

Edgar Filing: Siberian Energy Group Inc. - Form 8-K

Siberian Energy Group Inc.
Form 8-K
September 19, 2006

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 14, 2006

SIBERIAN ENERGY GROUP INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|--------------------------------------|
| Nevada | 333-118902 | 52-2207080 |
| ----- | ----- | ----- |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

275 Madison Ave, 6th Floor, New York, NY 10016

(Address of principal executive offices) (Zip Code)

(212) 828-3011

Registrant's telephone number

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))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On September 14, 2006, Siberian Energy Group Inc. ("we," and "us") entered into an Option Agreement with Key Brokerage, Inc., a Delaware corporation ("Key Brokerage" and the "Option Agreement"). Key Brokerage is the sole owner of Kondaneftegaz, LLC, a Russian limited liability company ("Kondaneftegaz").

Kondaneftegaz has applied for ten (10) oil and gas licenses in the

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Khanty-Mansiysk district of Western Siberia, Russia, which will be proposed for distribution by the Russian government through a tender auction in 2006 and 2007.

The Option Agreement provided us the exclusive right for up to sixty (60) days from the date of the Option Agreement, subject to us conducting due diligence, to enter into a transaction with Key Brokerage whereby we would purchase seventy-five percent (75%) of the shares of Kondaneftegaz (the "Option").

In consideration for agreeing to the Option, we granted Key Brokerage 250,000 warrants to purchase shares of our common stock at an exercise price of \$2.20 per share, exercisable for up to two (2) years from the date of the Option Agreement (the "Warrants"). The Option Agreement may be extended by us for up to an additional ninety (90) days, provided we provide Key Brokerage at least fifteen (15) days advance notice of our intent to extend the Option. In the event we choose to extend the Option, we have agreed to grant Key Brokerage additional warrants on identical terms as the Warrants, with the exception that such additional warrants will be exercisable until the second anniversary of the date the Option is extended.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

In connection with our entry into the Option Agreement with Key Brokerage (as described above) and granting Key Brokerage an aggregate of 250,000 warrants to purchase shares of our common stock at an exercise price of \$2.20 per share, exercisable until September 14, 2008. We claim an exemption from registration afforded by Section 4(2) of the Securities Act of 1933 since the foregoing grant of warrants did not involve a public offering, the recipient took the shares for investment and not resale and any shares issueable in connection with an exercise of the warrants will be restricted once issued. No underwriters or agents were involved in the foregoing grant and no underwriting discounts or commissions were paid by us.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

| Exhibit Number | Description |
|----------------|--------------------------------------|
| ----- | ----- |
| 10.1 | Option Agreement with Key Brokerage |
| 10.2 | Warrant Agreement with Key Brokerage |

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.

SIBERIAN ENERGY GROUP, INC.

By: /s/ David Zaikin

David Zaikin, Chief Executive Officer

Dated: September 19, 2006