

Petro-Victory Energy Corp Announces Closure of a New US\$5 Million Secured Debt Facility, Retirement of Other Debt Facilities and Exercise of Debt-related Warrants

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CALGARY, Sept. 3, 2021 - [Petro-Victory Energy Corp.](#) ("Petro-Victory" or the "Company") (TSXV: VRY.V) is pleased to announce execution of definitive agreements on a series of financing transactions previously announced on November 25th, 2020 (the "Transactions") which refinance existing debt on significantly improved terms, through a structure which includes a new US\$5 million debt facility.

Financing Highlights

- Established a new US\$5.0 million secured loan with a 5-year term and average net interest cost below 2% annually.
- Acquired a CAD\$14,848,665 limited partnership interest in the newly formed energy-focused Oppenheimer Resources III investment fund ("OR III") through an in-kind subscription secured by Petro-Victory restricted shares valued at CAD\$6.48 per share.
- Retired the existing US\$1.4 million 9.0% debt facility with PPF 9 LLC ("PPF 9") that was established on August 29, 2018.
- Retired US\$2.0 million 9.0% debt with 579 Max Ltd. ("579 Max") that was established on November 19, 2020.
- Retired US\$700 thousand 9.0% debt with 579 Max that was established on July 15, 2021.
- Secured additional equity capital of CAD\$2,031,275 through the exercise of PPF 9 and 579 Max warrants and issuance of 992,625 Petro-Victory Energy common shares at strike prices ranging between CAD\$2.00 and CAD\$2.20.

Financing Details

Petro-Victory has closed the Transactions with OR III, a Luxembourg investment group and with PPF 13 LLC ("PPF 13"), a Delaware limited liability company that is a wholly owned subsidiary of Dallas based Petroleum Production Finance, Inc.

The Company has entered into a new secured loan agreement with PPF 13 for US\$5 million ("Loan Agreement"), payable over a term of five years with annual principal payments of US\$500,000 plus accrued interest at a rate of seven-point one percent (7.1%) on the unpaid balance. At maturity in five years, the remaining outstanding balance of US\$2.5 million will become due.

Oppenheimer's new fund, OR III invests in mid-sized international oil and gas companies. Petro-Victory meets OR III's investment criteria and has made a \$10,000,000 (CAD\$14,848,665) in-kind subscription to the fund providing consideration through the conveyance and assignment of a Secured Promissory Note.

The Secured Promissory Note in the amount of CAD\$14,848,665 (subject to FX adjustments at closing) is secured by a collateral pledge against 2,289,694 of Petro-Victory restricted voting shares in a private placement to PPF 13. The restricted shares are valued at CAD\$6.48 / share, a 324% premium to the Company's previous closing share price of CAD\$2.00 / share on September 2, 2021.

Petro-Victory has also issued 375,000 warrants to PPF 13 with an exercise price of CAD\$2.00 / share. OR III will pay a guaranteed interest coupon of 2.5% on the Company's CAD\$14,848,665 investment, resulting in average net interest expense to the Company of less than 2% annually against the US\$5 million loan facility.

Retirement of Existing Debt Facilities and Execution of Warrants

Having secured this new financing, the Company has retired its existing secured notes with PPF 9 and 579

Max, which total US\$4.1 million.

With the retirement of its August 29, 2018 secured financing, PPF 9 has elected to exercise its 105,000 warrants in Petro-Victory unrestricted common shares at their strike price of CAD\$2.00 per share, resulting in cash proceeds to the Company of CAD\$210,000.

With the retirement of its November 19, 2020 secured financing, 579 Max has elected to exercise its 657,500 warrants in Petro-Victory unrestricted common shares at their strike price of CAD\$2.00 per share, resulting in cash proceeds to the Company of CAD\$1,315,000.

With the retirement of its July 15, 2021 secured financing, 579 Max, Ltd has elected to exercise its 230,125 warrants in Petro-Victory unrestricted common shares at their strike price of CAD\$2.20 per share resulting in cash proceeds to the Company of CAD\$506,275.

Richard Gonzalez, Petro-Victory CEO commented:

"I'm delighted to have finalized this series of financing transactions with PPF 13 and Oppenheimer. This structure has given Petro-Victory a unique opportunity to invest in an energy-focused fund to diversify our investment profile, retire our existing debt, and provide capital to fund our ongoing work program at an attractive net interest cost which benefits our shareholders. We are truly pleased to partner with Oppenheimer Resources and PPF 13."

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 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.

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

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SOURCE Petro-Victory Energy Corp.

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