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Viking Energy Group Announces Record Revenues

Revenues of $40.27 Million, Up 16.4% Year-Over-Year

HOUSTON, TX, March 26, 2021 (GLOBE NEWSWIRE) -- via NewMediaWire -- Viking Energy Group, Inc. (OTCQB: VKIN) ("Viking" or the "Company"), an independent exploration and production company focused on the acquisition and development of oil and natural gas properties in the onshore Gulf Coast and Mid-Continent regions, announced today financial results for the year ended December 31, 2020.

Key Financial Highlights for 2020 (all figures are approximate):

- Revenues grew year over year to $40.27 million, as compared to $34.59 million in 2019.
- Total Cash balance was $7.84 million, as compared to $5.64 million at December 31, 2019. Of the Dec. 31, 2020 cash balance, $3.86 million represented restricted cash within the Company's Ichor and Elysium divisions pursuant to the terms of applicable credit agreements, as compared to $3.88 million in restricted cash within the Company's Ichor division at December 31, 2019.
- Net Loss was ($63.99 million) as compared to a net loss of ($19.39) million for 2019, the majority of which was attributable to non-cash items, including:
    - Impairment of Oil & Gas Properties due to the drop in oil prices experienced in 2020 caused by, among other things, the COVID-19 pandemic and certain geo-political factors ($37.5 million)
    - Amortization of Debt Discount ($7.32 million);
    - Value of Stock based compensation ($5.63 million);
    - Depreciation, Depletion and Amortization ($13.51 million); and
    - Accretion – Asset Retirement Obligations ($1.11 million)
    - Loss on debt settlement ($0.93 million)
- The Company stockholders' deficit was $16.3 million due primarily to the $37.5 million non-cash impairment charge mentioned above; however on or about January 8, 2021 the equity position of the Company was improved by the extinguishment of $18.9 million of Long-Term Debt and accrued expenses through the issuance of common stock.
- Adjusted EBITDA was $16.23 million (as described below) as compared to $17.16 million for 2019.

Note: The figures referenced in the summaries above are approximate and in most cases have been rounded to the nearest $100,000. For specific amounts, please refer to Viking's Annual Report on Form 10-K filed on March 25, 2021 with the Securities and Exchange Commission and available under "Investors -- SEC Filings" at www.vikingenergygroup.com.

James Doris, Viking's President and Chief Executive Officer, commented, "*We are pleased with our results given the challenges we faced in 2020. In many respects the year was about survival for E&P companies given the unprecedented price environment and market conditions, and not only did we endure thanks to the commitment and perseverance of our entire team but we also managed to improve in key areas, including increasing overall revenues and reducing debt at our parent level. We remain intensely focused on executing on our strategy and forging a path toward profitability*."

Revenue for the Years Ended December 31, 2018, 2019 and 2020

Viking Energy Group, Inc.	**2018**	**2019**	**2020**
Revenue	$7,967,972	$34,529,850	$40,266,780

Adjusted EBITDA Calculation.

The following tables present a reconciliation of the non-GAAP financial measure of Adjusted EBITDA to the GAAP financial measure of net income:

	Adjusted EBITDA For the Years Ended December 31,		
	2018	2019	2020
Net Income (Loss)	$ (15,117,547)	$ (19,390,850)	$ (63,988,2
Non-Cash / Non-Oprating Items			
Stock Based Compensation	2,303,213	951,533	5,625,
Changes in Fair Value of Derivatives	1,604,916	3,308,880	(5,485,5
Impairment of Oil and Gas Properties	-	-	37,500,
Interest expense	1,910,387	12,988,695	19,697,
Amortization of debt discount	5,969,886	7,975,244	7,321,
Accretion - ARO	86,023	391,482	1,111,
Loss on debt settlement	-	-	931,
Income tax benefit (expense)	(910,827)	-	
Depreciation, Depletion & Amortization	1,644,693	10,936,446	13,513,
Total Non-Cash Items	12,608,291	36,552,280	80,215,
Adjusted EBITDA	$ (2,509,256)	$ 17,161,430	$ 16,227,

About Viking Energy Group, Inc.

Viking is an independent exploration and production company focused on acquiring, enhancing and developing oil and natural gas properties in the Gulf Coast and Mid-Continent regions. The company has assets in Texas, Louisiana, Mississippi and Kansas. For additional information, please visit: https://www.vikingenergygroup.com.

Adjusted EBITDA - Non-GAAP Financial Measures

This press release contains “Adjusted EBITDA”, a non-GAAP financial measure. The Company defines Adjusted EBITDA as net income (loss), adjusted for certain non-cash and non-operating items, such as stock-based compensation, changes in the fair value of derivative instruments, asset retirement obligation accretion expense, depreciation, depletion and amortization, interest expense and income tax (benefit) provision. We also exclude certain other non-cash items listed in the aforementioned table. Management believes the presentation of Adjusted EBITDA is useful because it allows external users of our financial statements, such as industry analysts, investors, lenders and rating agencies, to compare the results of our operations from period to period without regard to our financing methods or capital structure, and to have access to the same metrics that management uses to evaluate the Company’s performance. Adjusted EBITDA is not a measure of financial performance under US GAAP and should be considered in addition to, not as a substitute for, net income (loss). The Company adjusts net income (loss) for these specific items to arrive at Adjusted EBITDA because they can vary substantially from company to company within the Company’s industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of the Company’s liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing the Company’s financial performance, such as cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. The Company’s computation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies or to such measure in our credit facility or any of our other contracts.

Forward-Looking Statements

This press release may contain forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Any statements that are not historical facts contained in this press release are "forward-looking statements", which statements may be identified by words such as "expects," "plans," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning. Such forward-looking statements are based on current expectations, involve known and unknown risks, a reliance on third parties for information, transactions that may be cancelled, and other factors that may cause our actual results, performance or achievements, or developments in our industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from anticipated results include risks and uncertainties related to the fluctuation of global economic conditions or economic conditions with respect to the oil and gas industry, the COVID-19 pandemic, the performance of management, actions of government regulators, vendors, and suppliers, our cash flows and ability to obtain financing, competition, general economic conditions and other factors that are detailed in our filings with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2020. We intend that all forward-looking statements be subject to the safe-harbor provisions.

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Viking Energy Group, Inc.

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