

TORRENT ENERGY CORP
Form 10-K/A
July 29, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [] to []

Commission file number 000 19949

Torrent Energy Corporation
(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of incorporation or organization)

84-1153522
(I.R.S. Employer Identification No.)

11918 SE Division, Suite 197, Portland, OR
(Address of principal executive offices)

97266
(Zip Code)

Issuer's telephone number: 503.224.0072

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Nil	Nil

Securities registered pursuant to Section 12(g) of the Act:

Shares of Common Stock, \$0.001 par value
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [] No

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained in this form, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b 2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b 2 of the Exchange Act) Yes No

State issuer's revenues for its most recent fiscal year. \$ Nil

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of a specified date within 60 days. (See definition of affiliate in Rule 12b 2 of the Exchange Act.)

41,012,047 shares of common stock at \$0.04 per share = \$1,640,482

(1) Closing price on July 11, 2008.

State the number of shares outstanding of each of the issuer's classes of equity stock, as of the latest practicable date.

41,732,547 shares of common stock issued and outstanding as of July 11, 2008

Explanatory Note: Torrent Energy Corporation is filing this Amendment No. 1 to its annual report on Form 10-K/A to supplement the information required by Part III (Items 10, 11, 12, 13 and 14) of Form 10-K. Torrent Energy Corporation currently does not plan to file a definitive proxy statement pursuant to Regulation 14A with the Commission within 120 days from the end of the fiscal year covered by the Form 10-K.

PART III

ITEM DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

10.

As of July 25, 2008, our directors and executive officers, their ages, positions held, and duration as such, are as follows:

Name	Position Held with our Company	Age	Date First Elected or Appointed
John D. Carlson	President, Chief Executive Officer and Director	54	June 30, 2004
Pete J. Craven	Chief Financial Officer and Secretary	51	December 19, 2007

Currently we have only one seat filled on our board of directors. Our sole director holds office until the next annual meeting of the stockholders or until his successors has been elected and qualified.

Our former Chairman and director, William A. Lansing, resigned as our Chairman and as a director effective April 26, 2008. Our three other former directors, George Hampton, Curtis Hartzler and Michael Raleigh, resigned as directors of our Company effective March 14, 2008. Messrs. Lansing, Hampton, Hartzler and Raleigh's resignations were not as a result of any disagreement on any matter relating to our Company's operations, policies or practices.

During the fiscal year ended March 31, 2008, each non-executive director, when serving as a Director of the Board, was to receive \$7,500 per quarter for their services and is reimbursed for their expenses incurred to attend meetings. During the fiscal year ended March 31, 2008, as a result of the Company's limited working capital, all non-executive directors agreed to forego their director's fee for the third and fourth quarters.

The officers of our Company are appointed by our board of directors and serve until their successors are appointed by the board of directors or until their death, resignation or removal from office. During the past fiscal year, there have been no changes to the procedures by which security holders may recommend nominees for directors to our board.

Business Experience

The following is a brief account of the education and business experience during the past five years for of each of our directors, executive officers and key employees indicating each person's principal occupation during the period, and the name and principal business of the organization by which he or she was employed.

John D. Carlson, President, Chief Executive Officer and Director

John D. Carlson became president and chief executive officer of our Company on January 16, 2006 and has been a director since June 2004. Mr. Carlson has also been chief operating officer of our Company's wholly owned subsidiary, Methane Energy Corp. since May 2005 and a director since January 2006. Mr. Carlson was also appointed director of our wholly owned subsidiary, Cascadia Energy Corp. in January 2006.

Mr. Carlson brings to our Company over 25 years experience as a registered professional petroleum engineer with work experience ranging from Amoco Canada to Sproule Associates Ltd. to several private and public oil and gas companies in Alberta. From June 2005 to August 2007, Mr. Carlson served as a director of Triangle Petroleum Corporation. From February 2004 to July 2004, Mr. Carlson was president and a director of Pacific Rodera Energy Inc., a Calgary-based oil and gas exploration and development company. From September 2003 to January 2004, Mr. Carlson was vice president, operations for Pacific Rodera Energy Inc. From September 2001 to December 2003, Mr. Carlson was president of Samson Oil and Gas Inc., a Hobbema, Alberta-based oil and gas exploration and development company where he was also general manager from January 2001 to August 2001. From 1984 to 2000, Mr. Carlson was an associate and senior petroleum engineer for Sproule Associates, Ltd. Mr. Carlson received a bachelor of science degree in civil engineering from the University of Calgary in 1977.

Pete J. Craven, Chief Financial Officer and Secretary

Pete J. Craven became chief financial officer and secretary of the board of directors on December 19, 2007. Mr. Craven has thirty years of progressive experience in finance, strategic planning, accounting, mergers, acquisitions, capital structuring, equity and debt markets including securities regulations. In February 2007, Mr. Craven joined the Company as Vice President of Finance taking on direct responsibility of all accounting, budgeting, financial analysis and compliance with securities regulations.

Prior to joining our Company, Mr. Craven held the position of Chief Financial Officer for Home Phone Tunes, Inc. in 2006 and 2007, an electronics and internet start-up company. From 1982 through 2006, Mr. Craven held various financial and regulator positions for PacifiCorp, an integrated electricity company with operations in Western United States. These positions included Director of Regulatory Affairs, Director of Finance Strategy, Director of Accounting, and Controller for PacifiCorp Financial Services, and Vice President/Controller for NERCO, Inc. Mr. Craven began his professional career at the public accounting firm of Ernst & Ernst and as a CPA in the State of Oregon (currently inactive). Mr. Craven received a bachelor of arts degree in accounting and economics from Gonzaga University in 1978.

Family Relationships

There are no family relationships among our directors or officers.

Involvement in Certain Legal Proceedings

Except as noted below, our directors, executive officers and control persons have not been involved in any of the following events during the past five years:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
4. being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Proceedings Under Chapter 11 of the Bankruptcy Code

As discussed in our annual report on Form 10-K filed on July 15, 2008, the Company commenced Chapter 11 proceedings (Case No. 08-32638) on June 2, 2008 by filing a voluntary petition for reorganization under the Bankruptcy Code with the United States Bankruptcy Court for the District of Oregon. Each of the Company's subsidiaries, Methane Energy Corp. and Cascadia Energy Corp. also commenced a case under Chapter 11 of the Bankruptcy Code on the same day (together with the Company's filing, the "Chapter 11 Cases"). The Company's sole director is also a director of the Company's subsidiaries. As a result of the Chapter 11 Cases, each of the Company's director and executive officers has been associated with a corporation that filed a petition under the federal bankruptcy laws within the last five years.

Audit Committee Financial Expert

The Company currently does not have a separate Audit Committee and our sole director performs the functions of the Audit Committee. The Company had an Audit Committee of the Board of Directors during most of the last fiscal year up to the resignations of the independent directors in March and April of 2008. The Company's former Audit Committee of the Board of Directors was comprised of Mr. Lansing, Mr. Raleigh, and Mr. Hartzler. During the time our Audit Committee was in place, we determined that it did not have a member of the Audit Committee that qualified as an "audit committee financial expert" as defined in Item 401(e) of Regulation S-B, and is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

We believe that Mr. Carlson and, prior to their resignations, the independent members of our board of directors were collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. In addition, during the past fiscal year we believed that retaining an independent director who would qualify as an "audit committee financial expert" would have been overly costly and burdensome and was not warranted in our circumstances given the early stages of our development and the fact that we have not generated any revenues to date. The Company intends to consider adding new board members that would qualify as a financial expert and reconstitute the Audit Committee once the Company emerges from Chapter 11 reorganization.

Code of Ethics

Our Company's board of directors adopted a Code of Business Conduct and Ethics that applies to, among other persons, our Company's president and chief executive officer (being our principal executive officer) and our Company's chief financial officer (being our principal financial and accounting officer and controller), as well as persons performing similar functions. As adopted, our Code of Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

- (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
- (3) compliance with applicable governmental laws, rules and regulations;
- (4) the prompt internal reporting of violations of the Code of Business Conduct and Ethics to an appropriate person or persons identified in the Code of Business Conduct and Ethics; and
- (5) accountability for adherence to the Code of Business Conduct and Ethics.

Our Code of Business Conduct and Ethics requires, among other things, that all of our Company's personnel are accorded full access to our president and secretary with respect to any matter which may arise relating to the Code of Business Conduct and Ethics. Further, all of our Company's personnel are to be accorded full access to our Company's board of directors if any such matter involves an alleged breach of the Code of Business Conduct and Ethics by our president or secretary.

In addition, our Code of Business Conduct and Ethics emphasizes that all employees, and particularly managers and/or supervisors, have a responsibility for maintaining financial integrity within our Company, consistent with generally accepted accounting principles, and federal and state securities laws. Any employee who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to his or her immediate supervisor or to our president or secretary. If the incident involves an alleged breach of the Code of Business Conduct and Ethics by the president or secretary, the incident must be reported to any member of our board of directors. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our Company policy to retaliate against any individual who reports in good faith the violation or potential violation of our Company's Code of Business Conduct and Ethics by another.

Our Code of Business Conduct and Ethics was filed with the Securities and Exchange Commission as Exhibit 14.1 to our annual report on Form 10-KSB for the year ended March 31, 2005. We will provide a copy of the Code of Business Conduct and Ethics to any person without charge, upon request. Requests can be sent to: Torrent Energy Corporation, 11918 SE Division, Suite 197; Portland, Oregon 97266.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our shares of common stock and other equity securities, on Forms 3, 4 and 5, respectively. Executive officers, directors and greater than 10% shareholders are required by the Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) reports they file.

Based solely on our review of the copies of such forms received by our Company, or written representations from certain reporting persons that no Form 5's were required for those persons, we believe that, during the fiscal year ended March 31, 2008, all filing requirements applicable to our officers, directors and greater than 10% beneficial owners as well as our officers, directors and greater than 10% beneficial owners of our subsidiaries, Methane Energy Corp. and Cascadia Energy Corp. were complied with.

Name	Number of Late Reports	Number of Transactions Not Reported on a Timely Basis	Failure to File Requested Forms
John D. Carlson	Nil	Nil	Nil
Pete J. Craven	Nil	Nil	Nil
George L. Hampton III	Nil	Nil	Nil
Curtis Hartzler	Nil	Nil	Nil
William A. Lansing	Nil	Nil	Nil
Michael Raleigh	Nil	Nil	Nil
Michael D. Fowler	Nil	Nil	Nil
Thomas J. Deacon	Nil	Nil	Nil
Steve Pappajohn	Nil	Nil	Nil

ITEM EXECUTIVE COMPENSATION

11.

The following tables set forth certain information regarding our chief executive officer and each of our most highly-compensated executive officers whose total annual salary and bonus for the fiscal years ending March 31, 2008, 2007 and 2006 exceeded \$100,000:

SUMMARY COMPENSATION TABLE

Name and principal position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-equity		Total (\$)
						Incentive Plan Compensation (\$)	All Other Compensation (\$)	
John D. Carlson, President & Chief Executive Officer, Director	2008	100,000(1)	-	-	-	-	-	100,000
	2007	198,584(1)	500(2)	-	575,000(3)	-	-	774,084
	2006	157,627(1)	-	-	177,626(3)	-	10,000(4)	345,253
Pete J. Craven, Chief Financial Officer and Secretary	2008	106,250(12)	-	-	91,865(13)	-	-	198,115
	2007	18,750(12)	-	-	70,230(13)	-	-	88,980
	2006	-	-	-	-	-	-	-
Mark Gustafson, Chairman, President & Chief Executive Officer, Treasurer & Secretary	2008	-	-	-	-	-	-	-
	2007	65,045(5)	79,500(6)	-	-	-	-	144,545
	2006	152,261(5)	-	-	355,252(7)	-	5,000(8)	512,513
Michael D. Fowler, Chief Financial Officer, Treasurer & Secretary	2008	97,500(9)	-	-	-	-	-	97,500
	2007	180,000(9)	15,500(2),(10)	-	-	-	-	195,500
	2006	45,000(9)	5,000(10)	-	417,617(11)	-	-	467,617

(1) John D. Carlson became our president and chief executive officer on January 16, 2006. On January 16, 2006, we entered into a consulting agreement with Mr. Carlson where we agreed to pay him annual base compensation of \$200,000 commencing January 16, 2006. Of the \$157,627 that was paid to Mr. Carlson in fiscal 2006, \$41,667 relates to annual compensation agreement and \$115,960 relates to payments for consulting services prior to his appointment as president and chief executive officer. For the fiscal year ended March 31, 2008, Mr. Carlson was paid his agreed upon compensation for the first six months and accepted no compensation for the third quarter ended December 31, 2007. For the fourth quarter ended March 31, 2008, Mr. Carlson agreed to take a reduced compensation of \$22,500 which was accrued but not paid during the fiscal year. Amounts shown in the Executive Compensation Table represent only those amounts paid during the fiscal year. Please also refer to Item 13 – Certain Relationships and Related Transactions, and Director Independence in this annual report.

(2) John D. Carlson was paid a Christmas bonus of \$500 as were all other employees of our Company.

(3) We granted to Mr. Carlson stock options to purchase 250,000 shares of our common stock on May 10, 2006 as consideration for his service as president and chief executive officer. The options are exercisable at \$2.97 per share until May 10, 2011 and vest over 18 months with 25% vesting immediately and additional 25% increments vesting every six months until November 10, 2007. We granted to Mr. Carlson stock options to purchase 200,000 shares of our common stock on April 1, 2005 as an incentive for acting as a director of our Company. The options are exercisable at a price of \$1.25 per share until April 1, 2010. These options vest over 18 months, as to 25% immediately and 25% every six months until September 17, 2006.

(4) John D. Carlson was paid a retainer of \$10,000 in fiscal 2006 as compensation for acting as a director of our Company.

(5) Mark Gustafson was our chairman and a director from September 21, 2004 to October 6, 2006. He was also our president, chief executive officer, acting chief financial officer from September 21, 2004 to January 16 2006. Effective April 1, 2005, we amended our consulting agreement with MGG Consulting (wholly-owned by Mr. Gustafson), to provide for services as our president, chief executive officer and acting chief financial officer, to reduce the compensation rate to \$800 per day. Effective January 16, 2006, the compensation rate was restored to \$1,000 per day, which was his rate of compensation for service as our chairman and director until his resignation on October 6, 2006. Please also refer to Item 13 – Certain Relationships and Related Transactions, and Director Independence in this annual report.

(6) Mr. Gustafson was paid a bonus of \$79,500 for his work in completing the Series E convertible preferred stock financing during fiscal 2007.

(7) We granted to Mr. Gustafson stock options to purchase up to 400,000 shares of our common stock on April 1, 2005 as compensation for services as our president, chief executive officer and acting chief financial officer. The options are exercisable at a price of \$1.25 per share until April 1, 2010. These options vest over 18 months, as to 25% immediately and 25% every six months until fully vested on September 17, 2006. In July 2007, Mr. Gustafson forfeited these 400,000 stock options.

(8) Mr. Gustafson was paid a retainer of \$5,000 in fiscal 2006 as compensation for acting as a director of our Company

(9) Michael D. Fowler became our chief financial officer, treasurer and secretary on January 16, 2006 and held these positions until his resignation on December 19, 2007. Prior to this time, he was acting as a consultant to our Company. In December 2005, we entered into a letter of employment with Mr. Fowler where we agreed to pay him an annual base salary of \$180,000 and to pay an annual performance-based bonus of up to \$20,000. The terms of the letter of employment were approved at our board meeting held on January 13, 2006 where we officially appointed Mr.

Fowler as our chief financial officer, treasurer and secretary effective January 16, 2006. During the year ended March 31, 2007, Mr. Fowler received \$15,000 in performance-based bonuses and a \$500 Christmas bonus, which was also paid to all other employees of the Company.

(10) On August 11, 2005, we entered into a contract with Tatum LLC to provide the services of Michael D. Fowler as a consultant to our Company. During fiscal 2005, we paid Tatum LLC \$66,500 for consulting services provided by Mr. Fowler to December 31, 2005 and \$50,000 for a resource placement fee when we hired Mr. Fowler. Since January 2006, we have paid Tatum LLC a resource fee of \$1,000 per month; and during this period, Mr. Fowler has held less than a 0.05 percent interest in Tatum LLC. Please also refer to Item 13 – Certain Relationships and Related Transactions, and Director Independence in this annual report.

(11) We granted to Mr. Fowler stock options to purchase up to 250,000 shares of our common stock on January 16, 2006 as compensation for services as our chief financial officer, treasurer and secretary. The options were exercisable at a price of \$2.11 per share until January 16, 2011. These options vest over 18 months, as to 25% immediately and 25% every six months until July 16, 2007. Mr. Fowler forfeited these stock options upon his resignation.

(12) Pete J. Craven became our chief financial officer and Secretary on December 19, 2007 and prior to this promotion he served as the Vice President of Finance since his initial hiring with the Company on February 15, 2007. On December 19, 2007, we entered into a letter of employment with Mr. Craven where we agreed to pay him an annual base salary of \$150,000 increasing to \$180,000 upon closing of a new financing arrangement and applied retroactively back to this promotion date. For the fourth quarter ended March 31, 2008, Mr. Craven agreed to withhold taking certain compensation payments totaling \$31,250 which has been accrued as unpaid compensation at March 31, 2008. Amounts shown in the Executive Compensation Table represent only those amounts paid during the fiscal year.

(13) We granted to Mr. Craven stock options to purchase up to 250,000 shares of our common stock on December 5, 2008 as compensation for services as our chief financial officer and secretary. The options were exercisable at a price of \$0.50 per share until December 5, 2012. These options vest over 18 months, as to 25% immediately and 25% every six months until June 5, 2009. We granted to Mr. Craven stock options to purchase up to 75,000 shares of our common stock on February 15, 2007 as compensation for services as our vice president of finance. The options were exercisable at a price of \$1.27 per share until February 15, 2012. These options vest over 18 months, as to 25% immediately and 25% every six months until August 15, 2008.

Compensation Discussion and Analysis

General Philosophy. We compensate our senior management using a combination of salary, bonus and equity compensation designed to be competitive with comparable oil and gas companies while aligning management's incentives with the long-term interests of our stockholders. To date, our compensation setting process has consisted of targeting an overall compensation package sufficient to entice our senior management to accept the risks inherent in a development-stage enterprise and join our Company. Consequently we have provided no salary increases to our existing senior management team since their respective hire dates. We anticipate developing a comprehensive incentive compensation program at such time as we have further advanced the development of our Company to encompass gas production activities.

Base Salaries. We want to provide our senior management with a level of assured cash compensation in the form of base salary that is compatible with the financial resources of a development-stage company but which facilitates an appropriate lifestyle for our executives given their professional status and accomplishments. For our president and chief executive officer, we concluded that an initial base salary of \$200,000 was appropriate in this regard. For our chief financial officer, we concluded that an initial base salary of \$180,000 was appropriate.

Bonuses. Our objective is to award cash bonuses based on performance objectives. During the Fiscal Year Ended March 31, 2008, no bonuses were earned or paid. For the fiscal year ended March 31, 2007, Mr. Fowler was paid cash bonuses totaling \$15,000 for meeting the specific objective of successfully completing all SEC filings that fiscal year and received a Christmas bonus of \$500, which was paid to all employees of our Company that fiscal year. During the year ended March 31, 2007, our president and chief executive officer only received the \$500 Christmas bonus.

Equity Compensation. Our only form of equity compensation has been to award non-qualified stock options. We selected this form of equity compensation because of the accounting and tax treatments existing early in our Company's history and an expectation by our employees that stock options would provide upside to their compensation to balance their risk/reward expectations.

Other. We have no severance benefits policy for our senior executives and employment is "at will." Similarly we have no company-funded retirement plans but do sponsor a 401(k) plan for which no company matching contributions have been made. Finally, we have no "change of control" protection for our executive management or for our employees.

Board Process. The Board of Directors established a Compensation Committee, comprised exclusively of independent outside directors. However, as mentioned previously all independent directors resigned in March and April of 2008. During the past fiscal year when this Compensation Committee was in place, two members had extensive executive level experience in other companies in the oil and gas industry and brought a perspective of reasonableness to compensation matters within our Company. Additionally, the chairman of the Compensation Committee was serving in a similar board position on two other publicly traded companies and, in that capacity, regularly reviewed compensation surveys for chief executive officers and other executive level personnel.

The following table provides a summary of plan-based equity awards to our named executive officer in the last completed fiscal year.

GRANTS OF PLAN-BASED AWARDS

Name and principal position	Grant date	Estimated future payouts under non-equity incentive plan awards			Estimated future payouts under equity incentive plan awards			All other stock awards:	All other option awards:	Exercise or	Market price at
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Number of shares of stock or units	Number of securities underlying options	price of option awards	price at date of grant
Pete J. Craven, Chief Financial Officer and Secretary	December 5, 2007	-	-	-	-	-	-	-	250,000	\$0.50	\$0.50
	February 15, 2007	-	-	-	-	-	-	-	75,000	\$1.27	\$1.27

Outstanding equity awards as of March 31, 2008 are summarized as follows:

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name and principal position	Option Awards				Stock Awards				
	Number of securities underlying unexercised options (#) Exercisable	Number of securities underlying unexercised options (#) Unexercisable	Equity incentive plan awards: Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Number of shares of stock that have not vested (#)	Market value of shares that have not vested (\$)	Equity incentive plan awards: Number of unearned shares that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares that have not vested (\$)
John D. Carlson, President & Chief Executive Officer,	200,000	-	-	\$ 1.25	April 1, 2010	-	-	-	-
Director	125,000	125,000	-	\$ 2.97	May 10, 2011	-	-	-	-
Pete J. Craven, Chief Financial Officer and Secretary	56,250	18,750	-	\$1.27	February 15, 2012	-	-	-	-
	62,500	187,500	-	\$0.50	5, 2012	-	-	-	-

Stock options exercised by our executive officers during the fiscal year ended March 31, 2008 are noted below.

OPTION EXERCISES AND STOCK VESTING				
Name and principal position	Number of shares acquired on exercise (#)	Value realized on exercise (\$)	Number of shares acquired on vesting (#)	Value realized on vesting (\$)
John D. Carlson, President & Chief Executive Officer, Director	45,000	(\$6,300)	-	-
Mark Gustafson, Chairman, President & Chief Executive Officer, Treasurer & Secretary	-	-	-	-
Pete J. Craven, Chief Financial Officer and Secretary	-	-	-	-
Michael D. Fowler, Chief Financial Officer, Treasurer & Secretary	-	-	-	-

Compensation of Directors

Compensation paid to our board of directors during the fiscal year ended March 31, 2008 is summarized as follows:

Name	Fees earned or paid in cash(2) (\$)	Stock awards (\$)	Option awards (\$)	Non-qualified			Total (\$)
				Non-equity incentive plan compensation (\$)	deferred earnings compensation (\$)	All other compensation (\$)	
George L. Hampton III	15,000	-	-	-	-	2,000(1)	17,000
Curtis Hartzler	15,000	-	-	-	-	-	15,000
William A. Lansing	15,000	-	-	-	-	-	15,000
Michael Raleigh	15,000	-	-	-	-	-	15,000

(1) Mr. Hampton performed certain consulting services for our Company during the year ended March 31, 2008.

(2) As a result of the Company's limited available working capital all independent board members waived their third and fourth quarter board compensation totaling \$15,000 each.

Except as noted below, we have no formal plan for compensating our directors for their service in their capacity as directors, although such directors are expected in the future to receive stock options to purchase shares of common stock as awarded by our board of directors. On December 17, 2004, our board of directors approved a resolution to pay our directors a quarterly retainer of \$2,500 commencing January 1, 2005. On May 1, 2006, our board of directors approved a resolution to pay new non-executive directors a quarterly retainer of \$5,000 commencing April 1, 2006. Directors are also entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our board of directors. On September 29, 2006, our board approved a resolution to pay non-executive directors a quarterly retainer of \$7,500 commencing October 1, 2007. Our board of directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director. Due to the Company's limited available working capital during the fiscal year ended March 31, 2008, the independent directors elected to not take their third quarter and fourth quarter retainer compensation totaling \$15,000 each.

Employment Contracts and Termination of Employment and Change in Control Arrangements

We employed Michael Fowler as our chief financial officer, treasurer, and secretary executive officer until December 19, 2007. Mr. Fowler became the chief financial officer, treasurer and secretary of our Company on January 16, 2006 and had been providing consulting services to our Company since September 2005. Mr. Fowler was also appointed chief financial officer, treasurer and secretary of our wholly-owned subsidiaries, Methane Energy Corp. and Cascadia Energy Corp., effective January 16, 2006 which he also resigned from on December 19, 2007.

We employed Mark Gustafson as our president, chief executive officer, acting chief financial officer and a director until January 16, 2006 pursuant to a consulting agreement dated December 17, 2004 between our Company and MGG Consulting, a company that is wholly-owned by Mr. Gustafson. We agreed to pay MGG Consulting \$8,000 per month commencing December 1, 2004 unless terminated at any time by either party upon written notice. We then entered into a consulting agreement with MGG Consulting on January 1, 2005 whereby the agreement was revised to pay MGG Consulting the sum of \$1,000 per day commencing January 1, 2005. Effective April 1, 2005, the agreement was again amended to reduce the compensation rate to \$800 per day. Effective January 16, 2006, the compensation rate was restored to \$1,000 per day, which was his rate of compensation for service as our chairman and director until his resignation on October 6, 2006.

Prior to Mr. Gustafson becoming our president, chief executive officer, acting chief financial officer and a director, we had entered into a consulting agreement dated February 16, 2004 with MGG Consulting where we granted 490,000 options to Mr. Gustafson as compensation for acting as a consultant to our Company. All of these options have been exercised. We entered into a consulting agreement dated March 24, 2004 with MGG Consulting where we granted 320,000 options to Mr. Gustafson as compensation for acting as a consultant to our Company. We also granted to Mr. Gustafson stock options to purchase up to 540,000 shares of our common stock on May 7, 2004 as compensation for consulting services provided to our Company. All of these options have been exercised.

We employ both John Carlson, our president and chief executive officer, and Pete J. Craven, our chief financial officer, on an at will basis whereby no formal employment agreements exist. Mr. Carlson has signed an agreement to provide a minimum of 30 days notice in the event he chose to resign his position.

We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment as a result of resignation, retirement, change of control or a change of responsibilities following a change of control, where the value of such compensation exceeds \$100,000 per executive officer.

ITEM SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND 12. RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our shares of common stock as of July 25, 2008,

- by each person who is known by us to beneficially own more than 5% of our shares of common stock;
- by each of our officers and directors; and
- by all of our officers and directors as a group.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Owner(1)	Percentage of Class(2)
John D. Carlson Box 13, Site 8, RR #1 Priddis, Alberta, Canada T0L 1W0	common stock	550,000(3)	1.29%
Pete J. Craven 1440 Country Commons Ln Lake Oswego, Oregon 97034	common stock	200,500(4)	0.47%
All Officers and Directors As a Group (3 persons)	common stock	1,610,500	3.78%

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock subject to options or warrants currently exercisable or convertible, or exercisable or convertible within 60 days of July 25, 2008 are deemed outstanding for computing the percentage of the person holding such option or warrant but are not deemed outstanding for computing the percentage of any other person.

(2) Percentage based on 41,732,547 shares of common stock outstanding on July 25, 2008 plus additional shares for options above.

(3) Includes 450,000 options currently exercisable.

(4) Includes 200,000 options currently exercisable.

Changes in Control

We are unaware of any contract or other arrangement the operation of which may at a subsequent date result in a change in control of our Company.

Equity Compensation Plan Information

The following table provides a summary of the number of options granted under our compensation plans, as well as options granted outside of our compensation plans, the weighted average exercise price and the number of options remaining available for issuance all as at March 31, 2008.

	Number of securities to be issued upon exercise of outstanding options	Weighted-Average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans not approved by security holders(1)	155,000	\$ 0.50	Nil
Equity compensation plans approved by security holders(2)	1,650,000	\$1.50	650,000
Equity compensation plans approved by security holders(3)	1,725,000	\$1.85	75,000
Total	3,530,000	\$ 1.63	725,000

(1) Referring to our 2004 non-qualified stock option plan. Please see the “2004 Non-Qualified Stock Option Plan” section below.

(2) Referring to our 2005 equity incentive plan. Please see the “2005 Non-Qualified Stock Option Plan” section below.

(3) Referring to our 2006 equity incentive plan. Please see the “2006 Equity Incentive Plan” section below

2004 Non-Qualified Stock Option Plan

On February 10, 2004, our board of directors adopted the 2004 Non-Qualified Stock Option Plan (the “2004 Plan”) for our executives, employees and outside consultants and advisors. Under the plan, executives, employees and outside consultants and advisors may receive awards of non-qualified stock options. The purpose of the plan is to provide executives, employees and non-employee consultants and advisors with an increased incentive to make contributions to our Company. The aggregate number of shares of common stock that may be granted by our Company under the 2004 Plan will not exceed a maximum of 1,800,000 shares of common stock during the period of the plan. The 2004 Plan shall terminate upon the earlier of February 10, 2014 or the issuance of all shares of common stock granted under the plan. The option prices per share are determined by our board of directors when the stock option is granted.

During the year ended March 31, 2004, we granted 1,060,000 stock options to various consultants of our Company. Each option entitles the holder to acquire one share of common stock at an exercise price of \$0.10 per share. These options have vesting periods ranging from immediately to over seven months, and expire two years from date of grant.

During the fiscal year ended March 31, 2005, we granted a total of 1,340,000 stock options of which 740,000 were under the 2004 Plan and the other 600,000 were outside the plan. Of the total 1,340,000 options, 740,000 stock options were granted to various directors and consultants of our Company under the 2004 Plan. Each option entitles the holder to acquire one share of common stock at exercise prices ranging from \$0.10 to \$0.50 per share. Vesting of these options ranged from 100% immediately to 25% immediately and 25% every six months afterward until fully vested 18 months from the date of grant. These options expire five years from the date of grant.

Of the 600,000 stock options granted outside the 2004 Plan, 200,000 stock options with an exercise price of \$1.00 per share and another 200,000 with an exercise price of \$2.00 per share were granted pursuant to a mail distribution agreement with a third party. These options vested immediately and were exercisable until November 1, 2005. These options have a cashless exercise provision whereby the optionee can elect to receive shares of common stock in lieu of paying cash for the options based on a formula that includes using the average closing prices of the five trading days preceding the exercise date.

The other 200,000 stock options granted outside the 2004 Plan were to a consultant providing public and investor relations services. These options have an exercise price of \$0.83 per share, vested 25% immediately, and 25% every quarter thereafter. Either party may terminate the investor relations agreement with thirty days written notice.

2005 Equity Incentive Plan

On March 17, 2005, our board of directors adopted the 2005 Equity Incentive Plan for our executives, employees and outside consultants and advisors. Under the 2005 Equity Incentive Plan, executives, employees and outside consultants and advisors may receive awards as described in the 2005 Equity Incentive Plan. The purpose of the equity incentive plan is to provide long-term performance incentives to those key employees and consultants of our Company and our subsidiaries who are largely responsible for the management, growth and protection of the business of our Company and our subsidiaries. A maximum of 2,000,000 shares of our common stock are subject to the 2005 Equity Incentive Plan. As of December 31, 2005, a registration statement on Form S-8 was filed to register the common stock issuable under our 2005 Equity Incentive Plan with an amendment to increase the number of shares under the plan to 2,500,000.

On April 1, 2005, 1,200,000 stock options were granted to directors and officers under the 2005 Equity Incentive Plan to purchase 1,200,000 shares of our common stock. On April 15, 2005, 300,000 stock options were granted to an officer of our subsidiary, Methane Energy Corp., under the 2005 Equity Incentive Plan to purchase 300,000 shares of our common stock with an exercise price of \$1.25 per share. On June 2, 2005, 200,000 stock options were granted to consultants under the 2005 Equity Incentive Plan to purchase 200,000 shares of our common stock with an exercise price of \$2.00 per share.

On October 15, 2005, 250,000 stock options were granted to a newly hired employee of our subsidiary, Methane Energy Corp., under the 2005 Equity Incentive Plan to purchase 250,000 shares of our common stock with an exercise price of \$2.00 per share. On November 22, 2005, 40,000 stock options were granted to a consultant under the 2005 Equity Incentive Plan to purchase 40,000 shares of our common stock with an exercise price of \$2.00 per share. On January 16, 2006, 310,000 stock options were granted to a newly hired officer and to other employees and consultants under the 2005 Equity Incentive Plan with an exercise price of \$2.11 per share. In addition, we had previously granted a consultant the option to purchase 200,000 shares of our common stock at an exercise price of \$0.83 per share pursuant to a consulting agreement for public and investor relations with a third party in which 25% of the options vest immediately and 25% vest every quarter thereafter and either party may terminate the investor relations agreement with thirty days' written notice. These options were originally granted outside of the 2005 Equity Incentive Plan, subsequently were revised to be included under the 2005 Equity Incentive Plan, and were exercised by the consultant during fiscal year 2007.

2006 Equity Incentive Plan

On May 10, 2006, our board of directors adopted the 2006 Equity Incentive Plan for our executives, employees and outside consultants and advisors. Under the 2006 Equity Incentive Plan, executives, employees and outside consultants and advisors may receive awards as described in the 2006 Equity Incentive Plan. The purpose of the equity incentive plan is to provide long-term performance incentives to those key employees and consultants of our Company and our subsidiaries who are largely responsible for the management, growth and protection of the business of our Company and our subsidiaries. A maximum of 1,800,000 shares of our common stock are subject to the 2006 Equity Incentive Plan.

Recent Sales of Unregistered Securities

In May 2004, we issued 1,442,930 shares of our common stock and 1,442,930 warrants to purchase our shares of common stock at an exercise price of \$0.50 pursuant to a private placement in exchange for aggregate cash payments of \$505,025. We issued 300,071 shares of our common stock to two non-U.S. persons (as that term is defined in Regulation S of the Securities Act of 1933) or entities for aggregate payments of \$105,025 in an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933. We also issued 1,142,859 shares of our common stock to two U.S. persons or entities for aggregate cash payments of \$400,000 and in reliance on Rule 506 of Regulation D and Section 4(2) of the Securities Act of 1933. Certain registration rights were granted to investors pursuant to this financing. No advertising or general solicitation was employed in offering the securities. The offerings and sales were made to a limited number of persons, all of whom were our accredited investors, business associates or executive officers, and transfer was restricted by us in accordance with the requirements of the Securities Act of 1933.

In June 2004, we issued 600,000 shares of our common stock pursuant to the lease purchase and sale agreement with Geo-Trends-Hampton International, LLC. These shares of common stock were issued in reliance on Rule 506 of Regulation D and Section 4(2) of the Securities Act of 1933, as amended. No advertising or general solicitation was employed in offering the securities. The offerings and sales were made to a limited number of persons, all of whom were our accredited investors, business associates or executive officers, and transfer was restricted by us in accordance with the requirements of the Securities Act of 1933.

In June 2004, we issued 300,000 shares of our common stock pursuant to an investor relation's agreement. These shares of common stock were issued to non-U.S. persons (as that term is defined in Regulation S of the Securities Act of 1933), in an offshore transaction relying on Regulation S and/or Section 4(2) of the Securities Act of 1933.

In June 2004, we issued 500,000 shares of our common stock and 500,000 warrants to purchase our shares of common stock pursuant to a private placement in exchange for aggregate cash payments of \$200,000. The shares of common stock were issued to three U.S. persons or entities in reliance on Rule 506 of Regulation D under the Securities Act of 1933. Certain registration rights were granted to investors pursuant to this financing. No advertising or general solicitation was employed in offering the securities. The offerings and sales were made to a limited number of persons, all of whom were our accredited investors, business associates or executive officers, and transfer was restricted by us in accordance with the requirements of the Securities Act of 1933.

On July 21, 2006, we entered into an agreement with GeoMechanics International, Inc. ("GMI") pursuant to which GMI provided certain technical services to the Coos Bay project during the 2006/2007 drilling season in return for 125,000 shares of our common stock. These technical services were valued at \$227,500 and included geomechanical evaluation, modeling and advisory services.

For discussion of the Company's issuances of Series B Convertible Preferred Stock, Series C Convertible Preferred Stock and Series E Convertible Preferred Stock see our audited consolidated financial statements and related notes.

In addition to representations by the above-referenced persons, we have made independent determinations that all of the above-referenced persons, who represented that they were accredited, were accredited or sophisticated investors and that they were capable of analyzing the merits and risks of their investment, and that they understood the speculative nature of their investment. Furthermore, all of the above-referenced persons were provided with access to our Securities and Exchange Commission filings.

Except as expressly set forth above, the individuals and entities to whom we issued securities as indicated in this section of the annual report are unaffiliated with us.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our shares of common stock or other securities during the fiscal year ended March 31, 2008.

ITEM CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE
13.

Other than as disclosed below, there have been no transactions, or proposed transactions, which have materially affected or will materially affect us in which any director, executive officer or beneficial holder of more than 10% of the outstanding shares of common stock, or any of their respective relatives, spouses, associates or affiliates, has had or will have any direct or material indirect interest.

On February 1, 2008, John D. Carlson, President, Chief Executive Officer and Director of the Company, loaned \$50,000 to the Company and the Company issued a short-term promissory note to Mr. Carlson. On March 1, 2008, Mr. Carlson loaned the Company an additional \$25,000 in exchange for cancellation of the previous short-term note and issuance of a new short-term promissory note with a principal balance of \$75,000. On March 12, 2008, William A. Lansing, then chairman of the Company's board of director, loaned \$25,000 to the Company and the Company issued a short-term promissory note to Mr. Lansing. Interest on the promissory notes (collectively, the "Notes") accrues from the date of issuance at the rate of eight percent (8%) per annum. Repayment of principal, together with accrued interest, may be made at any time without penalty. In the event that any amount payable under the Notes is not paid in full when due, the Company shall pay, on demand, interest on such amount at the rate of twelve percent (12%) per annum. Upon any "Event of Default," as defined in the Notes, the entire unpaid balance of the applicable promissory note may be declared immediately due and payable by the noteholder. As of March 31, 2008, there was \$75,318 and \$25,000 payable outstanding under the Notes to Messrs. Carlson and Lansing, respectively, excluding accrued interest payable.

As of March 31, 2008, there was \$13,179 representing unpaid expense reimbursement owing to directors and officers. As of March 31, 2008, there were also unpaid liabilities for salaries and consulting services totaling \$73,417.

We received proceeds of \$80,000 pursuant to a shareholder loan from Ettinger Investment Corp. The loan was to be repaid by January 22, 2005 or we would be required to pay interest at 12% per annum in respect of the loan. If the loan was repaid prior to January 22, 2005, the loan would bear no interest. On January 17, 2005, we repaid the shareholder in full with no interest.

During the fiscal years ended March 31, 2007, 2006 and 2005, we incurred consulting charges from MGG Consulting, which is wholly-owned by Mark Gustafson, our previous president, chief executive officer, acting chief financial officer until January 16, 2006. Please refer to Item 11 – Executive Compensation – Summary Compensation Table of this annual report.

During the year ended March 31, 2008, our Company recorded \$102,000 in consulting fees to our directors and officers. During the fiscal year ended March 31, 2008, our Company also paid directors fees to related parties serving in that capacity, a total of \$60,000.

During the fiscal year ended March 31, 2006, our Company paid Tatum LLC a total of \$119,500 of which \$3,000 was paid during the period Michael Fowler became our chief financial officer. During the fiscal year ended March 31, 2007, we paid Tatum LLC a total of \$26,250 and during the fiscal year ended March 31, 2008, we paid Tatum LLC \$6,000. During this period, Mr. Fowler held an ownership interest in Tatum LLC of less than 0.05 percent.

Transactions with Promoters

The promoters of our Company are our directors and officers.

ITEM PRINCIPAL ACCOUNTING FEES AND SERVICES

14.

Audit Fees

The aggregate fees billed by Peterson Sullivan PLLC for professional services rendered for the audit of our annual consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008 are estimated at \$40,000. During the fiscal year ending March 31, 2008, fees billed by Peterson Sullivan PLLC for quarterly interim financial statement reviews and services in connection with registration statements and other filings with the Securities and Exchange Commission were \$17,650.

The aggregate fees billed by Peterson Sullivan PLLC for professional services rendered in connection with the audit of our consolidated financial statements included in our Annual Report on Form 10-K and for quarterly reviews for the fiscal year ended March 31, 2007 were \$68,577. The aggregate fees billed by Peterson Sullivan PLLC for professional services rendered for the audit of our annual consolidated financial statements for the fiscal year ended March 31, 2006 were \$33,935.

The aggregate fees billed by Ernst & Young LLP for professional services rendered for the audit of our annual consolidated financial statements included in our Annual Report on Form 10-KSB for the fiscal year ended March 31, 2005 were CDN\$30,000. During the fiscal year ending March 31, 2006, fees billed by Ernst & Young LLP for quarterly interim financial statement reviews and services in connection with registration statements and other filings with the Securities and Exchange Commission were CDN\$26,300.

Audit Related Fees

For the fiscal years ended March 31, 2008 and March 31, 2007, the aggregate fees billed for assurance and related services by Peterson Sullivan PLLC relating to the performance of the audit of our consolidated financial statements which are not reported under the caption "Audit Fees" above, were nil. For the fiscal year ended March 31, 2006, the aggregate fees billed for assurance and related services by Ernst & Young LLP relating to the performance of the audit of our consolidated financial statements which are not reported under the caption "Audit Fees" above, were nil.

For the fiscal year ended March 31, 2005, the aggregate fees billed for assurance and related services by Ernst & Young LLP relating to the performance of the audit of our consolidated financial statements which are not reported under the caption "Audit Fees" above, were nil.

Tax Fees

For the fiscal year ended March 31, 2008, the aggregate fees billed by Peterson Sullivan PLLC for other non-audit professional services, other than those services listed above, were \$1,440. For the fiscal year ended March 31, 2007, the aggregate fees billed by Peterson Sullivan PLLC for other non-audit professional services, other than those services listed above, were \$5,010.

For the fiscal year ended March 31, 2007, the aggregate fees billed by Ernst & Young LLP for other non-audit professional services, other than those services listed above, were nil.

This category includes the fees for professional services rendered for tax compliance, tax advice and tax planning.

We do not use Peterson Sullivan PLLC for financial information system design and implementation. These services, which include designing or implementing a system that aggregates source data underlying the consolidated financial statements or generates information that is significant to our consolidated financial statements, are provided internally or by other service providers. We do not engage Peterson Sullivan PLLC to provide compliance outsourcing services.

Effective May 6, 2003, the Securities and Exchange Commission adopted rules that require that before Peterson Sullivan PLLC is engaged by us to render any auditing or permitted non-audit related service, the engagement be:

- approved by our audit committee (which currently consists of our entire board of directors); or
- entered into pursuant to pre-approval policies and procedures established by the audit committee, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each service, and such policies and procedures do not include delegation of the audit committee's responsibilities to management.

The audit committee requires advance approval of all audit engagements, audit-related activities, tax services, and any other services performed by the independent auditor. Unless the specific service has been previously pre-approved with respect to that year, the audit committee must approve the permitted service before the independent auditor is engaged to perform it. The audit committee has delegated to the chair of the audit committee authority to approve permitted services provided that the chair reports any decisions to the committee at its next scheduled meeting.

The audit committee has considered the nature and amount of fees to be billed by Peterson Sullivan PLLC and believes that the provision of services for activities unrelated to the audit is compatible with maintaining Peterson Sullivan PLLC's independence.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TORRENT ENERGY CORPORATION

By: /s/ John D. Carlson
John D. Carlson

President, Chief Executive Officer
and Director
(Principal Executive Officer)

By: /s/ Peter Craven
Peter Craven

Chief Financial Officer and
Secretary
(Principal Financial Officer and
Principal Accounting Officer)

Date: July 28, 2008