GRAN TIERRA ENERGY INC.
Form DEF 14A
April 30, 2013

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

x Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to § 240.14a-12

GRAN TIERRA ENERGY INC.

(Name of Registrant as Specified In Its Charter)

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1. Title of each class of securities to which transaction applies:

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6. Amount Previously Paid:

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8. Filing Party:

9. Date Filed:

GRAN TIERRA ENERGY INC.
300, 625-11th Avenue S.W.
Calgary, Alberta T2R 0E1 Canada
(403) 265-3221

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On June 26, 2013

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of GRAN TIERRA ENERGY INC., a Nevada corporation. The meeting will be held on Wednesday, June 26, 2013, at 3:00 p.m. (Calgary time) at the Calgary Petroleum Club, 319 Fifth Avenue S.W., Calgary, Alberta, Canada for the following purposes:

1. To elect the Board of Directors' six nominees for director to serve until the next annual meeting and their successors are duly elected and qualified.
2. To approve, on an advisory basis, the compensation of Gran Tierra's named executive officers, as disclosed in this proxy statement.
3. To ratify the selection by the Audit Committee of the Board of Directors of Deloitte LLP as the independent registered public accounting firm of Gran Tierra for its fiscal year ending December 31, 2013.
4. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the annual meeting is April 29, 2013. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders' Meeting to
Be Held on
June 26, 2013, at the Calgary Petroleum Club, 319 Fifth Avenue S.W.
Calgary, Alberta Canada

The proxy statement and annual report to stockholders
are available to view at http://www.edocumentview.com/GTE

See page 4 of this proxy statement for voting instructions.

By Order of the Board of Directors

/s/ David Hardy

David Hardy
Vice President, Legal and General Counsel

CALGARY, ALBERTA
April 30, 2013

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the proxy mailed to you, or vote by telephone or on the internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

1.

GRAN TIERRA ENERGY INC.
300, 625-11th Avenue S.W.
Calgary, Alberta T2R 0E1 Canada
(403) 265-3221

PROXY STATEMENT
FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS

June 26, 2013

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We are sending you these proxy materials because the Board of Directors (the "Board") of Gran Tierra Energy Inc. is soliciting your proxy to vote at the 2013 annual meeting of stockholders, including at any adjournments or postponements of the annual meeting. You are invited to attend the annual meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the annual meeting to vote your shares. Instead, if you are a stockholder of record of our common stock, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy over the telephone or through the internet. See "How do I vote" below for further information on how to vote, including if you hold our common stock through a broker in "street name" or hold exchangeable shares.

Pursuant to rules adopted by the Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials over the internet. We are sending to our stockholders of record the proxy materials, including this proxy statement and an annual report to stockholders. We intend that our stockholders who hold their stock in "street name" will receive a Notice of Internet Availability of Proxy Materials (the "Notice"). All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the internet or to request a printed copy may be found in the Notice.

We intend to mail the proxy materials on or about May 14, 2013, to all stockholders of record entitled to vote at the annual meeting. We expect that the Notice will be sent to stockholders who hold their stock in "street name" on or about that same date.

Will I receive any other proxy materials by mail?

If you are sent a Notice, you may be sent a proxy card, along with a second Notice, on or after May 24, 2013.

How do I attend the annual meeting?

The meeting will be held on Wednesday, June 26, 2013, at 3:00 p.m. (Calgary time) at the Calgary Petroleum Club, 319 Fifth Avenue S.W., Calgary, Alberta, Canada. Directions to the annual meeting may be found at http://www.grantierra.com. Information on how to vote in person at the annual meeting is discussed below.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on April 29, 2013, will be entitled to vote at the annual meeting. On this record date, there were 269,577,263 shares of common stock outstanding and entitled to vote, one share of Special A Voting Stock, and one share of Special B Voting Stock. On the record date, the one share of Special A Voting Stock was entitled to 6,223,810 votes, which equals the number of shares of common stock issuable upon exchange of exchangeable shares of Gran Tierra Goldstrike Inc. that were issued in connection with the transaction between the former stockholders of Gran Tierra Energy Inc., an Alberta corporation (“Gran Tierra Canada”), and Goldstrike, Inc. (the “Goldstrike Exchangeable Shares”). On the record date, the one share of Special B Voting Stock was entitled to 6,840,062 votes, which equals the number of shares of common stock issuable upon exchange of exchangeable shares of Gran Tierra Exchangeco Inc. that were issued in connection with the transaction between the former stockholders of Solana Resources Limited, an Alberta corporation (“Solana”), and Gran Tierra (the “Solana Exchangeable Shares” and together with the Goldstrike Exchangeable Shares, the “Exchangeable Shares”).

Stockholders of Record: Shares Registered in Your Name

If on April 29, 2013, your shares were registered directly in your name with Gran Tierra's transfer agent, Computershare Investor Services, then you are a stockholder of record. As a stockholder of record, you may vote in person at the annual meeting or vote by proxy. Whether or not you plan to attend the annual meeting, we urge you to fill out and return the proxy mailed to you or vote by proxy by telephone or on the internet as instructed below to ensure your vote is counted.

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

If on April 29, 2013, your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice, and/or these proxy materials if you have received them, are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the annual meeting unless you request and obtain a valid proxy from your broker or other agent.

Stockholders Holding Exchangeable Shares

Holders of Goldstrike Exchangeable Shares are receiving these proxy materials which relate solely to the annual meeting of Gran Tierra and are being delivered in accordance with the provisions of the Goldstrike Exchangeable Shares and the Voting Exchange and Support Agreement dated November 10, 2005, (the "Goldstrike Voting Exchange Agreement") among Goldstrike Inc., 1203647 Alberta Inc., Gran Tierra Goldstrike Inc. and Olympia Trust Company (the "Goldstrike Trustee"). The Goldstrike Exchangeable Shares are the economic equivalent to the shares of common stock of Gran Tierra. In accordance with the Goldstrike Voting Exchange Agreement, holders of Goldstrike Exchangeable Shares are entitled to instruct the Goldstrike Trustee as to how to vote their Goldstrike Exchangeable Shares. The Goldstrike Trustee holds the one outstanding share of our Special A Voting Stock, which is entitled to as many votes as there are outstanding Goldstrike Exchangeable Shares on the record date, and may only vote the one share of Special A Voting Stock as directed by the holders of Goldstrike Exchangeable Shares. Holders of Goldstrike Exchangeable Shares who do not hold their Goldstrike Exchangeable Shares in their own name are not entitled to instruct the Goldstrike Trustee as to how to exercise voting rights at the annual meeting. Only holders of Goldstrike Exchangeable Shares whose names appear on the records of Gran Tierra Goldstrike Inc. as the registered holders of Goldstrike Exchangeable Shares are entitled to instruct the Goldstrike Trustee as to how to exercise voting rights in respect of their Goldstrike Exchangeable Shares at the annual meeting. Holders of Goldstrike Exchangeable Shares may also obtain a proxy from the Goldstrike Trustee to vote their Goldstrike Exchangeable Shares at the annual meeting. Holders of Goldstrike Exchangeable Shares should follow the instructions sent to them by the Goldstrike Trustee in order to exercise their voting rights.

Holders of Solana Exchangeable Shares are receiving these proxy materials which relate solely to the annual meeting of Gran Tierra and are being delivered in accordance with the provisions of the Solana Exchangeable Shares and the Voting and Exchange Trust Agreement dated November 14, 2008, (the "Solana Voting Exchange Agreement") among Gran Tierra, Gran Tierra Exchangeco Inc. and Computershare Trust Company of Canada (the "Solana Trustee"). The Solana Exchangeable Shares are the economic equivalent to the shares of common stock of Gran Tierra. In accordance with the Solana Voting Exchange Agreement, holders of Solana Exchangeable Shares are entitled to instruct the Solana Trustee as to how to vote their Solana Exchangeable Shares. The Solana Trustee holds the one outstanding share of our Special B Voting Stock, which is entitled to as many votes as there are outstanding Solana Exchangeable Shares on the record date, and may only vote the one share of Special B Voting Stock as directed by the holders of

Solana Exchangeable Shares. Holders of Solana Exchangeable Shares who do not hold their Solana Exchangeable Shares in their own name are not entitled to instruct the Solana Trustee as to how to exercise voting rights at the annual meeting. Only holders of Solana Exchangeable Shares whose names appear on the records of Gran Tierra Exchangeco Inc. as the registered holders of Solana Exchangeable Shares are entitled to instruct the Solana Trustee as to how to exercise voting rights in respect of their Solana Exchangeable Shares at the annual meeting. Holders of Solana Exchangeable Shares may also obtain a proxy from the Solana Trustee to vote their Solana Exchangeable Shares at the annual meeting. Holders of Solana Exchangeable Shares should follow the instructions sent to them by the Solana Trustee in order to exercise their voting rights.

3.

If on April 29, 2013, your Exchangeable Shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name" and the Notice, and these proxy materials if you have received them, are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of instructing your Trustee as to how to vote your Exchangeable Shares. As a beneficial owner, you have the right to direct your broker or other agent regarding how to instruct your Trustee as to how to vote your Exchangeable Shares.

What am I voting on?

There are three matters scheduled for a vote:

- Election of the Board's six nominees for director to serve until the next annual meeting and their successors are duly elected and qualified;
- Advisory approval of the compensation of Gran Tierra's named executive officers, as disclosed in this proxy statement in accordance with SEC rules; and
- Ratification of the selection by the Audit Committee of the Board of Deloitte LLP as the independent registered public accounting firm of Gran Tierra for its fiscal year ending December 31, 2013.

What if another matter is properly brought before the annual meeting?

The Board knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the annual meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

How do I vote?

You may either vote "For" or you may "Withhold" your vote for each nominee to the Board you specify. For each of the other matters to be voted on, you may vote "For" or "Against" or abstain from voting.

The procedures for voting are fairly simple:

Stockholders of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the annual meeting, vote by proxy on the internet or by telephone, or vote by proxy using a proxy card that you may request or that we may elect to deliver at a later time. Whether or not you plan to attend the annual meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the annual meeting and vote in person even if you have already voted by proxy.

Ø To vote in person, come to the annual meeting and we will give you a ballot when you arrive.

Ø To vote using the proxy card, simply complete, sign and date the proxy card that may be delivered and return it promptly in the envelope provided. If you return your signed proxy card to us by 11:59 p.m. Eastern Time on June 25, 2013, we will vote your shares as you direct.

Ø To vote over the telephone, dial 1-800-652-VOTE (8683) using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the Notice. Your vote must be received by 11:59 p.m. Eastern Time on June 25, 2013, to be counted.

Ø To vote on the internet, go to http://www.investorvote.com/GTE to complete an electronic proxy card. You will be asked to provide the company number and control number from the Notice. Your vote must be received by 11:59

p.m. Eastern Time on June 25, 2013, to be counted.

4.

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

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a Notice containing voting instructions from that organization rather than from Gran Tierra. Simply follow the voting instructions in the Notice to ensure that your vote is counted. If you have received these proxy materials and voting instructions therein, simply complete and mail the voting instructions to ensure that your vote is counted. Alternatively, you may vote by telephone or on the internet as instructed by your broker or bank. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

Beneficial Owner: Exchangeable Shares

If you are a holder of Goldstrike Exchangeable Shares, you should have received voting instructions with these proxy materials from the Goldstrike Trustee, which is the holder of the one share of Special A Voting Stock. Follow the instructions from the Goldstrike Trustee, or contact the Goldstrike Trustee for further information. Instruments of proxy must be received by Olympia Trust Company, located at 2300, 125 - 9th Avenue S.E., Calgary, Alberta, T2G OP6, Canada, by 11:59 p.m. (Calgary time) on June 21, 2013, or not less than 48 hours before the time for the holding of or any adjournment of the annual meeting. Follow the directions on the voting instruction form, which includes how voting instructions may be sent by facsimile transmission.

If you are a holder of record of Solana Exchangeable Shares, you should have received voting instructions with these proxy materials from the Solana Trustee, which is the holder of the one share of Special B Voting Stock. Follow the instructions from the Solana Trustee, or contact the Solana Trustee for further information. Instruments of proxy must be received by Computershare Trust Company of Canada, Attention: Pui Hong, Corporate Trust Officer, 600, 530 – 8th Avenue S.W., Calgary, Alberta T2P 3S8, Canada by 11:59 p.m. Eastern Time on June 21, 2013, or not less than 48 hours before the time for the holding of or any adjournment of the annual meeting. Follow the directions on the voting instruction form.

If you are a beneficial owner of Exchangeable Shares registered in the name of your broker, bank, or other agent, you should have received a Notice containing voting instructions from that organization rather than from Gran Tierra. Simply follow the voting instructions in the Notice to ensure that your vote is counted.

We provide telephone and internet proxy voting to allow you to vote your shares, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your telephone or internet access, such as usage charges from internet access providers.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 29, 2013. In addition, you have one vote for each Exchangeable Share held as of April 29, 2013, which are represented by the one share of Special A Voting Stock and one share of Special B Voting Stock of Gran Tierra, as applicable. Holders of Goldstrike Exchangeable Shares should follow the instructions sent to them by the Goldstrike Trustee and holders of Solana Exchangeable Shares should follow the instructions sent to them by the Solana Trustee in order to exercise their respective voting rights.

What if I return a proxy card or otherwise vote but do not make specific choices?

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, "For" the election of all six nominees for director, "For" the advisory approval of executive compensation, and "For" the ratification of the selection of Deloitte LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2013. If any other matter is properly presented at the annual meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

5.

What happens if I do not vote?

Stockholder of Record; Shares Registered in Your Name

If you are a stockholder of record and do not vote by completing your proxy card, by telephone, over the internet or in person at the annual meeting, your shares will not be voted.

Beneficial Owner; Shares Registered in the Name of a Broker or Bank

If you are a beneficial owner and do not instruct your broker, bank or other agent how to vote your shares, the question of whether your broker or nominee will still be able to vote your shares depends on whether the New York Stock Exchange ("NYSE") deems the particular proposal to be a "routine" matter. Brokers and nominees can use their discretion to vote "uninstructed" shares with respect to matters that are considered to be "routine," but not with respect to "non-routine" matters. Under the rules and interpretations of the NYSE, "non-routine" matters are matters that may substantially affect the rights or privileges of stockholders, such as mergers, stockholder proposals, elections of directors (even if not contested), executive compensation (including any advisory stockholder votes on executive compensation and on the frequency of stockholder votes on executive compensation), and certain corporate governance proposals, even if management supported. Accordingly, your broker or nominee may not vote your shares on Proposals 1 or 2 without your instructions, but may vote your shares on Proposal 3.

What if I am a holder of Exchangeable Shares and do not return a voting election or return a voting election but do not make specific choices?

If you do not return a properly filled out voting election, or return a signed and dated voting election without marking voting selections, your shares will not be voted.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees and Georgeson Shareholder Services may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies, but if Georgeson Shareholder Services solicits proxies it will be paid its customary fee of approximately $5,000. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one Notice or more than one set of proxy materials?

If you receive more than one Notice or more than one set of proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on the Notices or the instructions on the proxy cards in the proxy materials to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the annual meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

- You may submit another properly completed proxy card with a later date, or vote again by telephone or on the internet;

- You may send a timely written notice that you are revoking your proxy to Gran Tierra's Corporate Secretary at 300, 625-11th Avenue S.W., Calgary, Alberta, T2R 0E1, Canada; or

- You may attend the annual meeting and vote in person. Simply attending the annual meeting will not, by itself, revoke your proxy.

6.

Your most current proxy card or telephone or internet proxy is the one that is counted.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

If you are a holder of Goldstrike Exchangeable Shares, you should follow the instructions provided by the Goldstrike Trustee with respect to the Goldstrike Exchangeable Shares you hold, and if you are a holder of Solana Exchangeable Shares, you should follow the instructions provided by the Solana Trustee with respect to the Solana Exchangeable Shares you hold.

When are stockholder proposals due for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by January 15, 2014, to the Corporate Secretary at 300, 625-11th Avenue S.W., Calgary, Alberta, T2R 0E1, Canada; provided, however, that if our 2014 annual meeting of stockholders is held before May 27, 2014, or after July 26, 2014, then the deadline is a reasonable amount of time prior to the date we begin to print and mail our proxy statement for the 2014 annual meeting of stockholders. If you wish to submit a proposal that is not to be included in Gran Tierra's proxy materials next year or to nominate a director next year, you must do so between March 28, 2014, and April 27, 2014, unless our 2014 annual meeting of stockholders is not held between May 27, 2014, and July 26, 2014, in which case notice must be delivered to Gran Tierra not earlier than the 90th day prior to the 2014 annual meeting and not later than the later of the 60th day prior to the 2014 annual meeting or the 10th day following the day on which Gran Tierra makes its first public announcement of the 2014 annual meeting date. You are also advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the annual meeting, who will separately count, for the proposal to elect directors, votes "For," "Withhold" and broker non-votes; and, with respect to other proposals, votes "For" and "Against," abstentions and, if applicable, broker non-votes. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

What are "broker non-votes"?

As discussed above, when a beneficial owner of shares held in "street name" does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed by the NYSE to be "non-routine," the broker or nominee cannot vote the shares. These unvoted shares are counted as "broker non-votes."

How many votes are needed to approve each proposal?

- Ø Proposal No. 1, the election of directors: the six nominees receiving the most "For" votes (from the holders of votes of shares present in person or represented by proxy and entitled to vote on the election of directors) will be elected. Only votes "For" will affect the outcome.

- Ø Proposal No. 2, the advisory approval of the compensation of Gran Tierra's named executive officers, as disclosed in this proxy statement in accordance with SEC rules: will be approved if it receives more "For" votes than "Against" votes. If you "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

- Ø

Proposal No. 3, the ratification of the selection of Deloitte LLP as Gran Tierra's independent registered public accounting firm for fiscal year ending December 31, 2013: will be approved if it receives more "For" votes than "Against" votes. Abstentions will have the same effect as "Against" votes. We do not expect that there will be any broker non-votes, as this is a routine matter.

7.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding outstanding shares of Gran Tierra's capital stock representing at least a majority of the total number of votes are present at the annual meeting in person or represented by proxy. On the record date, there were 282,641,135 votes that could be cast. Those votes were represented by 269,577,263 shares of common stock outstanding and entitled to vote and 13,063,872 shares of common stock issuable upon exchange of the Exchangeable Shares and therefore entitled to vote through the one share of Special A Voting Stock and one share of Special B Voting Stock. Thus, holders of outstanding shares representing at least 141,320,568 votes must be present in person or represented by proxy at the annual meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the annual meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the Chairman of the annual meeting or the holders of a majority of shares present at the annual meeting in person or represented by proxy must adjourn the annual meeting to another date.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the annual meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the annual meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

What proxy materials are available on the internet?

The proxy statement and annual report to stockholders are available to view at: http://www.edocumentview.com/GTE.

or

on Gran Tierra's website at: http://www.grantierra.com.

See page 4 of this proxy statement for voting instructions.

PROPOSAL 1

ELECTION OF DIRECTORS

Gran Tierra's Board currently consists of seven directors. One of the directors, Mr. Ray Antony, is retiring from the Board effective at the beginning of the annual meeting. Gran Tierra has benefited from and is grateful for Mr. Antony's service to the Board, and wishes him the very best for his future.

As a result of Mr. Antony's impending retirement, effective with the commencement of the annual meeting the size of the Board will be reduced by one and will consist of six directors. There are six nominees for director this year. Each director to be elected and qualified will hold office until the next annual meeting of stockholders and until his successor is elected, or, if sooner, until the director's death, resignation or removal. Each of the nominees listed below is currently a director of Gran Tierra who was previously elected by the stockholders. It is Gran Tierra's policy to invite nominees for directors to attend the annual meeting. All of the seven directors attended the 2012 Annual Meeting of Stockholders.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The six nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the six nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead be voted for the election of a substitute nominee proposed by Gran Tierra. Each person nominated for election has agreed to serve if elected. Gran Tierra's management has no reason to believe that any nominee will be unable to serve.

NOMINEES

The following is a brief biography of each nominee for director, his age on April 16, 2013, and a discussion of the specific experience, qualifications, attributes or skills of each nominee that led the Nominating and Corporate Governance Committee to recommend that person for reelection as a director, as of the date of this proxy statement.

NAME	AGE	POSITIONS HELD WITH GRAN TIERRA
Dana Coffield	54	President, Chief Executive Officer and Director
Jeffrey J. Scott	50	Chairman of the Board of Directors
Verne Johnson	69	Director
Nicholas G. Kirton	68	Director
Gerald Macey	67	Director
J. Scott Price	50	Director

Dana Coffield, President, Chief Executive Officer and Director.

Mr. Coffield has served as our President and Chief Executive Officer, and as a Director, since May 2005. Prior to joining Gran Tierra, Mr. Coffield was Vice President of the Middle East Business Unit for EnCana Corporation, responsible for business development, exploration operations, commercial evaluations, government and partner relations, planning and budgeting, environment/health/safety, security and management of several overseas operating offices. He held various senior management positions for EnCana's predecessor, Alberta Energy Company, including petroleum exploration operations in five countries. Mr. Coffield was previously with ARCO International for ten years, where he participated in exploration and production operations in North Africa, Southeast Asia and Alaska. He graduated from the University of South Carolina with an MSc and PhD in Geology and holds a BSc in Geological Engineering from the Colorado School of Mines. Mr. Coffield is also a member of the AAPG and the CSPG, and is a

Fellow of the Explorers Club. The Nominating and Corporate Governance Committee recommended Mr. Coffield for reelection because of his valuable contributions in leadership to Gran Tierra for the past eight years and 24 years of employment with publicly traded international oil and gas companies. Mr. Coffield's background includes oil and gas production operations and business development.

9.

Jeffrey J. Scott, Chairman of the Board of Directors.

Mr. Scott has served as Chairman of our Board of Directors since January 2005. Since 2001, Mr. Scott has served as President of Postell Energy Co. Ltd., a privately held oil and gas producing company. He has extensive oil and gas management experience, beginning as a production manager of Postell Energy Co. Ltd in 1985 advancing to President in 2001. Also, since February 2012, Mr. Scott has served as Executive Chairman of Sulvaris Inc., a private fertilizer technology company. Mr. Scott is also currently a director of Petromanas Energy Inc. and Gallic Energy Ltd. He was previously a director of Tuscany International Drilling Inc., Essential Energy Services Trust, Suroco Energy, Inc., VGS Seismic Canada Inc., High Plains Energy Inc., Saxon Energy Services Inc. and Galena Capital Corp., all of which are publicly-traded companies. Mr. Scott holds a Bachelor of Arts degree from the University of Calgary, and a Masters of Business Administration from California Coast University. The Nominating and Corporate Governance Committee recommended Mr. Scott for reelection because of his demonstrated leadership value and experience which includes 29 years of experience in the oil and gas industry, financial oversight responsibilities and public company reporting requirements.

Verne Johnson, Director.

Mr. Johnson has served as a director since January 2005. Starting with Imperial Oil Limited in 1966, he has spent his entire career in the petroleum industry, primarily in western Canada, contributing to the growth of oil and gas companies of various sizes. He worked with Imperial Oil Limited until 1981 (including two years with Exxon Corporation in New York from 1977 to 1979). From 1981 to 2002, Mr. Johnson served in senior capacities with various companies, achieving the positions of President of Paragon Petroleum Ltd., President and CEO of ELAN Energy Inc., and Senior Vice President of Enerplus Resources Group. Mr. Johnson retired in February 2002. Mr. Johnson is currently Chairman of Petromanas Energy Inc. and US Oil Sands Inc. (formerly Earth Energy). Mr. Johnson was previously a director of Essential Energy Services Trust, Harvest Energy Trust, Blue Mountain Energy, Mystique Energy and Suroco Energy Inc., all publicly traded companies. Mr. Johnson received a Bachelor of Science degree in Mechanical Engineering from the University of Manitoba in 1966. He is currently president of his private family company, KristErin Resources Inc. The Nominating and Corporate Governance Committee recommended Mr. Johnson for reelection because of his demonstrated leadership value and extensive experience as CEO of a number of public companies over 25 years, complemented by his professional certification as Graduate Engineer and over 40 years of experience in the oil and gas industry. Mr. Johnson has held leadership roles which included financial oversight and he has actively supervised various financial reporting processes.

Nicholas G. Kirton, Director.

Mr. Kirton has served as a director since March 27, 2008. Mr. Kirton is a Chartered Accountant and former KPMG partner who retired in 2004 after a thirty-eight year career at KPMG LLP ("KPMG"). He is currently a director of Essential Energy Services Ltd. and the Canadian Investor Protection Fund and was previously a director for Canexus Corporation, Grand Cache Coal Corporation, Builders Energy Services, Result Energy Inc., and Innicor Subsurface Technologies Inc. In addition, he is a member of the Board of Governors and Audit Committee Vice Chair of the University of Calgary. Mr. Kirton received a Bachelor of Science (Mathematics and Physics) in 1966 from Bishop's University, his Chartered Accountant designation in Quebec in 1969 and was named a Fellow of the Chartered Accountants (FCA) of Alberta in 1996, and in 2006 received the designation of ICD.D from the Institute of Corporate Directors. The Nominating and Corporate Governance Committee recommended Mr. Kirton for re-election because of his demonstrated leadership value and substantial financial leadership expertise stemming from his 38-year career in the Audit Practice of KPMG, including 28 years as a partner with KPMG. In addition, since his retirement from KPMG in 2004, he has had substantial experience on other public company boards of directors and audit committees.

Gerald Macey, Director.

Mr. Macey has served as a director since August 19, 2010. Mr. Macey's professional career started as a geologist with Gulf Canada Resources and Gulf Oil Corporation in the United Kingdom, which was followed by BP Resources Canada, Pan Canadian Petroleum (from 1999 to 2002) and ultimately Encana Corporation (from 2002 to 2004), where he served as President, International New Ventures Exploration Division and Executive Vice President. Mr. Macey has sat on numerous domestic and international boards of directors, including most recently Addax Petroleum Corporation and Verenex Energy Corporation, and is currently on the boards of Andora Energy and Pan Orient Energy Corporation. Mr. Macey is currently a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists. He was awarded the Stanley Slipper Gold Medal, the most prestigious award of the Canadian Society of Petroleum Geologists, for outstanding contribution to petroleum exploration in Canada, in 2005, and the Minerals Management Service Corporate Leadership Award, for exemplary leadership of the McCovey exploration project in the Beaufort Sea Outer Continental Shelf, in 2003. Mr. Macey received a Bachelors degree in Geotechnical Science from Concordia University and a Masters of Science in Geology from Carleton University. The Nominating and Corporate Governance Committee recommended Mr. Macey for election as a director because Mr. Macey has over 38 years of experience in the petroleum industry, including exploration and development expertise in basins around the world.

J. Scott Price, Director.

Mr. Price has served as a director since November 14, 2008, when he was designated by Solana to serve on the Board of Gran Tierra pursuant to the Arrangement Agreement, which resulted in Solana's combination with Gran Tierra. From October 2006 to November 14, 2008, he was the President and CEO of Solana. Mr. Price was previously the Founder, President and CEO of Breakaway Energy, Inc., a private international resource company, which was taken over by Solana. Mr. Price is currently the President & Director of Prospect International Inc. and Chairman of Marsa Energy Inc., a private international oil and gas exploration and production company. Mr. Price was previously a director of Blackhawk Resource Corp., a publicly traded company. Mr. Price has over 28 years of diverse global oil and gas experience in North and South America, Europe, Africa, Middle East and the former Soviet Union. He has been a founder, director and/or officer of a number of internationally focused public and private companies including Aventura Energy Inc. and Ocelot International Inc. Mr. Price holds a Bachelor of Science degree in Chemical Engineering and a Masters of Business Administration both from the University of Calgary. The Nominating and Corporate Governance Committee recommended Mr. Price for reelection because of his demonstrated leadership value and broad experience as CEO of a number of internationally focused oil and gas public companies, including Solana Resources Limited, complemented by his professional certification as a Chemical Engineer. Mr. Price's 29 years of public and private company experience in the oil and gas industry in both start up and mature organizations in combination with his MBA enhances his business oversight capabilities.

OTHER INFORMATION

Jeffrey J. Scott entered into a settlement agreement with the Alberta Securities Commission ("ASC") on February 6, 2009, with respect to allegations that Mr. Scott, along with certain other directors of High Plains Energy Inc. ("High Plains") acted contrary to the public interest in connection with their inadequate rectification of incorrect production information disclosed to the public in press releases issued by High Plains between July 2005 and January 2006. Mr. Scott admitted that he had acted contrary to the public interest by failing to: (i) disclose High Plains' actual production for the period of July to November 2005, with comparative references to the untrue figures disclosed for those months in the press releases disseminated during that period; (ii) compare the actual production rates for December 2005 and January 2006 with the untrue figures disclosed in the press releases for those months; and (iii) ensure that High Plains disclosed in a timely manner that the accuracy of its earlier disclosures of the monthly production was questionable and under review by High Plains. Mr. Scott and each of the other respondents to the settlement agreement were ordered to pay $25,000 to the ASC of which $5,000 was a payment towards investigation costs. The ASC noted in the settlement agreement that Mr. Scott and the other directors were provided with false information by management of High Plains with respect to production levels, and thus had no knowledge of the untrue statements in certain press releases issued by management in late 2005, until January 30, 2006, at the earliest. The ASC also noted that each of the subject directors, upon being made aware of the potential problem with High Plains' reported production, made substantial efforts and committed significant amount of time in a good faith effort to resolving the problems and determining High Plains' actual production and noted that none of the subject directors had been previously sanctioned by the ASC, and each cooperated fully with staff in its investigation.

As a result of the above the TSX Venture Exchange (“TSVE”) and the Toronto Stock Exchange (“TSX”) conducted their own reviews as to Mr. Scott’s acceptability to serve as a director or officer of any respective exchange-listed issuer. They determined that Mr. Scott must obtain written approval prior to occupying such post and the TSXV determined that he should complete a half-day workshop “Simplifying Timely Disclosures,” which he successfully completed on April 26, 2010, and further that any TSXV-listed company on whose board he sits implement a written disclosure policy.

Except as described above, our above-listed directors have neither been convicted in any criminal proceeding during the past ten years nor been parties to any judicial or administrative proceeding during the past ten years that resulted in a judgment, decree or final order enjoining them from future violations of, or prohibiting activities subject to, federal or state securities laws or a finding of any violation of federal or state securities law or commodities law. Similarly, no bankruptcy petitions have been filed by or against any business or property of any of our directors or officers, nor has any bankruptcy petition been filed against a partnership or business association in which these persons were general partners or executive officers.

The Board Of Directors Recommends
A Vote In Favor Of Each Named Nominee.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

INDEPENDENCE OF THE BOARD OF DIRECTORS

Gran Tierra follows the listing standards of the NYSE MKT. As required under the NYSE MKT listing standards, a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by the board of directors. The Board consults with Gran Tierra's counsel to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in the NYSE MKT listing standards, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his family members, and Gran Tierra, its senior management and its independent auditors, the Board has affirmatively determined that the following six of seven directors are independent directors within the meaning of the applicable NYSE MKT listing standards: Messrs. Antony, Johnson, Kirton, Macey, Price and Scott. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with Gran Tierra. Dana Coffield, Gran Tierra's President and Chief Executive Officer, is not an independent director by virtue of his employment with Gran Tierra.

BOARD LEADERSHIP STRUCTURE

Gran Tierra's Chairman of the Board is an independent director. The Board has determined that this leadership structure is an appropriate structure for Gran Tierra because of the added experience and leadership provided to Gran Tierra from having separate individuals perform the Chairman and Chief Executive Officer function. Gran Tierra believes that having an independent Chairman of the Board also adds an extra level of independence to the board as a whole, and increases the ability and credibility of the board in its management oversight functions.

ROLE OF THE BOARD IN RISK OVERSIGHT

Gran Tierra's management is responsible for assessing the risks facing Gran Tierra and evaluating such risks, and the Board provides an oversight role with respect to risk management. At the direction of the Board, at each quarterly meeting of the Board, management makes a presentation to the Board regarding the higher level risks facing Gran Tierra, as well as the actions being taken to ameliorate these risks. The Board then gives direction and guidance to management as to the risks presented and the actions proposed, and reassesses at the next quarterly meeting of the Board.

MEETINGS OF THE BOARD OF DIRECTORS

The Board met thirteen times during the last fiscal year as an entire board. Each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committees on which he served, held during the last fiscal year for which he was a director or committee member. As required under the NYSE MKT listing standards, in fiscal 2012, Gran Tierra's independent directors met in regularly scheduled executive sessions at which only independent directors were present.

INFORMATION REGARDING COMMITTEES OF THE BOARD OF DIRECTORS

The Board has four standing committees: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Reserves Committee. The following table provides membership and meeting information for fiscal year 2012 for each committee of the Board:

Name	Audit	Compensation	Nominating and Corporate Governance	Reserves
Dana Coffield				X
Jeffrey Scott	X			
Ray Antony	X	X	X	
Verne Johnson	X	X*		X
Scott Price		X		X*
Nicholas Kirton	X*		X	
Gerald Macey			X*	X
Total Meetings in fiscal year 2012	4	1	1	6

* Committee Chairperson

13.

Below is a description of each committee of the Board. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board has determined that each member of each committee meets the applicable NYSE MKT rules and regulations regarding "independence" and that each member is free of any relationship that would impair his individual exercise of independent judgment with regard to Gran Tierra.

Audit Committee

The Audit Committee of the Board was established by the Board in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to oversee Gran Tierra's corporate accounting and financial reporting processes and audits of its financial statements. For this purpose, the Audit Committee performs several functions. The Audit Committee reviews our financial reports and other financial information disclosed to the public, the government and various regulatory bodies, our system of internal accounting, our financial controls, and the annual independent audit of our financial statements. The Audit Committee evaluates the performance of and assesses the qualifications of the independent auditors; determines and approves the engagement of the independent auditors; determines whether to retain or terminate the existing independent auditors or to appoint and engage new independent auditors; reviews and approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on Gran Tierra's audit engagement team as required by law; reviews and approves or rejects transactions between Gran Tierra and any related persons; confers with management and the independent auditors regarding the effectiveness of internal controls over financial reporting; establishes procedures, as required under applicable law, for the receipt, retention and treatment of complaints received by Gran Tierra regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and meets to review Gran Tierra's annual audited financial statements and quarterly financial statements with management and the independent auditors, including a review of Gran Tierra's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Audit Committee is composed of four directors: Jeffrey Scott, Verne Johnson, Ray Antony and Nicholas Kirton. The Audit Committee met four times during the fiscal year. The Audit Committee has a written charter that is available to stockholders on Gran Tierra's website at http://www.grantierra.com.

The Board reviews the NYSE MKT listing standards definition of independence for Audit Committee members and has determined that all members of Gran Tierra's Audit Committee are independent (as independence is currently established in Rule 803(a)(2) of the NYSE MKT listing standards). Additionally, each Audit Committee member has met the criteria for audit committee independence set forth in Rule 10A-3 promulgated pursuant to the Exchange Act. The Board has determined that Mr. Kirton, an independent director, qualifies as an "audit committee financial expert" within the meaning of Item 407(d)(5) of Regulation S-K promulgated by the SEC, based on his past experience as a former KPMG partner. In addition to Gran Tierra's Audit Committee: Mr. Kirton also serves on the Audit Committee of Essential Energy Services Ltd.; Mr. Antony also serves on the Audit Committees of Eaglewood Energy Ltd., Canyon Services Group Inc., Paramax Resources Ltd. and Blackhawk Resource Corp.; and Mr. Johnson also serves on the Audit Committees of Petromanas Energy Inc. and US Oil Sands Inc. (formerly Earth Energy). The Board has determined that these simultaneous services do not impair Messrs. Kirton, Antony or Johnson's ability to effectively serve on Gran Tierra's Audit Committee.

Report of the Audit Committee of the Board of Directors (1)

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2012, with management of Gran Tierra. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board ("PCAOB") in Rule 3200T. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants' communications with the audit committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm's independence. Based on the foregoing, the Audit Committee has recommended to the Board that the audited financial statements be included in Gran Tierra's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Nicholas Kirton, Chair
Ray Antony
Verne Johnson
Jeffrey Scott

(1) The material in this report is not "soliciting material" is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of Gran Tierra under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Compensation Committee

The Compensation Committee is composed of three directors: Messrs. Antony, Johnson and Price. All members of Gran Tierra's Compensation Committee are independent (as independence is currently defined in Rule 803(a)(2) of the NYSE MKT listing standards). The Compensation Committee met one time during 2012. The Compensation Committee has a written charter that is available to stockholders on Gran Tierra's website at http://www.grantierra.com.

The Compensation Committee of the Board acts on behalf of the Board to review, recommend for adoption and oversee Gran Tierra's compensation strategy, policies, plans and programs, including:

- establishment of corporate and individual performance objectives relevant to the compensation of Gran Tierra's executive officers, directors, and other senior management, as appropriate, and evaluating performance in light of these stated objectives;
- establishment of policies with respect to equity compensation arrangements;
- review and approval of the compensation and other terms of employment or service, including severance and change-in-control arrangements, of Gran Tierra's Chief Executive Officer and the other executive officers; and
- administration of Gran Tierra's equity compensation plans, pension and profit-sharing plans, deferred compensation plans and other similar plan and programs.

Each year, the Compensation Committee reviews with management Gran Tierra's Compensation Discussion and Analysis and considers whether to recommend that it be included in proxy statements and other filings.

Compensation Committee Processes and Procedures

Typically, the Compensation Committee meets at least once annually and with greater frequency if necessary. The agenda for each meeting is usually developed by the chair of the Compensation Committee, in consultation with the Chief Executive Officer. However, from time to time, various members of management and other employees as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding his compensation or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of Gran Tierra, as well as authority to obtain, at the expense of Gran Tierra, advice and assistance from internal and external legal, accounting or other advisors and consultants and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. In particular, the Compensation Committee has the sole authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms.

The Compensation Committee retained the services of Lane Caputo Compensation Inc. (the "Compensation Consultant") as its executive compensation consultant pursuant to a written agreement. The Compensation Consultant reports directly to the Compensation Committee and the Compensation Committee may replace the Compensation Consultant or hire additional consultants at any time. A representative of the Compensation Consultant attends meetings of the Compensation Committee, as requested, and communicates with the Compensation Committee Chair between meetings; however, the Compensation Committee makes all decisions and recommendations to the Board. The Compensation Consultant maintains a group of benchmark peers that the Compensation Committee finds relevant for comparison purposes. Services performed by the Compensation Consultant are pre-approved by the Compensation Committee and any additional work to be performed, including at the request of management, must be pre-approved by the Chair of the Compensation Committee.

Under its charter, the Compensation Committee may form, and delegate authority to, subcommittees, as appropriate. In 2012, the Compensation Committee did not form any subcommittees.

New performance objectives are established at one or more meetings held during the first quarter of the year. Generally, the Compensation Committee's process comprises two related elements: the recommendation of compensation levels; and the establishment of performance objectives for the current year. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee, which determines any adjustments to his compensation as well as awards to be granted. For all executives and directors, as part of its deliberations, the Compensation Committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, company stock performance data, analyses of historical executive compensation levels, current company-wide compensation levels, and independent compensation surveys for the petroleum industry in Canada for peer groupings within the industry.

THE SPECIFIC DETERMINATIONS OF THE COMPENSATION COMMITTEE WITH RESPECT TO EXECUTIVE COMPENSATION FOR FISCAL 2012 ARE DESCRIBED IN GREATER DETAIL IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION OF THIS PROXY STATEMENT.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the Board is responsible for identifying, reviewing and evaluating candidates to serve as directors of Gran Tierra (consistent with criteria approved by the Board), reviewing and evaluating incumbent directors, recommending to the Board for selection candidates for election to the Board, making recommendations to the Board regarding corporate governance issues, assessing the performance of the Board and management, and developing a set of corporate governance principles for Gran Tierra.

The Nominating and Corporate Governance Committee is currently composed of three directors: Messrs. Macey, Kirton and Antony. All members of the Nominating and Corporate Governance Committee are independent (as independence is currently defined in Rule 803(a)(2) of the NYSE MKT listing standards). The Nominating and Corporate Governance Committee met one time during the fiscal year. The Nominating and Corporate Governance Committee has a written charter that is available to stockholders on Gran Tierra's website at http://www.grantierra.com.

The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including the ability to read and understand basic financial statements and having the highest personal integrity and ethics. The Nominating and Corporate Governance Committee also intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of Gran Tierra, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of Gran Tierra's stockholders. However, the Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of Gran Tierra and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee considers diversity, age, skills, and such other factors as it deems appropriate given the current needs of the Board and Gran Tierra, to maintain a balance of knowledge, experience and capability. In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews these directors' overall service to Gran Tierra during their terms, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair the directors' independence. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for NYSE MKT purposes, which determination is based upon applicable NYSE MKT listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board by majority vote. In fiscal 2012, neither the Nominating and Corporate Governance Committee nor the Board paid any fees to any third party to assist in the process of identifying or evaluating director candidates.

The Nominating and Corporate Governance Committee does not have a formal policy regarding diversity in identifying nominees for director. However, in assessing a potential nominee, the Nomination and Corporate Governance Committee considers the professional experience, education, skills and viewpoints of the nominee and how those factors will contribute to expanding the collective knowledge and experience of the Board. The Nominating and Corporate Governance Committee considers that, while nominees should present a good fit with the existing Board in terms of their ability to work together to create stockholder value in a constructive way, diversity in opinion and viewpoint contribute to the overall success of the Board and Gran Tierra as a whole.

The Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the minimum criteria set forth above, based on whether or not the candidate was recommended by a stockholder. Stockholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to the Board may do so by delivering a written recommendation to the Nominating and Corporate Governance Committee at the following address: Gran Tierra Energy Inc., 300, 625-11th Avenue S.W., Calgary, Alberta T2R 0E1, Canada, Attention: Director Nominations. This written recommendation must be delivered at least 120 days prior to the anniversary of the mailing of Gran Tierra’s proxy statement for the last annual meeting of stockholders. Submissions must include the full name of the proposed nominee, a description of the proposed nominee’s business experience for at least the previous five years, complete biographical information, a description of the proposed nominee’s qualifications as a director and a representation that the nominating stockholder is a beneficial or record holder of Gran Tierra’s stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected.

Reserves Committee

The primary purpose of the Reserves Committee is to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to evaluating and reporting on Gran Tierra’s oil and gas reserves.

The Reserves Committee oversees Gran Tierra’s (1) annual review of its oil and gas reserves, (2) procedures for evaluating and reporting its oil and gas producing activities, and (3) compliance with applicable regulatory and securities laws relating to the preparation and disclosure of information with respect to its oil and gas reserves. The Reserves Committee also consults with the Audit Committee on matters relating to Gran Tierra’s oil and gas reserves which impact Gran Tierra’s financial statements. The Reserves Committee is composed of four directors: Messrs. Price, Johnson, Macey and Coffield. All members of the Reserves Committee are independent (as independence is currently defined in Rule 803(a)(2) of the NYSE MKT listing standards), other than Mr. Coffield, Gran Tierra’s Chief Executive Officer. The Reserves Committee met four times during fiscal 2012. The Reserves Committee has a written charter that is available on Gran Tierra’s website at http://www.grantierra.com.

VOTING STANDARD FOR ELECTION OF DIRECTORS

New rules of the TSX, which became effective December 31, 2012, require a listed issuer to disclose in the materials sent to its shareholders for a meeting at which directors are to be elected, whether or not it has adopted a majority voting policy and, if not, to explain why it has not adopted such a policy in its meeting materials. A majority voting policy generally requires that a director tender his or her resignation if the director receives more “withheld” votes than “for” votes at any meeting where shareholders vote on the uncontested election of directors. The Board considered whether to adopt a majority voting policy and determined not to adopt such a policy at this time. The Board believes a majority voting policy is unnecessary at this time as Gran Tierra has never experienced a high level of withheld votes for its directors in past elections and to date there have been no shareholder requests for such a policy. Gran Tierra is governed by the laws of Nevada which provides for plurality voting as opposed to majority voting for directors. The Board believes that plurality voting is advantageous as it ensures that a full Board will be elected annually at shareholders’ meetings. It does not diminish the right of shareholders to nominate other persons for election as directors in accordance with the applicable laws and Gran Tierra’s constating documents. In keeping with the new rules of the TSX, Gran Tierra will continue to elect each director annually and individually, will advise the TSX by e mail if a director receives a majority withheld vote and will forthwith after the shareholders’ meeting issue a press release disclosing the detailed results of the voting for directors.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board has adopted a formal process by which stockholders may communicate with the Board or any of its directors. This information is available on Gran Tierra’s website at http://www.grantierra.com.

CODE OF ETHICS

Gran Tierra has adopted the Gran Tierra Code of Business Conduct and Ethics that applies to all officers, directors and employees. The Code of Business Conduct and Ethics is available on Gran Tierra’s website at http://www.grantierra.com. If Gran Tierra makes any substantive amendments to the Code of Business Conduct and Ethics or grants any waiver from a provision of the Code to any executive officer or director, Gran Tierra will promptly disclose the nature of the amendment or waiver on its website.

PROPOSAL 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), and Section 14A of the Exchange Act, Gran Tierra’s stockholders are entitled to vote to approve, on an advisory basis, the compensation of Gran Tierra’s named executive officers as disclosed in this proxy statement in accordance with SEC rules. This vote is not intended to address any specific item of compensation, but rather the overall compensation of Gran Tierra’s named executive officers and the philosophy, policies and practices described in this proxy statement.

The compensation of Gran Tierra’s named executive officers subject to the vote is disclosed in the Compensation Discussion and Analysis, the compensation tables, and the related narrative disclosure contained in this proxy statement. As discussed in those disclosures, Gran Tierra believes that its compensation policies and decisions are focused on pay-for-performance principles and strongly aligned with our stockholders’ interests, consistent with current market practices. Compensation of Gran Tierra’s named executive officers is designed to enable Gran Tierra to attract and retain talented and experienced executives to lead Gran Tierra successfully in a competitive environment.

Accordingly, the Board is asking the stockholders to indicate their support for the compensation of Gran Tierra’s named executive officers as described in this proxy statement by casting a non-binding advisory vote “FOR” the following resolution:

“RESOLVED, that the compensation paid to Gran Tierra’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion in this proxy statement, is hereby APPROVED.”

Because the vote is advisory, it is not binding on the Board or Gran Tierra. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the Compensation Committee intend to consider the results of this vote in making determinations in the future regarding executive compensation arrangements.

Advisory approval of this proposal requires the vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the annual meeting.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF PROPOSAL 2.

PROPOSAL 3

RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

The Audit Committee of the Board has selected Deloitte LLP as Gran Tierra's independent registered public accounting firm for the fiscal year ending December 31, 2013, and has further directed that management submit the selection of independent registered public accounting firm for ratification by the stockholders at the annual meeting. Deloitte LLP has audited Gran Tierra's financial statements since its inception in 2005. Representatives of Deloitte LLP are expected to be present at the annual meeting. They will have an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

Neither Gran Tierra's Bylaws nor other governing documents or law require stockholder ratification of the selection of Deloitte LLP as Gran Tierra's independent registered public accounting firm. However, the Audit Committee of the Board is submitting the selection of Deloitte LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee of the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee of the Board in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of Gran Tierra and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and voting at the annual meeting will be required to ratify the selection of Deloitte LLP. Abstentions and broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Set forth below is a summary of fees paid to Deloitte LLP, our independent registered chartered accountants, for services in the fiscal periods ended December 31, 2012, and December 31, 2011. In determining the independence of Deloitte LLP, the Audit Committee considered whether the provision of non-audit services is compatible with maintaining Deloitte LLP's independence.

	Fiscal Year Ended	
	2012	2011
Audit Fees	$ 1,444,571	$ 1,186,848
Audit-related Fees	-	55,607
Tax Fees	-	-
All Other Fees	42,220	18,769
Total Fees	$ 1,486,791	$ 1,261,224

Audit Fees

The total audit fees and reimbursement of expenses paid to Deloitte LLP were for audits, reviews of the quarterly financial statements, and the preparation of consents.

Audit Related

Audit related fees include miscellaneous advisory services related to the acquisitions and share registration activities of Gran Tierra during the year.

All Other Fees

Other Fees included a project related to vulnerability assessment of Gran Tierra's information systems as well as public accounting board information and comments letters.

All fees described above were approved by the Audit Committee.

PRE-APPROVAL POLICIES AND PROCEDURES

Our Audit Committee is responsible for the engagement of the independent auditors and for approving, in advance, all auditing services and permitted non-audit services to be provided by the independent auditors. The audit committee maintains a policy for the engagement of independent auditors that is intended to maintain the independence from Gran Tierra of the independent auditors. In adopting this policy, our Audit Committee considered the various services that independent auditors have historically performed or may be needed to perform in the future for Gran Tierra. Under this policy:

- the Audit Committee approves the performance by the independent auditors of auditing or permitted non-audit services, subject to restrictions in certain cases, based on the Audit Committee's determination that this would not be likely to impair the independence of the independent auditors from Gran Tierra;
- Gran Tierra's management must obtain the specific prior approval of our Audit Committee for each engagement of the independent auditors to perform any auditing or permitted non-audit services; and
- the performance by the independent auditors of certain types of services (bookkeeping or other services related to the accounting records or financial statements of Gran Tierra; financial information systems design and implementation; appraisal or valuation services, fairness opinions or contribution-in-kind reports; actuarial services; internal audit outsourcing services; management functions or human resources; broker or dealer, or investment adviser or investment banking services; legal services and expert services unrelated to the audit; and any other service that the applicable federal oversight regulatory authority determines, by regulation, is impermissible) is prohibited due to the likelihood that their independence would be impaired.

In its review of all non-audit service fees, our Audit Committee considers, among other things, the possible effect of these services on the independence of our independent auditors. Relevant considerations include, but are not limited to, whether the services are prohibited pursuant to SEC rules, whether the auditors are best positioned to provide the services, and the percentage of total services the non-audit services will comprise.

Any approval required under this policy must be given by our Audit Committee or by the chairperson of the Audit Committee in office at the time, provided that any pre-approval decisions made by the chairperson must be reported to the Audit Committee at its next scheduled meeting. Gran Tierra's Audit Committee will not delegate its responsibilities to approve services performed by the independent auditors to any member of management.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF PROPOSAL 3.

SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of Gran Tierra's common stock as of February 28, 2013, by (1) each of its directors and named executive officers, (2) each person that beneficially owns more than 5% of the outstanding shares of Gran Tierra's common stock and (3) all of Gran Tierra's executive officers and directors as a group. All ownership percentage calculations below assume that all Exchangeable Shares have been converted on a one-for-one basis into corresponding shares of our common stock, as such shares vote together with our common stock on all matters as if shares of our common stock. Unless otherwise indicated, the address for each of the beneficial owners in the table below is c/o Gran Tierra Energy Inc., 300, 625 11th Avenue S.W., Calgary, Alberta T2R 0E1 Canada.

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percentage of Class
Dana Coffield (2)	2,662,572	*
David Hardy (3)	304,527	*
Duncan Nightingale (4)	246,667	*
Shane O'Leary (5)	409,300	*
James Rozon (6)	225,000	*
Jeffrey Scott (7)	3,392,194	1.2%
Ray Antony (8)	532,536	*
Verne Johnson (9)	1,500,241	*
Nicholas G. Kirton (10)	476,561	*
Gerald Macey (11)	114,999	*
J. Scott Price (12)	3,441,080	1.2%
FMR LLC (13)	22,231,170	7.9%
Amber Capital LP (14)	14,805,299	5.3%
Directors and officers as a group (total of 14 persons) (15)	15,895,016	5.5%

* Less than 1%.

(1) Beneficial ownership is calculated based on 281,703,093 shares of common stock issued and outstanding as of February 28, 2013, which, for purposes of this table includes 13,281,978 Exchangeable Shares issued and outstanding as of February 28, 2013, as such shares are immediately exchangeable for shares of our common stock and vote together with our common stock on all matters as if shares of our common stock. The number of shares beneficially owned by a person also includes shares of common stock underlying options or warrants held by that person that are currently exercisable or exercisable within 60 days of February 28, 2013. The shares issuable pursuant to the exercise of those options or warrants are deemed outstanding for computing the percentage ownership of the person holding those options and warrants but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Unless otherwise indicated, the persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite that person's name, subject to community property laws, where applicable.

(2) Includes shares issuable upon options to acquire 775,000 shares of common stock exercisable within 60 days of February 28, 2013, and 1,689,683 shares issuable upon exchange of Exchangeable Shares.

(3) Consists of shares issuable upon options to acquire 250,000 shares of common stock exercisable within 60 days of February 28, 2013, 19,527 shares issuable upon exchange of Exchangeable Shares owned by Mr. Hardy's spouse and 35,000 shares of common stock owned by Mr. Hardy's spouse. Mr. Hardy disclaims beneficial ownership of

the shares owned by his spouse, except to the extent of his pecuniary interest therein.

(4) Consists solely of shares issuable upon exercise of options exercisable within 60 days of February 28, 2013.

(5) Consists of shares issuable upon options to acquire 400,000 shares of common stock exercisable within 60 days of February 28, 2013, and 9,300 shares of common stock jointly owned with Mr. O'Leary's spouse.

(6) Consists solely of shares issuable upon exercise of options exercisable within 60 days of February 28, 2013.

(7) Includes shares issuable upon exercise of an option to acquire 978,333 shares of common stock exercisable within 60 days of February 28, 2013, and 1,688,889 shares issuable upon exchange of Exchangeable Shares.

(8)Includes shares issuable upon exercise of an option to acquire 180,000 shares of common stock exercisable within 60 days of February 28, 2013, and 254,540 issuable upon exchange of Exchangeable Shares which are owned by DCR Investments ("DCR"). Mr. Antony has sole voting and investment power over the shares held by DCR.

(9)Includes shares issuable upon exercise of an option to acquire 555,000 shares of common stock exercisable within 60 days of February 28, 2013, and 895,238 shares issuable upon exchange of Exchangeable Shares.

(10)Includes shares issuable upon exercise of an option to acquire 430,000 shares of common stock exercisable within 60 days of February 28, 2013, and 46,561 shares of common stock held by Mr. Kirton's spouse.

(11)Includes shares issuable upon exercise of an option to acquire 94,999 shares of common stock exercisable within 60 days of February 28, 2013.

(12)Consists solely of shares issuable upon exercise of an option to acquire 330,000 shares of common stock exercisable within 60 days of February 28, 2013, and 3,111,080 shares issuable upon exchange of Exchangeable Shares.

(13)Based on a Schedule 13G/A reporting beneficial ownership as of December 31, 2012. Consists of shares beneficially owned by investment advisors that are direct or indirect subsidiaries of FMR LLC, namely: (a) Fidelity Management & Research Company, the beneficial owner of 6,203,600 shares; (b) Pyramis Global Advisors, LLC ("Pyramis Global"), the beneficial owner of 14,219,190 shares; and (c) Pyramis Global Advisors Trust Company ("Pyramis Trust"), the beneficial owner of 1,808,380 shares. FMR LLC has sole voting power with respect to 15,424,220 of the shares, and FMR LLC and Edward C. Johnson 3d, as Chairman of FMR LLC, have sole investment power with respect to all of the shares. The address of FMR LLC and Mr. Johnson is 82 Devonshire Street, Boston, Massachusetts 02109.

(14)Based on a Schedule 13G/A reporting beneficial ownership as of December 31, 2012. Consists of 12,098,877 shares held by Amber Global Opportunities Master Fund Ltd. ("Amber Global") and the remainder held by certain managed accounts. Amber Capital Management LP ("Amber Management"), Amber Capital LP ("Amber Capital"), and Amber Global Amber Capital UK LLP ("Amber UK") also have shared voting and dispositive power over all of these shares. Michel Brogard and Joseph Oughourlian are managing members of Amber Capital Management GP, Ltd., the general partner of Amber Mangement, and also have shared voting and dispositive power over all of these shares. The address of Amber Management is 18 Fort Street, 3rd Floor, Grand Cayman, KY1-1104, Cayman Islands. The address of Amber Global is PO Box 309 Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of Amber UK is 14-17 Market Place, 6th Floor, London, United Kingdom W1W 8AJ. The address of each of Amber Capital, Mr. Brogard and Mr. Oughourlian is 900 Third Avenue, Suite 200, New York, New York, 10022.

(15)Includes shares issuable upon exercise of options to acquire 5,239,166 shares of common stock exercisable within 60 days of February 28, 2013, and 9,348,640 Exchangeable Shares.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires Gran Tierra's directors and executive officers, and persons who own more than ten percent of a registered class of Gran Tierra's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of Gran Tierra. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish Gran Tierra with copies of all Section 16(a) forms they file.

To Gran Tierra's knowledge, based solely on a review of the copies of such reports furnished to Gran Tierra and written representations that no other reports were required, during the fiscal year ended December 31, 2012, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

PRESENTATION IN U.S. DOLLARS

All dollar amounts discussed below are in U.S. dollars, except as otherwise noted.

To the extent that contractual amounts are in Canadian dollars, which is the case for all of Gran Tierra's directors and named executive officers, they have been converted into U.S. dollars for the purposes of the discussion below. For discussion of 2012 bonus and other compensation amounts, the exchange rate at December 31, 2012, of one Canadian dollar to US $1.0051 is used. For discussion of 2011 bonus and other compensation amounts (other than 2011 salary), the exchange rate at December 31, 2011, of one Canadian dollar to US $0.9796 is used. For discussion of 2010 bonus amounts and 2011 salary amounts, the exchange rate at December 31, 2010, of one Canadian dollar to US $1.0054 is used. For discussion of 2010 salary, the exchange rate of one Canadian dollar to US $0.9709 is used, which is calculated as the average of the daily noon rates as posted by the Bank of Canada in 2010.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

In this section, we describe the material components of our executive compensation program for our "named executive officers," i.e. our executive officers appearing in the Summary Compensation Table and other compensation tables contained in this proxy statement:

- Dana Coffield, our President and Chief Executive Officer;
- James Rozon, our Chief Financial Officer;
- Shane O'Leary, our Chief Operating Officer;
- Duncan Nightingale, our President, Gran Tierra Energy Colombia, Ltd.; and
- David Hardy, our Vice President, Legal and General Counsel.

We also provide an overview of our executive compensation philosophy and our executive compensation program. In addition, we explain how and why our Compensation Committee and our Board arrived at specific compensation policies and decisions involving the named executive officers.

Opportunity for Stockholder Feedback

The Compensation Committee carefully considers feedback from our stockholders regarding our executive compensation program. Stockholders are invited to express their views to the Compensation Committee as described under the heading "Stockholder Communications with the Board of Directors" in this proxy statement. In addition, the annual advisory vote on the compensation of the named executive officers provides our stockholders with an opportunity to communicate their views on our executive compensation program.

Last year we conducted an advisory vote on executive compensation at our 2012 Annual Meeting. While this vote was advisory and therefore not binding on our Board or our Compensation Committee, we believe that it is important for our stockholders to have an opportunity to express their views regarding our executive compensation philosophy, our compensation policies and programs, and our decisions regarding executive compensation. Our Board and our Compensation Committee value the opinions of our stockholders and, to the extent there is any significant vote against the compensation of our named executive officers as disclosed in this proxy statement, we will consider our stockholders' concerns and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

At the 2012 Annual Meeting, 98.7% of the votes cast on the advisory vote on executive compensation (Proposal 3) were cast in favor of our named executive officer compensation as disclosed in the 2012 proxy statement. The Board and Compensation Committee reviewed these final vote results and determined that, given the significant level of support, no changes to our executive compensation policies and processes were necessary based on the vote results.

You should read this Compensation Discussion and Analysis in connection with "Proposal 2 — Advisory Vote on Executive Compensation," the advisory vote that we are conducting on the compensation of the named executive officers. This Compensation Discussion and Analysis contains information that is relevant to your voting decision.

Our Business

Gran Tierra is an independent international energy company engaged in oil and gas acquisition, exploration, development and production. We own oil and gas properties in Colombia, Argentina, Peru and Brazil. Our revenue and other income for the year ended December 31, 2012, was approximately $585.2 million. For more information about our business, please see the sections titled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K filed with the SEC on February 26, 2013.

2012 Business Highlights

While 2012 marked another year of uncertainty and challenges in the global economy, the global financial markets and South American political environment, as a result of our steady leadership, we were able to seize opportunities and continued to differentiate ourselves from the competition throughout this period. As we previously reported, the guerrilla activity in Colombia increased significantly in 2012 which resulted in the Ecopetrol-operated Trans-Andean oil pipeline (the "OTA pipeline") in Colombia, the primary method Gran Tierra delivers its oil to the market, shutdown for over 162 days which had a material adverse effect on our deliveries and our financial performance for 2012. In 2012, we developed alternative transportation arrangements in Colombia and we implemented such arrangements in 2013 which allows us to deliver more of our production that was adversely impacted by the pipeline shutdowns. While these deliveries resulted in reduced realized revenue compared to the Ecopetrol-operated OTA pipeline, such arrangements will continue to be used when guerrilla activity impacts the OTA pipeline.

During 2012, we also had the following significant accomplishments:

- Estimated proved oil and natural gas liquids ("NGL") reserves, net after royalty ("NAR"), as at December 31, 2012, were 38.5 million barrels ("MMbbl"), a 25% increase from our estimated proved reserves as at December 31, 2011;
- Received regulatory approval and acquired the remaining 30% working interest of four blocks in Brazil;
- In Brazil, production was initiated from two new wells drilled in the Tiê Field on Block 155, with production growing to approximately 1,000 barrels of oil per day ("BOPD") gross or 850 BOPD NAR;
- Drilled the 1-GTE-05HP-BA horizontal well in Block 142, the first horizontal well to be drilled in the tight sands of the Gomo formation in the Recôncavo Basin of Brazil;
- Added Sinu-1 and Sinu-3 Blocks in the Sinu Basin of northern Colombia in the National Hydrocarbon Agency 2012 Bid Round and continued development of the Moqueta and Costayaco fields;
- Increased working interest in multiple blocks in Peru, completed civil construction on a drilling platform and commenced drilling an exploration well in Block 95; and
- Continued development of our producing fields in Argentina, including Surubi, Puesto Morales and Rinconada Norte fields. The Proa oil field discovery on the Surubi Block, Argentina, tested 6,300 BOPD of 46° API crude oil and the PMN-1117 horizontal well in the Puesto Morales Block, the first horizontal multi-stage fracture stimulated well drilled in the tight sands of the Loma Montosa formation of Argentina, tested at a rate of approximately 840 BOPD initially and is currently flowing naturally at a choke-restricted rate of 100 BOPD of 33.8°API oil with a 27% water cut.

Other business developments for the year were as follows:

- In 2012, oil and natural gas production NAR and after inventory adjustments averaged 16,897 barrels of oil equivalent per day ("BOEPD"), a decrease of 3% from 2011. However, despite pipeline downtime, year-to-date production before inventory adjustments through and including March 31, 2013, averaged approximately 21,860 BOEPD NAR;

- Estimated proved gas reserves, NAR, as at December 31, 2012, were 12.8 billion cubic feet (“Bcf”) compared with 18.3 Bcf as at December 31, 2011;
- Revenue and other income decreased by 2% to $585.2 million in 2012 compared with $597.4 million in 2011;
- Net income decreased by 21% from the prior year to $99.7 million, representing basic and diluted net income per share of $0.35. This compares with net income of $126.9 million, or $0.46 per share basic and $0.45 per share diluted, in 2011;
- Funds flow from operations increased 1% to $323.8 million in 2012 from $319.0 million in 2011; and
- Cash and cash equivalents was $212.6 million as at December 31, 2012, compared to $351.7 million as at December 31, 2011.

At a glance, illustrated in the charts below is Gran Tierra's 5-year performance using various metrics:

2012 Executive Compensation Highlights

In January 2012, the Compensation Committee recommended, and in February 2012 our Board approved, the following compensation actions:

(1) We maintained our 2011 compensation philosophy for 2012 which is (i) to target the salary component for Gran Tierra's employees at the 65th percentile of Gran Tierra's peer group, (ii) to target total cash compensation for Gran Tierra's employees at the 75th percentile of Gran Tierra's peer group at target performance and (iii) to target total direct compensation (including equity compensation) for Gran Tierra's employees at the 75th percentile of Gran Tierra's peer group at target performance levels; and

(2) We made annual cash bonuses for 2012 performance consistent with our 2012 business results.

In January and February 2013, the Compensation Committee and our Board, respectively, determined to continue the 2012 philosophy set forth in (1) above in connection with the review of 2012 bonuses as well as establishing 2013 base salaries and target bonuses. In late 2012, the Compensation Committee, working with its compensation consultant and senior management, began the development of a new long-term incentive program designed to attract and retain employees and link incentives to the long-term growth of Gran Tierra. In April 2013, the Compensation Committee approved a new long-term incentive program, and is recommending to our Board that it approve the program, whereby our executive officers will receive an annual grant consisting of a 50% weighting of time-vested stock options and a 50% weighting of time-vested restricted stock units ("RSUs"). The number of stock options and RSUs granted will be in reference to the grant date fair value of each (Black-Scholes value for stock options and our current share price for the RSUs) and the target long-term incentive program award value for each position. The Board is expected to consider the Compensation Committee's recommendation at its next regularly scheduled meeting.

2012 Compensation Corporate Governance Highlights

We endeavor to maintain good governance standards, including with respect to the oversight of our executive compensation policies and practices. The following policies and practices were in effect during 2012 relating to executive compensation:

- The Compensation Committee is composed solely of independent directors who have established ways to communicate with stockholders regarding their executive compensation ideas and concerns;
- The Compensation Committee's independent compensation consultant, Lane Caputo Compensation Inc. ("Lane Caputo"), is retained directly by the Compensation Committee and performs only limited consulting services for us with the full knowledge of the Compensation Committee; and
- The Compensation Committee conducts an annual review and approval of our compensation strategy, including a review of our compensation-related risk profile so that our compensation-related risks are not reasonably likely to have a material adverse effect on Gran Tierra.

Philosophy and Objectives of our Executive Compensation Program

Our philosophy underlying our executive compensation program is to provide an attractive, flexible, and market-based total compensation program tied to performance and aligned with the interests of our stockholders. Our objective is to recruit and retain the caliber of executive officers and other key employees necessary to deliver sustained high performance to our stockholders and communities where we have a strong presence. Our executive compensation program is an important component of these overall human resources policies. Our compensation practices also serve as a means of communicating our goals and standards of conduct and performance, and for motivating and rewarding employees in relation to their achievements.

We observe the follow principles:

- Retain and Hire Top Caliber Executives: Executive officers should have base salaries and employee benefits that are market competitive and that permit us to hire and retain high-caliber individuals at all levels;
- Pay for Performance: A significant portion of the annual compensation of our executive officers should vary with annual business performance and each individual's contribution to that performance;
- Reward long-term growth and profitability: Executive officers should be rewarded for achieving long-term results, and these rewards should be aligned with the interests of our stockholders; and
- Provide modest perquisites: Perquisites for our executive officers should be minimized and limited to items that serve a reasonable business purpose.

Gran Tierra's compensation program consists of three basic elements: base salary, cash bonus and equity incentives. We focus on providing a majority of the total compensation for our named executive officers based on performance:

- we provide cash bonuses linked both to Gran Tierra's performance (solely in the case of Dana Coffield, our President and Chief Executive Officer) and to each individual's performance; we link the portion of our executive officers' cash compensation to Gran Tierra's performance as measured by achievement of budget targets for items such as production, reserves, capital expenditures, revenues and operating costs, as well as other factors such as liquidity, share price performance given overall market conditions, and other objectives specific to Gran Tierra's situation at the time; and

- in 2012, we provided long-term incentives in the form of stock option grants; options generally vest over three years, linking executive officers' rewards directly to their ability to create value for our stockholders and providing an incentive for our executive officers to remain with Gran Tierra over the long term.

The price of oil directly impacts the performance of Gran Tierra. During 2012, the price of West Texas Intermediate Crude oil (the reference price for most of our contracts) experienced fluctuations from $77.69 to $109.77.

Risk Assessment

In February 2013, the Compensation Committee and Board assessed the risks associated with our compensation policies and practices. This assessment included an examination of the changes in Gran Tierra's risk profile over the past year for our executive compensation policies and practices. Based on this assessment, the Compensation Committee and the Board determined that these risks were not reasonably likely to have a material adverse effect on Gran Tierra. Among other things, the Compensation Committee and the Board took into consideration the fact that:

- the current significant weighting towards long-term incentive compensation discourages short-term risk taking;
- our goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation;
- incentive awards are decided by the Compensation Committee and recommended to the Board for approval; and
- as an oil and gas exploration company, we do not face the same level of risks associated with compensation for employees at financial services (traders and instruments with a high degree of risk) or technology companies (rapidly changing markets).

Compensation Process

The Compensation Committee recommends to the Board for approval the annual compensation for Gran Tierra's President and Chief Executive Officer. Within the framework of the compensation programs reviewed and approved by the Compensation Committee and based on management's review of market competitive positions, each year our Chief Executive Officer recommends the level of base salary increase (if any), the annual incentive award, and the long-term incentive award value for executive officers, including the other named executive officers. These recommendations are based upon his assessment of each executive officer's performance (including his own), the performance of the individual's respective business or function, and employee retention considerations. The Compensation Committee reviews our Chief Executive Officer's recommendations, as well as the recommendations of Lane Caputo, and deliberates as to whether any compensation changes should be made affecting our executive officers. Following this deliberation, it determines, in its sole discretion, its recommendations to be made to the Board for approval. Our Chief Executive Officer does not attend that portion of the Board meeting at which his compensation is approved.

Except as described above, our Chief Executive Officer does not play any role with respect to any matter affecting his own compensation.

The Compensation Committee contemplated the success and performance of our executive team for the year 2012 while taking a deliberate and objective approach to fairly assess compensation awards. The Compensation Committee and Board make their compensation decisions for the upcoming year, and review performance for the prior year, generally in the first quarter of the year. Annual bonuses in respect of 2012 performance, as well as salary increases for 2013, were recommended by the Compensation Committee in January 2013, and approved by the Board in February 2013. Bonuses in respect of 2012 performance were paid in February 2013. Due to the Compensation Committee's recommendation to the Board regarding a new long-term incentive program, equity grants will be made in the second quarter of 2013.

Role of the Compensation Consultant

The Compensation Committee relies upon external advisors and third-party compensation surveys as well as the knowledge and experience of Compensation Committee members and other members of the Board to set rewarding and competitive levels of salary and other compensation. The retention of and scope of services from independent compensation advisors are to be assessed on an annual basis.

The Compensation Committee retained the services of Lane Caputo as its executive compensation consultant pursuant to a written agreement. Lane Caputo reports directly to the Compensation Committee and the Compensation Committee may replace Lane Caputo or hire additional consultants at any time. A representative of Lane Caputo attends meetings of the Compensation Committee, as requested, and communicates with the Compensation Committee Chair between meetings; however, the Compensation Committee makes all decisions and recommendations to the Board. Lane Caputo maintains a group of benchmark peers that the Compensation Committee and the Board find relevant for comparison purposes. Services performed by Lane Caputo are pre-approved by the Compensation Committee and any additional work to be performed, including at the request of management, must be pre-approved by the Chair of the Compensation Committee.

The total amount of fees paid to Lane Caputo for services to the Compensation Committee in 2012 was $93,248. Lane Caputo received $37,416 in other fees from us for general compensation related work for Gran Tierra and $3,166 to participate in a general industry survey of long-term compensation.

The Compensation Committee assesses the performance and independence of Lane Caputo and of each individual employee of the consulting firm who directly provides services to Gran Tierra. In April 2013, the Compensation Committee considered whether Lane Caputo could serve as an independent adviser to the Compensation Committee. The Compensation Committee requested information from Lane Caputo about potential conflicts of interest, and in particular, considered the fact that Lane Caputo provides minimal other services to Gran Tierra, that the individual representative of Lane Caputo who works directly with the Compensation Committee has no other business relationships with the Board, management or Gran Tierra, and Lane Caputo's own policies on ethics and conflicts of interest. In particular, the fees paid to Lane Caputo in 2012 did not exceed 10% of Lane Caputo's annual gross revenues. As a result, the Compensation Committee concluded that there were no actual conflicts of interest with respect to Lane Caputo providing services to the Compensation Committee.

Use of Peer Data

2012 Compensation Structure, Base Salaries and Target Bonuses

Our executive compensation program is designed with the flexibility to be competitive and motivational within the various marketplaces in which we compete for employees, while being subject to centralized design, approval, and control. The Compensation Committee relies on various sources of compensation information to ascertain the competitive market for our executive officers, including the named executive officers. To assist in establishing recommendations for our 2012 executive compensation structure, base salaries and target bonuses, Lane Caputo continued with the philosophy of measuring Gran Tierra's compensation structure against a relevant group of industry peers (the "Custom Peer Group") against which to benchmark executive compensation. This Custom Peer Group was substantially similar to the 2011 Custom Peer Group. Although it would have been preferable to only include peers that compete with Gran Tierra in the international energy arena, Gran Tierra's relative size, and the lack of sufficient international peers of similar size, dictated that peers with domestic operations of similar size be included in the peer group, and, in fact, such domestic peers are predominate in the group. As a result, the Custom Peer Group included peers of a similar size to Gran Tierra based on market capitalization and average daily production volumes, and included peers with operations located both internationally and domestically. The Custom Peer Group consisted of the following 22 companies:

Advantage Oil & Gas Ltd.	NuVista Energy Ltd.
Bankers Petroleum Ltd.	P 1 Energy Corp.
Birchcliff Energy Ltd.	Pacific Rubiales Energy Corp.
BPZ Resources Inc.	Paramount Resources Ltd.
C&C Energia Ltd.	Parex Resources Inc.
Canacol Energy Ltd.	PetroBakken Energy Ltd.
Celtic Exploration Ltd.	Petrominerales Ltd.
Crew Energy Inc.	Peyto Exploration & Development Corp.
Daylight Energy Ltd.	Progress Energy Resources Corp.
Legacy Oil & Gas Inc.	Trilogy Energy Corp.
Niko Resources Ltd.	Vermilion Energy Inc.

In making compensation decisions regarding executive officers located in South America, the Compensation Committee also utilized the following local compensation surveys to reflect the local pay practices in each country:

- Aon Hewitt Market Review (Argentina).
- Towers Watson 2011 Oil & Gas Total Rewards Survey (Brazil).
- Hay Group Diagnostico Salarial (Peru).

Benchmark data from Lane Caputo Compensation's International Energy Exploration & Production Compensation Survey was also used to reflect the expatriate assignment of Duncan Nightingale, our President of Gran Tierra Energy Colombia, Ltd.

2012 Actual Bonuses, and 2013 Compensation Structure, Base Salaries and Target Bonuses

To assist in establishing recommendations for 2012 bonuses and the 2013 executive compensation structure, base salaries and target bonuses, Lane Caputo continued with the philosophy of measuring Gran Tierra's compensation structure against a relevant group of industry peers against which to benchmark executive compensation, revising the Custom Peer Group slightly by removing Daylight Energy Ltd. (acquired by Sinopec International Petroleum Exploration and Production Corporation in October 2011) and P1 Energy Corp (lack of comparable oil and gas production) and adding Transglobe Energy Corp.

In making compensation decisions regarding executive officers located in South America, the Compensation Committee also utilized the following local compensation surveys to reflect the local pay practices in each country:

- Aon Hewitt Market Review (Argentina).
- Towers Watson 2012 Oil & Gas Total Rewards Survey (Brazil).
- Mercer 2012 Compensation & Benefits Survey (Colombia).
- Mercer Compensation Survey 2012 (Peru).

In addition to the local market data, benchmark data from Lane Caputo Compensation's International Energy Exploration & Production Compensation Survey was also used to reflect the expatriate assignment of Duncan Nightingale, our President of Gran Tierra Energy Colombia, Ltd.

Application of Judgment

Given the extensive research and analysis used to develop the peer benchmark group, the Compensation Committee believes that the compensation survey data used provides a useful guide for comparative purposes. The Compensation Committee recognizes that a successful compensation program also requires an application of judgment to maintain a subjective determination of individual performance by our executive officers. Therefore, the Compensation Committee applies its judgment in reconciling the program's objectives and peer comparisons with the realities of rewarding excellent performance and retaining valued employees.

Elements of Compensation

The Compensation Committee has determined that Gran Tierra will use three basic elements of compensation: base salary (including benefits), cash bonus and equity incentives. Each component has a different purpose.

The Compensation Committee believes that base salaries at this stage in Gran Tierra's growth and especially within the international exploration and production sector, must be competitive to retain the best executives. The Compensation Committee believes that principal performance incentives should be in the form of long-term equity incentives given the longer-term nature of Gran Tierra's business plan. Long-term incentives to date have been in the form of stock options; however, Gran Tierra's equity incentive plan allows for other forms of equity incentives, such as restricted stock units, restricted stock or stock bonuses. Short-term cash bonuses are a common element of compensation in Gran Tierra's industry and among Gran Tierra's peers with which Gran Tierra competes with for executive talent. The Compensation Committee ultimately determines the optimal allocation split between the three forms of compensation relative to Gran Tierra's peers for each executive position, taking into account the contributions of each executive officer and the operational and financial achievements of Gran Tierra. The Compensation Committee does not use a formula to establish the allocation between base salary, target bonus and long term incentives; rather, this allocation has been based on the consensus among the members of the Compensation Committee, all of whom have significant experience in the oil and gas exploration business. Actual bonuses are determined based on the subjective determination by the Compensation Committee and the Board of the achievement of goals set at the beginning of the year.

Salary

The Compensation Committee determined 2012 base salaries based upon the market data presented by Lane Caputo and, taking into consideration the very competitive nature of the international exploration and production sector and the corresponding shortage of experienced executive talent, particularly in Calgary, Canada, Gran Tierra's headquarters, determined that a general target of the 65th percentile of the Custom Peer Group was appropriate to retain the services of Gran Tierra's executive officers, with the exact amount determined by the Compensation Committee's subjective assessment of the appropriate salary for each executive officer given their performance and roles within Gran Tierra.

The Compensation Committee recommended to the Board, and the Board approved, the following annual salaries (USD) for 2012:

Name	Salary
Mr. Coffield	$ 427,179
Mr. Rozon	231,179
Mr. O'Leary	361,845
Mr. Nightingale	311,589
Mr. Hardy	276,410

Mr. Coffield's 2012 salary was positioned at the 65th percentile of the Custom Peer Group while Mr. O'Leary's was slightly above the 75th percentile due primarily to the inclusion of peers with domestic operations and the differences in compensation practices between operational executives in international locales (relatively higher compensation for this role) and domestic locales (generally lower compensation for the role). Due to his recent appointment as acting Chief Financial Officer, Mr. Rozon's salary was positioned at the 25th percentile of the Custom Peer Group. Following his appointment to Chief Financial Officer, Mr. Rozon's annual salary was increased to $301,538, which positioned him at the 65th percentile of the Custom Peer Group. Mr. Nightingale's 2012 salary was positioned above the 75th percentile of comparable expatriate roles due primarily to the relative importance and larger scope of operations he oversees compared to his peers. Mr. Hardy's 2012 salary was positioned at the 65th percentile.

Annual Bonus

Bonuses for 2012 were based on corporate, business unit and personal performance, with the following individual weightings:

Name	Corporate Performance	Business Unit Performance	Personal Performance
Mr. Coffield	100%	0%	0%
Mr. Rozon	70%	0%	30%
Mr. O'Leary	70%	0%	30%
Mr. Nightingale	30%	40%	30%
Mr. Hardy	60%	0%	40%

The Compensation Committee, using its subjective judgment of Gran Tierra's performance in 2012 measured against the performance goals set forth for Gran Tierra, determined that the corporate performance score, as well as the business unit score for the Colombia business unit, for 2012 was 90%. For Mr. Coffield, the corporate performance was applied to 100% of the target bonus. For Messrs. Rozon and O'Leary, the corporate performance score was applied to 70% of the target bonus and the remaining 30% of target bonus was determined based upon the Compensation Committee's subjective determination of such executive officer's respective individual performance as measured against such executive officer's specific individual performance objectives. For Mr. Nightingale, the corporate performance score applied to 30% of the target bonus, 40% of target bonus was determined based upon business unit performance and the remaining 30% of target bonus was determined based upon the Compensation Committee's subjective determination of his individual performance as measured against his specific individual performance objectives. For Mr. Hardy, the corporate performance score was applied to 60% of the target bonus and the remaining 40% of target bonus was determined based upon the Compensation Committee's subjective determination of his individual performance as measured against his specific individual performance objectives. Mr. Nightingale had a significant portion of his target bonus tied to business unit performance, rather than corporate performance, because he was in charge of our Colombia business unit and had significantly more ability to influence the performance of the Colombia business unit than overall corporate performance; no other named executive officer was in charge of a business unit. The allocation of weightings between corporate performance (or in the case of Mr. Nightingale, business unit performance) and individual performance was based on the subjective determination of the relative abilities of the executive officers to affect corporate performance.

Individual objectives for 2012 were as follows:

Dana Coffield - Chief Executive Officer and President

The principal corporate objectives in 2012 for Gran Tierra, and therefore for Mr. Coffield, which were recommended by the Compensation Committee and approved by the Board in February 2012, were:

Reserves (25%)
- Add working interest reserves of 10.4 million barrels of oil equivalent ("MMBOE") Proved reserves, 6.9 MMBOE Proved plus Probable reserves, and 18.0 million barrels ("MMBBLS") 2C contingent resources.

Production (25%)
- Attain average production of 20,000 to 21,000 barrels of oil equivalent per day ("BOEPD") net after royalty.

Business Development (15%)
- Execute business development strategies to manage the portfolio consistent with business unit objectives.

Finance (4%)
- Maintain compliance with SEC, NYSE and TSX regulatory environments along with host-country regulatory compliance.
- Ensure integrity of financial statements.
- Deliver internal and external audit integrity and internal controls.
- Manage cash and working capital, and ensure financial resources are available to enable business growth.

Legal (3%)
- Continue to ensure protection of legal rights of Gran Tierra and identify material legal/commercial risks and work to mitigate such risks to acceptable limits.
- Assist with completion of implementation across BU's of formal contracting procedures in accordance with corporate policies.

Leadership (15%)

- Establish a culture of open and honest communication, working together in a collaborative and multidisciplinary environment with results-driven personal accountability and personal initiative; maintain shareholder confidence.

Environmental, Health, Safety, Security and Corporate Social Responsibility (10%)

- Ensure Environmental, Health, Safety, Security, and Corporate Social Responsibility practices are implemented to meet or exceed relevant industry standards, while complying with Gran Tierra Environmental Health and Safety (“EHS”) objectives.

Human Resources (3%)

- Ensure human resources practices and policies are in place that enable the success and growth of Gran Tierra.

James Rozon - Chief Financial Officer

The principal objectives in 2012 for Gran Tierra's Chief Financial Officer were:

- Complete Treasury initiatives (20%).
- Complete Information Technology initiatives (10%).
- Complete Internal Audit Services initiatives (10%).
- Complete tax initiatives (15%).
- Assist Business Development department in improving and formalizing a budget process (10%).
- Implement the corporate Hyperion financial reporting module (15%).
- Commence implementation of Hyperion budget and forecast module (5%).
- Leadership: Lead by example and maintain a culture of open and honest communication; promote staff training and professional development along with clearly aligned accountabilities and goals (15%).

Shane O'Leary - Chief Operating Officer

The principal objectives in 2012 for Gran Tierra's Chief Operating Officer were:

Environmental, Health, Safety, Security and Corporate Social Responsibility (10%)

- Ensure Environmental, Health, Safety, Security, and Corporate Social Responsibility practices are implemented to meet or exceed relevant industry standards, while complying with EHS objectives.

Reserves (30%)

- Add working interest reserves of 10.4 MMBOE Proved resources, 6.9 MMBOE Proved plus Probable reserves, and 18.0 MMBBLS 2C contingent resources.

Production (30%)

- Attain average production of 20,000 to 21,000 BOEPD net after royalty.

Leadership (20%)

- Establish a culture of open and honest communications, working together in a collaborative and multidisciplinary environment with results driven personal accountability and personal initiative.

Organization (10%)

- Roll out centralized Drilling, Completions and Operations organization.

Duncan Nightingale – President, Gran Tierra Energy Colombia, Ltd.

The principal objectives in 2012 for Gran Tierra's President, Gran Tierra Energy Colombia were:

Production (25%)

- Attain average production of 16,700 BOEPD net after royalty.

Reserves (25%)

- Add working interest reserves of 9.5 MMBOE Proved resources and 10.5 MMBOE Proved plus Probable reserves.

Operations Execution (10%)

- Drill four exploration and seven development wells, each well within +/- 10% of AFE.
- Maintain operating expenses below $10.00 per barrel.

- Maintain general and administrative expenses below $3.60 per barrel.

Geographical and Geophysical Program Execution (10%)

- Complete five geographical and geophysical programs, each program within ten percent of approved expenditure.

Business Development (15%)

- Execute business development strategies to manage the portfolio consistent with business unit objectives.

Environmental, Health, Safety, Security, and Corporate Social Responsibility (10%)

- Ensure Environmental, Health, Safety, Security, and Corporate Social Responsibility practices are implemented to meet or exceed relevant industry standards, while complying with EHS objectives.

Budget (5%)

- Complete budget deliverables on time.

David Hardy – Vice-President, Legal and General Counsel

The principal objectives in 2012 for Gran Tierra's Vice President, Legal and General Counsel are listed below. Mr. Hardy's principal objectives were considered in their entirety with no specific weighing of objectives.

- Facilitate an environment in which legal input and advice is recognized as being an important component to the growth of Gran Tierra and provide leadership and oversight to internal and external counsel.

- Work with internal audit team and management to foster proper environment, culture and processes are in place to remain compliant with Foreign Corrupt Practices Act and Gran Tierra corporate policies; respond and investigate complaints as the Gran Tierra Compliance Officer.

- Provide strategic direction and effectively negotiate and close corporate acquisitions.

- Provide proper legal support to ensure proper agreements are executed for drilling programs in Brazil and Peru.

- Complete the merger of Solana Colombia and Gran Tierra Energy Colombia, Ltd.

Equity Incentives

In January 2012 the Compensation Committee considered the recommendations of Lane Caputo, and elements of individual, business unit and corporate performance, in determining its recommendations for equity incentive grants, and in February 2012 the Board granted options under the terms of Gran Tierra's 2007 Equity Incentive Plan to each of Gran Tierra's named executive officers as follows:

Name	Number of Shares
Mr. Coffield	375,000
Mr. Rozon	35,000
Mr. O'Leary	275,000
Mr. Nightingale	50,000
Mr. Hardy	100,000

The levels of these awards were based on recommendations from Lane Caputo, taking into account Gran Tierra's desired competitive positioning of total direct compensation targeting the 75th percentile of the Custom Peer Group, as discussed in the sections titled "Overview" and "Philosophy and Objectives of our Executive Compensation Program" above based on the fair value of awards at time of grant. In addition to the fair value, the absolute number of awards and each award as a percentage of total shares outstanding versus the Custom Peer Group were also considered as well as the country of residence of the executive officer.

The energy industry, including companies in the Custom Peer Group, has faced increasing risks in retaining executive officers and key employees as a result of historical volatility in the stock price for stock options. In November 2012, the Compensation Committee retained Lane Caputo to assist in researching potential alternative equity incentive programs to attract and retain the caliber of executive officers and key employees necessary to operate our business. The Compensation Committee and the Board, while recognizing the inherent value in compensating employees by promoting long-term value creation through the need for sustained increases in our stock price for stock options to be meaningful, also recognizes the need to keep pace with competitive market trends and is therefore considering the addition of alternative equity incentives in the current compensation program. In April 2013, the Compensation Committee adopted and has recommended to the Board a new long-term program to be implemented in 2013.

Termination and Change in Control Provisions

Gran Tierra's employment agreements with our executive officers contain termination and change in control provisions. These provisions provide that Gran Tierra's executive officers will receive severance payments in the event that their employment is terminated other than for "cause" or if they terminate their employment with us for "good reason", as discussed in the section titled "Agreements with Named Executive Officers" below. The termination and change-in-control provisions were industry standard clauses at the time that the executive officers entered into the employment agreements with us.

Benefits

Messrs. Coffield, Rozon, Hardy, Nightingale and O'Leary are eligible for full participation in all rights and benefits under any life insurance, disability, medical, dental, health and accident plans maintained by Gran Tierra for its employees and executive officers. Our executive officers generally do not receive any supplemental retirement benefits or perquisites, except for limited perquisites provided on a case-by-case basis. In addition, these executive officers will be paid their base salary in the event they become disabled, until such time as the executive officer begins to receive long-term disability insurance benefits. These are standard basic benefits in our industry and help to retain and recruit key talent.

COMPENSATION COMMITTEE REPORT (2)

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis ("CD&A") contained in this proxy statement. Based on this review and discussion, the Compensation Committee has recommended to the Board that the CD&A be included in this proxy statement and incorporated into Gran Tierra's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Verne Johnson, Chair
J. Scott Price
Ray Antony

(2) The material in this report is not "soliciting material," is furnished to, but not deemed "filed" with, the SEC and is not deemed to be incorporated by reference in any filing of Gran Tierra under the Securities Act or the Exchange Act, other than Gran Tierra's Annual Report on Form 10-K, where it shall be deemed to be "furnished," whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

COMPENSATION POLICIES AND PRACTICES AS THEY RELATE TO RISK MANAGEMENT

The Compensation Committee, with assistance of compensation consultants and legal counsel, and the Board reviewed Gran Tierra's compensation policies and practices as they relate to risk management practices and risk-taking incentives. In the course of this review the Compensation Committee and the Board noted that the fixed (or salary) portion of compensation is designed to provide a steady income regardless of Gran Tierra's stock price performance so that executives do not feel pressured to focus exclusively on stock price performance to the detriment of other important business metrics. The variable (cash bonus and equity) portions of compensation are designed to reward both short term and long term corporate performance. For short-term performance, Gran Tierra's cash bonus is awarded based on a formula using the achievement of a combination of corporate goals, personal goals and business goals (if applicable), except in the case of the Chief Executive Officer, who was evaluated for 2012 performance on the basis of the achievement of the corporate goals only. For long-term performance, the stock option awards cliff vest annually over three years and are only valuable if Gran Tierra's stock price increases over time. The Compensation Committee concluded that these variable elements of compensation are a sufficient percentage of overall compensation to motivate executives to produce superior short-and long-term corporate results, while the fixed element is also sufficiently high that the executives are not encouraged to take unnecessary or excessive risks in doing so. Finally:

- significant weighting towards long-term incentive compensation discourages short-term risk taking;
- goals are appropriately set to avoid targets that, if not achieved, result in a large percentage loss of compensation;
- incentive awards are decided by the Compensation Committee and recommended to the Board for approval; and
- as an oil and gas exploration company, Gran Tierra does not face the same level of risks associated with compensation for employees at financial services (traders and instruments with a high degree of risk) or technology companies (rapidly changing markets).

Based on the above, the Compensation Committee concluded that the risks arising from Gran Tierra's compensation policies and practices for its employees are not reasonably likely to have a material adverse effect on Gran Tierra.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

As noted above, Gran Tierra's Compensation Committee consists of Messrs. Johnson, Price and Antony. None of the members of the Compensation Committee has at any time been an officer or employee of Gran Tierra. No member of the Board or of the Compensation Committee served as an executive officer of another entity that had one or more of Gran Tierra's executive officers serving as a member of that entity's board or compensation committee.

SUMMARY COMPENSATION TABLE

The following table shows for the fiscal years ended December 31, 2012, 2011 and 2010, compensation awarded to or paid to, or earned by, Gran Tierra's Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers at December 31, 2012 (the "Named Executive Officers"):

Summary Compensation Table

Name and principal position	Year	Salary (US$)(1)	Bonus (US$)(1)(2)	Option Awards (US$)(3)	All Other Compensation (US$)		Total (US$)
Dana Coffield	2012	$ 427,179	$ 351,794	$ 1,313,116	$ 25,587	(4)	$ 2,117,676
President and Chief Executive	2011	$ 356,927	$ 195,925	$ 2,030,550	$ 22,731	(5)(14)	$ 2,606,133

Officer	2010	$	320,397	$	239,292	$	666,776	$	34,607	(6)(14)	$	1,261,072
James Rozon Chief Financial	2012	$	277,819	$	211,076	$	122,557	$	19,770	(7)	$	631,222
Officer	2011	$	193,722	$	63,578	$	171,213	$	3,511		$	432,024
Shane O'Leary Chief Operating	2012	$	361,845	$	261,333	$	962,952	$	36,336	(9)	$	1,622,466
Officer	2011	$	307,661	$	156,740	$	1,489,070	$	20,101	(9)(14)	$	1,973,572
	2010	$	282,726	$	186,004	$	416,735	$	18,188	(10)(14)	$	903,653
Duncan Nightingale President, Gran Tierra Energy	2012	$	311,589	$	130,666	$	175,082	$	471,537	(11)	$	1,088,874
Colombia Ltd.	2011	$	264,784	$	127,351	$	270,740	$	305,270	(12)	$	968,145
David Hardy Vice President, Legal and General Counsel	2012	$	276,410	$	127,651	$	350,164	$	23,985	(13)	$	778,210

(1) Messrs. Coffield, Hardy, O'Leary and Rozon's salaries and bonus are paid in Canadian dollars and converted into U.S. dollars for the purposes of the above table. Mr. Nightingale's salary and bonus were paid in Canadian dollars for the months of January and February 2011. Thereafter, Mr. Nightingale's salary was paid in Colombian pesos based on a salary denominated in Canadian dollars. Mr. Nightingale's compensation is based in Canadian dollars and converted to U.S. dollars for the purposes of the above table. See "Presentation in U.S. Dollars" above for conversion rates.

(2) For 2010, 2011 and 2012, the Compensation Committee determined incentive bonuses for Gran Tierra's Named Executive Officers based on a subjective assessment of corporate, business unit and personal performance in 2010, 2011 and 2012, in addition to consideration of Gran Tierra's overall operational and financial results, as more fully described in "Compensation Discussion and Analysis" above. Because these amounts are established based on the Compensation Committee's subjective assessment, they are reported as bonuses rather than non-equity incentive plan compensation.

(3) Granted under terms of Gran Tierra's 2005 and 2007 Equity Incentive Plan. Assumptions made in the valuation of stock options granted are discussed in Note 7 to Gran Tierra's 2012 Consolidated Financial Statements. Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 Compensation – Stock Compensation ("ASC 718").

(4) Consists of critical illness and disability insurance premiums of $19,137, life insurance premiums of $1,836 and parking fees of $4,614.

(5) Consists of critical illness and disability insurance premiums of $19,137, life insurance premiums of $1,253 and parking fees of $2,341.

(6) Consists of a vacation payout of $23,831, critical illness and disability insurance premiums of $8,812 and life insurance premiums of $1,964.

(7) Consists of a vacation payout of $13,204, critical illness and disability insurance premiums of $749, life insurance premiums of $1,203 and parking fees of $4,614.

(8) Consists of critical illness and disability insurance premiums of $28,233, life insurance premiums of $3,489 and parking fees of $4,614.

(9) Consists of critical illness and disability insurance premiums of $14,983, life insurance premiums of $2,777 and parking fees of $2,341.

(10) Consists of critical illness and disability insurance premiums of $14,983 and life insurance premiums of $3,205.

(11) Consists of payments related to Mr. Nightingale's expat assignment in Colombia for cost of living, housing and other allowances of $428,558, life insurance premiums and critical illness and disability insurance premiums of $4,799, health club membership of $15,787, car allowance of $6,611 and $15,782 in contributions to Mr. Nightingale's account under the employee matching savings plan offered to employees of Gran Tierra Energy Colombia Ltd.

(12) Consists of payments for cost of living allowance of $167,883, relocation assistance of $104,706, health club membership of $14,627, car allowance of $9,171 and $8,883 in contributions to Mr. Nightingale's account under the employee matching savings plan offered to employees of Gran Tierra Energy Colombia Ltd.

(13) Consists of critical illness and disability insurance premiums of $18,303, life insurance premiums of $1,068 and parking fees of $4,614.

(14) Other compensation for the prior periods has been restated to include imputed income earned on behalf of our Named Executive Officers for critical illness and disability insurance premiums.

GRANTS OF PLAN-BASED AWARDS

The following table shows for the fiscal year ended December 31, 2012, certain information regarding grants of plan-based awards to the Named Executive Officers:

Grants of Plan-Based Awards

Name	Grant Date	Date of Corporate Approval (1)	All Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Option Awards ($)(2)
Mr. Coffield	2/29/2012	2/3/2012	375,000	$ 5.83	$ 1,313,116
Mr. Hardy	2/29/2012	2/3/2012	100,000	$ 5.83	$ 350,164
Mr. Nightingale	2/29/2012	2/3/2012	50,000	$ 5.83	$ 175,082
Mr. O'Leary	2/29/2012	2/3/2012	275,000	$ 5.83	$ 962,952
Mr. Rozon	2/29/2012	2/3/2012	35,000	$ 5.83	$ 122,557

(1) Represents the date that the Compensation Committee took the action to grant the option.

(2) Represents the grant date fair value of such option award as determined in accordance with ASC 718. These amounts have been calculated in accordance with ASC 718 using the Black Scholes valuation model.

AGREEMENTS WITH NAMED EXECUTIVE OFFICERS

The employment agreements entered into with Messrs. Coffield, O'Leary, Hardy, Nightingale and Rozon have virtually identical terms except for:

- the position held by each such person;
- limitations on business class travel (Mr. Rozon may travel business class for flights over one hour, Messrs. Hardy and Nightingale may travel business class for flights over six hours, and Messrs. Coffield and O'Leary may travel business class for most flights);
- Mr. Nightingale receives contributions to the employee matching savings plan offered to employees of Gran Tierra Energy Colombia Ltd.; and
- Mr. Nightingale also receives certain allowances related to his expatriate assignment, including a cost of living allowance, relocation assistance, health club membership, and car allowance.

The employment agreements provide that the respective executive will:

- receive a base salary, as initially set forth therein and as thereafter determined by the Board;
- be eligible to receive an annual bonus, as determined by the Board; and
- be eligible to participate in the stock option plans of Gran Tierra.

The bonuses are to be paid within 60 days of the end of the preceding year based on the executive performance.

The employment agreements do not have terms of specified duration. With respect to the employment agreements with all of the executive officers, the employment agreements provide for severance payments to each executive, in the event the executive is terminated without cause or the executive terminates the agreement for good reason, in the amount of two times the annualized base salary plus bonus payment for the prior 12 month period (in the case of Mr. Coffield) or in the amount of one times the annualized base salary plus bonus payment for the prior 12 month period for Mr. Nightingale, an amount equal to one-and-one-half times the annualized base salary plus bonus payment for the prior 12 month period (in the case of Messrs. Hardy and Rozon, or an amount equal to one-and-one-half times the annualized base salary plus bonus payment for the prior 18 month period for Mr. O'Leary.

With respect to the employment agreement with all of the named executive officers, the definitions of "cause," "good reason" and "change in control" are set forth below.

"Cause" is defined as any of the following: (i) conviction of, or plea of nolo contendere to, a felony; (ii) participation in a fraud against Gran Tierra; (iii) participation in an act of dishonesty against Gran Tierra intended to result in the executive's personal enrichment; (iv) willful material breach of Gran Tierra's written policies; (v) intentional significant damage to Gran Tierra's property by the executive; (vi) material breach of the employment agreement; or (vii) conduct by the executive that, in the good faith and reasonable determination of the Board, demonstrates gross unfitness to serve provided that in such event, Gran Tierra shall provide notice to the executive describing the nature of the gross unfitness and the executive shall thereafter have ten (10) days to cure such gross unfitness if such gross unfitness is capable of being cured. In the case of Mr. Rozon, "cause" also includes the intentional making of any material profit by Mr. Rozon or his family at the expense of Gran Tierra, without Gran Tierra's written consent.

“Good reason” includes (i) an adverse change in the executive’s position, title, duties or responsibilities, or any failure to re-elect him to such position (except for termination for “cause”); (ii) a reduction in the executive’s base salary unless all other executive officers are similarly reduced, or a change in the basis upon which the executive’s annual compensation is paid or determined except that annual performance bonuses are discretionary and shall not be considered adverse under the agreement if a performance bonus is reduced from a prior year or not paid; (iii) a change in control; or (iv) any breach by the employer of any material provision of the employment agreement.

A “Change in Control” is defined as (i) a dissolution, liquidation or sale of all or substantially all of the assets of Gran Tierra; (ii) a merger or consolidation in which Gran Tierra is not the surviving corporation; (iii) a reverse merger in which Gran Tierra is the surviving corporation but the shares of Gran Tierra’s common stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise; or (iv) the acquisition by any person, entity or group within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act (excluding any employee benefit plan, or related trust, sponsored or maintained by Gran Tierra or any affiliate of Gran Tierra) of the beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities of Gran Tierra representing at least fifty percent (50%) of the combined voting power entitled to vote in the election of directors.

All agreements include standard insurance, non-competition and confidentiality provisions.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table shows for the fiscal year ended December 31, 2012, certain information regarding outstanding equity awards at fiscal year-end for the Gran Tierra named executive officers.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable		Number of Securities Underlying Unexercised Options (#) Unexercisable		Option Exercise Price ($)	Option Expiration Date
Mr. Coffield	200,000	(1)			$ 2.51	12/15/2018
	133,333	(2)	66,667	(2)	$ 5.90	03/02/2020
	124,999	(3)	250,001	(3)	$ 8.40	03/08/2021
			375,000	(4)	$ 5.83	03/01/2022
Mr. Hardy	100,000	(2)	50,000	(2)	$ 5.90	03/02/2020
	33,333	(3)	66,667	(3)	$ 8.40	03/08/2021
			100,000	(4)	$ 5.83	03/01/2022
Mr. Nightingale	166,667	(1)			$ 3.95	09/08/2019
	20,000	(2)	10,000	(2)	$ 5.90	03/03/2020
	16,666	(3)	33,334	(3)	$ 8.40	03/09/2021
			50,000	(4)	$ 5.83	03/01/2022
Mr. O’Leary	300,000	(1)			$ 2.37	03/04/2019
	83,334	(2)				