

MAGELLAN PETROLEUM CORP /DE/

Form 8-K

January 13, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 13, 2012 (January 10, 2012)

Magellan Petroleum Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

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1-5507
(Commission File Number)

06-0842255
(IRS Employer Identification No.)

7 Custom House Street, 3rd Floor, Portland, ME
(Address of Principal Executive Offices)

04101
(Zip Code)

207-619-8500

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.02 Unregistered Sales of Equity Securities.

In accordance with Nasdaq Listing Rule 5635(c)(4), on January 10, 2012, the Company granted an inducement equity award outside of the Company's Stock Incentive Plan to Wesson Liversage (the "Optionee"). The grant was unanimously approved by the Compensation, Nominating and Governance Committee of the Company's Board of Directors ("Board"), which committee is comprised solely of independent directors, and the Board, and was granted as an inducement material to the respective employee's entering into employment with the Company in accordance with Nasdaq Listing Rule 5635(c)(4).

The grant to Mr. Liversage consisted of nonqualified options to purchase 75,000 unregistered shares of the Company's common stock, par value \$0.01 ("Shares"), with a ten year term at an exercise price equal to \$1.01 per Share, the closing price of the Company's common stock on January 10, 2012, the grant date. The Shares covered by the options shall vest upon the date the Company next files with the U.S. Securities and Exchange Commission ("SEC") either a quarterly or annual report on Form 10-Q or Form 10-K, respectively, without disclosure or findings of any material weakness or significant deficiency in the Company's internal controls over financial matters.

The vesting of the options accelerates and the options become exercisable in full upon a change of control (as defined in the underlying award agreement) of the Company. In the event that the Optionee is terminated for cause, the options shall terminate immediately. The term "cause" means (A) the willful refusal by the Optionee to perform proper responsibilities of the Optionee's position with the Company, (B) a violation of law by the Optionee which adversely affects the assets, financial position or reputation of the Company or one of its subsidiaries or affiliates, or (C) a material violation by the Optionee of any code of ethics, code of conduct or similar policy maintained by the Company, or one of its or one of its subsidiaries or affiliates, from time to time. In the event of the death or Disability (as defined in Section 22(e)(3) of the Internal Revenue Code of 1986, as amended) of the Optionee, options (unless previously terminated or exercised) may be exercised (but only to the extent exercisable as of the date of death or Disability) within the one (1) year period following the Optionee's death or Disability, but in no event later than ten (10) years from the grant date. In the event of termination of employment of the Optionee for any reason other than termination for cause, death or Disability, options (unless previously terminated or exercised) may be exercised (but only to the extent exercisable as of the date of termination) at any time until the earlier of: (1) the tenth anniversary of the grant date; or (2) twelve (12) months from the last business day of the calendar month in which the Company determines (and so informs Optionee of such determination in writing) that Optionee no longer possesses material non-public information about the Company. Options that have yet to vest as of the Optionee's death, Disability, or termination for reasons other than cause shall expire as of the date of death, Disability, or termination, as applicable.

The options were and related Shares will be (absent registration prior to exercise) privately placed pursuant to Section 4(2) of the Securities Act of 1933, as amended ("Securities Act"), and Regulation D, Rule 506 promulgated thereunder. The options are non-transferable except under limited circumstances. The Shares (absent registration prior to exercise) will be subject to the provision of Rule 144 promulgated under the Securities Act.

On November 30, 2011 and December 14, 2011, the Company also granted nonqualified options to purchase unregistered Shares to Milam R. Pharo and Blaine K. Spies as an inducement material to entering into employment with the Company. These options were and the related Shares will be (absent registration prior to exercise) privately placed pursuant to Section 4(2) of the Securities Act and Regulation D, Rule 506 promulgated thereunder. These awards were made in accordance with Nasdaq Listing Rule 5635(c)(4) as inducement material to these employees entering into employment with the Company and were previously reported in a Form 8-K filed with the SEC on December 20, 2011.

Item 8.01 Other Events

Company Press Release

On January 13, 2012, the Company issued a press release announcing the inducement award to Mr. Liversage. A copy of the Company's press release regarding the inducement award to Mr. Liversage is filed herewith as Exhibit 99.1 and is hereby incorporated by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The following documents are filed herewith as exhibits:

Exhibit No.	Description
99.1	Company press release dated January 13, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

MAGELLAN PETROLEUM CORPORATION

By: /s/ Antoine Lafargue

Name: Antoine Lafargue

Title: Vice President Chief Financial Officer

and Treasurer

Dated: January 13, 2012

EXHIBIT INDEX

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