by reference to our Current Report on Form 8-K filed on November 10, 2014)
99.2	Purchase, Sale and Capital Contribution Agreement effective February 1, 2016 (incorporated by reference to our Annual Report on Form 10-K/A filed on May 16, 2016)
99.3	Purchase and Sale Agreement (incorporated by reference to our Current Report on Form 8-K filed on September 12, 2017)
99.4	Purchase and Sale Agreement (incorporated by reference to our Current Report on Form 8-K filed on October 3, 2017)
99.5	Purchase and Sale Agreement (incorporated by reference to our Current Report on Form 8-K filed on October 4, 2017)
99.6	Purchase and Sale Agreement (incorporated by reference to our Current Report on Form 8-K filed on December 8, 2017)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

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)

Date: May 21, 2018

/s/ James Doris
James Doris
Principal Executive Officer

Date: May 21, 2018

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

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered into as of March 19, 2018 (the "Effective Date") by and between Viking Energy Group, Inc., a Nevada corporation (the "Company") and Timothy R. Swift (the "Employee").

RECITALS

A. The Company desires to obtain the services of Employee under the terms and conditions set forth in this Agreement.

B. Employee desires to provide his services to the Company upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employee and the Company hereby covenant and agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Exhibit A attached to this Agreement.

2. Employment.

(a) The Company agrees to employ Employee as Executive Vice President and Chief Operating Officer, as of the Effective Date and for the period set forth in Section 2(c) below, unless Employee's employment is terminated sooner in accordance with this Agreement.

(b) Employee accepts employment and agrees to devote his full time and attention to the performance of his duties as determined by the Company's Chief Executive Officer and the Company's board of directors (the "Board") and to operate within the guidelines, plans and policies as may be established or approved by the Company from time to time. Without limiting the generality of the foregoing, during his employment, the Employee shall not serve on the boards of directors of any for-profit entity without the prior consent of the Board.

(c) Employee shall commence his duties hereunder as of the Effective Date and continue in the employ of the Company until the third (3rd) anniversary of the Effective Date (the "Initial Term") or until his employment is terminated sooner as provided in this Agreement. Upon expiration of the Initial Term, this Agreement may be extended by the Company for an additional one (1) year period (the "Renewal Term"), by providing written notice to Employee not less than forty-five (45) days prior to the expiration of the Initial Term.

(d) Employee's place of employment shall be in Connecticut and/or the Greater New York City area. Employee may also be required to engage in reasonable travel to other locations on Company business consistent with Employee's position.

3. Compensation.

(a) The Company shall pay to Employee an annual base salary of \$275,000 (“Base Salary”), which amount shall be prorated for any partial year and paid in accordance with the Company’s payroll practices related to salaried employees. If Employee’s employment is terminated as provided herein prior to the expiration of the Initial or the Renewal Term (if applicable), then the Company shall pay to Employee any amount of Base Salary due to Employee up to and including the date of such termination.

(b) Commencing with calendar year 2018, Employee shall be eligible to receive a performance-based cash bonus of up to one hundred percent (110%) of Employee’s base salary, based on the Employee’s personal performance and the Company’s ability to achieve certain EBITDA and financial goals, each as determined by the Board (“Annual Bonus”). The Board shall have the sole discretion whether to make any such award. Employee shall only be entitled to receive any Annual Bonus payment if Employee remains an employee in good standing with the Company as of the date such Annual Bonus is payable.

(c) On the Effective Date, Employee and the Company have entered into a Restricted Stock Award Agreement.

(d) Employee will be eligible to receive annual grants of long-term incentive awards under and subject to the terms of the Company’s equity or other long-term incentive plan (including any applicable award agreement) as in effect from time to time. The target value of the awards granted will equal \$350,000 or approximately 130% of Employee’s Base Salary. Employee recognizes and acknowledges that the award of equity compensation is not guaranteed or promised in any way.

4. Payment or Reimbursement of Expenses. Subject to compliance by Employee with such policies regarding expenses and expense reimbursements as may be adopted from time to time by the Company, Employee shall be paid or reimbursed for reasonable expenses actually incurred in connection with the performance of his duties under this Agreement and in the furtherance of the business and affairs of the Company. Any such reimbursement shall be made within a reasonable period after presentation by Employee of an itemized account of such expenses, accompanied by appropriate receipts satisfactory to the Company. In no event shall any expense be paid or reimbursed, unless properly accounted for to the extent necessary to substantiate the Company’s federal income tax deduction under the applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder or any similar state or federal law or regulation.

5. Additional Benefits.

(a) Employee shall be eligible to participate in or receive benefits under any employee benefit plan or arrangement now or in the future made available by the Company generally to its executive employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. Nothing in this Agreement shall affect the Company’s right to change insurance carriers and to adopt, amend, terminate, or modify such plans and arrangements from time to time, provided that such changes apply to all Employee employees generally.

(b) Employee shall be entitled to take 30 days of paid vacation during each 12-month period. No paid vacation may be carried forward from one 12-month period to another. The other terms and conditions of such vacation and all other forms of leave, including accrual rates and payout, shall be as set forth in the Company’s vacation and leave policies, as they may exist and be amended from time to time. Employee shall also be entitled to all paid holidays given by the Company in accordance with the Company’s regular paid holiday policy, as it may exist and be amended from time to time.

6. Termination. This Agreement and the Company's obligations hereunder shall terminate as provided in Section 2(c) unless terminated earlier pursuant to this Section 6 as follows:

(a) In the event of the death or Total Disability of Employee, this Agreement shall automatically terminate as of the date of such death or Total Disability.

(b) Employee may terminate his employment at any time upon thirty (30) days' advance written notice delivered to the Company.

(c) The Company may terminate Employee's employment at any time, effective immediately, with or without Cause.

7. Severance.

(a) If the Company terminates Employee's employment with the Company without Cause in accordance with Section 6(c) prior to the expiration of the Initial Term, the Company shall pay Employee a severance payment an amount equal to twelve months of Employee's Base Salary as in effect on the date of termination, subject to subsections (c), (d), and (e).

(b) If during the Term of this Agreement there is a CC Termination upon a Change in Control or within one year thereafter, then the Employee will be entitled to a severance payment (in addition to any other rights and other amounts payable to the Employee under Company plans in which Employee is a participant, but without duplication for any amounts due to Employee pursuant to Section 7(a)) payable in a lump sum in cash in an amount equal to the sum of: (i) the Employee's Base Salary in effect on date of such CC Termination (or, if greater, the highest Base Salary in effect during the three year period ending on the date of such CC Termination), and (ii) the Employee's Average Annual Bonus, subject to subsections (c), (d) and (e).

(c) Subject to Section 7(c), any severance payment payable to Employee pursuant to this Section 7 (a "Severance Payment") will be made in a lump sum within sixty (60) days after the date Employee's employment is terminated giving rise to such Severance Payment pursuant to Section 7(a) or (b); provided that Employee executes and delivers the release contemplated by Section 7(d) and such release becomes effective and irrevocable. If such sixty (60) day period spans two calendar years, the Severance Payment will be made in the second calendar year. However, if Employee is a "specified employee" as defined in regulations under Section 409A of the Code and the Severance Payment constitutes "nonqualified deferred compensation" that is subject to Section 409A of the Code, the Severance Payment will be made on the Company's first payroll payment date that is more than six (6) months the Severance Payment is otherwise payable pursuant to this Agreement.

(d) Employee acknowledges and agrees the Severance Payment to which the Employee is entitled under this Section 7 is conditioned upon and subject to the Employee's executing and delivering the general release of claims in the form attached hereto as Exhibit B by the 45th day following the Employee's separation from service and not revoking the release within the seven (7) days after executing and delivering the release. If such forty-five (45) day period plus the seven (7) day revocation period spans two calendar years, the Severance Payment will be paid in the second calendar year. Employee's right to the Severance Payment is further conditioned upon Employee's continued compliance with Sections 8-11 of this Agreement. If Employee breaches any of his obligations in Sections 8-11 of this Agreement, he will immediately return to the Company any portion of the Severance Payment that has been paid to him pursuant to Section 7.

8. Covenant Not to Compete.

(a) During Employee's employment with the Company and for an additional period of two years following the termination of Employee's employment with the Company for any reason (the "Restricted Period"), Employee covenants and agrees that, with respect to the entire United States of America and Canada (the "Restricted Area"), Employee shall not, directly or indirectly, for his own benefit or to the detriment of the Company or any of its Affiliates:

(i) Compete with the Company in the Business in any manner or capacity (e.g., through any form of ownership, lending relationship, or as an advisor, principal, investor, agent, partner, officer, director, manager, employee, employer, independent contractor, consultant, member of any association or otherwise, whether or not for compensation or gain) by working for, becoming employed by, engaging in, carrying on, or providing services to any business involving the Business;

(ii) Own, manage, operate, join or control, or participate in the ownership, management, operation or control of, a business (however structured) that carries on or engages in any manner in the Business;

(iii) Perform services of the type he or she performs for the Company for any Person engaged in the Business, whether as an employee, independent contractor, consultant or otherwise; or

(iv) Solicit, induce or otherwise contact customers or suppliers of the Company for any purpose or manner detrimental to the Company.

The parties agree that each of the foregoing prohibitions is intended to constitute a separate restriction. Accordingly, should any such prohibition be declared invalid or unenforceable, such prohibition shall be deemed severable from and shall not affect the remainder thereof. The Parties further agree that the foregoing restrictions are reasonable in both time and scope.

(b) Ownership by Employee, as a passive investment, in the aggregate of less than one percent (1%) of the outstanding equity securities of any corporation or other entity listed on a national securities exchange or publicly traded on any nationally recognized over-the-counter market shall not constitute a breach of Section 8(a) of this Agreement.

9. Confidential Information.

(a) Employee hereby acknowledges that Employee may be exposed to trade secrets and confidential and proprietary information of the Company and its Affiliates, including, without limitation, all design drawings, blueprints, plans, designs, calculations, technical specifications, construction notes or other works of authorship, inventions, writings, information, data, formulas, models, photographs, and design concepts, and the like, and all other documentation developed for or relating to the Company and its Affiliates and other technical information (including functional and technical specifications, designs, drawings, analysis, research, processes, procedures, manuals, computer programs, methods, ideas, Intellectual Property, Intellectual Property Rights, "know how" and the like), business information (development and acquisition prospects, reserve reports, materials, plans, accounting and financial information, pricing information, customer and supplier information, completion studies, expansion or acquisition opportunities, personnel records and the like) and other information designated as confidential expressly or by the circumstances in which it is provided ("Confidential Information"). Confidential Information does not include (i) information already known or independently developed by a third party recipient without the use of Confidential Information; (ii) information in the public domain through sources free of any confidentiality restriction and without any wrongful act of the recipient, or (iii) information received by the recipient from another third party who was free to disclose it.

(b) Employee hereby agrees, while employed by the Company or at any time thereafter, to keep strictly confidential and not disclose, use, divulge, publish, or otherwise reveal, directly or through any other Person, any Confidential Information of the Company and its Affiliates, except as may be necessary for Employee to perform his duties and obligations in conjunction with his employment with the Company. Employee further agrees that, upon expiration or termination of his employment with the Company for any reason, Employee will not, without the prior written consent of the Company's Board, take any Confidential Information of the Company or its Affiliates.

(c) All written or electronic materials, records and documents made by Employee or in the possession of Employee during his employment with the Company concerning the business or affairs of the Company or its Affiliates or otherwise containing Confidential Information, or other items or property held by or for Employee, but owned or used by the Company or its Affiliates, shall be the sole property of the Company or its Affiliate, as the case may be, and, upon termination of Employee's employment with the Company or upon the request of the Company or any of its Affiliates, Employee shall promptly deliver all of such materials, records, documents or other items of property that are then in his possession.

(d) Notwithstanding anything herein to the contrary, nothing in this Agreement shall (i) prohibit the Employee from making reports of possible violations of federal law or regulations to any governmental agency or entity in accordance with the provisions of and the rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act of 2002, as amended, or of any other whistleblower protection provisions of state or federal law or regulations, (ii) require notification or prior approval by the Company of any reporting described in clause (i), or (iii) limit Employee's right to receive an award for information reported to any government agency or entity as described in clause (i).

10. Non-Solicitation of Employees. During the Restricted Period, Employee will not under any circumstances within the Restricted Area, without the express written consent of the Board, employ, solicit the employment or engagement of, or assist any other entity in employing or soliciting the employment or engagement of, any Protected Person (as defined below), recommend the employment or engagement of any Protected Person to any other business or encourage any Protected Person to terminate his or her employment relationship with the Company or any of its Affiliates. A "Protected Person" means any person who was employed by the Company or any of its Affiliates at or after the Effective Date and prior to the termination of Employee's employment with the Company.

11. Ownership of Inventions and Other Intellectual Property.

(a) Company's Ownership of Inventions and Other IP: Assignment. All Discovered IP Rights shall be the sole and exclusive property of the Company without additional compensation to Employee. Employee forever and irrevocably assigns to Company, without any reservation for royalties or other reservations, and free and clear of all liens, claims and encumbrances of any kind whatsoever, any Discovered IP Rights. Employee shall disclose promptly to the Company or its nominee any and all Discovered IP. Without in any way limiting the Company's rights or Employee's obligations under the foregoing, to the extent that a work may be deemed a "work made for hire", Employee and the Company agree that such work (regardless of whether such work is created or authored solely by Employee or is created or authored jointly with, or with the assistance, participation or involvement of one or more other Persons) shall be a "work made for hire" and Employee hereby assigns to the Company, without any reservation for royalties or other reservations, and free and clear of all liens, claims and encumbrances of any kind whatsoever, the entire present and future right, title, claim and interest in and to all Intellectual Property Rights to such work.

(b) Employee's Further Assurances. Whenever requested to do so by the Company, Employee shall execute, without further compensation to Employee, but at the expense of the Company, any and all applications, assignments, oaths, certifications, declarations, statements, affidavits or other instruments which the Company shall deem necessary to grant to, vest in or perfect for the Company or its nominee the right, title, claim and interest in and to the Discovered IP Rights to enable the Company or its nominee to apply for, obtain, procure, register, maintain, renew, defend and enforce Intellectual Property Rights in and to the Discovered IP, whether in the United States, Canada or any foreign country, or to otherwise protect Company's or its nominee's interest therein. These obligations shall continue beyond the termination of employment and shall be binding upon Employee's assigns, executors, administrators, heirs and other legal representatives. Employee represents and warrants, and, throughout Employee's employment with the Company, continues to represent and warrant, that Employee has not heretofore assigned, licensed or granted any right, title, claim or interest in and to the Discovered IP Rights to any other Person or entered into any agreement, commitment or undertaking in conflict with this Agreement; and that Employee shall never assign, license, or grant any right, title, claim or interest of any kind to the Discovered IP Rights or enter into any agreement, commitment or undertaking in conflict with this Agreement save and except as expressly authorized by the Company in writing. Without limiting the Company's rights or Employee's obligations under the foregoing, whenever requested to do so by the Company, Employee shall, without further compensation to Employee, but at the expense of the Company, do the following with respect to, for, arising out of or related to any of the Discovered IP Rights: (1) cooperate with the Company in the filing, application, procurement, prosecution, maintenance, enforcement and defense of each and every domestic or foreign patent application or application for invention or industrial rights (including, without limitation, each and every provisional, original, divisional, continuation or continuation in part patent application); patent or invention certificate (including, without limitation, any proceedings for the reissue, reexamination, renewal or extension of a patent); interference proceeding, opposition or cancellation proceeding, priority contest or public use proceedings; trade secret, trade dress, trademark or other right or benefit; (2) appear before or assist in preparations for any and all hearings, depositions or other proceedings related to any of the foregoing; and, (3) take such further actions as reasonably requested by the Company so that the Company enjoys the full extent of the assignment granted under, or other rights arising under, this Agreement. Employee represents and

warrants that Employee shall never disclose to the Company, or use for the benefit of the Company, any trade secrets or other confidential information learned or obtained from Employee's previous employers or other Persons if such disclosure or use would violate the trade secret rights or other rights of such previous employers or other Persons.

(c) Employee's Indemnification of Company. Employee shall indemnify, defend and hold the Company and its Affiliates, and each of the foregoing's directors, officers, shareholders, members, managers, employees and agents, harmless from any and all claims, demands, suits, causes of action, damages (including, without limitation, consequential damages), liabilities, losses, costs, expenses and fees (including reasonable attorneys' fee and investigatory fees) for or arising out of or from Employee's breach, misrepresentation or otherwise failure to fully perform, satisfy, comply and observe all of Employee's agreements, covenants, representations, warranties, commitments, obligations or other undertakings arising under this Section 11.

(d) Employee's Assignment of Prior Rights. Employee hereby assigns to the Company any and all Intellectual Property and/or Intellectual Property Rights related to the operations of the Company that may have inured to Employee's benefit prior to the Effective Date.

12. Non-Disparagement. During his employment and following termination of his employment, whatever the cause, Employee agrees not to disparage, and to cause Employee's Affiliates not to disparage, either orally or in writing, any of the Company or its Affiliates or the foregoing Persons' business, products, services or practices, or any of the Company's or its Affiliates' directors, officers, agents, representatives, stockholders, partners, members, employees, or managers.

13. Reasonable Limits. Employee acknowledges that the agreement of the Employee not to engage in the activities prohibited herein for the period of time and in the areas agreed upon herein is a substantial consideration for his employment with the Company. Employee hereby acknowledges that the above covenants are manifestly reasonable on their face and expressly agrees that they are also reasonable as to time and territorial scope and otherwise and that same are no greater than is required for the protection of the respective interests of the parties.

14. Compliance with Section 409A of the Code. The Company and Employee intend that any amounts or benefits payable or provided under this Agreement comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject Employee to the payment of the tax, interest and any tax penalty which may be imposed under Section 409A; provided, however, that nothing in this Agreement shall be interpreted or construed to transfer any liability for any tax (including a tax or penalty due as a result of a failure to comply with Section 409A) from the Employee to the Company or to any other individual or entity. Any payment to the Employee that is subject to Section 409A and that is contingent on a termination of employment is contingent on a "separation from service" within the meaning of Section 409A. Each payment shall be considered to be a separate payment for purposes of Section 409A. The provisions of this Agreement shall be interpreted in a manner consistent with such intent. In furtherance thereof, to the extent that any provision hereof would otherwise result in Employee being subject to payment of tax, interest and tax penalty under Section 409A, the Company and Employee agree to amend this Agreement in a manner that brings this Agreement into compliance with Section 409A and preserve to the maximum extent possible the economic value of the relevant payment or benefit under this Agreement to Employee. Any taxable reimbursement shall be paid no later than December 31 of the year after the year in which the expense is incurred and shall comply with Treas. Reg. § 1.409A-3(i)(1)(iv).

15. No Violation of Third Party Rights. Employee hereby represents, warrants and covenants to the Company that Employee: (a) shall not, during his employment with the Company, infringe upon or violate any proprietary rights of any third party (including, without limitation, any third party confidential relationships, patents, copyrights, trade secrets, Intellectual Property or other proprietary rights); (b) is not a party to any agreement with a third party that prevents him from fulfilling the terms of employment and the obligations of this Agreement or which would be breached as a result of Employee's execution of this Agreement or performance of his employment duties; and (c) agrees to respect any and all valid obligations which Employee may now have to prior employers or to others relating to confidential information, inventions or discoveries which are the property of those prior employers or others, as the case may be.

16. Resignation from All Positions. Upon the termination of the Employee's employment with the Company for any reason, Employee shall be deemed to have resigned, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the Board (and any committee thereof) and the boards of all of its subsidiaries.

17. Notices. All notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be deemed to have been duly given when delivered in person, by nationally recognized overnight courier, or mailed by United States certified mail, return receipt required, postage prepaid, or sent by electronic mail addressed as follows

If to the Company to: Viking Energy Group, Inc.
1330 Avenue of the Americas, Suite 23A
New York, New York 10019
Email: jdoris@vikingenergygroup.com

with a copy to: Fishman Haygood, L.L.P.
201 St. Charles Avenue, Suite 4600
New Orleans, Louisiana 70170
Attention: Maureen B. Gershanik
Email: mgershanik@fishmanhaygood.com

If to Employee to: Timothy R. Swift
33 Fieldstone Cir.
Stanford, Connecticut 06902
Email: tim_swift@hotmail.com

18. Governing Law. The provisions of this Agreement shall be construed in accordance with the substantive local law of the State of Delaware, without consideration of the conflicts of law provisions thereof.

19. Remedies. Each party acknowledges that the other party will have no adequate remedy at law if the first party violates certain of the terms of this Agreement, and that the other party shall have the right, to the extent permitted by applicable law, in addition to any other rights or remedies it may have, to obtain from any court of competent jurisdiction, injunctive relief to restrain any breach or threatened breach hereof or otherwise to specifically enforce the provisions hereof.

20. Waiver. No waiver of any obligation, right or remedy under this Agreement shall be effective, unless such waiver is made in writing, specifying the terms of this Agreement. Any such waiver by either party of any of its rights or remedies hereunder on any occasion shall not be a bar to the exercise of the same right or remedy on any subsequent occasion or of the exercise of any other right or remedy at any time.

21. Integration and Amendments. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior agreement or understanding, whether written or oral, relating to such subject matter. No modification or amendment to this Agreement shall be effective or binding unless in writing, specifying such modification or amendment, executed by both of the parties hereto.

22. Severability. If any provision, paragraph or subparagraph of this Agreement is adjudged by any court to be void or unenforceable, in whole or in part, such an adjudication shall not be deemed to affect the validity of the remainder of the Agreement, and all other provisions, sections and subsections of this Agreement shall be severable from every other provision, section or subsection and each constitutes a separate and distinct covenant.

23. Court Modification for Enforcement. In the event a court determines that any provisions of this Agreement are overbroad, excessive or unenforceable in any respect including but not limited to the Restricted Period, the Restricted Area, or the nature of the restrictions, then in such an event the parties agree that the court shall be permitted to modify this Agreement in order to make the restrictions more narrow and to make this Agreement enforceable in order to provide each party with the maximum restriction or restrictions allowed by law.

24. Reimbursement for Expenses. If litigation or other action is commenced between the parties concerning any dispute arising out of or relating to this Agreement, the prevailing party in the action will be entitled, in addition to any other award that may be made, to recover all court costs or other official costs and all reasonable expenses associated with the action, including without limitation reasonable attorney's fees and expenses.

25. Survival of Certain Provisions. The rights and obligations of Employee and Company under Sections 7-12 of this Agreement shall survive the expiration or termination of this Agreement.

26. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument, respectively. Executed copies of the signature pages of this Agreement sent by facsimile or transmitted electronically in Portable Document Format ("PDF") shall be treated as originals, fully binding and with full legal force and effect, and the Parties waive any rights they may have to object to such treatment. Any party delivering an executed counterpart of this Agreement by facsimile or PDF also may deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

27. Guarantor. Mid Con Development, LLC hereby intervenes for purposes of guaranteeing the payment obligations of the Company pursuant to this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Employment Agreement effective as of the Effective Date above.

VIKING ENERGY GROUP, INC.

By: /s/ James A. Doris
James A. Doris,
President and Chief Executive Officer

EMPLOYEE:

By: /s/ Timothy R. Swift
Name: Timothy R. Swift

The undersigned hereby intervenes for purposes of Section 27 of the Employment Agreement.

MID-CON DEVELOPMENT, LLC

By: /s/ James A. Doris
Name: James A. Doris
Title: President

EXHIBIT A

DEFINED TERMS

The following terms, as used in this Agreement and in any correspondence or other communications between the parties in performing or in connection with this Agreement, shall have the meaning ascribed as follows:

(a) “Affiliates” means with respect to any Person, (a) any Person directly or indirectly controlling, controlled by or under common control with such Person; (b) any Person owning or controlling fifty percent (50%) or more of the outstanding voting securities or interests of such Person; (c) any officer, director, member, manager, trustee or (limited or general) partner of such Person or of any Person specified in (a) or (b) above; and (d) any Person in which any officer, director, member, manager, trustee or (limited or general) partner of any Person specified in (c) above is an officer, director, member, manager, trustee, or (limited or general) partner. For purposes of this definition, “control” (including, with correlative meaning, controlled by and under common control with) of a Person means the direct or indirect possession of the power to direct or cause the direction of management or policies of such Person through any means.

(b) “Average Annual Bonus” means (a) if the CC Termination occurs before the Annual Bonus is paid for the Employee’s first year of employment, 110% of the Employee’s Base Salary as in effect on the Effective Date, or (b) otherwise, the average Annual Bonus paid pursuant to Section 3(b) for the preceding three years (or such lesser number of years as the Employee may have been employed).

(c) “Business” means the business of exploring, acquiring, developing, producing, managing, exploiting and divesting of oil and natural gas resources and all activities related thereto.

(d) “Cause,” shall mean by reason of such Employee’s: (A) conviction of, or plea of *nolo contendere* to, any felony or to any crime or offense causing substantial harm to the Company or its Affiliates or involving acts of theft, fraud, dishonesty, embezzlement, moral turpitude, or similar conduct, (B) repeated intoxication by alcohol or drugs during the performance of such Employee’s duties in a manner that materially and adversely affects the Employee’s performance of such duties, (C) malfeasance, in the conduct of such Employee’s duties, including, but not limited to, (1) misuse or diversion of funds of the Company or its Affiliates, (2) embezzlement, or (3) misrepresentations or concealments on any written reports submitted to or on behalf of the Company or its Affiliates, (D) violation of any provision of this Agreement, or (E) failure to perform the duties of such Employee’s employment or service relationship with the Company or its Affiliates after the Employee shall have been informed, in writing, of such material failure and given a period of not less than 30 days to remedy the same, or (F) failure to follow or comply with the reasonable and lawful written directives or policies of the Company or any Affiliate of the Company by which such Employee is employed or in a service relationship with.

(e) “CC Termination” means any of the following: (a) the Employee’s employment is terminated by the Company without Cause following a Change of Control; (b) the Employee resigns as a result of a material diminution in the Employee’s authority, duties, or responsibilities, a material reduction in the Employee’s then current Base Salary or a material reduction in the Employee’s then current benefits as provided in Sections 3-4, a relocation of more than 50 miles from the Employee’s then current place of employment being required by the Board, or a material breach by the Company under this Agreement; or (c) the Employee resigns in connection with a Change in Control as a result of the Company’s failure to obtain the assumption of this Agreement, without limitation or reduction, by any successor to the Company or any parent corporation of the Company.

(f) “Change in Control” shall mean that any one of the following applies:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of 40% or more of the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”). For purposes of this paragraph (i) the following acquisitions by a Person will not constitute a Change in Control: (A) any acquisition directly from the Company; (B) any acquisition by the Company; or (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company.

(ii) If James A. Doris ceases to be an officer or director of the Company.

(iii) The consummation of a reorganization, merger, consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), unless following such Business Combination: (i) the individuals and entities who were the beneficial owners, respectively, of the outstanding common stock of the Company and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions to one another as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the Board of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(g) “Discover” means create, invent, originate, author, devise, engineer, formulate, develop, prototype, improve, compile, design, conceive, reduce to practice, discover, make, produce, generate or otherwise identify or document; and, other grammatical forms of the term “Discover” shall have the grammatical meaning of such form (for example, but not in limitation, “Discovered” means created, invented, etc., and “Discovery” means creation, invention, etc.).

(h) “Discovered IP” means the Intellectual Property in any way Discovered by Employee (regardless of whether such Discovery is made solely by Employee or is made jointly with, or with the assistance, participation or involvement of one or more other Persons) wherein such Discovery occurs during, in conjunction with, in relation to or preparatory to, or otherwise arises out of, Employee’s course and scope of employment with Company (regardless of whether or not such Discovery occurs or otherwise arises with or without the use or benefit of Company’s equipment, facilities or other resources; and, further, regardless of whether or not such Discovery occurs or arises during company time, Employee’s free or personal time or otherwise).

(i) “Discovered IP Rights” means the Intellectual Property Rights for the Discovered IP.

(j) “Intellectual Property” means, whether or not patentable, each and all of the following: ideas, inventions, concepts, developments, improvements, discoveries, designs, compounds, substances or other materials, formulations, compilations, designs, applets, scripts, databases, or other computer programs, firmware or software, manuals, documentation, test procedures or techniques, training materials, systems materials, other materials, reports, creations, other works of authorship, machines, apparatus, technology, prototypes, confidential information, know-how, show-how, trade secrets, methods (whether technological, business or otherwise), processes, marks, symbols, slogans, emblems, business plans and strategies or other proprietary things or information.

(k) “Intellectual Property Rights” means all worldwide rights (including, without limitation, all rights to, and to apply for, register, own, license and otherwise exploit, as well as all rights to any now or hereinafter pending applications for, issued, registered, registrations for, or otherwise existing, United States or foreign patents, industrial rights, invention certificates, copyrights, rights of authorship, trademarks, service marks, trade names, trade dress, trade secrets or other proprietary or intellectual property rights) in and to the Intellectual Property; and, without limiting the generality of the foregoing, the term “Intellectual Property Rights” also includes all present or future applied for, claimed, pending, registered or issued United States or foreign patents and all applications therefor, including, without limitation, all original, provisional, divisions, continuations, continuations-in-part and continued prosecution applications and, including, without limitation, all reissues or extensions thereof.

(l) “Person” means and includes any individual, corporation, partnership, association, limited liability company, trust, estate, joint venture, or other entity.

(m) “Total Disability” or “Totally Disabled” with respect to Employee, means he is unable to perform, on a full-time basis the regular activities of his employment for a period of (i) six (6) consecutive months or (ii) a total of 26 weeks during any period of 12 consecutive months; provided that authorized vacations or other leaves of absence shall not be counted. The date of Total Disability shall be the date on which the earlier of the requirements stated in (i) or (ii) of this definition are satisfied.

EXHIBIT B

FORM OF RELEASE

This Release (this "Release") is made effective as of _____ (the "Effective Date"), by Timothy R. Swift ("Employee").

RECITALS

A. Employee and Viking Energy Group, Inc., a Nevada corporation (the "Company") are parties to that certain Employment Agreement, dated effective as of [____], 2018 (the "Employment Agreement").

B. This Release is delivered pursuant to Section 7(c) of the Employment Agreement.

C. Employee acknowledges that the execution and delivery of this Release is a condition to receiving the Severance Payment pursuant to Section 7 of the Employment Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, in order to induce Purchaser to consummate the transactions contemplated by the Purchase Agreement, Seller and Members hereby agree as follows:

Section 1 Terms. Capitalized terms used herein but not otherwise defined shall have their respective meanings set forth in the Employment Agreement.

Section 2 Releases.

(a) Employee hereby irrevocably and unconditionally releases, acquits and forever discharges the Company and its Affiliates and their respective officers, directors, members, managers, successors and assigns (the "Released Parties") from any and all claims, demands, proceedings, causes of action, orders, obligations, debts and liabilities whether known or unknown, suspected or unsuspected, both at law and in equity, which Employee now has or has ever had against the Released Parties arising on or prior to the Effective Date, whether pursuant to contract or otherwise and whether or not relating to claims pending on, or asserted after, the Effective Date, including, but not limited to any and all claims arising out of or related to Employee's employment with the Company, including any alleged violation under the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 *et seq.*, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 1981; the Rehabilitation Act of 1973, as amended; Employee Retirement Income Security Act of 1974 (except for vested benefits under any tax qualified benefit plan), as amended, 29 U.S.C. § 1001 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 *et seq.*; the Genetic Information Nondiscrimination Act of 2008, the Equal Pay Act; Executive Order 11246; Executive Order 11141; and any other statutory claim, employment or other contract claim, or common or civil law claim for wrongful discharge, defamation, or invasion of privacy arising out of or in any way connected with or involving any employment relationship of Employee with any Released Party, the termination or resignation of Employee's employment with any Released Party, or any continuing effects of his employment with any Released Party, including, but not limited to, any claim for severance pay other than Severance Pay required pursuant to Section 7 of the Employment Agreement, bonus, salary, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation, or disability.

(b)(1) Employee acknowledges that the Company is not obligated to provide the Severance Payment pursuant to Section 7 of the Employment Agreement and that the Company has agreed to provide such consideration in exchange for the Release. Employee further acknowledges that neither payment by the Company of the Severance Payment, nor any term or condition contained in the Release or the Employment Agreement, shall be construed as an admission of liability or wrongdoing by the Company.

(2) Employee acknowledges that he was given a period of forty-five (45) days to consider and execute the Release. Further, Employee acknowledges that he has a right to revoke this Release within a period of seven (7) days following his signing the Release. Employee also understands that the Release shall not become effective or enforceable until the seven-day period has ended and he has not revoked the Release.

(3) Employee understands that if he does not sign the Release within forty-five (45) days, or if he revokes the Agreement within the seven (7) day revocation period, he will not receive the Severance Payment.

Section 3 Representations and Warranties. Employee represents and warrants to the Released Parties that he has not assigned or otherwise transferred any right or interest in any claims released pursuant to Section 2 hereof. Employee also represents that he has read and fully understands the Release and acknowledges that he had the right and full opportunity to review this Release with an attorney of his choice and was encouraged to do so. Employee further represents has signed this Release freely and voluntarily, with full knowledge that he is waiving all claims against the Company through the date of this Release.

Section 4 Covenants. Employee hereby irrevocably and perpetually covenants as follows:

(a) Employee will refrain from, directly or indirectly, asserting any claims released pursuant to Section 2 hereof, or commencing, instituting or causing to be commenced, any proceeding of any kind against the Released Parties, based upon any matter purported to be released hereby.

(b) Employee will not assign or transfer any right or interest in any claims released pursuant to Section 2 hereof.

Section 5 Miscellaneous.

(a) The invalidity or unenforceability of any provision of this Release shall not affect the other provisions hereof, and this Release shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

(b) This Release shall be governed by and construed in accordance with the laws of the State of Delaware without regard to any applicable principles of conflicts of law.

(c) This Release shall not be amended or modified except by a written instrument duly executed by Employee and the Company.

(d) Captions and headings of the sections and paragraphs of this Release are intended solely for convenience and no provision of this Release is to be construed by reference to the caption or heading of any section or paragraph.

(e) Notwithstanding anything herein to the contrary, nothing in this Release shall (i) prohibit the Employee from making reports of possible violations of federal law or regulations to any governmental agency or entity in accordance with the provisions of and the rules promulgated under Section 21F of the Exchange Act or Section 806 of the Sarbanes-Oxley Act of 2002, as amended, or of any other whistleblower protection provisions of state or federal law or regulations, (ii) require notification or prior approval by the Company of any reporting described in clause (i), or (iii) limit Employee's right to receive an award for information reported to any government agency or entity as described in clause (i).

(Signature Page Follows)

IN WITNESS WHEREOF, the undersigned has executed and delivered this Release effective as of the Effective Date above.

EMPLOYEE:

Timothy R. Swift

RESTRICTED STOCK AGREEMENT

This Restricted Stock Agreement (this "Agreement") is entered into as of April 1, 2018 (the "Effective Date") by and between Viking Energy Group, Inc., a Nevada corporation (the "Company") and Timothy R. Swift (the "Grantee").

RECITALS

A. The Company desires to issue shares of the Company's common stock, par value \$.001 per share ("Common Stock") to Grantee as an incentive to maximize the value of the Company and its Affiliates in connection with the performance of Grantee's future services to the Company and its Affiliates.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and as an inducement to the Company to issue Restricted Shares to Grantee, Grantee and the Company hereby covenant and agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Exhibit A attached to this Agreement.

2. Issuance of Restricted Shares. On and subject to the terms of this Agreement, the Company hereby issues Grantee 1,000,000 shares of Common Stock ("the "Restricted Shares").

3. Terms of Issuance.

(a) Grantee's Restricted Shares and Grantee's rights as a stockholder of the Company are subject to the Organizational Documents of the Company in all respects.

(b) Grantee shall (i) make a timely election under Section 83(b) of the Code with respect to the Restricted Shares that, as of the Effective Date, are subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder and (ii) consult with the Grantee's tax advisor to determine the tax consequences of filing such an election under Section 83(b) of the Code. It is the Grantee's sole responsibility, and not the responsibility of the Company or any of its Affiliates, to timely file an election under Section 83(b) of the Code even if the Grantee requests the Company or any of its Affiliates or any of their respective managers, directors, officers, employees, agents or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders or financial representatives) to assist in making such filing and even if any of such Persons agree to do so. For the avoidance of doubt, the Grantee shall be solely responsible for any tax liability that may result from any failure to make a timely election under Section 83(b) of the Code with respect to the Restricted Shares described in clause (i) of this Section 3(b).

4. Vesting of Restricted Shares.

(a) On the Effective Date, fifty percent (50%) of the Restricted Shares shall be "Vested Restricted Shares" for purposes of this Agreement. Fifty percent (50%) of the Restricted Shares issued pursuant to this Agreement shall initially be "Unvested Restricted Shares" for purposes of this Agreement. Unvested Restricted Shares shall be subject to all of the restrictions specified in this Agreement. Unvested Restricted Shares shall become Vested Restricted Shares (as defined below) in accordance with the provisions of this Section 4.

(b) Grantee may not Transfer all or any portion of the Unvested Restricted Shares without the prior written consent of the Company.

(c) Except as otherwise provided in this Section 4, the Unvested Restricted Shares shall become Vested Restricted Shares on October 1, 2018 unless on or prior to such date Grantee has resigned from his employment with the Company, or is terminated for cause, in which case the Grantee shall forfeit any rights to the Unvested Restricted Shares. For greater certainty, if the Company terminates the Grantee's employment without cause before October 1, 2018 the Unvested Restricted Shares shall become Vested Restricted Shares on October 1, 2018.

(d) Notwithstanding anything to the contrary in this Agreement, all Unvested Restricted Shares shall become Vested Restricted Shares immediately prior to a Change of Control.

(e) Vested Restricted Shares shall (i) no longer be subject to the restrictions on Unvested Restricted Shares specified in this Agreement (but shall remain subject to the restrictions on Restricted Shares in general) and (ii) carry all of the rights conferred on shares of Common Stock.

(f) The Company shall use reasonable efforts to include any Vested Restricted Shares in any registration statement filed by the Company with the Securities and Exchange Commission concerning the resale of any of the Company's securities, subject to any restrictions imposed by law or any existing agreements to which the Company is a party.

5. Certain Representations. Grantee hereby represents and warrants to the Company that:

(a) Grantee is: (i) an "accredited investor" as defined in Rule 501 under the Securities Act by reason of meeting the criteria he has initialed on Exhibit A to this Agreement, and by reason of Grantee's business and financial experience has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of an investment in the Common Stock and making an informed investment decision with respect thereto; (ii) acquiring the Restricted Shares solely for its own account and not with a view to any distribution or disposition thereof; and (iii) Grantee has obtained or had access to all information he considers necessary to weigh the merits and risks of an investment in the Common Stock and has had the opportunity to ask, and has received answers to, questions about the Company and the Common Stock from Company management.

(b) Grantee understands and acknowledges that the Restricted Shares: (i) have not been registered under the Securities Act of 1933, as amended, or registered or qualified under any applicable state securities laws in reliance upon specific exemptions therefrom; and (ii) may not be Transferred or sold except in accordance with the terms of this Agreement and pursuant to a transaction registered under the Securities Act of 1933, as amended, and any applicable state securities laws or in the opinion of counsel satisfactory to the Company is exempt from registration thereunder. All certificates evidencing the Restricted Shares shall bear a restrictive legend setting forth the restrictions described in this Section 6.

6. Employment. Nothing in this Agreement shall be deemed to: (a) create any employment agreement between Grantee and the Company or any of their respective Affiliates; (b) prevent Grantee, the Company or their Affiliates from terminating Grantee's employment or engagement at any time, for any reason (including without Cause) or for no reason; (c) give Grantee any right to be retained in employment by the Company for any period of time; or (d) give Grantee any right to any compensation, remuneration or benefits other than as expressly set forth herein. The Company makes no representation or warranty concerning the value of the Restricted Shares.

7. Notices. All notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be deemed to have been duly given when delivered by email, in person, by nationally recognized overnight courier, or mailed by United States certified mail, return receipt required, postage prepaid, addressed as follows:

If to the Company to: Viking Energy Group, Inc.
1330 Avenue of the Americas, Suite 23A
New York, New York 10019
Email: jdoris@vikingenergygroup.com

with a copy to: Fishman Haygood, L.L.P.
201 St. Charles Avenue, Suite 4600
New Orleans, Louisiana 70170
Attention: Maureen B. Gershanik
Email: mgershanik@fishmanhaygood.com

If to Grantee to: Timothy R. Swift
33 Fieldstone Cir.
Stanford, Connecticut 06902
Email: tim_swift@hotmail.com

8. Governing Law. The provisions of this Agreement shall be construed in accordance with the substantive local law of the State of Delaware, without consideration of the conflicts of law provisions thereof.

9. Remedies. Each party acknowledges that the other party will have no adequate remedy at law if the first party violates certain of the terms of this Agreement, and that the other party shall have the right, to the extent permitted by applicable law, in addition to any other rights or remedies it may have, to obtain from any court of competent jurisdiction, injunctive relief to restrain any breach or threatened breach hereof or otherwise to specifically enforce the provisions hereof.

10. Waiver. No waiver of any obligation, right or remedy under this Agreement shall be effective, unless such waiver is made in writing, specifying the terms of this Agreement. Any such waiver by either party of any of its rights or remedies hereunder on any occasion shall not be a bar to the exercise of the same right or remedy on any subsequent occasion or of the exercise of any other right or remedy at any time.

11. Integration and Amendments. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior agreement or understanding, whether written or oral, relating to such subject matter. No modification or amendment to this Agreement shall be effective or binding unless in writing, specifying such modification or amendment, executed by both of the parties hereto.

12. Compliance with Section 409A of the Code. The Company and Grantee intend that any amounts or benefits payable or provided under this Agreement comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject Grantee to the payment of the tax, interest and any tax penalty which may be imposed under Section 409A; provided, however, that nothing in this Agreement shall be interpreted or construed to transfer any liability for any tax (including a tax or penalty due as a result of a failure to comply with Section 409A) from the Grantee to the Company or to any other individual or entity. The provisions of this Agreement shall be interpreted in a manner consistent with such intent. In furtherance thereof, to the extent that any provision hereof would otherwise result in Grantee being subject to payment of tax, interest and tax penalty under Section 409A, the Company and Grantee agree to amend this Agreement in a manner that brings this Agreement into compliance with Section 409A and preserve to the maximum extent possible the economic value of the relevant payment or benefit under this Agreement to Grantee. Any taxable reimbursement shall be paid no later than December 31 of the year after the year in which the expense is incurred and shall comply with Treas. Reg. § 1.409A-3(i)(1)(iv).

13. Severability. If any provision, paragraph or subparagraph of this Agreement is adjudged by any court to be void or unenforceable, in whole or in part, such an adjudication shall not be deemed to affect the validity of the remainder of the Agreement, and all other provisions, sections and subsections of this Agreement shall be severable from every other provision, section or subsection and each constitutes a separate and distinct covenant.

14. Reimbursement for Expenses. If litigation or other action is commenced between the parties concerning any dispute arising out of or relating to this Agreement, the prevailing party in the action will be entitled, in addition to any other award that may be made, to recover all court costs or other official costs and all reasonable expenses associated with the action, including without limitation reasonable attorney's fees and expenses.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument, respectively. Executed copies of the signature pages of this Agreement sent by facsimile or transmitted electronically in Portable Document Format ("PDF") shall be treated as originals, fully binding and with full legal force and effect, and the Parties waive any rights they may have to object to such treatment. Any party delivering an executed counterpart of this Agreement by facsimile or PDF also may deliver a manually executed counterpart of this Agreement, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties have executed this Restricted Stock Agreement effective as of the Effective Date above.

VIKING ENERGY GROUP, INC.

By: /s/ James A. Doris
James A. Doris,
President and Chief Executive
Officer

GRANTEE:

Name: Timothy R. Swift

EXHIBIT A
DEFINED TERMS

The following terms, as used in this Agreement and in any correspondence or other communications between the parties in performing or in connection with this Agreement, shall have the meaning ascribed as follows:

(a) “Affiliates” means with respect to any Person, (a) any Person directly or indirectly controlling, controlled by or under common control with such Person; (b) any Person owning or controlling fifty percent (50%) or more of the outstanding voting securities or interests of such Person; (c) any officer, director, member, manager, trustee or (limited or general) partner of such Person or of any Person specified in (a) or (b) above; and (d) any Person in which any officer, director, member, manager, trustee or (limited or general) partner of any Person specified in (c) above is an officer, director, member, manager, trustee, or (limited or general) partner. For purposes of this definition, “control” (including, with correlative meaning, controlled by and under common control with) of a Person means the direct or indirect possession of the power to direct or cause the direction of management or policies of such Person through any means.

(b) “Cause,” shall mean by reason of such Grantee’s: (A) conviction of, or plea of *nolo contendere* to, any felony or to any crime or offense causing substantial harm to the Company or its Affiliates or involving acts of theft, fraud, dishonesty, embezzlement, moral turpitude, or similar conduct, (B) repeated intoxication by alcohol or drugs during the performance of such Grantee’s duties in a manner that materially and adversely affects the Grantee’s performance of such duties, (C) malfeasance, in the conduct of such Grantee’s duties, including, but not limited to, (1) misuse or diversion of funds of the Company or its Affiliates, (2) embezzlement, or (3) misrepresentations or concealments on any written reports submitted to or on behalf of the Company or its Affiliates, (D) violation of any provision of this Agreement, or (E) failure to perform the duties of such Grantee’s employment or service relationship with the Company or its Affiliates after the Grantee shall have been informed, in writing, of such material failure and given a period of not less than 30 days to remedy the same, or (F) failure to follow or comply with the reasonable and lawful written directives or policies of the Company or any Affiliate of the Company by which such Grantee is employed or in a service relationship with.

(c) “Change in Control” shall mean that any one of the following applies:

(i) The acquisition by any Person of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of 40% or more of the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”). For purposes of this paragraph (i) the following acquisitions by a Person will not constitute a Change in Control: (A) any acquisition directly from the Company; (B) any acquisition by the Company; or (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company.

(ii) If James A. Doris ceases to be an officer or director of the Company.

(iii) The consummation of a reorganization, merger, consolidation or sale or other disposition of all or substantially all of the assets of the Company (a “Business Combination”), unless following such Business Combination: (i) the individuals and entities who were the beneficial owners, respectively, of the outstanding common stock of the Company and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions to one another as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 40% or more of, respectively, the then-outstanding shares of common stock of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the Board of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) The approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(d) “Code” means the Internal Revenue Code of 1986, as amended.

(e) “Organizational Documents” means (a) in the case of a Person that is a corporation, its articles or certificate of incorporation and its by-laws, regulations, shareholders agreement, or similar governing instruments required by the laws of its jurisdiction of formation or organization; (b) in the case of a Person that is a partnership, its articles or certificate of partnership, formation or association, and its partnership agreement (in each case, limited, limited liability, general or otherwise); (c) in the case of a Person that is a limited liability company, its articles or certificate of formation or organization, and its limited liability company agreement or operating agreement; and (d) in the case of a Person that is none of a corporation, partnership (limited, limited liability, general or otherwise), limited liability company or natural person, its governing instruments as required or contemplated by the laws of its jurisdiction of organization.

(f) “Person” means and includes any individual, corporation, partnership, association, limited liability company, trust, estate, joint venture, or other entity.

(g) “Transfer” means, when used as a noun, any direct or indirect sale, gift, mortgage, hypothecation, pledge, granting of a security interest, assignment, attachment, or other Transfer; and, when used as a verb, means, to sell, give, hypothecate, pledge, grant a security interest, assign, or otherwise Transfer, in either case whether voluntary or involuntary. The terms “Transferee,” “Transferor,” “Transferred,” and other forms of the word “Transfer” shall have the correlative meanings.

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: May 21, 2018

By: /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, Frank W. Barker, Jr., 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: May 21, 2018

By: /s/ Frank W. Barker, Jr.
Frank W. Barker, Jr.
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 March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, James Doris, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 21, 2018

/s/ James Doris

James Doris
Principal Executive 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 March 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Frank W. Barker, Jr., Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 21, 2018

/s/ Frank W. Barker, Jr.

Frank W. Barker, Jr.
Principal Financial and Accounting
Officer