
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): May 19, 2021

W&T Offshore, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or Other Jurisdiction of
Incorporation or Organization)

001-32414
(Commission
File Number)

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

5718 Westheimer Road, Suite 700
Houston, Texas 77057
(Address of principal executive office) (Zip Code)

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

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))

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

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|-----------------------------------|-------------------|---|
| Common Stock, par value \$0.00001 | WTI | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Introductory Note

On May 19, 2021 (the “Closing Date”), Aquasition LLC (“A-I LLC”), a Delaware limited liability company and indirect, wholly-owned subsidiary of W&T Offshore, Inc., a Texas corporation (the “Company”) and Aquasition II LLC (“A-II LLC”), a Delaware limited liability company and indirect, wholly-owned subsidiary of the Company, entered into that certain Credit Agreement, by and among A-I LLC, as borrower, A-II LLC, as co-borrower (together in such capacity, the “Borrowers”), and Munich Re Reserve Risk Financing, Inc. (“Munich Re”), as lender (the “Subsidiary Credit Agreement” and the term loan governed thereby, the “Non-Recourse Term Loan”).

In exchange for the net cash proceeds received by the Borrowers from the Non-Recourse Term Loan, the Company assigned to (a) A-I LLC all of its interests in certain oil and gas leasehold interests and associated wells and units located in State of Alabama waters and U.S. federal waters in the offshore Gulf of Mexico, Mobile Bay region (such assets, the “Mobile Bay Properties”) and (b) A-II LLC its interest in certain gathering and processing assets located (i) in State of Alabama waters and U.S. federal waters in the offshore Gulf of Mexico, Mobile Bay region and (ii) onshore near Mobile, Alabama, including offshore gathering pipelines, an onshore crude oil treating and sweetening facility, an onshore gathering pipeline, and associated assets (such assets, the “Midstream Assets”). A portion of the proceeds to the Company was used to repay the \$48.0 million outstanding balance on its reserve-based lending facility under the Company Credit Agreement (defined below), with the majority of the proceeds to W&T expected to be used for general corporate purposes, including oil and gas acquisitions, development activities, and other opportunities to grow the Company’s broader asset base. We refer to the transactions contemplated by the Subsidiary Credit Agreement, including the assignment of the Mobile Bay Properties to A-I LLC and the assignment of the Midstream Assets to A-II LLC as the “Transaction”.

Item 1.01 Entry into a Material Definitive Agreement.

Management Services Agreement

On the Closing Date, A-I LLC and A-II LLC (collectively in this capacity, the “Services Recipient”) entered into a management services agreement (the “Services Agreement”) with the Company, pursuant to which the Company will provide (a) certain operational and management services for (I) the Mobile Bay Properties and (II) the Midstream Assets and (b) certain corporate, general and administrative services for A-I LLC and A-II LLC. Under the Services Agreement, the Company will (i) cause to be paid all operating and capital expenditures incurred by (X) A-I LLC in connection with the ownership and operation of the Mobile Bay Properties and (Y) A-II LLC in connection with the ownership and operation of the Midstream Assets and (ii) receive on (A) A-I LLC’s account all revenues related to the sale of production from the Mobile Bay Properties and (B) A-I LLC’s account all revenues related to the provision of hydrocarbon gathering, transportation, processing, treating, handling and associated services on the Midstream Assets. A-I LLC and A-II LLC will collectively pay a quarterly services fee to the Company to compensate the Company for its overhead incurred in performing the services contemplated under the Services Agreement.

Under the Services Agreement, the Company will indemnify the Services Recipient with respect to claims, losses or liabilities incurred by the Services Agreement Parties that relate to personal injury or death or property damage of the Company, in each case, arising out of performance of the Services Agreement, except to the extent of the gross negligence or willful misconduct of the Services Recipient. The Services Recipient will indemnify the Company with respect to claims, losses or liabilities incurred by the Company that relate to personal injury or death of the Services Recipient or property damage of the Services Recipient, in each case, arising out of performance of the Services Agreement, except to the extent of the gross negligence or willful misconduct of the Company.

The Services Agreement will terminate upon the earlier of (a) termination of the Subsidiary Credit Agreement and payment and satisfaction of all obligations thereunder or (b) the exercise of certain remedies by the secured parties under the Subsidiary Credit Agreement and the realization by such secured parties upon any of the collateral under the Subsidiary Credit Agreement.

Company Credit Agreement Amendment

On the Closing Date, the Company amended its Sixth Amended and Restated Credit Agreement, dated as of October 18, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Company Credit Agreement”), by and among the Company, the guarantor subsidiaries party thereto, the lenders party thereto, Toronto Dominion (Texas) LLC (“Toronto Dominion”), as administrative agent, the issuers of letters of credit party thereto and the other parties thereto, by entering into that certain Waiver, Consent and Sixth Amendment to Sixth Amended and Restated Credit Agreement (the “Sixth Amendment”) to the Company Credit Agreement, by and among the Company, the guarantor subsidiaries party thereto, the various financial institutions party thereto, as lenders, the issuers of letters of credit party thereto and Toronto Dominion, individually and as an agent for the lenders.

The Sixth Amendment, among other things, (i) amended the Company Credit Agreement to effectuate the Transaction by specifically permitting the Transaction and related transactions under certain covenants and (ii) consented to and waived certain technical defaults arising from the formation of certain company subsidiaries that were formed in advance of, and in order to effectuate, the consummation of the Transaction and related transactions.

The Company used a portion of the proceeds from the transfer to the Borrowers of the Mobile Bay Properties and the Midstream Assets to repay the \$48.0 million outstanding balance on its reserve-based lending facility under the Company Credit Agreement. All liens on the Mobile Bay Properties and the Midstream Assets granted to secure obligations under the Company Credit Agreement were released in connection with the transfer of such assets to Borrowers.

The summary of the Sixth Amendment in this Current Report on Form 8-K does not purport to be complete and is qualified in its entirety by reference to the full text of the Sixth Amendment, which is filed herewith as Exhibit 10.1 and is incorporated into this Item 1.01 by reference.

Subsidiary Credit Agreement

On the Closing Date, the Borrowers entered into the Subsidiary Credit Agreement providing for the Non-Recourse Term Loan in an aggregate principal amount equal to \$215.0 million. The Non-Recourse Term Loan will mature on May 19, 2028 (the “Maturity Date”). Proceeds of the loan were used by the Borrowers to (i) fund the acquisition of the Mobile Bay Properties and the Midstream Assets, in each case from the Company and (ii) pay fees, commissions and expenses in connection with the transactions contemplated by the Subsidiary Credit Agreement and the other related loan documents, including to enter into certain swap and put derivative contracts described in more detail under Item 8.01 of this report.

The Non-Recourse Term Loan is non-recourse to the Company and its subsidiaries other than Borrowers and, and is not secured by any assets other than first lien security interests in the equity in the Borrowers and a first lien mortgage security interest and mortgages on substantially all of the assets of Borrowers (which consists of the Mobile Bay Properties and the Midstream Assets).

The Non-Recourse Term Loan requires quarterly amortization payments commencing September 30, 2021. The Non-Recourse Term Loan bears interest at a fixed rate of 7% per annum from the Closing Date. The Subsidiary Credit Agreement requires the Borrowers to prepay any outstanding loans thereunder, subject to certain exceptions, with proceeds from incurring indebtedness, the unwinding, termination, or assignment of certain hedging agreements, certain dispositions or certain casualty events, in each case, subject to certain exceptions and provided that the Borrowers may reinvest such proceeds in certain permitted assets within 90 days of receipt of such proceeds. Optional prepayments under the Non-Recourse Term Loan are subject to certain premiums. Any optional prepayment made during the first three years of the loan is subject to a premium equal to the aggregate amount of interest payments that would have become due and payable through the Maturity Date. Optional prepayments during each year following the third anniversary of the Closing Date are subject to a premium equal to 3.0% of the prepayment amount and such premium is reduced by 1.0% in each subsequent year.

Pursuant to the Subsidiary Credit Agreement the Borrowers are subject to various representations and warranties and affirmative covenants customary for financings of this type and size. The Subsidiary Credit Agreement includes negative covenants, subject to certain exceptions, restricting or limiting the Borrowers' ability and the ability of its restricted subsidiaries to, among other things: (i) incur indebtedness; (ii) create liens, make non-ordinary course dispositions of assets; (iii) make certain mergers and acquisitions; (iv) dispose of certain property; (v) complete dividends or make prepayments of subordinated debt; (vi) make any capital expenditures; (vii) make certain loans and investments; (viii) transact with affiliates; (ix) change the business of the Borrowers; (x) enter into hedging agreements and (xi) change the fiscal year. Additionally, the ability to make certain cash restricted payments, capital expenditures, and investments are subject to a financial incurrence covenant in which the sum of the present value of estimated future net cash flows from the Mobile Bay Properties plus the positive difference between the excess cash balance of Borrowers minus the aggregate amount of the scheduled payments for the next two quarterly payment periods divided by the aggregate principal amount outstanding under the Non-Recourse Term Loan is not less than 1.50:1.00.

The Subsidiary Credit Agreement provides for customary events of default, including among other things, in the event of nonpayment of principal, interest, fees or other amounts, a representation or warranty proving to have been incorrect in any material respect when made, the Company ceasing to be the services provider under the Services Agreement, failure to perform or observe covenants within a specified period of time, the bankruptcy or insolvency of either Borrowers or any of their respective subsidiaries, and changes of control with respect to the Borrowers. In the event of a default, the Lender is entitled to declare all amounts owed under the Subsidiary Credit Agreement immediately due and payable and terminate the Lender's commitments to make loans under the Subsidiary Credit Agreement.

Item 7.01 Regulation FD Disclosure.

Also, on May 20, 2021, the Partnership issued a press release announcing the closing of the Transaction and related transactions, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information furnished in this Item 7.01 shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended (the "1934 Act"), and shall not be deemed incorporated by reference in any filing with the Securities and Exchange Commission, whether or not filed under the 1934 Act, regardless of any general incorporation language in such document

Item 8.01 Other Items.

In connection with the Transaction, Borrowers entered into certain natural gas swap and put derivative contracts with an affiliate of the Lender at a cash cost of \$19.2 million with terms summarized below:

Natural Gas – Open Swap and Put Contracts, Priced off Henry Hub (NYMEX)

| Production Period | Instrument | Notional Quantity (MMBTU) | Weighted Average Swap Or Put Strike Price (\$/MMBTU) |
|--------------------------|-------------------|----------------------------------|---|
| Jun – Dec 2021 | Swaps | 17,500,000 | \$3.00 |
| Jan – Dec 2022 | Swaps | 28,800,000 | \$2.69 |
| Jan – Dec 2023 | Swaps | 26,400,000 | \$2.48 |
| Jan – Dec 2024 | Swaps | 24,000,000 | \$2.46 |
| Jan – Mar 2025 | Swaps | 5,700,000 | \$2.72 |
| Apr – Dec 2025 | Puts | 17,100,000 | \$2.27 |
| Jan – Dec 2026 | Puts | 20,400,000 | \$2.35 |
| Jan – Dec 2027 | Puts | 19,200,000 | \$2.37 |
| Jan – Apr 2028 | Puts | 6,000,000 | \$2.50 |

The Introductory Note included in this report is hereby incorporated by reference in this Item 8.01.

Item 9.01 Exhibits.

| Exhibit Number | Description |
|-----------------------|--|
| 10.1 | <u>Waiver, Consent and Sixth Amendment to Sixth Amended and Restated Credit Agreement, dated May 19, 2021, by and among W&T Offshore, Inc., the guarantor subsidiaries party thereto, the lenders party thereto, the issuers of letters of credit party thereto and Toronto Dominion (Texas) LLC</u> |
| 99.1 | <u>Press Release, dated May 20, 2021</u> |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

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

Date: May 25, 2021

W&T Offshore, Inc.

By: /s/ Shahid A. Ghauri

Name: Shahid A. Ghauri

Title: Vice President, General Counsel and
Corporate Secretary

WAIVER, CONSENT AND SIXTH AMENDMENT TO SIXTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS WAIVER, CONSENT AND SIXTH AMENDMENT TO SIXTH AMENDED AND RESTATED CREDIT AGREEMENT (herein called this "Sixth Amendment"), dated as of May 19, 2021 (the "Effective Date"), is entered into by and among W&T OFFSHORE, INC., a Texas corporation, as the borrower (the "Borrower"), the Guarantor Subsidiaries party hereto, the various financial institutions parties hereto, as Lenders, TORONTO DOMINION (TEXAS) LLC, individually and as agent (in such capacity together with any successors thereto, the "Administrative Agent") for the Lenders, and the issuers of letters of credit parties hereto, as issuers (collectively, the "Issuers").

WITNESSETH

WHEREAS, the Borrower, the lenders party thereto (collectively, the "Lenders"), the Administrative Agent, the Issuers and the other parties thereto have heretofore executed the Sixth Amended and Restated Credit Agreement, dated as of October 18, 2018 (as amended, supplemented, amended and restated or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement");

WHEREAS, the parties hereto hereby intend to amend certain provisions of the Existing Credit Agreement, in each case on the terms and conditions set forth herein; and

WHEREAS, the Borrower has requested that the Lenders waive compliance by the Borrower with certain provisions of the Existing Credit Agreement and any attendant Defaults or Events of Default and the Lenders agree to so waive those provisions and such attendant Defaults or Events of Default on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the undersigned hereby agree as follows:

1. Definitions. Capitalized terms used herein (including in the Recitals hereto) but not defined herein, shall have the meanings as given them in the Existing Credit Agreement as amended by this Sixth Amendment (as so amended, the "Credit Agreement"), unless the context otherwise requires.
 2. Amendments to Existing Credit Agreement. Effective as of the Sixth Amendment Effective Date (as defined below), the Existing Credit Agreement is hereby amended as follows:
 - (a) The Table of Contents is hereby amended to reflect the appropriate page number references and section titles as may be necessary to reflect the changes to the Credit Agreement made by this Sixth Amendment.
 - (b) Section 1.1 is hereby amended by adding the following new definitions in the appropriate alphabetical order:
-

“Aquisition” means Aquisition LLC, a Delaware limited liability company.

“Aquisition Drop Down Documents” means, collectively, (i) that certain Assignment of Membership Interests by and between Borrower and Aquisition Parent, (ii) that certain Assignment and Bill of Sale (Oil and Gas Leases) by and between Borrower, Energy VI and Aquisition, (iii) that certain Assignment and Bill of Sale (Gathering and Processing Assets) by and between Borrower and Aquisition Processing, (iv) that certain Assignment and Bill of Sale (Marketing Agreements) by and between Borrower and Aquisition, (v) that certain Assignment and Bill of Sale by and between Borrower and Aquisition Processing and (vi) that certain Assignment and Bill of Sale (Retained Operating Rights) by and between Aquisition and Borrower, in each case, in substantially final form as provided to the Administrative Agent prior to the Sixth Amendment Effective Date (with such amendments, modifications and supplements, which are not taken as a whole, materially adverse to the interests of the Lenders).

“Aquisition Parent” means Aquisition Energy LLC, a Delaware limited liability company.

“Aquisition Processing” means Aquisition II LLC, a Delaware limited liability company.

“Aquisition Transaction Documents” means, collectively, (i) that certain Management Services Agreement between Borrower, Aquisition and Aquisition Processing, (ii) that certain Production Handling Agreement between Borrower, Aquisition and Aquisition Processing and (iii) that certain Transition Services Agreement between Borrower and Aquisition, in each case, in substantially final form as provided to the Administrative Agent prior to the Sixth Amendment Effective Date (with such amendments, modifications and supplements, which are not taken as a whole, materially adverse to the interests of the Lenders).

“Sixth Amendment” means the Waiver, Consent and Sixth Amendment to Sixth Amended and Restated Credit Agreement dated as of the Sixth Amendment Effective Date among the Borrower, the Administrative Agent and the Lenders.

“Sixth Amendment Effective Date” means May 19, 2021.

(c) The definition of “Unrestricted Subsidiary” in Section 1.1 is hereby amended by deleting the word “and” before Clause (c) and adding a new Clause (d) as follows:

“and (d) Aquisition, Aquisition Parent and Aquisition Processing.”

(d) Section 2.1(d)(ii) is hereby amended and restated in its entirety as follows:

“(ii) from and after the Sixth Amendment Effective Date until the first time thereafter that the Borrowing Base is modified, adjusted or reaffirmed in accordance with the provisions of the Credit Agreement, make any new Revolving Loan (other than pursuant to Section 2.11 as a result of participations in Letters of Credit) or issue (in the case of an Issuer) any new Letter of Credit; provided that it is understood and agreed by the Borrower that the Borrowing Base as so modified, adjusted or reaffirmed for such first time shall not include any Oil and Gas Properties acquired by the Borrower or any of its Subsidiaries after May 7, 2021.

(e) Section 7.1 is hereby amended by adding the following at the end of such Section:

“Notwithstanding anything in this Agreement or any of the other Loan Documents, in no event shall there be any direct or indirect recourse to the Borrower or any of its Restricted Subsidiaries or any of the Borrower’s or any Restricted Subsidiaries’ properties or assets for any Indebtedness of Aquisition Parent or any of its Subsidiaries.”

(f) Section 7.3 is hereby amended by (i) deleting the word “and” at the end of clause (a) of such Section, (ii) changing the period at the end of such Section to “; and” and (iii) adding the following to the end of such Section:

“(c) Notwithstanding the foregoing, to the extent that as a result of the consummation of the transactions contemplated by the Aquisition Drop Down Documents or the Aquisition Transaction Documents, the Borrower and its Restricted Subsidiaries are not in compliance with the foregoing limitations, the Borrower shall have 30 days to unwind or terminate hedge transactions to come in to compliance with the foregoing limitations before failure to comply with such limitations is an Event of Default under section 8.1(d) of this Agreement.”

(g) Section 7.5 is hereby amended by (i) adding the phrase “unless permitted pursuant to clause (h) below” to the beginning of clause (d) thereof, (ii) deleting “and” at the end of clause (f) of such Section and (iii) adding the following clause (h) following clause (g) of such Section:

“; and (h) the transactions contemplated by the Aquisition Transaction Documents,”

(h) Section 7.7(c) is hereby amended by deleting the word “and” immediately preceding Clause (iv), replacing the semi-colon immediately following Clause (iv) with a comma, and adding a new Clause (v) as follows:

“and (v) Investments made pursuant to the Aquisition Drop Down Documents;”

(i) Section 7.8 is hereby amended by adding the following after “Except for Investments permitted by Section 7.7”:

“and transactions contemplated by or entered into in connection with the Aquisition Transaction Documents”

(j) Section 7.9 is hereby amended by replacing the word “Neither” at the beginning of such Section with “Other than transactions contemplated by or entered into in connection with the Aquisition Drop Down Documents or the Aquisition Transaction Documents, neither”

3. Consent and Waiver. Prior to the Sixth Amendment Effective Date, the Borrower formed each of Aquasition LLC, a Delaware limited liability company, Aquasition Energy LLC, a Delaware limited liability company and Aquasition II LLC, a Delaware limited liability company (collectively, the “New Subsidiaries”). Notwithstanding anything in the Existing Credit Agreement to the contrary, the Lenders hereby (a) consent (i) to the formation of the New Subsidiaries, and (ii) the characterization of the New Subsidiaries as Unrestricted Subsidiaries pursuant to this Sixth Amendment, and (b) waive any restriction or other requirement of the Existing Credit Agreement, in connection with such formation and characterization (including, without limitation, Sections 5.14, 6.2(b), 6.2(j), 6.4, 6.11, 6.19, 7.7 and 7.9 of the Existing Credit Agreement and the definition of “Unrestricted Subsidiary” as defined in the Existing Credit Agreement) and any potential or actual Defaults or Events of Default that has resulted or would otherwise result in connection with (or attendant to (including, without limitation, any notice of the occurrence thereof)) such formation and characterization, in each case, with retroactive effect to the earliest applicable date of occurrence.
4. Representations and Warranties. The Borrower hereby represents and warrants that after giving effect hereto:
- (a) the representations and warranties of the Borrower and its Restricted Subsidiaries contained in the Loan Documents (as amended hereby) are true and correct in all material respects (unless such representation or warranty is qualified by materiality, in which event such representation or warranty shall be true and correct in all respects) on and as of the Sixth Amendment 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 (unless such representation or warranty is qualified by materiality, in which event such representation or warranty is true and correct in all respects as of such earlier date);
 - (b) the execution, delivery and performance by the Borrower and the Guarantor Subsidiaries of this Sixth Amendment are within their corporate or limited liability company 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 the Guarantor Subsidiaries or result in the creation or imposition of any Lien on any asset of any of them except as contemplated by the Loan Documents other than, in each case, as would not reasonably be expected to cause or result in a Material Adverse Change;
 - (c) the execution, delivery and performance by the Borrower and the Guarantor Subsidiaries of this Sixth Amendment constitutes the legal, valid and binding obligation of each of them enforceable against them in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or similar Laws of general application relating to enforcement of creditors’ rights; and

- (d) no Default or Event of Default has occurred and is continuing.
5. Conditions to Effectiveness of Amendments. This Sixth Amendment shall be effective on the date on which all of the following conditions in this Section 5 of this Sixth Amendment are satisfied (such date, the “**Sixth Amendment Effective Date**”).
- (a) The Administrative Agent shall have received counterparts of this Sixth Amendment duly executed by the Borrower, the Guarantor Subsidiaries and the requisite Lenders.
- (b) The Administrative Agent shall have received all fees and expenses to the extent invoiced at least one (1) Business Day prior to the Sixth Amendment Effective Date.
- (c) At the sole cost and expense of the Borrower and without representation or warranty, the Administrative Agent shall have executed and delivered such releases, terminations, discharges, notices of termination or release or further agreements, instruments and documents, in each case, that are reasonably requested by the Borrower (or its designees) to release (or evidence the release of) the liens granted under the Security Documents in respect of the assets transferred pursuant to the Acquisition Drop Down Documents (as defined above).
- (d) The Borrower shall have prepaid (or caused to be prepaid) all of the Revolving Loans and other Obligations with the Net Cash Proceeds received from the transactions contemplated by the Acquisition Drop Down Documents.
- (e) The Borrower and the other parties thereto have entered into the Acquisition Transaction Documents substantially in the form of such documents delivered to the Administrative Agent and the Lenders on May 19, 2021 and such Acquisition Transaction Documents are in full force and effect.
- (f) The Administrative Agent shall have received by May 12, 2021 all technical, engineering and reserve data, together with all supporting files and information that the Administrative Agent shall have requested before May 9, 2021 in connection with the Spring 2021 evaluation of the Borrowing Base.
6. Ratification: Loan Document. This Sixth Amendment shall be deemed to be an amendment to the Credit Agreement effective as of the Sixth Amendment Effective Date, and the Credit Agreement, as hereby amended, is hereby ratified, approved and confirmed in each and every respect. The Borrower and each Guarantor Subsidiary hereby ratifies, approves and confirms in every respect all the terms, provisions, conditions and obligations of the Loan Documents (including, without limitation, all Security Documents) to which it is a party. 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 Sixth Amendment is a Loan Document.
7. Costs And Expenses. As provided in Section 10.4 of the Credit Agreement, the Borrower agrees to reimburse the Administrative Agent for all reasonable costs and expenses incurred by or on behalf of the Administrative Agent (including attorneys’ fees, consultants’ fees and engineering fees, travel costs and miscellaneous expenses) in connection with this Sixth Amendment and any other agreements, documents, instruments, releases, terminations or other collateral instruments delivered by the Administrative Agent in connection with this Sixth Amendment.

8. **GOVERNING LAW.** THIS SIXTH 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.
9. Severability. If any term or provision of this Sixth Amendment shall be determined to be illegal or unenforceable all other terms and provisions of this Sixth Amendment shall nevertheless remain effective and shall be enforced to the fullest extent permitted by applicable Law.
10. Counterparts. This Sixth Amendment may be separately executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same agreement. Any signature hereto delivered by a party by facsimile or electronic transmission shall be deemed to be an original signature hereto. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.
11. Successors and Assigns. This Sixth 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 its successors, transferees and assigns.
12. No Waiver. Except as expressly provided herein, the execution, delivery and effectiveness of this Sixth Amendment shall not operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver by the Administrative Agent or the Lenders of any Defaults or Events of Default which may exist, which may have occurred prior to the date of the effectiveness of this Sixth Amendment or which may occur in the future under the Credit Agreement and/or the other Loan Documents.

(Signatures appear on following pages)

IN WITNESS WHEREOF, the parties hereto have caused this Sixth 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/ Janet Yang

Name: Janet Yang

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

TORONTO DOMINION (TEXAS) LLC,
as Administrative Agent

By: /s/ Hughroy Ennis
Name: Hughroy Ennis
Title: Authorized Signatory

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

THE TORONTO-DOMINION BANK, NEW
YORK BRANCH, as Lender

By: /s/ Hughroy Enniss

Name: Hughroy Enniss

Title: Authorized Signatory

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

THE TORONTO-DOMINION BANK, NEW
YORK BRANCH, as Issuer

By: /s/ Hughroy Ennis
Name: Hughroy Ennis
Title: Authorized Signatory

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

MORGAN STANLEY BANK, N.A., as Lender

By: /s/ Marisa B. Moss

Name: Marisa B. Moss

Title: Authorized Signatory

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

SOCIÉTÉ GENERALE,
as Lender

By: /s/ Roberto Simon
Name: Roberto Simon
Title: Managing Director

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

ZIONS BANCORPORATION, N.A. DBA
AMEGY BANK,
as a Lender

By: /s/ Patty Smolik
Name: Patty Smolik
Title: Vice President

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]

ACKNOWLEDGED AND ACCEPTED BY:

W & T ENERGY VI, LLC

By: /s/ Janet Yang

Name: Janet Yang

Title: Executive Vice President and Chief Financial Officer

W & T ENERGY VII, LLC

By: /s/ Janet Yang

Name: Janet Yang

Title: Executive Vice President and Chief Financial Officer

[Signature Page to Sixth Amendment to Sixth A&R Credit Agreement]



PRESS RELEASE

CONTACT: **Al Petrie**
Investor Relations Coordinator
apetrie@wtffshore.com
713-297-8024

Janet Yang
EVP & CFO
investorrelations@wtffshore.com
713-624-7326

FOR IMMEDIATE RELEASE

W&T Offshore Announces Enhancement to Capital Structure

HOUSTON, May 20, 2021 – W&T Offshore, Inc. (NYSE: WTI) (“W&T” or the “Company”) today announced that it has enhanced its capital structure by entering into a transaction with its wholly-owned special purpose vehicles (the “SPVs”) and Munich Re Reserve Risk Financing, Inc. (“MRRF”). In this transaction, the Company transferred 100% of its Mobile Bay Area producing assets (the “Mobile Bay Assets”) and related gas treatment facilities to the SPVs in return for the net cash proceeds from a \$215 million first-lien non-recourse term loan to the SPVs provided by MRRF. Through its 100% ownership in the SPVs, W&T retains the upside value in the Mobile Bay Assets.

A portion of the proceeds to the Company from the transaction were used to repay the \$48 million outstanding balance on its reserve-based lending facility (“RBL”) and to enter into commodity hedging contracts related to the anticipated future production of the Mobile Bay Assets. The majority of the proceeds to W&T are expected to be used for general corporate purposes, including oil and gas acquisitions, development activities, and other opportunities to grow W&T’s broader asset base. The Company anticipates an adjustment to its borrowing base under its RBL as a result of the transfer of the Mobile Bay Assets to the SPVs. The combination of the cash provided by this transaction along with the amended RBL is expected to provide the Company significant liquidity.

Key terms of the transaction include:

- A \$215 million first-lien secured term loan that is non-recourse to W&T and is amortized over seven years at a fixed interest rate of 7%;
- W&T continuing to operate the assets under a Master Services Agreement (“MSA”) which provides flexibility to continue its drilling and completions program in the area; and
- Excess cash flows from the Mobile Bay Assets, after debt-service and administrative costs, and subject to meeting certain conditions, being distributed to W&T.

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Additional benefits of the transaction include:

- Provides long-term capital without maintenance covenants or borrowing base redetermination requirements and with no covenants at the parent level;
- More efficiently utilizes existing collateral value to generate larger front-end cash proceeds to better capitalize the Company, as this term loan offers a greater loan-to-value amount than W&T's RBL, at a reasonable cost;
- Retains upside associated with Mobile Bay Assets;
- Facilitates a financing transaction in a non-recourse SPV structure; and
- Significantly increases the Company's cash position and pays down the RBL completely.

Tracy W. Krohn, W&T's Chairman and Chief Executive Officer, commented, "We believe this transaction meaningfully improves our financial flexibility moving forward by more efficiently utilizing the collateral value of our Mobile Bay Area assets, allowing us to pay off our existing RBL balance, and adding cash to the balance sheet. This transaction does not impact us operationally or affect our ability to generate significant free cash flow. We still retain the upside with our Mobile Bay Area assets and this transaction allows us to take advantage of the long-lived nature of these assets. Importantly, it provides us the dry powder we need to continue to accretively grow W&T through attractive producing property acquisitions. We believe that market conditions in the Gulf remain very favorable for accretive acquisitions. With our further improved balance sheet, increased cash position and strong projected cash flow generation, we have positioned W&T to actively pursue opportunities and continue to deliver on our strategic vision."



Vikram Nath, Managing Director, Munich Re Reserve Risk Financing, commented, "We are glad to provide this financing for W&T's Mobile Bay Assets. These are low decline, conventional producing assets with considerable free cash flows and hence are particularly suitable to our amortizing term loan structure. Moreover, our organization is fully committed to energy transition and the Mobile Bay Assets are heavily natural gas weighted, which we view as critical for energy transition."

About W&T Offshore

W&T Offshore, Inc. is an independent oil and natural gas producer with operations offshore in the Gulf of Mexico and has grown through acquisitions, exploration and development. The Company currently has working interests in 42 producing fields in federal and state waters and has under lease approximately 709,000 gross acres, including approximately 500,000 gross acres on the Gulf of Mexico Shelf and approximately 209,000 gross acres in the Gulf of Mexico deepwater. A majority of the Company's daily production is derived from wells it operates. For more information on W&T, please visit the Company's website at www.wtoffshore.com.

Forward-Looking and Cautionary Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. 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, uncertainties and other factors discussed in W&T Offshore's Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Form 10-Q reports found at www.sec.gov or at our website at www.wtoffshore.com under the Investor Relations section. Investors are urged to consider closely the disclosures and risk factors in these reports.