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10-Q

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

FORM 10-Q

? QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED **JUNE 30, 2023**

OR

? TRANSITION REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 000-29219

CAMBER ENERGY, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-2660243**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

15915 Katy Freeway, Suite 450
Houston, TX 77094
(Address of principal executive offices)

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

(Former name, former address and former fiscal year, if changed since last report)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ? No ?

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ? No ?

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	?	Accelerated Filer	?
Non-accelerated Filer	?	Smaller Reporting Company	?
		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. ?

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ? No ?

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 7, 2023, the registrant had 88,449,690 shares of common stock outstanding.

CAMBER ENERGY, INC.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CAMBER ENERGY, INC.
Consolidated Balance Sheets (unaudited)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	$ 137,485	$ 1,166,596
Prepaid expenses	283,333	56,833
Total current assets	420,818	1,223,429
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	60,701	63,267
Total oil and gas properties, net	60,701	63,267
Due from Viking Energy Group, Inc.	4,852,300	6,572,300
Equity method investment	25,306,586	26,837,718
TOTAL ASSETS	$ 30,640,405	$ 34,696,714
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current liabilities		
Accounts payable	$ 1,487,924	$ 791,499
Accrued expenses and other current liabilities	4,511,940	3,549,620
Current taxes payable	3,000	3,000
Warrant liability	-	5,894,179
Derivative liability	5,069,152	7,592,744
Total current liabilities	11,072,016	17,831,042
Long-term debt - net of current portion	35,523,337	33,927,760
Asset retirement obligation	64,523	61,545
TOTAL LIABILITIES	46,659,876	51,820,347
Commitments and contingencies (Note 11)	-	-
STOCKHOLDERS' DEFICIT		
Preferred Stock Series C, 5,200 shares authorized of $0.001 par value, 100 and 270 shares issued and outstanding as of June 30, 2023 and December 31, 2022, liquidation preference of $1,000,000 and $2,700,000 at June 30, 2023 and December 31, 2022, respectively.	1	1
Preferred Stock Series G, 25,000 authorized, $.001 par value, 5,272 issued and outstanding as of June 30, 2023 and December 31, 2022, respectively, liquidation preference of $0 as of June 30, 2023 and December 31, 2022 respectively	5	5
Common stock, 500,000,000 shares authorized of $0.001 par value, 26,538,285 and 18,092,663 shares issued and outstanding as of June 30, 2023 and December 31, 2022, respectively.	26,538	18,093
Additional paid-in-capital	573,409,360	571,888,348
Accumulated Deficit	(589,455,375)	(589,030,080)
TOTAL STOCKHOLDERS' DEFICIT	(16,019,471)	(17,123,633)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 30,640,405	$ 34,696,714

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CAMBER ENERGY, INC.
Consolidated Statements of Operations (Unaudited)

	June 30,		June 30,	
	2023	2022	2023	2022
Revenue				
Oil and gas sales	$ 83,648	$ 171,651	$ 177,119	$ 308,058
Operating expenses				
Lease operating costs	32,015	41,365	75,100	90,730
General and administrative	2,125,630	1,096,624	3,544,844	2,074,614
Stock based compensation	-	-	-	123,754
Depreciation, depletion, amortization and accretion	2,722	2,870	5,544	5,737
Total operating expenses	2,160,367	1,140,859	3,625,488	2,294,835
Loss from operations	(2,076,719)	(969,208)	(3,448,369)	(1,986,777)
Other income (expense)				
Interest expense	(1,175,814)	(804,857)	(2,334,107)	(1,966,132)
Equity (deficit) in earnings of unconsolidated entities	(433,293)	(1,038,680)	(1,531,132)	(2,004,560)
Gain (loss) on derivative liability	5,606,607	7,407,750	6,888,313	(57,602,973)
Total other income (expense)	3,997,500	5,564,213	3,023,074	(61,573,665)
Net income (loss) before income taxes	1,920,781	4,595,005	(425,295)	(63,560,442)
Income tax benefit (expense)	-	-	-	-
Net income (loss) attributable to Camber Energy, Inc.	1,920,781	4,595,005	(425,295)	(63,560,442)
Less preferred dividends	-	-	-	-
Net income (loss) attributable to common stockholders	$ 1,920,781	$ 4,595,005	$ (425,295)	$ (63,560,442)
Income (loss) per weighted average number of common shares outstanding - basic and diluted	$ 0.08	$ 0.58	$ (0.02)	$ (9.01)
Weighted average number of common shares outstanding				
Basic and Diluted	22,619,571	7,904,151	21,177,232	7,056,682

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CAMBER ENERGY, INC.
Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
	2023	2022

Cash flows from operating activities:

Net Income (loss)	$ (425,295)	$(63,560,442)
Adjustments to reconcile net loss to cash provided (used) by operating activities		
Stock-based compensation	-	123,754
Depreciation, depletion, amortization and accretion	5,544	5,737
Change in fair value of derivative and warrant liability	(6,888,313)	57,602,973
Amortization of debt discount	1,595,577	1,569,131
(Equity) deficit in earnings of unconsolidated entity	1,531,132	2,004,560
Changes in operating assets and liabilities		
Accounts receivable	-	18,005
Prepaid expenses and other assets	198,500	(170,500)
Accounts payable and accrued expenses	1,233,744	274,278
Net cash used in operating activities	(2,749,111)	(2,132,504)
Cash flows from investing activities:		
Loans to Viking	-	(3,922,300)
Repayments received from Viking	1,720,000	-
Net cash provided (used) in investing activities	1,720,000	(3,922,300)
Cash flows from financing activities:		
Redemption of Series C Preferred Stock	-	(18,850,000)
Redemption of Series G Preferred Stock	-	(2,750,000)
Proceeds from long-term debt	-	25,000,000
Repayment of long-term debt	-	(1,000,000)
Net cash provided (used) in financing activities	-	2,400,000
Net decrease in cash	(1,029,111)	(3,654,804)
Cash, beginning of period	1,166,596	5,854,382
Cash, end of period	$ 137,485	$ 2,199,578
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$ 5,232	$ 63,368
Taxes	$ -	$ -
Supplemental disclosure of Non-Cash Investing and Financing Activities:		
Financed insurance premiums	$ 425,000	$ -

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CAMBER ENERGY, INC.
Consolidated Statements of Changes in Stockholders' Deficit (Unaudited)
Six Months Ended June 30, 2023 and 2022

	Series C Preferred Stock	Series G Preferred Stock	Common Stock			Total
	Number	Number	Number	Additional Paid In	Accumulated	Stockholders' (Deficit)

	Of Shares	Amount	Of Shares	Amount	Of Shares	Amount	Capital	Deficit	Equity
For the six months ended June 30, 2023									
Balances, December 31, 2022	**270**	**$ 1**	**5,272**	**$ 5**	**18,092,663**	**$ 18,093**	**$571,888,348**	**($589,030,080)**	**($17,123,633)**
Common Shares issued for:									
Conversion of Series C preferred stock	(170)	-	-	-	4,497,623	4,497	(4,497)	-	-
True-Up Shares	-	-	-	-	3,947,999	3,948	1,525,509	-	**1,529,457**
Net Loss	-	-	-	-	-	-	-	(425,295)	**(425,295)**
Balances June 30, 2023	**100**	**$ 1**	**5,272**	**$ 5**	**26,538,285**	**$ 26,538**	**$573,409,360**	**($589,455,375)**	**($16,019,471)**
For the six months ended June 30, 2022									
Balances, December 31, 2021	**3,886**	**$ 4**	**10,544**	**$ 10**	**5,142,641**	**$ 5,143**	**$409,469,406**	**($481,288,115)**	**($71,813,552)**
Common Shares issued for:									
Conversion of Series C Preferred Stock	(1,527)	(1)	-	-	3,236,693	3,237	88,226,275	-	**88,229,511**
True-Up Shares	-	-	-	-	763,703	764	25,411,976	-	**25,412,740**
Issuance of Common Shares for Consulting Fees	-	-	-	-	2,800	3	123,751	-	**123,754**
Redemption of Series C preferred stock for cash	(1,664)	(2)	-	-	-	-	(18,849,998)	-	**(18,850,000)**

Redemption of Series G preferred stock	-	-	(5,272)	(5)	-	-	(2,749,995)	-	**(2,750,000)**
Warrants issued for debt discount	-	-	-	-	-	-	14,763,393	-	**14,763,393**
Net Loss	-	-	-	-	-	-	-	(63,560,442)	**(63,560,442)**
Balances June 30, 2022	**695**	**$ 1**	**5,272**	**$ 5**	**9,145,837**	**$ 9,146**	**$516,394,808**	**($544,848,557)**	**($28,444,597)**

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CAMBER ENERGY, INC.
Notes to Consolidated Financial Statements (Unaudited)

NOTE 1 RELATIONSHIP WITH AND OWNERSHIP OF VIKING ENERGY GROUP, INC.

On December 23, 2020 Camber Energy, Inc. ("Camber", the "Company") acquired a 51% interest in Viking Energy Group, Inc. ("Viking"). On January 8, 2021 and on July 29, 2021 the Company acquired additional interests in Viking resulting in the Company owning approximately 60.9% of the outstanding common shares of Viking at June 30, 2023. The Company accounts for its investment in Viking under the equity method of accounting because the Company has the ability to exercise significant influence over the operating and financial policies of Viking, but not control. The December 2020, January 2021 and July 2021 transactions and a merger agreement signed between Camber and Viking in February 2021 are described further below.

December 23, 2020 Transaction

On December 23, 2020, the Company entered into a Securities Purchase Agreement with Viking, pursuant to which Camber acquired 26,274,510 shares ("Camber's Investment") of Viking common stock ("Camber's Viking Shares"), which constituted 51% of the total outstanding common stock of Viking, in consideration of (i) Camber's payment of $10,900,000 to Viking (the "Cash Purchase Price"), and (ii) cancellation of $9,200,000 in promissory notes issued by Viking to Camber ("Camber's Viking Notes"). Pursuant to the purchase agreement, Viking was obligated to issue additional shares of Viking common stock to Camber, if necessary, to ensure Camber owned at least 51% of the common stock of Viking through July 1, 2022.

In connection with Camber's Investment, the Company and Viking terminated their previous merger agreement, dated August 31, 2020, as amended, and the Company assigned its membership interests in the Company's unconsolidated subsidiary, Elysium Energy Holdings, LLC ("Elysium"), to Viking. Also in connection with Camber's Investment, effective December 23, 2020, the Company (i) borrowed $12,000,000 from an institutional investor; (ii) issued the investor a promissory note in the principal amount of $12,000,000, accruing interest at the rate of 10% per annum and maturing December 11, 2022 (the "Camber Investor Note"); (iii) granted the Investor a first-priority security interest in Camber's Viking Shares and Camber's other assets pursuant to a pledge agreement and a general security agreement, respectively; and (iv) entered into an amendment to the Company's $6,000,000 promissory note previously issued to the investor dated December 11, 2020 (the "Additional Camber Investor Note"), amending the acceleration provision of the note to provide that the note repayment obligations would not accelerate if the Company increased its authorized capital stock by March 11, 2021 (and the Company increased its authorized capital stock in February 2021 as required). In order to close Camber's Investment, effective December 23, 2020, Viking entered into a Guaranty Agreement, guaranteeing repayment of the Camber Investor Note and the Additional Camber Investor Note.

On December 23, 2020, the Camber Investor Note was funded, and the Company and Viking closed Camber's Investment, with the Company paying the Cash Purchase Price to Viking and cancelling Camber's Viking Notes, as additional consideration. In exchange, Viking issued 26,274,510 shares of its common stock to Camber, representing 51% of Viking's total outstanding common

shares, the Viking Shares. At the closing, James Doris and Frank Barker, Jr., Viking's CEO and CFO, respectively, at the time, were appointed the CEO and CFO of Camber, and Mr. Doris was appointed a member of the Board of Directors of Camber.

Acquisition of Additional Viking Shares

On January 8, 2021, the Company entered into another purchase agreement with Viking pursuant to which the Company agreed to acquire an additional 16,153,846 shares of Viking common stock (the "Shares") in consideration of (i) the Company issuing 1,890 shares of Camber's Series C Redeemable Convertible Preferred Stock to EMC Capital Partners, LLC ("EMC"), one of the Viking's lenders which held a secured promissory note issued by Viking to EMC in the original principal amount of $20,869,218 in connection with the purchase of oil and gas assets on or about February 3, 2020 (the "EMC Note"); and (ii) EMC considering the EMC Note paid in full and cancelled pursuant to the Cancellation Agreement described below.

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Simultaneously, on January 8, 2021, Viking entered into a Cancellation Agreement with EMC (the "Cancellation Agreement") pursuant to which Viking agreed to pay $325,000 to EMC, and EMC agreed to cancel and terminate in the EMC Note and all other liabilities, claims, amounts owing and other obligations under the Note. At the same time, the Company entered into a purchase agreement with EMC pursuant to which (i) the Company agreed to issue 1,890 shares of Camber's Series C Redeemable Convertible Preferred Stock to EMC, and (ii) EMC agreed to enter into the Cancellation Agreement with Viking to cancel the EMC Note.

Merger Agreement with Viking

On February 15, 2021, the Company entered into an Agreement and Plan of Merger with Viking, which was amended on April 18, 2023 (as amended, the "Merger Agreement"). The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a wholly owned subsidiary of the Company ("Merger Sub") will merge with and into Viking (the "Merger"), with Viking surviving the Merger as a wholly owned subsidiary of the Company.

The Merger closed on August 1, 2023, and further details regarding the transaction are included in Note 16 - Subsequent Events. Although this Quarterly Report on Form 10-Q is filed after completion of the Merger, given that the Merger closed after June 30, 2023, the financial statements herein do not include a consolidation of Viking's financial statements at the Camber level. Rather, the financial statements herein account for Camber's previous investments in Viking under the equity method of accounting, consistent with previously filed financial reports.

July 2021 Transaction

On July 29, 2021, the Company entered into a Securities Purchase Agreement with Viking to acquire an additional 27,500,000 shares of Viking common stock for an aggregate purchase price of $11,000,000. The proceeds from the transaction were used by Viking to (i) acquire an approximate 60.5% interest Simson-Maxwell, Ltd, a Canadian company engaged in the manufacture and supply of industrial engines, power generation products, services and custom energy solutions; (ii) acquire a license of a patented carbon-capture system for exclusive use in Canada and for a specified number of locations in the United States; and (iii) for general working capital purposes.

Accounting for the Viking Investment

As noted above, in accordance with the terms of the Viking Investment, Mr. James A. Doris became the President and Chief Executive Officer of the Company, resulting in Mr. Doris being the President and Chief Executive Officer of each of the Company and Viking. Mr. Doris does not own any shares of the Company but he owns or controls shares of Series C Preferred Stock of Viking with significant voting rights. Such voting rights were suspended until July 1, 2022 or if Mr. Doris were no longer the Chief Executive Officer of the Company. The Company has determined that it has the ability to exercise significant influence over the operations and policies of Viking, but not control of Viking given the voting rights associated with Mr. Doris' Series C Preferred Stock. Consequently, the Company accounts for the Viking Investment under the equity method.

NOTE 2 – ORGANIZATION AND OPERATIONS OF THE COMPANY

Camber's aim is to become a growth-oriented diversified energy company. The Company owns minority, non-operated working interests in certain oil & gas wells in Texas and/or Louisiana, and through its investment in Viking, the organization provides custom energy & power solutions to commercial and industrial clients in North America. Viking also holds an exclusive license in

Canada to a patented carbon-capture system, and has a majority interest in: (i) an entity with intellectual property rights to a fully developed, patented, proprietary Medical & Bio-Hazard Waste Treatment system using Ozone Technology; and (ii) entities with the intellectual property rights to fully developed, patent pending, proprietary Electric Transmission and Distribution Open Conductor Detection Systems.

NOTE 3 – LIQUIDITY AND GOING CONCERN CONSIDERATIONS

The Company's consolidated financial statements included herein have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated a net loss of $(425,295) for the six months ended June 30, 2023 as compared to a net loss of $63,560,442 for the six months ended June 30, 2022. The 2023 income was comprised of, among other things, certain non-cash items with a total net impact of $3,756,060 including: (i) a gain on derivative and warrant liability of $6,888,313 (ii) loss in earnings of unconsolidated entity of $1,531,132; (iii) amortization of debt discount of $1,595,577; and (iv) depreciation, depletion and accretion of $5,544.

As of June 30, 2023, the Company has a stockholders' deficit of $16,019,471 and total long-term debt of $35,523,337, net of debt discount.

As of June 30, 2023, the Company has a working capital deficiency of approximately $10.7 million. The largest components of current liabilities creating this working capital deficiency are a derivative liability of $5.1 million.

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Management believes it will be able to continue to leverage the expertise and relationships of its operational and technical teams to enhance existing assets and identify new development and acquisition opportunities in order to improve the Company's financial position. The Company may have the ability, if it can raise additional capital, to acquire new assets in a separate division from existing subsidiaries.

Nonetheless, recent oil and gas price volatility as a result of geopolitical conditions and the global COVID-19 pandemic have already had and may continue to have a negative impact on the Company's financial position and results of operations. Negative impacts could include but are not limited to: The Company's ability to sell our oil and gas production, reduction in the selling price of the Company's oil and gas, failure of a counterparty to make required hedge payments, possible disruption of production as a result of worker illness or mandated production shutdowns, the Company's ability to maintain compliance with loan covenants and/or refinance existing indebtedness, and access to new capital and financing.

These conditions raise substantial doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to utilize the resources in place to generate future profitable operations, to develop additional acquisition opportunities, and to obtain the necessary financing to meet its obligations and repay its liabilities arising from business operations when they come due. Management believes the Company will be able to continue to develop new opportunities and will be able to obtain additional funds through debt and / or equity financings to facilitate its development strategy; however, there is no assurance of additional funding being available. These consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

NOTE 4 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company has provided a discussion of significant accounting policies, estimates, and judgments in its December 31, 2022, Annual Report on Form 10-K. There have been no changes to the Company's significant accounting policies since December 31, 2022, which are expected to have a material impact on the Company's financial position, operations, or cash flows.

Amounts presented in the consolidated balance sheet as of December 31, 2022 are derived from our audited consolidated financial statements as of that date. The unaudited consolidated financial statements as of and for the three and six-month periods ended June 30, 2023 and 2022 have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and the interim reporting rules of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited consolidated financial statements and notes thereto contained in Camber's latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments (unless otherwise

indicated), necessary for a fair presentation of the financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Basis of Consolidation

The consolidated financial statements presented herein reflect the consolidated financial results of the Company, its wholly owned subsidiaries, Camber Permian LLC, a Texas limited liability company, CE Operating, LLC, an Oklahoma limited liability company, C E Energy LLC, a Texas limited liability company, which was assigned to PetroGlobe in July 2020 as discussed below under "Note 11 – Commitments and Contingencies" – "Legal Proceedings. All significant intercompany transactions and balances have been eliminated. The Company's investment in Viking is accounted for under the equity method.

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Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and disclosure of contingent assets and liabilities. Significant areas requiring the use of management estimates relate to the determination of fair value of the Company's Series C Preferred stock, impairment of long-lived assets, stock-based compensation, asset retirement obligations, and the determination of expected tax rates for future income tax recoveries.

The estimates of proved, probable and possible oil and gas reserves are used as significant inputs in determining the depletion of oil and gas properties and the impairment of proved and unproved oil and gas properties. There are numerous uncertainties inherent in the estimation of quantities of proved, probable and possible reserves and in the projection of future rates of production and the timing of development expenditures. Similarly, evaluations for impairment of proved and unproved oil and gas properties are subject to numerous uncertainties including, among others, estimates of future recoverable reserves and commodity price outlooks. Actual results could differ from the estimates and assumptions utilized.

Financial Instruments

Accounting Standards Codification, "ASC" Topic 820-10, "Fair Value Measurement" requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 820-10, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measurement. The carrying amounts reported in the consolidated balance sheets for deposits, accrued expenses and other current liabilities, accounts payable, derivative liabilities, amount due to director, and convertible notes each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1: inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: inputs to the valuation methodology are unobservable inputs to measure fair value of assets and liabilities for which there is little, if any market activity at the measurement date, using reasonable inputs and assumptions based upon the best information at the time, to the extent that inputs are available without undue cost and effort.

As of June 30, 2023 and December 31, 2022, the significant inputs to the Company's derivative liability relative to the Series C Preferred Stock were Level 3 inputs.

Assets and liabilities measured at fair value as of and for the six months ended June 30, 2023 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses) (six months ended June 30, 2023)
Financial liabilities:				
Derivative liability - Series C Preferred Stock	$ -	$ -	$ 5,069,152	$ 994,134
	$ -	$ -	$ 5,069,152	$ 994,134

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Assets and liabilities measured at fair value as of December 31, 2022 and losses for the six months ended June 30, 2022 are classified below based on the three fair value hierarchy described above:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses) (six months ended June 30, 2022)
Financial liabilities:				
Derivative liability - Series C preferred Stock	$ -	$ -	$ 7,592,744	$(57,602,973)
	$ -	$ -	$ 7,592,744	$(57,602,973)

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and financial instruments which mature within three months of the date of purchase. The Company maintains cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits of $250,000. At June 30, 2023 and December 31, 2022, the Company's cash in excess of the federally insured limit was $0 and $ 916,596, respectively. Historically, the Company has not experienced any losses in such accounts. The Company had no cash equivalents at June 30, 2023 and December 31, 2022.

Accounts Receivable

Accounts receivable, net, include amounts due for oil and gas revenues from prior month production. The allowance for doubtful accounts is the Company's best estimate of the probable amount of credit losses in the Company's existing accounts receivable. At June 30, 2023 and December 31, 2022 there were no allowances for doubtful accounts.

Investment in Unconsolidated Entities

The Company accounts for its investment in unconsolidated entities under the equity method of accounting when it does not own a controlling financial interest and it has the ability to exercise significant influence over the operating and financial policies of the entity. The Company accounts for its investments in Viking under the equity method. Under the equity method, the investment is initially recorded at cost and the investment is reduced for dividends or distributions it receives and increased or decreased for its proportionate share of earnings or losses of the entity.

We assess the potential for other-than-temporary impairment of our equity method investments when impairment indicators are identified. We consider all available information, including the recoverability of the investment, the earnings and near-term prospects of the affiliate, factors related to the industry, conditions of the affiliate, and our ability, if any, to influence the management of the affiliate. We assess fair value based on valuation methodologies, as appropriate, including the present value of estimated future cash flows, estimates of sales proceeds, and external appraisals. If an investment is considered to be impaired and the decline in value is

other than temporary, we record an appropriate write-down.

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Limitation on Capitalized Costs

Under the full-cost method of accounting, we are required, at the end of each reporting date, to perform a test to determine the limit on the book value of our oil and natural gas properties (the "Ceiling" test). If the capitalized costs of our oil and natural gas properties, net of accumulated amortization and related deferred income taxes, exceed the Ceiling, this excess or impairment is charged to expense. The expense may not be reversed in future periods, even though higher oil and natural gas prices may subsequently increase the Ceiling. The Ceiling is defined as the sum of:

(a) the present value, discounted at 10 percent, and assuming continuation of existing economic conditions, of 1) estimated future gross revenues from proved reserves, which is computed using oil and natural gas prices determined as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month hedging arrangements pursuant to SAB 103, less 2) estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves, plus

(b) the cost of properties not being amortized; plus

(c) the lower of cost or estimated fair value of unproven properties included in the costs being amortized, net of

(d) the related tax effects related to the difference between the book and tax basis of our oil and natural gas properties.

No impairment expense was recorded for the six months ended June 30, 2023.

Oil and Gas Properties

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs associated with acquisition, exploration and development of oil and gas reserves, including directly related overhead costs, are capitalized. General and administrative costs related to production and general overhead are expensed as incurred.

All capitalized costs of oil and gas properties, including the estimated future costs to develop proved reserves, are amortized on the unit of production method using estimates of proved reserves. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss is recognized in operations. Unproved properties and major development projects are not amortized until proved reserves associated with the projects can be determined or until impairment occurs. If the results of an assessment indicate that the properties are impaired, the amount of the impairment is included in loss from operations before income taxes

Oil and Gas Reserves

Reserve engineering is a subjective process that is dependent upon the quality of available data and the interpretation thereof, including evaluations and extrapolations of well flow rates and reservoir pressure. Estimates by different engineers often vary sometimes significantly. In addition, physical factors such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors such as changes in product prices, may justify revision of such estimates. Because proved reserves are required to be estimated using recent prices of the evaluation, estimated reserve quantities can be significantly impacted by changes in product prices.

Income (Loss) per Share

Basic and diluted income (loss) per share calculations are calculated on the basis of the weighted average number of shares of the Company's common stock outstanding during the year. Diluted earnings per share give effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted earnings per share, the average stock price for the period is used to determine the number of shares assumed to be purchased from the exercise price of the options and warrants. Purchases of treasury stock reduce the outstanding shares commencing on the date that the stock is purchased. Common stock equivalents are excluded from the calculation when a loss is incurred as their

effect would be anti-dilutive.

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Revenue Recognition

Sales of crude oil, natural gas, and natural gas liquids (NGLs) are included in revenue when production is sold to a customer in fulfillment of performance obligations under the terms of agreed contracts. Performance obligations primarily comprise delivery of oil, gas, or NGLs at a delivery point, as negotiated within each contract. Each barrel of oil, million BTU (MMBtu) of natural gas, or other unit of measure is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the product has been transferred to the customer. The Company considers a variety of facts and circumstances in assessing the point of control transfer, including but not limited to: whether the purchaser can direct the use of the hydrocarbons, the transfer of significant risks and rewards, the Company's right to payment, and transfer of legal title. In each case, the time between delivery and when payments are due is not significant.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and the tax basis of assets and liabilities by using estimated tax rates for the year in which the differences are expected to reverse.

The Company recognizes deferred tax assets and liabilities to the extent that we believe that these assets and/or liabilities are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and results of recent operations. If we determine that the Company would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

In assessing the realizability of its deferred tax assets, management evaluated whether it is more likely than not that some portion, or all of its deferred tax assets, will be realized. The realization of its deferred tax assets relates directly to the Company's ability to generate taxable income. The valuation allowance is then adjusted accordingly.

The Company recognizes the benefits, if any, of uncertain tax positions taken or expected to be taken in tax returns in the provision for income taxes only for those positions that are more likely than not to be realized. The Company follows a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes. The Company's policy is to include interest and penalties associated with income tax obligations in income tax expense.

Stock-Based Compensation

The Company may issue stock options to employees and stock options or warrants to non-employees in non-capital raising transactions for services and for financing costs. The cost of stock options and warrants issued to employees and non-employees is measured on the grant date based on the fair value. The fair value is determined using the Black-Scholes option pricing model. The resulting amount is charged to expense on the straight-line basis over the period in which the Company expects to receive the benefit, which is generally the vesting period.

The fair value of stock options and warrants is determined at the date of grant using the Black-Scholes option pricing model. The Black-Scholes option model requires management to make various estimates and assumptions, including expected term, expected volatility, risk-free rate, and dividend yield. The expected term represents the period of time that stock-based compensation awards granted are expected to be outstanding and is estimated based on considerations including the vesting period, contractual term and anticipated employee exercise patterns. Expected volatility is based on the historical volatility of the Company's stock. The risk-free rate is based on the U.S. Treasury yield curve in relation to the contractual life of stock-based compensation instrument. The dividend

yield assumption is based on historical patterns and future expectations for the Company dividends.

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Derivative Liabilities

The Series C Preferred Stock and Series G Preferred Stock contain provisions that could result in modification of the conversion price that is based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under FASB ASC Topic No. 815 - 40, "Derivatives and Hedging".

The Series C Preferred Stock are convertible into shares of common stock at a fixed $162.50 conversion rate. Upon conversion, the holder is entitled to dividends as if the shares had been held to maturity, which is referred to as the Conversion Premium. The Conversion Premium may be paid in shares or cash, at the option of the Company. If the Conversion Premium is paid in cash, the amount is fixed and not subject to adjustment. If the Conversion Premium is paid in shares, the conversion ratio is based on a volume weighted average price ("VWAP") calculation based on the lowest stock price over the Measurement Period. The Measurement Period is 30 trading days (or 60 trading days if there is a Triggering Event) prior to the conversion date and 30 trading days (or 60 trading days if there is a Triggering Event) after the conversion date. The VWAP calculation is subject to adjustment if there is a Triggering Event and the Measurement Period is subject to adjustment in the event that the Company is in default of one or more Equity Conditions provided in the COD. For example, the Measurement Period may be extended one day for every day the Company is not in compliance with one or more of the Equity Conditions. Trigger events are described in the designation of the Series C Preferred Stock, but include items which would typically be events of default under a debt security, including filing of reports late with the SEC.

At the conversion date, the number of shares due for the Conversion Premium is estimated based on the previous 30-day VWAP (or 60 trading days if there is a Triggering Event). If the Company does not elect to pay the Conversion Premium in cash, the Company will issue all shares due for the conversion and the estimated shares due for the conversion premium. If the VWAP calculation for the portion of the Measurement Period following the date of conversion is lower than the VWAP for the portion of the Measurement Period prior to the date of conversion, the holder will be issued additional common shares, referred to as True-Up shares. If the VWAP calculation is higher, no True-Up shares are issued.

The Company has determined that the Series C Preferred Stock contains an embedded derivative liability relating to the Conversion Premium and, upon conversion, a derivative liability for the potential obligation to issue True-Up Shares relating to Series C shares that have been converted and the Measurement Period has not expired, if applicable.

The fair value of the derivative liability relating to the Conversion Premium for any outstanding Series C Shares is equal to the cash required to settle the Conversion Premium. The fair value of the potential True-Up share obligation has been estimated using a binomial pricing mode and the lesser of the conversion price or the lowest closing price of the Company's stock subsequent to the conversion date, and the historical volatility of the Company's common stock.

The Series G Convertible Preferred stock is redeemable or convertible into a variable number of common shares, at the option of the Company. The conversion rate is determined at the time of conversion using a VWAP calculation similar to the Series C Stock described above. As a result, the Series G Preferred Stock contains an embedded derivative that is required to be recorded at fair value. The Company has determined that the fair value of the embedded derivative as of June 30, 2023 and December 31, 2022 is negligible due to the restrictions on conversion. The embedded derivative associated with the Series G Stock is marked to market at each reporting date with changes in fair value recorded in income.

Accounting for Asset Retirement Obligations

Asset retirement obligations ("ARO") primarily represent the estimated present value of the amount the Company will incur to plug, abandon and remediate its producing properties at the projected end of their productive lives, in accordance with applicable federal, state and local laws. The Company determined its ARO by calculating the present value of estimated cash flows related to the obligation. The retirement obligation is recorded as a liability at its estimated present value as of the obligation's inception, with an offsetting increase to proved properties.

Recently Adopted Accounting Pronouncements

There were no recently adopted accounting standards that management expects to have a material impact on the Company.

Subsequent Events

The Company has evaluated all subsequent events from June 30, 2023 through the date of filing of this report.

NOTE 5 – OIL AND GAS PROPERTIES

The following table summarizes the Company's oil and gas activities by classification and geographical cost center for the six months ended June 30, 2023. The allocation between the classifications is based on the relationships summarized in the Company's annual analysis of reserves as of December 31, 2022. The Depletion and Adjustments column reflects depletion and all other increases or decreases that occurred during the six months ended June 30, 2023:

	December 31, 2022	Depletion and Adjustments	June 30, 2023
Proved developed producing oil and gas properties			
United States cost center	$ 78,433,316	$ -	$ 78,433,316
Accumulated depreciation, depletion and amortization	(78,370,049)	(2,566)	(78,372,615)
Proved developed producing oil and gas properties, net	$ 63,267	$ (2,566)	$ 60,701

Camber uses the full cost method of accounting for oil and natural gas producing activities. Costs to acquire mineral interests in oil and natural gas properties, to drill and equip exploratory wells used to find proved reserves, and to drill and equip development wells including directly related overhead costs and related asset retirement costs are capitalized.

Under this method, all costs, including internal costs directly related to acquisition, exploration and development activities are capitalized as oil and natural gas property costs on a country-by-country basis. Costs not subject to amortization consist of unproved properties that are evaluated on a property-by-property basis. Amortization of these unproved property costs begins when the properties become proved or their values become impaired. Camber assesses overall values of unproved properties, if any, on at least an annual basis or when there has been an indication that impairment in value may have occurred. Impairment of unproved properties is assessed based on management's intention with regard to future development of individually significant properties and the ability of Camber to obtain funds to finance its programs. If the results of an assessment indicate that the properties are impaired, the amount of the impairment is added to the capitalized costs to be amortized.

Sales of oil and natural gas properties are accounted for as adjustments to the net full cost pool with no gain or loss recognized, unless the adjustment would significantly alter the relationship between capitalized costs and proved reserves. If it is determined that the relationship is significantly altered, the corresponding gain or loss will be recognized in the statements of operations.

For the three and six months ended June 30, 2023 and 2022, the Company did not record any impairments.

NOTE 6 – INVESTMENT IN UNCONSOLIDATED ENTITIES

The Company accounts for its investment in Viking under the equity method. The Company owns approximately 58.7% of the outstanding common shares of Viking at June 30, 2023.

Table below shows the changes in the investments in unconsolidated entities for the six months ended June 30, 2023 and the year ended December 31, 2022.

	June 30, 2023	December 31, 2022
Carrying amount – beginning	$ 26,837,718	$ 36,299,592
Proportionate share of (losses)	(1,531,132)	(9,461,874)
Carrying amount – ending	$ 25,306,586	$ 26,837,718

NOTE 7 – ASSET RETIREMENT OBLIGATIONS

The following table presents the reconciliation of the beginning and ending aggregate carrying amounts of long-term legal obligations associated with the future retirement of oil and natural gas properties for the six months ended June 30, 2023 and the year ended December 31, 2022.

	June 30, 2023	December 31, 2022
Carrying amount at beginning of year	$ 61,545	$ 53,055
Accretion	2,978	8,490
Carrying amount at end of year	$ 64,523	$ 61,545

NOTE 8 – LONG TERM DEBT

Long-term debt obligations of Camber Energy, Inc.:	June 30, 2023	December 31, 2022
Note payable to Discover Growth Fund, pursuant to a Secured Promissory Note dated December 24, 2021 and funded on January 3, 2022 in the original amount of $26,315,789 with interest and principal due at maturity on January 1, 2027. The note bears interest at a rate equal to the Wall Street Journal Prime Rate and is secured by lien on substantially all of the Company's assets.	$ 26,315,789	$ 26,315,789
Note payable to Discover Growth Fund, pursuant to a 10.0% Secured Promissory Note dated December 11, 2020 in the original amount of $6,000,000 with interest and principal due at maturity on January 1, 2027. The Note is secured by lien on substantially all of the Company's assets.	6,000,000	6,000,000
Note payable to Discover Growth Fund, pursuant to a 10.0% Secured Promissory Note dated December 22, 2020 in the original amount of $12,000,000 with interest and principal due at maturity on January 1, 2027. The Note is secured by first lien on the Company's ownership in Viking.	12,000,000	12,000,000
Note payable to Discover Growth Fund, LLC pursuant to a 10.0% Secured Promissory Note dated April 23, 2021 in the original amount of $2,500,000 with interest and principal due at maturity on January 1, 2027. The Note is secured by lien on substantially all of the Company's assets.	2,500,000	2,500,000
Principal value of debt	46,815,789	46,815,789
Less: unamortized debt discount	(11,292,452)	(12,888,029)
Total long-term debt, net	35,523,337	33,927,760
Less current portion	-	
	$ 35,523,337	$ 33,927,760

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On January 3, 2022 the Company received $25,000,000 representing a 5% original issue discount of the loan face value of $ 26,315,790. The Company granted the lender a first-priority security interest in Camber's common shares of Viking and a first-priority security interest in Camber's other assets. The notes are convertible into shares of common stock of Camber at a fixed price of $1.50

per share, subject to beneficial ownership limitations. The obligations under the Investor Note are supported by a Guaranty from Viking.

As an incentive to enter into the Note agreement, Camber granted the lender warrants to purchase 500,000 shares of Camber common stock at an exercise price of $500.00 and 500,000 warrants with an exercise price of $1,000. The warrants expire on December 31, 2026. The Company allocated the net proceeds received of $500,000 to the notes and the warrants based on relative fair value and recorded the loan proceeds allocated to the warrants as an additional debt discount of $14,763,393. The fair value of the warrants was determined based on a Black-Scholes model. Debt discounts on the Note are amortized over the life of the Note using the interest method.

The majority of the Loan Proceeds of the loan were used to: (i) redeem shares of Series C Redeemable Convertible Preferred Stock of the Company not owned by the Investor or its affiliates; and (ii) pay in full the secured loan disclosed by the Company in a Current Report Filed on Form 8-K filed with the SEC on December 17, 2021.

Principal maturities of long-term debt for the next five years and thereafter are as follows:

Twelve-month period ended June 30,

2024	$ -
2025	-
2026	-
2027	35,523,337
Thereafter	-
	$ 35,523,337

The above notes were in default at various times, but have been resolved through settlement (see Note 13 - Stockholders Deficit)

NOTE 9 – DERIVATIVE LIABILITIES

The Series C Preferred Stock contains an embedded derivative due to the potential conversion into a variable number of common shares. Upon conversion of the Series C Preferred share into common shares, the Company has a potential obligation to issue additional common shares to satisfy the True-Up obligation. Both the Conversion Premium and the True-Up obligation are derivatives and are required to be recorded at fair value. On April 20, 2021, the Company and the holder agreed to modify the COD to require all redemptions and conversions to be satisfied in common shares, which changed the accounting treatment for the embedded derivative.

Issuance of the Series C Stock (prior to April 20, 2021)

Conversion of the face value of the Series C preferred stock is fixed at $162.50 per common share and, because the conversion is generally outside the control of the Company, the face value of the Series C Stock is considered temporary equity and recorded at redemption value. The Conversion Premium is convertible into common shares based on a variable that is not an input to fair value of a fixed-for-fixed option as defined in FASB ASC 815-40 and is a derivative liability and is recorded at fair value.

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The Company determined the redemption value of the face value of the Series C Stock to be the fair value of the common shares issuable to satisfy the conversion of the face value of the Series C Stock. The fair value of the Conversion Premium is determined to be the lesser of the amount of cash required to satisfy the Conversion Premium or the fair value of the shares required to satisfy the Conversion Premium since the Company has the option to satisfy the conversion of the Conversion Premium in cash or shares. To the extent that consideration paid for the Series C Stock was less than the redemption value plus the fair value of the derivative liability, consideration was first allocated to the derivative liability. The consideration received never exceeded the fair value of the derivative liability. Consequently, no proceeds were allocated to the redemption value. The derivative liability was recorded at fair value and a loss on derivative liability was recorded as the difference between the fair value of the derivative liability and the consideration received. The redemption value was recorded as temporary equity and a deemed dividend.

Conversion of the Series C Stock

The Company receives notice of conversion from the holder with a calculation of the number of common shares required to be issued to satisfy the redemption value plus the Conversion Premium. The Company has never elected to satisfy the conversion premium in cash. The Company then issues the number of common shares determined by the holder using a VWAP calculation for the Measurement Period before the conversion date. The shares may be issued over time due to ownership limitations of the holder. Upon conversion of the Series C Stock, the Company reduces the derivative liability by the amount that was originally recorded for the number of Series C Stock converted. Any difference between the current fair value of the common shares issued to satisfy the conversion premium and the originally recorded derivative liability was recorded as a loss on derivative liability. Temporary equity is also reduced by the fair value of the common shares issued to satisfy the redemption value (amounts recorded in temporary equity). Any difference is recorded as additional deemed dividend or an equity contribution.

The holder may be entitled to additional shares subsequent to the conversion date If the VWAP calculation for the portion of the Measurement Period following the date of conversion is lower than the VWAP for the portion of the Measurement Period prior to the date of conversion, referred to as True-Up shares. If the VWAP calculation is higher, no True-Up shares are issued.

The potential obligation to issue True-Up shares creates an additional derivative liability. The determination of the number of True-Up shares due, if any, is based on the lowest VWAP calculation over the Measurement Period that extends beyond the conversion date. In addition, if the Company has not complied with certain provisions of the COD, the Measurement Period does not end until the Company is in compliance. The potential obligation to issue True-Up shares after the conversion date is a derivative liability.

The derivative liability for the True-Up Shares at the end of each period represents Series C Stock conversions in respect of which the Measurement Period had not expired as of the period end. The fair value of the derivative liability has been estimated using a binomial pricing model, the estimated remaining Measurement Period, the share price and the historical volatility of the Company's common stock.

Adjustments to the Carrying value of the Series C Stock and the Derivative Liability

At each reporting period the Company determined the fair value of the common shares required to satisfy the redemption of the face value of the outstanding Series C Stock and recorded an additional deemed dividend or an equity contribution for any differences between the recorded value and the period end fair value. The redemption Conversion Premium was assumed to be settled in cash because cash settlement is more favorable to the Company. The fair value of the common shares required to satisfy the redemption of the Series C Stock was determined generally using the closing share price of the Company's stock as of the reporting date. The amount of cash required to settle the Conversion Premium was generally fixed at the time of issuance. Consequently, the fair value of the derivative liability relating to the cash obligation to satisfy the Conversion Premium is generally unchanged until conversion.

The cash required to settle the conversion premium was unchanged until the dividend rate of 24.95% was increased in accordance with the terms of the Series C Stock to 34.95% due to covenant violations. The increase in the conversion premium was recorded as an increase in the derivative liability and a loss on change in fair value of derivative liability.

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The fair value of the derivative liability relating to the potential obligation to issue true-up shares is subject to adjustment as the Company's stock price changes. Such changes are recorded as changes in fair value of derivative liability.

April 20, 2021 Amendment to the Series C Stock COD

On April 20, 2021, the Company amended the Series C Stock COD to require all conversions to be in common shares, thus removing the cash option for redemption of the Conversion Premium. The amendment required reclassification of the Series C Stock recorded in temporary equity to permanent equity with no further period end adjustments.

Effect on Derivative Liability

The removal of the cash option for conversion of the Conversion Premium changed the cash redemption assumption to assume, in all cases, share redemption. Therefore, the derivative liability is required to be recorded at the fair value of the equivalent number of common shares issuable to satisfy the Conversion Premium. We recorded an adjustment to derivative liability and loss on derivative on April 20, 2021 and we will record changes in fair value of the derivative liability each quarter thereafter as long as any Series C Stock

are outstanding. We estimated the fair value of the derivative liability for the outstanding Series C Stock Conversion Premium generally using the period end number of shares required to satisfy the Conversion Premium at the period end closing share price of the Company's common stock.

Limitations on using the closing price of the Company's Common Stock to determine Fair Value

The Company is a smaller reporting company and is traded on the NYSE American exchange. Historically, the Company's stock price has been extremely volatile and subject to large and sometimes unexplained price variations on a daily or weekly basis. In addition, the Company declared four reverse stock splits in 2018 and 2019 and the Company's common stock generally trades at less than $1.00 per share. These factors have exacerbated daily volatility of our stock price. Consequently, the closing price of the Company's stock on the reporting date may not, in all cases, represent the fair value of the common share required to satisfy the redemption of the Series C Stock. Recognizing that the closing share price of our publicly traded stock is an observable input to fair value, such price was used for determining fair value in most cases and the Company only considered an alternative measure of fair value when the closing price of the Company's common stock varied by more than 30% from the five-day moving average immediately prior to the measurement date. In such cases, an average closing price of the previous 30-day period was used as an estimate of fair value, adjusted for stock splits if applicable.

In addition, conversion of the Series C shares may require a significant number of common shares to be issued in relation to the total number of shares outstanding. The market price of the Company's common stock may not appropriately reflect the potential for significant dilution caused by a large conversion and may not be representative of market value. In cases where the number of common shares required to satisfy a conversion of the Series C shares into common stock was significant in relation to the total number of shares outstanding (approximately 30% or greater) fair value of the embedded features was determined based on the historical market capitalization of the Company.

Activities for derivative Series C Preferred Stock derivative liability during the six months ended June 30, 2023 and the year ended December 31, 2022 were as follows:

	June 30, 2023	December 31, 2022
Carrying amount at beginning of year	$ 7,592,744	$ 93,108,568
Issued Series C preferred shares	-	-
Change in fair value	(994,134)	89,523,091
Settlement of obligation (issuance of common shares)	(1,529,458)	(175,038,915)
Carrying amount at end of year	$ 5,069,152	$ 7,592,744

The fair value of the derivative liability has been estimated using a binomial model and the historical volatility of the Company's common stock as of the date of conversion.

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NOTE 10 – RELATED PARTY TRANSACTIONS

The Company's CEO and director, James Doris, renders professional services to the Company through AGD Advisory Group, Inc., an affiliate of Mr. Doris, at a rate of $20,000 per month commencing April 2021. As of June 30, 2023, an accrued balance due of $60,000 is included in accounts payable.

The Company's CFO, Frank W. Barker, Jr., renders professional services to the Company through FWB Consulting, Inc., an affiliate of Mr. Barker, at a rate of $20,000 per month commencing April 2021. As of June 30, 2023, there is no accrued balance due.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings. From time-to-time suits and claims against Camber arise in the ordinary course of Camber's business, including contract disputes and title disputes. Camber records reserves for contingencies when information available indicates that a loss is probable, and the amount of the loss can be reasonably estimated.

The Company was the target of a "short" report issued by Kerrisdale Capital in early October, 2021, and as a result of such short report, on October 29, 2021, a Class Action Complaint (i.e. C.A.No.4:21-cv-03574) was filed against the Company, its CEO and CFO by *Ronald E. Coggins, Individually and on Behalf of All Others Similarly Situated v. Camber Energy, Inc., et al*.; in the U.S. District Court for the Southern District of Texas, Houston Division, pursuant to which the Plaintiffs are seeking to recover damages alleged to have been suffered by them as a result of the defendants' violations of federal securities laws. The defendants deny the allegations contained in the Class Action Complaint and have engaged Baker Botts L.L.P. to defend the action.

On or about June 30, 2022, the Company was made aware of a Shareholder Derivative Complaint filed in the U.S. District Court for the Southern District of Texas, Houston Division (Case No. 4:22-cv-2167) against the Company, its current directors, and certain of its former directors (the "Houston Derivative Complaint" and, together with the Nevada Derivative Complaint, the "Derivative Complaints"). The allegations contained in the Houston Derivative Complaint involve state-law claims for breach of fiduciary duty and unjust enrichment and a federal securities claim under Section 14(a) of the Securities Exchange Act of 1934. On January 20, 2023, the U.S. District Court held that certain claims brought by the plaintiff relating to director actions and statements made in proxy statements prior to June 30, 2019, were time barred, but did not dismiss certain claims brought by plaintiff relating to director actions and statements made in proxy statements after June 30, 2019. Pursuant to Article 6 of the Amended and Restated Bylaws, on February 15, 2023, the Company's Board of Directors (the "Board") formed a Committee of the Board (the "Special Litigation Committee") to investigate, analyze, and evaluate the remaining allegations in the Houston Derivative Complaint. The Special Litigation Committee's investigation and evaluation remains ongoing. At this time, we are not able to predict the outcome of the Special Litigation Committee investigation or these claims.

The defendants deny the allegations contained in the Class Action Complaint and Houston Derivative Complaint and have engaged Baker Botts L.L.P. to defend the actions.

On or about April 18, 2022, the Company was made aware of a Shareholder Derivative Complaint filed with the District Court in Clark County, Nevada (Case No.: A-22-848486-B) against the Company and its directors, and on or about May 4, 2022 the Company was made aware of a second Shareholder Derivative Complaint filed with the District Court in Clark County, Nevada (Case No. A-22-852069-B) against the Company and its directors. On July 18, 2022, the shareholder plaintiff in Case No. A-22-848486-B voluntarily dismissed his lawsuit, and on December 12, 2022 the shareholder plaintiff in Case No. A-22-852069-B voluntarily dismissed his lawsuit.

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Maranatha Oil Matter

In November 2015, Randy L. Robinson, d/b/a Maranatha Oil Co. sued the Company in Gonzales County, Texas (Cause No. 26160). The plaintiff alleged that it assigned oil and gas leases to the Company in April 2010, retaining a 4% overriding royalty interest and 50% working interest and that the Company failed to pay such overriding royalty interest or royalty interest. The interests relate to certain oil and gas properties which the Company subsequently sold to Nordic Oil USA in April 2013. The petition alleges causes of actions for breach of contract, failure to pay royalties, non-payment of working interest, fraud, fraud in the inducement of contract, money had and received, constructive trust, violation of theft liability act, continuing tort and fraudulent concealment. The suit seeks approximately $100,000 in amounts alleged owed, plus pre-and post-judgment interest. The Company has filed a denial to the claims and intends to vehemently defend itself against the allegations.

NOTE 12 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Oil and Gas Contracts

The following table disaggregates revenue by significant product type for the six months ended June 30, 2023 and 2022 respectively:

	Six months ended June 30, 2023	Six months ended June 30, 2022
Oil sales	$ 123,837	$ 199,243

Natural gas sales and liquids	53,282	108,815
Total oil and gas revenue from customers	$ 177,119	$ 308,058

NOTE 13 – STOCKHOLDERS' DEFICIT

Common Stock

During the six months ended June 30, 2023, the Company issued 4,497,623 common shares to Antilles Family Office, LLC, for the conversion of 170 shares of Series C Preferred Stock, and 3,947,999 common shares to existing and/or former holders of Series C Preferred Stock as True Up shares in connection with prior conversions of Series C Preferred Stock as a result of the continuation of the Measurement Period (as defined in the Certificate of Designation with respect to such Series C Preferred Stock) associated with such conversions and a decline in the price of the Company's common shares within the Measurement Period.

Series A Convertible Preferred Stock

On August 31, 2020, the Board of Directors approved the designation of 28,092 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock"), which were designated with the Secretary of State of Nevada on August 31, 2020 (the "Series A Designation") to have substantially similar rights as the Series C Preferred Stock of Viking (as amended), as adjusted for the exchange ratio of the Merger agreement at that time.

On December 23, 2020, the Company 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.

On February 15, 2021, the Company entered into a new Agreement and Plan of Merger with Viking. Pursuant to the terms of the Agreement and Plan of Merger with Viking, upon closing of the Merger, each one (1) share of Viking Series C Preferred Stock ("**Viking Preferred Stock**") issued and outstanding immediately prior to the Effective Time, shall be converted into the right to receive one (1) share of the to be designated Series A Convertible Preferred Stock of Camber (the "**New Camber Preferred**").

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Each share of Camber Series A Preferred Stock will be convertible into 890 shares of common stock of Camber subject to a 9.99% beneficial ownership limitation, will be treated equally with the Company's common shareholders with respect to dividends and liquidation, and will have no right to vote on any matters, questions or proceedings of Camber except: (a) on a proposal to increase or reduce Camber's share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber's property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party.

As of June 30, 2023 and December 31, 2022, the Company had no Series A Convertible Preferred Stock issued or outstanding.

Series B Redeemable Convertible Preferred Stock

As of June 30, 2023 and December 31, 2022, the Company had no Series B Redeemable Convertible Preferred Stock issue and outstanding.

Effective on May 15, 2020, due to the fact that no shares of Series B Preferred Stock were outstanding, the Board of Directors approved, and the Company filed, a Certificate of Withdrawal of Certificate of Designation relating to such series of preferred stock with the Secretary of State of Nevada and terminated the designation of its Series B Preferred Stock effective as of the same date.

Series C Redeemable Convertible Preferred Stock

On February 3, 2020, the Company sold 525 shares of Series C Preferred Stock for total proceeds of $5 million. In the event the Merger Agreement entered into with Viking in February 2020 is terminated for any reason, we (until June 22, 2020, when such terms were amended) these shares were required to be redeemed at a 110% premium, in an aggregate amount equal to $5,775,000. Because of the previous redemption requirement and due to certain redemption features, which are outside the control of the Company, the Series C Preferred Stock is classified as temporary equity on the March 31, 2021 and December 31, 2020 balance sheets.

Temporary equity is a security with redemption features that are outside the control of the issuer, is not classified as an asset or liability in conformity with U.S. GAAP, and is not mandatorily redeemable. In addition, the Series C Preferred Stock contains an embedded derivative and an additional derivative upon conversion. (See Note 9)

On January 8, 2021, the Company issued 1,890 shares of Camber's Series C Preferred Stock to EMC Capital Partners, LLC, one of Viking's lenders, in full satisfaction of a secured promissory note previously issued by Viking to EMC, accrued interest and certain other liabilities totaling approximately $18,900,000. The issuance was recorded as an additional investment by the Company in Viking.

The Company has not declared any dividends on the Series C Preferred stock, but recognized cumulative dividends as an adjustment to income available to common stockholders and an increase in the carrying value of the Series C Preferred Stock.

On April 15, 2021, the Company, with the approval of the Board of Directors, and holders of the Company's Series C Preferred Stock, filed certificate of corrections with the Secretary of State of Nevada to correct the original designation of the Company's Series C Redeemable Convertible Preferred Stock and the subsequent amended and restated designations thereof, to correct certain errors which were identified in such designations as follows:

Section I.D.2(e) of the prior Certificates of Designation implicitly excluded as a "Deemed Liquidation Event", an event or proposal that was initiated by or voted upon by the holder of the Series C Preferred Stock, and the Designations have been clarified to expressly exclude such occurrence. Section I.F.4 of the Designations failed to include language to clarify that the Company is not obligated to redeem the Preferred Shares for cash for any reason that is not solely within the control of the Company. Section I.G.1 of the Designations mistakenly included two subsection b.'s where only one was intended, and the unintended subsection b. has been removed. Section I.G.1(e) of the Designations failed to include language to clarify that the Company not having sufficient authorized but unissued shares, solely within the control of the Company and excluding any event that is not solely within the control of the Company, is not a reason that would otherwise trigger the obligations in such section. Sections I.G.1(f) and (g) of the Designations failed to include language to clarify the particular obligations apply only if the Company has sufficient authorized and unissued shares. Section I.G.7(e) of the Designations mistakenly referenced the incorrect Conversion Price. Section I.G.9 of the Designations failed to include language to clarify the maximum number of common shares that could be potentially issuable with respect to all conversions and other events that are not solely within the control of the Company, that the Dividend Maturity Date is to be indefinitely extended and suspended until sufficient authorized and unissued shares become available, the number of shares required to settle the excess obligation is fixed on the date that net share settlement occurs and that all provisions of the Designations are to be interpreted so that net share settlement is within the control of the Company.

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The corrections in the Certificates of Correction were effective as of the original filing dates with the Secretary of State of Nevada of the Company's original Series C Preferred Stock designation (August 25, 2016), the Company's first amended and restated Series C Preferred Stock designation (July 8, 2019), and the Company's second amended and restated Series C Preferred Stock designation (December 14, 2020), subject to certain exceptions set forth in the Nevada Revised Statutes. The corrections corrected the designations to reflect the original intentions of the parties and to conform such designations to the way the Series C Preferred Stock had been accounted for in practice since its original designation/issuance.

On April 20, 2021, the Company with the approval of the Board of Directors of the Company, and the holders of the Company's Series C Preferred Stock, filed a third amended and restated designation of the Series C Preferred Stock with the Secretary of State of Nevada, which amended the Designations to state that dividends and conversion premiums will only be paid in shares of Company common stock, and state that redemption amounts will only be paid in shares of Company common stock.

On July 10, 2021, the Company, with the approval of the Board of Directors of the Company and the holders of the Company's Series C Preferred Stock, filed an amendment to its designation of its Series C Preferred Stock with the Secretary of State of Nevada (the "Fourth Amended and Restated Designation"), solely to increase the number of preferred shares designated as Series C Preferred Stock from 5,000 to 5,200.

On November 8, 2021, the Company filed with the Secretary of State of Nevada a Fifth Amended and Restated Designation regarding its Series C Preferred Stock which amended the Designations to provide voting rights to holders of the Series C Preferred Stock as required by the October 2021 Agreements (as defined herein).

On October 31, 2022, the Company filed with the Secretary of State of Nevada an amendment to the COD (the "Amendment), dated as of October 28, 2022 (the "Amendment Date"), pursuant to the Agreements, which amended the COD such that (i) beginning on the Amendment Date and thereafter, when determining the conversion rate for each share of Series C Preferred Stock based on the trading price of the Company's common stock ("Common Stock") over a certain number of previous days ("Measurement Period"), no day will be added to what would otherwise have been the end of any Measurement Period for the failure of the Equity Condition (as defined in the COD), even if the volume weighted average trading price ("Measuring Metric") is not at least $1.50 and each Investor waived the right to receive any additional shares of Common Stock that might otherwise be due if such Equity Condition were to apply after the Agreement Date, including with respect to any pending Measurement Period; and (ii) (A) beginning on the Amendment Date and for the period through December 30, 2022, the Measuring Metric will be the higher of the amount provided in Section I.G.7.1(ii) of the COD and $0.20, and (B) beginning at market close on December 30, 2022 and thereafter, the Measuring Metric will be the volume weighted average trading price of the Common Stock on any day of trading following the date of first issuance of the Series C Preferred Stock.

As of June 30, 2023 and December 31, 2022 the Series C Preferred shares were convertible into a substantial number of the Company's common shares which could result in significant dilution of the Company's existing shareholders. If the outstanding Series C Preferred were converted as of June 30, 2023 and December 31, 2022, the Company estimates that the following common shares would be required to be issued to satisfy the conversion of the Series C Preferred shares:

	June 30, 2023*	December 31, 2022**
Estimated number of shares issuable for conversion at $ 162.50 per share at June 30, 2023 and December 31, 2022 respectively	6,154	16,615
Estimated number of common shares required to satisfy Conversion Premium using VWAP at period end	5,430,982	3,758,845
	5,437,136	3,775,460

**based on 100 shares of Series C Convertible Preferred Stock outstanding as of such date and the estimated low VWAP as at such date*
***based on 270 shares of Series C Convertible Preferred Stock outstanding as of such date and the estimated low VWAP as at such date*

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Additionally, even if the Series C preferred shares were converted on the above dates, the Company could, pursuant to terms out in the COD, be required to issue additional common shares (true-up shares).

The Certificates of Designations with respect to the Company's Series C Preferred Stock and Series G Preferred Stock (collectively, the "CODs") and/or the Stock Purchase Agreements regarding the sale of such Series C Preferred Stock and Series G Preferred Stock (collectively, the "SPA's"), contain covenants requiring the Company to timely file all reports required to be filed by the Company pursuant to the Exchange Act (the "Filing Requirement"). Throughout 2021 and early 2022, the Company did not satisfy the Filing Requirement and, consequently, on or about March 9, 2022, the preferred stock holders, Discover and Antilles Family Office, LLC ("Antilles"), filed a Verified Complaint against the Company (the "Discover/Antilles Complaint") as a result of the default by the Company under the CODs. A default under the CODs and/or SPA's is also considered an event of default under each of the Promissory Notes executed by the Company in favor of Discover (collectively, the "Discover Notes") (see subsequent events), and upon an event of default under the Discover Notes, Discover may, at its option, declare the principal and any and all interest then accrued thereon, at once due and payable, and exercise any other rights under applicable agreements. Discover did not exercise its right to declare the amount owing under the Discover Notes immediately due and payable, but Failure by Discover to exercise such right does not constitute a waiver of the right to exercise the same in the event of any subsequent default. As of April 18, 2022, Discover, Antilles and the Company entered into a Settlement Agreement to settle the Discover/Antilles Complaint, and the Settlement Agreement was approved by the Court on or about May 12, 2022. If the Company fails to satisfy future Filing Requirements, it would be considered a default under the CODs and SPA's, which in turn would constitute an event of default under the Discover Notes.

Previously Converted Series C Preferred Stock

EMC converted certain shares of Series C Preferred Stock in 2021 and/or 2022 based on the low VWAP of the Company's common stock being $0.3475 per share for the purpose of calculating the Conversion Premium. Since the Measurement Period with

respect to such conversions did not end until October 28, 2022 (as further explained below) and because the low VWAP subsequent to the conversions declined to approximately $0.1519 during such period, EMC received certain true-up shares in 2022. As of June 30, 2023, EMC held zero shares of Series C Preferred Stock.

The majority of the Series C Preferred Stock previously converted into common shares by Antilles in 2022 were based on the low VWAP of the Company's common stock being $0.4503 per share. Since the Measurement Period with respect to the Antilles Conversions did not end until October 28, 2022 (as further explained below) and because the low VWAP subsequent to the conversions declined during such period, Antilles received certain true-up shares in 2022 based on an agreed upon low VWAP of $0.20 per share.

October 2022 Agreements Regarding the Series C Preferred Stock

On October 28, 2022, the Company entered into two agreements (collectively, the "Agreements") in relation to an amendment to the fifth amended and restated certificate of designations regarding the Company's Series C Preferred Stock (the "COD") as an accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American LLC, and in exchange for the release and indemnity as provided in the Agreements.

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On October 31, 2022, the Company filed with the Secretary of State of Nevada an amendment to the COD (the "Amendment), dated as of October 28, 2022 (the "Amendment Date"), pursuant to the Agreements, which amended the COD such that (i) beginning on the Amendment Date and thereafter, when determining the conversion rate for each share of Series C Preferred Stock based on the trading price of the Company's common stock ("Common Stock") over a certain number of previous days ("Measurement Period"), no day will be added to what would otherwise have been the end of any Measurement Period for the failure of the Equity Condition (as defined in the COD), even if the volume weighted average trading price ("Measuring Metric") is not at least $1.50 and each Investor waived the right to receive any additional shares of Common Stock that might otherwise be due if such Equity Condition were to apply after the Agreement Date, including with respect to any pending Measurement Period; and (ii) (A) beginning on the Amendment Date and for the period through December 30, 2022, the Measuring Metric will be the higher of the amount provided in Section I.G.7.1(ii) of the COD and $0.20, and (B) beginning at market close on December 30, 2022 and thereafter, the Measuring Metric will be the volume weighted average trading price of the Common Stock on any day of trading following the date of first issuance of the Series C Preferred Stock.

November 2022 Agreement with Discover Growth Fund, LLC

On November 3, 2022, the Company entered into an agreement (the "Agreement") with Discover, pursuant to which Discover absolutely and unconditionally waived and released any and all rights to receive further or additional shares of the Company's common stock (the "Conversion Shares") with respect to any and all shares of Series C Preferred Stock previously converted by Discover including, but not limited to, the right to deliver additional notices for more Conversion Shares under the Fifth Amended and Restated 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 November 8, 2021, as amended on October 28, 2022.

Discover also absolutely and unconditionally waived and released any and all rights to convert all or any part of any Promissory Notes previously executed by the Company in favor of Discover into shares of the Company's common stock, and agreed not to convert or attempt to convert any portion of any Promissory Notes, at any particular price or at all.

Series G Redeemable Convertible Preferred Stock

On or about December 30, 2021, the Company created a new class of preferred stock known as Series G redeemable convertible preferred stock (the "Series G Preferred Stock"), having a face value of $10,000 per share.

The rights, entitlements and other characteristics of the Series G Preferred Stock are set out in the *Certificate of Designations of Preferences, Powers, Rights and Limitations of Series G Redeemable Convertible Preferred Stock* filed by the Company with the State of Nevada on December 30, 2021 (the "COD").

Pursuant to the COD, the Series G Preferred Stock may be converted into shares of common stock at any time at the option of the holder at a price per share of common stock equal to one cent above the closing price of the Company's common stock on the date of the issuance of such shares of Series G Preferred Stock, or as otherwise specified in the Stock Purchase Agreement, subject to adjustment as otherwise provided in the COD. Upon conversion, the Company will pay the holders of the Series G Preferred Stock

being converted a conversion premium equal to the amount of dividends that such shares would have otherwise earned if they had been held through the maturity date.

The Series G Preferred Stock, with respect to dividend rights and rights upon liquidation, winding-up or dissolution, rank: (a) senior to the Company's common stock; (b) junior to the Series C Redeemable Convertible Preferred Stock, (c) senior to the Series E Redeemable Convertible Preferred Stock and Series F Redeemable Convertible Preferred Stock, as such may be designated as of the date of this Designation, or which may be designated by the Company after the date of this Designation; (d) senior, pari passu or junior with respect to any other series of Preferred Stock, as set forth in the Certificate of Designations of Preferences, Powers, Rights and Limitations with respect to such Preferred Stock; and (d) junior to all existing and future indebtedness of the Company.

Except as prohibited by applicable law or as set forth herein, the holders of shares of Series G Preferred Stock will have the right to vote together with holders of common stock and Series C Preferred on all matters other than: (i) the election of directors; (ii) and any shareholder proposals, including proposals initiated by any holder of shares of Series G Preferred Stock), in each instance on an as-converted basis, subject to the beneficial ownership limitation in the COD even if there are insufficient shares of authorized common stock to fully convert the shares of Series G Preferred Stock into common stock.

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Commencing on the date of the issuance of any such shares of Series G Preferred Stock, each outstanding share of Series G Preferred Stock will accrue cumulative dividends at a rate equal to 10.0% per annum, subject to adjustment as provided in the COD, of the Face Value. Dividends will be payable with respect to any shares of Series G Preferred Stock upon any of the following: (a) upon redemption of such shares in accordance with the COD; (b) upon conversion of such shares in accordance with the COD; and (c) when, as and if otherwise declared by the board of directors of the Corporation.

Dividends, as well as any applicable Conversion Premium payable hereunder, will be paid in shares of common stock valued at (i) if there is no Material Adverse Change ("MAC") as at the date of payment or issuance of common shares for the Conversion Premium, as applicable, (A) 95.0% of the average of the 5 lowest individual daily volume weighted average prices of the common stock on the Trading Market during the applicable Measurement Period, which may be non-consecutive, less $0.05 per share of common stock, not to exceed (B) 100% of the lowest sales price on the last day of such Measurement Period less $0.05 per share of common stock, or (ii) during the time that any MAC is ongoing, (A) 85.0% of the lowest daily volume weighted average price during any Measurement Period for any conversion by Holder, less $0.10 per share of common stock, not to exceed (B) 85.0% of the lowest sales price on the last day of any Measurement Period, less $0.10 per share of common stock.

On the Dividend Maturity Date, the Corporation may redeem any or all shares of Series G Preferred Stock by paying Holder, in registered or unregistered shares of common stock valued at an amount per share equal to 100% of the Liquidation Value for the shares redeemed, and the Corporation will use its best efforts to register such shares.

In the first quarter of 2022, pursuant to a stock purchase agreement (the "Stock Purchase Agreement") between the Company and an accredited investor (the "Investor") dated on or about December 30, 2021, the Investor purchased from the Company 10,544 shares of newly designated Series G redeemable convertible preferred stock (the "Series G Preferred Stock"), having a face value of $ 10,000 per share, for an aggregate price of $100,000,000 (the "Purchase Price"), representing at a 5% original issue discount.

The Purchase Price was paid by the Investor via payment of $5,000,000 in cash, and the execution and delivery of four Promissory Notes (each a "Note" and collectively, the "Notes") from the Investor in favor of Company, each in the amount of $ 23,750,000 and payable by the Investor to the Company on March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022, respectively.

There are 2,636 shares of Series G Preferred Stock associated with each Note, and the Investor may not convert the shares of preferred stock associated with each Note into shares of common stock or sell any of the underlying shares of common stock (the " Conversion Shares") unless that Note is paid in full by the Investor.

The Company may in its sole discretion redeem the 2,636 shares of Series G Preferred Stock associated with each Note by paying the Investor $1,375,000 as full consideration for such redemption. Also, the Investor may offset the then outstanding balance of each Note against the 2,636 shares of Series G Preferred Stock associated with that Note by electing to cancel the 2,636 shares as full consideration for cancellation of the Note in the event of a breach or default of any of the transaction documents by the Company.

Partial Redemptions of Series G Preferred Stock

On March 10, 2022, the Company paid the Investor $1,375,000 and redeemed the 2,636 shares of Series G Preferred Stock associated with the Note due March 31, 2022, thereby canceling such Note and reducing the number of shares of Series G Preferred Stock outstanding from 10,544 to 7,908. On June 15, 2022, the Company paid the Investor $1,375,000 and redeemed an additional 2,636 shares of Series G Preferred Stock associated with the Note due June 30, 2022, thereby canceling such Note and reducing the number of shares of Series G Preferred Stock outstanding from 7,908 to 5,272. As mentioned above, the Investor may not convert any of the remaining shares of preferred stock associated with any remaining Note into shares of common stock or sell any of the underlying shares of common stock unless that Note is paid in full by the Investor, and the Company may redeem the shares of Series G Preferred Stock associated with each Note by paying the Investor $1,375,000 as full consideration for such redemption.

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Warrants

Termination of Warrants and Early Redemption Entitlement

On April 25, 2023, the Company entered into two warrant termination agreements (the "Warrant Termination Agreements"), one with Discover and one with Antilles (each, an "Investor" and collectively, the "Investors"), pursuant to which each Investor agreed to cancel and terminate, effective as of April 25, 2023 (the "Termination") all warrants to purchase the Company's common stock outstanding under (i) that certain Warrant Agreement, dated as of December 30, 2021, by and between the Company and Antilles, and (ii) that certain Warrant Agreement, dated as of December 31, 2021, by and between the Company and Discover. The Warrant Termination Agreements are identical as to their terms. The Investors entered into the Warrant Termination Agreements in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American LLC, and, in exchange for the Termination, the Company agreed to the release and indemnity as provided in each Warrant Termination Agreement. Pursuant to the Warrant Termination Agreement, the Investor also agreed that the Company may make an Early Redemption of any remaining shares of Series C Redeemable Convertible Preferred Stock held by the Investor provided that all Promissory Notes executed by the Company in favor of the Investor or any of its affiliates have been paid in full. The term "Early Redemption" has the meaning given to it in the Fifth Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock filed by the Company with the State of Nevada regarding such class of preferred stock.

As of June 30, 2023, the Company does not have any outstanding warrants.

NOTE 14 – STOCK-BASED COMPENSATION

Common Stock

The Company stockholders approved the 2014 Stock Incentive Plan (as amended to date, the "2014 Plan") at the annual stockholder meeting held on February 13, 2014. The 2014 Plan provides the Company with the ability to offer up to 2.5 million (i) incentive stock options (to eligible employees only); (ii) nonqualified stock options; (iii) restricted stock; (iv) stock awards; (v) shares in performance of services; or (vi) any combination of the foregoing, to employees, consultants and contractors as provided in the 2014 Plan.

The Company stockholders approved the Lucas Energy, Inc. 2012 Stock Incentive Plan ("2012 Incentive Plan") at the annual stockholder meeting held on December 16, 2011. The 2012 Incentive Plan provides the Company with the ability to offer (i) incentive stock options (to eligible employees only); (ii) nonqualified stock options; (iii) restricted stock; (iv) stock awards; (v) shares in performance of services; or (vi) any combination of the foregoing, to employees, consultants and contractors as provided in the 2012 Incentive Plan.

The Company stockholders approved the Lucas Energy, Inc. 2010 Long Term Incentive Plan ("2010 Incentive Plan" or "2010 Plan") at the annual stockholder meeting held on March 30, 2010. The 2010 Incentive Plan provides the Company with the ability to offer (1) incentive stock options, (2) non-qualified stock options, and (3) restricted shares (i.e., shares subject to such restrictions, if any, as determined by the Compensation Committee or the Board) to employees, consultants and contractors as performance incentives.

Under the 2010 Incentive Plan, 58 shares of the Company's common stock are authorized for initial issuance or grant, under the 2012 Incentive Plan, 96 shares of the Company's common stock are authorized for initial issuance or grant, and under the 2014 Incentive Plan, as amended, 2,500,000 shares of the Company's common stock are authorized for issuance or grant. As of September

30, 2020, there was an aggregate of 1 share available for issuance or grant under the 2010 Incentive Plan, 5 shares were available for issuance or grant under the 2012 Incentive Plan and an aggregate of approximately 1,999 securities were available for issuance or grant under the 2014 Incentive Plan as amended for future issuances and grants, respectively. The number of securities available under the 2010, 2012 and 2014 Plans is reduced one for one for each security delivered pursuant to an award under the Plans. Any issued or granted security that becomes available due to expiration, forfeiture, surrender, cancellation, termination or settlement in cash of an award under the Incentive Plans may be requested and used as part of a new award under the Plans.

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The Plans are administered by the Compensation Committee and/or the Board in its discretion (the "Committee"). The Committee interprets the Plans and has broad discretion to select the eligible persons to whom awards will be granted, as well as the type, size and terms and conditions of each award, including the exercise price of stock options, the number of shares subject to awards, the expiration date of awards, and the vesting schedule or other restrictions applicable to awards.

Camber measures the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award over the vesting period.

On February 23, 2021, the Company's stockholders approved an amendment to the Company's Articles of Incorporation to increase the number of our authorized shares of common stock from 25,000,000 to 250,000,000, which amendment was filed with the State of Nevada on February 23, 2021.

On December 30, 2021, the Company's stockholders approved an amendment to the Company's Articles of Incorporation to increase the number of our authorized shares of common stock from 250,000,000 to 1,000,000,000, which amendment was filed with the State of Nevada on December 30, 2021.

On December 14, 2022, the Company's Board of Directors approved a 1 for 50 reverse stock split of the Company's (a) authorized shares of common stock; and (b) issued and outstanding shares of common stock. The Company filed a Certificate of Change to decrease the number of our authorized shares of common stock from 1,000,000,000 to 20,000,000, which certificate was filed with the State of Nevada on December 16, 2022.

On April 26, 2023, an amendment to the Company's articles of incorporation to increase the number of the Company's authorized shares of common stock from 20,000,000 to 500,000,000 (the "Amendment") was passed by a majority of the outstanding voting shares of the Company at a Special Meeting of Stockholders. The Amendment was effected by the Company filing a Certificate of Amendment pursuant to Nevada Revised Statutes Section 78.209 with the Secretary of State of the State of Nevada on April 26, 2023.

NOTE 15 – INCOME (LOSS) PER COMMON SHARE

The calculation of earnings (loss) per share for the three and six months ended June 30, 2023 and 2022 was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	**2022**	**2023**	**2022**
Numerator:				
Income (loss) attributable to common shareholders	$ 1,920,781	$ 4,595,005	$ (425,295)	$ (63,560,442)
Denominator - Weighted average shares - basic	22,619,571	7,904,151	21,177,232	7,056,682
Dilutive effect of common stock equivalents - options/warrants	-	-	-	-
Dilutive effect Preferred C Shares	-	-	-	-
Denominator - Weighted average shares - diluted	22,619,571	7,904,151	21,177,232	7,056,682
Income (loss) per share - basic	$ 0.08	$ 0.58	$ (0.02)	$ (9.01)
Income (loss) per share - diluted	$ 0.08	$ 0.58	$ (0.02)	$ (9.01)

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NOTE 16 – SUBSEQUENT EVENTS

Series C Preferred Stock

Issuance of True Up Shares for prior Conversions of Series C Preferred Stock:

During July and August 2023, the Company issued 3,403,428 common shares to Antilles as True Up shares associated with prior conversions of Series C Preferred Stock as a result of the continuation of the Measurement Period (as defined in the Certificate of Designation with respect to such Series C Preferred Stock) associated with such conversions and a decline in the price of the Company's common shares within the Measurement Period.

Issuance of Common Shares for new Conversions of Series C Preferred Stock:

During July and August 2023, the Company issued 4,028,159 common shares to Antilles in connection with Antilles' conversion of 70 shares of Series C Preferred Stock.

Outstanding Series C Preferred Stock:

As of August 7, 2023, there were a total of 30 shares of Series C Preferred Stock outstanding, all of which were held by Antilles. Antilles may convert such Series C Preferred Stock into common shares of the Company pursuant to the terms of the Sixth Amended and Restated 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 November 8, 2021, as amended on October 28, 2022 (as further described herein) (collectively, the "COD"), and applicable agreements between the Company and Antilles. The Company estimates the 30 shares of Series C Preferred Stock would convert into approximately 1.73 million common shares based on a Low VWAP of approximately $0.6184 for the purposes of calculating the conversion premium associated with such conversion(s). If the Low VWAP falls below $0.6184, the underlying common share entitlement(s) would increase in accordance with the terms of the COD.

Pursuant to the Warrant Termination Agreements executed by the Company on or about April 25, 2023 with Discover and Antilles, the Company may redeem the outstanding shares of Series C Preferred Stock for cash in an amount equal to the Early Redemption Price (as defined in the Fifth Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock filed by the Company with the State of Nevada regarding such class of preferred stock) provided that all Promissory Notes executed by the Company in favor of Discover have been paid in full.

Merger with Viking

On August 1, 2023, pursuant to the Merger Agreement, Merger Sub completed the Merger with and into Viking, with Viking surviving the Merger as a wholly-owned subsidiary of Camber.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time on August 1, 2023 as set forth in the Certificate of Merger duly filed with the Nevada Secretary of State (the "Effective Time"), each share: (i) of common stock, par value $0.001 per share, of Viking (the "Viking Common Stock") issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, Viking and Merger Sub, was converted into the right to receive one share of common stock of Camber (the "Camber Common Stock"); (ii) of Series C Preferred Stock of Viking (the "Viking Series C Preferred Stock") issued and outstanding immediately prior to the Effective Time was converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the "New Camber Series A Preferred Stock") and (iii) of Series E Convertible Preferred Stock of Viking (the "Viking Series E Preferred Stock," and, together with the Viking Series C Preferred Stock, the "Viking Preferred Stock") issued and outstanding immediately prior to the Effective Time was converted into the right to receive one share of Series H Preferred Stock of Camber (the "New Camber Series H Preferred Stock," and, together with the New Camber Series A Preferred Stock, the "New Camber Preferred").

Pursuant to the Certificate of Designations for the New Camber Series A Preferred Stock, dated as of August 1, 2023 (the "Series A COD"), each share of New Camber Series A Preferred Stock is convertible into 890 shares of Camber Common Stock (subject to a beneficial ownership limitation preventing conversion into Camber Common Stock if the holder would be deemed to beneficially own more than 9.99% of Camber Common Stock), is treated equally with Camber Common Stock with respect to

dividends and liquidation, and only has voting rights with respect to voting: (a) on a proposal to increase or reduce Camber's share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber's property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party.

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Pursuant to the Certificate of Designations for the New Camber Series H Preferred Stock, dated as of August 1, 2023 (the "Series H COD"), each share of New Camber Series H Preferred Stock has a face value of $10,000 per share, is convertible into a certain number of shares of Camber Common Stock, with the conversion ratio based upon achievement of certain milestones by Viking's subsidiary, Viking Protection Systems, LLC (provided the holder has not elected to receive the applicable portion of the purchase price in cash pursuant to that certain Purchase Agreement, dated as of February 9, 2022, by and between Viking and Jedda Holdings, LLC), is subject to a beneficial ownership limitation of 4.99% of Camber Common Stock (but may be increased up to a maximum of 9.99% at the sole election of a holder by the provision of at least 61 days' advance written notice) and has voting rights equal to one vote per share of Camber Series H Preferred Stock held on a non-cumulative basis.

Holders of Viking Common Stock and Viking Preferred Stock had any fractional shares of Camber Common Stock or New Camber Preferred after the Merger rounded up to the nearest whole share.

At the Effective Time, each then outstanding option or warrant to purchase Viking Common Stock (a "Viking Option"), to the extent unvested, automatically became fully vested and was converted automatically into an option or warrant (an "Adjusted Option") to purchase Camber Common Stock, on substantially the same terms and conditions as were applicable to such Viking Option immediately prior to the Effective Time, except that (i) instead of being exercisable into Viking Common Stock, such Adjusted Option is exercisable into Camber Common Stock, and (ii) all references to the "Company" in the Viking Option agreements are references to Camber in the Adjusted Option agreements.

At the Effective Time, each promissory note issued by Viking that is convertible into Viking Common Stock (a "Viking Convertible Note") that, as of immediately prior to the Effective Time, is outstanding and unconverted, was converted into a promissory note convertible into Camber Common Stock (an "Adjusted Convertible Note") having substantially the same terms and conditions as applied to the corresponding Viking Convertible Note as of immediately prior to the Effective Time (including, for the avoidance of doubt, any extended post-termination conversion period that applies following consummation of the Merger), except that (i) instead of being convertible into Viking Common Stock, such Adjusted Convertible Note is convertible into Camber Common Stock, and (ii) all references to the "Company" in the Viking Convertible Note agreements are references to Camber in the Adjusted Convertible Note agreements.

In connection with the Merger, Camber issued approximately 49,290,152 shares of Camber Common Stock, which represents approximately 59.99% of the outstanding Camber Common Stock after giving effect to such issuance. In addition, Camber reserved for issuance approximately 88,647,137 additional shares of Camber Common Stock in connection with the potential (1) conversion of the New Camber Series A Preferred Stock, (2) conversion of the New Camber Series H Preferred Stock, (3) exercise of the Adjusted Options and (4) conversion of the Adjusted Convertible Notes.

In connection with the closing of the Merger, on August 1, 2023, Camber filed each of the Series A COD and the Series H COD with the Nevada Secretary of State.

James A. Doris will continue to serve as President and Chief Executive Officer of the combined company, and the combined company will continue to have its headquarters in Houston, Texas.

Certificate of Designation for New Camber Series A Preferred Stock

The Series A COD designated up to 28,092 shares of the authorized but unissued shares of its preferred stock as New Camber Series A Preferred Stock. The following is a summary of the principal terms of the New Camber Series A Preferred Stock.

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Dividends

The holders of the New Camber Series A Preferred Stock (the "Series A Holders") are entitled to receive, and Camber shall pay, dividends on shares of the New Camber Series A Preferred Stock equal to the amount of the dividend or distribution per share of Camber Common Stock payable at such time multiplied by the number of shares of Camber Common Stock the shares of New Camber Series A Preferred Stock held by such Holder are convertible into.

Voting Rights

Except as required by applicable law the Series A Holders have no right to vote on any matters, questions or proceedings of Camber except: (a) on a proposal to increase or reduce Camber's share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber's property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party.

Each share of New Camber Series A Preferred Stock entitles the holder thereof to 890 votes on all matters Series A Holders have the right to vote. Series A Holders will vote together as one class.

Liquidation

Upon any liquidation, dissolution or winding-up of Camber, whether voluntary or involuntary (a "Liquidation"), Series A Holders will be entitled to receive out of the assets of Camber, whether such assets are capital or surplus, for each share of New Camber Series A Preferred Stock the same amount that a holder of Camber Common Stock would receive if the New Camber Series A Preferred Stock were fully converted to Camber Common Stock, which amounts shall be paid *pari passu* with all holders of Camber Common Stock. A Fundamental Transaction, as defined in the Series A COD, shall not be treated as a Liquidation.

Conversion

Each share of New Camber Series A Preferred Stock is convertible, at the option of the Holder thereof, at any time after the date of issuance of such share, at the office of Camber or any transfer agent for such stock, into eight hundred and ninety (890) shares of fully paid and non-assessable Camber Common Stock (the "Series A Conversion Rate"). The Series A Conversion Rate is subject to a beneficial ownership limitation of 9.99% as set forth in Section 6(b) of the Series A COD.

Certain Adjustments

If Camber, at any time while the New Camber Series A Preferred Stock is outstanding, issues stock splits, effects a recapitalization of the Camber Common Stock, makes a subsequent rights offerings, or makes any dividend or other distribution of its assets, then the Series A Holders can adjust the Series A Conversion Rate of the New Camber Series A Preferred Stock to account for such transaction.

Certificate of Designation for New Camber Series H Preferred Stock

The Series H COD designated up to 2,075 shares of the authorized but unissued shares of its preferred stock as New Camber Series H Preferred Stock. The following is a summary of the principal terms of the New Camber Series H Preferred Stock.

Voting Rights

Except as required by applicable law, holders of the New Camber Series H Preferred Stock ("Series H Holders") have voting rights equal to one vote per share of New Camber Series H Preferred Stock held on a non-cumulative basis.

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Conversion

Each share of New Camber Series H Preferred Stock is convertible into a number of shares of Camber Common Stock as set forth in Section 5(a) of the Series H COD (the "Series H Conversion Rate"). The Series H Conversion Rate is subject to the beneficial

ownership limitation of 4.99% as set forth in Section 5(b) of the Series H COD provided that such beneficial ownership limitation may be increased up to a maximum of 9.99% at the sole election of a holder of such New Camber Series H Preferred Stock

Merger Consummation Share Issuance

On August 1, 2023, in accordance with the terms of the Merger Agreement, the Company issued 49,290,152 common shares to holders of Viking common shares as of the effective date.

Post-Merger Debt Conversion

On August 2, 2023 the Company issued 3,830,439 shares of common stock to FK Venture LLC in connection with a partial conversion of a Viking Convertible Note in the amount of $1,500,000, and on August 3, 2023, the Company issued 1,359,227 shares of common stock to FK Venture LLC in connection with a partial conversion of a Viking Convertible Note in the amount of $532,273.

Viking Note

Pursuant to a Securities Purchase Agreement dated on or about May 5, 2023 between Viking Energy Group, Inc. and FK Venture, LLC (the "SPA"), on or about August 7, 2023 the Company executed a Promissory Note in favor of FK Venture LLC in the principal amount of $800,000 (the "FK Note"), and on August 8, 2023 the Company received $800,000 in cash. The FK Note is one of the 'Viking Notes' contemplated and/or permitted by the Merger Agreement . The FK Note, and previous promissory notes executed by Viking in favor of FK Venture LLC, (a) mature on July 1, 2025; (b) accrue interest at 12% per annum (provided that if a Note is prepaid within 12 months of the issuance date, a full 12 months of interest shall be paid); and are (c) convertible into shares of the Company's common stock at a fixed conversion price equal to $0.4158, being fifty percent of the volume weighted average price of the Company's common stock on July 31, 2023, i.e. the day prior to the closing of the Merger.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. In preparing the management's discussion and analysis, the registrant presumes that you have read or have access to the discussion and analysis for the preceding fiscal year.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 or the Reform Act. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, any projections of earning, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions of performance; and statements of belief; and any statements of assumptions underlying any of the foregoing. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following: our ability to raise capital and the terms thereof; ability to gain an adequate player base to generate the expected revenue; competition with established gaming websites; adverse changes in government regulations or polices; and other factors referenced in this Form 10-Q.

The use in this Form 10-Q of such words as "believes", "plans", "anticipates", "expects", "intends", and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. These forward-looking statements present the Company's estimates and assumptions only as of the date of this Report. Except for the Company's ongoing obligation to disclose material information as required by the federal securities laws, the Company does not intend, and undertakes no obligation, to update any forward-looking statements.

Although the Company believes that the expectations reflected in any of the forward-looking statements are reasonable, actual results could differ materially from those projected or assumed or any of the Company's forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks

and uncertainties.

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PLAN OF OPERATIONS

Overview

Camber's aim is to become a growth-oriented diversified energy company. The Company owns minority, non-operated working interests in certain oil & gas wells in Texas and/or Louisiana, and through its investment in Viking, the organization provides custom energy & power solutions to commercial and industrial clients in North America. Viking also holds an exclusive license in Canada to a patented carbon-capture system, and has a majority interest in: (i) an entity with intellectual property rights to a fully developed, patent pending, ready-for-market proprietary Medical & Bio-Hazard Waste Treatment system using Ozone Technology; and (ii) entities with the intellectual property rights to fully developed, patent pending, ready-for-market proprietary Electric Transmission and Distribution Open Conductor Detection Systems.

Merger with Viking

On August 1, 2023, pursuant to that certain Agreement and Plan of Merger, dated as of February 15, 2021, by and between the Company and Viking Energy Group, Inc. ("Viking"), as amended on April 18, 2023 (as amended, the "Merger Agreement"), a wholly owned subsidiary of the Company ("Merger Sub") merged with and into Viking (the "Merger"), with Viking surviving the Merger as a wholly owned subsidiary of the Company.

Although this Quarterly Report on Form 10-Q is filed after completion of the Merger, given that the Merger closed after June 30, 2023, the financial statements herein do not include a consolidation of Viking's financial statements at the Camber level. Rather, the financial statements herein account for Camber's previous investments in Viking under the equity method of accounting, consistent with previously filed financial reports.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the effective time on August 1, 2023 as set forth in the Certificate of Merger duly filed with the Nevada Secretary of State (the "Effective Time"), each share: (i) of common stock, par value $0.001 per share, of Viking (the "Viking Common Stock") issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, Viking and Merger Sub, was converted into the right to receive one share of common stock of Camber (the "Camber Common Stock"); (ii) of Series C Preferred Stock of Viking (the "Viking Series C Preferred Stock") issued and outstanding immediately prior to the Effective Time was converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the "New Camber Series A Preferred Stock") and (iii) of Series E Convertible Preferred Stock of Viking (the "Viking Series E Preferred Stock," and, together with the Viking Series C Preferred Stock, the "Viking Preferred Stock") issued and outstanding immediately prior to the Effective Time was converted into the right to receive one share of Series H Preferred Stock of Camber (the "New Camber Series H Preferred Stock," and, together with the New Camber Series A Preferred Stock, the "New Camber Preferred").

Pursuant to the Certificate of Designations for the New Camber Series A Preferred Stock, dated as of August 1, 2023 (the "Series A COD"), each share of New Camber Series A Preferred Stock is convertible into 890 shares of Camber Common Stock (subject to a beneficial ownership limitation preventing conversion into Camber Common Stock if the holder would be deemed to beneficially own more than 9.99% of Camber Common Stock), is treated equally with Camber Common Stock with respect to dividends and liquidation, and only has voting rights with respect to voting: (a) on a proposal to increase or reduce Camber's share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber's property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party.

Pursuant to the Certificate of Designations for the New Camber Series H Preferred Stock, dated as of August 1, 2023 (the "Series H COD"), each share of New Camber Series H Preferred Stock has a face value of $10,000 per share, is convertible into a certain number of shares of Camber Common Stock, with the conversion ratio based upon achievement of certain milestones by Viking's subsidiary, Viking Protection Systems, LLC (provided the holder has not elected to receive the applicable portion of the purchase price in cash pursuant to that certain Purchase Agreement, dated as of February 9, 2022, by and between Viking and Jedda Holdings, LLC), is subject to a beneficial ownership limitation of 4.99% of Camber Common Stock (but may be increased up to a maximum of 9.99% at the sole election of a holder by the provision of at least 61 days' advance written notice) and has voting rights equal to one vote per share of Camber Series H Preferred Stock held on a non-cumulative basis.

Holders of Viking Common Stock and Viking Preferred Stock had any fractional shares of Camber Common Stock or New Camber Preferred after the Merger rounded up to the nearest whole share.

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At the Effective Time, each then outstanding option or warrant to purchase Viking Common Stock (a "Viking Option"), to the extent unvested, automatically became fully vested and was converted automatically into an option or warrant (an "Adjusted Option") to purchase, on substantially the same terms and conditions as were applicable to such Viking Option immediately prior to the Effective Time, except that (i) instead of being exercisable into Viking Common Stock, such Adjusted Option is exercisable into Camber Common Stock, and (ii) all references to the "Company" in the Viking Option agreements are references to Camber in the Adjusted Option agreements.

At the Effective Time, each promissory note issued by Viking that is convertible into Viking Common Stock (a "Viking Convertible Note") that, as of immediately prior to the Effective Time, is outstanding and unconverted, was converted into a promissory note convertible into Camber Common Stock (an "Adjusted Convertible Note") having substantially the same terms and conditions as applied to the corresponding Viking Convertible Note as of immediately prior to the Effective Time (including, for the avoidance of doubt, any extended post-termination conversion period that applies following consummation of the Merger), except that (i) instead of being convertible into Viking Common Stock, such Adjusted Convertible Note is convertible into Camber Common Stock, and (ii) all references to the "Company" in the Viking Convertible Note agreements are references to Camber in the Adjusted Convertible Note agreements.

In connection with the Merger, Camber issued approximately 49,290,152 shares of Camber Common Stock, which represents approximately 59.99% of the outstanding Camber Common Stock after giving effect to such issuance. In addition, Camber reserved for issuance approximately 88,647,137 additional shares of Camber Common Stock in connection with the potential (1) conversion of the New Camber Series A Preferred Stock, (2) conversion of the New Camber Series H Preferred Stock, (3) exercise of the Adjusted Options and (4) conversion of the Adjusted Convertible Notes.

In connection with the closing of the Merger, on August 1, 2023, Camber filed each of the Series A COD and the Series H COD with the Nevada Secretary of State.

James A. Doris will continue to serve as President and Chief Executive Officer of the combined company, and the combined company will continue to have its headquarters in Houston, Texas.

Certificate of Designation for New Camber Series A Preferred Stock

The Series A COD designated up to 28,092 shares of the authorized but unissued shares of its preferred stock as New Camber Series A Preferred Stock. The following is a summary of the principal terms of the New Camber Series A Preferred Stock.

Dividends

The holders of the New Camber Series A Preferred Stock (the "Series A Holders") are entitled to receive, and Camber shall pay, dividends on shares of the New Camber Series A Preferred Stock equal to the amount of the dividend or distribution per share of Camber Common Stock payable at such time multiplied by the number of shares of Camber Common Stock the shares of New Camber Series A Preferred Stock held by such Holder are convertible into.

Voting Rights

Except as required by applicable law the Series A Holders have no right to vote on any matters, questions or proceedings of Camber except: (a) on a proposal to increase or reduce Camber's share capital; (b) on a resolution to approve the terms of a buy-back agreement; (c) on a proposal to wind up Camber; (d) on a proposal for the disposal of all or substantially all of Camber's property, business and undertaking; (f) during the winding-up of Camber; and/or (g) with respect to a proposed merger or consolidation in which Camber is a party or a subsidiary of Camber is a party.

Each share of New Camber Series A Preferred Stock entitles the holder thereof to 890 votes on all matters Series A Holders have the right to vote. Series A Holders will vote together as one class.

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Liquidation

Upon any liquidation, dissolution or winding-up of Camber, whether voluntary or involuntary (a "Liquidation"), Series A Holders will be entitled to receive out of the assets of Camber, whether such assets are capital or surplus, for each share of New Camber Series A Preferred Stock the same amount that a holder of Camber Common Stock would receive if the New Camber Series A Preferred Stock were fully converted to Camber Common Stock, which amounts shall be paid *pari passu* with all holders of Camber Common Stock. A Fundamental Transaction, as defined in the Series A COD, shall not be treated as a Liquidation.

Conversion

Each share of New Camber Series A Preferred Stock is convertible, at the option of the Holder thereof, at any time after the date of issuance of such share, at the office of Camber or any transfer agent for such stock, into eight hundred and ninety (890) shares of fully paid and non-assessable Camber Common Stock (the "Series A Conversion Rate"). The Series A Conversion Rate is subject to a beneficial ownership limitation of 9.99% as set forth in Section 6(b) of the Series A COD.

Certain Adjustments

If Camber, at any time while the New Camber Series A Preferred Stock is outstanding, issues stock splits, effects a recapitalization of the Camber Common Stock, makes a subsequent rights offerings, or makes any dividend or other distribution of its assets, then the Series A Holders can adjust the Series A Conversion Rate of the New Camber Series A Preferred Stock to account for such transaction.

Certificate of Designation for New Camber Series H Preferred Stock

The Series H COD designated up to 2,075 shares of the authorized but unissued shares of its preferred stock as New Camber Series H Preferred Stock. The following is a summary of the principal terms of the New Camber Series H Preferred Stock.

Voting Rights

Except as required by applicable law, holders of the New Camber Series H Preferred Stock ("Series H Holders") have voting rights equal to one vote per share of New Camber Series H Preferred Stock held on a non-cumulative basis.

Conversion

Each share of New Camber Series H Preferred Stock is convertible into a number of shares of Camber Common Stock as set forth in Section 5(a) of the Series H COD (the "Series H Conversion Rate"). The Series H Conversion Rate is subject to the beneficial ownership limitation of 4.99% as set forth in Section 5(b) of the Series H COD, provided that such beneficial ownership limitation may be increased up to a maximum of 9.99% at the sole election of a holder of such New Camber Series H Preferred Stock.

Going Concern Qualification

The Company's consolidated financial statements included herein have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company generated a net loss of $(425,295) for the six months ended June 30, 2023 as compared to a net loss of $63,560,442 for the six months ended June 30, 2022. The 2023 income was comprised of, among other things, certain non-cash items with a total net impact of $3,756,060 including: (i) a gain on derivative and warrant liability of $6,888,313 (ii) loss in earnings of unconsolidated entity of $1,531,132; (iii) amortization of debt discount of $1,595,577; and (iv) depreciation, depletion and accretion of $5,544.

As of June 30, 2023, the Company has a stockholders' deficit of $16,019,471 and total long-term debt of $35,523,337, net of debt discount.

As of June 30, 2023, the Company has a working capital deficiency of approximately $10.6 million. The largest components of current liabilities creating this working capital deficiency are a derivative liability of $5.1 million.

Management believes it will be able to continue to leverage the expertise and relationships of its operational and technical teams to enhance existing assets and identify new development and acquisition opportunities in order to improve the Company's financial position. The Company may have the ability, if it can raise additional capital, to acquire new assets in a separate division from existing subsidiaries.

Nonetheless, recent oil and gas price volatility as a result of geopolitical conditions and the global COVID-19 pandemic have already had and may continue to have a negative impact on the Company's financial position and results of operations. Negative impacts could include but are not limited to: The Company's ability to sell our oil and gas production, reduction in the selling price of the Company's oil and gas, failure of a counterparty to make required hedge payments, possible disruption of production as a result of worker illness or mandated production shutdowns, the Company's ability to maintain compliance with loan covenants and/or refinance existing indebtedness, and access to new capital and financing.

These conditions raise substantial doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to utilize the resources in place to generate future profitable operations, to develop additional acquisition opportunities, and to obtain the necessary financing to meet its obligations and repay its liabilities arising from business operations when they come due. Management believes the Company will be able to continue to develop new opportunities and will be able to obtain additional funds through debt and / or equity financings to facilitate its development strategy; however, there is no assurance of additional funding being available. These consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company have to curtail operations or be unable to continue in existence.

RESULTS OF CONTINUING OPERATIONS

The following discussion of the financial condition and results of operation of the Company for the three and six months ended June 30, 2023 and 2022, should be read in conjunction with the audited consolidated financial statements and the notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Liquidity and Capital Resources

As of June 30, 2023, and December 31, 2022, the Company had $137,485 and $1,166,596 in cash holdings, respectively.

Three months ended June 30, 2023 compared to the three months ended June 30, 2022

Revenue

The Company had gross revenues of $83,648 for the three months ended June 30, 2023, as compared to $171,651 for the three months ended June 30, 2022, reflecting a decrease of $88,003.

Expenses

The Company's operating expenses increased to $2,160,367 for the three-month period ended June 30, 2023, from $1,140,859 in the corresponding prior period. Lease operating costs decreased by $9,350 to $32,015 for the three-month period ended June 30, 2023 as compared to $41,365 for the three-month period ended June 30, 2022, due to lower realized production levels. DD&A expense was relatively unchanged at $2,722 for the three months ended June 30, 2023 as compared to $2,870 for the three months ended June 30, 2022. General and administrative expenses reflected an increase of $1,029,006 to $2,125,630, when compared to $1,096,624 in the corresponding prior period, primarily due to non-recurring costs associated with the pending merger.

Income (loss) from Operations

The Company generated a loss from operations for the three months ended June 30, 2023 of $(2,076,719), when compared to a loss from operations of $(969,208) for the three months ended June 30, 2022.

Other Income (Expense)

The Company had other income of $3,997,500 for the three months ended June 30, 2023, as compared to other income of $5,564,213 for the three months ended June 30, 2022, primarily a result of the Company's stock price and its impact on our derivatives.

Net Income (Loss)

The Company had net income of $1,920,781 during the three-month period ended June 30, 2023, compared with a net income of $4,595,005 for the three-month period ended June 30, 2022, primarily as a result of the items discussed above.

Six months ended June 30, 2023 compared to the six months ended June 30, 2022

Revenue

The Company had gross revenues of $177,119 for the six months ended June 30, 2023, as compared to $308,058 for the six months ended June 30, 2022, reflecting a decrease of $130,939.

Expenses

The Company's operating expenses increased to $3,625,488 for the six-month period ended June 30, 2023, from $2,294,835 in the corresponding prior period. Lease operating costs decreased by $15,630 to $75,100 for the six-month period ended June 30, 2023 as compared to $90,730 for the six-month period ended June 30, 2022, due to lower realized production levels. DD&A expense was relatively unchanged at $5,544 for the six months ended June 30, 2023 as compared to $5,737 for the six months ended June 30, 2022. General and administrative expenses and stock-based compensation combined reflected an increase of $1,346,476 to $3,544,844, when compared to $2,198,368 in the corresponding prior period, primarily due to non-recurring costs associated with the pending merger.

Income (loss) from Operations

The Company generated a loss from operations for the six months ended June 30, 2023 of $(3,448,369), when compared to a loss from operations of $(1,986,777) for the six months ended June 30, 2022.

Other Income (Expense)

The Company had other income of $3,023,074 for the six months ended June 30, 2023, as compared to other (expense) of $(61,573,665) for the six months ended June 30, 2022, primarily a result of the Company's stock price and its impact on our derivatives.

Net Income (Loss)

The Company had a net loss of $(425,295) during the six-month period ended June 30, 2023, compared with a net loss of $(63,560,442) for the six-month period ended June 30, 2022, primarily as a result of the items discussed above.

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CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated financial statements in conformity with GAAP, which requires management to make certain estimates and assumptions and apply judgments. We base our estimates and judgments on historical experience, current trends and other factors that management believes to be important at the time the consolidated financial statements are prepared and actual results could differ from our estimates and such differences could be material. Due to the need to make estimates about the effect of matters that are inherently uncertain, materially different amounts could be reported under different conditions or using different assumptions. On a regular basis, we review our critical accounting policies and how they are applied in the preparation of our consolidated financial statements, as well as the sufficiency of the disclosures pertaining to our accounting policies in the footnotes accompanying our financial statements. Described below are the most significant policies we apply in preparing our consolidated financial statements,

some of which are subject to alternative treatments under GAAP. We also describe the most significant estimates and assumptions we make in applying these policies. See “Note 4 - Summary of Significant Accounting Policies” to our consolidated financial statements.

Oil and Gas Property Accounting

The Company uses the full cost method of accounting for its investment in oil and natural gas properties. Under this method of accounting, all costs of acquisition, exploration and development of oil and natural gas properties (including such costs as leasehold acquisition costs, geological expenditures, dry hole costs, tangible and intangible development costs and direct internal costs) are capitalized as the cost of oil and natural gas properties when incurred.

The full cost method requires the Company to calculate quarterly, by cost center, a “ceiling,” or limitation on the amount of properties that can be capitalized on the balance sheet. To the extent capitalized costs of oil and natural gas properties, less accumulated depletion and related deferred taxes, exceed the sum of the discounted future net revenues of proved oil and natural gas reserves, the lower of cost or estimated fair value of unproved not properties subject to amortization, the cost of properties not being amortized, and the related tax amounts, such excess capitalized costs are charged to expense.

Proved Reserves

Estimates of our proved reserves included in this report are prepared in accordance with U.S. SEC guidelines for reporting corporate reserves and future net revenue. The accuracy of a reserve estimate is a function of:

i. the quality and quantity of available data;

ii. the interpretation of that data;

iii. the accuracy of various mandated economic assumptions; and

iv. the judgment of the persons preparing the estimate.

Our proved reserve information included in this report was predominately based on estimates. Because these estimates depend on many assumptions, all of which may substantially differ from future actual results, reserve estimates will be different from the quantities of oil and gas that are ultimately recovered. In addition, results of drilling, testing and production after the date of an estimate may justify material revisions to the estimate.

In accordance with SEC requirements, we based the estimated discounted future net cash flows from proved reserves on the unweighted arithmetic average of the prior 12-month commodity prices as of the first day of each of the months constituting the period and costs on the date of the estimate.

The estimates of proved reserves materially impact depreciation, depletion, amortization and accretion (“DD&A”) expense. If the estimates of proved reserves decline, the rate at which we record DD&A expense will increase, reducing future net income. Such a decline may result from lower market prices, which may make it uneconomic to drill for and produce from higher-cost fields.

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Asset Retirement Obligation

Asset retirement obligations (“ARO”) primarily represent the estimated present value of the amount we will incur to plug, abandon and remediate our producing properties at the projected end of their productive lives, in accordance with applicable federal, state and local laws. We determined our ARO by calculating the present value of estimated cash flows related to the obligation. The retirement obligation is recorded as a liability at its estimated present value as of the obligation’s inception, with an offsetting increase to proved properties. Periodic accretion of discount of the estimated liability is recorded as accretion expense in the accompanying consolidated statements of operations.

ARO liability is determined using significant assumptions, including current estimates of plugging and abandonment costs, annual inflation of these costs, the productive lives of wells and a risk-adjusted interest rate. Changes in any of these assumptions can result in significant revisions to the estimated ARO.

Derivative liabilities

The Series C Preferred Stock certificate of designation, or COD, contains provisions that could result in modification of the Series C Preferred Stock conversion price that is based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under FASB ASC Topic No. 815 - 40.

The Series C Preferred Stock are convertible into shares of common stock at a fixed $162.50 conversion rate. Upon conversion, the holder is entitled to dividends as if the shares had been held to maturity, which is referred to as the Conversion Premium. The Conversion Premium may be paid in shares or cash, at the option of the Company. If the Conversion Premium is paid in cash, the amount is fixed and not subject to adjustment. If the Conversion Premium is paid in shares, the conversion ratio is based on a VWAP calculation based on the lowest stock price over the Measurement Period. The Measurement Period is 30 trading days (or 60 trading days if there is a Triggering Event) prior to the conversion date and 30 trading days (or 60 trading days if there is a Triggering Event) after the conversion date. The VWAP calculation is subject to adjustment if there is a Triggering Event and the Measurement Period is subject to adjustment in the event that the Company is in default of one or more Equity Conditions provided in the COD. For example, the Measurement period may be extended one day for every day the Company is not in compliance with one or more of the Equity Conditions. Trigger events are described in the designation of the Series C Preferred Stock, but include items which would typically be events of default under a debt security, including filing of reports late with the SEC.

At the conversion date, the number of shares due for the Conversion Premium is estimated based on the previous 30-day VWAP. If the Company does not elect to pay the Conversion Premium in cash, the Company will issue all shares due for the conversion and the estimated shares due for the conversion premium. If the VWAP calculation for the portion of the Measurement Period following the date of conversion is lower than the VWAP for the portion of the Measurement Period prior to the date of conversion, the holder will be issued additional common shares, referred to as True-Up shares. If the VWAP calculation is higher, no True-Up shares are issued.

The Company has determined that the Series C Preferred Stock contains an embedded derivative liability relating to the Conversion Premium and, upon conversion, a derivative liability for the potential obligation to issue True-Up Shares relating to Series C shares that have been converted and the Measurement Period has not expired, if applicable.

The fair value of the derivative liability relating to the Conversion Premium for any outstanding Series C Shares is equal to the cash required to settle the Conversion Premium. The fair value of the potential True-Up share obligation has been estimated using a binomial pricing mode and the lesser of the conversion price or the low closing price of the Company's stock subsequent to the conversion date. and the historical volatility of the Company's common stock. (See Note 10)

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

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ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company does not currently maintain controls and procedures that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act are recorded, processed, summarized, and reported within the time periods specified by the Commission's rules and forms. Disclosure controls and procedures would include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of management, including the Company's Chief Executive Officer, the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2023, have been evaluated, and, based upon this evaluation, the Company's Chief Executive Officer has concluded that these controls and procedures are not effective in providing reasonable assurance of compliance.

Material Weaknesses and Changes in Internal Control over Financial Reporting

Management has identified the following material weaknesses in the Company's system of internal control over financial reporting:

1. The Company does not have sufficient staff to maintain a proper segregation of duties;

2. The Company lacks sufficient internal resources to analyze and interpret accounting for certain complex features of the Series C Preferred shares and other complex accounting issues; and

3. The Company does not have enough competent accounting staff and senior management that can provide proper oversight and detection of errors.

Management of the Company is addressing these material weaknesses by hiring additional staff and seeking the assistance of subject matter experts for accounting advice on complex matters. Management will continue to monitor and evaluate the effectiveness of the Company's internal controls and procedures and the Company's internal controls over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

There were no changes in Internal Control Over Financial Reporting during the quarter ended June 30, 2023.

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PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company may be involved in litigation relating to claims arising out of commercial operations in the normal course of business. As of June 30, 2023, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of operations.

The Company was the target of a "short" report issued by Kerrisdale Capital in early October, 2021, and as a result of such short report, on October 29, 2021, a Class Action Complaint (i.e. C.A.No.4:21-cv-03574) was filed against the Company, its CEO and CFO by *Ronald E. Coggins, Individually and on Behalf of All Others Similarly Situated v. Camber Energy, Inc., et al.*; in the U.S. District Court for the Southern District of Texas, Houston Division, pursuant to which the Plaintiffs are seeking to recover damages alleged to have been suffered by them as a result of the defendants' violations of federal securities laws. The defendants deny the allegations contained in the Class Action Complaint and have engaged Baker Botts L.L.P. to defend the action.

On or about June 30, 2022, the Company was made aware of a Shareholder Derivative Complaint filed in the U.S. District Court for the Southern District of Texas, Houston Division (Case No. 4:22-cv-2167) against the Company, its current directors, and certain of its former directors (the "Houston Derivative Complaint" and, together with the Nevada Derivative Complaint, the "Derivative Complaints"). The allegations contained in the Houston Derivative Complaint involve state-law claims for breach of fiduciary duty and unjust enrichment and a federal securities claim under Section 14(a) of the Securities Exchange Act of 1934. On January 20, 2023, the U.S. District Court held that certain claims brought by the plaintiff relating to director actions and statements made in proxy statements prior to June 30, 2019, were time barred, but did not dismiss certain claims brought by plaintiff relating to director actions and statements made in proxy statements after June 30, 2019. Pursuant to Article 6 of the Amended and Restated Bylaws, on February 15, 2023, the Company's Board formed a Special Litigation Committee to investigate, analyze, and evaluate the remaining allegations in the Houston Derivative Complaint. The Special Litigation Committee's investigation and evaluation remains ongoing. At this time, we are not able to predict the outcome of the Special Litigation Committee investigation or these claims.

The defendants deny the allegations contained in the Class Action Complaint and Houston Complaint and have engaged Baker Botts L.L.P. to defend the actions.

On or about April 18, 2022, the Company was made aware of a Shareholder Derivative Complaint filed with the District Court in Clark County, Nevada (Case No.: A-22-848486-B) against the Company and its directors, and on or about May 4, 2022 the Company was made aware of a second Shareholder Derivative Complaint filed with the District Court in Clark County, Nevada (Case No. A-22-852069-B) against the Company and its directors. On July 18, 2022, the shareholder plaintiff in Case No. A-22-848486-B

voluntarily dismissed his lawsuit, and on December 12, 2022 the shareholder plaintiff in Case No. A-22-852069-B voluntarily dismissed his lawsuit.

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ITEM 1A. RISK FACTORS

As a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, the Company is not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

During the six months ended June 30, 2023, the Company issued unregistered equity securities as described below:

The Company issued a total of 8,445,622 common shares to preferred stockholders. Certain of such shares of common stock were due under one of the stockholder's prior conversions of Series C Preferred Stock into common stock, and were issued pursuant to the exemptions from registration provided by Sections 3(a)(9), 4(a)(1) and 4(a)(2) of the Securities Act of 1933, as amended, and/or Rule 144 promulgated thereunder, as the shares of common stock were issued in exchange for preferred stock of the Company held by the preferred stockholder, there was no additional consideration for the exchanges, there was no remuneration for the solicitation of the exchanges, the exchanged securities had been held by the preferred stockholder for the requisite holding period, the preferred stockholder was not an affiliate of the Company, the Company was not a shell company, there was no general solicitation and the transactions with the shareholders did not involve a public offering. The balance of such shares of common stock were issued in connection with the stockholders' conversions of Series C Preferred Stock into common stock, and issued pursuant to the exemptions from registration provided by Sections 3(a)(9), 4(a)(1) and 4(a)(2) of the Securities Act of 1933, as amended, and/or Rule 144 promulgated thereunder, as the shares of common stock were issued in exchange for preferred stock of the Company held by the preferred stockholder, there was no additional consideration for the exchanges, there was no remuneration for the solicitation of the exchanges, the exchanged securities had been held by the preferred stockholder for the requisite holding period, the preferred stockholder was not an affiliate of the Company, the Company was not a shell company, there was no general solicitation and the transactions with the shareholders did not involve a public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

On or about December 26, 2022, the Company entered into a Membership Interest Purchase Agreement ("MIPA") with the sellers named therein (collectively, the "Sellers") regarding the proposed purchase of one hundred percent of the membership interests of the entities listed in Schedule 1 of the MIPA, which in turn owned interests in certain oil assets. The Sellers' obligation to sell the membership interests was conditioned on a number of items set out in the MIPA including, without limitation, receiving certain acknowledgements and/or agreements from the Company's existing senior secured lender and the Company's preferred stockholder, and the Company's obligation to purchase the membership interests was conditioned on a number of items set out in the MIPA including, without limitation, the Company completing its due diligence investigation of the applicable entities and their respective assets, and, in its sole discretion, being satisfied with the results of such due diligence investigation. On or about May 10, 2023, the Company entered into a Mutual Termination Agreement with Sellers pursuant to which the MIPA was terminated, effective as of such date.

During the three months ended June 30, 2023, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

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ITEM 6. EXHIBITS

2.1	Agreement and Plan of Merger by and Between Viking Energy Group, Inc. and Camber Energy, Inc. dated as of February 15, 2021 (Filed as Exhibit 2.1 to Camber's Report on Form 8-K, filed with the Commission on February 18, 2021 and incorporated herein by reference) (File No. 001-32508)
2.2	First Amendment to Agreement and Plan of Merger by and Between Viking Energy Group, Inc., and Camber Energy, Inc. dated as of April 18, 2023 (Filed as Exhibit 2.1 to Camber's Report on Form 8-K, filed with the Commission on April 19, 2023 and incorporated herein by reference) (File No. 001-32508)
3.1	Certificate of Amendment to Articles of Incorporation of Camber Energy, Inc. (Filed as Exhibit 3.1 to Camber's Report on Form 8-K, filed with the Commission on April 27, 2023 and incorporated herein by reference) (File No. 001-32508)
3.2	Certificate of Designation of Series A Convertible Preferred Stock, dated August 1, 2023 (Filed as Exhibit 3.1 to Camber's Report on Form 8-K, filed with the Commission on August 1, 2023 and incorporated herein by reference) (File No. 001-32508)
3.3	Certificate of Designation of Series H Convertible Preferred Stock, dated August 1, 2023 (Filed as Exhibit 3.2 to Camber's Report on Form 8-K, filed with the Commission on August 1, 2023 and incorporated herein by reference) (File No. 001-32508)
10.1	Warrant Termination Agreement, by and between Camber Energy, Inc. and the Investor named therein, dated as of April 25, 2023 (Filed as Exhibit 10.1 to Camber's Report on Form 8-K, filed with the Commission on April 26, 2023 and incorporated herein by reference) (File No. 001-32508)
10.2	Warrant Termination Agreement, by and between Camber Energy, Inc. and the Investor named therein, dated as of April 25, 2023 (Filed as Exhibit 10.2 to Camber's Report on Form 8-K, filed with the Commission on April 26, 2023 and incorporated herein by reference) (File No. 001-32508)
31.1*	Certification of Principal Executive Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial and Accounting Officer required by Rule 13a-14(1) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
32.2*	Certification of Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63
101.INS**	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

ITEM 7. OFF BALANCE-SHEET ARRANGEMENTS

None.

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SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAMBER ENERGY, INC.
(Registrant)

/s/ James Doris Date: August 11, 2023
Principal Executive Officer

/s/ Frank W. Barker, Jr. Date: August 11, 2023
Principal Financial and Accounting Officer

EX-31.1
EX-31.1 2 cei_ex311.htm CERTIFICATION

EXHIBIT 31.1

CAMBER ENERGY, INC.
Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, James Doris, Principal Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Camber Energy, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023

/s/ James Doris
James Doris
Principal Executive Officer

EX-31.2
EX-31.2 3 cei_ex312.htm CERTIFICATION

EXHIBIT 31.2

CAMBER ENERGY, INC.
Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Frank W. Barker, Jr., Principal Financial and Accounting Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Camber Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15I and 15d-15(e)) for the registrant and we have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that was materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:

   (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023

/s/ Frank W. Barker, Jr.
Frank W. Barker, Jr.
Principal Financial and Accounting Officer

EX-32.1
EX-32.1 4 cei_ex321.htm CERTIFICATION

EXHIBIT 32.1

CAMBER ENERGY, INC.
Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Camber Energy, Inc. (the Company) on Form 10-Q for the quarterly period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, James Doris, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2023

/s/ James Doris
James Doris
Principal Executive Officer

EX-32.2
EX-32.2 5 cei_ex322.htm CERTIFICATION

EXHIBIT 32.2

CAMBER ENERGY, INC.
Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Camber Energy, Inc. (the Company) on Form 10-Q for the quarterly period ended June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Frank W. Barker, Jr., Principal Financial and Accounting Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2023

/s/ Frank W. Barker, Jr.
Frank W. Barker, Jr.
Principal Financial and Accounting Officer