CREDIT SUISSE GROUP
Form 6-K
February 15, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of February 15, 2007

Commission File Number 001-15244

CREDIT SUISSE GROUP

(Translation of registrant s name into English)

Paradeplatz 8, P.O. Box 1, CH-8070 Zurich, Switzerland

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant s home country), or under the rules of the home country exchange on which the registrant s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant s security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-.

CREDIT SUISSE GROUP
Paradeplatz 8 Telephone +41 844 33 88 44
P.O. Box Fax +41 44 333 88 77
CH-8070 Zurich media.relations@credit-suisse.com
Switzerland

Media Release

Credit Suisse Group Reports Net Income of CHF 11.3 Billion for 2006

Credit Suisse Group today reported net income of CHF 11,327 million for the full year 2006, up 94% compared to net income of CHF 5,850 million for 2005. Net income for 2006 included a net capital gain of CHF 1,817 million from the sale of Winterthur, which was recorded in the fourth quarter.

Basic earnings per share from continuing operations were CHF 7.53 for the full year 2006, compared to CHF 3.98 for 2005. Basic earnings per share were CHF 10.30 for the full year 2006, compared to CHF 5.17 for 2005.

Fourth-quarter 2006 net income totaled CHF 4,673 million, compared to net income of CHF 1,103 million in the fourth quarter of 2005.

Credit Suisse recorded net new assets of CHF 95.4 billion for the full year 2006.

Financial highlights

in CHF million	**12 mths 2006**	Change in % vs 12 mths 2005	**4Q2006**	Change in % vs 3Q2006	Change in % vs 4Q2005

Net revenues	**38,603**	27	**10,814**	34	43
Total operating expenses	**24,414**	5	**6,520**	15	0
Income from continuing operations	**8,281**	83	**2,599**	77	284
Income from discontinued operations, net of tax	**3,070**	134	**2,074**	389	387
Net income	**11,327**	94	**4,673**	147	324
Return on equity	**27.5** %		**44.1** %		
Basic earnings per share from continuing operations (CHF)	**7.53**		**2.42**		
Basic earnings per share (CHF)	**10.30**		**4.35**		
BIS tier 1 ratio (as of December 31)	**13.9** %				

Zurich, February 15, 2007 "2006 was a record year for Credit Suisse. Our integrated banking model proved successful and provided us with an effective platform to capture the growth opportunities arising from high levels of client activity, while at the same time significantly improving our profitability," stated Oswald J. Grübel, CEO of Credit Suisse.

He added: "In our first year as an integrated bank, we have made excellent progress in strengthening our operating efficiency but there is still great potential for further improvement as we continue to invest in the growth of our business."

He concluded: "Our clients have responded well to our integrated approach and Credit Suisse now has excellent opportunities for further growth in the context of globalization, which we believe will create dynamic markets for the foreseeable future."

Segment results

in CHF million		**12 mths 2006**	Change in % vs 12 mths 2005	**4Q2006**	Change in % vs 3Q2006	Change in % vs 4Q2005
Investment Banking	Net revenues	**20,469**	32	**6,085**	45	63
	Total operating expenses	**14,556**	4	**3,723**	8	8
	Income from continuing operations before taxes	**5,951**	272	**2,342**	209	
Private Banking	Net revenues	**11,678**	11	**2,973**	11	9
	Total operating expenses	**7,155**	8	**1,871**	11	9
	Income from continuing operations before taxes	**4,596**	16	**1,143**	12	11
Asset Management	Net revenues	**2,861**	2	**738**	7	(3)
	Total operating expenses	**2,352**	31	**648**	21	26
	Income from continuing operations before taxes	**508**	(50)	**89**	(44)	(63)

Investment Banking

The Investment Banking segment reported record income from continuing operations before taxes of CHF 5,951 million for the full year 2006, an increase of CHF 4,352 million compared to 2005, with strong contributions across the underwriting, advisory, fixed income trading and equity trading businesses. Excluding the CHF 508 million of credits from insurance settlements for litigation and related costs in 2006 and the CHF 960 million charge to increase litigation reserves in 2005, income from continuing operations before taxes rose 113% in 2006. Net revenues increased 32% to a record level in 2006, driven by a strong performance across all key business areas and regions amid favorable market conditions, high levels of deal activity and improved market share in certain products. Total operating expenses for the full year increased 4%, or 15% excluding the insurance settlements and litigation charge. The compensation/revenue ratio was 50.1% in 2006, compared to 55.5% for 2005. The pre-tax income margin was 29.1%, or 26.6% excluding the insurance settlements, compared to 16.5% excluding the litigation charge in 2005.

In the fourth quarter of 2006, income from continuing operations before taxes totaled a record CHF 2,342 million, an increase of CHF 2,056 million compared to the fourth quarter of 2005. Net revenues grew 63% to a record level in the fourth quarter of 2006, benefiting from strong performances in both the investment banking and trading businesses. Total operating expenses rose 8% compared to the fourth quarter of 2005, primarily reflecting higher compensation expenses in line with higher revenues, partly offset by a decrease in other expenses due to improvements in operating efficiency. The compensation/revenue ratio was 42.2% in the fourth quarter of 2006, compared to 53.5% in the first three quarters of the year. The pre-tax income margin was 38.5% in the fourth quarter of 2006, compared to 7.7% in the fourth quarter of 2005.

Private Banking

The Private Banking segment, which comprises the Wealth Management and Corporate & Retail Banking businesses, reported record income from continuing operations before taxes of CHF 4,596 million for the full year 2006, an increase of 16% compared to 2005.

In the fourth quarter of 2006, income from continuing operations before taxes was CHF 1,143 million, an increase of 11% compared to the fourth quarter of 2005.

The ***Wealth Management*** business reported record income from continuing operations before taxes of CHF 3,237 million for the full year 2006, an improvement of 22% compared to 2005. Net revenues grew 15% and total operating expenses rose 12%. The pre-tax income margin was 39.6% for 2006, compared to 37.3% in 2005.

In the fourth quarter of 2006, income from continuing operations before taxes amounted to CHF 811 million, up 15% from the fourth quarter of 2005. This increase reflected strong net revenues driven by higher commissions and fees, mainly from brokerage, product issuances and asset-based fees, as well as higher net interest income from higher liability margins and liability volumes. The growth in net revenues more than offset a 10% rise in total operating expenses, driven primarily by higher personnel expenses related to strategic investments in the global business and higher performance-related compensation expenses. The pre-tax income margin was 39.0% for the fourth quarter of 2006, compared to 37.6% in the fourth quarter of 2005.

The ***Corporate & Retail Banking*** business reported a 4% increase in income from continuing operations before taxes to CHF 1,359 million for the full year 2006, compared to 2005. Net revenues increased 4% in 2006 and total operating expenses rose 1%. The pre-tax income margin was 38.9% for 2006, compared to 38.7% in 2005.

In the fourth quarter of 2006, income from continuing operations before taxes was CHF 332 million, an increase of 3%, compared to the same period of 2005. Net revenues grew 6%, driven by higher asset-based commissions and fees and increased net interest income. Total operating expenses rose by 7% due to higher compensation and benefits, primarily reflecting higher performance-related compensation expenses. The pre-tax income margin was 37.1% for the fourth quarter of 2006, compared to 38.0% in the fourth quarter of 2005.

Asset Management

The Asset Management segment reported income from continuing operations before taxes of CHF 508 million for the full year 2006, a decline of 50% compared to 2005. This decrease reflects lower private equity and other investment-related gains, which are cyclical in nature, and higher operating expenses, partly due to the realignment of the business in 2006. Net revenues rose 2% compared to the previous year and net revenues before private equity and other investment-related gains grew 12%, reflecting the growth in assets under management. Private equity and other investment-related gains totaled CHF 502 million in 2006, a decrease of 28% from 2005. Total operating expenses rose 31% in 2006, including CHF 225 million of realignment costs. The pre-tax income margin was 17.8% for 2006, compared to 35.9% in 2005. As of December 31, 2006, assets under management totaled CHF 669.9 billion, an increase of 14% from December 31, 2005.

In the fourth quarter of 2006, income from continuing operations before taxes totaled CHF 89 million, a decrease of 63% compared to the fourth quarter of 2005. Net revenues declined 3% in the fourth quarter of 2006 compared to the same period of the previous year. Net revenues before private equity and other investment-related gains improved by 18%, compared to the fourth quarter of 2005, reflecting the growth in assets under management. Private equity and other investment-related gains totaled CHF 92 million in the fourth quarter of 2006, a decrease of 56% compared to the same period of 2005. Total operating expenses increased 26% in the fourth quarter of 2006, primarily reflecting higher compensation and benefits related to the ongoing efforts to hire new investment talent and build product development and distribution capabilities and other expenses related to the realignment of Asset Management. The pre-tax income margin was 12.1% for the fourth quarter of 2006, compared to 31.8% in the fourth quarter of 2005. Credit Suisse continued to realign Asset Management in the fourth quarter of 2006 as part of the previously announced strategy to reposition businesses with low profitability, reshape the product offering, improve investment and sales processes, and reduce the overall cost base.

Net New Assets

The Wealth Management business generated CHF 50.5 billion of net new assets in 2006, an increase of 18% compared to 2005. In the fourth quarter of 2006, Wealth Management recorded CHF 8.6 billion of net new assets. The Asset Management business reported CHF 50.8 billion of net new assets in 2006, including money market assets of CHF 33.4 billion and alternative investment assets of CHF 12.5 billion. In the fourth quarter, Asset Management recorded a net outflow of CHF 2.9 billion. Overall, Credit Suisse recorded CHF 95.4 billion of net new assets for the full year 2006, including net new assets of CHF 6.9 billion in the fourth quarter. Total assets under management were CHF 1,485.1 billion as of December 31, 2006, an increase of 13% from December 31, 2005.

Sale of the Insurance Business

On December 22, 2006, Credit Suisse Group completed the sale of Winterthur for cash consideration of CHF 12.3 billion. The Group realized a net capital gain of CHF 1,817 million on the transaction. As a result of the sale of Winterthur, the results of Winterthur s operations are reported as income from discontinued operations, net of tax. Income from discontinued operations in the fourth quarter of 2006 was CHF 2,074 million, including the gain from the sale. For the full year 2006, income from discontinued operations was CHF 3,070 million, compared to CHF 1,310 million for the full year 2005.

Dividend Proposal and Share Repurchase Program

The Board of Directors of Credit Suisse Group will propose a cash dividend of CHF 2.24 per share for the financial year 2006 and a par value reduction of CHF 0.46 per share at the Annual General Meeting on May 4, 2007. This compares to a dividend of CHF 2.00 per share for the financial year 2005.

The Board of Directors will also propose a share repurchase program of up to CHF 8 billion at the Annual General Meeting. Subject to the approval of shareholders, the program will commence after the Annual General Meeting and run for a maximum of three years.

Outlook

Credit Suisse believes that the growth prospects for the global economy will remain good and expects client activity to continue at around the levels of 2006. Interest rates are unlikely to increase significantly and valuations for equities are still relatively low. High corporate earnings will attract capital flows into the equity markets, which will continue to trend higher with occasional corrections. Credit Suisse has had a good start to 2007 and is well positioned to capture these growth opportunities with its integrated banking model.

Information

Media Relations Credit Suisse, telephone +41 844 33 88 44, media.relations@credit-suisse.com

Investor Relations Credit Suisse, telephone +41 44 333 71 49, investor.relations@credit-suisse.com

For additional information on Credit Suisse Group s fourth-quarter and full-year 2006 results, please refer to the Group s Quarterly Report Q4/2006, as well as the Group s slide presentation for analysts and the press, which are available on the Internet at: www.credit-suisse.com/results

Credit Suisse Group

As one of the world's leading banks, Credit Suisse provides its clients with investment banking, private banking and asset management services worldwide. Credit Suisse offers advisory services, comprehensive solutions and innovative products to companies, institutional clients and high-net-worth private clients globally, as well as retail clients in Switzerland. Credit Suisse is active in over 50 countries and employs approximately 45,000 people. Credit Suisse's parent company, Credit Suisse Group, is a leading global financial services company headquartered in Zurich. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and, in the form of American Depositary Shares (CS), in New York. Further information about Credit Suisse can be found at www.credit-suisse.com.

Cautionary Statement Regarding Forward-Looking Information

This press release contains statements that constitute forward-looking statements. In addition, in the future we, and others on our behalf, may make statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to our plans, objectives or goals; our future economic performance or prospects; the potential effect on our future performance of certain contingencies; and assumptions underlying any such statements.

Words such as believes, anticipates, expects, "intends and plans and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. We do not intend to update these forward-looking statements except as may be required by applicable laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. We caution you that a number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include (i) market and interest rate fluctuations; (ii) the strength of the global economy in general and the strength of the economies of the countries in which we conduct our operations in particular; (iii) the ability of counterparties to meet their obligations to us; (iv) the effects of, and changes in, fiscal, monetary, trade and tax policies, and currency fluctuations; (v) political and social developments, including war, civil unrest or terrorist activity; (vi) the possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which we conduct our operations; (vii) the ability to maintain sufficient liquidity and access capital markets; (viii) operational factors such as systems failure, human error, or the failure to implement procedures properly; (ix) actions taken by regulators with respect to our business and practices in one or more of the countries in which we conduct our operations; (x) the effects of changes in laws, regulations or accounting policies or practices; (xi) competition in geographic and business areas in which we conduct our operations; (xii) the ability to retain and recruit qualified personnel; (xiii) the ability to maintain our reputation and promote our brand; (xiv) the ability to increase market share and control expenses; (xv) technological changes; (xvi) the timely development and acceptance of our new products and services and the perceived overall value of these products and services by users; (xvii) acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets; (xviii) the adverse resolution of litigation and other contingencies; and (xix) our success at managing the risks involved in the foregoing.

We caution you that the foregoing list of important factors is not exclusive; when evaluating forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, as well as the risks identified in our most recently filed Form 20-F and reports on Form 6-K furnished to the US Securities and Exchange Commission.

Presentation of the fourth-quarter and full-year 2006 results

Analyst and Media Conference

§ Thursday, February 15, 2007
09:30 CET / 08:30 GMT / 03:30 EST
Credit Suisse Forum St. Peter, Zurich

§ Simultaneous interpreting: German English, English German

§ **Speakers**
Oswald J. Grübel, Chief Executive Officer of Credit Suisse

Renato Fassbind, Chief Financial Officer of Credit Suisse

§ **Internet**
Live broadcast at: www.credit-suisse.com/results

Video playback available approximately 3 hours after the event

§ **Telephone**
Live audio dial-in on +41 91 610 5600 (Europe), +44 207 107 0611 (UK) and
+1 866 291 4166 (US); ask for "Credit Suisse Group quarterly results".

Please dial in 10-15 minutes before the start of the presentation.

Telephone replay available approximately 1 hour after the event on +41 91 612 4330 (Europe),
+44 207 108 6233 (UK) and +1 866 416 2558 (US); conference ID English 596#, conference

ID German 311#.

Credit Suisse Group

Quarterly Report 2006/Q4

Cover: Manish Kumar, Investment Banking (CMOS), New York **Photographer:** John Wildgoose
Financial calendar : please see inside back cover.

Credit Suisse Group financial highlights

						12 months		
in CHF m, except where indicated	4Q 2006	3Q 2006	4Q 2005	Change in % from 3Q 2006	Change in % from 4Q 2005	2006	2005	Change in % from 2005
Consolidated statements of income								
Net revenues	**10,814**	8,076	7,566	34	43	**38,603**	30,489	27
Income from continuing operations before taxes,minority interests, extraordinary items andcumulative effect of accounting changes	**4,314**	2,460	1,059	75	307	**14,300**	7,401	93
Income from continuing operations beforeextraordinary items and cumulative effectof accounting changes	**2,599**	1,468	677	77	284	**8,281**	4,526	83
Income from discontinued operations, net of tax	**2,074**	424	426	389	387	**3,070**	1,310	134
Net income	**4,673**	1,892	1,103	147	324	**11,327**	5,850	94
Return on equity	**44.1%**	18.9%	11.2%	–	–	**27.5%**	15.4%	–
Earnings per share, in CHF								
Basic earnings per share from continuing operationsbefore cumulative effect of accounting	**2.42**	1.35	0.59	–	–	**7.53**	3.98	–

changes								
Basic earnings per share	**4.35**	1.74	0.98	–	–	**10.30**	5.17	–
Diluted earnings per share from continuing operationsbefore cumulative effect of accounting changes	**2.29**	1.29	0.59	–	–	**7.19**	3.90	–
Diluted earnings per share	**4.12**	1.67	0.95			**9.83**	5.02	
Cost/income ratio – reported	**60.3%**	70.0%	86.5%	–	–	**63.2%**	76.2%	–
Cost/income ratio[1]	**65.7%**	75.9%	93.1%	–	–	**69.6%**	81.6%	–
Net new assets, in CHF bn	**6.9**	31.1	8.0	–	–	**95.4**	57.4	–

in CHF m, except where indicated	31.12.06	30.09.06	31.12.05	Change in % from 30.09.06	Change in % from 31.12.05
Assets under management, in CHF bn	**1,485.1**	1,441.3	1,319.4	3.0	12.6
Consolidated balance sheets					
Total assets	**1,255,956**[2]	1,473,113	1,339,052	(15)	(6)
Shareholders' equity	**43,586**	41,643	42,118	5	3
Consolidated BIS capital data					
Risk-weighted assets	**253,676**	252,139	232,891	1	9
Tier 1 ratio	**13.9%**	10.8%	11.3%	–	–
Total capital ratio	**18.4%**	13.2%	13.7%	–	–
Number of employees					
Switzerland – Banking	**20,353**	20,261	20,194	0	1
Outside Switzerland – Banking	**24,518**	24,456	24,370	0	1
Winterthur	**0**[2]	18,984	18,959	–	–
Number of employees (full-time equivalents)	**44,871**	63,701	63,523	(30)	(29)
Stock market data					
Share price per common share, in CHF	**85.25**	72.35	67.00	18	27
High (closing price) year-to-date, in CHF	**85.35**	74.20	68.50	15	25
Low (closing price) year-to-date, in CHF	**62.70**	62.70	46.85	0	34
Share price per American Depositary Share, in USD	**69.85**	57.95	50.95	21	37
Market capitalization, in CHF m	**90,575**	77,946	75,399	16	20
Market capitalization, in USD m	**74,213**	62,432	57,337	19	29
Book value per share, in CHF	**41.02**	38.65	37.43	6	10
Share information					
Shares issued	**1,214,862,013**	1,214,054,870	1,247,752,166	0	(3)
Treasury shares	**(152,394,952)**	(136,710,156)	(122,391,983)	11	25
Shares outstanding	**1,062,467,061**	1,077,344,714	1,125,360,183	(1)	(6)

1) Excludes minority interest revenues of CHF 998 million, CHF 640 million, CHF 554 million, CHF 3,663 million and CHF 2,074 million and minority interest expenses of CHF 71 million, CHF 10 million, CHF 15 million, CHF 103 million and CHF 32 million in 4Q 2006, 3Q 2006, 4Q 2005, 12 months 2006 and 12 months 2005, respectively, from the consolidation of certain private equity funds and other entities in which the Group does not have a significant economic interest in such revenues and expenses. 2) The Group completed the sale of Winterthur to AXA on December 22, 2006.

Contents

Enquiries
Credit Suisse Group
Investor Relations
Ian Roundell, Marc Buchheister
Tel. +41 44 333 7149
Fax +41 44 333 2587
investor.relations@credit-suisse.com

Credit Suisse Group
Media Relations
Charles Naylor, Andrés Luther
Tel. +41 844 33 8844
Fax +41 44 333 8877
media.relations@credit-suisse.com

Message from the Chief Executive Officer

Oswald J. Grübel
Chief Executive Officer

Dear shareholders, clients and colleagues

2006 was a record year for Credit Suisse. Our integrated banking model proved successful and provided us with an effective platform to capture the growth opportunities arising from high levels of client activity while significantly improving our profitability. We are particularly pleased with our performance in Investment Banking. In our first year as an integrated bank we made excellent progress in strengthening our operating efficiency but there is still great potential for further improvement as we continue to invest in the growth of our business. Our clients have responded well to our integrated approach and Credit Suisse now has excellent opportunities for further growth in the context of globalization, which we believe will create dynamic markets for the foreseeable future.

Strong annual results with basic earnings per share from continuing operations of CHF 7.53

Credit Suisse Group reported a significant improvement in profitability in 2006, driven by good net revenues and improved operating efficiency. Net income totaled CHF 11.3 billion, including a net capital gain of CHF 1.8 billion from the sale of Winterthur, which was recorded in the fourth quarter of 2006. Income from continuing operations was CHF 8.3 billion or CHF 7.53 per share. Basic earnings per share were CHF 10.30. Our return on equity improved significantly to 27.5% in 2006 from 15.4% in 2005. In the fourth quarter of 2006, net income rose to CHF 4.7 billion, compared to CHF 1.1 billion in the fourth quarter of 2005. We generated net new assets of CHF 95.4 billion in 2006, compared to CHF 57.4 billion in 2005.

Returning capital to our shareholders

Credit Suisse Group today has the strongest capital base in its history. We are pleased that we have the requisite resources to grow our business while, at the same time, returning capital to our shareholders. At the forthcoming Annual General Meeting on May 4, 2007, the Board of Directors of Credit Suisse Group will ask the shareholders to approve a further share buyback program of up to CHF 8 billion over three years. It will also propose a distribution of CHF 2.70 per share for the financial year 2006, comprising a cash dividend of CHF 2.24 per share and a par value reduction of
CHF 0.46 per share.

Investment Banking delivers strong results

We achieved record results in Investment Banking in 2006, reflecting a strong performance in all key businesses and regions amid favorable market conditions, high levels of client activity and improved market share in a range of products. Against this backdrop, we generated record revenues in advisory and debt and equity underwriting and significantly increased our trading revenues. Income from continuing operations before taxes grew by 272% compared to 2005. Excluding credits from insurance settlements for litigation and related costs in 2006 and a charge to increase litigation reserves in 2005, income from continuing operations before taxes grew by 113%. Our strong results reflect continued progress against our strategy to deliver a more profitable business.

Highlights in Investment Banking in 2006 included our continued leadership position in some of the world's fastest growing emerging markets, such as China, Russia, Brazil and Mexico. This was demonstrated, among other things, by our number one market share ranking in equity issuance and announced mergers and acquisitions in Latin America and our recognition as the "China Equity House" in *International Financing Review's* Asia Awards 2006. Credit Suisse was presented with the "European IPO House of the Year" award in the annual *Financial News* Awards for Excellence in Investment Banking for 2006. In addition *The Banker* magazine's annual Investment Banking Awards 2006 recognized Credit Suisse as the "Best Bank of the Year for IPOs." We also maintained our leadership position in other important growth areas such as commercial mortgage-backed securities, leveraged finance and financial sponsors. We advised on a number of notable transactions that were announced in the fourth quarter of the year, including Google Inc.'s acquisition of YouTube, the sale of Raytheon Aircraft Company to Hawker Beechcraft Corporation and the acquisition of Corus Group plc by Tata Steel.

Continued expansion in Private Banking

In our Private Banking segment, which comprises the Wealth Management and Corporate & Retail Banking businesses, we delivered very strong results with significantly higher net revenues in 2006. This revenue growth outpaced an increase in total operating expenses driven partly by ongoing strategic investments in the Wealth Management business. This resulted in record income from continuing operations before taxes for 2006. Asset gathering also reached a record level, with net new assets of CHF 50.5 billion in Wealth Management, representing a growth rate of 7.3%. We continued to expand our global reach in Wealth Management through 2006 and announced the launch of new onshore operations in Brazil, Russia, Australia, Qatar and Lebanon.

Realignment of Asset Management

In our Asset Management segment, we generated strong net new assets of CHF 50.8 billion in 2006, including alternative investment assets of CHF 12.5 billion. Our net revenues before private equity and other investment-related gains increased 12%, driven by higher asset management revenues and private equity commissions and fees. Income from continuing operations before taxes decreased by half compared to 2005, reflecting higher total operating expenses, partly due to realignment expenses, and lower private equity and other investment-related gains.

We achieved further progress in the realignment of Asset Management during the fourth quarter of the year, as part of the previously announced strategy to reposition businesses with low profitability, reshape the product offering, improve investment and sales processes and reduce the overall cost base. In addition, we continued to invest in expanding the geographic footprint of our Asset Management business in key markets in 2006, while also taking steps to broaden our alternative investment business with a series of strategic alliances aimed at adding new capabilities and at increasing our product offering.

Strategic priorities going forward

We have defined three clear strategic priorities in order to accelerate the expansion of our business going forward.

We will continue to capitalize on our integrated banking model by building on a series of targeted internal initiatives that drive revenue growth and reduce costs.

We will deploy our capital as efficiently as possible. The target for our investments is an annual rate of return of 20% or above in the medium term.

We will continue to expand our activities in high-growth markets and products. For example, we signed an agreement to acquire the Brazilian asset manager Hedging-Griffo in the fourth quarter of 2006. This strategic step will help us to leverage our integrated banking model in Brazil to provide a comprehensive range of investment banking, private banking and asset management services to onshore clients in this market. We also aim to realize our third priority through measures such as the expansion of our activities in dynamic emerging markets and the growth of leading businesses and products, including alternative investments and structured products. Our objective is to generate long-term, sustainable returns. We will therefore focus on and invest in businesses which fit our model and are in line with that objective.

Outlook

The growth prospects for the global economy remain good and we expect client activity to continue at around the levels of 2006. Interest rates are unlikely to increase significantly and valuations for equities are still relatively low. High corporate earnings will attract capital flows into the equity markets, which will continue to trend higher with occasional corrections. We have had a good start to 2007 and are well positioned to capture these growth opportunities with our integrated banking model.

Yours sincerely

Oswald J. Grübel
February 2007

Credit Suisse Group

Credit Suisse Group reported net income of CHF 4,673 million in the fourth quarter of 2006, an increase of CHF 3,570 million compared to the fourth quarter of 2005. Fourth quarter net income included a net capital gain of CHF 1,817 million from the sale of Winterthur. Net income for the full year 2006 was CHF 11,327 million, an increase of CHF 5,477 million, or 94%, compared to the full year 2005. Income from continuing operations in 2006 was CHF 8,281 million, an increase of 83%. In the fourth quarter, Investment Banking results improved significantly as a result of favorable market conditions and increased client and deal activity. Private Banking also reported good results as higher revenues associated with client activity were partially offset by higher compensation expenses, including costs of strategic investments in the Wealth Management business. Asset Management results declined reflecting lower private equity and other investment-related gains and higher compensation and other operating expenses, partly due to the business realignment.

Summary of segment results

Investment Banking
Investment Banking reported record income from continuing operations before taxes of CHF 2,342 million in the fourth quarter of 2006, an increase of CHF 2,056 million compared to the fourth quarter of 2005. These results reflected strong performance across all key business areas and regions amid favorable market conditions, high levels of deal activity and improved market share in certain products. For the full year 2006, Investment Banking reported income from continuing operations before taxes of CHF 5,951 million, an increase of CHF 4,352 million compared to the full year 2005. Excluding the CHF 508 million credits from insurance settlements for litigation and related costs in 2006 and the CHF 960 million charge to increase litigation reserves in 2005, income from continuing operations before taxes for the full year 2006 increased 113% compared to the full year 2005.

Private Banking
Private Banking reported record income from continuing operations before taxes of CHF 1,143 million in the fourth quarter of 2006, CHF 117 million, or 11%, above the fourth quarter of 2005. The fourth quarter of 2006 was characterized by strong equity markets, which led to strong client activity and a 9% increase in revenues. Operating expenses increased 9%, reflecting ongoing strategic investments in international growth in the Wealth Management business and new business initiatives in Corporate & Retail Banking. Full year 2006 income from continuing operations before taxes was a record CHF 4,596 million, 16% higher than in 2005. Private Banking reported net new assets of CHF 9.7 billion in the fourth quarter of 2006 and CHF 52.2 billion in full year 2006. Assets under management were CHF 940.3 billion as of December 31, 2006, an increase of 12.3% compared to December 31, 2005.

Asset Management
Asset Management income from continuing operations before taxes was CHF 89 million in the fourth quarter of 2006, a decrease of CHF 152 million, or 63%, from the fourth quarter of 2005. This reflected lower private equity and other investment-related gains compared to the strong fourth quarter of 2005 and higher operating expenses, partly due to realignment costs. Full year 2006 income from continuing operations before taxes was CHF 508 million, a decrease of

50% from the full year 2005. Asset Management reported a net asset outflow of CHF 2.9 billion in the fourth quarter of 2006 and net new assets of CHF 50.8 billion in full year 2006. Assets under management increased to CHF 669.9 billion as of December 31, 2006 from CHF 589.4 billion as of December 31, 2005.

Credit Suisse Group consolidated results

The Group recorded net income of CHF 4,673 million in the fourth quarter of 2006, an increase of CHF 3,570 million compared to the fourth quarter of 2005. Fourth quarter net income included a net capital gain of CHF 1,817 million from the sale of Winterthur. Basic earnings per share increased to CHF 4.35, compared with CHF 0.98 in the fourth quarter of 2005. The return on equity in the fourth quarter of 2006 was 44.1% compared to 11.2% in the fourth quarter of 2005.

Income from continuing operations before extraordinary items and cumulative effect of accounting changes for the fourth quarter of 2006 was CHF 2,599 million or CHF 2.42 per share. This compares to CHF 677 million or CHF 0.59 per share in the fourth quarter of 2005.

Full year net income was CHF 11,327 million, an increase of 5,477 million, or 94%, compared to full year 2005. Full year 2006 basic earnings per share improved to CHF 10.30. Full year 2006 return on equity was 27.5%, compared to 15.4% in 2005. For the full years 2006 and 2005, income from continuing operations before extraordinary items and cumulative effect of accounting changes was CHF 8,281 million and CHF 4,526 million, or CHF 7.53 and CHF 3.98 per share, respectively.

Net revenues

The Group reported net revenues of CHF 10,814 million in the fourth quarter of 2006, an increase of CHF 3,248 million, or 43%, compared to the fourth quarter of 2005. Full year 2006 net revenues were CHF 38,603 million, 27% above full year 2005.

Net interest income was 9% higher in the fourth quarter of 2006 compared to the fourth quarter of 2005, primarily reflecting an increase in Private Banking largely due to an increase in liability margins and volumes.

Commissions and fees increased 25% compared to the fourth quarter of 2005, primarily as a result of higher underwriting and advisory fees in Investment Banking, and to a lesser extent, higher brokerage and issuing fees in Private Banking due to stronger client activity.

The following tables set forth an overview of segment results for the fourth quarter of 2006 and 2005, respectively:

4Q 2006, in CHF m	Investment Banking	Private Banking	Asset Management	Corporate Center1)	Credit Suisse Group
Net revenues	**6,085**	**2,973**	**738**	**1,018**	**10,814**
Provision for credit losses	**20**	**(41)**	**1**	**0**	**(20)**
Compensation and benefits	**2,566**	**1,037**	**327**	**170**	**4,100**
Other expenses	**1,157**	**834**	**321**	**108**	**2,420**
Total operating expenses	**3,723**	**1,871**	**648**	**278**	**6,520**
Income from continuing operations before taxes and minority interests	**2,342**	**1,143**	**89**	**740**	**4,314**

4Q 2005, in CHF m	Investment Banking	Private Banking	Asset Management	Corporate Center1)	Credit Suisse Group
Net revenues	3,735	2,716	757	358	7,566
Provision for credit losses	(13)	(21)	0	0	(34)
Compensation and benefits	2,136	888	252	708	3,984
Other expenses	1,326	823	264	144	2,557
Total operating expenses	3,462	1,711	516	852	6,541
Income/(loss) from continuing operations before taxes and minority interests	286	1,026	241	(494)	1,059
					—

Martin Perlman (7)	415,322	*	415,322	—	—

Leonard Greenberg IRA (8)	51,442	*	51,442	—	—
Leonard Greenberg Roth IRA (8)	442	*	442	—	—
Leonard Greenberg (8)	51,884	*	51,884	—	—
Hartz Capital Investments, LLC (9)	1,297,584	1.7%	1,297,584	—	—
Edward J. Stern (9)	1,297,584	1.7%	1,297,584	—	—
Ronald J. Bangs (9)	1,297,584	1.7%	1,297,584	—	—
Jonathan B. Schindel (9)	1,297,584	1.7%	1,297,584	—	—
Frey Living Trust (10)	151,300	*	151,300	—	—
Philip Frey (10)	151,300	*	151,300	—	—
Houghton Dental Corporation Profit Sharing Plan (11)	40,256	*	40,256	—	—
Geraldine Houghton (11)	40,256	*	40,256	—	—
Robert W. Finley (12)	68,000	*	68,000	—	—
Petker Charitable Remainder Trust (13)	75,862	*	75,862	—	—
Herman Petker (13)	75,862	*	75,862	—	—
Beverly Petker (13)	75,862	*	75,862	—	—
Greg and Leslie Otto (14)	30,600	*	30,600	—	—
Jim Loeffelbein (15)	42,075	*	42,075	—	—
Coal Creek Energy, LLC (16)	29,495	*	29,495	—	—
John Loeffelbein (16)	29,495	*	29,495	—	—

* Less than 1%

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(1) The address of Lehman Brothers MLP Opportunity Fund L.P. is 1271 Avenue of the Americas, New York, NY 10020. Lehman Brothers MLP Opportunity Fund L.P.'s general partner is an indirect wholly-owned subsidiary of Lehman Brothers Holdings Inc., a company filing reports with the SEC.

(2) Sean Shi in his capacity as director has voting and investment control over the shares held by Citigroup Global Markets, Inc. Mr. Shi disclaims beneficial ownership of all of such shares. The address of Citigroup Global Markets, Inc. is 390 Greenwich Street, 3rd Floor, New York, NY 10013. Citigroup Global Markets, Inc. is a broker-dealer registered pursuant to Section 15(b) of the Exchange Act and is a member of the NASD. Citigroup Global Markets, Inc. (i) purchased the securities for its own account, not as a nominee or agent, in the ordinary course of business and with no intention of selling or otherwise distributing any transaction in violation of securities laws and (ii) at the time of purchase, Citigroup Global Markets, Inc. did not have any agreement or understanding, direct or indirect, with any other person to sell or otherwise distribute the securities purchased.

(3) Third Point LLC and Daniel S. Loeb in his capacity as the CEO of Third Point LLC have voting and investment control over the shares held by Third Point Partners LP and Third Point Partners Qualified LP. Third Point LLC is the investment advisor for Third Point Partners LP and Third Point Partners Qualified LP. The address of Third Point LLC is 390 Park Avenue, 18th Floor, New York, NY 10022.

(4) Pursuant to investment advisory agreements entered into with Fiduciary/Claymore MLP Opportunity Fund, Fiduciary Asset Management, LLC. (FAMCO) holds voting and dispositive power with respect to the shares held by such stockholders. The investment committee of FAMCO is responsible for the investment management of the stockholders' portfolio. As of June 30, 2009, the investment committee of FAMCO is comprised of Charles D. Walbrandt, Wiley D. Angell, Joseph E. Gallagher, James J. Cunnane, Jr., Mohammed Riad, Timothy Swanson, Quinn T. Kiley, Katherine K. Dienner, William N. Adams, Benjamin Armstrong, Kirk F. McDonald and Michael H. Helgeson, each of whom disclaims beneficial ownership of the shares held by Fiduciary/Claymore MLP Opportunity Fund except to the extent of such person's pecuniary interest

therein. The stockholders corresponding to this footnote have each represented that (i) it purchased the securities for the stockholder's own account, not as a nominee or agent, in the ordinary course of business and with no intention of selling or otherwise distributing such securities in any transaction in violation of securities laws and (ii) at the time of purchase, the stockholder did not have any agreement or understanding, direct or indirect, with any other person to sell or otherwise distribute the purchased securities. Piper Jaffray Companies, an affiliate of Fiduciary/Claymore MLP Opportunity Fund is a member of the FINRA. The address of Fiduciary/Claymore MLP Opportunity Fund is 8235 Forsyth, Suite 700, St. Louis, MO 63105.

(5) An investment committee composed of employees of Merrill Lynch & Co., a member of the FINRA, or its affiliates, whose members may change from time to time, has voting and investment control over the shares held by Valley Energy Investment Fund U.S., L.P. The address of Valley Energy Investment Fund U.S., L.P. is c/o Merrill Lynch Commodity Partners, 20 East Greenway Plaza Suite 950, Houston, TX 77046.

(6) Pursuant to investment advisory agreements entered into with Tortoise Capital Resources Corporation, Tortoise Capital Advisors, L.L.C. ("TCA") holds voting and dispositive power with respect to the shares held by the stockholder. The investment committee of TCA is responsible for the investment management of the stockholder's portfolio. The investment committee is comprised of H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack and David J. Schulte, each of whom disclaim beneficial ownership of the shares held by Tortoise Capital Resources Corporation except to the extent of such person's pecuniary interest therein. The address of Tortoise Capital Resources Corporation is 11550 Ash Street, Suite 300, Leawood, KS 66211.

(7) Martin Perlman, in his capacity as portfolio manager, has voting and investment control over the shares held by Martin B. Perlman Associates and MEDDS III. The address of Martin B. Perlman Associates and MEDDS III is 539 Durie Avenue, Closter, NJ 07624.

(8) Leonard Greenberg has the power to vote or dispose of the shares held in Leonard Greenberg IRA and Leonard Greenberg Roth IRA. The address of Leonard Greenberg is 539 Durie Avenue, Closter, NJ 07624.

(9) Edward J. Stern, Ronald J. Bangs and Jonathan B. Schindel, in their capacity as officers of Hartz Capital, Inc., which is the sole manager of Hartz Capital Investments, LLC, share voting and investment control over the shares held by Hartz Capital Investments, LLC. Each of Messrs. Bangs and Schindel disclaims beneficial ownership of all of such shares. The address of Hartz Capital Investments, LLC is 400 Plaza Drive, Secaucus, NJ 07094.

(10) Philip Frey in his capacity as trustee of the Frey Living Trust has the sole power to vote and dispose of the shares held by the Frey Living Trust. The address of the Frey Living Trust is 5005 SE Williams Way, Stuart, FL 34997.

(11) Geraldine Houghton in her capacity as trustee of the Houghton Dental Corporation Profit Sharing Plan has the sole power to vote and dispose of the shares held by the Houghton Dental Corporation Profit Sharing Plan. The address of the Houghton Dental Corporation Profit Sharing Plan is 2871 Pinta Court, Perris, CA 92571.

(12) Robert W. Finley has the sole power to vote and dispose of the shares held by Robert W. Finley. The address of Robert W. Finley is 11 Palermo Walk, Long Beach, CA 90803.

(13) Herman Petker and Beverly Petker in their capacity as trustees of the Petker Charitable Remainder Trust have shared power to vote and dispose of the shares held by the Petker Charitable Remainder Trust. The address of the Petker Charitable Remainder Trust is 23522 Via Alondra, Coto de Caza, CA 92679.

(14) Greg and Leslie Otto have the shared power to vote and dispose of the shares held by Greg and Leslie Otto. The address of Greg and Leslie Otto is 13050 Mindanoa Way, #1, Marina Del Rey, CA 90292.

(15) Jim Loeffelbein has the sole power to vote and dispose of the shares held by Jim Loeffelbein. The address of Jim Loeffelbein is 10380 W. 179th Street, Bucyrus, KS 66013.

(16) John Loeffelbein in his capacity as a Managing Member of Coal Creek Energy LLC has the sole power to vote and dispose of the shares held by Coal Creek Energy LLC. The address of Coal Creek Energy LLC is 17871 S. Cody Street, Olathe, KS 66062.

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PLAN OF DISTRIBUTION

The common stock is being registered to permit public secondary trading of these securities by the selling stockholders from time to time after the date of this prospectus. We have agreed, among other things, to bear all expenses (other than underwriting discounts and selling commissions) in connection with the registration and sale of the common stock covered by this prospectus. We will not receive any of the proceeds from the offering of the common stock by the selling stockholders.

We have been advised by the selling stockholders that the selling stockholders may sell all or a portion of the common stock beneficially owned by them and offered hereby from time to time on any exchange on which the securities are listed on terms to be determined at the times of such sales. The selling stockholders may also make private sales directly or through a broker or brokers. Alternatively, the selling stockholders may from time to time offer the common stock beneficially owned by them through underwriters, dealers or agents, who may receive compensation in the form of underwriting discounts, commissions or concessions from the selling stockholders and the purchasers of the common stock for whom they may act as agent. The aggregate proceeds to the selling stockholders from the sale of the common stock will be the purchase price of such common stock less discounts and commissions, if any.

The common stock may be sold from time to time in one or more transactions at fixed offering prices, which may be changed, or at varying prices determined at the time of sale or at negotiated prices. These prices will be determined by the holders of such securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection therewith. These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the transaction. In connection with sales of the common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers or others, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell the common stock short and deliver the common stock to close out short positions, or loan or pledge the common stock to broker-dealers or others that in turn may sell such securities. The selling stockholders may pledge or grant a security interest in some or all of the common stock owned by them and if a selling stockholder defaults in the performance of its secured obligations, the pledgees or secured parties may offer and sell such selling stockholder’s pledged common stock from time to time pursuant to this prospectus. The selling stockholders also may transfer and donate shares of the common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling stockholders for purposes of the prospectus. The selling stockholders may sell short the common stock and may deliver this prospectus in connection with such short sales and use the shares of the common stock covered by the prospectus to cover such short sales. In addition, any shares of the common stock covered by this prospectus that qualify for sale pursuant to Rule 144 or any other available exemption from registration under the Securities Act may be sold under Rule 144 or such other available exemption.

At the time a particular offering of shares of the common stock covered by this prospectus is made, a prospectus supplement, if required, will be distributed which will set forth the aggregate number of shares of the common stock being offered and the terms of the offering, including the name or names of any underwriters, dealers, brokers or agents, if any, and any discounts, commissions or concessions allowed or reallowed to be paid to brokers or dealers.

Selling stockholders and any underwriters, dealers, brokers or agents who participate in the distribution of the common stock may be deemed to be “underwriters” within the meaning of the Securities Act and any profits on the sale of the common stock by them and any discounts, commissions or concessions received by any such underwriters, dealers, brokers or agents may be deemed to be underwriting discounts and commissions under the Securities Act.

The selling stockholders and any other person participating in such distribution will be subject to applicable provisions of the Securities Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M which may limit the timing of purchases and sales of the common stock by the selling stockholders and any other such person. Furthermore, Regulation M under the Securities Exchange Act may restrict the ability of any person engaged in a distribution of the common stock being distributed for a period of up to five business days prior to the commencement of such distribution. All of the foregoing may affect the marketability of the common stock and the ability of any person or entity to engage in market-making activities with respect to the common stock.

We will use our reasonable efforts to keep the registration statement of which this prospectus is a part effective until the earliest of (a) January 3, 2013 and (b) the date all common stock covered by this prospectus has been sold or otherwise transferred pursuant to a registration statement or otherwise.

LEGAL MATTERS

The validity of the issuance of the common stock covered by this prospectus has been passed upon for us by Jackson Walker L.L.P., San Antonio, Texas.

EXPERTS

The financial statements and management's report on the effectiveness of internal control over financial reporting, incorporated by reference in this prospectus have been audited by BDO Seidman, LLP, an independent registered public accounting firm, to the extent and for the periods set forth in their report incorporated herein by reference, and are incorporated herein in reliance upon such report given upon the authority of said firm as experts in auditing and accounting.

The historical reserve information prepared by DeGolyer and MacNaughton included or incorporated by reference in this prospectus has been included herein in reliance upon the authority of such firm as experts with respect to matters contained in such reserve reports.

WHERE YOU CAN FIND MORE INFORMATION

Our SEC filings are available to the public over the Internet at the SEC's web site at www.sec.gov. You may also read and copy any document we file at the SEC's public reference rooms located at 100 F. Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms and their copy charges.

Also, using our website, www.abraxaspetroleum.com, you can access electronic copies of documents we file with the SEC, including our annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and any amendments to those reports. Information on our website is not incorporated by reference in this prospectus. Access to those electronic filings is available as soon as practical after filing with the SEC. You may also request a copy of those filings, including exhibits, at no cost by writing or telephoning our principal executive office, which is:

18803 Meisner Drive
San Antonio, Texas 78258
Attn: Investor Relations
(210) 490-4788

This prospectus is part of a registration statement that we have filed with the SEC relating to the securities offered hereby. As permitted by SEC rules, this prospectus does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and such securities. The registration statement, exhibits and schedules are available at the SEC's public reference room or through its Internet website.

The SEC allows us to "incorporate by reference" the information we have filed with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information that we file with the SEC will automatically update and supersede this information. The following documents that we have filed with the SEC pursuant to the

Exchange Act are incorporated herein by reference:

- Our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Commission on February 24, 2009;
- Our Notification on Form 12b-25 filed with the Commission on May 11, 2009;

- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, filed with the Commission on May 14, 2009;

- Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, filed with the Commission on August 10, 2009;

- Our Current Report on Form 8-K filed with the Commission on January 20, 2009, March 19, 2009, May 6, 2009, May 7, 2009, June 23, 2009, July 2, 2009, July 21, 2009, August 3, 2009, August 17, 2009, September 1, 2009 and October 7, 2009; and

- The description of our common stock contained in our Registration Statement on Form 8-A, filed on July 24, 2008, including any amendments or reports filed for the purpose of updating such description.

Notwithstanding the foregoing, information that we elect to furnish, but not file, or has furnished, but not filed, with the Commission in accordance with Commission rules and regulations is not incorporated into this Registration Statement and does not constitute a part hereof.

All documents filed by us pursuant to Sections 13(a), 13(c), 14 or 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) subsequent to the date of this filing and prior to the termination of this offering shall be deemed to be incorporated in this prospectus and to be a part hereof from the date of the filing of such document. Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for all purposes to the extent that a statement contained in this prospectus, or in any other subsequently filed document which is also incorporated or deemed to be incorporated by reference, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

GLOSSARY OF TERMS

Unless otherwise indicated in this prospectus, gas volumes are stated at the legal pressure base of the State or area in which the reserves are located at 60 degrees Fahrenheit. Gas equivalents are determined using the ratio of six Mcf of gas to one barrel of oil, condensate or NGLs.

The following definitions shall apply to the technical terms used in this prospectus.

Terms used to describe quantities of oil and gas

“Bbl” – barrel or barrels.

“Bcf” – billion cubic feet of gas.

“Bcfe” – billion cubic feet of gas equivalent.

“Boe” – barrels of oil equivalent.

“Boepd” – barrels of oil equivalent per day

“MBbl” – thousand barrels.

“MBoe” – thousand barrels of oil equivalent

“Mcf” – thousand cubic feet of gas.

“Mcfe” – thousand cubic feet of gas equivalent.

“MMBbls” – million barrels.

“MMbtu” – million British Thermal Units.

“MMcf” – million cubic feet of gas.

“MMcfe” – million cubic feet of gas equivalent.

“MMcfepd” – million cubic feet of gas equivalent per day.

“MMcfpd” – million cubic feet of gas per day.

Terms used to describe our interests in wells and acreage

“Developed acreage” means acreage which consists of acres spaced or assignable to productive wells.

“Gross” oil and gas wells or “gross” wells or acres is the number of wells or acres in which we have an interest.

“Net” oil and gas wells or “net” acres are determined by multiplying “gross” wells or acres by our working interest in such wells or acres.

“Productive” well means an exploratory or a development well that is not a dry hole.

“Undeveloped acreage” means leased acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas, regardless of whether or not such acreage contains proved reserves.

Terms used to assign a present value to or to classify our reserves

“Proved reserves” or “reserves” means oil and gas, condensate and NGLs on a net revenue interest basis, found to be commercially recoverable.

“Proved undeveloped reserves” includes those proved reserves expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

“PV-10” means estimated future net revenue, discounted at a rate of 10% per annum, before income taxes and with no price or cost escalation or de-escalation in accordance with guidelines promulgated by the SEC.

“Standardized Measure” means estimated future net revenue, discounted at a rate of 10% per annum, after income taxes and with no price or cost escalation, calculated in accordance with Statement of Financial Accounting Standards No. 69 “Disclosures About Oil and Gas Producing Activities.”

Terms used to describe costs

“DD&A” means depletion, depreciation and amortization.

“LOE” means lease operating expenses and production taxes.

Terms used to describe types of wells

“Development well” means a well drilled within the proved area of oil or gas reservoir to the depth of stratigraphic horizon (rock layer or formation) known to be productive for the purpose of extraction of proved oil and gas reserves.

“Dry hole” means an exploratory or development well found to be incapable of producing either oil or gas in sufficient quantities to justify completion as an oil and gas well.

“Exploratory well” means a well drilled to find and produce oil and gas in an unproved area, to find a new reservoir in a field previously found to be producing oil and gas in another reservoir, or to extend a known reservoir.

“Productive wells” mean producing wells and wells capable of production.

“Service well” is a well used for water injection in secondary recovery projects or for the disposal of produced water.

Other terms

“EBITDAX” means consolidated net income plus interest expense, oil and gas exploration expenses, taxes, depreciation, amortization, depletion and other non-cash charges including non-cash charges resulting from the application of SFAS 123R (which relates to stock-based compensation), SFAS 133 (which relates to derivative instruments and hedging activities) and SFAS 143 (which relates to asset retirement obligations) plus all realized net cash proceeds arising from the settlement or monetization of any hedge contracts or upon the termination of any hedge contract minus all non-cash items of income which were included in determining consolidated net income, including all non-cash items resulting from the application of SFAS 133 and SFAS 143.

“NGL” means natural gas liquid.

“NYMEX” means the New York Mercantile Exchange.