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Victory Enters Into Supplementary Agreement, Settles VPEG Loan and Secures Interim Debt Facility to Begin Energy-Tech Company Buildout

AUSTIN, Texas, April 16, 2018 (GLOBE NEWSWIRE) -- [Victory Energy Corporation](#) (OTCQB:VYFY) ("Victory" or the "Company"), recently filed with the Securities and Exchange Commission a Current Report on Form 8-K providing, among other things, a market update relating to the entry into (i) a supplementary agreement with Amacor Victory Ventures ("AVV"), (ii) a settlement and mutual release of the loan agreement with Visionary Private Equity Group I, LP ("VPEG"), and (iii) a new interim debt facility with VPEG intended to help accelerate the Company's transition into the oilfield energy-tech industry. As part of these transactions, the Company is contemplating a private placement offering of up to \$7 million, the net proceeds of which are expected to be utilized for targeted oilfield service company acquisitions, buildout of key infrastructure needs, including expansion of early-stage product manufacturing and distribution, order fulfillment, customer support, key executive team buildout and the launch of a branding effort to expand awareness of Victory's revolutionary amorphous alloy coatings products.

SUPPLEMENTARY AGREEMENT WITH ARMACOR VICTORY VENTURES

On April 10, 2018, Victory and AVV entered into a Supplementary Agreement, pursuant to which the Series B Preferred Stock held by AVV will be canceled and exchanged for 20,000,000 shares of Victory's common stock. The agreement requires AVV to use its best efforts to facilitate the proposed private placement and to invest a minimum of \$500,000 in the proposed private placement.

SETTLEMENT OF VPEG DEBT AND ENTRY IN TO NEW LOAN AGREEMENT WITH VPEG

On April 10, 2018, Victory and VPEG entered into a settlement agreement and mutual release, pursuant to which (i) VPEG will release and discharge Victory from its obligations of \$1,410,200 under the existing VPEG debt facility, which will be terminated, and (ii) Victory and VPEG entered into a new debt facility pursuant to which VPEG may, in its sole discretion, loan Victory up to \$2 million.

Any loan made pursuant to the new debt agreement will be evidenced by a secured

convertible original issue discount promissory note, which will reflect a 10% original issue discount, will not bear any interest in addition to the original issue discount (other than default interest), and will be secured by a security interest in all of Victory's assets. Under the terms of the new note, VPEG will have the right, exercisable at any time, to convert all or any portion of the principal amount then outstanding, plus all accrued but unpaid interest, into shares of the Company's common stock at a conversion price equal to \$0.75 per share. If converted, Victory will issue to VPEG a five-year warrant to purchase a number of shares of common stock equal to the number of shares issuable upon such conversion, with terms mutually agreeable to the parties. The warrant will have an exercise price of \$0.75 per share with the ability to exercise on a cashless basis.

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About Victory Energy Corporation

Victory Energy Corporation (OTCQB:VYEY), is a publicly held oilfield energy-tech products company focused on improving well performance and extending the lifespan of the industry's most sophisticated and expensive equipment. America's resurgence in oil and gas production is partially driven by new innovative technologies and processes. The Company has exclusively licensed intellectual property related to amorphous metal alloys for use in the global oilfield services industry. Victory's patented products utilize amorphous coatings designed to cost effectively reduce drill-string torque, friction, wear and corrosion, while not impacting the integrity of the base metal. Current products include solutions for drill-pipe, production tubing, and RFID enclosures, but will be expanded to meet the additional needs of exploration and production customers. Amorphous alloys are mechanically stronger, harder and more corrosion resistant than typical crystalline structure alloys found in the market today. This combination of characteristics creates opportunities for drillers to dramatically improve lateral drilling lengths, well completion time and total well costs.

About Armacor Victory Ventures

Armacor Victory Ventures, LLC is an affiliate of Liquidmetal Coatings and the grantor of the global exclusive license to Victory Energy for products and services in oilfield services. Liquidmetal Coatings Armacor® branded materials harness a revolutionary material technology based on amorphous metal technology discovered in conjunction with NASA.

Considered one of their top discoveries, it has the potential to fundamentally change the paradigm in material science and the industries for which Liquidmetal Coatings makes products. They harness this technology to produce the world's leading wear and corrosion solutions. The unique amorphous metal technology protects drill pipe, casings, and other critical assets to a degree that competitors have historically proven unable to match. This allows oil and gas producers, drillers and even applicators to maximize their asset management and field efficiencies.

About Visionary Private Equity Group

Visionary Private Equity Group ("VPEG") invests in early stage, high growth companies with strong management teams. VPEG targets businesses through an exhaustive vetting process that have a robust near term plan for growth and profitability while laying the foundation for significant long term growth and strong upside potential. The VPEG team consists of highly respected professionals with a unique blend of private equity, investment banking, legal, medical, oil & gas, internet technology and operating experience that play an active role ensuring that our portfolio companies have a sound operating and capital strategy. For more information please visit www.visionaryprivateequitygroup.com.

Safe Harbor Statement

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are based on certain assumptions made by the Company based on management's experience, perception of historical trends and technical analyses, current conditions, anticipated future developments and other factors believed to be appropriate and reasonable by management. When used in this press release, the words "will," "potential," "believe," "estimated," "intend," "expect," "may," "should," "anticipate," "could," "plan," "project," or their negatives, other similar expressions or the statements that include those words, are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Among these forward-looking statements are statements regarding our ability to raise additional capital in a private placement or otherwise, our ability to successfully acquire proposed acquisition targets, our expectation that VPEG will make loans to us under the new debt facility which is discretionary, and our ability to become a major player in the oilfield services business, as well as our ability to successfully utilize the technology licensed under the License to generate revenues and profits. Such forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements, including but not limited to continued operating losses; our ability to continue as a going concern; the competitive nature of our industry; downturns in the oil and gas industry, including the oilfield services business; hazards inherent in the oil and natural gas industry; our ability to realize the anticipated benefits of acquisitions or divestitures; our ability to successfully integrate and manage businesses that we plan to acquire in the future; our ability to grow our oilfield services business; our dependence on key management personnel and

technical experts; the impact of severe weather; our compliance with complex laws governing our business; our failure to comply with environmental laws and regulations; the impact of oilfield anti-indemnity provisions enacted by many states; delays in obtaining permits by our future customers or acquisition targets for their operations; our ability to obtain patents, licenses and other intellectual property rights covering our services and products; our ability to develop or acquire new products; our dependence on third parties; and, the results of pending litigation.



Source: Victory Energy Corporation