

8-K - 2017-09-12

Form: 8-K

Filing date: 2017-09-12

Accession: 0001580695-17-000414

8-K

8-K 1 cei-8k_090817.htm CURRENT REPORT

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 8, 2017**

Camber Energy, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation)

001-32508

(Commission File Number)

20-2660243

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

4040 Broadway, Suite 425, San Antonio, Texas 78209

(Address of principal executive offices)

(713) 528-1881

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ? Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ? Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ? Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ? Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ?

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ?

Item 2.04. Triggering Event under a Financial Obligation

On September 8, 2017, Camber Energy, Inc. (“we”, “us” and the “Company”), received a Notice of Default and Opportunity to Cure (the “Notice”) from its senior lender, International Bank of Commerce (“IBC”), stating that the Company was in default under its loan with IBC due to failing to make a required \$425,000 loan payment on August 25, 2017 (the “Payment Default”). The Notice was also sent to the guarantors under the loan agreement. The loan had a balance of \$38.3 million as of March 31, 2017. The Notice also cited the Company for several covenant defaults including exceeding a cap on monthly general and administrative expenses; falling below \$30 million of net worth; failing to comply with certain post-closing covenants regarding the assignment of certain oil and gas interests, the execution of certain supplemental mortgages and the completion of certain curative title requirements; failing to pay costs and expenses required pursuant to the terms of the loan agreement; failing to meet the requirements of a cash flow test as described in greater detail in the loan agreement; and exceeding the loan to value determination provided for in the loan agreement. In order to cure the Payment Default described in the Notice, we are required to pay \$425,000, as well as any attorney’s fees and/or late fees as determined by IBC, on or before September 18, 2017. The Company has a 30-day cure period under its loan agreement with respect to the covenant defaults. In the event the Company is unable to cure the defaults, the entire amount of the IBC loan may be accelerated and IBC may take action to enforce its remedies under the loan agreement. The IBC loan is secured by substantially all of the Company’s assets other than those assets of CATI (as defined below), which secure amounts owed under the note held by CATI (also as described below) and if IBC were to foreclose on our assets it would have a material adverse effect on our operations and may force us to seek bankruptcy protection.

The Company is evaluating its strategic alternatives concerning the defaults.

The Company also reports that the cure period on the note of its wholly-owned subsidiary CATI Operating LLC (“CATI”) expired yesterday, and while the Company is still exploring possible resolutions of the defaults on its CATI debt, the Company does not plan to repay such note. As of yesterday, all principal, interest and unpaid costs thereunder will be immediately due and payable (which totaled \$6.9 million as of March 31, 2017). As stated previously, this loan is non-recourse to the public Company itself, but is recourse to CATI, and the lender may take action to enforce its security interest over CATI’s assets upon default. The Company is continuing discussions with the CATI lender.

Item 7.01 Regulation FD Disclosure.

The Company issued a press release on September 8, 2017, announcing that that the NYSE American (the “Exchange”) had granted the Company a two-week extension, until September 19, 2017, to submit its plan of compliance (the “Plan”) addressing how it intends to regain compliance with Sections 1003(a) (ii) and (iii) of the Exchange’s Company Guide by August 3, 2018.

Additionally, the press release further announces that the Company has retained Dykema Gossett as restructuring advisors as it continues to evaluate its strategic alternatives.

A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated by reference herein.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1**	Press Release dated September 12, 2017

** Furnished herewith.

SIGNATURE

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

CAMBER ENERGY, INC.

By: /s/ Robert Schleizer

Name: Robert Schleizer

Title: Interim Chief Financial Officer

Date: September 12, 2017

EXHIBIT INDEX

Exhibit No.	Description
99.1**	Press Release dated September 12, 2017

** Furnished herewith.

Camber Energy, Inc. 8-K**Exhibit 99.1****CAMBER ANNOUNCES LETTER FROM LENDER**

SAN ANTONIO, September 12, 2017 (GLOBE NEWSWIRE) -- Camber Energy, Inc. (NYSE American:CEI) ("Camber" or the "Company"), an independent oil and gas company, announces that on September 8, 2017, it received a final notice of default from its senior lender, International Bank of Commerce ("IBC" or the "Bank"), noting a payment default in the Company's failure to pay its August 25, 2017 installment payment (the "Payment Default"). The notice also cited several covenant defaults by the Company. The Company must cure the Payment Default by paying \$425,000, as well as any attorney's fees or late fees as determined by IBC, on or before September 16, 2017. The Company has a 30-day cure period under its loan agreement with respect to the covenant defaults. The Company is evaluating its strategic alternatives as to how to address these defaults. The IBC loan is secured by substantially all of the Company's assets other than those assets of CATI (as defined below), which secure amounts owed under the note held by CATI (also as described below).

The Company also reports that the NYSE American (the "Exchange") has granted the Company a two-week extension, until September 19, 2017, to submit its plan of compliance (the "Plan") addressing how it intends to regain compliance with Sections 1003(a) (ii) and (iii) of the Exchange's Company Guide by August 3, 2018.

The Company also reports that it is still pursuing possible resolutions of the default notice received by its wholly owned subsidiary CATI Operating LLC ("CATI"). The cure period on the note expires today at which time all principal, interest and unpaid costs are immediately due and payable. As stated previously, this loan is non-recourse to the public Company itself, but is recourse to CATI, and the lender may take action to enforce its security interest over CATI's assets upon default.

The Company further announces that as it has engaged Dykema Gossett as restructuring advisors to assist the Company in continuing to evaluate all strategic alternatives.

About Camber Energy, Inc.

Based in San Antonio, Texas, Camber Energy (NYSE American:CEI) is a growth-oriented, independent oil and gas company engaged in the development of crude oil, natural gas and natural gas liquids in the Hunton formation in Central Oklahoma in addition to the Austin Chalk and Eagle Ford formations in South Texas.

For more information, please visit the Company's website at www.camber.energy.

Safe Harbor Statement and Disclaimer

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

Contact

Bob Schleizer
CFO
Camber Energy, Inc.
713-528-1881
