

CONTANGO OIL & GAS CO
Form DEFM14A
August 23, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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.
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CONTANGO OIL & GAS COMPANY

(Name of Registrant as Specified in its Charter)

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

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(3) Filing party:

(4) Date filed:

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JOINT PROXY STATEMENT/ PROSPECTUS

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The board of directors of Contango Oil & Gas Company (Contango) and the board of directors of Crimson Exploration Inc. (Crimson) have each approved an Agreement and Plan of Merger (the merger agreement) which provides for the acquisition of Crimson by Contango. Pursuant to the terms of the merger agreement, a wholly owned subsidiary of Contango will merge with and into Crimson, with Crimson surviving as a wholly owned subsidiary of Contango (the merger).

If the merger is completed, each share of Crimson common stock outstanding immediately before that time (including restricted shares of Crimson common stock that become vested and unrestricted by virtue of the merger) will automatically be converted into the right to receive 0.08288 shares of Contango common stock. This exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to the closing of the merger. Shares of Contango common stock outstanding before the merger is completed will remain outstanding and will not be exchanged, converted or otherwise changed in the merger. Contango common stock and Crimson common stock are currently traded on the NYSE MKT and the NASDAQ Global Market, respectively, under the symbols MCF and CXPO, respectively. **We urge you to obtain current market quotations of Contango and Crimson common stock.**

We intend for the merger to qualify as a reorganization under United States federal tax law. Accordingly, Crimson stockholders are not expected to recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Crimson common stock for shares of Contango common stock pursuant to the merger, except with respect to cash received in lieu of fractional shares of Contango common stock.

Based on the estimated number of shares of Contango and Crimson common stock that will be outstanding immediately prior to the closing of the merger, we estimate that, upon such closing, existing Contango stockholders will own approximately 79.7% of Contango following the merger and former Crimson stockholders will own approximately 20.3% of Contango following the merger.

At a special meeting of Contango stockholders, Contango stockholders will be asked to vote on the proposal to approve the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger. Approval of this proposal requires the affirmative vote of a majority of the shares of Contango common stock, present in person or represented by proxy at the Contango special meeting and entitled to vote thereon, assuming a quorum. At the special meeting, Contango stockholders will also be asked to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Contango s named executive officers that is based on or otherwise relates to the proposed transactions.

The Estate of Kenneth R. Peak, Brad Juneau and certain of the executive officers of Contango have each entered into an agreement with Crimson under which, subject to the terms and conditions of the agreement, each has agreed to vote all of the Contango shares it holds in favor of the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger. As of the date of this document, such parties hold and are entitled to vote in the aggregate approximately 10.6% of the issued and outstanding shares of Contango common stock entitled to vote at the Contango special meeting.

At a special meeting of Crimson stockholders, Crimson stockholders will be asked to vote on the adoption of the merger agreement, the merger and the other transactions contemplated by the merger agreement. Approval of this proposal requires the affirmative vote of a majority of all the votes entitled to be cast by the holders of Crimson common stock. At the special meeting, Crimson stockholders will also be asked to approve on an advisory (non-binding) basis, the compensation that may be paid or become payable to Crimson s named executive officers that is based on or otherwise relates to the proposed transactions.

OCM Crimson Holdings, LLC and OCM GW Holdings, LLC, each an affiliate of Oaktree Capital Management, L.P. and each of the executive officers of Crimson have entered into an agreement with Contango under which, subject to the terms and conditions of the merger agreement, each has agreed to vote all of the Crimson shares it holds in favor of the merger. As of the date of this document, such parties hold and are entitled to vote in the aggregate approximately 37.25% of the issued and outstanding shares of Crimson common stock entitled to vote at the Crimson special meeting.

The Contango board of directors unanimously recommends that the Contango stockholders vote FOR the proposal to approve the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Contango s named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the Contango special meeting, if necessary or appropriate, to permit further solicitation of proxies.

The Crimson board of directors unanimously recommends that the Crimson stockholders vote FOR the proposal to adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Crimson s named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the Crimson special meeting, if necessary or appropriate, to permit further solicitation of proxies.

The obligations of Contango and Crimson to complete the merger are subject to the satisfaction or waiver of several conditions. The accompanying joint proxy statement/prospectus contains detailed information about Contango, Crimson, the special meetings, the merger agreement and the merger. Contango and Crimson encourage you to read the joint proxy statement/prospectus carefully and in its entirety before voting, including the section entitled Risk Factors beginning on page 32.

We look forward to the successful combination of Contango and Crimson.

Sincerely,

Joseph J. Romano

Allan D. Keel

Chairman, President and Chief Executive Officer

President and Chief Executive Officer

Contango Oil & Gas Company

Crimson Exploration Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the joint proxy statement/prospectus or determined if the joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The joint proxy statement/prospectus is dated August 22, 2013 and is first being mailed to Contango stockholders and Crimson stockholders on or about August 26, 2013.

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Contango Oil & Gas Company

3700 Buffalo Speedway

Houston, Texas 77098

(713) 960-1901

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On October 1, 2013

To the Stockholders of Contango Oil & Gas Company:

We are pleased to invite you to attend the special meeting of stockholders of Contango Oil & Gas Company, a Delaware corporation (Contango), which will be held at 3700 Buffalo Speedway, Second Floor, Houston, Texas 77098, on October 1, 2013, at 9:30 a.m., local time, for the following purposes:

to vote on a proposal to approve the issuance of shares of Contango common stock, par value \$0.04 per share, to Crimson Exploration Inc. (Crimson) stockholders in connection with the merger contemplated by the Agreement and Plan of Merger, dated April 29, 2013, by and among Contango, Crimson and Contango Acquisition, Inc., a wholly owned subsidiary of Contango (Merger Sub), as it may be amended from time to time (the merger agreement), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part;

to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Contango s named executive officers that is based on or otherwise related to the proposed transactions; and

to vote on a proposal to approve the adjournment of the Contango special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Contango will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Contango special meeting.

The Contango board of directors has fixed the close of business on August 20, 2013 as the record date for the Contango special meeting. Only Contango stockholders of record at that time are entitled to receive notice of, and to vote at, the Contango special meeting or any adjournment or postponement thereof. A complete list of such stockholders will be available for inspection by any Contango stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Contango special meeting at Contango s offices at the address on this notice. The eligible Contango stockholder list will also be available at the Contango special meeting for examination by any stockholder present at such meeting.

The Estate of Kenneth R. Peak, Brad Juneau and certain of the executive officers of Contango have each entered into an agreement with Crimson under which, subject to the terms and conditions of the agreement, each has agreed to vote all of the Contango shares it holds in favor of the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger. As of the date of this document, such parties hold in the aggregate approximately 10.6% of the outstanding shares of Contango common stock.

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Completion of the merger is conditioned on approval of the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger. Approval of the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger requires the approval of a majority of the votes cast at the Contango special meeting, assuming a quorum.

The Contango board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Contango stockholders vote FOR the proposal to approve the issuance of shares of Contango common stock to Crimson stockholders in connection with the merger, FOR the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Contango's named executive officers that is based on or otherwise relates to the proposed transactions and FOR the proposal to approve the adjournment of the Contango special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend the Contango special meeting in person, to ensure your representation at the Contango special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Contango proxy card, (ii) calling the toll-free number listed on the Contango proxy card or (iii) submitting your Contango proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Contango stock who is present at the Contango special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Contango special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Contango special meeting. We urge you to carefully read the joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies or need help voting your shares of Contango common stock, please contact Contango's proxy solicitor:

Georgeson Inc.

480 Washington Boulevard, 26th Floor

Jersey City, NJ 07310

866-856-4733

By Order of the Contango Board of Directors,

Sergio Castro

Vice President, Chief Financial Officer, Treasurer and Secretary

Houston, Texas

August 22, 2013

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Crimson Exploration Inc.

717 Texas Ave, Suite 2900

Houston, Texas 77002

(713) 236-7400

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On October 1, 2013

To the Stockholders of Crimson Exploration Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Crimson Exploration Inc., a Delaware corporation ("Crimson"), which will be held at Crimson's offices at 717 Texas Avenue, Suite 2900, Houston, Texas 77002, on October 1, 2013, at 9:30 a.m., local time, for the following purposes:

to vote on a proposal to adopt the Agreement and Plan of Merger, dated as of April 29, 2013, by and among Contango Oil & Gas Company ("Contango"), Crimson and Contango Acquisition, Inc., a wholly owned subsidiary of Contango ("Merger Sub"), as it may be amended from time to time (the "merger agreement"), a copy of which is included as Annex A to the joint proxy statement/prospectus of which this notice is a part, approve the merger and the other transactions contemplated by the merger agreement;

to consider and cast an advisory (non-binding) vote on the compensation that may be paid or become payable to Crimson's named executive officers that is based on or otherwise related to the proposed transactions; and

to vote on a proposal to approve the adjournment of the Crimson special meeting to a later date or dates, if necessary or appropriate, to solicit additional proxies in the event there are not sufficient votes at the time of the special meeting to approve the first proposal listed above.

Crimson will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice is a part for further information with respect to the business to be transacted at the Crimson special meeting.

The Crimson board of directors has fixed the close of business on August 20, 2013 as the record date for the Crimson special meeting. Only Crimson stockholders of record at that time are entitled to receive notice of, and to vote at, the Crimson special meeting or any adjournment or postponement thereof. A complete list of such stockholders will be available for inspection by any Crimson stockholder for any purpose germane to the special meeting during ordinary business hours for the ten days preceding the Crimson special meeting at Crimson's offices at 717 Texas Ave, Suite 2900, Houston, Texas 77002. The eligible Crimson stockholder list will also be available at the Crimson special meeting for examination by any stockholder present at such meeting.

OCM Crimson Holdings, LLC and OCM GW Holdings, LLC, each an affiliate of Oaktree Capital Management, L.P., and each of the executive officers of Crimson have entered into an agreement with Contango and Merger Sub under which, subject to the terms and conditions of the agreement, each has agreed to vote all of the Crimson shares it holds in favor of the merger. As of the date of this document, such parties hold and are entitled to vote in the aggregate approximately 37.25% of the issued and outstanding shares of Crimson common stock entitled to vote at the Crimson special meeting.

Completion of the merger is conditioned on approval and adoption of the merger agreement, the merger and the other transactions contemplated by the merger agreement by the Crimson stockholders, which requires the approval of a majority of the votes cast at the Crimson special meeting, assuming a quorum.

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The Crimson board of directors has unanimously approved the merger and the merger agreement and unanimously recommends that Crimson stockholders vote **FOR** the proposal to adopt the merger agreement, the merger and the other transactions contemplated by the merger agreement, **FOR** the approval, on an advisory (non-binding) basis, of the compensation that may be paid or become payable to Crimson's named executive officers that is based on or otherwise relates to the proposed transactions and **FOR** the proposal to approve the adjournment of the Crimson special meeting, if necessary or appropriate, to permit further solicitation of proxies.

Your vote is very important, regardless of the number of shares that you own. Whether or not you expect to attend the Crimson special meeting in person, to ensure your representation at the Crimson special meeting, we urge you to submit a proxy to vote your shares as promptly as possible by (i) accessing the internet site listed on the Crimson proxy card, (ii) calling the toll-free number listed on the Crimson proxy card or (iii) submitting your Crimson proxy card by mail by using the provided self-addressed, stamped envelope. Submitting a proxy will not prevent you from voting in person, but it will help to secure a quorum and avoid added solicitation costs. Any eligible holder of Crimson stock who is present at the Crimson special meeting may vote in person, thereby canceling any previous proxy. In any event, a proxy may be revoked in writing at any time before the Crimson special meeting in the manner described in the accompanying joint proxy statement/prospectus. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished by such bank, broker or other nominee.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger and the merger agreement and the other matters to be considered at the Crimson special meeting. We urge you to carefully read the joint proxy statement/prospectus, including any documents incorporated by reference, and the Annexes in their entirety. If you have any questions concerning the merger or the joint proxy statement/prospectus, would like additional copies or need help voting your shares of Crimson common stock, please contact Crimson's proxy solicitor:

Morrow & Co., LLC

470 West Ave., 3rd Floor

Stamford, CT 06902

Stockholders, please call toll free: (888) 836-9724

Banks and Brokerage Firms, please call collect: (203) 658-9400

By Order of the Crimson Board of Directors,

John A. Thomas

General Counsel and Corporate Secretary

Houston, Texas

August 22, 2013

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Contango and Crimson from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

| | |
|--------------------------------------|---|
| Georgeson Inc. | Morrow & Co., LLC |
| 480 Washington Boulevard, 26th Floor | 470 West Avenue, 3rd Floor |
| Jersey City, NJ 07310 | Stamford, CT 06902 |
| (866) 856-4733 | Stockholders, please call toll free: (888) 836-9724 |

Banks and Brokerage Firms, please call collect: (203) 658-9400

Investors may also consult Contango's or Crimson's website for more information about Contango or Crimson, respectively. Contango's website is www.contango.com. Crimson's website is www.crimsonexploration.com. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

If you would like to request any documents, please do so by September 13, 2013 in order to receive them before the special meetings.

For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" beginning on page 160.

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission (the "SEC") by Contango, constitutes a prospectus of Contango under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Contango common stock to be issued to Crimson stockholders in connection with the merger. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Contango and Crimson under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It also constitutes a notice of meeting with respect to the special meeting of Contango stockholders and a notice of meeting with respect to the special meeting of Crimson stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated August 22, 2013. You should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Contango stockholders or Crimson stockholders nor the issuance by Contango of shares of common stock pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Contango has been provided by Contango and information contained in this joint proxy statement/prospectus regarding Crimson has been provided by Crimson.

All references in this joint proxy statement/prospectus to "Contango" refer to Contango Oil & Gas Company, a Delaware corporation; all references in this joint proxy statement/prospectus to "Merger Sub" refer to Contango Acquisition, Inc., a Delaware corporation and wholly owned subsidiary of Contango formed for the sole purpose of effecting the merger; all references in this joint proxy statement/prospectus to "Crimson" refer to Crimson Exploration Inc., a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to "we," "our" and "us" refer to Contango and Crimson collectively; and, unless otherwise indicated or as the context requires, all references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of April 29, 2013, by and among Contango Oil & Gas Company, Contango Acquisition, Inc. and Crimson Exploration Inc., which is incorporated by reference into this joint proxy statement/prospectus and a copy of which is included as Annex A to this joint proxy statement/prospectus. Contango and Crimson, subject to and following completion of the merger, are sometimes referred to in this joint proxy statement/prospectus as the "combined company."

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