8-K - 2020-12-23
Form: 8-K
Filing date: 2020-12-23
Accession: 0001477932-20-007479

8-K
8-K 1 cei-8k.htm FORM 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 23, 2020**

Camber Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**001-32508**	**20-2660243**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1415 Louisiana, Suite 3500, Houston, Texas 77002
(Address of principal executive offices)

(210) 998-4035
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 Par Value Per Share	CEI	NYSE American

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). ?

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ?

Item 1.01 Entry into a Material Definitive Agreement.

On December 23, 2020, Camber Energy, Inc. ("**Camber**" or the "**Company**") entered into a Securities Purchase Agreement (the "**Purchase Agreement**") with Viking Energy Group, Inc. ("**Viking**") to acquire (the "**Acquisition**") 236,470,588 shares of Viking common stock, constituting 51% of the common stock of Viking (the "**Viking Shares**"), in consideration of (i) the payment of $10,900,000 in cash by Camber to Viking (the "**Cash Purchase Price**"), and (ii) Camber canceling $9,200,000 in promissory notes previously issued to Camber by Viking (the February 3, 2020 promissory note for $5,000,000, and the June 25, 2020 promissory note for $4,200,000, collectively the "**Viking Notes**"). Pursuant to the Purchase Agreement, Viking is obligated to issue additional shares of Viking common stock to Camber to ensure that Camber shall own at least 51% of the common stock of Viking through July 1, 2022.

In connection with the Acquisition, on December 23, 2020, Camber also entered into (i) a termination agreement with Viking terminating the Amended and Restated Agreement and Plan of Merger, dated August 31, 2020, as amended to date (the "**Termination Agreement**"), and (ii) an Assignment of Membership Interests with Viking assigning Camber's interests in one of Viking's subsidiaries, Elysium Energy Holdings, LLC, back to Viking (the "**Assignment**"). Also in connection with the Acquisition, on December 23, 2020, Camber (i) borrowed $12,000,000 from an institutional investor (the "**Investor**"); (ii) issued the Investor a promissory note in the principal amount of $12,000,000 (the "**Investor Note**"), accruing interest at the rate of 10% per annum and maturing December 11, 2022, or immediately if Camber has not either consummated a merger with Viking by March 11, 2021, or increased its authorized capital stock by such date; (iii) granted the Investor a first-priority security interest in the Viking Shares and Camber's other assets pursuant to a Security Agreement-Pledge (the "**Pledge Agreement**"), and a general security agreement (the " **Security Agreement**"), respectively; and (iv) entered into an amendment to Camber's $6,000,000 promissory note previously issued to the Investor dated December 11, 2020, amending the acceleration provision of the note to provide that the note repayment obligations would also not accelerate if Camber has increased its authorized capital stock by March 11, 2021 (the "**Note Amendment**").

On December 23, 2020, the Investor Note was funded, and Camber closed the Acquisition, paying the Cash Purchase Price to Viking and cancelling the Viking Notes.

The foregoing descriptions of the Purchase Agreement, Termination Agreement, Assignment, Investor Note, Pledge Agreement, Security Agreement, and Note Amendment do not purport to be complete and are qualified in their entirety by reference to the Purchase Agreement, Termination Agreement, Assignment, and form of Investor Note, Pledge Agreement, Security Agreement and Note Amendment, copies of which are filed as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, and 10.7 to this Current Report on Form 8-K, respectively, and incorporated in this Item 1.01 by reference in their entirety.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information contained in Item 1.01 above is incorporated by reference into this Item 2.01.

Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 above is incorporated by reference into this Item 2.03.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The information contained in Item 1.01 above is incorporated by reference into this Item 5.02.

In connection with the Acquisition, on December 23, 2020, James A. Doris was appointed as Camber's Chief Executive Officer and a member of Camber's Board of Directors, Frank W. Barker, Jr., was appointed as Camber's Chief Financial Officer, Robert K. Green was appointed as a member of Camber's Board of Directors, Louis Schott resigned as Interim Chief Executive Officer of Camber, and Robert Schleizer resigned as the Chief Financial Officer and as a member of the Board of Directors of Camber. The resignations of Mr. Schott and Mr. Schleizer were not the result of any disagreement with Camber. Mr. Doris is currently the Chief Executive Officer and a member of the Board of Directors of Viking, and Mr. Barker is currently the Chief Financial Officer of Viking.

James A. Doris, 48 years old, has over 28 years of experience negotiating a variety of national and international business transactions, and has been the driving force behind Viking's growth. He has assembled a sophisticated and talented operational and technical team and closed several acquisitions and financing transactions to enhance Viking's profile in the oil and gas sector and will play an integral role in formulating and executing Camber's strategic plan going forward. Formerly a lawyer in Canada, Mr. Doris represented domestic and foreign clients regarding their investment activities in Canada for over 17 years. Mr. Doris graduated cum laude from the University of Ottawa. Mr. Doris has been the Chief Executive Officer of Viking since December 2014.

Robert Green, 58 years old, is a former Fortune 100 chief executive officer in the energy, telecommunication and utility industries, and has extensive experience in capital markets, mergers and acquisitions, and regulatory and legislative strategies. Mr. Green has served on the boards of directors of seven publicly traded companies and was elected chairman of the board of two New York Stock Exchange (NYSE) companies and three other publicly listed companies. He guided these companies and others in capital markets strategies involving initial public offerings (IPOs) and private investments with a combined value of more than $5 billion and more than 50 merger, acquisition and divestiture transactions, some of which surpassed $1 billion. Mr. Green has been a Partner at the law firm Husch Blackwell since 2003.

Frank Barker Jr., 65 years old, is a Certified Public Accountant with over 40 years of experience providing strategic, managerial, operational, financial, accounting and tax-related services in various capacities to both public and private entities. Mr. Barker has served as the Chief Financial Officer of several publicly-traded companies, including for Viking for the past three years. Mr. Barker received a B.A. in Accounting and Finance from the University of South Florida. Mr. Barker has been the Chief Financial Officer of Viking Energy Group, Inc. since December 2017, and he was a director of Viking from December 2017 through August 2018.

Messrs. Doris, Green and Barker have not yet entered into any management plans, contracts or arrangements with Camber.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1*	Securities Purchase Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 22, 2020
10.2	Mutual Termination Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 22, 2020

10.3	Assignment of Membership Interests, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 22, 2020
10.4	Form of Investor Note issued by Camber Energy, Inc. to the Investor Named Therein
10.5	Form of Pledge Agreement, by and between Camber Energy, Inc. and Viking Energy Group, Inc., dated December 22, 2020
10.6	Form of Security Agreement, by and between Camber Energy, Inc. and the Investor Named Therein, dated December 22, 2020
10.7	Form of First Amendment to 10% Secured Promissory Note, by and between Camber Energy, Inc. and the Investor Named Therein, dated December 22, 2020

* Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or Exhibit so furnished.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAMBER ENERGY, INC.

Date: December 23, 2020

By: */s/ James A. Doris*
Name: James A. Doris
Title: Chief Executive Officer

EXHIBIT 10.1

SECURITIES PURCHASE AGREEMENT

by and among

CAMBER ENERGY, INC.

and

VIKING ENERGY GROUP, INC. (COMPANY)

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (the "Agreement") is entered into on December 22, 2020 by and among VIKING ENERGY GROUP, INC., a Nevada corporation, (the "Company"), and CAMBER ENERGY, INC., a Nevada corporation, (the "Purchaser").

RECITALS

A. On February 3, 2020, the Company issued the Purchaser that certain *10.5% Secured Promissory Note (Partial Conversion Entitlement) Due February 3, 2022*, with an original issue date of February 3, 2020, and in the original principal amount of $5,000,000 (the "February Note").

B. On June 26, 2020, the Company issued the Purchaser that certain *10.5% Secured Promissory Note (Partial Conversion Entitlement) Due February 3, 2022*, with an original issue date of June 25, 2020, and in the original principal amount of $4,200,000 (the "June Note," and together with the February Note collectively the "Notes").

C. The Company is desirous of raising capital through the sale of 236,470,588 shares of Company common stock (the "Shares").

D. The Purchaser wishes to purchase, and the Company wishes to sell, upon the terms and conditions stated in this Agreement, the Shares.

E. The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(b) of Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission under the Securities Act.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser hereby agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Defined Terms. In addition to terms defined elsewhere in this Agreement or in any Supplement, Amendment or Exhibit hereto, when used herein, the following terms shall have the following meanings:

(a) "Affiliate" means any Person which, directly or indirectly, owns or controls, on an aggregate basis, a ten (10%) percent or greater interest in any other Person, or which is controlled by or is under common control with any other Person.

(b) "Business Day" means any day other than a Saturday or Sunday or any other day on which the Federal Reserve Bank of New York is not open for business.

(c) "Cancellation Agreement" means the Cancellation Agreement, dated effective as of January 1, 2021, by and between the Company and the Purchaser and in the form attached hereto as **Exhibit A**.

(d) "Closing" means the time of issuance and sale by the Company of the Shares to Purchaser.

(e) "Closing Date" means December 22, 2020.

(f) "Common Stock" means (i) the Company's common stock, $0.001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such common stock.

(g) "Contingent Obligation" means as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

(h) "Dollar(s)" and "$" means lawful money of the United States.

(i) "Environmental Laws" means any and all laws, rules, orders, regulations, statutes, ordinances, guidelines, codes, decrees, or other legally enforceable requirements (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, local, municipal or other governmental authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(k) "GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time.

(l) "Indebtedness" means, with respect to any Person at any date, without duplication, (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services, (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or the Purchaser under such agreement in the event of default are limited to repossession or sale of such property), (v) all capital lease obligations of such Person, (vi) all obligations of such Person,

contingent or otherwise, as an account party or applicant under acceptance, letter of credit, surety bond or similar facilities, (vii) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any capital stock of such Person, (viii) all obligations for any earn-out consideration, (ix) the liquidation value of preferred capital stock of such Person, (x) all guarantee obligations of such Person in respect of obligations of the kind referred to in clauses (i) through (ix) above, (xi) all obligations of the kind referred to in clauses (i) through (ix) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any lien on property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation and all obligations of such Person in respect of hedge agreements; and (xii) all Contingent Obligations in respect to indebtedness or obligations of any Person of the kind referred to in clauses (i)-(xi) above. The Indebtedness of any Person shall include, without duplication, the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

(m) "Liens" or "lien" means a lien, mortgage, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction, or other clouds on title.

(n) "Material Adverse Effect" means a material adverse effect on (a) the business, assets, property, operations, condition (financial or otherwise), or prospects of Company, (b) the validity or enforceability of this Agreement and/or any of the other Transaction Documents, or (c) the rights or remedies of the Purchaser hereunder or thereunder.

(o) "Notes" means that certain *10.5% Secured Promissory Note (Partial Conversion Entitlement) Due February 3, 2022*, issued by the Company to the Purchaser and with an original issue date of February 3, 2020, in the original principal amount of $5,000,000, together with that certain *10.5% Secured Promissory Note (Partial Conversion Entitlement) Due February 3, 2022*, issued by the Company to the Purchaser with an original issue date of June 25, 2020, in the original principal amount of $4,200,000.

(p) "OFAC" means the United States Department of the Treasury's Office of Foreign Assets Control.

(q) "OFAC Regulations" means the regulations promulgated by OFAC, as amended from time to time.

(r) "Permitted Indebtedness" means (i) Indebtedness of the Company referenced in the SEC Reports, (ii) Indebtedness of the Company to its President and C.E.O., in an amount not to exceed $573,562 plus interest on account of previous advances to the Company (but excluding any remuneration to which the Company's President and CEO may be entitled now or in the future), (iii) Indebtedness secured by Permitted Liens, (iii) obligations of the Company under any Guaranty's executed by the Company to guaranty the indebtedness of the Purchaser, and (iv) general trade or accounts payable incurred in the ordinary course of business.

(s) "Permitted Liens" means (i) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (iii) any Lien created by operation of law, such as materialmen's liens, mechanics' liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that are being contested in good faith by appropriate proceedings, (iv) Liens (A) upon or in any equipment acquired or held by the Company to secure the purchase price of such equipment or indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment, and (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment, and (v) any Liens for Permitted Indebtedness perfecting security interests in the Permitted Indebtedness set forth in clauses (i)-(v) of the definition of Permitted Indebtedness.

(t) "Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (whether national, federal, state, county, city, municipal or otherwise including, without limitation, any instrumentality, division, agency, body or department thereof).

(u) "Principal Market" means the market or exchange on which the Common Stock is listed or quoted for trading on the date in question.

(v) "Purchase Price" means the price to be paid by the Purchaser for the Shares consisting in an aggregate amount of $20,100,000, to be paid (i) $10,900,000 in cash, and (ii) $9,200,000 by cancellation of the Notes pursuant to the Cancellation Agreement.

(w) "SEC" or "Commission" means the United States Securities and Exchange Commission.

(x) "SEC Reports" has the meaning set forth in Section 3.1(x) hereof.

(y) "Securities" means the Shares purchased pursuant to this Agreement and any securities of the Company issued in replacement, substitution and/or in connection with any exchange, conversion and/or any other transaction pursuant to which all or any of such securities of the Company to the Purchaser.

(z) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(aa) "Shares" means 236,470,588 shares of Common Stock, which will represent fifty one percent of the Company's issued and outstanding shares of Common Stock at the time of closing, there being as at the date of execution of this Agreement 226,259,013 shares of Common Stock outstanding.

(bb) "Solvent" means, with respect to any Person, as of any date of determination, (i) the amount of the "present fair saleable value" of the assets of such Person will, as of such date, exceed the amount of all "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (ii) the present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (iii) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (iv) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) "debt" means liability on a "claim", and (ii) "claim" means any (a) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

(cc) "Subsidiary" means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person.

(dd) "Trading Day" means any day on which the Common Stock is traded on the Trading Market, provided that " Trading Day" shall not include any day on which the Common Stock is scheduled to trade on the Trading Market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on the Trading Market (or if the Trading Market does not designate in advance the closing time of trading on the Trading Market, then during the hour ending at 4:00:00 p.m., New York City time) unless such day is otherwise designated as a Trading Day in writing by the Purchaser.

(ee) "Trading Market" means any of the following markets or exchanges on which the Common Stock (or any other common stock of any other Person that references the Trading Market for its common stock) is listed or quoted for trading on the date in question: the The NASDAQ Global Market; The NASDAQ Global Select Market; The NASDAQ Capital Market, the New York Stock Exchange; NYSE Arca; the NYSE American; or the OTCQX Marketplace, the OTCQB Marketplace; the OTCPink Marketplace or any other tier operated by OTC Markets Group Inc. (or any successor to any of the foregoing).

(ff) "Transaction Documents" means collectively, this Agreement, the Cancellation Agreement, and such other documents, instruments, certificates, supplements, amendments, exhibits and schedules required and/or attached pursuant to this Agreement and/or any of the above documents, and/or any other document and/or instrument related to the above agreements, documents and/or instruments, and the transactions hereunder and/or thereunder and/or any other agreement, documents or instruments required or contemplated hereunder or thereunder, whether now existing or at any time hereafter arising.

(gg) "UCC" means the Uniform Commercial Code as in effect from time to time in the State of Nevada; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to the Purchaser' Liens on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of Nevada, the term "UCC" shall mean the Uniform Commercial code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

1.2 Other Definitional Provisions.

(a) Use of Defined Terms. Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Transaction Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) Accounting Terms. As used herein and in the other Transaction Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to Company not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP (provided that all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts referred to herein shall be made without giving effect to (i) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Company at "fair value", as defined therein, and (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof).

(c) Construction. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(d) UCC Terms. Terms used in this Agreement which are defined in the UCC shall, unless the context indicates otherwise or are otherwise defined in this Agreement, have the meanings provided for by the UCC.

ARTICLE 2
PURCHASE OF NOTES AND SHARES

2.1 Offering. The purchase and sale of the Shares is intended as a private placement made without registration of the Shares under the Securities Act or any securities law of any state or other jurisdiction, pursuant to the exemption from registration provided in Rule 506(b) of Regulation D promulgated by the SEC under the Securities Act, as well as those applicable state securities laws and regulations, and is being made only to "accredited investors" (as defined in Rule 501 of Regulation D), the reliance on such exemptions which is predicated in part upon the truth and accuracy of the statements by the Purchaser contained in this Agreement.

2.2 Closing. The Closing shall occur effective 4:00 p.m. (EST) on the Closing Date, or on such other date and time as agreed to by the Company and Purchaser.

2.3 Conditions to Purchase of Shares.Subject to the terms and conditions of this Agreement, the Purchaser will at the Closing purchase from the Company the Shares in the amounts and for the Purchase Price, provided that the conditions in Article 5have been satisfied. Purchase of the Shares involves numerous risks, including those risks described in the Company's SEC Reports.

2.4 Purchase Price and Payment of the Purchase Price for the Shares. The Purchase Price for the Shares to be purchased by the Purchaser shall be an aggregate amount of $20,100,000, to be paid (i) $10,900,000 in cash, and (ii) $9,200,000 by cancellation of the Notes pursuant to the form of Cancellation Agreement attached hereto as **Exhibit A**. Upon (and subject to) receipt of (i) $10,900,000, and (ii) the Cancellation Agreement executed by the Purchaser, the Company shall deliver or cause to be delivered the Shares to the Purchaser.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES; OTHER ITEMS

3.1 Representation and Warranties. The Company (which for purposes of this Article 3 means the Company and all of its Subsidiaries), represents and warrants to the Purchaser that on the Closing Date:

(a) Organization, Etc. Each of the Company and its Subsidiaries are duly organized, validly existing and in good standing under the laws of the state of their respective organization and are duly qualified and in good standing or has applied for qualification as a foreign corporation authorized to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required except where the failure to be so qualified would not reasonably be expected to have a Material Adverse Effect.

(b) Authorization: No Conflict. The execution, delivery and performance of the Transaction Documents and the transactions contemplated thereby by the Company, including, but not limited to, the sale and issuance of the Shares for the Purchase Price (i) are within Company's corporate powers; (ii) have been duly authorized by all necessary action by or on behalf of the Company (and/or its shareholders to the extent required by law); (iii) the Company has received all necessary and/or required governmental, regulatory and other approvals and consents (if any shall be required); (iv) do not and shall not contravene or conflict with any provision of, or require any consents under (A) any law, rule, regulation or ordinance, (B) Company's organizational documents, and/or (C) any agreement binding upon Company or any of Company's properties; and (v) do not result in, or require, the creation or imposition of any Lien and/or encumbrance on any of Company's properties or revenues pursuant to any law, rule, regulation or ordinance or otherwise.

(c) Validity and Binding Nature. The Transaction Documents to which the Company is a party are the legal, valid and binding obligations of Company, enforceable against the Company in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting the rights and remedies of creditors and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(d) Title to Assets. The Company and each Subsidiary has good and marketable title and is in lawful possession of, or has valid leasehold interests in, all properties and other assets (real or personal, tangible, intangible or mixed) purported or reported to be owned or leased (as the case may be) by the Company and each Subsidiary, as applicable, as set forth in the SEC Reports.

(e) No Violations of Laws. Neither the Company nor any of its Subsidiaries is in violation of any law, ordinance, rule, regulation, judgment, decree or order of any federal, state or local governmental body or court and/or regulatory or self-regulatory body (collectively, "Rules and Laws"). To the knowledge of the Company, the Company and its Subsidiaries have complied with all Rules and Laws for the past five years. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Company, the Company's Subsidiaries and their respective officers, directors, employees, and to the knowledge of the Company, its agents, advisors and representatives are, and since January 1, 2017 have been, in compliance in all material respects with: (i) the provisions of the U.S. Foreign Corrupt Practices Act of

1977, as amended (15 U.S.C. §§ 78dd-1, et seq.) ("FCPA"), as if its foreign payments provisions were fully applicable to the Company, its Subsidiaries and their respective representatives, and (ii) the provisions of all anti-bribery, anti-corruption and anti-money laundering Laws of each jurisdiction in which the Company and its Subsidiaries operate or have operated and in which any agent thereof is conducting or has conducted business involving the Company. No proceeding by or before any governmental authority involving the Company, any Subsidiary of the Company or any of their respective officers, directors, employees, and to the knowledge of the Company, its agents, advisors and representatives involving the FCPA or any anti-bribery, anti-corruption or anti-money laundering Law is pending or, to the knowledge of the Company. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on the Company, neither the Company nor its Subsidiaries have ever received an allegation, whistleblower complaint, or conducted any audit or investigation regarding compliance or noncompliance with the FCPA or other applicable anti-corruption laws.

(f) Burdensome Obligations. Neither the Company nor any of its Subsidiaries is a party to any indenture, agreement, lease, contract, deed or other instrument, or subject to any partnership restrictions or has any knowledge of anything which could have a Material Adverse Effect.

(g) Taxes. All taxes due and payable by Company have been timely paid.

(h) Employee Benefit Plans. The term "Plan" means an "employee pension benefit plan" (as defined in Section 3 of Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA")) which is or has been established or maintained, or to which contributions are or have been made, by Company or by any member of the Controlled Group. Each Plan maintained by Company complies in all material respects with all applicable requirements of law and regulations and all payments and contributions required to be made with respect to such Plans have been timely made.

(i) Federal Laws and Regulations. Company is not (i) an "investment Company" or a Company "controlled," whether directly or indirectly, by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; or (ii) engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System).

(j) Fiscal Year. The fiscal year of Company ends on December 31 of each year.

(k) Officers and Ownership. As of the date hereof, the officers of the Company are James Doris (President & CEO), Frank Barker Jr. (CFO), and Mark Finckle (EVP), and the directors of the Company are James Doris, Lawrence Fisher and David Herskovits.

(l) Rule 506(d) Bad Actor Disqualification Representations and Covenants.

(i) No Disqualification Events. Neither the Company, nor any of its predecessors, affiliates, any manager, executive officer, other officer of the Company participating in the offering, any beneficial owner (as that term is defined in Rule 13d-3 under the Exchange Act) of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any "promoter" (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity as of the date of this Agreement and on the Closing Date (each, a "Company Covered Person" and, together, "Company Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"). The Company has exercised reasonable care to determine (i) the identity of each person that is a Company Covered Person; and (ii) whether any Company Covered Person is subject to a Disqualification Event. The Company will comply with its disclosure obligations under Rule 506(e). The Company is not for any other reason disqualified from reliance upon Rule 506 of Regulation D under the Securities Act for purposes of the offer and sale of the Purchased Securities.

(ii) Other Covered Persons. The Company is not aware of any person (other than any Company Covered Person) that has been or will be paid (directly or indirectly) remuneration in connection with the Shares that is subject to a Disqualification Event (each an "Other Covered Person").

(iii) Reasonable Notification Procedures. With respect to each Company Covered Person, the Company has established procedures reasonably designed to ensure that the Company receives notice from each such Company Covered Person of (i) any Disqualification Event relating to that Company Covered Person, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to that Company Covered Person; in each case occurring up to and including the Closing Date.

(iv) Notice of Disqualification Events. The Company will notify the Purchaser immediately in writing upon becoming aware of (i) any Disqualification Event relating to any Company Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Company Covered Person and/or Other Covered Person.

(m) Accuracy of Information, etc. No statement or information contained in this Agreement, the SEC Reports, any other Transaction Document or any other document, certificate or statement furnished to the Purchaser by or on behalf of Company in writing for use in connection with the transactions contemplated by this Agreement and/or the other Transaction Documents, contained as of the date such statement, information, document or certificate was made or furnished, as the case may be, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein, taken as a whole, not materially misleading. There are no facts known to Company that could have a Material Adverse Effect that have not been expressly disclosed herein, the SEC Reports, in the other Transaction Documents, or in any other documents, certificates and statements furnished to the Purchaser for use in connection with the transactions contemplated hereby and by the other Transaction Documents.

(n) Solvency. The Company is as of the date hereof Solvent; and shall be Solvent immediately prior to the Closing, after giving effect to the incurrence of all Indebtedness and all other obligations being incurred by the Company pursuant hereto and the other Transaction Documents including, but not limited to, and the use of the Purchase Price as provided elsewhere herein.

(o) Affiliate Transactions. Other than as disclosed in the SEC Reports, the Company has not purchased, acquired or leased any property from, or sold, transferred or leased any property to, or entered into any other transaction, other than loans to the Company from the Company's President & C.E.O., with (i) any Affiliate, (ii) any officer, director, manager, shareholder or member of Company or any Affiliate of any thereof, or (iii) any member of the immediate family of any of the foregoing, except on terms comparable to the terms which would prevail in an arms-length transaction between unaffiliated third parties and have been disclosed to the Purchaser in writing.

(p) Intellectual Property. The Company has, or has rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with its business and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). The Company has not received a notice (written or otherwise) that any of the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned. The Company has not received, since the date hereof, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company has taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All Intellectual Property Rights of the Company are set forth in the SEC Reports.

(q) USA Patriot Act. The Company is in compliance, in all material respects, with (a) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"). No part of the proceeds of the sale of the Shares will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(r) Foreign Asset Control Laws. The Company is not a Person named on a list published by OFAC or a Person with whom dealings are prohibited under any OFAC Regulations.

(s) Indebtedness; Liens, Etc. Except for Permitted Indebtedness and Permitted Liens, the Company has no Indebtedness nor any Liens.

(t) Authorization; Enforcement. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of the Transaction Documents and the performance of all obligations of the Company under the Transaction Documents, have been taken on or prior to the date hereof. Each of the Transaction Documents has been duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(u) Valid Issuance of the Shares, Etc. Each of the Shares has been duly authorized and, when issued and paid for in accordance with this Agreement, will be duly and validly issued, fully paid and non-assessable, free and clear of all Liens and all restrictions on transfer other than those expressly imposed by the federal securities laws and vest in the Purchaser full and sole title and power to the Shares purchased hereby by the Purchaser, free and clear of all Liens, and restrictions on transfer other than those imposed by the federal securities laws. The Shares shall sometimes be collectively referred to as the " Securities."

(v) Offering. The offer and sale of the Shares as contemplated by this Agreement are exempt from the registration requirements of the Securities Act, and the qualification or registration requirements of state securities laws or other applicable blue sky laws. Neither the Company nor any authorized agent acting on its behalf will take any action hereafter that would cause the loss of such exemptions.

(w) Capitalization and Voting Rights. All of the outstanding shares of Common Stock and other securities of the Company have been duly authorized and validly issued, and are fully paid and non-assessable. Except for customary transfer restrictions contained in agreements entered into by the Company to sell restricted securities and/or as set forth in the SEC Reports, the Company is not a party to, and it has no knowledge of, any agreement restricting the voting or transfer of any shares of the capital stock and/or other securities of the Company. Except as set forth in Schedule 3.1(w), the offer and sale of all capital stock, convertible or exchangeable securities, rights, warrants, options and/or any other securities of the Company when any such securities of the Company were issued complied with all applicable federal and state securities laws, and no current and/or prior holder of any securities of the Company has any right of rescission or damages or any "put" or similar right with respect thereto that would have a Material Adverse Effect. Except as set forth in Schedule 3.1(w), there are no bonds, debentures, notes or other indebtedness that are convertible into Company securities or have the right to vote on any matters on which stockholders of the Company may vote, there are no outstanding subscriptions, options, warrants, stock appreciation rights, phantom units, scrip, rights to subscribe to, preemptive rights, anti-dilutive rights, rights of first refusal or similar rights, puts, calls, commitments or agreements of any character relating to, or securities or rights convertible or exchangeable into or exercisable for, shares of capital stock or other voting or equity securities of or ownership interest in the Company, or contracts, commitments, understandings or arrangements by which the Company may become bound to issue additional shares of its capital stock or other equity or voting securities of or ownership interests in the Company or that otherwise obligate the Company to issue, transfer, sell, purchase, redeem or otherwise acquire, any of the foregoing, and there

are no voting trusts, stockholder agreements, proxies or other agreements in effect to which the Company or any Company Subsidiary is a party with respect to the voting or transfer (including preemptive rights, anti-dilutive rights, rights of first refusal or similar rights, puts or calls).

(x) Shell Company Status; SEC Reports; Financial Statements. The Company is an issuer subject to Rule 144(i) under the Securities Act pursuant to clause (ii) thereunder. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports"). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and to the knowledge of the Company, none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with GAAP, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(z) Sarbanes-Oxley Act. The Company is in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof.

(aa) Arbitration, Absence of Litigation Except as set forth in the SEC Reports, there is no action, suit or proceeding before or by any court, public board, government agency, self-regulatory organization or body pending against or affecting the Company, the Common Stock or any of the Company's officers or directors or 5% or greater shareholders in their capacities as such.

(bb) Material Changes; Undisclosed Events, Liabilities or Developments. Except as set forth on Schedule 3.1(bb), since the date of the audited Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as amended: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, (B) liabilities not required to be reflected in the Company's Financial Statements pursuant to GAAP or (C) liabilities disclosed in the Company's Quarterly Reports on Form 10-Q, as amended, for the periods subsequent to December 31, 2019, (iii) the Company has not altered its method of accounting, and (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock. Except for the issuance of the Securities contemplated by this Agreement, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its business, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one Trading Day prior to the date that this representation is made.

(cc) Disclosure. The Company understands and confirms that the Purchaser will rely on the Transaction Documents, the information included therein, and the SEC Reports in purchasing the Shares. All of the disclosure furnished by or on behalf of the Company to the Purchaser in the Transaction Documents and/or in the SEC Reports regarding, among other matters

relating to the Company, its business and the transactions contemplated in the Transaction Documents, are true and correct in all material respects as of the date made and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Company acknowledges and agrees that the Purchaser does not make nor has it made any representations or warranties with respect to the transactions contemplated in the Transaction Documents other than those specifically set forth in Section 7 hereof.

(dd) Bankruptcy Status; Indebtedness. The Company has no current intention or expectation to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the applicable representation date. All outstanding secured and unsecured Indebtedness (as defined below) of the Company, or for which the Company has commitments, is set forth in Schedule 3.1(dd).

(ee) Regulation M Compliance. The Company has not, and to its knowledge no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company.

(ff) Listing of Securities. To the extent required, all Shares have been approved for listing or quotation on the Trading Market, subject only to notice of issuance.

(gg) DTC Eligible. The Common Stock is DTC eligible, and DTC has not placed a "freeze" or a "chill" on the Common Stock and the Company has no reason to believe that DTC has any intention to make the Common Stock not DTC eligible, or place a "freeze" or "chill" on the Common Stock.

(hh) No Delisting from Trading Market. The Common Stock is eligible for quotation on the Principal Market, and the Company has no reason to believe that the Principal Market has any intention of delisting the Common Stock from the Principal Market.

(ii) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its Exchange Act filings and is not so disclosed or that otherwise would be reasonably likely to have a Material Adverse Effect.

(jj) Subsidiary Rights. The Company has the unrestricted right to vote, and (subject to limitations imposed by applicable law) to receive dividends and distributions on, all capital securities of its Subsidiaries owned by the Company or any Subsidiary a Subsidiary.

(kk) Related Party Transactions. As of the date of this Agreement, there are no transactions or series of related transactions, agreements, arrangements or understandings, nor are there any currently proposed transactions or series of related transactions, between the Company or any Company Subsidiary, on the one hand, and any current or former director or "executive officer" (as defined in Rule 3b-7 under the Exchange Act) of the Company or any Company Subsidiary or any person who beneficially owns (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) five percent (5%) or more of the outstanding Company common stock (or any of such person's immediate family members or affiliates) (other than the Company Subsidiaries) on the other hand, of the type required to be reported in any SEC Report pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act that have not been disclosed therein.

(ll) Environmental Matters. Except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company, the Company and its Subsidiaries are in compliance, and have complied, with all Environmental Laws. There are no legal, administrative, arbitral or other proceedings, claims or actions, or to the knowledge of the Company, any private environmental investigations or remediation activities or governmental investigations of any nature seeking to impose, or that could reasonably be expected to result in the imposition, on the Company or any Company Subsidiary of any liability or obligation arising under any Environmental Law pending or, to the knowledge of the Company, threatened against the Company, which liability or obligation would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company. To the knowledge of the Company,

there is no reasonable basis for any such proceeding, claim, action or governmental investigation that would impose any liability or obligation that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company. Neither the Company nor any Company Subsidiary has treated, stored, disposed or arranged for disposal of, transported, handled, used, released, exposed any Person to, or owned or operated any property or facility contaminated by, any Hazardous Substance, in each case as has had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company. To the knowledge of the Company, there have been no Hazardous Substances generated by the Company or any Company Subsidiary that have been disposed of or come to rest at any site that has been included in any published U.S. federal, state or local "superfund" site list or any other similar list of hazardous or toxic waste sites published by any governmental authority in the United States and that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Company. The Company is not subject to any agreement, order, judgment, decree, letter agreement or memorandum of agreement by or with any court, Governmental Entity or other third party imposing any liability or obligation, with respect to the foregoing that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. As used in this Agreement, the term "Hazardous Substances" means any toxic or hazardous substance, waste, or material which is regulated or defined, or for which liability or standards of conduct may be imposed, under Environmental Law, including any such substance, waste or material identified under Environmental Law as toxic substances (including asbestos and asbestos containing materials), hazardous materials, hazardous substances, hazardous waste, radioactive materials, petroleum and petroleum products and polychlorinated biphenyls.

(mm) Contracts. All material contracts of the Company as disclosed in the SEC Reports are, except as otherwise disclosed in Schedule 3.1 (mm), valid and enforceable, and the Company has not received any notice of any planned termination of, or any alleged breach of, such contracts, and has no knowledge of any breach or failure to comply therewith, which would have a Material Adverse Effect.

ARTICLE 4
COVENANTS

4.1 Affirmative Covenants. Commencing on the Closing Date and until July 1, 2022, the Company covenants and agrees that:

(a) Anti-Dilutive Stock Issuances to Purchaser. The Company shall issue the Purchaser additional shares of Common Stock for no additional consideration, sufficient to ensure that Camber shall at all times own at least 51% of the outstanding Common Stock.

(b) Insurance. The Company shall maintain such insurance as may be required by law and such other insurance to the extent and against such hazards and liabilities as is customarily maintained by companies similarly situated.

(c) Taxes and Liabilities. The Company shall pay when due all material taxes, assessments and other liabilities except as contested in good faith and by appropriate proceedings and for which adequate reserves in conformity with GAAP have been established.

(d) Maintenance of Business. The Company shall (i) keep all property and systems useful and necessary in its business in good working order and condition, (ii) preserve its existence, rights and privileges in the jurisdiction of its organization or formation, as set forth in the Schedule 3.1(d) and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary, (iii) not operate in any business other than a business substantially the same as the business as in effect on the date of this Agreement; provided, however, that it may change its jurisdiction of organization or formation establishment upon thirty (30) days prior written notice to the Purchaser.

(e) Employee Benefit Plans, Etc. The Company shall (i) maintain each plan and/or each employee benefit plan as to which it may have any liability in substantial compliance with all applicable requirements of law and regulations, and (ii) make all payments and contributions required to be made pursuant to such Plans and/or plans in a timely manner.

(f) Good Title. The Company shall at all times maintain good and marketable title to all of its assets necessary for the operation of its business.

(g) Maintenance of Intellectual Property Rights. The Company will take all reasonable action necessary or advisable to maintain all of the Intellectual Property Rights of the Company that are necessary or material to the conduct of its business in full force and effect.

(h) Locations. The Company shall give the Purchaser thirty (30) days prior written notice of a change in its jurisdiction of organization or the city of its principal executive office.

(i) Securities Law Disclosure; Publicity. Within the time required by the Exchange Act, the Company shall issue a Current Report on Form 8-K (the "Current Report") disclosing the material terms of the transactions contemplated hereby, and including the Transaction Documents required to be included in such Current Report as exhibits thereto. Other than provision of the Transaction Documents to the Purchaser, the Company confirms that neither it nor any other person acting on its behalf shall provide the Purchaser or their agents or counsel with any information that constitutes or might constitute material, non-public information, unless a simultaneous public announcement thereof is made by the Company in the manner contemplated by Regulation FD. In the event of a breach of the foregoing covenant by the Company or any person acting on its behalf (as determined in the reasonable good faith judgment of the Purchaser), in addition to any other remedy provided herein or in the other Transaction Documents, if the Purchaser are holding any securities of the Company at the time of the disclosure of material, non-public information, the Purchaser shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such material, non-public information without the prior approval by the Company; provided the Purchaser shall have first provided notice to the Company that they believe they have received information that constitutes material, non-public information, the Company shall have 48 hours publicly to disclose such material, non-public information prior to any such disclosure by the Purchaser or demonstrate to the Purchaser in writing why such information does not constitute material, non-public information, and (assuming the Purchaser and Purchaser' counsel disagree with the Company's determination) the Company shall have failed to publicly disclose such material, non-public information within such time period. The Purchaser shall not have any liability to the Company, any of its Subsidiaries, or any of their respective directors, officers, employees, stockholders or agents, for any such disclosure. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenants and obligations in effecting transactions in securities of the Company.

(j) Environmental Laws. The Company shall (i) comply in all material respects with, and endeavor to ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and endeavor to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws, and (ii) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all governmental authorities regarding Environmental Laws.

(k) Further Assurances. The Company shall, from time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, such as a confession of judgment, and take such actions, as the Purchaser may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Transaction Documents. Upon the exercise by the Purchaser of any power, right, privilege or remedy pursuant to this Agreement or the other Transaction Documents which requires any consent, approval, recording, qualification or authorization of any governmental authority, the Company will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that the Purchaser may be required to obtain from the Company for such governmental consent, approval, recording, qualification or authorization.

(l) Form D; Blue Sky Filings. The Company shall timely file a Form D with respect to the Securities as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Shares for, sale to the Purchaser at the Closing under applicable securities or "Blue Sky"

laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

ARTICLE 5
CLOSING CONDITIONS

5.1 Closing Conditions of the Purchaser. The Purchaser's obligation to enter into the Transaction Documents and purchase the Shares is subject to the fulfillment of each and every one of the following conditions prior to or contemporaneously with the Purchaser entering into the Transaction Documents and purchasing the Shares (unless waived by Purchaser in writing in their sole and absolute discretion):

(a) Representations and Warranties. Each of the representations and warranties made by the Company in or pursuant to the Transaction Documents and all Schedules and/or Exhibits to this Agreement and/or any of the other Transaction Documents shall be true and correct in all material respects on and as of the Closing Date as if made (or given) on and as of such date (except where such representation and warranty speaks of a specific date in which case such representation and warranty shall be true and correct as of such date).

(b) No Injunction. No statute, regulation, order, decree, writ, ruling or injunction shall have been enacted, entered, promulgated, threatened in writing or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of or which would materially modify or delay any of the transactions contemplated by the Transaction Documents.

5.2 Closing Conditions of Company. The obligation of the Company to sell and issue the Shares to the Purchaser at the Closing is subject to the fulfillment, to the Company's reasonable satisfaction, prior to or contemporary at the Closing, of each of the following conditions (unless waived by the Company):

(a) Representations and Warranties. Each of the representations and warranties made by the Purchaser in or pursuant to the Transaction Documents and all Schedules and/or Exhibits to this Agreement and/or any of the other Transaction Documents shall be true and correct in all material respects on and as of the Closing Date as if made (or given) on and as of such date (except where such representation and warranty speaks of a specific date in which case such representation and warranty shall be true and correct as of such date).

(b) No Injunction. No statute, regulation, order, decree, writ, ruling or injunction shall have been enacted, entered, promulgated, threatened in writing or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of or which would materially modify or delay any of the transactions contemplated by the Transaction Documents.

(c) Receipt of the Purchase Price. The Company shall receive at or substantially simultaneously with the Closing, the Purchase Price from the Purchaser as required by Section 2.4.

(d) Conveyance of Interest in Elysium Energy Holdings, LLC. The Purchaser shall convey to the Company at or substantially simultaneously with the Closing, all of the Purchaser's membership interests in Elysium Energy Holdings, LLC.

ARTICLE 6
MISCELLANEOUS

6.1 No Waiver; Modifications In Writing. No failure or delay on the part of the Purchaser in exercising any right, power or remedy pursuant to the Transaction Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification, supplement, termination or waiver of any provision of the Transaction Documents, nor any consent by the Purchaser to any departure by the Company therefrom, shall be effective unless the same shall be in writing and signed by the Purchaser. Any waiver of any provision of the Transaction Documents and any consent by the Purchaser to any departure by the Company from the terms of any provision of the Transaction Documents shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Company in any case shall entitle the Company to any other or further notice or demand in similar or other circumstances.

6.2 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex, facsimile or e-mail if sent during normal business hours of the recipient; if not, then on the next Trading Day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt:

If to Company:

Viking Energy Group, Inc.
15915 Katy Freeway, Suite 450
Houston, Texas 77094
Attn: James A. Doris
Email: jdoris@vikingenergygroup.com

If to the Purchaser:

Camber Energy, Inc.
1415 Louisiana, Suite 3500
Houston, TX 77002
Attn: Bob Schleizer
Email: bschleizer@blackbriaradvisors.com

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

6.3 Costs, Expenses and Taxes. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense. The Company shall pay any and all stamp, transfer and other similar fees or taxes payable or determined to be payable in connection with the execution and delivery of the Transaction Documents and agrees to hold the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such fees or taxes.

6.4 Counterparts; Signatures. This Agreement may be executed in any number of counterparts, each of which counterparts, once they are executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement. This Agreement and the Transaction Documents may be executed by any party to this Agreement or any of the Transaction Documents by original signature, facsimile and/or electronic signature.

6.5 Binding Effects; Assignment. This Agreement shall be binding upon, and inure to the benefit of, the Purchaser, Company and their respective successors, assigns, representatives and heirs. The Company shall not assign any of its rights nor delegate any of its obligations under Transaction Documents without the prior written consent of the Purchaser. Each Purchaser may delegate any of its obligations under the Transaction Documents without the prior written consent of the Company, each Purchaser may assign any of its rights, hereunder, and/or in any of the other Transaction Documents, subject only to compliance with the federal securities laws.

6.6 Headings. Captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provision of this Agreement and shall not affect the construction of this Agreement.

6.7 Entire Agreement. This Agreement, together with the other Transaction Documents, contains the entire agreement between the parties hereto with respect to the transactions contemplated herein and therein and supersedes all prior representations, agreements, covenants and understandings, whether oral or written, related to the subject matter of this Agreement and the other Transaction Documents. The Purchaser make no covenants to the Company, including, but not limited to, any commitments to provide any additional financing to the Company.

6.8 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED EXCLUSIVELY IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEVADA WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS.

6.9 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.10 Conflict. In the event of any conflict between this Agreement and any of the other Transaction Documents, the terms and provisions of the Transaction Documents so chosen by the Purchaser shall govern and control.

6.11 JURISDICTION; WAIVER. THE PURCHASER AND COMPANY ACKNOWLEDGE THAT THIS AGREEMENT IS BEING SIGNED BY THE OTHER PARTY IN PARTIAL CONSIDERATION OF THE OTHER PARTY'S RIGHT TO ENFORCE IN THE JURISDICTION STATED BELOW THE TERMS AND PROVISION OF THIS AGREEMENT AND THE DOCUMENTS. EACH PARTY IRREVOCABLY CONSENTS TO THE EXCLUSIVE AND SOLE JURISDICTION IN NEVADA AND VENUE IN ANY FEDERAL OR STATE COURT IN NEVADA FOR SUCH PURPOSES AND WAIVES ANY AND ALL RIGHTS TO CONTEST SAID JURISDICTION AND VENUE AND ANY OBJECTION THAT NEVADA IS NOT CONVENIENT. EACH PARTY WAIVES ANY RIGHT TO COMMENCE ANY ACTION AGAINST THE OTHER PARTY IN ANY JURISDICTION EXCEPT NEVADA. THE PURCHASER AND COMPANY HEREBY EACH EXPRESSLY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY WITH RESPECT TO ANY MATTER WHATSOEVER RELATING TO, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE SECURITIES, THE TRANSACTION DOCUMENTS AND/OR THE TRANSACTIONS WHICH ARE THE SUBJECT OF THE TRANSACTION DOCUMENTS.

6.12 SERVICE OF PROCESS. THE PURCHASER AND COMPANY AGREE THAT SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO COMPANY AT THE ADDRESS SET FORTH IN SECTION 6.2 OR AT SUCH OTHER ADDRESS OF WHICH THE PURCHASER SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. THE PURCHASER AND COMPANY AGREE THAT SUCH SERVICE, TO THE FULLEST EXTENT PERMITTED BY LAW (i) SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON COMPANY IN ANY SUIT, ACTION OR PROCEEDING, AND (ii) SHALL BE TAKEN AND HELD TO BE VALID PERSONAL SERVICE UPON AND PERSONAL DELIVERY TO COMPANY. SOLELY TO THE EXTENT PROVIDED BY APPLICABLE LAW, SHOULD THE OTHER PARTY, AFTER BEING SERVED, FAIL TO APPEAR OR ANSWER TO ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE NUMBER OF DAYS PRESCRIBED BY LAW AFTER THE DELIVERY OR MAILING THEREOF, SUCH PARTY SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY THE COURT AGAINST SUCH PARTY AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS.

6.13 Survival. The representations, and warranties of the Company herein and/or in the other Transaction Documents shall survive the execution and delivery hereof and the Closing Date; the obligations, Liabilities, agreements and covenants of the Company set forth herein and/or in the other Transaction Documents shall survive the execution and delivery hereof and the Closing Date, as shall all rights and remedies of the Purchaser set forth in this Agreement and/or in any of the other Transaction Documents.

6.14 No Integration. Neither the Company, nor any of its affiliates, nor any person acting on behalf of the Company or such affiliate, will sell, offer for sale, or solicit offers to buy or otherwise negotiate with respect to any security (as defined in the Securities Act) which will be integrated with the sale and/or issuance of any of the Securities in a manner which would require the registration of the Securities under the Securities Act, or require stockholder approval, under the rules and regulations of the Trading Market for the Common Stock. The Company will take all action that is appropriate or necessary to assure that its offerings of other securities will not be integrated for purposes of the Securities Actor the rules and regulations of the Trading Market, with the issuance of Securities contemplated herein.

6.15 Finders' Fees. Each party represents that it neither is nor will be obligated for any finders' fees or commissions in connection with this transaction.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

Each Purchaser hereby represents and warrants, severally and not jointly, to the Company as follows:

7.1 Authorization. The Purchaser has full power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby and has taken all action necessary to authorize the execution and delivery of this Agreement, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby.

7.2 Accredited Investor Status. The Purchaser is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D, and the Purchaser is financially sophisticated, having sufficient knowledge and experience in financial and business matters to make it capable of evaluating the merits and risks of an investment in the Shares.

7.3 Reliance on Exemptions. The Purchaser understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of each Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of each Purchaser to acquire the Unit(s).

7.4 Information. The Purchaser has been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Shares which have been requested by the Purchaser. The Purchaser understand that this investment in the Shares involves a high degree of risk. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of its respective Shares.

Additionally, the Purchaser acknowledges that (i) the Transaction Documents contain material non-public information regarding the Company (the "Confidential Information"); (ii) information is considered "material" if a reasonable investor, given the total mix of available information regarding the Company, would consider the information important in deciding whether to buy, hold, or sell securities of the Company on the basis of the information, and (iii) insider trading (trading on the basis of material, non-public information) violates both federal and state law. The Purchaser covenants and agrees that until the Company has publicly disclosed the Confidential Information (via press release or filing in an SEC Report), or until the Confidential Information is no longer considered "material" in the sole discretion of the Company, the Purchaser shall keep the Confidential Information confidential and shall not buy or sell securities (or puts, calls or options on the securities) of the Company, or engage in any other action to use, take advantage of, or pass on to others, the Confidential Information, except that the Purchaser shall be permitted disclose the Confidential Information (i) if required to do so by law, or (ii) to its directors, officers, employees, legal and financial advisors, who agree to keep the Confidential Information confidential and treat the Confidential Information in accordance with the terms of this Agreement as if they were parties hereto.

7.5 No Governmental Review. The Purchaser understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Shares or the fairness or suitability of the investment in the Shares nor have such authorities passed upon or endorsed the merits of the offering of the Shares.

7.6 Validity; Enforcement; No Conflicts. This Agreement and each Transaction Document to which the Purchaser are a party have been duly and validly authorized, executed and delivered on behalf of the Purchaser and shall constitute the legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

7.7 Organization and Standing. The Purchaser, if an entity, is duly organized, validly existing and in good standing under the laws of the State of where it was formed.

7.8 Ability to Perform. There are no actions, suits, proceedings or investigations pending against any of the Purchaser or any the Purchaser's assets before any court or governmental agency (nor is there any threat thereof) which would impair in any way the Purchaser's ability to enter into and fully perform the Purchaser's commitments and obligations under this Agreement or the transactions contemplated hereby.

7.9 Short Positions. The Purchaser covenants and agrees that, so long as the Purchaser owns any Securities of the Company, the Purchaser, shall not maintain a net short position in the Common Stock (as determined under Regulation SHO under the Exchange Act ("Regulation SHO") taking into account all positions of the Purchaser whether or not the Purchaser otherwise would constitute an independent trading unit under Regulation SHO).

7.10 Transfer or Resale. The Purchaser understands that (a) the Securities have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (i) subsequently registered thereunder, (ii) the Purchaser shall have delivered to the Company an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (iii) the Purchaser provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Securities Act, as amended, (or a successor rule thereto) (collectively, "Rule 144"); (b) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) except as otherwise provided in the Transaction Documents, neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder.

7.11 Legends. The Purchaser understands that the certificates or other instruments representing the Notes and any Shares shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL, IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

7.12 Advisors and Legal Counsel. The Purchaser represents that it has been represented by independent legal counsel of its choosing, and no inference shall be drawn in favor of or against any party by virtue of the fact that such party's counsel was or was not the principal draftsman of this Agreement. The Purchaser understands that it shall be solely responsible to pay the costs and expenses of its own legal counsel in connection with the review of this Agreement and related documentation. The Purchaser agrees and acknowledges that it should seek its own legal, business, financial and other professional advisors for advice and due diligence with respect to all matters relevant to Purchaser's investment in the Company, including, without limitation, the perfection of any security interests granted by the Company to the Purchaser(s) in connection with their investment.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this SECURITIES PURCHASE AGREEMENT to be duly executed by their authorized signatories effective as of the effective date first indicated above.

VIKING ENERGY GROUP, INC.

By: */s/ James A. Doris*
Name: James A. Doris
Title: President & CEO

CAMBER ENERGY, INC.

By: */s/ Louis Schott*
Name: Louis Schott
Title: Interim Chief Executive Officer

EXHIBIT A

Form of Cancellation Agreement

CANCELLATION AGREEMENT

This Cancellation Agreement (this "Agreement") is entered into effective as of December 22, 2020 by and between Viking Energy Group, Inc., a Nevada corporation ("Borrower") and Camber Energy, Inc., a Nevada corporation ("Lender"). Borrower and Lender may each be referred to individually as a "Party" or collectively as the "Parties".

RECITALS

A. On February 3, 2020, Borrower issued Lender that certain *10.5% Secured Promissory Note (Partial Conversion Entitlement) Due February 3, 2022*, with an original issue date of February 3, 2020, and in the original principal amount of $5,000,000 (the "February Note").

B. On or about June 26, 2020, Borrower issued Lender that certain *10.5% Secured Promissory Note (Partial Conversion Entitlement) Due February 3, 2022*, with an original issue date of June 25, 2020, and in the original principal amount of $4,200,000 (the "June Note," and together with the February Note collectively the "Notes").

C. Borrower and Lender are parties to that certain *Securities Purchase Agreement* effective as January 1, 2021 (the "SPA"), pursuant to which the Lender is purchasing 236,470,588 shares of common stock of the Borrower (the "Shares").

D. The Lender desires to pay a portion of the purchase price for the Shares by cancelling the Notes pursuant to the terms and conditions stated herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Note Cancellation. As partial consideration for Borrower's issuance of the Shares to Lender, Lender hereby cancels and terminates in full the Notes and all liabilities, claims, and obligations thereunder.

2. Mutual Release. Each Party, on its own behalf and on behalf of each of its past and present officers, directors, shareholders, employees, agents, representatives, affiliates, subsidiaries, divisions, predecessors, heirs, successors and administrators, hereby releases and forever discharges the other Party and each of its respective past and present affiliates, subsidiaries, predecessors, successors, and assigns, and each of its respective past and present members, shareholders, employees, agents, representatives, officers and directors, of and from any and all demands, obligations, actions, claims (for indemnification or otherwise), causes of action, rights, debts, liabilities, damages, costs, losses, expenses and compensation of any kind, liquidated or unliquidated, anticipated or unanticipated, known or unknown, matured or unmatured, now or hereinafter existing arising as a result of the Notes; provided, however, that nothing contained herein shall relieve any party of any of its obligations under this Agreement, or extinguish or modify any rights that any party may have under this Agreement or under the SPA.

3. This Agreement shall be interpreted under the laws of the State of Nevada without regard to conflict of law principles.

4. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all previous proposals and agreements, oral or written, and all other communications or understandings between the Parties relating to the subject matter hereof

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first above written.

VIKING ENERGY GROUP, INC.

By: */s/ James A. Doris*
Name: James A. Doris
Title: President & CEO

CAMBER ENERGY, INC.

By: */s/ Louis Schott*
Name: Louis Schott
Title: Interim Chief Executive Officer

EXHIBIT 10.2

MUTUAL TERMINATION AGREEMENT

This MUTUAL TERMINATION AGREEMENT (this "Agreement"), dated as of December 22, 2020, is by and between Camber Energy, Inc., a Nevada corporation ("Camber"), and Viking Energy Group, Inc., a Nevada corporation ("Viking").

W I T N E S S E T H:

WHEREAS, the parties have entered into that certain Amended and Restated Agreement and Plan of Merger, dated as of August 31, 2020, as amended to date (the "Merger Agreement"). Any capitalized term used but not otherwise defined herein shall have the meaning set forth in the Merger Agreement.

WHEREAS, Section 8.1(a) of the Merger Agreement provides that the Merger Agreement may be terminated at any time prior to the Effective Time by mutual written consent of Camber and Viking.

WHEREAS, each of the Board of Directors of Camber and Viking has determined that it is in the best interests of Camber and the stockholders of Camber and of Viking and the stockholders of Viking, respectively, to terminate the Merger Agreement in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. The parties hereto mutually agree to terminate the Merger Agreement, effective as of the execution of this Agreement, such agreement constituting the requisite mutual agreement and written consent required to terminate the Merger Agreement pursuant to Section 8.1(a) of the Merger Agreement and otherwise as may be required pursuant to applicable Law.

2. The parties hereto agree that the Merger Agreement is hereby and forthwith void and without effect, and none of Camber, Viking, any of their respective Subsidiaries or any of the officers or directors of any of them shall have any liability of any nature whatsoever under the Merger Agreement or in connection with the transactions contemplated by the Merger Agreement or the termination thereof, except that the provisions of Section 6.2(b) shall survive such termination and continue to bind the parties.

3. Each party hereby represents and warrants to the other party that (a) such party has full corporate power and authority to execute and deliver this Agreement, (b) the execution and delivery of this Agreement, the termination of the Merger Agreement and consummation of the other transactions contemplated hereby have been duly and validly approved by the Board of Directors of such party, (c) no other corporate proceedings on the part of such party are necessary to approve this Agreement or the termination of the Merger Agreement or to consummate the other transactions contemplated hereby, and (d) this Agreement has been duly and validly executed and delivered by such party (assuming due authorization, execution and delivery by the other parties) and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms (except in all cases as such enforceability may be limited by the Enforceability Exceptions).

4. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto and duly approved by the parties' respective Boards of Directors or a duly authorized committee thereof. Any agreement on the part of a party hereto to any extension or waiver of the Agreement shall be valid only if set forth in a written instrument signed on behalf of such party, but such extension or waiver or failure to insist on strict compliance with an obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

5. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expense; provided, however, all filing and other fees paid to Governmental Entities in connection with the Merger prior to the date hereof shall be borne by the parties previously paying those fees.

6. The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of a provision of this Agreement. When a reference is made in this Agreement to Sections or paragraphs, such reference shall be to a Section or paragraph of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The word "or" shall not be exclusive. References to "the date hereof" shall mean the date of this Agreement. As used herein, the term "person" means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Entity or other entity of any kind or nature.

7. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party (which may be withheld by such other party in its sole discretion). Any purported assignment in contravention hereof shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns. This Agreement (including the documents and instruments referred to herein) is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder, including the right to rely upon the representations and warranties set forth herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

CAMBER ENERGY, INC.

/s/ Louis G. Schott
Name: Louis G. Schott
Title: Interim Chief Executive Officer

VIKING ENERGY GROUP, INC.

/s/ James A. Doris
Name: James A. Doris
Title: Chief Executive Officer

EXHIBIT 10.3

ASSIGNMENT OF MEMBERSHIP INTERESTS

This Assignment of Membership Interests (this "**Assignment**") dated effective as of December 22, 2020 (the "**Effective Date** ") is entered into by and between Camber Energy, Inc., a Nevada corporation ("**Camber**") and Viking Energy Group, Inc., a Nevada corporation ("**Viking**").

RECITALS:

A.Camber and Viking are parties to that certain Securities Purchase Agreement (the "**SPA**"), dated December 22, 2020, relating to the purchase by Camber of shares of common stock in the capital of Viking.

B. Pursuant to the SPA, Camber has agreed to transfer to Viking all of the issued and outstanding membership interests owned by Camber of Elysium Energy Holdings, LLC (the "**Elysium Interests**").

C. In accordance with the SPA, Camber desires to transfer all of the Elysium Interests to Viking, and Viking desires to accept the Elysium Interests from the Viking.

NOW, THEREFORE, the parties to this Assignment hereby agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Agreement.

2. Assignment of Elysium Interests. In accordance with the Agreement and in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, and effective as of the Effective Date, the Camber hereby sells, assigns, transfers, conveys and delivers to Viking, and Viking hereby purchases and accepts, all of the Elysium Interests free and clear of all encumbrances.

3. Future Cooperation. Camber and Viking mutually agree to execute any further deeds, bills of sale, assignments, or other documents as may be reasonably requested by the other party for the purpose of giving effect to, evidencing or giving notice of the transaction evidenced by this Assignment.

4. SPA. The transfer of the Elysium Interests to Viking are subject to the terms and conditions of the SPA.

5. Amendment and Modification; Waiver. This Assignment may be amended, modified and supplemented only by written instrument duly authorized and executed by Camber and Viking. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Assignment shall not operate or be construed as a waiver of any other provision or breach

6. Governing Law. This Assignment shall be governed by, and construed in accordance with, the internal laws of the State of Texas, without regard to conflict of law principles.

7. Inconsistencies with Agreement. Notwithstanding anything to the contrary contained herein, the terms of this Assignment are subject to the terms, provisions, conditions and limitations set forth in the Agreement, and this Assignment is not intended to supersede or alter the obligations of the parties to the SPA, which shall survive the execution and delivery of this Assignment. In the event of any inconsistencies between the terms of this Assignment and the terms of the SPA, the parties agree that the terms of the SPA shall control.

8. Counterparts. This Assignment may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

9. Severability. If any provision of this Assignment is determined to be invalid or unenforceable, in whole or in part, it is the parties' intention that such determination will not be held to affect the validity or enforceability of any other provision of this Assignment, which provisions will otherwise remain in full force and effect.

10. Successors and Assigns. This Assignment will inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

CAMBER ENERGY, INC.

/s/ Louis G. Schott
Name: Louis G. Schott
Title: Interim Chief Executive Officer

VIKING ENERGY GROUP, INC.

/s/ James A. Doris
Name: James A. Doris
Title: Chief Executive Officer

EX-10.4
EX-10.4 5 cei-ex104.htm FORM OF INVESTOR NOTE

EXHIBIT 10.4

PROMISSORY NOTE

$12,000,000.00 Houston, Texas December 22, 2020

FOR VALUE RECEIVED, after the date, without grace, in the manner, on the dates, and in the amounts so herein stipulated, the undersigned, **CAMBER ENERGY, INC**., a Nevada corporation with offices located at 1415 Louisiana Street, Suite 3500, Houston, Texas 77002 ("Maker"), promises to pay to the order of _____, a _____ (the "Payee"), at such place as designated by the Maker, the sum of TWELVE Million and No/100 Dollars ($12,000,000.00) in lawful money of the United States of America, which shall be legal tender, in payment of all debts and dues, public and private, at the time of payment, payable as stipulated herein. This Note shall bear interest to accrue at the rate of ten percent (10%) per annum.

Note Terms.

a. This Note shall be paid as follows:

i. All principal and accrued interest on this Note shall be paid on December 11, 2022 (the " Maturity Date").

ii. If not paid on the Maturity Date, the Maximum Nonusurious Rate of interest, as later defined herein, permitted to be charged Maker by law (state or federal, as applicable) and further limited by the provisions of this Note hereinafter set forth, which provisions control the calculation of interest to be charged on the indebtedness evidenced by this Note.

iii. Calculation of the interest rates as stated hereinabove shall be hereinafter defined as the "Stated Rate." All past due payments of principal, and if permitted by applicable law of interest, shall bear interest from day to day at (i) the Maximum Nonusurious Rate of interest in effect from day to day permitted to be charged Maker by applicable law, all to be computed from maturity (whether stated or by acceleration) until paid.

Upon the occurrence of any default hereunder (herein, an "Event of Default"), which will be deemed to occur in the event any of the following occur: (a) Maker has not paid any amount of principal or accrued interest within five (5) business days following the Maturity Date, (b) Maker admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of creditors; (c) Maker commences any case or other proceeding seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its company structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any part of its property, or shall take any action to authorize any of the foregoing; (d) any case or proceeding is commenced against Maker to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking other similar official relief for it or any part of its property, and such case or proceeding (x) results in the entry of an order for relief against it which is not fully stayed within five (5) business days after the entry thereof or (y) is not dismissed within sixty (60) days of commencement; (e) default in the performance of any of the terms, covenants, or conditions contained in the Promissory Note delivered by Maker to Payee dated December 11, 2020 or the Security Agreement of Maker delivered to Payee dated December 11, 2020 (the "December 11, 2020 Loan Documents"); or (f) default in the performance of any of the terms, covenants, or conditions contained in any of the Security Instruments (as hereinafter defined) and such default continues for a period of more than ten (10) days following written notice from Payee other than as expressly otherwise provided in any of the Security Instruments, or in any instrument or instruments given contemporaneously herewith, heretofore or hereafter as security for or guaranteeing the payment of this Note, or any condition existing which authorizes the acceleration of the maturity hereof under any other agreement made by the Maker, then Payee shall have the right to exercise the default remedies specified herein.

The undersigned expressly agrees that if an Event of Default occurs under this Note or any of the Security Instruments, as defined below, or under the December 11, 2020 Loan Documents, the Payee may, at Payee's option, without demand, notice or presentment of default, notice of acceleration, notice of intention to accelerate or otherwise, to Maker or to any other entity, declare the principal and any and all interest then accrued thereon, at once due and payable. Upon the occurrence of any Event of Default the Payee, or any other holder of this Note, shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose any and all liens and security interests securing the indebtedness evidenced hereby. Failure to exercise any option to accelerate described in this paragraph shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

In the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through any judicial proceeding whatsoever, or if any action or foreclosure be had hereon, then the Maker agrees and promises to pay an additional amount as reasonable, calculated and foreseeable attorneys' and collection fees incurred by Payee in connection with enforcing Payee's rights herein contemplated, all of which amounts shall become part of the principal hereof.

The unpaid principal balance of this Note at any time shall be the total amounts loaned or advanced hereunder by Payee, less the amount of payments or prepayments of principal made hereon by or for the account of Maker. It is contemplated that by reason of prepayments hereon, there may be times when no indebtedness is owing hereunder; but, notwithstanding such occurrences, this Note shall remain valid and shall be in full force and effect as to loans or advances made pursuant to and under the terms of this Note subsequent to each such occurrence. In the event that the unpaid principal amount hereof at any time, for any reason, exceeds the maximum amount hereinabove specified, Maker covenants and agrees to pay the excess principal amount forthwith upon demand; such excess principal amounts shall in all respects be deemed to be included among the loans or advances made pursuant to the terms of any documents executed in connection with or as security for this Note and shall bear interest at the rates hereinabove stated.

All makers, endorsers, sureties and guarantors hereof, if any, as well as any person to become liable on this Note, hereby waive demand or presentment for payment of this Note, notice of nonpayment, protest, notice of protest, suit, notice of acceleration, or notice of intention to accelerate, diligence or any notice of or defense on account of the extension of time of payments or change in the method of payments, and consent to any and all renewals and extensions in the time of payment hereof, and to any substitution, exchange or release of any security herefor or the release of any party primarily or secondarily liable hereon.

It is expressly provided and stipulated that notwithstanding any provision of this Note or any other instrument evidencing or securing the indebtedness evidenced hereby, in no event shall the aggregate of all interest paid by the Maker to the Payee hereunder ever exceed the Maximum Nonusurious Rate of interest which may lawfully be charged Maker under the laws of the State of Texas or United States Federal Government, as applicable, on the principal balance of this Note remaining unpaid. It is expressly stipulated and agreed by the Maker that it is the intent of the Payee and the Maker in the execution and delivery of this Note to contract in furtherance of such laws, and that none of the terms of this Note, or said other instruments, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, at any interest rate in excess of the Maximum Nonusurious Rate of interest permitted to be charged the Maker under the laws of the State of Texas or United States Federal Government, as applicable. The Maker or any guarantors, endorsers or other parties now or hereafter becoming liable for payment of the Note shall never be liable for interest in excess of the Maximum Nonusurious Rate of interest that may lawfully be charged under the laws of the State of Texas or United States Federal Government, as applicable, and the provisions of this paragraph and the immediately succeeding paragraph shall govern over all other provisions of this Note, and all other instruments evidencing or securing the indebtedness evidenced hereby, should any such provisions be in apparent conflict herewith.

Specifically and without limiting the generality of the foregoing paragraph, it is expressly provided that:

(i) In the event of prepayment of the principal of this Note, in whole or in part, which shall be permitted hereunder, or the payment of the principal of this Note prior to the stated maturity date hereof, whether resulting from acceleration of the

maturity of this Note or otherwise, if the aggregate amounts of interest accruing hereon prior to such payment plus the amount of any interest accruing after maturity and plus any other amount paid or accrued in connection with the indebtedness evidenced hereby which by law are deemed interest on the indebtedness evidenced by the Note and which aggregate amounts paid or accrued (if calculated in accordance with the provisions of this Note other than this paragraph) would exceed the Maximum Nonusurious Rate of interest which could lawfully be charged as above mentioned on the unpaid principal balance of the indebtedness evidenced by this Note from time to time advanced (less any discount) and remaining unpaid from the date advanced to the date of final payment thereof, then in such event the amount of such excess shall be credited, as of the date paid, toward the payment of the principal of this Note so as to reduce the amount of the final payment of principal due on this Note.

(ii) If, under any circumstances, the aggregate amount paid on the indebtedness evidenced by this Note prior to and incident to the final payment hereof include amounts which by law are deemed interest and which would exceed the Maximum Nonusurious Rate of interest which could lawfully have been charged or collected on this Note, as above mentioned, Maker stipulates that (a) any non-principal payment shall be characterized as an expense, fee, or premium rather than as interest and any excess shall be credited hereon by the holder hereof (or, if this Note shall have been paid in full, refunded to the Maker); and (b) determination of the rate of interest for determining whether the indebtedness evidenced hereby is usurious shall be made by amortizing, prorating, allocating, and spreading, in equal parts during the full stated term hereof, all interest at any time contracted for, charged, or received from the Maker in connection herewith, and any excess shall be canceled, credited, or refunded as set forth in (a) herein. Time shall be of the essence in performing all actions.

This Note has been executed and delivered and shall be construed in accordance with and governed by the laws of the State of Texas and of the United States of America.

The "Maximum Nonusurious Rate of Interest" which may be charged as herein contemplated shall be the indicated rate ceiling from time to time in effect pursuant to the applicable provisions of the Texas Finance Code, as amended, provided that Payee may also rely on any alternative Maximum Nonusurious Rate of interest provided by other applicable laws if such alternative rate is higher than that allowed by said Code, as amended.

The Maker of this Note agrees that this Note shall be freely assignable to any assignee of Payee, subject to compliance with applicable securities laws.

The Maker shall have the privilege to prepay at any time, and from time to time, all or any part of the principal amount of this Note, without notice, penalty or fee, provided that all accrued and unpaid interest through the date of the prepayment is also paid, such prepayments to be applied first to accrued and unpaid interest on the principal amount and the balance, if any, to the reduction of principal. Maker's right to prepay this Note shall not be deemed as a right to receive a release of any of the liens or security interests covering the collateral securing payment of this Note.

The Maker represents and warrants that the extension of credit represented by this Note is for business, commercial, investment or other similar purposes, and not primarily for personal, family, household or agricultural use.

No failure to exercise and no delay on the part of Payee in exercising any power or right in connection herewith or under any of the Security Instruments or any other instrument evidencing, securing, or guaranteeing this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No course of dealing between Maker and Payee shall operate as a waiver of any right of Payee. No modification or waiver of any provision of this Note or any other instrument evidencing, securing, or guaranteeing this Note nor any consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by the person against whom enforcement thereof is to be sought, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

Any check, draft, money order, or other instrument given in payment of all or any portion of this Note may be accepted by Payee and handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of Payee except to the extent that actual cash proceeds of such instruments are unconditionally received by Payee.

THIS NOTE, THE SECURITY INSTRUMENTS, AND ALL DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HEREWITH OR THEREWITH, REPRESENT THE FINAL AGREEMENT BETWEEN THE MAKER AND PAYEE AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE MAKER AND THE PAYEE.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE MAKER AND PAYEE.

All renewals, extensions, modifications and rearrangements of the Note, if any shall be subject to the terms and provisions hereof. Maker shall be deemed to have ratified as of the date of each such renewal, extension, modification and rearrangement, all of the representations, covenants and agreements set forth herein.

The Maturity Date may be extended by written agreement of the Parties. However, any such extensions shall be subject to Lender's written approval with a signed amendment to this Note.

It is agreed that time is of the essence of this Note, and the Maker expressly agrees that upon an occurrence of an Event of Default in the payment of any principal or interest when due, the Payee may, without demand, notice of presentment of default, notice of acceleration, notice of intention to accelerate or otherwise, to Maker, all of which are hereby waived by Maker, declare the entirety of this Note immediately due and payable. Upon the occurrence of any default hereunder, the Payee shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose upon any and all liens and security interests, if any, securing the indebtedness evidenced hereby. Failure to exercise said option shall not constitute a waiver on the part of the Payee of the right to exercise the same at any other time.

Payment of the Note and performance of the obligations described herein shall be secured by a perfected security interest in the collateral as more fully set forth in that certain Security Agreement executed as of even date herewith (the "Security Agreement"). In addition, payment of this Note and performance of the obligations shall be secured by a Guaranty of even date herewith by Viking Energy Group, Inc. ("Viking"), as a condition to the Merger (the "Guaranty", together with the Security Agreement (the "Security Instruments").

This Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event of a Change of Control (as hereinafter defined). In the event of a Change of Control, in addition to becoming due immediately, the undersigned persons signing on behalf of Maker shall ensure that any funds because of the Change of Control are given highest priority to satisfy the terms of this Note. "Change of Control" of the Maker shall mean any of the following events:

(i) any person or persons acting together (other than those persons in control of the Maker as of the date hereof, or an entity owned directly or indirectly by the members of the Maker in substantially the same proportions as their ownership of membership interests of the Maker) becomes the beneficial owner, directly or indirectly, of securities of the Maker representing more than fifty percent (50%) of the combined voting power of the Maker's then outstanding securities in any one transaction; or

(ii) the undersigned persons representing Maker approve (1) a plan of complete liquidation of the Maker and its subsidiaries (if any), (2) an agreement for the sale or disposition of all or substantially all Maker's assets other than to a person controlled by the Maker or by the members of Maker, or (C) a merger (other than a merger for purposes of redomiciling Maker), consolidation, or reorganization of Maker with or involving any other entity, other than a merger, consolidation, or reorganization that would result in the voting securities of Maker outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the securities of Maker (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization.

Notwithstanding the above, none of the rights, privileges or obligations of the Agreement and Plan of Merger (as amended from time to time) between the Maker and Viking or the merger provided for therein (the "Merger"), including, but not limited to, any of the issuances of securities contemplated, or affected in connection therewith, or voting rights associated therewith, shall at any time trigger a Change of Control.

Notwithstanding any other provision, this Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event that the Merger does not close or is not fully consummated by March 11, 2021; however this provision shall not apply if on or before such date the Maker has increased its authorized capital to at least 250,000,000 common shares.

Maker has full power and authority to enter into, execute, and deliver this Note and to perform its obligations hereunder. No consent, approval, filing or registration with any governmental authority is required as a condition to the validity of the Note or the performance by Maker of its obligations thereunder.

The Note, when issued and delivered pursuant hereto for value received, will constitute, the valid and legally binding obligations of Maker, enforceable against Maker in accordance with its terms.

Any notice or other communication required or permitted hereunder shall be in writing and personally delivered, mailed by registered or certified mail (return receipt requested and postage prepaid), sent by personal delivery or sent by prepaid overnight courier service, and addressed to the relevant party at such address as such party may, by written notice, designate as its address for purposes of notice hereunder.

All rights and remedies available to Payee under this Note shall be cumulative of and in addition to all other rights and remedies granted to Payee at law or in equity.

Maker hereby agrees to pay all expenses incurred, including any reasonable attorneys' fees, all of which shall become a part of the principal hereof, if this Note is in default and placed in the hands of an attorney for collection, or if collected by suit or through any probate, bankruptcy, or any other legal proceedings.

Maker, together with each surety and endorser, waives demand, grace, notice, presentment for payment, and protest and agrees and consents that this Note and the liens securing its payment, if any, may be renewed, and the time of payment extended without notice, and without releasing any of the parties.

This Note is to be governed by and construed in accordance with the laws of the State of Texas. The courts within Harris County, Texas shall have jurisdiction over any dispute regarding this Note.

The parties hereto acknowledge that a remedy at law for any breach or threatened breach of this Note may be inadequate and that the parties shall be entitled to seek specific performance, injunctive relief, and any other remedies available to it for such breach or threatened breach.

If any one or more of the provisions contained in the Note shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and therein shall not be affected in any way thereby.

Each party hereto acknowledges that it was actively involved in the negotiation and drafting of this Note and that no law or rule of construction shall be raised or used in which the provisions of this Note shall be construed in favor or against any party hereto because one is deemed to be the author thereof.

If any legal action or other proceeding is brought for the enforcement of this Note or any document executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Note or any document, instrument or agreement executed in connection herewith, the successful prevailing party shall be entitled to recover reasonable attorney's fees, court costs and all other costs and expenses incurred in that action or proceeding.

EACH PARTY ACKNOWLEDGES THAT IT IS EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT IT HAS BEEN ADVISED OF ITS RIGHT TO RETAIN LEGAL COUNSEL, AND THAT IT HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO HIS, HER OR ITS EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

MAKER:

CAMBER ENERGY, INC.

By: _____
Name:
Title:

PAYEE:

By: _____
Name:
Title:

EXHIBIT 10.5

SECURITY AGREEMENT-PLEDGE

ARTICLE I
GENERAL RECITALS

Identification of Parties

This is a Security Agreement-Pledge (the "Agreement") dated as of December 22, 2020 (the "Effective Date") between **CAMBER ENERGY, INC.**, a Nevada corporation whose principal address is 1415 Louisiana Street, Suite 3500, Texas 77002, referred to in this Agreement as "Pledgor", and _____, a _____, whose principal address is _____, referred to in this Agreement as "Secured Party". Pledgor and Secured Party are sometimes hereinafter referred to together as the "Parties" and individually as a "Party".

Debt

1.01. Pledgor is indebted to Secured Party, as evidenced by that certain promissory note dated December 11, 2020, in the principal sum of Six Million and No/100 ($6,000,000.00), referred to in this Agreement as the "First Note", and that certain promissory note dated December 22, 2020, in the principal sum of Twelve Million and No/100 ($12,000,000.00), referred to in this Agreement as the "Second Note", collectively with the First Note, the "Promissory Notes".

Nature of Agreement

1.02. Pledgor and Secured Party desire that, as an accommodation in connection with the loan made by Secured Party to Pledgor, Pledgor grants to the Secured Party a security interest in the Collateral described in Paragraph 2.02 of this Agreement as collateral for Pledgor's performance of the terms and conditions of the Promissory Notes and other obligations set forth in this Agreement.

THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the Pledgor and Secured Party agree as follows:

ARTICLE 2
PLEDGE

Security Interest

2.01. Pledgor creates and grants to the Secured Party a security interest in the Collateral described in Paragraph 2.02 of this Agreement to secure the payment and performance of the obligations of Pledgor to the Secured Party set forth in Paragraph 2.03 of this Agreement.

Description of Collateral

2.02.

(a) This Agreement creates a first lien, perfected security interest in favor of Secured Party in the 236,470,588 shares of common stock, par value $0.001 per share, of Viking Energy Group, Inc., a Nevada corporation owned by Pledgor (the "Equity"); and

(b) All right, title and interest of Pledgor, whether now owned or hereafter acquired, in and to Pledgor's right to receive profits, income, proceeds, monies and distributions, arising, directly or indirectly out of Pledgor's interest in the Equity

(together with the Equity, collectively referred to as the "Collateral").

Obligations Secured

2.03. The security interest created by this Agreement secures the following:

(a) Payment of the indebtedness evidenced by, and performance and discharge of every covenant, condition, and agreement contained in the Promissory Notes, and any and all modifications, extensions, or renewals of the Promissory Notes (the " Obligations").

(b) Performance and discharge of every obligation, covenant, and agreement of Pledgor contained in this Agreement or in any of the Security Instruments, as defined in the Promissory Notes (if any) (collectively, the "Ancillary Agreements").

Representations and Warranties of Debtor

2.04.

(a) Pledgor warrants and represents that the Collateral represents 100% of the shares of Viking Energy Group, Inc. owned by Pledgor; that the Collateral is free and clear of any security interests, liens, restrictions, or encumbrances, and the security interest created by this Agreement, and that Pledgor has full right and power to transfer the Collateral to the Secured Party free and clear of any interests described in this paragraph, and to enter into and carry out this Agreement.

(b) Pledgor has not heretofore signed any financing statement, and no financing statement is now on file in any public office covering the Collateral. Pledgor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a financing statement signed only by Secured Party covering the Collateral; and at the request of Secured Party, Pledgor will join Secured Party in executing one or more financing statements, pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party.

(c) Pledgor will not sell, transfer or dispose of any portion of the Collateral unless Secured Party consents to such sale, transfer or disposition in writing, in advance and/or unless such transfer/disposition is required in connection with the merger of Pledgor and Viking Energy Group, Inc.

(d) Pledgor shall, at its own expense, do, make, procure, execute and deliver all acts, things, writings and assurances as Secured Party may at any time reasonably request to protect, assure or enforce its interests, rights and remedies created by, provided in, or emanating from, this Security Agreement.

(e) Pledgor shall keep the Collateral, including any proceeds therefrom, free from unpaid charges, including taxes, and from liens, encumbrances and security interests other than that of Secured Party.

(f) Pledgor shall promptly notify Secured Party upon the acquisition of additional equity in any entity, and the definition of "Collateral" shall automatically be deemed to include any such additional equity. Pledgor shall take any and all action required by Secured Party in connection with Secured Party's rights to such additional equity.

ARTICLE 3
DEFAULT; RIGHTS OF SECURED PARTY

Event of Default

3.01. As used in this Agreement, "Event of Default" shall have the meaning subscribed to such term in the Promissory Notes.

Secured Party's Rights and Remedies

3.02. Secured Party shall have all of the following rights regardless of the existence of any Event of Default.

(a) This Agreement, Secured Party's rights hereunder, or the indebtedness hereby secured may be assigned from time to time.

(b) Secured Party may execute, sign, endorse, transfer or deliver in the name of Pledgor any documents, necessary to evidence, perfect or realize upon the security interest and obligations created by this Agreement.

(c) Secured Party shall have no liability with respect to the Collateral, including, without limitation, any obligation for cash calls.

3.03. Upon an Event of Default, the Secured Party may foreclose the security interest in either of the following ways:

(a) Provided that the Secured Party gives notice to the Pledgor, and the Pledgor fails to object within twenty-one (21) days of receipt of such notice, the Secured Party may retain in satisfaction of Pledgor's obligation all of the Collateral.

(b) Secured Party may declare all Obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, at public or private sale or sales, or otherwise dispose of or utilize the collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, at such prices and on such terms as Secured Party may deem reasonable under the circumstances. Secured Party shall have the right to take possession of all or any part of the Collateral and of all books, records, papers and documents in Pledgor's possession or control relating to the Collateral which are not already in Secured Party's possession, and for such purpose may enter upon any premises upon which any of the Collateral or any security therefor or any of said books, records, papers and documents are situated and remove the same therefrom. Unless the Collateral threatens to decline in value or is of a type customarily sold on a recognized market Secured Party will send Pledgor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Pledgor at the address designated on the first page of this Security Agreement (or at such other address as Pledgor shall have designated as its address for receipt of notices hereunder in a writing duly received by Secured Party) at least ten (10) days before the time of the sale or disposition. Expenses of retaking, holding, selling or the like shall include Secured Party's reasonable attorney's fees and legal expenses, and Pledgor agrees to pay such expenses, plus interest thereon at the maximum rate permitted by applicable law from the date such expenses are incurred until repaid. Pledgor shall remain liable for any deficiency.

(c) No delays or omission on the part of Secured Party in exercising any right hereunder shall operate as a waiver of any such right or any other right. A waiver on any one or more occasions shall not be construed as a bar or waiver of any right or remedy on any future occasion. The remedies of Secured Party hereunder are cumulative, and the right exercise of any one or more of the remedies provided for herein shall not be construed as an election or as a waiver of any of the other remedies of Secured Party provided for herein or existing by law or otherwise.

Additional Agreements

3.04.

(a) The execution and delivery of this Agreement in no manner shall impair or affect any other security (by endorsement or otherwise) for the payment of the Obligations and no security taken hereafter as security for payment of the Obligations shall impair in any manner or affect this Agreement, all such present and future additional security to be considered as cumulative security. Any of the Collateral may be released from this Agreement without altering, varying or diminishing in any way the force, effect, lien, security interest, or charge of this Agreement as to the Collateral not expressly released, and this Agreement shall continue as a first and prior lien, security interest and charge on all of the Collateral not expressly released, until all the Obligations secured hereby have been paid in full. Any future assignment or attempted assignment of the interest of Pledgor in and to any of the Collateral shall not deprive Secured Party of the right to see or otherwise dispose of or utilize all of the Collateral as above provided or necessitate the sale or disposition thereof in parcels or in severalty.

(b) This Agreement shall not be construed as relieving Pledgor from full personal liability on the Obligations secured hereby and for any deficiency thereon.

ARTICLE 4
VOTING; DISTRIBUTIONS

Voting

4.01 For as long as the Collateral is held by Secured Party, and until the date of an Event of Default, if any, the Pledgor shall have the right to vote the Equity for all purposes. If requested by the Pledgor, the Secured Party shall execute and deliver to the Pledgor any proxies and authorizations reasonably required to confirm the voting rights of the Pledgor during this period.

Distributions

4.02 For as long as the Collateral is held by the Secured Party, and until the date of an Event of Default, if any, all distributions paid upon the Equity shall belong to the Pledgor.

ARTICLE 5
RELEASE OF COLLATERAL

Release of Collateral

5.01. Pledgor shall, upon payment in full of the Promissory Notes, be entitled to a release of Collateral.

ARTICLE 6
MISCELLANEOUS

No Waiver of Right of Remedies

6.01. No failure or delay by Secured Party in exercising any right, power, or privilege given by any provision of this Agreement shall operate as a waiver of the provision. Additionally, no single or partial exercise of any right, power, or privilege shall preclude any other or further exercise of that or any other right, power, or privilege.

Severability

6.02. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable, all other provisions of this agreement shall be valid, binding, and effective as if the illegal or unenforceable provisions had never been included in this Agreement.

Notices

6.03. Any notices of other communications required or permitted by this Agreement shall be delivered personally or sent by registered or certified mail, postage prepaid the addresses set forth in the introductory paragraph hereof, or at any other address furnished in writing by either Party to the other, and shall be deemed to have been given as of the date the notice is personally delivered or three business days after deposited in the United States mail.

Assignment

6.04. This Agreement and the Security Interest created by this Agreement shall be assignable by the Secured Party, and shall inure to the benefit of Secured Party’s legal representatives, successors and assigns. Pledgor may not assign its obligations hereunder.

Choice of Law; Venue

6.05. It is the intention of the parties that the laws of Texas should govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties. **ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND THE PROMISSORY NOTES MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS OR OF THE UNITED STATES LOCATED IN HARRIS COUNTY, TEXAS AND, BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, THE PLEDGOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF THE COMPANY'S PROPERTY, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE PLEDGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE PLEDGOR, SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING. NOTHING IN THIS SECURITY AGREEMENT SHALL AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE PLEDGOR IN ANY OTHER JURISDICTION.**

THE PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH THE PLEDGOR MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS SECURITY AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN THIS SECTION 6.05 AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Paragraph Headings

6.06. Paragraph and other headings contained in this Agreement are for purposes of reference and convenience only and shall not affect in any way the meaning of this Agreement or its interpretation.

Prevailing Party

6.07. If any legal action or other proceeding is brought for the enforcement of this Agreement executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement or any document, instrument or agreement executed in connection herewith, the successful prevailing Party shall be entitled to recover reasonable attorney's fees, court costs and all other costs and expenses incurred in that action or proceeding.

Drafting

6.08. Each of the Parties hereto acknowledges that each Party was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor or against any Party hereto because one is deemed to be the author thereof.

Counsel

6.09. COUNSEL. EACH PARTY ACKNOWLEDGES THAT THE PARTIES ARE EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT EACH PARTY HAS BEEN ADVISED OF THEIR RIGHT TO RETAIN LEGAL COUNSEL, AND THAT EACH PARTY HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO THEIR EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

PLEDGOR:

CAMBER ENERGY, INC.

By: _____
Name: _____
Title: _____

SECURED PARTY:

_____

By: _____
Name: _____
Title: _____

EXHIBIT 10.6

SECURITY AGREEMENT

This Security Agreement (the "Security Agreement") is made as of December 22, 2020 by and between **CAMBER ENERGY, INC.**, a Nevada corporation (the "Company") whose principal address is 1415 Louisiana Street, Suite 3500, Houston, Texas 77002, and **_____,** a _____ (the "Secured Party") whose principal address is _____. The Company and the Secured Party may be hereinafter referred to singularly as a "Party" or collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, the Parties have entered into that certain Promissory Note dated effective as of December 22, 2020 (the " Promissory Note") under which the Company has agreed to pay the Secured Party those certain amounts outstanding under the Promissory Note from time to time, the principal amount not to exceed Twelve Million and No/100 Dollars ($12,000,000.00), a true and complete copy of which is attached as Exhibit A to this Security Agreement. Certain capitalized terms used, but not defined, herein, shall have the meanings given to such terms in the Promissory Note;

NOW, THEREFORE, it is hereby agreed by the Parties as follows:

1. Defined Terms.

As used in this Security Agreement, the following terms shall have the following meanings:

"*Ancillary Agreements"* means the Security Agreement-Pledges that shall be executed by the Company and all of its subsidiaries in favor of the Secured Party, dated as of even date herewith and guarantees to be executed by any subsidiaries or entities that are owned by or controlled directly or indirectly by the Company as of the date of this Security Agreement or whenever thereafter acquired by the Company.

"*Collateral"* has the meaning specified in Section 2.

"*Event of Default"* has the meaning specified in Section 10.

"*Proceeds"* means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, Collateral, including, without limitation, all claims of the Company against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

"*Receivables"* means all *"accounts"*, *"chattel paper"*, *"instruments"*, *"documents"*, *"general intangibles"* (including "payment intangibles") (as each such term is defined in the UCC) and other obligations owed to the Company of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and whether or not evidenced by a written agreement, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts including support agreements (as such term is defined in the UCC) (all such written or unwritten agreements, security agreements, leases and other contracts, including all support agreements, being the "Related Contracts"), securing or otherwise relating to any such accounts, chattel paper, instruments, documents, general intangibles or other obligations.

"*Secured Liabilities"* means all present and future obligations and liabilities (whether actual or contingent and whether now or hereafter owed jointly or severally or as principal, Company, guarantor, surety or otherwise or as the equivalent obligor under the laws of any jurisdiction) of the Company pursuant to the terms of the Promissory Note, together with:

(i) all costs, charges and expenses incurred by the Secured Party in connection with or arising out of the protection, preservation or enforcement of the Secured Party's rights under the Promissory Note;

(ii) any modification, renewal or extension of or increase in any of those obligations or liabilities;

(iii) any claim for damages or restitution in the event of rescission of any of those obligations or liabilities or otherwise in connection with the Promissory Note;

(iv) any claim against the Company flowing from the recovery by the Company of a payment or discharge in respect of any of those obligations or liabilities on grounds of preference or otherwise;

(v) all other amounts now or in the future owed by the Company to the Secured Party pursuant to the terms of the Promissory Note; and

(vi) any amounts that would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency, bankruptcy or other proceedings.

"*Security Interest*" means the security interest granted in accordance with Section 2, as well as all other security interests created or assigned as additional Collateral for the Secured Liabilities in accordance with the provisions of this Security Agreement or otherwise.

"*Subsidiary" or "Subsidiaries"* means any legally existing entity that the Company owns in whole or if in part, has control of greater than a majority of the equity ownership and/or a majority voting control thereof.

"*UCC*" means the Uniform Commercial Code in effect from time to time in the State of Texas; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Texas, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such perfection or effect of perfection or non-perfection.

2. Security Interest.

(a) In order to secure the full and punctual payment of the Secured Liabilities in accordance with the terms thereof, including to secure the performance of all of the obligations of the Company under the Promissory Note, the Company hereby grants and assigns to the Secured Party a continuing security interest in and to all right, title and interest of the Company (but, for the avoidance of doubt, not its Subsidiaries) in all of the following property, whether now owned or existing or hereafter acquired or arising and regardless of where located (all being collectively referred to as the "Collateral"):

(i) Accounts. All accounts (as such term is defined in Article 9 of the UCC) whether now owned or existing or hereafter arising or acquired by the Company, and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale, lease or other disposition of inventory, and expressly including all notes, drafts, acceptances, instruments and chattel paper arising from any of the foregoing, and all refunds and rights to reimbursement.

(ii) Inventory. All inventory (as such term is defined in Article 9 of the UCC), including all goods, merchandise, raw materials, work in process, finished goods and other tangible personal property, wheresoever located, whether now owned or existing or hereafter arising or acquired by the Company, and (a) leased by the Company as lessor, (b) held for sale or lease or furnished or to be furnished under contracts for service, (c) furnished by the Company under a contract of service, or (d) used or consumed in the Company's business, and all additions and accessions thereto and all purchase orders, leases and contracts with respect thereto and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof, whether in the possession of the Company, a warehouseman, a bailee, or any other person.

(iii) Fixtures. All fixtures (as such term is defined in Article 9 of the UCC) and appurtenances thereto, whether now owned or existing or hereafter arising or acquired by the Company, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building(s) or structure(s), including all

attachments, appurtenances, additions and accessions thereto and replacements thereof and articles in substitution therefor, howsoever attached or affixed (together with all tools, components, parts and equipment now or hereafter added to or used in connection with the foregoing).

(iv) Equipment. All equipment (as such term is defined in Article 9 of the UCC) of every nature and description whatsoever, whether now owned or existing or hereafter arising or acquired by the Company, including all appurtenances and additions and accessions thereto and substitutions therefor and replacements thereof, wheresoever located, including all tools, parts, components and accessories used in connection therewith, and expressly including all vehicles, rolling stock, and goods (as such term is defined in Article 9 of the UCC) other than inventory, farm products and consumer goods.

(v) General Intangibles. All general intangibles (as such term is defined in Article 9 of the UCC) and other personal property, whether now owned or existing or hereafter arising or acquired by the Company, and expressly including any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter of credit rights, letters of credit, money, oil, gas or other minerals before extraction. The term "general intangibles" includes (a) payment intangibles (as such term is defined in Article 9 of the UCC), (b) software (as such term is defined in Article 9 of the UCC), (c) all patents, copyrights, trademarks, service marks, processes, formulae, know-how, prototypes, samples, plans, scientific and/or technical information, trade secrets, confidential or proprietary information, items under development, in application or other "pending" status, and all other items of a similar nature used in the conduct of the Company's business, and (d) all benefits, rights, titles and interests under all partnership, joint venture and limited liability company agreements between or among the Company and any other party (but none of Company's liabilities or obligations with respect thereto); however, the term "general intangibles" shall not include any swap agreement (as defined in 11 U.S.C. Sec. 101) with Secured Party.

(vi) Chattel Paper. All chattel paper (as such term is defined in Article 9 of the UCC), whether now owned or existing or hereafter arising or acquired by the Company.

(vii) Instruments. All instruments (as such term is defined in Article 9 of the UCC), including promissory notes, whether now owned or existing or hereafter arising or acquired by the Company.

(viii) Documents. All documents (as such term is defined in Article 9 of the UCC) whether now owned or existing or hereafter arising or acquired by the Company.

(ix) Letter of Credit Rights. All letter of credit rights (as such term is defined in Article 9 of the UCC) whether now owned or existing or hereafter arising or acquired by the Company.

(x) Deposit Accounts. All deposit accounts (as such term is defined in Article 9 of the UCC), whether now owned or existing or hereafter arising or acquired by the Company, and expressly including without limitation all cash, money, property, deposit accounts, accounts, securities, documents, chattel paper, claims, demands, instruments, items or deposits of the Company, now held or hereafter coming within Secured Party's custody or control, including without limitation, all certificates of deposit and other depository accounts, whether such have matured or the exercise of Secured Party's rights results in loss of interest or principal or other penalty on such deposits, but excluding deposits subject to tax penalties if assigned.

(b) The Security Interest is granted as security only and shall not subject the Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Company with respect to any of the Collateral or any transaction in connection therewith.

(c) The inclusion of Proceeds in this Agreement does not authorize the Company to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized hereby.

3. Representations and Warranties. The Company represents and warrants as follows:

(a) The exact legal name of the Company, as the legal name appears in the Company's certificate of formation as of the date of this Agreement, is as set forth in the introductory paragraph of this Security Agreement. The Company has no other trade name, assumed name or alias.

(b) The place of business or, if the Company has more than one place of business, the chief executive office is located at the address of the Company specified in the introductory paragraph of this Security Agreement.

(c) The office where the Company keeps its records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, is located at the address of the Company specified in paragraph 3(b) of this Security Agreement. None of the Receivables is evidenced by a promissory note or other instrument.

(d) The Company owns the Collateral free and clear of any lien, security interest, charge or encumbrance. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office.

(e) This Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment of the Secured Liabilities, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

(f) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by the Company of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by the Company, or (ii) for the perfection of or the exercise by the Secured Party of their rights and remedies under the Promissory Note or this Security Agreement, including without limitation, the filing of a UCC-1 financing statement.

(g) The Company is a corporation duly organized and validly existing under the laws of the State of Nevada, qualified to do business in all jurisdictions in which the nature of the business conducted by the Company makes such qualification necessary and where failure so to qualify would not have a material adverse effect on the Company's financial condition, operations, prospects or business, or the Company's ability to perform all the Company's obligations under this Security Agreement and the Promissory Note.

(h) The Company is not in violation of any applicable law, which violations, individually or in the aggregate, would affect the Company's performance of any obligation under this Security Agreement or the Promissory Note; there is no litigation before any court or governmental authority now pending or (to the Company's knowledge after reasonable inquiry) threatened against the Company which, if adversely determined, could reasonably be expected to have a material adverse effect on the Company's financial condition, operations, prospects or business as a whole, or ability to perform all the Company's obligations under the Security Agreement and the Promissory Note.

(i) The Company is the holder of all governmental approvals, permits and licenses required to permit the Company to conduct its business as currently conducted and to enter into and perform the Company's obligations under this Security Agreement and the Promissory Note.

(j) None of the execution and delivery of this Security Agreement, the consummation of the transactions contemplated in this Security Agreement or the Promissory Note, or compliance with the terms and provisions of this Security Agreement or the Promissory Note will conflict with or result in a breach of, or require any consent under, the Company's articles of incorporation or by laws, or any applicable law, or any agreement or instrument to which the Company is a party or by which the Company is bound or to which the Company or any of the Company's respective assets are subject, or constitute a default under any such agreement or instrument.

(k) The Company has all necessary power and authority to execute, deliver and perform the Company's respective obligations under this Security Agreement and the Promissory Note; the Company's execution, delivery and performance of this

Security Agreement and the Promissory Note have been duly authorized by all necessary action on the Company's part; and this Security Agreement and the Promissory Note have been duly and validly executed and delivered by the Company and each constitutes the Company's legal, valid and binding obligation, enforceable in accordance with its and their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles.

4. Places of Business. The Company will notify the Secured Party promptly of the addition or discontinuance of any place of business or any change in the address of its principal or any other place of business. None of the Collateral shall be removed from the Company's principal place of business set forth in the introductory paragraph of this Security Agreement until, as from time to time supplemented, unless the Secured Party is given thirty (30) days prior written notice of such removal, which notice shall state the location or locations to which said Collateral will be removed, or the Company has paid all amounts relating to the purchase price of such Collateral. The Company warrants that all of the Collateral is and shall continue to be located at the locations set forth herein or such other locations of which the Secured Party receives notice in accordance with this Section.

5. Encumbrances. The Company will not create, incur, assume, or suffer to exist now or at any time throughout the duration of the term of this Security Agreement, any lien, security interest or other encumbrances against the Collateral, whether now owned or hereafter acquired, except for liens in favor of the Secured Party and any other liens allowed in writing by the Secured Party. The Company will notify the Secured Party of any lien, security interest or other encumbrance securing an obligation against the Collateral, and will defend the Collateral against such claim, lien, security interest or other encumbrance adverse to the Secured Party.

6. Maintenance of Collateral. The Company shall preserve the Collateral for the benefit of the Secured Party. Without limiting the generality of the foregoing, the Company shall:

(a) make all such repairs, replacements, additions and improvements to the equipment necessary to prevent the deterioration or loss thereof;

(b) preserve all beneficial contract rights to the extent commercially reasonable;

(c) in conjunction with, and at the direction of, the Secured Party, take commercially reasonable steps to collect all Receivables; and

(d) pay all taxes, assessments or other charges on the Collateral when due, unless the amount or validity of such taxes, assessments or charges are being contested in good faith by appropriate proceedings and reserves have been deposited with the Secured Party with respect thereto.

7. Additional Provisions Concerning the Collateral.

(a) The Company authorizes the Secured Party to file, without the signature of the Company, where permitted by law, one or more financing or continuation statements, and amendments thereto, relating to the Collateral, all in the discretion of the Secured Party.

(b) If there is an Event of Default, the Company hereby irrevocably appoints the Secured Party as its attorney-in-fact (which power of attorney is coupled with an interest) and proxy, with full authority in the place and stead of the Company and in its name or otherwise, from time to time in the Secured Party's discretion, to take any action or execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation: (i) to obtain and adjust insurance required to be paid to the Secured Party pursuant to Section 8 hereof; (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral; (iii) to receive, endorse, and collect any checks, drafts or other instruments, documents, and chattel paper in connection with clause (i) or clause (ii) above; (iv) to sign the Company's name on any invoice or bill of lading relating to any account, on drafts against customers, on schedules and assignments of accounts, on notices of assignment, financing statements and other public records, on verification of accounts and on notices to customers (including notices directing customers to make payment directly to the Secured Party); (v) during the continuation of an Event of Default hereunder, to notify the postal authorities to change the address for delivery of its mail to an address designated by the Secured Party, to receive, open and process all mail addressed to the Company; (vi) to send requests for verification of accounts to customers; and (vii) to file any claims or take any action or institute any proceedings which the

Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The Company hereby ratifies and approves in advance all acts of said attorney; and so long as the attorney acts in good faith and without gross negligence it shall have no liability to the Company for any act or omission as to such attorney.

(c) If the Company fails to perform any agreement contained herein and such failure to perform remains uncured for a period of ten (10) days following receipt of written notice by Secured Party, the Secured Party may perform, or cause performance of, such agreement or obligation, and the reasonable costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Company immediately upon demand by Secured Party, shall bear interest at the highest legal rate from the date incurred until paid and shall be fully secured hereby.

(d) The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

(e) Anything herein to the contrary notwithstanding, (i) the Company shall remain liable under any contracts and agreements relating to the Collateral, to the extent set forth therein, to perform all of its obligations thereunder, to the same extent as if this Security Agreement had not been executed; (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Company from any of its obligations under the contracts and agreements relating to the Collateral; and (iii) the Secured Party shall not have any obligation or liability by reason of this Security Agreement under any contracts and agreements relating to the Collateral, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Company thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(f) In the event the Company acquires a Subsidiary with the proceeds of the Promissory Note (in whole or in part), as a condition thereto and simultaneously with such acquisition, the Company shall pledge the securities of such Subsidiary by executing a new Security Agreement-Pledge in the form of Schedule A attached hereto in favor of the Secured Party.

(g) Until the Secured Liabilities are paid in full, the Company agrees that the Company will (i) preserve the Company's corporate existence and not, in one transaction or a series of related transactions, convert to a different type of entity, merge into or consolidate with any other entity (other than in connection with the Company's pending merger with Viking Energy Group, Inc., which merger is expressly approved), or sell all or substantially all of its assets; (ii) not change the state of the Company's organization; and (iii) not change the Company's name or identity in any manner, unless in the case of this clause (iii) only, the Company shall have given the Secured Party not less than forty-five (45) days prior notice thereof.

8. Insurance. The Company shall maintain insurance covering the Collateral with financially sound and reputable insurers satisfactory to the Secured Party against such risks as are customarily insured by a business in the same or a similar industry and similarly situated for an amount not less than the full replacement value of such Collateral. All such insurance policies covering property on and after the date such property becomes subject to the Security Interest shall be written so as to be payable in the event of loss to the Secured Party, and shall provide for at least thirty (30) days prior written notice to the Secured Party prior to the cancellation or modification of each such policy. At the request of the Secured Party, all insurance policies covering property subject to the Security Interest shall be furnished to and held by the Secured Party. If, while any Secured Liabilities are outstanding, any proceeds with respect to any casualty loss are paid to the Secured Party under such policies on account of such casualty loss, and no default has occurred and is continuing, the Secured Party will pay over such proceeds in whole or in part to the Company, for the purpose of repairing or replacing the Collateral destroyed or damaged, with any such repaired or replaced Collateral to be secured by this Security Agreement. If an Event of Default has occurred and is continuing, the Secured Party may apply the proceeds as Secured Party deems fit, subject to applicable law and may cancel, assign or surrender any such insurance policies.

9. Fixtures. It is the intention of the Parties hereto that none of the equipment or other property securing the Secured Liabilities hereunder shall become fixtures.

10. Default. Any one or more of the following events shall constitute an event of default (an "Event of Default"):

(a) any representation or warranty made or deemed made by the Company in this Security Agreement shall prove to have been materially incorrect, false, incomplete or misleading; or

(b) the occurrence of an "Event of Default" as defined in the Promissory Note.

11. Remedies.

(a) Upon the occurrence of an Event of Default and at any time or times during the continuance thereof, unless such Event of Default shall have been cured within the applicable time period, if any, or waived in writing by the Secured Party, and subject to the provisions of applicable law, the Secured Party may exercise any one or more of the following remedies:

(i)The Secured Party shall have full power and authority to sell or otherwise dispose of the Collateral or any part thereof. Any such sale or other disposition, subject to the provisions of applicable law, may be by public or private proceedings and may be made by one or more contracts, as a unit or in parcels, at such time and place, by such method, in such manner and on such terms as the Secured Party may determine. Except as required by law, such sale or other disposition and such notice will be deemed to have been sufficiently given if such notice is hand-delivered or mailed postage prepaid, at least ten (10) days before the time of such sale or other disposition, to the Company at its address as specified in the Security Agreement. To the extent permitted by law, the Secured Party may buy any or all of the Collateral upon any sale thereof. To the extent permitted by law, upon any such sale or sales, the Collateral so purchased shall be held by the purchaser absolutely free from any claims or rights of whatsoever kind or nature, including any claim of redemption and any similar rights being hereby expressly waived and released by the Company. In connection with any such sale, the Secured Party shall be permitted to limit its warranties to the maximum extent provided in the UCC. After deducting all reasonable costs and expenses of collection, custody, sale or other disposition or delivery (including legal costs and reasonable attorneys' fees) and all other charges due against the Collateral, the residue of the proceeds of any such sale or other disposition shall be applied to the payment of the Secured Liabilities, except as otherwise provided by law or directed by any court of competent jurisdiction, and any surplus after the payment in full of the Secured Liabilities shall be returned to the Company, except as otherwise provided by law or any such court. The Company shall be liable for any deficiency in payment of the Secured Liabilities, including all reasonable costs and expenses of collection, custody, sale or other disposition or delivery and all other charges due against the Collateral, as herein enumerated.

(ii)The Secured Party may notify an account Company of the Company to make payment to the Secured Party whether the Company or the Secured Party were previously making collections on any of the accounts receivable; and the Secured Party may also take control of any proceeds from any Collateral.

(iii)At any time whether or not an Event of Default has occurred, with or without notice, the Secured Party is authorized to offset and charge against any other credits and obligations ever owed by the Secured Party to the Company, any amount for which the Company may become obligated to the Secured Party at any time, whether under the Promissory Note or otherwise. The obligations secured by the Security Interest granted and by the Secured Party's right of offset includes all obligations of any kind or type now or hereafter arising, owed by the Company to the Secured Party, whether liquidated or unliquidated, direct or indirect, contingent or not.

(iv)The Secured Party may commence proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver-manager) of the Collateral or of any part thereof or may by instrument in writing appoint any person to be a receiver of the Collateral or any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in his stead; and any such receiver appointed by instrument in writing shall have power (a) to take possession of the Collateral or any part thereof, (b) to carry on the business of the Company, (c) to borrow money on the security of the Collateral in priority to this Security Agreement to the extent required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Company, and (d) to sell lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash

or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Company and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such receiver.

(v)The Secured Party shall have all other rights and remedies of a secured party provided under the UCC.

(vi)The Secured Party shall have all other rights and remedies allowed at law and/or in equity.

(b) It is provided, however, that in the Secured Party's efforts in collection on the Collateral, the Company shall be liable and responsible for any deficiency.

12. Limitation on Duty of the Secured Party in Respect of Collateral. The powers conferred on the Secured Party under this Security Agreement are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. Except for reasonable care in the custody of any Collateral in the Secured Party's possession and the accounting for moneys actually received by the Secured Party under this Security Agreement, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in the Secured Party's possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other bailee selected by the Secured Party in good faith. Except as otherwise expressly provided in this Section 12, the Company has the risk of loss of the Collateral. Further, the Secured Party has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral. The Secured Party shall have no obligation to clean up or otherwise prepare the Collateral for sale.

13. Concerning Secured Party. In furtherance and not in derogation of the rights, privileges and immunities of the Secured Party:

(a) The Secured Party is authorized to take all such action as is provided to be taken by the Secured Party under this Security Agreement and all other action reasonably incidental thereto. As to any matters not expressly provided for in this Security Agreement (including the timing and methods of realization upon the Collateral), the Secured Party shall act or refrain from acting in the Secured Party's sole reasonable discretion.

(b) The Secured Party shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on the Secured Party's part under this Security Agreement. The Secured Party shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Security Agreement by the Company.

14. Payment of Taxes, Charges, Etc. The Secured Party, at its option, after notice to the Company, may discharge any taxes, charges, assessments, security interest, liens or other encumbrances upon the Collateral or otherwise protect the value thereof. All such expenditures incurred by the Secured Party shall become payable by the Company to the Secured Party upon demand, shall bear interest at the highest legal rate from the date incurred to the date of payment, and shall be secured by the Collateral.

15. Waivers. To the extent permitted by law, the Company hereby waives demand for payment, notice of dishonor or protest and all other notices of any kind in connection with the Secured Liabilities except notices required hereby, by law or by any other agreement between the Company and the Secured Party, including, but not limited to the Promissory Note, if any. The Secured Party may release, supersede, exchange or modify any Collateral or security which it may from time to time hold and may release, surrender or modify the liability of any third party without giving notice hereunder to the Company. Such modifications, changes, renewals, releases or other actions shall in no way affect the Company's obligations hereunder.

16. Transfer Expenses, Etc. The Company will pay, indemnify and hold the Secured Party harmless from and against all reasonable costs and expenses (including taxes, if any) arising out of or incurred in connection with any transfer of Collateral into or out of the name of the Secured Party and all reasonable costs and expenses, including reasonable legal fees, of the Secured Party arising out of or incurred in connection with this Security Agreement.

17. Termination. This Security Interest shall terminate following the full payment, satisfaction, or discharge of all Secured Liabilities. Upon such termination, the Secured Party will deliver to the Company appropriate UCC termination statements with respect to Collateral so released from the Security Interest for filing with each filing officer with which UCC financing statements have been filed by the Secured Party to perfect the Security Interest in such Collateral.

18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Company and the Secured Party and their respective successors and assigns.

19. Severability of Provisions. Any provision of any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

20. Submission to Jurisdiction. **(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND THE PROMISSORY NOTE MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS OR OF THE UNITED STATES LOCATED IN HARRIS COUNTY, TEXAS AND, BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, THE COMPANY HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF THE COMPANY'S PROPERTY, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE COMPANY PURSUANT TO SECTION 22, SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING. NOTHING IN THIS SECURITY AGREEMENT SHALL AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION.**

(b) THE COMPANY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH THE COMPANY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS SECURITY AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) OF THIS SECTION 20 AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

21. **Waiver of Jury Trial. THE COMPANY HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS SECURITY AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS SECURITY AGREEMENT OR ARISING FROM OR RELATING TO ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS SECURITY AGREEMENT, AND AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**

22. Notice. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, three (3) business days after being sent via courier service (such as Federal Express), and addressed to the intended recipient at the address set forth in the introductory paragraph of this Security Agreement. Any address for notice may be changed by written notice delivered as provided herein.

23. Governing Law. **THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS, OR REMEDIES UNDER THIS SECURITY AGREEMENT, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.**

24. Prevailing Party. If any legal action or other proceeding is brought for the enforcement of this Agreement executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement or any document, instrument or agreement executed in connection herewith, the successful prevailing party shall be entitled to recover reasonable attorney's fees, court costs and all other costs and expenses incurred in that action or proceeding.

25. Drafting. Each of the Parties hereto acknowledges that each Party was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor or against any Party hereto because one is deemed to be the author thereof.

26. No Waiver of Right of Remedies. No failure or delay by Secured Party in exercising any right, power, or privilege given by any provision of this Agreement shall operate as a waiver of the provision. Additionally, no single or partial exercise of any right, power, or privilege shall preclude any other or further exercise of that or any other right, power, or privilege.

27. COUNSEL. EACH PARTY ACKNOWLEDGES THAT THE PARTIES ARE EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT EACH PARTY HAS BEEN ADVISED OF THEIR RIGHT TO RETAIN LEGAL COUNSEL, AND THAT EACH PARTY HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO THEIR EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

IN WITNESS WHEREOF, the Parties hereto have executed this Security Agreement as of the date first written above.

COMPANY:

CAMBER ENERGY, INC.

By: _____
Name: _____
Title: _____

SECURED PARTY:

_____

By: _____
Name: _____
Title: _____

EXHIBIT 10.7

FIRST AMENDMENT TO 10% SECURED PROMISSORY NOTE

THIS FIRST AMENDMENT TO 10% SECURED PROMISSORY NOTE (this "**First Amendment**") entered into as of December 22, 2020 (the "**First Amendment Effective Date**") is among Camber Energy, Inc, a Nevada corporation (the "**Maker**") and _____ (the "**Payee**").

R E C I T A L S

A. On or about December 11, 2020, the Maker executed and delivered a Promissory Note in favor of the Payee in the Principal Amount of $6,000,000 (the "**Promissory Note**").

B. The Maker and the Payee want to amend the Promissory Note, as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment to the Promissory Note. The Promissory Note shall be deemed to be amended effective as of the First Amendment Effective Date so as:

(a) To delete the following provision:

> "*Notwithstanding any other provision, this Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event that the Merger does not close or is not fully consummated by the three-month anniversary of the issuance date first stated above.*"

(b) To include the following provision:

> "*Notwithstanding any other provision, this Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event that the Merger does not close or is not fully consummated by March 11, 2021; however this provision shall not apply if on or before such date the Maker has increased its authorized capital to at least 250,000,000 common shares.*"

2. Counterparts. This First Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of this First Amendment by facsimile or electronic transmission in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart hereof.

3. Severability. In case any provision in or obligation under this First Amendment shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

[SIGNATURES BEGIN NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed as of the date first written above.

MAKER:

CAMBER ENERGY, INC.

By: _____
Name:
Title:

PAYEE:

_____

By: _____
Name:
Title:

SIGNATURE PAGE TO FIRST AMENDMENT