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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, 2021**

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 May 16, 2022, the registrant had 414,290,116 shares of common stock outstanding.

CAMBER ENERGY, INC.

Part I – Financial Information

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CAMBER ENERGY, INC.
Consolidated Balance Sheets (unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	$ 2,053,074	$ 868,548
Accounts receivable - oil and gas - net	-	7,077
Prepaid expenses	227,333	34,211
Total current assets	2,280,407	909,836
Oil and gas properties, full cost method		
Proved developed producing oil and gas properties, net	72,512	74,877
Total oil and gas properties, net	72,512	74,877
Equity method investment	22,652,026	15,830,538
TOTAL ASSETS	$ 25,004,945	$ 16,815,251
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 1,391,301	$ 996,382
Accrued expenses and other current liabilities	1,235,345	67,397
Current taxes payable	3,000	3,000
Derivative liability	32,272,761	93,981,234
Total current liabilities	34,902,407	95,048,013
Long-term debt - net of current portion	20,500,000	18,000,000
Asset retirement obligation	51,935	46,748
TOTAL LIABILITIES	55,454,342	113,094,761
Commitments and contingencies (Note 11)		
TEMPORARY EQUITY		
Preferred Stock Series C, 2,093 shares issued and outstanding as of December 31, 2020, liquidation preference of $72,135,245.	-	5,946,052
STOCKHOLDERS' DEFICIT		
Preferred stock, Series C, 5,000 shares authorized of $0.001 par value, 3,806 shares issued and outstanding as of June 30, 2021, liquidation preference of $131,173,790	4	-
Common stock, 250,000,000 shares authorized of $0.001 par value, 84,955,966 and 25,000,000 shares issued and outstanding as of June 30, 2021 and December31, 2020	84,956	25,000
Additional paid-in-capital	263,018,169	209,362,384
Accumulated Deficit	(293,552,526)	(311,612,946)
TOTAL STOCKHOLDERS' DEFICIT	(30,449,397)	(102,225,562)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 25,004,945	$ 16,815,251

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)

	Three months ended June 30,		Six months ended June 30,	
	2021	**2020**	**2021**	**2020**
Revenue				
Oil and gas sales	$ 97,238	$ 33,689	$ 162,891	$ 122,588
Operating expenses				
Lease operating costs	31,375	70,640	59,479	169,055
General and administrative	980,396	686,663	1,852,995	2,014,685
Stock based compensation	307,213	-	1,328,005	163,000
Depreciation, depletion, amortization and accretion	2,509	2,295	7,552	7,500
Total operating expenses	1,321,493	759,598	3,248,031	2,354,240
Loss from operations	(1,224,255)	(725,909)	(3,085,140)	(2,231,652)
Other income (expense)				
Interest expense	(498,875)	-	(942,711)	-
Equity (deficit) in earnings of unconsolidated entity	(6,206,605)	(1,083,355)	(12,078,513)	(126,186)
Gain (loss) on derivative liability	70,767,848	(12,039,430)	34,166,784	(19,586,317)
Interest and other income	-	214,632	-	305,147
Other expenses	-	-	-	-
Total other income (expense)	64,062,368	(12,908,153)	21,145,560	(19,407,356)
Net income (loss) before income taxes	62,838,113	(13,634,062)	18,060,420	(21,639,008)
Income tax benefit (expense)		-		-
Net income (loss) attributable to Camber Energy, Inc.	62,838,113	(13,634,062)	18,060,420	(21,639,008)
Less preferred dividends		(2,217,671)	(6,676,994)	(3,871,849)
Net income (loss) attributable to common stockholders	$ 62,838,113	$(15,851,733)	$ 11,383,426	$(25,510,857)
Income (loss) per weighted average Number of common shares outstanding - basic and diluted	$ 1.19	$ (2.08)	$ 0.28	$ (4.04)
Weighted average number of common shares outstanding				
Basic and Diluted	52,911,280	7,617,580	40,786,921	6,307,192

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,	
	2021	2020
Cash flows from operating activities:		
Net loss	$ 18,060,420	$(21,639,008)
Adjustments to reconcile net loss to cash provided (used) by operating activities		
Stock-based compensation	1,328,005	163,000
Depreciation, depletion, amortization and accretion	7,552	7,500
Change in fair value of derivative liability	(34,166,784)	19,586,317
(Equity) deficit in earnings of unconsolidated entity	12,078,513	126,186
Changes in operating assets and liabilities		
Accounts receivable	7,077	(103,866)
Prepaid expenses and other assets	(193,122)	(247,973)
Accounts payable and accrued expenses	1,562,865	(240,521)
Net cash provided (used) in operating activities	(1,315,474)	(2,348,365)
Cash flows from investing activities:		
Cash paid for issuance of notes receivable		(9,200,000)
Net cash provided (used) in investing activities	-	(9,200,000)
Cash flows from financing activities:		
Proceeds from issuance of Series C Preferred Stock	-	11,000,000
Proceeds from long-term debt	2,500,000	-
Net cash provided (used) in financing activities	2,500,000	11,000,000
Net increase (decrease) in cash	1,184,526	(548,365)
Cash, beginning of period	868,548	2,253,739
Cash, end of period	$ 2,053,074	$ 1,705,374
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$ 2,848	$ -
Taxes	$ -	$ -

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' Equity (Unaudited)
Six Months Ended June 30, 2021 and 2020

	Series C Preferred Stock		Series E Preferred Stock		Series F Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Common Stock			Total
	Number		Number		Number		Number		Number		Number		Additional	Stockholders'

	Of Shares	Amount	Of Shares	Amount	Of Shares	Amount	Of Shares	Amount	Of Shares	Amount	Paid In Capital	Accumulated Deficit	(Deficit) Equity
For the six months ended June 30, 2021													
Balances, December 31, 2020	**2,093**	**$ 5,946,052**	**-**	**$-**	**-**	**$-**	**-**	**$-**	**-**	**$ -**	**25,000,000**	**$25,000**	**$209,362,384**	**$(311,612,946)**	**(102,225,562)**
Common Shares issued for:															
Conversion of Series C Preferred Stock	-	-	-	-	-	-	-	-	(177)	-	14,935,796	14,936	7,113,157	-	**7,128,093**
True-Up Shares	-	-	-	-	-	-	-	-	-	-	43,970,077	43,970	39,269,625	-	**39,313,595**
Conversion of Debenture	-	-	-	-	-	-	-	-	-	-	-	-		-	-
Issuance of Common Shares for Consulting Fees	-	-	-	-	-	-	-	-	-	-	1,050,094	1,050	1,284,918	-	**1,285,968**
Equity contribution	-	(11,208,840)	-	-	-	-	-	-	-	-	-	-	11,208,840	-	**11,208,840**
Warrants issued for compensation	-	-	-	-	-	-	-	-	-	-	-	-	42,037	-	**42,037**
Issuance of Series C Preferred Shares for Cash Proceeds	1,890	6,164,308	-	-	-	-	-	-	-	-	-	-	(6,164,308)	-	**(6,164,308)**
Change in fair value of Series C shares	-	512,686	-	-	-	-	-	-	-	-	-	-	(512,686)	-	**(512,686)**
Transfer of Series C Preferred Stock to Permanent Equity	(3,983)	(1,414,206)	-	-	-	-	-	-	3,983	4		-	1,414,202	-	**1,414,206**
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	18,060,420	**18,060,420**
Balances June 30, 2021	**-**	**$ -**	**-**	**$-**	**-**	**$-**	**-**	**$-**	**3,806**	**$4**	**84,955,967**	**$84,956**	**$263,018,169**	**$(293,552,526)**	**$ (30,449,397)**

For the six months ended June 30, 2020															
Balances, December 31, 2019	**2,294**	**$ 13,481,663**	**-**	**$-**	**-**	**$-**	**-**	**$-**	**-**	**$-**	**4,709,167**	**$ 4,709**	**$176,103,308**	**$(251,596,612)**	**(75,488,595)**
Common Shares issued for:															
Conversion of Series C Preferred Stock	(498)	(1,213,917)	-	-	-	-	-	-	-	-	8,349,849	8,350	10,314,621	-	**10,322,971**
Conversion of Debenture - Abeyance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
True-Up Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Consulting Fees	-	-	-	-	-	-	-	-	-	-	101,514	102	172,898	-	**173,000**
Conversion of Series B to Common	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Seris B Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series E and F Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in valuation of Series E and F Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Series E and F Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Series C Preferred Shares for Cash Proceeds	1,155	4,818,439	-	-	-	-	-	-	-	-	-	-	(4,818,439)	-	**(4,818,439)**
Change in fair value of Series C shares	-	(6,280,985)	-	-	-	-	-	-	-	-	-	-	6,280,985	-	**6,280,985**
Stock Dividends to be issued	-		-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	**(1)**
Net Loss														(21,639,008)	**(21,639,008)**

Balances June 30, 2020	**2,951**	**$ 10,805,200**	**-**	**$-**	**-**	**$-**	**-**	**$-**	**-**	**$ -**	**13,160,530**	**$13,161**	**$188,053,372**	**$(273,235,620)**	**$ (85,169,087)**

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, the Company acquired an additional interest in Viking resulting in the Company owning approximately 63% of the outstanding common shares of Viking. 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 and January 2021 transactions and a new merger agreement 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 is obligated to issue additional shares of Viking common stock to Camber to ensure that Camber shall own at least 51% of the common stock of Viking through July 1, 2022.

In connection with 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, 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.

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.

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February 2021 Merger Agreement with Viking

On February 15, 2021, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Viking. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, a newly-formed wholly-owned subsidiary of Camber ("Merger Sub") will merge with and into Viking (the "Merger"), with Viking surviving the Merger as a wholly-owned subsidiary of the Company.

Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share: (i) of common stock, 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, will be converted into the right to receive one share of common stock of the Company; and (ii) of Series C Convertible Preferred Stock of Viking (the "Viking Preferred Stock") issued and outstanding immediately prior to the Effective Time will be converted into the right to receive one share of Series A Convertible Preferred Stock of the Company (the "Camber Series A Preferred Stock"). Each share of Camber Series A Preferred Stock will convert into 890 shares of common stock of Camber (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 the Company's common stock), will be treated equally with the Company's common stock with respect to dividends and liquidation, and will only have voting rights with respect to voting: (a) on a proposal to increase or reduce the Company'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. Holders of Viking Common Stock and Viking Preferred Stock will have any fractional shares of Camber common stock or preferred stock after the Merger rounded up to the nearest whole share.

At the Effective Time, each outstanding Viking equity award, will be converted into the right to receive the merger consideration in respect of each share of Viking Common Stock underlying such equity award and, in the case of Viking stock options, be converted into vested Camber stock options based on the merger exchange ratio calculated as provided above (the "Exchange Ratio").

The Merger Agreement provides, among other things, that effective as of the Effective Time, James A. Doris, the current Chief Executive Officer of both the Company and Viking, shall continue to serve as President and Chief Executive Officer following the Effective Time. The Merger Agreement provides that, as of the Effective Time, the Combined Company will have its headquarters in Houston, Texas.

The Merger Agreement also provides that, during the period from the date of the Merger Agreement until the Effective Time, each of Viking and the Company will be subject to certain restrictions on its ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals, subject to customary exceptions. Viking is required to hold a meeting of its stockholders to vote upon the adoption of the Merger Agreement and, subject to certain exceptions, to recommend that its stockholders vote to adopt the Merger Agreement. The Company is required to hold a meeting of its stockholders to approve the issuance of Viking Common Stock and Viking Preferred Stock in connection with the Merger (the "Share Issuance").

The completion of the Merger is subject to customary conditions, including (i) adoption of the Merger Agreement by the Company's stockholders and approval of the Share Issuance by the Company's stockholders, (ii) receipt of required regulatory approvals, (iii) effectiveness of a registration statement on Form S-4 for the Company's common stock to be issued in the Merger (the "Form S-4"), and (iv) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party's obligation to complete the Merger is also subject to certain additional

customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) subject to certain exceptions, performance by the other party of its obligations under the Merger Agreement and (iii) the absence of any material adverse effect on the other party, as defined in the Merger Agreement.

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Additional closing conditions to the Merger include that in the event the NYSE American determines that the Merger constitutes, or will constitute, a "back-door listing"/"reverse merger", the Company (and its common stock) is required to qualify for initial listing on the NYSE American, pursuant to the applicable guidance and requirements of the NYSE as of the Effective Time.

The Merger Agreement can be terminated (i) at any time with the mutual consent of the parties; (ii) by either the Company or Viking if any governmental consent or approval required for closing is not obtained, or any governmental entity issues a final non-appealable order or similar decree preventing the Merger; (iii) by either Company or Viking if the Merger shall not have been consummated on or before August 1, 2021; (iv) by the Company or Viking, upon the breach by the other of a term of the Merger, which is not cured within 30 days of the date of written notice thereof by the other; (v) by Company or Viking is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Viking if Company is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Company or Viking if there is a willful breach of the Merger Agreement by the other party thereto.

The Merger Agreement contains customary indemnification obligations of the parties and representations and warranties.

As of the date hereof, neither Viking nor Camber has advised of its intention to terminate the Merger Agreement.

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 is an independent oil and natural gas company engaged in the acquisition, development, and sale of crude oil, natural gas, and natural gas liquids from various known productive geological formations in Louisiana and Texas. Through the recent investment in Viking and through the Company's subsequent investments and planned merger with Viking, the Company will continue to be engaged in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through unconsolidated subsidiaries or collaborative partnerships with other companies in this field of endeavor.

On January 31, 2020, the Company entered into a Compromise Settlement Agreement (the "Settlement Agreement") with PetroGlobe Energy Holdings, LLC ("PetroGlobe"), Signal Drilling, LLC ("Signal"), Petrolia Oil, LLC ("Petrolia"), Prairie Gas Company of Oklahoma, LLC ("PGCO"), and Canadian River Trading Company, LLC ("CRTC"). Pursuant to the Settlement Agreement, the Company agreed to pay PetroGlobe $250,000, of which $100,000 was due upon execution of the Settlement Agreement, which payment has been made, and $150,000 was paid to an escrow account, which was released by the Company upon the successful transfer of all wells and partnership interests of the Company's prior wholly-owned subsidiary C E Energy LLC ("CE")

to PetroGlobe, which was completed on July 16, 2020. CE operates all of the wells and leases which we held prior to such transfer which are located in Hutchinson County, Texas.

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A novel strain of coronavirus ("COVID-19") was first identified in December 2019, and subsequently declared a global pandemic by the World Health Organization on March 11, 2020. As a result of the outbreak, many companies have experienced disruptions in their operations, workforce and markets served, including a significant reduction in the demand for petroleum-based products. The market for the Company's oil and gas assets began being adversely impacted by the effects of COVID-19 in March of 2020 when circumstances surrounding, and responses to, the pandemic, including stay-at-home orders, began to materialize in North America. Due to the Company's limited oil and gas production and the fact that all of the Company's current properties are non-operated, the Company has yet to experience a significant adverse impact from COVID-19. However, the full extent of the COVID-19 outbreak and changes in demand for oil and the impact on the Company's operations is uncertain. A prolonged disruption could have a material adverse impact on the financial results, assets (including requiring write-downs or impairments), and business operations of the Company.

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 net income of $18,060,420 for the six months ended June 30, 2021 as compared to a net loss of $21,639,008 for the six months ended June 30, 2020. The 2021 income was comprised of, among other things, certain non-cash items with a total net impact of $22,095,823 including: (i) a gain on derivative liability of $34,166,784 (ii) Loss in earnings of unconsolidated entity of $12,078,513 (iii) stock-based compensation of $1,328,005; and (iv) Depreciation, depletion and accretion of $7,552.

As of June 30, 2021, the Company has a stockholders' deficit of $(30,449,397) and total Long-Term Debt of $20,500,000.

As of June 30, 2021, the Company has a working capital deficiency of approximately $32.61 million. The largest components of current liabilities creating this working capital deficiency include a derivative liability of $32.3 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.

None the less, 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.

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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

On February 4, 2021, the Board of Directors of the Company approved changing the Company's fiscal year from a fiscal year ending on March 31 of each year to a fiscal year ending on December 31 of each year. As a result of this change, we filed a Transition Report on Form 10-KT covering the nine-month transition period from April 1, 2020, to December 31, 2020. The Company's fiscal year 2021 commenced on January 1, 2021.

The Company has provided a discussion of significant accounting policies, estimates, and judgments in its December 31, 2020, Annual Report on Form 10-KT. There have been no changes to the Company's significant accounting policies since December 31, 2020, 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, 2020 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, 2021 and 2020 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 financial statements and notes thereto contained in Camber's latest Annual Report filed with the SEC on Form 10-KT. 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 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.

Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with 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.

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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, 2021 and December 31, 2020, 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 three and six months ended June 30, 2021 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 (three months ended June 30, 2021)	Total Gains (six months ended June 30, 2021)
Financial liabilities:					
Derivative liability- Series C Preferred Stock			$ 32,272,761	70,767,848	34,166,784
	$ -	$ -	$ 32,272,761	70,767,848	$ 34,166,784

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Assets and liabilities measured at fair value as of and for the three and six months ended June 30, 2020 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 (Losses) (three months ended June 30, 2020	Total (Losses) (six months ended June 30, 2020
Financial liabilities:					
Derivative liability - Series C preferred Stock			$ 93,981,234	(12,039,430)	(19,586,317)
	$ -	$ -	$ 93,981,234	$(12,039,430)	$(19,586,317)

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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, 2021 and December 31, 2020, the Company's cash in excess of the federally insured limit was $1,803,074 and $618,548, respectively. Historically, the Company has not experienced any losses in such accounts. The Company had no cash equivalents at June 30, 2021 and December 31, 2020, respectively

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, 2021 and December 31, 2020 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 and Elysium (until the Company's Elysium interest was assigned to Viking on December 23, 2020) 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.

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

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(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 three and six months ended June 30, 2021 or 2020

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. At June 30, 2021 and December 31, 2020 there were 241,749,523 and 109,766,938 common stock equivalents that were anti-dilutive, respectively.

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.

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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.

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.

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The Series C Preferred Stock are convertible into shares of common stock at a fixed $3.25 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 days (or 60 days if there is a Triggering Event) prior to the conversion date and 30 days (or 60 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 lowest closing price of the Company's stock subsequent to the conversion date. and the historical volatility of the Company's common stock. (See note 9)

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, 2021 through the date of filing of this report.

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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, 2021. The allocation between the classifications is based on the relationships summarized in the Company's annual analysis of reserves as of December 31, 2020. The Adjustments column reflects depletion and all other increases or decreases that occurred during the six months ended June 30, 2021:

	December 31, 2020	Depletion and Adjustments	June 30, 2021
Proved developed producing oil and gas properties			
United States cost center	$ 78,433,316	$ -	$ 78,433,316
Accumulated depreciation, depletion and amortization	(78,358,439)	(2,365)	(78,360,804)
Proved developed producing oil and gas properties, net	$ 74,877	$ (2,365)	$ 72,512

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, 2021 and 2020, the Company recorded $0 and $0 impairments, respectively.

NOTE 6 – INVESTMENT IN UNCONSOLIDATED ENTITIES

The Company accounts for its investment for its investments in Viking and Elysium (until the Company's Elysium interest was assigned to Viking on December 23, 2020) under the equity method. The Company owns 0% of Elysium as of June 30, 2021 and December 31, 2020, respectively (25% from February 3, 2020 to December 23, 2020)

Table below shows the changes in the investments in unconsolidated entities for the six-month period ended June 30, 2021 and the nine months ended December 31, 2020.

	June 30, 2021	December 31, 2020
Carrying amount – beginning of period	$ 15,830,538	$ 957,169
Investment in Viking	18,900,000	20,274,909
Proportionate Share of (losses)	(12,078,512)	(5,401,540)
Carrying amount - ending	$ 22,652,026	$ 15,830,538

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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, 2021 and the nine months ended December 31, 2020.

	June 30, 2021	December 31, 2020
Carrying amount at beginning of period	$ 46,748	$ 71,150
Acquisition of Viking	-	-
Accretion	5,187	58,25
Dispositions		(30,227)
Revisions of previous estimates		5,825
Carrying amount at end of period	$ 51,935	$ 46,748

NOTE 8 – LONG TERM DEBT

Long-term debt obligations of Camber Energy, Inc.:

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 the revised maturity date of 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 the revised maturity date of 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	-
Total long-term debt	20,500,000	18,000,000
Less current portion	-	-
	$ 20,500,000	$ 18,000,000

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

Twelve-month period ended June 30,

2022	$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	20,500,000
	$ 20,500,000

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 3.25 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.

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.

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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.

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.

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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, 2021 and the nine months ended December 31, 2020 were as follows:

	2021	2020
Carrying amount at beginning of period	$ 93,981,234	$ 77,636,666
Issued Series C preferred shares	46,238,850	15,412,950
Change in Fair value	(34,166,784)	41,878,821
Settlement of Obligation (issuance of common shares)	(73,780,539)	(40,947,203)
Carrying amount at end of period	$ 32,272,761	$ 93,981,234

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.

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.

The Company's CFO, Frank W. Barker, Jr., renders professional services to the Company through FWB Consulting, Inc., an affiliate of Mr. Barker's., at a rate of $20,000 per month commencing April 2021.

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.

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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.

PetroGlobe Energy Holdings, LLC and Signal Drilling, LLC

In March 2019, PetroGlobe Energy Holdings, LLC ("PetroGlobe"), Signal Drilling, LLC ("Signal")sued the Company in the 316th Judicial District of Hutchinson County, Texas (Cause No. 43781). The plaintiffs alleged causes of action relating to negligent misrepresentation; fraud and willful misconduct; gross negligence; statutory fraud; breach of contract; and specific performance, in connection with a purchase and sale agreement entered into between the parties in March 2018, relating to the purchase by plaintiffs of certain oil and gas assets from the Company, and a related joint venture agreement. The lawsuit seeks in excess of $600,000 in damages, as well as pre- and post-judgment interest, court costs and attorneys' fees, and punitive and exemplary damages. Additionally, a portion of the revenues from the properties in contention are being held in suspense as a result of the lawsuit. On October 31, 2019, the Company brought counterclaims against PetroGlobe and Signal, and Petrolia Oil, LLC, and Ian Acrey, including bringing claims for causes of actions including declaratory judgment (that PetroGlobe and certain other plaintiffs represented that a lease and related wells were free of all agreements and rights in favor of third parties and provided a special warranty of title pursuant to the purchase and sale agreement); breach of contract (in connection with the purchase and sale agreement); statutory fraud; common law fraud (against Mr. Acrey and other plaintiffs); fraud by non-disclosure (against Mr. Acrey and other plaintiffs); negligent misrepresentation (against Mr. Acrey and other plaintiffs); breach of fiduciary duty (against Mr. Acrey and other plaintiffs) and seeking attorney's fees and pre- and post-judgment interest. On January 31, 2020, the Company entered into a Compromise Settlement Agreement (the "Settlement Agreement") with PetroGlobe, Signal, Petrolia Oil, LLC ("Petrolia"), Prairie Gas Company of Oklahoma, LLC ("PGCO"), and Canadian River Trading Company, LLC ("CRTC"). Pursuant to the Settlement Agreement, the Company agreed to pay PetroGlobe $250,000, of which $100,000 was due upon execution of the Settlement Agreement, which payment has been made, and $150,000 was paid to an escrow account, which was released by the Company upon the successful transfer of all wells and partnership interests of the Company's prior wholly-owned subsidiary C E Energy LLC ("CE") to PetroGlobe, which was completed on July 16, 2020.

Litigation as a Result of "Short Report"

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 there was an action commenced against the Company, James Doris and Frank Barker by or on behalf of certain shareholders of Camber in connection with losses alleged to have been suffered by the shareholders. The Company and Messrs. Doris and Barker have retained the firm of Baker Botts LLP to defend the action, and deny the allegations contained in the claim.

NOTE 12 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Oil and Gas Contracts

The following table disaggregates revenue by significant product type for the three and six months ended June 30, 2021 and 2020 respectively:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Oil sales	$ 71,372	$ 21,789	$ 113,952	$ 88,248

Natural gas sales and liquids	25,866	11,900	48,939	34,340
Total oil and gas revenue from customers	$ 97,238	$ 33,689	$ 162,891	$ 122,588

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NOTE 13 – STOCKHOLDERS' DEFICIT

Common Stock

During the six months ended June 30, 2021, the Company issued 1,050,094 shares of restricted common stock to service providers in consideration for investor relations and marketing services. The Company recognized $1,285,968, based on the grant date fair value of the Company's common stock, in share-based compensation expense.

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**").

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, 2021 and December 31, 2020, the Company had no Series A Convertible Preferred Stock issued or outstanding.

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Series B Redeemable Convertible Preferred Stock

As of June 30, 2021 and December 31, 2020, 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 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.

As of June 30, 2021, Discover was not owed any common shares in connection with previous conversion notices as a result of the extension of the Measurement Period.

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).

The Securities Purchase Agreements ("SPAs") between the Company and the Investors regarding the purchase and sale of the Series C Preferred Shares require the Company to, among other things, timely file all reports required to be filed by Company pursuant to requirements of the SEC, and to maintain sufficient reserves from its duly authorized Common Stock for issuance of all Conversion Shares. On October 6, 2021, the Company received notice from the Investors that they believed the Company breached the SPAs for failing to comply with the foregoing two items, and the Notes contain a provision stating a breach by the Company of any terms within the SPA or COD is also a breach under the Notes, which would result in an immediate acceleration of the Notes at the holder's option.

On October 9, 2021 the Company entered into agreements (the "October Agreements") with each of the First Series C Preferred Stock investors, pursuant to which the investors agreed to refrain from declaring defaults or bringing a breach of contract action under the SPAs, and one investor, a noteholder, agreed to refrain from declaring defaults or bringing a breach of contract action under the Notes, in each case provided the Company: (i) within 30 days of the date of the October Agreements, amended the COD to provide that holders of the Preferred Shares will vote together with holders of common stock on all matters other than election of directors and shareholder proposals (including proposals initiated by any holders of Preferred Shares), on an as-if 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 Preferred Shares (the "COD Amendment Requirement"); (ii) files by November 19, 2021 all reports required to be filed by the Company with the SEC; and (iii) to implement and maintain, as soon as possible but no later than December 31, 2021, a sufficient reserve from its duly authorized Common Stock for issuance of all Conversion Shares

In November 2021, as a further accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American, the investors agreed to extend the deadline for the Filing Requirement to December 6, 2021. The deadline for the Reserve Requirement remains December 31, 2021, meaning the Company is to obtain on or before such date, approval of the proposals outlined in the preliminary proxy statement filed by the Company with the Securities and Exchange Commission on November 9, 2021.

On December 3, 2021 the Company entered into amending agreements (the "December Agreements") with each of the First Investor and Second Investor (as disclosed by the Company in its Current Report Filed on Form 8-K filed with the Securities and Exchange Commission on December 6, 2021). Pursuant to the December Agreements, as a further accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American, the Investors agreed to extend the deadline for the Filing Requirement to December 17, 2021. The deadline for the Reserve Requirement remained December 31, 2021.

Pursuant to the December 24th Agreements, as a further accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American, the parties agreed:

(i) the deadline for the Filing Requirement is extended to January 14, 2022;

(ii) the deadline for the Reserve Requirement remains December 31, 2021, meaning the Company is required to obtain on or before such date, approval of the proposals outlined in the preliminary proxy statement filed by the Company with the Securities and Exchange Commission on November 9, 2021 (to increase the Company's authorized common stock);

(iii) each and every Measurement Period (as defined in the COD) with regard to any share of Preferred converted by Investor or any affiliate of Investor prior to December 24, 2021 will terminate, and the provisions of Section I.G.1.d of the COD shall no longer apply with respect to any shares of Preferred converted prior to December 24, 2021;

(iv) If the Reserve Requirement and the Filing Requirement are not met by the deadlines mentioned above, Company acknowledges and agrees that (A) Company will be in uncured material breach and default under all of the Notes and Agreements, and (B) all Measurement Periods will remain open and continue to run in accordance with the terms of the COD.

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The Company satisfied the Reserve Requirement by the required deadline but did not satisfy the Filing Requirement.

As of June 30, 2021 and December 31, 2020, 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, 2021 and December 31, 2020, 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, 2021	December 31, 2020
Estimated number of shares issuable for conversion at $3.25 per share	11,710,769	6,440,000
Estimated number of common shares required to satisfy Conversion Premium using VWAP at period end	229,938,443	103,226,626
	241,649,212	109,666,626

Additionally. if the Series C preferred shares were converted on the above dates, the Company could 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/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"). The Company did not satisfy the Filing Requirement and, consequently, on or about March 9, 2022, the preferred stock holders, Discover and 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.

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Series E Redeemable Convertible Preferred Stock and Series F Convertible Preferred Stock

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

Warrants

On April 26, 2021, the Company issued warrants to Regal Consulting, LLC ("Regal") entitling Regal to purchase 100,000 shares of common stock of the Company at an exercise price of $0.705 per share. The company recognized an expense of $42,037 in connection with the warrants. The warrants expire on April 25, 2022.

The following is a summary of the Company's outstanding warrants at June 30, 2021:

Warrants	Exercise	Expiration	lntrinsic Value at

Outstanding		Price ($)	Date	June 30, 2021
3	(1)	$ 195,312.50	September 12, 2022	$ -
32	(2)	$ 12,187.50	May 24, 2023	$ -
100,000	(4)	$ 0.705	April 25, 2025	$ -
100,035				$ -

(1) Warrants issued in connection with funding. The warrants were exercisable on the grant date (September 12, 2017) and remain exercisable until September 12, 2022.
(2) Warrants issued in connection with a Severance Agreement with Richard N. Azar II, the Company's former Chief Executive Officer. The warrants were exercisable on the grant date (May 25, 2018) and remain exercisable until May 24, 2023.
(3) Warrants issued in connection with the Series G Preferred Stock and remain exercisable until December 30, 2026.
(4) Warrants issued to a consultant for services and are exercisable until April 25, 2022

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.

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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 June 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.

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.

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NOTE 15 – INCOME (LOSS) PER COMMON SHARE

The calculation of earnings (loss) per share for the six months ended June 30, 2021 and 2020, was as follows:

	Six Months Ended June 30,	
	2021	**2020**
Numerator:		
Income (loss)	$ 18,060,420	$(21,639,008)
Less preferred dividends	(6,676,994)	(3,871,849)
Net income (loss) attributable to common stockholders	$ 11,383,426	$(25,510,857)
Denominator Weighted average share – basic	40,786,921	6,307,192
Dilutive effect of common stock equivalents Options/warrants	—	—
Preferred C shares	—	—
Denominator Total Weighted average shares – diluted	40,786,921	6,307,192
Income (loss) per share – basic Continuing operations	$ 0.28	$ (4.04)
Income (loss) per share – diluted Continuing Operations	$ 0.28	$ (4.04)

NOTE 16 – SUBSEQUENT EVENTS

On or about July 12, 2021, the Company issued 1,575 shares of Series C Preferred Stock were issued to an investor in exchange for $15,000,000.

On July 29, 2021, the Company entered into a Securities Purchase Agreement with Viking to acquire an additional 27,500,000 shares of Viking's common stock for an aggregate purchase price of $11,000,000, increasing the Company's ownership to approximately 73% of the issued and outstanding shares of Viking common stock as of such date.

Amendments to Articles

On December 30, 2021, the Company filed an amendment to the Company's articles of incorporation to effect a proposal approved at a Special Meeting of Stockholders on December 30, 2021 whereby the Company's stockholders approved an amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock from 250,000,000 to 1,000,000,000.

Share Issuances & Consulting Arrangements

Between September 14, 2021 and January 6, 2022, the Company issued 14,495,827 shares of common stock to EMC Capital Partners, LLC ("EMC") in connection with the conversion by EMC of shares of the Company's Series C Preferred Stock.

On or about October 14, 2021 the Company executed an amendment to an existing Consulting Agreement with Regal Consulting which extended the term of the consulting arrangement to April 22, 2022. Pursuant to the terms of the amendment, the Company agreed to pay the consultant a cash fee of $20,000 per month and issue the consultant 5,000 shares of the Company's common stock per month until the end of the amended term.

On or about January 5, 2022 the Company executed an amendment to an agreement with Sylva International LLC, effective January 1, 2022, which extended the term of the agreement to June 30, 2022. Pursuant to the terms of the amendment, the Company

agreed to pay the consultant a cash fee of $50,000 per month and issue the consultant 150,000 shares of the Company's common stock.

Series C Preferred Stock

Sales of Series C Stock in 2021:

On July 12, 2021, the Company issued 1,575 shares of Series C Preferred Stock to Antilles, an affiliate of Discover, in exchange for cash proceeds of $15,000,000.

True-Up Issuances in 2021:

On September 1, 2021, the Company issued 10,360,076 shares of common stock to Discover in connection with a true-up notice from Discover. The Company disputed the issuance but issued the shares on a without prejudice basis. In October, 2021, as part of a forbearance arrangement entered into with Discover in connection with the Company not filing all reports required with the Securities and Exchange Commission, the Company acknowledged that all prior conversion notices issued by Discover were true and correct.

Conversions of Series C Stock in 2021:

From July 1, 2021 through December 31, 2021, Discover converted 1,398 shares of Series C Preferred Stock into approximately 148,922,664 shares of common stock.

From September 14, 2021 through December 31, 2021, EMC converted 97 shares of Series C Preferred Stock into approximately 12,443,320 shares of common stock.

Redemptions of Series C Stock in 2022:

On or about January 3, 2022, the Company purchased for cancellation 1,664 shares of Series C Stock held by EMC Capital Partners, LLC for a redemption price of $18,850,000.

True-Up Issuances in 2022:

Between January 18, 2022 and February 22, 2022, the Company issued Discover 38,185,136 shares of common stock in connection with the shares of Series C Stock converted by Discover in 2021. This "true-up" entitlement was a result of the price of the Company's common stock being lower during the portion of the Measurement Period following the initial conversions than the low VWAP of the common stock during the portion of the Measurement Period prior to the initial conversions

Conversions of Series C Stock in 2022:

On or about January 4, 2022, EMC converted 129 shares of Series C Preferred Stock, entitling EMC to receive 16,548,332 shares of common stock, of which 2,052,507 shares of common stock were issued to EMC and the balance of 14,495,825 were issued May 16, 2022.

From February 23, 2022 through March 7, 2022, Discover converted 488 shares of Series C Preferred Stock into approximately 62,601,441 shares of common stock. On May 16, 2022, Discover converted their remaining 30 shares of Series C Preferred Stock into 3,848,450 shares of common stock.

On May 16, 2022, Antilles converted 400 shares of Series C Preferred Stock into approximately 35,834,731 shares of common stock.

Outstanding Series C Stock

As of May 19, 2022, Discover no longer holds any Series C Preferred Stock and Antilles holds 1,175 shares of Series C Preferred Stock.

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Amendments to Existing Promissory Notes

Effective December 24 2021, Camber executed amendments to Promissory Notes previously executed by the Company in favor of Discover Growth Fund, LLC, in the aggregate principal amount of $20,500,000, pursuant to which: (i) the Maturity Date of each Promissory Note was extended from January 1, 2024 to January 1, 2027; (ii) the conversion price was increased from $1.25 to $1.50 per share of common stock; and (iii) the interest rate was decreased from 10% per annum to the WSJ Prime Rate.

New Financing Transactions

$1,000,000 Loan:

On or about December 9, 2021, the Company received $1,000,000 from an investor and in connection therewith executed and delivered the following in favor of the investor: (i) a promissory note dated on or about December 8, 2021 in the principal amount of $1,052,631.58, representing a 5% original issue discount (the "Investor Note"), accruing interest at the rate of 10% per annum and maturing March 8, 2022; (ii) a Security Agreement-Pledge granting the Investor a first-priority security interest in Camber's common shares of Viking Energy Group, Inc.; and (iii) a general security agreement granting the Investor a first-priority security interest in Camber's other assets. The Investor may convert amounts owing under the Investor Note into shares of common stock of Camber at a fixed price of $1.25 per share, subject to beneficial ownership limitations. The Investor Note was paid in full by the Company on January 4, 2022.

$25,000,000 Loan:

The Company entered into a Loan Agreement on December 24, 2021 with the investor named therein (the "Investor") pursuant to which the Investor agreed to loan the Company $25,000,000 subject to, among other things, the Company having increased its authorized capital of common shares on or before December 31, 2021, which increase occurred on December 30, 2021.

On January 3, 2022 the Company received $25,000,000 (the "Loan Proceeds") from the Investor, and in connection therewith executed and delivered the following in favor of the Investor: (i) a promissory note dated on or about December 31, 2021 in the principal amount of $26,315,789.47, representing a 5% original issue discount (the "Investor Note"), accruing interest at a rate equal to the Wall Street Journal Prime Rate, payable at maturity, and maturing January 1, 2027; (ii) a Security Agreement-Pledge (the "Pledge Agreement") granting the Investor a first-priority security interest in Camber's common shares of Viking Energy Group, Inc.; and (iii) a general security agreement (the "Security Agreement") granting the Investor a first-priority security interest in Camber's other assets. The Investor may convert amounts owing under the Investor Note 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 Energy Group, Inc.

The Company also executed a Warrant Agreement in favor of the Investor entitling the Investor to purchase up to 50,000,000 shares of common stock of the Company at an exercise price of ten dollars ($10.00) per share for the first 25,000,000 shares, and twenty dollars ($20.00) per share for the remaining 25,000,000 shares (the "Warrant Agreement"). The Warrant Agreement has a term of five years, and there is no adjustment to the exercise price of the warrants as a result of the Company issuing securities at lower prices during the term pursuant to agreements which the Company was a party as of the date of the Warrant Agreement.

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 that was due on March 8, 2022.

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Sale of Shares of Series G Preferred Stock:

On December 30, 2021, the Company and an accredited institutional investor (the "Investor") entered into a stock purchase agreement (the "Stock Purchase Agreement") pursuant to which 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 on December 31, 2021, 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.

Warrants

On December 30, 2021, the Company also executed and delivered a Warrant Agreement (the "Warrant Agreement") in favor of the Investor entitling the Investor to purchase up to 100,000,000 shares of common stock of the Company (the "Warrant Shares") at an exercise price of $2.00 per share for the first 50,000,000 shares and an exercise price of $4.00 per share for the remaining 50,000,000 shares. The Warrant Agreement has a term of five years.

NYSE Approval Requirement

The Company agreed to use its best efforts to obtain an exception to any shareholder approval requirement from NYSE American or to obtain such approval regarding the issuance of the Conversion Shares and Warrant Shares as soon as possible and in any event no later than the Company's next annual meeting of stockholders.

Registration Statement

The Company agreed use its best efforts to file with the Securities and Exchange Commission as promptly as practicable, and in any event within 30 days after the date on which the Company files all reports required to be filed pursuant to the Securities Exchange Act of 1934 (the "Act"), a Registration Statement on Form S-3 registering the delayed and continuous resale of all Conversion Shares and Warrant Shares pursuant to Rule 415 under the Act, subject to any limitations imposed by applicable securities laws as to the number of Conversion Shares and/or Warrant Shares that are eligible for registration, and to use best efforts to cause such Registration Statement to be declared effective under the Act as promptly as practicable and in any event within 60 days after filing. No Registration Statement will be declared effective unless the Investor pays for the particular tranche of shares of Series G Preferred Stock in full.

Terms of Series G Stock

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").

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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.

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.

Other Agreements

On or about December 24, 2021, the Company entered into two agreements (collectively, the "December 24th Agreements") as follows: one agreement (the "First Agreement") was entered into with an investor (the "First Investor") that holds shares of Series C Preferred Stock of the Company (the "Preferred Shares"), and the second agreement (the "Second Agreement") was entered into with another investor (the "Second Investor", together with the First Investor, the "Investors") that holds Preferred Shares along with four promissory notes, with an aggregate principal amount totaling $21,552,631.58, previously executed by the Company in favor of the Second Investor (collectively, the "Notes"). The December 24th Agreements are identical as to their terms.

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The original securities purchase agreements between the Company and the Investors regarding the purchase and sale of the Preferred Shares (the "SPAs") require the Company to, among other things, timely file all reports required to be filed by Company pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to maintain sufficient reserves from its duly authorized Common Stock for issuance of all Conversion Shares (as such term is defined in the Certificate of Designation regarding the Preferred Shares (the "COD"), or the shares of Company common stock to be issued upon conversion of the Preferred Shares). On October 6, 2021, the Company received notice from the Investors that they believed the Company breached the SPAs by failing to comply with those two requirements in the SPAs, and the Notes also contain a provision stating a breach by the Company of any terms within the SPA or COD is also a breach under the Notes, which would result in an immediate acceleration of the Notes at the holder's option.

On October 9, 2021 the Company entered into amending agreements (the "October Agreements") with each of the First Investor and Second Investor (as disclosed by the Company in its Current Report Filed on Form 8-K filed with the Securities and Exchange Commission on October 13, 2021), pursuant to which the Investors agreed to refrain from declaring defaults or bringing a breach of contract action under the SPAs, and the Second Investor agreed to refrain from declaring defaults or bringing a breach of contract action under the Notes, provided the Company: (i) within 30 days of the date of the October Agreements, amended the COD to provide that holders of the Preferred Shares will vote together with holders of common stock on all matters other than election of directors and shareholder proposals (including proposals initiated by any holders of Preferred Shares), on an as-if 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 Preferred Shares (the "COD Amendment Requirement")? (ii) files by November 19, 2021 all reports required to be filed by the Company pursuant to the Exchange Act (the "Filing Requirement")? and (iii) implements and maintains, as soon as possible but no later than December 31, 2021, a sufficient reserve from its duly authorized Common Stock for issuance of all Conversion Shares (the " Reserve Requirement"). The Company complied with the COD Amendment Requirement on November 8, 2021.

On November 18, 2021 the Company entered into amending agreements (the "November Agreements") with each of the First Investor and Second Investor (as disclosed by the Company in its Current Report Filed on Form 8-K filed with the Securities and Exchange Commission on November 19, 2021). Pursuant to the November Agreements, as a further accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American, the Investors agreed to extend the deadline for the Filing Requirement to December 6, 2021. The deadline for the Reserve Requirement remained December 31, 2021.

On December 3, 2021 the Company entered into amending agreements (the "December Agreements") with each of the First Investor and Second Investor (as disclosed by the Company in its Current Report Filed on Form 8-K filed with the Securities and Exchange Commission on December 6, 2021). Pursuant to the December Agreements, as a further accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American, the Investors agreed to extend the deadline for the Filing Requirement to December 17, 2021. The deadline for the Reserve Requirement remained December 31, 2021.

Pursuant to the December 24th Agreements, as a further accommodation to the Company and in order to help facilitate implementation of the Company's business plans and continued trading on the NYSE American, the parties agreed:

(i) the deadline for the Filing Requirement is extended to January 14, 2022;

(ii) the deadline for the Reserve Requirement remains December 31, 2021, meaning the Company is required to obtain on or before such date, approval of the proposals outlined in the preliminary proxy statement filed by the Company with the Securities and Exchange Commission on November 9, 2021 (to increase the Company's authorized common stock);

(iii) each and every Measurement Period (as defined in the COD) with regard to any share of Preferred converted by Investor or any affiliate of Investor prior to December 24, 2021 will terminate, and the provisions of Section I.G.1.d of the COD shall no longer apply with respect to any shares of Preferred converted prior to December 24, 2021; and

(iv) If the Reserve Requirement and the Filing Requirement are not met by the deadlines mentioned above, Company acknowledges and agrees that (A) Company will be in uncured material breach and default under all of the Notes and Agreements, and (B) all Measurement Periods will remain open and continue to run in accordance with the terms of the COD.

The Company satisfied the Reserve Requirement by the required deadline but did not satisfy the Filing Requirement.

On or about March 9, 2022, Discover and Antilles filed a Verified Complaint against Camber in the United States District Court (the "Court") for the Southern District of Texas (Case No. 4:22-cv-755), alleging Camber breached the COD and its Stock Purchase Agreements with each of Discover and Antilles as a result of Camber not satisfying the Filing Requirement.

Effective as of April 18, 2022, the Company entered into a Settlement Agreement (the "Settlement Agreement") with Discover and Antilles (collectively, the "Investors"), pursuant to which Camber agreed to settle claims asserted by them in the Verified Complaint.

Conditioned upon the Court approving the Settlement Agreement, the Company and its transfer agent are required to issue "free-trading" shares of Company common stock to the Investors without restrictive legend pursuant to the conversion terms in the Certificates of the Designation governing the Preferred Stock. The Investors and the Company are required to jointly request a

stipulated order (a) finding that (i) under Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act") that the exchange of Preferred Stock for shares of Company common stock provided for in the Settlement Agreement is fair, (ii) the shares of Company common stock issued upon conversion of the shares of Preferred Stock previously purchased by the Investors are not required to be registered under the Securities Act, and (iii) the Investors are not required to register as dealers pursuant to Section 15(b) of the Exchange Act; (b) requiring 500,000,000 shares of Company common stock to be reserved for issuance on conversion of all shares Preferred Stock currently held by the Investors, or which the Investors are entitled to acquire under their purchase agreements; and (c) requiring the immediate issuance of free-trading shares of Company common stock on delivery of a conversion request regarding shares of Preferred Stock.

On April 18, 2022, the parties submitted that stipulated order to the Court for approval. No payments are due to the Investors pursuant to the Settlement Agreement, and the number of shares of common stock to be issued to the Investors upon conversion of the Preferred Stock will be calculated pursuant to the terms of the applicable Certificate of Designation, the terms of which have not been modified by the Settlement Agreement.

On May 12, 2022, the Court approved the Settlement Agreement.

Legal Proceedings:

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 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 against the Company and its directors. The allegations contained in the derivative actions are similar to those in the above-noted Class Action Complaint. The defendants deny the allegations contained in the Derivative Complaints, and have engaged Baker Botts L.L.P. to defend the actions.

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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 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.

PLAN OF OPERATIONS

Overview

Camber is an independent oil and natural gas company engaged in the acquisition, development, and sale of crude oil, natural gas, and natural gas liquids from various known productive geological formations in Louisiana and Texas. Through the recent investment in Viking and through the Company's subsequent investments and planned merger with Viking, the Company will continue to be engaged in the acquisition, exploration, development and production of oil and natural gas properties, both individually and through unconsolidated subsidiaries or collaborative partnerships with other companies in this field of endeavor.

The Company's business plan is to engage in the acquisition, exploration, development of and production from oil and natural gas properties, both individually and through collaborative partnerships with other companies in this field of endeavor. The Company has relationships with industry experts and formulated an acquisition strategy, with emphasis on acquiring under-valued, producing properties from distressed vendors or those deemed as non-core assets by larger sector participants. The Company does not focus on speculative exploration programs, but rather targets oil and gas properties with current production and untapped reserves. The Company's growth strategy includes the following key initiatives:

- Acquisition of under-valued producing oil and gas assets
- Employ enhanced recovery techniques to maximize production: and
- Implement responsible, lower-risk drilling programs on existing assets
- Aggressively pursue cost-efficiencies
- Opportunistically explore strategic mergers and/or acquisitions
- Actively hedge to mitigate commodity risk

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Pending Merger

On February 15, 2021, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Viking. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, Viking will merge with and into a newly-formed wholly-owned subsidiary of Camber ("Merger Sub"), 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 of the Merger (the "Effective Time"), each share: (i) of common stock, par value $0.001 per share, of the Viking (the "Viking Common Stock") issued and outstanding immediately prior to the Effective Time, other than shares owned by Camber, Viking and Merger Sub, will be converted into the right to receive one share of common stock of Camber; and (ii) of Series C Convertible Preferred Stock of Viking (the "Viking Preferred Stock") issued and outstanding immediately prior to the Effective Time will be converted into the right to receive one share of Series A Convertible Preferred Stock of Camber (the "Camber Series A Preferred Stock"). Each share of Camber Series A Preferred Stock will convert into 890 shares of common stock of Camber (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's common stock), will be treated equally with Camber's common stock with respect to dividends and liquidation, and will only have 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. Holders of Viking Common Stock and Viking Preferred Stock will have any fractional shares of Camber common stock or preferred stock after the Merger rounded up to the nearest whole

share.

At the Effective Time, each outstanding Viking equity award, will be converted into the right to receive the merger consideration in respect of each share of Viking Common Stock underlying such equity award and, in the case of Company stock options, be converted into vested Camber stock options based on the merger exchange ratio calculated as provided above (the "Exchange Ratio").

The Merger Agreement provides, among other things, that effective as of the Effective Time, James A. Doris, the current Chief Executive Officer of both the Company and Viking, shall serve as President and Chief Executive Officer of the Combined Company following the Effective Time. The Merger Agreement provides that, as of the Effective Time, the Combined Company will have its headquarters in Houston, Texas.

The Merger Agreement also provides that, during the period from the date of the Merger Agreement until the Effective Time, each of Camber and Viking will be subject to certain restrictions on its ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals, subject to customary exceptions. Viking is required to hold a meeting of its stockholders to vote upon the adoption of the Merger Agreement and, subject to certain exceptions, to recommend that its stockholders vote to adopt the Merger Agreement. Camber is required to hold a meeting of its stockholders to approve the issuance of Viking Common Stock and Viking Preferred Stock in connection with the Merger (the "Share Issuance").

The completion of the Merger is subject to customary conditions, including (i) adoption of the Merger Agreement by Camber's stockholders and approval of the Share Issuance by Camber's stockholders, (ii) receipt of required regulatory approvals, (iii) effectiveness of a registration statement on Form S-4 for the Camber common stock to be issued in the Merger (the "Form S-4"), and (iv) the absence of any law, order, injunction, decree or other legal restraint preventing the completion of the Merger or making the completion of the Merger illegal. Each party's obligation to complete the Merger is also subject to certain additional customary conditions, including (i) subject to certain exceptions, the accuracy of the representations and warranties of the other party, (ii) subject to certain exceptions, performance by the other party of its obligations under the Merger Agreement and (iii) the absence of any material adverse effect on the other party, as defined in the Merger Agreement.

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Additional closing conditions to the Merger include that in the event the NYSE American determines that the Merger constitutes, or will constitute, a "back-door listing" / "reverse merger", Camber (and its common stock) is required to qualify for initial listing on the NYSE American, pursuant to the applicable guidance and requirements of the NYSE as of the Effective Time.

The Merger Agreement can be terminated (i) at any time with the mutual consent of the parties; (ii) by either Camber or Viking if any governmental consent or approval required for closing is not obtained, or any governmental entity issues a final non-appealable order or similar decree preventing the Merger; (iii) by either Company or Viking if the Merger shall not have been consummated on or before August 1, 2021; (iv) by Company of Viking, upon the breach by the other of a term of the Merger, which is not cured within 30 days of the date of written notice thereof by the other; (v) by Camber if Viking is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Viking if Camber is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Company or Viking if there is a willful breach of the Merger Agreement by the other party thereto.

The Merger Agreement contains customary indemnification obligations of the parties and representations and warranties.

The Merger has not been completed. As of the date of filing this report, neither Viking or Camber has advised of its intention to terminate the Merger Agreement.

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 net income of $18,060,420 for the six months ended June 30, 2021 as compared to a net loss of $21,639,008 for the six months ended June 30, 2020. The 2021 income was comprised of, among other things, certain non-cash items with a total net impact of $20,752,714 including: (i) a gain on derivative liability of $34,166,784 (ii) Loss in earnings of unconsolidated entity of $12,078,513 (iii) stock-based

compensation of $1,328,005; and (iv) Depreciation, depletion and accretion of $7,552.

As of June 30, 2021, the Company has a stockholders' deficit of $(30,449,397) and total Long-Term Debt of $20,500,000.

As of June 30, 2021, the Company has a working capital deficiency of approximately $32.6 million. The largest components of current liabilities creating this working capital deficiency include a derivative liability of $32.3 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.

None the less, 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.

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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, 2021 and 2020, should be read in conjunction with the audited consolidated financial statements and the notes thereto in the Company's Annual Report on Form 10-KT for the year ended December 31, 2020.

Liquidity and Capital Resources

As of June 30, 2021, and December 31, 2020, the Company had $2,053,074 and $868,548 in cash holdings, respectively.

Three months ended June 30, 2021 compared to the three months ended June 30, 2020

Revenue

The Company had gross revenues of $97,238 for the three months ended June 30, 2021, as compared to $33,689 for the three months ended June 30, 2020, reflecting an increase of $63,549. This increase in revenue is a result of an increase in oil and gas realized prices in 2021.

Expenses

The Company's operating expenses increased to $1,321,493 for the three-month period ended June 30, 2021, from $759,598 in the corresponding prior period. Lease operating costs decreased by $39,265 to $31,375 for the three-month period ended June 30, 2021 as compared to $70,640 for the three-month period ended June 30, 2020, due to lower realized production levels. DD&A expense was relatively unchanged at $2,509 for the three months ended June 30, 2021 as compared to $2,295 for the three months ended June 30, 2020. General and administrative expenses and stock-based compensation combined reflected an increase of $600,946 to $1,287,609, when compared to $686,663 in the corresponding prior period.

Income (loss) from Operations

The Company generated a loss from operations for the three months ended June 30, 2021 of $1,224,255, when compared to a loss from operations of $725,909 for the three months ended June 30, 2020.

Other Income (Expense)

The Company had other income of $64,062,368 for the three months ended June 30, 2021, as compared to other (expense) of $(12,908,153) for the three months ended June 30, 2020. This significant difference is primarily a result of the Company's stock price and its impact on our derivatives.

Net Income (Loss)

The Company had net income of $62,838,113 during the three-month period ended June 30, 2021, compared with a net loss of $(13,634,062) for the three-month period ended June 30, 2020, a $76,472,175 difference primarily as a result of the items discussed above.

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Six months ended June 30, 2021 compared to the six months ended June 30, 2020

Revenue

The Company had gross revenues of $162,891 for the six months ended June 30, 2021, as compared to $122,588 for the six months ended June 30, 2020, reflecting an increase of $40,303. This increase in revenue is a result of an increase in oil and gas realized prices in 2021.

Expenses

The Company's operating expenses increased to $3,248,031 for the six-month period ended June 30, 2021, from $2,354,240 in the corresponding prior period. Lease operating costs decreased by $109,576 to $59,479 for the six-month period ended June 30, 2021 as compared to $169,055 for the six-month period ended June 30, 2020, due to lower realized production levels. DD&A expense was relatively unchanged at $7,552 for the six months ended June 30, 2021 as compared to $7,500 for the six months ended June 30, 2020. General and administrative expenses and stock-based compensation combined reflected an increase of $1,003,315 to $3,181,000, when compared to $2,177,685 the corresponding prior period.

Income (loss) from Operations

The Company generated a loss from operations for the six months ended June 30, 2021 of $3,085,140, when compared to a loss from operations of $2,231,652 for the six months ended June 30, 2020.

Other Income (Expense)

The Company had other income of $21,145,560 for the six months ended June 30, 2021, as compared to other (expense) of $(19,407,356) for the six months ended June 30, 2020. This significant difference is primarily a result of the Company's stock price and its impact on our derivatives.

Net Income (Loss)

The Company had net income of $18,060,420 during the six-month period ended June 30, 2021, compared with a net loss of $(21,639,008) for the six-month period ended June 30, 2020, a $31,764,788 difference primarily as a result of the items discussed above.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our 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 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 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 2 - 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.

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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.

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.

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The Series C Preferred Stock are convertible into shares of common stock at a fixed $3.25 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 days (or 60 days if there is a Triggering Event) prior to the conversion date and 30 days (or 60 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 9)

The following tables present a range of estimates of the number of shares potentially issuable to settle future conversions of the Series C Preferred Stock outstanding at June 30, 2021, including the conversion premiums, reflecting consideration of all provisions that pertain to the computation of settlements as follows:

Estimate of Common Shares Due to Series C Pref. Shareholders (assuming Dividends/Conversion Premium are paid in stock as opposed to cash)

Series C Pref. Shares Outstanding - June 30, 2021	**3,806**

Assume Triggering Event	**Yes**

Low VWAP During Measurement Period - $0.3475		**Low VWAP During Measurement Period - $0.50**		**Low VWAP During Measurement Period - $1.00**	
Conversion Price for Preferred Stock	$ 3.25	Conversion Price for Preferred Stock	$ 3.25	Conversion Price for Preferred Stock	$ 3.25
VWAP during Measurement Period	$ 0.3475	VWAP during Measurement Period	$ 0.5000	VWAP during Measurement Period	$ 1.0000
Price for Calculating Conversion Premium (i.e. 85% of VWAP less $0.10)	$ 0.1954	Price for Calculating Conversion Premium (i.e. 85% of VWAP less $0.10)	$ 0.3250	Price for Calculating Conversion Premium (i.e. 85% of VWAP less $0.10)	$ 0.7500
Series C Pref Shares	$ 3,806	Series C Pref Shares	$ 3,806	Series C Pref Shares	3,806
Face value per share	$ 10,000	Face value per share	$ 10,000	Face value per share	$ 10,000
Total value	$ 38,060,000	Total value	$ 38,060,000	Total value	$ 38,060,000
Annual Conversion Premium	$ 13,301,970	Annual Conversion Premium	$ 13,301,970	Annual Conversion Premium	$ 13,301,970
Total conversion Premium (7 years worth of dividends)	$ 93,113,790	Total conversion Premium (7 years worth of dividends)	$ 93,113,790	Total conversion Premium (7 years worth of dividends)	$ 93,113,790.00
Underlying common shares for Face Value Portion	11,710,769	Underlying common Shares for Face Value Portion	11,710,769	Underlying common shares for Face Value Portion	11,710,769
Underlying common shares for Conversion Premium	476,529,120	Underlying common shares for Conversion Premium	286,503,969	Underlying common shares for Conversion Premium	124,151,720
Total Potential Shares	**488,239,889**	**Total Potential Shares**	**298,214,738**	**Total Potential Shares**	**135,862,489**

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.

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, 2021, 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.

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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, 2021.

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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, 2021, 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 there was an action commenced against the Company, James Doris and Frank Barker by or on behalf of certain shareholders of Camber in connection with losses alleged to have been suffered by the shareholders. The Company and Messrs. Doris and Barker have retained the firm of Baker Botts LLP to defend the action, and deny the allegations contained in the claim.

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 three months ended June 30, 2021, the Company issued unregistered equity securities as described below:

The Company issued to one of its preferred stockholders a total of 31,170,432 shares of common stock due under the stockholder's prior conversions of Series C Preferred Stock into common stock. The shares 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 Company issued to one of its preferred stockholders a total of 14,935,796 shares of common stock pursuant to the stockholder's conversions of Series C Preferred Stock into common stock. The shares 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 Company issued 360,000 shares of common stock to a consultant for services provided by the consultant to the Company. The issuance of the foregoing securities was made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as there was no general solicitation, and the transaction did not involve a public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

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ITEM 6. EXHIBITS

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**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document

101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* 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: May 19, 2022
Principal Executive Officer

/s/ Frank W. Barker, Jr. Date: May 19, 2022
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: May 19, 2022

/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: May 19, 2022

/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, 2021, 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: May 19, 2022

/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, 2021, 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: May 19, 2022

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