



Petro Viking
ENERGY INC.

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2012 and 2011

The following Management's Discussion and Analysis ("MD&A"), dated November 29, 2012, reviews Petro Viking Energy Inc.'s ("Petro Viking" or the "Company") activities and results of operations for the three and nine months ended September 30, 2012 and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2012, MD&A for the three and nine months ended September 30, 2011, the audited consolidated financial statements for the year ended December 31, 2011 and the MD&A for the three and six months ended June 30, 2012.

DESCRIPTION OF THE COMPANY

Petro Viking is a Calgary, Alberta based petroleum and natural gas exploration, production and development company, with operations in western Canada. 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). On March 21, 2011, Deep Creek changed its name to Petro Viking Management Corp. ("PVMC").

The unaudited interim condensed 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.

BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements referred to above, including comparatives, and the financial data presented in this MD&A are in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("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.

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 November 29, 2012.

FINANCIAL AND OPERATIONAL REVIEW

The following MD&A is a review of Petro Viking's financial and operating performance for the three and nine months ended September 30, 2012 with comparative analysis for the three and nine months ended September 30, 2011. The Company did not have any operations from January 1, 2011 to February 28, 2011. Operations commenced with the Deep Creek acquisition on February 28, 2011 and increased with the Alberta acquisition, which occurred at the end of June, 2011 and the Plato acquisition, during December 2011, as described in the Acquisitions and Dispositions section below.

ACQUISITIONS AND DISPOSITIONS

Acquisitions:

There were no acquisitions during the three and nine months ended September 30, 2012.

The Company's acquisitions during 2011 consisted of the following transactions:

1. **Deep Creek Acquisition:** On February 28, 2011, the Company acquired Deep Creek, which was a privately held company that operated as an oil and gas exploration and development company with various working interests in producing properties in central Alberta and west central Saskatchewan. On March 21, 2011, Deep Creek changed its name to Petro Viking Management Corp. ("PVMC").
2. **Alberta Acquisition:** On June 30, 2011, the Company purchased a portfolio of petroleum and natural gas assets located in Alberta. The assets were acquired for their current production of approximately 50 boe per day and future development potential.
3. **Plato Acquisition:** On December 8, 2011, the Company purchased the remaining 70% working interest in certain lands. After giving effect to the acquisition the Company owns a 100% working interest in two sections of land targeting Viking Oil.

Dispositions:

The Company's dispositions include the Brazeau disposition during November, 2011 and the Kaybob disposition during June, 2012. Neither of these dispositions had any impact on the operations of the Company.

1. **Brazeau Disposition (2011):** On November 1, 2011, the Company disposed of its non-producing assets in the Brazeau area.
2. **Kaybob Disposition (2012):** On June 11, 2012, the Company disposed of a non-producing asset in the Kaybob area. The asset was sold for a cash consideration of \$83,000. The disposal did not have any impact on the operations of the company for the nine month period ended September 30, 2012. The asset had a carrying value of \$Nil and as a result, \$83,000 has been recorded as a gain on sale and disclosed in the Company's Consolidated Statements of Operations, Loss and Comprehensive Loss for the nine month period ended September 30, 2012.

RESULTS OF OPERATIONS

Production	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Oil and NGL (bbl/d)	37	40	45	22
Natural gas (mcf/d)	175	242	226	190
Total (boe/d)	66	81	83	54

For the three month period ended September 30, 2012 oil and NGL production was 37 bbl/d compared to 40 bbl/d reported for the prior quarter ended September 30, 2011. This represents a decrease of approximately 7%. Natural Gas production decreased 28% from 242 Mcf/d, for the three month period ended September 30, 2011, to 175 Mcf/d, for the three month period ended September 30, 2012. Similarly total production decreased 19% from 81 boe/d, for the three month period ended September 30, 2011, to 66 boe/d, for the three month period ended September 30, 2012. The decrease is a combination of natural declines and some production related issues during Q3 of 2012.

When compared to the nine months ended September 30, 2011, oil and NGL production increased from 22 bbl/d (for the nine months ended September 30, 2011) to 45 bbl/d (for nine months ended September 30, 2012), which is a 106% increase. Natural gas production increased 19% from 190 Mcf/d (for the nine months ended September 30, 2011) to 226 Mcf/d (for the nine months ended September 30, 2012). Total production increased 54% from 54 boe/d (for the nine months ended September 30, 2011) to 87 boe/d (for the nine months ended September 30, 2012). The increase in production volumes is attributed to the Alberta acquisition during June 2011 and the Plato acquisition during December 2011.

It is to be noted that

- a) Petro Viking did not have any operations from January 1, 2011 to February 28, 2011. Operations commenced with the Deep Creek acquisition on February 28, 2011.
- b) The operational results for the nine months ended September 30, 2011, represents seven month of sales volumes from February 28, 2011 to September 30, 2011. These volumes relate to the Deep Creek acquisition and the Alberta acquisition.

For the three month period ended September 30, 2012 oil and NGL production was 37 bbl/d compared to 47 bbl/d reported for the immediately preceding quarter ended June 30, 2012. This represents a decline of approximately 20%. Similarly, daily natural gas production declined by approximately 25%, when compared to the second quarter of 2012. Total average daily production also declined 19% when compared to the second quarter of 2012. The declines are attributed to a combination of natural declines, weather and production related issues.

Revenue and Royalties	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Petroleum and natural gas sales	227,910	377,049	1,061,082	539,017
Less: royalties	(22,415)	(76,112)	(155,135)	(106,781)
Net petroleum and natural gas sales	255,495	300,937	905,947	432,236
Prices received:				
Oil and NGL (per bbl)	2.15	3.71	1.97	3.78
Natural gas (per mcf)	70.86	79.21	75.55	80.29
Royalties as a percentage of sales	8.0%	20.2%	14.6%	19.8%

For the three month period ended September 30, 2012 Petroleum and natural gas sales was \$227,910 compared to \$377,049 reported for the prior quarter ended September 30, 2011. This represents a decrease of approximately 26%. The decrease is attributed to decreased production volumes and lower oil prices, which were down 11%, and gas prices were down almost 50% from the comparative quarter in 2011. The decreased volumes with lower prices have effected in a net decrease in revenue of 26%.

For the nine month period ended September 30, 2011, production was higher by 54%, however, oil prices were down 6% and natural gas prices were down 48%. The net effect is an increase in revenue of approximately 100%. It is to be noted here that the nine months ended September 30, 2011 represents only seven months of production, as Petro Viking did not have any operations from January 1, 2011 to February 28, 2011.

Royalties, as a percentage of sales are lower in 2012, as compared to 2011, for both the three month period ended September 30, and the nine month period ended September 30. The reason for lower royalty rate is mainly that royalty rates vary based on prices received. Lower petroleum and natural gas prices will usually result in lower royalty rates.

Petroleum and natural gas sales revenue, net of royalties, was \$255,495 for the three month period ended September 30, 2012. Petroleum and natural gas sales revenue, net of royalties, for the immediately preceding quarter ended June 30, 2012 was \$299,512. The decrease in sales of approximately 15% is primarily a result of lower commodity pricing and lower production volumes.

Operating Expenses	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Operating expenses	291,183	221,398	956,670	349,760
Total (per boe)	47.60	29.82	42.04	30.19

Operating expenses, on a per boe basis, for the three month ended September 30, 2012 were higher by 60% as compared to the corresponding period in 2011. The reason is higher due to significantly higher costs for inputs and labour during 2012.

For the nine month period ended September 30, 2012, operating expenses, on a per boe basis, were higher by 39% compared to the corresponding period in 2011.

Operating expenses for the three month period ended September 30, 2012 were 47.60 per boe compared \$44.58 per boe for the immediately preceding quarter ended June 30, 2012.

Operating Netback	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Petroleum and natural gas sales	277,910	377,049	1,061,082	539,017
Royalties	(22,415)	(76,112)	(155,135)	(106,781)
Operating expenses	(291,183)	(221,398)	(956,670)	(349,760)
Operating netback	(35,688)	79,539	(50,723)	82,476
Operating netback (per boe)	(5.83)	10.71	(2.23)	7.12

Operating netback for the three month period ended September 30, 2012 was \$(5.83) per boe compared to \$10.71 per boe for the prior quarter ended September 30, 2011. Petro Viking realized a lower netback due primarily to a combination of lower commodity prices and higher operating costs.

Operating netback for the nine month period ended September 30, 2012 was \$(2.23) per boe compared to \$7.12 per boe for the prior nine month period ended September 30, 2011. Petro Viking realized a lower netback due primarily to a combination of lower commodity prices and higher operating costs. Operating netback for the nine month period ended September 30, 2011, reflects the netback from February 28, 2011 to September 30, 2011.

Operating netback for the three month period ended September 30, 2012 was \$(5.83) per boe compared to \$(6.95) per boe for the immediately preceding quarter ended June 30, 2012.

General and Administrative Expenses	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
General and Administrative Expenses	282,426	196,575	1,217,110	686,852
<i>Includes:</i>				
Business Investigation Costs	109,232	-	636,054	54,270
Legal and consulting fees, regulatory, transfer agent and listing fees, and office administration costs	173,194	196,575	581,056	632,582

General and administrative expenses for the three month period ended September 30, 2012 is higher by 44% as compared to comparative periods in 2011.

For the nine month period ended September 30, 2012, the general administrative expenses are higher by 77% as compared to comparative periods in 2011.

The increase is primarily because of business investigation costs incurred relating to the Namibia transaction. See discussion under **Subsequent events** for status of the transaction.

Other general and administrative expenses include consulting fees, legal and professional fees, regulatory, transfer agent and listing fees, and office and administration costs. These costs have reduced by 12% from the prior quarter ended September 30, 2011 and by 8% when compared to the prior nine month period ended September 30, 2011. This is because the Company had significant costs relating to legal, consulting and professional fees related to the acquisition of Deep Creek and its IFRS conversion during 2011.

Other general and administrative expenses of \$173,194 for the three months ended September 30, 2012 is lower by 15% when compared to the expense of \$205,996 incurred in second quarter of 2012.

Share-Based Compensation	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Share-Based Compensation	-	53,350	54,975	346,035

Share-based compensation, a non-cash expense, for the nine month period ended September 30, 2012 was \$54,975. This expense relates to amortization of the fair value of options that were granted in the first and second quarter of 2011 over their vesting period. The options have completely vested in June, 2012, and related share-based compensation expense has been completely recognized.

Share-based compensation for the nine month period ended September 30, 2011 was \$346,035. Of this, \$193,912 relates to options granted concurrent with the acquisition of Deep Creek and the related brokered private placement financing and vested immediately.

Share-based compensation for the three month period ended September 30, 2012 was \$Nil as a result of all option expense being recognized in prior quarters. For the three month ended September 30, 2011, the expense was \$53,350. Under IFRS, share based compensation expense is higher in the initial year with the expense tapering off towards periods when they vest.

The Company has granted Options to directors, officers and key personnel in accordance with its Stock Option Plan. See “Outstanding Share Data Table”. The Company did not have any stock options that were granted during the three and nine months ended September 30, 2012.

Depletion and Depreciation and Impairment	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Depletion and depreciation	33,050	98,991	137,250	126,347
Impairment	-	-	-	-
Total (per boe)	5.40	13.33	6.03	10.91

Depletion and depreciation for the three and nine months ended September 30, 2012 is lower than the corresponding periods during 2011. The decrease is due primarily to a lower depreciable base in the 2012 as a result of a \$4,193,000 impairment charge that the Company took in the fourth quarter of 2011

As at September 30, 2012, no further indicators of impairment or any indicators of impairment reversals were noted.

Depletion and depreciation for the nine months ended September 30, 2011, reflects the depletion and depreciation for the seven month period from February 28, 2011 to September 30, 2011.

Other Income	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Interest income	2,523	9,175	11,169	25,004
Gain on sale of asset	-	-	83,000	-
Total	2,523	9175	94,169	25004

For the nine month period ended September 30, 2012, an \$83,000 gain on sale of assets was recorded. See discussion above under Acquisitions and Dispositions – Kaybob disposition.

Interest income is from short-term investments. Interest income of \$2,523 for the three month period ended September 30, 2012 is lower as compared to the prior quarter ended September 2011 of \$9,175, as a result of lower principal invested during the quarter.

Similarly, interest income of \$11,169 for the nine month period ended September 30, 2012 was lower as compared to the prior nine month period ended September 30, 2011 of \$25,004, as a result of lower principal invested.

Financing Costs	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Interest expense	14,196	17,342	40,309	35,157
Accretion on decommissioning liabilities	11,532	1,496	37,348	21,938
Total	25,728	18,838	77,657	57,095

Financing costs for the three month period ended September 30, 2012 was \$25,728. This is higher compared to the financing cost for the prior quarter ended September 30, 2011 of \$18,838 primarily due to lower accretion costs in 2011.

Interest expense primarily relates to interest on debentures. Interest expense for the three month period ended September 30, 2012 is \$14,196, which is comparable to the interest expense for the second quarter of 2012 of \$13,348 and for the prior quarter ended September 30, 2011 of \$17,342.

As compared to the interest expense for the nine months ended September 30, 2011 of \$40,309, interest expense for the nine months ended September 30, 2012 of \$35,157 is lower by of 15%. This is because the Company did not have any debentures outstanding in January and February of 2011.

The accretion on decommissioning liabilities for the three month period ended September 30, 2012 is \$11,532, which is higher when compared to the accretion on decommissioning liabilities for the prior quarter ended September 30, 2011 of \$1,496 due to a lower discount rate used in 2012.

The accretion on decommissioning liabilities of \$21,938 for the nine month period ended September 30, 2011 relates to seven months of accretion expense.

Funds flow from Operations	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Cash flow from operating activities	(254,914)	(93,301)	(1,317,011)	(486,799)
Add (Deduct): Changes in non-cash working capital	(94,232)	(31,902)	(16,578)	(127,730)
Funds flow from operations	(349,146)	(125,203)	(1,333,589)	(614,529)
per share (basic)	(0.01)	(0.01)	(0.05)	(0.05)
per share (diluted)	(0.01)	(0.01)	(0.05)	(0.05)

Funds flow from operations for the three and nine month periods ended September 30, 2012 compares unfavourably to the corresponding three and nine month periods ended September 30, 2011. A primary

factor is the increased spending in business acquisition costs during 2012, relating to the Namibia transaction, but offset by the lower (weighted average) number of common shares outstanding during Q1, Q2 and Q3 of 2011.

Funds flow from operations for the nine month period ended September 30, 2011 represents seven months of operations of the properties acquired in the Deep Creek acquisition.

The funds flow from operations is impacted by production, prices received, royalties paid, operating expenses and general and administrative expenses. Refer to the above discussions regarding the changes in these components.

Exploration and evaluation expenditures	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Exploration and evaluation expenditures	\$ -	\$ -	\$ 93,750	\$ -

Exploration and evaluation expenditures for the three month period ended September 30, 2012 was \$Nil.

For the nine month period ended September 30, 2012, Exploration and evaluation expenditure was \$93,750. This expenditure related to 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.

No exploration and evaluation expenditures were incurred in the three and nine month period ended September 30, 2011.

Capital expenditures	Three months ended September 30		Nine months ended September 30	
	2012	2011	2012	2011
Asset additions	\$ 21,202	\$ 50,327	\$ 115,512	\$ 163,093
Acquisition of Deep Creek	-	-	-	2,115,065
Alberta acquisition	-	-	-	2,749,967
Revisions to asset retirement costs	(4,983)	136,882	(22,061)	136,882
Capital expenditures	16,219	187,209	93,451	5,165,007

Asset additions during the nine months ended September 30, 2012 relate to operational activity on some of the Company's oil producing properties. This included asset additions for the three month period ended September 30, 2012 of \$21,202 and asset additions during the six months ended June 30, 2012 of \$94,310.

Revisions to asset retirement costs during the nine month period ended September 30, 2012 was \$(22,061). This includes revision to asset retirement costs in the three month period ended September 30, 2012 of \$(4,983) and during the six months ended June 30, 2012 of \$(17,078). These relate to the adjustment of the discount rate.

The acquisition of Deep Creek, the Alberta acquisition and other asset acquisitions are described in the section Acquisitions and Dispositions above.

OUTSTANDING SHARE DATA

Share Capital	Common Shares #	Warrants #	Options #
Balance December 31, 2011	29,753,707	14,168,456	4,336,885
Agent's Options: exercised at \$0.20	-	-	(50,000)
Common Shares: issued for options	50,000	-	-
Balance March 31, 2012	29,803,707	14,168,456	4,286,885
Agent's Options: exercised at \$0.20	-	-	(348,000)
Agent's Options: exercised at \$0.30	-	-	(108,000)
Common Shares: issued for options	456,000	-	-
Balance June 30, 2012 and September 30, 2012	30,259,707	14,168,456	3,830,885

The Company has 30,259,707 outstanding common shares at November 24, 2012. The common shares trade on the TSXV under the symbol "VIK".

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2012, the Company has cash and short term investments (with maturities of under 90 days), of \$481,540, and a net working capital position of \$(40,723). At September 30, 2012 the Company has not established a bank line of credit.

FINANCIAL INSTRUMENTS

At September 30, 2012, 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.

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.

COMMITMENTS

The Company has entered into a non-cancellable operating lease for a compressor which expires in November 2012. The Company is committed to make monthly lease payments until November 2012. The total commitment is \$6,700.

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 September 30		Nine months ended September 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Key management personnel compensation:				
Administration and consulting fees	50,227	57,000	216,697	133,000
Stock options	-	-	-	208,900
Bonus shares issued	-	-	-	30,000
Others:				
Legal and administrative fees charged by a law firm of which one director of the Company is council.	-	47,062	115,845	134,341
Debenture – repayment of principal to a director of the Company.	-	-	-	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.	7,461	11,921	22,220	17,706

Amount owing to / from related parties	September 30, 2012	December 31, 2011
	\$	\$
Accounts payable and accrued liabilities for administration and consulting fees, legal fees, and debenture interest payable.	27,997	35,233
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	370,000

The unaudited interim condensed consolidated financial statements for the three and nine month period ended September 30, 2012 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 the unaudited interim condensed consolidated financial statements for the three and nine month period ended September 30, 2012, explains the terms of the acquisition of Deep Creek, a related party, by the Company.

CRITICAL ACCOUNTING ESTIMATES

There have been no changes to the Company's critical accounting estimates in the three and nine months ended September 30, 2012. The Company's critical accounting estimates are described in note 2(v) in the audited consolidated financial statements for the year ended December 31, 2011.

CHANGES IN ACCOUNTING POLICIES

There have been no significant changes to the Company's accounting policies for the three and nine months ended September 30, 2012. The Company's significant accounting policies are described in note 2 in the audited consolidated financial statements for the year ended December 31, 2011.

CONTINGENCIES AND COMMITMENTS

A former director of the company has made a claim for payment of amounts alleged to be owed to him (or a company controlled by him) under a consulting agreement. The claimants commenced an action in the Alberta Court of Queen's Bench on September 27, 2012, seeking judgment against the company for the principal amount of \$54,000, plus unspecified amounts for interest, taxes and costs. The company denies that there is any amount owing to the claimants, and believes that the claimants were overpaid for services provided under the consulting agreement by an amount of \$12,600, improperly invoiced by the claimants. The company has filed a Statement of Defence and Counterclaim in the action, and intends to vigorously defend the claim.

SUBSEQUENT EVENTS

In connection with the proposed transaction with Grisham Assets Corp. as described in note 22 to the audited consolidated financial statements as at December 31, 2011 and for the year ended December 31, 2011 and December 31, 2010, the Company has the following updates:

- On October 3, 2012, the Corporation announced that it is moving forward towards a partnership or joint venture in order to complete the acquisition of Block 1710A&B offshore Namibia and also negotiating an extension for the acquisition as the previous date of completion was set for September 30, 2012.
- On October 3, 2012, the Corporation announced that the \$3 million private placement at a price of \$0.175 per unit has been cancelled by the Corporation.

ADDITIONAL INFORMATION

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.

SUPPLEMENTAL QUARTERLY INFORMATION

	2012			2011				2010
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
FINANCIAL								
<i>(\$ except per share amounts)</i>								
Petroleum and natural gas sales	277,910	353,120	430,052	460,169	377,049	122,295	39,673	-
Cash flow - operating activities	254,914	(743,057)	(319,040)	(296,249)	(93,301)	(389,813)	(3,685)	(15,356)
Funds flow from operations	(329,787)	(665,343)	(319,100)	(82,687)	(125,203)	(336,586)	(152,740)	(88,888)
per share (basic)	(0.01)	(0.02)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
per share (diluted)	(0.01)	(0.02)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Net Income (loss)	(374,769)	(664,162)	(405,015)	(4,384,192)	(279,040)	(473,240)	(356,569)	(88,888)
per share (basic)	(0.01)	(0.02)	(0.01)	(0.15)	(0.01)	(0.02)	(0.02)	(0.01)
per share (diluted)	(0.01)	(0.02)	(0.01)	(0.15)	(0.01)	(0.02)	(0.02)	(0.01)
General and administrative	282,426	599,040	335,644	146,324	196,575	340,017	150,260	93,079
Exploration & evaluation expenditures	-	-	93,750	-	-	-	-	-
Net capital expenditures	21,202	20,397	56,838	1,497,212	147,555	141,247	39,654	-
Acquisition of assets	-	-	-	435,750	-	2,749,967	2,115,065	-
Total Assets	3,558,955	4,049,878	4,672,297	5,976,370	8,812,324	8,969,902	6,154,264	1,215,245
OPERATING								
<i>Production:</i>								
Oil and NGL (bbl/d)	37	47	51	51	40	8	8	-
Natural Gas (mcf/d)	175	238	260	319	242	150	142	-
Total (boe/d)	66	87	94	104	81	33	32	-
<i>Average commodity prices:</i>								
Oil & NGL (\$/bbl)	70.86	73.43	80.93	79.69	79.21	85.40	89.02	-
Natural gas (\$/mcf)	2.15	1.69	2.10	2.86	3.71	3.91	3.94	-
Total (\$/boe)	45.83	44.36	49.55	47.90	50.78	40.25	40.40	-
<i>Netback (\$/boe):</i>								
Petroleum and natural gas sales	45.83	44.36	49.55	47.90	50.78	40.25	40.40	-
Royalties	(3.66)	(6.73)	(9.11)	(7.11)	(10.25)	(7.76)	(7.21)	-
Operating expenses	<u>(47.60)</u>	<u>(44.58)</u>	<u>(35.79)</u>	<u>(33.91)</u>	<u>(29.82)</u>	<u>(30.20)</u>	<u>(37.28)</u>	-
Operating netback	(5.83)	(6.95)	4.65	6.88	10.71	2.29	-	-