



NEWS RELEASE

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VICTORY ENERGY ANNOUNCES ACQUISITION OF PRODUCING WELLS AND EXPANSION ACREAGE IN WOLFBERRY RESOURCE TREND

NEWPORT BEACH, CA – December 12, 2011 – Victory Energy Corporation (OTCQB: [VYFY](#)), through its partnership with Aurora Energy Partners, today announced that it has acquired a 1.5% working interest (1.125% net revenue interest) in a 3,186 acre position in the Wolfberry resource trend located in Howard County, Texas for total up-front consideration of \$90,298. The acquisition includes three wells of which two are on production. A third well has been drilled, fracture stimulated and is in final completion stages. The company has named this project “ClearWater”.

Kenny Hill, Victory Energy’s COO, stated, “The ClearWater project represents our first investment in a resource play, and it fits in nicely with our strategy of geologic diversification while also offering the company a multi-well drilling plan. These 10,000-11,000 foot Wolfberry wells are renowned for their consistent oil and gas production and their more than twenty five year life spans. The operator is a well known Permian Basin company with extensive experience.”

The three wells drilled to date are the Sage No. 1, the Hamlin 26 No. 1 and the Hamlin 26 No. 2. The Sage No. 1 and The Hamlin 26 No. 2 have been completed and are producing approximately 150 BO and 800 MCF per day combined (gross). The Hamlin 26 No. 1 has been drilled, fracture stimulated and is in final completion stages. A salt water disposal well has also been drilled on the acreage.

The operator, Clear Water, Inc., expects to drill seven additional wells and anticipates approximately one completion per quarter, depending on frac crew availability. Drilling and completion costs to the Company’s 1.5% WI were between \$23,000 and \$28,000 for the first three wells, which management believes is a good estimate for the cost of future wells. Total estimated reserves per well (gross) are approximately 150,000 BO and 0.5 BCF of natural gas.

Please note that Victory Energy intends to use its website, www.vyey.com, as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Such disclosures will be included on the Victory Energy website in the "Investor Relations" section. Accordingly, investors should monitor such portions of the Victory Energy website in addition to following press releases, SEC filings and public conference calls and webcasts.

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About Victory Energy Corporation

Victory Energy Corporation is engaged in the exploration, acquisition, development, and exploitation of oil and gas properties. The company endeavors to utilize its broad range of oil and gas industry relationships to acquire small interests in a large volume of low- to moderate-risk oil and gas prospects. A cornerstone of this strategy is an emphasis on developing and maintaining relationships with proven, well established oil and gas exploration and development companies.

Prospect acquisitions are ideally weighted toward oil, although natural gas projects with high btu content, favorable above-market pricing and modest decline rates will also be targeted. Targeted prospects generally provide the company with a rapid return of capital while offering multiple well locations for additional drilling on an established trend. The model asset portfolio is geologically and geographically diversified. The company's current producing oil and gas assets are located in the United States.

Victory Energy is current with its SEC filings and is a full reporting company. The Company is traded under the ticker symbol [VYCY](http://www.vyey.com) on the OTCQB tier, operated by OTC Markets Group.

Victory Energy intends to provide periodic updates to the investment community as progress is made across its asset base. These updates may occur via the company web site or via the company "E-News" service. For more information about the company or to subscribe to our email news distribution service, please visit our website <http://www.vyey.com>.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

There are forward-looking statements contained in this news release. They use such words as "intend," "will," "may," "expect," "believe," "plan," or other similar terminology. These statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results to be materially different than those expressed or implied in such statements. These factors include, but are not limited to: risks associated with the implementation of the Company's strategic growth plan; legislation and government regulation including the ability to obtain satisfactory regulatory approvals; conditions beyond the Company's control such as weather, natural disasters, disease outbreaks, epidemics or pandemics impacting the Company's customer base or acts of war or terrorism; availability and cost of materials and labor; demand for natural gas; cost and availability of capital; competition; the Company's overall marketing, operational and financial performance; economic and political conditions; the continued service of the Company's executive officer; adverse developments in and

increased or unforeseen legal costs related to the Company's litigation; the success of the Company's strategic partnerships and joint venture relationships; the Company's ability to pay certain debts; adoption of new, or changes in, accounting policies and practices; adverse court rulings; results of other litigation in which the company is involved; and other factors discussed from time to time in the Company's news releases, public statements and/or filings with the Securities and Exchange Commission. Forward-looking information is provided by Victory Energy Corporation pursuant to the safe harbor established under the Private Securities Litigation Reform Act of 1995 and should be evaluated in the context of these factors. In addition, the Company disclaims any intent or obligation to update these forward-looking statements.