

HOUSTON AMERICAN ENERGY CORP  
Form DEF 14A  
April 25, 2011

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SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

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HOUSTON AMERICAN ENERGY CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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(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) Filing Party:

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HOUSTON AMERICAN ENERGY CORP.  
801 Travis St., Suite 1425  
Houston, Texas 77002

April 25, 2011

Dear Stockholder:

We cordially invite you to attend our 2011 annual meeting of stockholders, which will be held at 10:00 a.m. on Monday, June 13, 2011 at the Magnolia Hotel, which is located at 1100 Texas Avenue, Houston, Texas 77002.

At this year's annual meeting, the agenda will include the election of 2 Class C directors, the ratification of the selection of our independent registered public accounting firm for fiscal 2011 and the transaction of such other business as may properly come before the meeting or any adjournment thereof. We will also ask our stockholders to make advisory votes on the compensation of our named executive officers and the frequency with which such a vote will be subject to stockholder vote. Please refer to the enclosed proxy statement for detailed information on the proposal and other important information about Houston American Energy.

We hope you will be able to attend the annual meeting, but we know that not every stockholder will be able to do so. Whether or not you plan to attend, please complete, sign and return your proxy, or vote by telephone or via the Internet according to the instructions on the proxy card, so that your shares will be voted at the annual meeting.

Sincerely,

JOHN F. TERWILLIGER  
Chairman of the Board

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HOUSTON AMERICAN ENERGY CORP.  
801 Travis St., Suite 1425  
Houston, Texas 77002

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NOTICE OF 2011 ANNUAL MEETING OF STOCKHOLDERS  
June 13, 2011

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Dear Stockholder:

The annual meeting of stockholders of Houston American Energy Corp. will be held at 10:00 a.m. on Monday, June 13, 2011, at the Magnolia Hotel, which is located at 1100 Texas Avenue, Houston, Texas 77002. The purpose of the annual meeting is to:

1. Elect two Class C directors to hold office for the next three years.
2. Ratify the selection of GBH CPAs, PC as our independent registered public accounting firm for the 2011 fiscal year.
3. Approve, in an advisory and non-binding vote, the compensation of our named executive officers as disclosed in the proxy statement.
4. Recommend, in an advisory and non-binding vote, whether a non-binding stockholder vote to approve the compensation of the Company's named executive officers should occur every one, two or three years.
5. Transact such other business as may properly come before the meeting or any adjournments thereof.

Only stockholders of record at the close of business on April 20, 2011 will be entitled to vote at the annual meeting and any and all adjourned sessions thereof. Our stock transfer books will remain open.

To ensure that your vote is recorded promptly, please vote as soon as possible. If you are a stockholder of record, please complete, sign and mail the proxy card in the enclosed postage-paid envelope. If your shares are held in "street name", that is held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.

By Order of the Board of Directors,

JOHN TERWILLIGER  
Chairman

Houston, Texas  
April 25, 2011



HOUSTON AMERICAN ENERGY CORP.  
801 Travis St., Suite 1425  
Houston, Texas 77002

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PROXY STATEMENT

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Our board of directors is soliciting your proxy for the annual meeting of stockholders to be held at the Magnolia Hotel, which is located at 1100 Texas Avenue, Houston, Texas 77002, on Monday, June 13, 2011 at 10:00 a.m. and at any and all adjourned sessions of the annual meeting.

We are mailing our annual report for the fiscal year ended December 31, 2010, to our stockholders with this notice and proxy statement (including the form of proxy) on or about April 29, 2011.

#### Record Date and Quorum Requirements

Only stockholders of record at the close of business on April 20, 2011 will be entitled to vote at the annual meeting. The majority of the shares of common stock issued and outstanding and entitled to vote on the record date must be present in person or by proxy to have a quorum for the transaction of business at the annual meeting. Shares of common stock present in person or represented by proxy (including shares which abstain, withhold the vote or do not vote with respect to one or more of the matters presented for stockholder approval) will be counted for purposes of determining whether a quorum exists for a matter presented at the annual meeting. At the close of business on April 20, 2011, we had 31,120,230 shares of common stock issued and outstanding. Each share of common stock is entitled to one vote.

#### Voting Your Shares and Votes Required

Your vote is very important. If you do not vote your shares, you will not have an impact with respect to the issues to be voted on at this annual meeting. In addition, banks and brokers cannot vote on their clients' behalf on "non-routine" proposals.

In order to be elected as directors, each of the nominees for director must receive a plurality of the votes cast at the annual meeting. Approval of the ratification of the selection of GBH CPAs, PC as our independent registered public accounting firm for the 2011 fiscal year will require the affirmative vote of a majority of the shares of common stock present or represented by proxy at the annual meeting. Advisory approval of our executive compensation, and approval of the three year frequency of votes on executive compensation, will require the affirmative vote of a majority of the shares present, in person or by proxy, and entitled to vote at the meeting.

Shares that abstain from voting on a particular proposal, and shares held in "street name" by brokers or nominees who indicate on their proxies that they do not have discretionary authority to vote such shares on a particular proposal, will not be counted as votes "in favor" of such proposal, and will also not be counted as votes cast or shares voting on that proposal. Accordingly, abstentions and "broker non-votes" will have no effect on the voting on a proposal that requires the affirmative vote of a certain percentage of the votes cast or shares voting on a proposal. However, abstentions are considered to be present or represented in determining whether a quorum exists on a given matter.

#### Submitting Your Proxy

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If you complete and submit your proxy, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy card but do not fill out the voting instructions on the proxy card, the persons named as proxies will vote the shares represented by your proxy as follows:

- FOR the election of the director nominee;
  - FOR the ratification of the selection of GBH CPAs, PC as our registered public accounting firm;
  - FOR approval, on an advisory basis, of the compensation of our named executive officers; and
  - THREE YEARS for the frequency of advisory votes on executive compensation.
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To ensure that your vote is recorded promptly, please vote as soon as possible. To vote by proxy, please complete, sign and mail the proxy card in the enclosed postage-paid envelope.

Stockholders that attend the annual meeting and wish to vote in person will be given a ballot at the meeting. If your shares are held in "street name" and you want to attend the annual meeting, you must bring an account statement or letter from the brokerage firm or bank holding your shares showing that you were the beneficial owner of the shares on the record date. If you want to vote shares that are held in "street name" or are otherwise not registered in your name, you will need to obtain a "legal proxy" from the holder of record and present it at the annual meeting.

#### Revoking or Changing Your Proxy

You may revoke or change your proxy at any time before it is voted. For a stockholder "of record", meaning one whose shares are registered in his or her own name, to revoke or change a proxy, the stockholder may follow one of the procedures listed below.

- submit another properly signed proxy, which bears a later date;
- deliver a written revocation to our corporate secretary; or
- attend the annual meeting or any adjourned session thereof and vote in person.

If you are a beneficial owner of our common stock, and not the stockholder of record (for example your common stock is registered in "street name" with a brokerage firm), you must follow the procedures required by the holder of record, which is usually a brokerage firm or bank, to revoke or change a proxy. You should contact the stockholder of record directly for more information on these procedures.

#### Other Information

We will bear the expense of soliciting proxies. Our officers and certain other employees, without additional remuneration, may solicit proxies personally or by telephone, e-mail or other means.

Our Annual Report on Form 10-K for the year ended December 31, 2010, which is not part of the proxy soliciting materials, is included with this Proxy Statement.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below shows the number of our shares of common stock beneficially owned as of April 20, 2011 by:

- each person or group known by us to beneficially own more than 5% of our outstanding common stock;
- each director and nominee for director;

each executive officer named in the Summary Compensation Table under the heading "Executive Compensation" below; and

- all of our current directors and executive officers of the company as a group.





The number of shares beneficially owned by each 5% holder, director or executive officer is determined by the rules of the SEC, and the information does not necessarily indicate beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the person or entity has sole or shared voting power or investment power and also any shares that the person or entity can acquire within 60 days of April 20, 2011 through the exercise of any stock option or other right. For purposes of computing the percentage of outstanding shares of common stock held by each person or entity, any shares that the person or entity has the right to acquire within 60 days after April 20, 2011 are deemed to be outstanding with respect to such person or entity but are not deemed to be outstanding for the purpose of computing the percentage of ownership of any other person or entity. Unless otherwise indicated, each person or entity has sole investment and voting power (or shares such power with his or her spouse) over the shares set forth in the following table. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares. As of April 20, 2011, there were 31,120,230 shares of common stock issued and outstanding.

Name and Address of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percentage of Common Stock Outstanding
John Terwilliger (1)*	9,066,186 (2)	28.7 %
O. Lee Tawes (3)*	3,428,710 (4)	11.0 %
Northeast Securities, Inc. (3)	2,522,700 (5)	8.1 %
James J. Jacobs	443,900 (6)	1.4 %
Stephen Hartzell*	117,666 (7)	†
John Boylan*	59,400 (8)	†
Richard J. Howe*	25,000 (9)	†
Kenneth Jeffers	0	0 %
Columbia Wanger Asset Management, L.P. (10)	3,270,588 (11)	10.5 %
The TCW Group, Inc. (12)	1,804,881 (13)	5.8 %
All current directors and executive officers as a group (7 persons)	15,663,562 (14)	48.6 %

\* Director of our company

† Less than 1% of the shares of total common stock outstanding as of April 20, 2011.

(1) Address is care of Houston American Energy Corp., 801 Travis St., Suite 1425, Houston, Texas 77002.

(2) Includes 450,000 stock options that may be exercised within 60 days of April 20, 2011. 8,616,186 of the shares held by Mr. Terwilliger are pledged as security.

(3) Address is care of Northeast Securities, Inc., 100 Wall Street, New York, New York 10005.

(4) Includes 119,034 shares owned by Mr. Tawes' spouse and 61,666 stock options that may be exercised within 60 days of April 20, 2011. 3,117,000 of the shares held by Mr. Tawes are pledged as security.

- (5) Based upon information regarding Houston American Energy Corp. holdings reported on a Schedule 13G filed with the SEC on January 26, 2007. Northeast Securities, Inc. reports that it has the shared power to dispose of or to direct the disposition of, and limited power to vote, all 2,522,700 shares reported as beneficially owned by it. Shares indicated as beneficially owned include shares held by, or for the benefit of, certain officers, directors and employees and unrelated clients of Northeast Securities, Inc.
- (6) Includes 430,000 stock options that may be exercised within 60 days of April 20, 2011.
- (7) Includes 61,666 stock options that may be exercised within 60 days of April 20, 2011.
- (8) Includes 4,400 shares held by EJC Ventures, LP, of which Mr. Boylan serves as the manager of the general partner, and 55,000 stock options that may be exercised within 60 days of April 20, 2011.
- (9) Includes 25,000 stock options that may be exercised within 60 days of April 20, 2011.
- (10) Address is 227 West Monroe Street, Suite 3000, Chicago, Illinois 60606.
- (11) Based upon information regarding Houston American Energy Corp. holdings reported on a Schedule 13G filed with the SEC on January 7, 2011. Colombia Wagner Asset Management, L.P. reports that it has sole power to dispose of or to direct the disposition of all 3,270,588 shares, and the sole power to vote 3,038,788 of the shares, reported as beneficially owned by it.
- (12) Address is 865 South Figueroa Street, Los Angeles, California 90017
- (13) Based upon information regarding Houston American Energy Corp. holdings reported on a Schedule 13G filed with the SEC on February 10, 2011. The TCW Group, Inc. reports, on behalf of the TCW Business Unit, that it has shared power to dispose of or to direct disposition of all 1,804,881 shares, and the shared power to vote 1,309,218 of the shares, reported as beneficially owned by it.
- (14) Includes 1,083,332 stock options that may be exercised within 60 days of April 20, 2011. 11,733,186 of the shares held by directors and executive officers are pledged as security.

PROPOSAL 1

ELECTION OF DIRECTORS

Our restated articles of organization and amended and restated by-laws, each as amended to date, provide for the classification of our board into three classes, as nearly equal in number as possible. The Class A, Class B and Class C directors are currently serving until the annual meeting of stockholders that will be held in 2013, 2012 and 2011, respectively, and until their respective successors are elected and qualified. At each annual meeting of stockholders, directors are elected for a full term of three years to succeed those whose terms are expiring.

Our board has fixed the number of directors at five. There are currently two Class A directors, one Class B director and two Class C directors.

Unless otherwise instructed, the persons named as proxies will vote all proxies received FOR the election of the persons named as nominees below as Class C directors for a term of three years, until the annual meeting of stockholders to be held in 2014 and until his successor is elected and qualified.

The nominees listed below are currently serving as directors and have indicated that they are willing to continue to serve, if elected. The independent directors of the board nominated the candidates for election. If one or more of the nominees should become unavailable, the persons named as proxies will vote all proxies received for a substitute nominee(s) designated by the board, unless instructions are given to the contrary. The board has no reason to believe that any of the nominees will become unavailable.

In the section below, we provide the names and biographical information about the Class C nominees and each other member of the board.

There are no family relationships among any of our directors, nominees for director and executive officers.

Nominees for Election as Class C Directors Continuing in Office until 2014

John Terwilliger  
Age: 63  
Director Since: 2001

Mr. Terwilliger has served as our Chairman, Chief Executive Officer, President and a director since our inception in April 2001.

On April 9, 2002, Moose Oil & Gas Company and its wholly-owned subsidiary, Moose Operating Co., Inc., filed a bankruptcy petition under Chapter 7 of the United States Bankruptcy Code in Cause No. 02-33891-H507: 02-22892, in the United States District Court for the Southern District of Texas, Houston Division. At the time of the filing of the bankruptcy petition, Mr. Terwilliger was the chairman of the board and president of both Moose Oil & Gas Company and Moose Operating Co., Inc. Mr. Terwilliger resigned those positions on April 9, 2002.

Mr. Terwilliger brings to our board over 30 years of energy industry experience as well as essential insight and guidance from an inside perspective as a result of his key and ongoing role in acquiring and managing our asset portfolio, his central role in managing all aspects of operations of our company and his position as our largest shareholder.

O. Lee Tawes III  
Age: 63  
Director Since: 2005

Mr. Tawes is Executive Vice President and Head of Investment Banking, and a Director at Northeast Securities Inc. Prior to joining Northeast Securities, Mr. Tawes held management and research analyst positions with C.E. Unterberg, Towbin, Oppenheimer & Co. Inc., CIBC World Markets and Goldman Sachs & Co. from 1972 to 2004. Mr. Tawes has served as a Director of New Leaf Brands, Inc. since 2001 and of GSE Systems, Inc. since 2006. Mr. Tawes is a graduate of Princeton University and received his MBA from Darden School at the University of Virginia.

Mr. Tawes brings to our board over 30 years of broad experience in finance and investment banking, and specific experience in oil and gas finance and investment banking, and his resulting understanding of our industry, operating environment, key drivers of financial success and specific capital market characteristics and challenges encountered by our company.

Class B Director Continuing in Office until 2012

John Boylan  
Age: 44  
Director Since: 2006

Mr. Boylan has served as a financial consultant to the oil and gas industry since January 2008. Mr. Boylan served as a manager of Atasca Resources, an independent oil and gas exploration and production company, from 2003 through 2007. Previously, Mr. Boylan served in various executive capacities in the energy industry, including both the exploration and production and oil services sectors. Mr. Boylan's experience also includes work as a senior auditor for KPMG Peat Marwick and a senior associate project management consultant for Coopers & Lybrand Consulting. Mr. Boylan holds a BBA with a major in Accounting from the University of Texas and an MBA with majors in Finance, Economics and International Business from New York University.

In December 2007, Mr. Boylan filed a bankruptcy petition under Chapter 7 of the United States Bankruptcy Code in Cause No. 07-38742-H3-7 in the United States District Court for the Southern District of Texas, Houston Division. He received a discharge from Chapter 7 in June 2009. The bankruptcy petition was filed in response to efforts by a creditor to collect obligations of a company of which Mr. Boylan was a prior part owner, which obligations were personally guaranteed by Mr. Boylan.

Mr. Boylan brings to our board 20 years of broad experience in the oil and gas industry, covering operations, accounting and finance, and his resulting understanding of the Company's industry, operating environment, key drivers of operational and financial success and specific accounting and financial characteristics and challenges encountered finance and financial reporting.

Class C Directors Continuing in Office Until 2011

Stephen Hartzell  
Age: 57  
Director Since: 2005

Since 2003, Mr. Hartzell has been an owner operator of Southern Star Exploration, LLC, an independent oil and gas company. From 1986 to 2003, Mr. Hartzell served as an independent consulting geologist. From 1978 to 1986, Mr. Hartzell served as a petroleum geologist, division geologist and senior geologist with Amoco Production Company, Tesoro Petroleum Corporation, Moore McCormack Energy and American Hunter Exploration. Mr. Hartzell received his B.S. in Geology from Western Illinois University and an M.S. in Geology from Northern Illinois University.

Mr. Hartzell brings to our board over 30 years of broad experience in the oil and gas industry, covering geology, operations management and asset management, and his resulting understanding of our industry, operating environment, key drivers of operational success and specific geological characteristics and challenges encountered in operations.