

ERIN ENERGY CORP.

FORM 8-K (Current report filing)

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**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): May 25, 2015

ERIN ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-34525
(Commission File Number)

30-0349798
(I.R.S. Employer Identification No.)

1330 Post Oak Blvd., Suite 2250, Houston, Texas 77056
(Address of principal executive offices) (Zip Code)

(713) 797-2940
(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 (*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))
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Item 1.01 Entry into a Material Definitive Agreement .

On May 25, 2015, CAMAC Energy Gambia Ltd. and CAMAC Energy Gambia A5 Ltd., each a wholly owned subsidiary of Erin Energy Corporation (the “CAMAC Parties”), entered into the Block A2 License Amendment and the Block A5 License Amendment (collectively, the “Amendments”), respectively, with the Republic of the Gambia, amending certain terms of the Petroleum (Exploration, Development and Production) Licenses, each dated May 24, 2012, with respect to Blocks A2 and A5 offshore The Gambia (the “Licenses”). Pursuant to the Amendments, the initial exploration phase of each of the Licenses has been extended to December 31, 2018, and the obligation to drill one well on each block has been modified to one well on either block. The CAMAC Parties agreed to pay an extension fee of \$1 million in connection with the Amendments. The preceding description of the Amendments does not purport to be complete and is qualified in its entirety by reference to the Amendments, which are attached as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 8.01 Other Events.

On May 15, 2015, the Company issued a press release relating to the Amendments. This press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or incorporated by reference in any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing

Item 9.01 Financial Statements and Exhibits.

- 10.1 Block A2 License Amendment, dated May 25, 2015, by and between The Republic of the Gambia and CAMAC Energy Gambia Ltd.
- 10.2 Block A5 License Amendment, dated May 25, 2015, by and between The Republic of the Gambia and CAMAC Energy Gambia A5 Ltd.
- 99.1 Press release issued by Erin Energy Corporation, dated May 15, 2015.



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.

ERIN ENERGY CORPORATION

By: /s/ Nicolas J. Evanoff
Nicolas J. Evanoff
Senior Vice President, General Counsel & Secretary

Date: May 29, 2015

BLOCK A2 LICENSE

AMENDMENT

THIS AMENDMENT AGREEMENT is made and entered into on the 25th Day of May 2015 BETWEEN

THE REPUBLIC OF THE GAMBIA (“The Gambia”) represented for these purposes by the Minister of Petroleum.

-and-

CAMAC ENERGY GAMBIA LIMITED with its registered office in George Town, Grand Cayman (“Camac”)

And each shall be a “**Party**” as the context requires and “**Parties**” means both of them.

WHEREAS

- A. The Parties entered into license agreement to conduct Petroleum Operations in respect Block A2, offshore the Gambia (the “A2 Licence”), signed on the 24th May 2012, in which the A2 Licence included an Initial Exploration Period as defined in Article 2.3 of the A2 Licence;
 - B. The term of the Initial Exploration Period under the A2 Licence commenced on the Effective Date and shall continue for a period of four years and seven months from the 24th May 2012 and to 31st December 2016;
 - C. Under the A2 Licence Camac is required to carry out the work obligations defined in Article 3.1 (a) (i-iv) of the A2 Licence;
 - D. Camac was unable to carry out the 3D seismic programme as stipulated in the License and made a request to the Government of The Gambia to extend the Initial Exploration Period under the A2 Licence to enable them to acquire, process and interpret seven hundred and fifty (750) square kilometer 3D seismic data and to drill one (1) exploration well in either Block A2 or Block A5 by 31st December 2018.
 - E. The Government of The Gambia has granted approval for the extension of the first phase of Initial Exploration Period by 24 months contingent on the following:
 - a. Camac to pay to Government an extension fee of **US\$1 million** for extending the Initial Exploration Period for both A2 and A5 Licenses;
 - b. Camac to provide a full well guarantee at such a time as Camac signs a farm-in agreement with a partner.
 - c. The Training and Resources Expenses Amount be paid into a Government of Gambia account in The Gambia as designated by the Ministry of Petroleum.
 - F. The Parties further agree that during this extension period all other terms and conditions of the Licence shall continue including without limitation, the obligation to pay the amounts of annual Licence rentals and Training and Resource expenditures as defined in License.
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NOW THEREFORE, the Parties hereby agree as follows;

**ARTICLE 1
THE AMENDMENT**

1.1 Article 2.3(a)(i) of the A2 Licence shall be amended to the following;

2.3 Exploration Period

- (a) Unless this Licence is sooner terminated pursuant to ARTICLE 26 or the Licensee relinquishes the entire Licence Area pursuant to ARTICLE 5, the Exploration Period shall commence on the Effective Date and shall continue:
- (i) For an initial period from the 24th May 2012 to 31st December 2018. (the **“Initial Exploration Period”**); provided that If Camac fails to accomplish the Work Obligations as provided in Article 3.1 (a)(i-iv), which includes the drilling of an exploration well in Block A2 or Block A5 by 31st December 2018, there shall be no further extension of the Licenses and the A2 License shall be terminated.

1.2 Article 3.1 (a) of the A2 Licence is amended as follows:

Subject to the provisions of this Article, in the course of carrying on Exploration Operations in the Licence Area the Licensee shall, during the several periods into which Exploration activities may occur hereunder, diligently carry out the following Exploration Operations:

(a) Initial Exploration Period:

Prior to the end of the Initial Exploration Period, the Licensee shall complete at least:

- (i) a regional geological study;
- (ii) acquiring, processing and interpreting seven hundred and fifty (750) square kilometer 3D seismic data;
- (iii) drilling one (1) Exploration Well in either Block A2 or Block A5, to the total depth of five thousand (5,000) meters below the mean sea level or to a prospective interval above such depth; and
- (iv) evaluating the drilling results.
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1.3 Article 13.3 Expenditure on Training and Resources shall be amended adding the following:

Article 13.3 (a) (ii) (E)

to fund any project relating to the petroleum industry approved by the Ministry of Petroleum, in accordance with the United States Foreign Corrupt Practices Act guidelines.

Article 13.3 (d)

Licensee shall pay to the Government the Training and Resources Amount provided in 13.3 (i) and (ii).

1.4 A new Article, 7.16 Extension Bonus Fees, to be added to the A2 License

7.16 Extension Bonus Fees

- a) The Licensee shall pay to the Government of The Gambia an Extension Bonus Fee of one million United States Dollars (**US\$1,000,000**) for the extension of the Initial Exploration Period of the A2License. The Bonus shall be paid as follows:
 - I. Five hundred thousand United States Dollars (US\$500,000) to be paid within fourteen (14) days after signing of this Amendment Agreement; and
 - II. Five hundred thousand United States Dollars (USD\$500,000) to be paid within six (6) months after the signing of this Amendment Agreement.
 - b) The Extension Bonus Fee paid by the Licensee to the Government of The Gambia pursuant to Clause 7.16 (a) shall not constitute a Resource Expense, Direct Operating Cost, or otherwise be deductible for the purposes of calculating the Licensee's Net Income from Petroleum Operations pursuant to the Tax Schedule.
- 1.5** Upon entering a farm-in agreement, Camac and its initial partner, shall together jointly determine the cost of the exploration well to be drilled and deliver to the Government a Parent Company Guarantee in the amount of a full exploration well; the maximum amount of such guarantee shall reduce in line with the expenditure incurred by the Licensee on well drilling program.
- 1.6** The Parties agree that from the date of this Amendment of the A2 License, amounts payable by the Licensee pursuant to Article 13.3 of the A2 License shall be paid into a Training and Resources Account owned by Government of Gambia as designated by the Ministry of Petroleum annually at the end of the first Quarter (as defined in the A2 Licence) of each year and shall be applied for training and resources in accordance with Article 13.3 of the A2 License.
- 1.7** The Parties hereby ratify all other provisions of the A2 Licence including the remainder of Article 2.3, and agree that the A2 Licence is in good standing and in full force and effect and that there are no matters in dispute between them.
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IN WITNESS WHEREOF the Parties have executed the Licence by their proper officers duly authorized on their behalf as of the date first written above.

THE REPUBLIC OF THE GAMBIA , represented for these purposes by the Minister of Petroleum

Per: /s/ Sirra Wally Ndow Njai

Honourable Minister of Petroleum
Mrs. Sirra Wally Ndow Njai

CAMAC ENERGY Gambia L td.

Per: /s/ Kase Lawal

Dr Kase Lawal
Chief Executive Officer and Chairman

BLOCK A5 LICENSE

AMENDMENT

THIS AMENDMENT AGREEMENT is made and entered into on the 25th Day of May 2015 BETWEEN:

THE REPUBLIC OF THE GAMBIA (“The Gambia”) represented for these purposes by the Minister of Petroleum.

-and-

CAMAC ENERGY GAMBIA A5 LTD. with its registered office in George Town, Grand Cayman (“Camac”)

And each shall be a “**Party**” as the context requires and “**Parties**” means both of them.

WHEREAS

- A. The Parties entered into a license agreement to conduct Petroleum Operations in respect Block A5, offshore the Gambia (the “A5 Licence”), signed on the 24th May 2012, and such A5 Licence included an Initial Exploration Period as defined in Article 2.3 of the A5 Licence;
 - B. The term of the Initial Exploration Period under the A5 Licence commenced on the Effective Date and shall continue for a period of four years and seven months from the 24th May 2012 and to 31st December 2016;
 - C. Under the A5 Licence Camac is required to carry out the work obligations defined in Article 3.1 (a) (i-iv) of the A5 Licence;
 - D. Camac was unable to carry out the 3D seismic programme as stipulated in the License and made a request to the Government of The Gambia to extend the Initial Exploration Period under the A5 Licence to enable them to acquire, process and interpret seven hundred and fifty (750) square kilometer 3D seismic data and to drill one (1) exploration well in either Block A2 or Block A5 during the Initial Exploration Period as amended.
 - E. The Government of The Gambia has granted approval for the extension of the first phase of the Initial Exploration Period by 24 months contingent on the following:
 - a. Camac to pay to Government an extension fee of US\$1 million total for both the Block A2 and A5 Licenses;
 - b. Camac to provide a full well guarantee at such a time as Camac signs a farm-in agreement with a partner;
 - c. The Training and Resources Expenses Amount be paid into a Government of Gambia account in The Gambia as designated by the Ministry of Petroleum.
 - F. The Parties further agree that during this extension period all other terms and conditions of the License shall continue including without limitation, the obligation to pay the amounts of annual Licence rentals and Training and Resource expenditures as defined in License.
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NOW THEREFORE, the Parties hereby agree as follows

**ARTICLE 1
THE AMENDMENT**

1.1 Article 2.3(a)(i) of the A5 Licence shall be amended to the following:

2.3 Exploration Period

- (a) Unless this Licence is sooner terminated pursuant to ARTICLE 26 or the Licensee relinquishes the entire Licence Area pursuant to ARTICLE 5, the Exploration Period shall commence on the Effective Date and shall continue:
- (i) For an initial period from the 24th May 2012 to 31st December 2018. (the **“Initial Exploration Period”**); provided that If Camac fails to accomplish the Work Obligations as provided in Article 3.1 (a)(i-iv), which includes the drilling of an exploration well in Block A2 or Block A5 by 31st December 2018, there shall be no further extension of the Licenses and the A5 License shall be terminated.

1.2 Article 3.1 (a) of the A5 Licence is amended as follows:

Subject to the provisions of this Article, in the course of carrying on Exploration Operations in the Licence Area the Licensee shall, during the several periods into which Exploration activities may occur hereunder, diligently carry out the following Exploration Operations:

(a) Initial Exploration Period:

Prior to the end of the Initial Exploration Period, the Licensee shall complete at least:

- (i) a regional geological study;
- (ii) acquiring, processing and interpreting seven hundred and fifty (750) square kilometer 3D seismic data;
- (iii) drilling one (1) Exploration Well in either Block A2 or Block A5, to the total depth of five thousand (5,000) meters below mean sea level or to a prospective interval above such depth; and
- (iv) evaluating the drilling results.
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1.3 Article 13.3 Expenditure on Training and Resources shall be amended adding the following:

Article 13.3 (a) (ii) (E)

To fund any project relating to the petroleum industry approved by the Ministry of Petroleum, in accordance with the United States Foreign Corrupt Practices Act guidelines.

Article 13.3 (d)

Licensee shall pay the Government Training and Resources Amount provided in 13.3 (i) and (ii).

1.4 A new Article, 7.16 Extension Bonus Fees, to be added to the A2 License

7.16 Extension Bonus Fees

The Parties hereby agree that an Extension Bonus Fee shall be paid in accordance with Clause 1.4 of the Block A2 License Amendment.

1.5 The Parties agree that from the date of this Amendment of A5 License, amounts payable by the Licensee pursuant to Article 13.3 of the A5 License shall be paid into a Training and Resources Account owned by the Government of Gambia as designated by the Ministry of Petroleum annually at the end of the first Quarter (as defined in the A5 Licence) of each year and shall be applied for training and resources in accordance with Article 13.3 of the A5 License.

1.6 The Parties hereby ratify all other provisions of the A5 License including the remainder of Article 2.3, and agree that the A5 License is in good standing and in full force and effect and that there are no matters in dispute between them.

IN WITNESS WHEREOF the Parties have executed the License by their proper officers duly authorized on their behalf as of the date first written above.

THE REPUBLIC OF THE GAMBIA , represented for these purposes by the Minister of Petroleum

Per: /s/ Sirra Wally Ndow Njai

Honourable Minister of Petroleum
Mrs. Sirra Wally Ndow Njai

CAMAC ENERGY GAMBIA A5 L td.

Per: /s/ Kase Lawal

Dr Kase Lawal
Chief Executive Officer and Chairman



News Release

May 15, 2015

Erin Energy Receives Government Approval for License Extension in The Gambia

3D seismic acquisition permits approved

HOUSTON, May 15, 2015 – Erin Energy Corporation (“Erin Energy” or the “Company”) (NYSE MKT:ERN) announced today it has received executive approval to extend the initial exploration period for blocks A2 and A5 in The Gambia by 24 months to December 31, 2018. The work program includes the requirement to drill one exploration well in either block during the exploration period.

The Ministry of Petroleum has also approved and will issue the necessary permits to proceed with the Company’s planned multi-client 3D seismic data acquisition on blocks A2 and A5.

Kase Lawal, Chairman and CEO of Erin Energy commented: “The extension of the exploration period of the A2 and A5 licenses is significant and allows us sufficient time to complete the 3D seismic acquisition on the blocks, develop strategic options for creating value for all stakeholders and to drill the exploration well. We are grateful for the support from the government of The Gambia and the staff of the ministry for their cooperation during the negotiations.”

Erin Energy is operator of the A2 and A5 blocks with 100% interest. The A2 and A5 blocks are located approximately 30 miles offshore and on-trend with the recent FAN-1 and SNE-1 oil discoveries offshore Senegal by Cairn, Conoco, Petrosen and FAR.

About Erin Energy

Erin Energy Corporation is an independent oil and gas exploration and production company focused on energy resources in sub-Saharan Africa. Its asset portfolio consists of 9 licenses across 4 countries covering an area of 43,000 square kilometers (10 million acres), including current production and other exploration projects offshore Nigeria, as well as exploration licenses offshore Ghana, Kenya and Gambia, and onshore Kenya. Erin Energy is headquartered in Houston, Texas, and is listed on the New York and Johannesburg Stock Exchanges under the ticker symbol ERN.

Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, concerning activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. Although the Company believes the expectations reflected in these forward-looking statements are reasonable, they involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect.

The Company's actual results could differ materially from those anticipated or implied in these forward-looking statements due to a variety of factors, including the Company's ability to successfully finance, drill, produce and/or develop the wells and prospects identified in this release, and risks and other risk factors discussed in the Company's periodic reports filed with the Securities and Exchange Commission. All forward-looking statements are expressly qualified in their entirety by this cautionary statement. You should not place undue reliance on forward-looking statements, which speak only as of their respective dates. The Company undertakes no duty to update these forward-looking statements.

Source: Erin Energy Corporation

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