



NEWS RELEASE

FOR IMMEDIATE RELEASE

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VICTORY ENERGY UPDATES PROGRESS AT ITS ALWAN WEST GAS PROSPECT

NEWPORT BEACH, CA – August 11, 2011 – Victory Energy Corporation (OTCQB: [VYXY](#)), through its partnership with Aurora Energy Partners, is pleased to announce that its Alwan West (#1 Goff Mineral Trust) prospect well was spud on August 2, 2011 and is currently drilling ahead at 5,097 feet.

Prior to reaching the proposed target depth of 7,100 feet, all three target sands (first Yegua, Frio and second Yegua) will be tested. All three sands are anticipated to be reached and tested in the coming days. These sands do not require a fracing procedure to be productive. Anticipated completion after a successful testing generally occurs in less than two weeks.

The lease area is surrounded on all sides by gas condensate production and a delivery pipeline is within 1,000 feet of the well.

Alwan West lies on strike between two Yegua fields, Lost Fork (one mile west) and AVO Grande (3,000 feet east). Lost Fork has produced over 42 BCF, while AVO Grande has produced 7 BCF of natural gas. Both of these fields are stratigraphic traps, as is the Alwan West prospect. This area produces from the Frio and Yegua (Oligocene) formations.

This prospect's potential reservoir covers an area of 175 acres and has a reserve potential of 8.5 billion cubic feet (BCF) of natural gas and 43.75 thousand barrels of gas condensate.

The reserve potential is based on 50 feet of reservoir sand, one million cubic feet per acre-foot of natural gas and five barrels per million cubic feet of gas condensate. These reserve estimates are for the first Yegua sand only, which is the primary objective, and do not include potential in the secondary objectives.

The Alwan West prospect is located in far western Wharton County, Texas, near the Jackson County line. Victory Energy acquired the prospect, which includes a 5 percent working interest (WI) and a 3.8 percent net revenue interest (NRI), from Miramar Petroleum, Inc. of Corpus Christi, Texas, who will be the operator and who also owns a significant working interest in the well.

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 [VYFY](#) on the OTCQB tier, operated by OTC Markets Group.

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.

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