

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

ROBERT HOWIE, derivatively on  
behalf of CAMBER ENERGY INC.,

Plaintiff,

v.

Case No. 4:22-cv-02167

JAMES A. DORIS, FRANK W.  
BARKER, JR., FRED S. ZEIDMAN,  
JAMES G. MILLER, ROBERT  
GREEN, LOUIS G. SCHOTT,  
ROBERT SCHLEIZER, DISCOVER  
GROWTH FUND LLC and JOHN C.  
KIRKLAND,

Defendants,

CAMBER ENERGY, INC.

Nominal Defendant.

**NOTICE OF PROPOSED SETTLEMENT OF STOCKHOLDER  
DERIVATIVE ACTION, SETTLEMENT HEARING, AND RIGHT TO  
APPEAR**

*The United States District Court for the Southern District of Texas  
authorized this Notice.*

***This is not a solicitation from an attorney***

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF SHARES OF COMMON STOCK OF CAMBER ENERGY, INC. (“CAMBER”) AS OF THE CLOSE OF BUSINESS ON JUNE 21, 2024, (“CURRENT CAMBER STOCKHOLDERS”).

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.**

**YOUR RIGHTS WILL BE AFFECTED BY THIS LITIGATION.**

This Notice relates to a proposed settlement (the “Settlement”) of the lawsuit captioned above (the “Derivative Action”). The Derivative Action was brought by Camber stockholders on behalf of Camber and is pending in the United States District Court for the Southern District of Texas (the “Court”). If the Court approves the Settlement, it will resolve all claims brought, or that could have been brought, in the Derivative Action.

The complete terms of the Settlement, which will not take effect unless approved by the Court, are set forth in a Stipulation and Agreement of Settlement, dated June 21, 2024 (the “Stipulation”), entered into by and among: (i) Plaintiff Robert Howie (“Plaintiff”), derivatively on behalf of Camber; (ii) Defendants James A. Doris, Frank W. Barker, Jr., Fred S. Zeidman, James G. Miller, Robert Green, Louis G. Schott, and Robert Schleizer (the “Individual Defendants”); and (iii) Camber, as nominal defendant (together with the Individual Defendants, “Defendants,” and together with Plaintiff and the Individual Defendants, the “Settling Parties”).<sup>1</sup>

Because the Derivative Action was brought derivatively on behalf of Camber, the benefits of this Settlement will go directly to Camber and not to Current Camber Stockholders. Thus, Current Camber Stockholders are not eligible to submit claims or receive payment in connection with the Settlement.

**WHAT IS THE PURPOSE OF THIS NOTICE?**

The purpose of this Notice is to inform Current Camber Stockholders about (a) the Derivative Action; (b) the Settlement; (c) Current Camber Stockholders’ rights

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<sup>1</sup> Unless otherwise defined herein, capitalized terms used in this Notice shall have the meanings assigned to them in the Stipulation. A copy of the Stipulation is available at <https://camber.energy>, or by contacting counsel listed below.

with respect to the Settlement; and (d) the hearing that the Court will hold on September 12, 2024 at 2:00 pm, at the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002 (or by telephonic or video means as may be designated by the Court in the interest of public safety).

At this hearing (the “Settlement Hearing”), the Court will, among other things: (a) determine whether the Settlement is fair, reasonable, and adequate to Plaintiff, Camber, and its stockholders, and should be approved by the Court; (b) determine whether a Final Order and Judgment should be entered dismissing with prejudice the Derivative Action and extinguishing and releasing the Released Claims; (c) determine whether and to what extent the application by Plaintiff’s Counsel for an award of attorneys’ fees and reimbursement of litigation expenses (“Fee and Expense Application”) and for a Service Award to the named Plaintiff (“Service Award Application”) should be approved; (d) hear and consider any objections to the Settlement or the Fee and Expense Application and the Service Award Application to be submitted by Plaintiff’s Counsel; and (e) consider any other matters concerning the Settlement that may properly be brought before the Court.

## WHAT IS THIS CASE ABOUT?

THE FOLLOWING DESCRIPTION OF THE DERIVATIVE ACTION HAS BEEN PREPARED BY COUNSEL FOR THE SETTLING PARTIES. THE COURT HAS MADE NO FINDINGS WITH RESPECT TO SUCH MATTERS. THIS IS NOT AN EXPRESSION OR STATEMENT BY THE COURT OF ANY FINDINGS OF FACT.

In 2021, Camber, its CEO Jim Doris, and its then-CFO Frank Barker were sued in a putative class action captioned *Coggins v. Camber Energy, Inc.*, C.A. No. 4:21-cv-03574 (the “*Coggins* Action”), with Plaintiffs later adding other non-Camber defendants but dropping Barker. Plaintiffs alleged that the Camber Defendants failed to disclose material facts about the number of shares outstanding and other information during the period July 13 to October 4, 2021, and that all defendants engaged in a scheme to conceal illegal sales of stock.

On June 30, 2022, Plaintiff filed his Verified Shareholder Derivative Complaint, asserting, on behalf of the Company, claims against the Company’s current and former directors and officers (the Individual Defendants) for violations of Section 14(a) of the Securities Exchange Act, breach of fiduciary duty, and waste (the “Derivative Action”).

On September 19, 2022, all defendants moved to dismiss the Derivative Complaint. Plaintiff voluntarily dismissed its claims against Discover Growth Fund LLC and John C. Kirkland.

On January 20, 2023, the Court dismissed all claims against the Individual Defendants in the Derivative Action with respect to “proxy statements and director actions on or before June 30, 2019” but denied the motion “as to the proxy statements and director actions after June 30, 2019.”

On February 15, 2023, Camber’s Board created and empowered a Special Litigation Committee (the “SLC”), consisting of director Robert K. Green, to “determine, in good faith, whether it is in the best interests of the Company to pursue, dismiss or attempt to resolve the claims in the” Derivative Action.

On September 22, 2023, the Court granted defendants’ motions to dismiss the *Coggins* Action, holding:

Camber disclosed all that it was required to under applicable SEC rules and guidance. This information was certainly sufficient for Plaintiffs to have discerned all material risks. For plainly, the short-seller report that caused Camber share price to collapse—that by Kerrisdale Capital—was itself derived from publicly available information that by its very nature was equally available at all times to Plaintiffs.

*Id.*, at 15. The Court granted leave to replead but noted that “[n]o conceivable set of facts or pleadings would appear to overcome the above conclusions of law.” *Id.*, at 32. Plaintiffs voluntarily dismissed the *Coggins* Action with prejudice.

The SLC (with the assistance of its independent, outside counsel, Fletcher Held, PLLC) conducted an investigation and determined that it was not in the Company’s best interests to pursue the claims in the Derivative Action. The SLC issued its 201-page Report and Conclusions of the Special Litigation Committee of the Board of Directors of Camber Energy, Inc. on October 27, 2023 (the “SLC Report and Conclusions”), which included 159 exhibits. The SLC provided a copy of the SLC Report and Conclusions to Plaintiff’s Counsel on October 27, 2023 and later filed a copy with the Court.

Plaintiff’s Counsel reviewed the SLC Report and Conclusions and made an initial settlement proposal on November 15, 2023.

On November 17, 2023, the SLC on behalf of Camber moved to terminate the Derivative Action. On December 22, 2023, Plaintiff filed an opposition to the motion, and on January 12, 2024, the SLC filed a reply. On May 7, 2024, the Court

scheduled an evidentiary hearing for June 18, 2024 on the SLC's motion to terminate the Derivative Action. After conferring with the SLC's counsel regarding the scope of discovery, Plaintiff issued document requests to the SLC on May 17, 2024 and scheduled two depositions.

During this time period, Plaintiff's Counsel and counsel for the SLC continued settlement negotiations in multiple phone calls, emails, and exchanges of information. The Settling Parties first reached agreement on the Corporate Governance Changes and Doris Warrant Repricing Agreement (discussed below) and then separately negotiated Plaintiff's Counsel's attorneys' fee and expenses.

### WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

In consideration of the proposed Settlement, Camber, through its Board, has agreed to implement certain "Corporate Governance Changes" detailed in the Stipulation, including (i) revising the charters for Camber's Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee, (ii) updating Camber's Code of Ethics and Business Conduct, Insider Trading Policy, and Related Party Transactions Policy, and (iii) committing to continue working to address certain previously identified material weaknesses in its financial reporting controls. In addition, James Doris has agreed to increase the strike price from \$0.009/share to \$1.00 share for 1,666,667 warrants for Camber stock held by him (the "Doris Warrant Repricing Agreement"). The Plaintiff's attorneys' fees and litigation expenses will also be paid by the Defendants' insurance carriers directly or through Camber. The Derivative Action will be dismissed with prejudice. Plaintiff will release the Released Persons from claims relating to the Derivative Action, and Defendants will release Plaintiff from any claims relating to the bringing and prosecution of the Derivative Action.

### HOW WILL PLAINTIFF'S COUNSEL BE PAID?

Before final approval of the proposed Settlement, Plaintiff's Counsel will file a Fee and Expense Application with the Court. The Defendants' insurers will pay (directly or through Camber) Plaintiff's Counsel's fees and expenses of no less than \$700,000 but no more than \$1,350,000 (the "Fee and Expense Amount"), subject to approval by the Court. Any resulting award of fees and expenses will be paid in its entirety by the Defendants' insurer(s).

Plaintiff's Counsel will apply to the Court for a service award to the named Plaintiff for his service as a derivative representative up to \$2,500.00. Any service

award approved by the Court will be paid out of Plaintiff's Counsel's award of attorneys' fees. Defendants do not oppose the Service Award Application.

The Settling Parties' agreement on the Fee and Expense Amount: (i) was reached only after all other material terms of the Settlement were agreed, and (ii) was reached following good-faith negotiation.

## WHY ARE THE PARTIES SETTLING?

The Settling Parties have determined that it is desirable and beneficial that the Derivative Action and any dispute related thereto is fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

Plaintiff and Plaintiff's Counsel believe that the claims asserted in the Derivative Action have merit. However, Plaintiff and Plaintiff's Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Derivative Action against the Individual Defendants throughout a trial and any appeal(s). Plaintiff and Plaintiff's Counsel have also considered the uncertain outcome and the risk of any litigation, especially in complex actions such as the Derivative Action, as well as the difficulties and delays inherent in such litigation. Plaintiff and Plaintiff's Counsel are also mindful of the inherent problems of proof of, and possible defenses to, the claims asserted in the Derivative Action.

Based on Plaintiff's Counsel's thorough investigation and analysis of the relevant facts, allegations, defenses, and controlling legal principles, Plaintiff and Plaintiff's Counsel believe that the Settlement set forth in this Stipulation is fair, reasonable, and adequate, and is in the best interests of Camber and its stockholders. The Settlement confers substantial benefits under Nevada law upon Camber and its stockholders, including the Corporate Governance Changes and Doris Warrant Repricing. As such, based on the foregoing and upon Plaintiff's Counsel's evaluation, Plaintiff has determined that the Settlement is in the best interests of Camber and its stockholders, and has agreed to settle the Derivative Action upon the terms and subject to the conditions set forth herein.

The Individual Defendants have denied and continue to deny each and every one of the claims, contentions, and allegations made against them or that could have been made against them in the Derivative Action, and expressly deny all charges of wrongdoing or liability against them. The Individual Defendants assert that they have satisfied their fiduciary duties at all relevant times, have acted in good faith and in the best interests of Camber and its stockholders, have meritorious defenses to Plaintiff's claims, and that judgment should be entered dismissing all claims against them with

prejudice. The Individual Defendants also have denied and continue to deny, among other things, the allegations that Plaintiff, Camber, or its stockholders have suffered damage, or that Plaintiff, Camber, or its stockholders were harmed by the conduct alleged in the Derivative Action. Without admitting any wrongdoing or liability whatsoever, the Individual Defendants entered the Stipulation to put an end to all shareholder derivative litigation; avoid the continuing additional expense, inconvenience, and distraction of such litigation; and to avoid the risks inherent in such lawsuits.

#### WHAT CLAIMS WILL THE SETTLEMENT RELEASE?

If the Settlement is approved, the Court will enter a Final Order and Judgment (the “Judgment”). Pursuant to the Judgment, within seven (7) calendar days of the Effective Date, the Derivative Action will be dismissed with prejudice, and, upon the Effective Date, the following releases will occur:

- a) Camber, Plaintiff (acting on their own behalf and derivatively on behalf of Camber), and each of the Current Camber Stockholders (solely in their capacity as such) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement, or resolution of the Derivative Action against the Released Persons.
- b) Each of the Released Persons shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged each and all of the Plaintiff, Plaintiff’s Counsel, Camber, and all of the Current Camber Stockholders (solely in their capacity as such) from all claims (including Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Derivative Action or the Released Claims.
- c) Upon the Effective Date, Camber, Plaintiff (acting on his own behalf and derivatively on behalf of Camber), and each of the Current Camber Stockholders (solely in their capacity as such) will be forever barred and enjoined from commencing, instituting, or prosecuting any of the Released Claims or any action or other proceeding against any of the Released Persons based on the Released Claims or any action or proceeding arising out of, related to, or in connection with the settlement or resolution of the Derivative Action, provided that nothing herein shall in any way impair or restrict the rights of any of the Settling

Parties to enforce the terms of the Stipulation or the Judgment.

- d) Neither the Stipulation nor the Settlement shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Released Persons may file or use the Stipulation and/or the Judgment in any action that has been or may be brought against them to support a defense or counterclaim based on principles of res judicata, collateral estoppel, full faith and credit, release, good faith settlement, standing, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

Until the Court decides whether to approve the Settlement, Plaintiff and all other Current Camber Stockholders are barred and enjoined from commencing, instituting, or prosecuting any of the Released Claims against any of the Released Persons.

The Stipulation defines these capitalized terms as follows:

“Defendants’ means, collectively, the Individual Defendants and Camber.”

“Related Persons’ means each of the Defendants’ past or present agents, employees, officers, directors, parents, subsidiaries, divisions, affiliates, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, spouses, immediate family members, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns, or other person in which any Defendant has a controlling interest, and each and all of their respective past and present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, reinsurers, trusts, predecessors, successors, and assigns.”

“Released Claims’ shall collectively mean any and all claims for relief (including Unknown Claims), rights, demands, suits, matters, causes of action, or liabilities, known or unknown, asserted or unasserted, that have been or could have been asserted in the Derivative Action by Plaintiff, Camber, or by any Current Camber Stockholder derivatively on behalf of Camber against any Defendant or Released Person arising out of or based upon the facts, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act that were or could have been alleged in the Derivative Action, or any claims in connection with, based upon, arising out of, or relating to the Settlement, but excluding any claims to enforce the Settlement set forth in this Stipulation. Excluded from the term “Released Claims” are (i) all claims alleged in the Related Securities Action and (ii) all claims, rights, or obligations of Camber or the Individual Defendants regarding

indemnification, contribution, or insurance matters, as set forth in ¶ 5.4 and ¶ 5.5.”

“Released Persons’ means each of the Defendants and their Related Persons.”

“Unknown Claims’ means any of the Released Claims which Plaintiff, Camber, Current Camber Stockholders, or Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, including claims which, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Persons, or might have affected his, her, or its decision not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiff and Defendants shall expressly waive and each of the Current Camber Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived the provisions, rights, and benefits of California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Upon the Effective Date, Plaintiff and Defendants shall expressly waive, and each of the Current Camber Stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits conferred by any law of any jurisdiction or any state or territory of the United States or any foreign jurisdiction, or principle of common law, which is similar, comparable or equivalent to California Civil Code Section 1542. Plaintiff, Defendants, and Current Camber Stockholders may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, each Plaintiff and Defendant shall expressly settle and release, and each Current Camber Stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Current Camber Stockholders shall be deemed

by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.”

**WHEN AND WHERE WILL THE SETTLEMENT HEARING BE HELD?  
DO I HAVE THE RIGHT TO APPEAR AT THE SETTLEMENT HEARING?**

The Court will consider the Settlement and all matters related to the Settlement at the Settlement Hearing. The Settlement Hearing will be held before the Honorable David Hittner on September 12, 2024 at 2:00 pm at the United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street, Houston, TX 77002 (or by telephonic or video means as may be designated by the Court in the interest of public safety). The Court may change the date or time of the Settlement Hearing without further notice to the stockholders.

At the Settlement Hearing, the Court will consider, among other things: the matters listed on page 1 under the heading “WHAT IS THE PURPOSE OF THIS NOTICE?”

Any Current Camber Stockholder who objects to the Settlement or the Fee and Expense Application, or who otherwise wishes to be heard, may appear personally or through his, her, or its attorney at the Settlement Hearing and present any evidence or argument that may be proper and relevant; provided, however, that no such Person shall be heard, and no briefs, pleadings, or other documents submitted by any such Person shall be received and considered by the Court unless, no later than 21 calendar days before the Settlement Hearing, such Person files with the Clerk of Court, United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street Houston, TX 77002: (a) a written and signed notice of intention to appear, which states the name, address, telephone number, and email address (if available) of the objector and, if represented, of his, her, or its counsel; (b) proof that the objector owned Camber common stock as of the date of the execution of the Stipulation and continues to hold such shares; and (c) a written, detailed statement of the Person’s objections to any matter before the Court, and the specific grounds therefor or the reasons why such Person desires to appear and to be heard, as well as all documents and writings which such Person desires the Court to consider, including any legal and evidentiary support. These writings must also be served by ECF, by email, by hand, by first-class mail, or by express service upon the following attorneys such that they are received no later than 21 calendar days before the Settlement Hearing:

To Plaintiff Robert Howie	Lee Squitieri SQUITIERI & FEARON, LLP 305 Broadway, 7th Floor New York, New York 10007
To Individual Defendants	Danny David BAKER BOTTS LLP 910 Louisiana Street Houston, Texas 77002-4995
To Nominal Defendant Camber	N. Scott Fletcher FLETCHER HELD, PLLC 808 Travis Street, Suite 1420 Houston, Texas 77002

**Unless the Court orders otherwise, any Person who does not make his, her, or its objection in the manner provided herein shall be deemed to have waived his, her, or its right to object to any aspect of the proposed Settlement or the Fee and Expense Application and shall be forever barred and foreclosed from objecting to the fairness, reasonableness, or adequacy of the Settlement or the requested attorneys' fees and litigation expenses and special awards, or from otherwise being heard concerning the Settlement or the Fee and Expense Application in this or any other proceeding.**

**NOTICE TO PERSONS OR ENTITIES HOLDING  
RECORD OWNERSHIP ON BEHALF OF OTHERS**

Brokerage firms, banks, and other persons or entities who hold shares of Camber common stock as record owners, but not as beneficial owners, are directed to either (a) promptly request from Camber sufficient copies of this Notice to forward to all such beneficial owners and after receipt of the requested copies promptly forward such Notices to all such beneficial owners; or (b) promptly provide a list of the names and addresses of all such beneficial owners to Broadridge Corporate Issuer Solutions c/o Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717, Attn: Corporate Action Dept. or email [BCISClassActionMailingService@broadridge.com](mailto:BCISClassActionMailingService@broadridge.com), after which Camber will promptly send copies of the Notice to such beneficial owners.

WHERE CAN I FIND ADDITIONAL INFORMATION?

This Notice contains only a summary of the terms of the Settlement. For more detailed information about the matters involved in the Action, you may refer to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Clerk of Court, United States District Court for the Southern District of Texas, Houston Division, 515 Rusk Street, Houston, TX 77002.

For more information concerning the Settlement, you may also call or write to the following Plaintiff's Counsel: Lee Squitieri, SQUITIERI & FEARON, LLP, 305 Broadway, 7th Floor New York, New York 10007; Phone: 212.421.6492; Fax: 212.421.6553; lee@sfclasslaw.com.

**DO NOT CALL OR WRITE THE COURT REGARDING  
THIS NOTICE.**

Dated: July 2, 2024

BY ORDER OF THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS