

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE 2, 2019.

THIS DEBENTURE IS SUBJECT TO CERTAIN RESALE RESTRICTIONS PURSUANT TO THE PROVISIONS OF THE *SECURITIES ACT* (BRITISH COLUMBIA) AND THE REGULATIONS THEREUNDER.

**PETRO VIKING ENERGY INC.**

**15% UNSECURED CONVERTIBLE DEBENTURE  
(the "Debenture")**

**Debenture Certificate No. 2019-01**

**\$10,000**

**1. Promise to pay**

- (a) Principal terms of the Debentures. Petro Viking Energy Inc. (the "Issuer") acknowledges it is indebted to, and promises to pay to [REDACTED] (the "Holder") the amount of \$10,000 (the "Principal Amount") and any unpaid and accrued interest, on the Maturity Date (hereinafter defined) or on any earlier date on which the Principal Amount may become payable, according to the terms and conditions set forth herein. The Principal Amount bears interest according to Section 3(a).

**2. Reimbursement on Maturity Date**

- (a) Maturity Date. On the Maturity Date, the Issuer shall pay the Principal Amount then outstanding on the Debenture, including any capitalized, accrued and unpaid interest thereon up to and including the day prior to Maturity Date.

**3. Interest**

- (a) Interest and Payment. The Principal Amount bears interest at a rate of 15% per annum (the "Interest"), payable semi-annually in cash on June 30 and December 31 of each year, and commencing on June 30, 2019 (the "First Installment Date"). The first payment of interest shall consist of accrued and unpaid interest from the date of issuance of this Debenture to the First Installment Date. The Interest will be payable in cash or in Common Shares in the capital of the Issuer at a price of \$0.10 per Common Share, at the option of the Holder. In the event the Issuer opts to pay in Common Shares, the Interest calculation shall be based on the VWAP in the Common Shares of the Issuer over the previous sixty (60) trading day period on the Exchange.
- (b) Arrears. Any arrears under this Debenture bear interest at the same rate as the Debenture, compounded annually and payable on demand.

**4. Conversion**

- (a) Optional Conversion. The Debenture will be convertible at the option of the Holder from the date of issuance at any time starting after the closing date and ending on the close of business on the last business day prior to the Maturity Date, for Units equal to the Principal Amount of the Debenture plus any and all unpaid Interest, divided by the Conversion Price.
- (b) Early Conversion. Should the Holder elect to exercise its conversion right prior to the Maturity Date, the Holder shall have the option, in its sole discretion, to concurrently

convert any and all accrued and unpaid Interest up to, but excluding, the date of the Early Conversion, in full or in part, into Units of the Issuer at the Conversion Price.

- (c) Redemption. The Issuer may redeem the Debentures in cash in principal and any and all accrued and unpaid Interest.
- (d) Change of Control. In the event that a Change of Control occurs on a date (the “**Change of Control Date**”) prior to the Maturity Date, the Debenture will be automatically converted to Units (unless previously converted) immediately following the Change of Control at par plus any and all accrued and unpaid interest up to, but excluding, the Change of Control Date.
- (e) Notice by Holder. The Holder’s Optional Conversion is exercisable by the delivery of the Debenture and the Notice of Conversion by the Holder to the Issuer, duly signed and completed by the Holder.
- (f) Agreement. The delivery by the Holder to the Issuer of the Debenture and the Notice of Conversion by the Holder according to Section 4(d) is deemed to constitute an agreement between the Holder and the Issuer under which: (i) the Holder subscribes for the number of Units that he is entitled to receive by the exercise of the conversion right described hereinabove; (ii) the Holder gives a complete and final release and discharge to the Issuer up to the amount of the Debenture then converted; and, (iii) within 10 Business Days of receiving the Debenture and the Notice of Conversion the Issuer shall issue the Units issuable upon conversion of the Debenture as fully paid and non assessable and freely tradable, subject to the applicable resale restrictions contained in any securities legislation.
- (g) Issuance of certificates. Within ten (10) Business Days following the date of the Early Conversion, the Change of Control or the day on which the Notice of Conversion is received by the Issuer, the Issuer shall issue and deliver or have issued and delivered to the Holder or according to the Holder’s instructions, one or many share certificates registered to the Holder’s name and representing the number of Units and underlying Common Shares and Warrants the Holder is entitled to. The conversion of the Debenture into Units is deemed to have been completed on the date the Common Shares are issued.
- (h) Cancellation of Debenture. The Debenture delivered for conversion in Units shall be cancelled by the Issuer and no Debenture may be issued in replacement of such Debenture.
- (i) No fraction. No fraction of Units, Common Shares or Warrants shall be issued upon the conversion of the Debenture in Units. If the conversion of the Debenture by the Holder would result in the issuance of a fraction of a Units, Common Shares or Warrants, this fraction shall be rounded down to the closest whole number of Units, Common Shares or Warrants. The Holder shall not be entitled to any compensation in respect of fractional shares.

## 5. Non-Dilution

- (a) Notwithstanding anything to the contrary herein contained, the Conversion Price at which the Units shall be issued and consequently the number of Units and underlying Common Shares and Warrants that shall be issued upon conversion of the Debentures, in principal and any and all accrued and unpaid interest, as contemplated herein and up to the last business day prior to the Maturity Date, will not be affected in any way whatsoever by any type of corporate reorganization of the share capital of the Issuer, such as, but not limited to, a share consolidation, a reverse stock split or any other similar type of

transaction that would increase the Conversion Price and reduce the number of Units and underlying Common Shares and Warrants that the holder of the Debenture may receive upon conversion.

## 6. Interpretation

- (a) Whenever used in this Debenture, the following words and terms have the meaning set forth below:
- (i) “**Business Day**” means a day on which Canadian chartered banks are open for the transaction of regular business in the City of Montreal, Quebec and the City of Vancouver, Ontario;
  - (ii) “**Change of Control**” means:
    - A. the acceptance by holders of Common Shares, representing in the aggregate more than fifty percent (50%) of the outstanding Common Shares, of any offer, whether by way of a takeover bid or otherwise, for not less than fifty percent (50%) plus one of the outstanding Common Shares;
    - B. the acquisition hereafter, by whatever means, of ownership or control of more than fifty percent (50%), in aggregate, of all issued and outstanding Common Shares by any company and/or individual or companies and/or individuals acting in concert except pursuant to a corporate reorganization or business combination in which the current shareholders of the Issuer control the person that acquires the debtor;
    - C. the passing of a resolution by the board of directors or shareholders of the Issuer to substantially liquidate its assets or wind-up its business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Issuer in circumstances where the business of the Issuer is continued and where the shareholdings remain substantially the same following the re-arrangement as they existed prior to the re-arrangement);
    - D. the sale by the Issuer of all or substantially all of its assets; or
    - E. a change in the board of directors of the Issuer such that immediately following any meeting of shareholders or directors of the Issuer, fifty one percent (51%) or more of the individuals comprising the board of directors are not persons who were directors of the Issuer immediately prior to such meeting;
  - (iii) “**Common Shares**” means common shares in the share capital of the Issuer;
  - (iv) “**Conversion Price**” shall mean a price of \$0.05 per Unit;
  - (v) “**Debenture**” means this Debenture certificate together with all schedules thereto;
  - (vi) “**Early Conversion**” means the conversion of the Debenture by its Holder prior to the Maturity Date;

- (vii) “**Event of Default**” shall have the meaning set forth in Section 8 hereto;
- (viii) “**Holder**” shall have the meaning set forth in Section 1(a) hereto;
- (ix) “**Issuer**” shall have the meaning set forth in Section 1(a) hereto;
- (x) “**Maturity Date**” means the date that is two (2) years from the date of issuance;
- (xi) “**Notice of Conversion by the Holder**” means the notice transmitted by the Holder to the Issuer, in accordance with Section 4(a) hereto, in the form set forth in Exhibit A hereto;
- (xii) “**Person**” means and includes individuals, corporation, limited partnerships, general partnerships, joint stock companies, limited liability companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, business trusts or other organizations, whether or not legal entities and governments, governmental agencies and political subdivisions thereof;
- (xiii) “**Principal Amount**” shall have the meaning set forth in Section 1(a) hereto;
- (xiv) “**Units**” means one Common Share and one Warrant to be issued to the Holder following conversion of the Debentures; and
- (xv) “**Warrants**” means a common share purchase warrant issued in the share capital of the Issuer to acquire one Common Share in the share capital of the Issuer at a price of \$0.10 per Common Share for a period of 60 months from the date of issuance.

## 7. Unsecured Debentures

- (a) Rank. The Debenture is a direct unsecured obligation of the Issuer and shall rank *pari passu* with all other 15% unsecured Debentures issued on the date hereof and behind the obligations of other creditors who have registered their interests pursuant to the relevant personal property security acts in the jurisdictions where the Issuer holds assets. This Debenture will participate *pro rata* (based on invested capital) with other unsecured obligations of the Issuer in any liquidation or distribution of assets, shares or other property as a result of any liquidation.

## 8. Covenants of the Issuer

- (a) The Issuer undertakes in favour of the Holder, for as long as the Principal Amount, the Interest, and the others sums owed pursuant to the Debenture have not been completely paid:
  - (i) to reimburse the full Principal Amount of the Debenture plus any accrued but unpaid Interest at the Maturity date at the place, in money and in the manner mentioned in Section 1;
  - (ii) to pay any other sum owed and due pursuant to the Debenture; and
  - (iii) to maintain its existence and that of its subsidiaries, the case being, at all times, and to exercise its activities and those of its subsidiaries, the case being, in a proper, effective and regular way in accordance to sound business practices.

**9. Defaults under the Debenture and enforcement**

- (a) The Issuer shall be in default if any of the following events occurs (each of these events being referred to as an “**Event of Default**”), namely:
  - (i) the Issuer fails to reimburse the Principal Amount on the Maturity Date;
  - (ii) the Issuer fails to make the payment of any amount owed to the Holder under the terms set forth herein, including the payment of Interest, and this default continues for a period of fifteen (15) Business Days after the Issuer has received a notice to this effect;
  - (iii) a breach of any covenant or agreement of the Issuer under the Debenture, and such breach continues unremedied for a period of thirty (30) business days following notice to the Issuer of such breach.
- (b) If an Event of Default occurs, the Holder may, by written notice to the Issuer, require the payment of the Principal Amount and any accrued but unpaid Interest and require the payment, by the Issuer, of any reasonable fees incurred by the Holder to protect his debt and to obtain payment thereof.
- (c) After the payment or the conversion is made, if any, the Issuer shall be released from its obligations under this Debenture. If the Issuer reimburses the Principal Amount, such payment shall be first affected to the payment of any amount due under this Debenture, as interests or otherwise, and then to the payment of the Principal Amount. The Holder may require the conversion of the Principal Amount, by transmitting a notice having the form of the Notice of Conversion.
- (d) After the payment is made, if any, the Issuer shall be released from its obligations under this Debenture. Any payment by the Issuer shall be first applied to the payment of any accrued but unpaid Interest, and then to the payment of the Principal Amount.
- (e) If an Event of Default occurs, the Holder may, at his option, assert his rights by any action, lawsuit, legal recourse or procedure authorized or permitted under the law and may file his evidences or any required or desirable documents to have the Holder’s request considered in any winding up or other procedures related to the Issuer.
- (f) The remedies provided herein are cumulative. The exercise of any right or remedy does not prevent the exercise of any other right or remedy and is not exclusive of any remedies provided by law. The single or partial exercise of any right, power or privilege under this Debenture shall not preclude any other or further exercise thereof.
- (g) The failure of a party to enforce any provision of this Debenture shall not constitute a waiver of such provision or the right of such Party to enforce such provision and every other provision.

**10. Replacement**

Upon receipt of evidence satisfactory to the Issuer of the loss, theft, destruction or mutilation of the certificate representing the Debenture, the Issuer will issue to the Holder a replacement certificate containing the same terms and conditions as such certificate.

11. **General provisions**

- (a) **Successors and Assigns.** The rights under this Debenture shall enure to the benefit of and shall be binding upon the Holder and the Issuer and their respective, legal representatives, successors and assigns.
- (b) **Legal Tender.** Except if otherwise indicated, all the amounts mentioned herein are in legal tender of Canada.
- (c) **Governing Laws.** This Debenture shall be governed, interpreted and construed by and in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- (d) **No Waiver.** Nothing in this Debenture shall be construed as limiting the rights granted to the Holder under the articles of incorporation of the Issuer or otherwise.
- (e) **Language.** The parties confirm that they have agreed that this Debenture and all documents relating hereto be drafted in English. *Les parties aux présentes confirment qu'elles ont accepté que le présent certificat de même que tous les documents s'y rattachant soient rédigés en anglais.*
- (f) **Debenture Holder not a Shareholder.** This Debenture grants the Holder no rights as a shareholder of the Issuer, including voting on dividend rights.
- (g) **Notice.** Any notice hereunder shall be given in good faith, in writing, by process server, courier, registered mail or by any other communication means which gives a proof of its receiving by its recipient, to the Holder at the address set forth on the first page and to the Issuer at the following address:

**Petro Viking Energy Inc.**  
1015 - 789 W. Pender Street  
Vancouver, BC  
V6C 1H2  
Attention: Robert Rosner, President & CEO  
Email: [robert@panocean.ca](mailto:robert@panocean.ca)

with copy to:

**Dunton Rainville LLP**  
800 Square Victoria, 43<sup>rd</sup> Floor  
Montreal, Quebec, H4Z 1A1

Attention: Michel Lebeuf / Vincent Garibaldi  
Email: [mlebeuf@duntonrainville.com](mailto:mlebeuf@duntonrainville.com)  
[vgaribaldi@duntonrainville.com](mailto:vgaribaldi@duntonrainville.com)

or to any other address that any of the parties listed above may indicate in writing to the other party. These notices shall also be given by hand against receipt. Any notice shall be deemed to be received the day of its delivery, if such delivery has been made before 3:00 p.m. (recipient's local time), otherwise, the notice shall be deemed to be received the next Business Day after its delivery, except if such notice has been sent by registered mail, in such case, it shall be deemed to be received the tenth (10<sup>th</sup>) Business Day after its mailing.

**IN WITNESS WHEREOF**, the Issuer has caused this Debenture to be signed by its officer duly authorized in that behalf as of February 1, 2019.

**PETRO VIKING ENERGY INC.**

Per:   
\_\_\_\_\_  
Name: Robert Rosner  
Title: President & CEO

**EXHIBIT "A"**  
**CONVERSION NOTICE**

**TO:**

**PETRO VIKING ENERGY INC.**  
Macleod Place II  
Suite 500, 5940 Macleod Trail SW  
Calgary, AB  
T2H 2G4

Attention: Chief Financial Officer  
Email: [Robert@panocean.ca](mailto:Robert@panocean.ca)

Pursuant to the 15% Secured Convertible Debenture of Petro Viking Energy Inc. ("**the Corporation**") issued on \_\_\_\_\_, 2019 to the undersigned (the "**Debenture**"), the undersigned hereby notifies the Corporation that \$\_\_\_\_\_ of the Principal Amount outstanding under the Debenture, together with all of the accrued and unpaid interest due and payable as at the date hereof on such Principal Amount, is to be converted into units of the Corporation (each a "**Unit**") issued at a price of \$0.05 per Unit, each Unit being comprised of one common share (each a "**Common Share**") and one common share purchase warrant (each a "**Warrant**") exercisable at a price of \$0.05 per Warrant for a period of 60 months.

The certificates representing the Common Shares and the Warrants comprising the Units are to be issued in the name of and delivered as set forth below.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
**Name of Holder:** \_\_\_\_\_  
**Signature of Holder:** \_\_\_\_\_

Name as it should appear on certificates for Registration Purposes:

\_\_\_\_\_  
Address for Registration Purposes:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_