

**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): February 10, 2023

Petrolia Energy Corporation

(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation)	000-52690 (Commission File Number)	86-1061005 (IRS Employer Identification No.)
710 N. Post Oak Road, Suite 400, Houston, Texas (Address of principal executive offices)		77024 (Zip Code)

Registrant's telephone number, including area code: (832) 723-1266

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 (see General Instruction A.2. below):

- 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))

Securities registered pursuant to Section 12(b) of the Act: None.

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 8.01 Other Events.

Petrolia Energy Corporation (“Petrolia” or the “Company”) is filing this Current Report on Form 8-K to summarize the history of, and provide the current status of, the pending litigation matters disclosed below:

As previously disclosed, on March 11, 2022, the Company and Petrolia Canada Corporation (“Petrolia Canada”), an affiliate of Petrolia, filed a lawsuit in the 133rd Judicial District Court, Harris County Texas (Cause No. 2022-15278), against Jovian Petroleum Corporation, Zel Khan (“Khan”) and Quinten Beasley (“Beasley”) (collectively, the “Defendants”).

In the petition against the Defendants, Petrolia and Petrolia Canada alleged causes of action for fraud and breach of contract against all the named Defendants and breach of fiduciary duty claims against Defendants Zel Khan and Quinten Beasley. Defendant Zel Khan was a former CEO and Director of Petrolia, and Defendant Quinten Beasley was a former Senior Vice President and Director of Petrolia Canada.

Petrolia and Petrolia Canada demanded a jury trial and are seeking monetary relief of more than \$1 million against the Defendants.

In April and May 2022, each of the Defendants filed an Original Answer, generally denying all of the allegations of Petrolia and Petrolia Canada.

Subsequently, in September 2022, Defendants filed an amended answer and counterclaims. Pursuant to the amended answer, Defendants generally denied the allegations of Petrolia and Petrolia Canada and are seeking indemnification under the Company’s governing documents and statutory provisions.

Beasley is seeking repayment of the outstanding balance of \$5,000 plus accrued interest (\$4,710) alleged owed to him by the Company in connection with a promissory note entered into with the Company on July 14, 2016.

In September 2022, Joel Oppenheim (“Oppenheim”) and Critical Update, Inc., owned by Beasley (“Critical Update” and collectively with Oppenheim, the “Intervenors”), filed a Petition in Intervention. Oppenheim alleges that he advanced at least \$797,000 to the Company from 2015 to 2019 (including \$416,900 alleged owed under a loan agreement) and that he also provided various certificates of deposit to the Company in the aggregate amount of \$258,251. Oppenheim is seeking return of amounts advanced with interest, a declaratory judgment establishing the amount of Company stock and warrants owed to him, and attorney’s fees. Separately, Critical Update is seeking

\$120,000 CAD alleged owed to it in consideration for services rendered to Petrolia Canada, plus interest and attorney's fees.

On October 11, 2022, Petrolia and Petrolia Canada filed a general denial of all the Defendants' counterclaims.

Subsequently, on December 6, 2022, Oppenheim filed a motion for severance asking the court to sever his breach of loan agreement claim from the other claims in this lawsuit and adjudicate the claim as Cause No. 2022-15278-B. The same day, Oppenheim also filed a motion for partial summary judgment on his breach of loan agreement claim. On December 22, 2022, Oppenheim filed a separate lawsuit and application for temporary injunction (Cause No. 2022-83054) in the 157th Judicial District Court, Harris County Texas against the Company and Petrolia Canada and their individual board members. That action is a shareholder derivative lawsuit filed against the Company alleging, among other things, breach of duty of loyalty and breach of duty of obedience, as well as seeking to compel a shareholder meeting and seeking expedited discovery. On December 30, 2022, Jovian Petroleum Corporation filed a petition in intervention to join this newly filed lawsuit.

In January 2023, Petrolia and Petrolia Canada filed a motion to strike the intervention of Oppenheim and on February 3, 2023, Oppenheim filed a response to that motion arguing that such intervention is proper. Such motions are still pending with the court.

On February 9, 2023, Edna Meyer-Nelson, Suzanne Klein, and Laura S. Ward (the "Additional Intervenors"), each a shareholder of the Company, filed a separate Petition in Intervention to join in Oppenheim's derivative suit against the Defendants. The Additional Intervenors are seeking an order compelling an annual shareholder meeting of the Company; a temporary injunction requiring the Defendants to hold an annual and special meeting of the shareholders of the Company within 30 days to elect directors of the Company and conduct such other proper business as may come before it; a temporary injunction enjoining the Defendant Directors from voting their Series B Preferred Shares; an order combining the hearing on the temporary injunction with a trial on the merits; expedited discovery; and upon final trial, the Additional Intervenors are requesting: (i) rescission of the Series B Preferred Stock; (ii) forfeiture of all compensation paid to the Defendant Directors by the Company after the Series B Preferred Stock issuance; (iii) actual damages in an amount to be proven at trial; (iv) exemplary damages sufficient to deter the directors of other Texas corporations from disenfranchising a corporation's shareholders, as alleged by the Additional Intervenors; (v) attorneys' fees and expenses; and (vi) such other and further relief to which Additional Intervenors are entitled.

The outcome of the above litigation is currently unknown; however, the Company disputes the Defendants' counterclaims and the allegations of the Intervenors and intends to defend the matter vigorously, while also continuing to seek all damages which it is due.

Regardless of the merit of the particular claims summarized above, litigation may be expensive, time-consuming, disruptive to the Company's operations, and distracting to management. Additionally, the outcome of the litigation matters discussed above may result in significant compensatory, punitive or other monetary damages, and/or remedial corporate measures or injunctive relief against the Company that could materially adversely affect its financial condition, cash flow, available cash, and the value of its securities and prospects.

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 hereunto duly authorized.

Petrolia Energy Corporation

/s/ Mark M. Allen

Mark M. Allen
Chief Executive Officer

Date: February 10, 2023
