

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

FORM 8-K/A

(Amendment No. 1)

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)

| | | |
|---|---|--|
| <u>Nevada</u> (State or other jurisdiction of incorporation) | <u>001-32508</u> (Commission File Number) | <u>20-2660243</u> (IRS Employer Identification Number) |
| <u>15915 Katy Freeway</u> <u>Suite 450, Houston, Texas</u> (Address of principal executive offices) | | <u>77094</u> (Zip Code) |

Registrant's telephone number, including area code: (281) 404-4387

Not applicable.

(Former name or former address, if changed since last report)

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 (see General Instructions A.2. below):

- 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, par value \$.001 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).

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.

Explanatory Note

Camber Energy, Inc. (the “**Company**”) is filing this Current Report on Form 8-K/A (“**Amendment No. 1**”) to amend its Current Report on Form 8-K filed with the Securities and Exchange Commission on December 23, 2020 (the “**Initial Report**”), which described the acquisition of 236,470,588 shares of common stock of Viking Energy Group, Inc. (“**Viking**”), constituting 51% of the common stock of Viking.

The information previously reported in the Initial Report is hereby incorporated by reference into this Amendment No. 1. This Amendment No. 1 on Form 8-K/A is being filed solely to provide the information required by Item 9.01 of Form 8-K with respect to the financial statements of an acquired business and does not amend the Initial Report in any manner other than with respect to Item 9.01.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

Audited consolidated financial statements of Viking, as of and for the years ended December 31, 2019 and 2018, including the independent auditor’s report thereon and the notes related thereto, are filed as Exhibit 99.1 to this Amendment No. 1 and are incorporated herein by reference.

Unaudited interim consolidated financial statements of Viking, as of September 30, 2020, and for the nine months ended September 30, 2020 and 2019, and the notes related thereto, are filed as Exhibit 99.2 to this Amendment No. 1 and are incorporated herein by reference.

(b) Pro Forma Financial Information.

Unaudited pro forma condensed combined financial statements (combined balance sheet as of September 30, 2020, combined statement of operations for the six months ended September 30, 2020, and combined statement of operations for the year ended March 31, 2020), and the notes related thereto, are filed as Exhibit 99.3 to this Amendment No. 1 and are incorporated herein by reference.

(d) Exhibits

| Exhibit Number | Description |
|-----------------------|---|
| 99.1 | Audited consolidated financial statements of Viking as of and for the years ended December 31, 2019 and 2018, including the independent auditor’s Report thereon, and the notes related thereto (incorporated by reference to Viking’s Annual Report on Form 10-K (Part II, Item 8 therein) filed on March 30, 2020). |
| 99.2 | Unaudited interim consolidated financial statements of Viking as of September 30, 2020, and for the nine months ended September 30, 2020 and 2019, and the notes related thereto (incorporated by reference to Viking’s Quarterly Report on Form 10-Q (Part I, Item 1 therein) filed on November 16, 2020). |
| 99.3 | Unaudited pro forma condensed combined financial statements and the notes related thereto. |

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: October 6, 2021

By: /s/ James Doris

Name: James Doris

Title: President & CEO

Camber Energy, Inc.
Unaudited Pro Forma Condensed Combined Financial Statements

CAMBER ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On December 23, 2020, Camber Energy, Inc. completed the acquisition of 51% of the issued and outstanding common stock of Viking Energy Group, Inc. The acquisition will be accounted for using the acquisition method of accounting in accordance with GAAP. Under the acquisition method of accounting, Camber will record all assets acquired and liabilities assumed at their respective acquisition-date fair values at the Effective Time.

The following unaudited pro forma condensed combined financial statements and the related notes present the combination of the historical consolidated financial statements of Camber and Viking to give effect to the acquisition. See additional information in *Note 1 – Basis of Presentation* to the Unaudited Pro Forma Condensed Combined Financial Information

CAMBER ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2020

| | <u>Historical</u> | | | |
|--|--|--|----------------------------------|-------------------------------|
| | <u>Camber Energy, Inc. 9/30/20</u> | <u>Viking Energy Group, Inc. 9/30/20</u> | <u>Pro Forma Adjustments</u> | <u>Pro Forma Combined</u> |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ 1,112,965 | \$ 5,951,272 | | \$ 7,064,237 |
| Accounts receivable | 145,362 | 3,806,746 | | 3,952,108 |
| Prepaid expenses and other current assets, net | 220,682 | 33,178 | | 253,860 |
| Total current assets | 1,479,009 | 9,791,196 | | 11,270,205 |
| Oil and gas properties, net | 75,394 | 141,073,588 | 14,847,863(f) | 155,996,845 |
| Other property and equipment, net | - | 443,513 | | 443,513 |
| Notes receivable | 10,241,048 | - | (8,017,048)(a)(b) | 2,224,000 |
| Derivative asset | - | 4,376,174 | | 4,376,174 |
| Goodwill | - | - | 45,855,539(c) | 45,855,539 |
| Other assets | - | 121,196 | | 121,196 |
| TOTAL ASSETS | \$ 11,795,451 | \$ 155,805,667 | | \$ 220,287,472 |
| LIABILITIES AND MEMBERS' EQUITY | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued expenses | \$ 1,563,519 | \$ 6,650,344 | | \$ 8,213,863 |
| Derivative liability | - | 965,903 | | 965,903 |
| Amounts due directors | - | 573,562 | | 573,562 |
| Current asset retirement obligation | 25,766 | - | | 25,766 |
| Undistributed revenue and royalties | - | 3,415,990 | | 3,415,990 |
| Current income taxes payable | 3,000 | - | | 3,000 |
| Current portion of long term debt | - | 61,614,657 | (7,630,482)(a)(i) | 53,984,175 |
| Total current liabilities | 1,592,285 | 73,220,456 | | 67,182,259 |
| Long term debt - net of current portion | - | 66,891,550 | 12,000,000(g) | 78,891,550 |
| Operating lease liability | - | 258,948 | | 258,948 |
| Asset retirement obligations | 20,017 | 5,413,902 | | 5,433,919 |
| Total Liabilities | 1,612,302 | 145,784,856 | | 151,766,676 |
| Temporary equity | | | | |
| Preferred stock series C | 6,000,000 | - | | 6,000,000 |
| Stockholders' Equity | | | | |
| Equity attributable to Company | 4,183,149 | 11,203,763 | (2,431,182)(e)(h) | 12,955,730 |
| Noncontrolling interest | - | (1,182,952) | 50,748,018(b)(d) | 49,565,066 |
| Total Stockholders' Equity (Deficit) | 4,183,149 | 10,020,811 | | 62,520,796 |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ 11,795,451 | \$ 155,805,667 | | \$ 220,287,472 |

CAMBER ENERGY, INC.
 UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
 FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2020

| | <u>Historical</u> | | <u>Pro Forma Adjustments</u> | <u>Pro Forma Combined</u> |
|---|---|---|----------------------------------|-------------------------------|
| | <u>Camber Energy, Inc. - Six Months Ended 9/30/20</u> | <u>Viking Energy Group, Inc. - Six Months Ended 9/30/20</u> | | |
| REVENUE | | | | |
| Oil and gas sales | \$ 91,147 | \$ 19,699,250 | | \$ 19,790,397 |
| OPERATING EXPENSES | | | | |
| Lease operating expenses and production taxes | 99,988 | 9,388,437 | | 9,488,425 |
| Depreciation, depletion and amortization | 5,132 | 5,494,391 | | 5,499,523 |
| Impairment of oil and gas properties | - | 2,500,000 | (2,500,000)(k) | - |
| General and administrative | 1,539,578 | 2,107,335 | | 3,646,913 |
| Stock based compensation | - | 3,432,832 | | 3,432,832 |
| Accretion of asset retirement obligation | - | 235,317 | | 235,317 |
| Other expense | - | - | | - |
| TOTAL OPERATING EXPENSES | <u>1,644,698</u> | <u>23,158,312</u> | | <u>22,303,010</u> |
| INCOME (LOSS) FROM OPERATIONS | (1,553,551) | (3,459,062) | | (2,512,613) |
| OTHER INCOME (EXPENSE) | | | | |
| Interest expense | - | (12,237,480) | | (12,237,480) |
| Amortization of debt discount | | (4,770,198) | | (4,770,198) |
| Change in fair value of derivatives | | (14,310,351) | | (14,310,351) |
| Equity in earnings of unconsolidated entity | (2,140,121) | - | 2,140,121(j) | - |
| Loss on financing settlements | - | (931,894) | | (931,894) |
| Other income (expense) | 42,532 | 1,228 | | 43,760 |
| TOTAL OTHER INCOME (EXPENSE) | <u>(2,097,589)</u> | <u>(32,248,695)</u> | | <u>(32,206,163)</u> |
| NET INCOME (LOSS) | (3,651,140) | (35,707,757) | | (34,718,776) |
| NONCONTROLLING INTEREST | - | 2,140,121 | 15,356,680(j)(l) | 17,496,801 |
| NET INCOME (LOSS) ATTRIBUTABLE TO CAMBER | <u>\$ (3,651,140)</u> | <u>\$ (33,567,636)</u> | | <u>\$ (17,221,975)</u> |

CAMBER ENERGY, INC.
 UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED MARCH 31, 2020

| | <u>Historical</u> | | <u>Pro Forma Adjustments</u> | <u>Pro Forma Combined</u> |
|---|---|--|----------------------------------|-------------------------------|
| | <u>Camber Energy, Inc. - Year Ended 3/31/20</u> | <u>Viking Energy Group, Inc. - Twelve Months Ended 3/31/20</u> | | |
| REVENUE | | | | |
| Oil and gas sales | \$ 397,118 | \$ 37,034,210 | | \$ 37,431,328 |
| OPERATING EXPENSES | | | | |
| Lease operating expenses and production taxes | 494,096 | 13,363,586 | | 13,857,682 |
| Depreciation, depletion and amortization | 20,420 | 11,742,960 | | 11,763,380 |
| General and administrative | 4,909,871 | 5,484,329 | | 10,394,200 |
| Stock based compensation | - | 1,165,701 | | 1,165,701 |
| Accretion of asset retirement obligation | - | 434,556 | | 434,556 |
| TOTAL OPERATING EXPENSES | <u>5,424,387</u> | <u>32,191,132</u> | | <u>37,615,519</u> |
| INCOME (LOSS) FROM OPERATIONS | (5,027,269) | 4,843,078 | | (184,191) |
| OTHER INCOME (EXPENSE) | | | | |
| Interest expense | (14,771) | (14,440,862) | | (14,455,633) |
| Amortization of debt discount | - | (6,931,815) | | (6,931,815) |
| Change in fair value of derivatives | - | 29,316,147 | | 29,316,147 |
| Equity in earnings of unconsolidated entity | 957,169 | - | (957,169)(m) | - |
| Other income (expense) | 228,572 | 3,242 | | 231,814 |
| TOTAL OTHER INCOME (EXPENSE) | <u>1,170,970</u> | <u>7,946,712</u> | | <u>8,160,513</u> |
| NET INCOME (LOSS) | (3,856,299) | 12,789,790 | | 7,976,322 |
| NONCONTROLLING INTEREST | - | (957,169) | (5,309,828)(m)(n) | (6,266,997) |
| NET INCOME (LOSS) ATTRIBUTABLE TO CAMBER | <u>\$ (3,856,299)</u> | <u>\$ 11,832,621</u> | | <u>\$ 1,709,325</u> |

Note 1—Basis of Presentation

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of SEC Regulation S-X using the acquisition method of accounting in accordance with GAAP and are based on the historical consolidated financial statements of Camber and Viking, after giving effect to the acquisition as well as pro forma adjustments.

The unaudited pro forma condensed combined balance sheet combines the unaudited historical condensed consolidated balance sheets of Camber and Viking as of September 30, 2020, giving effect to the acquisition as if it had occurred on September 30, 2020.

The unaudited pro forma condensed combined statements of operations for the fiscal year ended March 31, 2020 and the six months ended September 30, 2020 assume the acquisition took place on April 1, 2019, the beginning of Camber's most recently completed fiscal year. Camber's audited consolidated statement of operations for the fiscal year ended March 31, 2020 has been combined with Viking's unaudited proforma consolidated statement of operations for the twelve months ended March 31, 2020. The unaudited pro forma condensed combined statement of operations for the six months ended September 30, 2020 combines the unaudited consolidated statement of operations of Camber for the six months ended September 30, 2020 with the unaudited consolidated statement of operations of Viking for the six months ended September 30, 2020, as if the effective date of the acquisition was September 30, 2020, and interim unaudited financial statements were prepared for both Camber and Viking as of that date.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and are not intended to represent the consolidated results of operations or financial position of the combined company that would have been recorded had the merger been completed as of the dates presented and should not be taken as representative of future results of operations or financial position of the combined company. The unaudited pro forma condensed combined financial statements do not reflect the impacts of any potential operational efficiencies, cost savings or economies of scale that Camber may achieve with respect to the combined operations of Camber and Viking. Additionally, the pro forma statements of operations do not include non-recurring charges or credits and the related tax effects that result directly from the acquisition.

The unaudited pro forma condensed combined financial statements reflect the estimated acquisition consideration, which does not represent what the actual merger consideration transferred will be at the Effective Time. In accordance with GAAP, the fair value of equity securities issued as the consideration transferred will be measured on the closing date of the acquisition at the then-current market price. Viking has estimated the total consideration to be approximately \$27,050,979, which consists of \$10,900,000 paid in cash, forgiveness of two notes receivable from Viking with an estimated aggregate fair value of \$9,700,204, and the assignment back to Viking of Camber's 30% interest in one of Viking's subsidiaries with an estimated fair value of \$6,450,775.

The unaudited pro forma condensed combined financial statements illustrate the assets and liabilities of Viking recorded at their preliminary estimated fair values at the effective date of the acquisition. The preliminary fair value estimates are subject to change based on the final valuations that will be determined as of the closing date of the acquisition. Actual results will differ from this unaudited pro forma condensed combined financial information once Camber has determined the final acquisition consideration and completed the valuation analysis and computations necessary to finalize the required purchase price allocations. Accordingly, the final allocations of acquisition consideration and their effects on results of operations may differ materially from the preliminary allocations and unaudited pro forma combined amounts included herein. Many of these fair value measurements can be highly subjective, and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements and accompanying notes contained in the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q of Camber Energy, Inc. and Viking Energy Group, Inc.

Note 2—Accounting Policies

The unaudited pro forma financial information has been compiled in a manner consistent with the accounting policies of Camber and Viking.

Note 3—Estimated Acquisition Consideration and Allocation

Under the terms of the “Stock Purchase Agreement”, the Company closed on the acquisition of 51% of the issued and outstanding common shares of Viking in a transaction accounted for under the acquisition method of accounting, whereby the assets acquired and the liabilities assumed, if any, are to be valued at fair value, and compared to the fair value of the consideration given to identify if there are any identifiable intangible assets to be recognized as a result of the transaction. The Company was required to provide a cash payment of \$10,900,000, forgiveness of two notes receivable from Viking with an estimated aggregate fair value of \$9,700,204, and the assignment back to Viking of Camber’s 30% interest in one of Viking’s subsidiaries with an estimated fair value of \$6,450,775.

The Company performed an initial screen test provided for in Accounting Standards Update (ASU) 2017-01, *Clarifying the Definition of a Business* (ASU 2017-01) to determine the appropriate accounting treatment as business combination and then performed a fair value assessment performed utilizing cost, market and income approaches, as well as a discounted cash flow analysis. Pursuant to the Purchase Agreement, Viking is generally obligated (subject to certain limitations) 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.

As a result of the acquisition Viking is now a 51% majority-owned subsidiary of Camber Energy, Inc. and is included

Under GAAP, if the value of the consideration given exceeds the fair value of the business enterprise and its net assets, the transaction can create goodwill, which is to be recognized immediately by the purchaser. The following table summarizes our calculation of goodwill to be recognized based on the estimated fair values as of December 23, 2020.

CAMBER ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The total value of the consideration given as outlined in the "Stock Purchase Agreement", representing the full purchase price of the common shares, is calculated as follows:

| | |
|--|----------------------|
| Cash consideration | \$ 10,900,000 |
| Debt cancellation including accrued interest | 9,700,204 |
| Assignment of interest in Elysium | <u>6,450,775</u> |
| Total value of consideration given | <u>\$ 27,050,979</u> |

Goodwill, if any, is calculated by comparing the total purchase price to the fair values of assets acquired and liabilities assumed in connection with this acquisition as follows:

| | |
|--|----------------------|
| Total Purchase Price | \$ 27,050,979 |
| Fair Value of Assets and Liabilities, including the recognition of a 49% noncontrolling interest | |
| Cash | \$ 16,179,481 |
| Accounts receivable | 3,162,974 |
| Oil and gas properties | 155,921,451 |
| Property and equipment | 433,168 |
| Commodity derivative asset | 1,234,308 |
| Other asset - rental deposit | 57,896 |
| Accounts payable | (4,054,426) |
| Accrued expenses and amount due director | (3,896,055) |
| Undistributed revenues and royalties | (4,115,462) |
| Commodity derivative liability | (1,003,670) |
| Long term debt | (126,777,395) |
| Operating lease liability | (241,431) |
| Asset retirement obligations | (6,140,333) |
| Noncontrolling interest recognized at fair value | <u>(49,565,066)</u> |
| Total Fair Value of Acquisition | <u>(18,804,560)</u> |
| Fair Value of Goodwill | <u>\$ 45,855,539</u> |

Note 4—Pro Forma Adjustments

| | | |
|-----|--|------------------------|
| (a) | Record elimination of notes receivable cancelled | |
| | Current portion of long term debt | \$ 9,200,000 |
| | Notes receivable | <u>(9,200,000)</u> |
| | | <u>\$ -</u> |
| (b) | Record elimination of book value of interest in unconsolidated entity | |
| | Notes receivable | \$ 1,182,952 |
| | Noncontrolling interest | <u>(1,182,952)</u> |
| | | <u>\$ -</u> |
| (c) | Record goodwill based on fair value estimates | <u>\$ 45,855,539</u> |
| (d) | Record noncontrolling interest based on fair value estimates | <u>\$ 49,565,066</u> |
| (e) | Record elimination of Viking Equity | <u>\$ (11,203,763)</u> |
| (f) | Record estimated fair value of oil and gas properties acquired | <u>\$ 14,847,863</u> |
| (g) | Record increase in Camber debt to facilitate closing | <u>\$ 12,000,000</u> |
| (h) | Record increase in Camber equity to recognize change in fair value of notes receivable and the equity interest assigned to Viking as consideration | <u>\$ 8,772,581</u> |
| (i) | Record fair value adjustment to the carrying value of long term debt | <u>\$ 1,569,518</u> |
| (j) | Eliminate equity in earnings of unconsolidated entity for the six months ended September 30, 2020 | |
| | Equity in earnings of unconsolidated entity | \$ 2,140,121 |
| | Noncontrolling interest | <u>(2,140,121)</u> |
| | | <u>\$ -</u> |
| (k) | Adjust impairment loss for the six months ended September 30, 2020 | <u>\$ (2,500,000)</u> |
| (l) | Recognize noncontrolling interest at 49% of Vikings net income (loss) for the six months ended September 30, 2020 | <u>\$ 17,496,801</u> |
| (m) | Eliminate equity in earnings of unconsolidated entity for the twelve months ended March 31, 2020 | |
| | Equity in earnings of unconsolidated entity | \$ (957,169) |
| | Noncontrolling interest | <u>957,169</u> |
| | | <u>\$ -</u> |
| (n) | Recognize noncontrolling interest at 49% of Vikings net income (loss) for the twelve months ended March 31, 2020 | <u>\$ (6,266,997)</u> |