

TORRENT ENERGY CORP

Form DEF 14A

November 07, 2006

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant [X]

Filed by a Party other than the Registrant o

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 Rule 14a-11(c) or Rule 14a-12

TORRENT ENERGY CORPORATION

(Name of Registrant as Specified in Its Charter)

Not Applicable

(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)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

N/A

(2) Aggregate number of securities to which transaction applies:

N/A

(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):

N/A

(4) Proposed maximum aggregate value of transaction:

N/A

(5) Total fee paid:

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N/A

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

TORRENT ENERGY CORPORATION

One SW Columbia Street, Suite 640

Portland, Oregon 97258

November 3, 2006

To the Stockholders of Torrent Energy Corporation:

You are cordially invited to attend the annual meeting (the Meeting) of stockholders of Torrent Energy Corporation, a Colorado corporation, on Friday, December 8, 2006, at 1:00 p.m. (local time) at the Red Lion Hotel, North Umpqua Room, 1313 North Bayshore Drive, Coos Bay, Oregon.

The notice of annual meeting of stockholders and proxy statement, which describe the formal business to be conducted at the Meeting, are enclosed with this letter.

After reading the proxy statement, please promptly mark, sign and return the enclosed proxy card in the prepaid envelope (if mailing within the United States) to ensure that your shares will be represented. Alternatively, you may vote by telephone or internet, by following the instructions set out on the reverse side of the enclosed proxy card. Regardless of the number of shares of stock you own, your careful consideration of, and vote on, the matters before our stockholders are important.

Copies of our Annual Report on Form 10-KSB for the year ended March 31, 2006 and our Quarterly Report on Form 10-QSB for the period ended June 30, 2006 are also enclosed with this letter.

The board of directors and management look forwarding to seeing you at the annual meeting.

Sincerely,

/s/ John D. Carlson

John D. Carlson

President, Chief Executive Officer

and Director

TORRENT ENERGY CORPORATION

One SW Columbia Street, Suite 640

Portland, Oregon 97258

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Notice of Annual and Special Meeting of Stockholders

to be Held on December 8, 2006

To the Stockholders of Torrent Energy Corporation:

NOTICE IS HEREBY GIVEN that Torrent Energy Corporation, a Colorado corporation, will hold its annual meeting of stockholders on Friday, December 8, 2006 at 1:00 p.m. (local time) at the Red Lion Hotel, North Umpqua Room, 1313 North Bayshore Drive, Coos Bay, Oregon. The annual meeting is being held for the following purposes:

1. To elect John D. Carlson, William A. Lansing, George L. Hampton III, Michael Raleigh and Curtis Hartzler to serve as directors of our company;
2. To ratify the appointment of Peterson Sullivan PLLC as the independent auditors of our company for the year ended March 31, 2006.
3. To approve the amended 2006 equity incentive plan of our company to increase the maximum number of shares of our common stock reserved for issuance under the plan, including options currently outstanding, from 1,000,000 shares to 1,800,000 shares.
4. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

Our board of directors recommends that you vote for each of the nominees and vote for each proposal.

Our board has fixed the close of business on November 3, 2006 as the record date for determining the stockholders entitled to notice of, and to vote at, the annual meeting or any adjournment or postponement of the annual meeting. At the annual meeting, each holder of record of shares of common stock, \$0.001 par value per share, will be entitled to vote one vote per share of common stock held on each matter properly brought before the annual meeting.

Dated: November 3, 2006.

By Order of the Board of Directors,

/s/ John D. Carlson

John D. Carlson

President, Chief Executive Officer

and Director

IMPORTANT: Please complete, date, sign and promptly return the enclosed proxy card in the prepaid envelope (if mailing within the United States) to ensure that your shares will be represented. Alternatively, you may vote by telephone or internet, by following the instructions set out on the reverse side of the enclosed proxy card. If you attend the meeting, you may choose to vote in person even if you have previously sent in your proxy card.

TORRENT ENERGY CORPORATION

One SW Columbia Street, Suite 640

Portland, Oregon 97258

Proxy Statement for the Annual Meeting of Stockholders

The enclosed proxy is solicited on behalf of our board of directors for use at the annual meeting of stockholders to be held on Friday, December 8, 2006 at 1:00 p.m. (local time) or at any continuation, postponement or adjournment thereof, for the purposes discussed in this proxy statement and in the accompanying notice of annual meeting and any business properly brought before the annual meeting. Proxies are solicited to give all stockholders of record an opportunity to vote on matters properly presented at the annual meeting. This proxy statement, accompanying letter to stockholders, notice of annual meeting and proxy card are being mailed to stockholders entitled to vote at the annual meeting on or about November 14, 2006. Unless the context requires otherwise, references to *we*, *us*, *our* and *Torrent* refer to Torrent Energy Corporation.

GENERAL INFORMATION

Annual and Quarterly Reports

Our annual report on Form 10-KSB for the year ended March 31, 2006 and our quarterly report on Form 10-QSB for the quarter ended June 30, 2006 are enclosed with this proxy statement.

Who Can Vote

You are entitled to vote if you were a holder of record of shares of our common stock, \$0.001 par value per share as of the close of business on November 3, 2006, being the record date. Your shares can be voted at the annual meeting only if you are present in person or represented by a valid proxy.

Shares Outstanding and Quorum

Holders of record of shares of common stock at the close of business on the record date will be entitled to receive notice of and vote at the annual meeting. At the annual meeting, each of the shares of common stock represented at the meeting will be entitled to one vote on each matter properly brought before the annual meeting. On the record date, there were 33,099,941 shares of common stock issued and outstanding.

In order to carry on the business of the annual meeting, we must have a quorum. Under our bylaws, stockholders representing a majority of the issued and outstanding shares entitled to vote, either present in person or by proxy, constitute a quorum.

Proxy Card and Revocation of Proxy

In voting, please specify your choices by marking the appropriate spaces on the enclosed proxy card, signing and dating the proxy card and returning it in the accompanying envelope. If no directions are given and the signed proxy is returned, the proxy holders will vote the shares in favor of proposals 1, 2 and 3 and at their discretion on any other matters that may properly come before the annual meeting. Our board knows of no other business that will be presented for consideration at the annual meeting. As no stockholder proposals or nominations were received by us on a timely basis, no such matters may be brought at the annual meeting.

Any stockholder giving a proxy has the power to revoke the proxy at any time before the proxy is voted. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the stockholder or by his attorney authorized in writing, or, if the stockholder is a corporation, under its corporate

seal or by an officer or attorney thereof duly authorized, and deposited at the offices of our transfer agent, Computershare Trust Company, Inc., 350 Indiana Street, Suite 800, Golden, Colorado, 80401, at any time up to and including the last business day preceding the day of the annual meeting, or any adjournment thereof, or with the chairman of the annual meeting on the day of the annual meeting. Attendance at the annual meeting will not in and of itself constitute revocation of a proxy.

Voting of Shares

Stockholders of record on November 3, 2006 are entitled to one vote for each share of common stock held on all matters to be voted upon at the annual meeting. You may vote in person or by completing and mailing the enclosed proxy card. Alternatively, you may vote by telephone or internet, by following the instructions set out on the reverse side of the enclosed proxy card. All shares entitled to vote and represented by properly executed proxies received before the polls are closed at the annual meeting, and not revoked or superseded, will be voted at the annual meeting in accordance with the instructions indicated on those proxies. **YOUR VOTE IS IMPORTANT.**

Counting of Votes

All votes will be tabulated by the inspector of election appointed for the annual meeting, who will separately tabulate affirmative and negative votes and abstentions. Shares represented by proxies that reflect abstentions as to a particular proposal will be counted as present and entitled to vote for purposes of determining a quorum. An abstention is counted as a vote against that proposal. Shares represented by proxies that reflect a broker non-vote will be counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote will be treated as unvoted for purposes of determining approval of a proposal and will not be counted as for or against that proposal. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary authority or does not have instructions from the beneficial owner.

Solicitation of Proxies

This solicitation of proxies is made on behalf of Torrent Energy Corporation. We will bear the entire cost of solicitation of proxies, including preparation, assembly and mailing of this proxy statement, the proxy and any additional information furnished to stockholders. Copies of solicitation materials will be furnished to banks, brokerage houses, depositories, fiduciaries and custodians holding shares of common stock in their names that are beneficially owned by others to forward to these beneficial owners. We may reimburse persons representing beneficial owners for their costs of forwarding the solicitation material to the beneficial owners of the shares of common stock. Original solicitation of proxies by mail may be supplemented by telephone, facsimile, electronic mail or personal solicitation by our directors, officers or other regular employees. No additional compensation will be paid to directors, officers or other regular employees for such services.

PROPOSAL 1

ELECTION OF DIRECTORS

Our bylaws provide for our board of directors the authority to establish, increase or decrease the number of directors. Our company must consist of at least one director and no more than seven directors. We currently operate with a board of five directors. The nominees for election at the annual meeting to fill the positions on the board are John D. Carlson, William A. Lansing, George L. Hampton III, Michael Raleigh and Curtis Hartzler. If elected, the nominees will serve as directors until the next annual meeting of stockholders, or until their successors are elected and qualified. If a nominee declines to serve or becomes unavailable for any reason, the proxies may be voted for such substitute nominee as the proxy holders may designate.

The Board of Directors unanimously recommends a vote FOR the nominees, John D. Carlson, William A. Lansing, George L. Hampton III, Michael Raleigh and Curtis Hartzler.

PROPOSAL 2

RATIFICATION OF APPOINTMENT OF

INDEPENDENT AUDITOR

On March 28, 2006, we decided to engage new auditors as our independent auditors to audit our financial statements. Our Board of Directors approved the change of auditors to Peterson Sullivan PLLC, an independent registered firm of Certified Public Accountants. The decision to change accountants was based on the determination by the Company's Board of Directors to attempt to improve its ability to file timely quarterly and annual reports. The Company believes that Peterson Sullivan PLLC's experience in reviewing and auditing the financial statements of oil and gas issuers will assist the Company in making timely filings.

Stockholder ratification of the appointment of Peterson Sullivan PLLC as our independent auditors is not required by our bylaws or otherwise. However, the board is submitting the selection of Peterson Sullivan PLLC to the stockholders for ratification as a matter of corporate practice. If the stockholders fail to ratify the selection, the board will reconsider whether or not to retain that firm. Even if the selection is ratified, the board in its discretion may direct the appointment of a different independent accounting firm at any time during the year if the board determines that such a change would be in the best interests of our company and its stockholders.

Our board has considered and determined that the services provided by Peterson Sullivan PLLC are compatible with maintaining the principal accountant's independence.

Representatives of Peterson Sullivan PLLC are not expected to be present at the annual meeting.

The Board of Directors unanimously recommends a vote FOR the ratification of the appointment of Peterson Sullivan PLLC as our independent auditors for the fiscal year ended March 31, 2006.

PROPOSAL 3

APPROVAL OF AMENDED 2006 EQUITY INCENTIVE PLAN

Our company currently has an equity incentive plan that was approved by our board of directors on May 1, 2006. The plan reserved 1,000,000 shares of our common stock for issuance pursuant to incentive stock options granted under the plan.

On September 22, 2006, the board approved an amendment to its 2006 equity incentive plan, a copy of which is attached hereto as Schedule A. The amended plan increases the maximum number of shares of common stock reserved for issuance from 1,000,000 to 1,800,000 shares of common stock. This number of shares includes previously granted options to purchase up to 725,000 shares of common stock, subject to the approval of the stockholders of the amended plan.

The amended plan will govern the granting of options to our executives, employees and outside consultants and advisors. The purpose of the amended plan is to provide long-term performance incentives to those key employees and consultants of our company and our subsidiaries who are largely responsible for the management, growth and protection of the business of our company and our subsidiaries. Our board of directors believes that it is in the best interests of our company to approve the amended plan, so that we can continue to attract and retain the services of those persons essential to our growth and financial success.

The Board of Directors unanimously recommends a vote FOR the Amended 2006 Equity Incentive Plan.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names, positions and ages of our current executive officers and directors. All of our directors serve until the next annual meeting of stockholders or until their successors are elected and qualify. The board of directors appoints officers and their terms of office are, except to the extent governed by employment contract, at the discretion of the board of directors.

Name	Position Held with our Company	Age	Date First Elected or Appointed
John D. Carlson	President, Chief Executive Officer and Director	52	June 30, 2004
William A. Lansing	Chairman and Director	60	May 2, 2006
George L. Hampton III	Director	52	August 3, 2004
Michael D. Fowler	Chief Financial Officer, Treasurer and Secretary	63	January 16, 2006
Michael Raleigh	Director	50	October 6, 2006
Curtis Hartzler	Director	60	October 6, 2006

The board of directors of our company met eighteen times during the year ended March 31, 2006.

DESCRIPTION OF SECURITIES

We are authorized to issue 100,000,000 common shares with a par value of \$0.001. As at November 3, 2006, we had 33,099,941 common shares issued and outstanding. Upon liquidation, dissolution or winding up of the corporation, the holders of common stock are entitled to share ratably in all net assets available for distribution to stockholders after payment to creditors. The common stock is not convertible or redeemable and has no pre-emptive, subscription or conversion rights. Each outstanding share of common stock is entitled to one vote on all matters submitted to a vote of stockholders. There are no cumulative voting rights.

The holders of outstanding shares of common stock are entitled to receive dividends out of assets legally available therefore at such times and in such amounts as our board of directors may from time to time determine. Holders of common stock will share equally on a per share basis in any dividend declared by the board of directors. We have not paid any dividends on our common stock and do not anticipate paying any cash dividends on such stock in the foreseeable future.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**Principal Stockholders**

The following table sets forth, as of November 3, 2006, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of our common stock and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class⁽¹⁾
John D. Carlson Box 13, Site 8, RR #1 Priddis, Alberta, Canada, T0L 1W0	307,500 ⁽²⁾	0.90 %

Michael D. Fowler 17385 Wall Street Lake Oswego, Oregon, USA, 97034	125,000 ⁽³⁾	0.37 %
George L. Hampton III 11 Inverness Way South Englewood, Colorado, USA, 80112	920,000 ⁽⁴⁾	2.71 %
William A. Lansing 93962 Bridge View Lane North Bend, Oregon, USA, 97459	155,000 ⁽⁵⁾	0.46 %
Curtis Hartzler 49 Tuscany Estates Cres NW Calgary, AB T3L 0B2	62,500 ⁽⁶⁾	0.18 %
Michael Raleigh Suite 550, 10000 Memorial Drive Houston TX 77024	62,500 ⁽⁷⁾	0.18 %
Directors and Executive Officers as a group Notes:	1,632,500 common shares	4.80 %

(1) Based on 33,099,941 shares of common stock issued and outstanding as of November 3, 2006. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable.

(2) Includes 257,500 incentive stock options exercisable within 60 days.

(3) Includes 125,500 incentive stock options exercisable within 60 days.

(4) Includes 245,000 incentive stock options exercisable within 60 days.

(5) Includes 150,000 incentive stock options exercisable within 60 days.

(6) Includes 62,500 incentive stock options exercisable within 60 days.

(7) Includes 62,500 incentive stock options exercisable within 60 days.

The following is a brief biographical summary for each person nominated for election to the board.

John D. Carlson, President, Chief Executive Officer and Director

John D. Carlson became president and chief executive officer of our company on January 16, 2006 and has been a director since June 2004. Mr. Carlson has also been chief operating officer of our company's wholly owned subsidiary, Methane Energy Corp. since May 2005 and a director since January 2006. Mr. Carlson was also appointed director of our wholly owned subsidiary, Cascadia Energy Corp. in January 2006.

Mr. Carlson brings to our company over twenty-five years experience as a registered professional petroleum engineer with work experience ranging from Amoco Canada to Sproule Associates Ltd. to several private and public oil and gas companies in Alberta. Since June 2005, Mr. Carlson has been a director of Triangle Petroleum Corporation. From February 2004 to July 2004, Mr. Carlson was president and a director of Pacific Roderia Energy Inc., a Calgary-based oil and gas exploration and development company. From September 2003 to January 2004, Mr. Carlson was vice president, operations for Pacific Roderia Energy Inc. From September 2001 to December 2003, Mr. Carlson was president of Samson Oil and Gas Inc., a Hobbema, Alberta-based oil and gas exploration and development company where he was also general manager from January 2001 to August 2001. From 1984 to 2000, Mr. Carlson was an associate and senior petroleum engineer for Sproule Associates, Ltd. Mr. Carlson received a Bachelor of Science degree in civil engineering from the University of Calgary in 1977.

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William A. Lansing, Director

William A. Lansing has been a director since May 2, 2006 and was appointed the chairman of the board of the Company on October 6, 2006. Mr. Lansing has extensive experience in the forest products industry in senior executive roles. From 2001 to April 2006, Mr. Lansing served as president, chief executive officer and a director of Menasha Forest Products Corporation. From 1970 to 2001, he was involved with Menasha Corporation, a family-owned multi-product company that is located in 23 states and foreign countries. Mr. Lansing took on various roles at Menasha Corporation including research forester from 1970 to 1973, chief forester from 1973 to 1975, assistant general manager from 1975 to 1978, general manager from 1978 to 1982, vice president and general manager from 1982 to 1995, and president from 1995 to 2001. Mr. Lansing received his Bachelor of Science degree from Humboldt State University in 1967 and a master of finance degree from Yale University in 1970 as well as completed postgraduate advanced management programs at Stanford University.

George L. Hampton III, Director

George L. Hampton III has been a director of the Company since August 2004. From 1994 to 1997, and from 2000 to present, Mr. Hampton has been a partner of GeoTrends-Hampton International, LLC, a coalbed methane exploration company based out of the Pacific Northwest. From 1998 to May 2005, Mr. Hampton was a member and geologic consultant for Hampton, Waechter & Associates, LLC, a Denver, Colorado-based geological company. Since June 1986, Mr. Hampton has been president and chief geological consultant for Hampton & Associates, Inc., a Denver, Colorado-based coalbed methane exploration company. From April 1998 to April 1999, Mr. Hampton was project manager and senior geologist for Pennaco Energy Corporation, a Denver, Colorado-based coalbed methane exploration company. From 1996 to 1997, Mr. Hampton was chief geologist for Thermal Energy Corporation, a Tulsa, Oklahoma-based coalbed methane exploration company. From 1995 to 2001, Mr. Hampton was founding partner and technical manager of Cairn Point Publishing, Inc., a Denver, Colorado-based publishing company that published International Coal Seam Gas Directory (1996) and The International Coal Seam Gas Report (1997). Mr. Hampton has written and co-written a half-dozen articles on coalbed methane exploration and has provided testimony before several state oil and gas commissions. Mr. Hampton received a Bachelor of Science degree in geology from Brigham Young University in 1977 and a Masters of Science degree in geology from Brigham Young University in 1979.

Michael Raleigh, Director

Michael Raleigh has been a director of the Company since October 6, 2006 and has over twenty-seven years of experience in the oil and gas industry. Since 2005 Mr. Raleigh has served as managing director of Domain Energy Advisors, an advisory service firm providing technical and commercial expertise to independently managed funds investing in private and public small capitalization exploration and production companies. From 1985 through 2004, Mr. Raleigh was affiliated with Schlumberger Oilfield Services and served in a variety of senior technical advisory roles providing petroleum engineering, management and business development expertise for projects ranging across North and South America, the United Kingdom North Sea, Russia, the Caspian Sea and the Middle East. Mr. Raleigh holds a 1979 Bachelor of Science degree in Chemical Engineering from Queen's University in Ontario, Canada and an MBA from the University of Colorado awarded in 1993.

Curtis Hartzler, Director

Curtis Hartzler has been a director of the Company since October 6, 2006. Mr. Hartzler has over thirty-four years of oil and gas industry experience, having served in an executive capacity for both public and private resource companies in Calgary, Alberta. Since 2005, Mr. Hartzler has served as president of G2 Resources Ltd., a Calgary-based public oil and gas company. From 2003 to 2005, he was the president of Goose River Resources Ltd., also a Calgary-based public oil and gas company. Prior thereto, Mr. Hartzler's experience includes advisory board service with Rosetta Exploration Ltd. from 2001 to 2004 and service as a director of Epic Oil & Gas Ltd., a public company which held CBM leases in Washington state. He was president of Birchill Resources Ltd., a private oil and gas company from 1991 to 2000. Mr. Hartzler received a degree in mechanical engineering from the University of Calgary in 1972.

Significant Employees

The following table sets forth the names, positions and ages of the current significant employees of our subsidiary, Methane Energy Corp.

Name	Position Held with our Subsidiary, Methane Energy Corp.	Age	Date First Elected or Appointed
Steve Pappajohn ⁽¹⁾	President	53	April 30, 2004
Tom Kerestes ⁽²⁾	Vice President, Operations	47	May 1, 2005
John D. Carlson ⁽³⁾	Chief Operating Officer	52	April 25, 2005
	Chief Executive Officer		August 16, 2006
	Director		January 16, 2006
David J. May ⁽⁴⁾	Vice President, Exploration	55	October 15, 2005
Michael D. Fowler ⁽⁵⁾	Chief Financial Officer, Treasurer and Secretary	63	January 16, 2006
Roger Canady ⁽⁶⁾	Vice President, Land	66	August 16, 2006

(1) Mr. Pappajohn is also the president of our subsidiary, Cascadia Energy Corp.

(2) Mr. Kerestes is also the Vice President, Operations of our subsidiary, Cascadia Energy Corp.

(3) Mr. Carlson is also the Chief Executive Officer and a director of our subsidiary, Cascadia Energy Corp.

(4) Mr. May is also the Vice President, Exploration of our subsidiary, Cascadia Energy Corp.

(5) Mr. Fowler is also the Chief Financial Officer, Secretary and Treasurer of our subsidiary, Cascadia Energy Corp.

(6) Mr. Canaday is also the Vice President, Land of our subsidiary, Cascadia Energy Corp.

The following is a brief biographical summary for each significant employee of our subsidiary, Methane Energy Corp.

Steve Pappajohn, President

Steve Pappajohn has been the president of Methane since April 2004. He has over of twenty-five years experience in the oil and gas industry. From 1978 to 1984, Mr. Pappajohn worked as an exploration geologist with Amoco Oil & Gas Corp. He then founded GeoTrends, Inc. in 1984 and currently consults to various companies such as Texaco, Amoco, Washington Natural Gas, etc. Mr. Pappajohn has been actively involved with the Coos County coalbed methane project since the mid-1980s. In 1995, he and George L. Hampton III formed GeoTrends-Hampton International, LLC to develop unconventional energy projects, including the Coos Bay prospect. Mr. Pappajohn received a bachelor of arts in secondary education from the University of Hartford in 1974 and a master of science in geology from San Diego State University in 1979.

Michael D. Fowler, Chief Financial Officer, Treasurer and Secretary

Michael Fowler became the chief financial officer, treasurer and secretary of our company on January 16, 2006 and has been providing consulting services to our company since September 2005. Mr. Fowler was also appointed chief financial officer, treasurer and secretary of our wholly-owned subsidiaries, Methane Energy Corp. and Cascadia Energy Corp., effective January 16, 2006.

Mr. Fowler brings to our company 30 years of senior financial management experience from a variety of companies including Northwest Energy Company, Grand Valley Gas Company, First Interstate Bank of Utah, Pacific West

Bank and Tatum LLC. From April 2000 to November 2000, Mr. Fowler served as chief financial officer of Asphalt Exchange Inc., a startup e-commerce operation. From April 2001 to December 2002, he served as chief financial officer of Wellpartner Inc., a mail-order/on-line pharmacy operation. From February 2003 to November 2005, Mr. Fowler acted as consultant to various companies including Vanguard National Mortgage, MILA Financial Inc., Qsent, Inc., United Pacific Mortgage, Inc., Schnitzer Steel Corporation, Portland Teachers Credit Union, Endovascular Instruments, Inc., Apex Construction Systems, Inc. and Swan Island Networks, Inc. From July 2004 to November 2005, Mr. Fowler was part-time chief financial officer for Pacific West Bank, a startup state-chartered bank. Mr. Fowler has more than twelve years of public company, senior financial management experience in various segments of the energy industry. He holds a master of business administration and a bachelor of sciences electrical engineering.

Tom Kerestes, Vice President, Operations

Mr. Kerestes has been vice president, operations of Methane since May 2005 and he is directly responsible for Methane's drilling program in Coos Bay, Oregon. He has twenty-five years of experience as a drilling engineer/superintendent with technical and operational knowledge over all facets of drilling and completion. He commenced his career with Gulf Canada Resources as a drilling technologist and a well site drilling supervisor from 1980 to 1986. Mr. Kerestes worked as a wellsite drilling supervisor for Pajak Engineering from 1986 to 1987, then as a senior drilling/completion technologist for Co-Enerco from 1987 to 1990. From 1987 to June 1996, he worked as a drilling superintendent for Penzoil Canada Inc. and as a drilling manager for Beau Canada Exploration Ltd. from June 1996 to June 1998. Mr. Kerestes then worked as a drilling engineer for Post Energy Corporation from June 1998 to July 2001, and as a drilling superintendent for Husky Energy from August 2001 to March 2002. From March 2002 to July 2003, he worked as a drilling superintendent for Keywest Energy Corp and as a drilling manager for Atlas Energy Ltd. from July 2003 to January 2005. Just prior to joining Methane, he was a drilling superintendent for Compton Petroleum Corp. Mr. Kerestes graduated in 1980 from the Northern Alberta Institute of Technology from its mechanical industrial engineering technology program.

David J. May, Vice President, Exploration

Mr. May joined Methane Energy Corp. in October 2005 and has over twenty-nine years of oil and gas experience encompassing all aspects of exploration and production. From 2003 to 2005 Mr. May was a senior staff geoscientist with J.M. Huber Corporation. From 1983 to 2003, he worked as an independent geologic consultant providing technical and business guidance to companies including J.M. Huber Corporation, Barrett Resources Corporation, The Rim Companies, Arco Oil and Gas Company, Western States Minerals Corporation, Colorado Geological Survey, First Dynasty Mines and Noranda Exploration. Mr. May holds a Bachelor of Science degree from the University of Texas at Austin awarded in 1976.

Roger Canady, Vice President, Land

Mr. Canady joined Methane in October 2005 and has over thirty-five years of diverse industry land experience in many producing areas of the U.S. and offshore areas of California and the Gulf Coast. He has held senior land management positions with Oryx Energy, Sun Exploration and Production, Union Oil and Nuevo Energy. Mr. Canady earned his Associate of Arts Degree from Bakersfield JC and attended University of Los Angeles UCLA.

Family Relationships

There are no family relationships among our directors or officers.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We have not been a party to any transaction, proposed transaction, or series of transactions in which the amount involved exceeds \$60,000, and in which, to our knowledge, any of our directors, officers, five percent beneficial security holder, or any member of the immediate family of the foregoing persons has had or will have a direct or indirect material interest.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the most recently completed fiscal year ended March 31, 2006, no director, nominee for director or any immediate family member of a director or nominee for director of our company has been indebted to our company or any of our subsidiaries in an amount in excess of \$60,000, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support in agreement, letter of credit or other similar arrangement or understanding provided by our company or any of our subsidiaries.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common stock and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% shareholders are required by the Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) reports they file.

To the best of our knowledge, all executive officers, directors and greater than 10% shareholders filed the required reports in a timely manner.

Involvement in Certain Legal Proceedings

Our directors, executive officers and control persons have not been involved in any of the following events during the past five years:

- (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- (3) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- (4) being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Corporate Governance

During the past few months, we have been considering a listing on the American Stock and Options Exchange (AMEX), a US stock exchange which we believe may provide our company and our business with access to capital in addition to that already available to us through the U.S. over-the-counter market where our common shares are currently quoted. In order to qualify for a listing on AMEX, we will be required to adopt and comply with certain corporate governance charters and policies. In addition, we, like many public companies, have addressed the rapidly changing corporate governance environment in the United States by reviewing our policies and procedures and, where appropriate, adopting new practices. In connection with these corporate governance initiatives and our planned listing on AMEX, we have formalized our principles of corporate governance by taking the following actions:

nominated and appointed two directors to our board of directors who qualify as independent directors under the rules of AMEX, U.S. federal securities laws and SEC regulation;

formed an audit committee comprised of independent directors and adopted a written audit committee charter that complies with the rules of AMEX, U.S. federal securities laws and SEC regulation;

formed a nominating committee comprised of independent directors and adopted a written nominating committee charter that complies with the rules of AMEX, U.S. federal securities laws and SEC regulation;

formed a compensation committee comprised of independent directors and adopted a written compensation committee charter that complies with the rules of AMEX, U.S. federal securities laws and SEC regulation; and

adopted our Code of Ethics and Business Conduct of Officers, Directors and Employees that complies with the rules of AMEX, U.S. federal securities laws and SEC regulation.

Director Independence

Our board of directors has determined that each of William A. Lansing, Curtis Hartzler and Michael Raleigh has no material relationship with us and each is independent as contemplated by both the SEC and AMEX director independence standards. In this regard, none of Mr. Lansing, Mr. Hartzler or Mr. Raleigh are employees, officers, control persons or members of our company's independent auditors for our company or our subsidiaries. John D. Carlson does not meet the aforementioned independence standards because he is the President and CEO of our company. George L. Hampton III does not meet the aforementioned independence standards because he has received annual compensation for his services in excess of \$60,000 in the past three years.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating committee. Other committees may be established by our board of directors from time to time. The following is a description of each of the committees and their composition.

Audit Committee. Our audit committee consists of three directors: Mr. Lansing (chairman), Mr. Hartzler and Mr. Raleigh. Our board of directors has determined that:

William A. Lansing is, in the judgment of the Board, an "audit committee financial expert" as defined in Item 401(e)(2) of Regulation S-B, promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933; and

all of the members of our audit committee: (i) are independent under AMEX independence standards, (ii) meet the criteria for independence as set forth in the Securities Exchange Act of 1934, (iii) have not participated in the preparation of our financial statements at any time during the past three years, and (iv) are able to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements.

Our audit committee operates pursuant to a written charter adopted by our board of directors, a copy of which is attached as Exhibit A to this proxy statement. Among other things, the charter calls upon the audit committee to:

assist our board of directors in fulfilling its oversight responsibilities relating to:

- the quality and integrity of our financial statements, financial reporting process and systems of internal controls and disclosure controls regarding risk management, finance, accounting, and legal and regulatory compliance;
- the independence and qualifications of our independent accountants and review of the audit efforts of our independent accountants and internal auditing department; and
- the development and implementation of policies and processes regarding corporate governance matters.

provide an open avenue of communication between the internal auditing department, the independent accountants, our financial and senior management and our board of directors.

prepare the report required to be prepared by our audit committee pursuant to the rules of the Securities and Exchange Commission for inclusion in our company's annual proxy statement

It is not the duty of our audit committee to determine that our financial statements are complete and accurate and in accordance with generally accepted accounting principles. Our management is responsible for preparing our financial statements, and our independent registered public accounting firm is responsible for auditing those financial statements. Our audit committee does, however, consult with management and our independent registered public accounting firm prior to the presentation of financial statements to stockholders and, as appropriate, initiates inquiries into various aspects of our financial affairs. In addition, our audit committee is responsible for retaining, evaluating and, if appropriate, recommending the termination of our independent registered public accounting firm and approving professional services provided by them.

Having been formed in November 2006, the audit committee did not meet during the year ended March 31, 2006.

Compensation Committee. Our compensation committee consists of three members: Mr. Lansing (chairman), Mr. Raleigh and Mr. Hartzler. Our board of directors has determined that all of the compensation committee members qualify as:

- independent under AMEX and SEC independence standards; and

- non-employee directors under Exchange Act Rule 16b-3;

Our compensation committee operates pursuant to a written charter adopted by our board of directors, a copy of which is attached as Exhibit B to this proxy statement. Among other things, the charter calls upon the compensation committee to:

- oversee our compensation and benefit plans, policies and practices, including our executive compensation plans and incentive-compensation and equity-based plans;

- produce an annual report on executive compensation for inclusion in our annual report or proxy statement if required by applicable securities laws; and

- monitor and evaluate, at our compensation committee's sole discretion, matters relating to the compensation and benefits structure of our company.

Having been formed in November 2006, our compensation committee did not meet during the year ended March 31, 2006.

Nominating Committee. Our nominating committee consists of three members: Mr. Lansing, Mr. Raleigh and Mr. Hartzler. Our board of directors has determined that all members of the nominating committee qualify as independent under AMEX and SEC independence standards.

Our nominating committee operates pursuant to a written charter adopted by our board of directors, a copy of which is attached as Exhibit C to this proxy statement. Among other things, the charter calls upon our nominating committee to:

- identify individuals qualified to become directors on our board of directors or any of our committees, consistent with criteria approved by our board of directors, and to select, or to recommend that our board of directors select, such director nominees, whether at the next annual meeting of the shareholders or otherwise;
- periodically evaluate the qualifications and independence of each director on our board of directors or our various committees and recommend to our board of directors, as our nominating committee may deem appropriate, any recommended changes in the composition of our board of directors or any of our committees;
- develop and recommend to our board of directors corporate governance principles applicable to our company; and
- annually assess the performance of our board of directors.

Having been formed in November 2006, the nominating committee did not meet during the year ended March 31, 2006.

Board Qualification and Selection Process

Our nominating committee reviews, evaluates and proposes prospective candidates for our board of directors. The nominating committee recommends director nominees for selection to our board of directors and our board of directors selects the nominees for election as directors. Each member of our board of directors should possess the highest personal and professional ethics and integrity and be devoted to representing our best interests and the best interests of our stockholders. The goal of the governance and nominating committee is to maintain a strong and experienced board by continually assessing each director's background, skills, expertise, accessibility and availability to serve effectively on our board.

Composition. In November, 2006, the audit committee of our board of directors was formed with its current members. The audit committee is comprised of three independent directors and operates under a written charter adopted by our board of directors. Each member of the audit committee (i) meets the criteria for independence as set forth in the Exchange Act, (ii) has not participated in the preparation of our financial statement at any time during the past three years and (iii) is able to read and understand fundamental financial statements.

Responsibilities. The responsibilities of the audit committee include recommending to our board of directors an accounting firm to be engaged as our independent registered public accounting firm. Our management has primary responsibility for our internal controls and financial reporting process. The independent registered public accounting firm is responsible for performing an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report thereon. The audit committee's responsibility is to oversee these processes and activities. Because our audit committee was only formed in October, 2006, the audit committee has not yet met.

Additional Governance Matters

Corporate Code of Conduct. Our board of directors has established a Code of Ethics and Business Conduct of Officers, Directors and Employee