

EVOLUTION PETROLEUM CORP  
Form DEF 14A  
October 28, 2014

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

Filed by the Registrant ☒

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))
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

Evolution Petroleum Corporation

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

☒ No fee required

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

2500 CityWest Boulevard, Suite 1300  
Houston, Texas 77042

Dear Evolution Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Evolution Petroleum Corporation. The meeting will be held at the Company's offices at 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042, commencing at 10:00 a.m. Central Time, on Thursday, December 4, 2014. If you plan to attend, please notify our Corporate Secretary, Mr. David Joe, at (713) 935-0122.

The Notice of the Annual Meeting of Stockholders and the Proxy Statement on the following pages cover the formal business of the meeting, which includes three items to be voted on by our stockholders. Note that your broker is not permitted to vote on matters considered "non-routine" such as the election of directors without specific voting instructions from you, as further explained in the Q&A section of the Proxy Statement under "How Can I Vote?"

At the Meeting, I will also report on the Company's current operations and will be available to respond to questions from stockholders. Recording devices will not be permitted in the meeting.

Whether or not you plan to attend the meeting, it is important that your shares be represented and voted at the meeting.

You are urged, therefore, to complete, sign, date and return the enclosed proxy card (or use telephone or internet voting procedures, if offered by your broker or bank as a nominee or agent), even if you plan to attend the meeting.

Thank you for your continued interest in Evolution Petroleum Corporation.

Sincerely,

/s/ ROBERT S. HERLIN

Robert S. Herlin

Chairman of the Board and Chief Executive Officer

Houston, Texas  
October 28, 2014

2500 CityWest Blvd, Suite 1300  
Houston, Texas 77042

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held on December 4, 2014

To the Stockholders of Evolution Petroleum Corp.:

NOTICE IS HEREBY GIVEN that the 2014 Annual Meeting of Stockholders (the "Annual Meeting") of Evolution Petroleum Corporation, a Nevada corporation (the "Company"), will be held on Thursday, December 4, 2014, commencing at 10:00 a.m. Central Time, at the Company's principal executive offices at 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042. The Annual Meeting will be held for the following purposes:

- (1) To elect five directors to our board of directors, each to serve until the 2015 Annual Meeting of Stockholders or until their successor is elected and qualified;
- (2) To ratify the appointment of Hein & Associates LLP, an independent registered public accounting firm, as our independent registered public accountant for the fiscal year ending June 30, 2015;
- (3) To approve, in a non-binding advisory vote, the compensation of our named executive officers; and
- (4) To transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

Only those stockholders of record at the close of business on October 20, 2014 are entitled to notice of, and to vote at the Annual Meeting or any postponement or adjournment thereof, notwithstanding the transfer of any shares after such date. If you were a stockholder at the close of business on October 20, 2014, you are entitled to vote.

Whether or not you expect to attend the Annual Meeting, we ask that you sign and return the enclosed proxy as promptly as possible to ensure that your shares will be represented. A self-addressed envelope has been enclosed for your convenience. If you attend the meeting you may withdraw any previously given proxy and vote your shares in person.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 4, 2014

The attached proxy statement and proxy card, and our Annual Report on Form 10-K for the year ended June 30, 2014, are also available on the Company's website, [www.evolutionpetroleum.com](http://www.evolutionpetroleum.com). From the homepage, you can link through the "Investor Relations" page to the "Proxy Materials" page. Directions to attend the Annual Meeting and vote in person are also available on our website. From the homepage, you can link to "Contact" where you will find a link to a map to our Houston office.

By Order of the Board of Directors of Evolution  
Petroleum Corp.

/s/ RANDALL D. KEYS  
Randall D. Keys  
President, Chief Financial Officer  
and Treasurer

Houston, Texas  
October 28, 2014

2500 CityWest Blvd. Suite 1300  
Houston, Texas 77042  
(713) 935-0122

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PROXY STATEMENT  
FOR THE  
ANNUAL MEETING OF STOCKHOLDERS  
December 4, 2014

This Proxy Statement accompanies the Notice (the "Notice") of the Annual Meeting of Stockholders (the "Annual Meeting") of Evolution Petroleum Corporation, a Nevada corporation (hereinafter, "us", "we", "our" or the "Company"), in connection with the solicitation of proxies by and on behalf of our Board of Directors (the "Board") for use at our Annual Meeting to be held at 10 a.m., Central Time, at our Company's principal executive offices at 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042, on December 4, 2014, and at any postponement or adjournment thereof.

The Company's Annual Report for the fiscal year ended June 30, 2014 is being mailed to stockholders with the mailing of the Notice and Proxy Statement. This Proxy Statement and the accompanying proxy card are first being sent to our stockholders on or about October 29, 2014.

The solicitation of proxies by the Board of Directors will be conducted primarily by mail. Continental Stock Transfer & Trust Company ("CST"), as part of CST's services as the Company's transfer agent, assists in the solicitation of proxies in connection with the Annual Meeting. In addition, officers, directors and employees of the Company may solicit proxies personally or by telephone, email, or facsimile communication. These officers, directors and employees will not receive any compensation for these services. The Company will reimburse brokers, custodians, nominees, and fiduciaries for reasonable expenses incurred by them in forwarding proxy material to beneficial owners of common stock of the Company. The costs of solicitation will be borne by the Company.

What is the purpose of the 2014 Annual Meeting?

At the Annual Meeting, stockholders will act upon the matters outlined in the attached Notice and described in detail in this Proxy Statement, which are to:

- (1) Elect five directors, each to serve until the 2015 Annual Meeting of Stockholders or until their successor is elected and qualified;
- (2) Ratify the appointment of Hein & Associates, LLP, an independent registered public accounting firm, as our independent registered public accountants for the fiscal year ending June 30, 2015;
- (3) Approve, in a non-binding advisory vote, the compensation of our named executive officers; and
- (4) Transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.

In addition, Company management will report on our performance during the fiscal year ended June 30, 2014, which we refer to as fiscal 2014, and respond to questions from stockholders.

Although the Board does not anticipate that any other matters will come before the Annual Meeting, your executed proxy gives the official proxies the right to vote your shares at their discretion on any other matter properly brought before the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record at the close of business on October 20, 2014 (the "Record Date") will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

## How can I Vote?

### Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record (i.e., your shares are registered directly in your name, as opposed to being held in a stock brokerage account or by a bank or other nominee), you may vote in person at the Annual Meeting or vote by proxy using the enclosed proxy card. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy. To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive. To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. You may also use telephone or internet voting procedures, if offered by your broker or bank as a nominee or agent. Properly executed proxies in the accompanying form, received in due time and not previously revoked, will be voted at the Annual Meeting or any adjournment thereof as specified therein by the person giving the proxy; however, if no specification is made the shares represented by proxy will be voted as recommended by our Board of Directors, to the extent permitted by law.

### Beneficial Owner: Shares Registered in the Name of Broker or Bank

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the "beneficial owner" of shares held in the "street name" of the entity holding your shares.

As a beneficial owner, you have the right to direct your broker or nominee how to vote and you are also invited to attend the Annual Meeting. However, since you are not the stockholder of record (record holder) you may not vote these shares in person at the Annual Meeting unless you obtained a signed proxy from the record holder giving you the right to vote these shares.

If you hold your shares in street name, you will receive instructions from your broker or other nominee describing how to vote your shares. If you do not instruct your broker or nominee how to vote your shares, they may vote your shares as they decide as to each matter for which they have discretionary authority.

There are also non-discretionary matters for which brokers and other nominees do not have discretionary authority to vote your shares unless they receive timely instructions from you. When a broker or other nominee does not have discretion to vote on a particular matter, you have not given timely instructions on how the broker or other nominee should vote your shares and the broker or other nominee indicates it does not have authority to vote such shares on its proxy, a "broker non-vote" results. Although any broker non-vote would be counted as present at the meeting for purposes of determining a quorum, it would be treated as not entitled to vote with respect to non-discretionary matters. Your broker is not able to vote on your behalf for the election of directors or the non-binding advisory vote on say on pay of our named executive officers without specific voting instructions from you.

Changes to regulatory rules eliminated broker discretionary voting with respect to the election of directors. This restriction also applies to all non-routine matters. Where a matter is not considered "routine," such as Proposal No. 1 regarding the election of directors and Proposal 3 regarding say on pay, the shares held by the broker will not be voted on those proposals without specific instruction from the beneficial holder of the shares.

### How Can I Revoke My Proxy or Change My Vote?

Even if you have given a proxy or given your broker, bank or other agent voting instructions, you have the power to revoke your proxy or change your voting instructions at any time before the Annual Meeting. Stockholders of record may revoke their proxy prior to its exercise by delivering written notice of revocation to our Corporate Secretary, at 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042, by executing a later-dated proxy, or by attending the Annual Meeting and voting in person. If your shares are held by your broker or bank as a nominee or agent (such as in your brokerage account), you may change your vote by following the instructions provided by your broker or bank. You may also change your vote by voting in person at the Annual Meeting if you have obtained a valid proxy from your broker, bank, or other agent to vote your shares at the Annual Meeting.

### What are the voting rights of the holders of our common stock?

Holders of our common stock are entitled to one vote per share with respect to each of the matters to be presented at the Annual Meeting.

With regard to the election of directors, the Company has adopted a majority voting policy wherein any of the five nominees receiving the majority of votes cast will be elected provided a quorum is present. Any nominee who does not receive at least a majority of the votes cast with respect to his election shall tender his resignation to the Board,

whereupon, the Board

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in its sole discretion can accept such resignation within 60 days. If the Board does not accept such resignation, the director will continue to serve as a member of the Board of Directors.

On each other matter to be presented, the affirmative vote of a majority of the shares represented at the Annual Meeting in person or by proxy and entitled to vote will be necessary to approve the matter.

Abstentions will be counted towards the tabulation of votes cast on matters properly presented to the stockholders (except the election of directors) and will have the same effect as negative votes. Broker non-votes will not be counted as votes cast, and therefore they will have no effect on the outcome of the matters presented at the Annual Meeting.

What constitutes a quorum?

Our Bylaws provide that the presence, in person or by proxy, of the holders of a majority of outstanding shares of our common stock at our Annual Meeting shall constitute a quorum.

For the purpose of determining the presence of a quorum, proxies marked "withhold authority" or "abstain" will be counted as present. Shares represented by proxies that include broker non-votes will also be counted as shares present for purposes of establishing a quorum. On the Record Date there were 32,797,644 shares of our common stock (including restricted shares) issued and outstanding and such shares are the only shares entitled to vote at the Annual Meeting.

What are the Board's recommendations?

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote in accordance with the recommendations of the Board of Directors. The Board's recommendations are set forth together with the description of the Proposals in this Proxy Statement. In summary, the Board unanimously recommends that you vote:

• FOR the election of each of the five directors named in this Proxy Statement, to serve until our annual meeting of shareholders in 2015 and until their successor is elected;

• FOR the ratification of the appointment of Hein & Associates, LLP, an independent registered public accounting firm, as our independent registered public accountant for the year ending June 30, 2015; and

• FOR the approval of, on a non-binding, advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and other related compensation tables, notes and narrative in this Proxy Statement for the Company's 2014 Annual Meeting of Stockholders.

The proxy holders will vote in their discretion with respect to any other matter that may properly come before the Annual Meeting.

Proxies

If the enclosed proxy card is executed, returned in time and not revoked, the shares represented thereby will be voted at the Annual Meeting and at any postponement or adjournment thereof in accordance with the instructions indicated on such proxy. If no instructions are indicated on the proxy card, the official proxies will vote (1) "for" the proposals described in this proxy statement and (2) as to any other matters properly brought before the annual meeting or any postponement or adjournment thereof, in the sole discretion of the proxy holders.

A stockholder who has returned a proxy card may revoke it at any time prior to its exercise at the Annual Meeting by (i) giving written notice of revocation to our Corporate Secretary, (ii) properly submitting to Evolution Petroleum Corporation a duly executed proxy bearing a later date, or (iii) appearing at the Annual Meeting and voting in person. All written notices of revocation of proxies should be addressed as follows: Evolution Petroleum Corporation, 2500 CityWest Boulevard, Suite 1300 Houston, Texas 77042, Attention: Corporate Secretary.

What are the Company's Governance Practices and Policies?

See the detailed discussion under "Corporate Governance", beginning on page 7.

## PROPOSAL 1

### ELECTION OF DIRECTORS

The Board of Directors

Our directors are elected annually by the stockholders to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. The minimum number of directors is established by our Bylaws, and may be





increased by the majority vote of the Board. The current number of directors is five. Assuming the presence of a quorum, a majority of the votes cast in person or by proxy at the Annual Meeting is required for the election of each director.

#### Director Nominees

All five nominees are currently serving as directors of the Company. We have determined there are four "independent" directors serving on our Board as defined in the listing standards of the NYSE MKT. All five of our incumbent directors are standing for re-election.

As discussed in more detail under the heading "Nominating Committee" in this proxy statement, the Board considers qualifications and other factors when evaluating individual directors, as well as the composition of the Board as a whole. As part of this process, the Board and its Nominating Committee review the particular experiences, qualifications, attributes or skills of each of the nominees. The biographies of each of the nominees below contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, and information regarding involvement in certain legal or administrative proceedings, if applicable. They also highlight the particular experiences, qualifications, attributes or skills that have caused the Nominating Committee and the Board to conclude that such persons should serve as a director of the Company. In particular, each nominee brings extensive and specific expertise in key functional and industry areas in which we, as a company, are active. The five nominees for Director are:

Robert S. Herlin, age 59, has served as a Director for Evolution since the Company's inception in 2003. Mr. Herlin, a co-founder of our Company, has been President, Chief Executive Officer and a Director since May 2004. Mr. Herlin was elected Chairman of the Board of Directors in January 2009. Prior to the merger of Natural Gas Systems, Inc. ("Old NGS") into our company, Mr. Herlin served as President, Chief Executive Officer and Director of Old NGS since its inception in September 2003. He is responsible for our operations and strategy. Mr. Herlin has 30 years of experience in engineering, energy transactions, operations and finance with small independents, larger independents and major integrated oil companies. Since 2003 until early 2010, Mr. Herlin has also served as a non-active Partner with Tatum CFO, a financial advisory firm that provides executive officers on a part-time or full-time basis to clients, where he was assigned as a full-time executive officer of our company. From 2001 to 2003, Mr. Herlin served as Senior Vice President and Chief Financial Officer of Intercontinental Towers Corporation, an international wireless infrastructure venture. Mr. Herlin also served on the Board of Directors of Boots and Coots, Inc., an oil field services company, from 2003 until its sale to Halliburton Company in September 2010. Prior to 2001, Mr. Herlin served in various officer capacities for upstream and downstream oil and gas companies, both private and public. Mr. Herlin currently serves on the Engineering Advisory Board for the Brown School of Engineering at Rice University, where he previously served on the Centennial Council for Chemical and BioMolecular Engineering. Mr. Herlin graduated with honors from Rice University with B.S. and M.E. degrees in chemical engineering and earned an MBA from Harvard University. We believe Mr. Herlin's executive leadership of our Company since its founding, extensive oil and gas industry experience, multi-functional expertise, education and his Board of Director service to public companies qualifies Mr. Herlin to serve on our Board.

Edward J. DiPaolo, age 61, has served as Director for Evolution since 2004. He currently serves as our Lead Independent Director, Chairman of our Governance and Nominating Committee, and is a member of our Audit and Compensation Committees. Mr. DiPaolo has been a Senior Advisor at Duff & Phelps Securities, LLC since 2011. Prior to that, he was an Energy Partner at Growth Capital Partners, L.P. for eight years following his 27 years at Halliburton Company, where he last served as Group Senior Vice President of Global Business Development. Prior roles at Halliburton included North American Regional Vice President and Far East Regional Vice President. In those roles, he was responsible for overall operations of Halliburton Energy Services' North America and Far East regions. Mr. DiPaolo currently serves as Chairman of the Board for Seventy Seven Energy, Inc., serves as a Director for Willbros Group Inc. and Eurasia Drilling Company Limited, each of which are public companies, as well as several private company boards. He previously served as a director and Interim Chairman of the Board of Directors of Boots and Coots, Inc. prior to its sale to Halliburton; as a director of Superior Well Services, Inc. prior to its sale to Nabors Industries, Inc; and as a director of Inncore Subsurface Technologies prior to its sale to BJ Services Company. Mr. DiPaolo received his undergraduate degree in Agricultural Engineering from West Virginia University in 1976

and currently serves on the Advisory Board for the West Virginia University College of Engineering. We believe Mr. DiPaolo's extensive experience in oilfield service, corporate advisory roles, education and Executive and Board of Director service to public and private companies qualifies Mr. DiPaolo to serve on our Board, his assigned Committees and as our Lead Independent Director.

William E. Dozier, age 62, has served as Director for Evolution since 2005. Mr. Dozier has over 38 years of oil & gas industry experience. He is the Chairman of the Compensation Committee and also a member of the Audit Committee. Since 2005, Mr. Dozier has been the owner of Extex Consulting, Inc., an independent oil and gas consulting firm. From 1992 to 2005, Mr. Dozier served as Senior Vice President of Operations, and later as Senior Vice President for Business Development, for Vintage Petroleum, a large publicly traded global independent oil and gas company acquired by Occidental Petroleum. From 1983 to 1992, he was Manager of Operations Engineering for Santa Fe Minerals, a privately held E&P Company. Mr. Dozier

began his career with Amoco Production Company in 1975, working in all phases of production, reservoir evaluations, drilling and completions in the Mid-Continent and Gulf Coast areas. From May 2009 to July 2011, Mr. Dozier served on the Board of Directors of CAMAC Energy, Inc (formerly Pacific Asia Petroleum, Inc.). Mr. Dozier also serves on several private and charitable boards. In September 2013, Mr. Dozier began a three year term on the External Advisory Committee for The University of Texas Cockrell School of Engineering Department of Petroleum and Geosystems Engineering. He is a Registered Petroleum Engineer in the State of Texas with a B.S. in Petroleum Engineering from The University of Texas at Austin. We believe Mr. Dozier's extensive experience in oil and gas exploration and development, education and Executive and Board of Director service to public companies qualifies Mr. Dozier to serve on our Board and his assigned Committees.

Kelly W. Loyd, age 40, has served as Director of Evolution since 2008. He currently serves as a member of the Compensation Committee and as a member of the Nominating and Corporate Governance Committee. Since 2004, Mr. Loyd has been employed by JVL Advisors, LLC, a private energy investment company, which owns 15.3% of our common shares a major stockholder of our company. From 2001 to 2004, Mr. Loyd was an associate in the energy corporate finance investment banking group at RBC Capital Markets and Howard Frazier Barker Elliot. Previously, Mr. Loyd served as a founder and controller of L.A.B. Sports and Entertainment, a sports/entertainment promotion and production company, a Managing Partner of Tigre Leasing, L.L.P, a commercial real estate company focused on the purchase/sale of resort properties, and as an analyst in Jefferies and Company, Inc.'s energy corporate finance investment banking group. Mr. Loyd received a B.S. in Economics with Finance Applications from Southern Methodist University and earned an MBA from Rice University. We believe Mr. Loyd's extensive experience in energy investment banking and his education qualifies Mr. Loyd to serve on our Board and his assigned Committees.

Gene G. Stoever, age 76, has served as Director for Evolution since 2004. He currently serves as Chairman of our Audit Committee and as a member of our Nominating and Corporate Governance Committee. Mr. Stoever was an audit partner with KPMG LLP for 24 years until his retirement. During his tenure at KPMG, he served domestic and multinational clients engaged in the manufacturing, construction, refining, oil and gas, real estate and banking industries. He also served as an SEC Reviewing Partner responsible for advising clients and reviewing domestic and foreign filings with the SEC. Mr. Stoever currently serves as a director, chairman of the Audit Committee and member of the Compensation Committee of Orion Marine Group, Inc (NYSE: ORN) and previously served on the Boards and as chairman of the Audit Committees of several other companies. Mr. Stoever is a Certified Public Accountant in the State of Texas (currently inactive license holder) and earned his B.B.A. degree in accounting with honors from The University of Texas at Austin. We believe Mr. Stoever's extensive experience in public accounting as a former Big Four partner, knowledge of financial reporting, SEC, GAAP and auditing standards, education and certification as a CPA, designation of a Governance Fellow by the National Association of Corporate Directors, and Board Service to public and private companies qualifies Mr. Stoever to serve on our Board, his assigned Committees and as an Audit Committee Financial Expert.

We believe that the nominees will be available and able to serve as directors. In the event that a nominee is unable to serve, the proxy holders will vote the proxies for such other nominee as they may determine.

The Board of Directors unanimously recommends that the stockholders vote "FOR" the election of each of the director nominees listed above.

#### PROPOSAL 2

#### PROPOSAL TO RATIFY THE APPOINTMENT OF HEIN & ASSOCIATES LLP, AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR ENDING JUNE 30, 2015

The Audit Committee of our Board has appointed the firm of Hein & Associates LLP as the Company's independent registered public accounting firm to audit our consolidated financial statements for the fiscal year ending June 30, 2015. From June 30, 2004 through June 30, 2014, Hein & Associates LLP served as our independent registered public accounting firm.

We are not required to seek stockholder approval for the appointment of our independent registered public accountant; however, the Audit Committee and the full Board believe it to be sound corporate practice to seek such approval. If the appointment is not ratified, the Audit Committee will investigate the reasons for stockholder rejection and will re-consider the appointment. Even if the selection is ratified, the Audit Committee in its discretion may direct the

appointment of a different independent registered public accountant at any time during the year if it determines that such a change would be in the best interests of our company and our stockholders.

**Audit Fees**

The aggregate fees billed to us by our independent registered public accountant, Hein & Associates LLP, for professional services rendered for the audit of our annual financial statements included in our Annual Report on Form 10-K for fiscal years ending June 30, 2014 and 2013 were as follows:

	2014	2013
Audit Fees	\$128,220	\$122,575
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—

In the above table, in accordance with the SEC's definitions and rules, "audit fees" are fees we paid Hein & Associates LLP for professional services for the audit of our consolidated financial statements included in our Form 10-K, including professional services rendered in connection with the audit of internal controls over financial reporting in compliance with Section 404 of the Sarbanes-Oxley Act of 2002, the review of financial statements included in our Form 10-Q's and for services that are normally provided by the auditors in connection with statutory and regulatory filings or engagements. "Audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements.

All audit fees were pre-approved by our Audit Committee Chairman.

The Audit Committee has considered the compatibility of the non-audit services provided by Hein & Associates LLP, to Hein & Associates' continued independence and has concluded that its independence is not compromised.

**Pre-Approval of Services by External Auditor**

The Audit Committee adopted a Pre-Approval Policy with respect to services which may be performed by the independent auditor. This policy lists specific audit, audit-related, and tax services as well as any other services that the independent auditor is authorized to perform and sets out specific dollar limits for each specific service, which may not be exceeded without additional Audit Committee authorization. The Audit Committee receives quarterly reports on the status of expenditures pursuant to that Pre-Approval Policy. The Audit Committee reviews the policy at least annually in order to approve services and limits for the current year. Any service that is not clearly enumerated in the policy must receive specific pre-approval by the Audit Committee or by its Chairman, to whom such authority has been conditionally delegated, prior to engagement. During fiscal year 2014, no fees for services outside the scope of audit, review, or attestation that exceed the waiver provisions of 17 CFR 210.2-01(c)(7)(i)(C) were requested of or approved by the Audit Committee.

The Board of Directors unanimously recommends a vote "FOR" the ratification of the appointment of Hein & Associates LLP, as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2015.

The Company does not anticipate a representative from Hein & Associates LLP to be present at the Annual Meeting. In the event that a representative of Hein and Associates LLP is present at the Annual Meeting, they will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

**PROPOSAL 3****ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with the requirements of Section 14A of the Securities Exchange Act of 1934 and the related rules of the Securities and Exchange Commission, the company is providing stockholders with the opportunity to cast an advisory (non-binding) vote on the compensation programs of our named executive officers (sometimes referred to as "say on pay"). Accordingly, you may vote on the following resolution at the meeting:

"Resolved, that the compensation paid to the company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion in the Proxy Statement relating to the company's 2014 Annual Meeting, is hereby approved."

This vote is non-binding. The Board of Directors and the Compensation Committee, which is comprised of independent directors, expect to take into account the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results. As described in detail under "Compensation Discussion and Analysis" our compensation programs are designed to attract, retain, motivate and reward highly qualified and competent executives who have extensive oil and gas industry experience. To do this we offer a compensation package that recognizes individual and company performance. Elements of this compensation package include base salary, annual cash incentives and long-term equity incentives. Our compensation package is meant to provide incentives and maximize stockholder value by (i) emphasizing equity-based compensation to more closely align the interests of executives with those of our stockholders, (ii) structuring annual incentive compensation to be contingent upon the achievement of performance measures, and (iii) designing each component of executive compensation to be competitive with the compensation practices of our oil and gas industry peer companies. The structure of our executive compensation is the same structure as provided to all employees. We have adopted this compensation philosophy because we believe that it is critical for our continued success, the achievement of our short-term and long-term goals and because we believe it helps our executives maximize stockholder value. Stockholders are encouraged to read the section of this proxy statement titled "Compensation Discussion and Analysis," the accompanying compensation tables, and the related narrative disclosure.

#### Vote Required

The approval of the advisory vote on the compensation of our named executive officers requires the affirmative vote of the holders of a majority of the shares represented at the meeting, in person or by proxy, and entitled to vote. As a result, abstentions will have the same practical effect as a vote against this proposal. Broker non-votes will have no effect on the outcome of the proposal. For the approval of the advisory vote on the compensation of our named executive officers, you may vote "FOR" or "AGAINST" or abstain from voting.

The Board of Directors recommends that you vote "FOR" the approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the section of this proxy statement titled "Compensation Discussion and Analysis," the accompanying compensation tables and the related narrative disclosure contained in this proxy statement.

#### CORPORATE GOVERNANCE

##### Meetings of the Board of Directors and Committees

##### Board of Directors

The property, affairs and business of our company are under the general management of our Board of Directors as provided by the laws of the State of Nevada and our Bylaws. We have separately designated standing Audit, Compensation and Nominating Committees of the Board of Directors. The Audit Committee was established in accordance with section 3(a)(58)(A) of The Securities Exchange Act of 1934, as amended (the "Exchange Act") and the requirements of the NYSE MKT. The Board of Directors held six meetings during fiscal 2014. Each director attended at least 75% of the aggregate of the total meetings of the Board and the total number of meetings held by all committees of the Board on which such director served during fiscal 2014.

##### Director Independence

The Board of Directors affirmatively determines the independence of each director in accordance with the NYSE MKT rules and listing standards. The Board has determined that Messrs. William E. Dozier, Edward J. DiPaolo, Gene G. Stoeber and Kelly W. Loyd each qualify as independent non-employee directors with no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Mr. Robert S. Herlin is not independent since he is a Named Executive Officer of the Company.

##### Audit Committee

The Board of Directors has instructed the Audit Committee to meet periodically with our management and independent auditors to, among other things, review the results of the annual audit and quarterly reviews and discuss our financial statements, recommend to our board the independent auditors to be retained, and receive and consider the auditors' comments as to controls, adequacy of staff and management performance and procedures in connection with audit and financial controls. The Audit Committee is also authorized to review related party transactions for

potential conflicts of interest. The Audit Committee's functions are further described under the heading "Audit Committee Report". A copy of the written charter

adopted by the Board of Directors for the Audit Committee and as currently in effect is included on our website, [http://www.evolutionpetroleum.com/company\\_governance.html](http://www.evolutionpetroleum.com/company_governance.html).

The Audit Committee is currently composed of Gene Stoever, Chairman, and Messrs. Edward DiPaolo and William Dozier. Each member of the Audit Committee is "independent" under the standards for audit committee members for companies listed on the NYSE MKT. Each member of the Audit Committee also satisfies the Securities and Exchange Commission's additional independence requirements for members of audit committees. The Board has determined that Mr. Stoever qualifies as an "audit committee financial expert" as defined under Item 407(d)(5) of Regulation S-K of the Securities Act of 1933. The Audit Committee met four times during fiscal year 2014.

#### Audit Committee Report

The management of Evolution Petroleum Corporation has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls and disclosure controls and procedures. The Company's independent registered public accounting firm (herein, our "independent auditor") is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and issuing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America. The independent auditor is also responsible for performing independent audits of the Company's internal controls over financial reporting. The Audit Committee monitors and oversees these processes and reports to our Board of Directors with respect to its findings.

In order to fulfill its monitoring and oversight duties, the Audit Committee has reviewed and discussed the audited financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 with both management and the independent registered public accounting firm, Hein & Associates LLP, matters related to Section 404 of the Sarbanes-Oxley Act of 2002, and the matters required to be discussed by the statement on Auditing Standards No. 61 (Communications with Audit Committees), as superseded by the Public Company Accounting Oversight Board in Auditing Standard No. 16. The Audit Committee has received the written disclosures and the letter from the independent auditors required by Public Company Accounting Oversight Board Rule 3526 regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor the independent auditor's independence.

The Audit Committee discussed with our independent auditors, the overall scope and plans for the audit. We met with our independent auditors, with and without management, to discuss the results of their examination, their evaluation of our internal controls, and the overall quality of our financial reporting.

Based on the forgoing reviews and discussions, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements for the year ended June 30, 2014 be included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014 for filing with the Securities and Exchange Commission. The Board of Directors approved such inclusion.

Respectfully submitted by the Audit Committee,

Mr. Gene Stoever, Chairman

Mr. Edward DiPaolo

Mr. William Dozier

#### Compensation Committee

The Compensation Committee is authorized to review and recommend annual salaries and short-term incentive bonuses of our executive officers and has the authority to recommend to the Board of Directors the recipients of options and stock awards, the time or times at which options and stock awards shall be granted, the exercise price of each option, and the number of shares to be issuable upon the exercise of each option under our stock plan. In particular, the Compensation Committee recommends to the full Board the compensation of our Chief Executive Officer. In fulfilling its responsibilities, the Compensation Committee has the authority to engage independent compensation consultants or legal advisers when determined by the Committee to be necessary or appropriate. The members of the Compensation Committee currently consist of Mr. Dozier, Chairman, Mr. DiPaolo and Mr. Loyd. A copy of the written charter adopted by the Board of Directors for the Compensation Committee and as currently in effect is included on our website, [http://www.evolutionpetroleum.com/company\\_governance.html](http://www.evolutionpetroleum.com/company_governance.html). All members of the Compensation Committee are "independent" under the standards for compensation committees for companies listed



on the NYSE MKT. The Compensation Committee met six times during fiscal year 2014.

#### Nominating Committee

The Nominating Committee, the current members of which are Mr. DiPaolo, Chairman, and Messrs. Stoever and Loyd, is responsible for identifying, screening, and recommending qualified candidates to serve on our Board of Directors. As previously disclosed, Mr. Laird Cagan's term on the Committee ended upon his retirement from the Board of Directors effective at the 2013 Annual Meeting. A copy of the written charter adopted by the Board of Directors for the Committee and as currently in effect is included on our website,

[http://www.evolutionpetroleum.com/company\\_governance.html](http://www.evolutionpetroleum.com/company_governance.html). Pursuant to its charter, the Committee is directed, among other things, to: determine desired board skills and attributes; actively seek individuals whose skills and attributes reflect those desired; evaluate and propose nominees for election to the Board of Directors; review the slate of directors who are to be re-nominated to determine whether they are meeting the Board's expectations of them; annually review committee chairs and membership and recommend any changes to the Board; and periodically consider and make recommendations to the Board regarding what experience, talents, skills and other characteristics the Board as a whole should possess in order to maintain its effectiveness. Each of Mr. DiPaolo, Stoever and Loyd is "independent" as defined in the standards for companies listed on the NYSE MKT.

It is our policy that the Committee consider recommendations for the nomination of directors submitted by our stockholders. All such stockholder nominating recommendations must be in writing, addressed to the Nominating and Corporate Governance Committee, care of the Corporate Secretary at Evolution Petroleum Corporation, 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042. Submissions must be made by mail, courier or personal delivery. E-mailed submissions will not be considered. Stockholders wishing to recommend nominees for election as directors at an annual meeting should submit such recommendation, together with any relevant information that they wish the Nominating Committee to consider, to the Corporate Secretary no later than 120 days prior to the date of the notice of annual meeting released to stockholders in connection with the current year's annual meeting. The stockholder's nomination notice shall set forth: (i) as to each person whom the stockholder proposes to nominate for election or reelection as a director: (a) the name, age, business address and residence address of the person; (b) the principal occupation or employment and business experience of the person for at least the previous five years; (c) the class and number of shares of our capital stock which are beneficially owned by the person; and (d) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to the rules and regulations of the SEC under Section 14 of the Exchange Act; and (ii) as to the stockholder giving the notice: (a) the name and record address of the stockholder; and (b) the class and number of shares of our capital stock which is beneficially owned by the stockholder. Such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director, if elected. We may require any proposed nominee to furnish such other information as may reasonably be required by us to determine the eligibility of such proposed nominee to serve as a director.

The Committee has determined that, at the minimum, nominees for directorship should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the Company's stockholders. They must also have an inquisitive and objective perspective, practical wisdom and mature judgment. The Company endeavors to have a board representing diverse experience in areas that are relevant to the Company's business activities. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities efficiently, and should be committed to serve on the Board for an extended period of time.

Prior to nominating a candidate for election to the Board, the Committee will review the qualifications of each candidate. The Committee considers diversity in business and professional experience, education, and background that can benefit us by increasing the range of skills and perspectives available to our Board of Directors. Members will be selected without regard to race, gender, religious belief, ancestry, national origin or disability. Our Board of Directors believes that adherence to these principles will provide an environment and practices that will yield the best return for our stockholders.

Final candidates may be interviewed by the Company's Chairman of the Board and one or more other Committee members. The Committee will then make a recommendation to the Board based on its review, the results of interviews with the candidate and all other available information.

In determining whether to nominate an incumbent director for reelection, the Committee will evaluate each incumbents continued service, in light of the Board's collective requirements, at the time such Director comes up for

reelection.

In determining whether to include a stockholder nominee in the Board's slate of nominees, the Committee will consider all information relevant in their business judgment to the decision of whether to nominate the particular candidate for a Board seat, taking into account the current composition of the Company's Board.

In addition to the foregoing, stockholders may nominate directors for election without consideration by the Committee so long as we are provided with proper notice of such nomination, which notice includes all the information required pursuant to

Regulation 14A under the Exchange Act including the consent to serve as a director. The Nominating Committee met twice during fiscal 2014.

#### Annual Meeting Attendance

We do not have a formal policy requiring members of our Board of Directors to attend annual meetings of our stockholders. Four Directors, Messrs. Robert Herlin, Gene Stoeve, Edward DiPaolo and William Dozier attended our 2013 Annual Meeting of Stockholders.

#### Leadership Structure of the Board

As prescribed by our bylaws, the Chairman of our Board of Directors has the power to preside at all meetings of the Board. Robert S. Herlin, our Chief Executive Officer, serves as the Chairman of our Board of Directors. The Board of Directors created the position of Lead Independent Director in 2012 and following each annual meeting thereafter, have elected Mr. DiPaolo to serve as Lead Independent Director until the next meeting of the Board of Directors following the 2014 Annual Meeting.

Our Chief Executive Officer is appointed by the Board to manage our daily affairs and operations. We believe that Mr. Herlin's extensive industry experience and direct involvement in our operations make him best suited to also serve as Chairman of the Board in order to (i) lead the Board in productive, strategic planning, (ii) determine necessary and appropriate agenda items for meetings of the Board with input from both our independent directors and management, and (iii) determine and manage the amount of time and information devoted to discussion and analysis of agenda items and other matters that may come before the Board. Our Board leadership structure also fosters strong oversight by our independent directors, with Mr. DiPaolo currently serving as our Lead Independent Director. Mr. Herlin is the only member of management who serves on the Board, and all of the other directors are fully independent. Each of the committees of the Board is comprised of and chaired by independent directors.

#### Meetings of Non-Management Directors

Our non-management Board members regularly meet in executive session outside the presence of management, generally at each Board meeting. Executive sessions of our outside directors are led by our Lead Independent Director, currently Mr. DiPaolo. These executive sessions may be attended by our outside legal counsel as requested by the non-management Board members. The Lead Independent Director is responsible for providing feedback regarding these meetings to the Chairman.

#### Risk Oversight

The Audit Committee discusses with management and the independent auditors the Company's major financial risk exposures (including potential or pending litigation) and steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. The Board has oversight of our risk management. The Board's role in risk oversight includes receiving regular reports from members of senior management on areas of material risk to us, including but not limited to operational, financial, personnel, information technology, environmental, legal and regulatory, strategic and reputational risks. The full Board receives these reports to enable the Board to understand our risk identification, risk management, and risk mitigation strategies. The Board also makes risk management an integral part of our annual strategic planning process, which addresses, among other things, the risks and opportunities facing us.

#### Compensation Committee Interlocks and Insider Participation

Messrs. Dozier, DiPaolo and Loyd served on the Compensation Committee of the Board during fiscal 2014. None of the members of the Compensation Committee was at any time during the last fiscal year an officer or employee of the Company. None of the Company's executive officers serves as a member of the board of directors or compensation committee of any other entity that has one or more executive officers serving as a member of the Company's Board of Directors or Compensation Committee.

#### Transactions with Related Parties

Laird Q. Cagan, a member of our Board of Directors until the 2013 Annual Meeting, is a Managing Director and co-owner of Cagan McAfee Capital Partners, LLC ("CMCP"). CMCP has performed financial advisory services to us pursuant to a written agreement amended in December 2008. Also pursuant to the Agreement, Mr. Cagan, as a registered representative of Colorado Financial Services Corporation and as a partner of CMCP, could serve as our placement agent in private equity financings, wherein CMCP could earn cash fees equal to 8% of gross equity proceeds, declining to 4% subject to the amount of equity raised through CMCP, and a fixed 4% warrant fee. Neither

Mr. Cagan nor CMCP have provided any advisory services since December 2008, or placement services since May 2006. On May 3, 2012, 65,261 shares of common stock were issued to

Mr. Cagan through a net cashless exercise of placement warrants. The placement warrants, which were issued to Mr. Cagan in 2004 in connection with a financing transaction, gave Mr. Cagan the right to purchase 91,200 shares, with a weighted average exercise price of \$1.00 per share. On June 12, 2013, 922 shares of common stock were issued to Mr. Cagan through a net cashless exercise of placement warrants. The placement warrants, which were issued to Mr. Cagan in 2004 in connection with a financing transaction, gave Mr. Cagan the right to purchase 1,165 shares, with a weighted average exercise price of \$2.25 per share. Mr. Cagan's term on the Board expired at the Annual Meeting held on December 5, 2013.

The Company has adopted policies and procedures for approval of related party transactions (a "Transaction"), which is set forth in our Code of Business Conduct and Ethics. The Audit Committee and the Board of Directors will be responsible for approving and negotiating the terms of such a proposed Transaction. If a Transaction involves a corporate opportunity, such opportunity must have been approved in writing by the Board. The Board has the authority to approve or disapprove the use of the rejected corporate opportunity by the individual who wants to utilize the opportunity that the Company has rejected. The Company will make all required disclosures as appropriate in its periodic or special filings.

#### Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including the principal executive officer, principal financial officer and principal accounting officer. It covers all areas of professional conduct, but not limited to, conflicts of interest, disclosure obligations, insider trading, confidential information, as well as compliance with all laws, rules and regulations applicable to Evolution's business. Confidential and anonymous reports of suspected or actual violations of our Code of Ethics should be directed to our Compliance Officer, Randall D. Keys, either by writing to him at 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042, or by calling him at (713) 935-0122. Reports of such violations would include, among other things:

- accounting practices, internal accounting controls, or auditing matters and procedures;
- theft or fraud of any amount;
- insider trading;
- performance and execution of contracts;
- conflicts of interest;
- violations of securities and antitrust laws; and
- violations of the Foreign Corrupt Practices Act.

You can access the latest copy of our Code of Business Conduct and Ethics on our website, [http://www.evolutionpetroleum.com/company\\_governance.html](http://www.evolutionpetroleum.com/company_governance.html). Or, to obtain a copy of Evolution's Code of Business Conduct and Ethics, without charge, any person may submit a written request to Evolution Petroleum Corporation, c/o Corporate Secretary, 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042.

#### Legal Proceedings

Currently, no director or executive officer, to our knowledge, is a party to any material legal proceeding adverse to the interests of the Company. Additionally, no director or executive officer has a material interest in a material proceeding adverse to the Company.

#### Stockholder Communications with the Board

Any stockholder can communicate with all directors or with specified directors by sending correspondence to our Corporate Secretary at 2500 CityWest Boulevard, Suite 1300, Houston, Texas 77042. All such letters will be forwarded to the entire Board or to the Director(s) specified by the stockholder.

#### COMPENSATION OF DIRECTORS

Except as noted, our directors receive compensation for serving on the board and for serving as committee members. Robert S. Herlin, who serves as the Chairman of the Board and Chief Executive Officer, receives no additional compensation for serving as a director or committee member.

The compensation plan for our outside directors constitutes a cash base retainer of \$40,000 per year, plus meeting fees of \$1,000 per day for board and committee meetings attended in person and \$500 per day for those meetings attended telephonic, with a maximum of one fee paid per day in total. The Chair of the Audit Committee, who also chairs the Dividend Committee, is paid an additional retainer of \$18,000 per annum, the Chair of the Compensation Committee is paid an additional retainer of \$12,000 per annum, and the Chair of the Nominating and Governance Committee is

paid an additional \$7,500 per annum. In addition to the cash retainers and fees, the outside directors receive a payment of restricted stock with a fair market value of

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\$50,000 per annum awarded as of the date of each annual stockholders meeting. These shares of restricted stock vest at the earlier of one year from the date of grant or the date of the next Annual Meeting. We also reimburse our non-employee directors for any direct expenses they incur in their capacity as directors, generally limited to travel costs related to board and committee meetings. Effective December 2015, meeting fees will increase to \$1,500 per day for board and committee meetings attended in person and \$1,000 per day for those meetings attended telephonic, with a maximum of one fee paid per day in total.

The following table sets forth a summary of the compensation the Company paid to its directors in fiscal 2014:

Director	Fees Earned or Paid in Cash(1)	Stock(2)
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