

GRAN TIERRA ENERGY, INC.

Form 8-K

February 09, 2012

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 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):** February 3, 2012

**GRAN TIERRA ENERGY INC.**

**(Exact name of Registrant as specified in its charter)**

Nevada

98-0479924

(State or other jurisdiction of incorporation) (I.R.S. Employer Identification No.)

**Commission file number:** 001-34018

300, 625 11th Avenue S.W.

Calgary, Alberta, Canada T2R 0E1

**(Address of principal executive offices and zip code)**

**Registrant's telephone number, including area code:** (403) 265-3221

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 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers**

**Cash Compensation**

*Cash Bonuses*

On February 3, 2012, the Board of Directors of Gran Tierra Energy Inc. (the “*Company*” or “*Gran Tierra Energy*”), upon the recommendation of the Compensation Committee, approved the following cash bonuses for the following Named Executive Officers of the Company with respect to performance for fiscal year 2011:

Name	2011 Bonus
<b>Dana Coffield</b>	
<b>President and Chief Executive Officer</b>	
<b>Shane O’Leary</b>	\$200,000* (\$195,925 USD)
<b>Chief Operating Officer</b>	
<b>Martin Eden(1)</b>	\$160,000* (\$156,740 USD)
<b>Chief Financial Officer</b>	
<b>Rafael Orunesu</b>	\$135,000* (\$132,249 USD)
<b>President, Gran Tierra Energy Argentina</b>	
<b>Júlio César Moreira</b>	\$122,704 USD
<b>President, Gran Tierra Energy Brazil</b>	
<b>Duncan Nightingale</b>	\$166,815** (\$88,930 USD)
<b>President, Gran Tierra Energy Columbia</b>	
<b>James Rozon</b>	\$130,000* (\$127,351 USD)
<b>Acting Chief Financial Officer</b>	
	\$64,900* (\$63,578 USD)

\*Denotes amount in Canadian dollars. Amount in parentheses denotes U.S. dollars at an exchange rate of CAD\$1.0208 as at December 31, 2011.

\*\*Denotes amount in Brazilian reais. Amount in parentheses denotes U.S. dollars at an exchange rate of R\$1.87580 as at December 31, 2011.

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(1) Effective December 9, 2011, Martin Eden, the Chief Financial Officer and Principal Financial and Accounting Officer of Gran Tierra Energy Inc., was placed on a medical leave from his duties at Gran Tierra Energy while he recovers from emergency surgery. On December 9, 2011, the Board of Directors of Gran Tierra Energy Inc. appointed James Rozon the acting Chief Financial Officer and Principal Financial and Accounting Officer of Gran Tierra Energy, who will continue to serve in that role until the return of Mr. Eden.

**Fiscal Year 2012 Compensation Arrangements**

On February 3, 2012, the Board of Directors of the Company approved, upon the recommendation of the Compensation Committee, the following 2012 base salaries and target bonuses for the following Named Executive Officers of the Company, effective as of January 1, 2012:

Name	Base Salary	Target Bonus <sup>(2)</sup>
<b>Dana Coffield</b>	\$425,000*	
		80%
<b>President and Chief Executive Officer</b>	(\$416,340 USD)	
<b>Shane O'Leary</b>	\$360,000*	
		70%
<b>Chief Operating Officer</b>	(\$352,665 USD)	
<b>Martin Eden</b>	\$300,000*	
		70%
<b>Chief Financial Officer</b>	(\$293,887 USD)	
<b>Rafael Orunesu</b>	\$296,535 USD	
		60%
<b>President, Gran Tierra Energy Argentina</b>		
<b>Júlio César Moreira</b>	\$558,830**	
		60%
<b>President, Gran Tierra Energy Brazil</b>	(\$297,916 USD)	
<b>Duncan Nightingale</b>	\$310,000*	
		60%
<b>President, Gran Tierra Energy Columbia</b>	(\$303,683 USD)	
<b>James Rozon</b>	\$230,000*	
		70%
<b>Acting Chief Financial Officer</b>	(\$225,313 USD) <sup>(1)</sup>	

\*Denotes amount in Canadian dollars. Amount in parentheses denotes U.S. dollars at an exchange rate of CAD\$1.0208 as at December 31, 2011.

\*\*Denotes amount in Brazilian reais. Amount in parentheses denotes U.S. dollars at an exchange rate of R\$1.87580 as at December 31, 2011.

<sup>(1)</sup> On December 9, 2011, the Board of Directors of Gran Tierra Energy Inc. appointed James Rozon the acting Chief Financial Officer and Principal Financial and Accounting Officer of Gran Tierra Energy. The salary and target bonus reflected for Mr. Rozon is the salary (on an annualized basis) and target bonus that he is earning while he is serving in the position of acting Chief Financial Officer and Principal Financial and Accounting Officer of Gran Tierra Energy.

<sup>(2)</sup> Target bonus amounts are expressed as a percentage of the corresponding 2012 base salary.

**Equity Grants**

On February 3, 2012, the Board of Directors of the Company approved, upon the recommendation of the Compensation Committee, under the Company's 2007 Equity Incentive Plan, as amended, the following grants of non-statutory stock options ("*NSOs*") for shares of common stock of the Company to the following Named Executive Officers of the Company:

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Name	Number of shares underlying stock option	Grant Date	Vesting Date	Exercise Price
<b>Dana Coffield</b>	375,000	(1)	(2)	(3)
<b>President and Chief Executive Officer Shane O'Leary</b>	275,000	(1)	(2)	(3)
<b>Chief Operating Officer Martin Eden</b>	200,000	(1)	(2)	(3)
<b>Chief Financial Officer Rafael Orunesu</b>	50,000	(1)	(2)	(3)
<b>President, Gran Tierra Energy Argentina Júlio César Moreira</b>	50,000	(1)	(2)	(3)
<b>President, Gran Tierra Energy Brazil Duncan Nightingale</b>	50,000	(1)	(2)	(3)
<b>President, Gran Tierra Energy Colombia James Rozon</b>	35,000	(1)	(2)	(3)
<b>Acting Chief Financial Officer</b>				

(1) The grant date will occur on the third business day after general public release of the Company's annual revenues for the fiscal year ended December 31, 2011 unless the trading window is closed for any reason on such date in which case the grant date will occur on the first day such trading window is reopened.

(2) The option will have a three-year vesting period commencing on the grant date, 1/3rd of the shares vest and become exercisable one year after the grant date; 1/3rd of the shares vest and become exercisable two years after the grant date and 1/3rd of the shares vest and become exercisable three years after the grant date.

(3) The exercise price will be determined on the grant date.

**SIGNATURE**

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

Date: February 9, 2012 GRAN TIERRA ENERGY INC.

By: /s/ Dana Coffield  
Dana Coffield  
President and Chief Executive Officer