

MAGELLAN PETROLEUM CORP /DE/
Form PRE 14A
November 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MAGELLAN PETROLEUM CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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1. Title of each class of securities to which transaction applies:

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3. Filing Party:

4. Date Filed:

1775 Sherman Street, Suite 1950
Denver, Colorado 80203

2012 ANNUAL MEETING OF SHAREHOLDERS
To be Held on January 16, 2013

December 7, 2012

Dear Shareholder:

On behalf of the Board of Directors and management of Magellan Petroleum Corporation (“Magellan”), we are pleased to invite you to attend the 2012 Annual Meeting of Shareholders (“Annual Meeting”) to be held on Wednesday, January 16, 2013 at 10:00 A.M. MST at The Oxford Hotel, 1600 17th Street, Denver, Colorado 80202 (telephone: (303) 682-5400).

At the Annual Meeting, you and the other shareholders will be asked to vote on:

The election of the two individuals named as Director nominees in the attached proxy statement to our Board of Directors;

The removal of Nikolay V. Bogachev as a Director for cause;

A non-binding advisory resolution to approve the compensation of our named executive officers;

The approval of a new 2012 Omnibus Incentive Compensation Plan; and

The ratification of the appointment of our independent registered public accounting firm.

The accompanying Notice of 2012 Annual Meeting of Shareholders and 2012 Annual Meeting Proxy Statement (“Proxy Statement”) provide information concerning the business to be acted on at the meeting. In addition, management will review our results of operations and will be available to respond to questions during the meeting. Pursuant to U.S. Securities and Exchange Commission rules, we may provide you with access to our proxy materials via the Internet. As a result, we are mailing to most of our shareholders a Notice of Internet Availability of Proxy Materials (the “Notice”) instead of a paper copy of the accompanying Proxy Statement, a proxy card, and our 2012 Annual Report to Shareholders. The Notice contains instructions on how to access those documents via the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials, including the accompanying Proxy Statement, our 2012 Annual Report to Shareholders, and a form of proxy card. All shareholders who do not receive a Notice

should receive a paper copy of the proxy materials by mail. We believe that the Notice process will allow us to provide you with the information you need in a timelier manner, will save us the cost of printing and mailing documents to you, and will conserve natural resources.

Your vote is important, and we encourage you to vote even if you cannot attend the Annual Meeting in person. You may vote by Internet or by telephone using the instructions on the Notice, or, if you received a paper copy of the proxy card, by signing and returning it in the envelope provided. If your shares are held of record by a bank or broker, please vote by using the instruction form provided to you by or on behalf of the bank or broker.

We thank you for your continued support of Magellan and we look forward to seeing many of you at the Annual Meeting.

Sincerely yours,

J. Robinson West

Chairman of the Board of Directors

J. Thomas Wilson

President and Chief Executive Officer

1775 Sherman Street, Suite 1950
Denver, Colorado 80203

NOTICE OF 2012 ANNUAL MEETING OF SHAREHOLDERS

To be Held on January 16, 2013

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Shareholders of Magellan Petroleum Corporation, a Delaware corporation (the "Company"), will be held on Wednesday, January 16, 2013 at 10:00 A.M. MST at The Oxford Hotel, 1600 17th Street, Denver, Colorado 80202 (telephone: (303) 628-5400), for the following purposes:

1. To elect the two individuals named as Director nominees in the attached proxy statement to the Board of Directors of the Company;
2. To remove Nikolay V. Bogachev as a Director for cause;
3. To vote on the non-binding advisory resolution for the approval of the compensation of our named executive officers;
4. To approve the Magellan Petroleum Corporation 2012 Omnibus Incentive Compensation Plan;
5. To ratify the appointment of Ehrhardt Keefe Steiner & Hottman PC as the independent registered public accounting firm for the Company for the fiscal year ending June 30, 2013; and
6. To transact such other business as may properly come before the meeting.

Only shareholders of record at the close of business on November 19, 2012 are entitled to receive notice of and to vote at the Annual Meeting.

Please vote by using the telephone or Internet voting systems described in the Notice of Internet Availability of Proxy Materials or the proxy card or, if the attached Proxy Statement and a proxy card were mailed to you, please sign, date, and return the proxy card in the enclosed envelope as soon as possible.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2012 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 16, 2013:

The Proxy Statement for the 2012 Annual Meeting of Shareholders and the Annual Report to Shareholders for the fiscal year ended June 30, 2012 are available at: http://www._____ .

By Order of the Board of Directors,

C. Mark Brannum
Vice President, General Counsel and Secretary
December 7, 2012

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1775 Sherman Street, Suite 1950
Denver, Colorado 80203

2012 ANNUAL MEETING PROXY STATEMENT

GENERAL INFORMATION

This 2012 Annual Meeting Proxy Statement ("Proxy Statement") is furnished to shareholders of Magellan Petroleum Corporation, a Delaware corporation (the "Company"), in connection with the solicitation of proxies by the Board of Directors ("Board") for use at the Company's Annual Meeting of Shareholders ("Annual Meeting") to be held on Wednesday, January 16, 2013 at 10:00 A.M. MST at The Oxford Hotel, 1600 17th Street, Denver, Colorado 80202 (telephone: (303) 628-5400) and at any adjournments or postponements thereof. The proxy materials, including this Proxy Statement, the proxy card or voting instructions, and our 2012 Annual Report are first being distributed and made available on or about December 7, 2012.

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission (the "SEC"), we are providing our stockholders access to our proxy materials on the Internet. Accordingly, a Notice of Internet Availability of Proxy Materials (Notice) will be mailed to most of our stockholders on or about December 7, 2012. Stockholders will have the ability to access the proxy materials on a web site referred to in the Notice or request a printed set of the proxy materials to be sent to them by following the instructions in the Notice.

The Notice also provides instructions on how to inform us to send future proxy materials to you electronically by e-mail or in printed form by mail. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail or printed form will remain in effect until you terminate it. Choosing to receive future proxy materials by e-mail will allow us to provide you with the information you need in a timelier manner, save us the cost of printing and mailing documents to you, and conserve natural resources.

Important Notice Regarding Internet Availability of Proxy Materials for the 2012 Annual Meeting

This Proxy Statement and the Company's Annual Report to Shareholders for the fiscal year ended June 30, 2012 are available at: http://www._____.

The proxy may be revoked at any time before it is voted by (i) so notifying the Company in writing; (ii) signing and dating a new and different proxy card of a later date; or (iii) voting of your shares by you in person or by your duly-appointed agent at the meeting.

The persons named in the enclosed form of proxy will vote the shares of common stock represented by such proxy in accordance with the specifications made by means of a ballot provided in the proxy and

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will vote the shares in their discretion on any other matters properly coming before the meeting or any adjournment or postponement thereof. As of the date of this Proxy Statement, the Board knows of no matters that will be properly presented for consideration at the meeting, in accordance with the Company's By-Laws including the notice provisions thereof, other than those matters referred to in this Proxy Statement.

The record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting has been fixed by the Board as the close of business on November 19, 2012. On that date, there were 53,885,594 outstanding shares of common stock of the Company, par value \$.01 per share ("Common Stock"). On November 19, 2012, there were _____ shares of our Common Stock outstanding in the form of CHESS depositary interests listed and traded on the Australian Securities Exchange ("ASX"). Each outstanding share of Common Stock is entitled to one vote.

VOTES REQUIRED FOR APPROVAL

Votes Required

Each outstanding share of Common Stock is entitled to one vote on each of Proposals 1, 2, 3, 4 and 5.

Approval of Proposal 1 - the election of the two Directors named in this Proxy Statement as nominees for election to the Board of Directors will require the affirmative vote of a plurality of the votes cast by the holders of shares of our Common Stock present in person or by proxy and voting at the Annual Meeting, provided that a quorum exists.

Approval of Proposal 2 - the removal of Nikolay V. Bogachev as a Director for cause will require the affirmative vote of at least a majority of the votes cast by the holders of our common stock who are present in person or by proxy at the Annual Meeting and entitled to vote on the matter, provided that a quorum exists.

Approval of Proposal 3 - the non-binding advisory resolution approving the compensation of the Company's named executive officers will require the affirmative vote of a majority of the votes cast by the holders of our Common Stock who are present in person or by proxy at the Annual Meeting and entitled to vote on the matter, provided that a quorum exists.

Approval of Proposal 4 - approval of the 2012 Omnibus Equity Compensation Plan will require the affirmative vote of a majority of the votes cast by the holders of our Common Stock who are present in person or by proxy at the Annual Meeting and entitled to vote on the matter, provided that a quorum exists.

Approval of Proposal 5 - the ratification of the appointment of Ehrhardt Keefe Steiner & Hottman PC as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2013, will require the affirmative vote of a majority of the votes cast by the holders of our Common Stock who are present in person or by proxy at the Annual Meeting and entitled to vote on the matter, provided that a quorum exists.

Discretionary Voting

If you are a beneficial owner of our Common Stock, the Company believes that your brokerage firm, the record holder of your Common Stock, will be permitted under governing NYSE rules to vote your shares in their discretion on the following matters to be presented at the Annual Meeting:

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•Proposal 5 - the ratification of the appointment of Ehrhardt Keefe Steiner & Hottman PC as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2013; even if your brokerage firm does not receive voting instructions from you.

Important Information

There was an important change last year regarding broker non-votes and votes on executive compensation and certain other matters, including Proposal 2, the “Say-on-Pay” votes. This rule change, which was made effective through the new Dodd-Frank legislation, follows similar treatment of broker non-votes for director elections implemented for the 2010 proxy season. These rules do not permit brokers to vote in the advisory votes for executive compensation if the broker has not received instructions from its customer, the beneficial owner of the Company's shares. Consequently, your brokerage firm may not vote on Proposal 1 - the election of two Directors; Proposal 2 - the removal of Nikolay V. Bogachev as a Director for cause; Proposal 3 - the non-binding advisory resolution regarding approval of the compensation of the Company's named executive officers; or Proposal 4 - the approval of the 2012 Omnibus Equity Compensation Plan, absent instructions from you. Without your voting instructions on these proposals, your brokerage firm cannot vote, and therefore, your shares will not be represented on these proposals. See “Quorum Required, Withholdings; Broker “Non-Votes” and Abstentions” below.

Quorum Required; Withholdings; Broker “Non-Votes” and Abstentions

Quorum Required: The holders of 33 1/3% of the total number of shares entitled to be voted at the Annual Meeting, present in person or by proxy, shall constitute a quorum for the transaction of business. Under the Delaware General Corporation Law, abstentions and broker “non-votes” are counted as present and are, therefore, included for purposes of determining whether a quorum of shares is present at the Annual Meeting.

Withholding: Withholding authority to vote for a nominee for Director will have no effect on the results of the vote for Directors. Under the Delaware General Corporation Law, the nominees for Director who receive the most votes (also known as a “plurality” of the votes) will be elected.

Broker Non-Votes and Abstentions: If your broker holds your shares in its name and cannot vote your shares on a particular matter because the broker does not have instructions from you or discretionary voting authority on that matter, this is referred to as a “broker non-vote.” As noted above, your broker will not be entitled to vote your shares without your instructions on Proposals 1, 2, 3 and 4. Under Delaware law, an “abstention” represents a shareholder's affirmative choice to decline to vote on a proposal other than the election of directors.

Effects of “Broker-Non Votes” and Abstentions: For Proposal 1, in counting the number of shares voted, abstentions and broker non-votes will not be counted and will have no effect. For Proposals 2, 3, 4 and 5, which require the affirmative vote of a majority of the votes cast by the holders of our Common Stock who are present in person or by proxy at the Annual Meeting and entitled to vote on the matter, abstentions will be counted towards the vote total and will have the same effect as a vote “AGAINST” the Proposal, but broker non-votes (which are not “entitled to vote” on the matter) will not be counted and will have no effect.

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PROPOSAL 1
ELECTION OF TWO DIRECTORS

In accordance with the Company's By-Laws, two Directors are to be elected to hold office for a term of three years, expiring with the 2015 Annual Meeting of Shareholders. The Company's By-Laws provide for three classes of Directors who are to be elected for terms of three years each and until their successors shall have been elected and shall have been duly qualified. Of the two nominees for election at the Annual Meeting, Brendan S. MacMillan and Robert J. Mollah, Mr. Mollah is currently serving as a Director of the Company and Mt. MacMillan is a new nominee for election as a Director of the Company. Messrs. MacMillan and Mollah have consented to being named in this Proxy Statement and will serve as Directors, if elected.

Under the Delaware General Corporation Law, the election of Directors requires a plurality of the votes cast by the holders of shares present in person or by proxy and voting at the Annual Meeting. The term "plurality" means that the nominees receiving the greatest number of votes will be elected. Proxies may be voted only for the number of nominees named by the Board. The persons named in the accompanying proxy will vote properly-executed proxies for the election of the persons named above, unless authority to vote for one or more of the nominees is withheld.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE TO ELECT BRENDAN S. MACMILLAN AND ROBERT J. MOLLAH - PROPOSAL 1.

Background Information about Our Nominees and the Directors

The following table sets forth certain information about the Company's two nominees for Director and each Director whose term of office continues beyond the 2012 Annual Meeting. The information presented includes, with respect to each such person: (a) his business history for at least the past five years; (b) his age as of the date of this Proxy Statement; (c) director positions, if any, held currently or at any time during the last five years with a company with a class of securities registered pursuant to section 12 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or subject to the requirements of section 15(d) of the Exchange Act or any company registered as an investment company under the Investment Company Act of 1940, as amended; (d) information regarding involvement in certain legal or administrative proceedings, if applicable; (e) his other positions with the Company, if any; (f) the year during which he first became a director of the Company; and (g) the experiences, qualifications, attributes, or skills that caused the Compensation, Nominating and Governance Committee (the "CNG Committee") and the Board to determine that the person should serve as a Director for the Company.

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2012 Director nominees to hold office each with a term expiring at the 2015 Annual Meeting:

Name: Brendan S. MacMillan

Director Since: New Nominee

Other Positions Held with the Company: None

Age and Business Experience: Mr. MacMillan is the founder and operator of several private corporations and partnerships in the United States and Canada focused on energy and natural resource investments in private and public debt and equity. Mr. MacMillan currently serves as President of Highlands Pacific LLC, the general partner of Highlands Pacific Partners LP, which he founded in June 2011. Mr. MacMillan is also the founder and a principal of CuVeras LLC, founded in November 2011, Bull River Security Holdings Ltd., founded in February 2012, and Bull River Lending Corp., founded in April 2012. Prior to starting these companies, from October 2004 until October 2008, Mr. MacMillan focused on the energy, natural resource, and industrials sectors in his role as Vice President for the Capital Group Companies, a group of investment management companies that serves as the manager of the American Funds, with over \$1 trillion under management. Mr. MacMillan currently serves as a director of Bull River Lending Corp. and Bull River Security Holdings Ltd. Mr. MacMillan received a BA with High Honors from Wesleyan University in 1991 with a focus on subjects applicable to oil and gas, an MBA with a concentration in Finance from Stanford University's Graduate School of Business in 1995, and a Chartered Financial Analyst designation in 1999. Age 44.

Mr. MacMillan was selected to serve on our Board for his twenty years of consulting and investment experience in the energy and natural resource sectors, his experience as a director, and his expertise in finance and investment management.

Name: Robert J. Mollah

Director Since: 2006

Other Positions Held with the Company: Chairman of the Board of Directors of Magellan Petroleum Australia Limited ("MPAL"); Member of the CNG Committee.

Age and Business Experience: Mr. Mollah is a geophysicist with broad petroleum exploration experience, both within Australia and internationally. From 1995 until 2003, Mr. Mollah was the Australian Executive Director of the Timor Gap Joint Authority which covered the administration of petroleum exploration and production activities in the Timor Sea Joint Development Zone between Australia and Indonesia/East Timor. Prior to 1995, he served as a Petroleum Explorationist and Manager with broad experience in the oil and gas business in Australia and Asia. Mr. Mollah has been a director of MPAL since November 2003 and was elected to serve as Chairman of the MPAL Board of Directors in September 2006. Age 71.

Mr. Mollah was selected to serve on our Board for his extensive business experience in the Australian and Asian oil and gas industry, particularly with respect to exploration, development, and production of offshore resources, his knowledge of Australian government matters, his Board and managerial experience, and his familiarity with Australian corporate governance standards.

Directors continuing in office with terms expiring at the 2014 Annual Meeting:

Name: Nikolay V. Bogachev

Director Since: 2009

Other Positions Held with the Company: Member of the Business Development Committee ("BDC").

Age and Business Experience: Mr. Bogachev serves as Chairman of the Board and Chief Executive

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Officer of Young Energy Prize S.A. (“YEP”), which he founded in 2007. During the period 2004 to 2007, Mr. Bogachev was the Chairman and CEO of two related natural gas companies located in Russia, JSC Tambeyneftegas and JSC Yamal LNG. He has been actively involved in the restructuring and financing of companies in the energy sector. He developed the Khantiy Mantsisk Oil Company (“KMOC”), which was purchased by Marathon Oil Company. He was the developer of Tambeyskoye, a major gas field located in Northwest Siberia, which was purchased by Gazprom-affiliated companies. He has partnered with major oil companies (RepsolYPF, Shell, and Petro-Canada) and has broad experience in the Middle East and Africa. Age 59.

Mr. Bogachev was selected to serve on our Board for his extensive business and operational experience with oil and gas projects worldwide, particularly in Russia, the Middle East, and Asia, his experience as Chairman and CEO of YEP, and his active involvement in the restructuring and financing of various private entities and ventures in the energy sector. For additional information, see "Proposal 2 - Removal of Nikolay V. Bogachev as a Director for cause."

Name: Milam Randolph Pharo

Director Since: 2012

Other Positions Held with the Company: Former Vice President, General Counsel and Secretary.

Age and Business Experience: Mr. Pharo has over 30 years of experience in the oil and gas industry, with an emphasis in the Rocky Mountain region. He has served in private legal practice focusing on oil and gas matters and as general counsel to public oil and gas companies. He most recently served as the Company's Vice President, General Counsel and Secretary from November 30, 2011 until his retirement from that position on September 5, 2012. He was retired from January 1, 2011 to November 30, 2011. From 1996 through 2010, Mr. Pharo held various positions with SM Energy Company, including Vice President - Land and Legal and Senior Vice President and General Counsel. Mr. Pharo received his B.A. degree from the University of Texas at Austin and his J.D. degree from Southern Methodist University. Age 60.

Mr. Pharo was selected to serve on our Board for his extensive legal and related business and transaction experience in the oil and gas industry, and his knowledge of corporate governance standards for public companies.