

SANDRIDGE ENERGY INC

Form 424B2

November 30, 2009

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**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectuses are not an offer to sell these securities, and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed pursuant to Rule 424(b)(2)  
SEC File No. 333-158554**

**Subject to Completion, dated November 30, 2009**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

**(To Prospectuses dated April 13, 2009)**

24,000,000 Shares

**SandRidge Energy, Inc.**

**Common Stock**

SandRidge Energy, Inc. is offering 22,000,000 shares of our common stock and Tom L. Ward, our Chairman, Chief Executive Officer and President, is offering 2,000,000 shares of our common stock. We will not receive any of the proceeds from the shares of our common stock sold by Mr. Ward.

Our common stock is listed on The New York Stock Exchange under the symbol SD. The last reported sale price of our common stock on The New York Stock Exchange on November 27, 2009 was \$9.55 per share.

*Investing in our common stock involves risks. See Risk Factors beginning on page S-5 of this prospectus supplement.*

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$

Proceeds, before expenses, to us	\$	\$
Proceeds, before expenses, to Mr. Ward	\$	\$

We have granted the underwriters an option exercisable for up to 30 days from the date of this prospectus supplement to purchase up to an additional 3,600,000 shares of our common stock on the same terms and conditions as set forth above to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectuses are truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock on or about December , 2009.

**Barclays Capital**

**BofA Merrill Lynch**

**RBC Capital Markets**

Prospectus Supplement dated , 2009

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This document is in three parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock. The second and third parts are the accompanying prospectuses, which provide more general information about the securities we and certain of our stockholders, including Mr. Ward, may offer from time to time. Some of the information in the accompanying prospectuses does not apply to this offering. You should read this prospectus supplement and the accompanying prospectuses, together with the additional information described under the heading Where You Can Find More Information, before deciding to invest in the common stock being offered.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectuses and in any written communication from us specifying the final terms of the offering. To the extent the information in this prospectus supplement differs from the information in the accompanying prospectuses, you should rely on the information in this prospectus supplement. Neither we, the selling stockholder nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we, the selling stockholder nor the underwriters are making an offer to sell or soliciting an offer to buy these securities in any jurisdiction where the offer or solicitation is not permitted. The information in this prospectus supplement, the accompanying prospectuses, the documents incorporated by reference and any written communication from us specifying the final terms of the offering is only accurate as of the date of the respective document in which the information appears, regardless of the time of delivery of this prospectus supplement or any sale of a security. Our business, financial condition, results of operations and prospects may have changed since those dates.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC (File No. 001-33784) pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). Our SEC filings are available to the public through the SEC's website at <http://www.sec.gov>. You may read and copy any document we file at the SEC's public reference room, which is located at 100 F Street, NE, Washington, D.C. 20549. You can obtain further information about the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus supplement, and the information that we later file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below that we have filed with the SEC and any future filing that we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (excluding any information furnished under Item 2.02 or Item 7.01 on any Current Report on Form 8-K) until the offering of the securities described in this prospectus supplement is terminated:

our Annual Report on Form 10-K for the year ended December 31, 2008, filed with the SEC on February 26, 2009, as amended on April 23, 2009;

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2009, June 30, 2009, and September 30, 2009, which were filed with the SEC on May 7, 2009, August 6, 2009, and November 5, 2009, respectively;

our Current Reports on Form 8-K filed with the SEC on each of January 14, 2009, January 21, 2009, March 9, 2009, April 6, 2009, April 21, 2009, April 28, 2009, May 15, 2009, June 9, 2009, July 7, 2009, September 28, 2009 and November 30, 2009 (excluding information furnished under Item 2.02 in the Current Reports filed January 14, 2009 and April 28, 2009, including the related exhibits, which are not incorporated by reference); and

the description of our common stock contained in our registration statement on Form 8-A dated October 30, 2007, including any amendment to that form that we may file in the future for the purpose of updating the description of our common stock.

You may request a copy of these filings at no cost by writing or telephoning us at the address and telephone number below. We will not send exhibits to such documents unless such exhibits are specifically incorporated by reference in such documents. Please direct requests for documents incorporated by reference to:

Richard J. Gognat

Corporate Secretary

SandRidge Energy, Inc.

123 Robert S. Kerr Avenue

Oklahoma City, Oklahoma 73102-6406

(405) 429-5500

We also maintain a website at <http://www.sandridgeenergy.com>. The information on our website is not part of this prospectus supplement.

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### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Various statements contained in or incorporated by reference into this prospectus supplement, our filings with the SEC and our public releases, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. These forward-looking statements may include projections and estimates concerning capital expenditures, our liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, elements of our business strategy and other statements concerning our operations, economic performance and financial condition. Forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, potential, could, may, foresee, plan, convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. These forward-looking statements speak only as of the date of this prospectus supplement; we disclaim any obligation to update or revise these statements unless required by law, and we caution you not to rely on them unduly. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties relating to, among other matters, the risks discussed in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 and our subsequent SEC filings, including our Quarterly Reports on Form 10-Q for the periods ended June 30, 2009 and September 30, 2009, and those factors summarized below:

the volatility of natural gas and crude oil prices;

uncertainties in estimating natural gas and crude oil reserves;

the need to replace the natural gas and crude oil reserves we produce;

our ability to execute our growth strategy by drilling wells as planned;

the need to drill productive, economically viable natural gas and crude oil wells;

risks and liabilities associated with acquired properties;

our ability to successfully complete the purchase of certain assets of Forest Oil Corporation and one of its subsidiaries ( Forest );

the amount, nature and timing of capital expenditures, including future development costs, required to develop the West Texas Overthrust ( WTO );

concentration of operations in the WTO;

economic viability of WTO production with high CO<sub>2</sub> content;

availability of natural gas production for our midstream services operations;

limitations of seismic data;

risks associated with drilling natural gas and crude oil wells;

availability of satisfactory natural gas and crude oil marketing and transportation;

availability and terms of capital;

substantial existing indebtedness;

limitations on operations resulting from debt restrictions and financial covenants;

potential financial losses or earnings reductions from commodity derivatives or, in the event that Congress adopts derivatives legislation increasing capital or margin requirements, our ability to hedge risks associated with our business or the costs of our hedging activity;

competition in the oil and gas industry;



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general economic conditions, either internationally or domestically or in the jurisdictions in which we operate;

costs to comply with current and future governmental regulation of the oil and gas industry, including laws and regulations concerning emissions of greenhouse gases, hydraulic fracturing and other environmental, health and safety matters;

potential elimination of U.S. federal income tax deductions currently available with respect to oil and gas exploration and development; and

the need to maintain adequate internal control over financial reporting.

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### **SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectuses. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectuses, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. Please read the sections entitled **Risk Factors** on page S-5 of each of the accompanying prospectuses and additional information contained in our Annual Report on Form 10-K for the year ended December 31, 2008 and Quarterly Reports on Form 10-Q for the periods ended June 30, 2009 and September 30, 2009, which are incorporated by reference in this prospectus supplement, for more information about important factors that you should consider before buying our common stock in this offering.*

*Unless the context requires otherwise or unless otherwise noted, all references in this prospectus supplement or the accompanying prospectuses to SandRidge, we or our are to SandRidge Energy, Inc. and its subsidiaries.*

### **SandRidge Energy, Inc.**

We are an independent natural gas and crude oil company concentrating on exploration, development and production activities. We also own and operate drilling rigs and conduct related oil field services, and we own and operate interests in gas gathering, marketing and processing facilities and CO<sub>2</sub> gathering and transportation facilities.

Our principal executive offices are located at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102. Our common stock is listed on The New York Stock Exchange under the symbol **SD**.

### **Recent Developments**

#### ***Acquisition of Oil and Gas Properties in the Permian Basin***

On November 30, 2009, we announced the signing of a definitive purchase agreement to acquire oil and gas properties in the Permian Basin from Forest for \$800 million, subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and purchase price adjustments (which we refer to as the **Permian Basin Acquisition** or the **Acquisition**). We anticipate the Acquisition will close before December 31, 2009, and will be financed with borrowings under our existing credit facility, proceeds from the private placement of \$200 million of our 6.0% convertible perpetual preferred stock and this offering. The Acquisition will expand our existing position in the Permian Basin and increase oil production. Based on preliminary financial data, we expect the Acquisition will be accretive to 2010 cashflow. We cannot assure you, however, that the Acquisition will close on these terms, on a timely basis or at all. This offering is not conditioned upon closing of the Acquisition.

The assets consist primarily of six operated areas in the Central Basin Platform and greater Permian Basin area of west Texas and eastern New Mexico. These properties are characterized by multiple producing horizons including the Spraberry, Wolfcamp, Grayburg, San Andres and Wichita-Albany formations. Additionally, there are significant undeveloped properties in the Clear Fork formation. We believe these properties have been under-exploited and that there is an opportunity to generate substantial value through extending the existing producing fields, increased density drilling, improved oil recovery potential with our proven hydraulic fracturing methodology and enhanced pay identification through the use of modern logging applications. This Acquisition provides scale to accelerate growth in an area where we have developed in-house expertise to complete the formations more efficiently and economically.

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Approximately 98% of the production is operated and the properties cover over 90,000 net acres of which nearly 80% is held by production. The Acquisition is expected to add wells producing approximately 7,670 Boepd and total proved reserves of 80 MMboe, 65% of which are liquids. In anticipation of closing this Acquisition, SandRidge has hedged over \$975 million of additional oil revenue for 2010 through 2012. When combined with the existing natural gas and oil hedges in place, SandRidge now has approximately 70-75% of 2010 expected equivalent production hedged at \$8.79 per Mcfe.

Unless otherwise specifically stated, the information included in this prospectus supplement, the accompanying prospectuses and documents incorporated by reference do not include information related to the Acquisition.

The foregoing estimates of reserves and production are based on estimates of our engineers without review by an independent petroleum engineering firm. Data used to make these estimates were furnished by Forest. We cannot assure you that these estimates of proved reserves and production are accurate. After such data is reviewed by an independent petroleum engineering firm, Permian Basin Acquisition reserves may differ materially from the amounts indicated above.

Audited historical financial information for the operations comprising the Permian Basin Acquisition is not currently available. We plan to file separate financial statements and pro forma financial information, as required by SEC rules, in a Current Report on Form 8-K within the prescribed time period following consummation of the Acquisition. Preliminary leasehold operating statements provided to us by Forest indicate that the properties comprising the Acquisition had revenues for the nine months ended September 30, 2009 and September 30, 2008 between \$61.0 - \$67.5 million and \$156.5 - \$173.0 million, respectively, while direct operating expenses for the same period were between \$17.1 - \$18.9 million and \$28.0 - \$30.9 million, respectively. Preliminary leasehold operating statements provided to us by Forest indicate that these properties revenues for the year ended December 31, 2008 were between \$181.7 - \$200.8 million while direct operating expenses for the same period were between \$35.2 - \$39.0 million.

The foregoing preliminary revenue and direct operating expense estimates were provided by Forest, are unaudited, and have not been reviewed by our independent accountants, PricewaterhouseCoopers LLP. We cannot assure you that these preliminary estimates are accurate.

### ***Issuance of 6.0% Convertible Perpetual Preferred Stock***

On November 30, 2009, we entered into an agreement to issue and sell 2,000,000 shares of our 6.0% convertible perpetual preferred stock, par value \$0.001 per share and liquidation preference of \$100 per share (the "6.0% Convertible Preferred Stock"), to Fairfax Financial Holdings Limited in a private placement exempt from registration under the Securities Act. The closing of the private placement of the 6.0% Convertible Preferred Stock is not conditioned on the consummation of this offering and is expected to occur on or about the same time as the closing of the Permian Basin Acquisition. We expect to receive net proceeds of approximately \$200 million from the issuance of the 6.0% Convertible Preferred Stock.

Each share of 6.0% Convertible Preferred Stock will be convertible at any time on or after February 1, 2010 at the option of the holder into a number of shares of our common stock equal to the liquidation preference of \$100 divided by the conversion price, which is initially \$10.856 per share, subject to adjustments in certain circumstances. This results in an initial conversion rate of approximately 9.2115 shares of common stock per share of 6.0% Convertible Preferred Stock. Based on the initial conversion price, approximately 18,422,992 shares of common stock would be issuable upon conversion of all of the shares of 6.0% Convertible Preferred Stock to be issued in the private placement.

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On the fifth anniversary of the issuance date, all outstanding shares of 6.0% Convertible Preferred Stock will be converted automatically into common stock at the then prevailing conversion price if all dividends are current as of such date. If there are accumulated dividends on the fifth anniversary of the issuance date that have not been paid, the 6.0% Convertible Preferred Stock will not automatically convert into common stock until the accumulated dividends are paid.

The annual dividend on each share of 6.0% Convertible Preferred Stock will be \$6.00 and will be payable semiannually, in arrears, on each January 15 and July 15, commencing on July 15, 2010, when, as and if declared by the Company's board of directors. The Company may, at its option, pay dividends in cash, common stock or any combination thereof.

Except as required by law or the Company's Certificate of Incorporation, holders of the 6.0% Convertible Preferred Stock will have no voting rights unless dividends fall into arrears for three semiannual periods. Until such arrearage is paid in full, the holders will be entitled to elect two directors and the number of directors on the Company's board of directors will increase by that same number.

We cannot assure you, however, that the 6.0% Convertible Preferred Stock private placement will close on these terms, on a timely basis or at all. This offering is not conditioned upon the closing of the 6.0% Convertible Preferred Stock private placement.

## ***Other Recent Developments***

On November 12, 2009, we announced our withdrawal from the bidding process for Crusader Energy Group Inc. ( "Crusader" ). On September 22, 2009, we entered into a Stock Purchase Agreement to purchase for a combination of cash and stock 100% of Crusader shares to be issued upon the effectiveness of its reorganization in bankruptcy proceedings in the United States Bankruptcy Court for the Northern District of Texas under Chapter 11 of the United States Bankruptcy Code. Pursuant to the terms of the Stock Purchase Agreement, we expect to receive a break-up fee of \$7 million.

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**The Offering**

Issuer	SandRidge Energy, Inc.
Shares of common stock offered by us	22,000,000 shares (25,600,000 shares if the underwriters' over-allotment option is exercised in full).
Shares of common stock offered by Mr. Ward	2,000,000 shares.
Shares of common stock outstanding following this offering <sup>(1)</sup>	205,494,621 shares (209,094,621 shares if the underwriters' over-allotment option is exercised in full).
Use of proceeds	The net proceeds of the sale of the shares offered by us will be used to finance a portion of the cash consideration payable in connection with the Permian Basin Acquisition. We will not receive any of the proceeds from the sale of shares by Mr. Ward. See Use of Proceeds.
Trading symbol for our common stock	Our common stock is listed on The New York Stock Exchange under the symbol SD.
(1) The number of shares of common stock to be outstanding after this offering is based on 183,494,621 shares of common stock outstanding as of November 27, 2009 and excludes 33,073,325 shares of common stock issuable upon conversion of our currently outstanding convertible preferred stock.	

**Risk Factors**

You should carefully consider the information set forth in the section of this prospectus supplement and the accompanying prospectuses entitled Risk Factors, as well as the other information included in or incorporated by reference in this prospectus supplement before deciding whether to invest in our common stock.

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**RISK FACTORS**

An investment in our common stock involves risk. Before deciding to invest in our common stock, you should read and consider carefully the Risk Factors identified and discussed in our Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 and in our Quarterly Reports on Form 10-Q for the periods ended June 30, 2009 and September 30, 2009, which are incorporated by reference in this prospectus supplement in the manner specified in the section entitled Where You Can Find More Information. These risk factors may be further updated in our subsequent periodic or current reports and incorporated herein by reference. Additionally, you should consider any additional discussion of risks and uncertainties that may be included in any other prospectus supplement or free writing prospectus we issue in connection with this offering of common stock. The risk factors we discuss in these documents are those that we currently believe may materially affect our company or the common stock. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may materially and adversely affect our business, financial condition and results of operations, or could adversely affect the value of the common stock offered by this prospectus supplement.

**USE OF PROCEEDS**

We estimate that the net proceeds from this offering will be approximately \$            million (or approximately \$            million if the underwriters' over-allotment option is exercised in full) after deducting the estimated expenses of the offering payable by us. We will not receive any of the proceeds from the sale of shares by Mr. Ward.

The net proceeds from this offering will be used to fund a portion of the cash consideration payable in connection with the Permian Basin Acquisition. The balance of the purchase price will be funded with the net proceeds of our 6.0% Convertible Preferred Stock and borrowings under our revolving credit facility. This offering is not conditioned on the closing of the Acquisition and there can be no assurance that we will complete the Acquisition. If the Acquisition is not completed, we intend to use the proceeds of this offering for general corporate purposes, which may include, among other things, funding our 2010 capital expenditures program.

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The following table sets forth our consolidated cash and cash equivalents and our consolidated capitalization as of September 30, 2009:

on an actual basis;

on an as adjusted basis to give effect to the sale of our 6.0% Convertible Perpetual Preferred Stock described under Summary Recent Developments ; and

on an as further adjusted basis to give effect to (i) issuance of the common stock offered hereby and application of the proceeds in connection with the Permian Basin Acquisition, (ii) payment of \$200 million in cash in connection with the Acquisition, and (iii) drawdown of \$400 million from our revolving credit facility in connection with the Acquisition.

You should read this table in conjunction with Use of Proceeds and our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectuses. The as adjusted information may not reflect our cash, debt and capitalization in the future.

	As of September 30, 2009		
	Actual	As Adjusted	As Further
	(in thousands, except per share amounts)		
<b>Cash and cash equivalents</b>	\$ 14,642	\$ 214,642	\$ 14,642
<b>Long term debt, including current maturities:</b>			
Revolving credit facility			400,000
Other secured long term debt	39,584	39,584	39,584
Senior Floating Rate Notes Due 2014	350,000	350,000	350,000
8.625% Senior Notes Due 2015	650,000	650,000	650,000
9.875% Senior Notes Due 2016	350,627	350,627	350,627
8.0% Senior Notes Due 2018	750,000	750,000	750,000
<b>Total Debt</b>	<b>2,140,211</b>	<b>2,140,211</b>	<b>2,540,211</b>
<b>Stockholders' equity:</b>			
Preferred stock, \$0.001 par value; 50,000 shares authorized;			
8.5% Convertible perpetual preferred stock 2,650 issued and outstanding;			
aggregate liquidation preference of \$265,000	3	3	3
6.0% Convertible perpetual preferred stock no shares issued or outstanding			
(actual); 2,000 issued and outstanding (as adjusted and as further adjusted);			
aggregate liquidation preference of \$200,000		2	2
Common stock, \$0.001 par value; 400,000 shares authorized;			
184,986 issued and 183,524 outstanding (actual and as adjusted); issued			
and outstanding (as further adjusted)	178	178	
Additional paid-in capital	2,537,690	2,737,688	
Treasury stock, at cost	(20,427)	(20,427)	(20,427)
Accumulated deficit	(2,708,459)	(2,708,459)	(2,708,459)
<b>Total SandRidge Energy, Inc. stockholders' (deficit) equity</b>	<b>(191,015)</b>	<b>8,985</b>	

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Noncontrolling interest	30	30	30
<b>Total capitalization</b>	<b>\$ 1,949,226</b>	<b>\$ 2,149,226</b>	

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Our common stock is traded on The New York Stock Exchange under the symbol SD. The following table sets forth the range of high and low sales prices per share of our common stock for each calendar quarter.

	Sales Price	
	High	Low
<b>2009:</b>		
Fourth Quarter (through November 27, 2009)	\$ 14.08	\$ 9.01
Third Quarter	15.00	7.44
Second Quarter	11.84	6.31
First Quarter	8.79	4.49
<b>2008:</b>		
Fourth Quarter	\$ 19.54	\$ 4.85
Third Quarter	69.41	17.46
Second Quarter	69.00	37.88
First Quarter	41.05	28.50
<b>2007:</b>		
Fourth Quarter (from November 6, 2007)	\$ 36.44	\$ 29.53
On November 27, 2009, the closing sale price of our common stock, as reported by The New York Stock Exchange, was \$9.55 per share. On September 30, 2009, there were approximately 242 holders of record.		

**DIVIDEND POLICY**

We have neither declared nor paid any cash dividends on our common stock, and we do not anticipate declaring any dividends in the foreseeable future. We expect to retain our cash for the operation and expansion of our business, including exploration, development and production activities. In addition, our revolving credit facility and certain of our indentures contain restrictions on the payment of dividends to the holders of our common stock.

**Table of Contents****SELLING STOCKHOLDER**

Tom L. Ward, our Chairman, Chief Executive Officer and President, is offering 2,000,000 shares of our common stock pursuant to this prospectus supplement. We refer to Mr. Ward as the selling stockholder in this prospectus supplement. The following table sets forth certain information regarding the selling stockholder's beneficial ownership of our common stock as of November 27, 2009, when there were 183,494,621 shares of our common stock outstanding as well as the selling stockholder's beneficial ownership after giving effect to this offering. The information presented below is based solely on our review of information provided by the selling stockholder.

<b>Name of Selling Stockholder</b>	<b>Number of Shares of Common Stock Beneficially Owned</b>	<b>Percentage of Common Stock Beneficially Owned</b>	<b>Number of Shares of Common Stock That May be Sold</b>	<b>Number of Shares of Common Stock Beneficially Owned After Offering</b>	<b>Percentage of Shares of Common Stock Beneficially Owned After Offering</b>
Tom L. Ward <sup>(1)</sup>	26,385,892 <sup>(2)</sup>	14.4%	2,000,000	24,385,892	11.9%

(1) Mr. Ward has served as our Chairman and Chief Executive Officer since June 2006 and as our President since December 2006.

(2) Includes (i) 79,000 shares of common stock held through an IRA, (ii) 2,636,754 shares of common stock held by TLW Properties, L.L.C., for which Mr. Ward exercises voting and dispositive power, (iii) 20,000 shares of common stock held by Mr. Ward's minor child, (iv) 31,200 shares of common stock held by Solon L. Bloomer Family Partners Limited Partnership II, an entity for which Mr. Ward serves as a general partner exercising voting and dispositive power over the shares, and (v) 3,003 shares of common stock held in a 401(k) account.

In addition, Mr. Ward has granted a warrant to Pooled CIT Investments, L.L.C. for the purchase of up to 6,672,598 shares of common stock. Mr. Ward has pledged 25,994,095 of the shares of common stock listed in the table above as security for personal loans.

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**CERTAIN U.S. TAX CONSEQUENCES TO NON-U.S. HOLDERS**

The following is a general discussion of the principal U.S. federal income and estate tax consequences of the ownership and disposition of our common stock by a non-U.S. holder. As used in this discussion, the term **non-U.S. holder** means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation or partnership (including any entity treated as a corporation or partnership for U.S. federal income tax purposes) created or organized in or under the laws of the United States, or of any political subdivision of the United States (unless, in the case of a partnership, U.S. Treasury Regulations are adopted which provide otherwise);

an estate whose income is subject to U.S. federal income taxation regardless of its source; or

a trust, if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or if it has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

In any calendar year, an individual may be treated for U.S. federal income tax purposes as a resident of the United States by, among other ways, being present in the United States for at least 31 days in that calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. For purposes of the 183-day calculation, all of the days on which such individual was present in the current year, one-third of the days in the immediately preceding year and one-sixth of the days in the second preceding year are counted. Residents are taxed for U.S. federal income tax purposes as if they were U.S. citizens. This discussion does not consider:

U.S. state or local or non-U.S. tax consequences;

all aspects of U.S. federal income and estate taxes or specific facts and circumstances that may be relevant to a particular non-U.S. holder's tax position, including, in the case of a non-U.S. holder that is an entity treated as a partnership for U.S. federal income tax purposes, the fact that the U.S. tax consequences of holding and disposing of our common stock may be affected by certain determinations made at the partner level;

the tax consequences for the stockholders, partners or beneficiaries of a non-U.S. holder;

special tax rules that may apply to particular non-U.S. holders, such as financial institutions, insurance companies, tax-exempt organizations, U.S. expatriates, broker-dealers, and traders in securities; or

special tax rules that may apply to a non-U.S. holder that holds our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment.

The following discussion is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), existing and proposed U.S. Treasury Regulations and administrative and judicial interpretations, all as of the date of this prospectus supplement, and all of which are subject to change, retroactively or prospectively. The following summary assumes that a non-U.S. holder holds our common stock as a capital asset.

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Each non-U.S. holder should consult a tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax consequences of acquiring, holding and disposing of shares of our common stock.

### **Distributions on Common Stock**

We do not expect to pay any cash distributions on our common stock in the foreseeable future; however, in the event that we do make such cash distributions, these distributions generally will constitute dividends for U.S.

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federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any amount paid in excess of such earnings and profits generally will be treated as a recovery of tax basis, to the extent thereof, and then gain from sale. Distributions paid to non-U.S. holders of our common stock that are not effectively connected with the non-U.S. holder's conduct of a U.S. trade or business generally will be subject to U.S. withholding tax at a 30% rate, or if an income tax treaty applies, a lower rate specified by the treaty.

A non-U.S. holder that claims the benefit of an applicable income tax treaty generally will be required to provide an Internal Revenue Service Form W-8 BEN and meet certain other requirements. However,

in the case of common stock held by a foreign partnership, the certification requirement will generally be applied to the partners of the partnership and the partnership will be required to provide certain information;

in the case of common stock held by a foreign trust, the certification requirement will generally be applied to the trust or the beneficial owners of the trust depending on whether the trust is a foreign complex trust, foreign simple trust or foreign grantor trust as defined in the U.S. Treasury Regulations; and

look-through rules will apply for tiered partnerships, foreign simple trusts and foreign grantor trusts.

A non-U.S. holder that is a foreign partnership or a foreign trust is urged to consult its own tax advisor regarding its status under these U.S. Treasury Regulations and the certification requirements applicable to it.

A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for refund with the U.S. Internal Revenue Service. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States and, if an income tax treaty applies, are attributable to a permanent establishment in the United States, are taxed on a net income basis at the regular graduated rates and in the manner applicable to United States persons. In that case, we will not withhold U.S. federal withholding tax if the non-U.S. holder complies with applicable certification and disclosure requirements (including providing Internal Revenue Service Form W-8 ECI). In addition, a branch profits tax may be imposed at a 30% rate, or a lower rate under an applicable income tax treaty, on dividends received by a foreign corporation that are effectively connected with its conduct of a trade or business in the United States.

## **Disposition of Common Stock**

We believe that we are a United States real property holding corporation. Generally, a corporation is a United States real property holding corporation if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. Notwithstanding our status as a United States real property holding corporation, a non-U.S. holder of our common stock generally will not be subject to U.S. federal income tax on gain recognized on a disposition of our common stock unless:

the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if an income tax treaty applies, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States; in these cases, the gain will be taxed on a net income basis at the rates and in the manner applicable to United States persons, and if the non-U.S. holder is a foreign corporation, the branch profits tax described above may also apply;

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and meets other requirements; or



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the non-U.S. holder actually or constructively owns more than five percent of our common stock at any time during the shorter of the five-year period ending on the date of disposition or the period that the non-U.S. holder held our common stock, provided that our common stock is regularly traded on an established securities market, within the meaning of Section 897 of the Code and applicable Treasury Regulations, during the calendar year in which the sale or other disposition occurs.

Non-United States holders should consult their own tax advisors with respect to the application of the foregoing rules.

### **U.S. Federal Estate Tax**

Common stock owned or treated as owned by an individual who is a non-U.S. holder for U.S. federal estate tax purposes at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise, and therefore may be subject to U.S. federal estate tax.

### **Information Reporting and Backup Withholding Tax**

Generally, we or an intermediary must report annually to any non-U.S. holder and the U.S. Internal Revenue Service the amount of any dividends paid to such holder, the holder's name and address, and the amount, if any, of tax withheld. Copies of the information returns reporting those dividends and amounts withheld also may be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of any applicable income tax treaty or exchange of information agreement.

In addition to information reporting requirements, dividends paid to a non-U.S. holder may be subject to U.S. backup withholding tax. A non-U.S. holder generally will be exempt from this backup withholding tax, however, if such holder properly provides a Form W-8BEN certifying that such holder is a non-United States person or otherwise establishes an exemption and we do not know or have reason to know that the holder is a United States person.

The gross proceeds from the disposition of our common stock may be subject to information reporting and backup withholding. If a non-U.S. holder sells shares of our common stock outside the United States through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to such holder outside the United States, then the U.S. backup withholding and information reporting requirements generally will not apply to that payment. However, U.S. information reporting, but not backup withholding, generally will apply to a payment of sales proceeds, even if that payment is made outside the United States, if the non-U.S. holder sells shares of our common stock through a non-U.S. office of a broker that:

is a United States person;

derives 50% or more of its gross income in specific periods from the conduct of a trade or business in the United States;

is a controlled foreign corporation for U.S. federal tax purposes; or

is a foreign partnership, if at any time during its tax year one or more of its partners are United States persons who in the aggregate hold more than 50% of the income or capital interests in the partnership, or the foreign partnership is engaged in a U.S. trade or business,

unless the broker has documentary evidence in its files that the holder is not a United States person and certain other conditions are met, or the holder otherwise establishes an exemption.

If a non-U.S. holder receives payments of the proceeds of a sale of our common stock to or through a U.S. office of a broker, the payment will be subject to both U.S. backup withholding and information reporting unless

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such holder properly provides a Form W-8BEN certifying that such holder is not a United States person or otherwise establishes an exemption, and we do not know or have reason to know that such holder is a United States person.

A non-U.S. holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed such holder's U.S. federal income tax liability by timely filing a properly completed claim for refund with the U.S. Internal Revenue Service.

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**Table of Contents****UNDERWRITING**

Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBC Capital Markets Corporation are acting as the representatives of the underwriters and book-running managers of this offering. Under the terms of an underwriting agreement by and among us, the selling stockholder and the representatives of the underwriters, which we will file as an exhibit to our current report on Form 8-K and incorporate by reference in this prospectus supplement and the accompanying prospectuses, each of the underwriters named below has severally agreed to purchase from us and the selling stockholder the respective number of common stock shown opposite its name below:

<b><u>Underwriters</u></b>	<b>Number of Shares</b>
Barclays Capital Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
RBC Capital Markets Corporation	
Total	

The underwriting agreement provides that the underwriters' obligation to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement including:

the obligation to purchase all of the shares of common stock offered hereby (other than those shares of common stock covered by their option to purchase additional shares as described below), if any of the shares are purchased;

the representations and warranties made by us and the selling stockholder to the underwriters are true;

there is no material change in our business or in the financial markets; and

we deliver customary closing documents to the underwriters.

**Commissions and Expenses**

The following table summarizes the underwriting discounts and commissions we and the selling stockholder will pay to the underwriters. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to us or the selling stockholder for the shares.

	<b>No Exercise</b>	<b>Full Exercise</b>
<b>Per Share</b>	<b>\$</b>	<b>\$</b>
<b>Total</b>	<b>\$</b>	<b>\$</b>

The representatives of the underwriters have advised us and the selling stockholder that the underwriters propose to offer the shares of common stock directly to the public at the public offering price on the cover of this prospectus supplement and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of \$ per share. After the offering, the representatives may change the offering price and other selling terms. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

The expenses of the offering that are payable by us are estimated to be \$710,000 (excluding underwriting discounts and commissions).

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### **Option to Purchase Additional Shares**

We have granted the underwriters an option exercisable for 30 days after the date of this prospectus supplement, to purchase, from time to time, in whole or in part, up to an aggregate of 3,600,000 shares at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than 24,000,000 shares in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional shares based on the underwriter's percentage underwriting commitment in the offering as indicated in the table at the beginning of this Underwriting Section.

### **Lock-Up Agreements**

We, the selling stockholder and our senior executive officers and directors have agreed that, without the prior written consent of Barclays Capital Inc., on behalf of the underwriters, none of us will, during the period ending 60 days after the date of this prospectus supplement:

offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of common stock (including, without limitation, shares of common stock that may be deemed to be beneficially owned by us or them in accordance with the rules and regulations of the Securities and Exchange Commission and shares of common stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for common stock;

enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock;

make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any shares of common stock or securities convertible, exercisable or exchangeable into common stock or any of our other securities; or

publicly disclose the intention to do any of the foregoing, whether any such transaction described above is to be settled by delivery of our common stock or other securities, in cash or otherwise. The restrictions described in this paragraph do not apply to:

the sale of shares of our common stock to the underwriter in this offering;

the sale of the 6% Convertible Perpetual Preferred Stock, as described in [Summary Recent Developments](#) ;

the issuance by us of shares of common stock upon conversion, redemption, exchange or otherwise pursuant to the terms of our convertible preferred stock or upon the exercise of an option, or a warrant or a similar security or the conversion of a security outstanding on the date hereof and reflected in this prospectus supplement and the accompanying prospectuses;

the grants by us of options or stock, or the issuance by us of stock, under our benefit plans (or the filing of one or more registration statements covering such issuances or grants) described in this prospectus supplement and the accompanying prospectuses;

the offer of common stock in connection with any acquisition; and

the filing of a registration statement pursuant to outstanding registration rights held by certain stockholders.

The lock-up agreement that the selling stockholder entered into contains an exception for 25,994,095 shares of our common stock that he pledged as a portion of the collateral for a personal loan and any additional shares of our common stock he may pledge as collateral for such loan. If the selling stockholder defaults on this loan, the lender may foreclose on and sell these shares pursuant to an exemption under the Securities Act notwithstanding the lock-up agreement. The lock-up agreement also contains an exception for a warrant granted by the selling stockholder for the purchase of up to 6,672,598 shares of our common stock.

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### **Indemnification**

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make for these liabilities.

### **Stabilization, Short Positions and Penalty Bids**

The representatives may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common stock, in accordance with Regulation M under the Securities Exchange Act of 1934:

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

A short position involves a sale by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of shares involved in the sales made by the underwriters in excess of the number of shares they are obligated to purchase is not greater than the number of shares that they may purchase by exercising their option to purchase additional shares. In a naked short position, the number of shares involved is greater than the number of shares in their option to purchase additional shares. The underwriters may close out any covered short position by either exercising their option to purchase additional shares and/or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through their option to purchase additional shares. The underwriters may close out any naked short position by purchasing shares in the open market using these same criteria. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.

Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of the common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on The New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we, selling stockholder nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we, the selling stockholder nor any of the underwriters make representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

### **Electronic Distribution**

A prospectus supplement and the accompanying prospectuses in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters and/or selling

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group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the representatives on the same basis as other allocations.

Other than the prospectus supplement and the accompanying prospectuses in electronic format, the information on any underwriter's or selling group member's web site and any information contained in any other web site maintained by an underwriter or selling group member is not part of the prospectus supplement and the accompanying prospectuses or the registration statement of which this prospectus supplement and the accompanying prospectuses forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

## **Stamp Taxes**

If you purchase shares of common stock offered in this prospectus supplement and the accompanying prospectuses, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus supplement and the accompanying prospectuses.

## **Other Relationships**

From time to time, certain of the underwriters and their affiliates have provided, and may in the future provide, investment banking and other services to us for which they have received or may in the future receive customary fees and commissions.

## **Selling Restrictions**

### *Brunei*

This prospectus has been provided at your request strictly for your information purposes only, and does not constitute and shall not be construed as an offer to sell the securities described here or an invitation to make an offer to buy or to apply to subscribe for such securities. We and Agents do not provide any investment advice or recommendations on the securities described here. This prospectus is not a prospectus for purposes of the Brunei Companies Act, Cap 39 and has not been registered as such. Neither our company, Agents, nor any of our or their affiliates are licensed as dealers or an investment adviser under the Brunei Securities Order, 2001, nor are they or any of their affiliates registered or incorporated under the Brunei Companies Act, Cap 39. This prospectus has been provided to you solely for your own purposes and must not be copied, redistributed or circulated to any other person without the prior consent of our company or Agents.

### *China*

The shares may not be offered or sold directly or indirectly in the People's Republic of China (the "PRC") (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). Neither this prospectus nor any material or information contained or incorporated by reference herein relating to the shares, which have not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("CSRC") or other relevant governmental authorities in the PRC pursuant to relevant laws and regulations, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the shares in the PRC. The material or information contained or incorporated by reference herein relating to the shares does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. The shares may only be offered or sold to the PRC investors that are

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authorized to engage in the purchase of shares of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the CSRC, the State Administration of Foreign Exchange and/or the China Banking Regulatory Commission, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

### *Dubai International Finance Centre*

This document relates to an exempt offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with exempt offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The shares which are the subject of the offering contemplated by this prospectus may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser.

### *The Emirate of Dubai, United Arab Emirates*

This prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose.

By receiving this prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that this prospectus has not been approved by the UAE Central Bank, the Emirates Securities or Commodities Authority ( ESCA ) or any other authorities in the UAE, nor has the placement agent, if any, received authorization or licensing from the UAE Central Bank, ESCA or any other authorities in the United Arab Emirates to market or sell securities or other investments within the United Arab Emirates. No marketing of any financial products or services has been or will be made from within the United Arab Emirates and no subscription to any securities or other investments may or will be consummated within the United Arab Emirates. It should not be assumed that the placement agent, if any, is a licensed broker, dealer or investment advisor under the laws applicable in the United Arab Emirates, or that it advises individuals resident in the United Arab Emirates as to the appropriateness of investing in or purchasing or selling securities or other financial products. The shares may not be offered or sold directly or indirectly to the public in the United Arab Emirates. This does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

By receiving this prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that the shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this prospectus nor taken steps to verify the information set out in it, and has no responsibility for it.

### *European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State it has not made and will not make an offer of shares to the public in that Member State, except that it may, with effect from and including such date, make an offer of shares to the public in that Member State:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities,

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- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts,
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer, or
- (d) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive. Each purchaser of shares described in this prospectus supplement located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive.

For the purposes of the above, the expression an offer of shares to the public in relation to any shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in that Member State.

The sellers of the shares have not authorized and do not authorize the making of any offer of shares through any financial intermediary on their behalf, other than offers made by the underwriters with a view to the final placement of the shares as contemplated in this prospectus supplement. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of the notes on behalf of the sellers or the underwriters.

### *Hong Kong*

The shares may not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the shares which are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or any rules made under that Ordinance.

### *India*

This prospectus supplement has not been and will not be registered as a prospectus with the Registrar of Companies in India or with the Securities and Exchange Board of India. This prospectus supplement or any other material relating to these securities is for information purposes only and may not be circulated or distributed, directly or indirectly, to the public or any members of the public in India and in any event to not more than 50 persons in India. Further, persons into whose possession this prospectus supplement comes are required to inform themselves about and to observe any such restrictions. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in these securities. Each prospective investor is also advised that any investment in these securities by it is subject to the regulations prescribed by the Reserve Bank of India and the Foreign Exchange Management Act and any regulations framed thereunder.



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### *Japan*

No registration has been made under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) ( FIEL ) in relation to the common stock. The shares of common stock are being offered in a private placement to: (i) qualified institutional investors (tekikaku-kan-toshika) under Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the FIEL (the Ministry of Finance Ordinance No. 14, as amended) ( QIIs ), under Article 2, Paragraph 3, Item 2 i of the FIEL; or (ii) up to 49 investors under Article 2, Paragraph 3, Item 2 iii of the FIEL. Any QII acquiring the common stock in this offer may not transfer or resell those shares except to other QIIs.

### *Korea*

The shares may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The shares have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the shares may not be resold to Korean residents unless the purchaser of the shares complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the shares.

### *Malaysia*

The shares may not be offered or purchased and no invitation to purchase the shares may be made, directly or indirectly, to persons in Malaysia other than to corporations (including offshore companies under the Offshore Companies Act 1990 in the Federal Territory of Labuan) with total net assets exceeding RM10 million or its equivalent in foreign currencies, high net worth individuals with total net personal assets exceeding RM3 million or its equivalent in foreign currencies and principals that enter into transactions of a minimum value of RM250,000 or its equivalent in foreign currencies for each transaction.

### *Singapore*

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore (the SFA ), (ii) to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed and purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole whole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except:
  - (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions, specified in Section 275 of the SFA;



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- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 275(1A) of the SFA, or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (iii) where no consideration is or will be given for the transfer; or
- (iv) where the transfer is by operation of law.

By accepting this prospectus supplement, the recipient hereof represents and warrants that he is entitled to receive it in accordance with the restrictions set forth above and agrees to be bound by limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

### *Switzerland*

This document, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

### *Taiwan*

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the shares in Taiwan, the Republic of China.

### *United Kingdom*

The underwriters have represented and agreed that it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the shares in circumstances in which Section 21(1) of such Act does not apply to us and it has complied and will comply with all applicable provisions of such Act with respect to anything done by it in relation to any shares in, from or otherwise involving the United Kingdom.

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**LEGAL**

Certain legal matters with respect to the securities offered hereby will be passed upon for us by Covington & Burling LLP, Washington, DC, and for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

**EXPERTS**

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K, as amended, for the year ended December 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The estimated reserve evaluations and related calculations for our WTO, East Texas, Gulf of Mexico, Gulf Coast and certain other properties as of December 31, 2006, 2007 and 2008 have been incorporated by reference in this prospectus supplement in reliance upon the report of Nederland, Sewell & Associates, Inc., independent petroleum engineering consultants, given upon their authority as experts in petroleum engineering. The estimated reserve evaluations and related calculations for our SandRidge CO<sub>2</sub> properties as of December 31, 2006, 2007 and 2008 have been incorporated by reference in this prospectus supplement in reliance upon the report of DeGolyer and MacNaughton, independent petroleum engineering consultants, given upon their authority as experts in petroleum engineering.

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PROSPECTUS

**SandRidge Energy, Inc.**

**Debt Securities**

**Preferred Stock**

**Common Stock**

**Depository Shares**

**Warrants**

**Guarantee of Debt Securities of SandRidge Energy, Inc. by:**

**SandRidge Onshore, LLC**

**Lariat Services, Inc.**

**SandRidge Operating Company**

**Integra Energy, LLC**

**SandRidge Exploration and Production, LLC**

**SandRidge Tertiary, LLC**

**SandRidge Midstream, Inc.**

**SandRidge Offshore, LLC**

**SandRidge Holdings, Inc.**

We may offer and sell the securities listed above from time to time in one or more offerings in one or more classes or series. Any debt securities we offer pursuant to this prospectus may be fully and unconditionally guaranteed by certain of our subsidiaries, including SandRidge Onshore, LLC; Lariat Services, Inc.; SandRidge Operating Company; Integra Energy, LLC; SandRidge Exploration and Production, LLC; SandRidge Tertiary, LLC; SandRidge Midstream, Inc.; SandRidge Offshore, LLC; and SandRidge Holdings, Inc.

This prospectus provides you with a general description of the securities that may be offered. Each time securities are offered, we will provide a prospectus supplement and attach it to this prospectus. The prospectus supplement will contain more specific information about the offering and the terms of the securities being offered, including any guarantees by our subsidiaries. The supplements may also add, update or change information contained in this prospectus. This prospectus may not be used to offer or sell securities without a prospectus supplement describing the method and terms of the offering.

We may sell these securities directly or through agents, underwriters or dealers, or through a combination of these methods. See Plan of Distribution. The prospectus supplement will list any agents, underwriters or dealers that may be involved and the compensation they will receive. The prospectus supplement will also show you the total amount of money that we will receive from selling the securities being offered, after the expenses of the offering. You should carefully read this prospectus and any accompanying prospectus supplement, together with the documents we incorporate by reference, before you invest in any of our securities.

*Investing in any of our securities involves risk. Please read carefully the section entitled Risk Factors beginning on page 4 of this prospectus.*

Our common stock is listed on the New York Stock Exchange under the symbol SD.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated April 13, 2009.

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You should rely only on the information contained in or incorporated by reference into this prospectus and any prospectus supplement. We have not authorized any dealer, salesman or other person to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any prospectus supplement are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus or any sale of a security.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, using a shelf registration process. Under this shelf registration process, we may offer and sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering and the offered securities. The prospectus supplement may also add, update or change information contained in this prospectus. Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

Unless the context requires otherwise or unless otherwise noted, all references in this prospectus or any accompanying prospectus supplement to SandRidge, we or our are to SandRidge Energy, Inc. and its subsidiaries.

**THE COMPANY**

We are an independent natural gas and crude oil company concentrating on exploration, development and production activities. We also own and operate drilling rigs and conduct related oil field services, and we own and operate interests in gas gathering, marketing and processing facilities and CO<sub>2</sub> gathering and transportation facilities.

Our principal executive offices are located at 123 Robert S. Kerr Avenue, Oklahoma City, Oklahoma 73102. Our common stock is listed on the New York Stock Exchange under the symbol SD.



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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports and other information with the SEC (File No. 001-33784) pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). You may read and copy any documents that are filed at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates from the public reference section of the SEC at its Washington address. Please call the SEC at 1-800-SEC-0330 for further information.

Our filings are also available to the public through the SEC's website at <http://www.sec.gov>.

The SEC allows us to incorporate by reference information that we file with them, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus, and the information that we later file with the SEC will automatically update and supersede this information. The following documents we filed with the SEC pursuant to the Exchange Act are incorporated herein by reference:

our Annual Report on Form 10-K for the year ended December 31, 2008;

our Current Reports on Form 8-K filed on each of January 14, 2009, January 21, 2009, March 9, 2009 and April 6, 2009 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any such Current Report on Form 8-K); and

the description of our common stock contained in our registration statement on Form 8-A dated October 30, 2007, including any amendment to that form that we may file in the future for the purpose of updating the description of our common stock.

These reports contain important information about us, our financial condition and our results of operations.

All future documents filed pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any current report on Form 8-K) before the termination of each offering under this prospectus shall be deemed to be incorporated in this prospectus by reference and to be a part hereof from the date of filing of such documents. Any statement contained herein, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein, modified or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request a copy of these filings at no cost by writing or telephoning us at the following address and telephone number:

Richard J. Gognat

Corporate Secretary

SandRidge Energy, Inc.

123 Robert S. Kerr Avenue

Oklahoma City, Oklahoma 73102-6406

(405) 429-5500

We also maintain a website at <http://www.sandridgeenergy.com>. However, the information on our website is not part of this prospectus.

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### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Various statements contained in or incorporated by reference into this prospectus, our filings with the SEC and our public releases, including those that express a belief, expectation, or intention, as well as those that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements may include projections and estimates concerning capital expenditures, our liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, elements of our business strategy and other statements concerning our operations, economic performance and financial condition. Forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, potential, may, foresee, plan, goal or other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. These forward-looking statements speak only as of the date of this prospectus; we disclaim any obligation to update or revise these statements unless required by securities law, and we caution you not to rely on them unduly. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties relating to, among other matters, the risks discussed in our Annual Report on Form 10-K for the year ended December 31, 2008 and our subsequent SEC filings and those factors summarized below:

the volatility of natural gas and crude oil prices;

uncertainties in estimating natural gas and crude oil reserves;

the need to replace the natural gas and crude oil reserves we produce;

our ability to execute our growth strategy by drilling wells as planned;

the need to drill productive, economically viable natural gas and crude oil wells;

risks and liabilities associated with acquired properties;

the amount, nature and timing of capital expenditures, including future development costs, required to develop the WTO;

concentration of operations in the WTO;

economic viability of WTO production with high CO<sub>2</sub> content;

availability of natural gas production for our midstream services operations;

limitations of seismic data;

risks associated with drilling natural gas and crude oil wells;

availability of satisfactory natural gas and crude oil marketing and transportation;

availability and terms of capital;

substantial existing indebtedness;

limitations on operations resulting from debt restrictions and financial covenants;

potential financial losses or earnings reductions from commodity derivatives;

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competition in the oil and gas industry;

general economic conditions, either internationally or domestically or in the jurisdictions in which we operate;

costs to comply with current and future governmental regulation of the oil and gas industry, including environmental, health and safety laws and regulations; and

the need to maintain adequate internal control over financial reporting.

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**RISK FACTORS**

An investment in our securities involves risks. Before you invest in our securities, you should carefully consider the risk factors included in our most recent annual report on Form 10-K, subsequent quarterly reports on Form 10-Q and those that may be included in the applicable prospectus supplement, as well as risks described in Management's Discussion and Analysis of Financial Condition and Results of Operations and cautionary notes regarding forward-looking statements included or incorporated by reference herein, together with all of the other information included in this prospectus, any prospectus supplement and the documents we incorporate by reference.

If any of these risks were to materialize, our business, results of operations, cash flows and financial condition could be materially adversely affected. In that case, our ability to pay interest on, or the principal of, any debt securities, may be reduced, the trading price of our securities could decline and you could lose all or part of your investment.

You should consider carefully the risks below together with all of the other information included in, or incorporated by reference into, this prospectus before deciding whether to invest in our securities.

**Risks Related to Our Common Stock**

*The market price for shares of our common stock may be highly volatile and could be subject to wide fluctuations.*

The market price for shares of our common stock may be highly volatile and could be subject to wide fluctuations, even if an active trading market develops. Some of the factors that could negatively affect our share price include:

actual or anticipated variations in our reserve estimates and quarterly operating results;

liquidity and the registration of our common stock for public resale;

sales of our common stock by our stockholders;