

ISRAMCO INC  
Form DEFA14A  
May 12, 2009

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 14A INFORMATION

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

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 Pursuant to (S)240.14a-11(c) or (S)240.14a-12

ISRAMCO, INC.  
(Name of Registrant as Specified in Its Charter)

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

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Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) 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:

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ISRAMCO, INC.  
4801 Woodway Drive, Suite 100E.  
Houston, Texas 770 56

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the 2009 annual meeting (the "Annual Meeting") of the stockholders of Isramco, Inc. (the "Company") will be held at the Company's offices at 4801 Woodway Drive, Houston, Texas, 77056, Suite 100E, on June 24, 2009 at 9:00 A.M., local time, for the following purposes:

- (i) to elect five directors of the Company to hold office until the next annual meeting of the stockholders and until their respective successors shall have been duly elected and qualified;
- (ii) to ratify the appointment of Malone Bailey, PC as the Company's independent public accounting firm for the year ending December 31, 2009; and
- (iii) to transact such other business as may properly come before the Annual Meeting and any adjournment thereof.

The Board of Directors has fixed the close of business on April 29, 2009, as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof. A complete list of stockholders entitled to vote at the meeting will be available for examination at the offices of the Company for ten (10) days prior to the meeting. Only stockholders of record at the close of business on April 29, 2009 (the "Record Date") are entitled to vote at the meeting.

We are using the Securities and Exchange Commission (the "SEC") rules that allow issuers to furnish proxy materials to their stockholders through the Internet. We believe these rules allow us to provide you with important information, while reducing the environmental impact of our annual meeting and lowering printing and delivery costs. In connection with this process, you may access our proxy materials at <http://www.amstock.com/proxyservices/viewmaterial.asp?CoNumber=03348> or as otherwise described in our accompanying proxy statement.

BY ORDER OF THE BOARD OF DIRECTORS

Haim Tsuff  
Chairman of the Board  
Chief Executive Officer

May 12, 2009

PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY AND PROMPTLY RETURN IT IN THE ENVELOPE PROVIDED. NO POSTAGE IS NECESSARY IF MAILED IN THE UNITED STATES.

ISRAMCO, INC.  
4801 Woodway Drive, Suite 100E.  
Houston, Texas 77056

PROXY STATEMENT

FOR THE ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 24, 2009

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “ Board of Directors ” or the “ Board ”) of Isramco, Inc., a Delaware corporation (the "Company") for use at the 2009 annual meeting (the "Annual Meeting") of the Company's stockholders (the "Stockholders") to be held at the Company's offices at 4801 Woodway Drive, Suite100E Houston, Texas 77056, on Thursday, June 24, 2009 at 9:00 A.M., local time, and any adjournment(s) thereof.

Our Board of Directors has made these proxy materials available to you on the Internet on or about April 30., 2009 at <http://www.amstock.com/proxyservices/viewmaterial.asp?CoNumber=03348> and on the website described in the Notice of Internet Availability of Proxy Materials (the “ Notice ”), mailed to stockholders of record and beneficial holders. Alternatively, upon your request, printed versions of these proxy materials will be delivered to you by mail, in connection with the Board of Directors’ solicitation of proxies for use at our 2009 Annual Meeting of Stockholders. Our stockholders are invited to attend the annual meeting and are requested to vote on the proposals described in this proxy statement. These proxy materials include: our proxy statement for (and notice of) the annual meeting; and our Annual Report on Form 10-K for the year ended December 31, 2008, which includes our annual audited financial statements for fiscal 2008. If you requested printed versions of these proxy materials by mail, these proxy materials also include our 2009 annual meeting proxy card or a voting information card for submitting your vote in writing to us or your broker, as the case may be.

Pursuant to rules adopted by the SEC, we have this year elected to provide stockholders with Internet access to our proxy materials. Doing so allows us to further our environmental objectives and the prudent use of resources by limiting waste generated from our annual meeting. Accordingly, we are sending the Notice to our stockholders of record and beneficial owners of our stock, and filing the Notice with the SEC, on or about May 14, 2009. In addition to our proxy materials being available for review at <http://www.amstock.com/proxyservices/viewmaterial.asp?CoNumber=03348>, instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. In addition, stockholders may request proxy materials in printed form by contacting us at our principal executive offices in Houston, Texas.

At the Annual Meeting, the Stockholders will be asked to:

- (i) elect five directors of the Company to hold office until the next annual meeting of the stockholders and until their respective successors shall have been duly elected and qualified;
- (ii) ratify the appointment of Malone & Bailey, PC ("M&B") as the Company's independent public accounting firm for the year ending December 31, 2009; and
- (iii) transact such other business as may properly come before the Annual Meeting and any adjournment thereof.

To have a valid meeting of the stockholders, a quorum of the Company's stockholders is necessary. A quorum shall consist of a majority of the shares of the Common Stock issued and outstanding and entitled to vote on the Record Date present in person or by proxy at the annual meeting. Stockholders who execute proxies retain the right to revoke them at any time by notice in writing to the Secretary of the Company, by revocation in person at the meeting or by presenting a later-dated proxy. Unless so revoked, the shares represented by proxies will be voted at the meeting. The shares represented by the proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein, but if no direction is given, such shares will be voted (i) FOR the election as directors of the nominees of the Board of Directors named below; (ii) FOR the ratification of the appointment of M&B as the Company's independent public accountants for the year ending December 31, 2009; and (iii) in the discretion of the proxies named in the proxy on any other proposals to properly come before the Annual Meeting or any adjournment(s) thereof.

## VOTING RIGHTS

All voting rights are vested exclusively in the holders of Common Stock. Only holders of Common Stock of record at the close of business on April 29, 2009 (the "Record Date") are entitled to receive notice of and to vote at the Annual Meeting. As of the Record Date, there were a total of 2,717,691 shares of Common Stock outstanding. Each holder of Common Stock entitled to vote at the Annual Meeting is entitled to one vote for each share held.

Stockholders representing a majority of the Common Stock issued and outstanding as of the Record Date, present in person or by proxy at the Annual Meeting, will constitute a quorum for the transaction of business at the Annual Meeting or any adjournment(s) thereof. Abstentions and shares held of record by a broker for which the broker has discretionary authority or instructions to vote the shares are counted as shares that are present at the annual meeting for purposes of determining a quorum. Assuming a quorum is present at the Annual Meeting for the particular proposal to be acted on, the affirmative vote of a plurality of the shares present in person or by proxy is required for approval of Proposal No. 1 (election of directors) and the affirmative vote of a majority of the shares in person or by proxy is required for approval of Proposal No. 2 (ratification of independent public accountants). If you hold shares in a brokerage account, then:

- With respect to Proposal No. 1 (Election of Directors), your broker is entitled to vote your shares on these matters if no instructions are received from you. Abstentions may not be specified as to the election of directors, but you may withhold your vote as to any nominee.
- With respect to Proposal No. 2 (Ratification of the Appointment of the Independent Auditor), your broker is entitled to vote your shares on these matters if no instructions are received from you. Abstentions will be counted as votes against Proposal No. 2.

Now with the multiple avenues of voting, you would typically find a description of the mechanics of how stockholders can vote (internet, phone, mail, in person). An example follows:

### How Can I Vote Without Attending the Annual Meeting?

There are three convenient methods for registered stockholders to direct their vote by proxy without attending the Annual Meeting:

- **Vote by Internet.** You can vote via the Internet. The website address for Internet voting is provided on your Notice or proxy card. You will need to use the control number appearing on your Notice or proxy card to vote via the Internet. You can use the Internet to transmit your voting instructions up until 11:59 P.M. Eastern Time on Tuesday, June 23, 2009. Internet voting is available 24 hours a day. If you vote via the Internet you do NOT need to vote by telephone or return a proxy card.
- **Vote by Telephone.** You can also vote by telephone by calling the toll-free telephone number provided on the Internet link on your Notice or on your proxy card. You will need to use the control number appearing on your Notice or proxy card to vote by telephone. You may transmit your voting instructions from any touch-tone telephone up until 11:59 P.M. Eastern Time on Tuesday, June 23, 2009. Telephone voting is available 24 hours a day. If you vote by telephone you do NOT need to vote over the Internet or return a proxy card.
- **Vote by Mail.** If you received a printed copy of the proxy card, you can vote by marking, dating and signing it, and returning it in the postage-paid envelope provided. Please promptly mail your proxy card to ensure that it is received prior to the closing of the polls at the Annual Meeting.



## SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth certain information, as of the Record Date, concerning the ownership of the Common Stock by (a) each of the Company's directors and Named Executive Officers (as defined under "Executive Compensation"); and (b) all current directors, officers and significant employees of the Company as a group.

Name of Beneficial Owner (1)	Number of Shares Percent of Beneficially Owned (2)	Common Stock (2)
Haim Tsuff, Chairman and CEO	1,625,170(3) (4) (5) (6) (7)	59.80%
Naphtha Holdings Ltd.	1,315,222(4)	48.39%
Naphtha Israel Petroleum Corp.	1,315,222(4)	48.39%
United Kingsway Ltd.	1,315,222(4)	48.39%
YHK Investment L.P.	1,315,222(4)	48.39%
J.O.E.L. Jerusalem Oil Exploration Ltd.	1,315,222(4)	48.39%
Equital Ltd.	1,315,222(4)	48.39%
Naphtha Exploration LP	42,466(5)	*
I.O.C. Dead Sea LP.,	69,702(6)	*
Isramco – Negev 2 Limited Partnership	136,101(7)	5.01%
Jackob Maimon, President and Director	16,159	*
Yossi Levy, President of the Company's U.S. based subsidiaries	-	*
Max Pridgeon, Director	--	*
Frans Sluiter, Director (8)	--	*
Michelle R. Cinnamon, Director	--	--
Marc E. Kalton, Director	--	--
All directors and officers as a group (6 persons) (9)	1,641,329	60.39%

\* Less than 1%





(1) Unless otherwise specified, the address of such person is c/o Isramco, Inc., 4801 Woodway Drive, Suite 100E Houston, Texas 77056

(2) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the "SEC") and generally includes voting or investment power with respect to securities. In accordance with SEC rules, shares of Common Stock issuable upon the exercise of options or warrants which are currently exercisable or which become exercisable within 60 days of the Record Date are deemed to be beneficially owned by, and outstanding with respect to, the holder of such option or warrant. Except as indicated by footnote, and subject to community property laws where applicable, to the knowledge of the Company, each person listed is believed to have sole voting and investment power with respect to all shares of Common Stock owned by such person.

(3) Haim Tsuff, the Company's Chairman and Chief Executive Officer, holds directly 61,679 shares of the Company. In addition, based on the discussion below in Notes 4, 5, 6 and 7 below he may be deemed to control an additional 1,563,491 shares of Common Stock.

(4) Naphtha Israel Petroleum Corp. ("Naphtha Petroleum"), an Israeli public company whose shares are traded on the Tel Aviv Exchange, holds all of the outstanding voting shares of Naphtha Holdings Ltd. ("Naphtha Holdings"), a private Israeli company. Haim Tsuff, the Company's Chairman and Chief Executive Officer, may be deemed to beneficially own any shares held by Naphtha Holdings within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended, by virtue of the control that he exercises over Naphtha Petroleum. The nature Mr. Tsuff's control over Naphtha Petroleum is described in the succeeding paragraphs.

Mr. Tsuff holds all of the outstanding voting shares of United Kingsway Limited ("United Kingsway"), a BVI private company. He also serves as the sole director of United Kingsway. United Kingsway holds 74% of the outstanding membership interests in each of YHK Investment L.P. ("YHK LP"), an Israeli limited partnership and YHK General Manager Ltd. ("YHK Manager"), a private Israeli company which serves as the general partner of YHP LP. Mr. Tsuff's father serves as a director of YHK Manager. YHK LP holds 44.5% of the outstanding voting securities of Equital Ltd. ("Equital"), an Israeli public company listed on the Tel Aviv Exchange.

Equital holds 33% of the outstanding voting securities of J.O.E.L. - Jerusalem Oil Exploration Ltd. ("JOEL"), a public company Israeli company. Three (3) out of a total of six (6) of the current directors of JOEL are entities which are controlled by Equital. Pursuant to JOEL's Articles of Association, none of these directors may be removed by a vote of less than the holders of 75% or more of JOEL's outstanding securities.

JOEL holds 67.6% of the outstanding voting securities Naphtha Petroleum which, as noted above, holds all of the outstanding voting securities of Naphtha Holdings.

The 1,315,222 shares of common stock referred to in the table above are held solely in the name of Naphtha Holdings. None of United Kingsway, YHP LP, YHK Manager, Equital or JOEL holds, directly, any shares of the Company's Common Stock.

(5) Haim Tsuff, the Company's Chairman and Chief Executive Officer, may be deemed to control the shares held directly by Naphtha Exploration LP., an Israeli limited partnership listed on the Tel Aviv Exchange in which the general partner is Naphtha Partnerships Management Ltd. Naphtha Partnerships Management Ltd. is fully owned and controlled by I.O.C Israel Oil Company Ltd. ("I.O.C."), which in turn is fully owned and controlled by Naphtha Petroleum.

(6) Haim Tsuff, the Company's Chairman and Chief Executive Officer, may be deemed to control the shares held directly by I.O.C. Dead Sea LP., an Israeli limited partnership listed on the Tel Aviv Exchange in which the general partner is IOC Partnerships Management Ltd. IOC Dead Sea Limited Partnerships Management Ltd. is fully owned

and controlled by I.O.C., which in turn is fully owned and controlled by Naphtha Petroleum

(7) Isramco Negev 2 Limited Partnership (“Isramco Negev 2”) is an Israeli limited partnership listed on the Tel Aviv Exchange. The general partner of Isramco Negev 2 is Isramco Oil & Gas Ltd., a private Israeli company which is fully owned and controlled by I.O.C., a private Israeli fully controlled by Naphtha Petroleum. Based on the discussion in Note 4 above, Haim Tsuff, the Company’s Chairman and Chief Executive Officer, may be deemed to beneficially own any shares held by Isramco Negev 2 within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934, as amended, by virtue of the control that he exercises over Naphtha Petroleum

(8) Mr. Sluiter resigned on September 10, 2008.

(9) See Notes 3 through 8 above.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information for the fiscal year ended December 31, 2008 and 2007 concerning compensation of (1) all individuals serving as our principal executive officer during the fiscal year ended December 31, 2008 and (2) the two other most highly compensated executive officers of the Company who were serving as executive officers as of December 31, 2008 (collectively, the "Named Executive Officers"):

	STOCK	ALL OTHER
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