

NEWS CORP
Form 11-K
June 26, 2009
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

- x **Annual Report Pursuant to Section 15(d) of The Securities Exchange Act of 1934**
For the Fiscal Year ended December 31, 2008

OR

- .. **Transition Report Pursuant to Section 15(d) of The Securities Exchange Act of 1934**
Commission file number 333-112428

NEWS AMERICA SAVINGS PLAN

(Full title of the plan and the address of the plan,
if different from that of the issuer named below)

NEWS CORPORATION
1211 Avenue of the Americas
New York, New York 10036

(Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office)

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News America Savings Plan

Financial Statements

and Supplemental Schedule

As of December 31, 2008 and 2007

and for the Year Ended December 31, 2008

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Report of Independent Registered Public Accounting Firm

Plan Administrator

News America Savings Plan

We have audited the accompanying statements of net assets available for benefits of the News America Savings Plan (the Plan) as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the year ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/Ernst & Young LLP

New York, New York

June 25, 2009

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News America Savings Plan

Statements of Net Assets Available for Benefits

	December 31	
	2008	2007
Assets		
Investments, at fair value	\$ 183,774,920	\$ 243,244,586
Participant loans	3,710,518	3,660,877
Employee contribution receivable	151,067	595,419
Employer contribution receivable	87,383	219,894
Net assets available for benefits	\$ 187,723,888	\$ 247,720,776

See accompanying notes.

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News America Savings Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2008

Additions	
Dividends and interest income	\$ 8,439,496
Asset transfers, net	1,958,858
Contributions:	
Participants, including rollovers	23,104,728
Employer	8,479,927
Total contributions	31,584,655
Total additions	41,983,009
Deductions	
Benefits paid to participants	14,686,815
Administrative fees	16,274
Total deductions	14,703,089
Net realized and unrealized depreciation in fair value of investments	(87,276,808)
Net decrease	(59,996,888)
Net assets available for benefits:	
Beginning of year	247,720,776
End of year	\$ 187,723,888

See accompanying notes.

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News America Savings Plan

Notes to Financial Statements

December 31, 2008

1. Description of Plan

The following description of the News America Savings Plan (the "Plan") provides general information about the Plan's provisions. News America Incorporated (the "Company") is the plan sponsor. Participants should refer to the plan document and summary plan description for a more complete description of the Plan's provisions, copies of which may be obtained from the plan sponsor.

General

The Plan is a defined contribution plan. Effective February 1, 2004, the Plan was created to cover only salaried employees, and was named News America Savings Plan. As of December 31, 2008, the Plan covered substantially all nonunion salary paid employees of the Company and its affiliates. The Company is a wholly owned subsidiary of News Corporation.

Effective as of January 1, 2009, three plans merged into the Plan. The plans are as follows: News America 401k Savings Plan, New York Post Union Savings Plan and HarperCollins Retirement Account Plan. Net assets available for benefits of approximately \$96.4 million were transferred into the Plan.

The Plan meets the requirements of Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code") which permits employees to exclude contributions to the Plan from their current taxable income, subject to certain limits. The Plan is subject to the regulations of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Code.

Assets Held in Trust

The Plan's investments are held in trust with Fidelity Management Trust Company ("Fidelity") and UBS Financial Services ("UBS"). UBS serves as the Plan's trustee for certain self-directed brokerage account investments which were transferred from the News America 401k Savings Plan that were elected by participants prior to December 31, 2001. All other investments are held by Fidelity. Among other duties, Fidelity and UBS (collectively referred to as the "Trustees") are responsible for the custody, record-keeping and investing of the Plan assets and for the payment of benefits to eligible participants. All contributions are invested by the Trustees as designated by the Plan participants.

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News America Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Eligibility

All employees age 21 or older paid on a salary basis are eligible for Plan participation immediately upon full-time regular employment provided they are scheduled to complete at least 1,000 hours of service during a 12-month period. Participants with a hire date on or after February 1, 2007, will be automatically enrolled in the Plan at a contribution rate of 3% of their pre-tax eligible earnings following 30 days after the participants' benefits eligibility date, provided they are 21 years of age. Participants can elect within the applicable time frame not to enroll in the Plan.

Contributions and Vesting

Each year, plan participants are entitled to contribute, subject to certain Internal Revenue Service (IRS) regulations, pre-tax contributions from 1% to a maximum of 20% of their compensation, as defined, and after-tax contributions up to 10% of their compensation, as defined, not to exceed a combined deferral percentage of 27%. The Plan also permits catch-up contributions up to the IRS maximum (\$5,000 in 2008).

Effective as of January 1, 2008, the Plan adopted a Safe Harbor compliant structure. The employer match on eligible employee deferrals is 100% of the first 1% of eligible compensation contributed plus 50% of the next 5% of eligible compensation contributed.

Participants' voluntary contributions and actual earnings thereon become vested immediately. Participants employed prior to January 1, 2008, will vest at 20% for the first year to grandfather their service and then vest 100% on the second year to comply with statutory vesting requirements.

The employer match vesting schedule was changed to two-year cliff vesting. If a participant was hired or rehired (by the Company or any affiliate) on or after January 1, 2008, he or she will vest in the Company matching contributions according to the following schedule:

Years of Service	Vested Percentage
Less than 2	0%
2 or more	100%

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News America Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Also effective January 1, 2008, the Plan makes a 2% non-elective contribution of eligible compensation for those hired on or after January 1, 2008. Eligibility extends to participants that (a) were hired or rehired on or after January 1, 2008, (b) transferred to the Company (or a Participating Employer) from an affiliate of the Company (including from outside the U.S.) that does not maintain or contribute to an employer-sponsored defined benefit plan, or (c) transferred to the Company (or a Participating Employer) from an affiliate of the Company (including from outside the U.S.) that maintains or contributes to an employer-sponsored defined benefit plan, in which the participant was not an active participant immediately prior to his or her transfer. Each participant shall have a fully 100% vested interest in his or her employer non-elective contribution account upon the attainment of three years of service.

The 2% non-elective contribution follows three-year cliff vesting.

Participant Accounts

A separate account is maintained by the Trustees for each participant to record the participant's pre-tax and after-tax contributions, the employer's matching contribution and Plan earnings.

Forfeitures

Forfeitures (normally unvested interests of terminated participants' matching contribution accounts) are allocated to reduce future matching contributions. Total forfeitures for the years ended December 31, 2008 and 2007 were \$140,655 and \$192,663, respectively. Forfeitures of \$129,567 and \$144,526 were used to offset 2008 and 2007 employer contributions, respectively. The total unallocated forfeitures amount in the Plan at December 31, 2008 and 2007 is \$372,326 and \$360,432, respectively.

Participant Loans

Participants may borrow from the Plan a minimum of \$1,000 and a maximum amount not to exceed the lesser of \$50,000 or 50% of the participant's vested account balance. The loans are payable over a period not to exceed five years or, if the proceeds are used to purchase the participant's principal residence, the fixed rate loans are payable over a period not to exceed 20 years, and bear interest at prime plus 1%. The loans are secured by the pledge of the participant's interest in the Plan.

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News America Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

At December 31, 2008, interest rates ranged from 5% to 8.25%. Participants are required to pay off outstanding loan balances when they leave the Company, otherwise the loan balances will be treated as taxable distributions to the participants. Participants may prepay their loans at any time without penalty.

Payment of Benefits

Plan participants or beneficiaries are eligible to receive a benefit payment equal to their vested account balance upon termination of employment, retirement, death or permanent disability, as stipulated in the Plan document. Such benefits shall be made in a lump-sum payment, subject to certain restrictions as defined in the Plan.

Hardship withdrawals are allowed for participants incurring an immediate and heavy financial need, as defined by the Plan document. Hardship withdrawals are strictly regulated by the IRS and a participant must exhaust all available loan options and available distributions prior to requesting a hardship withdrawal.

Administrative Expenses

The majority of expenses incurred by the Plan are paid by the Company.

Investment Options

Upon enrollment in the Plan, a participant may direct employee and employer contributions in 1% increments among various investment options outlined in the Summary Plan Description. Additionally, participants may redirect their investment balances among these various investment options.

Plan Termination

Although it has not expressed any intent to do so, the Company may terminate the Plan at any time, subject to the provisions set forth in ERISA. In the event of Plan termination, the accounts of all participants affected shall become fully vested and nonforfeitable. Assets remaining in the trust fund will be distributed to the participants and beneficiaries in proportion to their respective account balances.

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News America Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

As a result of the adoption of SFAS 157, the Plan classified its investments as of December 31, 2008 based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value (see Note 4). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). In accordance with SFAS 157, assets and liabilities measured at fair value are categorized into the following fair value hierarchy:

- Level 1:* Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2:* Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly;
- Level 3:* Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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News America Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Plan's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). See Note 4 for further discussion of fair value measurements.

3. Investments

Investments that represent 5% or more of the Plan's net assets available for benefits as of December 31, 2008 and 2007 are as follows:

	December 31	
	2008	2007
Fidelity Growth Company	\$ 17,711,174	\$ 28,958,127
DWS International Fund S	*	15,072,307
PIMCO Total Return Institutional	21,320,328	17,437,282
Fidelity Equity Income	11,603,770	20,465,175
Fidelity Freedom 2010	18,281,114	25,953,176
Spartan US Equity Index	24,376,431	39,298,457
Fidelity Institutional Money Market	31,480,825	22,758,982

* Amount represents less than 5% of net assets available at year-end.

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News America Savings Plan

Notes to Financial Statements (continued)

3. Investments (continued)

During 2008, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) depreciated as follows:

	Year Ended December 31, 2008
UBS Self Directed Accounts	\$ (46,512)
BrokerageLink	(1,836,227)
Allianz NFJ Small Cap Value Fund Inst.	(2,439,744)
Fidelity Equity Income	(9,050,427)
Fidelity Freedom 2000	(187,749)
Fidelity Freedom 2010	(8,142,743)
Fidelity Freedom 2015	(278,309)
Fidelity Freedom 2020	(3,564,197)
Fidelity Freedom 2025	(816,482)
Fidelity Freedom 2030	(2,140,262)
Fidelity Freedom 2035	(462,984)
Fidelity Freedom 2040	(2,105,573)
Fidelity Freedom 2045	(424,617)
Fidelity Freedom 2050	(352,776)
Fidelity Freedom Income	(180,849)
Fidelity Growth Company	(12,515,960)
Fidelity Value Fund	(197,263)
Hartford Cap App Y	(1,814,681)
MSI Small Cap Growth I	(1,347,600)
MSI Midcap Growth I	(5,485,764)
News Corporation Stock Fund Class A (nonvoting)	(3,109,909)
News Corporation Stock Fund Class B (voting)	(2,574,921)
Oakmark Select I	(1,581,749)
PIMCO Total Return Institutional	(1,127,047)
DWS International Fund S	(1,208,004)
DWS International Fund Ins	(6,495,920)
Spartan US Equity Index	(4,718,792)
Spartan US Equity Ind Adv	(10,458,643)
Templeton Growth Adv.	(2,611,104)
	\$ (87,276,808)

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News America Savings Plan

Notes to Financial Statements (continued)

4. Fair Value Measurements

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Investments in mutual funds are valued at quoted market prices which represent the net asset value of shares held by the Plan at the end of the reporting year. Investments in company stocks are valued at the year-end unit closing price, comprised of the year-end market price plus un-invested cash position. Investments in common stock are valued at quoted market prices. Participant loans are valued at their outstanding balances, which approximate fair value.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008:

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 146,161,808	\$	\$	\$ 146,161,808
Money market and treasury funds	32,482,161			32,482,161
Company stocks	5,130,951			5,130,951
Participants loans			3,710,518	3,710,518
Total assets at fair value	\$ 183,774,920	\$	\$ 3,710,518	\$ 187,485,438

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2008.

	Participant Loans
Balance, beginning of year	\$ 3,660,877
Purchases, sales, issuances and settlements, net	49,641
Balance, end of year	\$ 3,710,518

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News America Savings Plan

Notes to Financial Statements (continued)

5. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

6. Transactions with Parties-in-Interest

The Plan's investments in mutual funds managed by the Trustees, as well as its investments in the common stock of various subsidiaries of the plan sponsor, and loans are considered to be party-in-interest transactions. These investments amounted to \$136,635,306 as of December 31, 2008 and \$178,175,706 as of December 31, 2007. Fees paid by the plan sponsor for the years ended December 31, 2008 and 2007 were not significant. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

7. Differences Between Financial Statements and Form 5500

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	December 31	
	2008	2007
Net assets available for benefits per the financial statements	\$ 187,723,888	\$ 247,720,776
Amounts allocated to withdrawn participants	(32,878)	(256,512)
Net assets available for benefits per the Form 5500	\$ 187,691,010	\$ 247,464,264

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News America Savings Plan

Notes to Financial Statements (continued)

7. Differences Between Financial Statements and Form 5500 (continued)

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	Year Ended December 31, 2008
Benefits paid to participants per the financial statements	\$ 14,686,815
Add: Amounts allocated on Form 5500 to withdrawn participants at December 31, 2008	32,878
Less: Amounts allocated on Form 5500 to withdrawn participants at December 31, 2007	(256,512)
Benefits paid to participants per the Form 5500	\$ 14,463,181

Amounts allocated to withdrawn participants for benefit claims that have been processed and approved for payment prior to year-end but not yet paid are recorded on the Form 5500 but not on the Plan's financial statements prepared under U.S. generally accepted accounting principles.

8. Tax Status

The Plan has received a determination letter from the IRS, dated March 3, 2006, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan sponsor has indicated that it will take the necessary steps, if any, to bring the Plan's operations into compliance with the Code.

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Supplemental Schedule

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News America Savings Plan

EIN #13-3249610 Plan #006

Schedule H, Line 4i Schedule of Assets

(Held at End of Year)

December 31, 2008

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
Fidelity Held Assets		
* BrokerageLink	Various self-directed investments	\$ 3,993,265
Allianz NFJ Small Cap Value Fund Inst.	250,769.471 shares	4,990,312
DWS International Fund S	222,674.39 shares	7,684,493
* Fidelity Equity Income	480,791.492 shares	11,603,770
* Fidelity Freedom 2000	83,452.89 shares	838,701
* Fidelity Freedom 2010	1,764,586.355 shares	18,281,114
* Fidelity Freedom 2015	76,951.475 shares	658,704
* Fidelity Freedom 2020	637,516.511 shares	6,407,041
* Fidelity Freedom 2025	212,883.759 shares	1,752,033
* Fidelity Freedom 2030	352,665.773 shares	3,442,018
* Fidelity Freedom 2035	116,322.653 shares	934,071
* Fidelity Freedom 2040	599,621.645 shares	3,351,885
* Fidelity Freedom 2045	130,682.04 shares	859,888
* Fidelity Freedom 2050	126,034.07 shares	814,180
* Fidelity Freedom Income	100,175.915 shares	957,682
* Fidelity Growth Company	361,747.824 shares	17,711,174
* Fidelity Institutional Money Market	31,480,824.69 shares	31,480,825
* Fidelity Value Fund	8,305.453 shares	331,055
Hartford Cap App Y	205,948.39 shares	4,755,348
MSI Small Cap Growth I	242,470.997 shares	1,850,054
MSI Midcap Growth I	342,075.049 shares	6,030,911
* News Corporation Stock Fund Class A (nonvoting)	368,798.829 shares	2,752,014
* News Corporation Stock Fund Class B (voting)	362,530.863 shares	2,341,850
PIMCO Total Return Institutional	2,102,596.462 shares	21,320,328
* Spartan US Equity Ind Advan	764,151.443 shares	24,376,431
Templeton Growth Adv.	246,753.706 shares	3,217,350
Total Fidelity Held Assets at End of Year		\$ 182,736,497
UBS Held Assets		
* News Corp. Inc.		\$ 37,087
RMA Money Market Portfolio		58
UBS Select Treasury		1,001,278
Total UBS Held Assets at End of Year		\$ 1,038,423

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Total investments per financial statements			\$ 183,774,920
* Participant loans	Interest rates from 5%	8.25%	3,710,518
Total assets held at end of year			\$ 187,485,438

* *Party-in-interest.*

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

NEWS AMERICA SAVINGS PLAN

By: /s/ Theodore Exarhakos
Theodore Exarhakos

Vice President, Benefits,

News America Incorporated

Date: June 26, 2009

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Exhibit No.	Number of Shares of Restricted Stock That Have Not Vested	Market Value of Shares of Restricted Stock That Have Not Vested (1)					
John G. Corp (2)		5/14/2009	50,000		\$ 0.98	5/14/2014	\$
		10/7/2010	45,000	45,000	\$ 3.00	6/30/2018	12,000 \$ 30,000
		5/26/2011	20,000	40,000	\$ 2.68	6/30/2016	100,000 \$ 250,000
John S. Tumis (3)		5/26/2011	12,000	24,000	\$ 2.68	6/30/2016	12,000 \$ 30,000

(1) The closing price of our common stock on December 31, 2011 was \$2.50.

(2) The 45,000 unvested stock options granted to Mr. Corp on October 7, 2010 vest 33.3% on June 30, 2012, December 31, 2012, and June 30, 2013, respectively. The 40,000 unvested common stock options granted to Mr. Corp on May 26, 2011 vest 25% on June 30, 2012, December 31, 2012, and June 30, 2013, respectively. The 30,000 unvested restricted common stock granted to Mr. Corp on October 7, 2010 vest 33.33% on June 30, 2012, December 31, 2012, and June 30, 2013, respectively. The 100,000 unvested restricted common stock granted to Mr. Corp on May 26, 2011 vest 25% on June 30, 2012, December 31, 2012, and June 30, 2013, and December 31, 2013, respectively.

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- (3) The 24,000 unvested stock options granted to Mr. Tumis on May 26, 2011 vest 25% on June 30, 2012, December 31, 2012, June 30, 2013, and December 31, 2013, respectively. The 12,000 unvested restricted common stock granted to Mr. Tumis on May 26, 2011 vest 25% on June 30, 2012, December 31, 2012, June 30, 2013, and December 31, 2013, respectively.

MANAGEMENT

The following table sets forth the names, ages, and offices held by our directors and executive officers:

Name	Age	Position	Director Since
John G. Corp	51	President and Director	February 2005
Loren E. Bagley	69	Director	August 1991
William F. Woodburn	69	Director	August 1991
John S. Tumis (a)	59	Chief Financial Officer\Treasurer	n/a
Leslie A. Gearhart(a)	49	Secretary\VP	n/a
Robert L. Richards	66	Director	September 2001
Richard L. Starkey	59	Director	June 2011
Stephen P. Lucado	40	Director\Chairman of the Board	June 2011
Dr. Benjamin H. Thomas	57	Director	June 2011

(a) Mr. Tumis and Ms. Gearhart were appointed Treasurer and Secretary, respectively, on April 26, 2012.

All directors hold office until the next annual meeting of stockholders and until their successors have been duly elected and qualified. There are no agreements with respect to the election of directors. Starting June, 2011 three of our outside directors receive a fee of \$1,500.00 per month for service on the Board of Directors and one director received a fee of \$3,000.00 per month for service on the board and for being the audit committee chairman. Directors are reimbursed for expenses incurred for attendance at meetings of the Board and any committee thereof. Executive officers are appointed annually by the Board and each executive officer serves at the discretion of the Board. The Executive Committee of the Board of Directors, to the extent permitted under Nevada law, exercises all of the power and authority of the Board in the management of the business and affairs of Trans Energy between meetings of the Board.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information, to the best of our knowledge as April 30, 2012, with respect to each person known by us to own beneficially more than 5% of our outstanding common stock, each director and all directors and officers as a group. Unless otherwise noted, the address of each person listed below is that of Trans Energy, 210 Second Street, St. Marys, West Virginia 26170.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(1)
<u>5% Beneficial Owners</u>		
James K. Abcouwer	2,524,761 ⁽²⁾	19.5%
Mark D. Woodburn	1,313,210 ⁽³⁾	10.1%
Clarence E. Smith	739,816	5.7%
<u>Directors and Officers</u>		
John G. Corp.*	207,000	1.6%
Robert L. Richards*	456,498 ⁽⁴⁾	3.5%
Loren E. Bagley*	2,162,246 ⁽⁵⁾	16.7%
William F. Woodburn*	2,223,286 ⁽⁶⁾	17.1%
John S. Tumis*	6,000	<1.0%
Leslie A. Gearhart*	2,000	<1.0%
Richard L. Starkey*	10,000	<1.0%
Stephen P. Lucado*	10,000	<1.0%
Dr. Benjamin H. Thomas*	10,000	<1.0%
All directors and executive officers as a group (9 persons)	5,087,030	39.2%

* Indicates director and/or executive officer at April 30, 2012.

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- (1) Based upon 12,979,828 shares of common stock outstanding as of April 30, 2012.
- (2) Includes 1,537,500 shares of common stock held in the name of the Abcouwer Family Limited Partnership Trust and 24,723 shares held in the name of Northstar Energy, Inc.
- (3) Includes 522,099 shares held in the name of MDW Capital, Inc., of which Mr. Woodburn is the CEO and shareholder, and 397,100 shares in the name of Meredith Woodburn, wife of Mr. Woodburn, which Mr. Woodburn disavows beneficial ownership or voting power.
- (4) Includes 80,087 shares held in the name of Argene Richards, wife of Mr. Richards.
- (5) Includes 33,543 shares held in the name of Carolyn S. Bagley, wife of Mr. Bagley, over which Mrs. Bagley retains voting power, and 803,372 shares in the name of a corporation in which Mr. Bagley is the President and shareholder.
- (6) Includes 332,636 shares in the name of Janet L. Woodburn, wife of Mr. Woodburn, over which shares Mrs. Woodburn retains voting power, and 454,230 in the name of two corporations in which William and Janet Woodburn are officers and shareholders.

PROPOSAL 2 RATIFICATION OF APPOINTMENT OF

INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Audit Committee of the Board has appointed Maloney + Novotny, LLC as the independent registered public accountants for the fiscal year ending December 31, 2012. While stockholder ratification is not required by the company's By-laws or otherwise, the Board is submitting the selection of Maloney + Novotny, LLC to the stockholders for ratification as part of good corporate governance practices. If the stockholders fail to ratify the selection, the Audit Committee may, but is not required to, reconsider whether to retain Maloney + Novotny, LLC. Even if the selection is ratified, the Board, in its discretion, may direct the appointment of different independent registered public accountants at any time during the year if it determines that such a change would be in the best interest of the company and its stockholders.

Fees Billed to the Company by Independent Registered Public Accountant

Audit Fees. Audit fees (including expenses) billed to the company by Maloney + Novotny were \$129,791 in fiscal year 2011, and \$123,592 in fiscal year 2010. The increase fees in 2011 reflect additional time spend by our auditor in reviewing our new accounting system. Audit fees include professional services with respect to the audit of the company's consolidated financial statements included in our Annual Report on Form 10-K and review of financial statements included in our Quarterly Reports on Form 10-Q. These services are normally provided by Maloney + Novotny in connection with statutory and regulatory filings performed by Maloney + Novotny to comply with generally accepted auditing standards, as well as fees for the audit of the company's internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002.

Audit-Related Fees. Audit-related fees (including expenses) billed to the company by Maloney + Novotny were \$0 in both fiscal years 2011 and 2010.

Tax Fees. Tax fees (including expenses) billed to the company by Maloney + Novotny were \$8,665 in fiscal year 2011 and \$12,533 in fiscal year 2010.

All Other Fees. No other fees were billed by our auditors during the fiscal years 2011 and 2010.

The Board has adopted procedures for pre-approving all audit and permissible non-audit services provided by the independent registered public accountants. The Board will annually review and pre-approve the audit, review and attest services to be provided during the next audit cycle by the independent registered public accountants and may annually review and pre-approve permitted non-audit services to be provided during the next audit cycle by the independent registered public accountants.

Representatives of Maloney + Novotny are expected to be present at the 2012 Annual Meeting, with an opportunity to make a statement should they choose to do so, and to be available to respond to questions, as appropriate.

Required Vote

The proposal to ratify the appointment of Maloney + Novotny, LLC as independent registered public accountants will require the affirmative vote of a majority of the votes cast at the 2012 Annual Meeting, in person or by proxy, and entitled to vote; provided that a quorum is present. Abstentions will have the effect of a negative vote on Proposal 2.

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Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* THE PROPOSAL TO RATIFY THE SELECTION OF MALONEY + NOVOTNY, LLC AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS TO AUDIT THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING December 31, 2012.

OTHER MATTERS

Management is not aware of any other matters to be presented for action at the 2012 Annual Meeting. However, if any other matter is properly presented, it is the intention of the person named in the enclosed form of proxy to vote in accordance with their judgment on such matter.

SECTION 16(a) BENEFICIAL OWNERSHIP COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the company's executive officers, directors and persons who own more than 10% of the common stock to file initial reports of ownership and changes in ownership with the SEC. To the company's knowledge, with respect to the fiscal year ended December 31, 2011, all applicable filings were made.

ANNUAL REPORTS TO STOCKHOLDERS

The company's Annual Report to Stockholders, including financial statements for the fiscal year ended December 31, 2011, is being delivered to stockholders together with this proxy statement.

FUTURE STOCKHOLDER PROPOSALS

To have a proposal intended to be presented at our 2013 Annual Meeting of Stockholders be considered for inclusion in the proxy statement and form of proxy relating to that meeting, a stockholder must deliver written notice of such proposal in writing to the Corporate Secretary at our corporate headquarters no later than March 31, 2013 (unless the date of the 2013 Annual Meeting of Stockholders is not within 30 days of March 31, 2013, in which case the proposal must be received no later than a reasonable period of time before we begin to print and send our proxy materials for our 2013 Annual Meeting of Stockholders). Such proposal must also comply with the requirements as to form and substance established by the SEC for such a proposal to be included in the proxy statement. We reserve the right to reject, rule out of order or take other appropriate action with respect to any proposal that does not comply with these and other applicable requirements.

Notice of any director nomination or other proposal that you intend to present at the 2013 Annual Meeting of Stockholders, but do not intend to have included in the proxy statement and form of proxy relating to the 2013 Annual Meeting of Stockholders, must be delivered to the to the Corporate Secretary at our corporate headquarters not earlier than January 31, 2013 and not later than March 31, 2013 (unless the date of the 2013 Annual Meeting of Stockholders is not within 30 days of March 31, 2013, in which case the stockholder notice must be received a reasonable time before we mail our proxy materials for the 2013 Annual Meeting of Stockholders). In addition, your notice must set forth the information required by our bylaws with respect to each director nomination or other proposal that you intend to present at the 2012 Annual Meeting of Stockholders.

GENERAL

The costs of soliciting proxies for the 2012 Annual Meeting will be paid by the company. In addition to the use of the mails, proxies may be personally solicited by directors, officers or regular employees of the company (who will not be compensated separately for their services) by mail, telephone, letter, facsimile, electronic medium or personal discussion. The company will also request banks, brokers, and other custodians, nominees and fiduciaries to forward proxy materials to the beneficial owners of stock held of record by such persons and request authority for the execution of proxies. The company will reimburse such entities for reasonable out-of-pocket expenses incurred in handling proxy materials for the beneficial owners of the company's common stock.

All shares represented at the meeting by a proxy will be voted in accordance with the instructions specified in that proxy. Proxies received and marked "Abstain" as to any particular proposal, will be counted in determining a quorum, however, such proxies will not be counted for the vote on that particular proposal. A majority of the shares represented at the meeting is required to ratify any proposal presented.

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HOUSEHOLDING

To reduce the expense of delivering duplicate proxy materials to stockholders who may have more than one account holding Trans Energy stock but sharing the same address, we have adopted a procedure approved by the SEC called householding. Under this procedure, certain registered stockholders who have the same address and last name, and who do not participate in electronic delivery of proxy materials, will receive only one copy of our Notice of Internet Availability and, as applicable, any additional proxy materials that are delivered until such time as one or more of these stockholders notifies us that they want to receive separate copies. Stockholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

If you are a registered stockholder and would like to have separate copies of the Notice of Internet Availability or proxy materials mailed to you in the future, you must submit a request to opt out of householding in writing to Trans Energy, Inc., Householding Department, 210 Second Street, P.O. Box 393 St. Marys, West Virginia 26170, or call Trans Energy at (304) 684-7053, and we will cease householding all such documents within 30 days. If you are a beneficial stockholder, information regarding householding of proxy materials should have been forwarded to you by your broker. Registered stockholders are those stockholders who maintain shares under their own names. Beneficial stockholders are those stockholders who have their shares deposited with a brokerage firm.

However, please note that if you want to receive a paper proxy card or vote instruction form or other proxy materials for purposes of this year's Meeting, you should follow the instructions included in the Notice of Internet Availability that was sent to you.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you receive your proxy materials by mail, we encourage you to elect to receive future copies of proxy statements and annual reports by e-mail. To enroll in the online program, go to www.proxyvote.com, click on Stockholder Electronic Delivery and follow the enrollment instructions. Upon completion of enrollment, you will receive an e-mail confirming the election to use the electronic delivery services. The enrollment in the online program will remain in effect for as long as your brokerage account is active or until enrollment is cancelled. Enrolling to receive proxy materials online will save Trans Energy the cost of printing and mailing documents and help preserve our natural resources.

Your vote is important. Please sign, date, and return your proxy card by mail, or submit your proxy over the Internet or by telephone promptly.

By Order of the Board of Directors

\s\ Leslie Gearhart

Leslie A. Gearhart

Secretary

St. Marys, West Virginia

April 30, 2012

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TRANS ENERGY, INC.

ATTN: JOHN S. TUMIS

P.O. BOX 393 210 SECOND STREET

ST. MARYS, WV 26170

VOTE BY INTERNET

Before the Meeting - Goto www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During the Meeting - Goto www.virtualshareholdermeeting.com/TENG

You may attend the Meeting via the Internet and vote during the Meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M38889-P17512

KEEP THIS PORTION FOR YOUR RECORDS

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. DETACH AND RETURN THIS PORTION ONLY
TRANS ENERGY, INC.**

The Board of Directors recommends you vote FOR the following proposals:

1. Election of Directors

Nominees:

1a. John G. Corp

1b. Loren E. Bagley

1c. William F. Woodburn

For Against Abstain

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1d.	Robert L. Richards
1e.	Richard L. Starkey
1f.	Stephen P. Lucado
1g.	Dr. Benjamin H. Thomas

2.	Ratify the appointment of Maloney + Novotny, LLC, as our independent auditors for the fiscal year ending December 31, 2012.	For	Against	Abstain
	

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com.

M38890-P17512

TRANS ENERGY, INC

Annual Meeting of Stockholders

June 28, 2012 10:00 AM

This proxy is solicited by the Board of Directors

The stockholder(s) hereby appoint(s) John G. Corp and John S. Tumis, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of TRANS ENERGY, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholder(s) to be held at 10:00 AM, EST on June 28, 2012, at the VirtualShareholderMeeting.com/TENG, and any adjournment or postponement thereof. This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side