

EXPLANATORY NOTE

This quarterly Report on Form 10-QSB/A amends our previously filed Quarterly Report on Form 10-QSB for the fiscal quarter ended June 30, 2006. This amendment is being filed to correct the third paragraph of page 1 regarding the number of shares of common stock outstanding as of the latest practicable date, August 11, 2006: 97,210,259 shares.

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Item 1. Financial Statements

VICTORY ENERGY CORPORATION AND SUBSIDIARIES
(A Development Stage Company)
Consolidated Balance Sheets

ASSETS

	June 30, 2006 (Unaudited)	December 31, 2005
CURRENT ASSETS		
Cash and Cash Equivalents	\$	\$ 4,074
Note Receivable	210,984	88,300
Total Curent Assets	210,984	92,374
FIXED ASSETS, NET	497	1,096
OTHER ASSETS		
Investment in Joint Venture	50,000	-
TOTAL ASSETS	\$ 261,481	\$ 93,470
LIABILITIES & STOCKHOLDERS' DEFICIT		
CURRENT LIABILITES		
Bank Overdraft	\$ 2,082	\$ -
Accounts Payable	-	330,970
Accrued Liabilities	16,006	11,416
Accrued Payroll	690,970	240,000
Prepaid Subscriptions	203,500	
Total Curent Liabilities	912,558	582,386
LONG TERM LIABILITIES		
Notes Payable	149,458	146,431
OTHER LIABILITIES		
Loan from Officer	200,031	83,367
Account Payable - Related Party	169,679	172,179
Accrued Liabilities - Related	121,000	121,000
Total Other Liabilities	490,710	376,546
Total Liabilities	1,552,726	1,105,363
Commitments and contingencies (Note 6)		
STOCKHOLDERS' DEFICIT		

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Common Stock, \$0.001 par value, 200,000,000 shares authorized, 67,543,592 issued and outstanding	67,544	41,960
Additional paid-in capital	3,544,020	2,692,104
Deficit accumulated in the development stage	(4,902,809)	(3,745,957)
Total Stockholders' Deficit	(1,291,245)	(1,011,893)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 261,481	\$ 93,470

The accompanying notes are an integral part of these consolidated
financial statements

VICTORY ENERGY
CORPORATION AND
SUBSIDIARIES
(A Development Stage
Company)
Consolidated Statement of
Operations
(Unaudited)

	For the		For the		For the
	Three Months Ended		Six Months Ended		period
	June 30,		June 30,		of
	2006	2005	2006	2005	Inception,
		(Restated)			from
					January 2,
					1982
					through
					June 30,
					2006
Revenues	\$ -	\$ -	\$ -	\$ 32,207	\$ 20,207
Costs and Expenses					
Consulting Expense	142,575		742,815	310,136	3,482,407
Land Leases	(960)		24,040	-	24,040
Wages and Salaries			22,500	-	270,500
General & Administrative	239,360	26,421	367,497	71,249	1,048,902
Total Expenses	380,975	26,421	1,156,852	381,385	4,825,849
Operating Loss	(380,975)	(26,421)	(1,156,852)	(349,178)	(2,805,642)
Other Income and (expenses)					
Loss on abandonment of subsidiary					(50,900)
Loss from reduction in debt					(48,363)
Interest Expense		(177)		(625)	0
Other Income					2,096
Total Other Income and (expenses)	0	(177)	0		(97,167)
Net Loss	\$ (380,975)	\$ (26,598)	\$ (1,156,852)	\$ (349,803)	\$ (4,902,809)

Basic and Dilutive net loss per share	\$	(\$0.006)	\$	(\$0.001)	\$	(\$0.021)	\$	(\$0.016)
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Weighted average number of shares outstanding	63,389,746	22,100,258	54,191,382	22,100,258
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The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of
 Stockholders' Equity (Deficit)
 (A Development Stage Company)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit During Development Stage	Total
	Shares	Amount			
Balances at January 7, 1982	-	\$ -	\$ -	-	