



## **Petro-Victory Energy Corp Announces Drilling of VIDA Well and Operational Update**

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CALGARY, March 30, 2020 /CNW/ - Petro-Victory Energy Corp. (TSX-V: VRY) ("Petro-Victory" or "Company") is pleased to provide the market with a drilling and operational update across the Company's portfolio of assets in Brazil.

### **Exploration Well (Vida) Currently Drilling**

The Company is pleased to announce that it commenced the drilling of the 1-VID-1-ES (Vida) exploration well located in Block ES-T-487 Espírito Santo Basin, Brazil. The wholly owned, Petro-Victory Energy subsidiary, Petro-Victory Energia, Ltda. has a 50% working interest in the block following the acquisition of five (5) exploration concessions located in Espírito Santo, previously announced October 26, 2018. Imetame Energia, Ltda. is 50% working interest partner and operator in the project.

The Vida well will be drilled to a total depth of 1,800m and will target prospective sandstone reservoirs in the São Mateus Formation. Petro-Victory internal mapping and volumetrics estimate the mean recoverable resources of the Vida prospect to be 855,000 BO. Over 2.5MMBO of prospective resources are mapped within the proximity of Vida. Upon reaching total depth of 1,800 meters, the Vida well will be suspended, and the drilling rig will be demobilized in order to move in a workover rig to test the well.

Preliminary results of the Vida well are expected within the next thirty days. On reaching total depth, Petro-Victory will obtain wireline and pressure/fluid samples over the target intervals. The AFE of the Vida well is US\$1.86MM (US\$0.93MM net to the Company) and will be funded from the Company's previously announced financing facilities. Upon successful completion, the Company projects ongoing OPEX to be in the US\$10-12 per BO range, generating positive cash flow and profitable netbacks in the current price environment.

### **Oil Sales, Pricing, Production**

Following the recent market volatility related to the ongoing COVID-19 pandemic and increased global crude oil supply, Petro-Victory is encouraged by the strong oil sales seen in Brazil, particularly for the Company's producing fields Carapitanga and Andorinha. Oil sales at Carapitanga and Andorinha are currently trading at a US\$10+ premium to Brent pricing, with recent sales to an industrial buyer in March at US\$38 per barrel. With low base OPEX costs and 5% - 10% royalty rates, the fields are able to generate positive cash netbacks in the current pricing environment.

Production in the first quarter has averaged approximately 24 BOPD net to Petro-Victory, from four mature wells, three in Andorinha and one in Carapitanga. The Company is applying for environmental permits for future development well locations and workovers with the intent of achieving 1,000 BOPD of production by Q4 2021. All future CAPEX spending will be based on generating positive cash flow and netbacks at \$25 Brent oil pricing.

## **Lagoa Parda, Lagoa Parda Norte, and Lagoa Piabanha Acquisition**

The previously announced transaction to acquire a 50% of Imetame Energia Lagoa Parda, Ltda. is awaiting final Agencia Nacional do Petroleo Gas Natural e Biocombustiveis of Brazil ("ANP") approval which is expected in 2020.

### **Permanent Offer Acquisition**

Following the announcement of the successful participation and bidding in the ANP Oferta Permanente 1 ("Permanent Offer Round 1") held in Rio de Janeiro, Brazil on September 10 2019, the Company is pleased to confirm that the acquisition is expected to close in Summer 2020. Petro-Victory is transferring the remaining technical data onto its database to evaluate, map, and rank development, appraisal, and exploration opportunities across the licenses.

### **Sao Joao Oil Field**

Through its 50% net working interest operating partner, Oeste de Canoas, Ltda., the Company has contracted a workover rig for the Sao Joao field in order to conduct production testing on SJ-01, SJ-06, and SJ-11 with the intention of declaring commerciality in Q2 2020.

The Sao Joao oil field produced 87,500 BO between 1984-1988 from four wells. The Company plans to re-enter 3 of these wells and complete them for commercial production. On completion of the production tests, an update will be given on production forecasts and expectations.

### **Management Comments**

Richard F. Gonzalez, Chief Executive Officer of Petro-Victory commented, "First and foremost, our thoughts and prayers go out to all the people of the world who have been affected by COVID-19. These are certainly challenging times for us all."

"We have an exceptional portfolio of premium, low production cost assets that are well positioned to generate positive cash flow in the current low-price environment. We also continue to actively pursue value-accretive acquisitions of high-quality production and development assets in Brazil capable of delivering positive cash flows and shareholder returns."

### **About Petro-Victory Energy Corp.**

Petro-Victory Energy Corp. is engaged in the acquisition, development, and production of crude oil and natural gas resources in Brazil. The company is a certified onshore and shallow water operator in Brazil and holds working interests in twenty-eight (28) licenses totaling 168,433 acres in four (4) oil producing basins in Brazil, and a royalty agreement in a 2-million-acre concession in Paraguay. Petro-Victory generates accretive shareholder value through disciplined investments in high impact, low risk assets. The Company's Common Shares trade on the TSX Venture Exchange ("TSXV") under the ticker symbol VRY.v.

### **Cautionary Note**

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

### **Advisory Regarding Forward-Looking Statements**

In the interest of providing Petro-Victory's shareholders and potential investors with information regarding Petro-Victory's future plans and operations, certain statements in this press release are "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). In some cases, forward-looking statements can be identified by terminology such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "objective", "ongoing", "outlook", "potential", "project",

"plan", "should", "target", "would", "will" or similar words suggesting future outcomes, events or performance. The forward-looking statements contained in this press release speak only as of the date thereof and are expressly qualified by this cautionary statement.

Specifically, this press release contains forward-looking statements relating to but not limited to: the Company offerings, our business strategies, plans and objectives, and drilling, testing and exploration expectations. These forward-looking statements are based on certain key assumptions regarding, among other things: our ability to add production and reserves through our exploration activities; the receipt, in a timely manner, of regulatory and other required approvals for our operating activities; the availability and cost of labor and other industry services; the continuance of existing and, in certain circumstances, proposed tax and royalty regimes; and current industry conditions, laws and regulations continuing in effect (or, where changes are proposed, such changes being adopted as anticipated). Readers are cautioned that such assumptions, although considered reasonable by Petro-Victory at the time of preparation, may prove to be incorrect.

Actual results achieved will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. These and additional risk factors are discussed in our Final Prospectus dated July 11, 2014, as filed with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com).

The above summary of assumptions and risks related to forward-looking statements in this press release has been provided in order to provide shareholders and potential investors with a more complete perspective on Petro-Victory's current and future operations and such information may not be appropriate for other purposes. There is no representation by Petro-Victory that actual results achieved will be the same in whole or in part as those referenced in the forward-looking statements and Petro-Victory does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities law.

**For further information**

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