

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): January 31, 2018

PETRO RIVER OIL CORP.
(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction
of incorporation)

000-49760
(Commission File No.)

9800611188
(IRS Employer
Identification No.)

55 5th Avenue, Suite 1702
New York, New York 10003
(Address of principal executive offices)

(469) 828-3900
(Registrant's Telephone Number)

Not Applicable
(Former name or address, if changed since last report)

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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2)

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 1.01 Entry into a Material Definitive Agreement.

See Item 8.01.

Item 8.01 Other Events

On January 31, 2018, Petro River Oil Corp (the “*Company*”) entered into an Assignment and Assumption of Membership Interest with MegaWest Energy Kansas Corp. (“*MegaWest*”), a wholly-owned subsidiary of the Company (“*Assignment*”), whereby Petro will transfer its Shares in MegaWest in exchange for MegaWest’s membership interests in Bandolier Energy, LLC (the “*Bandolier Interests*”) (the “*Exchange Transaction*”). The Exchange Transaction followed the receipt by the Company of a notice of Redetermination, as defined below, of MegaWest’s assets, including MegaWest’s interest in the Bandolier Interests (together, “*MegaWest Assets*”), conducted by Fortis Property Group, LLC (“*Fortis*”).

The Redetermination was conducted pursuant to a Contribution Agreement, dated October 30, 2015 (together, the “*Contribution Agreement*”), a copy of which was filed as an exhibit to the Company’s Current Report on Form 8-K filed on November 5, 2015.

Under the terms of the Contribution Agreement, the Board of MegaWest was entitled to engage a qualified appraiser to determine the value of the MegaWest Assets and Bandolier Interests, and upon completion thereof (a “*Redetermination*”), in the event the MegaWest Assets are determined to be less than \$40.0 million, then a Shortfall, as defined in the Contribution Agreement, exists. As a result, the Company would be required to make cash contributions to MegaWest in an amount equal to the amount of the Shortfall (the “*Shortfall Capital Contribution*”). The Contribution Agreement further provided that, in the event that Petro was unable to deliver to MegaWest the Shortfall Capital Contribution required after the Redetermination, if any, MegaWest would have the right to exercise certain remedies, including a right to foreclose on the Company’s entire equity interest in MegaWest. In the event of foreclosure, the Bandolier Interest would revert back to the Company.

In lieu of engaging a qualified appraiser to quantify the Shortfall Capital Contribution, and in lieu of requiring MegaWest to exercise its remedies under the terms of the Contribution Agreement, the Company and MegaWest entered into the Exchange Transaction. Following the execution of the Agreement, the Company shall have no further rights or interest in MegaWest’s shares or assets, and MegaWest will have no further rights or interest in any assets associated with the Bandolier Interests. Pursuant to the Contribution Agreement and Agreement, Petro will continue to be responsible for a reimbursement payment to MegaWest in the amount of \$259,312.50, together with interest accrued thereon, which will be due and payable one year after the date of the Agreement.

Disclaimer

The foregoing description of the Exchange Transaction does not purport to be complete, and is qualified in its entirety by reference to the full text of the Assignment and Assumption of Membership Interest, attached hereto as Exhibit 10.1, which is incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

See Exhibit Index.

ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST

THIS ASSIGNMENT AND ASSUMPTION OF MEMBERSHIP INTEREST (“ **Assignment** ”), is entered into as of January 31, 2018, by and between PETRO RIVER OIL CORP., a Delaware corporation (“ **Assignee** ”), and MEGA WEST KANSAS CORPORATION, a Delaware corporation (“ **Assignor** ”).

WITNESSETH:

WHEREAS, Assignor owns 53.19% of the outstanding membership interests (the “ **Bandolier Interest** ”) in Bandolier Energy, LLC, an Delaware limited liability company (the “ **Company** ”);

WHEREAS, the Company owns all of the membership interest in Spyglass Energy Group, LLC, an Oklahoma limited liability company (“ **Spyglass** ”) which owns certain oil and gas wells mineral leases located within Osage County, Oklahoma, together with oil and gas wells located thereon and related production assets, including a concession agreement covering 106,150 acres in Osage County, Oklahoma;

WHEREAS, on the date hereof, Assignee is a shareholder in Assignor and in redemption of Assignee’s shares in Assignor, Assignor has agreed to assign, transfer and distribute to Assignee the Bandolier Interest (the “ **Assigned Interests** ”);

NOW THEREFORE, for valuable consideration, receipt of which is acknowledged, Assignor and Assignee agree as follows:

1. Assignment and Assumption.

- a. In complete redemption of Assignee’s shares in Assignor, Assignor hereby assigns, transfers and distributes to Assignee its rights, title and interest in the Assigned Interests; which Assigned Interests are currently owned by Assignor.
- b. Assignee hereby accepts the foregoing assignment of the Assigned Interests. From and after the date hereof, Assignee hereby (i) is entitled to all of Assignor’s benefits in the Company related to the Assigned Interests, and (ii) is admitted to the Company as a member of the Company for all federal, state and local corporate, tax and other purposes.
- c. Assignee acknowledges and agrees that the Assigned Interests are being assigned and contributed to Assignee without representations or warranties of any kind, express or implied.

2. Tax Allocations. Assignor and Assignee hereby covenant and agree that any and all taxable income and/or losses that are allocated from the Company to its members with respect to the Assigned Interests shall be divided and allocated (i) with respect to taxable income and/or losses arising during the period prior to the date hereof (which amounts shall be allocated to Assignor), and (ii) with respect to taxable income and/or losses arising during the period following the date hereof (which amounts shall be allocated to Assignee). Assignee hereby covenants and agree to work with the Company and to cause the Company to report its taxable income and/or losses in a manner that is consistent with the provisions of the preceding sentence.

3. Representations. Assignee hereby represents and warrants to Assignor that as of the date hereof and immediately prior to the assignment of the Assigned Interests hereunder, the federal income tax basis in the Assigned Interests is not less than \$2,750,000.

4. Further Assurances. Assignor and Assignee agree to execute such other documents and perform such other acts as may be reasonably necessary or proper and usual to effect this Assignment.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of New York.
6. Successors and Assigns. This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignees and their respective personal representatives, heirs, successors and assigns.
7. Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when there exist copies hereof which, when taken together, bear the authorized signatures of each of the parties hereto. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Assignment. PDF email signatures shall have the same binding effect as original signatures. No party hereto shall raise the use of a PDF email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of PDF email as a defense to the formation of a legal, valid and binding contractual obligation and each such party forever waives any such defense.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Assignee and Assignor have executed this Assignment as of the date first hereinabove written.

ASSIGNEE :

PETRO RIVER OIL CORP., a Delaware corporation

By: /s/ Scot Cohen
Name: Scot Cohen
Title: Executive Chairman

ASSIGNOR :

MEGA WEST KANSAS CORPORATION, a Delaware corporation

By: /s/ Joel Kestenbaum
Name: Joel Kestenbaum
Title: President