

PEDEVCO CORP  
 Form 424B5  
 May 13, 2015

**The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement related to these securities has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, dated May 12, 2015**

**Preliminary Prospectus supplement  
 To prospectus dated November 5, 2013**

**Filed Pursuant to Rule 424b(5)  
 Registration File No. 333-191869**

\$ \_\_\_\_\_

**Shares of Common Stock**

**PEDEVCO Corp.**

Pursuant to this prospectus supplement and the accompanying prospectus, PEDEVCO Corp. (the “Company”, “PEDEVCO”, “we”, “us” and “our”) is offering \_\_\_\_\_ shares of our common stock (the “Shares”). We currently estimate the size of our offering at [\$\_\_\_\_] million, with an estimated additional [\$\_\_\_\_] million subject to the underwriter’s over-allotment option described below.

Our common stock is listed on the NYSE MKT under the symbol “PED.” On May 12, 2015, the last reported sales price of our common stock was \$0.71.

**Investing in our securities involves a high degree of risk. Before deciding whether to invest in our securities, you should consider carefully the risks that we have described under the caption “Risk Factors” beginning on page S-24 of this prospectus supplement and under the caption “Risk Factors” in our most recently filed Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, which is incorporated herein by reference in its entirety.**

	<b>Per Share</b>	<b>Total</b>
<b>Public offering price per Share</b>	\$	\$
<b>Underwriting discount (1)</b>	\$	\$
<b>Proceeds to us (before expenses) (2)</b>	\$	\$

(1) Excludes underwriter’s out-of-pocket expenses we have agreed to reimburse, and an advisory fee equal to 2% of the public offering price per share due and payable to Casimir Capital L.P., the Company’s financial advisor. See the section captioned “Underwriting” in this prospectus supplement for additional information.

- (2) We anticipate the total expenses associated with this offering will be approximately [\$\_\_\_\_\_], including [\$\_\_\_\_\_] payable as an advisory fee to Casimir Capital, L.P. as described in footnote (1) above.

The underwriter may also purchase up to an additional \_\_\_\_\_ shares from us, at the public offering price less the underwriting discount, within 45 days from the date of this prospectus supplement to cover over-allotments, if any. If the underwriter exercises the option in full, the total underwriting discount payable by us will be \$ \_\_\_\_\_ and total proceeds to us before expenses will be \$ \_\_\_\_\_.

The underwriter expects to deliver the shares, in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about May \_\_\_\_\_, 2015.

The net proceeds from sales under this prospectus supplement will be used as described under “Use of Proceeds.”

The aggregate market value of our outstanding common stock held by non-affiliates is approximately \$24,213,532, based on 37,837,442 shares of outstanding common stock and approximately 8,308,744 shares held by affiliates, at a price of \$0.82 per share, which was the last reported sales price of our common stock as quoted on the NYSE MKT on March 31, 2015. Pursuant to General Instruction I.B.6 of Form S-3, in no event during the period of twelve calendar months immediately prior to, and including, the sales under this prospectus supplement, will we sell our common stock in a public primary offering with a value exceeding more than one-third of the aggregate market value of the common stock held by non-affiliates so long as our public float remains below \$75 million. Including securities being offered in this prospectus supplement, we have offered and sold an aggregate of \$ \_\_\_\_\_ in securities pursuant to General Instruction I.B.6 of Form S-3 during the twelve calendar months prior to and including the date of this prospectus supplement. For purposes of the calculations set forth in this paragraph, we have used the closing price of the Company’s common stock on March 31, 2015, which price was \$0.82 per share.

You should carefully read and consider the information under “Forward-Looking Statements” and “Risk Factors” beginning on page S-24 of this prospectus supplement and on page 11 of the accompanying prospectus.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

**National Securities Corporation**

The date of this prospectus supplement is May \_\_\_\_\_, 2015

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
About This Prospectus Supplement and the Accompanying Prospectus	S-1
Prospectus Supplement Summary	S-3
The Offering	S-18
Summary Condensed Consolidated Financial Statements	S-20
Forward-Looking Statements	S-21
Risk Factors	S-24
Use of Proceeds	S-65
Capitalization	S-66
Price Range of Common Stock	S-67
Dividend Policy	S-68
Description of Securities We Are Offering	S-69
Determination of Offering Price	S-70
Dilution	S-71
Underwriting	S-72
Legal Matters	S-74
Experts	S-74
Where You Can Find More Information	S-75
Incorporation of Certain Documents by Reference	S-76

**Prospectus**

	<b>Page</b>
About This Prospectus	1
Prospectus Summary	2
Securities Registered Hereby That We May Offer	9
Risk Factors	11
Forward-Looking Statements	17
Use of Proceeds	18
Description of Capital Stock	18
Description of Preferred Stock	22
Description of Warrants	23
Description of Units	26
Plan of Distribution	27
Legal Matters	30
Experts	30
Where You Can Find More Information	31
Incorporation of Certain Documents by Reference	32

## **ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This prospectus supplement and the accompanying prospectus, dated November 5, 2013, are part of a registration statement on Form S-3 (File No. 333-191869) that we filed with the Securities and Exchange Commission (the “SEC”), utilizing a “shelf” registration process on October 23, 2013 and that was declared effective on November 5, 2013. Under this process, we may sell from time to time in one or more offerings up to an aggregate of \$100,000,000 in our securities described in the accompanying prospectus.

You should rely only on the information contained or incorporated by reference into this prospectus supplement, the accompanying prospectus and any free writing prospectus. We have not, and the underwriter has not, authorized anyone to provide you with different information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any state or jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference, even though this prospectus supplement, the accompanying prospectus and any free writing prospectus is delivered or securities are sold on a later date. We have filed with the SEC a registration statement on Form S-3 with respect to the securities offered hereby. This prospectus supplement and the accompanying prospectus do not contain all of the information set forth in the registration statement, parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the securities offered hereby, reference is made to the registration statement and the exhibits that are a part of the registration statement. We will disclose any material changes in our affairs in a post-effective amendment to the registration statement and the accompanying prospectus of which this prospectus supplement is a part, a future prospectus supplement, a free writing prospectus or a future filing with the Securities and Exchange Commission incorporated by reference in this prospectus supplement. It is important for you to read and consider all the information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference therein, in making your investment decision.

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of Shares. This prospectus supplement adds, updates and changes information contained in the accompanying prospectus and the information incorporated by reference. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement shall control.

We further note that the representations, warranties and covenants made by us or the underwriter in any agreement that is filed as an exhibit to any document that is incorporated by reference in the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

Persons outside the United States who come into possession of this prospectus supplement or the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus supplement and accompanying prospectus outside of the United States.

Our logo and other trade names, trademarks, and service marks of PEDEVCO Corp. appearing in this prospectus supplement and the accompanying prospectus are the property of our company. Other trade names, trademarks, and service marks appearing in this prospectus supplement and the accompanying prospectus are the property of their respective holders.

The market data and certain other statistical information used throughout this prospectus supplement and the accompanying prospectus are based on independent industry publications, government publications and other published independent sources. Although we believe that these third-party sources are reliable and that the information is accurate and complete, we have not independently verified the information. Some data is also based on our good faith estimates. While we believe the market data included in this prospectus supplement, the accompanying prospectus and the information incorporated herein and therein by reference is generally reliable and is based on reasonable assumptions, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the heading “Risk Factors” beginning on page S-24 of this prospectus supplement and on page 11 of the accompanying prospectus.

Unless otherwise stated, information in this prospectus supplement assumes the underwriter will not exercise its over-allotment option to purchase additional shares of our common stock.

All references to “we”, “our”, “us”, the “Company”, and “PEDEVCO” in this prospectus supplement mean PEDEVCO Corp. and all entities owned or controlled by us except where it is made clear that the term means only the parent company. The term “you” refers to a prospective investor. Please carefully read this prospectus supplement, the prospectus, any free writing prospectus and any pricing supplement, in addition to the information contained in the documents we refer to under the headings “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference”.

## PROSPECTUS SUPPLEMENT SUMMARY

The following summary highlights material information found in more detail elsewhere in, or incorporated by reference in, this prospectus supplement. It does not contain all of the information you should consider. As such, before you decide to buy our common stock, in addition to the following summary, we urge you to carefully read this entire prospectus supplement and documents incorporated by reference herein, and any other prospectus supplements or free writing prospectuses, especially the risks of investing in our common stock as discussed under “Risk Factors.” The following summary is qualified in its entirety by the detailed information appearing elsewhere in this prospectus supplement.

### Overview

We are an energy company engaged primarily in the acquisition, exploration, development and production of oil and natural gas shale plays in the Denver-Julesberg Basin (“D-J Basin”) in Colorado, which contains hydrocarbon bearing deposits in several formations, including the Niobrara, Codell, Greenhorn, Shannon, J-Sand, and D-Sand. As of December 31, 2014, we held approximately 14,985 net D-J Basin acres located in Weld and Morgan Counties, Colorado, comprised of approximately 14,013 net acres in the Wattenberg and Wattenberg Extension areas of the D-J Basin that we acquired in March 2014 from Continental Resources, Inc. (“Continental” and the “Continental Acquisition”) and previously referred to as our “Wattenberg Asset,” and approximately 972 net acres in the Wattenberg Extension area of the D-J Basin we previously referred to as our “Niobrara Asset,” which we now collectively refer to as our “D-J Basin Asset.” Our wholly-owned subsidiary, Red Hawk Petroleum, LLC (“Red Hawk”), as of December 31, 2014, held interests in 53 gross (7.8 net) wells in our D-J Basin Asset, of which (i) 14 gross (6.3 net) wells are operated by Red Hawk and are currently producing, (ii) 17 gross (1.5 net) wells are non-operated, and (iii) 22 wells have an after-payout interest. As of December 31, 2014, we also operated 5 additional wells in our D-J Basin Asset through Condor Energy Technology, LLC (“Condor”), our partially-owned subsidiary, which we divested in February 2015 (as discussed below).

In February 2015, we continued to expand our D-J Basin position through the acquisition of additional oil and gas working interests from Golden Globe Energy (US), LLC (“GGE” and the “D-J Basin Acquisition”), which included approximately 12,977 additional net acres in the D-J Basin located almost entirely within Weld County, Colorado, including acreage located in the prolific Wattenberg core area, and interests in 53 gross wells with an estimated then-current net daily production of approximately 500 barrels of oil equivalent per day (“BOEPPD”) as of February 7, 2015. The majority of these assets were originally conveyed to GGE’s predecessor-in-interest, RJ Resources Corp., by us in March 2014 in connection with the Continental Acquisition, and are now included in our D-J Basin Asset. See further details regarding this transaction below in “Recent Developments – D-J Basin Asset Acquisition.” Management believes the acquisition of these reserves should enhance the Company’s ability to access more traditional sources of debt financing and secure additional opportunities, including the contemplated transaction with Dome Energy, Inc. discussed in greater detail below.

In February 2015, the Company, Dome Energy AB (“Dome AB”), and Dome Energy, Inc., a wholly-owned subsidiary of Dome AB (“Dome US,” and together with DOME AB, “Dome Energy”), entered into a Heads of Agreement which contemplates the acquisition by the Company of 100% of the capital stock of Dome US in exchange for approximately 140 million shares of our common stock. Dome US produces approximately 1,250 BOEPPD from a core operated portfolio of conventional oil and gas assets located in Texas and Wyoming, and from additional non-core producing assets located in Arkansas, Kentucky, Louisiana, Mississippi, and Oklahoma. See further details regarding this transaction below in “Recent Developments – Heads of Agreement with Dome Energy, Inc.”





The contemplated acquisition of Dome US and the recently completed D-J Basin Acquisition were structured to work hand-in-hand, with the intent of increasing the assets, proven reserves and cash flows of the Company, for the express purpose of securing lower-cost bank financing, whether by increasing Dome US's current bank facility and/or securing new bank credit to pay down the Company's current debt and reduce the future cost of capital for the Company.

Furthermore, in February 2015, the Company sold to MIE Jurassic Energy Corp. ("MIEJ"), its then 80% partner in Condor, the Company's (i) 20% interest in Condor, and (ii) approximately 972 net acres and interests in three wells located in the Company's legacy, non-core Niobrara acreage located in Weld County, Colorado, that were directly held by the Company in Condor-operated wells. The assets sold included working interests in five Condor-operated wells that produced approximately 26 barrels of oil per day net to the Company's interest as of February 2015, as well as approximately 2,300 total net acres to the Company's interest in non-core Niobrara areas. The Company and MIEJ also agreed to aggregate and restructure all liabilities owed by the Company to MIEJ and Condor, reducing our debt outstanding with MIEJ and Condor from approximately \$9.4 million to \$4.925 million, revising and extending the terms of the outstanding debt due to MIEJ, and reducing our senior debt by \$500,000 through MIEJ's direct repayment of principal due to our senior lenders. See greater details regarding this transaction below in "Recent Developments Settlement Agreement with MIEJ."

After giving effect to the D-J Basin Acquisition and the divestiture of our legacy non-core Niobrara assets to MIEJ as discussed above, we produced an average of approximately 850 BOEPD from our D-J Basin Asset during Q1 2015, and as of February 1, 2015, we held approximately 26,990 net acres and interests in 53 gross (15.6 net) wells in our D-J Basin Asset, of which 14 gross (12.5 net) wells are operated by our wholly-owned subsidiary, Red Hawk and are currently producing, 17 gross (3.1 net) wells are non-operated, and 22 wells have an after-payout interest.

We have also entered into agreements to acquire a 5% interest in a Canadian publicly-traded company which is in the process of acquiring a 100% working interest in production and exploration licenses covering an approximate 380,000 acre oil and gas producing asset located in the Pre-Caspian Basin in Kazakhstan, which closing is contingent upon approvals from the Kazakhstan government and satisfaction of other customary closing conditions, which we anticipate occurring on or before July 31, 2015. In connection with our recent D-J Basin Acquisition, we provided GGE a one-year option to acquire our interest in our Kazakhstan opportunity for \$100,000, described in greater detail below in "Recent Developments D-J Basin Asset Acquisition."

We have listed below the total production volumes and total revenue net to the Company for the years ended December 31, 2014 and 2013 attributable to our D-J Basin Asset, including the calculated production volumes and revenue numbers for our D-J Basin Asset held indirectly through Condor that would be net to our interest if reported on a consolidated basis, and which does not include any production realized from our recent D-J Basin Acquisition.

	<b>Year Ended December 31, 2014</b>	<b>Year Ended December 31, 2013</b>
Oil volume (barrels (BBL))	57,753	16,065
Gas volume (Mcf)	94,981	13,560
Volume equivalent (BOE) (1)	73,583	18,325
Revenue (000's)	\$ 5,139	\$ 1,531

(1) 6 thousand cubic feet (Mcf) of natural gas is equivalent to 1 barrel of oil (“BOE”).

## Recent Developments

### *D-J Basin Asset Acquisition*

On February 23, 2015 (the “Closing”), we entered into and closed the transactions contemplated by a Purchase and Sale Agreement (the “Purchase Agreement”) with GGE, pursuant to which the Company, through Red Hawk, acquired from GGE all of its rights, title and interest in approximately 12,977 net acres in the DJ Basin located almost entirely within Weld County, Colorado, including acreage located in the prolific Wattenberg core area, and interests in 53 gross (7.8 net) wells with an estimated current net daily production of approximately 500 barrels of oil equivalent per day as of February 7, 2015 (the “GGE Assets”). All of GGE’s leases and related rights, oil and gas and other wells, equipment, easements, contract rights, and production are included in the purchase, the majority of which assets were originally conveyed to GGE’s predecessor-in-interest, RJ Resources Corp., by us in March 2014 in connection with the Continental Acquisition.

As consideration for the acquisition of the GGE Assets, the Company (i) issued to GGE 3,375,000 restricted shares of common stock and 66,625 restricted shares of the Company’s newly-designated Amended and Restated Series A Convertible Preferred Stock (the “Series A Preferred” (described in greater detail below)), (ii) assumed approximately \$8.35 million of junior subordinated debt from GGE (the “Junior Debt”) pursuant to an Assumption and Consent Agreement and an Amendment to Note and Security Agreement, and (iii) provided GGE with a one-year option to acquire the Company’s interest in its Kazakhstan opportunity for \$100,000 pursuant to a Call Option Agreement (the “Kazakhstan Call Option Agreement”, described in greater detail below).

The Purchase Agreement contains customary representations, warranties, covenants and indemnities by the parties thereto. In addition the Company, by resolution of the Board of Directors, has formally increased the size of the Company’s Board of Directors from three (3) members to five (5) members, and provided GGE the right pursuant to the Purchase Agreement and the certificate of designation designating the Series A Preferred, upon notice to the Company, to appoint designees to fill the two (2) vacant seats, one of which must be an independent director as defined by applicable rules. GGE has not provided notice of their intent to appoint any designees and no designees have been appointed to date. The Board appointment rights continue until GGE no longer holds any of the Tranche One Shares (defined below). The Company has further agreed that, within ninety (90) days of the Closing, extendable by up to an additional forty-five (45) days in the event the Company is a party to a material corporate transaction that requires shareholder approval, the Company shall file all required documentation with the SEC necessary to seek

shareholder approval (the "Shareholder Approval") of the Certificate of Designation (defined below), the issuance of the Company's common stock upon conversion of the Series A Preferred, and other related matters, and to include the Company's Board of Directors' recommendation to the shareholders that they approve these matters.

S-5

Pursuant to the Company's Amended and Restated Certificate of Designations of PEDEVCO Corp. Establishing the Designations, Preferences, Limitations, and Relative Rights of its Series A Convertible Preferred Stock (the "Certificate of Designation"), the 66,625 shares of Series A Convertible Preferred Stock issued to GGE (which represent all of the Series A Convertible Preferred Stock designated pursuant to the terms of the Certificate of Designation) (i) have a liquidation preference senior to all of the Company's common stock equal to \$400 per share (the "Liquidation Preference"), (ii) accrue an annual dividend equal to 10% of their Liquidation Preference, payable annually from the date of issuance (the "Dividend"), (iii) vote together with the common stock on all matters, with each share having one (1) vote, and (iv) are not convertible into common stock of the Company until the Shareholder Approval is received. Upon the Company's receipt of Shareholder Approval, (x) the Series A Convertible Preferred Stock automatically cease accruing Dividends and all accrued and unpaid Dividends are automatically forfeited and forgiven in their entirety, (y) the Liquidation Preference of the Series A Convertible Preferred Stock is reduced to \$0.001 per share from \$400 per share, and (z) each share of Series A Preferred is convertible into common stock on a 1,000:1 basis, subject to a lock-up that prohibits GGE from selling the common stock shares issuable upon conversion through the public markets for less than \$1 per share for a period that is twelve (12) months following the Closing, provided that no conversion is allowed in the event, the holder thereof, would beneficially own more than 9.99% of the Company's outstanding common stock or voting stock.

In the event the Company repays all amounts due and outstanding under the PEDEVCO Senior Loan (defined below) within nine (9) months of the Closing, the Company is entitled, at its option, to redeem (or assign the right to redeem or purchase) the Series A Convertible Preferred Stock as follows: (i) for the first nine (9) months following the Closing, the Company may repurchase and redeem any or all of 15,000 shares of Series A Convertible Preferred Stock (the "Tranche One Shares") at a repurchase price of \$500 per share; (ii) following the first nine (9) months after the Closing until twenty-four (24) months following the Closing, the Company may repurchase and redeem any or all of the outstanding Tranche One Shares or any or all of an additional 15,000 shares of Series A Convertible Preferred Stock (the "Tranche Two Shares") at a repurchase price of \$650 per share; and (iii) following twenty-four (24) months after the Closing until thirty-six (36) months following the Closing, the Company may repurchase and redeem any or all remaining outstanding shares of Series A Convertible Preferred Stock at a repurchase price of \$800 per share (collectively, the "Company Redemption Rights"). In addition, in the event the Company repays the PEDEVCO Senior Loan and redeems all the Tranche One Shares within nine (9) months of the Closing, (i) 25,000 shares of Series A Convertible Preferred Stock (the "Tranche Four Shares") are automatically redeemed and repurchased by the Company for \$0 per share, and (ii) GGE may request (but not require) that the Company redeem and repurchase (x) the Tranche Two Shares (or such portion thereof that is then outstanding) at a redemption price of \$650 per share for a period of thirty (30) days following the twenty-four (24) month anniversary of the Closing, and (y) the Tranche Two Shares (or such portion thereof that is then outstanding) and 11,625 shares of Series A Convertible Preferred Stock (the "Tranche Three Shares") at a redemption price of \$800 per share for a period of thirty (30) days following the thirty-six (36) month anniversary of the Closing ((x) and (y), the "Holder Redemption Requests"). In the event the Company does not redeem and repurchase (or if the Company has assigned such right, another party has redeemed or purchased) all such shares pursuant to the Holder Redemption Requests, the holders thereof have no recourse against the Company, provided that if the Company (or if applicable, the third party) does not repurchase and redeem all such requested shares, and the average closing price of the Company's common stock over the thirty (30) day period immediately preceding the third anniversary of the Closing is below \$0.80 per share, then the Company is required to issue the holders up to an additional 10,000 shares of Series A Convertible Preferred Stock, pro-rated based on the actual number of shares redeemed and repurchased by the Company.

The Assumption and Consent Agreement provided that, as of the effective date of the agreement, the Company assumed all of GGE's rights, obligations and liabilities under that certain Note and Security Agreement, dated April 10, 2014 (the "GGE Note"), as amended by that certain Amendment to Note and Security Agreement, dated as of the effective date (the GGE Note, as amended, the "Amended GGE Note"). The lender under the Amended GGE Note is RJ Credit LLC ("RJC"), and the Amended GGE Note has an aggregate principal balance of \$8,353,000. The Amended

GGE Note is due and payable on December 31, 2017, and bears interest at the per annum rate of twelve percent (12%) (24% upon an event of default), which interest is payable monthly in cash by the Company. The Amended GGE Note is subordinate and subject to the terms and conditions of those certain promissory notes issued by the Company in favor of BRe BCLIC Primary, BRe BCLIC Sub, BRe WINIC 2013 LTC Primary, BRe WNIC 2013 LTC Sub, and RJC, as investors (the "PEDEVCO Senior Loan Investors"), and BAM Administrative Services LLC, as agent for the investors, and any related collateral documents (collectively, the "PEDEVCO Senior Loan"), as well as any future secured indebtedness of the Company from a lender with an aggregate principal amount of at least \$20,000,000 (a "Future PEDEVCO Loan"). Should the Company repay the PEDEVCO Senior Loan and replace such indebtedness with a Future PEDEVCO Loan, then, upon the reasonable request of such senior lender, RJC agreed to further amend the Amended GGE Note to adjust the frequency of interest payments or to eliminate such payments and replace the same with the accrued interest to be paid at maturity.

S-6

The GGE Note contains customary representations, warranties, covenants and requirements for the Company to indemnify RJC and its affiliates, related parties and assigns. The GGE Note also includes various covenants (positive and negative) binding the Company, including requiring that the Company provide RJC with quarterly (unaudited) and annual (audited) financial statements, restricting the Company's ability to create liens and encumbrances and sell or otherwise dispose of the collateral securing the GGE Note. RJC is one of the lenders under the PEDEVCO Senior Loan, and is an affiliate of GGE.

The Kazakhstan Call Option Agreement provides that for a period of one (1) year following the Closing, GGE may acquire from the Company, for a purchase price of \$100,000, either (i) that certain promissory note (the "A6 Promissory Note"), in the principal amount of \$5 million, issued by Asia Sixth Energy Resources Limited ("Asia Sixth") to Pacific Energy Development Corp. ("PEDCO"), a wholly-owned subsidiary of the Company, on August 1, 2014, or (ii) in the event the A6 Promissory Note is exchanged for capital stock in Caspian Energy Inc. (the "CEI Stock") pursuant to that certain Share Purchase Agreement dated as of August 1, 2014, by and among PEDCO, Asia Sixth, and certain other parties thereto, GGE may acquire the CEI Stock from the Company.

#### ***Heads of Agreement with Dome Energy, Inc.***

On February 23, 2015, the Company, Dome AB, and Dome US, entered into a Heads of Agreement (the "Heads of Agreement") pursuant to which the parties agreed to certain terms and conditions for the acquisition by the Company of 100% of the capital stock of Dome US (the "DOME Acquisition"). Under the nonbinding Heads of Agreement, the Company agreed to acquire all of Dome AB's oil and gas interests in the United States that are held by Dome US in exchange for approximately 140 million shares of the Company's common stock (the "Consideration Shares"), representing approximately 64% of the Company's total issued and outstanding shares of capital stock on an as-converted basis (assuming the Series A Preferred is converted into common stock, and excluding the 25,000 Tranche Four Series A Preferred shares issued to GGE as described above), subject to +/-4% adjustment based on further valuation due diligence by the parties.

The obligations of the parties under the Heads of Agreement are conditioned upon satisfaction or waiver by the parties of the following conditions: (i) approval by each party's Board of Directors and shareholders in accordance with applicable law and their respective governing documents; (ii) approval of a mutually agreeable definitive acquisition agreement; (iii) approval from the NYSE MKT of the DOME Acquisition and the issuance and additional listing of the Consideration Shares; (iv) the registration with the SEC of the Consideration Shares; (v) the provision for the repayment or satisfaction of all amounts due and outstanding under the PEDEVCO Senior Loan on or immediately following the closing of the DOME Acquisition; (vi) agreement by RJC to subordinate the Amended GGE Note (as defined above) to DOME US's senior credit facility; (vii) consummation by the Company of the acquisition of the GGE Assets (as described above); (viii) receipt of all material necessary third party consents and approvals, including approval from each party's senior lenders, as necessary and required; (ix) the Company's continued listing on the NYSE MKT; and (x) completion by each party of confirmatory due diligence, to each such party's satisfaction, including, but not limited to, with respect to the other party's oil and gas production, leaseholds, and financial condition.

The parties intend to negotiate and enter into definitive documentation as soon as practicable, with an anticipated signing date to occur before May 24, 2015, and upon terms and conditions as mutually acceptable to the parties. Unless otherwise agreed upon by the parties, if the DOME Acquisition has not closed by September 30, 2015, either party may terminate the proposed transaction. An additional requirement of the DOME Acquisition, is that the number of members of the Board of Directors of the Company be increased, at the closing of the transaction, by two (2) members, who shall be designated by Dome US, one of which shall be independent as defined under applicable NYSE MKT and SEC guidelines. The Company can make no guarantees or assurances that the parties will be able to mutually agree on definitive documentation, or that the DOME Acquisition will be consummated on terms and

conditions acceptable to the Company, if at all.

S-7

***Settlement Agreement with MIEJ***

On February 19, 2015 (the “MIEJ Closing Date”), the Company and PEDCO entered into a Settlement Agreement (the “MIEJ Settlement Agreement”) with MIEJ. MIEJ was PEDCO’s 80% partner in Condor, and is the lender to PEDCO under that certain Amended and Restated Secured Subordinated Promissory Note, dated March 25, 2013, in the principal amount of \$6,170,065, entered into by PEDCO and MIEJ (the “MIEJ-PEDCO Note”). Pursuant to the MIEJ Settlement Agreement, (i) MIEJ and PEDCO agreed to restructure the MIEJ-PEDCO Note through the entry into a new Amended and Restated Secured Subordinated Promissory Note, dated February 19, 2015 (the “New MIEJ Note”), (ii) PEDCO agreed to sell its (x) full 20% interest in Condor (the “Condor Interests”) to MIEJ pursuant to a Membership Interest Purchase Agreement entered into by and between PEDCO and MIEJ (the “Condor Purchase Agreement”), and (y) interests in approximately 972 net acres and interests in three (3) wells located in PEDCO’s legacy non-core Niobrara acreage located in Weld County, Colorado, that were directly held by PEDCO (the “PEDCO Direct Interests”) to Condor pursuant to an Assignment entered into by and between PEDCO and Condor, (the “PEDCO Direct Interests Assignment”), which Condor Interests and PEDCO Direct Interests together produced an estimated current net daily production of approximately 26 barrels of oil equivalent per day net to PEDCO as of February 7, 2015, and the parties agreed had a combined value of \$4.2 million, (iii) Condor forgave approximately \$1.8 million in previous working interest expenses related to the drilling and completion of certain wells operated by Condor that was due from PEDCO with respect to the PEDCO Direct Interests, and (iv) certain other related matters occurred, which, in summary, had the net effect of reducing approximately \$9.4 million in aggregate liabilities due from PEDCO to MIEJ and Condor to \$4.925 million, which was the new principal amount of the New MIEJ Note. In addition, pursuant to the MIEJ Settlement Agreement, (a) in consideration for the PEDEVCO Senior Loan Investors releasing their security interest on the Condor Interests and PEDCO Direct Interests, MIEJ paid \$500,000 to the PEDEVCO Senior Loan Investors as a principal reduction on the PEDEVCO Senior Loan, which directly benefits PEDEVCO, (b) PEDCO paid \$100,000 as a principal reduction under the MIEJ-PEDCO Note, (c) each of MIEJ, Condor and the Company fully released each other, and their respective predecessors and successors in interest, parents, subsidiaries, affiliates and assigns, and their respective officers, directors, managers, members, agents, representatives, servants, employees and attorneys, from every claim, demand or cause of action arising on or before the MIEJ Closing Date, and (d) MIEJ confirmed that the MIEJ-PEDCO Note was paid in full and that PEDCO owes no amounts to MIEJ or Condor other than the principal amount due as reflected in the New MIEJ Note.

The New MIEJ Note, bears an interest rate of 10.0% per annum with no interest due until Maturity (defined below) or except as detailed below, is secured by all of the Company’s current and after-acquired assets, and is subordinated in every way to the PEDEVCO Senior Loan as well as to New Senior Lending (defined below); however, MIEJ has no control over the cash flow of the Company, nor is MIEJ’s consent required in connection with any disposition, sale, or use of any assets of the Company or any of its subsidiaries at any time in the future, provided that the requirements of the New MIEJ Note requiring the prepayment of interest, where applicable, as described below are followed. After the MIEJ Closing Date, the Company may enter into a loan, or a series of new loans or any other new non-equity investment or assumption of indebtedness (a “New Senior Lending”) which will be senior to the New MIEJ Note, without the prior consent of MIEJ, provided that, in addition to the approximately \$35 million principal balance of the PEDEVCO Senior Loan, the New Senior Lending is subject to a cap of an additional \$60 million in the aggregate, such that the total lending, debt or similar investment under such cap shall not exceed \$95 million in the aggregate (the “Senior Debt Cap”), with any portion of New Senior Lending in excess of the Senior Debt Cap advanced first to MIEJ until the New MIEJ Note is paid in full. The New MIEJ Note shall automatically, and without further consent from MIEJ, be subordinated in every way to any such New Senior Lending. Should the Company enter into any new financing transaction that results in raising New Senior Lending of at least \$20 million in excess of the balance of the PEDEVCO Senior Loan, then MIEJ has a right to be paid all interest and fees that have accrued on the New MIEJ Note each and every time that a new financing transaction reaches or exceeds the \$20 million threshold. The New MIEJ Note is due and payable on March 8, 2017, subject to automatic extensions upon the occurrence of a Long Term Financing or PEDEVCO Senior Lending Restructuring (each as defined below) (the “Maturity”).



S-8

After the MIEJ Closing Date, on a onetime basis, the PEDEVCO Senior Loan may be refinanced by a new loan (“Long-Term Financing”) by one or more third party replacement lenders (“Replacement Lenders”), and in such event the Company shall undertake commercially reasonable best efforts to cause the Replacement Lenders to simultaneously refinance both the PEDEVCO Senior Loan and the New MIEJ Note as part of such Long-Term Financing. Despite such efforts, should the Replacement Lenders be unable or unwilling to include the New MIEJ Note in such financing, then the Long-Term Financing may proceed without including the New MIEJ Note, and the New MIEJ Note shall remain in place and shall be automatically subordinated, without further consent of MIEJ, to such Long-Term Financing. Furthermore, upon the occurrence of a Long-Term Financing, the Maturity of the New MIEJ Note is automatically extended, without further consent of MIEJ, to the same maturity date of the Long-Term Financing (the “Extended Maturity Date”), provided that the Extended Maturity Date may not exceed March 8, 2020. Additionally, upon the closing of such Long-Term Financing: (a) the Long-Term Financing is required to be subject to the Senior Debt Cap, (b) the Company is required to make commercially reasonable best efforts for the Long-Term Financing to include adequate reserves or other payment provisions whereby MIEJ is paid all interest and fees accrued on the New MIEJ Note commencing as of March 8, 2017 (and annually thereafter, until such time as the New MIEJ Note is paid in full), but in any event the Replacement Lenders are required to agree to allow for quarterly interest payments (starting March 31, 2017) of not less than 5% per annum on the outstanding balance of the New MIEJ Note, plus a one-time payment of accrued interest (not to exceed \$500,000) as of March 31, 2017 (the “Subordinated Interest Payments”), and the remaining 5% interest shall continue to accrue, and (c) MIEJ has the Right of Conversion (defined below) commencing as of March 8, 2017, the original maturity date of the New MIEJ Note. If the PEDEVCO Senior Loan and/or New Senior Lending is not refinanced by Replacement Lenders, but is instead refinanced, restructured or extended by the existing PEDEVCO Senior Loan Investors (a “PEDEVCO Senior Lending Restructuring”), the maturity of both the New MIEJ Note and the PEDEVCO Senior Loan may be extended to no later than March 8, 2019, without requiring the consent of MIEJ, provided that (i) any such extension of the maturity date of the New MIEJ Note past March 8, 2017 shall give MIEJ the Right of Conversion (described below) commencing on March 8, 2017, and (ii) such extension agreement shall include payment provisions whereby MIEJ shall be paid all interest and fees accrued on the New MIEJ Note as of March 8, 2018. The New MIEJ Note may be prepaid any time without penalty, and should the Company repay the New MIEJ Note on or before December 31, 2015, 20% of the principal of the New MIEJ Note amount is required to be forgiven by MIEJ, and should the Company repay the New MIEJ Note on or before December 31, 2016, 15% of the principal of the New MIEJ Note amount is required to be forgiven by MIEJ.

The New MIEJ Note has a conversion feature that provides, in the event that the final maturity of the New MIEJ Note is extended beyond March 8, 2017 for whatever reason, MIEJ has the right, at its discretion, to have the outstanding balance of the New MIEJ Note plus any accrued and unpaid interest thereon converted in whole or in part into common stock of the Company at a price (the “Conversion Price”) equal to 80% of the average closing price per share of common stock over the then previous 60 days from the date MIEJ exercises its conversion right (subject to adjustment for stock splits, recapitalizations and the like)(such event, a “Right of Conversion”); provided, however, that in no event shall the Conversion Price be less than \$0.30 per share of common stock (the “Floor Price”). Additionally, the New MIEJ Note contains a provision preventing the conversion of the MIEJ Note to the extent that such conversion would result in more than 19.9% of the Company’s outstanding common stock or voting stock being issued in aggregate upon the conversion of such note, or otherwise require shareholder approval under the NYSE MKT rules. Notwithstanding that, the Company agreed to include a proposal in its proxy statement for its 2016 annual meeting of its shareholders (the “2016 Annual Meeting”) for the appr