PetroViking ENERGY INC.

Management's Discussion and Analysis

For the Three and Twelve Months Ended December 31, 2011 and 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A"), dated April 25, 2012, reviews Petro Viking Energy Inc.'s ("Petro Viking" or the "Company") activities and results of operations for the three and twelve months ended December 31, 2011 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2011 and the audited financial statements for the period from incorporation on January 13, 2010 to December 31, 2010.

The audited consolidated financial statements referred to above, include the accounts of the Company and its wholly owned subsidiary, Petro Viking Management Corp. ("PVMC", formerly Deep Creek Oil & Gas Inc.), after the elimination of intercompany transactions and balances.

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed the mandatory changeover date to International Financial Reporting Standards ("IFRS") for Canadian profit-oriented publicly accountable entities such as Petro Viking. The AcSB requires that IFRS compliant financial statements be prepared for annual and interim financial statements commencing on or after January 1, 2011. Accordingly, the consolidated financial statements, including comparatives, have been prepared in accordance with IFRS.

BASIS OF PRESENTATION

The financial data presented in this MD&A has been prepared in accordance with IFRS. The preparation of financial statements in conforming to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

NON-IFRS MEASURES

This report contains financial terms that are not considered measures under IFRS, such as barrels of oil equivalent ("boe"), funds flow from operations, and operating netback. These measures are commonly utilized in the oil and gas industry and are considered informative for management and stakeholders.

Boe Presentation - In conformity with National Instrument 51-101, Standards for Disclosure of Oil and Gas Activities ("NI 51-101"), natural gas volumes have been converted to boe, using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. This ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Readers are cautioned that the term "boe" may be misleading, particularly if used in isolation.

Funds flow from operations reflects cash generated from operating activities before changes in non-cash working capital. Management considers funds flow from operations important as it helps evaluate performance and demonstrate the ability to generate sufficient cash to fund future growth opportunities and repay debt.

Profitability relative to commodity prices per unit of production is demonstrated by an operating netback. Operating netback reflects revenues less royalties, transportation costs, and production expenses divided by production for the period.

Funds flow from operations and operating netbacks may not be comparable to those reported by other companies nor should they be viewed as an alternative to cash flow from operations or other measures of financial performance calculated in accordance with IFRS.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements relating to future events. Forward-looking information is information that does not relate strictly to historical or current facts, and can be identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "should", "believe", or similar expressions. Such statements represent Petro Viking's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital expenditures, anticipated future debt, revenues or other expectations, beliefs, plans, objectives, intentions or statements about future events or performance. These statements represent management's best projections, expectations, and estimates as of the date of this document, but undue reliance should not be placed upon them as they are derived from numerous assumptions. These assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Such risks and uncertainties would include, without limitation, risks associated with the oil & natural gas exploration and development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, increased competition from other producers, inability to retain drilling rigs and other services, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada and the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, changes in federal and provincial tax laws and legislation (including the adoption of new royalty regimes), the lack of availability of qualified personnel, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. Examples of forward-looking information in this document include, but are not limited to the following, each of which is subject to significant risks and uncertainties and is based on a number of assumptions which may prove to be incorrect.

- Petro Viking's planned capital program is subject to realized commodity prices and funds from operations generated as well as results from drilling operations.
- Petro Viking's plans to drill, complete and tie-in wells is subject to the availability of drilling and related equipment, the effects of inclement weather, unexpected cost increases, the availability of skilled and productive labour, and unexpected changes in regulations. The drilling of some wells may also be predicated on the success of other wells.
- The expectation is that the Company can fund ongoing operations and capital programs with funds from operations. Absolute assurance cannot be given that the funds considered necessary to operate will be available.

This forward-looking information represents our views as of the date of this document and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. There can be no assurance that forward-looking information will prove to be accurate, as results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. While we anticipate that subsequent events and developments may cause our views to change, we do not have an intention to update this forward-looking information, except as required by applicable securities laws.

This MD&A was reviewed and approved by the Company's Audit Committee and Board of Directors on April 25, 2012.

Additional information regarding Petro Viking is available under the Company's profile on SEDAR at www.sedar.com. Information is also accessible on our website at www.petroviking.com.

ACQUISITIONS AND DISPOSITIONS

Deep Creek Acquisition: On February 28, 2011, the Company completed its "Qualifying Transaction" pursuant to which Deep Creek Oil & Gas Inc. ("Deep Creek") and 1560368 Alberta Ltd., a wholly-owned subsidiary of the Company, amalgamated pursuant to the provisions of the Business Corporations Act (Alberta). The Company acquired Deep Creek, which was a privately held company that operates as an oil and gas exploration and development company with various working interests in producing properties in central Alberta and west central Saskatchewan. Among its assets, Deep Creek has a significant land position near Kindersley, Saskatchewan, consisting of a 20% working interest in 42 sections of land. This core area provides numerous Viking drilling prospects for Petro Viking.

The Company issued 4,760,000 common shares to the shareholders of Deep Creek at a deemed price of $0.25 per share, representing an acquisition price of $1,190,000. This acquisition is considered a business combination under common control, as the two entities, Petro Viking and Deep Creek, had common directors as at February 28, 2011. Assets and liabilities have been recognized upon consolidation at their carrying amounts in the IFRS financial statements of Deep Creek (for a total of $63,557, as detailed in note 3 to the audited consolidated financial statements for the year ended December 31, 2012).

On June 27, 2011, Petro Viking's Board resolved that an additional 553,136 Petro Viking common shares will be issued to the shareholders of Deep Creek, as a result of Deep Creek satisfying post-closing adjustments relating to working capital and production at February 28, 2011. These shares were issued on October 11, 2011.

The Deep Creek acquisition has been accounted for by the Company prospectively from the date of obtaining the ownership interest. According, the results of operations of the Company for the Year Ended December 31, 2011 include seven months of operating activities on these properties.

On March 21, 2011, Deep Creek changed its name to Petro Viking Management Corp. ("PVMC").

Alberta Acquisition: On June 30, 2011 the Company purchased, for a cash consideration of $471,520 (after post closing adjustments), a portfolio of petroleum and natural gas assets located in Alberta. The assets were acquired for their current production of approximately 50 barrels of oil equivalent per day and future development potential.

Accordingly, the results of operations of the Company for the year ended December 31, 2011 include six months of operating activities from these properties.

Plato Acquisition: On December 8, 2011,the Company purchased the remaining 70% working interest in certain lands, a portion of which is held by related parties to the Company. After giving effect to the acquisition the Company owns a 100% working interest in two sections of land targeting Viking Oil. The Company acquired the assets for a total purchase price of $393,750, (excluding decommissioning liabilities of $42,000 which was acquired) which was payable as $236,250 in cash and the issuance of 630,000 shares of the Company at a deemed value of $0.25 per common share. The acquisition had minimal impact on the operations of the company for the three month and the twelve month period ended December 31, 2011

Brazeau Disposition: On November 1, 2011, the Company disposed of its assets in the Brazeau area. The assets were sold for a cash consideration of $125,000. The disposal did not have any impact on the operations of the company for the three month and the twelve month period ended December 31, 2011. The Company had recorded a decommissioning liability of $1,247 on the Brazeau assets. $126,247 has been recorded as a gain on sale and disclosed in the Company's Consolidated Statements of Operations, Loss and Comprehensive Loss for the three month and the twelve month period ended December 31, 2011.

RESULTS OF OPERATIONS

Petro Viking did not have any operations from the period of incorporation on January 13, 2010 to February 28, 2011. Operations commenced with the Deep Creek acquisition on February 28, 2011 and other acquistions as described in the preceding paragraphs.

Production

	Three Months Ended December 31, 2011	Year Ended December 31, 2011
Oil and NGL (bbl/d)	51	31
Natural gas (mcf/d)	319	229
Total (boe/d)	**104**	**69**

All petroleum and natural gas production of Deep Creek was acquired with an effective date of February 28, 2011, therefore production, for the year ended December 31, 2011, represents ten months of sales volumes from March 1, 2011 to December 31, 2011. Production volumes for the said period are calculated based on 305 days of the twelve month period due to the effective date.

As noted in earlier paragraphs, the Alberta acquisition, consisting of a portfolio of petroleum and natural gas assets located in Alberta closed on June 30, 2011, and accordingly, the production volumes of the Company for the three and twelve months ended December 31, 2011 include six months of sales volumes from these properties.

The Plato acquisition had minimal impact on the operations of the company for the three month and the twelve month period ended December 31, 2011, Petro Viking had no production in the prior comparative period.

For the three month period ended December 31, 2011 natural gas production averaged 319 mcf/d versus 242 mcf/d reported in the period ended September 30, 2011. Oil and NGL production for the three month period ended December 31, 2011 was 51 bbl/d versus 40 bbl/d reported for the three month period ended September 30, 2011. For the three month period ended December 31, 2011 the total average production was 104 boe/d compared to 81 boe/d for the three month period ended September 30, 2011.

For the year ended December 31, 2011 natural gas production was 229 mcf/d and Oil and NGL production averaged 31 bbl/d. The total average daily production reported was 69 boe/d. The Company had no operations in the prior comparative period ended December 31, 2010.

Revenue and Royalties

	Three Months Ended December 31, 2011 **$**	Year Ended December 31, 2011 **$**
Petroleum and natural gas sales	460,169	999,186
Less: royalties	(68,315)	(175,096)
Net petroleum and natural gas sales	**391,854**	**824,090**
Prices received:		
Natural gas (per mcf)	2.86	3.40
Oil and NGL (per bbl)	79.69	79.99
Royalties as a percentage of sales	**14.8%**	**17.5%**

Petroleum and natural gas sales revenue and royalties, for the Year Ended December 31, 2011 reflects revenue received for the ten month period from February 28, 2011 to December 31, 2011.

Petro Viking had no revenue in the prior comparatives period.

Petroleum and natural gas sales revenue, net of royalties, was $391,854 for the three month period ended December 31, 2011. Sales Revenue, net of royalties for the prior quarter ended September 30, 2011 was $300,937. The Company had no revenue from operations in the comparative period in 2010.

Total royalties for the three month period ended December 31, 2011 was $68,315. This represents 14.8% of sales revenue. Total royalties in the previous three month period ended September 30, 2011 was $76,112 or 20.2% of sales revenue.

Petroleum and natural gas sales revenue, was $ $999,186 for the year ended December 31, 2011. Petro Viking had no revenue in the comparative period in 2010. Total royalties for the year ended December 31, 2011 was $175,096. This represents 17.5% of sales revenue. The Company had no operations in the comparative period in 2010.

Operating Expenses

	Three Months Ended December 31, 2011 **$**	Year Ended December 31, 2011 **$**
Operating expenses	325,708	675,468
Total (per boe)	**33.91**	**31.88**

Operating expenses and transportation costs for the Year Ended December 31, 2011, reflects expenses from February 28, 2011 to December 31, 2011. Petro Viking had no operating expenses in the prior comparatives period.

Operating expenses for the three month period ended December 31, 2011 total $325,708 or $33.91 per boe. Operating expenses for the three month period ended September 30, 2011 were $221,398 or $30.20 per boe.

Operating expenses expenses for the year ended December 31, 2011 were $675,468 or $31.88 per boe. The Company had no operations in the comparative period in 2010.

Operating Netback

	Three Months Ended December 31, 2011 **$**	Year Ended December 31, 2011 **$**
Petroleum and natural gas sales	460,169	999,186
Royalties	(68,315)	(175,096)
Operating expenses	(325,708)	(675,468)
Operating netback	**66,146**	**148,622**
Operating netback (per boe)	**6.88**	**7.01**

Operating netback for the Year Ended December 31, 2011, reflects the netback from February 28, 2011 to December 31, 2011. As discussed in prior paragraphs, all oil and natural gas production was acquired with an effective date on or after February 28, 2011, and therefore there was no operating netback in the prior comparative period.

Operating netback for the three month period ended December 31, 2011 is $66,146 or $6.88 per boe. Operating netback for the three month period ended September, 30 2011 was $79,539 or $10.71 per boe.

Operating netback for the year ended December 31, 2011 is $148,622 or $7.01 per boe. The Company had no operations in the comparative period in 2010.

General and Administrative Expenses

	Three Months Ended December 31, 2011 **$**	Three Months Ended December 31, 2010 **$**
General and administrative expenses	**146,324**	**93,079**

	Year Ended December 31, 2011 **$**	Year Ended December 31, 2010 **$**
General and administrative expenses	**833,176**	**152,648**

General and Administrative expenses for the three month period ended December 31, 2011 amounted to $146,324. The General and Administrative expense for the three month period ended September 30, 2011 amounted to $196,575. The reduction for the three month period represented reduced consulting fees.

General and Administrative expenses for the year ended December 31, 2011 amounted to $833,176. The General and Administrative expense for the comparative period in 2010 was $152,648.

General and administrative expenses for the year ended December 31, 2011, amounting to $833,176, was comprised primarily of consulting fees, professional fees, regulatory, transfer agent and listing fees, and office and administration costs.

A significant portion of the consulting and professional fees related to the acquisition of Deep Creek and its IFRS conversion. The Deep Creek acquisition costs are expensed in accordance with IFRS, instead of being capitalized as was the practise under Canadian GAAP. During the year ended December 31, 2011, the Company increased staffing and activity levels and completed the Qualifying Transaction.

Share-Based Compensation

	Three Months Ended December 31, 2011 $	Three Months Ended December 31, 2010 $
Share-based compensation	**53,350**	**-**

	Year Ended December 31, 2011 $	Year Ended December 31, 2010 $
Share-based compensation	**399,385**	**123,000**

Share-based Compensation, a non-cash expense, for the three month period ended December 31, 2011 was $53,350. Share-based Compensation for the three month period ended September 30, 2011 was $53,350.

Share-based Compensation for the year ended December 31, 2011 was $399,385 compared to $123,000 for the year ended December 31, 2010.

The Company has granted Options to directors, officers and key personnel in accordance with its Stock Option Plan. See "Outstanding Share Data Table".

Depletion and Depreciation

	Three Months Ended December 31, 2011 $	Year Ended December 31, 2011 $
Depletion and depreciation	**208,929**	**335,276**
Total (per boe)	**21.75**	**15.82**

With the acquisition of Deep Creek's properties, the Alberta acquisition and the Plato Acquisition, the Company has assets subject to depletion.

Depletion and depreciation for the Year Ended December 31, 2011, reflects the depletion and depreciation for the ten months from February 28, 2011 to December 31, 2011.

Petro Viking had no depletion and depreciation expense in the prior comparative period.

Depletion and depreciation for the three month period ended December 31, 2011 is $208,929 or $21.75 per boe. Depletion and depreciation for the three month period ended September 30, 2011 was $98,991 or $13.33 per boe.

Depletion and depreciation for the year ended December 31, 2011 is $335,276 or $15.82 per boe. The Company had no assets subject to depletion or depreciation for the comparative period.

Impairment

	Three Months Ended December 31, 2011 **$**	Year Ended December 31, 2011 **$**
Impairment	**4,193,000**	**4,193,000**

In accordance with IFRS, the company is required to write down the value of its cash generating units to its net recoverable value. The company recorded an impairment expense of $4,193,000 for the three month period ended December 31, 2011 on its Cash Generating Units (CGU's). The company has not recorded any other impairment expenses during the current or previous year.

Of the $4,193,000 of impairment recorded, $1,454,000 related to impairment on the Brownsfield CGU, where capital spent on workovers on wells did not result in economic oil recovery. The remaining impairments were recorded as a result of (a) reduced forward natural gas pricing and (b) operational results not meeting management expectation relating to certain properties.

As the recoverable amount of the CGU's are sensitive to a decrease in commodity prices, further impairment charges could be recorded in future periods. Alternatively, an improvement of commodity prices could reverse any impairment charges recorded to date, less applicable depletion and depreciation charges.

Other Income

	Three Months Ended December 31, 2011 $	Year Ended December 31, 2011 $
Gain on sale of asset	126,247	126,247
Interest income	7,579	32,583
Total	**133,826**	**158,830**

Interest income for the three month and twelve month period ended December 31, 2011 of $7,579 and $32,583 respectively, is from short-term investments.

For the three month and twelve month period ended December 31,2011, a $126,247 gain on sale of assets was recorded. See discussion above under **Acquisitions and Dispositions – Brazeau Disposition.**

Financing Cost

	Three Months Ended December 31, 2011 $	Year Ended December 31, 2011 $
Debenture interest expense	10,088	45,245
Accretion on decommissioning liabilities	20,973	42,911
Total	**31,061**	**88,156**

Financing cost for the three month period ended December 31 2011 was $31,061. The Financing cost for the period ended September 30 2011 was $18,838.

Financing Cost for the year ended December 31 2011 is $88,156. Petro Viking incurred no Financing Cost in the comparative period in 2010.

For the three and twelve month period ended December 31, 2011, Interest expense of $10,088 and $45,245 respectively, represents three and ten months of interest on the Debenture which bears interest at 8% per annum paid quarterly.

The accretion on decommissioning liabilities of $20,973 and $42,911 for the three month and twelve month period ended December 31, 2011, respectively, relates to decommissioning liabilities on properties acquired in the Deep Creek acquisition and Alberta acquisition and represents a non-cash item.

Petro Viking incurred no financing cost in the period from incorporation on January 13, 2010 to December 31, 2010.

Taxes

At December 31, 2011, Petro Viking had an estimated total of $3.8 million of tax pools available to reduce future taxable income and corporate income taxes. In addition the Company will have $3.8 million in carry forward losses. This is subject to confirmation from tax authorities.

Funds from Operations

	Three Months Ended December 31, 2011 **$**	Year Ended December 31, 2011 **$**
Cash flow from operating activities	(296,249)	(761,907)
Add: Changes in non-cash working capital	213,562	64,691
Funds from operations	**(82,687)**	**(697,216)**
Funds from operations, as above		
Less:		
Depletion and depreciation	208,929	335,276
Impairment	4,193,000	4,193,000
Accretion on decommissioning liabilities	20,973	42,911
Gain on Settlement of asset	(126,247)	(126,247)
Share-based compensation	53,350	399,385
Deferred income tax recovery	(48,500)	(48,500)
Sub total	4,301,505	4,795,825
Net income (loss)	**(4,384,192)**	**(5,493,041)**

Funds from operations for the three and twelve month period ended December 31, 2011 for the Company represents three and ten months of operations of the properties acquired in the Deep Creek acquisition, and three and six months of operations of the properties acquired in the Alberta acquisition and approximately a month of operations relating to additional working interest acquired as a result of the Plato acquisition.

The Company did not have any funds from operation in the prior comparative period.

FINANCIAL INSTRUMENTS

At December 31, 2011, the Company's financial instruments include cash and cash equivalents, short–term investments, accounts receivable, accounts payable and accrued liabilities, and debentures. The carrying values of accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to their relatively short periods to maturity. The short-term interest bearing securities are recorded at cost plus accrued interest earned which approximates current market value. The Company presently has no established credit facility.

To date the Company has not used derivative financial instruments, such as commodity price risk management contracts, to mitigate risk.

OUTSTANDING SHARE DATA

Share Capital	Common Shares #	Warrants #	Options #
Balance December 31, 2010	9,490,000	-	1,449,000
Financing / Common Shares: issued at $0.30	11,500,000	-	-
Financing / Warrants: exercisable at $0.50	-	12,420,000	-
Directors' and officers' options: granted at $0.30	-	-	1,620,000
QT Common Shares: issued at $0.25	4,760,000	-	-
Agents Options: granted at $0.30	-	-	920,000
Agents Options: exercised at $0.20	-	-	(60,000)
Common Shares: issued for options	60,000	-	-
Balance March 31, 2011	25,810,000	12,420,000	3,929,000
Financing / Common shares: units issued at $0.35	1,528,571	1,528,571	-
Financing / Flow through shares: issued at $0.40	970,000	-	-
Agents Options to purchase units: granted at $0.35	-	199,885	199,885
Agent units issued at $0.35, for partial payment of Corporate finance fee	20,000	20,000	-
Officer Remuneration / Bonus Common Shares issued	200,000	-	-
Officer and consultant options: granted at $0.35	-	-	250,000
Balance June 30, 2011 and September 30, 2011	28,528,571	14,168,456	4,378,885
QT Common Shares: For Post Closing adjustments, issued at $0.25	553,136	-	-
Common Shares: issued for Plato Acquisiton at $0.25	630,000	-	-
Agents Options: exercised at $0.20	-	-	(42,000)
Common Shares: issued for options	42,000	-	-
Balance December 31, 2011	**29,753,707**	**14,168,456**	**4,336,885**

At December 31, 2011, Petro Viking has a total of 29,753,707 issued and outstanding common shares (December 31, 2010: 9,490,000), 14,168,456 issued and outstanding warrants (December 31, 2010: Nil), and 4,336,885 issued and outstanding options (December 31, 2010: 1,449,000).

During the year ended December 31, 2011, the Company completed a brokered private placement for aggregate gross proceeds of $3,450,000, through the issuance of 11,500,000 Units at a purchase price of $0.30 per unit. Each Unit is comprised of one Common Share of the Company and one Common Share Purchase Warrant. Each Warrant entitles the holder to purchase one additional share at a purchase price of $0.50 per share for a period of 24 months following the closing, subject to an accelerated expiry date.

In connection with the brokered private placement described above, the Company paid the Agent an 8% Agent's option, entitling the Agent to acquire 920,000 Units at a price of $0.30 per Unit until February 28, 2013, in addition to an 8% cash commission. Each Unit is comprised of one Share and one Warrant. Each Warrant entitles the Agent to purchase one additional Share at a purchase price of $0.50 per share for a period of 24 months following the closing.

On February 28, 2011 the Company, closed its "Qualifying Transaction" and issued 4,760,000 common shares to the shareholders of Deep Creek representing the acquisition. On June 27, 2011, Petro Viking's

Board resolved that an additional 553,136 Petro Viking common shares will be issued to the shareholders of Deep Creek, as a result of Deep Creek satisfying post-closing adjustments relating to working capital and production at February 28, 2011. These shares were issued on October 11, 2011.

After giving effect to the Qualifying Transaction, the Company granted stock options to directors, officers and a consultant to purchase 1,620,000 shares of the Company for a period of 5 years at an exercise price of $0.30 per share pursuant to the Company's stock option plan.

During the year ended December 31, 2011, the Company completed a brokered private placement for aggregate gross proceeds of $535,000, through the issuance of 1,528,571 Units at a purchase price of $0.35 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant is exercisable for two years from the closing of the offering to acquire one common share at a price of $0.55 per common share, subject to an accelerated expiry date in certain circumstances.

The Company also issued 970,000 flow-through shares at $0.40 per flow-through share for aggregate gross proceeds of $388,000. The Company has incurred $388,000 of qualifying resource expenditures during the year ended December 31, 2011 and has fulfilled its obligations, pursuant to the flow-through agreement.

In connection with the brokered private placement described above, the Company paid the Agent an 8% Agent's option, entitling the Agent to acquire 199,885 Units at a price of $0.35 per Unit until February 28, 2013, in addition to an 8% cash commission. Each Unit is comprised of one Share and one Warrant. Each Warrant entitles the Agent to purchase one additional Share at a purchase price of $0.55 per share for a period of 24 months following the closing. In addition, the Company has paid the Agent a corporate finance fee and related costs amounting to $10,647 and issued 20,000 corporate finance units, valued at $7,000. This amount has been has been charged to share issuance costs with a related credit to Share Capital.

The company issued 200,000 common shares as bonus, of which 100,000 shares was issued to a key management personnel and 100,000 shares to a consultant. The market price of the common shares at the issue date was $0.30/common share.

The Company completed the Plato acquisition on December 8, 2011 and issued 630,000 shares of the Company towards purchase consideration. (See section "Acquisitions and Dispositions" for further details)

During the year ended December 31, 2011, the agent's exercised 102,000 options at $0.20 per option that were granted in 2010.

The common shares trade on the TSXV under the symbol "VIK".

CAPITAL EXPENDITURES

	Three Months Ended December 31, 2011 $	Year Ended December 31, 2011 $
Asset additions	1,214,515	1,406,089
Acquisition of Deep Creek *See discussion above under Acquisitions and Dispositions – Deep Creek Acquisition*	-	2,115,065
Asset acquisitions	435,750	3,185,717
Revisions to asset retirement costs	282,697	419,579
Capital expenditures	**1,932,962**	**7,126,450**

On June 30, 2011 the Company closed the Alberta acquisition for a final cash consideration at close of $471,520. This amount was attributed $2,749,967 to property and equipment and $2,278,447 to decommissioning liabilities.

On December 8, 2011 the Company closed the Plato acquisition for a purchase considerion of $435,750 (including decommissioning liabilities of $42,000 which was acquired).

During the three month period ended December 31, 2011, the Company initiated workovers on its Brownsfield, Alberta operated property amounting to $1,170,966 and workovers on other properties amounting to $43,549 for a total of $1,214,515.

For the twelve month period ended December 31, 2011, capital expenditures of $1,406,089 consisted of capital expenditures for the three month period ended December 31, 2011 described in the paragraph above, and $191,574 related to workovers performed on other existing properties during the nine month period ended September 30, 2011.

Revisions to asset retirement costs during the three and twelve month period ended December 31, 2011, included above, consisted of $282,697 and $419,579.

The Company did not incur any capital expenditures in the prior comparative period.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2011, the Company has cash and short term investments of $2,790,364, and a net working capital position of $1,947,128. At December 31, 2011 the Company has not established a bank line of credit.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities, nor is it a party to any transactions or arrangements that would be excluded from the balance sheet other than its operating leases for office space on a month-to-month basis.

SUBSEQUENT EVENTS

a. On January 31, 2012, the Company completed a land lease agreement whereby the Company acquired approximately 4,000 acres of land in Saskatchewan to set up a horizontal heavy oil development play.

b. On March 19, 2012, the Company entered into a Letter of Intent ("LOI") with Grisham Assets Corp. ("Grisham") to acquire 100% of the issued and outstanding shares in the capital of Grisham. The proposed acquisition is arm's length and it is not expected to result in a change of control.

Grisham is a private company incorporated under the laws of the British Virgin Islands whose principal asset is an agreement to acquire an 80% interest in blocks 1810, 1710, and 2913B offshore the coast of Namibia, Africa and covering an area of more than 20,000km^2. The Ministry of Mines and Energy of the Republic of Namibia has issued a Petroleum Exploration License on block 1710 and licenses are pending on blocks 1810 and 2913B, which are expected to be granted prior to closing. The remaining 20% is a carried interest held by NAMCOR (Namibian Government) and the Namibian Black Economic Empowerment group.

Petro Viking will acquire from the selling shareholders (the "Vendors") on closing of the acquisition (the "Closing"), 100% of the issued and outstanding Grisham shares. Petro Viking will issue to the Vendors 7,000,000 common shares of Petro Viking at a deemed issue price of $0.20 and 7,000,000 warrants of Petro Viking and make a pre-Closing cash payment of US$100,000 (non-refundable) and in addition make a Closing cash payment of US$5,900,000. The Petro Viking warrants will have an exercise price equal to the financing price in a concurrent private placement, terms and conditions of which will be announced shortly, with an expiration date 24 months from the Closing. The proceeds from the private placement will fund the cash consideration for the acquisition as well as initial work commitments, including mapping and delineating a 2D and 3D seismic program that will commence immediately following Closing.

Pursuant to the LOI, Grisham has agreed to deal exclusively with Petro Viking to enter into a definitive agreement until the earlier of June 16, 2012 and the date of the execution of the definitive agreement. The definitive agreement will include customary conditions to Closing, plus the following specific conditions: (i) receipt of any applicable approvals by the Ministry of Mines and Energy (Namibia); (ii) completion of satisfactory due diligence on Grisham and all legal, financial, geological and technical documentation related to Blocks 1710, 1810, and 2913B; (iii) TSX Venture Exchange approval; and (iv) approval from the respective boards of Petro Viking and Grisham.

Subject to TSX Venture Exchange acceptance, a finder’s fee in the amount of $402,500 will be paid on Closing to Canal Front Investments Inc. The finder’s fee will be paid in Petro Viking common shares and warrants (with the shares issued at a price equal to the transaction price).

Petro Viking has reached an agreement in principal with the holders of outstanding secured debenture debt totaling $640,000, under which the debenture holders, two of whom are related parties to Petro Viking, will convert approximately $500,000 of the outstanding debt into 2,500,000 common shares of Petro Viking prior to Closing at a deemed issue price of $0.20 per share. The balance of the debenture, being $140,000, will be assigned at par value to other related parties prior to closing who shall receive a secured convertible debenture which shall be convertible into common shares at $0.20 per share within 24 months of Closing. The completion of these transactions is subject to customary conditions, including TSX Venture Exchange approval. The common shares issued under the debt settlement will be subject to a statutory four month hold period.

RELATED PARTY DISCLOSURES

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount which is the amount of consideration established and approved by the related parties. Related party transactions during the period are disclosed below:

	Three months ended December 31, 2011 **$**	Three months ended December 31, 2010 **$**	**Twelve months ended December 31, 2011** **$**	For the period from incorporation on January 13, 2010 to December 31, 2010 **$**
Administration and consulting fees charged by key management personnel.	56,000	-	171,000	-
Stock options issued to directors and key management personnel	-	-	196,841	123,000
Legal fees charged by a law firm of which one director of the Company is council.	-	39,486	116,560	81,486
Debenture – repayment of principal to a director.	-	-	100,000	-
Interest expense on the Company's debentures, held by a director of the Company and companies controlled by a director of the Company.	7,462	-	25,168	-
Value of common shares issued as bonus to key management personnel.	-	-	30,000	-
Purchase of additional working interest in a property from one director of the company, and from a company, controlled by an officer of the Company	225,000		225,000	

Amount owing to related parties at period end	**December 31, 2011** **$**	December 31, 2010 **$**
Accounts payable and accrued liabilities for operations, administration and consulting fees, legal fees, and debenture interest payable.	35,233	70,605
Accounts receivable from a company, controlled by an officer of the Company, which has a working interest in one of Petro Viking's wells.	25,894	-
Debenture – Principal outstanding.	370,000	-

The audited consolidated financial statements for the year ended December 31, 2011, include the financial statements of Petro Viking and its wholly owned subsidiary, PVMC. Balances between Petro Viking and its subsidiary, which is a related party, have been eliminated on consolidation and are not disclosed.

Note 3 to audited consolidated financial statements for the year ended December 31, 2011 explains the terms of the acquisition of Deep Creek, a related party, by the Company.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Effective January 1, 2011, International Financial Reporting Standards ("IFRS") have replaced Canadian GAAP for publicly accountable enterprises. The Company has adopted IFRS, since its incorporation on January 13, 2010, and reports under IFRS, for all interim and annual periods beginning on January 1, 2011.

SUPPLEMENTAL QUARTERLY INFORMATION

The flowing table summarizes key financial and operating information for the period indicated.

Reporting Period	**Q4 - 2011**	Q3 - 2011	Q2 - 2011	Q1 - 2011	Q4 - 2010	Q3 - 2010
Periods Ended	**December 31, 2011**	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
		$	**$**	**$**	**$**	**$**
Petroleum and natural gas sales	460,169	377,049	122,295	39,673	-	-
Cash flow - operating activities	(296,249)	(93,301)	(389,813)	(198,606)	(15,356)	(25,738)
Funds from operations	(82,687)	(125,203)	(336,586)	(152,740)	(88,888)	(56,152)
per share (basic)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
per share (diluted)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net Income (loss)	(4,384,192)	(279,040)	(473,240)	(356,569)	(88,888)	(56,152)
per share (basic)	(0.15)	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)
per share (diluted)	(0.15)	(0.01)	(0.02)	(0.02)	(0.01)	(0.01)
Net capital expenditures	1,497,212	147,555	141,247	39,654	-	-
Acquisition of assets	435,750	-	2,749,967	2,115,065	-	-
Total Assets	5,976,370	8,812,324	8,969,902	6,154,264	1,215,245	1,228,419
Average commodity prices:						
Natural gas ($/mcf)	2.86	3.71	3.91	3.94	-	-
Oil & NGL ($/bbl)	79.69	79.21	85.40	89.02	-	-
Production (boe/d)	104	81	33	32	-	-