



## **Petro-Victory Energy Corp Provides Operational Update**

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CALGARY, October 19, 2021 /CNW/ - Petro-Victory Energy Corp. (“Petro-Victory” or the “Company”) (TSX-Venture: VRY.V) is delighted to provide an operational update on activities on its northern Brazil assets, located in the Potiguar and Barreirinhas basins.

### **Highlights**

- Completion of the acquisition of the remaining 7 of 16 onshore oil concessions from the 2019 ANP Permanent Offer round
- Drilling program advancing at Andorinha oil field with an expected production addition of 520 BOPD in 2022
- Workover program is underway to increase base production in the Potiguar basin
- Three-well workover program within the São João oil field planned in H1 2022 expected to increase field production to >200 BOPD

### **Expansion of Portfolio**

Petro-Victory was provisionally awarded sixteen (16) concessions in the 2019 Permanent Offer auction making the Company the largest winner in what was the first bidding round in the history of the Agencia Nacional do Petroleo Gas Natural e Biocombustiveis of Brazil (“ANP”) that did not include Petrobras. The Company previously announced on May 5, 2021 that nine (9) of the concessions closed on May 2, 2021 and the remaining seven (7) concessions have now closed, effective September 22<sup>nd</sup> 2021. The closure of this acquisition solidifies an additional 53,322 acres within the Company's Potiguar basin portfolio and materially increases the Company's oil development inventory enabling the Company to increase its reserves, production, and profitability.

The transaction for these seven (7) concessions, POT-T-392, POT-T-433, POT-T-476, POT-T-478, POT-T-603, POT-T-651, and POT-T-652, was at a cost of R\$1,500,415 (~US\$288,000). The Company has now satisfied all of its acquisition commitments to claim its 100% working interest across the portfolio of sixteen (16) Permanent Offer onshore concessions in the Potiguar Basin covering 116,904 acres for an acquisition cost of R\$3,636,217 (~US\$698,000) and Financial Guarantees of R\$5,608,800 (~US\$1,077,000).

### **Andorinha Field (100% Working Interest) - Future Drilling Program**

Petro-Victory is now preparing to execute a four-well drilling program within the Andorinha field. Each well is expected to add an average of 130 BOPD of production (520 BOPD total) over their first twelve months of production as detailed in the previously announced (May 3, 2021) GLJ independent reserve report dated December 31<sup>st</sup>, 2020 (“GLJ Reserve Report”). Timing of the new

drilling is subject to environmental permitting, additional funding, purchase and delivery of long lead items, and securing a suitable drilling rig. The Company currently estimates that drilling will commence in May 2022.

As noted in the GLJ Reserve Report, the Company has a development drilling work program which consists of sixteen (16) new development wells over the life of the Andorinha field to produce 1,987,000 barrels of oil with an NPV10 of US\$63,614,000 on an audited 2P basis.

### **Andorinha and Alto Alegre Fields (100% Working Interest) - Workovers of Legacy Wells**

Upon taking over field operations in November 2020, the Petro-Victory operations' team has been in-place and production operations from legacy wells have remained safe and profitable during this time. In the first half of the 2021, the Andorinha field produced an average of 12 BOPD from three (3) of these wells.

Following a mechanical failure in one of the producing wells at Andorinha, production at the field dropped and the Company sourced a workover rig to re-enter and resolve the issue, and to re-enter and test existing wells within the production concessions. Following this corrective action, production from the Andorinha and Alto Alegre fields is now averaging 27 BOPD, with all oil processed and sold through the existing field facilities at Andorinha.

### **São João Field (50% Working Interest, Increasing to 100%) - Future Workovers**

As originally announced on August 3<sup>rd</sup>, 2021, Petro-Victory has acquired the remaining 50% working interest in the São João oil field. The acquisition remains subject to final ANP approval.

The São João field is currently producing 24 BOPD from three (3) wells (SJ-01, SJ-06, SJ-11). Workovers are planned over these producing wells in 2022. There are five (5) additional oil zones to perforate and bring online at the SJ-01 well, three (3) additional oil zones at SJ-06, and seven (7) additional oil zones at SJ-11. The three (3) workovers are expected to add an average of 65 BOPD each to Petro-Victory's production over the first 12 months of production (according to the GLJ Reserve Report), increasing production from São João to >200 BOPD.

### **Sixteen (16) Permanent Offer Potiguar Concessions (100% Working Interest) - Forward Plan**

The Petro-Victory portfolio in the Potiguar basin, northeast Brazil, now consists of eighteen (18) 100% working interest concessions, with production coming presently from the company's 100% owned Andorinha field. For the sixteen (16) Potiguar concessions not in production today, the Petro-Victory technical team has purchased and loaded all available 3D seismic data and is currently finalizing their initial interpretations. This interpretation, in addition to the evaluation of existing well data across the assets, will be complete by year-end and will identify drilling and workover inventory across the portfolio.

The Company is also proceeding with using modern seismic processing techniques to improve the image quality of the seismic data, thereby significantly de-risking any future drilling opportunities. The first 3D survey is expected to be complete in early 2022. Progress on the 3D seismic processing project will not influence the initial ranking of development/appraisal/exploration opportunities planned for year-end.

**Richard Gonzalez, Petro-Victory CEO commented:**

“Activity is ramping up across the portfolio, capturing ‘low-hanging-fruit’, with workovers that pay for themselves in a couple of months as we await environmental permits to commence our drilling program in Andorinha.

Petro-Victory has a solid asset base, cash flow from legacy wells and upside towards 2P NPV10 of US\$114 million on two of its nineteen concessions (Andorinha and Sao Joao), based on the GLJ Reserve Report. With the completion of the sixteen Permanent Offer concessions, Petro-Victory is positioned to materially increase production and reserves within the next 12 months.”

**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 holds 100% operating and working interests in nineteen (19) licenses totaling 129,524 acres in two (2) different producing basins in Brazil. 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 pressrelease 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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