

---

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

**Form 8-K**

**Current Report**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): 01/23/2006**

**W&T Offshore, Inc.**

(Exact name of registrant as specified in its charter)

**Commission File Number: 1-32414**

**Texas**  
(State or other jurisdiction of  
incorporation)

**72-1121985**  
(IRS Employer  
Identification No.)

**8 Greenway Plaza, Suite 1330**  
**Houston, TX 77046**  
(Address of principal executive offices, including zip code)

**713.626.8525**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

**Item 2.02. Results of Operations and Financial Condition**

On January 23, 2006, W&T Offshore, Inc. ("the Company") issued a press release providing an update on its recent operations and exploratory success, 2006 capital and major expenditure budget, a recent acquisition of oil & gas properties, and first quarter and full year 2006 guidance. A copy of this press release is attached as exhibit 99.1

**Item 7.01. Regulation FD Disclosure**

On January 23, 2006, the Company issued a press release announcing its plans to merge a wholly-owned subsidiary of the Company with a wholly-owned subsidiary of Kerr-McGee Oil & Gas Corporation, which owns substantially all of the Gulf of Mexico conventional shelf properties of Kerr-McGee. Upon completion of the merger, the Company will own 100% of the membership interest in the Kerr-McGee subsidiary. A copy of this press release is attached as exhibit 99.2

**Item 9.01. Financial Statements and Exhibits**

Exhibit No. Description

Exhibit 99.1 W&T Offshore, Inc. Press Release, dated January 23, 2006.

Exhibit 99.2 W&T Offshore, Inc. Press Release, dated January 23, 2006.

---

**Signature(s)**

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

W&T Offshore, Inc.

Date: January 23, 2006

By: /s/ Stephen A. Landry

---

Stephen A. Landry  
Senior Vice President and Chief Financial Officer

---

## Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	W&T Offshore, Inc. Press Release, dated January 23, 2006
EX-99.2	W&T Offshore, Inc. Press Release, dated January 23, 2006

Contacts:

Manuel Mondragon, Assistant VP of Finance

investorrelations@wtoffshore.com

713-297-8024

Ken Dennard / ksdennard@drg-e.com

Lisa Elliott / lelliott@drg-e.com

DRG&E / 713-529-6600

## W&T Offshore Provides Operational Update on 2005 Activity and Gives 2006 Capital Budget and Guidance

HOUSTON - January 23, 2006 - W&T Offshore, Inc. (NYSE: WTI) today provided an update on its recent operations and exploratory success, 2006 capital and major expenditures budget, a recent acquisition of oil & gas properties, and first quarter and full year 2006 guidance.

W&T Offshore completed another year with success in its exploration and development program. During the fourth quarter, W&T Offshore successfully drilled four exploration wells and three development wells, as listed below. Additionally, four wells were initiated in 2005 but had not reached total depth by year-end. Of those four wells, the South Timbalier 230 A-7 and Ewing Bank 977 #1ST were successful and two wells remain in progress. East Cameron 321 A-28ST3 began drilling in early January and remains in progress at this time.

<u>Lease Name/Well</u>	<u>Category</u>	<u>Working Interest %</u>
High Island A443 A-2ST	Expl	84%
Mustang Island 889 F-1	Expl	50%
Eugene Island 349 B-9ST	Expl	29%
Ship Shoal 130 #9	Expl	100%
Ship Shoal 177 A-4ST	Dev	75%
Eugene Island 107 A-3	Dev	25%
East Cameron 321 A-20ST	Dev	100%
South Timbalier 230 A-7	Expl	100%
Ewing Bank 977 #1ST	Expl	60%
<u>Wells in progress</u>		
Ship Shoal 130 #10	Expl	100%
Grand Isle 3 #1	Expl	25%
East Cameron 321 A-28ST3	Dev	100%

In the fourth quarter, the Company was unsuccessful at two exploration wells and one development well location.

<u>Lease Name/Well</u>	<u>Category</u>	<u>Working Interest %</u>
Mississippi Canyon 804 #1	Expl	25%
High Island A443 A-13	Expl	92%
High Island A572 C-23ST	Dev	5%

For full year 2005, the Company successfully drilled 17 of 22 exploration wells, which included two of four in the deepwater, and six of seven development wells; all of which were conventional shelf wells.

"Our 2005 success rate of 77% for exploration wells and 86% for development wells continues to demonstrate our ability to create value with the drill bit in the Gulf of Mexico," said Tracy W. Krohn, Chairman and Chief Executive Officer. "As we remain focused on achieving high rates of return and a rapid return on investment, the Gulf of Mexico continues to offer outstanding opportunities for our seasoned professional staff to achieve our objectives."

**Capital and Major Expenditure Budget:** The Board of Directors has approved the Company's capital and major expenditures budget of approximately \$400 million, which includes major expense items, for 2006. The 2006 budget represents a 30% increase over the announced 2005 budget.

<u>Category</u>	<u>Amount in \$MM</u>	<u>%</u>
Exploration	\$198	49%
Development	148	37%
Other (includes P&A & Seismic)	39	10%
Major Expense Items	15	4%
Total	\$400	100%

The budget includes 25 exploration wells and seven development wells to be drilled in 2006. Of the exploration wells, 14 are conventional shelf wells, four are on the deep shelf, and seven are in the deepwater. All of the development wells are conventional shelf wells.

"From our substantial inventory of quality projects we have created a drilling program for 2006 that contains an excellent balance of conventional shelf projects, which historically generate solid cash flow, coupled with the substantial upside potential of deep shelf and deepwater projects. Our ability to consistently achieve high EBITDA margins of at least 77% since 2000, is one of the many reasons we remain committed to the Gulf and confident of our future success there." continued Mr. Krohn.

**Hurricane Update:** W&T Offshore is currently producing approximately 190 million cubic feet of gas equivalent (MMcfe) net per day, which represents 78% of the Company's pre-Hurricane Katrina production rate. Currently, the company estimates that 38 MMcfe per day of additional net production is shut-in because of Hurricanes Katrina and Rita, primarily due to issues related to field infrastructure and product sales pipelines. W&T Offshore anticipates achieving pre-Hurricane Katrina production levels in late second quarter.

**Property Acquisition:** W&T Offshore completed an acquisition of an additional interest in the Green Canyon 18 Field, which includes Ewing Bank blocks 988 and 944, and an interest in the Green Canyon 60 Field from BHP Billiton Petroleum (Americas) Inc. on December 22, 2005, with an effective date of September 1, 2005. W&T Offshore estimates the acquired reserves, at the effective date, to be approximately 5.5 Bcfe. The property acquired is currently producing approximately 1.9 MMcfe per day, net to the acquired interest.

**Outlook:** Certain factors affecting these forward-looking statements are listed in this news release. Guidance for the first quarter and full year of 2006 is shown in the table below. Production and operating expense guidance is based on the Company's best assessment of when hurricane-affected field infrastructure and product sales pipelines issues are resolved. The Company is revising its previous full-year 2006 production guidance to better reflect the delays caused by the hurricanes, most notably the Pluto project being moved from the 1st quarter into the 2nd quarter 2006. These statements do not include the potential impact of any future acquisitions or divestitures that may be completed after the date of this news release.

<b>Estimated Daily Production</b>	<b>First Quarter 2006</b>	<b>Full-Year 2006</b>
Crude Oil (MMBbls)	1.1 -- 1.2	5.8 -- 6.1
Natural Gas (Bcf)	10.6 -- 11.1	48.2 -- 51.1
Total (Bcfe)	17.2 -- 18.3	83.0 -- 87.7

<b>Operating expenses (\$ in millions, except as noted)</b>	<b>First Quarter 2006</b>	<b>Full-Year 2006</b>
Lease operating expense	\$16.6 -- \$18.2	\$75.3 -- \$82.3
Gathering, Transportation & Production Taxes	3.8 -- 4.1	15.1 -- 16.5
General and administrative	7.8 -- 9.0	30.0 -- 35.0
Income tax rate, % deferred	35.0%, 40%	35.0%, 40%

**About W&T Offshore**

Founded in 1983, W&T Offshore is an independent oil and natural gas company focused primarily in the Gulf of Mexico, including exploration in the deepwater, where it has developed significant technical expertise. W&T has grown through acquisition, exploitation and exploration and now holds working interests in over 100 fields in federal and state waters and a majority of its daily production is derived from wells it operates. For more information on W&T Offshore, please visit its Web site at [www.wtoffshore.com](http://www.wtoffshore.com).

#### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. No assurance can be given, however, that these events will occur. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, among other things, market conditions, oil and gas price volatility, uncertainties inherent in oil and gas production operations and estimating reserves, unexpected future capital expenditures, competition, the success of our risk management activities, governmental regulations and other factors discussed in our Annual Report on 10-K for the year ended December 31, 2004 ([www.sec.gov](http://www.sec.gov)).

###

Contacts:

Manuel Mondragon, Assistant VP of Finance

investorrelations@wtoffshore.com

713-297-8024

Ken Dennard / ksdennard@drg-e.com

Lisa Elliott / lelliott@drg-e.com

DRG&E / 713-529-6600

## **W&T Offshore Announces Merger Transaction with a Kerr-McGee Subsidiary for Approximately \$1.3 Billion**

HOUSTON - January 23, 2006 - W&T Offshore, Inc. (NYSE: WTI) today announced that it has entered into a definitive agreement to merge a wholly-owned subsidiary of W&T with a wholly-owned subsidiary of Kerr-McGee Oil & Gas Corporation, which owns substantially all of the Gulf of Mexico conventional shelf properties of Kerr-McGee. Base merger consideration for the transaction is \$1,339,400,000 in cash. Upon completion of the merger, W&T will own 100% of the membership interest in the Kerr-McGee subsidiary. The transaction is effective as of October 1, 2005, and it is expected to close during the second quarter of 2006. The transaction is subject to regulatory review and customary closing adjustments and conditions. The Company will hold a conference call at 9:30 a.m. EST (8:30 a.m. CST) on Tuesday, January 24, 2006, to discuss today's announcement.

The properties involved in this transaction are located on the Outer Continental Shelf and in state waters of the U.S. Gulf of Mexico ("GOM"), and W&T estimates there are approximately 362 billion cubic feet of natural gas equivalents ("BCFE") of net proved reserves, as of the October 1, 2005, effective date. Approximately 74% of the proved reserves are natural gas and 26% are proved developed reserves. W&T estimates the properties' probable and possible reserves to be an additional 650 BCFE. Before Hurricanes Katrina and Rita, the properties were producing approximately 230 million cubic feet of natural gas equivalents per day ("MMCFEPD"). Currently, the properties are producing approximately 150 MMCFEPD.

The properties include interests in approximately 100 fields on 249 offshore blocks (including 83 undeveloped blocks) spreading across the Western, Central and Eastern GOM, primarily in water depths of less than 1,000 feet. W&T Offshore plans to operate 36 of the producing fields with working interests, which represents 66% of the net production and 60% of the net reserves. Upon closing of the transaction, the Company is expected to be one of the top-three gross acreage holders in the GOM, with approximately 2.3 million gross acres.

Tracy W. Krohn, Chairman and Chief Executive Officer, stated, "As we told the market when we went public last year, one of our objectives was to put the Company in a position to do larger transactions, and today we have demonstrated that we can do a large transaction. We are very excited about this transaction and the opportunities that come with it. The spread of properties across the Gulf of Mexico and upside potential fit in nicely with our core expertise. Our team has identified more than 95 exploration prospects related to these properties and our review is still in the early stages of evaluation."

The properties are expected to provide W&T Offshore with important benefits including:

- Well-diversified, critical mass in the Gulf of Mexico
- Large exploration inventory with significant upside potential
- Increased strategic acreage position
- Earnings and cash flow accretion

W&T expects to finance this transaction with bank debt and cash on hand. The Company has received a financing commitment from its agent bank, The Toronto Dominion Bank, for up to a \$1.3 billion Senior Secured Credit Facility. The actual amount the Company will borrow at closing is expected to be less than \$1.3 billion, due to the anticipated downward adjustments to the base merger consideration resulting from net proceeds from the sale of production attributable to the Kerr-McGee properties from October 1, 2005 to the closing date of the merger. Closing of the financing will be subject to customary conditions, including the parties entering into definitive documentation.

In connection with the transaction and anticipated financing, the Company has implemented the following commodity price hedges:

CRUDE OIL		Daily Volume	Swap Price	Floor Price	Ceiling Price
<u>Period</u>	<u>Transaction Type</u>	<u>(Bbls/day)</u>	<u>(\$/Bbl)</u>	<u>(\$/Bbl)</u>	<u>(\$/Bbl)</u>
2Q2006	Swap	4,000	69.33	-	-
3Q2006	Swap	1,800	69.72	-	-
4Q2006	Swap	2,700	69.85	-	-
2007	Costless Collar	4,300	-	61.68	76.40
2008	Costless Collar	2,800	-	60.00	74.50

NATURAL GAS		Daily Volume	Swap Price	Floor Price	Ceiling Price
<u>Period</u>	<u>Transaction Type</u>	<u>(MMBtu/day)</u>	<u>(\$/MMBtu)</u>	<u>(\$/MMBtu)</u>	<u>(\$/MMBtu)</u>
2Q2006	Costless Collar	53,000	-	7.14	12.65
3Q2006	Costless Collar	23,000	-	7.32	13.10
4Q2006	Costless Collar	33,000	-	8.04	14.49
2007	Funded Collar	24,000	-	7.76	16.80
2008	Funded Collar	14,000	-	7.31	15.80

The Company may implement additional hedges in connection with the anticipated financing or its overall risk management objectives.

Mr. Krohn continued, "Over the last 20 years we have achieved a track record for transactions involving quality properties in the Gulf of Mexico and then adding significant value through exploration and development. As the largest transaction in the history of the company, we believe this will continue to provide us with more opportunity than ever to build value for shareholders."

The Company will hold a conference call January 24, 2006 at 9:30a.m. EST (8:30 a.m. CST) to discuss today's announcement. To participate in the call, dial 303-262-2141 five to ten minutes before the call begins and reference W&T Offshore. To listen to the live call on the web and view accompanying slides with maps, please visit the website at [www.wtoffshore.com](http://www.wtoffshore.com) on the "Webcast" page of the "Investor Relations" section at least fifteen minutes prior to the call to register, download and install any necessary software. If you cannot listen to the live webcast, an archive will be available shortly after the call for a period of 90 days. Additionally, a telephonic replay will be available through January 31, 2006 and may be accessed by calling (303) 590-3000 and using the pass code 11052019#.

### **About W&T Offshore**

Founded in 1983, W&T Offshore is an independent oil and natural gas company focused primarily in the Gulf of Mexico, including exploration in the deepwater, where it has developed significant technical expertise. W&T has grown through acquisition, exploitation and exploration and now holds working interests in over 100 fields in federal and state waters and a majority of its daily production is derived from wells it operates. For more information on W&T Offshore, please visit its Web site at [www.wtoffshore.com](http://www.wtoffshore.com).

### **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. No assurance can be given, however, that these events will occur. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, among other things, market position and conditions, oil and gas price volatility, uncertainties inherent in oil and gas production operations and estimating reserves, prospects unexpected future capital expenditures, competition, the success of our risk management activities, governmental regulations and other factors discussed in our Annual Report on 10-K



for the year ended December 31, 2004 ([www.sec.gov](http://www.sec.gov))

**Cautionary Note to U.S. Investors**

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this press release, such as "probable" and "possible," that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 10-K for the year ended December 31, 2004, and Forms 10-Q for the periods ending March 31, June 30, and September 30, 2004, available from us at Eight Greenway Plaza, Suite 1330, Houston, Texas 77046. You can obtain this form from the SEC by calling 1-800-SEC-0330.

###