

POSCO  
Form 6-K  
November 19, 2009

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 6-K  
REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15D-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934  
For the month of November, 2009  
Commission File Number: 1-13368  
POSCO**

(Translation of registrant's name into English)  
POSCO Center, 892 Daechi 4-dong, Kangnam-gu, Seoul, Korea, 135-777  
(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

[If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) : 82-\_\_\_\_\_.]

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SIGNATURES

EX-99.1

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POSCO is furnishing under cover of Form 6-K :

Exhibition 99.1 : An English-language translation of documents with respect to the **3Q 2009 Quarterly Report**

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**SIGNATURES**

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

**POSCO**  
(Registrant)

Date November 18, 2009

By /s/ Lee, Dong-Hee  
(Signature)\*

\*Print the name and title under the signature of the signing officer.

Name: Lee, Dong-Hee  
Title: President

"margin-left: 0%; margin-right: 0%; text-indent: 4%; font-size: 10pt; font-family: 'Times New Roman', Times; color: #000000; background: #FFFFFF"> The Plan authorizes 7,074,252 shares of common stock to be used for awards. As of December 31, 2007, approximately 2.2 million shares had been awarded as restricted stock subject to vesting periods of one, four and seven years (other than shares cancelled or forfeited), and 4.9 million shares, representing 3.46% of the outstanding shares of common stock as of December 31, 2007, are available to be used for future awards. If an award made under the Plan expires, terminates or is forfeited, cancelled, settled in cash without issuance of shares of common stock covered by the award, or if award shares are used to pay for other award shares, those shares will be available for future awards under the Plan.

***Eligibility***

Our employees, directors and consultants may be selected by the Compensation Committee to receive awards under the Plan. In the discretion of the Compensation Committee, an eligible person may receive an award in the form of a stock option, stock appreciation right, restricted stock award, phantom stock, other stock-based award or any combination thereof, including a cash-based award. More than one award may be granted to an eligible person.

***Stock Options***

The Plan authorizes the award of both non-qualified and incentive stock options ( ISO ). Under the Plan and pursuant to awards made thereunder, common stock may be purchased at a fixed exercise price during a specified time. Unless otherwise provided in the award agreement, the exercise price of each share of common stock covered by a stock option shall not be less than the fair market value of the common stock on the date of the grant of such stock option, and one-third (1/3) of the shares covered by the stock option shall become exercisable on the first anniversary of its grant and an additional one-third (1/3) of such shares shall become exercisable on each of the second and third anniversaries of its grant. A limited number of options and stock appreciation rights may be granted with an exercise price below fair market value on the date of grant, but not less than 75% of fair market value.

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Under the Plan, an ISO may be exercised at any time during the exercise period established by the Compensation Committee, except that (i) no ISO may be exercised more than three months after employment with us terminates by reason other than death or disability and (ii) no ISO may be exercised more than one year after employment with us terminates by reason of death or disability. The aggregate fair market value (determined at the time of the award) of the common stock with respect to which ISOs are exercisable for the first time by any employee during any calendar year may not exceed \$100,000. The term of each ISO is determined by the Compensation Committee, but in no event may such term exceed 10 years from the date of grant (or five years in the case of ISOs granted to stockholders owning 10% or more of our outstanding shares of common stock). The exercise price of ISOs cannot be less than the fair market value of the common stock on the date of the grant (or 110% of the fair market value of the common stock on the date of grant in the case of ISOs granted to stockholders owning 10% or more of our outstanding shares of common stock). The exercise price of options may be paid in cash, in shares of common stock through a cashless exercise program with previously owned common stock or by such other methods as the Compensation Committee deems appropriate.

### ***Stock Appreciation Rights***

The Plan authorizes the grant of stock appreciation rights ( SARs ). The SARs may be granted either separately or in tandem with options. An SAR entitles the holder to receive an amount equal to the excess of the fair market value of a share of common stock at the time of exercise of the SAR over the option exercise price or other specified amount (or deemed option price in the event of an SAR that is not granted in tandem with an option), multiplied by the number of shares of common stock subject to the option or deemed option as to which the SAR is being exercised (subject to the terms and conditions of the option or deemed option). An SAR may be exercised at any time when the option or deemed option to which it related may be exercised and will terminate no later than the date on which the right to exercise the tandem option (or deemed option) terminates (or is deemed to terminate).

### ***Restricted Stock***

Restricted stock awards are grants of common stock made to eligible persons subject to restrictions, terms and conditions as established by the Compensation Committee. The grants of restricted stock are issued and outstanding shares from the date of the grant, but subject to forfeiture. An eligible person will become the holder of shares of restricted stock free of all restrictions if he or she complies with all restrictions, terms and conditions. Otherwise, the shares will be forfeited. The eligible persons will not have the right to vote the shares of restricted stock until all restrictions, terms and conditions are satisfied. Beginning in July 2007, we granted restricted stock awards pursuant to an agreement whereby the recipient agreed not to vote shares that have not vested.

### ***Other Stock Based Awards***

The Compensation Committee may grant other stock based awards, upon such terms as it may elect.

### ***Dollar-Denominated Awards***

The Compensation Committee may grant an award in terms of a specific dollar amount on such terms as it may elect. Upon the vesting of such award, the award earned may be paid in cash, stock or any combination thereof as the Compensation Committee may choose.

### ***Adjustments***

In the event of any changes in the outstanding shares of common stock by reason of any stock dividend, split, spin off, recapitalization, merger, consolidation, combination, exchange of shares or other similar change, the aggregate

number of shares with respect to which awards may be made under the Plan, and the terms and the number of shares of any outstanding option, restricted stock or other stock-based award, may be equitably adjusted by the Compensation Committee in its sole discretion.

**Table of Contents*****Change of Control***

Upon a change in control, which is defined in the Plan to include certain third-party acquisitions of 50% or more of our then outstanding common stock or the combined voting power of the then outstanding common stock entitled to vote generally in the election of directors, changes in the composition of the Board of Directors, stockholder approval of certain significant corporate transactions such as a reorganization, merger, consolidation, sale of assets or the liquidation or dissolution of the company, the Board of Directors may take any action with respect to outstanding awards under the Plan as it deems appropriate, which action may vary among awards granted to individual participants.

***Administration***

The Plan is administered by the Board of Directors or, if directed by the Board of Directors, the Compensation Committee. The Compensation Committee makes determinations with respect to the participation of employees, directors and consultants in the Plan and, except as otherwise required by law or the Plan, the grant terms of awards, including vesting schedules, retirement and termination rights, payment alternatives such as cash, stock, contingent award or other means of payment consistent with the purposes of the Plan, and such other terms and conditions as the board or the Compensation Committee deems appropriate. The Compensation Committee has the authority at any time to provide for the conditions and circumstances under which awards shall be forfeited. The Compensation Committee has the authority to accelerate the vesting of any award and the time at which any award becomes exercisable.

***Termination and Amendment***

The Board of Directors may at any time terminate the Plan or from time to time make such modifications or amendments of the Plan as it may deem advisable; provided, however, that the Board of Directors shall not make any amendments to the Plan which require stockholder approval under applicable law, rule or regulation unless approved by the requisite vote of our stockholders. No termination, modification or amendment of the Plan may adversely affect the rights conferred by an award without the consent of the recipient thereof.

**DIRECTOR COMPENSATION**

Directors who also serve as employees receive no compensation for serving on our Board of Directors. Non-employee directors receive a \$50,000 retainer and \$12,500 for each of the four regular meetings of the Board of Directors attended by such director. In addition, in 2007, certain non-employee directors received an annual restricted stock grant in the amount of \$100,000 based on the fair market value of common stock at the date of grant, which will vest in 25% increments on each of the first four anniversaries following the date of grant.

The following table sets forth the aggregate compensation awarded to, earned by or paid to our directors during 2007.

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards</b>	<b>Total</b>
William A. Gilliland	\$ 100,000(1)	\$ 29,215(3)	\$ 129,215
Daniel W. Jordan	\$ 100,000(2)	\$ 30,564(3)	\$ 130,564
Roy T. Oliver, Jr.	\$ 100,000(4)	\$ 29,215(3)	\$ 129,215
Stuart W. Ray	\$ 62,500(5)	\$	\$ 12,500
D. Dwight Scott	\$ 87,500(6)	\$	\$ 87,500



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Jeffrey S. Serota	\$ 87,500(7)	\$	\$ 87,500
N. Malone Mitchell, 3rd	\$ 75,000(8)	\$	\$ 75,000

(1) Consists of (i) \$50,000 received as a retainer for one year of service as a non-employee director, and (ii) \$50,000 for attending four meetings during 2007.

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- (2) Consists of (i) \$50,000 received as a retainer for one year of service as a non-employee director, and (ii) \$50,000 for attending four meetings during 2007.
- (3) Includes the dollar amount of compensation expense we recognized for the fiscal year ended December 31, 2007 in accordance with FAS 123R. Pursuant to SEC rules and regulations, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. These amounts reflect our accounting expense for these awards, and do not correspond to the actual value that will be recognized by our directors. Assumptions used in the calculation of these amounts are included in Note 18 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2007. As of December 31, 2007, the number of shares of stock held by each non-employee director was: Mr. Gilliland 1,349,878; Mr. Jordan 1,001,389 and Mr. Oliver 1,001,389.
- (4) Consists of (i) \$50,000 received as a retainer for one year of service as a non-employee director and (ii) \$50,000 for attending four meetings during 2007.
- (5) Consists of (i) \$50,000 received as a retainer for one year of service as a non-employee director and (ii) \$12,500 for attending one meeting in 2007.
- (6) Consists of (i) \$37,500 received as a retainer prorated for length of service as a non-employee director and (ii) \$50,000 for attending four meetings during 2007.
- (7) Consists of (i) \$37,500 received as a retainer prorated for length of service as a non-employee director and (ii) \$50,000 for attending four meetings during 2007.
- (8) Consists of (i) \$50,000 received as a retainer for one year of service as a non-employee director and (ii) \$25,000 for attending two meetings during 2007.

***Indemnification***

We have entered into indemnification agreements with all of our directors and executive officers. These indemnification agreements are intended to permit indemnification to the fullest extent now or hereafter permitted by the General Corporation Law of the State of Delaware. It is possible that the applicable law could change the degree to which indemnification is expressly permitted.

The indemnification agreements cover expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred as a result of the fact that such person, in his or her capacity as a director or officer, is made or threatened to be made a party to any suit or proceeding. The indemnification agreements generally cover claims relating to the fact that the indemnified party is or was an officer, director, employee or agent of us or any of our affiliates, or is or was serving at our request in such a position for another entity. The indemnification agreements also obligate us to promptly advance all reasonable expenses incurred in connection with any claim. The indemnitee is, in turn, obligated to reimburse us for all amounts so advanced if it is later determined that the indemnitee is not entitled to indemnification. The indemnification provided under the indemnification agreements is not exclusive of any other indemnity rights; however, double payment to the indemnitee is prohibited.

We are not obligated to indemnify the indemnitee with respect to claims brought by the indemnitee against:

the Company, except for:

claims regarding the indemnitee's rights under the indemnification agreement;

claims to enforce a right to indemnification under any statute or law; and counter-claims against us in a proceeding brought by us against the indemnitee; or

any other person, except for claims approved by our Board of Directors.

We have also agreed to obtain and maintain director and officer liability insurance for the benefit of each of the above indemnitees. These policies include coverage for losses for wrongful acts and omissions and to ensure our performance under the indemnification agreements. Each of the indemnitees is named as an insured under such policies and provided with the same rights and benefits as are accorded to the most favorably insured of our directors and officers.

**Table of Contents*****Web Access***

We provide access through our website at <http://www.sandridgeenergy.com> to current information relating to governance, including a copy of each board committee charter, our Code of Conduct, our corporate governance guidelines and other matters impacting our governance principles. You may also contact our Chief Financial Officer for paper copies of these documents free of charge.

**RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
(Proposal Two)**

We intend to engage PricewaterhouseCoopers LLP to audit our financial statements for fiscal year 2008. PricewaterhouseCoopers LLP audited our financial statements for fiscal year 2007 and the decision to retain PricewaterhouseCoopers LLP has been approved by the Audit Committee, under the authority granted to it by the Board of Directors.

A representative of PricewaterhouseCoopers LLP is expected to attend the 2008 Stockholders Meeting and will have the opportunity to make a statement, if he or she so desires, and will be available to respond to appropriate questions of stockholders.

**Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

During the two most recent fiscal years of the Company and any subsequent interim periods, there were no disagreements between the Company and PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PricewaterhouseCoopers LLP, would have caused it to make reference to the subject matter of the disagreements in connection with its report.

**Audit Fee Summary**

Set forth below is a summary of the total fees paid to our independent registered public accounting firm, PricewaterhouseCoopers LLP, for fiscal years 2007 and 2006. These fees consisted of:

	<b>2007</b>	<b>2006</b>
	<b>(In thousands)</b>	
Audit Fees	\$ 1,684	\$ 1,430
Audit-Related Fees	78	65
Tax Fees	512	260
All Other Fees		
Total	\$ 2,274	\$ 1,755

*Audit Fees.* Audit fees consist primarily of the audit and quarterly reviews of the consolidated financial statements, assistance with and review of documents filed with the SEC and work performed by tax professionals in connection with the audit and quarterly reviews.

*Audit-Related Fees.* Audit-related fees consist primarily of due diligence, consultation regarding financial accounting and reporting standards and the audit of internal controls in order to comply with the Sarbanes-Oxley Act of 2002.

*Tax Fees.* Tax fees include all services performed by the firm's tax division other than those related to the audit of financial statements.

*All Other Fees.* Other fees consist primarily of all fees billed for products and services provided by the firm other than those reported above.

If the selection of PricewaterhouseCoopers LLP is ratified, we estimate that the total amount of fees we will pay to PricewaterhouseCoopers LLP during fiscal year 2008 will be between \$1,435,000 and \$1,685,000.

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The Audit Committee is responsible for approving in advance any audit services and all permitted audit-related services, tax services, and other non-audit services to be performed by the independent registered public accounting firm. The Audit Committee may delegate its pre-approval authority for these services to one or more members, whose decisions shall be presented to the full Audit Committee at its scheduled meetings. Each of these services must receive specific pre-approval by the Audit Committee unless the Audit Committee has provided general pre-approval for such category of services in accordance with policies and procedures that comply with applicable laws and regulations.

## **Vote Required**

A majority of the votes represented at the annual meeting must be cast **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm in order for such ratification to be approved at the annual meeting. Abstentions and broker non-votes are not counted as votes cast with respect to the proposal.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE SELECTION OF PRICEWATERHOUSECOOPERS LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2008.**

## **RELATED PARTY TRANSACTIONS**

The following is a discussion of transactions between us and our officers, directors and beneficial owners of more than 5% of our common stock. During the fourth quarter of 2007, we adopted a written policy requiring any related party transaction (as defined below) to be reviewed and approved by the disinterested members of our Board of Directors. A related party transaction is a transaction, proposed transaction, or series of similar transactions, in which (a) we are a participant, (b) the amount involved exceeds \$120,000 and (c) a related person (as defined below) has or will have a direct or indirect material interest. A related person is (i) any person who is, or at any time since the beginning of our last fiscal year was, a director, executive officer, or nominee to become a director, (ii) a person known to be the 5% beneficial owner of any class of our voting securities, (iii) an immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer, nominee for director or more than 5% beneficial owner, and (iv) any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee for director or more than 5% beneficial owner. The written policy includes factors for disinterested board members to consider in exercising their judgment including terms of the transaction with the related party, availability of comparable products or services from unrelated third parties, terms available from unrelated third parties and the benefits to us.

## ***Well Participation Plan***

On June 8, 2006, we adopted the Well Participation Program (the "WPP") which permitted Messrs. Ward and Mitchell to participate as working interest owners in the wells that we drill in the future. The WPP was adopted at a time when Mr. Ward proposed to become a significant stockholder of the Company. Our Board of Directors' view was that drilling participation by senior management with significant ownership in us was in our best interest. The payment of proportionate costs of drilling of these wells is similar to a "heads up" drilling participation that we may, from time to time, enter into with unaffiliated industry participants on specific wells. Mr. Mitchell ceased to participate in the WPP upon his resignation, effective December 31, 2006. On September 21, 2007, Mr. Mitchell agreed to sell us all of his interests under the WPP. Please see "Other Transactions with N. Malone Mitchell, 3rd." Mr. Ward remains a participant in the WPP.

Under the WPP, Mr. Ward is permitted to participate in all of the Program Wells, as defined in the WPP, spudded by or on behalf of SandRidge during each calendar year. In order to participate, at least 30 days prior to the beginning of each year, Mr. Ward must provide written notice to the members of the Board of Directors of his election to participate in the WPP and the percentage working interest which the participant proposes to participate with during the year. Mr. Ward's working interest percentage may not exceed a 3.0% working interest. Mr. Mitchell participated for a 2.0% working interest from June 8, 2006 through December 31, 2006,

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his effective date of resignation as an officer of SandRidge. Mr. Ward does not participate in any well where our working interest after Mr. Ward's participation would be reduced to below 12.5%. If Mr. Ward fails to provide notice of his election to participate or of the working interest percentage, the amount of the working interest percentage for the relevant calendar year will be deemed to be equal to the working interest percentage for the immediately preceding calendar year. Mr. Ward has participated for a 3.0% working interest in 2006 and 2007 and elected to a 3.0% working interest for 2008.

The WPP is administered and interpreted by the Compensation Committee. In addition, the Board of Directors, in its sole discretion, may take any action with respect to the WPP that would otherwise be the responsibility of or delegated to the Compensation Committee. The Board of Directors has the right to suspend or terminate the WPP after December 31, 2015 by providing written notice of termination to Mr. Ward one year before the effective date of such termination. Mr. Ward's right to participate in the WPP during any calendar year will terminate on the earlier of (1) December 31 of such year; (2) the termination of Mr. Ward's employment by us for cause or death; or (3) the expiration or termination of any and all covenants not to compete subsequent to the termination of Mr. Ward for any reason not included in the foregoing clause (2).

Mr. Ward's working interest percentage cannot be changed during any calendar year without the prior approval of the Compensation Committee. Participation by Mr. Ward under the WPP is conditioned on his participation in each Program Well spudded during the calendar year in an amount equal to the greater of the elected working interest percentage or his prior interest in the drilling unit for such Program Well.

The amount paid by Mr. Ward for the acreage assigned in connection with his participation in the WPP is computed as of the first day of each calendar year and is equal to the following amount computed on a per acre basis: (1) all direct third-party costs paid by the Company Entities (as defined in the WPP) and capitalized in the appropriate accounting pool in accordance with our accounting procedures (including capitalized interest, leasehold payments, acquisition costs, landman charges and seismic charges); divided by (2) the acreage in the applicable pool. The acreage charge amount is recomputed by us as of the first day of each calendar year and submitted to the Compensation Committee for approval. All other costs for Program Wells are billed in accordance with our accounting procedures applicable to third-party participants pursuant to any applicable joint operating agreement or exploration agreement relating to a particular Program Well. Notwithstanding anything to the contrary, in each case the participant's participation in a Program Well will be on no better terms than the terms agreed to by unaffiliated third-party participants in connection with the participation in such Program Well or similar wells operated by the Company Entities.

During 2006, Messrs. Ward and Mitchell were invoiced \$1,951,904 and \$1,592,136, respectively, for their share of costs for their interests in Program Wells, and received oil and gas revenues from their interests in Program Wells totaling \$17,560 and \$11,707 respectively. During 2007, Messrs. Ward and Mitchell were invoiced \$23,531,380 and \$4,154,701, respectively, for their share of costs for their interests Program Wells, and received oil and gas revenues from all of their interests in all Program Wells, including Program Wells drilled in 2006, totaling \$2,333,549 and \$1,043,420, respectively. Mr. Mitchell has sold us all of his interests under the WPP. Please see the Other Transactions with N. Malone Mitchell, 3rd.

### ***Employee Participation Plan***

We adopted an Employee Participation Plan in December 2005 that allowed certain employees to participate in the drilling of natural gas and oil wells of our company for up to 5% of our interest in the well. Before that date, a similar plan was informally administered. Our Board of Directors' view was that drilling participation by these key employees was in our best interest. We provided certain employees, including our named executive officers, an allowance to participate in these wells. These allowances were funded by us and treated as compensation. Participating employees were all entitled to invest amounts in addition to the Company funded allocations under the plan. The purpose of the



plan was to associate the interest of our employees with the stockholders, maintain competitive compensation levels and provide an incentive for employees to continue employment with us. The plan was terminated effective for all wells drilled on or after May 1, 2006. From January 1, 2006 through the termination of the plan, we awarded \$707,000 in allowances under the plan, including \$35,000 for each of Mr. Gaines and Ms. Pope and \$42,000 for each of Mr. Dutton

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and Mr. McCann. These allowances were treated as coupons from the Company. Following the termination of the plan, all interests in the plan were assigned to the applicable participant and no further payments were made pursuant to the plan.

No current executive officers of the Company participated in the Employee Participation Plan. During 2006, the following former executive officers were invoiced or assessed compensatory allowances for costs for their interests in the plan wells: Ms. Pope \$98,399; Mr. Dutton \$83,184; Mr. Gaines \$46,902; Mr. McCann \$338,635; and each of these former executive officers received oil and gas revenues from their interests in all plan wells, including interests in plan wells drilled in prior years, in the following amounts: Ms. Pope \$65,439; Mr. Dutton \$18,491; Mr. Gaines \$9,746; Mr. McCann \$250,178.

During the first six months of 2007, the following former executive officers were invoiced for costs for their interests in the plan wells: Ms. Pope \$11,485; Mr. Dutton \$5,351; Mr. Gaines \$3,287; Mr. McCann \$43,879; and each of these former executive officers received oil and gas revenues from their interests in plan wells, including interests in wells drilled in prior years, in the following amounts: Ms. Pope \$30,826; Mr. Dutton \$10,378; Mr. Gaines \$6,539; Mr. McCann \$152,640. Following their departure from the Company in 2007, the Company purchased the interests in all plan wells from three of the former executive officers in negotiated acquisitions for the following cash payments: Ms. Pope \$201,581; Mr. Dutton \$75,394; Mr. Gaines \$53,534.

### ***Private Placements***

Affiliates of Mr. Ward and Mr. Mitchell purchased securities in our November 2006 and March 2007 private placements. Affiliates of Mr. Ward purchased 262,857 shares of our convertible preferred stock in our November 2006 private placement for \$210 per share and 3,409,957 shares of common stock in our March 2007 private placement for \$18 per share. Affiliates of Mr. Mitchell purchased 47,619 shares of our convertible preferred stock in our November 2006 private placement for \$210 per share and 4,548 shares of common stock in connection with a preemptive right in our March 2007 private placement for \$18 per share. These purchases were on identical terms and at identical prices as purchases made by independent third parties.

### ***Other Transactions With N. Malone Mitchell, 3rd***

Mr. Mitchell, our former Chairman, Chief Executive Officer and President, and his family, on September 30, 2005, traded 2.5% of our then outstanding common stock to us for our 100% interest in Longfellow Ranch Partners, LP ( Longfellow ). The purpose of this transaction was to separate the Longfellow ranch operations from our ongoing energy operations. While this transaction was approved by our Board of Directors and a majority of our stockholders, none of our directors at that time were disinterested and Mr. Mitchell controlled a majority of our outstanding common stock. Because of the unique nature of the transaction and the fact that none of our current officers or directors were officers or directors of the company at that time, we are unable to determine whether this transaction was on terms similar to those obtainable from third parties. Longfellow owns surface or minerals or royalty under a significant amount of our exploration and development lands in West Texas, including the WTO. We have natural gas and oil leaseholds that cover all of Longfellow's minerals. Under the leases, we will pay Longfellow royalties, based on production. The lease is for a seven-year primary term ending in 2012, with the option of extending the primary term another three years by paying a predetermined bonus that we feel is at or below current market value. The lease royalty is paid on a tiered basis, 20% for wells completed before 2009, 22.5% for wells completed between January 1, 2009 and October 1, 2012, and 25% for wells completed after October 1, 2012 and is locked in for the life of the well. At the end of the primary term (whether in 2012 or 2015, if extended), the lease will break into approximately 3,000-acre tracts, and each tract will be subject to a 120-day continuous development clause. We also are party to a surface use agreement with Longfellow for use of the surface of the Longfellow Ranch. Under this agreement, we pay Longfellow fees, pursuant to a set schedule, for use of the surface for our natural gas and oil operations and for

damages and rights of way. We believe the rates are equivalent to, or less than, the rates paid to other landowners in the area. As described below, this agreement was amended and restated on September 21, 2007. For 2003, 2004 and the nine months ended September 30, 2005, when operations were discontinued, income (loss) from Longfellow's operations were (\$128,000), \$683,000 and \$638,000,

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respectively. These numbers included, among other things, royalties, damages and agricultural operations on the lands, minerals and royalties now indirectly owned by the Mitchell family. For the last three months of 2005, the year ended 2006, and 2007, we paid Longfellow \$1,019,710, \$4,156,082 and \$7,755,166, respectively.

On November 29, 2007, pursuant to a letter agreement with Mr. Mitchell, Longfellow and certain of his affiliates, we purchased certain natural gas and oil working interests from Mr. Mitchell for a cash purchase price of \$32 million. These natural gas and oil interests included the interests located on the West Ranch, a ranch adjacent to Longfellow Ranch recently acquired by Mr. Mitchell. The natural gas and oil interests also included all other working interests of Mr. Mitchell and his affiliates in wells and leasehold acreage owned or operated by us or our affiliates, including interests owned through our Well Participation Program. For the years 2004, 2005, 2006 and 2007, we paid Mr. Mitchell \$147,000, \$170,963, \$140,538 and \$18,183, respectively, in connection with his ownership interest in these assets. In connection with the letter agreement, we also entered into an amended and restated surface use and rights agreement regarding our access and use of the surface of lands owned by Mr. Mitchell in connection with our natural gas and oil interests on such lands.

The disinterested members of our Board of Directors determined that the transactions contemplated by the letter agreement, including the amended and restated surface use agreement, are on terms not materially less favorable than those that might reasonably have been obtained in a comparable transaction on an arms-length basis from a party that is not our affiliate and are fair to us from a financial point of view. Simultaneously with the execution of the letter agreement, Mr. Mitchell resigned as a director.

In August 2006, Mr. Mitchell acquired our interest in entities which owned Stockton Plaza, a commercial shopping center located in Fort Stockton, Texas, a restaurant franchise, and other non-core assets and investments, for an aggregate purchase price of \$6,128,899. This transaction was determined to be in our best interests by the disinterested members of our Board of Directors and we believe it to be on terms similar to those available from unaffiliated third parties.

On May 2, 2007, we acquired oil and gas leaseholds on mineral interests held by the State of Texas underlying surface properties owned by Longfellow. Under Texas law, Longfellow executed these leases as agent for the State of Texas and is entitled to receive one-half of the payments made to the lessor under the leases. As a result, we paid Longfellow \$8.3 million for its share of lease bonus payments. The terms of these lease transactions were similar to other State of Texas lease transactions that we negotiated in the ordinary course of our business with third party surface owners for nearby leaseholds. Our senior officers negotiated the terms of the lease transactions at arms length with Mr. Mitchell, acting as an officer of Longfellow in its capacity as agent for the State of Texas, and the transactions were approved by the disinterested members of our Board of Directors.

### ***Other Transactions With Daniel W. Jordan***

Mr. Jordan, a director and our former Vice President, Business, has participated in projects since 2000. In March 2006, we acquired Mr. Jordan's 12.5% interest in PetroSource for \$5,489,401. In July 2006 we acquired Mr. Jordan's interests in our producing natural gas and oil properties for \$9,000,000. For the years 2004, 2005, 2006 and 2007, we recognized the capital contributions from Mr. Jordan related to our drilling projects of \$4,274,000, \$5,670,081, \$2,397,188 and \$324,950, respectively. For the same periods, we paid Mr. Jordan \$1,532,000, \$2,113,020, \$1,496,598 and \$6,156, respectively. From August 2002 until October 2005, he received consulting fees from Larco of \$40,000 per month. In June 2007, we purchased all of the interests in twelve producing wells and one well being drilled, which interests were owned by Wallace Jordan, LLC, a limited liability company a majority interest in is owned and controlled by Mr. Jordan ( Wallace Jordan ). In addition and as a part of this same transaction, we purchased the interest owned by Wallace Jordan in the Sabino pipeline and the West Piñon Gathering System and certain oil and gas leases covering lands in Pecos County, Texas, as well as the interest owned by Mr. Jordan individually in Integra Energy.

The purchase price for these assets was \$3.3 million plus the reimbursement of approximately \$236,000 of costs attributable to Wallace Jordan's 10% working interest in one of our wells. Each of the transactions with Mr. Jordan was

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determined to be in our best interests by the disinterested members of our Board of Directors. We believe the terms of these transactions were similar to those that could have been obtained from an unrelated third party.

### ***Transaction With Roy T. Oliver, Jr.***

In September 2006, we entered into a new facilities lease with a director, Mr. Oliver. The lease extends to August 2009 with annual future rental payments of \$1.1 million in 2008 and \$0.7 million in 2009. The terms of the lease were received and approved by our Board of Directors and we believe that the rent expense it must pay under this lease is at fair market rates. Rent expense in 2007 related to this facilities lease was \$1.1 million.

## **OTHER MATTERS**

### **Expenses of Solicitation**

We will pay the entire cost of the solicitation. In addition to solicitation by mail, proxies may be solicited in person, or by telephone, facsimile transmission or other means of electronic communication, by our directors, officers or other employees, but such persons will not receive any special compensation for such services. We will reimburse brokers, nominees, fiduciaries and other custodians for reasonable expenses incurred by them for sending proxy materials to beneficial owners of our common stock. The Board of Directors does not know of any other matters that are to be presented for action at the annual meeting. However, if any other matters properly come before the annual meeting or any adjournments of the meeting, it is intended that the enclosed proxy will be voted in accordance with the judgment of the persons voting the proxy.

## **GENERAL INFORMATION**

### **Stockholder Proposals and Nominations**

Under our bylaws in order to nominate a director or bring any other business before the stockholders at the 2009 annual meeting that will not be included in our proxy statement, you must comply with these procedures as described below. In addition, you must notify us in writing and such notice must be delivered to our Acting Corporate Secretary no earlier than February 6, 2009 and later than March 9, 2009.

Our bylaws provide that a stockholder's nomination must contain the following information about the nominee: (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Regulation 14A under the Exchange Act and Rule 14a-11 thereunder, and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected. Any candidates recommended by stockholders for nomination to the board will be evaluated in the same manner that nominees suggested by board members, management or other parties are evaluated.

Our bylaws provide that a stockholder's notice of a proposed business item must include: a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made. In addition, the bylaws provide that a stockholder proposing any nomination or other business item must include, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on our books, and of such beneficial owner, and (ii) the class and number of shares of our capital stock which are owned beneficially and of record by such stockholder and such beneficial owner.

We may require any proposed nominee to furnish such other information as we may reasonably require to determine the eligibility of such proposed nominee to serve as our director. You may write to our Acting Corporate Secretary at our principal executive office, 1601 N.W. Expressway, Suite 1600, Oklahoma City, Oklahoma 73118 to deliver the notices discussed above and for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates pursuant to the bylaws.

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**Annual Reports**

We have mailed our annual report to stockholders covering the fiscal year ended December 31, 2007 to each stockholder entitled to vote at the annual meeting.

Our annual report on Form 10-K for the fiscal year ended December 31, 2007 is available on our Internet website at [www.sandridgeenergy.com](http://www.sandridgeenergy.com). In addition, we will provide a copy of our annual report on Form 10-K for the fiscal year ended December 31, 2007 without charge to any stockholder making written request to SandRidge Energy, Inc., 1601 N.W. Expressway, Suite 1600, Oklahoma City, Oklahoma 73118, Attention: Acting Corporate Secretary.

By the Order of the Board of Directors,

Gaye A. Wilkerson  
*Acting Corporate Secretary*  
Oklahoma City, Oklahoma

April 23, 2008



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THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: Signature (PLEASE SIGN WITHIN BOX) Date Signature (Joint Owners) Date SANDRIDGE ENERGY, INC. SNRDG1 VOTE BY INTERNET www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS If you would like to reduce the costs incurred by SandRidge Energy, Inc. in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years. VOTE BY PHONE 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to SandRidge Energy, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. SANDRIDGE ENERGY, INC. 1601 NORTHWEST EXPRESSWAY SUITE 1600 OKLAHOMA CITY, OK 73118 To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below. Please indicate if you plan to attend this meeting. For Against Abstain For address changes and/or comments, please check this box and write them on the back where indicated. For All Withhold All For All Except 0 0 0 0 0 0 Yes No 2. Ratification of Reappointment of PricewaterhouseCoopers, LLP. 0 0 0 01) Tom L. Ward 02) Roy T. Oliver, Jr. Unless otherwise directed, this proxy will be voted for all nominees listed. Vote on Proposal 3. In their discretion, upon any other matters that may properly come before the meeting or any adjournment thereof. 1. Election of Directors IMPORTANT: Please date this proxy and sign exactly as your name appears below. If stock is held jointly, signature should include both names. Executors, administrators, trustees, guardians and others signing in a representative capacity, please give your full titles. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person.

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Address Changes/Comments: \_\_\_ \_\_\_(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.) PROXY SANDRIDGE ENERGY, INC. Annual Meeting of Shareholders June 6, 2008 THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS The undersigned hereby appoints Tom L. Ward and Gaye A. Wilkerson, or either of them, with full power of substitution, proxy to represent and vote all shares of Common Stock of SandRidge Energy, Inc. (the Company ) which the undersigned would be entitled to vote if personally present at the Company s Annual Meeting of Shareholders to be held on Friday, June 6, 2008, at 10:00 a.m., local time, and at any adjournment thereof, as stated on the reverse side. PLEASE DATE AND SIGN ON THE REVERSE SIDE AND RETURN PROMPTLY USING THE ENCLOSED ENVELOPE.

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The Trustee is directed to vote as specified below. If no direction is made, if the card is not signed, or if the card is not received by June 5, 2008, the shares credited to this account will be voted in the same proportion as those shares for which the Trustee has received proper direction. THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: Signature (PLEASE SIGN WITHIN BOX) Date Signature (Joint Owners) Date VOTE BY INTERNET [www.proxyvote.com](http://www.proxyvote.com) Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE SHAREHOLDER COMMUNICATIONS If you would like to reduce the costs incurred by SandRidge Energy, Inc. in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access shareholder communications electronically in future years. VOTE BY PHONE - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to SandRidge Energy, Inc., c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. SANDRIDGE ENERGY, INC. To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below. Please indicate if you plan to attend this meeting. For Against Abstain For address changes and/or comments, please check this box and write them on the back where indicated. For All Withhold All For All Except 0 0 0 0 Yes No 2. Ratification of Reappointment of PricewaterhouseCoopers, LLP. 0 0 0 0 1) Tom L. Ward 02) Roy T. Oliver, Jr. Vote on Proposal 3. In their discretion, upon any other matters that may properly come before the meeting or any adjournment thereof. 1. Election of Directors 0 0 SNRDG3 IMPORTANT: Please date this proxy and sign exactly as your name appears below. If stock is held jointly, signature should include both names. Executors, administrators, trustees, guardians and others signing in a representative capacity, please give your full titles. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person. SANDRIDGE ENERGY, INC. 1601 NORTHWEST EXPRESSWAY SUITE 1600 OKLAHOMA CITY, OK 73118

SANDRIDGE ENERGY, INC. To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below. Please indicate if you plan to attend this meeting. For Against Abstain For address changes and/or comments, please check this box and write them on the back where indicated. For All Withhold All For All Except 0 0 0 0 Yes No 2. Ratification of Reappointment of PricewaterhouseCoopers, LLP. 0 0 0 0 1) Tom L. Ward 02) Roy T. Oliver, Jr. Vote on Proposal 3. In their discretion, upon any other matters that may properly come before the meeting or any adjournment thereof. 1. Election of Directors 0 0 SNRDG3 IMPORTANT: Please date this proxy and sign exactly as your name appears below. If stock is held jointly, signature should include both names. Executors, administrators, trustees, guardians and others signing in a representative capacity, please give your full titles. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, please sign in partnership name by authorized person. SANDRIDGE ENERGY, INC. 1601 NORTHWEST EXPRESSWAY SUITE 1600 OKLAHOMA CITY, OK 73118

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Please sign and date this voting instruction card and return it promptly in the enclosed postage-paid envelope so the shares may be represented at the Meeting. If no direction is made, if the card is not signed, or if the card is not received by June 5, 2008, the shares credited to this account will be voted in the same proportion as those shares for which the Trustee has received proper direction. Address Changes/Comments: \_\_\_ (If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.) YOUR VOTE IS IMPORTANT! This voting instruction form is sent to you on behalf of Principal Trust Company as Trustee of the SandRidge Energy, Inc. 401(k) Plan. Please complete this form on the reverse side, sign your name exactly as it appears on the reverse side, and return it in the enclosed envelope. As a participant in the SandRidge Energy, Inc. 401(k) Plan (the Plan ), I hereby direct Principal Trust Company as Trustee, to vote all shares of Common Stock of SandRidge Energy, Inc. represented by my proportionate interest in the Plan at the SandRidge Energy, Inc. Annual Meeting of Shareholders to be held on Friday, June 6, 2008, at 10:00 a.m. local time and at any adjournment thereof, upon the matters set forth on the reverse side and upon such other matters as may properly come before the meeting. Only the Trustee can vote these shares. You cannot vote these shares in person at the Annual Meeting.