

SUTRON CORP
Form DEFR14A
May 19, 2005

**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 (Amendment No. 2)**

FILED BY THE REGISTRANT /X/
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))

/X/ Definitive Proxy Statement

// Definitive Additional Materials

// Soliciting Material Pursuant to § 240.14a-11(c) or § 240.14a-12

SUTRON 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):

/X/ 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: _____

(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.

/ 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: _____

SUTRON CORPORATION
21300 Ridgetop Circle
Sterling, Virginia 20166
(703) 406-2800

May 18, 2005

Dear Sutron Shareholder:

You are cordially invited to our Annual Meeting of Shareholders on Wednesday, June 1, 2005, beginning at 1:30 p.m., local time, at Sutron's corporate headquarters, 21300 Ridgetop Circle, Sterling, Virginia. The Annual Meeting of Shareholders was originally scheduled for May 20, 2005 at 1:30 p.m., local time. The meeting was postponed to allow the Company to send to its shareholders revised proxy materials containing information that was inadvertently omitted from the previously delivered proxy materials. The revised proxy materials do not include any new proposals.

The March 28, 2005 record date has not changed. Accordingly, shareholders of record at the close of business on March 28, 2005 are entitled to notice of and vote at the meeting. The enclosed notice of annual meeting sets forth the proposals that will be presented at the meeting, which are described in more detail in the enclosed proxy statement. The Board of Directors recommends that shareholders vote "FOR" these proposals.

Although shareholders are not required to complete and execute a new proxy card, a shareholder will be entitled to revoke its previously mailed proxy by (i) submitting a later dated proxy card; (ii) written request that is received by the Secretary of the Company prior to the meeting date, or (iii) voting in person at the meeting.

We look forward to seeing you there.

Very truly yours,

Raul S. McQuivey Chairman of the Board and
Chief Executive Officer

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SUTRON CORPORATION
21300 Ridgetop Circle
Sterling, Virginia 20166
(703) 406-2800

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON June 1, 2005

To the Holders of Common Stock of Sutron Corporation,

Notice is hereby given that the Annual Meeting of Shareholders of Sutron Corporation (the "Company") will be held at 21300 Ridgetop Circle, Sterling, Virginia, on Wednesday, June 1, 2005, at 1:30 p.m., local time, for the following purposes:

1. To elect five directors to hold office until the next annual election of directors and until their successors shall have been duly elected and qualified;
2. To ratify the appointment of Thompson, Greenspon & Co., P.C. as independent accountants for fiscal year 2005; and
3. To transact such other business as may properly come before the meeting and any adjournments thereof.

Shareholders of record at the close of business on Monday, March 28, 2005, are entitled to notice of and to vote at the meeting.

All shareholders are cordially invited to attend the meeting in person. However, to assure your representation at the meeting, we urge you to complete, sign, date and return the enclosed proxy card in the enclosed envelope as promptly as possible. If you attend the meeting, you may vote in person even if you have returned a proxy.

By Order of the Board of Directors,

Thomas N. Keefer
Secretary
May 18, 2005

SUTRON CORPORATION
21300 Ridgetop Circle
Sterling, Virginia 20166
(703) 406-2800

PROXY STATEMENT

The enclosed Proxy is solicited on behalf of the Board of Directors of Sutron Corporation (the "Company") for use at its Annual Meeting of Shareholders to be held on Wednesday, June 1, 2005 at 1:30 p.m., local time, and at any adjournments thereof. The purposes of the meeting are set forth herein and in the accompanying Notice of Annual Meeting of Shareholders. The meeting will be held at the principal executive offices of the Company, 21300 Ridgetop Circle, Sterling, Virginia 20166. The approximate date on which this Proxy Statement and the Proxy Card were first sent to shareholders of the Company is May 18, 2005.

After the enclosed Proxy Card is duly executed and returned, a shareholder may revoke the proxy at any time by written request that is received by the Secretary of the Company prior to the meeting or by voting in person at the meeting or by executing a later dated Proxy Card. The Proxy Card is in ballot form so that a specification may be made to vote for, or to withhold authority to vote for, the nominees for election as directors, or any of them, and to indicate whether the shareholder wishes to vote for or against, or abstain from voting upon the other proposal.

RECORD DATE AND VOTING RIGHTS

Shareholders of record at the close of business on Monday, March 28, 2005 are entitled to notice of and to vote at the meeting. On March 28, 2005, the Company had outstanding and entitled to vote 4,289,551 shares of Common Stock. Each share of Common Stock entitles the holder to one vote on each matter to be voted upon at the meeting.

The By-laws of the Company require that the holders of a majority of the outstanding shares of the Company's Common Stock entitled to vote at the Annual Meeting be present in person or represented by proxy in order for a quorum to exist for the transaction of business at that meeting. Abstentions and "broker non-votes" (which occur if a broker or other nominee does not have discretionary authority and has not received voting instructions from the beneficial owner with respect to the particular item) are counted for purposes of determining the presence or absence of a quorum for the transaction of business. Assuming that a quorum is present for the Annual Meeting, the five nominees for director who receive the highest number of votes cast will be elected. Abstentions and broker non-votes will have no effect on the outcome of the election of directors.

The appointment of the independent public accountants must be approved by the affirmative vote of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote thereon. For purposes of this Proposal, abstentions are counted for purposes of calculating shares entitled to vote but are not counted as shares voting and therefore have the effect of a vote against such proposal. For purposes of this Proposal, broker non-votes are not counted as shares entitled to vote and therefore have no effect with respect to such proposal.

Any Proxy Card which is returned by a Shareholder properly completed and which is not revoked will be voted at the Annual Meeting in the manner specified therein. Unless contrary instructions are given, the persons designated as proxy holders in the accompanying Proxy Card (or their substitutes) will vote "FOR" the election of the Board of Directors' nominees and "FOR" the ratification of the appointment of Thompson, Greenspon & Co., P.C. as independent accountants, and in the proxy holders' discretion with regard to all other matters properly brought before the meeting. Any unmarked proxies, including those submitted by brokers (other than broker non-votes) or nominees will be voted in favor of the nominees for the Board of Directors and other proposals, as indicated in the accompanying proxy card. **We urge you to vote your shares without delay.**

The Company will bear the cost of preparing this Proxy Statement and the other costs of soliciting Proxies for the 2005 Annual Shareholders Meeting. In addition to solicitation by mail, solicitations may be made by personal interview or telephone by officers and employees of the Company, acting without additional compensation. Sutron anticipates that banks, brokerage houses, and other custodians, nominees, and fiduciaries will forward this material to beneficial owners of shares of Common Stock entitled to vote at the Annual Meeting, and such persons will be reimbursed by Sutron for the out-of-pocket expenses incurred by them.

PRINCIPAL SHAREHOLDERS

The following table sets forth the names and addresses of all persons who beneficially owned, to the knowledge of the Company, more than 5% of the issued and outstanding shares of the Company's Common Stock on March 28, 2005.

Name and Address of	N u m b e r	o f	Percentage
Beneficial Owner	Shares	Beneficially	Owned
Beneficial Owner	Shares	Outstanding(1)	Owned
Raul S. McQuivey, Ph.D.	882,186(2)		19.9%
Kenneth W. Whitt	687,000(3)		15.2%
Thomas N. Keefer, Ph.D.	506,775(4)		11.8%
Daniel W. Farrell	295,660(5)		6.8%

(1) As of March 28, 2005, the Company had 4,289,551 shares of Common Stock outstanding. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of Common Stock, which that person could purchase by exercising outstanding options and options that will become exercisable within 60 days of March 28, 2005, are deemed outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Each person named in the table above has an address in care of Sutron Corporation, 21300 Ridgetop Circle, Sterling, Virginia 20166.

(2) Dr. McQuivey's holdings consist of 714,586 shares held by Dr. Raul S. McQuivey and Karen T. McQuivey, Dr. McQuivey's wife, as Trustees for the Raul S. McQuivey Trust and the Karen T. McQuivey Trust, 30,000 shares held directly by Dr. McQuivey and 137,600 shares subject to options exercisable within 60 days after March 28, 2005.

(3) Mr. Whitt's holdings consist of 687,000 shares owned by Kenneth W. Whitt and Eva D. Whitt, Mr. Whitt's wife, as Joint Tenants with a Right of Survivorship.

(4) Dr. Keefer's holdings consist of 500,775 shares are held by Dr. Thomas N. Keefer and Sally E. Keefer, Dr. Keefer's wife, as Joint Tenants with a Right of Survivorship and 6,000 shares subject to options exercisable within 60 days after March 28, 2005.

(5) Mr. Farrell's holdings consist of 219,460 shares, of which 214,300 shares are owned by Daniel W. Farrell and Jill E. Farrell, Mr. Farrell's wife, as Joint Tenants with a Right of Survivorship and 76,200 shares subject to options exercisable within 60 days after March 28, 2005.

ELECTION OF DIRECTORS

The nominees for directors are Dr. Raul S. McQuivey, Daniel W. Farrell, Robert F. Roberts, Jr., Andrew D. Lipman and Thomas R. Porter. Dr. McQuivey, Mr. Farrell and Mr. Roberts are presently Directors of the Company. Mr. Lipman and Mr. Porter are new nominees for Director. Mr. Roberts, Mr. Lipman and Mr. Porter are non-employees of the Company and are independent as defined by Nasdaq listing standards. If Mr. Lipman and Mr. Porter are elected, a majority of the Company's Board of Directors will be independent in accordance with Nasdaq listing standards. Sidney C. Hooper and Thomas N. Keefer, both Executive Officers of the Company, are not standing for re-election.

The Board of Directors of the Company recommends the election of the nominees to serve as directors of Sutron until the fiscal year 2006 Annual Meeting of Shareholders and until their successors have been duly elected and qualified or until the director's earlier death, resignation or removal. In the event that any nominees for directors should be unavailable to serve, which is not anticipated, the Board of Directors, in its discretion, may designate substitute nominees, in which event Proxies received by the Board of Directors will be voted for such substitute nominees.

The five nominees for director who receive the highest number of votes cast by the holders of shares entitled to vote in the election of Directors at the Annual Meeting will be elected. All duly submitted and unrevoked Proxy Cards will be voted "FOR" the nominees selected by the Board of Directors except where authorization to vote is withheld.

NOMINEES FOR DIRECTORS

Set forth below, for each nominee, are his name and age, his positions with the Company, his principal occupation and business experience during at least the past five years and the year of the commencement of his term as a director of the Company:

Raul S. McQuivey, Ph.D., age 66, has served as a director since 1976 and as President, Chief Executive Officer, and Chairman of the Board of Directors since January 1989. Dr. McQuivey served as Executive Vice President from September 1980 to January 1989, Treasurer of the Company from March 1983 to March 1984 and as Secretary from March 1983 until September 1989. Dr. McQuivey earned a B.S. in Civil Engineering from Utah State University in 1961, an M.S. in Civil Engineering (Hydraulics) from Colorado State University in 1963, and a Ph.D. in Civil Engineering (Hydraulics, Hydrology and Fluid Mechanics) from Colorado State University in 1967. He is a Registered Professional Engineer.

Daniel W. Farrell, age 52, has served as a director since 1988 and as Vice President of the Company since March 2, 1984 and Secretary since September 1, 1989. Mr. Farrell joined the Company in September 1976 as a staff scientist. He was promoted to the position of Director of

Engineering in August 1989. Mr. Farrell received a B.S. in Chemistry from Brigham Young University in 1976.

Robert F. Roberts, Jr., age 54, has served as a director since 2003. Mr Roberts was the founder, CEO and Chairman of Concepts Automation from 1975 to 1995. Concepts Automation, a computer systems integrator, grew from a one-man operation to employing over 220 people in six offices. Federal and state government agencies and Fortune 1000 companies were the primary clients. Sales in 1995 were in excess of \$100 million when the company was sold. Mr. Roberts has served as a Director for Colgan Airways, a regional commuter airline from 1990 to present, as a Principal for Foresight Funding that manages private investments in tax free bonds, real estate and corporate obligations from 1995 to present and as Chairman, Trustee of Wakefield School, a private school that offers a classical curriculum for grades Pre-K to 12 from 1990 to present. Mr. Roberts received an Associates degree in Business Management from Northern Virginia Community College.

Andrew D. Lipman, age 53, has been a partner and head of the Telecommunications Group of Swidler Berlin Shereff Friedman, LLP, a Washington D.C. law firm since 1988. He is currently Vice Chairman of the firm. From 1987 to 1997, Mr. Lipman also served as Senior Vice President for Legal and Regulatory Affairs for MFS Communications, Co., a competitive telecommunications provider. He also currently serves as a member of the boards of directors of MPower Communications, a competitive telecom carrier; TMNG Inc., a telecommunications-related consulting firm and Nu Skin Enterprises, a personal care and nutritional supplements provider. He received a B.A. degree from the University of Rochester and a J.D. degree from Stanford University.

Thomas R. Porter, age 54, co-founded Value Consultants, LLC, a firm specializing in the provision of expert witness and litigation consulting services in 1996. Mr. Porter worked in the Defense Consulting Group of Peat, Marwick Mitchell & Co. from 1978-1983. From 1983 to 1989, he worked for the firm Laventhol & Horwath, CPAs and rose to the level of principal. From 1989 to 1993, Mr. Porter was the president of a management company and the chief financial officer of a privately-held distributor of building products. He was Director of Litigation Services for the Washington, D.C. office of Grant Thornton, LLP from 1993 until 1996. Mr. Porter is a Certified Public Accountant, an attorney, a Certified Forensic Financial Analyst and a Certified Valuation Analyst. He received a B.S. and a M.S. in Industrial Engineering from the Georgia Institute of Technology and a J.D. degree from the George Washington University.

BOARD AND COMMITTEE MEETINGS

During the year ended December 31, 2004, the Board of Directors held three meetings. Each director attended all of the meetings of the Board. Although the Board currently does not have a standing audit committee or nominating committee because the Board historically performed the functions customarily assigned to those committees, the Board intends to form such committees in 2005. The Board of Directors has determined that none of the current directors qualifies as an Audit Committee Financial Expert as defined under applicable law, and only Mr. Roberts met the standards of independence under Nasdaq listing standards. The compensation committee consisted of Dr. McQuivey and Mr. Roberts. They met twice during 2004.

As noted above, the Company currently does not have an Audit Committee and, accordingly, it also does not have an Audit Committee charter. The Board, however, expects to form an Audit Committee and adopt an Audit Committee charter in fiscal 2005. It is expected that the Audit Committee will consist of solely independent directors, as such term is defined in the Nasdaq listing standards, and, if elected, that Mr. Lipman, Mr. Roberts and Mr. Porter will be appointed as the members of the Audit Committee, with Mr. Porter serving as the chair of the Audit Committee. The Board of Directors has determined that Mr. Porter qualifies as an Audit Committee Financial Expert as defined applicable law. The Audit Committee's primary responsibilities will be to provide oversight of the Company's accounting and financial controls, review the scope of and procedures to be used in the annual audit, review the financial statements and results of the annual audit, and retain and evaluate the performance of the independent accountants and the Company's financial and accounting personnel.

During fiscal year 2004, the Compensation Committee was comprised of Dr. McQuivey and Mr. Roberts, and only Mr. Roberts was independent as defined in the Nasdaq listing standards. The Compensation Committee does not have a charter but expects to adopt a charter in fiscal 2005. It is expected that the Compensation Committee will consist of solely independent directors, as such term is defined in Nasdaq listing standards, and, if elected, Mr. Lipman, Mr. Roberts and Mr. Porter will be appointed as members of the Compensation Committee, with Mr. Roberts serving as chair the Compensation Committee. The Compensation Committee approves goals related to executive compensation and adjusts compensation paid to the President and CEO of the Company and all executive officers, and administers the Company's incentive compensation plans, including cash bonus and stock option plans.

As noted above, the Company currently does not have a Nominating Committee and, accordingly, it also does not have a Nominating Committee charter. The Board, however, expects to form a Nominating Committee and adopt a Nominating Committee charter in fiscal 2005. It is expected that the Nominating Committee will consist of solely independent directors, as such term is defined in Nasdaq listing standards, and, if elected, that Mr. Lipman, Mr. Roberts and Mr. Porter will be appointed as the members of the Nominating Committee, with Mr. Lipman serving as the chair of the Nominating Committee. The Company did not engage a third party to assist in identifying and evaluating the individuals nominated for election as directors at this meeting. Historically, the Board has relied on recommendations from its members to identify nominee. Dr. McQuivey, Sutron's Chief Executive Officer, recommended Mr. Lipman as a nominee for director and Mr. Roberts, a non-management director, recommended Mr. Porter as a nominee for director.

In considering whether to nominate any particular candidate for election to the Board, the Board uses various criteria to evaluate each candidate, including an evaluation of each candidate's integrity, business acumen, knowledge of the Company's business and industry, experience, diligence, conflicts of interest and the ability to act in the interests of the Company's shareholders. The Board does evaluate biographical information and interview selected candidates. The Board also considers whether a potential nominee would satisfy the Nasdaq listing standards for "independence" and the SEC's definition of "audit committee financial expert." The Board does not assign specific weights to particular criteria and no particular criterion is a prerequisite for each prospective nominee. The Company believes that the backgrounds and qualifications of its directors, considered as a group, should provide a composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities.

The Company does not have a formal policy with regard to the consideration of director candidates recommended by its shareholders; however shareholder recommendations relating to director nominees may be submitted in accordance with the procedures set forth below under the heading "Communicating with the Board of Directors".

COMMUNICATING WITH THE BOARD OF DIRECTORS

Shareholders who wish to send communications to the Board may do so by writing to the Secretary of the Company, Sutron Corporation, 21300 Ridgetop Circle, Sterling, Virginia 20166. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Shareholder-Board Communication." All such letters must identify the author as a shareholder and must include the shareholder's full name, address and a valid telephone number. The name of any specific intended Board recipient should be noted in the communication. The Secretary will forward any such correspondence to the intended recipients; however, prior to forwarding any such correspondence, the Secretary or his designee will review such correspondence, and in his or her discretion, may not forward communications that relate to ordinary business affairs, communications that are primarily commercial in nature, personal grievances or communications that relate to an improper or irrelevant topic or are otherwise inappropriate for the Board's consideration.

DIRECTOR ATTENDANCE AT ANNUAL MEETING OF SHAREHOLDERS

Although the Company does not have a policy with regard to Board members' attendance at the Company's annual meeting of shareholders, all directors are encouraged to attend the annual meeting. Four of the five members of the Board of Directors attended the 2004 Annual Meeting of Shareholders.

COMPENSATION OF DIRECTORS

The Company has no arrangement by which any of its officers are compensated for their services as directors and, therefore, Mr. Farrell and Dr. McQuivey did not and will not receive any additional remuneration for their services as directors. Mr. Roberts received compensation of \$1,000 for attending board meetings in fiscal 2004 and received a stock option totaling 10,000 shares that vested immediately upon grant. Independent director fees will be increased to \$1,500 per board meeting in fiscal 2005. The terms of any future stock option grants to the non-employee directors have not yet been determined for fiscal year 2005. Option agreements generally provide for immediate vesting of all unvested stock options in the event of a change in control of the Company.

CODE OF ETHICS

The Company has adopted a Code of Ethics that applies to all directors and employees, including the Company's principal executive officer, principal financial officer, principal accounting officer and controller. The Code of Ethics is posted on the Company's website at www.sutron.com under investors relations.

MANAGEMENT OWNERSHIP OF COMMON STOCK

Set forth below is information concerning stock ownership of each named executive officer, director and director nominee, and all directors and executive officers of the Company as a group, as of March 28, 2005. The information as to securities beneficially owned are, in each

instance, based upon information furnished by each individual. As to the shares shown to be beneficially owned, the owner has sole investment and voting power, unless otherwise indicated.

Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class (1)
Raul S. McQuivey, Ph.D. (2)	882,186	19.9%
Thomas N. Keefer, Ph.D. (3)	506,775	11.8%
Daniel W. Farrell (4)	295,660	6.8%
Sidney C. Hooper (5)	126,200	2.9%
Robert F. Roberts (6)	20,000	.5%
Andrew D. Lipman	0	—
Thomas R. Porter	0	—
All executive officers and directors as a group (7 in number)	1,830,821	41.9%

(1) See Note 1 under "**PRINCIPAL SHAREHOLDERS**".

(2) See Note 2 under "**PRINCIPAL SHAREHOLDERS**".

(3) See Note 4 under "**PRINCIPAL SHAREHOLDERS**".

(4) See Note 5 under "**PRINCIPAL SHAREHOLDERS**".

(5) Includes 38,000 shares owned by Sidney C. Hooper and Malissa C. Hooper, Mr. Hooper's wife, as Joint Tenants with a Right of Survivorship and 88,200 shares subject to options exercisable within 60 days after March 28, 2005.

(6) Includes 20,000 shares subject to options exercisable within 60 days after March 28, 2005.

EXECUTIVE OFFICERS

The following table furnishes information concerning Sutron's executive officers as of March 28, 2005.

Name	Age	Title
R a u l S . McQuivey	.66	Chief Executive Officer and President
D a n i e l W . Farrell	.52	Vice President
S i d n e y C . Hooper	.46	Chief Financial Officer and Treasurer
T h o m a s N . Keefer	.60	Vice President and Secretary

Sidney C. Hooper, age 46, has served as the Chief Financial Officer of the Company since 2003 and Treasurer of the Company since May 1993. Mr. Hooper joined the Company in August 1989 and was promoted to the position of Controller in January 1990. Prior to joining the Company, Mr. Hooper served as a Senior Accountant with Arthur Andersen & Company. Mr. Hooper received a B.S. in Accounting from Brigham Young University in 1983 and a Master of Accountancy from Brigham Young University in 1984.

Thomas N. Keefer, Ph.D., age 60, has served as Vice President of Software Services since 1997. He joined the Company in January 1977, as a Project Engineer and served as the Vice President of the Water Resources Division

and the Integrated Systems Division from 1981

(c)

..

Insurance company as defined in Section 3(a)(19) of the Act;

(d)

..

Investment company registered under Section 8 of the Investment Company Act of 1940;

(e)

..

An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);

(f)

..

An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);

(g)

..

A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);

(h)

..

A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;

(i)

..

A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;

(j)

..

A non-U.S. institution in accordance with Rule 13d-1(b)(1)(ii)(J);

(k)

..

Group, in accordance with Rule 13d-1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with Rule 13d-1(b)(1)(ii)(J),
please
specify the type of institution:

Item 4. OWNERSHIP

The percentages used herein and in the rest of this Schedule 13G/A are calculated based upon the 94,499,846 shares of Common Stock issued and outstanding, as reflected in the Company's Form 424B5 filed on January 30, 2013.

The information required by Items 4(a) - (c) is set forth in Rows 5 - 11 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each Reporting Person.

Item 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following

Item 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

Not applicable.

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON

Not applicable.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

See Item 2 and Exhibit 1.

Item 9. NOTICE OF DISSOLUTION OF GROUP

Not applicable.

Item 10. CERTIFICATION

Each of the Reporting Persons hereby makes the following certification:

By signing below each Reporting Person certifies that, to the best of his or its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or

effect.

SIGNATURES

After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATE: February 14, 2013

/s/ Cato Brahde
Cato Brahde, (1) individually; (2) as managing
director of (a) Tufton Oceanic (Isle of Man)
Limited, and (b) Oceanic Investment Management
Limited; and (3) as manager of Oceanic Hedge
Fund

Oceanic Opportunities GP Limited

/s/ Anthony Haynes
Anthony Haynes, Authorized Signatory

Oceanic Opportunities Master Fund, L.P.
By: Oceanic Opportunities GP Limited, its
General Partner

/s/ Anthony Haynes
Anthony Haynes, Authorized Signatory

EXHIBIT 1

JOINT FILING AGREEMENT

PURSUANT TO RULE 13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13G shall be filed on behalf of each of the undersigned without the necessity of filing additional joint filing agreements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained herein and therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

DATE: February 14, 2013

/s/ Cato Brahde

Cato Brahde, (1) individually; (2) as managing director of (a) Tufton Oceanic (Isle of Man) Limited, and (b) Oceanic Investment Management Limited; and (3) as manager of Oceanic Hedge Fund

Oceanic Opportunities GP Limited

/s/ Anthony Haynes

Anthony Haynes, Authorized Signatory

Oceanic Opportunities Master Fund, L.P.

By: Oceanic Opportunities GP Limited, its General Partner

/s/ Anthony Haynes

Anthony Haynes, Authorized Signatory