

PetroHunter Energy Corp
Form DEF 14A
January 28, 2008

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

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

PETROHUNTER ENERGY 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):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

☐ Fee paid previously with preliminary materials

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

PETROHUNTER ENERGY CORPORATION

1600 Stout Street, Suite 2000
Denver, Colorado 80202

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the holders of Common Stock of PetroHunter Energy Corporation:

The annual meeting (the “Annual Meeting”) of stockholders of PetroHunter Energy Corporation (the “Company”) will be held at the Courtyard Denver Downtown, 934 – 16th Street, Denver, Colorado 80202, on Monday, April 7, 2008, at 9:00 a.m., Mountain Time, to consider and vote on:

- (1) The election of five directors to the Company’s Board of Directors; and
- (2) Such other business as may properly come before the Annual Meeting and at any adjournments thereof.

Only holders of record of the Company’s common stock at the close of business on January 22, 2008 are entitled to notice of and to vote at the Annual Meeting or any adjournments thereof.

Even if you now expect to attend the Annual Meeting, you are requested to mark, sign, date, and return the accompanying proxy in the enclosed addressed, postage-paid envelope. If you attend the Annual Meeting, you may vote in person, whether or not you have sent in your proxy. A proxy may be revoked at any time prior to the voting thereof.

By Order of the Board of Directors

/s/ David E. Brody
David E. Brody, Corporate Secretary

Denver, Colorado
January 28, 2008

PETROHUNTER ENERGY CORPORATION

1600 Stout Street, Suite 2000

Denver, Colorado 80202

PROXY STATEMENT

January 28, 2008

This Proxy Statement is furnished to the stockholders of PetroHunter Energy Corporation (the “Company”) in connection with the solicitation on behalf of the Board of Directors (the “Board”) of proxies for use at the annual meeting of stockholders (the “Annual Meeting”) to be held at the Courtyard Denver Downtown, 934 – 16th Street, Denver, Colorado 80202, on Monday, April 7, 2008, at 9:00 a.m., and at any adjournments thereof.

This Proxy Statement and the enclosed form of proxy are first being mailed to stockholders on or about February 5, 2008, and the cost of soliciting proxies in the enclosed form will be borne by the Company. In addition to the use of the mails, proxies may be solicited by personal interview, telephone, facsimile and electronic means. Banks, brokerage houses and other nominees or fiduciaries have been requested to forward the soliciting material to their principals and to obtain authorization for the execution of proxies, and the Company will, upon request, reimburse them for their expenses in so acting.

VOTING

Who Can Vote

Only stockholders of record as of the close of business on January 22, 2008 are entitled to notice of and to vote at the Annual Meeting or at any adjournments thereof. On January 22, 2008, the Company had outstanding 319,109,507 shares of common stock, \$0.001 par value per share (the “Common Stock”). Each share of Common Stock you own entitles you to one vote on each matter to be voted on at the Annual Meeting.

How You Can Vote

You may vote your shares in person by attending the Annual Meeting or you may vote by completing, signing, dating and mailing the enclosed proxy card in the envelope provided. If you return your signed proxy card before the Annual Meeting, the named proxy will vote your shares as you direct. If you send in your proxy card, but do not specify how you want to vote your shares, your shares will be voted (i) FOR the election of all nominees for director as described under “Election of Directors”; and (ii) in the discretion of the persons named in the enclosed proxy, on any other matters that may properly come before the Annual Meeting.

You May Revoke or Change Your Vote

You may revoke the enclosed proxy at any time prior to its exercise by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. A stockholder who votes in person at the Annual Meeting in a manner inconsistent with a proxy previously filed on the stockholder’s behalf will be deemed to have revoked such proxy as it relates to the matter voted upon in person. Attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy.

PROPOSAL ONE - ELECTION OF DIRECTORS

The Company's Bylaws authorize the Board to determine from time to time by resolution the number of directors. The Board has fixed the number of directors to be elected at the Annual Meeting at five, and proxies cannot be voted for a greater number of persons. Unless authority is withheld, the persons named in the enclosed proxy will vote the shares represented by the proxies received for the election of the five nominees named below to each serve until the next Annual Meeting and thereafter until his successor is duly elected and qualified, or until his earlier death, resignation or removal.

NOMINEES:

Charles B. Crowell

Carmen J. Lotito

Martin B. Oring

Matthew R. Silverman

Dr. Anthony K. Yeats

If any nominee should decline or be unable to serve for any reason, votes will instead be cast for a substitute nominee designated by the Board. The Board has no reason to believe that any nominee will decline to be a candidate or, if elected, will be unable or unwilling to serve. The Company's directors are elected by a plurality vote.

Information About Directors

The following sets forth certain information about the nominees for director of the Company.

- Charles B. Crowell, age 64, was appointed to serve as our Chairman of the Board and Chief Executive Officer in July 2007. Mr. Crowell has served as a director of the Company since February 2007 and was a member and chairman of the Audit and Compensation Committees. In addition to his service to the Company, Mr. Crowell has been a practicing attorney and an officer and consultant to oil and gas companies for 38 years. Mr. Crowell has held executive positions at several public and private companies, including manager and principal of Enigma Energy Company, LLC, Dallas, Texas, and Executive Vice President of Administration of Triton Energy Corporation. In addition to his services as a director of the Company, Mr. Crowell has also served and continues to serve as a director in several other public companies, including PetroHunter Energy, Inc., Denver Colorado (2002-present) and Vice Chairman of the Board (2003-present); Comanche Energy, Inc., Tulsa, Oklahoma (1999-2000); Arakis Energy Corporation, Calgary, Alberta, Canada (1997-1998); Aero Services International, Inc., Newtown, Pennsylvania (1989-1993) (Chairman of the Board 8/90-12/92); and Triton Europe, plc., The Hague, The Netherlands (1989-1993). Mr. Crowell holds a BA degree from John Hopkins and a JD from University of Arkansas. He was admitted to the practice of law in Texas in 1974.
- Carmen J. Lotito, age 63, has been a director of the Company since May 2006 and the Executive Vice President – Business Development since October 2007. He previously served as the Executive Vice President, Chief Financial Officer, Treasurer, and Secretary of the Company at various times from May 2006 to October 2007. Mr. Lotito is also the Executive Vice President – Business Development of PetroHunter Operating Company. Mr. Lotito has been a director and chairman of the audit and compensation committees of Gasco Energy, Inc. since April 2001, and was a director of Galaxy Energy Corporation from November 2002 to August 2006. He served as chief financial officer and treasurer of Galaxy Energy Corporation from November 2002 to July 2005, and as executive vice president from August 2004 to July 2005. Both PetroHunter Energy and Galaxy Energy are subject to the reporting requirements of the Securities Exchange

Act of 1934. Mr. Lotito served as vice president, chief financial officer, and director of Coriko Corporation, a private business development company, from November 2000 to August 2002. Prior to joining Coriko, Mr. Lotito was self-employed as a financial consultant. Mr. Lotito holds a B.S. degree in accounting from the University of Southern California.

- Martin B. Oring, age 62, became a director in July 2007. Mr. Oring is an executive in the financial services and energy industries. Prior to forming his current business in 2001, Wealth Preservation, LLC, he had extensive experience as a member of management in several companies, including Prudential Securities (Managing Director of Executive Services), Chase Manhattan Corporation (Manager of Capital Planning), and Mobil Corporation (Manager, Capital Markets & Investment Banking). He has served and will continue to serve as a director of Parallel Petroleum Corporation, located in Midland, Texas. Mr. Oring received a B.S. degree in mechanical engineering from the Carnegie Institute of Technology in 1966 and an M.B.A. degree from in production management, finance and marketing from Columbia University in 1968. Mr. Oring chairs the audit, compensation and nominating committees of our board of directors and is a qualified financial expert.
- Matthew R. Silverman, age 54, became a director in February 2007. Mr. Silverman is Exploration Manager with Robert L. Bayless, Producer LLC, an oil and gas company that is active in the central and southern Rocky Mountain regions. Such projects have included exploration for conventional oil and natural gas, tight gas, and coalbed methane development in several basins. Mr. Silverman directs Bayless's geology and land departments in its Denver offices. From 1989 to 2000, he was employed by Gustavson Associates, Inc., an international oil and gas consulting group, where he was responsible for technical evaluation and capital formation for exploration and production opportunities around the world. His work included appraising oil and gas assets (producing and exploratory), preparing on-site oil and gas field feasibility studies, and business development. Mr. Silverman was previously employed by TOTAL Minatome and its predecessors, CSX Oil & Gas and Texas Gas Exploration, from 1982 to 1989 in Denver, Colorado, and by Evans Energy from 1976 to 1982. He received an A.B. degree from Brown University in 1975 and an M.S. degree in Geological Sciences from the University of Colorado in 1983. Mr. Silverman is a Certified Petroleum Geologist.
- Dr. Anthony K. Yeats, age 61, became a director in February 2006. Dr. Yeats has participated in the development of numerous exploration ventures in oil and gas opportunities around the world. His career has included the role of Chief Geologist, Geophysicist and Team Leader for Royal Dutch Shell in the Middle East, Africa and the Far East, Exploration Coordinator for BP's Global Basin Group, and Chief Geologist for a number of regional acquisitions undertaken by British Petroleum at a variety of locations throughout the Middle East, Africa, Canada and Europe. Before joining the Company, in 1999 Dr. Yeats started Cambridge Earth Sciences Limited, which provides private research and consulting services for companies engaging in geology and exploration management, which Dr. Yeats continues to run. Prior to 1999, Dr. Yeats was Co-coordinator for World Wide New Ventures for Total in Paris and finally Exploration Manager for Total in the Former Soviet Union where he managed teams undertaking hydrocarbon exploration in Kazakhstan, Azerbaijan, and Russia. In this post he was responsible for the generation of new ventures, including the acquisition of already existing discoveries. Over the years he has developed extensive contacts with the financial community in Edinburgh and London, which specialize in the raising of capital for oil and gas ventures particularly from UK, French, Canadian and Middle East sources.

Director Independence Determinations

The Board has evaluated the independence of the members of the Board under the independence standards promulgated in the Nasdaq listing standards. In conducting this evaluation, the Board considered transactions and relationships between each director nominee or his immediate family and the Company to determine whether any such transactions or relationships were material and, therefore, inconsistent with a determination that each such director nominee is independent. Based upon that evaluation, the Board determined that Dr. Yeats and Messrs. Oring and Silverman have no material relationship with the Company and, thus, are independent.

Board Meetings and Committees

During the fiscal year ended September 30, 2007, the Board held 6 meetings. Each director participated in at least 75% of the aggregate total number of meetings held by the Board and all committees of which he was a member that were held during the period in which he served.

The Board has an Audit Committee, Nominating Committee, and Compensation Committee. All of the members of these committees are non-employee, independent directors in accordance with the Nasdaq listing standards.

The Company does not maintain a formal policy regarding the Board's attendance at annual stockholder meetings. This is the Company's first formal Annual Stockholders' Meeting.

Audit Committee

The current members of the Audit Committee are Martin B. Oring (Chairman), Matthew R. Silverman and Dr. Anthony K. Yeats. The Board has determined that Mr. Oring is the audit committee financial expert, as defined by the Securities and Exchange Commission ("SEC") rules and has accounting or related financial management expertise under the Nasdaq rules. All of the members of the Audit Committee are independent under the SEC rules pertaining to audit committee members. The Audit Committee met 10 times during the fiscal year ended September 30, 2007. The Audit Committee adopted an Audit Committee Charter. The Audit Committee is responsible for (i) making recommendations to the Board concerning the engagement of the Company's independent public accountants, (ii) consulting with the independent public accountants with regard to the audit plan, (iii) consulting with the Company's principal financial and accounting officers on any matter the Audit Committee or the principal financial and accounting officers deem appropriate in connection with carrying out the audit, (iv) reviewing the results of audits of the Company by its independent public accountants, (v) reviewing all material related party transactions and all other potential conflict of interest situations, (vi) discussing audit recommendations with management and reporting the results of its reviews to the Board and (vii) performing such other functions as may be prescribed by the Board. The Audit Committee Charter may be found on our website, at www.PetroHunter.com.

Nominating Committee

The Nominating Committee was formed in December 2007. The current members of the Nominating Committee are Martin B. Oring (Chairman), Matthew R. Silverman and Dr. Anthony K. Yeats. The Nominating Committee is responsible for (i) making recommendations to the Board about appropriate composition of the Board and its committees, (ii) evaluating potential director nominees and making recommendations to the Board regarding those director nominees that may be considered for election to the Board at the Annual Meeting, (iii) advising the Board on corporate governance practices and policies, (iv) overseeing the evaluation of the Board and management of the Company, (v) making

recommendations to the Board regarding succession planning, and (vi) performing such other functions as may be prescribed by the Board. The Nominating Committee Charter may be found on our website, at www.PetroHunter.com.

The Board's current criteria for selecting new directors do not include specific minimum qualifications, but include criteria relating to a candidate's business experience and accomplishments, lack of conflicts of interest, ability to commit the time to serve effectively, personal characteristics, the Board's needs for diversity of backgrounds and skills, and other pertinent considerations. The Nominating Committee periodically reviews the appropriate skills, experience, perspectives and characteristics required of Board members or candidates in the context of the perceived needs of the Board at the time.

The Committee will consider suggestions for potential director nominees from many sources, including members of the Board, management, advisors and stockholders. All of the nominees for director recommended for election by the stockholders at the 2008 Annual Meeting are current members of the Board. The Committee will consider nominees recommended by stockholders in the same manner as other candidates. Nominations of candidates for election to the Board may be made by any stockholder entitled to vote at a meeting of stockholders called for the election of directors. Stockholder recommendations for director nominees must be submitted in writing to Chairman, Nominating Committee, PetroHunter Energy Corporation, 1600 Stout Street, Suite 2000, Denver, Colorado 80202 by the deadline for stockholder proposals referred to at the end of this proxy statement. Unsolicited recommendations must contain all of the information that would be required in a proxy statement soliciting proxies for the election of the candidate as a director, a description of all direct and indirect arrangements or understandings between the recommending stockholder and the candidate, all other companies to which the candidate is being recommended as a nominee for director, and a signed consent of the candidate to cooperate with reasonable background checks and personal interviews, and to serve as a director of the Company, if elected.

Compensation Committee

The current members of the Compensation Committee are Martin B. Oring (Chairman), Matthew R. Silverman and Dr. Anthony K. Yeats. The Compensation Committee met 4 times during the fiscal year ended September 30, 2007. The Compensation Committee administers the Company's stock option plans, makes decisions concerning salaries and incentive compensation for the Company's executive officers, and performs such other functions as may be prescribed by the Board. The Compensation Committee Charter may be found on our website, at www.PetroHunter.com

Compensation Committee Interlocks and Insider Participation

None of members of the Compensation Committee is or was an officer of the company or any of its subsidiaries at any time now or in the past.

Code of Ethics

We have adopted a Code of Conduct and Standard of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. The text of this code is posted on our Internet website at www.PetroHunter.com. In the event that an amendment to, or a waiver from, a provision of this code is necessary, we intend to post such information on its website.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our officers, directors, and persons who beneficially own more than 10% of our common stock to file reports of securities ownership and changes in such ownership with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than 10% beneficial owners are also required by rules promulgated by the SEC to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to us, or written representations that no Form 5 filings were required, we believe that during the fiscal year ended September 30, 2007, there was compliance with all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners, except for the following: Marc A. Bruner filed a Form 4 dated 5/1/07 on 5/14/07 and a Form 4 dated 5/21/07 on 7/17/07; MAB Resources LLC filed a Form 4 dated 5/1/07 on 5/14/07 and a Form 4 dated 5/21/07 on 5/17/07; and Martin B. Oring filed a Form 3 dated 7/5/07 on 9/24/07.

Communications to the Board of Directors

Our board of directors maintains a process for stockholders and interested parties to communicate with the board. Stockholders may write to the board c/o Corporate Secretary, PetroHunter Energy Corporation, 1600 Stout Street, Suite 2000, Denver, Colorado 80202. Communications addressed to individual board members and clearly marked as stockholder communications will be forwarded by the Corporate Secretary unopened to the individual addressees. Any communications addressed to the board of directors and clearly marked as stockholder communications will be forwarded by the Corporate Secretary unopened to the Nominating Committee.

Recommendation of the Board

THE BOARD RECOMMENDS A VOTE "FOR" THE NOMINEES LISTED ABOVE.

PRINCIPAL STOCKHOLDERS

The following table indicates the beneficial ownership, as of January 22, 2008, of the Company's Common Stock by (i) each director and director nominee, (ii) each Named Officer disclosed under the "Summary Compensation Table," (iii) each person known by the Company to own more than 5% of the outstanding shares of the Company's Common Stock, and (iv) all directors and executive officers of the Company as a group. Except as otherwise indicated below, all shares indicated as beneficially owned are held with sole voting and investment power.

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class (2)
Marc A. Bruner 29 Blauenweg Metzerlen, Switzerland 4116	189,800,000 (3)	53.8%
MAB Resources LLC 1875 Lawrence Street, Suite 1400 Denver, CO 80202	187,800,000 (4)	53.2%

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Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Class (2)
Nobu Ventures, Inc. Austrasse 15 Vaduz 9490, Switzerland	30,000,000	9.4%
Global Project Finance AG Sunnaerai 1 Sachsein 6072, Switzerland	19,320,400 (5)	5.8%
Martin B. Oring	3,808,334 (6)	1.2%
Charles B. Crowell	3,450,000 (7)	1.1%
David E. Brody	2,503,334 (8)	0.8%
Carmen J. Lotito	2,050,000 (9)	0.6%
Thomas S. Ahlbrandt	600,000 (10)	0.2%
Jim Bob Byrd	580,000 (11)	0.2%
Matthew R. Silverman	550,000 (12)	0.2%
Lyle R. Nelson	543,000 (13)	0.2%
Anthony K. Yeats	360,000 (14)	0.1%
Kyle WhiteJohnson	170,000 (15)	0.1%
Lori Rappucci	120,000 (16)	(17)
All officers and directors as a group (11 persons)	14,734,668 (18)	4.4%

(1) To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person's name.

(2) This table is based on 319,109,507 shares of Common Stock outstanding as of January 22, 2008. If a person listed on this table has the right to obtain additional shares of Common Stock within sixty (60) days from January 22, 2008, the additional shares are deemed to be outstanding for the purpose of computing the percentage of class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of any other person.

(3) Included in Mr. Bruner's share ownership are 154,000,000 shares owned of record by MAB Resources LLC and 2,000,000 shares owned of record by BioFibre Technology International, Inc. Mr. Bruner is a control person of both these entities. Also included in Mr. Bruner's share ownership are 33,800,000 shares issuable upon exercise of vested stock options and warrants held by MAB Resources LLC.

- (4) Includes 1,800,000 shares issuable upon exercise of vested stock options and 32,000,000 shares issuable upon exercise of warrants.
- (5) Includes 16,600,000 shares issuable upon exercise of warrants held by Global Project Finance AG.
- (6) Includes 475,000 shares issuable upon exercise of vested stock options, 1,666,667 shares issuable upon conversion of debentures and 1,666,667 shares issuable upon exercise of warrants.
- (7) Includes 1,450,000 shares issuable upon exercise of vested stock options, 1,000,000 shares issuable upon conversion of debentures and 1,000,000 shares issuable upon exercise of warrants.

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- (8) Includes 970,000 shares issuable upon exercise of vested stock options, 666,667 shares issuable upon conversion of debentures and 666,667 shares issuable upon exercise of warrants.
- (9) Includes 200,000 shares held of record by Mr. Lotito's wife and 1,850,000 shares issuable upon exercise of vested stock options.
- (10) Includes 600,000 shares issuable upon exercise of vested stock options.
- (11) Includes 175,000 shares held jointly with Mr. Byrd's wife and 405,000 shares issuable upon exercise of vested stock options.
- (12) Includes 350,000 shares issuable upon exercise of vested stock options.
- (13) Includes 503,000 shares issuable upon exercise of vested stock options.
- (14) Includes 360,000 shares issuable upon exercise of vested stock options.
- (15) Includes 170,000 shares issuable upon exercise of vested stock options.
- (16) Includes 120,000 shares issuable upon exercise of vested stock options.
- (17) Less than 0.1%
- (18) Includes 7,253,000 shares issuable upon exercise vested stock options, 3,333,334 shares issuable upon conversion of debentures, and 3,333,334 shares issuable upon exercise of warrants.

EXECUTIVE OFFICERS OF THE COMPANY

The names, ages and titles of the Company's executive officers are listed below, along with a description of their business experience during the last five years. Information regarding Charles B. Crowell and Carmen J. Lotito is set forth above under "Proposal One: Election of Directors -- Information about Directors."

Name	Age	Position
Charles B. Crowell	64	Chairman of the Board and Chief Executive Officer
Carmen J. Lotito	63	Executive Vice President – Business Development