

8-K - 2018-03-05

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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): **March 2, 2018**

Camber Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

001-32508

(Commission File Number)

20-2660243

(I.R.S. Employer Identification No.)

4040 Broadway, Suite 425, San Antonio, Texas 78209

(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))

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).

Emerging growth company ?

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.

As previously disclosed, on October 5, 2017, Camber Energy, Inc. (the “Company”, “we” and “us”) and an institutional investor (the “Investor”), entered into a Stock Purchase Agreement (the “October 2017 Purchase Agreement”), pursuant to which the Company agreed to sell, pursuant to the terms thereof, 1,684 shares of our Series C Redeemable Convertible Preferred Stock (the “Series C Preferred Stock”) for \$16 million (a 5% original issue discount to the face value of such shares), subject to certain conditions set forth therein. To date, an aggregate of 633 shares of Series C Preferred Stock have been sold to the Investor for an aggregate of \$6 million, pursuant to the October 2017 Purchase Agreement.

On March 2, 2018, the Company and the Investor entered into an amendment to the October 2017 Purchase Agreement (the “Amendment”), pursuant to which the Investor (a) waived any and all Trigger Events (as defined in the certificate of designation of the Series C Preferred Stock (the “Designation”)) that had occurred prior to March 2, 2018, (b) agreed that all calculations provided for in the Designation would be made as if no such Trigger Event had occurred, and (c) waived any right to receive any additional shares of common stock based upon any such Trigger Event, with respect to all shares of Series C Preferred Stock, other than any which have already been converted.

The Investor also agreed, pursuant to the Amendment, that the conversion rate of conversion premiums pursuant to the Designation would remain 95% of the average of the lowest 5 individual daily volume weighted average prices during the applicable Measuring Period (as defined in the Designation), not to exceed 100% of the lowest sales prices on the last day of the Measuring Period, less \$0.05 per share of common stock, unless a triggering event has occurred, and that such \$0.05 per share discount would not be adjusted in connection with the Company’s previously reported 1-for-25 reverse stock split affected on March 5, 2018.

The terms of the October 2017 Purchase Agreement, the conditions which are required to be met prior to the sale of additional shares of Series C Preferred Stock under the October 2017 Purchase Agreement, the rights and preferences of the Series C Preferred Stock (which Series C Preferred Stock sold pursuant to the October 2017 Purchase Agreement currently has a dividend rate/conversion premium of 24.95% per year) and related items are described in greater detail in the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on October 5, 2017.

The terms of the October 2017 Purchase Agreement, the Series C Preferred Stock and the Amendment, are subject to, and qualified in their entirety by, (a) the form of October 2017 Purchase Agreement, a copy of which is incorporated by reference hereto as Exhibit 10.1; (b) the Designation, incorporated by reference as Exhibit 3.1 hereto, and (c) the form of Amendment, incorporated by reference as Exhibit 10.2 hereto, which are incorporated in this Item 1.01 by reference in their entirety.

Item 7.01 Regulation FD Disclosure.

On March 5, 2018, the Company filed a press release announcing the entry into a letter of intent in connection with an asset acquisition. A copy of the press release is furnished herewith as Exhibit 99.1.

In accordance with General Instruction B.2 of Form 8-K, the information presented herein under Item 7.01 and set forth in the attached Exhibit 99.1 is deemed to be “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall such information and Exhibit be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, each as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
3.1	Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock as filed with the Secretary of State of Nevada on August 25, 2016 (Filed as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the Commission on August 31, 2016, and incorporated herein by reference)(File No. 001-32508)
10.1	Form of Stock Purchase Agreement relating to the purchase of \$16 million in shares of Series C Redeemable Convertible Preferred Stock dated October 5, 2017 (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 5, 2017, and incorporated herein by reference)(File No. 001-32508)
10.2*	Form of Amendment to Stock Purchase Agreement dated March 2, 2018
99.1**	Press release dated March 5, 2018

*Filed herewith.

**Furnished herewith.

SIGNATURE

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/ Richard N. Azar II

Name: Richard N. Azar II

Title: Chief Executive Officer

Date: March 5, 2018

EXHIBIT INDEX

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*Filed herewith.

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AMENDMENT TO STOCK PURCHASE AGREEMENT

This Amendment to Stock Purchase Agreement (“**Amendment**”) is made and entered into on March 2, 2018 (“**Amendment Date**”), by and between Camber Energy, Inc., a Nevada corporation, formerly known as Lucas Energy, Inc. (“**Company**”), and the investor whose name appears below (“**Investor**”).

Recitals

A. On October 5, 2017, Company and Investor entered into a Stock Purchase Agreement (“**Agreement**”) pursuant to which Investor agreed to purchase shares of Series C Redeemable Convertible Preferred Stock (“**Preferred**”) convertible into shares of Common Stock of Company (“**Common Stock**”) pursuant to a Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock filed by the Company with the Secretary of State of Nevada on August 25, 2016 (“**Certificate**”).

B. Investor has at all times fully and completely complied with all of its obligations under the Agreement and the Certificate, and all Delivery Notices and calculations provided to Company by Investor were and are fully correct and accurate in all respects.

C. At Company’s annual meeting of stockholders on January 9, 2018, stockholders authorized Company’s board of directors to effect a reverse stock split in a ratio of between one-for-ten and one-for-fifty (“**Reverse Split**”).

D. As an accommodation to Company and in order to help facilitate implementation of Company’s business plan, Investor is willing to amend the agreement in accordance with the terms hereof.

E. Certain capitalized terms used herein, but not otherwise defined herein, have the meanings given to such terms in the Agreement and/or the Certificate.

Agreement

In consideration of the premises, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Company and Investor agree as follows:

1. Waiver of All Trigger Events. With respect to all shares of Preferred, other than any which have already been converted prior to the Amendment Date, Investor hereby (a) waives any and all Trigger Events (as defined in the Certificate) that have occurred prior to the Amendment Date, (b) agrees that all calculations provided for in the Certificate shall be made as if no such Trigger Event had occurred, and (c) waives any right to receive any additional shares of Common Stock based upon any such Trigger Event. For the avoidance of doubt, the foregoing does not apply to and shall have no effect with regard to any Trigger Event that may occur in the future.

2. Common Stock Value Increase. Notwithstanding the provisions of Section I.G.4 of the Certificate, that if Company effectuates a reverse stock split all share based metrics will be proportionately increased, Investor hereby (a) agrees that the \$0.05 per share amount provided for in Section I.C.2 of the Certificate will not be increased as a result of the Reverse Split, and (b) waives any right to receive any additional shares of Common Stock under the foregoing provision based upon the Reverse Split.

3. **Acknowledgement.** Company hereby acknowledges and agrees that Investor has at all times fully and completely complied with all of its obligations under the Agreement, the Certificate and all other Transaction Documents between Company and Investor, and that all Delivery Notices and calculations provided by Investor to Company were and are fully correct and accurate in all respects.

4. **Ratification.** Except as expressly provided herein, the Agreement, which is incorporated by reference as though set forth in full herein, and Certificate are hereby ratified and affirmed in all respects, and remain in full force and effect. Except as expressly provided herein, the execution of this Amendment shall not operate as a waiver of any right, power or remedy of the Investor, constitute a waiver of any provision of any of the Agreement, Certificate or any Transaction Document or serve to effect a novation of the obligations under the Agreement, Certificate or any Transaction Document. Except as expressly provided herein, the Agreement and all Transaction Documents between Company and Investor shall continue in full force and effect and nothing herein shall act as a waiver of any of the Investor's rights under any of the foregoing.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized signatories on the Amendment Date.

Company:

CAMBER ENERGY, INC.

By: _____
Name: _____
Title: _____

Investor:

Investor Name

By: _____
Name: _____
Title: _____

Camber Energy Announces Execution of Letter of Intent on Asset Acquisition

SAN ANTONIO, TX / ACCESSWIRE / March 5, 2018 / Camber Energy, Inc. (NYSE American: CEI) (the “Company” or “Camber”), based in San Antonio, Texas, a growth-oriented, independent oil and gas company engaged in the development of crude oil, natural gas and natural gas liquids, announced the execution of a letter of intent in connection with the acquisition of an asset located in the Texas panhandle for a purchase price of \$250,000. The closing of the transaction is subject to customary closing conditions.

In the event the transaction closes, the Company will acquire approximately 500 net leasehold acres in Hutchinson County, Texas, including 49 non-producing well bores. The acquisition also includes 5 saltwater disposal wells and the required infrastructure and equipment necessary to support future hydrocarbon production.

Camber is evaluating hydrocarbon production opportunities across all of the to-be acquired acreage including the existing non-producing well bores for workover opportunities. The Company plans to begin the process of reestablishing production from some of the non-producing well bores in the weeks following the closing.

Richard N. Azar II, the CEO of Camber noted that “This acquisition will provide opportunities for the Company to increase its reserve base and cash flows. We estimate that production from some of the non-producing well bores will be restored within a few weeks of closing.”

Mr. Azar continued, “This is all part of Camber’s plan to add similar acquisitions intended to provide an inventory of lower risk opportunities which increase both our reserve base and cash flow.”

The Company also reports today that on March 2, 2018, the institutional investor which agreed to purchase \$16 million of Series C Preferred Stock from the Company in October 2017 (of which \$6 million has been sold to date), entered into an agreement with the Company whereby the investor agreed that the discount to the volume weighted average trading price calculation associated with the Company’s common stock, which ties into the conversion price of the conversion premium of such preferred stock, would remain at \$0.05 per share (unless a trigger event has occurred in connection therewith as described in the designation of the preferred stock), notwithstanding the Company’s previously announced 1-for-25 reverse stock split.

About Camber Energy, Inc.

Based in San Antonio, 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 the Hunton formation in Central Oklahoma in addition to anticipated project development in the San Andres formation in the Permian Basin. For more information, please visit the Company’s website at www.camber.energy.

Safe Harbor Statement and Disclaimer

This release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give our current expectations, opinion, belief or forecasts of future events and performance. A statement identified by the use of forward-looking words including “will,” “may,” “expects,” “projects,” “anticipates,” “plans,” “believes,” “estimate,” “should,” and certain of the other foregoing statements may be deemed forward-looking statements. Although Camber believes that the expectations reflected in such forward-looking statements are reasonable, these statements involve risks and uncertainties that may cause actual future activities and results to be materially different from those suggested or described in this news release. These include risks inherent in natural gas and oil drilling and production activities, including risks of fire, explosion, blowouts, pipe failure, casing collapse, unusual or unexpected formation pressures, environmental hazards, and other operating and production risks, which may temporarily or permanently reduce production or cause initial production or test results to not be indicative of future well performance or delay the timing of sales or completion of drilling operations; delays in receipt of drilling permits; risks with respect to natural gas and oil prices, a material decline which could cause Camber to delay or suspend planned drilling operations or reduce production levels; risks relating to the availability of capital to fund drilling operations that can be adversely affected by adverse drilling results, production declines and declines in natural gas and oil prices; risks relating to unexpected adverse developments in the status of properties; risks associated with the conditions to closing required to be met to obtain all but the initial \$6 million due pursuant to the terms of the Stock Purchase Agreement; risks relating to the absence or delay in receipt of government approvals or third party consents; and other risks described in Camber’s Annual Report on Form 10-K and other filings with the SEC, available at the SEC’s website at www.sec.gov. Investors are cautioned that any forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those projected. The forward-looking statements in this press release are made as of the date hereof. The Company takes no obligation to update or correct its own forward-looking statements, except as required by law, or those prepared by third parties that are not paid for by the Company. The Company’s SEC filings are available at <http://www.sec.gov>.
