

ALBERTA SECURITIES COMMISSION

PARTIAL REVOCATION ORDER
Under the securities legislation of Alberta (the Legislation)

Citation: Re Petro Viking Energy Inc., 2018 ABASC 173

Date: 20181106

Petro Viking Energy Inc.

Background

1. Petro Viking Energy Inc. (the **Filer**) has made an application under section 214 of the *Securities Act* (Alberta) (the **Act**) to the Executive Director of the Alberta Securities Commission (**ASC**) for an order to vary a cease trade order dated 6 May 2015 *Re Petro Viking Energy Inc.*, 2015 ABASC 691 (the **Alberta CTO**).

Representations

2. This decision is based on the following facts represented by the Filer:
 - (a) The Filer was incorporated under the laws of Alberta on 13 January 2010.
 - (b) The Filer's head office is located in Alberta.
 - (c) The Filer is a reporting issuer in the provinces of Alberta, British Columbia, and Saskatchewan. The Filer is not a reporting issuer in any other jurisdiction.
 - (d) The authorized share capital of the Filer is comprised of an unlimited number of common shares without par value (**Common Shares**) and, as of the date hereof, there was a total of 30,259,707 issued and outstanding common shares in the capital of the Filer.
 - (e) The Common Shares were listed on the TSX Venture Exchange on 11 June 2010.
 - (f) On 6 May 2015, the ASC issued the Alberta CTO in response to the Filer's failure to file its annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended 31 December 2014 (the **CD Materials**).
 - (g) The Filer is also subject to a cease trade order (**BC CTO**) of the British Columbia Securities Commission issued 8 May 2015 in response to the Filer's failure to file the CD Materials (together with the Alberta CTO, the **CTOs**).
 - (h) Other than what is described in this order, the Filer has not been subject to any other cease trade orders.
 - (i) The Filer seeks to vary the CTOs to permit the Filer to complete a private placement (the **Private Placement**) of an amount of up to a maximum of \$200,000 by way of the issuance of unsecured convertible debentures of the Filer (the **Debentures**) to one or more subscribers, such Debentures being convertible (the **Debt Conversion**).

at the sole option of the holder into Common Shares at a conversion price of \$0.05 per Common Share, solely in order to cover all costs and fees (which includes audit fees, professional fees, late filing fees and any other applicable fees) that are related to the fulfillment by the Filer of all of its disclosure obligations and in order to file all the financial statements and related certifications for all previously ended exercises and interim periods since the date of the Alberta CTO.

- (j) As the Private Placement and the Debt Conversion will involve trades in securities of the Filer (including, for greater certainty, acts in furtherance of trades in securities of the Filer), neither the Private Placement nor the Debt Conversion can be completed without a variation of the CTOs.
- (k) For each distribution made in respect of the Private Placement and the Debt Conversion, if any, the Filer will comply with the accredited investor exemption contained in section 2.3 of National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**).
- (l) The Private Placement is intended to take place in Alberta and British Columbia.
- (m) The Filer reasonably expects the proceeds from the Private Placement will be used in a manner consistent with the table below:

Legal Fees	\$30,000
Audit Fees	\$75,000
Late Filing and Participation Fees	\$30,000
Accounting Fees	\$20,000
Registrar and Transfer Agent Fees	\$20,000
Total	\$175,000

- (n) The Filer has concurrently applied for a partial revocation of the BC CTO to permit the Private Placement to take place in British Columbia.
- (o) Upon the issuance of this order, the Filer will issue a news release and file a material change report announcing, among other things, the Private Placement and this order.
- (p) The Filer reasonably expects that the proceeds raised from the Private Placement will be sufficient to bring its continuous disclosure up to date and to apply for a full revocation of the CTOs and pay all outstanding related fees.
- (q) Within a reasonable time following the completion of the Private Placement, the

Filer intends to apply for a total revocation of the CTOs.

- (r) The Filer hereby undertakes to provide the signed and dated written acknowledgments referred to in paragraph 3(c) below to the Executive Director on request.

Decision

- 3. The undersigned, considering that it would not be prejudicial to the public interest to do so, orders under subsection 214(1.1) of the Act that the Alberta CTO is varied to permit the Private Placement, provided that prior to completion of the Private Placement, each subscriber will receive:
 - (a) a copy of the Alberta CTO;
 - (b) a copy of this partial revocation order; and
 - (c) written notice from and acknowledge to the Filer that all of the Filer's securities, including the securities issued in connection with the Private Placement and the securities issued in connection with the Debt Conversion, will remain subject to the CTOs until such orders are revoked and that the issuance of a partial revocation order does not guarantee the issuance of a full revocation in the future.

6 November 2018

"original signed by"

Timothy Robson
Manager, Legal
Corporate Finance
Alberta Securities Commission