
**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): July 19, 2007

W&T Offshore, Inc.

(Exact name of registrant as specified in its charter)

1-32414
(Commission File Number)

Texas
(State or Other Jurisdiction of Incorporation)

72-1121985
(I.R.S. Employer Identification No.)

**Nine Greenway Plaza, Suite 300
Houston, Texas 77046-0908**
(Address of Principal Executive Offices)

713.626.8525
(Registrant's Telephone Number, Including Area Code)

N/A
(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 *see* General Instruction A.2. below):

- ☐ 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))
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Item 7.01. Regulation FD Disclosure.

We are furnishing under Item 7.01 of this Current Report on Form 8-K as Exhibit 99.1 the unaudited pro forma condensed consolidated financial information as of and for the three months ended March 31, 2007 together with notes thereto, which was disclosed in connection with the offering of our \$450 million 8 1/4 % Senior Notes due 2014 (the "144A Debt Offering").

This information is furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, unless we specifically incorporate it by reference in a document filed under the Securities Act of 1933 or the Securities Exchange Act of 1934. By furnishing this information on this Current Report on Form 8-K, we make no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

Item 8.01. Other Events.

In connection with the 144A Debt Offering, we entered into the Third Amendment, effective as of June 7, 2007, to our Third Amended and Restated Credit Agreement (the "Credit Agreement"), dated May 26, 2006, as amended, with Toronto Dominion (Texas) LLC, as agent, and the lenders and the issuers of letters of credit thereunder. The Third Amendment allows for the incurrence of indebtedness under senior unsecured notes up to an aggregate outstanding principal amount of \$500 million. The Third Amendment also makes other conforming amendments to the Credit Agreement permitting the issuance of the senior unsecured notes.

A copy of the Third Amendment is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

We are also filing under Item 8.01 of this Current Report on Form 8-K:

(i) an unaudited pro forma condensed consolidated statement of income for the year ended December 31, 2006 giving pro forma effect to the acquisition of certain oil and gas properties acquired through merger from a wholly-owned subsidiary of Kerr-McGee Oil & Gas Corporation ("Kerr-McGee") on August 24, 2006 and also giving pro forma effect to the 144A Debt Offering, which information together with the notes thereto is included as Exhibit 99.2 to this report, which exhibit is incorporated by reference herein; and

(ii) unaudited interim statements of revenues and direct operating expenses of the acquired Kerr-McGee properties for the three and six months ended June 30, 2006 and 2005, which statements together with the notes thereto are included as Exhibit 99.3 to this report, which exhibit is incorporated by reference herein.

These financial statements are being filed in order to incorporate the financial statements and the related notes by reference into our Registration Statement on Form S-3 (File No. 333-132960).

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

- | | |
|------|---|
| 10.1 | Third Amendment to Third Amended and Restated Credit Agreement, as amended. |
| 99.1 | Unaudited Pro Forma Condensed Consolidated Financial Information.
Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2007.
Pro Forma Condensed Consolidated Statement of Income for the three months ended March 31, 2007.
Notes to Pro Forma Condensed Consolidated Financial Information. |
| 99.2 | Unaudited Pro Forma Condensed Consolidated Financial Information.
Pro Forma Condensed Consolidated Statement of Income for the year ended December 31, 2006
Notes to Pro Forma Condensed Consolidated Financial Information. |
| 99.3 | Unaudited Interim Statements of Revenues and Direct Operating Expenses.
Interim Statements of Revenues and Direct Operating Expenses of Certain Oil and Gas Properties
Acquired through Merger from Kerr-McGee Oil & Gas Corporation for the three and six months ended June 30, 2006 and 2005.
Notes to Interim Statements of Revenues and Direct Operating Expenses of Certain Oil and Gas Properties Acquired through Merger from Kerr-McGee Oil and Gas Corporation. |

SIGNATURES

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

W&T OFFSHORE, INC.
(Registrant)

Dated: July 19, 2007

By: /s/ JOHN D. GIBBONS
John D. Gibbons
Senior Vice President and Chief Financial Officer

INDEX TO EXHIBITS

- 10.1 Third Amendment to Third Amended and Restated Credit Agreement, as amended.
- 99.1 Unaudited Pro Forma Condensed Consolidated Financial Information.
 - Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2007.
 - Pro Forma Condensed Consolidated Statement of Income for the three months ended March 31, 2007.
 - Notes to Pro Forma Condensed Consolidated Financial Information.
- 99.2 Unaudited Pro Forma Condensed Consolidated Financial Information.
 - Pro Forma Condensed Consolidated Statement of Income for the year ended December 31, 2006
 - Notes to Pro Forma Condensed Consolidated Financial Information.
- 99.3 Unaudited Interim Statements of Revenues and Direct Operating Expenses.
 - Interim Statements of Revenues and Direct Operating Expenses of Certain Oil and Gas Properties Acquired through Merger from Kerr-McGee Oil & Gas Corporation for the three and six months ended June 30, 2006 and 2005.
 - Notes to Interim Statements of Revenues and Direct Operating Expenses of Certain Oil and Gas Properties Acquired through Merger from Kerr-McGee Oil and Gas Corporation.

**THIRD AMENDMENT TO THIRD AMENDED
AND RESTATED CREDIT AGREEMENT**

THIS THIRD AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (herein called this "Amendment"), dated effective as of June 7, 2007, is entered into by and among **W&T OFFSHORE, INC.**, a Texas corporation, as the borrower (the "Borrower"), the various financial institutions parties hereto, as lenders (collectively, the "Lenders"), **TORONTO DOMINION (TEXAS) LLC**, individually and as agent (in such capacity together with any successors thereto, the "Agent") for the Lenders and the issuers of letters of credit parties hereto, as issuers (collectively, the "Issuers"). Terms defined in the Credit Agreement (as hereinafter defined) are used herein with the same meanings as given them therein, unless the context otherwise requires.

WITNESSETH

WHEREAS, the Borrower, the Lenders, the Agent and the Issuers have heretofore executed that certain Third Amended and Restated Credit Agreement, dated as of May 26, 2006, as amended by that certain First Amendment to Third Amended and Restated Credit Agreement dated as of June 9, 2006, and as amended by that certain Second Amendment to Third Amended and Restated Credit Agreement dated as of July 27, 2006 (as so amended, and as from time to time amended, supplemented, restated or otherwise modified, including pursuant to this Amendment, the "Credit Agreement"); and

WHEREAS, parties hereto hereby intend to amend the Credit Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the Borrower, the Lenders, the Issuers and the Agent hereby agree as follows:

1. Amendments to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Section 7.1. Section 7.1 of the Credit Agreement is hereby amended as follows:

(i) the word "and" at the end of clause (g) of Section 7.1 is hereby deleted;

(ii) the reference to clause (h) of Section 7.1 is hereby changed to be a reference to clause (i) of Section 7.1 and the words "subsections (a) through (g)" in clause is hereby replaced with the words "clauses (a) through (h)"; and

(iii) the following new clause (h) is hereby inserted after clause (g) of Section 7.1:

"(h) Indebtedness incurred under senior unsecured bonds (the "Bonds") issued pursuant to one or more indentures or note purchase agreements (each an "Indenture"); provided, however, that (i) such Indebtedness (A) is unsecured and does not exceed an aggregate outstanding principal amount of U.S.\$500,000,000, (B) does not have a maturity date that is earlier than five years from the date of incurrence, (C) has a coupon or interest rate not in excess of nine percent (9%), (D) contains covenants not materially more onerous to Borrower and its Subsidiaries than those contained in the Loan Documents, (E) contains other terms and conditions (including amount, interest, amortization, covenants and events of default) as are reasonably satisfactory to the Administrative Agent; and (ii) the proceeds of the initial Bonds (which Bonds are anticipated to be issued in June 2007) are used to prepay in full in cash all Tranche A Term Loans concurrently with the receipt of proceeds from the issuance of such Bonds; and"

(b) Section 6.14(b). Section 6.14(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(b) terminate interest rate Hedging Contracts described in Section 4.1(q)(ii) in accordance with the terms of such Hedging Contracts if the termination of such Hedging Contracts will not result in any material breakage fees, termination fees or similar fees, penalties or assessments against Borrower."

(c) Section 7.3(b). Section 7.3(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Any Restricted Person may enter into contracts for the purpose and effect of fixing interest rates on a principal amount of indebtedness of such Restricted Person that is accruing interest at a variable rate, provided that each such contract is with a counterparty or has a guarantor of the obligation of the counterparty who (unless such counterparty is a Lender Party or one of its Affiliates) at the time the contract is made has long-term obligations rated BBB- or Baa3 or better, respectively, by either Rating Agency or is an investment grade-rated industry participant."

(d) Section 7.6. Section 7.6 of the Credit Agreement is hereby amended by inserting the following proviso at the end of such Section as follows:

"; provided, further that (A) the Borrower may pay interest on the Bonds on the stated, scheduled dates for payment of interest set forth in the applicable Indenture and (B) the Borrower may redeem, repurchase, prepay or defease the Bonds (x) on the scheduled maturity date for the Bonds, (y) on each stated, scheduled date for prepayment of principal, or (z) with the written consent of the Required Lenders.

(e) Section 7.10. Section 7.10 of the Credit Agreement is hereby amended by adding the following sentence at the end of such Section:

“The Borrower will not, and will not permit any of its Subsidiaries to, consent to any amendment, supplement, waiver or other modification of, or enter into any forbearance from exercising any rights with respect to the terms or provisions contained in an Indenture or the Bonds related thereto that results or causes or has the effect of doing any of the following: (i) contravening the provisions of this Agreement, (ii) increasing the interest, premium or the yield on such Bonds beyond the interest, yield or premium currently specified in such Indenture as of the effective date of such Indenture, (iii) providing for dates for payment of principal, interest, premium (if any), yield or fees which are earlier than the dates specified in such Indenture as in effect on the effective date of such Indenture, (iv) providing for any covenant, event of default or remedy which is more restrictive on any Obligor than that set forth in such Indenture as in effect on the effective date of such Indenture, (v) providing for redemption, prepayment or defeasance provisions that are more burdensome on the Borrower than those set forth in such Indenture as in effect on the effective date of such Indenture, (vi) providing for collateral securing Indebtedness under such Bonds or such Indenture, or (vii) increasing the obligations of the Borrower or any of its Subsidiaries or conferring any additional rights on any holder of such Bonds than those set forth in such Indenture as in effect on the effective date of such Indenture which could reasonably be expected to be adverse to the Lender Parties.”

2. Representations and Warranties. The Borrower hereby represents and warrants that after giving effect hereto:

(a) the representations and warranties of the Borrower and its Subsidiaries contained in the Loan Documents are true and correct in all material respects on and as of the Effective Date, other than those representations and warranties that expressly relate solely to a specific earlier date, which shall remain correct in all material respects as of such earlier date;

(b) the execution, delivery and performance by the Borrower and its Subsidiaries of this Amendment are within their corporate or limited liability powers, have been duly authorized by all necessary action, require, in respect of any of them, no action by or in respect of, or filing with, any governmental authority which has not been performed or obtained and do not contravene, or constitute a default under, any provision of Law or regulation or the articles of incorporation or the bylaws of any of them or any agreement, judgment, injunction, order, decree or other instrument binding upon the Borrower or result in the creation or imposition of any Lien on any asset of any of them except as contemplated by the Loan Documents;

(c) the execution, delivery and performance by the Borrower and each other Subsidiary of this Amendment has been duly authorized by all necessary action required on their part and this Amendment constitutes the legal, valid and binding obligation of each of them enforceable against them in accordance with its terms; and

(d) no Default or Event of Default has occurred and is continuing.

3. Effectiveness. This Amendment shall be effective as of the date hereof, following the Agent's receipt of this Amendment, duly executed by the Borrower, the Agent and the Required Lenders (the "Effective Date").

4. Ratification; Loan Document. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as hereby amended, is hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement in any Loan Document or in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as hereby amended. This Amendment is a Loan Document.

5. GOVERNING LAW. THIS AMENDMENT SHALL BE DEEMED A CONTRACT AND INSTRUMENT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND THE LAWS OF THE UNITED STATES OF AMERICA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

6. Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Amendment or affecting the validity or enforceability of such provision in any other jurisdiction.

7. Counterparts. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any party hereto may execute this Amendment by signing one or more counterparts. Any signature hereto delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

8. Successors and Assigns. This Amendment shall be binding upon the Borrower and its successors and permitted assigns and shall inure, together with all rights and remedies of each Lender Party hereunder, to the benefit of each Lender Party and the respective successors, transferees and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER:

W&T OFFSHORE, INC.

By: /s/ Reid Lea / TFG

Name: Reid Lea

Title: Executive Vice President

TORONTO DOMINION (TEXAS) LLC,
as Agent and Lender

By: /s/ Ian Murray

Name: Ian Murray

Title: Authorized Signatory

THE TORONTO-DOMINION BANK,
as Issuer

By: /s/ Robyn Zeller

Name: Robyn Zeller

Title: Managing Director

LEHMAN COMMERCIAL PAPER INC.,
as Lender

By: /s/ Maria M. Lund

Name: Maria M. Lund

Title: Authorized Signatory

FORTIS CAPITAL CORP.
as Issuer and Lender

By: /s/ David Montgomery

Name: David Montgomery

Title: Senior Vice President

By: /s/ Deirdre Sanborn

Name: Deidre Sanborn

Title: Senior Vice President

BMO CAPITAL MARKETS FINANCING, INC.
f/k/a HARRIS NESBITT BURNS FINANCING, INC.,
as Lender

By: /s/ Mary Lou Allen

Name: Mary Lou Allen

Title: Vice President

BANK OF SCOTLAND,
as Lender

By: /s/ Karen Welch

Name: Karen Welch

Title: Vice President

BANK OF SCOTLAND,
NATIXIS f/k/a NATEXIS BANQUES POPULAIRES,
as Lender

By: /s/ Louis P. Laville, III
Name: Louis P. Laville, III
Title: Managing Director

By: /s/ Daniel Payer
Name: Daniel Payer
Title: Director

JPMORGAN CHASE BANK, N.A., successor-by-merger to BANK
ONE, NA
(Main Office – Chicago),
as Issuer and Lender

By: /s/ Brian Orlando
Name: Brian Orlando
Title: Assistant Vice President

ROYAL BANK OF CANADA
as Lender

By: /s/ Don J. McKinnerney
Name: Don J. McKinnerney
Title: Authorized Signatory

SOCIÉTÉ GÉNÉRALE,
as Lender

By: /s/ Stephen W. Warfel
Name: Stephen W. Warfel
Title: Director

AMEGY BANK NATIONAL ASSOCIATION,
as Lender

By: /s/ W. Bryan Chapman
Name: W. Bryan Chapman
Title: Senior Vice President

BNP PARIBAS,
as Lender

By: /s/ Russell Otts
Name: Russell Otts
Title: Vice President

By: /s/ Betsy Jocher
Name: Betsy Jocher
Title: Director

GUARANTY BANK, FSB,
as Lender

By: /s/ John Clark
Name: John Clark
Title: Executive Vice President and Managing Director

SUNTRUST BANK,
as Lender

By: /s/ James Warren
Name: James Warren
Title: Managing Director

WB LOAN FUNDING 1, LLC,
as Lender

By: /s/ Diane M. Himes
Name: Diane M. Himes
Title: Vice President

WB LOAN FUNDING 2, LLC,
as Lender

By: /s/ Diane M. Himes
Name: Diane M. Himes
Title: Vice President

WB LOAN FUNDING 5, LLC,
as Lender

By: /s/ Diane M. Himes
Name: Diane M. Himes
Title: Vice President

RAYMOND JAMES BANK, FSB,
as Lender

By: /s/ Andrew Hahn
Name: Andrew Hahn
Title: Vice President

ATRIUM V,
as Lender

By: /s/ David H. Lerner
Name: David H. Lerner
Title: Authorized Signatory

BLACKROCK SENIOR INCOME SERIES,
as Lender

By: /s/ Anthony Heyman
Name: Anthony Heyman
Title: Authorized Signatory

BLACKROCK SENIOR INCOME SERIES II,
as Lender

By: /s/ Anthony Heyman
Name: Anthony Heyman
Title: Authorized Signatory

BLACKROCK SENIOR INCOME SERIES III,
as Lender

By: /s/ Anthony Heyman
Name: Anthony Heyman
Title: Authorized Signatory

BLACKROCK SENIOR INCOME SERIES IV,
as Lender

By: /s/ Anthony Heyman
Name: Anthony Heyman
Title: Authorized Signatory

BLACKROCK SENIOR INCOME SERIES V f/k/a GRANITE
FINANCE LTD.,
as Lender

By: /s/ Anthony Heyman
Name: Anthony Heyman
Title: Authorized Signatory

MAGNETITE VCLD, LIMITED,
as Lender

By: /s/ Anthony Heyman
Name: Anthony Heyman
Title: Authorized Signatory
SANKATY ADVISORS, LLC as Collateral
Manager for AVERY POINT CLO, LTD.,
as Term Lender,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

CHATHAM LIGHT II CLO, LIMITED, by SANKATY ADVISORS
LLC, as Collateral Manager,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

KATONAH III, LTD. by SANKATY ADVISORS LLC as Sub-
Advisors,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

SANKATY ADVISORS, LLC as Collateral Manager for PROSPECT
FUNDING I, LLC as Term Lender,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

SANKATY ADVISORS, LLC as Collateral
Manager for RACE POINT CLO, LIMITED
as Term Lender,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

SANKATY ADVISORS, LLC as Collateral
Manager for RACE POINT II CLO, LIMITED
as Term Lender,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

SANKATY ADVISORS, LLC as Collateral
Manager for RACE POINT III CLO, LIMITED
as Term Lender,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

SANKATY HIGH YIELD PARTNERS III, L.P.,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary
SANKATY HIGH YIELD PARTNERS II, L.P.,
as Lender

By: /s/ Alan K. Halfenger
Name: Alan K. Halfenger
Title: Chief Compliance Officer and Assistant Secretary

GRAND CENTRAL ASSET TRUST, PFV SERIES,
as Lender

By: /s/ Richard Newcomb
Name: Richard Newcomb
Title: Attorney-in-Fact

GRAND CENTRAL ASSET TRUST,
BDC SERIES,
as Lender

By: /s/ Jason Muelver
Name: Jason Muelver
Title: Attorney-in-Fact

DUNES FUNDING LLC,
as Lender

By: /s/ Tara E. Kenny
Name: Tara E. Kenny
Title: Assistant Vice President

HARBOUR TOWN FUNDING LLC,
as Lender

By: /s/ Tara E. Kenny
Name: Tara E. Kenny
Title: Assistant Vice President

ATLAS LOAN FUNDING (CENT I) LLC
By: RIVERSOURCE INVESTMENTS, LLC,
Attorney-in-Fact,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENTURION CDO II, LTD.
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENTURION CDO VI, LTD.
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENTURION CDO VII, LTD.
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENTURION CDO 8, LIMITED
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENTURION CDO 9, LIMITED
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENT CDO 10, LIMITED
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CENT CDO XI, LIMITED
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst
RIVERSOURCE BOND SERIES, INC. –
RIVERSOURCE FLOATING RATE FUND,
as Lender

By: /s/ Jerry Howard
Name: Jerry Howard
Title: Assistant Vice President

SEQUILS-CENTURION V, LTD.
By: RIVERSOURCE INVESTMENTS, LLC,
as Collateral Manager,
as Lender

By: /s/ Traci D. Garcia
Name: Traci D. Garcia
Title: Sr. Business Analyst

CLASSIC CAYMAN B. D. LIMITED,
as Lender

By: /s/ Annette Halprin
Name: Annette Halprin
Title: Authorized Signatory

By: /s/ Janet Wolff
Name: Janet Wolff
Title: Authorized Signatory

FRANKLIN FLOATING RATE DAILY ACCESS FUND,
as Lender

By: /s/ Richard Hsu
Name: Richard Hsu
Title: Assistant Vice President
FRANKLIN CLO II, LIMITED,
as Lender

By: /s/ Alex Guang Yu
Name: Alex Guang Yu
Title: Authorized Signatory

FRANKLIN FLOATING RATE MASTER SERIES,
as Lender

By: /s/ Richard Hsu
Name: Richard Hsu
Title: Assistant Vice President

ACKNOWLEDGED AND AGREED:

OFFSHORE ENERGY I LLC

By: /s/ Thomas F. Getten
Name: Thomas F. Getten
Title: Authorized Representative

OFFSHORE ENERGY II LLC

By: /s/ Thomas F. Getten
Name: Thomas F. Getten
Title: Authorized Representative

OFFSHORE ENERGY III LLC

By: /s/ Thomas F. Getten
Name: Thomas F. Getten
Title: Authorized Representative
GULF OF MEXICO OIL AND GAS
PROPERTIES LLC

By: /s/ Thomas F. Getten
Name: Thomas F. Getten
Title: Authorized Representative

W&T ENERGY V, LLC

By: /s/ Thomas F. Getten
Name: Thomas F. Getten
Title: Authorized Representative

W&T OFFSHORE, INC.**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

The following unaudited pro forma condensed consolidated balance sheet of W&T Offshore, Inc. (the “Company,” “we” or “our”) as of March 31, 2007 illustrates the pro forma effect on the Company’s historical financial position of the issuance of the Company’s \$450 million 8 1/4% Senior Notes due 2014 (the “Notes”). The unaudited pro forma condensed consolidated statement of income of the Company for the three months ended March 31, 2007 illustrates the pro forma effect on the Company’s results of operations of the issuance in June 2007 of the Notes. The unaudited pro forma condensed consolidated balance sheet as of March 31, 2007 was prepared assuming that the issuance of the Notes had occurred on March 31, 2007. The unaudited pro forma condensed consolidated statement of income for the three months ended March 31, 2007 was prepared assuming that the Notes were issued and proceeds applied on January 1, 2007.

The unaudited adjustments that are described in the accompanying notes and the resulting unaudited pro forma condensed consolidated financial information are based on available information and certain assumptions we believe are reasonable in connection with the transaction as described above. In our opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The unaudited pro forma condensed consolidated financial information does not purport to represent what the Company’s financial position or results of operations would have been had the transaction occurred on the dates indicated or the financial position or results of operations for any future date or period.

The unaudited pro forma condensed consolidated financial information and accompanying notes should be read in conjunction with the historical financial statements and the accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which are set forth in our annual report on Form 10-K for the year ended December 31, 2006 and the quarterly report on Form 10-Q for the quarter ended March 31, 2007.

W&T OFFSHORE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2007
(In thousands)

Assets	Historical	Pro Forma Adjustments	Pro Forma
Current assets:			
Cash and cash equivalents	\$ 4,303	\$ 444,900 (a)	\$ 4,303
		(444,900)(b)	
Receivables:			
Oil and natural gas sales	93,927	—	93,927
Joint interest and other	56,404	—	56,404
Income taxes	17,009	1,149 (e)	18,158
Total receivables	167,340	1,149	168,489
Prepaid expenses and other assets	27,741	(22)(b)	27,719
Total current assets	199,384	1,127	200,511
Property and equipment—at cost			
Oil and gas properties and equipment—full cost method of accounting	3,431,197	—	3,431,197
Furniture, fixtures and other	11,314	—	11,314
Total property and equipment	3,442,511	—	3,442,511
Less accumulated depreciation, depletion and amortization	1,161,069	—	1,161,069
Net property and equipment	2,281,442	—	2,281,442
Restricted deposits for asset retirement obligations	10,804	—	10,804
Other assets	2,829	5,100 (a)	7,725
		(204)(c)	
Total assets	<u>\$2,494,459</u>	<u>\$ 6,023</u>	<u>\$2,500,482</u>
Liabilities and Shareholders' Equity			
Current liabilities:			
Current maturities of long-term debt—net of discount	\$ 161,800	\$(162,500)(b)	\$ 1,200
		1,900 (c)	
Accounts payable	172,436	—	172,436
Undistributed oil and gas proceeds	43,151	—	43,151
Asset retirement obligations—current portion	40,256	—	40,256
Accrued liabilities	8,000	(1,349)(b)	6,595
		(56)(b)	
Deferred income taxes—current portion	2,511	—	2,511
Total current liabilities	428,154	(162,005)	266,149
Long-term debt, less current maturities—net of discount	481,903	450,000 (a)	652,332
		(280,750)(b)	
		1,179 (c)	
Asset retirement obligations, less current portion	276,766	—	276,766
Deferred income taxes, less current portion	246,338	—	246,338
Other liabilities	5,615	(267)(b)	5,348
Commitments and contingencies			
Shareholders' equity:			
Common stock	1	—	1
Additional paid-in capital	364,255	—	364,255
Retained earnings	692,378	(3,283)(c)	690,048
		(301)(d)	
		1,254 (e)	
Accumulated other comprehensive loss	(951)	301 (d)	(755)
		(105)(e)	
Total shareholders' equity	<u>1,055,683</u>	<u>(2,134)</u>	<u>1,053,549</u>
Total liabilities and shareholders' equity	<u>\$2,494,459</u>	<u>\$ 6,023</u>	<u>\$2,500,482</u>

See accompanying notes.

W&T OFFSHORE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
THREE MONTHS ENDED MARCH 31, 2007
(In thousands, except per share data)

	<u>Historical</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
Revenues:			
Oil and natural gas revenues	\$246,477	\$ —	\$246,477
Other	62	—	62
Total revenues	246,539	—	246,539
Operating costs and expenses:			
Lease operating	61,663	—	61,663
Production taxes	1,383	—	1,383
Gathering and transportation	2,874	—	2,874
Depreciation, depletion and amortization	118,754	—	118,754
Asset retirement obligation accretion	5,447	—	5,447
General and administrative	13,884	—	13,884
Commodity derivative loss	11,971	—	11,971
Total costs and expenses	215,976	—	215,976
Operating income	30,563	—	30,563
Interest expense:			
Incurred	17,759	(2,025)(f)	15,734
Capitalized	(6,828)	1,014 (g)	(5,814)
Other income	413	—	413
Income before income taxes	20,045	1,011	21,056
Income taxes	7,016	354 (h)	7,370
Net income	<u>\$ 13,029</u>	<u>\$ 657</u>	<u>\$ 13,686</u>
Earnings per common share:			
Basic	\$ 0.17		\$ 0.18
Diluted	0.17		0.18
Weighted average number of common shares (basic)	75,787		75,787
Weighted average nonvested common shares	17		17
Weighted average number of common shares (diluted)	<u>75,804</u>		<u>75,804</u>

See accompanying notes.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Pro Forma Financial Information Assumptions

The unaudited pro forma condensed consolidated balance sheet as of March 31, 2007 reflects the following adjustments.

- (a) To record the issuance of the Notes as follows (in thousands):

Senior Notes due 2014 (interest rate of 8.25%)	\$450,000
Transaction fees and expenses	(5,100)
Net proceeds	<u>\$444,900</u>

- (b) To record the use of the net proceeds from the issuance of the Notes as follows (in thousands):

Pay the principal outstanding on the revolving credit facility	\$190,000
Pay the principal outstanding on the Tranche A term loan	162,500
Pay a portion of the principal outstanding on the Tranche B term loan	90,750
Pay accrued interest on the retired debt	1,349
Retire certain interest rate swaps related to the term loans	<u>301</u>
Total uses of the net proceeds	<u>\$444,900</u>

- (c) To write off the unaccreted discount and unamortized debt issue costs associated with the Tranche A loan and a portion of the Tranche B loan.
- (d) To adjust accumulated other comprehensive loss for the retirement of an interest rate swap associated with the Tranche A term loan and a portion of an interest rate swap associated with the Tranche B loan.
- (e) To give effect to income taxes related to the above transactions based on the federal statutory rate of 35%.

The unaudited pro forma condensed consolidated statement of income for the three months ended March 31, 2007 reflects the following adjustments.

- (f) To adjust interest expense for the issuance of the Notes and application of the net proceeds to repay borrowings under the Credit Agreement and amortization of related debt issuance costs.
- (g) To adjust capitalized interest for the issuance of the Notes and application of the net proceeds to repay borrowings under the Credit Agreement and amortization of related debt issuance costs.
- (h) To adjust income tax expense for the effects of adjustments (f) and (g) based on the federal statutory rate of 35%.

W&T OFFSHORE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited pro forma condensed consolidated statement of income of the W&T Offshore, Inc. (The “Company,” “we” or “our”) for the year ended December 31, 2006 illustrates the pro forma effect on the Company’s results of operations of (i) the issuance in June 2007 of the Company’s \$450 million 8 1/4% Senior Notes due 2014 (the “Notes”) and (ii) in August 2006, the acquisition of a wholly-owned subsidiary of Kerr-McGee Oil & Gas Corporation (“Kerr-McGee”) by merger for approximately \$1.1 billion (the “Kerr-McGee Transaction”), including the offering of the Company’s common stock in July 2006 and borrowings under the Company’s \$1.3 billion senior secured credit facility (the “Credit Agreement”) which were used to fund a portion of the Kerr-McGee Transaction (the “Transactions”). We own the surviving entity, which is the successor to substantially all of Kerr-McGee’s interests in Gulf of Mexico conventional shelf properties (the “Kerr-McGee Properties”). The unaudited pro forma condensed consolidated statement of income for the year ended December 31, 2006 was prepared assuming that the Transactions had occurred on January 1, 2006.

The unaudited adjustments that are described in the accompanying notes and the resulting unaudited pro forma condensed consolidated financial information are based on available information and certain assumptions we believe are reasonable in connection with the Transactions as described above. In our opinion, all adjustments that are necessary to present fairly the pro forma information have been made. The unaudited pro forma condensed consolidated financial information does not purport to represent what the Company’s financial position or results of operations would have been had the Transactions occurred on the dates indicated or the financial position or results of operations for any future date or period.

The unaudited pro forma condensed consolidated financial information and accompanying notes should be read in conjunction with the historical financial statements and the accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” which are set forth in our annual report on Form 10-K for the year ended December 31, 2006.

W&T OFFSHORE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2006
(In thousands, except per share data)

	Historical	Pre-Acquisition Kerr- McGee Properties January 1 to August 24, 2006	Pro Forma Adjustments	Pro Forma
Revenues:				
Oil and gas revenues	\$800,348	\$346,989(a)	\$ —	\$1,147,337
Other	118	—	—	118
Total revenues	800,466	346,989	—	1,147,455
Operating costs and expenses:				
Lease operating	109,652	66,889(a)	—	176,541
Production taxes	1,556	3,256(a)	—	4,812
Gathering and transportation	16,141	—	—	16,141
Revenues in excess of direct operating expenses	673,117	<u>\$276,844</u>	—	949,961
Depreciation, depletion and amortization	325,131		123,884 (b)	449,015
Asset retirement obligation accretion	12,496		6,866 (c)	19,362
General and administrative	42,119		6,020 (d)	48,139
Commodity derivative gain	<u>(24,244)</u>		—	<u>(24,244)</u>
Operating income	317,615		(136,770)	457,689
Interest expense:				
Incurred	30,418		31,673 (e)	62,091
Capitalized	(13,238)		(19,695)(f)	(32,933)
Other income	5,919		—	5,919
Income before income taxes	306,354		(148,748)	434,450
Income taxes	107,250		44,834 (g)	152,084
Net income	<u>\$199,104</u>		<u>\$(193,582)</u>	<u>\$ 282,366</u>
Earnings per common share:				
Basic	\$ 2.84			\$ 3.73
Diluted	2.84			3.73
Weighted average number of common shares (basic)	70,177			75,746 (h)
Weighted average nonvested common shares	40			40
Weighted average number of common shares (diluted)	<u>70,217</u>			<u>75,786</u>

See accompanying notes.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Pro Forma Financial Information Assumptions

The unaudited pro forma condensed consolidated statement of income for the year ended December 31, 2006 reflects the following adjustments.

- (a) To reflect pre-acquisition revenues and direct operating expenses of the Kerr-McGee Properties from January 1, 2006 to August 24, 2006, the closing date of the Kerr-McGee Transaction.
- (b) To reflect depreciation, depletion and amortization associated with oil and gas properties acquired in the Kerr-McGee Transaction, exclusive of \$392 million of unevaluated properties at the date of acquisition.
- (c) To reflect accretion of discount on asset retirement obligations associated with oil and gas properties acquired in the Kerr-McGee Transaction.
- (d) To adjust general and administrative expenses due to the addition of personnel required to manage the Company after the Kerr-McGee Transaction and additional office space.
- (e) To adjust interest expense for borrowings under the Credit Agreement incurred in connection with the Kerr-McGee Transaction, the issuance of the Notes and application of the net proceeds to repay borrowings under the Credit Agreement and amortization of related debt issuance costs.
- (f) To adjust capitalized interest related to unevaluated properties acquired in the Kerr-McGee Transaction, to give effect to borrowings under the Credit Agreement incurred in connection with the Kerr-McGee Transaction, the issuance of the Notes and application of the net proceeds to repay borrowings under the Credit Agreement and amortization of related debt issuance costs.
- (g) To adjust income tax expense for the effects of adjustments (a) through (f) based on the federal statutory rate of 35%.
- (h) To adjust weighted average number of common shares for the offering of 8.5 million shares of the Company's common stock in July 2006 and the exercise of an over-allotment option by the underwriters for an additional 1.275 million shares in August 2006.

W&T OFFSHORE, INC. AND SUBSIDIARIES
UNAUDITED INTERIM STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES OF
CERTAIN OIL AND GAS PROPERTIES ACQUIRED THROUGH MERGER
FROM KERR-MCGEE OIL & GAS CORPORATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(In thousands)			
Revenues—oil and gas sales	\$ 121,579	\$ 163,645	\$ 233,127	\$ 315,085
Direct operating expenses	33,218	24,432	65,195	46,907
Revenues in excess of direct operating expenses	<u>\$ 88,361</u>	<u>\$ 139,213</u>	<u>\$ 167,932</u>	<u>\$ 268,178</u>

See accompanying notes.

W&T OFFSHORE, INC. AND SUBSIDIARIES

**NOTES TO UNAUDITED INTERIM STATEMENTS OF REVENUES AND DIRECT OPERATING
EXPENSES OF CERTAIN OIL AND GAS PROPERTIES ACQUIRED THROUGH MERGER
FROM KERR-MCGEE OIL & GAS CORPORATION**

1. Background and Basis of Presentation

On August 24, 2006, W&T Offshore, Inc. (the "Company," "we" or "our") closed the acquisition with Kerr-McGee Oil & Gas Corporation ("Kerr-McGee") whereby the Company acquired through merger substantially all of Kerr-McGee's interests on the outer continental shelf of the eastern, central and western Gulf of Mexico. According to the terms of the Agreement and Plan of Merger, which was effective as of October 1, 2005, the Company and Kerr-McGee agreed to merge Offshore Shelf, LLC, a wholly owned subsidiary of the Company, with Kerr-McGee Oil & Gas (Shelf) LLC, a wholly owned subsidiary of Kerr-McGee. The Company acquired 100% of the membership interests in the Kerr-McGee subsidiary, which owns such Kerr-McGee properties. The Kerr-McGee properties include interests in approximately 100 fields on 242 offshore blocks, including 88 undeveloped blocks, primarily in water depths of less than 1,000 feet.

The statements include revenues associated with oil, natural gas and natural gas liquids production and direct lease operating and production expenses (including transportation, property insurance, production taxes and repairs and maintenance). Because Kerr-McGee's shelf and deepwater properties were not separate legal entities, the accompanying unaudited interim statements vary from an income statement in that they do not show certain expenses that were incurred in connection with ownership and operation of the Kerr-McGee properties including, but not limited to, general and administrative expenses and income taxes. These expenses were not separately allocated to the properties in the accounting records of the Kerr-McGee properties. In addition, these allocations, if made using historical general and administrative structures and tax burdens, would not produce allocations that would be indicative of the historical performance of the Kerr-McGee properties had they been our properties due to the greatly differing size, structure, operations and accounting of the Company and Kerr-McGee. The accompanying unaudited interim statements also do not include provisions for depreciation, depletion, amortization and accretion, as such amounts would not be indicative of the costs which we would incur upon allocation of the merger consideration.

For the above reasons, primarily the lack of segregated or easily obtainable reliable data on property values and related working capital, a balance sheet is not presented for the Kerr-McGee properties.

The accompanying unaudited interim statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results for the three and six months ended June 30, 2006 are not necessarily indicative of the results actually achieved for the year ended December 31, 2006. For further information, refer to the audited statements of revenues and direct operating expenses for the years ended December 31, 2005, 2004 and 2003 included in our current report on Form 8-K filed on July 12, 2006.

Revenue derived from product sales is recognized when a sales arrangement exists, delivery has occurred, title has transferred and collectibility is reasonably assured. Oil and gas sales involving balancing arrangements among partners are recognized as revenues when the oil or gas is sold using the entitlements method of accounting based on the Kerr-McGee properties' net revenue interest and a receivable or deferred revenue is recorded for any imbalance. During the periods covered by these statements, both the quantity and dollar amount of oil and gas balancing arrangements were not material.

2. Storm Related Effects

During the third quarter of 2005, the Gulf of Mexico region experienced the impact of two major hurricanes. Revenues for the three and six months ended June 30, 2006 reflect the impact of reduced production rates, compared to the three and six months ended June 30, 2005. Direct operating expenses for the three and six months ended June 30, 2006 reflect the impact of hurricane repair costs recorded as incurred, compared to the three and six months ended June 30, 2005. During the three and six months ended June 30, 2006, sales were approximately 173 MMcf and 157 MMcf per day, respectively, compared to approximately 246 MMcf and 244 MMcf per day for the same periods in 2005.