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10-Q/A
10-Q/A 1 cei-10qa_093020.htm QUARTERLY REPORT

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

FORM 10-Q/A

(Amendment No. 1)

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

For the quarterly period ended September 30, 2020

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

Commission File Number: 001-32508

CAMBER ENERGY, INC.

(Exact name of registrant as specified in its charter)

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

1415 Louisiana, Suite 3500, Houston, Texas 77002
(Address of principal executive offices) (Zip Code)

(210) 998-4035
(Registrant's telephone number, including area code)

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, a 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 ?	

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 ?

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Title of each class	Number of Shares
Common Stock, par value $0.001 per share	25,000,000 (as of December 17, 2020)

EXPLANATORY NOTE

The sole purpose of this Amendment No. 1 to Camber Energy, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (the "Form 10-Q") is to file Exhibit 101 with the Form 10-Q in accordance with Rule 405 of Regulation S-T. Due to a technical error, the eXtensible Business Reporting Language ("XBRL") data associated with the Form 10-Q was inadvertently omitted from that filing. No other changes have been made to the Form 10-Q, and this Amendment No. 1 does not modify or update in any way disclosures made in the original filing. For ease of reference the entire Form 10-Q, including all other exhibits filed therewith, are included with this amended filing.

Exhibit 101 consists of the following materials from the Form 10-Q, filed with the Securities and Exchange Commission on December 18, 2020, formatted in XBRL:

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

CAMBER ENERGY, INC.

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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CAMBER ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2020	March 31, 2020
ASSETS		
Current Assets		
Cash	$ 1,112,965	$ 656,615
Accounts Receivable, Net of Allowance	145,362	255,363
Other Current Assets	220,682	220,682
Total Current Assets	1,479,009	1,132,660
Property and Equipment		
Oil and Gas Properties - Subject to Amortization	50,413,792	50,443,883
Oil and Gas Properties - Not Subject to Amortization	28,016,989	28,016,989
Other Property and Equipment	1,570	1,570
Total Property and Equipment	78,432,351	78,462,442
Accumulated Depletion, Depreciation, Amortization and Impairment	(78,356,957)	(78,351,825)
Total Property and Equipment, Net	75,394	110,617
Equity Method Investment – Elysium Energy, LLC	—	957,169
Notes Receivable	10,241,048	7,339,719
Other Assets	—	155,053
Total Assets	$ 11,795,451	$ 9,695,218
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	$ 1,455,898	$ 1,474,221
Common Stock Payable	—	173,000
Accrued Expenses	107,621	348,460
Current Asset Retirement Obligation	25,766	30,227
Current Income Taxes Payable	3,000	3,000
Total Current Liabilities	1,592,285	2,028,908
Asset Retirement Obligation	20,017	41,523
Total Liabilities	1,612,302	2,070,431
Commitments and Contingencies (see Note 9)		
Temporary Equity		
Preferred Stock Series C, 630 and 525 Issued and Outstanding Respectively, Liquidation Preference of $6,300,000 and $5,250,000, respectively	6,000,000	5,000,000
Stockholders' Equity		
Preferred Stock Series A, 2,000 Shares Authorized of $0.001 Par Value, -0- Shares issued and Outstanding	—	—
Preferred Stock Series B, 600,000 Shares Authorized of $0.001 Par Value, 0 and 0 Shares issued and Outstanding, respectively	—	—
Preferred Stock Series C, 5,000 Shares Authorized of $0.001 Par Value, 2,063 and 2,294 Shares issued and Outstanding, Liquidation Preference of $56,660,295	2	2
Common Stock, 25,000,000 shares Authorized of $0.001 Par Value, 25,000,000 and 5,000,000 Shares Issued and Outstanding, respectively	25,000	5,000

Additional Paid-in Capital	146,673,154	144,815,627
Stock Dividends Distributable	19,210,901	15,878,926
Accumulated Deficit	(161,725,908)	(158,074,768)
Total Stockholders' Equity	4,183,149	2,624,787
Total Liabilities and Stockholders' Equity	$ 11,795,451	$ 9,695,218

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

CAMBER ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Operating Revenues				
Crude Oil	$ 45,846	$ 66,786	$ 67,635	$ 160,485
Natural Gas	4,643	12,343	8,807	19,547
Natural Gas Liquids	6,969	13,624	14,705	34,072
Total Revenues	**57,458**	**92,753**	**91,147**	**214,104**
Operating Expenses				
Lease Operating Expenses	27,222	188,483	96,513	312,040
Severance and Property Taxes	2,126	4,031	3,475	6,605
Depreciation, Depletion, Amortization, and Accretion	2,837	3,592	5,132	7,834
General and Administrative	852,915	940,483	1,539,578	2,272,474
Total Operating Expenses	885,100	1,136,589	1,644,698	2,598,953
Operating Loss	**(827,642)**	**(1,043,846)**	**(1,553,551)**	**(2,384,849)**
Other Expense (Income)				
Interest Expense	—	4,174	—	5,021
Loss from Unconsolidated Entity	1,056,766	—	2,140,121	—
Other Expense (Income), Net	172,100	(9,278)	(42,532)	(63,540)
Total Other Expenses	1,228,866	(5,104)	2,097,589	(58,519)
Net Loss Before Discontinued Operations	(2,056,508)	(1,038,732)	(3,651,140)	(2,326,330)
Income from Discontinued Operations	—	761,768	—	761,768
Net Loss	$ (2,056,508)	$ (276,964)	$ (3,651,140)	$ (1,564,562)
Net Loss Per Common Share				
Basic				
Continuing Operations	$ (0.19)	$ (5.94)	$ (0.51)	$ (23.51)
Discontinued Operations	—	1.54	—	2.94
Total	$ (0.19)	$ (4.40)	$ (0.51)	$ (20.57)
Diluted				
Continuing Operations	$ (0.19)	$ (5.94)	$ (0.51)	$ (23.51)
Discontinued Operations	—	1.54	—	2.94
Total	$ (0.19)	$ (4.40)	$ (0.51)	$ (20.57)
Weighted Average Number of Common Shares Outstanding				
Basic	19,815,872	493,300	13,705,461	259,432
Diluted	19,815,872	493,300	13,705,461	259,432

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

CAMBER ENERGY, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2020 AND 2019
(Unaudited)

	Series C Preferred Stock		Series E Preferred Stock		Series F Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Common Stock					
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Additional Paid-In Capital	Stock Divided Distributable	Accumulated Deficit	Total Stockholders' (Deficit) Equity
Balances, March 31, 2019	—	$ —	—	$ —	—	$ —	44,000	$ 44	2,305	$ 2	13,441	$ 13	$ 152,251,623	$ 8,141,843	$(154,218,469)	$ 6,175,056
Common Shares issued for:																
Conversion of Series B Preferred Stock	—	—	—	—	—	—	(44,000)	(44)	—	—	—	—	44	—	—	—
Payment of Series B Dividend	—	—	—	—	—	—	—	—	—	—	—	—	3	(3)	—	—
Conversion of Debenture - Abeyance	—	—	—	—	—	—	—	—	—	—	25,008	25	(25)	—	—	—
Payment for Consulting Fees	—	—	—	—	—	—	—	—	—	—	600	1	303,339	—	—	303,340
Rounding Adjustment for Split	—	—	—	—	—	—	—	—	—	—	4	—	—	—	—	—
Stock Dividends to be Issued	—	—	—	—	—	—	—	—	—	—	—	—	(1,878,055)	1,878,055	—	—
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,287,598)	(1,287,598)
Balances, June 30, 2019	—	—	—	—	—	—	—	—	2,305	2	39,053	39	150,676,929	10,019,895	(155,506,067)	5,190,798
Common Shares issued for:																
Conversion of Series C Preferred Stock	—	—	—	—	—	—	—	—	(3)	—	1,004,450	1,005	(1,005)	—	—	—
Conversion of Debenture - Abeyance	—	—	—	—	—	—	—	—	—	—	4,605	4	(4)	—	—	—
Payment for Consulting Fees	—	—	—	—	—	—	—	—	—	—	80	—	27,690	—	—	27,690
Rounding Adjustment for Reverse Stock Split	—	—	—	—	—	—	—	—	—	—	884	1	(1)	—	—	—
Cash Paid for Settlement of series B Preferred Stock Warrants	—	—	—	—	—	—	—	—	—	—	—	—	(25,000)	—	—	(25,000)
Issuance of Series E and F Preferred Stock	—	—	1,000,000	18,701,000	16,750	1,417,000	—	—	—	—	—	—	—	—	—	—
Stock Dividends to be Issued	—	—	—	—	—	—	—	—	—	—	—	—	(1,893,886)	1,893,886	—	—
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(276,964)	(276,964)
Balances, September 30, 2019	—	$ —	1,000,000	$18,701,000	16,750	$1,417,000	—	$ —	2,302	$ 2	1,048,532	$ 1,049	$ 148,784,723	$11,913,781	$ 155,783,031	$ 4,916,524
Balances, March 31, 2020	525	$ 5,000,000	—	$ —	—	$ —	—	$ —	2,294	$ 2	5,000,000	$ 5,000	$ 144,815,627	$15,878,926	$(158,074,768)	$ 2,624,787
Common Shares issued for:																
Conversion of Series C Preferred Stock	—	—	—	—	—	—	—	—	(498)	—	8,059,016	8,059	(8,059)	—	—	—
Payment of Consulting Fees	—	—	—	—	—	—	—	—	—	—	101,514	102	172,898	—	—	173,000
Issuance of Series C Preferred Stock	630	6,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of Series C Preferred Stock	(525)	(5,000,000)	—	—	—	—	—	—	525	—	—	—	5,000,000	—	—	5,000,000
Stock Dividends to be Issued	—	—	—	—	—	—	—	—	—	—	—	—	(1,680,756)	1,680,756	—	—
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,594,632)	(1,594,632)
Balances, June 30, 2020	630	6,000,000	—	—	—	—	—	—	2,321	2	13,160,530	13,161	148,299,710	17,559,682	(159,669,400)	6,203,155
Common Shares issued for:																
Conversion of Series C Preferred Stock	—	—	—	—	—	—	—	—	(258)		11,764,470	11,764	(11,764)	—	—	—
Payment of Consulting Fees	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reclassification of Series C Preferred Stock	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock Dividends to be Issued	—	—	—	—	—	—	—	—	—	—			(1,651,219)	1,651,219	—	—
Payment of Consulting Fees	—	—	—	—	—	—	—	—	—	—	75,000	75	36,427	—	—	36,502
Net Loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,056,508)	(2,056,508)
Balances, September 30, 2020	630	$ 6,000,000	—	$ —	—	$ —	—	$ —	2,063	$ 2	25,000,000	$ 25,000	$146,673,154	$19,210,901	$(161,725,908)	$ 4,183,149

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

CAMBER ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended September 30,	
	2020	**2019**
Cash Flows from Operating Activities		
Net Loss	$ (3,651,140)	$ (1,564,562)
Net Income from Discontinued Operations	—	761,768
Net Loss from Continuing Operations	(3,651,140)	(2,326,330)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, Depletion, Amortization, and Accretion	5,132	7,834
Bad debt Expense	170,660	17,694
Share-Based Compensation	36,502	29,425
Loss from Equity Method Investment	2,140,121	—
Change in Fair Value of Derivative Liability	—	(5)
Changes in Components of Working Capital and Other Assets:		
Accounts Receivable	55,060	(7,213)
Other Current Assets	155,053	234,145
Accounts Payable and Accrued Expenses	(255,038)	(409,683)
Net Cash Used in Operating Activities from Continuing Operations	**(1,343,650)**	**(2,454,133)**
Net Cash Used in Operating Activities from Discontinued Operations	**—**	**(383,770)**
Net Cash Used in Operating Activities	**(1,343,650)**	**(2,837,903)**
Investing Cash Flows		
Cash Paid for Subsidiary	—	(1,050,000)
Cash Paid for Issuance of Notes Receivable	(4,200,000)	—
Cash Received for Deposits	—	(31,534)
Net Cash Used in Investing Activities from Continuing Operations	**(4,200,000)**	**(1,081,534)**
Net Cash Used in Investing Activities from Discontinued Operations	**—**	**(70,440)**
Net Cash Used in Investing Activities	**(4,200,000)**	**(1,151,974)**
Financing Cash Flows		
Cash Paid for Settlement of Series B Preferred Stock Warrants	—	(25,000)
Proceeds from Issuance of Series C Preferred Stock	6,000,000	—
Net Cash Provided by (Used in) Financing Activities from Continuing Operations	**6,000,000**	**(25,000)**
Net Cash Provided by Financing Activities from Discontinued Operations	**—**	**454,210**
Net Cash Provided by Financing Activities	**6,000,000**	**429,210**
Increase (Decrease) in Cash	456,350	(3,560,667)
Cash at Beginning of the Period	656,615	7,778,723
Cash at End of the Period	$ 1,112,965	$ 4,218,056

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

CAMBER ENERGY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – GENERAL

Camber Energy, Inc. ("Camber" or the "Company") 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. Additionally, from the July 8, 2019 acquisition of Lineal Star Holdings, LLC ("Lineal"), until the divestiture of Lineal effective on December 31, 2019, each as discussed below, the Company, through Lineal, was involved in the oil and gas services industry.

On July 8, 2019, the Company acquired Lineal pursuant to the terms of an Agreement and Plan of Merger dated as of the same date (the "Lineal Plan of Merger" and the merger contemplated therein, the "Lineal Merger" or the "Lineal Acquisition"), by and between Lineal, Camber, Camber Energy Merger Sub 2, Inc., Camber's wholly-owned subsidiary, and the Members of Lineal (the " Lineal Members"). Lineal is a specialty construction and oil and gas services enterprise providing services to the energy industry. Pursuant to the Lineal Plan of Merger, Camber acquired 100% of the ownership of Lineal from the Lineal Members in consideration for newly issued shares of Series E Redeemable Convertible Preferred Stock ("Series E Preferred Stock") and Series F Redeemable Preferred Stock ("Series F Preferred Stock"). See also "Note 11 – Lineal Merger Agreement and Divestiture". On October 8, 2019, Lineal acquired an 80% interest in Evercon Energy LLC ("Evercon"). The acquisition required Lineal to assume certain liabilities and provide working capital for six months in the amount of $50,000 per month to Evercon. As part of the Lineal Divestiture, described below, Evercon was divested effective December 31, 2019.

On December 31, 2019, the Company entered into a Preferred Stock Redemption Agreement (the "Redemption Agreement ") by and between the Company and the prior owners of Lineal, whereby the Company redeemed the Company's Series E and F Preferred Stock (the holders of such preferred stock, collectively, the "Preferred Holders") issued in connection with the Lineal Merger. Pursuant to the Redemption Agreement, effective as of December 31, 2019, ownership of 100% of Lineal was transferred back to the Preferred Holders, and, all of the Series E Preferred Stock and Series F Preferred Stock of the Company outstanding were canceled through the redemption (the "Lineal Divestiture"). See also "Note 11 – Lineal Merger Agreement and Divestiture".

Prior to the acquisition of Lineal, the Company sold a significant portion of its oil and gas production assets in Oklahoma to N&B Energy, LLC ("N&B Energy") effective August 1, 2018. As part of the sale of its assets to N&B Energy, the Company also retained a 12.5% production payment (effective until a total of $2.5 million has been received) and a 3% overriding royalty interest, in its then existing Okfuskee County, Oklahoma assets; and an overriding royalty interest on certain other undeveloped leasehold interests, pursuant to an Assignment of Production Payment and Assignments of Overriding Royalty Interests. No payments were received in regard to any of the retained items noted above through September 30, 2020, and the filing date of these financial statements.

Camber retained its assets in Glasscock County and operated wells in Hutchinson County, Texas following the N&B Energy transaction until completion of the Settlement Agreement discussed below.

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. See also "Note 9 – Commitments and Contingencies" – "Legal Proceedings".

On February 3, 2020, the Company entered into an Agreement and Plan of Merger with Viking Energy Group, Inc. ("Viking"), which was amended and restated by an Amended and Restated Agreement and Plan of Merger entered into with Viking on August 31, 2020 (as amended to date, the "Merger Agreement", and the merger contemplated therein, the "Merger"). Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), (a) each share of common stock of Viking (the "Viking Common Stock") issued and outstanding, other than certain shares owned by the Company, Viking and the subsidiary of the Company formed as part of the Merger ("Merger Sub"), will be converted into the right to receive the pro rata share (when including the Viking preferred stock conversion rights (defined below)) of 80% of the Company's post-closing (excluding shares issuable upon conversion of the Series C Preferred Stock of the Company)(the "exchange ratio"); and (b) each share of Viking preferred stock outstanding immediately prior to the effective time will be converted into one share of Camber Series A Preferred Stock, which preferred stock will have the right to vote, and convert into, that number of shares of Camber common stock that its holder would have received in the Merger, had such holder fully converted the Viking preferred stock into Viking common stock immediately prior to the Effective Time (the "Viking preferred stock conversion rights").

Holders of Viking Common Stock will have any fractional shares of Company common stock after the Merger rounded up to the nearest whole share. The completion of the Merger is subject to certain closing conditions. A further requirement to the closing of the Merger was that the Company was required to have acquired 30% of Viking's subsidiary Elysium Energy Holdings, LLC ("Elysium") as part of a $9,200,000 investment in Viking's Rule 506(c) offering, which transaction was completed on February 3, 2020 (25% and a $5 million investment) and June 22, 2020 (5% and a $4.2 million investment). See also "Note 5 – Plan of Merger and Investment In Unconsolidated Entity".

On March 1, 2018, the Company filed a Certificate of Amendment to the Company's Articles of Incorporation with the Secretary of State of Nevada to effect a 1-for-25 reverse stock split of all outstanding common stock shares of the Company. The reverse stock split was effective on March 5, 2018. The effect of the reverse stock split was to combine every 25 shares of outstanding common stock into one new share, with no change in authorized shares or par value per share. On December 20, 2018, the Company filed a Certificate of Change with the Secretary of State of Nevada to effect another 1-for-25 reverse stock split of the Company's (a) authorized shares of common stock (from 500,000,000 shares to 20,000,000 shares); and (b) issued and outstanding shares of common stock. The reverse stock split was effective on December 24, 2018. The effect of the reverse stock split was to combine every 25 shares of outstanding common stock into one new share, with a proportionate 1-for-25 reduction in the Company's authorized shares of common stock, but no change in the par value per share of the common stock. Effective on April 10, 2019, the Company filed, with the Secretary of State of Nevada, a Certificate of Amendment to the Company's Articles of Incorporation to increase the number of the Company's authorized shares of common stock, $0.001 par value per share, from 20,000,000 shares to 250,000,000 shares. On July 3, 2019, the Company filed a Certificate of Amendment to the Company's Articles of Incorporation with the Secretary of State of Nevada to effect another 1-for-25 reverse stock split of all outstanding common stock shares of the Company. The reverse stock split was effective on July 8, 2019. The effect of the reverse stock split was to combine every 25 shares of outstanding common stock into one new share, with no change in authorized shares (250,000,000 shares of common stock) or par value per share. On October 28, 2019, the Company filed a Certificate of Change with the Secretary of State of Nevada to effect a 1-for-50 reverse stock split of the Company's (a) authorized shares of common stock (from 250,000,000 shares to 5,000,000 shares); and (b) issued and outstanding shares of common stock. The reverse stock split was effective on October 29, 2019. The effect of the reverse stock split was to combine every 50 shares of outstanding common stock into one new share, with a proportionate 1-for-50 reduction in the Company's authorized shares of common stock, but with no change in the par value per share of the common stock. The result of the reverse stock split was to reduce, as of the effective date of the reverse stock split, the number of common stock shares outstanding from approximately 74.5 million shares to approximately 1.5 million shares (before rounding). Effective on April 16, 2020, Camber filed a Certificate of Amendment to its Articles of Incorporation to increase its authorized shares of common stock to 25 million shares of common stock.

Proportional adjustments were made to the conversion and exercise prices of the Company's outstanding convertible preferred stock, warrants, and stock options, and to the number of shares issued and issuable under the Company's stock incentive plans in connection with each of the reverse splits described above. The reverse stock splits did not affect any stockholder's ownership percentage of the Company's common stock, except to the limited extent that the reverse stock splits resulted in any stockholder owning a fractional share. Fractional shares of common stock were rounded up to the nearest whole share based on each holder's aggregate ownership of the Company. All issued and outstanding shares of common stock, conversion terms of preferred stock, options and warrants to purchase common stock and per share amounts contained in the financial statements, in accordance with Staff Accounting Bulletin (SAB) TOPIC 4C, have been retroactively adjusted to reflect the reverse splits for all periods presented.

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 2 – LIQUIDITY AND GOING CONCERN CONSIDERATIONS

At September 30, 2020, the Company's total current assets of $1.5 million were less than its total current liabilities of approximately $1.6 million, resulting in a working capital deficit of $0.1 million, while at March 31, 2020, the Company's total current assets of $1.1 million were less than its total current liabilities of approximately $2.0 million, resulting in a working capital deficit of $0.9 million. The decrease in working capital deficit of $0.8 million is the result of the sale of the Series C Preferred Stock shares in June 2020.

Recent oil and gas price volatility as a result of geopolitical conditions and the global COVID-19 pandemic may 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 inability to sell its oil and gas production, reduction in the selling price of the Company's oil and gas, failure of a counterparty to make required payments, possible disruption of production as a result of worker illness or mandated production shutdowns or 'stay-at-home' orders, and access to new capital and financing.

The factors above raise substantial doubt about the Company's ability to continue to operate as a going concern for the twelve months following the issuance of these financial statements. The Company believes that it may not have sufficient liquidity to meet its operating costs unless it can raise new funding, which may be through the sale of debt or equity or unless it closes the Viking Merger, which is the Company's current plan, which Merger is anticipated to close in the first calendar quarter of 2021, and which required closing date is currently December 31, 2020. There is no guarantee though that the Viking Merger will be completed or other sources of funding will be available. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has provided a discussion of significant accounting policies, estimates, and judgments in its March 31, 2020, Annual Report on Form 10-K. There have been no changes to the Company's significant accounting policies since March 31, 2020, which are expected to have a material impact on the Company's financial position, operations, or cash flows.

Principles of Consolidation

The consolidated financial statements include the accounts of Camber and all of its wholly-owned and majority-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation.

Accounts Receivable

Accounts receivable, net, include amounts due for oil and gas revenues from prior month production, accrued interest on the notes receivable due from Lineal and Viking and an estimate of amounts due from N&B Energy related to the September 2018 Asset Purchase Agreement entered into with N&B Energy. 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 September 30, 2020, and March 31, 2020, there were allowances for doubtful accounts of approximately $171,000 and $208,000, included in accounts receivable, and there were bad debts of $170,660 and $17,694, recognized for the six months ended September 30, 2020, and 2019, respectively.

Notes Receivable

Notes receivable includes the $9,200,000, excluding adjustment for excess loss from equity method investment of $1,182,952, of notes from Viking as described in "Note 6 – Long-Term Notes Receivable" and "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", and two notes due from Lineal in the amounts of $1,539,719 and $800,000, respectively, net of reserves of $115,719 as more fully discussed in "Note 6 – Long-Term Notes Receivable" and "Note 11 – Lineal Merger Agreement and Divestiture".

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over their useful lives. Amortization of the equipment under capital leases related to the Lineal operations was computed using the straight-line method over lives ranging from 3 to 5 years and is included in depreciation expense. Costs of maintenance and repairs were charged to expense when incurred.

Long-lived assets including intangible assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the assets carrying amount to determine if an impairment of such asset is necessary. This evaluation, as well as an evaluation of our intangible assets, requires the Company to make long-term forecasts of the future revenues and costs related to the assets subject to review. Forecasts require assumptions about demand for the Company's services and future market conditions. Estimating future cash flows requires significant judgment, and the Company's projections may vary from the cash flows eventually realized. Future events and unanticipated changes to assumptions could require a provision for impairment in a future period. The effect of any impairment would be to expense the difference between the fair value (less selling costs) of such asset and its carrying value. Such an expense would be reflected in earnings. No impairments were deemed necessary for the three and six months ended September 30, 2020, and 2019, respectively.

Investment in Unconsolidated Entities

The Company accounts for its investment in unconsolidated entities under the equity method of accounting when it owns less than 50% of a controlling interest and cannot exercise significant influence over the operating and financial policies of the entity. The investment is adjusted accordingly for dividends or distributions it receives and its proportionate share of earnings or losses of the entity. The current investment in unconsolidated entities is a 30% (25% from February 3, 2020, to June 25, 2020) interest in Elysium Energy Holdings, LLC, which, through its wholly-owned subsidiary, Elysium Energy, LLC, is involved in oil and gas exploration and production in the United States. The balance sheet of Elysium Holdings, LLC at September 30, 2020, included current assets of $2.3 million, total assets of $30.8 million, total liabilities of $34.9 million, and net liabilities of $(4.1) million. The balance sheet of Elysium Energy Holdings, LLC at March 31, 2020, included current assets of $4.0 million, total assets of $37.7 million, total liabilities of $34.0 million, and net assets of $3.7 million. The income statement of Elysium Energy Holdings, LLC for the three and six months ended September 30, 2020, included total revenues of $4.0 million and $7.8 million and a net loss of $3.2 million and $7.5 million, respectively. See also "Note 5 – Plan of Merger and Investment In Unconsolidated Entity".

Revenue Recognition

Exploration and Production Revenue

The Company's revenue for its exploration and production operations are comprised entirely of revenue from exploration and production activities. The Company's oil is sold primarily to marketers, gatherers, and refiners. Natural gas is sold primarily to interstate and intrastate natural gas pipelines, direct end-users, industrial users, local distribution companies, and natural gas marketers. Natural gas liquids ("NGLs") are sold primarily to direct end-users, refiners, and marketers. Payment is generally received from the customer in the month following delivery.

Contracts with customers have varying terms, including month-to-month contracts, and contracts with a finite term. The Company recognizes sales revenues for oil, natural gas, and NGLs based on the amount of each product sold to a customer when control transfers to the customer. Generally, control transfers at the time of delivery to the customer at a pipeline interconnect, the tailgate of a processing facility, or as a tanker lifting is completed. Revenue is measured based on the contract price, which may be index-based or fixed, and may include adjustments for market differentials and downstream costs incurred by the customer, including gathering, transportation, and fuel costs.

Revenues are recognized for the sale of the Company's net share of production volumes. Sales on behalf of other working interest owners and royalty interest owners are not recognized as revenues.

Fair Value of Financial Instruments

Accounting Standards Codification ("ASC") 820 defines fair value, establishes a framework for measuring fair value, and enhances disclosures about fair value measurements. It defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

? Level 1 – Quoted prices in active markets for identical assets or liabilities.

? Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable. Valuations may be obtained from or corroborated by, third-party pricing services.

? Level 3 – Unobservable inputs to measure the 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 September 30, 2020, and March 31, 2020, the significant inputs to the Company's derivative liability and mezzanine equity calculations were Level 3 inputs.

Recently Issued Accounting Pronouncements

The Company does not believe that any recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying consolidated financial statements.

Subsequent Events

The Company has evaluated all transactions through the date the consolidated financial statements were issued for subsequent event disclosure consideration.

NOTE 4 – PROPERTY AND EQUIPMENT

Oil and Gas Properties

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 the 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.

Costs of oil and natural gas properties are amortized using the units of production method. Amortization expense calculated per equivalent physical unit of production amounted to $0.57 and $0.95 per barrel of oil equivalent for the six months ended September 30, 2020, and 2019, respectively.

All of Camber's oil and natural gas properties are located in the United States. Costs being amortized at September 30, 2020, and March 31, 2020, are as follows:

	September 30, 2020	March 31, 2020
Oil and gas properties subject to amortization	$ 50,413,792	$ 50,443,883
Oil and gas properties not subject to amortization	28,016,989	28,016,989
Capitalized asset retirement costs	1,570	1,570
Total oil & natural gas properties	78,432,351	78,462,442
Accumulated depreciation, depletion, and impairment	(78,356,957)	(78,351,825)
Net Capitalized Costs	$ 75,394	$ 110,617

Impairments

For the three and six month periods ended September 30, 2020, and 2019, the Company recorded no impairment.

Additions and Depletion

During the six months ended September 30, 2020, and 2019, the Company incurred no costs for technical and other capital enhancements to extend the lives of the Company's wells. Additionally, the Company recorded $4,871 and $6,572 of depletion for the six months ended September 30, 2020, and 2019, respectively. The Company recorded $2,164 and $2,572 of depletion for the three months ended September 30, 2020, and 2019, respectively.

Leases

As part of the Lineal Acquisition, the Company acquired various operating and finance leases for sales and administrative offices, motor vehicles, and machinery and equipment. Due to the Redemption Agreement discussed in – "Note 1 – General" and below in "Note 11 – Lineal Merger Agreement and Divestiture", the Company no longer owns the operating and finance leases that it had acquired in connection with the Lineal Acquisition.

Effective August 1, 2018, the Company entered into a month-to-month lease at 1415 Louisiana, Suite 3500, Houston, Texas 77002. The entity providing use of the space without charge is affiliated with the Company's Chief Financial Officer.

NOTE 5 – PLAN OF MERGER AND INVESTMENT IN UNCONSOLIDATED ENTITY

Viking Plan of Merger and Related Transactions

On February 3, 2020, the Company and Viking entered into a Merger Agreement, which was amended and restated by an Amended and Restated Agreement and Plan of Merger entered into with Viking on August 31, 2020 (the Merger Agreement). Pursuant to the Merger Agreement, at the effective time of the Merger, (a) each share of common stock of Viking issued and outstanding, other than certain shares owned by the Company, Viking and the Company's merger sub which will be merged with and into Viking, with Viking being the surviving entity in the merger ("Merger Sub"), will be converted into the right to receive the pro-rata share (when including the Viking preferred stock conversion rights) of 80% of the Company's post-closing capitalization (excluding shares issuable upon conversion of the Series C Preferred Stock of the Company); and (b) each share of Viking preferred stock outstanding immediately prior to the effective time will be converted into one share of Camber Series A Preferred Stock, which preferred stock will have the right to vote, and convert into, that number of shares of Camber common stock that its holder would have received in the Merger, had such holder fully converted the Viking preferred stock into Viking common stock immediately prior to the Effective Time. Holders of Viking common stock will have any fractional shares of Company common stock after the Merger rounded up to the nearest whole share. The Merger Agreement can be terminated under certain circumstances, including by either Viking or the Company if the Merger has not been consummated on or before December 31, 2020, subject to certain exceptions.

A further requirement to the closing of the Merger was that the Company was required to have acquired 30% of Elysium as part of a $9,200,000 investment in Viking's Rule 506(c) offering, which transaction was completed on February 3, 2020 (25% of Elysium and $5 million investment) and June 25, 2020 (5% of Elysium and $4.2 million investment), as discussed below. In the event of termination of the Merger Agreement, Camber is required, under certain circumstances described below, to return a portion of the Elysium interests to Viking:

Reason for Termination	**Percentage of Elysium Retained by Camber**
Termination of the Merger Agreement by mutual agreement of the parties because the conditions to closing the Merger relating to the receipt of exchange listing and regulatory approvals and the Registration Statement on Form S-4, being declared effective, have a reasonable likelihood of not being satisfied through no fault of Camber or Viking	20%*
Termination of the Merger Agreement due to either (i) Camber's determination not to proceed with the Merger even though Viking has substantially performed its obligations pursuant to the Merger Agreement (except as discussed below), or (ii) a matter raised in Camber's Merger Agreement disclosure schedule which was (A) not disclosed by Camber in its SEC reports, (B) could reasonably result in a material adverse effect on Camber in excess of $500,000, and (c) which Viking objected to within 5 business days of disclosure by Camber to Viking	0%*
Termination of the Merger Agreement due to the failure of Camber's shareholders to approve the terms of the Merger	15%*
Termination of the Merger Agreement by either party due to any other reason not set forth above through no fault of Camber	25%*
In the event the Secured Notes are not repaid within 90 days of the date of termination and the Additional Payment (defined above) is not made	30%

*Assumes the payment of Secured Notes (defined below) within 90 days of the date of termination of the Merger Agreement and the Additional Payment (defined below) is made.

The Merger Agreement provides that the Secured Notes (defined below) will be forgiven in the event the Merger closes, and the Secured Notes will be due 90 days after the date that the Merger Agreement is terminated by any party for any reason, at which time an additional payment shall also be due to the Company and payable by Viking in an amount equal to (i) 115.5% of the original principal amount of the Secured Notes, minus (ii) the amount due to the Company pursuant to the terms of the Secured Notes upon repayment thereof (the "Additional Payment") is due.

A required condition to the entry into the Merger was that the Company loan Viking $5 million, pursuant to the terms of a Securities Purchase Agreement, which was entered into on February 3, 2020 (the "1st SPA"). On February 3, 2020, the Company and Discover Growth Fund, an institutional investor ("Discover"), entered into a Stock Purchase Agreement pursuant to which Discover purchased 525 shares of Series C Preferred Stock of the Company, for $5 million, at a 5% original issue discount to the $10,000 face value of such preferred stock. Pursuant to the 1st SPA, the Company made a $5 million loan to Viking (using funds raised from the sale of the Series C Preferred Stock shares to Discover), which was evidenced by a 10.5% Secured Promissory Note (the "1st Secured Note"). On June 25, 2020, the Company advanced an additional $4.2 million to Viking in consideration for, among other things, an additional 10.5% Secured Promissory Note in the principal amount of $4.2 million (the "2nd Secured Note" and together with the 1st Secured Note, the "Secured Notes").

The Secured Notes accrue interest at the rate of 10.5% per annum, payable quarterly, and are due and payable on February 3, 2022. The notes include standard events of default, including certain defaults relating to the trading status of Viking's common stock and change of control transactions involving Viking. The Secured Notes can be prepaid at any time with prior notice as provided therein, and together with a pre-payment penalty equal to 10.5% of the original amount of the Secured Notes. The Secured Notes are secured by a security interest, pari passu with the other investors in Viking's Secured Note offering (subject to certain pre-requisites) in Viking's 70% ownership of Elysium and 100% of Ichor Energy Holdings, LLC. Additionally, pursuant to a separate Security and Pledge Agreement, Viking provided Camber a security interest in the membership, common stock, and/or ownership interests of all of Viking's existing and future, directly owned or majority-owned subsidiaries, to secure the repayment of the Secured Notes.

The Secured Notes are convertible into common shares of Viking at a conversion price of $0.24 per share at any time after March 4, 2020, and before the 15th day after Viking's common stock has traded at an average daily price of at least $0.55 for 15 consecutive business days (at which point the Secured Notes are no longer convertible), provided that the Company is restricted from converting any portion of the Secured Notes into Viking's common stock if upon such conversion the Company would beneficially own more than 4.99% of Viking's common stock (which percentage may be increased or decreased, with 61 days prior written notice to Viking, provided that such percentage cannot under any circumstances be increased to greater than 9.99%).

On and effective June 22, 2020, the Company and Discover entered into a Stock Purchase Agreement (the "June 2020 Purchase Agreement"), pursuant to which Discover purchased 630 shares of Series C Preferred Stock for $6 million, at a 5% original issue discount to the $10,000 face value of such preferred stock (the "Face Value"). Provided that the Company has not materially breached the terms of the June 2020 Purchase Agreement, the Company may at any time, in its sole and absolute discretion, repurchase from Discover all, but not less than all, of the then outstanding shares of Series C Preferred Stock sold pursuant to the agreement by paying to Discover 110% of the aggregate face value of all such shares.

The Company agreed pursuant to the June 2020 Purchase Agreement that if the Merger does not close by the required date approved by the parties thereto (as such may be extended from time to time), the Company is required, at Discover's option, in its sole and absolute discretion, to immediately repurchase from Discover all then outstanding Series C Preferred Stock shares acquired by Discover pursuant to the June 2020 Purchase Agreement, by paying to Discover 110% of the aggregate Face Value of all such shares (the "Repurchase Requirement"), which totals $6,930,000. The Repurchase Requirement was terminated in connection with the parties' entry into the Exchange Agreement in December 2020, discussed below under "Note 18—Subsequent Events".

On June 22, 2020, the Company and Discover entered into an Amendment to Stock Purchase Agreement (the "SPA Amendment"), pursuant to which Discover agreed to terminate the obligation set forth in the February 2020 Stock Purchase Agreement previously entered into between the Company and Discover on February 3, 2020, which contained a Repurchase Requirement substantially similar to the one contained in the June 2020 Purchase Agreement (as to the 525 shares of Series C Preferred Stock sold to Discover on February 3, 2020), which would have required that the Company pay Discover an aggregate of $5,775,000 in connection with the redemption of the 525 shares of Series C Preferred Stock the Company sold to Discover in the event the Merger was terminated.

Investment in Unconsolidated Entity

The Company accounts for its investment in unconsolidated entities under the equity method of accounting when it owns less than 50% of a controlling interest and does not have the ability to exercise significant influence over the operating and financial policies of the entity. The Company owns 30% of Elysium as of September 30, 2020 (25% from February 3, 2020, to June 25, 2020), as discussed above, and accounts for such ownership under the equity method of accounting. The investment is adjusted accordingly for dividends or distributions it receives and its proportionate share of earnings or losses of the entity. Elysium is involved in oil and gas exploration and production in the United States. The balance sheet of Elysium at September 30, 2020, included current assets of $2.3 million, total assets of $30.8 million, total liabilities of $34.9 million, and net liabilities of $(4.1) million. The balance sheet of Elysium at March 31, 2020, included current assets of $4.0 million, total assets of $37.7 million, total liabilities of $34.0 million, and net assets of $3.7 million. Additionally, the income statement for Elysium for the three and six months ended September 30, 2020, included total revenues of $4.0 million and $7.8 million and a net loss of $3.2 million and $7.5 million, respectively.

The carrying value of the notes receivable was reduced by $1,182,952, as the Company's share of losses from Elysium for the six months ended September 30, 2020. In accordance with ASC 323-10-35, the losses from Elysium exceeded the equity investment of the Company which was used to reduce the related notes receivable balance. If the losses were to exceed the notes receivable balance, no additional losses would be recorded for the equity investment.

The table below shows the changes in the investment in the unconsolidated entity for the six-month periods ended September 30, 2020 and 2019, respectively.

	2020	2019
Carrying amount at beginning of period	$ 957,169	$ —
Investment in Elysium	—	—
Equity change in net loss of unconsolidated entity applied to Long-Term Notes Receivable	1,182,952	—
Proportionate Share of Elysium Loss	(2,140,121)	—
Carrying amount at end of period	**$ —**	**$ —**

NOTE 6 – LONG-TERM NOTES RECEIVABLE

Long-term notes receivable as of September 30, 2020, and March 31, 2020, are comprised of:

	September 30, 2020	March 31, 2020
Notes receivable from Viking Energy Group, Inc. pursuant to 10.5% Secured Promissory Notes dated February 3, 2020 ($5,000,000) and June 25, 2020 ($4,200,000) in the original principal amount of $9,200,000, having an annual interest rate of 10.5%, with interest due quarterly beginning on May 1, 2020, maturing February 3, 2022. Accrued and unpaid interest of $132,329 and $83,425 is included in accounts receivable at September 30, 2020, and March 31, 2020, respectively. The Note is secured by secured interests in six Viking Energy Group, Inc. subsidiaries. See also "Note 5 – Plan of Merger and Investment In Unconsolidated Entity" .	$ 9,200,000	$ 5,000,000
Note receivable from Lineal Star Holdings, LLC pursuant to a Promissory Note dated effective December 31, 2019, in the original principal amount of $1,539,719, accruing annual interest of 10.5%, due quarterly beginning on March 31, 2020, maturing December 31, 2021, with accrued and unpaid interest of $16,132 and $37,966 included in accounts receivable at September 30, 2020, and March 31, 2020, respectively. The Company recognized a partial allowance of $76,152 and the related accrued interest has been fully reserved as of September 30, 2020. See also "Note 1 – General" and "Note 11 – Lineal Merger Agreement and Divestiture".	1,539,719	1,539,719
Note receivable from Lineal Star Holdings, LLC pursuant to a Promissory Note No. 2 dated effective December 31, 2019, in the original principal amount of $800,000, accruing annual interest of 8%, due quarterly beginning on March 31, 2020, maturing December 31, 2021, with accrued and unpaid interest of $38,809 and $15,781 included in accounts receivable at September 30, 2020, and March 31, 2020, respectively. The Company recognized a partial allowance of $39,567 and the related accrued interest has been fully reserved as of September 30, 2020. See also "Note 1 – General" and "Note 11 – Lineal Merger Agreement and Divestiture".	800,000	800,000
Equity loss of unconsolidated entity applied to notes receivable. See also "Note 5 – Plan of Merger and Investment In Unconsolidated Entity"	(1,182,952)	—
Less allowance for notes receivable	(115,719)	—
Less: current maturities	—	—
Total	$ 10,241,048	$ 7,339,719

As discussed in Note 11, the Lineal notes are unsecured. Due to the impact of COVID-19 on its operations, Lineal notified the Company that it currently has insufficient liquidity to make scheduled interest payments due under the notes. The Company is in negotiations with Lineal to restructure the notes receivable and an allowance has been applied to the principle and accrued interest of these notes (discussed further below) subject to completion of the negotiations. The Company performed an analysis of Lineal notes to estimate their value as of September 30, 2020. The Company analyzed information received from Lineal including Lineal's financial statements, which calculated the value of the notes and discounted the expected future payments due thereunder using a standard discounted cash flow model for the principal and accrued interest to the maturity date from September 30, 2020. The Company applied a discount of 15% based on factors in the Lineal notes to determine a valuation as of September 30, 2020.

Based on this analysis, the Company recorded a total allowance of $170,660 to reduce the reported value of the Lineal notes and accrued interest, fully reserving the current interest due of $54,941 with the remainder of $115,719 applied as an allowance to the principal value of the notes as of September 30, 2020.

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-month periods ended September 30, 2020, and 2019, respectively.

	2020	2019
Carrying amount at beginning of period	$ 71,750	$ 303,809
Panhandle Settlement	(30,227)	—
Payments	—	—
Accretion	—	2
Revisions of previous estimates	4,260	8,258
Carrying amount at end of period	**$ 45,783**	**$ 312,069**

Camber has short-term obligations of $25,766 and $30,277 related to the plugging liabilities at September 30, 2020, and March 31, 2020, respectively.

NOTE 8 – DERIVATIVE LIABILITY

The Company has determined that certain warrants the Company has issued contain provisions that protect holders from future issuances of the Company's common stock at prices below such warrants' respective exercise prices and these provisions could result in modification of the warrants' exercise price based on a variable that is not an input to the fair value of a "fixed-for-fixed" option as defined under FASB ASC Topic No. 815 - 40. The warrants granted to Ironman PI Fund II, LP contain anti-dilution provisions that provide for a reduction in the exercise price of such warrants in the event that future common stock (or securities convertible into or exercisable for common stock) is issued (or becomes contractually issuable) at a price per share (a "Lower Price ") that is less than the exercise price of such warrant at the time. The amount of any such adjustment is determined in accordance with the provisions of the warrant agreement and depends upon the number of shares of common stock issued (or deemed issued) at the Lower Price and the extent to which the Lower Price is less than the exercise price of the warrant at the time. The warrants expired on April 21, 2019.

Activities for derivative warrant instruments during the six months ended September 30, 2020, and 2019 were as follows:

	2020	2019
Carrying amount at beginning of period	$ —	$ 5
Change in fair value	—	(5)
Carrying amount at end of period	$ —	$ —

As of September 30, 2020, the Company had 2,693 shares of Series C Preferred Stock issued and outstanding, which shares of preferred stock are convertible into common stock of the Company pursuant to their terms. Such preferred stock is convertible into more shares of common stock than the Company currently has authorized. Typically this would require the common stock equivalents to be considered tainted derivative instruments, and the Company to record a derivative liability for the aggregate fair value of the tainted securities; However, the Series C Preferred Stock designation provides that the Company will not be required to settle any conversion in cash, and requires the company to use its best efforts to obtain shareholder approval to increase the authorized common shares to a sufficient number to allow for share settlement of the conversion. If the Company is unable to obtain shareholder approval to increase the authorized common shares, the Series C Preferred Stockholder would be required to wait until approval is obtained and has no other recourse under the terms of the corrected designation. See "Note 13 – Stockholders' Equity (Deficit)" for further discussion.

Additionally, as of September 30, 2020, the Company had 2 outstanding stock options and warrants to purchase 36 shares outstanding which were exercisable for shares of the Company's commons stock. As of September 30, 2020, the Company did not have sufficient authorized shares of common stock to satisfy any exercise requests and the common stock equivalents are considered to be tainted derivative instruments. The Company evaluated the fair value of these tainted options and warrants and noted that the related fair values are de minimus based, primarily, on the exercise prices.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Office Lease. Information regarding the Company's office space is disclosed in greater detail above under "Note 4 - Property and Equipment –Leases", above.

Lineal (which as of December 31, 2019, has been completely divested in connection with the Lineal Divestiture discussed in " Note 1 – General" and "Note 11 – Lineal Merger Agreement and Divestiture") has the usual liability of contractors for the completion of contracts and the warranty of its work. In addition, Lineal acts as the prime contractor on a majority of the projects it undertakes and is normally responsible for the performance of the entire project, including subcontract work. Management is not aware of any material exposure related thereto which has not been provided for in the accompanying consolidated financial statements.

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.

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 and 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 May 30, 2019, the Company received a Severance Order from the Texas Railroad Commission (the "TRC") for noncompliance with TRC rules, suspending the Company's ability to produce or sell oil and gas from its Panhandle leases in Hutchinson County, Texas, until certain well performance criteria were met. Subsequent to that date, the Company followed TRC procedures in order to regain TRC compliance for the Panhandle wells.

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 release was subject to approval by the Company upon the successful transfer of all wells and partnership interests of the Company's current wholly-owned subsidiary CE to PetroGlobe, which occurred on July 16, 2020.

On July 16, 2020, the Company completed all of the requirements of the Settlement Agreement and assigned PetroGlobe all of its right, title, and interest in all wells, leases, royalties, minerals, equipment, and other tangible assets associated with specified wells and properties, located in Hutchinson County, Texas, the $150,000 held in escrow was released to PetroGlobe and the Settlement Agreement transactions closed. As a result of the transfers, the Company no longer owns CE, and no longer has any interest in or any liabilities related to the Hutchinson County, Texas wells.

The Company recognized a net settlement cost of $204,842 included on the statement of operations for the year ended March 31, 2020, in connection with the settlement. All provisions of the settlement were finalized, and the $150,000, held in escrow pending final approvals, was released on July 16, 2020.

The Company released the parties to the Settlement Agreement, including Ian Acrey, individually, as well as their officers, directors, or members from any claims asserted in the lawsuit, and the parties to the Settlement Agreement along with Ian Acrey, individually, released the Company, its officers, directors, shareholders and affiliate corporations from any claims asserted in the lawsuit. The Company did not release any claims or causes of action against N&B Energy, LLC, Sezar Energy, LLP related to Richard Azar, or any of their affiliates, or predecessors, or successors.

The parties filed a motion and order to dismiss the lawsuit with prejudice shortly after the execution of the Settlement Agreement.

Apache Corporation

In December 2018, Apache Corporation ("Apache") sued Camber, Sezar Energy, L.P., and Texokcan Energy Management Inc., in the 129th Judicial District Court of Harris County, Texas (Cause 2018-89515). Apache alleged causes of action for Breach of Contract, Money Had & Received and Conversion, relating to amounts Apache alleged it was owed under a joint operating agreement. Apache is seeking $656,908 in actual damages, exemplary damages, pre- and post-judgment interest, court costs, and other amounts to which it may be entitled. Camber filed a general denial to the claims and asserted the affirmative defense of failure to mitigate. On July 13, 2020, Apache filed a Second Amended Petition against Camber, Sezar, Texokcan, N&B Energy, LLC, and Richard N. Azar, II alleging Breach of Contract, Defaults under a Joint Operating Agreement, Money Had & Received and Conversion, relating to amounts Apache allegedly overpaid Sezar and Azar and Unjust Enrichment. On October 26, 2020, the Company entered into an agreement with Apache to obtain a release of all liability (both parties provided mutual releases) for $20,000 and dismissed the litigation against the Company, which was recorded in accrued liabilities as of September 30, 2020.

N&B Energy

On September 12, 2019, N&B Energy filed a petition in the District Court for the 285th Judicial District of Bexar County, Texas (Case #2019CI11816). Pursuant to the petition, N&B Energy raises claims against the Company for breach of contract, unjust enrichment, money had and received and disgorgement, in connection with $706,000 which it alleges it is owed under the July 2018 Asset Purchase Agreement between the Company and N&B Energy (the "Sale Agreement"), for true-ups and post-closing adjustments associated therewith. The petition seeks amounts owed, pre- and post-judgment interest, and attorney's fees. On October 21, 2020, the arbitrator issued an Interim Stage II Order granting an award that acknowledged the claims of both parties that resulted in an arbitration award in favor of N&B Energy of approximately $52,000, which was recorded in accrued liabilities as of September 30, 2020.

Service Agreements

In connection with the entry into the Amended and Restated Agreement and Plan of Merger with Viking, on August 31, 2020, the Company's Board of Directors entered into Past Service Payment and Success Bonus Agreements with each non-executive member of the Board of Directors, and each of Louis G. Schott, our Interim Chief Executive Officer and Robert Schleizer, our Chief Financial Officer (collectively, the "Merger Compensation Agreements"). Pursuant to such agreements: each non-executive director, and each officer, of the Company, is to receive, contingent upon closing the Merger, a payment of $100,000 in consideration for past services provided to the Company through the date of the Merger as a member of the Board of Directors/officer, and $50,000 as a success bonus for the Company's successful completion of the Merger, contingent on such non-executive director/officer's, continued service to the Company at the same level of service he is currently performing, through the effective date of the Merger.

Additionally on August 31, 2020, the Company entered into first amendments to the letter agreements the Company had previously entered into with Fides Energy LLC, an entity owned and controlled by Mr. Schott ("Fides") and BlackBriar Advisors LLC, an entity owned and controlled by Mr. Schleizer ("BlackBriar"), to provide that (a) Mr. Schott, through Fides, will continue to provide services to the Company for a period of six months following the closing of the Merger, on similar terms as set forth in such original letter agreement, except in a non-executive capacity and that the Company will reimburse Mr. Schott for the costs of his and his family's health insurance through such six month term; and (b) Mr. Schleizer, through BlackBriar, will continue to provide services to the Company for a period of three months following the closing of the Merger, on similar terms as set forth in such original letter agreement, except in a non-executive capacity and for total consideration of $30,000 per month (compared to $40,000 per month currently).

NOTE 10 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of 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 September 30, 2020, and 2019, respectively:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2020	2019	2020	2019
Oil sales	$ 45,846	$ 66,786	$ 67,635	$ 160,485
Natural gas sales	4,643	12,343	8,807	19,547
Natural gas liquids sales	6,969	13,624	14,705	34,072
Total oil and gas revenue from customers	$ 57,458	$ 92,753	$ 91,147	$ 214,104

NOTE 11 – LINEAL MERGER AGREEMENT AND DIVESTITURE

Merger Agreement

On July 8, 2019 (the "Closing Date"), the Company entered into and closed the transactions contemplated by, the Lineal Plan of Merger, by and between the Company, Camber Energy Merger Sub 2, Inc., the Company's then newly formed wholly-owned subsidiary, Lineal, and the Lineal Members. Pursuant to the Lineal Plan of Merger, the Company acquired 100% of the ownership of Lineal from the Lineal Members in consideration for newly issued shares of Series E Redeemable Convertible Preferred Stock and Series F Redeemable Preferred Stock.

Divestiture

On December 31, 2019, the Company entered into and closed the transactions contemplated by the Preferred Stock Redemption Agreement (the "Redemption Agreement"), by and between the Company, Lineal, and the holders of the Company's Series E Preferred Stock and Series F Preferred Stock (the "Preferred Holders"), pursuant to which, the Company redeemed the Company's Series E and F Preferred Stock issued in connection with the Lineal Merger and ownership of 100% of Lineal was transferred back to the Preferred Holders, and all of the Series E Preferred Stock and Series F Preferred Stock of the Company outstanding were canceled through the redemption (the "Lineal Divestiture").

The Redemption Agreement also provided for (a) the entry by Lineal and the Company into a new unsecured promissory note in the amount of $1,539,719, the outstanding amount of the July 2019 Lineal Note together with additional amounts loaned by Camber to Lineal through December 31, 2019 (the "December 2019 Lineal Note"); (b) the unsecured loan by the Company to Lineal on December 31, 2019, of an additional $800,000, entered into by Lineal in favor of the Company on December 31, 2019 ("Lineal Note No. 2"); and (c) the termination of the prior Lineal Plan of Merger and Funding Agreement entered into in connection therewith (pursuant to which all funds previously held in a segregated account for future Lineal acquisitions, less amounts loaned pursuant to Lineal Note No. 2, were released back to the Company). The December 2019 Lineal Note and Lineal Note No. 2, accrue interest, payable quarterly in arrears, beginning on March 31, 2020, and continuing until December 31, 2021, when all interest and principal is due, at 8% and 10% per annum (18% upon the occurrence of an event of default), respectively. As of September 30, 2020, and March 31, 2020, $54,941 and $53,747, respectively, of interest related to the December 2019 Lineal Note and Lineal Note No. 2 was accrued and included in the consolidated balance sheets in Accounts Receivable. The $54,941 of accrued interest has been fully reserved as of September 30, 2020.

The divestiture resulting from the Redemption Agreement qualified as a discontinued operation in accordance with U.S. generally accepted accounting principles ("GAAP"). As a result, operating results and cash flows related to the Lineal operations have been reflected as discontinued operations in the Company's consolidated statements of operations and consolidated statements of cash flows for the three and six months ended September 30, 2019.

The net consideration received for the divestiture was as follows:

Return of Series E Preferred Shares	$	14,666,000
Return of Series F Preferred Shares		2,434,000
Total net consideration	$	17,100,000

The fair value of the instruments immediately prior to the divestiture was determined using an income valuation approach to estimate cash flows of the acquired business, analysis of the terms and rights of each class of equity instrument issued by the Company, and an assessment of the probability of the various scenarios that could occur depending on the outcome of the required stockholder vote to approve the Lineal Merger, which did not move forward, and the impact each scenario would have on the capital structure of the Company. Immediately prior to the Lineal Disposition, the Company recognized a gain on the change in fair value of the Series E and F Preferred Shares of $3,018,000, included within net loss from discontinued operations.

The following table summarizes the assets and liabilities of Lineal which were transferred from the Company to the Preferred Holders, together with Lineal, as part of the Redemption agreement:

Cash	$	2,101,879
Accounts receivable		1,673,538
Deferred tax assets		34,000
Cost in excess of billings		497,340
Property and equipment		1,996,229
Right of use asset – operating leases		710,898
Other current assets and deposits		49,275
Goodwill		18,314,222
Accounts payable – trade		(260,882)
Accrued and other liabilities		(369,448)
Billings in excess of costs		(445,759)
Operating lease liabilities		(710,898)
Finance lease liabilities		(237,925)
Notes payable		(3,545,841)
Net assets divested	$	19,806,628

As a result of the above, the Company recognized a loss on the disposal of the Lineal operations of $2,706,628 included within net loss from discontinued operations.

Components of amounts reflected in the Company's consolidated statements of operations related to discontinued operations are presented in the following table for the three and six months ended September 30, 2019.

	Three Months Ended September 30, 2019	Six Months Ended September 30, 2019
Contract revenue	$ 6,285,535	$ 6,285,535
Contract costs	(4,897,196)	(4,897,196)
Depreciation and amortization	(64,868)	(64,868)
Selling, general and administrative	(791,312)	(791,312)
Operating income	532,159	532,159
Other income	263,113	263,113
Interest expense	(33,504)	(33,504)
Net income from discontinued operations	$ 761,768	$ 761,768

NOTE 12 - INCOME TAXES

The Company has estimated that its effective tax rate for U.S. purposes will be zero percent for the 2020 and 2019 fiscal years as a result of net losses and a full valuation allowance against the net deferred tax assets. Consequently, the Company has recorded no provision or benefit for income taxes for the three and six months ended September 30, 2020, and 2019, respectively. The tax liability of $3,000 as shown on the balance sheet as of September 30, 2020, relates to the Company's potential Oklahoma franchise tax liability and is not related to income tax.

NOTE 13 – STOCKHOLDERS' EQUITY (DEFICIT)

Common Stock

During the six months ended September 30, 2020, the Company issued 176,514 shares of restricted common stock to service providers in consideration for investor relations and marketing services. The Company recognized $209,502, based on the grant date fair value of the Company's common stock, in share-based compensation expense in current and prior periods corresponding to the issuance of these shares, of which $36,502, was recognized during the three and six months ended September 30, 2020.

Included in such 176,514 shares of common stock were 175,000 shares issued to Sylva International LLC d/b/a SylvaCap Media ("SylvaCap"). On February 15, 2020, the Company entered into a letter agreement with SylvaCap, pursuant to which SylvaCap agreed to act as the Company's non-exclusive digital marketing service provider in consideration for an aggregate of 100,000 shares of restricted common stock, which are fully-earned upon their issuance, and $50,000 per month during the term of the agreement, which was to end on June 15, 2020. On May 19, 2020, the Company entered into a first amendment to the SylvaCap agreement. Pursuant to the amendment, the Company and SylvaCap extended the term of the letter agreement to October 19, 2020. The 100,000 shares were issued on May 15, 2020. On August 31, 2020, the parties entered into a second amendment to the agreement. Pursuant to the amendment, the parties agreed to amend the engagement agreement to increase the stock fee payable thereunder to 175,000 shares of common stock of the Company and to provide for the agreement to remain in place until the earlier of (a) October 19, 2020; and (b) the closing of the Company's currently contemplated merger with Viking. SylvaCap also made representations regarding its financial condition and investing knowledge pursuant to the amendment in order for the Company to confirm that an exemption from registration exists for the issuance of the shares.

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").

The Series A Preferred Stock has substantially similar rights as the Series C Preferred Stock of Viking (as amended), as adjusted for the exchange ratio of the Merger. Specifically, each outstanding share of Series A Preferred Stock will vote an aggregate of (a) 4,900 voting shares, multiplied by (b) the exchange ratio of the Merger, on all stockholder matters, voting together with the Company's common stock as a single class (which voting rights will equal the same voting rights that would have applied had the Series C Preferred Stock of Viking been fully converted into Viking common stock immediately prior to the effective time of the Merger)(described herein as the "voting shares"); will receive, upon the occurrence of a liquidation of the Company, the same amount of consideration that would have been due if such shares of Series A Preferred Stock had been converted into common stock of the Company immediately prior to such liquidation; and provide rights for such shares of Series A Preferred Stock to convert, at the option of the holder thereof, into a number of shares of Company common stock equal to (a) 4,900 shares, multiplied by (b) the exchange ratio of the Merger (which will equal the number of shares of Company common stock which would have been issuable to the holders of the Series C Preferred Stock of Viking in the Merger, had such Series C Preferred Stock been converted into common stock of Viking immediately prior to the effective time of the Merger)(described herein as the "conversion shares").

Such Series A Preferred Stock does not have any redemption rights and shares equally in any dividends authorized by the Board of Directors for distribution to common stockholders, on an as-converted basis.

The Series A Designation also provides that such number of voting shares and conversion shares as calculated as discussed above, shall be updated by the Company following the Merger, without any required approval of the holders of such Series A Preferred Stock, to include the actual numerical value of such voting shares and conversion shares, upon closing of the Merger.

No shares of Series A Preferred Stock will be issued by the Company until or unless the Merger closes.

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) were required to redeem the 525 shares of Series C Preferred Stock at a 110% premium, in an aggregate amount equal to $5,775,000. Because of the requirement to redeem such 525 shares of Series C Preferred Stock in the event the Merger Agreement is terminated, which termination is partially outside the control of the Company, such 525 shares of Series C Preferred Stock is classified as temporary equity on the March 31, 2020 balance sheet. 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. Subsequent to March 31, 2020, on June 22, 2020, the Company and Discover terminated the obligation for Camber to redeem the 525 shares of Series C Preferred Stock upon termination of the Merger Agreement; and provided that a new obligation exists in connection with the required redemption of 630 shares of Series C Preferred Stock sold on June 22, 2020, for total proceeds of $6 million, which have a redemption value of $6,930,000. As such, while the prior redemption obligation for the 525 Series C Preferred Stock shares in connection with the February 2020 sale of Series C Preferred Stock was removed from temporary equity on the September 30, 2020 balance sheet, the $6,000,000 of total proceeds received on June 22, 2020, in connection with the sale of the 630 shares of Series C Preferred Stock, is included in temporary equity on the September 30, 2020 balance sheet.

During the six months ended September 30, 2020, the Company sold 630 shares of Series C Preferred Stock to Discover in consideration for $6 million. During the six months ended September 30, 2019, the Company sold no shares of Series C Preferred Stock.

During the six months ended September 30, 2020, Discover converted 756 shares of the Series C Preferred Stock with a face value of $7,560,000, and a total of 19,823,486 shares of common stock were issued, which includes additional shares for conversion premiums and true-ups in connection with those conversions through September 30, 2020. During the six months ended September 30, 2019, Discover converted 2 shares of the Series C Preferred Stock and Discover Growth Fund LLC, which purchased shares of Series C Preferred Stock from the Company in December 2018 and subsequently transferred all its remaining shares to Discover who also converted 1 share of Series C Preferred Stock, with an aggregate face value of $30,000, and a total of 1,472,517 shares of common stock were issued, which includes additional shares for conversion premiums and true-ups in connection with those conversions through September 30, 2019.

As of September 30, 2020, and March 31, 2020, the Company accrued common stock dividends on the Series C Preferred Stock based on the then 24.95% premium dividend rate. The Company recognized a total charge to additional paid-in capital and stock dividends distributable but not issued of $3,331,975 and $3,771,941 related to the stock dividend declared but not issued for the six months ended September 30, 2020, and 2019, respectively.

As of September 30, 2020, a total of 15,348 shares of common stock related to prior conversions of Series C Preferred Stock are held in abeyance subject to the Company increasing its authorized and unissued shares of common stock.

On December 14, 2020, the Company, with the approval of the Board of Directors of the Company, and the sole holder 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 Series C Preferred Stock and the first amended and restated designation thereof, to correct certain errors which were identified in such designations, which failed to clarify, in error, that (A) the failure of any holder of Series C Preferred Stock to receive the number of shares of common stock due upon conversion of Series C Preferred Stock within five trading days of any conversion notice, and any halt or suspension of trading of the Company's common stock on its then applicable trading market or by any U.S. governmental agency, for 10 or more consecutive trading days, should not have been 'deemed liquidation events' under the Series C Preferred Stock designation, unless such events were due to the occurrence of an event that is solely within the control of the Company; (B) the Company was not required to redeem any shares of Series C Preferred Stock for cash solely because the Company does not have sufficient authorized but unissued shares of common stock to issue upon receipt of a notice of conversion or upon a maturity conversion (where the remaining shares of Series C Preferred Stock convert into common stock of the Company automatically on the seven year anniversary date of the Series C Preferred Stock)(a "Maturity Conversion"); and (C) that a Maturity Conversion is only required to occur to the extent that the Company has sufficient authorized but unissued shares of common stock available for issuance upon conversion in connection therewith. The corrections were made solely to match the agreements to the original intent of the parties. The parties determined the corrections were needed because without such corrections, under ASC480-10- S99-3A5 and ASC 480-10-S99-3A3(f), the non-corrected designations could have required the Series C Preferred Stock to be classified as temporary equity due to the foregoing events being outside the Company's control. The embedded conversion meets the requirements to be considered permanent equity as stipulated under ASC 815-40-25, under an assessment of the option as a freestanding instrument, as the option requires net share settlement and the issuer has the choice to settle in cash if it wishes.

The corrections 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) and the Company's first amended and restated Series C Preferred Stock designation (July 8, 2019), 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.

Also on December 14, 2020, the Company, with the approval of the Board of Directors of the Company, and the sole holder of the Company's Series C Preferred Stock, filed a second amended and restated designation of the Series C Preferred Stock with the Secretary of State of Nevada, which was effective upon filing (the "Second Amended and Restated Designation"), which amended the first amended and restated designation of the Series C Preferred Stock (as corrected), to include the right of the Company to redeem all (but not less than all) of the outstanding shares of Series C Preferred Stock at a redemption price equal to 110% of the face value of such preferred stock ($10,000 per share), at the Company's option, at any time, in the event the Company is not in default of any of the terms of any Stock Purchase Agreement pursuant to which such applicable shares of Series C Preferred Stock were sold; (b) update the conversion price of the face amount ($10,000 per share) of the Series C Preferred Stock in connection with the Company's prior 1-for-50 reverse stock split (i.e., to confirm the change in such conversion price from $3.25 per share to $165.50 per share), which had no effect on the conversion rate of conversion premiums due under the terms of the Series C Preferred Stock, and which conversion price was already being reflected in prior conversion notices after the date of such reverse split; (c) formally amend the measurement period for the calculation of the conversion of conversion premiums due under the terms of the Series C Preferred Stock to begin on the later of February 3, 2020 or, if no trigger event (as described in the designation of the Series C Preferred Stock) has occurred, 30 trading days, and if a trigger event has occurred 60 trading days, before the date of an applicable conversion notice, which had previously been

agreed to contractually by the parties (i.e., the beginning of each future measurement period for conversions made after February 3, 2020, will extend back to February 3, 2020); and (d) update the references in the designation to the "Merger" which had previously referred to the Company's combination with Lineal Star Holdings, LLC, which transaction was rescinded and terminated effective December 31, 2019, to refer to the planned merger with Viking Energy Group, Inc., which has the effect of the Viking merger being approved by the holder of the Series C Preferred Stock and not being a 'deemed liquidation event' under the Second Amended and Restated Designation.

Warrants

The following is a summary of the Company's outstanding warrants at September 30, 2020:

Warrants Outstanding	Exercise Price ($)	Expiration Date	Intrinsic Value at September 30, 2020
1[(1)]	1,171,875.00	April 26, 2021	$ —
3[(2)]	195,312.50	September 12, 2022	—
32[(3)]	12,187.50	May 24, 2023	—
36			$ —

(1) Warrants issued in connection with the sale of convertible notes. The warrants were exercisable on the grant date (April 26, 2016) and remain exercisable until April 26, 2021.
(2) Warrants issued in connection with funding. The warrants were exercisable on the grant date (September 12, 2017) and remain exercisable until September 12, 2022.
(3) 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.

NOTE 14 – SHARE-BASED COMPENSATION

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.

Stock Options

As of September 30, 2020, and March 31, 2020, the Company had 2 stock options outstanding with a weighted average exercise price of $40,429,700. The options expire in October 2020.

Of the Company's outstanding options, no options were exercised or forfeited during the six months ended September 30, 2020. Additionally, no stock options were granted during the six months ended September 30, 2020. Compensation expense related to stock options during the six-month periods ended September 30, 2020, and 2019 was $0.

Options outstanding and exercisable at September 30, 2020, and March 31, 2020, had no intrinsic value. The intrinsic value is based upon the difference between the market price of Camber's common stock on the date of exercise and the grant price of the stock options.

As of September 30, 2020, and March 31, 2020, there was no remaining unrecognized share-based compensation expense related to all non-vested stock options.

Options outstanding and exercisable as of September 30, 2020:

Exercise Price ($)	Remaining Life (Yrs.)	Options Outstanding	Options Exercisable
40,429,700	0.02	2	2
	Total	2	2

NOTE 15 – INCOME (LOSS) PER COMMON SHARE

The calculation of income (loss) per share for the three and six months ended September 30, 2020, and 2019 was as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Numerator:				
Net (loss) before Discontinued Operations	$ (2,056,508)	$ (1,038,732)	$ (3,651,140)	$ (2,326,330)
Discontinued Operations	—	761,768	—	761,768
Net (Loss)	(2,056,508)	(276,964)	(3,651,140)	(1,564,562)
Less preferred dividends	(1,651,219)	(1,893,886)	(3,331,975)	(3,771,941)
Net loss attributable to common stockholders	$ (3,707,727)	$ (2,170,850)	$ (6,983,115)	$ (5,336,503)
Denominator	$	$	$	$
Weighted average share – basic	19,815,872	493,300	13,705,461	259,432
Dilutive effect of common stock equivalents				
Options/warrants	—	—	—	—
Preferred C shares	—	—	—	—
Denominator				
Total Weighted average shares – diluted	19,815,872	493,300	13,705,461	259,432
Income (loss) per share – basic				
Continuing operations	$ (0.19)	$ (5.94)	$ (0.51)	$ (23.51)
Discontinued Operations	—	1.54	—	2.94
Total	(0.19)	(4.40)	(0.51)	(20.57)
Income (loss) per share – diluted				
Continuing Operations	$ (0.19)	$ (5.94)	$ (0.51)	$ (23.51)
Discontinued Operations	—	1.54	—	2.94
Total	(0.19)	(4.40)	(0.51)	(20.57)

For the three and six months ended September 30, 2020, and 2019, the following share equivalents related to convertible debt and warrants to purchase shares of common stock were excluded from the computation of diluted net income (loss) per share as the inclusion of such shares would be anti-dilutive.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2020	2019	2020	2019
Common Shares Issuable for:				
Convertible Debt	276	276	276	276
Options and Warrants	38	38	38	38
Series C Preferred Shares[(1)]	47,033,410,723	1,130,378,205	47,033,410,723	1,130,378,205
Total	47,033,411,037	1,130,378,519	47,033,411,037	1,130,378,519

(1) Based on the lowest possible conversion rate of the Series C Preferred Stock ($0.001 per share, the par value of the common stock).

NOTE 16 – SUPPLEMENTAL CASH FLOW INFORMATION

Net cash paid for interest and income taxes was as follows for the six months ended September 30, 2020, and 2019:

	2020	2019
Interest	$ —	$ 5,021
Income taxes	$ —	$ —

Non-cash investing and financing activities included the following:

	Six Months Ended September 30,	
	2020	2019
Settlement of Common Stock Payable	$ 173,000	$ 331,060
Change in Estimate for Asset Retirement Obligations	$ 4,260	$ 41,017
Stock Dividends Distributable but not Issued	$ 3,331,975	$ 3,771,941
Issuance of Stock Dividends	$ —	$ 3
Conversion of Preferred C Stock to Common Stock	$ 19,823	$ 1,049
Common Stock Issued in Abeyance	$ —	$ 29
Reclassification of Preferred C Stock to Permanent Equity	$ 5,000,000	$ —

NOTE 17 – FAIR VALUE MEASUREMENTS

When applying fair value principles in the valuation of assets and liabilities, the Company is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company has not changed its valuation techniques used in measuring the fair value of any financial assets or liabilities during the fiscal years presented. The fair value estimates take into consideration the credit risk of both the Company and its counterparties.

When active market quotes are not available for financial assets and liabilities, the Company uses industry-standard valuation models. Where applicable, these models project future cash flows and discount the future amounts to a present value using market-based observable inputs including credit risk, interest rate curves, foreign currency rates, and forward and spot prices for currencies. In circumstances where market-based observable inputs are not available, management judgment is used to develop assumptions to estimate fair value. Generally, the fair value of our Level 3 instruments are estimated as the net present value of expected future cash flows based on internal and external inputs.

Fair Value Measurements

There were no liabilities carried at fair value as of September 30, 2020, and March 31, 2020.

Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

In addition to the financial instruments that are recorded at fair value on a recurring basis, the Company records assets and liabilities at fair value on a non-recurring basis as required by U.S. GAAP. Generally, assets are recorded at fair value on a non-recurring basis as a result of impairment charges or as part of a business combination. There were no liabilities carried at fair value as of September 30, 2020, and March 31, 2020.

NOTE 18 – SUBSEQUENT EVENTS

On October 9, 2020, Viking and Camber entered into the First Amendment to Amended and Restated Agreement and Plan of Merger (the "First Amendment") to amend the Merger Agreement to (a) fix the percentage of the post-Merger capitalization of the combined company which would be held by stockholders of Camber (on a fully-diluted basis, but without taking into account the shares of common stock of Camber issuable upon conversion of Camber's outstanding Series C Preferred Stock)(the "Camber Percentage") at 20% (previously such Camber Percentage was adjustable between 15% to 25%, depending on the amount of cash and/or other unencumbered assets Camber and Viking had at the time of the closing of the Merger which was available to the combined company); (b) extend the date that the Merger Agreement could be terminated by either party until December 31, 2020, provided that the right to terminate the Merger Agreement thereafter is not available to a party if the failure of the closing of the Merger to occur by such date is principally due to the failure of such party to perform or observe the obligations, covenants and agreements of such party set forth in the Merger Agreement; and (c) remove the requirement that Viking obtain the consent of its lender, ABC Funding, LLC, for the Merger.

On December 11, 2020, the Company entered into an Exchange Agreement (the "Exchange Agreement") with Discover (the "Investor"), the sole shareholder of the Company's Series C Preferred Stock. The transactions contemplated by the Exchange Agreement closed on December 11, 2020. Pursuant to the Exchange Agreement, as an accommodation to the Company, and in order to reduce the potential dilutive impact of the Series C Preferred Stock, by reducing the number of outstanding shares of Series C Preferred Stock, the Investor exchanged 600 shares of Series C Preferred Stock (the "Exchanged Shares"), which had an aggregate face value of $6,000,000 (600 shares each with a face value of $10,000 per share), for a $6,000,000 secured Promissory Note (the "Investor Note"). The Company is in the process of obtaining the Exchanged Shares from the Investor and plans to cancel such shares once transferred. The 600 Exchanged Shares were outstanding as of September 30, 2020, and included in temporary equity on the balance sheet.

Pursuant to the Exchange Agreement (a) the Investor waived all prior breaches and defaults that occurred prior to the date of the Exchange Agreement or that may continue or occur for 90 days thereafter, under any agreements entered into with the Investor relating to the acquisition of shares of Series C Preferred Stock (the "90 Day Period"), and waived all rights and remedies with respect to any such breaches and defaults; (b) we agreed to timely file all reports required by the Securities and Exchange Commission (the "SEC") for so long as the Investor holds any Series C Preferred Stock (provided the Company was provided until December 31, 2020, to file its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020); (c) we agreed to indemnify and hold the Investor, its affiliates, managers and advisors, and their related parties, harmless from any losses related to any breach of the Exchange Agreement (or other transaction documents), and from any action by the Company or a creditor or stockholder of the Company, challenging the transactions contemplated by the Exchange Agreement and related agreements, except to the extent finally adjudicated to be caused solely by such indemnified party's unexcused material breach of an express provision of the Exchange Agreement or related agreements; (d) we agreed to reserve from our outstanding common stock, shares of common stock to allow for the conversion of the outstanding Series C Preferred Stock (subject to the 90 Day Period); (e) the Investor agreed to vote all shares of common stock which it holds as of the record date for any shareholder meeting in favor of the Company's previously announced pending plan of merger with Viking (the "Merger"), and the other proposals that are recommended for approval by the Board of Directors of the Company in the proxy statement filed in connection with such Merger; (f) the Investor agreed to the Merger and agreed to waive any rights it may have (including favored nations, anti-dilution and/or reset rights) in connection therewith; (g) we acknowledged that the Investor had previously provided notice to the Company of its intent to increase the beneficial ownership limitation set forth in the designation of the Series C Preferred Stock to 9.99%, and that such limitation will continue to apply moving forward; and (h) we provided the Investor and its related parties a general release.

The Exchange Agreement also amended the June 22, 2020 Stock Purchase Agreement previously entered into with the Investor, pursuant to which the Investor purchased 630 shares of Series C Preferred Stock, to remove from such June 22, 2020 agreement (i) the prohibition on the Investor transferring and/or selling shares of Series C Preferred Stock; and (ii) the repurchase

obligation, which required the Company to redeem for cash, at 110% of the face value thereof ($10,000 per share), all 630 shares of Series C Preferred Stock sold by the Company in June 2020, in the event the Merger did not close by the required date set forth in the plan of merger relating thereto (as amended from time to time), and all similar provisions in any prior agreements entered into between the Company and the Investor. As a result of such amendment, the remaining 30 shares of Series C Preferred Stock sold in June 2020, that were included in temporary equity as of September 30, 2020 and which were not part of the Exchanged Shares, became permanent equity.

The Investor Note (which has no conversion features) has a balance of $6,000,000 and accrues interest at the rate of 10% per annum, which increases to the highest non-usurious rate of interest allowed under applicable law upon the occurrence of an event of default, which interest is due on the maturity date, which maturity date is the earlier of (a) December 11, 2022 (which may be extended with the mutual consent of the parties and a written amendment to the Investor Note signed by the Investor); (b) March 11, 2021, in the event the Merger does not close or is not fully consummated by such date; and (c) the date a change of control of the Company occurs, which includes any person becoming the beneficial owner of more than 50% of the combined voting power of the Company (a " Change in Ownership"), or the approval of (1) a plan of complete liquidation, (2) an agreement for the sale or disposition of all or substantially all the Company's assets, or (3) a merger (other than a merger for purposes of redomiciling the Company), consolidation, or reorganization of the Company, which would result in a Change in Ownership, provided that the closing of the Merger will not trigger a change of control (or Change in Ownership). The Investor Note includes customary events of default. Upon the occurrence of an event of default, the Investor has the right to accelerate the full amount of the Investor Note and all interest thereon, to enforce its rights under the Security Agreement, and take other actions allowed under applicable law.

Payment of the Investor Note and performance of the Company's obligations thereunder is required to be guaranteed by all subsidiaries or entities controlled or owned by the Company, or which may be owned after the date of the Investor Note, provided that no guarantees have been entered into to date. The Investor Note may be assigned by the Investor subject to compliance with applicable securities laws. The Company may prepay the Investor Note at any time.

The payment of amounts due under the Investor Note is secured by the terms of a Security Agreement entered into by the Company in favor of the Investor, which provides the Investor a first priority security interest in substantially all of our assets (the " Security Agreement"). If an event of default occurs under the Investor Note, the Investor can enforce its rights under the Security Agreement and foreclose on our assets in order to satisfy amounts owed thereunder.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are generally located in the material set forth below under the headings "Risk Factors" and " Management's Discussion and Analysis of Financial Condition and Results of Operations" but may be found in other locations as well. For a more detailed description of the risks and uncertainties involved, the following discussion and analysis should be read in conjunction with management's discussion and analysis contained in Camber's Annual Report on Form 10-K for the fiscal year ended March 31, 2020, as filed with the SEC on June 29, 2020, and related discussion of our business and properties contained therein.

These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from the results, performance, or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements. Factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, among others:

- the availability of funding and the terms of such funding;
- our ability to integrate and realize the benefits from future acquisitions that we may complete, including our pending Merger with Viking Energy Group, Inc. ("Viking") and the costs of such integrations;
- our ability to close the announced Merger with Viking on the terms disclosed, if at all;
- the consideration we may be required to pay under certain circumstances upon termination of the Merger with Viking;
- our ability to timely collect amounts owed to us under secured and unsecured notes payable;
- costs associated with the Viking Merger;
- significant dilution caused by the conversion of Series C Preferred Stock into common stock, as well as downward pressure on our stock price as a result of the sale of such shares;
- our growth strategies;
- anticipated trends in our business;
- our ability to repay outstanding loans and satisfy our outstanding liabilities;
- our liquidity and ability to finance our exploration, acquisition, and development strategies;
- market conditions in the oil and gas and pipeline services industries;
- the ability of the Company to collect amounts due under outstanding promissory notes, including interest and principal payable thereunder, and defaults under such promissory notes;
- the timing, cost, and procedure for future acquisitions;
- the impact of government regulation;

- estimates regarding future net revenues from oil and natural gas reserves and the present value thereof;
- legal proceedings and/or the outcome of and/or negative perceptions associated therewith;
- planned capital expenditures (including the amount and nature thereof);
- increases in oil and gas production;
- changes in the market price of oil and gas;
- changes in the number of drilling rigs available;
- the number of wells we anticipate drilling in the future;
- estimates, plans, and projections relating to acquired properties;
- the number of potential drilling locations;
- our ability to maintain our NYSE listing;
- the voting and conversion rights of our preferred stock;
- the effects of global pandemics, such as COVID-19 on our operations, properties, the market for oil and gas, and the demand for oil and gas; and
- our financial position, business strategy, and other plans and objectives for future operations.

We identify forward-looking statements by use of terms such as "may," "will," "expect," "anticipate," "estimate," "hope," "plan," "believe," "predict," "envision," "intend," "continue," "potential," "should," "confident," "could" and similar words and expressions, although some forward-looking statements may be expressed differently. You should be aware that our actual results could differ materially from those contained in the forward-looking statements. You should consider carefully the statements under the "Risk Factors" section of this report and other sections of this report which describe factors that could cause our actual results to differ from those set forth in the forward-looking statements, and the following factors:

- the availability of funding and the terms of such funding;
- our ability to integrate and realize the benefits from future acquisitions that we may complete, including the pending Merger with Viking;
- our ability to timely close the Viking Merger on the terms disclosed and closing conditions associated therewith;
- significant dilution caused by the conversion of Series C Preferred Stock into common stock, as well as downward pressure on our stock price as a result of the sale of such shares;
- our growth strategies;
- anticipated trends in our businesses;
- our ability to repay outstanding loans and satisfy our outstanding liabilities;

- our ability to collect amounts due under outstanding promissory notes owed to us, and the holder's ability and willingness to pay the interest due thereunder and principal thereon;
- our liquidity and ability to finance our acquisition and development strategies;
- market conditions in the oil and gas and pipeline services industries;
- the timing, cost, and procedure for future acquisitions;
- the impact of operational hazards;
- the outcome of competitive bids;
- customer defaults;
- estimates regarding future net revenues from oil and natural gas reserves and the present value thereof;
- legal proceedings and/or the outcome of and/or negative perceptions associated therewith;
- planned capital expenditures (including the amount and nature thereof);
- increases in oil and gas production;
- changes in the market price of oil and gas;
- changes in the number of drilling rigs available;
- the number of wells we anticipate drilling in the future;
- estimates, plans, and projections relating to acquired properties, businesses, and operations;
- the number of potential drilling locations;
- our ability to maintain our NYSE American listing; and
- our financial position, business strategy, and other plans and objectives for future operations.

Forward-looking statements speak only as of the date of this report or the date of any document incorporated by reference in this report. Except to the extent required by applicable law or regulation, we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Review of Information and Definitions

This information should be read in conjunction with the interim unaudited financial statements and the notes thereto included in this Quarterly Report on Form 10-Q, and the consolidated financial statements and notes thereto and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended March 31, 2020.

Certain capitalized terms used below and otherwise defined below, have the meanings given to such terms in the footnotes to our consolidated financial statements included above under "Part I – Financial Information – Item 1. Financial Statements".

Unless the context requires otherwise, references to the "Company," "we," "us," "our," "Camber", and "Camber Energy, Inc." refer specifically to Camber Energy, Inc. and its consolidated subsidiaries.

In addition, unless the context otherwise requires and for the purposes of this report only:

? "Exchange Act" refers to the Securities Exchange Act of 1934, as amended;

? "Bbl" refers to one stock tank barrel, or 42 U.S. gallons liquid volume, used in this report in reference to crude oil or other liquid hydrocarbons;

? "SEC" or the "Commission" refers to the United States Securities and Exchange Commission;

? "Boe" barrels of oil equivalent, determined using the ratio of one Bbl of crude oil, condensate or natural gas liquids, to six Mcf of natural gas;

? "Mcf" refers to a thousand cubic feet of natural gas; and

? "Securities Act" refers to the Securities Act of 1933, as amended.

Overview

Corporate History and Operations

Camber Energy, Inc., a Nevada corporation, is based in Houston, Texas. We are currently primarily 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. Incorporated in Nevada in December 2003 under the name Panorama Investments Corp., the Company changed its name to Lucas Energy, Inc., effective June 9, 2006, and effective January 4, 2017, the Company changed its name to Camber Energy, Inc. After the divestiture of our South Texas properties during fiscal 2019, we initiated discussions with several potential acquisition and merger candidates to diversify our operations. Additionally, from the July 8, 2019 acquisition of Lineal, until the divestiture of Lineal effective on December 31, 2019, each as discussed in further detail under "Part I. Financial Information – Item 1. Financial Statements" – "Note 11 – Lineal Merger Agreement and Divestiture", the Company was involved in the oil and gas services industry.

Pursuant to those discussions on July 8, 2019, we acquired Lineal Star Holdings, LLC ("Lineal") pursuant to the terms of an Agreement and Plan of Merger dated as of the same date (the "Lineal Plan of Merger" and the merger contemplated therein, the "Lineal Merger" or the "Lineal Acquisition"), by and between Lineal, Camber, Camber Energy Merger Sub 2, Inc., Camber's wholly-owned subsidiary ("Merger Sub"), and the Members of Lineal (the "Lineal Members"). Lineal is a specialty construction and oil and gas services enterprise providing services to the energy industry. Pursuant to the Lineal Plan of Merger, Camber acquired 100% of the ownership of Lineal from the Lineal Members in consideration for newly issued shares of Series E Redeemable Convertible Preferred Stock ("Series E Preferred Stock") and Series F Redeemable Preferred Stock ("Series F Preferred Stock"), as discussed in greater detail under "Note 1 – General" and "Note 11 – Lineal Merger Agreement and Divestiture", to the consolidated unaudited financial statements included under "Part I. – Item 1. Financial Statements". Lineal is a specialty construction and oil and gas services enterprise providing services to the energy industry, and, as a result of the acquisition, during the period that the Company owned Lineal, the Company undertook oil and gas services. On October 8, 2019, Lineal acquired an 80% interest in Evercon Energy LLC ("Evercon"). The acquisition required Lineal to assume certain liabilities and provide working capital for a period of six months in an amount of $50,000 per month to Evercon. As part of the Lineal Divestiture, Evercon was divested effective December 31, 2019.

On December 31, 2019, the Company entered into and closed the transactions contemplated by a Preferred Stock Redemption Agreement, by and between the Company, Lineal, and the holders of the Company's Series E Preferred Stock and Series F Preferred Stock (the "Redemption Agreement" and the "Preferred Holders"). Pursuant to the Redemption Agreement, effective as of December 31, 2019, each holder of Series E Preferred Stock transferred such Series E Preferred Stock to Camber in consideration for their pro-rata share (except as discussed below in connection with the Series F Preferred Stock holder, who was also a holder of Series E Preferred Stock) of 100% of the Common Shares of Lineal and the holder of the Series F Preferred Stock transferred such Series F Preferred Stock (and such Series E Preferred Stock shares held by such holder) to Camber in consideration for 100% of the Preferred Shares of Lineal and as a result, ownership of 100% of Lineal was transferred back to the Preferred Holders, the original owners of Lineal prior to the Lineal Merger. Additionally, all of the Series E Preferred Stock and Series F Preferred Stock of the Company were automatically canceled and deemed redeemed by the Company and the Series F Holder waived and forgave any and all accrued dividends on the Series F Preferred Stock. See also – "Note 1 – General" and "Note 11 – Lineal Merger Agreement and Divestiture", to the consolidated unaudited financial statements included under "Part I. – Item 1. Financial Statements".

On February 3, 2020, the Company entered into an Agreement and Plan of Merger, which was amended and restated by an Amended and Restated Agreement and Plan of Merger entered into with Viking on August 31, 2020, and which has been further amended to date (as further amended to date, the "Merger Agreement") with Viking Energy Group, Inc. ("Viking"). The Merger Agreement provides that a newly-formed wholly-owned subsidiary of the Company ("Merger Sub") will merge with and into Viking (the "Merger"), with Viking surviving the Merger as a wholly-owned subsidiary of the Company, as described in greater detail below.

Moving forward, the Company plans to complete the Merger with Viking and then focus on growing through the development of Viking's properties while also seeking new acquisitions to grow its oil and gas production and revenues through the combined entity. The Company anticipates raising additional financing to complete acquisitions following the closing of the Merger, which may be through the sale of debt or equity. As described below, the Merger is subject to various closing conditions that may not be met pursuant to the contemplated timeline, if at all.

Recent Events

Viking Plan of Merger

On February 3, 2020, the Company and Viking entered into the original Agreement and Plan of Merger Agreement which was amended and restated by an Amended and Restated Merger Agreement entered into between the parties on August 31, 2020, which has been further amended. Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), (a) each share of common stock of Viking (the "Viking Common Stock") issued and outstanding, other than certain shares owned by the Company, Viking and Merger Sub, will be converted into the right to receive the pro rata share (when including the Viking preferred stock conversion rights (defined below)) of 80% of the Company's post-closing capitalization (excluding shares issuable upon conversion of the Series C Preferred Stock of the Company); and (b) each share of Viking preferred stock outstanding immediately prior to the effective time will be converted into one share of Camber Series A Preferred Stock, which preferred stock will have the right to vote, and convert into, that number of shares of Camber common stock that its holder would have received in the Merger, had such holder fully converted the Viking preferred stock into Viking common stock immediately prior to the Effective Time (the "Viking preferred stock conversion rights"). Holders of Viking Common Stock will have any fractional shares of Company common stock after the Merger rounded up to the nearest whole share. The completion of the Merger is subject to certain closing conditions.

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 Viking or the Company if the Merger shall not have been consummated on or before December 31, 2020, subject to certain exceptions; (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 the Company if Viking is unable to obtain the affirmative vote of its stockholders for approval of the Merger; (vi) by Viking if the Company is unable to obtain the affirmative vote of its stockholders required pursuant to the terms of the Merger Agreement; and (vii) by Viking or the Company if the other party's directors change their recommendation to their stockholders to approve the Merger, subject to certain exceptions set forth in the Merger Agreement, or if there is a willful breach of the Merger Agreement by the other party thereto.

A further requirement to the closing of the Merger was that the Company was required to have acquired 25% of Viking's subsidiary Elysium Energy Holdings, LLC ("Elysium") as part of a $5,000,000 investment in Viking's Rule 506(c) offering, which transaction was completed on February 3, 2020, and have acquired an additional 5% of Elysium as part of a subsequent $4,200,000 investment in Viking's Rule 506(c) offering, which transaction was completed on June 25, 2020, as discussed above under "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", to the consolidated unaudited financial statements included under "Part I. – Item 1. Financial Statements".

The Merger Agreement provides that the Secured Notes (defined below) will be forgiven in the event the Merger closes, and the Secured Notes will be due 90 days after the date that the Merger Agreement is terminated by any party for any reason, at which time an additional payment equal to (i) 115.5% of the original principal amount of the Secured Notes (defined above under "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", to the consolidated unaudited financial statements included under "Part I. – Item 1. Financial Statements"), minus (ii) the amount due to the Company pursuant to the terms of the Secured Notes upon repayment thereof (the "Additional Payment") is due.

The Company obtained the funds for the Viking loans through the sale of Series C Preferred Stock to Discover as discussed above under "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", to the consolidated unaudited financial statements included under "Part I. – Item 1. Financial Statements".

As of the date of the filing, the Company holds a 30% interest in Elysium, which through its wholly-owned subsidiary, holds certain working interests and overriding royalty interests in oil and gas properties in Texas (approximately 71 wells in 11 counties) and Louisiana (approximately 52 wells in 6 parishes), along with associated wells and equipment, and was producing an average of approximately 2,200 Boe per day for the quarter ended September 30, 2020.

Series C Preferred Stock Corrections and Amendments

On December 14, 2020, the Company, with the approval of the Board of Directors of the Company, and the sole holder of the Company's Series C Preferred Stock, filed a certificate of corrections with the Secretary of State of Nevada to correct the original designation of the Series C Preferred Stock and the first amended and restated designation thereof, to correct certain errors which were identified in such designations, which failed to clarify, in error, that (A) the failure of any holder of Series C Preferred Stock to receive the number of shares of common stock due upon conversion of Series C Preferred Stock within five trading days of any conversion notice, and any halt or suspension of trading of the Company's common stock on its then applicable trading market or by any U.S. governmental agency, for 10 or more consecutive trading days, should not have been 'deemed liquidation events' under the Series C Preferred Stock designation, unless such events were due to the occurrence of an event that is solely within the control of the Company; (B) the Company was not required to redeem any shares of Series C Preferred Stock for cash solely because the Company does not have sufficient authorized but unissued shares of common stock to issue upon receipt of a notice of conversion or upon a maturity conversion (where the remaining shares of Series C Preferred Stock convert into common stock of the Company automatically on the seven year anniversary date of the Series C Preferred Stock)(a "Maturity Conversion"); and (C) that a Maturity Conversion is only required to occur to the extent that the Company has sufficient authorized but unissued shares of common stock available for issuance upon conversion in connection therewith. The corrections were made solely to match the agreements to the original intent of the parties. The parties determined the corrections were needed because without such corrections, under ASC480-10- S99-3A5 and ASC 480-10-S99-3A3(f), the non-corrected designations could have required the Series C Preferred Stock to be classified as temporary equity due to the foregoing events being outside the Company's control. The embedded conversion meets the requirements to be considered permanent equity as stipulated under ASC 815-40-25, under an assessment of the option as a freestanding instrument, as the option requires net share settlement and the issuer has the choice to settle in cash if it wishes.

The corrections 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) and the Company's first amended and restated Series C Preferred Stock designation (July 8, 2019), subject to certain exceptions set forth in the Nevada Revised Statutes.

Also on December 14, 2020, the Company, with the approval of the Board of Directors of the Company, and the sole holder of the Company's Series C Preferred Stock, filed a second amended and restated designation of the Series C Preferred Stock with the Secretary of State of Nevada which was effective upon filing (the "Second Amended and Restated Designation"), which amended the first amended and restated designation of the Series C Preferred Stock (as corrected), to include the right of the Company to redeem all (but not less than all) of the outstanding shares of Series C Preferred Stock at a redemption price equal to 110% of the face value of such preferred stock ($10,000 per share), at the Company's option, at any time, in the event the Company is not in default of any of the terms of any Stock Purchase Agreement pursuant to which such applicable shares of Series C Preferred Stock were sold; (b) update the conversion price of the face amount ($10,000 per share) of the Series C Preferred Stock in connection with the Company's prior 1-for-

50 reverse stock split (i.e., to confirm the change in such conversion price from $3.25 per share to $165.50 per share), which had no effect on the conversion rate of conversion premiums due under the terms of the Series C Preferred Stock, and which conversion price was already being reflected in prior conversion notices after the date of such reverse split; (c) formally amend the measurement period for the calculation of the conversion premiums due under the terms of the Series C Preferred Stock to begin on the later of February 3, 2020 or, if no trigger event (as described in the designation of the Series C Preferred Stock) has occurred, 30 trading days, and if a trigger event has occurred 60 trading days, before the date of an applicable conversion notice, which had previously been agreed to contractually by the parties (i.e., the beginning of each future measurement period for conversions made after February 3, 2020, will extend back to February 3, 2020); and (d) update the references in the designation to the "Merger" which had previously referred to the Company's combination with Lineal Star Holdings, LLC, which transaction was rescinded and terminated effective December 31, 2019, to refer to the planned merger with Viking Energy Group, Inc., which has the effect of the Viking merger being approved by the holder of the Series C Preferred Stock and not being a 'deemed liquidation event' under the Second Amended and Restated Designation.

Discover Exchange Agreement, Promissory Note and Security Agreement

On December 11, 2020, the Company entered into an Exchange Agreement (the "Exchange Agreement") with Discover (the "Investor"), the sole shareholder of the Company's Series C Preferred Stock. The transactions contemplated by the Exchange Agreement closed on December 11, 2020. Pursuant to the Exchange Agreement, as an accommodation to the Company, and in order to reduce the potential dilutive impact of the Series C Preferred Stock, by reducing the number of outstanding shares of Series C Preferred Stock, the Investor exchanged 600 shares of Series C Preferred Stock (the "Exchanged Shares"), which had an aggregate face value of $6,000,000 (600 shares each with a face value of $10,000 per share), for a $6,000,000 secured Promissory Note (the "Investor Note"). The Company is in the process of obtaining the Exchanged Shares from the Investor and plans to cancel such shares once transferred.

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Pursuant to the Exchange Agreement (a) the Investor waived all prior breaches and defaults that occurred prior to the date of the Exchange Agreement or that may continue or occur for 90 days thereafter, under any agreements entered into with the Investor relating to the acquisition of shares of Series C Preferred Stock (the "90 Day Period"), and waived all rights and remedies with respect to any such breaches and defaults; (b) we agreed to timely file all reports required by the Securities and Exchange Commission (the "SEC") for so long as the Investor holds any Series C Preferred Stock (provided the Company was provided until December 31, 2020, to file its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020); (c) we agreed to indemnify and hold the Investor, its affiliates, managers and advisors, and their related parties, harmless from any losses related to any breach of the Exchange Agreement (or other transaction documents), and from any action by the Company or a creditor or stockholder of the Company, challenging the transactions contemplated by the Exchange Agreement and related agreements, except to the extent finally adjudicated to be caused solely by such indemnified party's unexcused material breach of an express provision of the Exchange Agreement or related agreements; (d) we agreed to reserve from our outstanding common stock, shares of common stock to allow for the conversion of the outstanding Series C Preferred Stock (subject to the 90 Day Period); (e) the Investor agreed to vote all shares of common stock which it holds as of the record date for any shareholder meeting in favor of the Company's previously announced pending plan of merger with Viking (the "Merger"), and the other proposals that are recommended for approval by the Board of Directors of the Company in the proxy statement filed in connection with such Merger; (f) the Investor agreed to the Merger and agreed to waive any rights it may have (including favored nations, anti-dilution and/or reset rights) in connection therewith; (g) we acknowledged that the Investor had previously provided notice to the Company of its intent to increase the beneficial ownership limitation set forth in the designation of the Series C Preferred Stock to 9.99%, and that such limitation will continue to apply moving forward; and (h) we provided the Investor and its related parties a general release.

The Exchange Agreement also amended the June 22, 2020 Stock Purchase Agreement previously entered into with the Investor, pursuant to which the Investor purchased 630 shares of Series C Preferred Stock, to remove from such June 22, 2020 agreement (i) the prohibition on the Investor transferring and/or selling shares of Series C Preferred Stock; and (ii) the repurchase obligation, which required the Company to redeem for cash, at 110% of the face value thereof ($10,000 per share), all 630 shares of Series C Preferred Stock sold by the Company in June 2020, in the event the Merger did not close by the required date set forth in the plan of merger relating thereto (as amended from time to time), and all similar provisions in any prior agreements entered into between the Company and the Investor.

The Investor Note has a balance of $6,000,000 and accrues interest at the rate of 10% per annum, which increases to the highest non-usurious rate of interest allowed under applicable law upon the occurrence of an event of default, which interest is due on the maturity date, which maturity date is the earlier of (a) December 11, 2022 (which may be extended with the mutual consent of the parties and a written amendment to the Investor Note signed by the Investor); (b) March 11, 2021, in the event the Merger does not close or is not fully consummated by such date; and (c) the date a change of control of the Company occurs, which includes any person

becoming the beneficial owner of more than 50% of the combined voting power of the Company (a "Change in Ownership"), or the approval of (1) a plan of complete liquidation, (2) an agreement for the sale or disposition of all or substantially all the Company's assets, or (3) a merger (other than a merger for purposes of redomiciling the Company), consolidation, or reorganization of the Company, which would result in a Change in Ownership, provided that the closing of the Merger will not trigger a change of control (or Change in Ownership). The Investor Note includes customary events of default. Upon the occurrence of an event of default the Investor has the right to accelerate the full amount of the Investor Note and all interest thereon, to enforce its rights under the Security Agreement, and take other actions allowed under applicable law.

Payment of the Investor Note and performance of the Company's obligations thereunder is required to be guaranteed by all subsidiaries or entities controlled or owned by the Company, or which may be owned after the date of the Investor Note, provided that no guarantees have been entered into to date. The Investor Note may be assigned by the Investor subject to compliance with applicable securities laws. The Company may prepay the Investor Note at any time.

The payment of amounts due under the Investor Note is secured by the terms of a Security Agreement entered into by the Company in favor of the Investor, which provides the Investor a first priority security interest in substantially all of our assets (the " Security Agreement"). If an event of default occurs under the Investor Note, the Investor can enforce its rights under the Security Agreement and foreclose on our assets in order to satisfy amounts owed thereunder.

Corporate Information and Summary of Current Operations

Our website address is http://www.camber.energy. Our fiscal year ends on the last day of March of each year. The information on, or that may be accessed through, our website is not incorporated by reference into this report and should not be considered a part of this report. We refer to the twelve-month periods ended March 31, 2021, 2020, and March 31, 2019, as our 2021 Fiscal Year, 2020 Fiscal Year, and 2019 Fiscal Year, respectively.

As of September 30, 2020, the Company had leasehold interests (working interests) covering approximately 221 / 3,500 (net/gross) acres, producing from the Cline and Wolfberry formations. The remaining Texas acreage as of March 31, 2020, consisted of leasehold covering approximately 555 / 638 (net/gross) acres and wellbores located in the Panhandle in Hutchinson County, Texas, which was acquired by the Company in March 2018, and which was transferred as part of the PetroGlobe settlement discussed in "Part I. Financial Information – Item 1. Financial Statements" – "Note 9 – Commitments and Contingencies" – "Legal Proceedings", in July 2020. On May 30, 2019, the Company received a Severance Order from the Texas Railroad Commission (the "TRC") for noncompliance with TRC rules, suspending the Company's ability to produce or sell oil and gas from its Panhandle leases in Hutchinson County, Texas, until certain well performance criteria are met. The Company subsequently followed TRC procedures in order to regain TRC compliance for the Panhandle wells. Additionally, as a result of a notice from its working interest partner, PetroGlobe Energy, and related litigation, all prior production on the Panhandle wells was held in suspense for the past several fiscal quarters. The Company cured the issues raised by the TRC transferred its ownership of its Hutchinson County, Texas properties, and wells to PetroGlobe on July 16, 2020. As a result of such transfer, the Company no longer holds any interests in such Hutchinson County, Texas wells, or assets.

As of September 30, 2020, Camber was producing an average of approximately 28.1 net barrels of oil equivalent per day ("Boepd") from 25 active wellbores. The ratio between the gross and net production varies due to varied working interests and net revenue interests in each well. Our production sales totaled 5,138 Boe, net to our interest, for the six months ended September 30, 2020. At September 30, 2020, Camber's total estimated proved producing reserves were 133,442 Boe, of which 98,600 Bbls were crude oil and NGL reserves, and 207,823 Mcf were natural gas reserves. None of these reserves relate to the Company's Panhandle properties, which has since been divested. Camber holds an interest in 25 producing wells in Glascock County.

On July 12, 2018, we entered into an Asset Purchase Agreement, which closed on September 26, 2018, with N&B Energy. Pursuant to the Asset Purchase Agreement and the related Assumption Agreement, the Company transferred a significant portion of its assets to N&B Energy in consideration for N&B Energy assuming all of its debt owed to International Bank of Commerce.

Notwithstanding the sale of the Company's assets to N&B Energy, the Company retained its assets in Glasscock County and Hutchinson County, Texas (which Hutchinson County, Texas assets have now been divested), and also retained a 12.5% production payment (effective until a total of $2.5 million has been received); a 3% overriding royalty interest in its existing Okfuskee County, Oklahoma asset; and an overriding royalty interest on certain other undeveloped leasehold interests, pursuant to an Assignment of Production Payment and Assignments of Overriding Royalty Interests. No payments were received in regard to any of the retained items noted through September 30, 2020, or through the date of this filing.

As of September 30, 2020, Camber had no employees and utilized independent contractors on an as-needed basis.

Moving forward, the Company plans to complete the Merger with Viking and then focus on growing through the development of Viking's properties while also seeking new acquisitions to grow its oil and gas production and revenues through the combined entity. The Company anticipates raising additional financing to complete acquisitions following the closing of the Merger, which may be accomplished through the sale of debt or equity. As described above, the Merger is subject to various closing conditions that may not be met pursuant to the contemplated timeline, if at all.

Recent Reverse Stock Splits and Amendments to Articles

On March 1, 2018, the Company filed a Certificate of Amendment to the Company's Articles of Incorporation with the Secretary of State of Nevada to effect a 1-for-25 reverse stock split of all outstanding common stock shares of the Company which was effective on March 5, 2018. On December 20, 2018, the Company filed a Certificate of Change with the Secretary of State of Nevada to effect another 1-for-25 reverse stock split of the Company's (a) authorized shares of common stock (from 500,000,000 shares to 20,000,000 shares); and (b) issued and outstanding shares of common stock, which was effective on December 24, 2018. Effective on April 10, 2019, the Company amended its Articles of Incorporation to increase the number of the Company's authorized shares of common stock, $0.001 par value per share, from 20,000,000 shares to 250,000,000 shares. On July 3, 2019, the Company filed a Certificate of Amendment to the Company's Articles of Incorporation with the Secretary of State of Nevada to effect another 1-for-25 reverse stock split of all outstanding common stock shares of the Company, which was effective on July 8, 2019. On October 28, 2019, the Company filed a Certificate of Change with the Secretary of State of Nevada to effect a 1-for-50 reverse stock split of the Company's (a) authorized shares of common stock (from 250,000,000 shares to 5,000,000 shares); and (b) issued and outstanding shares of common stock. The reverse stock split was effective on October 29, 2019. The effect of the reverse stock split was to combine every 50 shares of outstanding common stock into one new share, with a proportionate 1-for-50 reduction in the Company's authorized shares of common stock, but with no change in the par value per share of the common stock. The result of the reverse stock split was to reduce the number of common stock shares outstanding on the effective date of the reverse, from approximately 74.5 million shares to approximately 1.5 million shares (prior to rounding). Effective on April 16, 2020, with the approval of the Company's stockholders at its April 16, 2020, special meeting of stockholders, the Company filed a Certificate of Amendment to its Articles of Incorporation to increase its authorized shares of common stock to 25 million shares of common stock, which filing was effective the same date.

All issued and outstanding shares of common stock, conversion terms of preferred stock, options and warrants to purchase common stock, and per share amounts contained herein have been retroactively adjusted to reflect the reverse splits for all periods presented.

Industry Segments

Our operations during the three and six months ended September 30, 2020, were all crude oil and natural gas exploration and production related. For the three and six months ended September 30, 2019, our operations were all crude oil and natural gas exploration and production related, except that from July 8, 2019, to December 31, 2019 (which September 30, 2019 period included such operations through September 30, 2019), we also owned and operated Lineal, which operated as an oil and gas service company and generated oil and gas service revenues. As described above under "Part I. Financial Information" – "Item 1. Financial Statements" – "Note 11 – Lineal Merger Agreement and Divestiture", on December 31, 2019, we divested our entire interest in Lineal. In conjunction with the Lineal Divestiture, all contract revenue (oil and gas service revenue) has been included in "Loss from Discontinued Operations" for the three and six months ended September 30, 2019, on the statement of operations.

Operations

Oil and Gas Properties

We operate and invest in areas that are known to be productive, with a reasonably established production history, to decrease geological and exploratory risk. The Company has certain interests in wells producing from various formations in Louisiana and Texas.

From July 8, 2019, to December 31, 2019, we also owned and operated Lineal, which operated as an oil and gas service company and generated oil and gas service revenues. As described above under "Part I. Financial Information" – "Item 1. Financial Statements" – "Note 11 – Lineal Merger Agreement and Divestiture", on December 31, 2019, we divested our entire interest in Lineal.

Financing

A summary of our financing transactions, funding agreements, and other material funding and loan transactions can be found under "Part I. Financial Information – Item 1. Financial Statements" – "Note 1 – General", "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", "Note 6 – Long-Term Notes Receivable", "Note 11 – Lineal Merger Agreement and Divestiture" and "Note 13 – Stockholders' Equity (Deficit)", above.

The Company believes that it will not have sufficient liquidity to operate as a going concern for the next twelve months following the issuance of the financial statements included herein unless it can close the Viking Merger, which is the Company's current plan, which Merger is anticipated to close in the fourth calendar quarter of 2020 or first quarter of calendar 2021, pursuant to certain conditions in the Merger Agreement.

Market Conditions and Commodity Prices

Our financial results depend on many factors, particularly the price of natural gas, natural gas liquids, and crude oil and our ability to market our production on economically attractive terms. Commodity prices are affected by many factors outside of our control, including changes in market supply and demand, which are impacted by weather conditions, inventory storage levels, basis differentials, and other factors. As a result, we cannot accurately predict future commodity prices and, therefore, we cannot determine with any degree of certainty what effect increases or decreases in these prices will have on our production volumes or revenues. We expect prices to remain volatile for the remainder of the year. For information about the impact of realized commodity prices on our crude oil revenues, refer to "Results of Operations" below.

Novel Coronavirus ("COVID-19")

In December 2019, a novel strain of coronavirus, which causes the infectious disease known as COVID-19, was reported in Wuhan, China. The World Health Organization declared COVID-19 a "Public Health Emergency of International Concern" on January 30, 2020, and a global pandemic on March 11, 2020. In March and April, many U.S. states and local jurisdictions, including Texas, where the Company has its operations, began issuing 'stay-at-home' orders, which continue in various forms as of the date of this report. Notwithstanding the above, because all of the Company's properties are non-operated, the Company's operations have not been materially affected by COVID-19 to date.

However, the oil and gas industry experienced multiple factors that lowered both the demand for and prices of, oil and gas as a result of the pandemic. First, the COVID-19 pandemic lowered global demand for hydrocarbons, as social distancing and travel restrictions were implemented across the world. Second, the lifting of the Organization of the Petroleum Exporting Countries (OPEC)+ supply curtailments, and the associated increase in production of oil, drove the global supply of hydrocarbons higher through the first quarter of calendar 2020. In addition, while global gross domestic product (GDP) growth was impacted by COVID-19 during the first nine months of calendar 2020, we expect GDP to continue to decline globally throughout the remainder of calendar 2020 and for at least the early part of calendar 2021, as a result of the COVID-19 pandemic. As a result, we expect oil and gas-related markets will continue to experience significant volatility in 2020 and 2021.

COVID-19 has impacted the operations of Lineal Holdings, LLC ("Lineal") which currently owes the Company $2,339,719 (see "Part I. Financial Information – Item 1. Financial Statements" – "Note 11 – Lineal Merger Agreement and Divestiture"), and has notified the Company that it currently has insufficient liquidity to make scheduled interest payments due under the notes. The Company is in negotiations with Lineal to restructure the notes receivable.

The full extent of the impact of COVID-19 on our business and operations currently cannot be estimated and will depend on a number of factors including the scope and duration of the global pandemic.

Currently, we believe that we have sufficient cash on hand to support our operations for the foreseeable future, through the closing of the Merger Agreement; however, we will continue to evaluate our business operations based on new information as it becomes available and will make changes that we consider necessary in light of any new developments regarding the pandemic.

The pandemic is developing rapidly and the full extent to which COVID-19 will ultimately impact us depends on future developments, including the duration and spread of the virus, as well as the potential seasonality of new outbreaks.

RESULTS OF OPERATIONS

The following discussion and analysis of the results of operations for the three-month periods and six-month periods ended September 30, 2020, and 2019 should be read in conjunction with our consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q under "Part I. Financial Information – Item 1. Financial Statements". The majority of the numbers presented below are rounded numbers and should be considered as approximate.

Three Months Ended September 30, 2020, vs. Three Months Ended September 30, 2019

We reported a net loss for the three months ended September 30, 2020, of $2.1 million, or $0.19 per share of common stock. We reported a net loss for the three months ended September 30, 2019, of $0.3 million, or $4.40 per share of common stock. The increase in net loss of $1.8 million relates primarily to the $1.1 million loss associated with the operations of Elysium, an unconsolidated entity, the reserve of approximately $0.2 million of notes receivable from Lineal, and the decline in oil and gas operations in the current quarter due to the decreased demand due to COVID-19.

Oil and Gas Exploration and Production Segment Information

The following table sets forth the operating results and production data for our oil and gas exploration and production segment, for the periods indicated:

	Three Months Ended September 30,		Increase	% Increase
	2020	2019	(Decrease)	(Decrease)
Sale Volumes:				
Crude Oil (Bbls)	990	1,288	(298)	(23)%
Natural Gas (Mcf)	3,550	5,828	(2,278)	(39)%
NGL (Gallons)	35,671	50,928	(15,257)	(30)%
Total (Boe)(1)	2,431	3,472	(1,041)	(30)%
Crude Oil (Bbls per day)	11	14	(3)	(21)%
Natural Gas (Mcf per day)	39	63	(24)	(38)%
NGL (Gallons per day)	388	554	(166)	(30)%
Total (Boe per day)(1)	26	38	(12)	(32)%
Average Sale Price:				
Crude Oil ($/Bbl)	$ 46.31	$ 51.85	$ (5.54)	(11)%
Natural Gas ($/Mcf)	$ 1.31	$ 2.12	$ (0.81)	(38)%
NGL ($/Bbl)	$ 8.21	$ 11.24	$ (3.03)	(27)%
Net Operating Revenues:				
Crude Oil	$ 45,846	$ 66,786	$ (20,940)	(31)%
Natural Gas	4,643	12,343	(7,700)	(62)%
NGL	6,969	13,624	(6,655)	(49)%
Total Oil and Gas Revenues	$ 57,458	$ 92,753	$ (35,295)	(38)%

Sales volumes decreased by approximately 30% from the three months ended September 30, 2019, compared to the three months ended September 30, 2020, primarily due to a significant drop in the market price of oil and gas compared to the same period in the prior year, due mainly to decreased demand due to COVID-19, including an approximate 11% decline in the average sales price of crude oil.

(1) Assumes 6 Mcf of natural gas equivalents and 42 gallons of NGL to 1 barrel of oil, respectively.

Operating and Other Expenses

The following table summarizes our production costs and operating expenses for the periods indicated:

	Three Months Ended September 30,		Increase	% Increase
	2020	2019	(Decrease)	(Decrease)
Direct lease operating expense	$ 14,124	$ 171,452	$ (157,328)	(92)%
Other	13,098	17,031	(3,933)	(23)%
Lease Operating Expenses	$ 27,222	$ 188,483	$ (161,261)	(86)%
Severance and Property Taxes	$ 2,126	$ 4,031	$ (1,905)	(47)%
Depreciation, Depletion, Amortization, and Accretion Expense	2,837	3,592	(755)	(21)%
General and Administrative Expenses ("G&A")(excluding share-based compensation)	816,413	940,483	(124,070)	(13)%
Share-Based Compensation	36,502	—	36,502	100%
Total G & A Expense	852,915	940,483	(87,568)	(9)%

Interest Expense	$	—	$	4,174	$	(4,174)	(100)%
Loss from Unconsolidated Entity	$	1,056,766	$	—	$	1,056,766	100%
Other Expense (Income), Net	$	172,100	$	(9,278)	$	181,378	1,955%

Lease Operating Expenses

There was a decrease in lease operating expense of approximately $161,000 when comparing the current quarter to the prior year's quarter. The decrease is primarily due to the decline in production due to significant price declines as a result of decreased demand due to COVID-19 and governmental responses thereto and declines in costs related to the divestiture of the Company's Panhandle, Texas properties in July 2020.

Depreciation, Depletion, Amortization, and Accretion ("DD&A")

DD&A decreased for the current quarter as compared to the prior year's quarter by approximately $1,000 due to the decline in production due to significant price declines.

General and Administrative (G&A) Expenses (Excluding Share-Based Compensation)

G&A expenses (excluding share-based compensation) decreased by approximately $0.1 million for the three months ended September 30, 2020, compared to the prior year's period. The decrease was due primarily to costs incurred in the prior year's period related to the Lineal Merger that were not present in the current period.

Share-Based Compensation

Share-based compensation increased by $37,000 for the three months ended September 30, 2020, compared to the prior year's period, due primarily to the value of restricted common shares issued for consulting fees in the current period.

Interest Expense

Interest expense decreased by approximately $4,000 for the three months ended September 30, 2020, compared to the three months ended September 30, 2019, due to the absence of any interest-bearing obligations in the current period.

Loss from Unconsolidated Entity

Loss from unconsolidated entity for the three months ended September 30, 2020, increased by approximately $1.1 million, when compared to the three months ended September 30, 2019, due to the inclusion of the equity loss of Elysium Holdings, LLC, which the Company acquired 25% of on February 3, 2020, and an additional 5% of on June 25, 2020 (30% total).

Other Expense (Income), Net

Other expense, net, for the three months ended September 30, 2020, decreased by approximately $0.2 million, compared to the same period ended September 30, 2019, due primarily to the partial allowance of $0.2 million of the loans due from Lineal and related accrued interest.

Six Months Ended September 30, 2020, vs. Six Months Ended September 30, 2019

We reported a net loss for the six months ended September 30, 2020, of $3.7 million, or $0.51 per share of common stock. We reported a net loss for the six months ended September 30, 2019, of $1.6 million, or $20.57 per share of common stock. The increase in net loss of $2.1 million relates primarily to the partial allowance of $0.2 million of the notes receivable from Lineal and associated accrued interest and the $2.1 million loss associated with the operations of Elysium, an unconsolidated entity, which we owned 30% of as of September 30, 2020, and held 25% of as of March 31, 2020 (having first acquired such 25% interest on February 3, 2020, and an additional 5% interest on June 25, 2020).

Oil and Gas Exploration and Production Segment Information

The following table sets forth the operating results and production data for our oil and gas exploration and production segment, for the periods indicated:

	Six Months Ended September 30,		Increase	% Increase
	2020	2019	(Decrease)	(Decrease)
Sale Volumes:				
Crude Oil (Bbls)	2,182	2,849	(667)	(23)%
Natural Gas (Mcf)	7,221	10,178	(2,957)	(29)%
NGL (Gallons)	73,587	97,828	(24,241)	(25)%
Total (Boe)[(1)]	5,138	6,874	(1,736)	(25)%
Crude Oil (Bbls per day)	12	16	(4)	(25)%
Natural Gas (Mcf per day)	39	56	(17)	(30)%
NGL (Gallons per day)	402	535	(133)	(25)%
Total (Boe per day)[(1)]	28	38	(10)	(26)%
Average Sale Price:				
Crude Oil ($/Bbl)	$ 30.99	$ 56.34	$ (25.35)	(45)%
Natural Gas ($/Mcf)	$ 1.22	$ 1.92	$ (0.70)	(36)%
NGL ($/Bbl)	$ 8.39	$ 14.63	$ (6.24)	(43)%
Net Operating Revenues:				
Crude Oil	$ 67,635	$ 160,485	$ (92,850)	(58)%
Natural Gas	8,807	19,547	(10,740)	(55)%
NGL	14,705	34,072	(19,367)	(57)%
Total Oil and Gas Revenues	$ 91,147	$ 214,104	$ (122,957)	(57)%

Sales volumes decreased by approximately 25% from the six months ended September 30, 2019, compared to the six months ended September 30, 2020, due to a significant drop in the market price of oil and gas compared to the same period in the prior year, due mainly to decreased demand due to COVID-19, including an approximate 45% decline in the average sales price of crude oil.

(1) Assumes 6 Mcf of natural gas equivalents and 42 gallons of NGL to 1 barrel of oil, respectively.

Operating and Other Expenses

The following table summarizes our production costs and operating expenses for the periods indicated:

	Six Months Ended September 30,		Increase	% Increase
	2020	2019	(Decrease)	(Decrease)
Direct lease operating expense	$ 71,672	$ 279,430	$ (207,758)	(74)%
Other	24,841	32,610	(7,769)	(24)%
Lease Operating Expenses	$ 96,513	$ 312,040	$ (215,527)	(69)%
Severance and Property Taxes	$ 3,475	$ 6,605	$ (3,130)	(47)%
Depreciation, Depletion, Amortization, and Accretion	5,132	7,834	(2,702)	(34)%
General and Administrative (Excluding Share-Based Compensation) ("G&A")	1,503,076	2,243,049	(739,973)	(33)%
Share-Based Compensation	36,502	29,425	7,077	24%
Total G & A Expense	1,539,578	2,272,474	(732,896)	(32)%
Interest Expense	$ —	$ 5,021	$ (5,021)	(100)%
Loss from Unconsolidated Entity	$ 2,140,121	$ —	$ 2,140,121	100%
Other Expense (Income), Net	$ (42,532)	$ (63,540)	$ 21,008	33%

Lease Operating Expenses

There was a decrease in lease operating expense of approximately $216,000 when comparing the current quarter to the prior year's quarter. The decrease is primarily due to the decline in production due to significant price declines as a result of decreased demand due to COVID-19 and governmental responses thereto and the decline in costs associated with our Panhandle, Texas properties which were divested in July 2020.

Depreciation, Depletion, Amortization, and Accretion ("DD&A")

DD&A decreased for the current quarter as compared to the prior year's quarter by approximately $3,000 due to the decline in production due to significant price declines

General and Administrative (G&A) Expenses Excluding Share-Based Compensation

G&A expenses (excluding share-based compensation) decreased by approximately $740,000 for the six months ended September 30, 2020, compared to the prior year's period. The decrease was due primarily to costs incurred in the prior year's period related to the Lineal Merger that were not present in the current period.

Share-Based Compensation

Share-based compensation increased by approximately $7,000 for the six months ended September 30, 2020, compared to the prior year's period. The increase was due primarily to a slight increase in the value of restricted shares of common stock issued related to consulting agreements during the current period.

Interest Expense

Interest expense for the six months ended September 30, 2020, decreased by approximately $5,000 when compared to the six months ended September 30, 2019, due to the absence of any interest-bearing obligations in the current period.

Loss from Unconsolidated Entity

Loss from unconsolidated entity for the six months ended September 30, 2020, increased by approximately $2.1 million when compared to the six months ended September 30, 2019, due to the inclusion of the equity loss of Elysium Holdings, LLC, which the Company acquired 25% of on February 3, 2020, and an additional 5% of on June 25, 2020.

Other Expense (Income), Net

Other expense, net, for the six months ended September 30, 2020, decreased by approximately $21,000, compared to the same period ended September 30, 2019, due to the partial impairment of the notes receivable from Lineal and related accrued interest and the elimination of other income from Lineal.

LIQUIDITY AND CAPITAL RESOURCES

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Additionally, recent oil and gas price volatility as a result of geopolitical conditions and the global COVID-19 pandemic has already had, and are expected to 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 its oil and gas production, reduction in the selling price of the Company's oil and gas, failure of a counterparty to make required payments, possible disruption of production as a result of worker illness or mandated production shutdowns or 'stay-at-home' orders, and access to new capital and financing.

Our primary sources of cash for the six months ended September 30, 2020, and 2019, were from funds generated from the sale of preferred stock. The primary uses of cash were funds used in operations and for the six months ended September 30, 2020, funds invested in connection with Viking's Rule 506(c) convertible note offering, as described above under "Part I. Financial Information – Item 1. Financial Statements" – "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", and "Note 6 – Long-Term Notes Receivable". As of September 30, 2020, the Company had a working capital deficit of approximately $0.1 million. The Company believes that it will not have sufficient liquidity to operate as a going concern for the next twelve months following the issuance of the financial statements included herein unless it can close the Viking Merger, which is the Company's current plan, which Merger is anticipated to close in the fourth calendar quarter of 2020 or first calendar quarter of 2021.

Pursuant to the December 31, 2019 Redemption Agreement, we entered into a new unsecured promissory note in the amount of $1,539,719 with Lineal, evidencing the repayment of the prior July 2019 Lineal Note, together with additional amounts loaned by Camber to Lineal through December 31, 2019; and loaned Lineal an additional $800,000, which was evidenced by an unsecured promissory note in the amount of $800,000, entered into by Lineal in favor of the Company on December 31, 2019. The December 2019 Lineal Note and Lineal Note No. 2, accrue interest, payable quarterly in arrears, beginning on March 31, 2020, and continuing until December 31, 2021, when all interest and principal is due, at 8% and 10% per annum (18% upon the occurrence of an event of default), respectively. The December 2019 Lineal Note and Lineal Note No. 2 are unsecured. COVID-19 has impacted the operations of Lineal and Lineal has notified the Company that it currently has insufficient liquidity to make scheduled interest payments due under the notes. The Company is in negotiations with Lineal to restructure the notes receivable and reserved $115,719 of the notes subject to the completion of the negotiations. Such loans are described in greater detail above under "Part I. Financial Information – Item 1. Financial Statements" – "Note 1 – General", "Note 6 – Long-Term Notes Receivable" and "Note 11 – Lineal Merger Agreement and Divestiture".

On February 3, 2020, the Company and Discover entered into a Stock Purchase Agreement pursuant to which Discover purchased 525 shares of Series C Preferred Stock for $5 million, at a 5% original issue discount to the $10,000 face value of such preferred stock.

On February 3, 2020, we advanced the $5.0 million raised from the sale of Series C Preferred Stock to Discover to Viking, and Viking provided us, among other things, a $5 million, 10.5% Secured Promissory Note. On June 25, 2020, we advanced an additional $4.2 million to Viking in consideration for, among other things, an additional 10.5% Secured Promissory Note in the principal amount of $4.2 million. The Secured Notes accrue interest at the rate of 10.5% per annum, payable quarterly, and are due and payable on February 3, 2022. The notes include standard events of default, including certain defaults relating to the trading status of Viking's common stock and change of control transactions involving Viking. The Secured Notes can be prepaid at any time with prior notice as provided therein, and together with a pre-payment penalty equal to 10.5% of the original amount of the Secured Notes. The Secured Notes are secured by a security interest, pari passu with the other investors in Viking's Secured Note offering (subject to certain pre-requisites) in Viking's 70% ownership of Elysium and 100% of Ichor Energy Holdings, LLC. Additionally, pursuant to a separate Security and Pledge Agreement, Viking provided the Company a security interest in the membership, common stock, and/or ownership interests of all of Viking's existing and future, directly owned or majority-owned subsidiaries, to secure the repayment of the Secured Notes. As additional consideration for providing the Secured Notes, Viking assigned us 30% of Elysium, which is fully or partially assignable back to Viking upon the termination of the Merger, under certain circumstances as discussed in greater detail above under "Part I. Financial Information – Item 1. Financial Statements" – "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", and "Note 6 – Long-Term Notes Receivable".

On June 22, 2020, the Company and Discover entered into a Stock Purchase Agreement pursuant to which Discover purchased 630 shares of Series C Preferred Stock for $6 million (of which $4.2 million of such funds were subsequently loaned to Viking as discussed above). In the event the Merger Agreement is terminated in specified circumstances, upon termination thereof, the Company is required to redeem the 630 shares of Series C Preferred Stock held by Discover at an aggregate price of $6,930,000, provided that if the Merger is terminated, which obligation was terminated in December 2020 in connection with the transactions contemplated by the Exchange Agreement with Discover discussed above. Separately, Viking has agreed to pay the Company, a break-up fee equal to (i) 115.5% of the original principal amount of the Secured Notes, minus (ii) the amount due to the Company pursuant to the terms of the Secured Notes upon repayment thereof (the "Additional Payment"), which Additional Payment, if timely paid, should enable the Company to repay the Investor Note, which will be due on March 11, 2021, if the Merger has not closed by such date.

Plan of Operations

As described in greater detail above under "Part I. Financial Information – Item 1. Financial Statements" – "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", on February 3, 2020, the Company entered into a Merger Agreement with Viking, which contemplates Viking merging with and into a newly-formed wholly-owned subsidiary of the Company, with Viking surviving the Merger as a wholly-owned subsidiary of the Company. Moving forward, the Company plans to complete the Merger with Viking and then focus on growing through the development of Viking's properties while also seeking new acquisitions to grow its oil and gas production and revenues through the combined entity. The Company anticipates raising additional financing to complete acquisitions following the closing of the Merger, which may be through the sale of debt or equity. As described above, the Merger is subject to various closing conditions that may not be met pursuant to the contemplated timeline, if at all.

Separately, the price Camber receives for its oil heavily influences its revenue and cash flows, and the present value and quality of its reserves. Oil, NGL, and natural gas are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. The price of crude oil has experienced significant volatility over the last five years, with the price per barrel of West Texas Intermediate ("WTI") crude rising from a low of $27 in February 2016 to a high of $76 in October 2018, then, in 2020, dropping below $20 per barrel due in part to reduced global demand stemming from the recent global COVID-19 outbreak, until more recently increasing back to around $35-$45 a barrel. A prolonged period of low market prices for oil and natural gas, or further declines in the market prices for oil and natural gas, due to the COVID-19 outbreak, governmental responses thereto, decreased demand in connection therewith, or other factors will likely adversely affect Camber's business, financial condition, and liquidity and its ability to meet obligations, targets or financial commitments and could ultimately lead to restructuring or filing for bankruptcy.

Working Capital

At September 30, 2020, the Company's total current assets of $1.5 million were less than its total current liabilities of approximately $1.6 million, resulting in a working capital deficit of $0.1 million, while at March 31, 2020, the Company's total current assets of $1.1 million were less than its total current liabilities of approximately $2.0 million, resulting in a working capital deficit of $0.9 million. The decrease from a working capital deficit of $0.9 million to a working capital deficit of $0.1 million is due primarily to the sale of $6 million of Series C Preferred Stock in June 2020.

Cash Flows

	Six Months Ended September 30,	
	2020	**2019**
Cash flows used in operating activities	$ (1,343,650)	$ (2,837,903)
Cash flows used in investing activities	(4,200,000)	(1,151,974)
Cash flows provided by financing activities	6,000,000	429,210
Net increase (decrease) in cash	**$ 456,350**	**$ (3,560,667)**

Net cash used in operating activities was $1.3 million for the six months ended September 30, 2020, compared to $2.8 million for the same period a year ago. Net cash used in operating activities decreased mainly due to the reduction in G&A and operating costs during the six months ended September 30, 2020, offset by the increase in net loss.

Net cash used in investing activities was $4.2 million for the six months ended September 30, 2020, compared to approximately $1.2 million for the same period a year ago. The increase in net cash used in investing activities was due to the $4.2 loan made to Viking during the six months ended September 30, 2020, as discussed above.

Net cash provided by financing activities was $6.0 million for the six months ended September 30, 2020, and net cash provided by financing activities was $0.4 million for the six months ended September 30, 2019. The increase in net cash provided by financing activities was due to the sale of 630 shares of Series C Preferred Stock for $6 million in June 2020.

Financing

A summary of our financing transactions, funding agreements, lending transactions, and other material funding transactions can be found under "Part I – Item 1. Financial Statements" — "Note 1 – General", "Note 5 – Plan of Merger and Investment In Unconsolidated Entity", "Note 6 – Long-Term Notes Receivable", "Note 11 – Lineal Merger Agreement and Divestiture", and "Note 13 – Stockholders' Equity (Deficit)".

Off-Balance Sheet Arrangements

Camber does not participate in financial transactions that generate relationships with unconsolidated entities or financial partnerships, other than the Company's 30% interest in Elysium which it held as of September 30, 2020 (25% as of March 31, 2020) as discussed herein.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of loss arising from adverse changes in market rates and prices. We are exposed to risks related to increases in the prices of fuel and raw materials consumed in exploration, development, and production. We currently do not engage in commodity price hedging activities.

Commodity Price Risk

All of our revenues for the six months ended September 30, 2020, and some of our revenues for the six months ended September 30, 2019, were derived from the sale of our crude oil, natural gas, and natural gas liquids production. Based on projected sales volumes for the remainder of our fiscal year, changes in the prices we receive for our crude oil, natural gas, and natural gas liquids production could have a significant impact on our revenues.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures.

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms and that such information is accumulated and communicated to management, including the interim Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer), to allow timely decisions regarding required disclosures. The Company's management, including the interim Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer), evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Company's interim Chief Executive Officer and Chief Financial Officer (our principal executive officer and principal financial officer) concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2020, due to a lack of segregation of duties.

Changes in Internal Control Over Financial Reporting

There have not been any changes in our internal control over financial reporting during the quarter ended September 30, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

Camber is periodically named in legal actions arising from normal business activities. Camber evaluates the merits of these actions and, if it determines that an unfavorable outcome is probable and can be reasonably estimated, Camber will establish the necessary reserves. The Company is subject to legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. We are not currently involved in legal proceedings that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition, or results of operations. except as described in "Part I. Financial Information – Item 1. Financial Statements" – "Note 9 – Commitments and Contingencies" – "Legal Proceedings", of this Form 10-Q. We may become involved in material legal proceedings in the future.

The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts in excess of management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended March 31, 2020, filed with the Commission on June 29, 2020 (the "Form 10-K") under the heading "Item 1A. Risk Factors", which are incorporated by reference herein, except as provided and discussed below, and investors should review the risks provided below and in the Form 10-K prior to investing in the Company. The business, financial condition, and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in the Form 10-K for the year ended March 31, 2020, under "Risk Factors", and below, any one or more of which could, directly or indirectly, cause the Company's actual financial condition and operating results to vary materially from past, or anticipated future, financial condition, and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results, and stock price.

General Business and Other Risks

We currently have only limited oil and gas operations.

Our Hutchinson County, Texas leases which made up approximately 30% of our historical total producing properties, were transferred in July 2020 as part of the Settlement Agreement. Although prior to the settlement, we were in the process of performing workovers on the wells on the leases and had very limited production from the properties, our oil and gas revenues, results of operations, and prospects may be materially adversely affected as a result of such transfer. Notwithstanding the above, we believe that our current non-operated properties will be immaterial to the combined company following the Merger and following the Merger, the combined company's management will determine what course to take regarding such combined company assets, including our non-operated properties.

Our Business and operations may be adversely affected by the recent COVID-19 pandemic or other similar outbreaks.

As a result of the recent COVID-19 outbreak or other adverse public health developments, including voluntary and mandatory quarantines, travel restrictions, and other restrictions, our operations, and those of our subcontractors, customers, and suppliers, have and may continue to experience delays or disruptions and temporary suspensions of operations. In addition, our financial condition and results of operations have been and may continue to be adversely affected by the coronavirus outbreak.

The timeline and the potential magnitude of the COVID-19 outbreak are currently unknown. The continuation or amplification of this virus could continue to more broadly affect the United States and global economy, including our business and operations, and the demand for oil and gas (as it has already). For example, a significant outbreak of coronavirus or other contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect our operating results. In addition, the effects of COVID-19 and concerns regarding its global spread have recently negatively impacted the domestic and international demand for crude oil and natural gas, which has contributed to price volatility, impacted the price we receive for oil and natural gas, and materially and adversely affected the demand for and marketability of our production. As the potential impact from COVID-19 is difficult to predict, the extent to which it may negatively affect our operating results or the duration of any potential business disruption is uncertain. Any impact will depend on future developments and new information that may emerge regarding the severity and duration of COVID-19 and the actions taken by authorities to contain it or treat its impact, all of which are beyond our control. These potential impacts, while uncertain, could adversely affect our operating results, notwithstanding the fact that the impact of COVID-19 has already negatively affected our first quarter and second-quarter results of operations.

Furthermore, COVID-19 and the measures being taken to address and limit the spread of the virus have adversely affected the economies and financial markets of many countries, resulting in an economic downturn that has negatively impacted, and may continue to negatively impact, global demand and prices for crude oil and NGLs. If the COVID-19 outbreak should continue or worsen, we may also experience disruptions to commodities markets, equipment supply chains, and the availability of personnel, which could adversely affect our ability to conduct our business and operations. There are still too many variables and uncertainties regarding the COVID-19 pandemic - including the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the extent of travel restrictions and business closures imposed in affected countries - to fully assess the potential impact on our business and operations.

Lineal and Viking owe us a substantial amount of money which may not be timely repaid, if at all.

Pursuant to a December 31, 2019 Redemption Agreement entered into between us and the prior owners of Lineal, we entered into a new unsecured promissory note in the amount of $1,539,719 with Lineal, evidencing the outstanding amount of a prior July 2019 promissory note, together with additional amounts loaned by us to Lineal through December 31, 2019 (the "December 2019 Lineal Note"); and loaned Lineal an additional $800,000, which was evidenced by an unsecured promissory note in the amount of $800,000, entered into by Lineal in favor of us on December 31, 2019 ("Lineal Note No. 2"). The December 2019 Lineal Note and Lineal Note No. 2, accrue interest, payable quarterly in arrears, beginning on March 31, 2020, and continuing until December 31, 2021, when all interest and principal is due, at 8% and 10% per annum (18% upon the occurrence of an event of default), respectively. The December 2019 Lineal Note and Lineal Note No. 2 are unsecured. COVID-19 has impacted the operations of Lineal which currently owes the Company $2,339,719 pursuant to the notes described above, and has notified the Company that it currently has insufficient liquidity to make scheduled interest payments due under the notes. The Company is in negotiations with Lineal to restructure the notes receivable and has reserved $115,719 of the notes subject to completion of the negotiations.

On February 3, 2020, and June 25, 2020, we advanced $5 million and $4.2 million, respectively, to Viking and Viking provided us, among other things, the Secured Notes. The Secured Notes accrue interest at the rate of 10.5% per annum, payable quarterly, and are due and payable on February 3, 2022. The notes include standard events of default, including certain defaults relating to the trading status of Viking's common stock and change of control transactions involving Viking. The Secured Notes can be prepaid at any time with prior notice as provided therein, and together with a pre-payment penalty equal to 10.5% of the original amount of the Secured Notes. The Secured Notes are secured by a security interest, pari passu with the other investors in Viking's Secured Note offering (subject to certain pre-requisites) in Viking's 70% ownership of Elysium and 100% of Ichor Energy Holdings, LLC. Additionally, pursuant to a separate Security and Pledge Agreement, Viking provided us a security interest in the membership, common stock, and/or ownership interests of all of Viking's existing and future, directly owned or majority-owned subsidiaries, to secure the repayment of the Secured Notes. The Secured Notes will be forgiven upon the closing of the Merger.

If we are unable to agree to acceptable terms with Lineal on modification of the notes, or the Secured Notes are not paid when due, we may have to take legal action to enforce the repayment of such notes. Furthermore, Lineal and/or Viking may not have sufficient cash to repay such notes when due, including, but not limited to interest due thereon. The Lineal notes are unsecured and as such, secured credits of Lineal may have priority rights to Lineal's assets in connection with any liquidation or bankruptcy. Although the Secured Notes are secured by Viking, such security interests may not be sufficient to repay the notes and other creditors may have priority rights to such collateral. In the event the notes payable to us are not timely paid and/or not paid in full, it could have a material adverse effect on our cash flows and our ability to pay our debts as they become due. Any failure by Viking or Lineal to timely repay their debt obligations to us could cause the value of our securities to decline in value or become worthless.

We currently have limited production and revenues from our non-operated properties.

Our interest in non-operated properties is producing limited revenues. As such, we do not anticipate generating any significant revenues until the closing date of the Merger and will need to rely on cash on hand, funds which we can raise through the sale of equity (including shares of Series C Preferred Stock), and other borrowings to support our operations, pay operational expenses, and funds due in connection with the preparation and negotiation of the Merger documents and related filing documents, and our filings with the SEC. Such funds may not be available on favorable terms if at all. If we run out of available funds prior to the date of the Merger, we may be forced to abandon the Merger and/or our filings with the SEC and may be forced to seek bankruptcy protection.

Declines in oil and, to a lesser extent, NGL and natural gas prices, have in the past and will continue in the future to, adversely affect our business, financial condition, and results of operations may adversely affect our ability to meet our capital obligations or targets and financial commitments.

The price we receive for oil, natural gas, and NGLs, heavily influences our revenue, profitability, cash flows, liquidity, access to capital, present value and quality of reserves, the nature and scale of our operations, and future rate of growth. Oil, NGL, and natural gas are commodities and, therefore, their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. In recent years, the markets for oil and natural gas have been volatile. These markets will likely continue to be volatile in the future. Further, oil prices and natural gas prices do not necessarily fluctuate in direct relation to each other. In general, our financial results are more sensitive to movements in oil prices. The price of crude oil has experienced significant volatility over the last five years, with the price per barrel of West Texas Intermediate ("WTI") crude rising from a low of $27 in February 2016 to a high of $76 in October 2018, then, in 2020, dropping below $20 per barrel due in part to reduced global demand stemming from the recent global COVID-19 outbreak, provided that pricing has since increased to around $35-$45 per barrel prior to the filing of this Report. A prolonged period of low market prices for oil and natural gas, or further declines in the market prices for oil and natural gas, will likely result in capital expenditures being further curtailed and will adversely affect our business, financial condition and liquidity and our ability to meet obligations, targets or financial commitments and could ultimately lead to restructuring or filing for bankruptcy, which would have a material adverse effect on our stock price and indebtedness. Additionally, lower oil and natural gas prices have, and may, in the future, cause a decline in our stock price. During the calendar year ended December 31, 2019, the daily NYMEX WTI oil spot price ranged from a high of $66.24 per Bbl to a low of $46.31 per Bbl and the NYMEX natural gas Henry Hub spot price ranged from a high of $4.25 per MMBtu to a low of $1.75 per MMBtu. During the calendar nine months ended September 30, 2020, the daily NYMEX WTI oil spot price ranged from a high of $63.27 per Bbl to a low of $(36.98) per Bbl in April 2020 and the NYMEX natural gas Henry Hub spot price ranged from a high of $2.57 per MMBtu to a low of $1.33 per MMBtu.

We currently have no authorized but unissued shares of common stock.

We have authorized capital stock consisting of 25,000,000 shares of common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share. As of the date of this filing, we had 25,000,000 shares of common stock outstanding and 2,693 shares of Series C Preferred Stock outstanding (including 600 shares of Series C Preferred Stock we are in the process of cancelling). As a result, we currently have no authorized but unissued shares of common stock. In the short term we believe that the cap on our outstanding shares may be a positive as it will limit the future dilution to existing shareholders as a result of the conversion of Series C Preferred Stock, which is convertible into approximately 118,181,407 shares of common stock as of the date of this filing (ignoring the 9.99% beneficial ownership limitation governing the Series C Preferred Stock and including the 600 shares of Series C Preferred Stock which we are in the process of cancelling); however, in the long term, until such time as we are able to increase our authorized shares of common stock, which will require the approval of the shareholders of Camber (which approval we are seeking pursuant to our Registration Statement on Form S-4 and included joint proxy statement), we anticipate that such limit may negatively affect our ability to undertake transactions which may be accretive to shareholder value, including the Merger. For example, until such time as our authorized shares of common stock are increased, we will not be able to use our common stock as consideration for any acquisitions or combination transactions. Furthermore, we will not be able to sell equity or convertible debt to raise funding or issue share-based compensation to officers, directors, employees, or consultants. All of the above may negatively affect our revenues and results of operations and cause the value of our common stock to decline in value or become worthless.

Risks Relating to the Planned Merger

Because the Exchange Ratio in the Merger will be set based on a number of factors immediately prior to closing the Merger that cannot be determined now, Camber stockholders cannot be certain how many shares of Camber common stock will be issued to the Viking stockholders, in the Merger.

At the Effective Time of the Merger, (a) each share of Viking common stock issued and outstanding immediately prior to the effective time (other than Viking shares owned by Camber, Viking and Merger Sub) will be converted into the right to receive the pro rata share (when including the Viking preferred stock conversion rights (defined below)) of 80% of Camber's post-effective time capitalization (Camber's 20% share is referred to as the "Camber Percentage"), taking into account the number of shares of common stock of Camber outstanding on a fully-diluted basis, but without taking into account any shares of common stock which the holder of Camber's Series C Preferred Stock can receive upon conversion of the Series C Preferred Stock (which are currently convertible into approximately 118,181,407 shares of common stock, subject to a 9.99% beneficial ownership limitation and to further adjustment as provided in the designation of such Series C Preferred Stock, not including 15,348 shares of common stock which are currently held in abeyance subject to Camber increasing its authorized shares of common stock); and (b) each share of Viking preferred stock outstanding immediately prior to the effective time, will be converted into one (1) share of Camber Series A Preferred Stock, which preferred stock will have the right to vote, and convert into, that number of shares of Camber common stock as its holder would have received in the Merger, had such Viking preferred stock been fully converted into Viking common stock immediately prior to the effective time (which we refer to as the "Viking preferred stock conversion rights"). Holders of Viking common stock will have any fractional shares of Camber common stock after the Merger rounded up to the nearest whole share.

As a result of the above, the specific number of shares of Camber common stock issuable for each share of Viking common stock and Viking preferred stock in the Merger, will not be known at the time of the vote to approve such Merger, provided that we anticipate such Merger resulting in substantial dilution to existing shareholders and resulting in a change of control of the Company, and provided further that such Viking stockholders in aggregate, and calculated on a fully-diluted basis of Viking (including shares issuable upon conversion of the Series C Preferred Stock of Viking), will receive an aggregate of 100,000,000 shares of Camber common stock in the Merger.

The termination of the Merger Agreement could negatively impact us.

IIn the event the Merger Agreement is terminated, our business may be adversely impacted by our failure to pursue other beneficial opportunities due to the focus of management on the Merger, and the market price of our common stock might decline to the extent that the current market price reflects a market assumption that the Merger will be completed. If the Merger Agreement is terminated and our Board of Directors seeks another merger or business combination, stockholders cannot be certain that we will be able to find a party willing to offer equivalent or more attractive consideration than the consideration provided for by the Merger. If the Merger Agreement is terminated under certain circumstances, we may be required to transfer Viking back the 30% interest in Elysium and the maturity date of the Investor Note will be accelerated to being due on March 11, 2021, if the Merger has not closed by such date. Although Viking has agreed to repay the Secured Notes upon the termination of the Merger Agreement and to pay us an additional amount as a break-up fee upon termination of the Merger, which if paid will be sufficient for us to pay the amount we owe to Discover in connection with the Investor Note ($6,000,000, plus interest), Viking may be unable to pay such amounts when due and we may be unable to pay any difference in amounts owed. If we are unable to timely pay Discover amounts due in connection with the required repayment of the Investor Note it could have a material adverse effect on our cash flows, operations, and our ability to continue as a going concern, all of which could cause the value of our common stock to decline in value or become worthless.

Additionally, in the event the Merger Agreement is terminated and we are unable to raise additional funding to support our operations and/or promptly identify another party willing to enter into a combination transaction with us, we may be forced to seek bankruptcy protection.

In the event the Merger closes, it will cause immediate and substantial dilution to existing stockholders and a change of control of the Company.

Upon the terms and subject to the conditions set forth in the Merger Agreement, at the Effective Time of the Merger, each share of common stock of Viking issued and outstanding immediately prior to the Effective Time will convert into the right to receive a pro-rata share of 80% of our post-effective time capitalization in the Merger, taking into account the number of shares of common stock we have outstanding on a fully-diluted basis and without taking into account any shares of common stock which the holder of our Series C Preferred Stock can receive upon conversion of the Series C Preferred Stock, subject to certain adjustment mechanisms discussed in the Merger Agreement. As such, in the event the contemplated Merger closes, the issuance of the common stock consideration to Viking stockholders will result in immediate and substantial dilution to the interests of our then stockholders and result in a change of control of the Company.

Failure to complete the Merger could negatively impact our stock price and future business and financial results.

If the Merger is not completed, our ongoing business may be adversely affected and we would be subject to a number of risks, including the following:

? we will not realize the benefits expected from the Merger, including a potentially enhanced competitive and financial position, expansion of assets and therefore opportunities, and will instead be subject to all the risks we currently face as an independent company;

? we may experience negative reactions from the financial markets and our partners and employees;

? under the Merger Agreement, we may be required to transfer back to Viking the 30% interest in Elysium which we have acquired to date if the Merger Agreement is terminated, and will be required to repay amounts owed to Discover under the Investor Note ($6,000,000, plus interest) if the Merger does not close by March 11, 2021. If such amounts are payable, the payment of such amounts could have material and adverse consequences to our financial condition and operations. Furthermore, although Viking has agreed to pay us a break-up fee in the event the Merger is terminated, which will allow us to repay the Investor Note, Viking may be unable to pay such amount when due;

? the Merger Agreement places certain restrictions on the conduct of our business prior to the completion of the Merger or the termination of the Merger Agreement. Such restrictions, the waiver of which is subject to the consent of Viking, may prevent us from making certain acquisitions, taking certain other specified actions, or otherwise pursuing business opportunities during the pendency of the Merger;

? matters relating to the Merger (including integration planning) may require substantial commitments of time and resources by our management, which would otherwise have been devoted to other opportunities that may have been beneficial to Camber as an independent company; and

? in the event the Merger Agreement is terminated and we are unable to raise additional funding to support our operations and/or promptly identify another party willing to enter into a combination transaction with us, we may be forced to seek bankruptcy protection.

Additional risks affecting the Company, Viking, and the combined Company will be included in the Company's final Registration Statement on Form S-4 and a final proxy statement which the Company plans to file to seek shareholder approval for the Merger Agreement and Merger, among other things, and readers are encouraged to read such risk factors in such final Registration Statement on Form S-4 and proxy statement, when available.

Risks Relating to the Series C Preferred Stock

The issuance of common stock upon conversion of the Series C Preferred Stock will cause immediate and substantial dilution and the sale of such stock will cause significant downward pressure on our stock price.

The issuance of common stock upon conversion of the Series C Preferred Stock will result in immediate and substantial dilution to the interests of other stockholders. Although Discover may not receive shares of common stock exceeding 9.99% of our outstanding shares of common stock immediately after affecting such conversion, this restriction does not prevent Discover from receiving shares up to the 9.99% limit, selling those shares, and then receiving the rest of the shares it is due, in one or more tranches, while still staying below the 9.99% limit. If Discover chooses to do this, it will cause substantial dilution to the then holders of our common stock. Additionally, the continued sale of shares issuable upon successive conversions will likely create significant downward pressure on the price of our common stock as Discover sells material amounts of our common stock over time and/or in a short period of time. This could place further downward pressure on the price of our common stock and in turn result in Discover receiving an ever-increasing number of additional shares of common stock upon conversion of its securities, and adjustments thereof, which in turn will likely lead to further dilution, reductions in the exercise/conversion price of Discover's securities and even more downward pressure on our common stock, which could lead to our common stock becoming devalued or worthless. Additionally, because the beginning date for the Measuring Period for all outstanding shares of Series C Preferred Stock is February 3, 2020, the conversion price of the conversion premiums on such Series C Preferred Stock will never be above approximately $0.3985 per share (the current estimated lowest conversion price in the period from February 3, 2020 to the date of this filing), regardless of the actual trading price of Camber's common stock.

Discover holds an approximately $74.0 million liquidation preference in the Company.

Each share of Series C Preferred Stock held by Discover includes a liquidation preference, payable to Discover upon any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, after payment or provision for payment of debts and other liabilities of the Company, *prior to* any distribution or payment made to the holders of preferred stock or common stock, by reason of their ownership thereof equal to $10,000, plus an amount equal to any accrued but unpaid dividends thereon. Because the dividends currently require that interest be paid on the Face Value of 24.95% per annum, for the entire seven-year term of the Series C Preferred Stock (even if payable sooner than seven years after the issuance date), the total liquidation value required to be paid to Discover upon a liquidation, dissolution or winding up of the Company is approximately $74.0 million as of the date of this report (which amount will be reduced by $6 million upon the cancellation of the 600 shares of Series C Preferred Stock which Discover has agreed to cancel pursuant to the Exchange Agreement). As referenced above, this liquidation preference would be payable before any amount being distributed to the holders of our common stock. Because our net assets total significantly less than $74.0 million, it is likely that our common stockholders would not receive any amount in the event the Company was liquidated, dissolved, or wound up, and that Discover would instead receive the entire amount of available funds after liquidation.

Because the conversion discounts related to the conversion premiums payable in connection with the Series C Preferred Stock are fixed, and not based on percentages, the percentage of such discounts increase as our stock price declines.

The conversion rate of such premiums and dividends payable on the Series C Preferred Stock equals 95% of the average of the lowest 5 individual daily volume-weighted average prices during the applicable Measuring Period, not to exceed 100% of the lowest sales prices on the last day of the Measuring Period (the "Non-Triggering Event Percentage Discounted VWAP"), less $0.05 per share of common stock, unless a triggering event (described in the Series C Preferred Stock Designation) has occurred, in which case the conversion rate equals 85% of the lowest daily volume-weighted average price during the Measuring Period (the "Triggering Event Percentage Discounted VWAP" and together with the Non-Triggering Event Percentage Discounted VWAP, as applicable, the " Percentage Discounted VWAP"), less $0.10 per share of common stock, not to exceed 85% of the lowest sales prices on the last day of such Measuring Period, less $0.10 per share. Because the $0.05 and $0.10 discounts (the "Fixed Conversion Discounts") which apply to the already discounted Percentage Discounted VWAPs are fixed, the percentage of such discounts increase as the value of its common stock decreases. For example, see the table below:

$0.05 Discount to Percentage Discounted VWAP			**$0.10 Discount to Percentage Discounted VWAP**		
Percentage Discounted VWAP	**Conversion Price***	**Percentage of Discount ($0.05) Compared to Percentage Discounted VWAP**	**Percentage Discounted VWAP**	**Conversion Price***	**Percentage of Discount ($0.10) Compared to Percentage Discounted VWAP**
$ 2.00	$ 1.95	2.5%	$ 2.00	$ 1.90	5.0%
$ 1.75	$ 1.70	2.9%	$ 1.75	$ 1.65	5.7%
$ 1.50	$ 1.45	3.3%	$ 1.50	$ 1.40	6.7%
$ 1.25	$ 1.20	4.0%	$ 1.25	$ 1.15	8.0%
$ 1.00	$ 0.95	5.0%	$ 1.00	$ 0.90	10.0%
$ 0.75	$ 0.70	6.7%	$ 0.75	$ 0.65	13.3%
$ 0.50	$ 0.45	10.0%	$ 0.50	$ 0.40	20.0%
$ 0.25	$ 0.20	20.0%	$ 0.25	$ 0.15	40.0%
$ 0.10	$ 0.05	50.0%	$ 0.10	$ 0.001	99.0%
$ 0.05	$ 0.001	98.0%	$ 0.05	$ 0.001	98.0%

* Minimum conversion price is $0.001 per share (the par value of the common stock).

As a result, as shown above, as the trading price of Camber's common stock decreases in value, the percentage discount to the Percentage Discounted VWAP which each further $0.05/$0.10 discount results in, increases exponentially, and in certain cases may result in the ultimate conversion price being less than zero, which would result in a conversion price of $0.001 per share, the par value of Camber's common stock, and the minimum conversion price which the Series C Preferred Stock is convertible at. Notwithstanding the above, because the beginning date for the Measuring Period for all outstanding shares of Series C Preferred Stock is February 3, 2020, the conversion price of the conversion premiums on such Series C Preferred Stock will never be above approximately $0.3985 per share (as adjusted for the reverse stock split, if approved and implemented)(the current estimated lowest conversion price in the period from February 3, 2020 to the date of this filing), regardless of the actual trading price of Camber's common stock.

The effects of the Fixed Conversion Discounts may be further affected by a reverse stock split. Historically, the trading prices of companies that have completed a reverse stock split decline following such a split. At the current Fixed Conversion Discount of $0.05/$0.10 per share, the conversion price of the conversion premiums on the Series C Preferred Stock would be equal to par value ($0.001) if the Percentage Discounted VWAP falls below $0.05 and $0.10, respectively (depending on whether a triggering event has occurred, provided that no such triggering event is currently applicable to the conversion price). If the Company completes a reverse stock split of its outstanding shares of common stock, the $0.05/$0.10 Fixed Conversion Discounts will be automatically adjusted by such reverse stock split (i.e., such amounts will equal increased by the amount of the reverse stock split) and a significant decrease in the trading price of our common stock following such reverse stock split could result in the ultimate conversion price of the conversion premiums on the Series C Preferred Stock decreasing to the par value of the Company's common stock.

Our obligations under the Investor Note are secured by a first priority security interest in substantially all of our assets.

Our obligations under the Investor Note (described and defined above "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Events—Discover Exchange Agreement, Promissory Note and Security Agreement") are secured by a first priority security interest in substantially all of our assets. The Investor Note has a balance as of the date of this Report of $6 million, and is due on the earlier of (a) the second anniversary of the date of the Investor Note; (b) three months after the date of the Investor Note (March 11, 2021) in the event the Viking merger does not close by such three month anniversary; (c) the date of any change of control of the Company (provided that the Viking merger does not constitute a change of control); and (d) the date accelerated by Investor upon the occurrence of an event of default under the Investor Note. As such, in the event we fail to pay the Investor Note when due, or an event of default occurs under such Investor Note, Investor may enforce its security interests over our assets, take control of our assets and operations, force us to seek bankruptcy protection, or force us to curtail or abandon our current business plans and operations. If that were to happen, any investment in the Company could become worthless.

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

There have been no sales of unregistered securities for the period from July 1, 2020, to the filing date of this report, which have not previously been disclosed in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, or in a Current Report on Form 8-K, except as set forth below:

Since July 1, 2020, and through the date of this filing, Discover converted 258 shares of Series C Preferred Stock into 11,779,818 shares of common stock, of which, all but 15,348 shares have been fully issued to date and which shares of common stock are currently held in abeyance pending the increase in our authorized shares of common stock.

The sales and issuances of the securities described above have been determined to be exempt from registration under the Securities Act in reliance on Sections 3(a)(9) and 4(a)(2) of the Securities Act, Rule 506 of Regulation D promulgated thereunder and Regulation S promulgated thereunder, as transactions by an issuer not involving a public offering. The preferred stockholder (Discover) has represented that it is an accredited investor, as that term is defined in Regulation D, it is not a U.S. Person, and that it is acquiring the securities for its own account.

As of December 17, 2020, the 2,693 outstanding shares of Series C Preferred Stock can (which number includes 600 shares of Series C Preferred Stock which the Company is in the process of cancelling in connection with the Exchange Agreement) convert, pursuant to their terms, into 118,181,407 shares of our common stock, which number includes 165,723 shares of common stock convertible upon conversion of all of the outstanding shares of outstanding Series C Preferred Stock at a conversion price of $162.50 per share (based on the $10,000 face amount of the Series C Preferred Stock) and approximately 118,015,683 shares of common stock for premium shares due thereunder (based on the current dividend rate of 24.95% per annum), and a conversion price of $0.3985 per share, the Company's estimate of the current conversion price of such Series C Preferred Stock conversion premiums, which may be greater than or less than the conversion price that currently applies to the conversion of the Series C Preferred Stock pursuant to the terms of the Designation, which number of premium shares may increase significantly from time to time as the trading price of our

common stock decreases, upon the occurrence of any trigger event under the Designation of the Series C Preferred Stock and upon the occurrence of certain other events, as described in greater detail in the Designation of the Series C Preferred Stock. The lowest possible conversion price of the Series C Preferred Stock is $0.001 per share. If converted in full at the lowest possible conversion price, the Series C Preferred Stock would convert into a maximum of 47,033,410,723 shares of common stock.

Use of Proceeds from Sale of Registered Securities

None.

Issuer Purchases of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

ITEM 5. OTHER INFORMATION.

We have elected to make the following disclosures in this Quarterly Report on Form 10-Q instead of in a Current Report on Form 8-K under Items 1.01, 2.03, 3.03, 5.03, and 5.07, as applicable:

Item 1.01 Entry into a Material Definitive Agreement.

On December 11, 2020, the Company entered into an Exchange Agreement (the "Exchange Agreement") with Discover Growth Fund, LLC (the "Investor"), the sole shareholder of the Company's Series C Redeemable Convertible Preferred Stock (the "Series C Preferred Stock"). The transactions contemplated by the Exchange Agreement closed on December 14, 2020. Pursuant to the Exchange Agreement, as an accommodation to the Company, and in order to reduce the potential dilutive impact of the Series C Preferred Stock, by reducing the number of outstanding shares of Series C Preferred Stock, the Investor exchanged 600 shares of Series C Preferred Stock (the "Exchanged Shares"), which had an aggregate face value of $6,000,000 (600 shares each with a face value of $10,000 per share), for a $6,000,000 secured Promissory Note (the "Investor Note"). The Company is in the process of obtaining the Exchanged Shares from the Investor and plans to cancel such shares once transferred.

Pursuant to the Exchange Agreement (a) the Investor waived all prior breaches and defaults that occurred prior to the date of the Exchange Agreement or that may continue or occur for 90 days thereafter, under any agreements entered into with the Investor relating to the acquisition of shares of Series C Preferred Stock (the "90 Day Period"), and waived all rights and remedies with respect to any such breaches and defaults; (b) we agreed to timely file all reports required by the Securities and Exchange Commission (the "SEC") for so long as the Investor holds any Series C Preferred Stock (provided the Company was provided until December 31, 2020, to file its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020); (c) we agreed to indemnify and hold the Investor, its affiliates, managers and advisors, and their related parties, harmless from any losses related to any breach of the Exchange Agreement (or other transaction documents), and from any action by the Company or a creditor or stockholder of the Company, challenging the transactions contemplated by the Exchange Agreement and related agreements, except to the extent finally adjudicated to be caused solely by such indemnified party's unexcused material breach of an express provision of the Exchange Agreement or related agreements; (d) we agreed to reserve from our outstanding common stock, shares of common stock to allow for the conversion of the outstanding Series C Preferred Stock (subject to the 90 Day Period); (e) the Investor agreed to vote all shares of common stock which it holds as of the record date for any shareholder meeting in favor of the Company's previously announced pending plan of merger with Viking Energy Group, Inc. (the "Merger"), and the other proposals that are recommended for approval by the Board of Directors of the Company in the proxy statement filed in connection with such Merger; (f) the Investor agreed to the Merger and agreed to waive any rights it may have (including favored nations, anti-dilution and/or reset rights) in connection therewith; (g) we acknowledged that the Investor had previously provided notice to the Company of its intent to increase the beneficial ownership limitation set forth in the designation of the Series C Preferred Stock to 9.99%, and that such limitation will continue to apply moving forward; and (h) we provided the Investor and its related parties a general release.

The Exchange Agreement also amended the June 22, 2020 Stock Purchase Agreement previously entered into with the Investor, pursuant to which the Investor purchased 630 shares of Series C Preferred Stock, to remove from such June 22, 2020 agreement (i) the prohibition on the Investor transferring and/or selling shares of Series C Preferred Stock; and (ii) the repurchase obligation, which required the Company to redeem for cash, at 110% of the face value thereof ($10,000 per share), all 630 shares of

Series C Preferred Stock sold by the Company in June 2020, in the event the Merger did not close by the required date set forth in the plan of merger relating thereto (as amended from time to time), and all similar provisions in any prior agreements entered into between the Company and the Investor.

The Investor Note has a balance of $6,000,000 and accrues interest at the rate of 10% per annum, which increases to the highest non-usurious rate of interest allowed under applicable law upon the occurrence of an event of default, which interest is due on the maturity date, which maturity date is the earlier of (a) December 11, 2022 (which may be extended with the mutual consent of the parties and a written amendment to the Investor Note signed by the Investor); (b) March 11, 2021, in the event the Merger does not close or is not fully consummated by such date; and (c) the date a change of control of the Company occurs, which includes any person becoming the beneficial owner of more than 50% of the combined voting power of the Company (a "Change in Ownership"), or the approval of (1) a plan of complete liquidation, (2) an agreement for the sale or disposition of all or substantially all the Company's assets, or (3) a merger (other than a merger for purposes of redomiciling the Company), consolidation, or reorganization of the Company, which would result in a Change in Ownership, provided that the closing of the Merger will not trigger a change of control (or Change in Ownership).

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The Investor Note includes customary events of default including (a) if we don't pay principal or accrued interest within five business days following the maturity date of the note, (b) we admit in writing our inability to pay our debts as they become due, or make a general assignment for the benefit of creditors; (c) we commence any case relating to bankruptcy or similar proceedings; (d) any bankruptcy or similar proceeding is commenced against us, and such case or proceeding (i) results in the entry of an order for relief against us which is not fully stayed within five business days after the entry thereof or (ii) is not dismissed within sixty days of commencement; or (e) we default in the performance of any of the terms, covenants, or conditions contained in the Security Agreement (defined below) and such default continues for a period of more than ten days following written notice from the Investor. Upon the occurrence of an event of default, the Investor has the right to accelerate the full amount of the Investor Note and all interest thereon, to enforce its rights under the Security Agreement, and take other actions allowed under applicable law.

Payment of the Investor Note and performance of our obligations thereunder is required to be guaranteed by all subsidiaries or entities controlled or owned by the Company, or which may be owned after the date of the Investor Note, provided that no guarantees have been entered into to date.

The Investor Note may be assigned by the Investor subject to compliance with applicable securities laws. We may prepay the Investor Note at any time.

The payment of amounts due under the Investor Note is secured by the terms of a Security Agreement entered into by the Company in favor of the Investor, which provides the Investor a first priority security interest in substantially all of our assets (the " Security Agreement"). If an event of default occurs under the Investor Note, the Investor can enforce its rights under the Security Agreement and foreclose on our assets in order to satisfy amounts owed thereunder.

The foregoing descriptions of the Exchange Agreement, Investor Note and Security Agreement, do not purport to be complete and are qualified in their entirety by reference to the Exchange Agreement, herein Investor Note and Security Agreement, copies of which are filed as Exhibits 10.32, 10.33 and 10.34, to this Quarterly Report on Form 10-Q, respectively, and incorporated in this Item 1.01 by reference in their entirety.

Item 2.03 Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01, including, but not limited to the discussion of the Investor Note and Security Agreement, is incorporated in this Item 2.03 by reference.

Item 3.03 Material Modification to Rights of Security Holders.

To the extent required by Item 3.03 of Form 8-K, the information contained in Item 5.03 relating to the Corrections and Second Amended and Restated Designation (each as defined in Item 5.03), is incorporated in this Item 3.03 by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On December 11, 2020, the Company's Board of Directors, and the Investor, the sole shareholder of the Company's Series C Preferred Stock (pursuant to a written consent to action without meeting of the sole Series C Preferred Stock shareholder), approved (a) the filing of Certificate of Corrections to the original Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock of the Company filed by the Company with the Secretary of State of Nevada on August 25, 2016 and the Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock of the Company filed with the Secretary of State of Nevada on July 8, 2019 (collectively, the "Original Series C Designations" and the "Corrections"); and (b) a Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock (the "Second Amended and Restated Designation").

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The Corrections corrected certain errors which were recently identified in the Original Series C Designations, which failed to clarify, in error, that (A) the failure of any holder of Series C Preferred Stock to receive the number of shares of common stock due upon conversion of Series C Preferred Stock within five trading days of any conversion notice, and any halt or suspension of trading of the Company's common stock on its then applicable trading market or by any U.S. governmental agency, for 10 or more consecutive trading days, should not have been 'deemed liquidation events' under the Original Series C Designations, unless such events were due to the occurrence of an event that is solely within the control of the Company; (B) we were not required to redeem any shares of Series C Preferred Stock for cash solely because we do not have sufficient authorized but unissued shares of common stock to issue upon receipt of a notice of conversion or upon a maturity conversion (where the remaining shares of Series C Preferred Stock convert into common stock of the Company automatically on the seven year anniversary date of the Series C Preferred Stock)(a "Maturity Conversion"); and (C) that a Maturity Conversion is only required to occur to the extent that we have sufficient authorized but unissued shares of common stock available for issuance upon conversion in connection therewith.

The Corrections were filed with the Secretary of State of Nevada on December 14, 2020, and were effective as of the original filing dates with the Secretary of State of Nevada of our original Series C Preferred Stock designation (August 25, 2016) and our first amended and restated Series C Preferred Stock designation (July 8, 2019), subject to certain exceptions set forth in the Nevada Revised Statutes.

The Second Amended and Restated Designation, which was filed with, and became effective with, the Secretary of State of Nevada on December 14, 2020, amended the first amended and restated designation of the Series C Preferred Stock (as corrected by the Corrections), to include the right of the Company to redeem all (but not less than all) of the outstanding shares of Series C Preferred Stock at a redemption price equal to 110% of the face value of such preferred stock ($10,000 per share), at our option, at any time, in the event we are not in default of any of the terms of any Stock Purchase Agreement pursuant to which such applicable shares of Series C Preferred Stock were sold; (b) update the conversion price of the face amount ($10,000 per share) of the Series C Preferred Stock in connection with our prior 1-for-50 reverse stock split (i.e., to confirm the change in such conversion price from $3.25 per share to $165.50 per share), which had no effect on the conversion rate of conversion premiums due under the terms of the Series C Preferred Stock, and which conversion price was already being reflected in prior conversion notices after the date of such reverse split; (c) formally amend the measurement period for the calculation of the conversion premiums due under the terms of the Series C Preferred Stock to begin on the later of February 3, 2020 or, if no trigger event (as described in the designation of the Series C Preferred Stock) has occurred, 30 trading days, and if a trigger event has occurred 60 trading days, before the date of an applicable conversion notice, which had previously been agreed to contractually by the parties (i.e., the beginning of each future measurement period for conversions made after February 3, 2020, will extend back to February 3, 2020); and (d) update the references in the designation to the "Merger" which had previously referred to the Company's combination with Lineal Star Holdings, LLC, which transaction was rescinded and terminated effective December 31, 2019, to refer to the planned Merger with Viking Energy Group, Inc., which has the effect of the Merger being approved by the holder of the Series C Preferred Stock and not being a 'deemed liquidation event' under the Second Amended and Restated Designation.

Except as corrected and amended as described above, the description of the Company's Series C Preferred Stock is set forth under "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – Description of Capital Stock- Preferred Stock - Series C Redeemable Convertible Preferred Stock" in the Company's Annual Report on Form 10-K, filed with the SEC on June 29, 2020, and is incorporated by reference herein.

The foregoing descriptions of the Corrections and Second Amended and Restated Designation do not purport to be complete and are qualified in their entirety by reference to the Corrections and Second Amended and Restated Designation, copies of which are filed as Exhibits 3.23, 3.24 and 3.25 to this Quarterly Report on Form 10-Q, respectively, and incorporated in this Item 5.03 by reference in their entirety.

Item 5.07

Submission of Matters to a Vote of Security Holders.

As described above in Item 5.03, which information is incorporated by reference in this Item 5.07, on December 11, 2020, via a written consent to action without meeting, the sole shareholder of the Company's Series C Preferred Stock approved the filing of the Corrections and the adoption of the Second Amended and Restated Designation of the Series C Preferred Stock of the Company.

ITEM 6. EXHIBITS.

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAMBER ENERGY, INC.
(Registrant)

/s/ Louis G. Schott
Louis G. Schott
Interim Chief Executive Officer
(Principal Executive Officer)

Date: December 18, 2020

/s/ Robert Schleizer
Robert Schleizer
Chief Financial Officer
(Principal Financial/Accounting Officer)

Date: December 18, 2020

EXHIBIT INDEX

Exhibit No.	Description
2.1#	Agreement and Plan of Merger by and Between Viking Energy Group, Inc., and Camber Energy, Inc. dated as of February 3, 2020 (Filed as Exhibit 2.1 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
2.2	First Amendment to Agreement and Plan of Merger, dated as of May 27, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.2 to the Company's Report on Form 8-K, filed with the Commission on June 1, 2020, and incorporated herein by reference) (File No. 001-32508)
2.3	Second Amendment to Agreement and Plan of Merger, dated as of June 16, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.3 to the Company's Report on Form 8-K, filed with the Commission on June 16, 2020, and incorporated herein by reference) (File No. 001-32508)
2.4	Third Amendment to Agreement and Plan of Merger, dated as of June 25, 2020, by and between Viking Energy, Inc. and Camber Energy, Inc. (Filed as Exhibit 2.4 to the Company's Report on Form 8-K, filed with the Commission on June 26, 2020, and incorporated herein by reference) (File No. 001-32508)
2.5#	Amended and Restated Agreement and Plan of Merger by and Between Viking Energy Group, Inc., and Camber Energy, Inc. dated as of August 31, 2020 (Filed as Exhibit 2.1 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
2.6	First Amendment to Amended and Restated Agreement and Plan of Merger by and Between Viking Energy Group, Inc., and Camber Energy, Inc. dated as of October 9, 2020 (Filed as Exhibit 2.1 to Camber's Report on Form 8-K, filed with the Commission on October 9, 2020, and incorporated herein by reference) (File No. 001-32508)
3.1	Articles of Incorporation (Filed as Exhibit 3.1 to the Company's Annual Report on Form 10-KSB for the fiscal year ended November 30, 2005, filed with the SEC on February 14, 2006, and incorporated herein by reference)(File No. 000-51414)
3.2	Certificate of Amendment to Articles of Incorporation (Incorporated by reference herein to Exhibit B to the Company's Information Statement on Schedule 14C filed with the SEC on June 1, 2006) (File No. 000-51414)
3.3	Certificate of Amendment to Articles of Incorporation (Incorporated by reference herein to Exhibit B to the Company's Information Statement on Schedule 14C filed with the SEC on February 20, 2007)(File No. 000-51414)
3.4	Certificate of Amendment to Articles of Incorporation (Incorporated by reference herein to Exhibit B to the Company's Proxy Statement on Schedule 14A filed with the SEC on March 11, 2010) (File No. 001-32508)
3.5	Certificate of Amendment to Articles of Incorporation (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on January 11, 2011, and incorporated herein by reference)(File No. 001-32508)
3.6	Certificate of Amendment to Articles of Incorporation (1-for-25 Reverse Stock Split of Common Stock) (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on July 2, 2015, and incorporated herein by reference)(File No. 001-32508)
3.7	Certificate of Amendment to the Articles of Incorporation, amending the Company's name to "Camber Energy, Inc.", filed with the Secretary of State of Nevada on January 3, 2017 (Filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q, filed with the Commission on February 14, 2017, and incorporated herein by reference)(File No. 001-32508)
3.8	Certificate of Amendment to the Company's Articles of Incorporation to increase the number of our authorized shares of common stock from 200,000,000 to 500,000,000, as filed with the Secretary of State of Nevada on January 10, 2018 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on January 12, 2018, and incorporated herein by reference) (File No. 001-32508)
3.9	Certificate of Amendment to Articles of Incorporation (1-for-25 Reverse Stock Split of Common Stock) filed with the Nevada Secretary of State on March 1, 2018, and effective March 5, 2018 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on March 2, 2018, and incorporated herein by reference) (File No. 001-32508)

3.10	Certificate of Change Pursuant to Nevada Revised Statutes Section 78.209, as filed by Camber Energy, Inc. with the Secretary of State of the State of Nevada on December 20, 2018 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on December 26, 2018, and incorporated herein by reference)(File No. 001-32508)
3.11	Certificate of Amendment to the Company's Articles of Incorporation to increase the number of our authorized shares of common stock from 20,000,000 to 250,000,000, as filed with the Secretary of State of Nevada on April 10, 2019 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on April 11, 2019, and incorporated herein by reference)(File No. 001-32508)
3.12	Certificate of Amendment to Articles of Incorporation (1-for-25 Reverse Stock Split of Common Stock) filed with the Nevada Secretary of State on July 3, 2019, and effective July 8, 2019 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on July 8, 2019, and incorporated herein by reference) (File No. 001-32508)
3.13	Camber Energy, Inc. Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock as filed with the Secretary of State of Nevada on July 8, 2019 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on July 9, 2019, and incorporated herein by reference) (File No. 001-32508)
3.14	State of Delaware Certificate of Merger of Domestic Corporation Into Domestic Limited Liability Company, filed with the Secretary of State of Delaware on July 10, 2019, and effective July 9, 2019, merging Camber Energy Merger Sub 2, Inc. into Lineal Star Holdings LLC (Filed as Exhibit 3.8 to the Company's Quarterly Report on Form 10-Q, filed with the Commission on August 14, 2019, and incorporated herein by reference) (File No. 001-32508)
3.15	Certificate of Change Pursuant to Nevada Revised Statutes Section 78.209, filed by Camber Energy, Inc. with the Secretary of State of Nevada on October 25, 2019, and effective on October 29, 2019 (Filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 29, 2019, and incorporated herein by reference) (File No. 001-32508)
3.16	Certificate of Amendment to Articles of Incorporation (Increase in Authorized Common Stock to 25 Million Shares) filed with the Nevada Secretary of State on April 16, 2020, and effective April 16, 2020
3.17	Certificate of Withdrawal of Certificate of Designation of Series A Convertible Preferred Stock filed with the Secretary of State of Nevada on May 15, 2020 (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on May 19, 2020, and incorporated herein by reference)(File No. 001-32508)
3.18	Certificate of Withdrawal of Certificate of Designation of Series B Redeemable Convertible Preferred Stock filed with the Secretary of State of Nevada on May 15, 2020 (Filed as Exhibit 3.2 to the Company's Report on Form 8-K, filed with the Commission on May 19, 2020, and incorporated herein by reference)(File No. 001-32508)
3.19	Certificate of Withdrawal of Certificate of Designation of Series D Convertible Preferred Stock filed with the Secretary of State of Nevada on May 15, 2020 (Filed as Exhibit 3.3 to the Company's Report on Form 8-K, filed with the Commission on May 19, 2020, and incorporated herein by reference)(File No. 001-32508)
3.20	Certificate of Withdrawal of Certificate of Designation of Series E Redeemable Convertible Preferred Stock filed with the Secretary of State of Nevada on May 15, 2020 (Filed as Exhibit 3.4 to the Company's Report on Form 8-K, filed with the Commission on May 19, 2020, and incorporated herein by reference)(File No. 001-32508)
3.21	Certificate of Withdrawal of Certificate of Designation of Series F Redeemable Preferred Stock filed with the Secretary of State of Nevada on May 15, 2020 (Filed as Exhibit 3.5 to the Company's Report on Form 8-K, filed with the Commission on May 19, 2020, and incorporated herein by reference)(File No. 001-32508)
3.22	Certificate of Designations of Preferences, Rights and Limitations of Series A Convertible Preferred Stock of Camber Energy, Inc., filed with the Secretary of State of Nevada on August 31, 2020 (Filed as Exhibit 3.1 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference)(File No. 001-32508)
3.23*	Certificate of Correction filed with the Secretary of State of Nevada on December 14, 2020, correcting the Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock as filed with the Secretary of State of Nevada on August 25, 2016
3.24*	Certificate of Correction filed with the Secretary of State of Nevada on December 14, 2020, correcting the Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock as filed with the Secretary of State of Nevada on July 8, 2019
3.25*	Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock as filed with the Secretary of State of Nevada on December 14, 2020

3.26	Amended and Restated Bylaws (effective March 29, 2016) (Filed as Exhibit 3.1 to the Company's Report on Form 8-K, filed with the Commission on April 1, 2016, and incorporated herein by reference)(File No. 001-32508)
10.1	$1,539,719 Promissory Note effective December 31, 2019, evidencing amounts owed by Lineal Star Holdings, LLC to Camber Energy, Inc. (Filed as Exhibit 10.1 to the Company's Report on Form 8-K, filed with the Commission on January 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.2	$800,000 Promissory Note No. 2 effective December 31, 2019, evidencing amounts owed by Lineal Star Holdings, LLC to Camber Energy, Inc. (Filed as Exhibit 10.2 to the Company's Report on Form 8-K, filed with the Commission on January 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.3+	Form of Stock Purchase Agreement relating to the purchase of $5 million in shares of Series C Redeemable Convertible Preferred Stock dated February 3, 2020 (Filed as Exhibit 10.1 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.4	Form of Waivers and Amendments to Stock Purchase Agreements dated February 3, 2020, by and between Camber Energy, Inc. and the Investor Named Therein (Filed as Exhibit 10.2 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.5+	Securities Purchase Agreement dated as of February 3, 2020, by and Between Camber Energy, Inc. (Purchaser) and Viking Energy Group, Inc. (Filed as Exhibit 10.3 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.6	$5,000,000 10.5% Secured Promissory Note Issued by Viking Energy Group, Inc. to Camber Energy, Inc. Dated February 3, 3020 (Filed as Exhibit 10.4 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.7	Security and Pledge Agreement, dated as of February 3, 2020, by and among Viking Energy Group, Inc. and Camber Energy, Inc. (Filed as Exhibit 10.5 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.8	Security and Pledge Agreement, dated as of February 3, 2020, by and among Viking Energy Group, Inc. and Camber Energy, Inc. (Filed as Exhibit 10.6 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.9	Assignment of Membership Interests by Viking Energy Group, Inc. in favor of Camber Energy, Inc. dated February 3, 2020 (Filed as Exhibit 10.7 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.10	Compromise Settlement Agreement executed January 31, 2020, between PetroGlobe Energy Holdings, LLC, Signal Drilling, LLC, Petrolia Oil, LLC, Prairie Gas Company of Oklahoma, LLC, Canadian River Trading Company, LLC, and Camber Energy, Inc. (Filed as Exhibit 10.8 to the Company's Report on Form 8-K, filed with the Commission on February 5, 2020, and incorporated herein by reference) (File No. 001-32508)
10.11	February 15, 2020 Letter Agreement with Sylva International LLC dba SylvaCap Media (Filed as Exhibit 10.1 to the Company's Report on Form 8-K, filed with the Commission on May 13, 2020, and incorporated herein by reference) (File No. 001-32508)
10.12	Form of Stock Purchase Agreement relating to the purchase of $6 million in shares of Series C Redeemable Convertible Preferred Stock dated June 22, 2020 (Filed as Exhibit 10.1 to the Company's Report on Form 8-K, filed with the Commission on June 23, 2020, and incorporated herein by reference) (File No. 001-32508)
10.13	Form of Amendment to Stock Purchase Agreements dated June 22, 2020, by and between Camber Energy, Inc. and the Investor Named Therein (Filed as Exhibit 10.2 to the Company's Report on Form 8-K, filed with the Commission on June 23, 2020, and incorporated herein by reference) (File No. 001-32508)

10.14+	Securities Purchase Agreement dated as of June 25, 2020, by and Between Camber Energy, Inc. (Purchaser) and Viking Energy Group, Inc. (Filed as Exhibit 10.1 to the Company's Report on Form 8-K, filed with the Commission on June 26, 2020, and incorporated herein by reference) (File No. 001-32508)
10.15	$5,000,000 10.5% Secured Promissory Note Issued by Viking Energy Group, Inc. to Camber Energy, Inc. Dated June 25, 2020 (Filed as Exhibit 10.2 to the Company's Report on Form 8-K, filed with the Commission on June 26, 2020, and incorporated herein by reference) (File No. 001-32508)
10.16	Security and Pledge Agreement, dated as of June 25, 2020, by and among Viking Energy Group, Inc. and Camber Energy, Inc. (Filed as Exhibit 10.3 to the Company's Report on Form 8-K, filed with the Commission on June 26, 2020, and incorporated herein by reference) (File No. 001-32508)
10.17	Amended and Restated Security and Pledge Agreement, dated as of June 25, 2020, by and among Viking Energy Group, Inc. and Camber Energy, Inc. (Filed as Exhibit 10.4 to the Company's Report on Form 8-K, filed with the Commission on June 26, 2020, and incorporated herein by reference) (File No. 001-32508)
10.18	Assignment of Membership Interests by Viking Energy Group, Inc. in favor of Camber Energy, Inc. dated June 25, 2020 (Filed as Exhibit 10.5 to the Company's Report on Form 8-K, filed with the Commission on June 26, 2020, and incorporated herein by reference) (File No. 001-32508)
10.19***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with Louis G. Schott (Filed as Exhibit 10.4 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.20***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with Robert Schleizer (Filed as Exhibit 10.5 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.21***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with Fred Zeidman (Filed as Exhibit 10.6 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.22***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with James G. Miller (Filed as Exhibit 10.7 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.23***	Engagement Letter with Fides Energy LLC/Louis G. Schott dated May 25, 2018 (Filed as Exhibit 10.3 to the Company's Report on Form 8-K, filed with the Commission on May 25, 2018, and incorporated herein by reference) (File No. 001-32508)
10.24***	First Amendment to May 25, 2018, Engagement Letter with Fides Energy LLC/Louis G. Schott dated August 31, 2020 (Filed as Exhibit 10.9 to the Company's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.25***	December 1, 2017 Letter Agreement between Camber Energy, Inc. and BlackBriar Advisors LLC (Filed as Exhibit 10.41 to the Company's Annual Report on Form 10-K, filed with the Commission on July 1, 2019, and incorporated herein by reference)(File No. 001-32508)
10.26***	First Amendment to December 1, 2017 Letter Agreement between Camber Energy, Inc. and BlackBriar Advisors LLC dated August 31, 2020 (Filed as Exhibit 10.11 to the Company's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.27***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with Louis G. Schott (Filed as Exhibit 10.4 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.28***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with Robert Schleizer (Filed as Exhibit 10.5 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.29***	Past Service Payment and Success Bonus Agreement dated August 31, 2020, with Fred Zeidman (Filed as Exhibit 10.6 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)

10.30	May 19, 2020, First Amendment to Letter Agreement with Sylva International LLC dba SylvaCap Media (Filed as Exhibit 10.2 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.31	August 30, 2020, Second Amendment to Letter Agreement with Sylva International LLC dba SylvaCap Media (Filed as Exhibit 10.3 to Camber's Report on Form 8-K, filed with the Commission on September 3, 2020, and incorporated herein by reference) (File No. 001-32508)
10.32*	Form of Exchange Agreement dated December 11, 2020, by and between Camber Energy, Inc. and the Investor Named Therein
10.33*	Form of $6,000,000 Promissory Note dated December 11, 2020, by and between Camber Energy, Inc. and the Investor Named Therein
10.34*	Form of Security Agreement dated December 11, 2020, by and between Camber Energy, Inc. and the Investor Named Therein
31.1*	Section 302 Certification of Periodic Report of Principal Executive Officer
31.2*	Section 302 Certification of Periodic Report of Principal Financial Officer
32.1**	Section 906 Certification of Periodic Report of Principal Executive Officer
32.2**	Section 906 Certification of Periodic Report of Principal Financial Officer
*101.INS	XBRL Instance Document.
*101.SCH	XBRL Schema Document.
*101.CAL	XBRL Calculation Linkbase Document.
*101.LAB	XBRL Label Linkbase Document.
*101.PRE	XBRL Presentation Linkbase Document.
*101.DEF	XBRL Definition Linkbase Document.

* Exhibits filed herewith.

** Exhibits furnished herewith.

*** Management contract or compensatory plan.

+ Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) and/or Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Commission upon request; provided

Exhibit 3.23

(image)

Section I.D.2 of the Designation is corrected to read:

"2. A "**Deemed Liquidation Event**" will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Acquisition; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation."

Section I.F.4 of the Designation is corrected to read:

"**4.** **Mandatory Redemption.** If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. The Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice or upon a maturity conversion."

Section I.G.8 of the Designation is corrected to read:

"**8. Conversion at Maturity.** On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion."

EX-3.24
EX-3.24 3 ex3-24.htm CERTIFICATE OF CORRECTION 1ST AMENDED SERIES C

Exhibit 3.24

(image)

Section I.D.2 of the Designation is corrected to read:

"2. A "**Deemed Liquidation Event**" will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Merger; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, other than the securities issued in the Merger; (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; or (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation, other than the Merger and except otherwise agreed to by holders holding a majority of the then outstanding Series C Preferred Stock."

Section I.F.4 of the Designation is corrected to read:

"**4.** **Mandatory Redemption.** If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. The Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice or upon a maturity conversion."

Section I.G.8 of the Designation is corrected to read:

"**8.** **Conversion at Maturity.** On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion."

Exhibit 3.25

(image)

CAMBER ENERGY, INC.

SECOND AMENDED AND RESTATED
CERTIFICATE OF DESIGNATIONS OF PREFERENCES, POWERS,
RIGHTS AND LIMITATIONS
OF
SERIES C REDEEMABLE CONVERTIBLE PREFERRED STOCK

Pursuant to Section 78.1955 of the Nevada Revised Statutes (the "**NRS**"), Camber Energy, Inc., a company organized and existing under the State of Nevada (the "**Corporation**"),

DOES HEREBY CERTIFY that, (a) the Board of Directors, by unanimous written consent of all members of the Board of Directors on December 11, 2020; and (b) the stockholders of the Series C Redeemable Convertible Preferred Stock of the Corporation, voting as a class, on December 11, 2020, duly adopted this Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock, by adoption of a resolution which reads as follows, and which shall amend, replace and supersede the *Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock*, previously filed by the Corporation with the Secretary of State of Nevada on July 8, 2019 (as amended to date, the "**Prior Designation**"), which resolution is and reads as follows:

WHEREAS, the Certificate of Incorporation of the Corporation provides for a class of its authorized stock known as preferred stock, comprised of 10,000,000 shares, $0.001 par value per share (the "**Preferred Stock**"), issuable from time to time in one or more series;

WHEREAS, the Board of Directors of the Corporation is authorized to fix the dividend rights, dividend rate, powers, voting rights, conversion rights, rights and terms of redemption and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any Series and the designation thereof, of any of them;

WHEREAS, it is the desire of the Board of Directors of the Corporation, pursuant to its authority as aforesaid and as set forth in this Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock (the "**Designation**"), to designate the rights, preferences, restrictions and other matters relating to the Series C Redeemable Convertible Preferred Stock, which will consist of up to 5,000 shares of the Preferred Stock which the Corporation has the authority to issue, and which shall amend, supersede and replace the Prior Designation, as follows:

NOW, THEREFORE, BE IT RESOLVED, that the Preferred Stock shall have the following powers, rights, preferences, and restrictions as follows:

I. Terms of Preferred Stock.

A. Designation and Amount. A series of Preferred Stock is hereby designated as the Corporation's Series C Redeemable Convertible Preferred Stock, par value of $0.001 per share (the "**Series C Preferred Stock**"), the number of shares of which so designated are 5,000 shares of Series C Preferred Stock; which Series C Preferred Stock will not be subject to increase without any consent of the holders of the Series C Preferred Stock (each a "**Holder**" and collectively, the "**Holders**") that may be required by applicable law.

B. Ranking and Voting.

1. Ranking. The Series C Preferred Stock will, with respect to dividend rights and rights upon liquidation, winding-up or dissolution, rank: (a) senior to the Corporation's Common Stock, $0.001 par value per share ("**Common Stock**"); (b) junior 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 Corporation after the date of this Designation (the "**Series E and F Preferred**") as to the Lineal Star Assets but senior to the Series E and F Preferred as to all other assets of the Company; (c) 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 Corporation. Without the prior written consent of the Holders of a majority of the outstanding shares of Series C Preferred Stock (voting separately as a single class), the Corporation may not issue any additional shares of Series C Preferred Stock, or any other Preferred Stock that is pari passu or senior to the Series C Preferred Stock with respect to any rights for a period of 1 year after the earlier of such date (i) a registration statement is effective and available for the resale of all Conversion Shares, or (ii) Securities Act Rule 144 is available for the immediate unrestricted resale of all Conversion Shares, other than the Series E and Series F Preferred Stock.

2. Voting. Except as required by applicable law or as set forth herein, the holders of shares of Series C Preferred Stock will have no right to vote on any matters, questions or proceedings of this Corporation including, without limitation, the election of directors except: (a) during a period where a dividend (or part of a dividend) is in arrears; (b) on a proposal to reduce the Company's share capital; (c) on a resolution to approve the terms of a buy-back agreement; (d) on a proposal to wind up the Company; (e) on a proposal for the disposal of all or substantially all the Company's property, business and undertaking; and (f) during the winding-up of the entity.

C. Dividends.

1. Commencing on the date of the issuance of any such shares of Series C Preferred Stock (each respectively an "**Issuance Date**"), each outstanding share of Series C Preferred Stock will accrue cumulative dividends ("**Dividends**"), at a rate equal to 6.0% per annum, subject to adjustment as provided in this Certificate of Designations ("**Dividend Rate**"), of the Face Value**.** Dividends will be payable with respect to any shares of Series C Preferred Stock upon any of the following: (a) upon redemption of such shares in accordance with **Section I.F**; (b) upon conversion of such shares in accordance with **Section I.G**; and (c) when, as and if otherwise declared by the board of directors of the Corporation.

2. Dividends, as well as any applicable Conversion Premium payable hereunder, will be paid: (a) in the Corporation's sole and absolute discretion, immediately in cash; or (b) if Corporation notifies Holder it will not pay all or any portion in cash, or to the extent cash is not paid and received as soon as practicable, and in any event within 1 Trading Day after the Notice Time, for any reason whatsoever, in shares of Common Stock valued at (i) if there has never been a Trigger Event, (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 (ii) following any Trigger Event, (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. In no event will the value of Common Stock pursuant to the foregoing be below the par value per share. All amounts that are required or permitted to be paid in cash pursuant to this Certificate of Designations will be paid by wire transfer of immediately available funds to an account designated by Holder.

3. So long as any shares of Series C Preferred Stock are outstanding, the Company will not repurchase shares of Common Stock other than as payment of the exercise or conversion price of a convertible security or payment of withholding tax, and no dividends or other distributions will be paid, declared or set apart with respect to any Common Stock, except for Purchase Rights.

D. Protective Provision.

1. So long as any shares of Series C Preferred Stock are outstanding, the Corporation will not, without the affirmative approval of the Holders of a majority of the shares of the Series C Preferred Stock then outstanding (voting separately as one class), (i) alter or change adversely the powers, preferences or rights given to the Series C Preferred Stock or alter or amend this Certificate of Designations, (ii) authorize or create any class of stock ranking as to distribution of dividends senior to the Series C Preferred Stock, (iii) amend its certificate of incorporation or other charter documents in breach of any of the provisions hereof, (iv) increase the authorized number of shares of Series C Preferred Stock or (v) enter into any agreement with respect to the foregoing.

2. A "**Deemed Liquidation Event**" will mean: (a) a merger or consolidation in which the Corporation is a constituent party or a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except (i) any such merger or consolidation involving the Corporation or a subsidiary in which the Corporation is the surviving or resulting corporation, (ii) any merger effected exclusively to change the domicile of the Corporation, (iii) any transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain more than 50% of the total voting power of such surviving entity, or (iv) the Merger; (b) Corporation issues convertible or equity securities that are senior to the Series C Preferred Stock in any respect, other than the securities issued in the Merger; (c) Holder does not receive the number of Conversion Shares stated in a Delivery Notice with 5 Trading Days of the Notice Time, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; (d) trading of the Common Stock is halted or suspended by the Trading Market or any U.S. governmental agency for 10 or more consecutive trading days, due to the occurrence of an event that is solely within the control of the Corporation and excluding any event that is not solely within the control of the Corporation; or (e) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation, other than the Merger and except otherwise agreed to by holders holding a majority of the then outstanding Series C Preferred Stock.

3. The Corporation will not have the power to close or effect a voluntary Deemed Liquidation Event unless the agreement or plan of merger or consolidation for such transaction provides that the consideration payable to the stockholders of the Corporation will be allocated among the holders of capital stock of the Corporation in accordance with **Section I.E**, and the required amount is paid to Holder prior to or upon closing, effectuation or occurrence of the Deemed Liquidation Event.

E. **Liquidation**.

1. Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, after payment or provision for payment of debts and other liabilities of the Corporation, prior to any distribution or payment made to the holders of Preferred Stock or Common Stock by reason of their ownership thereof, the Holders of Series C Preferred Stock will be entitled to be paid out of the assets of the Corporation (other than the Lineal Star Assets) available for distribution to its stockholders an amount with respect to each share of Series C Preferred Stock equal to $10,000.00 ("**Face Value**"), plus an amount equal to any accrued but unpaid Dividends thereon (collectively with the Face Value, the "**Liquidation Value**").

2. If, upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the amounts payable with respect to the shares of Series C Preferred Stock are not paid in full, the holders of shares of Series C Preferred Stock will share equally and ratably with the holders of shares of Preferred Stock and Common Stock in any distribution of assets of the Corporation (other than the Lineal Star Assets) in proportion to the liquidation preference and an amount equal to all accumulated and unpaid Dividends, if any, to which each such holder is entitled.

3. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation will be insufficient to make payment in full to all Holders, then the assets distributable to the Holders will be distributed among the Holders at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

F. Redemption.

1. Corporation's Redemption Option. On the Dividend Maturity Date, the Corporation may redeem any or all shares of Series C Preferred Stock by paying Holder in cash an amount per share equal to 100% of the Liquidation Value for the shares redeemed.

2. Early Redemption. Prior to the Dividend Maturity Date, provided that no Trigger Event has occurred, the Corporation will have the right at any time upon 30 Trading Days' prior written notice, in its sole and absolute discretion, to redeem all or any portion of the shares of Series C Preferred Stock then outstanding by paying Holder in cash an amount per share of Series C Preferred Stock (the "**Early Redemption Price**") equal to the sum of the following: (a) 100% of the Face Value, plus (b) the Conversion Premium, minus (c) any Dividends that have been paid, for each share of Series C Preferred Stock redeemed. Provided Company has not materially breached the Stock Purchase Agreement, the Corporation may at any time, in its sole and absolute discretion, redeem all, but not less than all, shares of Series C Preferred Stock then outstanding by paying Holders in cash an amount per share of Series C Preferred Stock (the "**Total Redemption Price**") equal to 110.0% of the aggregate Face Value of all such shares.

3. Credit Risk Adjustment.

a. The Dividend Rate will adjust downward by an amount equal to the Spread Adjustment for each amount, if any, equal to the Adjustment Factor that the Measuring Metric rises above the Maximum Triggering Level, down to a minimum of 0.0%.

b. The Dividend Rate will adjust upward by an amount equal to the Spread Adjustment for each amount, if any, equal to the Adjustment Factor that the Measuring Metric falls below the Minimum Triggering Level, up to a maximum of 24.95%. In addition, the Dividend Rate will adjust upward by 10.0% following the occurrence of any Trigger Event.

c. The adjusted Dividend Rate used for calculation of the Liquidation Value, Conversion Premium, Early Redemption Price and Dividend, as applicable, and the amount of Dividends owed will be calculated and determined based upon the Measuring Metric at close of the Trading Market immediately prior to the Notice Time.

4. **Mandatory Redemption.** If the Corporation determines to liquidate, dissolve or wind-up its business and affairs, or upon closing or occurrence of any Deemed Liquidation Event, the Corporation will after the redemption of the Series E and Series F Preferred Stock for ownership of Lineal Holdings, LLC, to the extent allowed under applicable law, but thereafter, prior to or concurrently with the closing, effectuation or occurrence any such action, redeem the Series C Preferred Stock for cash, by wire transfer of immediately available funds to an account designated by Holder, at the Early Redemption Price set forth in **Section I.F.2** if the event is prior to the Dividend Maturity Date, or at the Liquidation Value if the event is on or after the Dividend Maturity Date. The Corporation will not be required to redeem any shares of Series C Preferred Stock for cash solely because the Corporation does not have sufficient authorized but unissued shares of Common Stock to issue upon receipt of a Delivery Notice or upon a maturity conversion.

5. **Mechanics of Redemption.** In order to redeem any of the Holders' Series C Preferred Stock then outstanding, the Corporation must deliver written notice (each, a "**Redemption Notice**") to each Holder setting forth (a) the number of shares of Series C Preferred Stock that the Corporation is redeeming, (b) the applicable Dividend Rate, Liquidation Value and Early Redemption Price, or Total Redemption Price if applicable, and (c) the calculation of the amount paid. Upon receipt of full payment in cash for a complete redemption, each Holder will promptly submit to the Corporation such Holder's Series C Preferred Stock certificates. In connection with a mandatory redemption, the notice will be delivered as soon as the number of shares can be determined, and in all other instances at least 30 Trading Days prior to payment. For the avoidance of doubt, the delivery of a Redemption Notice will not affect Holder's rights under **Section I.G** until after receipt of cash payment by Holder at the required time.

G. **Conversion.**

1. **Mechanics of Conversion.**

a. One or more shares of the Series C Preferred Stock may be converted, in part or in whole, into shares of Common Stock, at any time or times after the Issuance Date, in the sole and absolute discretion of Holder or, subject to the terms and conditions hereof, the Corporation; (i) if at the option of Holder, by delivery of one or more written notices to the Corporation or its transfer agent (each, a "**Holder Conversion Notice**"), of the Holder's election to convert any or all of its Series C Preferred Stock; or (ii) if at the option of the Corporation, if the Equity Conditions are met, delivery of written notice to Holder (each, a "**Corporation Conversion Notice,**" with the Holder Conversion Notice, each a "**Conversion Notice,**" and with the Redemption Notice, each an "**Initial Notice**"), of the Corporation's election to convert the Series C Preferred Stock.

b. Each Delivery Notice will set forth the number of shares of Series C Preferred Stock being converted, the minimum number of Conversion Shares and the amount of Dividends and any applicable Conversion Premium due as of the time the Delivery Notice is given (the "**Notice Time**"), and the calculation thereof.

b. If the Corporation notifies Holder by 10:00 a.m. Eastern time on the Trading Day after the Notice Time that it is paying all or any portion of Dividends or Conversion Premium, and actually pays in cash by the next Trading Day, time being of the essence, the full amount of Dividends and Conversion Premium stated in the Delivery Notice, no further amount will be due with respect thereto.

c. As soon as practicable, and in any event within 1 Trading Day of the Notice Time, time being of the essence, the Corporation will do all of the following: (i) transmit the Delivery Notice by facsimile or electronic mail to the Holder, and to the Corporation's transfer agent (the "**Transfer Agent**") with instructions to comply with the Delivery Notice; (ii) either (A) if the Corporation is approved through The Depository Trust Corporation ("**DTC**"), authorize and instruct the credit by the Transfer Agent the aggregate number of Conversion Shares set forth in the Delivery Notice, to Holder's or its designee's balance account with the DTC Fast Automated Securities Transfer (FAST) Program, through its Deposit/Withdrawal at Custodian (DWAC) system, or (B) only if the Corporation is not approved through DTC, issue and surrender to a common carrier for overnight delivery to the address as specified in the Delivery Notice a certificate registered in the name of Holder or its designee, for the number of Conversion Shares set forth in the Delivery Notice, bearing no restrictive legend unless a registration statement covering the Conversion Shares is not effective and neither Company nor Investor provides an opinion of counsel to the effect that Conversion Shares may be issued without restrictive legend; and (iii) if it contends that the Delivery Notice is in any way incorrect, a through explanation of why and its own calculation, or the Delivery Notice will conclusively be deemed correct for all purposes. The Corporation will at all times diligently take or cause to be taken all actions reasonably necessary to cause the Conversion Shares to be issued as soon as practicable.

d. If during the Measurement Period the Holder is entitled to receive additional Conversion Shares with regard to an Initial Notice, Holder may at any time deliver one or more additional written notices to the Corporation or its transfer agent (each, an "**Additional Notice**" and with the Initial Notice, each a "**Delivery Notice**") setting forth the additional number of Conversion Shares to be delivered, and the calculation thereof.

e. If the Corporation for any reason does not issue or cause to be issued to the Holder within 3 Trading Days after the date of a Delivery Notice, the number of Conversion Shares stated in the Delivery Notice, then, in addition to all other remedies available to the Holder, as liquidated damages and not as a penalty, the Corporation will pay in cash to the Holder on each day after such 3rd Trading Day that the issuance of such Conversion Shares is not timely effected an amount equal to 2% of the product of (i) the aggregate number of Conversion Shares not issued to the Holder on a timely basis and to which the Holder is entitled and (ii) the highest Closing Price of the Common Stock between the date on which the Corporation should have issued such shares to the Holder and the actual date of receipt of Conversion Shares by Holder. It is intended that the foregoing will serve to reasonably compensate Holder for any delay in delivery of Conversion Shares, and not as punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from delay in delivery are difficult to estimate and would be difficult for Holder to prove.

f. Notwithstanding any other provision: all of the requirements of **Section I.F** and this **Section I.G** are each independent covenants; the Corporation's obligations to issue and deliver Conversion Shares upon any Delivery Notice are absolute, unconditional and irrevocable; any breach or alleged breach of any representation or agreement, or any violation or alleged violation of any law or regulation, by any party or any other person will not excuse full and timely performance of any of the Corporation's obligations under these sections; and under no circumstances may the Corporation seek or obtain any temporary, interim or preliminary injunctive or equitable relief to prevent or interfere with any issuance of Conversion Shares to Holder.

g. If for any reason whatsoever Holder does not timely receive the number of Conversion Shares stated in any Delivery Notice, Holder will be entitled to a compulsory remedy of immediate specific performance, temporary, interim and, preliminary and final injunctive relief requiring Corporation and its transfer agent, attorneys, officers and directors to immediately issue and deliver the number of Conversion Shares stated by Holder, which requirement will not be stayed for any reason, without the necessity of posting any bond, and which Corporation may not seek to stay or appeal.

h. No fractional shares of Common Stock are to be issued upon conversion of Series C Preferred Stock, but rather the Corporation will issue to Holder scrip or warrants registered on the books of the Corporation (certificated or uncertificated) which will entitle Holder to receive a full share upon the surrender of such scrip or warrants aggregating a full share. The Holder will not be required to deliver the original certificates for the Series C Preferred Stock in order to effect a conversion hereunder. The Corporation will pay any and all taxes which may be payable with respect to the issuance and delivery of any Conversion Shares.

2. **Holder Conversion.** In the event of a conversion of any Series C Preferred Stock pursuant to a Holder Conversion Notice, the Corporation will (a) satisfy the payment of Dividends and Conversion Premium with respect to the shares of Series C Preferred Stock converted as provided in **Section I.C.2,** and (b) issue to the Holder of such Series C Preferred Stock a number of Conversion Shares equal to (i) the Face Value multiplied by (ii) the number of such Series C Preferred Stock subject to the Holder Conversion Notice divided by (iii) the applicable Conversion Price with respect to such Series C Preferred Stock; all in accordance with the procedures set forth in **Section I.G.1**.

3. **Corporation Conversion.** The Corporation will have the right to send the Holder a Corporation Conversion Notice at any time in its sole and absolute discretion, if the Equity Conditions are met as of the time such Corporation Conversion Notice is given. Upon any conversion of any Series C Preferred Stock pursuant to a Corporation Conversion Notice, the Corporation will on the date of such notice (a) satisfy the payment of Dividends and Conversion Premium with respect to the shares of Series C Preferred Stock converted as provided in **Section I.C.2**, and (b) issue to the Holder of such Series C Preferred Stock a number of Conversion Shares equal to (i) the Face Value multiplied by (ii) the number of such Series C Preferred Stock subject to the Holder Conversion Notice divided by (iii) the applicable Conversion Price with respect to such Series C Preferred Stock; all in accordance with the procedures set forth in **Section I.G.1**.

4. **Stock Splits.** If the Corporation at any time on or after the filing of this Certificate of Designations subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the applicable Conversion Price, Adjustment Factor, Maximum Triggering Level, Minimum Triggering Level, and other share based metrics in effect immediately prior to such subdivision will be proportionately reduced and the number of shares of Common Stock issuable will be proportionately increased. If the Corporation at any time on or after such Issuance Date combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the applicable Conversion Price, Adjustment Factor, Maximum Triggering Level, Minimum Triggering Level, and other share based metrics in effect immediately prior to such combination will be proportionately increased and the number of Conversion Shares will be proportionately decreased. Any adjustment under this Section will become effective at the close of business on the date the subdivision or combination becomes effective.

5. **Rights.** In addition to any adjustments pursuant to **Section I.G.4**, if at any time the Corporation grants, issues or sells any options, convertible securities or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which Holder could have acquired if Holder had held the number of shares of Common Stock acquirable upon conversion of all Preferred Stock held by Holder immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

6. **Notices.** The holders of shares of Series C Preferred Stock are entitled to the same rights as the holders of Common Stock with respect to rights to receive notices, reports and audited accounts from the Company and with respect to attending stockholder meetings.

7. **Definitions.** The following terms will have the following meanings:

a. **"Adjustment Factor**" means $0.10 per share of Common Stock.

b. **"Acquisition"** means the closing of the acquisition of assets contemplated by that certain Asset Purchase Agreement dated December 30, 2015 between Company and the sellers named therein, as disclosed in the current report on Form 8-K filed with the Securities & Exchange Commission on December 31, 2015.

c. "**Closing Price**" means, for any security as of any date, the last closing bid price for such security on the Trading Market, or, if the Trading Market begins to operate on an extended hours basis and does not designate the closing bid price, then the last bid price of such security prior to 4:00 p.m., Eastern time, or, if the Trading Market is not the principal securities exchange or trading market for such security, the last closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded, or if the foregoing do not apply, the last closing bid price of such security in the over-the-counter market on the electronic bulletin board for such security, or, if no closing bid price is reported for such security, the average of the bid prices of any market makers for such security as reported in the "pink sheets" by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.).

d. "**Conversion Premium**" for each share of Series C Preferred Stock means the Face Value, multiplied by the product of (i) the applicable Dividend Rate, and (ii) the number of whole years between the Issuance Date and the Dividend Maturity Date.

e. "**Conversion Price**" means a price per share of Common Stock equal to $162.50 per share of Common Stock, subject to adjustment as otherwise provided herein.

f. "**Conversion Shares**" means all shares of Common Stock that are required to be or may be issued upon conversion of Series C Preferred Stock.

g. **"Dividend Maturity Date**" means the date that is 7 years after the Issuance Date.

h. "**Equity Conditions**" means on each day during the Measurement Period, (i) the Common Stock is not under chill or freeze from DTC, the Common Stock is designated for trading on OTCQB or higher market and will not have been suspended from trading on such market, and delisting or suspension by the Trading Market has not been threatened or pending, either in writing by such market or because Company has fallen below the then effective minimum listing maintenance requirements of such market; (ii) the Corporation has delivered Conversion Shares upon all conversions or redemptions of the Series C Preferred Stock in accordance with their terms to the Holder on a timely basis; (iii) the Corporation will have no knowledge of any fact that would cause both of the following (A) a registration statement not to be effective and available for the resale of all Conversion Shares, and (B) Section 3(a)(9) under the Securities Act of 1933, as amended, not to be available for the issuance of all Conversion Shares, or Regulation S or Securities Act Rule 144 not to be available for the resale of all the Conversion Shares underlying the Series C Preferred Stock without restriction; (iv) there has been a minimum of $5 million in aggregate trading volume over the last 20 consecutive Trading Days; (v) all shares of Common Stock to which Holder is entitled have been timely received into Holder's designated account in electronic form fully cleared for trading; (vi) the Corporation otherwise will have been in compliance with and will not have breached any provision, covenant, representation or warranty of any Transaction Document; (vii) the Measuring Metric is at least $1.50; (viii) no Trigger Event will have occurred; (ix) the Corporation will have been assigned all right and title to the properties being acquired in the Acquisition, or cumulative assignments representing not less than 90% of the value of the assets described; and (x) the properties being assigned to the Corporation in the Acquisition will have daily production of not less than 700 barrels of oil equivalent per day as of the most recent production data available, not more than 75 days old.

i. "**Lineal Star Assets**" means the securities and assets of Lineal Star Holdings, LLC and its existing and future subsidiaries.

j. **"Maximum Triggering Level"** means $3.75 per share of Common Stock.

k. "**Measurement Period**" means the period beginning the later of February 3, 2020 or, if no Trigger Event has occurred 30 Trading Days, and if a Trigger Event has occurred 60 Trading Days, before the Notice Date, and ending, if no Trigger Event has occurred 30 Trading Days, and if a Trigger Event has occurred 60 Trading Days, after the number of Conversion Shares stated in the initial Notice have actually been received into Holder's designated brokerage account in electronic form and fully cleared for trading; provided that for each day during the Measurement Period on which less than all of the conditions set forth in **Section I.G.6.h** exist, 1 Trading Day will be added to what otherwise would have been the end of the Measurement Period.

l. "**Measuring Metric**" means the volume weighted average price of the Common Stock on any Trading Day following the Issuance Date of the Series C Preferred Stock.

m. "**Merger**" means any combination, through any sale of securities or merger, between the Company and Viking Energy Group, Inc., a Nevada corporation, or its affiliates.

n. "**Minimum Triggering Level**" means $2.75 per share of Common Stock.

o. "**Spread Adjustment**" means 100 basis points.

p. "**Stock Purchase Agreement**" means the Stock Purchase Agreement or other agreement pursuant to which any share of Series C Preferred Stock is issued, including all exhibits thereto and all related Transaction Documents as defined therein.

q. "**Trading Day**" means any day on which the Common Stock is traded on the Trading Market.

r. "**Trading Market**" means the NYSE American or whatever is at the applicable time, the principal U.S. trading exchange or market for the Common Stock. All Trading Market data will be measured as provided by the appropriate function of the Bloomberg Professional service of Bloomberg Financial Markets or its successor performing similar functions.

s. "**Transaction Documents**" means Preferred Stock Purchase Agreement dated April 6, 2016; Securities Purchase Agreement dated April 6, 2016; Stock Purchase Agreement dated October 5, 2017; Stock Purchase Agreement dated October 26, 2018; and Stock Purchase Agreement dated November 23, 2018 each as amended from time to time, and all documents ancillary thereto.

8. **Issuance Limitation**.

a. **Beneficial Ownership.** Notwithstanding any other provision, at no time may the Corporation issue shares of Common Stock to Holder which, when aggregated with all other shares of Common Stock then deemed beneficially owned by Holder, would result in Holder owning more than 4.99% of all Common Stock outstanding immediately after giving effect to such issuance, as determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder; provided, however, that Holder may increase or have increased such amount to 9.99% upon not less than 61 days' prior notice to the Corporation. To the extent that any conversion would otherwise result in exceeding the beneficial ownership limitation set forth in the preceding sentence, the Delivery Notice will specify the number of shares that may be delivered without exceeding the limitation, and any issuance beyond such extent will be held in abeyance until such time as it would not result in Holder exceeding the beneficial ownership limitation. No provision of this paragraph may be waived by Holder or the Corporation.

b. **Principal Market Regulation.** Company will not issue any Conversion Shares under this Certificate of Designations, the Warrant issued to Holder on the Issuance Date, the Securities Purchase Agreement with Investor dated the Issuance Date, the Debenture or the Common Stock Purchase Warrant issued to Investor pursuant thereto, if the issuance would exceed the aggregate number of shares of Common Stock the Company may issue without breaching Company's obligations under NYSE American rules, except that such limitation will not apply following stockholder approval in accordance with the requirements of NYSE American rules or a waiver from NYSE American ("**Approval**").

9. **Conversion at Maturity.** On the Dividend Maturity Date, all remaining outstanding Series C Preferred Stock will automatically be converted into shares of Common Stock, to the extent the Corporation has sufficient authorized but unissued shares of Common Stock available for issuance upon conversion.

H. **Trigger Event.**

1. Any occurrence of any one or more of the following will constitute a "**Trigger Event**":

(a) Holder does not timely receive the number of Conversion Shares stated in any Conversion Notice pursuant to this Certificate of Designations or any other agreement with Holder for any reason whatsoever, time being of the essence, including without limitation the issuance of restricted shares if counsel for Corporation or Holder provides a legal opinion that shares may be issued without restrictive legend;

(b) Any violation of or failure to timely perform any covenant or provision of this Certificate of Designations, the Stock Purchase Agreement, any Transaction Document or any other agreement with Holder, related to payment of cash, registration or delivery of Conversion Shares, time being of the essence;

(c) Any violation of or failure to perform any covenant or provision of this Certificate of Designations, the Stock Purchase Agreement, any Transaction Document or any other agreement with Holder, which in the case of a default that is curable, is not related to payment of cash, registration or delivery of Conversion Shares, and has not occurred before, is not cured within 5 Trading Days of written notice thereof;

(d) Any representation or warranty made in the Securities Purchase Agreement, any Transaction Document or any other agreement with Holder will be untrue, incorrect, or misleading in any material respect as of the date when made or deemed made;

(e) The occurrence of any default or event of default under any material agreement, lease, document or instrument to which the Corporation or any subsidiary other than CATI Operating LLC, a Texas limited liability company ("**CATI**") is obligated, including without limitation of an aggregate of at least $500,000 of indebtedness;

(f) While any Registration Statement is required to be maintained effective, the effectiveness of the Registration Statement lapses for any reason, including, without limitation, the issuance of a stop order, or the Registration Statement, or the prospectus contained therein, is unavailable to Holder sale of all Conversion Shares for any 5 or more Trading Days, which may be non-consecutive;

(g) The suspension from trading or the failure of the Common Stock to be trading or listed on the Trading Market;

(h) The Corporation notifies Holder, including without limitation, by way of public announcement or through any of its attorneys, agents or representatives, of its intention not to comply, as required, with a Conversion Notice pursuant to this Certificate of Designations or any other agreement with Holder, at any time, including without limitation any objection or instruction to its transfer agent not to comply with any notice from Holder;

(i) Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors will be instituted by or against the Corporation or any subsidiary other than CATI and, if instituted against the Corporation or any subsidiary other than CATI by a third party, an order for relief is entered or the proceedings are not dismissed within 30 days of their initiation;

(j) The appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, or other similar official of the Corporation or any subsidiary other than CATI or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Corporation or any subsidiary other than CATI in furtherance of any such action or the taking of any action by any person to commence a foreclosure sale or any other similar action under any applicable law;

(k) A final judgment or judgments for the payment of money aggregating in excess of $500,000 are rendered against the Corporation or any of its subsidiaries other than CATI and are not stayed or satisfied within 30 days of entry;

(l) The Corporation does not for any reason timely comply with the reporting requirements of the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder, including without limitation timely filing when first due all periodic reports;

(m) Any regulatory, administrative or enforcement proceeding is initiated against Corporation or any subsidiary (except to the extent an adverse determination would not have a material adverse effect on the Company's business, properties, assets, financial condition or results of operations or prevent the performance by the Company of any material obligation under the Transaction Documents); or

(n) Any material provision of this Certificate of Designations shall at any time for any reason, other than pursuant to the express terms thereof, cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof will be contested by any party thereto, or a proceeding will be commenced by the Corporation or any subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Corporation or any subsidiary denies that it has any liability or obligation purported to be created under this Certificate of Designations.

2. It is intended that all adjustments made following a Trigger Event will serve to reasonably compensate Holder for the consequences and increased risk following a Trigger Event, and not as a penalty or punishment for any breach by the Corporation. The Corporation acknowledges that the actual damages likely to result from a Trigger Event are difficult to estimate and would be difficult for Holder to prove.

II. General.

A. Notices. Any and all notices to the Corporation will be addressed to the Corporation's Chief Executive Officer at the Corporation's principal place of business on file with the Secretary of State of the State of Nevada. Any and all notices or other communications or deliveries to be provided by the Corporation to any Holder hereunder will be in writing and delivered personally, by electronic mail or facsimile, sent by a nationally recognized overnight courier service addressed to each Holder at the electronic mail, facsimile telephone number or address of such Holder appearing on the books of the Corporation, or if no such electronic mail, facsimile telephone number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder will be deemed given and effective on the earliest of (1) the date of transmission, if such notice or communication is delivered via facsimile or electronic mail prior to 5:30 p.m. Eastern time, (2) the date after the date of transmission, if such notice or communication is delivered via facsimile or electronic mail later than 5:30 p.m. but prior to 11:59 p.m. Eastern time on such date, (3) the second business day following the date of mailing, if sent by nationally recognized overnight courier service, or (4) upon actual receipt by the party to whom such notice is required to be given, regardless of how sent.

B. Lost or Mutilated Preferred Stock Certificate. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered Holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of Series C Preferred Stock, and in the case of any such loss, theft or destruction upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the Holder is a financial institution or other institutional investor its own agreement will be satisfactory) or in the case of any such mutilation upon surrender of such certificate, the Corporation will, at its expense, execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

C. **Headings.** The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designations and will not be deemed to limit or affect any of the provisions hereof.

NOW THEREFORE BE IT RESOLVED, that the Designation is hereby approved, affirmed, confirmed, and ratified; and it is further

RESOLVED, that each officer of the Corporation be and hereby is authorized, empowered and directed to execute and deliver, in the name of and on behalf of the Corporation, any and all documents, and to perform any and all acts necessary to reflect the Board of Directors approval and ratification of the resolutions set forth above; and it is further

RESOLVED, that in addition to and without limiting the foregoing, each officer of the Corporation and the Corporation's attorney be and hereby is authorized to take, or cause to be taken, such further action, and to execute and deliver, or cause to be delivered, for and in the name and on behalf of the Corporation, all such instruments and documents as he may deem appropriate in order to effect the purpose or intent of the foregoing resolutions (as conclusively evidenced by the taking of such action or the execution and delivery of such instruments, as the case may be) and all action heretofore taken by such officer in connection with the subject of the foregoing recitals and resolutions be, and it hereby is approved, ratified and confirmed in all respects as the act and deed of the Corporation; and it is further

RESOLVED, that this Designation may be executed in several counterparts, each of which is an original; that it shall not be necessary in making proof of this Designation or any counterpart hereof to produce or account for any of the other.

[Remainder of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the Corporation has caused this "**Second Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock**" to be duly executed and approved this 14th day of December 2020.

By: */s/ Louis G. Schott*

Its: Interim CEO

Printed Name: Louis G. Schott

Exhibit 10.32

EXCHANGE AGREEMENT

This Exchange Agreement ("**Agreement**") is made and entered into on December 11, 2020 ("**Agreement Date**"), by and between Camber Energy, Inc., a Nevada corporation ("**Company**"), and the investor whose name appears below ("**Investor**").

Recitals

A. Investor is the holder of 2,693 shares of Series C Redeemable Convertible Preferred Stock ("**C Preferred**") convertible into shares of Common Stock of Company ("**Common Stock**") pursuant to an Amended and Restated Certificate of Designations of Preferences, Powers, Rights and Limitations of Series C Redeemable Convertible Preferred Stock filed by the Company with the Secretary of State of Nevada on July 8, 2019 (as amended to date, "**C Certificate**").

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

C. Company desires to effectuate the Amended and Restated Agreement and Plan of Merger (as amended to date, the "**Merger Agreement**" and the transactions contemplated thereby, the "**Merger**") with Viking Energy Group, Inc., a Nevada corporation (the "**Merger Party**"), as described in that certain Registration Statement on Form S-4, File No. 333-238927.

D. As an accommodation to Company and in order to help facilitate implementation of the Merger and continued trading on the NYSE American (the "**Trading Market**"), and to reduce the potential dilutive impact of the C Preferred by reducing the number of outstanding shares of C Preferred, Investor is willing to correct the C Certificate as requested by Company and to exchange 600 shares (the "**Exchange Shares**") of its C Preferred for a secured Promissory Note equal to the Face Amount of the Exchange Shares (the "**Note**"), the obligations of which are secured by a Security Agreement (the "**Security Agreement**", and together with the Note, the corrected C Certificate and this Agreement, the "**Transaction Documents**") each of even date herewith, in accordance with the terms hereof.

E. Each party's willingness to enter into each of the Transaction Documents is conditioned upon both parties entering into all of the Transaction Documents; each party entering into all of the Transaction Documents is an express condition precedent to each of the Transaction Documents, and neither party would be willing to enter into any of the Transaction Documents without all of the others.

Agreement

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

I. **Definitions**. The parties acknowledge the accuracy of the Recitals set forth above, which are incorporated herein by reference. In addition to the terms defined elsewhere in this Agreement, capitalized terms that are not otherwise defined have the meanings set forth in the C Certificate, the Note or the Security Agreement.

II. Exchange

The Exchange Shares are hereby exchanged for the Note, the obligations of which are secured by the Security Agreement. Company's transfer agent is hereby instructed to cancel 600 shares of the C Preferred (the "**Cancelled Shares**"). Each party will provide Company's transfer agent such information and documents as the Company's transfer agent may reasonably request in order to facilitate the cancellation of the Cancelled Shares.

III. Waiver of All Defaults.

With respect to any agreements relating to the acquisition of the C Preferred (the "**Prior Agreements**"), the C Preferred and the C Certificate, Investor hereby (a) waives any and all breaches and defaults that have occurred prior to the Agreement Date or that may continue or occur for 90 days thereafter, including without limitation any failure to have sufficient authorized shares of common stock to issue to Investor, and (b) waives all rights and remedies with respect to such breaches and defaults. For the avoidance of doubt, the foregoing does not apply to and shall have no effect with regard to any breaches or defaults that may occur or continue more than 90 days after the Agreement Date.

IV. Representations and Warranties.

A. Representations Regarding Transaction. Except as set forth under the corresponding section of the Disclosure Schedules, if any, Company hereby represents and warrants to, and as applicable covenants with, Investor as of the Closing:

1. Organization and Qualification. Company and each Subsidiary is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, as applicable, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither Company nor any Subsidiary is in violation or default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents, except as would not reasonably be expected to result in a Material Adverse Effect. Each of Company and each Subsidiary is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not reasonably be expected to result in a Material Adverse Effect and there is no completed, pending or, to the knowledge of Company, contemplated or threatened proceeding in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

2. Authorization; Enforcement. Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents and otherwise to carry out its obligations hereunder or thereunder. The execution and delivery of each of the Transaction Documents by Company and the consummation by it of the transactions contemplated hereby or thereby have been duly authorized by all necessary action on the part of Company and no further consent or action is required by Company. Each of the Transaction Documents has been, or upon delivery will be, duly executed by Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of Company, enforceable against Company in accordance with its terms, except (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (c) insofar as indemnification and contribution provisions may be limited by applicable law.

3. **No Conflicts.** The execution, delivery and performance of the Transaction Documents by Company, the issuance and sale of the Note and the consummation by Company of the other transactions contemplated thereby do not and will not (a) conflict with or violate any provision of Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (b) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any material agreement, credit facility, debt or other instrument (evidencing Company or Subsidiary debt or otherwise) or other understanding to which Company or any Subsidiary is a party or by which any property or asset of Company or any Subsidiary is bound or affected, (c) conflict with or result in a violation of any material law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which Company or a Subsidiary is subject (including U.S. federal and state securities laws and regulations), or by which any material property or asset of Company or a Subsidiary is bound or affected, or (d) conflict with or violate the terms of any material agreement by which Company or any Subsidiary is bound or to which any property or asset of Company or any Subsidiary is bound or affected; except in the case of each of clauses (b), (c) and (d), such as would not reasonably be expected to result in a Material Adverse Effect.

4. **Litigation.** There is no action, suit, inquiry, notice of violation, proceeding or investigation completed, ongoing, pending, threatened or, to the knowledge of Company, contemplated against or affecting Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**"), which would reasonably be expected to adversely affect or challenge the legality, validity or enforceability of any of the Transaction Documents or the sale, issuance, listing, trading or resale of any Shares on the Trading Market. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by Company or any Subsidiary under the Exchange Act or the Act.

5. **Filings, Consents and Approvals**. Neither Company nor any Subsidiary is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by Company of the Transaction Documents, other than required federal and state securities filings and such filings and approvals as are required to be made or obtained under the applicable Trading Market rules in connection with the transactions contemplated hereby, each of which has been, or if not yet required to be filed will be, timely filed.

6. **Disclosure; Non-Public Information.** Company will timely file a current report on Form 8-K ("**Current Report**") describing the material terms and conditions of this Agreement, a copy of which will be provided to Investor prior to the filing thereof. All information that Company has provided to Investor that constitutes or might constitute material, non-public information will be included in the Current Report. Notwithstanding any other provision, except for information that will be, and only to the extent that it actually is, included in the Current Report, (a) neither Company nor any other Person acting on its behalf has provided Investor or its representatives, agents or attorneys with any information that constitutes or might constitute material, non-public information, including without limitation this Agreement and the Exhibits and Disclosure Schedules hereto, (b) no information contained in the Disclosure Schedules constitutes material non-public information and (c) there is no adverse material information regarding Company that has not been publicly disclosed prior to the Agreement Date. Company understands and confirms that Investor will rely on the foregoing representations and covenants in effecting transactions in securities of Company. All disclosure provided to Investor regarding Company, its business and the transactions contemplated hereby, including without limitation the Disclosure Schedules, furnished by or on behalf of Company with respect to the representations and warranties made herein are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

7. **Acknowledgments Regarding Investor.** Company's decision to enter into this Agreement has been based solely on the independent evaluation by Company and its representatives, and Company acknowledges and agrees that:

a. Investor is not, has never been, and as a result of the transactions contemplated by the Transaction Documents will not become an officer, director, insider, or control person of Company, or to Company's knowledge a 10% or greater shareholder or otherwise an affiliate of Company as defined under Rule 12b-2 of the Exchange Act;

b. Investor and its representatives have not made and do not make any representations, warranties or agreements with respect to this Agreement, or the transactions contemplated hereby other than those specifically set forth in **Section III.C** below; Company has not relied upon, and expressly disclaims reliance upon, any and all written or oral statements or representations made by any persons prior to this Agreement;

c. The conversion of the C Preferred and resale of Conversion Shares will result in dilution, which may be substantial; and Company's obligation to issue and deliver Conversion Shares in accordance with this Agreement and the C Certificate is absolute and unconditional regardless of the dilutive effect that such issuances may have; and

d. Investor is acting solely in the capacity of arm's length purchaser with respect to this Agreement and the transactions contemplated hereby; neither Investor nor any of its Affiliates, agents or representatives has or is acting as a legal, financial, investment, accounting, tax or other advisor to Company, or fiduciary of Company, or in any similar capacity; neither Investor nor any of its Affiliates, agents or representatives has provided any legal, financial, investment, accounting, tax or other advice to Company; any statement made in connection with this Agreement or the transactions contemplated hereby is not advice or a recommendation, and is merely incidental to Investor's exchange of the Cancelled Shares and acceptance of the Note.

8. **Listing and Maintenance Requirements.** The Common Stock is registered pursuant to Section 12 of the Exchange Act, and Company has taken no action designed to, or which to its knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has Company received any notification that the Commission is contemplating terminating such registration. Company has not, in the 12 months preceding the Closing, received notice from the Trading Market on which the Common Stock is listed or quoted to the effect that Company is not in compliance with the listing or maintenance requirements of such Trading Market, except in connection with notices which relate to compliance issues which have since been cured. Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with the listing and maintenance requirements of the Trading Market.

C. **Representations and Warranties of Investor.** Investor hereby represents and warrants to Company as of the Closing as follows:

1. **Organization; Authority**. Investor is an entity validly existing and in good standing under the laws of the jurisdiction of its organization with full right, company power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations thereunder. The execution, delivery and performance by Investor of the transactions contemplated by this Agreement have been duly authorized by all necessary company or similar action on the part of Investor. Each Transaction Document to which it is a party has been, or will be, duly executed by Investor, and when delivered by Investor in accordance with the terms hereof, will constitute the valid and legally binding obligation of Investor, enforceable against it in accordance with its terms, except (a) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (b) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (c) insofar as indemnification and contribution provisions may be limited by applicable law.

2. **Investor Status**. Investor is: (a) an accredited investor as defined in Rule 501(a) under the Act; and (b) not a registered broker-dealer, member of FINRA, or an affiliate thereof.

V. **Securities and Other Provisions.**

A. **Furnishing of Information.** As long as Investor owns any C Preferred, Company will timely file all reports required to be filed by Company after the Closing pursuant to the Exchange Act (the Company shall have until December 31, 2020 to file its Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, which is currently late). As long as Investor owns any C Preferred, Company will prepare and make publicly available such information as is required for Investor to sell its Conversion Shares under Rule 144. Company further covenants that, as long as Investor owns any C Preferred, Company will take such further action as Investor may reasonably request, all to the extent required from time to time to enable Investor to sell its Conversion Shares without registration under the Act within the limitation of the exemptions provided by Rule 144.

B. **Disclosure and Publicity.** Company will provide to Investor for review and approval prior to filing or issuing that portion of any current or periodic report, registration statement, press release, public statement or communication relating to Investor or the transactions contemplated hereby (any such approval not to be unreasonably withheld, conditioned or delayed).

C. **No Non-Public Information.** Company covenants and agrees that neither it nor any other Person acting on its behalf will, provide Investor or its agents or counsel with any information that Company believes or reasonably should believe will constitute material non-public information after Closing. On and after Closing, neither Investor nor any Affiliate of Investor will have any duty of trust or confidence that is owed directly, indirectly, or derivatively, to Company or the stockholders of Company, or to any other Person who is the source of material non-public information regarding Company. Company understands and confirms that Investor will be relying on the foregoing in effecting transactions in securities of Company, including without limitation sales of the Shares.

D. **Indemnification of Investor.**

1. **Obligation to Indemnify**. Subject to the provisions of this **Section IV.G**, Company will indemnify and hold Investor, its Affiliates, managers and advisors, and each of their officers, directors, shareholders, partners, employees, representatives, agents and attorneys, and any person who controls Investor within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (collectively, "**Investor Parties**" and each a "**Investor Party**"), harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, reasonable costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation (collectively, "**Losses**") that any Investor Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by Company in this Agreement or in the other Transaction Documents or (b) any action by Company or a creditor or stockholder of Company who is not an Affiliate of an Investor Party, challenging the transactions contemplated by the Transaction Documents; provided, however, that Company will not be obligated to indemnify any Investor Party for any Losses finally adjudicated to be caused solely by such Investor Party's unexcused material breach of an express provision of this Agreement or another Transaction Document.

2. **Procedure for Indemnification.** If any action will be brought against an Investor Party in respect of which indemnity may be sought pursuant to this Agreement, such Investor Party will promptly notify Company in writing, and Company will have the right to assume the defense thereof with counsel of its own choosing. Investor Parties will have the right to employ separate counsel in any such action and participate in the defense thereof, but the reasonable fees and expenses of such counsel will be at the expense of Investor Parties except to the extent that (a) the employment thereof has been specifically authorized by Company in writing, (b) Company has failed after a reasonable period of time to assume such defense and to employ counsel or (c) in such action there is, in the reasonable opinion of such separate counsel, a material conflict with respect to the dispute in question on any material issue between the position of Company and the position of Investor Parties such that it would be inappropriate for one counsel to represent Company and Investor Parties. Company will not be liable to Investor Parties under this Agreement (i) for any settlement by an Investor Party effected without Company's prior written consent, which will not be unreasonably withheld or delayed; or (ii) to the extent, but only to the extent that a loss, claim, damage or liability is either attributable to Investor's breach of any of the representations, warranties, covenants or agreements made by Investor in this Agreement or in the other Transaction Documents. In no event will the Company be liable for the reasonable fees and expenses for more than one separate firm of attorneys (plus local counsel as applicable) to represent all Investor Parties.

3. Other than the liability of Investor to Company for uncured material breach of the express provisions of this Agreement, no Investor Party will have any liability to Company or any Person asserting claims on behalf of or in right of Company as a result of acquiring the Note under this Agreement.

E. **Reservation of Shares**. Prior the Closing, the Company will have, and at all times thereafter will, maintain a reserve from its duly authorized Common Stock for issuance pursuant to the C Certificate authorized shares of Common Stock in an amount equal to the number of shares sufficient to immediately issue all Conversion Shares potentially issuable at such time, or such other number of shares agreed to in a signed writing between the parties.

F. **Agreement to Vote.** Investor will vote any and all shares of Common Stock which it holds as of the record date for the shareholder meeting to request the approval for the Merger and the approval of the securities issuable in connection therewith (the "**Meeting**") in favor of and "for" the Merger, the terms thereof and the securities issuable therewith, and those other proposals which are recommended by approval by the Board of Directors of the Company in the proxy statement filed by the Company in connection with the Meeting.

G. **Approval of Merger**. Investor (i) agrees to, and consents to, the terms of the Merger, the agreements entered into between the Company and the Merger Party (and its affiliates, employees and related parties) in connection with the Merger, including the Merger Agreement and all of the securities issued or issuable in connection therewith, and the issuance of shares of Company capital stock in connection therewith; (ii) waives any and all rights the Investor has, or may have, under the **Prior Agreements**, the C Preferred and the C Certificate, and any other agreements between the Investor and the Company other than this Agreement, to further consent to, approve or agree to, the terms of such Merger, the Merger Agreement or the securities issued or issuable in connection therewith; and (iii) further waives and releases the Company from any anti-dilution, reset, favorable nations or similar clauses, and/or any other rights whatsoever of such Investor or any securities of the Company held by such Investor, under such Prior Agreements, the C Preferred and the C Certificate, and any other agreements between the Investor and the Company other than this Agreement, in connection with the Merger, the Merger Agreement or the securities issued or issuable in connection therewith.

VI. General Provisions.

A. Notice. Unless a different time of day or method of delivery is specifically provided in the Transaction Documents, any and all notices or other communications or deliveries required or permitted to be provided hereunder will be in writing and will be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile or electronic mail prior to 5:00 p.m. Eastern time on a Trading Day and an electronic confirmation of delivery is received by the sender and provided to the recipient, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered later than 5:00 p.m. Eastern time or on a day that is not a Trading Day, (c) the next Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service with confirmation of delivery prior to 5:00 p.m. Eastern time on such next Trading Day, or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses for such notices and communications are such other address as may be designated in writing, in the same manner, by such Person.

B. Amendments; Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by Company and Investor or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement will be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor will any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

C. Fees and Expenses. Except as otherwise provided in this Agreement, each party will pay the fees and expenses of its own advisers, attorneys, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of the Transaction Documents. Company acknowledges and agrees that Investor's counsel solely represents Investor, and does not represent Company or its interests in connection with the Transaction Documents or the transactions contemplated thereby. Company will pay all stamp and other taxes and duties, if any, levied in connection with the sale or issuance of the Shares to Investor. As of the date hereof, the parties understand and agree that no such stamp or other taxes or duties would be imposed by the jurisdiction of Investor's organization or, to Investor's knowledge, by any other jurisdiction as a result of the nature or conduct of Investor's business.

D. Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement will not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, will incorporate such substitute provision in this Agreement.

E. Governing Law. All matters between the parties, including without limitation questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents will be governed by and construed and enforced in accordance with the laws of the U.S. Virgin Islands, without regard to the principles of conflicts of law that would require or permit the application of the laws of any other jurisdiction, except for corporation law matters applicable to Company which will be governed by the corporate law of its jurisdiction of formation. The parties hereby waive all rights to a trial by jury. In any action, arbitration or proceeding, including appeal, arising out of or relating to any of the Transaction Documents or otherwise involving the parties, the prevailing party will be awarded its reasonable attorneys' fees and other costs and expenses reasonably incurred in connection with the investigation, preparation, prosecution or defense of such action or proceeding.

G. **Arbitration.** Any dispute, controversy, claim or action of any kind arising out of, relating to, or in connection with this Agreement, or in any way involving Company and Investor or their respective Affiliates, including any issues of arbitrability, will be resolved solely by final and binding arbitration in English before a retired judge at JAMS, or its successor, in the Territory of the Virgin Islands, pursuant to the most expedited and Streamlined Arbitration Rules and Procedures available. Any interim or final award may be entered and enforced by any court of competent jurisdiction. The final award will include the prevailing party's reasonable arbitration, expert witness and attorney fees, costs and expenses. Notwithstanding the foregoing, Investor or the Company, as the case may be, may in its sole discretion bring an action in Delaware District Court or the U.S. District Court for the District of Delaware in aid of arbitration or for temporary, preliminary or provisional relief pending completion of arbitration.

H. **Headings.** The headings herein are for convenience only, do not constitute a part of this Agreement and will not be deemed to limit or affect any of the provisions hereof.

I. **Construction.** The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of the Transaction Documents or any amendments hereto. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. All currency references in any Transaction Document are to U.S. dollars.

J. **Further Assurances.** Each party will take all further actions and execute all further documents as may be reasonably necessary to implement the provisions and carry out the intent of this Agreement fully and effectively.

K. **Acknowledgement.** Company hereby acknowledges and agrees that (1) Investor has at all times fully and completely complied with all of its obligations under the Prior Agreements, this Agreement, the C Certificate and all other Transaction Documents and agreements between Company and Investor, (2) all Delivery Notices and calculations provided by Investor to Company were and are fully correct and accurate in all respects, (3) Investor has previously provided valid notice to the Company of the increase in beneficial ownership percentage set forth in Section 8 of the C Certificate to 9.99%, which will continue apply to all shares of C Preferred held by Investor, including without limitation following any amendment or restatement of the C Certificate.

L. **General Release**. Company, on behalf of itself and on behalf of each of its predecessors, successors, parents, subsidiaries, shareholders, and affiliated and/or related companies, and each of its respective present and former officers, directors, shareholders, employees, representatives, business entities, executors, administrators, conservators, assignors and assignees (collectively, the "**Releasing Parties**") hereby knowingly and voluntarily fully and forever absolutely and irrevocably waive, release and discharge Investor and its predecessors, successors, parents, subsidiaries, and affiliated and/or related companies and entities, and each of their respective present and former officers, directors, shareholders, partners, members, employees, representatives, agents, attorneys, advisors, business entities, executors, administrators, conservators, assignors and assignees and all parties acting through, under or in concert with them, and each of them, in their individual and representative capacities (collectively, the "**Released Parties**") from any and all claims, charges, complaints, grievances, demands, liens, actions, suits, causes of action, obligations, controversies, debts, costs, indemnity, attorneys' fees, expenses, damages, judgments, orders, and liabilities of whatever kind and/or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, which have existed or may have existed, or which do exist or which hereafter can, shall or may exist as of the date this Agreement is executed, including without limitation any that are based upon, connected with, or otherwise arising out of or in any way relating to any Transaction Documents (collectively, the "**Released Claims**"). The Releasing Parties, and each of them, expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits conferred by any law which would limit the scope of the release provided above. The Releasing Parties acknowledge that they or any of them may hereafter discover facts in addition to or different from those which they now know to be true with respect to the subject matters of the claims released herein, but hereby stipulate and agree that they have fully, finally, and forever settled and released any and all such claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, concealed or hidden, which now exist or heretofore existed upon any theory of law or equity now existing or coming into existence in the future, without regard to the discovery or existence of such different or additional facts.

M. **Amendments.** Section II.E, Subsequent Closings, of the C Agreement is hereby deleted in its entirety, and shall be of no further force or effect. The entirety of Section IV.O, Repurchase Obligation, the provision that "Investor will not resell, transfer or assign the Preferred Shares in Section III.C.IV, Ownership, the provision that "Investor may not sell, transfer or assign any Preferred Shares or any of its rights under this Agreement" in Section IV.J of the June 22, 2020 Stock Purchase Agreement entered into between Company and Investor, and all similar provisions in any Prior Agreements, are hereby deleted.

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

O. **Execution.** This Agreement may be executed in two or more counterparts, all of which when taken together will be considered one and the same agreement and will become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by portable document format, facsimile or electronic transmission, such signature will create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such signature page were an original thereof.

P. **Entire Agreement**. This Agreement, including the Exhibits hereto, which are hereby incorporated herein by reference, contains the entire agreement and understanding of the parties, and supersedes all prior and contemporaneous agreements, term sheets, letters, discussions, communications and understandings, both oral and written, which the parties acknowledge have been merged into this Agreement. No party, representative, advisor, attorney or agent has relied upon any collateral contract, agreement, assurance, promise, understanding, statement or representation not expressly set forth herein or in the Prior Agreements. The parties hereby absolutely, unconditionally and irrevocably waive all rights and remedies, at law and in equity, directly or indirectly arising out of or relating to, or which may arise as a result of, any Person's reliance on any such statement or assurance.

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

Company:

CAMBER ENERGY, INC.

By: _____
Name: _____
Title: _____

Investor:

_____
Investor Name

By: _____
Name: _____
Title: _____

Exhibit 10.33

PROMISSORY NOTE

$6,000,000.00 Houston, Texas December 11, 2020

FOR VALUE RECEIVED, after the date, without grace, in the manner, on the dates, and in the amounts so herein stipulated, the undersigned, **CAMBER ENERGY, INC**., a Nevada corporation with offices located at 1415 Louisiana Street, Suite 3500, Houston, Texas 77002 ("Maker"), promises to pay to the order of _____ or holder (the "Payee"), at _____, the sum of Six Million and No/100 Dollars ($6,000,000.00) in lawful money of the United States of America, which shall be legal tender, in payment of all debts and dues, public and private, at the time of payment, payable as stipulated herein. This Note shall bear interest to accrue at the rate of ten percent (10%) per annum.

Note Terms.

a. This Note shall be paid as follows:

i. All principal and accrued interest on this Note shall be paid on the second anniversary of the issuance date first stated above (the "Maturity Date").

ii. If not paid on the Maturity Date, the Maximum Nonusurious Rate of interest, as later defined herein, permitted to be charged Maker by law (state or federal, as applicable) and further limited by the provisions of this Note hereinafter set forth, which provisions control the calculation of interest to be charged on the indebtedness evidenced by this Note.

iii. Calculation of the interest rates as stated hereinabove shall be hereinafter defined as the "Stated Rate." All past due payments of principal, and if permitted by applicable law of interest, shall bear interest from day to day at (i) the Maximum Nonusurious Rate of interest in effect from day to day permitted to be charged Maker by applicable law, all to be computed from maturity (whether stated or by acceleration) until paid.

Upon the occurrence of any default hereunder (herein, an "Event of Default"), which will be deemed to occur in the event any of the following occur: (a) Maker has not paid any amount of principal or accrued interest within five (5) business days following the Maturity Date, (b) Maker admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of creditors; (c) Maker commences any case or other proceeding seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its company structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any part of its property, or shall take any action to authorize any of the foregoing; (d) any case or proceeding is commenced against Maker to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking other similar official relief for it or any part of its property, and such case or proceeding (x) results in the entry of an order for relief against it which is not fully stayed within five (5) business days after the entry thereof or (y) is not dismissed within sixty (60) days of commencement; (e) default in the performance of any of the terms, covenants, or conditions contained in any of the Security Instruments (as hereinafter defined) and such default continues for a period of more than ten (10) days following written notice from Payee other than as expressly otherwise provided in any of the Security Instruments, or in any instrument or instruments given contemporaneously herewith, heretofore or hereafter as security for or guaranteeing the payment of this Note, or any condition existing which authorizes the acceleration of the maturity hereof under any other agreement made by the Maker, then Payee shall have the right to exercise the default remedies specified herein.

The undersigned expressly agrees that if an Event of Default occurs under this Note or any of the Security Instruments, as defined below, the Payee may, at Payee's option, without demand, notice or presentment of default, notice of acceleration, notice of intention to accelerate or otherwise, to Maker or to any other entity, declare the principal and any and all interest then accrued thereon, at once due and payable. Upon the occurrence of any Event of Default the Payee, or any other holder of this Note, shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose any and all liens and security interests securing the indebtedness evidenced hereby. Failure to exercise any option to accelerate described in this paragraph shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

In the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through any judicial proceeding whatsoever, or if any action or foreclosure be had hereon, then the Maker agrees and promises to pay an additional amount as reasonable, calculated and foreseeable attorneys' and collection fees incurred by Payee in connection with enforcing Payee's rights herein contemplated, all of which amounts shall become part of the principal hereof.

The unpaid principal balance of this Note at any time shall be the total amounts loaned or advanced hereunder by Payee, less the amount of payments or prepayments of principal made hereon by or for the account of Maker. It is contemplated that by reason of prepayments hereon, there may be times when no indebtedness is owing hereunder; but, notwithstanding such occurrences, this Note shall remain valid and shall be in full force and effect as to loans or advances made pursuant to and under the terms of this Note subsequent to each such occurrence. In the event that the unpaid principal amount hereof at any time, for any reason, exceeds the maximum amount hereinabove specified, Maker covenants and agrees to pay the excess principal amount forthwith upon demand; such excess principal amounts shall in all respects be deemed to be included among the loans or advances made pursuant to the terms of any documents executed in connection with or as security for this Note and shall bear interest at the rates hereinabove stated.

All makers, endorsers, sureties and guarantors hereof, if any, as well as any person to become liable on this Note, hereby waive demand or presentment for payment of this Note, notice of nonpayment, protest, notice of protest, suit, notice of acceleration, or notice of intention to accelerate, diligence or any notice of or defense on account of the extension of time of payments or change in the method of payments, and consent to any and all renewals and extensions in the time of payment hereof, and to any substitution, exchange or release of any security herefor or the release of any party primarily or secondarily liable hereon.

It is expressly provided and stipulated that notwithstanding any provision of this Note or any other instrument evidencing or securing the indebtedness evidenced hereby, in no event shall the aggregate of all interest paid by the Maker to the Payee hereunder ever exceed the Maximum Nonusurious Rate of interest which may lawfully be charged Maker under the laws of the State of Texas or United States Federal Government, as applicable, on the principal balance of this Note remaining unpaid. It is expressly stipulated and agreed by the Maker that it is the intent of the Payee and the Maker in the execution and delivery of this Note to contract in furtherance of such laws, and that none of the terms of this Note, or said other instruments, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, at any interest rate in excess of the Maximum Nonusurious Rate of interest permitted to be charged the Maker under the laws of the State of Texas or United States Federal Government, as applicable. The Maker or any guarantors, endorsers or other parties now or hereafter becoming liable for payment of the Note shall never be liable for interest in excess of the Maximum Nonusurious Rate of interest that may lawfully be charged under the laws of the State of Texas or United States Federal Government, as applicable, and the provisions of this paragraph and the immediately succeeding paragraph shall govern over all other provisions of this Note, and all other instruments evidencing or securing the indebtedness evidenced hereby, should any such provisions be in apparent conflict herewith.

Specifically, and without limiting the generality of the foregoing paragraph, it is expressly provided that:

(i) In the event of prepayment of the principal of this Note, in whole or in part, which shall be permitted hereunder, or the payment of the principal of this Note prior to the stated maturity date hereof, whether resulting from acceleration of the maturity of this Note or otherwise, if the aggregate amounts of interest accruing hereon prior to such payment plus the amount of any interest accruing after maturity and plus any other amount paid or accrued in connection with the indebtedness evidenced hereby which by law are deemed interest on the indebtedness evidenced by the Note and which aggregate amounts paid or accrued (if calculated in accordance with the provisions of this Note other than this paragraph) would exceed the Maximum Nonusurious Rate of interest which could lawfully be charged as above mentioned on the unpaid principal balance of the indebtedness evidenced by this Note from time to time advanced (less any discount) and remaining unpaid from the date advanced to the date of final payment thereof, then in such event the amount of such excess shall be credited, as of the date paid, toward the payment of the principal of this Note so as to reduce the amount of the final payment of principal due on this Note.

(ii) If, under any circumstances, the aggregate amount paid on the indebtedness evidenced by this Note prior to and incident to the final payment hereof include amounts which by law are deemed interest and which would exceed the Maximum Nonusurious Rate of interest which could lawfully have been charged or collected on this Note, as above mentioned, Maker stipulates that (a) any non-principal payment shall be characterized as an expense, fee, or premium rather than as interest and any excess shall be credited hereon by the holder hereof (or, if this Note shall have been paid in full, refunded to the Maker); and (b) determination of the rate of interest for determining whether the indebtedness evidenced hereby is usurious shall be made by amortizing, prorating, allocating, and spreading, in equal parts during the full stated term hereof, all interest at any time contracted for, charged, or received from the Maker in connection herewith, and any excess shall be canceled, credited, or refunded as set forth in (a) herein. Time shall be of the essence in performing all actions.

This Note has been executed and delivered and shall be construed in accordance with and governed by the laws of the State of Texas and of the United States of America.

The "Maximum Nonusurious Rate of Interest" which may be charged as herein contemplated shall be the indicated rate ceiling from time to time in effect pursuant to the applicable provisions of the Texas Finance Code, as amended, provided that Payee may also rely on any alternative Maximum Nonusurious Rate of interest provided by other applicable laws if such alternative rate is higher than that allowed by said Code, as amended.

The Maker of this Note agrees that this Note shall be freely assignable to any assignee of Payee, subject to compliance with applicable securities laws.

The Maker shall have the privilege to prepay at any time, and from time to time, all or any part of the principal amount of this Note, without notice, penalty or fee, provided that all accrued and unpaid interest through the date of the prepayment is also paid, such prepayments to be applied first to accrued and unpaid interest on the principal amount and the balance, if any, to the reduction of principal. Maker's right to prepay this Note shall not be deemed as a right to receive a release of any of the liens or security interests covering the collateral securing payment of this Note.

The Maker represents and warrants that the extension of credit represented by this Note is for business, commercial, investment or other similar purposes, and not primarily for personal, family, household or agricultural use.

No failure to exercise and no delay on the part of Payee in exercising any power or right in connection herewith or under any of the Security Instruments or any other instrument evidencing, securing, or guaranteeing this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. No course of dealing between Maker and Payee shall operate as a waiver of any right of Payee. No modification or waiver of any provision of this Note or any other instrument evidencing, securing, or guaranteeing this Note nor any consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by the person against whom enforcement thereof is to be sought, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

Any check, draft, money order, or other instrument given in payment of all or any portion of this Note may be accepted by Payee and handled in collection in the customary manner, but the same shall not constitute payment hereunder or diminish any rights of Payee except to the extent that actual cash proceeds of such instruments are unconditionally received by Payee.

THIS NOTE, THE SECURITY INSTRUMENTS, AND ALL DOCUMENTS AND INSTRUMENTS EXECUTED IN CONNECTION HEREWITH OR THEREWITH, REPRESENT THE FINAL AGREEMENT BETWEEN THE MAKER AND PAYEE AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE MAKER AND THE PAYEE.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE MAKER AND PAYEE.

All renewals, extensions, modifications and rearrangements of the Note, if any shall be subject to the terms and provisions hereof. Maker shall be deemed to have ratified as of the date of each such renewal, extension, modification and rearrangement, all of the representations, covenants and agreements set forth herein.

The Maturity Date may be extended by written agreement of the Parties. However, any such extensions shall be subject to Lender’s written approval with a signed amendment to this Note.

It is agreed that time is of the essence of this Note, and the Maker expressly agrees that upon an occurrence of an Event of Default in the payment of any principal or interest when due, the Payee may, without demand, notice of presentment of default, notice of acceleration, notice of intention to accelerate or otherwise, to Maker, all of which are hereby waived by Maker, declare the entirety of this Note immediately due and payable. Upon the occurrence of any default hereunder, the Payee shall also have the right to exercise any and all of the rights, remedies and recourses now or hereafter existing in equity, law, by virtue of statute or otherwise, including, but not limited to, the right to foreclose upon any and all liens and security interests, if any, securing the indebtedness evidenced hereby. Failure to exercise said option shall not constitute a waiver on the part of the Payee of the right to exercise the same at any other time.

Payment of the Note and performance of the obligations described herein shall be secured by a perfected security interest in the collateral as more fully set forth in those certain Security Agreements and Security Agreement-Pledges executed as of even date herewith (collectively, the "Security Agreements"). In addition, payment of this Note and performance of the obligations shall be secured by a Guaranty of even date herewith by all subsidiaries or entities controlled or owned by Maker as of the date of this Note or at any time thereafter (collectively, the "Guaranty"); and together with the Security Agreements (the "Security Instruments").

This Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event of a Change of Control (as hereinafter defined). In the event of a Change of Control, in addition to becoming due immediately, the undersigned persons signing on behalf of Maker shall ensure that any funds because of the Change of Control are given highest priority to satisfy the terms of this Note. "Change of Control" of the Maker shall mean any of the following events:

(i) any person or persons acting together (other than those persons in control of the Maker as of the date hereof, or an entity owned directly or indirectly by the members of the Maker in substantially the same proportions as their ownership of membership interests of the Maker) becomes the beneficial owner, directly or indirectly, of securities of the Maker representing more than fifty percent (50%) of the combined voting power of the Maker's then outstanding securities in any one transaction; or

(ii) the undersigned persons representing Maker approve (1) a plan of complete liquidation of the Maker and its subsidiaries (if any), (2) an agreement for the sale or disposition of all or substantially all Maker's assets other than to a person controlled by the Maker or by the members of Maker, or (C) a merger (other than a merger for purposes of redomiciling Maker), consolidation, or reorganization of Maker with or involving any other entity, other than a merger, consolidation, or reorganization that would result in the voting securities of Maker outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the combined voting power of the securities of Maker (or such surviving entity) outstanding immediately after such merger, consolidation, or reorganization.

Notwithstanding the above, none of the rights, privileges or obligations of the Agreement and Plan of Merger (as amended from time to time) between the Maker and Viking Energy Group, Inc. or the merger provided for therein (the "Merger"), including, but not limited to, any of the issuances of securities contemplated, or affected in connection therewith, or voting rights associated therewith, shall at any time trigger a Change of Control.

Notwithstanding any other provision, this Note shall automatically accelerate, and all amounts of unpaid principal and interest shall become due immediately in the event that the Merger does not close or is not fully consummated by the three-month anniversary of the issuance date first stated above.

Maker has full power and authority to enter into, execute, and deliver this Note and to perform its obligations hereunder. No consent, approval, filing or registration with any governmental authority is required as a condition to the validity of the Note or the performance by Maker of its obligations thereunder.

The Note, when issued and delivered pursuant hereto for value received, will constitute, the valid and legally binding obligations of Maker, enforceable against Maker in accordance with its terms.

Any notice or other communication required or permitted hereunder shall be in writing and personally delivered, mailed by registered or certified mail (return receipt requested and postage prepaid), sent by personal delivery or sent by prepaid overnight courier service, and addressed to the relevant party at such address as such party may, by written notice, designate as its address for purposes of notice hereunder.

All rights and remedies available to Payee under this Note shall be cumulative of and in addition to all other rights and remedies granted to Payee at law or in equity.

Maker hereby agrees to pay all expenses incurred, including any reasonable attorneys' fees, all of which shall become a part of the principal hereof, if this Note is in default and placed in the hands of an attorney for collection, or if collected by suit or through any probate, bankruptcy, or any other legal proceedings.

Maker, together with each surety and endorser, waives demand, grace, notice, presentment for payment, and protest and agrees and consents that this Note and the liens securing its payment, if any, may be renewed, and the time of payment extended without notice, and without releasing any of the parties.

This Note is to be governed by and construed in accordance with the laws of the State of Texas. The courts within Harris County, Texas shall have jurisdiction over any dispute regarding this Note.

The parties hereto acknowledge that a remedy at law for any breach or threatened breach of this Note may be inadequate and that the parties shall be entitled to seek specific performance, injunctive relief, and any other remedies available to it for such breach or threatened breach.

If any one or more of the provisions contained in the Note shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and therein shall not be affected in any way thereby.

Each party hereto acknowledges that it was actively involved in the negotiation and drafting of this Note and that no law or rule of construction shall be raised or used in which the provisions of this Note shall be construed in favor or against any party hereto because one is deemed to be the author thereof.

If any legal action or other proceeding is brought for the enforcement of this Note or any document executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Note or any document, instrument or agreement executed in connection herewith, the successful prevailing party shall be entitled to recover reasonable attorney's fees, court costs and all other costs and expenses incurred in that action or proceeding.

EACH PARTY ACKNOWLEDGES THAT IT IS EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT IT HAS BEEN ADVISED OF ITS RIGHT TO RETAIN LEGAL COUNSEL, AND THAT IT HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO HIS, HER OR ITS EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

MAKER:

CAMBER ENERGY, INC.

By: _____
Name: _____
Title: _____

PAYEE:

_____

By: _____
Name: _____
Title: _____

Exhibit 10.34

SECURITY AGREEMENT

This Security Agreement (the "Security Agreement") is made as of December 11, 2020 by and between **Camber Energy, Inc.** , a Nevada corporation (the "Company") whose principal address is 1415 Louisiana Street, Suite 3500, Houston, Texas 77002, and _____ _____ (the "Secured Party") whose principal address is _____ _____. The Company and the Secured Party may be hereinafter referred to singularly as a " Party" or collectively as the "Parties".

W I T N E S S E T H:

WHEREAS, the Parties have entered into that certain Promissory Note dated effective as of December 11, 2020 (the " Promissory Note") under which the Company has agreed to pay the Secured Party those certain amounts outstanding under the Promissory Note from time to time, the principal amount not to exceed Six Million and No/100 Dollars ($6,000,000.00), a true and complete copy of which is attached as Exhibit A to this Security Agreement. Certain capitalized terms used, but not defined, herein, shall have the meanings given to such terms in the Promissory Note;

NOW, THEREFORE, it is hereby agreed by the Parties as follows:

1. Defined Terms.

As used in this Security Agreement, the following terms shall have the following meanings:

"*Ancillary Agreements*" means the Security Agreement-Pledges that shall be executed by the Company and all of its subsidiaries in favor of the Secured Party, dated as of even date herewith and guarantees to be executed by any subsidiaries or entities that are owned by or controlled directly or indirectly by the Company as of the date of this Security Agreement or whenever thereafter acquired by the Company.

"*Collateral*" has the meaning specified in Section 2.

"*Event of Default*" has the meaning specified in Section 10.

"*Proceeds*" means all proceeds of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, Collateral, including, without limitation, all claims of the Company against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral, in each case whether now existing or hereafter arising.

"Receivables" means all *"accounts"*, *"chattel paper"*, *"instruments"*, *"documents"*, *"general intangibles"* (including "payment intangibles") (as each such term is defined in the UCC) and other obligations owed to the Company of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and whether or not evidenced by a written agreement, and all rights now or hereafter existing in and to all security agreements, leases, and other contracts including support agreements (as such term is defined in the UCC) (all such written or unwritten agreements, security agreements, leases and other contracts, including all support agreements, being the "Related Contracts"), securing or otherwise relating to any such accounts, chattel paper, instruments, documents, general intangibles or other obligations.

"Secured Liabilities" means all present and future obligations and liabilities (whether actual or contingent and whether now or hereafter owed jointly or severally or as principal, Company, guarantor, surety or otherwise or as the equivalent obligor under the laws of any jurisdiction) of the Company pursuant to the terms of the Promissory Note, together with:

(i) all costs, charges and expenses incurred by the Secured Party in connection with or arising out of the protection, preservation or enforcement of the Secured Party's rights under the Promissory Note;

(ii) any modification, renewal or extension of or increase in any of those obligations or liabilities;

(iii) any claim for damages or restitution in the event of rescission of any of those obligations or liabilities or otherwise in connection with the Promissory Note;

(iv) any claim against the Company flowing from the recovery by the Company of a payment or discharge in respect of any of those obligations or liabilities on grounds of preference or otherwise;

(v) all other amounts now or in the future owed by the Company to the Secured Party pursuant to the terms of the Promissory Note; and

(vi) any amounts that would be included in any of the foregoing but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency, bankruptcy or other proceedings.

"Security Interest" means the security interest granted in accordance with Section 2, as well as all other security interests created or assigned as additional Collateral for the Secured Liabilities in accordance with the provisions of this Security Agreement or otherwise.

"Subsidiary" or "Subsidiaries" means any legally existing entity that the Company owns in whole or if in part, has control of greater than a majority of the equity ownership and/or a majority voting control thereof.

"UCC" means the Uniform Commercial Code in effect from time to time in the State of Texas; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Texas, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions of this Agreement relating to such perfection or effect of perfection or non-perfection.

2. Security Interest.

(a) In order to secure the full and punctual payment of the Secured Liabilities in accordance with the terms thereof, including to secure the performance of all of the obligations of the Company under the Promissory Note, the Company hereby grants and assigns to the Secured Party a continuing security interest in and to all right, title and interest of the Company (but, for the avoidance of doubt, not its Subsidiaries) in all of the following property, whether now owned or existing or hereafter acquired or arising and regardless of where located (all being collectively referred to as the "Collateral"):

(i) Accounts. All accounts (as such term is defined in Article 9 of the UCC) whether now owned or existing or hereafter arising or acquired by the Company, and all returned or repossessed goods arising from or relating to any such accounts, or other proceeds of any sale, lease or other disposition of inventory, and expressly including all notes, drafts, acceptances, instruments and chattel paper arising from any of the foregoing, and all refunds and rights to reimbursement.

(ii) Inventory. All inventory (as such term is defined in Article 9 of the UCC), including all goods, merchandise, raw materials, work in process, finished goods and other tangible personal property, wheresoever located, whether now owned or existing or hereafter arising or acquired by the Company, and (a) leased by the Company as lessor, (b) held for sale or lease or furnished or to be furnished under contracts for service, (c) furnished by the Company under a contract of service, or (d) used or consumed in the Company's business, and all additions and accessions thereto and all purchase orders, leases and contracts with respect thereto and all documents of title evidencing or representing any part thereof, and all products and proceeds thereof, whether in the possession of the Company, a warehouseman, a bailee, or any other person.

(iii) Fixtures. All fixtures (as such term is defined in Article 9 of the UCC) and appurtenances thereto, whether now owned or existing or hereafter arising or acquired by the Company, and such other goods, chattels, fixtures, equipment and personal property affixed or in any manner attached to the real estate and/or building(s) or structure(s), including all attachments, appurtenances, additions and accessions thereto and replacements thereof and articles in substitution therefor, howsoever attached or affixed (together with all tools, components, parts and equipment now or hereafter added to or used in connection with the foregoing).

(iv) Equipment. All equipment (as such term is defined in Article 9 of the UCC) of every nature and description whatsoever, whether now owned or existing or hereafter arising or acquired by the Company, including all appurtenances and additions and accessions thereto and substitutions therefor and replacements thereof, wheresoever located, including all tools, parts, components and accessories used in connection therewith, and expressly including all vehicles, rolling stock, and goods (as such term is defined in Article 9 of the UCC) other than inventory, farm products and consumer goods.

(v) General Intangibles. All general intangibles (as such term is defined in Article 9 of the UCC) and other personal property, whether now owned or existing or hereafter arising or acquired by the Company, and expressly including any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter of credit rights, letters of credit, money, oil, gas or other minerals before extraction. The term "general intangibles" includes (a) payment intangibles (as such term is defined in Article 9 of the UCC), (b) software (as such term is defined in Article 9 of the UCC), (c) all patents, copyrights, trademarks, service marks, processes, formulae, know-how, prototypes, samples, plans, scientific and/or technical information, trade secrets, confidential or proprietary information, items under development, in application or other "pending" status, and all other items of a similar nature used in the conduct of the Company's business, and (d) all benefits, rights, titles and interests under all partnership, joint venture and limited liability company agreements between or among the Company and any other party (but none of Company's liabilities or obligations with respect thereto); however, the term "general intangibles" shall not include any swap agreement (as defined in 11 U.S.C. Sec. 101) with Secured Party.

(vi) Chattel Paper. All chattel paper (as such term is defined in Article 9 of the UCC), whether now owned or existing or hereafter arising or acquired by the Company.

(vii) Instruments. All instruments (as such term is defined in Article 9 of the UCC), including promissory notes, whether now owned or existing or hereafter arising or acquired by the Company.

(viii) Documents. All documents (as such term is defined in Article 9 of the UCC) whether now owned or existing or hereafter arising or acquired by the Company.

(ix) Letter of Credit Rights. All letter of credit rights (as such term is defined in Article 9 of the UCC) whether now owned or existing or hereafter arising or acquired by the Company.

(x) Deposit Accounts. All deposit accounts (as such term is defined in Article 9 of the UCC), whether now owned or existing or hereafter arising or acquired by the Company, and expressly including without limitation all cash, money, property, deposit accounts, accounts, securities, documents, chattel paper, claims, demands, instruments, items or deposits of the Company, now held or hereafter coming within Secured Party's custody or control, including without limitation, all certificates of deposit and other depository accounts, whether such have matured or the exercise of Secured Party's rights results in loss of interest or principal or other penalty on such deposits, but excluding deposits subject to tax penalties if assigned.

(b) The Security Interest is granted as security only and shall not subject the Secured Party to, or transfer or in any way affect or modify, any obligation or liability of the Company with respect to any of the Collateral or any transaction in connection therewith.

(c) The inclusion of Proceeds in this Agreement does not authorize the Company to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized hereby.

3. Representations and Warranties. The Company represents and warrants as follows:

(a) The exact legal name of the Company, as the legal name appears in the Company's certificate of formation as of the date of this Agreement, is as set forth in the introductory paragraph of this Security Agreement. The Company has no other trade name, assumed name or alias.

(b) The place of business or, if the Company has more than one place of business, the chief executive office is located at the address of the Company specified in the introductory paragraph of this Security Agreement.

(c) The office where the Company keeps its records concerning the Receivables, and all originals of all chattel paper which evidence Receivables, is located at the address of the Company specified in paragraph 3(b) of this Security Agreement. None of the Receivables is evidenced by a promissory note or other instrument.

(d) The Company owns the Collateral free and clear of any lien, security interest, charge or encumbrance. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office.

(e) This Agreement creates a valid and perfected first priority security interest in the Collateral, securing the payment of the Secured Liabilities, and all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken.

(f) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the grant by the Company of the security interest granted hereby or for the execution, delivery or performance of this Security Agreement by the Company, or (ii) for the perfection of or the exercise by the Secured Party of their rights and remedies under the Promissory Note or this Security Agreement, including without limitation, the filing of a UCC-1 financing statement.

(g) The Company is a corporation duly organized and validly existing under the laws of the State of Nevada, qualified to do business in all jurisdictions in which the nature of the business conducted by the Company makes such qualification necessary and where failure so to qualify would not have a material adverse effect on the Company's financial condition, operations, prospects or business, or the Company's ability to perform all the Company's obligations under this Security Agreement and the Promissory Note.

(h) The Company is not in violation of any applicable law, which violations, individually or in the aggregate, would affect the Company's performance of any obligation under this Security Agreement or the Promissory Note; there is no litigation before any court or governmental authority now pending or (to the Company's knowledge after reasonable inquiry) threatened against the Company which, if adversely determined, could reasonably be expected to have a material adverse effect on the Company's financial condition, operations, prospects or business as a whole, or ability to perform all the Company's obligations under the Security Agreement and the Promissory Note.

(i) The Company is the holder of all governmental approvals, permits and licenses required to permit the Company to conduct its business as currently conducted and to enter into and perform the Company's obligations under this Security Agreement and the Promissory Note.

(j) None of the execution and delivery of this Security Agreement, the consummation of the transactions contemplated in this Security Agreement or the Promissory Note, or compliance with the terms and provisions of this Security Agreement or the Promissory Note will conflict with or result in a breach of, or require any consent under, the Company's articles of incorporation or by laws, or any applicable law, or any agreement or instrument to which the Company is a party or by which the Company is bound or to which the Company or any of the Company's respective assets are subject, or constitute a default under any such agreement or instrument.

(k) The Company has all necessary power and authority to execute, deliver and perform the Company's respective obligations under this Security Agreement and the Promissory Note; the Company's execution, delivery and performance of this Security Agreement and the Promissory Note have been duly authorized by all necessary action on the Company's part; and this Security Agreement and the Promissory Note have been duly and validly executed and delivered by the Company and each constitutes the Company's legal, valid and binding obligation, enforceable in accordance with its and their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or moratorium or other similar laws relating to the enforcement of creditors' rights generally and by general equitable principles.

4. Places of Business. The Company will notify the Secured Party promptly of the addition or discontinuance of any place of business or any change in the address of its principal or any other place of business. None of the Collateral shall be removed from the Company's principal place of business set forth in the introductory paragraph of this Security Agreement until, as from time to time supplemented, unless the Secured Party is given thirty (30) days prior written notice of such removal, which notice shall state the location or locations to which said Collateral will be removed, or the Company has paid all amounts relating to the purchase price of such Collateral. The Company warrants that all of the Collateral is and shall continue to be located at the locations set forth herein or such other locations of which the Secured Party receives notice in accordance with this Section.

5. Encumbrances. The Company will not create, incur, assume, or suffer to exist now or at any time throughout the duration of the term of this Security Agreement, any lien, security interest or other encumbrances against the Collateral, whether now owned or hereafter acquired, except for liens in favor of the Secured Party and any other liens allowed in writing by the Secured Party. The Company will notify the Secured Party of any lien, security interest or other encumbrance securing an obligation against the Collateral, and will defend the Collateral against such claim, lien, security interest or other encumbrance adverse to the Secured Party.

6. Maintenance of Collateral. The Company shall preserve the Collateral for the benefit of the Secured Party. Without limiting the generality of the foregoing, the Company shall:

(a) make all such repairs, replacements, additions and improvements to the equipment necessary to prevent the deterioration or loss thereof;

(b) preserve all beneficial contract rights to the extent commercially reasonable;

(c) in conjunction with, and at the direction of, the Secured Party, take commercially reasonable steps to collect all Receivables; and

(d) pay all taxes, assessments or other charges on the Collateral when due, unless the amount or validity of such taxes, assessments or charges are being contested in good faith by appropriate proceedings and reserves have been deposited with the Secured Party with respect thereto.

7. Additional Provisions Concerning the Collateral.

(a) The Company authorizes the Secured Party to file, without the signature of the Company, where permitted by law, one or more financing or continuation statements, and amendments thereto, relating to the Collateral, all in the discretion of the Secured Party.

(b) If there is an Event of Default, the Company hereby irrevocably appoints the Secured Party as its attorney-in-fact (which power of attorney is coupled with an interest) and proxy, with full authority in the place and stead of the Company and in its name or otherwise, from time to time in the Secured Party's discretion, to take any action or execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation: (i) to obtain and adjust insurance required to be paid to the Secured Party pursuant to Section 8 hereof; (ii) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral; (iii) to receive, endorse, and collect any checks, drafts or other instruments, documents, and chattel paper in connection with clause (i) or clause (ii) above; (iv) to sign the Company's name on any invoice or bill of lading relating to any account, on drafts against customers, on schedules and assignments of accounts, on notices of assignment, financing statements and other public records, on verification of accounts and on notices to customers (including notices directing customers to make payment directly to the Secured Party); (v) during the continuation of an Event of Default hereunder, to notify the postal authorities to change the address for delivery of its mail to an address designated by the Secured Party, to receive, open and process all mail addressed to the Company; (vi) to send requests for verification of accounts to customers; and (vii) to file any claims or take any action or institute any proceedings which the Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Secured Party with respect to any of the Collateral. The Company hereby ratifies and approves in advance all acts of said attorney; and so long as the attorney acts in good faith and without gross negligence it shall have no liability to the Company for any act or omission as to such attorney.

(c) If the Company fails to perform any agreement contained herein and such failure to perform remains uncured for a period of ten (10) days following receipt of written notice by Secured Party, the Secured Party may perform, or cause performance of, such agreement or obligation, and the reasonable costs and expenses of the Secured Party incurred in connection therewith shall be payable by the Company immediately upon demand by Secured Party, shall bear interest at the highest legal rate from the date incurred until paid and shall be fully secured hereby.

(d) The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

(e) Anything herein to the contrary notwithstanding, (i) the Company shall remain liable under any contracts and agreements relating to the Collateral, to the extent set forth therein, to perform all of its obligations thereunder, to the same extent as if this Security Agreement had not been executed; (ii) the exercise by the Secured Party of any of its rights hereunder shall not release the Company from any of its obligations under the contracts and agreements relating to the Collateral; and (iii) the Secured Party shall not have any obligation or liability by reason of this Security Agreement under any contracts and agreements relating to the Collateral, nor shall the Secured Party be obligated to perform any of the obligations or duties of the Company thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

(f) In the event the Company acquires a Subsidiary with the proceeds of the Promissory Note (in whole or in part), as a condition thereto and simultaneously with such acquisition, the Company shall pledge the securities of such Subsidiary by executing a new Security Agreement-Pledge in the form of Schedule A attached hereto in favor of the Secured Party.

(g) Until the Secured Liabilities are paid in full, the Company agrees that the Company will (i) preserve the Company's corporate existence and not, in one transaction or a series of related transactions, convert to a different type of entity, merge into or consolidate with any other entity (other than in connection with the Company's pending merger with Viking Energy Group, Inc., which merger is expressly approved), or sell all or substantially all of its assets; (ii) not change the state of the Company's organization; and (iii) not change the Company's name or identity in any manner, unless in the case of this clause (iii) only, the Company shall have given the Secured Party not less than forty-five (45) days prior notice thereof.

8. Insurance. The Company shall maintain insurance covering the Collateral with financially sound and reputable insurers satisfactory to the Secured Party against such risks as are customarily insured by a business in the same or a similar industry and similarly situated for an amount not less than the full replacement value of such Collateral. All such insurance policies covering property on and after the date such property becomes subject to the Security Interest shall be written so as to be payable in the event of loss to the Secured Party, and shall provide for at least thirty (30) days prior written notice to the Secured Party prior to the cancellation or modification of each such policy. At the request of the Secured Party, all insurance policies covering property subject to the Security Interest shall be furnished to and held by the Secured Party. If, while any Secured Liabilities are outstanding, any proceeds with respect to any casualty loss are paid to the Secured Party under such policies on account of such casualty loss, and no default has occurred and is continuing, the Secured Party will pay over such proceeds in whole or in part to the Company, for the purpose of repairing or replacing the Collateral destroyed or damaged, with any such repaired or replaced Collateral to be secured by this Security Agreement. If an Event of Default has occurred and is continuing, the Secured Party may apply the proceeds as Secured Party deems fit, subject to applicable law and may cancel, assign or surrender any such insurance policies.

9. Fixtures. It is the intention of the Parties hereto that none of the equipment or other property securing the Secured Liabilities hereunder shall become fixtures.

10. Default. Any one or more of the following events shall constitute an event of default (an "Event of Default"):

(a) any representation or warranty made or deemed made by the Company in this Security Agreement shall prove to have been materially incorrect, false, incomplete or misleading; or

(b) the occurrence of an "Event of Default" as defined in the Promissory Note.

11. Remedies.

(a) Upon the occurrence of an Event of Default and at any time or times during the continuance thereof, unless such Event of Default shall have been cured within the applicable time period, if any, or waived in writing by the Secured Party, and subject to the provisions of applicable law, the Secured Party may exercise any one or more of the following remedies:

(i) The Secured Party shall have full power and authority to sell or otherwise dispose of the Collateral or any part thereof. Any such sale or other disposition, subject to the provisions of applicable law, may be by public or private proceedings and may be made by one or more contracts, as a unit or in parcels, at such time and place, by such method, in such manner and on such terms as the Secured Party may determine. Except as required by law, such sale or other disposition and such notice will be deemed to have been sufficiently given if such notice is hand-delivered or mailed postage prepaid, at least ten (10) days before the time of such sale or other disposition, to the Company at its address as specified in the Security Agreement. To the extent permitted by law, the Secured Party may buy any or all of the Collateral upon any sale thereof. To the extent permitted by law, upon any such sale or sales, the Collateral so purchased shall be held by the purchaser absolutely free from any claims or rights of whatsoever kind or nature, including any claim of redemption and any similar rights being hereby expressly waived and released by the Company. In connection with any such sale, the Secured Party shall be permitted to limit its warranties to the maximum extent provided in the UCC. After deducting all reasonable costs and expenses of collection, custody, sale or other disposition or delivery (including legal costs and reasonable attorneys' fees) and all other charges due against the Collateral, the residue of the proceeds of any such sale or other disposition shall be applied to the payment of the Secured Liabilities, except as otherwise provided by law or directed by any court of competent jurisdiction, and any surplus after the payment in full of the Secured Liabilities shall be returned to the Company, except as otherwise provided by law or any such court. The Company shall be liable for any deficiency in payment of the Secured Liabilities, including all reasonable costs and expenses of collection, custody, sale or other disposition or delivery and all other charges due against the Collateral, as herein enumerated.

(ii) The Secured Party may notify an account Company of the Company to make payment to the Secured Party whether the Company or the Secured Party were previously making collections on any of the accounts receivable; and the Secured Party may also take control of any proceeds from any Collateral.

(iii) At any time whether or not an Event of Default has occurred, with or without notice, the Secured Party is authorized to offset and charge against any other credits and obligations ever owed by the Secured Party to the Company, any amount for which the Company may become obligated to the Secured Party at any time, whether under the Promissory Note or otherwise. The obligations secured by the Security Interest granted and by the Secured Party's right of offset includes all obligations of any kind or type now or hereafter arising, owed by the Company to the Secured Party, whether liquidated or unliquidated, direct or indirect, contingent or not.

(iv) The Secured Party may commence proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver-manager) of the Collateral or of any part thereof or may by instrument in writing appoint any person to be a receiver of the Collateral or any part thereof and may remove any receiver so appointed by the Secured Party and appoint another in his stead; and any such receiver appointed by instrument in writing shall have power (a) to take possession of the Collateral or any part thereof, (b) to carry on the business of the Company, (c) to borrow money on the security of the Collateral in priority to this Security Agreement to the extent required for the maintenance, preservation or protection of the Collateral or any part thereof or for the carrying on of the business of the Company, and (d) to sell lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that any such receiver shall be deemed the agent of the Company and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such receiver.

(v) The Secured Party shall have all other rights and remedies of a secured party provided under the UCC.

(vi) The Secured Party shall have all other rights and remedies allowed at law and/or in equity.

(b) It is provided, however, that in the Secured Party's efforts in collection on the Collateral, the Company shall be liable and responsible for any deficiency.

12. Limitation on Duty of the Secured Party in Respect of Collateral. The powers conferred on the Secured Party under this Security Agreement are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. Except for reasonable care in the custody of any Collateral in the Secured Party's possession and the accounting for moneys actually received by the Secured Party under this Security Agreement, the Secured Party shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in the Secured Party's possession if the Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property, it being understood that the Secured Party shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other bailee selected by the Secured Party in good faith. Except as otherwise expressly provided in this Section 12, the Company has the risk of loss of the Collateral. Further, the Secured Party has no duty to collect any income accruing on the Collateral or to preserve any rights relating to the Collateral. The Secured Party shall have no obligation to clean up or otherwise prepare the Collateral for sale.

13. Concerning Secured Party. In furtherance and not in derogation of the rights, privileges and immunities of the Secured Party:

(a) The Secured Party is authorized to take all such action as is provided to be taken by the Secured Party under this Security Agreement and all other action reasonably incidental thereto. As to any matters not expressly provided for in this Security Agreement (including the timing and methods of realization upon the Collateral), the Secured Party shall act or refrain from acting in the Secured Party's sole reasonable discretion.

(b) The Secured Party shall not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Security Interests in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on the Secured Party's part under this Security Agreement. The Secured Party shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Security Agreement by the Company.

14. Payment of Taxes, Charges, Etc. The Secured Party, at its option, after notice to the Company, may discharge any taxes, charges, assessments, security interest, liens or other encumbrances upon the Collateral or otherwise protect the value thereof. All such expenditures incurred by the Secured Party shall become payable by the Company to the Secured Party upon demand, shall bear interest at the highest legal rate from the date incurred to the date of payment, and shall be secured by the Collateral.

15. Waivers. To the extent permitted by law, the Company hereby waives demand for payment, notice of dishonor or protest and all other notices of any kind in connection with the Secured Liabilities except notices required hereby, by law or by any other agreement between the Company and the Secured Party, including, but not limited to the Promissory Note, if any. The Secured Party may release, supersede, exchange or modify any Collateral or security which it may from time to time hold and may release, surrender or modify the liability of any third party without giving notice hereunder to the Company. Such modifications, changes, renewals, releases or other actions shall in no way affect the Company's obligations hereunder.

16. Transfer Expenses, Etc. The Company will pay, indemnify and hold the Secured Party harmless from and against all reasonable costs and expenses (including taxes, if any) arising out of or incurred in connection with any transfer of Collateral into or out of the name of the Secured Party and all reasonable costs and expenses, including reasonable legal fees, of the Secured Party arising out of or incurred in connection with this Security Agreement.

17. Termination. This Security Interest shall terminate following the full payment, satisfaction, or discharge of all Secured Liabilities. Upon such termination, the Secured Party will deliver to the Company appropriate UCC termination statements with respect to Collateral so released from the Security Interest for filing with each filing officer with which UCC financing statements have been filed by the Secured Party to perfect the Security Interest in such Collateral.

18. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Company and the Secured Party and their respective successors and assigns.

19. Severability of Provisions. Any provision of any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

20. Submission to Jurisdiction. **(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS SECURITY AGREEMENT AND THE PROMISSORY NOTE MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS OR OF THE UNITED STATES LOCATED IN HARRIS COUNTY, TEXAS AND, BY EXECUTION AND DELIVERY OF THIS SECURITY AGREEMENT, THE COMPANY HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF THE COMPANY'S PROPERTY, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE COMPANY PURSUANT TO SECTION 22, SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING. NOTHING IN THIS SECURITY AGREEMENT SHALL AFFECT THE RIGHT OF THE SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION.**

(b) THE COMPANY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH THE COMPANY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS SECURITY AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) OF THIS SECTION 20 AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

21. **Waiver of Jury Trial. THE COMPANY HEREBY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS SECURITY AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS SECURITY AGREEMENT OR ARISING FROM OR RELATING TO ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS SECURITY AGREEMENT, AND AGREES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**

22. Notice. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, three (3) business days after being sent via courier service (such as Federal Express), and addressed to the intended recipient at the address set forth in the introductory paragraph of this Security Agreement. Any address for notice may be changed by written notice delivered as provided herein.

23. Governing Law. **THIS SECURITY AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS, EXCEPT AS REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT THE VALIDITY OR PERFECTION OF THE SECURITY INTERESTS, OR REMEDIES UNDER THIS SECURITY AGREEMENT, IN RESPECT OF ANY PARTICULAR COLLATERAL ARE GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.**

24. Prevailing Party. If any legal action or other proceeding is brought for the enforcement of this Agreement executed in connection with, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement or any document, instrument or agreement executed in connection herewith, the successful prevailing party shall be entitled to recover reasonable attorney's fees, court costs and all other costs and expenses incurred in that action or proceeding.

25. Drafting. Each of the Parties hereto acknowledges that each Party was actively involved in the negotiation and drafting of this Agreement and that no law or rule of construction shall be raised or used in which the provisions of this Agreement shall be construed in favor or against any Party hereto because one is deemed to be the author thereof.

26. No Waiver of Right of Remedies. No failure or delay by Secured Party in exercising any right, power, or privilege given by any provision of this Agreement shall operate as a waiver of the provision. Additionally, no single or partial exercise of any right, power, or privilege shall preclude any other or further exercise of that or any other right, power, or privilege.

27. COUNSEL. EACH PARTY ACKNOWLEDGES THAT THE PARTIES ARE EXECUTING A LEGAL DOCUMENT THAT CONTAINS CERTAIN DUTIES, OBLIGATIONS AND RESTRICTIONS AS SPECIFIED HEREIN. EACH PARTY FURTHERMORE ACKNOWLEDGES THAT EACH PARTY HAS BEEN ADVISED OF THEIR RIGHT TO RETAIN LEGAL COUNSEL, AND THAT EACH PARTY HAS EITHER BEEN REPRESENTED BY LEGAL COUNSEL PRIOR TO THEIR EXECUTION HEREOF OR HAS KNOWINGLY ELECTED NOT TO BE SO REPRESENTED.

IN WITNESS WHEREOF, the Parties hereto have executed this Security Agreement as of the date first written above.

COMPANY:

CAMBER ENERGY, INC.

By: _____
Name: _____
Title: _____

SECURED PARTY:

_____

By: _____
Name: _____
Title: _____

Exhibit 31.1

CERTIFICATION

I, Louis G. Schott, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 (the registrant's fourth fiscal quarter in the case of an Annual Report) that has 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 the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control 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: December 18, 2020

/s/ Louis G. Schott
Louis G. Schott
Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Robert Schleizer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and 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 (the registrant's fourth fiscal quarter in the case of an Annual Report) that has 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 the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control 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: December 18, 2020

/s/ Robert Schleizer
Robert Schleizer
Chief Financial Officer

(Principal Financial/Accounting
Officer)

Exhibit 32.1

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. on Form 10-Q for the quarter ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Louis G. Schott, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief: (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.

December 18, 2020

/s/ Louis G. Schott
Louis G. Schott
Interim Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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. on Form 10-Q for the quarter ended September 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Schleizer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief: (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.

December 18, 2020

/s/ Robert Schleizer
Robert Schleizer
Chief Financial Officer
(Principal Financial/Accounting
Officer)

The foregoing certification is not deemed filed with the Securities and Exchange Commission for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.