

PETRO VIKING ENERGY INC.

PETRO VIKING ANNOUNCES NEW LOI TO ACQUIRE NAMIBIAN OFFSHORE OIL PROPERTY

For Immediate Release
Calgary, Alberta

August 24, 2012
Trading Symbol: "VIK"

Calgary, Alberta – Petro Viking Energy Inc. (“Petro Viking”) is pleased to announce that it has entered into a new Letter of Intent (“LOI”) with Grisham Assets Corp. (“Grisham”) dated August 22, 2012 to acquire 80% of the issued and outstanding shares of Alphapetro (Pty) Ltd. (“Alphapetro”), a Namibian company which owns a 100% interest in Petroleum Exploration License No. 0027 in relation to Block 1710A&B off-shore Namibia. The remaining 20% is owned by Kwest Investments Holdings (Pty) Ltd. as to 10% and by Ace Investments and Mineral Resources CC as to 10% interest.

Under terms of the acquisition, Calgary based Petro Viking will acquire 80% of the shares of Alphapetro in consideration of USD \$2,000,000 cash (including a non refundable deposit of \$20,000), 2,500,000 common shares, and 2,500,000 common share purchase warrants (exercisable at the minimum price permitted by the TSX Venture Exchange and with an expiration date 24 months after the date of closing).

A finder’s fee is to be paid on closing to Naughty Capital in the maximum amount permitted by the TSX Venture Exchange and may be paid in cash or shares.

Certain provisions in the LOI are binding and certain provisions are not binding. One of the binding provisions is that Grisham has agreed to deal exclusively and in good faith with Petro Viking with a view to settling the form of definitive agreement and executing same on or before August 31, 2012. Execution of the definitive agreement is subject to completion of satisfactory due diligence by Petro Viking as well as board approval by both Petro Viking and Grisham. Closing will be subject to approval of the TSX Venture Exchange as well as financing.

Upon closing, this acquisition positions Petro Viking into the heart of the emerging Namibian oil and gas play. The block is ideally situated amongst the flurry of recent activity in the north. Offshore Namibia is considered highly underexplored.

This news release should be read in reference to Petro Viking’s prior news releases dated March 20 and June 21, 2012 which announced a prior LOI with Grisham and additional details of the Namibian oil play. That LOI related to the acquisition of Grisham by Petro Viking and would have covered Namibian Petroleum Exploration Licenses in relation to Blocks 1710A&B as well as 1810 and 2913B. That LOI was allowed to lapse for reasons including the difficulty in raising a much higher required financing in the current weak capital markets. Petro Viking and Grisham have maintained a positive working relationship which led to signing the new LOI. Accordingly, the full acquisition of Grisham remains possible in the future.

Further news will be issued as and when appropriate.

For further information, please contact:

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Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially. The Company will not update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect financial results is included in the documents filed from time to time with the Canadian securities regulatory authorities by the Company.