

8-K - 2020-01-24

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8-K

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**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): **January 24, 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 8.01 Other Events.

On January 23, 2020, Camber Energy, Inc. (the “Company” or “Camber”) entered into a Letter of Intent (the “LOI”) with Viking Energy Group, Inc., a Nevada corporation whose common stock trades on the OTCQB Market under the stock symbol VKIN (“Viking”). The LOI sets forth the non-binding headline terms of a proposed merger of Viking with and into Camber (or a wholly-owned subsidiary of Camber) (the “Merger”), with Camber being the surviving parent company in the Merger.

Upon the terms and subject to the conditions set forth in the LOI, following the Merger, (i) Camber shareholders would own approximately 15% of the common shares of Camber, and Viking shareholders would own approximately 85% of the common shares of Camber, with such percentages calculated on a fully diluted basis; (ii) Camber would have an initial Board of Directors consisting of five members, four of which would be appointed by Viking, and one of which would be appointed by Camber; (iii) James Doris, the President and Chief Executive Officer of Viking prior to the Merger, would be the President and Chief Executive Officer of Camber; and (iv) Camber would have its headquarters in Houston, Texas.

The completion of the Merger would be subject to the satisfaction of specific conditions set forth in the LOI, including the following: (i) the approval of the Merger by Viking’s and Camber’s stockholders; (ii) the completion by Viking and/or its subsidiary, Elysium Energy, LLC, of the acquisition of oil and gas assets described in Viking’s Current Report on Form 8-K filed by Viking with the Securities and Exchange Commission on or about October 11, 2019; (iii) the extension of the maturity date of Viking’s promissory note executed and delivered by Viking in connection with the oil and gas acquisition it closed on or about December 28, 2018, or any replacement promissory note, to June 1, 2021; (iv) Camber having at least \$4,000,000 in unencumbered cash (without any associated debt) available for use by the surviving entity immediately after the Merger; (v) Camber’s Series C Preferred Stock having been redeemed, extinguished, or modified such that at closing of the Merger, shares issuable to the Series C Preferred Stockholder shall be fixed and included in the 15% of the common shares of Camber owned by the Camber shareholders and such Series C Preferred Stock holders approving the terms of the Merger; (vi) the agreement by the parties to a merger ratio adjustment formula whereby the previously mentioned 15% and 85% ownership ratios of Camber post-Merger would be adjusted for certain surplus cash possessed by Viking or Camber at closing; (vii) the receipt by each of Viking and Camber of opinions regarding the fairness of the Merger as to each of them and their shareholders; (viii) Viking having no debt scheduled to mature in 2020 other than the approximately \$13.5 million of convertible debt due on or about August 31, 2020; and (ix) Viking having negotiated new remuneration agreements with its broker-dealers for their role in and compensation related to the Merger.

The completion of the Merger would also be subject to the parties first negotiating and executing a definitive merger agreement (the “Merger Agreement”), as well as the following customary conditions: (i) the adoption of the Merger Agreement by Viking’s stockholders, and the approval by Camber’s stockholders of the Merger Agreement and the issuance of shares of Camber common stock to Viking’s stockholders pursuant to the Merger Agreement (“Camber Common Stock”); (ii) authorization for listing the shares of Camber Common Stock to be issued in the Merger, subject to official notice of issuance, (iii) the expiration or termination of any waiting period applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain other required regulatory approvals; (iv) effectiveness of a registration statement on Form S-4 for the Camber Common Stock to be issued in the Merger; and (v) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal.

These conditions may not ever be satisfied, the Company may never enter into a definitive merger agreement with Viking, the Merger with Viking may never be consummated, and even if it is, it may not be consummated on the terms described therein.

The foregoing description of the LOI does not purport to be complete and is qualified in its entirety by reference to the full text of the LOI, which is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The LOI is included with this filing only to provide investors with information regarding the terms of the LOI, and not to provide investors with any factual information regarding Viking or Camber, their respective affiliates or their respective businesses. The LOI should not be read alone, but should instead be read in conjunction with the other information regarding Viking, Camber, their respective affiliates or their respective businesses, the LOI and the Merger that will be contained in, or incorporated by reference into, the Current Report on Form 8-K that will include a copy of any definitive Merger Agreement, the Registration Statement on Form S-4 that will include any joint proxy statement of the Company and Viking and a prospectus of Camber, as well as in the Forms 10-K, Forms 10-Q and other filings that each of Viking and Camber make with the Securities and Exchange Commission (“SEC”).

On January 24, 2020, Viking and Camber each published a joint press release announcing the entry into the LOI. A copy of the press release is included herewith as Exhibit 99.2 and the information in the press release is incorporated by reference into this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
99.1	Letter of Intent, dated as of January 23, 2020, by and between Viking Energy Group, Inc., and Camber Energy, Inc.
99.2	Joint Press Release of Viking Energy Group, Inc. and Camber Energy, Inc., issued on January 24, 2020

Forward-Looking Statements

Certain of the matters discussed in this communication which are not statements of historical fact constitute forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “would,” “will,” “estimates,” “intends,” “projects,” “goals,” “targets” and other words of similar meaning are intended to identify forward-looking statements but are not the exclusive means of identifying these statements.

Important factors that may cause actual results and outcomes to differ materially from those contained in such forward-looking statements include, without limitation, the occurrence of any event, change or other circumstances that could give rise to the parties never entering into a definitive merger agreement, the right of one or both of Viking or Camber to terminate the merger agreement even if entered into; the outcome of any legal proceedings that may be instituted against Viking, Camber or their respective directors; the ability to obtain regulatory approvals and meet other closing conditions to the merger on a timely basis or at all, including the risk that regulatory approvals required for the merger are not obtained on a timely basis or at all, or are obtained subject to conditions that are not anticipated or that could adversely affect the combined company or the expected benefits of the transaction; the ability to obtain approval by Viking stockholders and Camber stockholders on the expected schedule; difficulties and delays in integrating Viking’s and Camber’s businesses; prevailing economic, market, regulatory or business conditions, or changes in such conditions, negatively affecting the parties; risks that the transaction disrupts Viking’s or Camber’s current plans and operations; failing to fully realize anticipated cost savings and other anticipated benefits of the merger when expected or at all; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; the ability of Camber to redeem or otherwise extinguish all of its existing Series C Preferred Stock, or come to an understanding/agreement with its Series C Preferred Stock holder to fix the number of shares of common stock issued or issuable to such Series C Preferred Stock holder; the ability of Viking or Camber to retain and hire key personnel; the diversion of management’s attention from ongoing business operations; uncertainty as to the long-term value of the common stock of the combined company following the merger; the continued availability of capital and financing following the merger; the business, economic and political conditions in the markets in which Viking and Camber operate; and the fact that Viking’s and Camber’s reported earnings and financial position may be adversely affected by tax and other factors.

Other important factors that may cause actual results and outcomes to differ materially from those contained in the forward-looking statements included in this communication are described in Viking's and Camber's publicly filed reports, including, but not limited to, Viking's Annual Report on Form 10-K for the year ended December 31, 2018, and Camber's Annual Report on Form 10-K for the year ended March 31, 2019.

Viking and Camber caution that the foregoing list of important factors is not complete, and they do not undertake to update any forward-looking statements that either party may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Viking, Camber or any person acting on behalf of either party are expressly qualified in their entirety by the cautionary statements referenced above.

Additional Information and Where to Find It

In connection with the proposed merger, Camber will file with the SEC a registration statement on Form S-4 to register the shares of Camber's common stock to be issued in connection with the merger. The registration statement will include a preliminary joint proxy statement/prospectus which, when finalized, will be sent to the respective stockholders of Viking and Camber seeking their approval of their respective transaction-related proposals. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4 AND THE RELATED JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VIKING, CAMBER AND THE PROPOSED MERGER.

Investors and security holders may obtain copies of these documents free of charge through the website maintained by the SEC at www.sec.gov or from Viking at its website, www.Viking.com, or from Camber at its website, www.Camber.energy. Documents filed with the SEC by Viking will be available free of charge by accessing Viking's website at www.vikingenergygroup.com under the heading "Investors" – "SEC Filings", or, alternatively, by directing a request by telephone or mail to Viking Energy Group, Inc. at 15915 Katy Freeway, Suite 450, Houston, Texas, 77094, (281) 404-4387, and documents filed with the SEC by Camber will be available free of charge by accessing Camber's website at www.camber.energy under the heading "Investors" – "SEC Filings", or, alternatively, by directing a request by telephone or mail to Camber Energy, Inc. at 1415 Louisiana, Suite 3500, Houston, Texas, 77002, (210) 998-4035.

Participants in the Solicitation

Viking, Camber and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective stockholders of Viking and Camber in respect of the proposed merger under the rules of the SEC. Information about Viking's directors and executive officers is available in Viking's Annual Report on Form 10-K for the year ended December 31, 2018. Information about Camber's directors and executive officers is available in Camber's Annual Report on Form 10-K for the year ended March 31, 2019. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Viking or Camber using the sources indicated above.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

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.

By: /s/ Robert Schleizer
Name: *Robert Schleizer*
Title: Chief Financial Officer

Date: January 24, 2020

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	Letter of Intent, dated as of January 23, 2020, by and between Viking Energy Group, Inc., and Camber Energy, Inc.
99.2	Joint Press Release of Viking Energy Group, Inc. and Camber Energy, Inc., issued on January 24, 2020

VIKING ENERGY GROUP, INC.

15915 Katy Freeway, Suite 450
Houston, Texas 77094
Tel. (281) 404.4387

CONFIDENTIAL LETTER OF INTENT

January 23, 2020

Camber Energy, Inc.
1415 Louisiana Street, Suite 3500
Houston, Texas 77002

Attention: Louis Schott, Interim Chief Executive Officer

Dear Mr. Schott:

Re: Proposed Acquisition of Viking Energy Group, Inc. (“Viking”) by Camber Energy, Inc. (“Camber”)

Further to recent discussions, the purpose of this letter of intent (the “**Letter of Intent**”) is to set out the proposed terms and conditions concerning the proposed acquisition of Viking by Camber. The proposed acquisition and ancillary transactions are collectively referred to in this Letter of Intent as the “**Proposed Transaction**”.

This Letter of Intent replaces and supersedes any previous Term Sheets and/or Letters of Intent executed by the parties, but not the terms of the prior Non-Disclosure Agreement, which shall remain in effect.

This Letter of Intent sets out certain non-binding understandings in ARTICLE 1 (the “**Non-Binding Provisions**”), and certain binding agreements in ARTICLE 2 and ARTICLE 3 (the “**Binding Provisions**”); the Binding Provisions include provisions which are intended to survive the termination of this Letter of Intent and provisions which are not.

ARTICLE 1 NON-BINDING PROVISIONS

Section 1.1 Non-Binding Provisions.

The provisions set out in this ARTICLE 1 are intended only to outline the principal terms and conditions upon which the parties will attempt to negotiate the Proposed Transaction and do not create or constitute any legally binding obligations between the parties, nor impose any liability on any party to another.

Section 1.2 Definitive Agreement.

The precise terms of the agreements between the parties relating to the Proposed Transaction will be contained in a definitive agreement satisfactory to the parties and their respective counsel (the “**Definitive Agreement**”). Viking and its counsel will be responsible for preparing the initial draft of the Definitive Agreement.

Section 1.3 Principal Terms of Acquisition.

- (a) Business Objective. Complete an acquisition of Viking by Camber in exchange for shares of Camber, following which, upon the amalgamation of the two entities (the “**Merger**”):
 - (i) Camber shareholders will own 15% of the common shares of the merged entity (“**MergeCo**”). For greater certainty, all existing issued or issuable preferred shares, common shares, warrants, underlying shares associated with any convertible security or debt, or other securities, calculated on a fully-diluted basis, shall not be more than 15% of MergeCo; and
 - (ii) Viking shareholders will own 85% of the common shares of MergeCo. For greater certainty, all existing issued or issuable preferred shares, common shares, warrants, underlying shares associated with any convertible security or debt, or other securities, calculated on a fully-diluted basis, shall not be more than 85% of MergeCo.
- (b) Governance. MergeCo will have an initial Board of Directors consisting of five members. Viking shall choose 4 board members and Camber shall be able to nominate one 1 member to the Board for the 12-month period following the closing date of the merger. James A. Doris shall be the President & CEO of MergeCo.
- (c) Headquarters of MergeCo. Houston, Texas.
- (d) Date of Merger. Upon receipt of necessary shareholder approval.
- (e) Material Business Conditions:
 - (i) Closing of Oil & Gas Transaction. Viking and/or its subsidiary Elysium Energy, LLC (“**Elysium**”), shall have completed the acquisition of assets described in the Form 8-K filed by Viking with the Securities and Exchange Commission on or about October 11, 2019 (the “**Viking’s New Acquisition**”).
 - (ii) Extension of Maturity Date of Promissory Note. In connection with the acquisition referenced in subparagraph (e)(i) above, Viking shall have arranged to extend the maturity date of the promissory note executed and delivered by Viking in connection with the acquisition it closed on or about December 28, 2018, or any replacement promissory note, to June 1, 2021.

- (iii) Minimum Cash Requirement. Camber shall have upon closing of the Merger at least \$4,000,000 in unencumbered cash (and without any associated debt) available for use by MergeCo for working capital purposes.
- (iv) Camber's Series C Preferred Stock. Camber shall have (a) redeemed or otherwise extinguished all of its existing Series C Preferred Stock; or (b) come to an understanding/agreement with its Series C Preferred Stock holder to fix the number of shares of common stock issued or issuable to such Series C Preferred Stock holder at the time of the closing of the Merger, which shares issued/issuable to such Series C holder shall solely come out of the 15% of MergeCo which Camber shareholders are due as discussed in (v) below.
- (v) Ownership Percentage Adjustment. The parties will agree on a formula to adjust the aforementioned 85/15 ownership interest in MergeCo to account for the possibility where on closing of the Merger: (a) Camber has more than the \$4,000,000 minimum cash requirement or, in addition to the cash requirement Camber has made a Pre-Merger Acquisition; and/or (b) Viking, outside of its Ichor division or Elysium division, has surplus unencumbered cash. The adjustment will only apply for every \$500,000 in surplus cash and the capital must have been raised through an equity issuance (i.e. it cannot have been raised through a debt instrument or obligation) or assets (as applicable). "**Pre-Merger Acquisition**" means an entity, assets or operations acquired by Camber prior to the closing of the Merger, if such acquisition is required by Camber (in the reasonable determination of the Board of Directors) to maintain Camber's listing on the NYSE American. In lieu of adjusting the post-Merger ownership as discussed above in connection with the Pre-Merger Acquisition, the parties may mutually agree, subject to applicable law, to spin out such Pre-Merger Acquisition to Camber shareholders.
- (vi) Existing Management of Camber. Members of the existing management team of Camber shall execute agreements as to their role with and compensation from MergeCo for a reasonable transitional period post-closing (estimated to be approximately six months).
- (vii) Fairness Opinions. Each of Camber and Viking will have obtained an opinion regarding the fairness of the Merger as to each of them and their shareholders.

- (viii) Debt of Viking. At the time of the closing of the Merger, the only debt that Viking will have that is scheduled to mature in 2020 will be no more than the approximately \$13.5 million of convertible debt due on or about August 31, 2020.

- (f) Potential Interim Steps. If the parties agree that it is more prudent prior to the completion of the Merger to raise equity capital ("**Acquisition Equity**") for Viking's New Acquisition through Camber, as opposed to through Viking, then upon execution of the Definitive Agreement:
 - (i) Viking will transfer to Camber all of Viking's right, title and interest in and to the membership interests of Elysium Energy, LLC ("**Elysium**"), which is party to the Purchase and Sale Agreement ("**PSA**") signed in connection with Viking's New Acquisition;
 - (ii) Camber will issue Viking preferred shares of Camber with the following characteristics:
 - (A) liquidation preference, which will be junior to the liquidation preference of Camber's Series C Preferred Stock holder (or senior to such Series C Preferred Stock, only with the prior approval and consent of such Series C Preferred Stock holder);
 - (B) restrictions on Camber being able to issue additional preferred shares without Viking's consent;
 - (C) until the aforementioned merger is complete Viking shall be the beneficiary of 85% of the net revenues and/or profits or other economic returns from Elysium and/or the assets included with Viking's New Acquisition, subject only to the rights of Elysium's senior secured lender; and
 - (D) Upon completion of the Merger these preferred shares will be redeemable by MergeCo for nominal consideration;
 - (iii) James A. Doris will be the President of Elysium; and
 - (iv) Petrodome Operating, LLC, or such other operator as determined by Viking, shall be the operator of record of the New Assets.

If the amount of any Acquisition Equity raised through Camber is more than \$4,000,000, then the Ownership Adjustment mechanism mentioned in subparagraph (e)(v) above shall apply.

Notwithstanding the above, Camber shall separately have the ability to raise funding through the sale of equity (or convertible equity) prior to the closing of the Merger, provided that such equity/convertible equity shall be factored into the 15% of MergerCo which Camber shareholders will own post-closing.

If the Merger is not approved on or before June 30, 2020 (the “Deadline”), then either party shall have the right to terminate the transaction, at which time Camber shall transfer the membership interests of Elysium back to Viking, and Viking will relinquish its preferred shares in Camber. The Deadline shall be extended automatically in the event the Merger is not approved by June 30, 2020, but the parties are working in good faith to close the Merger.

Section 1.4 Closing and Conditions of Closing.

The closing of each of the above-noted transactions will be subject to the usual conditions of closing for a transaction of this nature, all of which will be included in the Definitive Agreement. Along with the conditions noted in Section 1.3(e) above, the Proposed Transaction will be conditional upon the following:

- (g) Viking shall have negotiated a new remuneration arrangement with Network 1 Financial Securities, Inc. with respect to such broker-dealer’s role in and compensation associated with Viking’s merger with Camber, on terms and conditions satisfactory to Viking and Camber;
- (h) Viking shall have negotiated a new remuneration arrangement with RHK Capital with respect to such broker-dealer’s role in and compensation associated with Viking’s merger with Camber, on terms and conditions satisfactory to Viking and Camber;
- (i) all requisite governmental and regulatory approvals of, exemptions from and consents to the Proposed Transaction will have been obtained and all waiting periods prescribed by law will have expired, including, without limitation, approvals from the NYSE American and the Securities and Exchange Commission (including effectiveness of a Registration Statement on Form S-4);
- (j) Camber will have entered into a settlement or similar arrangement with the holders of its Series C Preferred Stock; and
- (k) all requisite approvals of the board of directors and shareholders of each of Viking and Camber will have been obtained.

**ARTICLE 2
SURVIVING BINDING PROVISIONS**

Section 2.1 Survival of Provisions.

In recognition of the significant costs to be borne by each of the parties in pursuing the Proposed Transaction and in further consideration of their respective undertakings as to the matters described in this Letter of Intent, the provisions set out in this ARTICLE 2 will be legally binding and enforceable upon execution of this Letter of Intent and will survive in the event that this Letter of Intent is terminated (the “**Surviving Binding Provisions**”).

January 23, 2020

Section 2.2 Disclosure/Public Announcements.

Neither party will make a public announcement concerning the Proposed Transaction without the prior written approval of the other party.

Section 2.3 Responsibility for Fees and Costs.

Camber and Viking shall each be responsible for their own costs, including legal, accounting and other professional fees, incurred in connection with this Letter of Intent, the negotiation, preparation and execution of the Definitive Agreement, or otherwise relating to the Proposed Transaction.

Section 2.4 Exclusivity.

For fifteen (15) business days following execution of this Letter of Intent Camber shall not, directly or indirectly, engage in, solicit, participate or entertain any negotiations or communications of any kind with any person regarding a potential merger, take-over or acquisition by or involving Camber, unless such activity is directly associated with raising capital for Viking's New Acquisition. It is agreed and understood that Camber has previously had discussions regarding the acquisition of assets and Camber is permitted to continue such discussions and negotiations during the Exclusivity Period. It is also agreed and acknowledged that Camber may have discussions regarding the acquisition of oil and gas assets during the Exclusivity Period.

**ARTICLE 3
NON-SURVIVING BINDING PROVISIONS**

Section 3.1 Non-Surviving Binding Provisions.

In recognition of the significant costs to be borne by each of the parties in pursuing the Proposed Transaction and in further consideration of their respective undertakings as to the matters described in this Letter of Intent, the provisions set out in this ARTICLE 3 will be legally binding and enforceable upon execution of this Letter of Intent and will terminate upon termination of this Letter of Intent (the "**Non-Surviving Binding Provisions**").

Section 3.2 Due Diligence.

Each party and its duly authorized representatives will be entitled to make such investigations of the other party, including with respect to the party's properties and assets, and such other matters relating to the Proposed Transaction as each party deems advisable so as to satisfy itself as to the viability of the Proposed Transaction.

Section 3.4 Termination.

This Letter of Intent will terminate automatically upon the execution of the Definitive Agreement, and may be terminated:

- (a) by mutual written consent of all parties; or

January 23, 2020

- (b) by written notice from one party to another if the parties have not entered into a Definitive Agreement within 10 business days following the execution of this Letter of Intent

provided that the termination of this Letter of Intent will not affect the liability of a party for breach of any of the Surviving Binding Provisions and Non-Surviving Binding Provisions prior to termination, nor of the Surviving Binding Provisions thereafter. Upon termination of this Letter of Intent, the parties will have no further obligations under this Letter of Intent, except with respect to the Surviving Binding Provisions which will survive in full force and effect, unamended.

Section 3.5 General.

- (c) Waiver. No party will be deemed to have waived the exercise of any right that it holds under this Letter of Intent unless such waiver is made in writing. No waiver made with respect to any instance involving the exercise of any such right will be deemed to be a waiver with respect to any other instance involving the exercise of the right or with respect to any other such right.
- (d) Counterparts. This Letter of Intent may be executed in any number of counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument. Any party delivering an executed counterpart by facsimile will also deliver a manually executed counterpart of this Letter of Intent.
- (e) Time. Time is of the essence in this Letter of Intent.
- (f) Severability. Each provision of this Letter of Intent is intended to be severable, and if any provision is illegal, invalid or unenforceable in any jurisdiction, this will not affect the legality, validity or enforceability of such provision in any other jurisdiction or the validity of the remainder of this Letter of Intent.
- (g) Governing Law. This Letter of Intent will be interpreted and enforced in accordance with the laws of the State of Nevada.

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January 23, 2020

To confirm the foregoing, please countersign the enclosed duplicate copy of this Letter of Intent where indicated below and deliver same to Viking. If a countersigned copy of this Letter of Intent is not received by Viking prior to 5:00 p.m. (EST) on January 23rd, 2020, the proposal set forth herein will expire automatically at such time.

Yours very truly,

/s/ James A. Doris

James A. Doris, President of Viking Energy Group, Inc.

* * * * *

This Letter of Intent reflects accurately the understanding and agreement of each of the undersigned with respect to the matters set out above.

Confirmed this 23rd day of January, 2020.

CAMBER ENERGY, INC.

By: /s/ Louis Schott

Louis Schott, Interim Chief Executive Officer

Viking Energy Group, Inc. and Camber Energy, Inc. Announce Letter of Intent Regarding Camber's Proposed Acquisition of Viking

HOUSTON, TX – January 24, 2020 (GlobeNewswire) – Viking Energy Group, Inc. (OTCQB: VKIN) (“Viking”) and **Camber Energy, Inc.** (NYSE American: CEI) (“Camber”) are pleased to announce that they have entered into a non-binding letter of intent (“**LOI**”) dated January 23, 2020, regarding a proposed merger of Viking with Camber. A copy of the LOI was included in Viking’s and Camber’s Current Reports on Form 8-K filed on January 24, 2020, with the Securities and Exchange Commission, and available under “Investors” at www.vikingenergygroup.com and www.camber.energy.

The proposed merger contemplates Camber issuing newly-issued shares of common stock, on a fully-diluted pro rata basis, to the equity holders of Viking having an 85% interest in the post-closing entity in exchange for 100% of the outstanding equity securities of Viking by means of a reverse triangular merger in which a newly formed wholly-owned subsidiary of Camber shall merge with and into Viking, with Viking continuing as the surviving corporation (the “Merger”) and wholly-owned subsidiary of Camber after the Merger. If the closing of the Merger occurs (the “Closing”), the Viking equity holders prior to the Merger shall own approximately 85% of Camber’s issued and outstanding common stock immediately after the Merger, and the Camber equity holders prior to the Merger shall own approximately 15% of Camber’s issued and outstanding common stock immediately after the Merger, in each case on a fully-diluted, as-converted basis as of immediately prior to the Closing (including options, warrants and other rights to acquire equity securities of Viking or Camber). Camber plans to increase its authorized number of shares to complete the issuance of shares in the Merger set forth above.

The Merger would be an arm’s length transaction, and pursuant to the terms of the LOI, the parties intend to negotiate and sign a definitive agreement (the “Definitive Agreement”) in respect of the Merger as soon as practicable and on or before February 17, 2020. Completion of the Merger is subject to a number of conditions, as set out in the LOI, including but not limited to the following: (i) execution of the Definitive Agreement; (ii) Viking’s subsidiary, Elysium Energy, LLC, closing the acquisition disclosed in the Current Reports on Form 8-K filed by Viking on October 11, 2019, and December 23, 2019, respectively (the “New Acquisition”); and (iii) receipt of all required regulatory, corporate and third party approvals, including the approval of the stockholders of each of Viking and Camber, and the fulfillment of all applicable regulatory requirements and conditions necessary to complete the Merger.

James Doris, President & CEO of Viking, stated, “Our company is excited about the proposed merger. We believe the transaction will help broaden our shareholder base, improve liquidity and provide increased visibility to the institutional investor community, which ultimately should contribute to increased shareholder value.”

Louis G. Schott, Interim CEO of Camber, stated, “We are very pleased with this prospective merger. Viking has demonstrated an ability to transact and execute, in particular in a challenging environment. Combining Viking’s business strategy and operational expertise with the Camber platform should create substantial value for Camber.”

Advisory Group Services, Ltd. dba RHK Capital, of Westport, CT is advising Viking on the transaction.

About Viking:

Viking is an independent exploration and production company focused on the acquisition and development of oil and natural gas properties in the Gulf Coast and Mid-Continent region. The company owns oil and gas leases in Texas, Louisiana, Mississippi and Kansas. Viking targets undervalued assets with realistic appreciation potential. Through one of its subsidiaries, Ichor Energy, LLC, Viking owns a working interest in approximately 58 conventional, producing oil and gas wells in Texas and Louisiana and an interest in more than 30 Salt Water Disposal Wells. The wells are operated by Viking’s subsidiary, Petrodome Operating, LLC, a licensed operator in Texas, Louisiana and Mississippi, and produce hydrocarbons from known reservoirs/sands in the on-shore Gulf Coast region, including the Hackberry, Yegua, Wilcox, Amphistegina and Robira. If the New Acquisition closes successfully, and there is no guarantee in this regard, Viking’s subsidiary, Elysium Energy, LLC, will acquire, directly or indirectly through its own wholly-owned subsidiaries, working interests and over-riding royalty interests in oil and gas properties in Texas (approximately 71 wells in 11 counties) and Louisiana (approximately 52 wells in 6 parishes), along with associated wells and equipment.

About Camber:

Based in Houston, Texas, Camber Energy (NYSE American:CEI) is a growth-oriented, independent oil and gas company engaged in the development of crude oil, natural gas and natural gas liquids in Texas. For more information, please visit the company's website at www.camber.energy.

Forward-Looking Statements

Certain of the matters discussed in this communication which are not statements of historical fact constitute forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “would,” “will,” “estimates,” “intends,” “projects,” “goals,” “targets” and other words of similar meaning are intended to identify forward-looking statements but are not the exclusive means of identifying these statements.

Important factors that may cause actual results and outcomes to differ materially from those contained in such forward-looking statements include, without limitation, the occurrence of any event, change or other circumstances that could give rise to the parties never entering into a definitive merger agreement, the right of one or both of Viking or Camber to terminate the merger agreement even if entered into; the outcome of any legal proceedings that may be instituted against Viking, Camber or their respective directors; the ability to obtain regulatory approvals and meet other closing conditions to the merger on a timely basis or at all, including the risk that regulatory approvals required for the merger are not obtained on a timely basis or at all, or are obtained subject to conditions that are not anticipated or that could adversely affect the combined company or the expected benefits of the transaction; the ability to obtain approval by Viking stockholders and Camber stockholders on the expected schedule; required closing conditions which may not be able to be met; difficulties and delays in integrating Viking's and Camber's businesses; prevailing economic, market, regulatory or business conditions, or changes in such conditions, negatively affecting the parties; risks that the transaction disrupts Viking's or Camber's current plans and operations; failing to fully realize anticipated cost savings and other anticipated benefits of the merger when expected or at all; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the merger; the ability of Camber to redeem or otherwise extinguish all of its existing Series C Preferred Stock, or come to an understanding/agreement with its Series C Preferred Stock holder to fix the number of shares of common stock issued or issuable to such Series C Preferred Stock holder; the ability of Viking or Camber to retain and hire key personnel; the diversion of management's attention from ongoing business operations; uncertainty as to the long-term value of the common stock of the combined company following the merger; the continued availability of capital and financing following the merger; the business, economic and political conditions in the markets in which Viking and Camber operate; and the fact that Viking's and Camber's reported earnings and financial position may be adversely affected by tax and other factors.

Other important factors that may cause actual results and outcomes to differ materially from those contained in the forward-looking statements included in this communication are described in Viking's and Camber's publicly filed reports, including Viking's Annual Report on Form 10-K for the year ended December 31, 2018, and Camber's Annual Report on Form 10-K for the year ended March 31, 2019.

Viking and Camber caution that the foregoing list of important factors is not complete, and they do not undertake to update any forward-looking statements that either party may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Viking, Camber or any person acting on behalf of either party are expressly qualified in their entirety by the cautionary statements referenced above.

Additional Information and Where to Find It

In connection with the proposed merger, Camber will file with the SEC a registration statement on Form S-4 to register the shares of Camber's common stock to be issued in connection with the merger. The registration statement will include a preliminary joint proxy statement/prospectus which, when finalized, will be sent to the respective stockholders of Viking and Camber seeking their approval of their respective transaction-related proposals. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT ON FORM S-4 AND THE RELATED JOINT PROXY STATEMENT/PROSPECTUS INCLUDED WITHIN THE REGISTRATION STATEMENT ON FORM S-4, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE PROPOSED MERGER, WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT VIKING, CAMBER AND THE PROPOSED MERGER.**

Investors and security holders may obtain copies of these documents free of charge through the website maintained by the SEC at www.sec.gov or from Viking at its website, www.Viking.com, or from Camber at its website, www.Camber.com. Documents filed with the SEC by Viking will be available free of charge by accessing Viking's website at www.vikingenergygroup.com under the heading "Investors," or, alternatively, by directing a request by telephone or mail to Viking Energy Group, Inc. at 15915 Katy Freeway, Suite 450, Houston, Texas, 77094, (281) 404-4387, and documents filed with the SEC by Camber will be available free of charge by accessing Camber's website at www.camber.energy under the heading "Investors," or, alternatively, by directing a request by telephone or mail to Camber Energy, Inc. at 1415 Louisiana, Suite 3500, Houston, Texas, 77002, (210) 998-4035.

Participants in the Solicitation

Viking, Camber and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the respective stockholders of Viking and Camber in respect of the proposed merger under the rules of the SEC. Information about Viking's directors and executive officers is available in Viking's Annual Report on Form 10-K for the year ended December 31, 2018. Information about Camber's directors and executive officers is available in Camber's Annual Report on Form 10-K for the year ended March 31, 2019. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the joint proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from Viking or Camber using the sources indicated above.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.
