

PETROHAWK ENERGY CORP

Form 424B5

January 25, 2008

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The information in this preliminary prospectus supplement is not complete and may be changed. The registration statement to which this preliminary prospectus supplement relates has been declared effective by the Securities and Exchange Commission. This preliminary prospectus supplement and accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule No. 424(b)(5)
Registration Statement No. 333-137347**

In connection with the securities offered from the registration statement (No. 333-137347) by means of this prospectus supplement, a filing fee of \$10,245, calculated in accordance with Rule 457(c) based on the average of high and low prices as reported by the New York Stock Exchange on January 22, 2008, or \$15.11, has been transmitted to the SEC.

Subject to Completion, dated January 25, 2008

Prospectus Supplement
(To Prospectus dated September 15, 2006)

15,000,000 Shares

Common Stock

We are selling 15,000,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange under the symbol HK. On January 24, 2008, the last sale price of our common stock as reported on the New York Stock Exchange was \$15.82 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts	\$	\$
Proceeds to Petrohawk Energy Corporation (before expenses)	\$	\$

We have granted the underwriters a 30-day option to purchase up to an additional 2,250,000 shares of our common stock from us on the same terms and conditions as set forth above if the underwriters sell more than 15,000,000 shares of common stock in this offering.

Neither the Securities and Exchange Commission nor any state securities regulators have approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is accurate or complete.

Any representation to the contrary is a criminal offense.

Lehman Brothers, on behalf of the underwriters, expects to deliver the shares on or about January , 2008.

Joint Book-Running Managers

Lehman Brothers

Merrill Lynch & Co.

JPMorgan

BMO Capital Markets

RBC Capital Markets

Jefferies & Company

BNP Paribas

Tristone Capital

January , 2008.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement and the documents incorporated by reference herein, which, among other things, describes the specific terms of this offering. The second part, the accompanying prospectus and the documents incorporated by reference therein, gives more general information, some of which may not apply to this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not authorized anyone to provide you with different information. We are not and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement.

All references in this prospectus supplement to we, our, us, the Company, or Petrohawk are to Petrohawk Energy Corporation, a Delaware corporation.

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SUMMARY

This summary highlights selected information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference. This summary is not complete and does not contain all of the information that you should consider before deciding whether or not to invest in our common stock. For a more complete understanding of our Company and this offering, we encourage you to read this entire document, including Risk Factors, the financial and other information incorporated by reference in this prospectus supplement and the other documents to which we have referred you.

PETROHAWK ENERGY CORPORATION

Overview

We are an independent oil and natural gas company engaged in the acquisition, development, production and exploration of oil and natural gas properties located onshore in the United States. We focus on properties within our core operating areas which we believe have significant development and exploration opportunities. Our properties are primarily located in North Louisiana, the Fayetteville Shale in the Arkoma basin of Arkansas and in the Permian Basin of West Texas and southeastern New Mexico.

At December 31, 2006, pro forma for the recent sale of our Gulf Coast division, our estimated total proved oil and natural gas reserves, as prepared by our independent reserve engineering firm, Netherland, Sewell & Associates, Inc., were approximately 872 billion cubic feet of natural gas equivalents (Bcfe), consisting of 23.5 million barrels of oil, condensate and natural gas liquids (MMBbl), and 731 billion cubic feet (Bcf) of natural gas. Approximately 60% of our proved reserves were classified as proved developed, and 84% were natural gas. At December 31, 2007, our internally prepared total proved oil and natural gas reserves were estimated to be between 950 Bcfe and 1,050 Bcfe. For the fourth quarter of 2007, pro forma for the sale of our Gulf Coast division, our estimated average daily net production was approximately 237 million cubic feet of natural gas equivalent per day (Mmcfe/d).

We focus on maintaining a portfolio of long-lived, lower risk properties in resource-style plays, which typically are characterized by lower geological risk and a large inventory of identified drilling opportunities. We believe the steps we have taken during 2007 will help us grow production and reserves in resource-style, tight-gas areas in North Louisiana and Arkansas. Our current drilling inventory consists of approximately 10,500 identified locations, 9,000 of which are resource-style.

Recent Developments

In June 2007, we announced a strategic repositioning of the Company involving plans to sell our Gulf Coast division and concentrate our efforts on developing and expanding our resource-style assets, including tight-gas properties in North Louisiana and the Fayetteville Shale in central Arkansas.

On November 30, 2007, we closed the sale of our Gulf Coast division for \$825 million, consisting of \$700 million in cash and a \$125 million note. The properties sold were producing approximately 100 Mmcfe/d. As of December 31, 2006, proved reserves associated with these properties were estimated at 204 Bcfe.

During the last six months of 2007, we increased our position in the Fayetteville Shale by acquiring approximately 90,000 net acres that we believe to be strategically located, the vast majority of which represent undeveloped properties. These acquisitions were completed in three separate transactions which closed in July, August and

December for total cash consideration of approximately \$438 million. In addition, we added approximately 20,000 net acres in the Fayetteville Shale, for approximately \$20 million through our ongoing leasing activities.

On January 8, 2008, we entered into an agreement to purchase additional properties located in the Fayetteville Shale for \$222.5 million. These properties include approximately 18,500 net acres primarily in Van Buren and Cleburne Counties, Arkansas. These properties are also substantially undeveloped. The transaction is expected to close in February 2008.

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On January 22, 2008, we completed an acquisition of interests in the Elm Grove Field, located primarily in Bossier and Caddo Parishes of North Louisiana, for a purchase price of approximately \$169 million. We internally estimated that as of December 31, 2007, the purchase included approximately 83 Bcfe of proved reserves, of which 35% was proved developed and 90% was operated. We have estimated that net production for December 2007 was approximately 10 Mmcfe/d. In addition, in December of 2007, we acquired approximately 8,000 net acres in the Terryville Field in Lincoln Parish of North Louisiana for approximately \$8 million.

2008 Capital Budget Update

We recently announced an increase of our 2008 capital budget to approximately \$800 million, which is described below by primary operating area. Approximately 90% of our budgeted capital expenditures are expected to be controlled by us as the operator.

	Estimated Gross Drilling Locations	Expenditures (In millions)	% of Total Expenditures	Total Wells
Elm Grove/Caspiana	1,500	\$ 293	37%	190
Fayetteville Shale	6,600	278	35	270
Terryville	900	121	15	75
Other Mid-Continent	300	84	10	100
Permian	1,200	24	3	25
Total	10,500	\$ 800	100%	660

Description of Core Operating Areas***Mid-Continent Region***

In the Mid-Continent region, we concentrate our drilling program primarily in North Louisiana and in the Fayetteville Shale of the Arkoma Basin. We believe our Mid-Continent region operations provide us with a solid base for future production and reserve growth. During 2007, we drilled 314 wells in this region with a success rate of 98%. In 2008, we plan to drill 635 wells in this region, the majority of which will be operated by us.

Elm Grove/Caspiana Field Our largest field, located primarily in Bossier and Caddo Parishes of North Louisiana, produces from the Hosston and Cotton Valley formations. These zones are composed of low permeability sandstones that require fracture stimulation treatments to produce. We currently own interests in 123 sections with over 30,500 net acres.

We have been actively drilling infill wells on 40- and 20-acre spacing at Elm Grove utilizing between four and six operated drilling rigs. During 2007, we drilled 121 wells and in 2008, we plan to drill 190 wells, including 20 horizontal wells, that we expect to continue growing production and reserves. Additionally, we have successfully utilized coiled tubing for recompletions to fracture stimulate and commingle the shallower Hosston formation with the existing Lower Cotton Valley formation, increasing the present value of the wells and reducing additional capital expenditures. To date, we have performed over 150 of these procedures and have 53 planned in 2008. We recently

completed a horizontal well with a production rate of 16.5 Mmcfe/d. It was the first operated horizontal well that has been drilled in the Lower Cotton Valley Taylor sand. Based on these results, we have identified and scheduled a 10 well, two rig program targeting the Taylor sand in 2008.

Our recently closed acquisition in Elm Grove provides a new area of operation which we believe is significantly underdeveloped. The acreage has a large number of remaining 40-acre locations and has not had any 20-acre locations drilled to date. Additionally, the vast majority of the well bores have not been re-completed in the Hosston formation, which we believe will add significantly to our inventory of coiled tubing recompletions.

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Terryville Field Located in Lincoln Parish, Louisiana, this is our second largest producing field. We have acquired a significant acreage position and hold interests in over 100 sections with over 34,000 net acres. The objective formations in this field include the Cotton Valley and Gray sands. In 2007, we drilled 49 wells and in 2008, we intend to drill 75 wells, including several extension and exploration wells. During 2007, we began a 20-acre downspacing program, drilling three wells. Based on the success to date of this initiative, we have 15 20-acre wells planned in 2008.

In late December 2007, we closed the acquisition of approximately 8,000 net acres immediately west and contiguous to our Terryville leasehold, which we believe has considerable reserve potential. Most significantly, the area overlies a large untested structure in the Gray sand and Lower Cotton Valley sands. The majority of the production from the field has come from Upper Cotton Valley and Hosston sands. However, these sands appear to be underdeveloped, and numerous developmental drilling opportunities have been identified to exploit these reservoirs. We have initiated steps to acquire approximately 60-square miles of 3D seismic data over the acreage that will be merged with our existing 3D seismic data over Terryville.

Fayetteville Shale We have assembled a position of approximately 150,000 net acres (including net acres from acquisitions discussed above), which we believe holds significant potential for production and reserve growth. The Fayetteville Shale is an unconventional gas reservoir located in the Arkoma Basin in Arkansas, at a depth of approximately 1,500 to 6,500 feet and ranging in thickness from 50 to 500 feet. The formation is a Mississippian-age shale that has similar geologic characteristics to the Barnett Shale in the Ft. Worth Basin of North Texas. Drilling in the play began in 2004 and has accelerated rapidly during the past two years, with over 400 wells drilled during 2007. To date, the best results have been obtained by drilling horizontal wells with lateral lengths of 2,500 to 3,000 feet and utilizing slickwater fracture stimulation completions. Due to the high degree of industry drilling success to date across portions of five counties, acquisition of acreage in the play has become extremely competitive. During 2007, we drilled 72 wells and in 2008, we plan to drill 270 wells in this area. We have taken steps to build gathering systems to ensure that we have adequate pipeline capacity to support our expanded activities in this area.

Other Areas We have meaningful interests in various other areas, including the West Edmond Hunton Lime Unit in the Anadarko Basin, the Cotton Valley/Travis Peak/James Lime trend in the East Texas Basin, the Woodford Shale in the Arkoma Basin and the Longwood area in North Louisiana. During 2007, we drilled 72 wells in these areas with a 93% success rate and in 2008, we expect to drill 100 wells in these areas.

Permian Basin

The Permian Basin is characterized by oil and natural gas fields with large accumulations of original hydrocarbons in place, long production histories and multiple producing formations. Our principal properties are in the Waddell Ranch field in Crane County, Texas, the TXL field in Ector County, Texas, the Sawyer Canyon field in Sutton County, Texas, and the Jalmat field in Lea County, New Mexico. Our producing properties in the Permian Basin are mature fields with fairly predictable production and with relatively low production decline rates. We intend to pursue relatively low risk development drilling and workover projects designed to partially offset the natural production decline rates in our existing fields. We drilled 23 wells in this region in 2007 with a 100% success rate. In 2008, we anticipate drilling 25 wells there.

Corporate Information

Petrohawk is a Delaware corporation originally organized in Nevada in June 1997 and reincorporated in Delaware during 2004. Our principal offices are located at 1000 Louisiana Street, Suite 5600, Houston, Texas 77002, telephone number (832) 204-2700, fax number (832) 204-2800, and our website can be found at www.petrohawk.com. Unless

specifically incorporated by reference in this prospectus supplement, information that you may find on our website is not part of this prospectus supplement.

On March 13, 2007, the listing of our common stock was transferred from the NASDAQ Global Select Market (symbol: HAWK) to the New York Stock Exchange (symbol: HK).

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Common stock offered	15,000,000 shares(1)
Common stock outstanding after this offering	186,438,532 shares(1)(2)
Use of proceeds	<p>We will use the estimated net proceeds of this offering of approximately \$226.2 million, assuming an offering price of \$15.82 per share (the last reported sale price of our common stock on January 24, 2008), to pay down a portion of the outstanding borrowings under our senior revolving credit facility, which will provide us additional financial flexibility to fund our capital budget for the year ending December 31, 2008 and acquisitions. Please see Use of Proceeds. Certain of the underwriters or their affiliates are lenders under our senior revolving credit facility and, accordingly, may receive a portion of the proceeds of this offering. Please see Underwriting Affiliations.</p> <p>If the underwriters exercise their option to purchase additional shares, we intend to use the net proceeds from the sale of additional common shares to pay down an additional portion of the outstanding borrowings under our senior revolving credit facility.</p>
NYSE symbol	HK

- (1) Excludes shares that may be issued to the underwriters pursuant to their option to purchase additional shares. If the underwriters exercise their option to purchase additional shares in full, the total number of shares of common stock offered will be 17,250,000 and the total number of shares of our common stock outstanding after this offering will be 188,688,532 based on a total outstanding shares of common stock of 171,438,532 as of January 18, 2008.
- (2) Excludes 2,733,828 shares potentially issuable as of January 18, 2008, under outstanding options to purchase a total of 6,006,239 shares of common stock at a weighted average exercise price of \$9.03, calculated as a net issuance using the closing price of our common stock on January 18, 2008 of \$16.57 and excludes 1,615,783 shares potentially issuable as of January 18, 2008, under outstanding warrant agreements covering a total of 2,017,598 shares of common stock at a weighted average exercise price of \$3.30, calculated as a net issuance using the closing price of our common stock on January 18, 2008 of \$16.57. We also have reserved 7,791,411 additional shares as of that date for future equity awards under our existing benefit plans.

Under a registration rights agreement, holders of 1,765,360 shares of our restricted common stock have the right to receive notice of, and to request participation as selling stockholders in, this offering. In light of the timing of this offering, we were not able to provide these holders this notice and opportunity to participate in the offering. As an alternative to these rights, we intend to offer to repurchase and retire any or all of these restricted shares from holders at the public offering price per share on the cover of this prospectus supplement less the underwriting discount. This offer must be accepted by these holders within 10 days of notice to these holders or, if later, three business days after the closing date of this offering. Any such repurchases will reduce our

outstanding shares of common stock.

RISK FACTORS

In evaluating an investment in our common stock, prospective investors should carefully consider, along with the other information set forth or incorporated by reference in this prospectus supplement (including the risk factors set forth in our annual report on Forms 10-K and 10-K/A for the year ended December 31, 2006), the specific factors set forth under **Risk Factors** for risks involved with an investment in our common stock.

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Below is a summary of our historical financial data derived from:

our audited financial statements for the year ended December 31, 2006;

our unaudited financial statements for the nine months ended September 30, 2007; and

our unaudited pro forma financial statements for year ended December 31, 2006 and for the nine months ended September 30, 2007 showing the effect of the divestiture of the Gulf Coast division as described in the Summary Recent Developments section above.

	Year Ended		Nine Months Ended	
	December 31, 2006		September 30, 2007	
	Historical	Pro Forma	Historical	Pro Forma
	(In thousands)			
Operating revenues:				
Oil and gas	\$ 587,762	\$ 359,566	\$ 656,062	\$ 444,485
Operating expenses:				
Production:				
Lease operating	58,029	37,089	50,528	32,421
Workover and other	8,118	1,175	6,132	3,332
Taxes other than income	45,547	27,074	43,122	29,528
Gathering, transportation and other	16,187	11,125	23,288	17,663
General and administrative	44,069	44,069	48,420	48,420
Depletion, depreciation and amortization	261,272	164,029	297,160	213,661
Total operating expenses	433,222	284,561	468,650	345,025
Income from operations	154,540	75,005	187,412	99,460
Other (expenses) income:				
Net gain (loss) on derivative contracts	124,442	124,442	(7,005)	(7,005)
Interest expense and other	(89,884)	(88,148)	(96,847)	(95,602)
Total other (expenses) income	34,558	36,294	(103,852)	(102,607)
Income (loss) before income taxes	189,098	111,299	83,560	(3,147)
Income tax (provision) benefit	(72,535)	(42,693)	(30,549)	1,151
Net income (loss)	116,563	68,606	53,011	(1,996)
Preferred dividends	(217)	(217)		
Net income (loss) available to common stockholders	\$ 116,346	\$ 68,389	\$ 53,011	\$ (1,996)

Earnings (loss) per share of common stock:

Basic	\$	0.95	\$	0.56	\$	0.32	\$	(0.01)
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Diluted	\$	0.92	\$	0.54	\$	0.31	\$	(0.01)
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Weighted average shares outstanding:

Basic	122,452	122,452	167,671	167,671
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Diluted	126,135	126,135	171,779	171,779
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RISK FACTORS

An investment in our common stock is subject to a number of risks. You should carefully consider the following risks, as well as the section titled "Risk Factors" included in our annual report on Forms 10-K and 10-K/A for the year ended December 31, 2006, and incorporated herein by reference, as well as the other documents incorporated herein by reference, in evaluating this investment. If any of the following risks actually occur, our business, financial condition or results of operations could suffer. In any such case, the trading price of our common stock and other securities could decline, and you could lose all or part of your investment.

Risks relating to this offering and our common stock

There may be future dilution of our common stock or other equity, which may adversely affect the market price of our common stock.

Except as described under "Underwriting," we are not restricted from issuing additional shares of our common stock or securities convertible into or exchangeable for our common stock. If we issue additional shares of our common stock or convertible or exchangeable securities, it may adversely affect the market price of our common stock. Our certificate of incorporation authorizes our board of directors to issue up to 300,000,000 shares of our common stock, par value \$0.001 per share, and up to 5,000,000 shares of our preferred stock, par value \$0.001 per share. As of January 18, 2008, we had outstanding 171,438,532 shares of our common stock and zero shares of our preferred stock.

In addition, to the extent options to purchase common stock under our employee stock option plans are exercised, holders of our common stock will experience dilution. As of January 18, 2008, we had outstanding options to purchase 6,006,239 shares of common stock at a weighted average exercise price of \$9.03. We also have 2,017,598 shares of common stock potentially issuable under outstanding warrant agreements at a weighted average exercise price of \$3.30.

The market price of our common stock has historically experienced volatility.

The market price of our common stock has historically experienced fluctuations. The market price of our common stock is likely to continue to be volatile and subject to price and volume fluctuations in response to commodity price volatility, market and other factors, including the other risk factors discussed elsewhere in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements." Volatility or depressed market prices of our common stock could make it difficult for you to resell shares of our common stock when you want or at attractive prices.

We may issue shares of preferred stock with greater rights than our common stock.

Although we have no current plans, arrangements, understandings or agreements to issue any preferred stock, our certificate of incorporation authorizes our board of directors to issue one or more series of preferred stock and set the terms of the preferred stock without seeking any further approval from our stockholders. Any preferred stock that is issued may rank ahead of our common stock in terms of dividends, liquidation rights or voting rights. If we issue preferred stock, it may adversely affect the market price of our common stock.

We have never paid dividends on our common stock and we do not anticipate paying any in the foreseeable future.

We have not paid dividends on our common stock to date, and we do not anticipate paying dividends for the foreseeable future. Our earnings, in general, will be used to finance acquisitions and our existing operations to develop our properties. Any future dividends will depend upon our earnings, our then-existing financial requirements and other

factors, and will be at the discretion of our board of directors. We are also restricted from paying cash dividends on common stock under our senior revolving credit facility and our long-term debt.

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Due to timing constraints, we were not able to provide holders of approximately 1.77 million shares of our common stock their contractual right of notice and opportunity to participate in this offering as selling shareholders and they may make claims against us.

As described in this prospectus supplement under Summary The Offering , certain holders have piggyback rights to receive ten days notice and an opportunity to participate in this offering as selling shareholders. While we intend to offer such holders an alternative by repurchasing their stock at the public offering price per share less the underwriting discount, these holders could claim that they were damaged by our breach of these contractual provisions.

Our large inventory of undeveloped acreage may create additional economic risk.

Our success is largely dependent upon our ability to develop our large inventory of undeveloped acreage in resource-style plays in Arkansas and Louisiana. To the extent our drilling results are not as successful as we anticipate and/or natural gas and oil prices decline, the return on our investment in the area may not be as attractive as we anticipate and our common stock price may decrease.

Our estimate of our proved reserves as of December 31, 2007 has not been prepared by an independent reserve engineering firm and may not be as reliable or as accurate as estimates of those proved reserves prepared by an independent reserve engineering firm.

The estimated range of our proved reserves as of December 31, 2007 included in this prospectus supplement was prepared by our internal reserve engineers and professionals and has not been prepared or reported on by an independent reserve engineering firm.

Our internally estimated range of proved reserves may differ materially from the independent reserve estimates we will disclose on our Annual Report on Form 10-K for 2007 as a result of the estimation process employed by Netherland, Sewell & Associates, Inc., an independent reserve engineering firm.

We may have difficulty financing our planned capital expenditures which could adversely affect our growth.

We have experienced, and expect to continue to experience, substantial capital expenditure and working capital needs, particularly as a result of our drilling program. Our planned capital expenditures for 2008 are expected to significantly exceed the net cash generated by our operations. We expect to use proceeds from this offering and/or borrow under our senior revolving credit facility to fund capital expenditures that are in excess of our operating net cash flow and cash on hand. Our ability to borrow under our senior revolving credit facility is subject to certain conditions. As of September 30, 2007 we were in compliance with the borrowing conditions of our senior revolving credit facility. If we are not in compliance with the terms of our senior revolving credit facility in the future, we may not be able to borrow under it to fund our capital expenditures. If the capital resources necessary to fund our planned capital expenditures are unavailable, we may be required to curtail our drilling, development and other activities or be forced to sell some of our assets on an untimely or unfavorable basis. Any such curtailment or sale could have a material adverse effect on our results and future operations.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information discussed in this prospectus, our filings with the Securities and Exchange Commission (SEC) and our public releases include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. All statements, other than statements of historical facts, included herein concerning, among other things, planned capital expenditures, increases in oil and gas production, the number of anticipated wells to be drilled after the date hereof, future cash flows and borrowings, pursuit of potential acquisition opportunities, our financial position, business strategy and other plans and objectives for future operations, are forward-looking statements. These forward-looking statements are identified by their use of terms and phrases such as may, expect, estimate, project, plan, believe, achievable, anticipate and similar terms and phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve certain assumptions, risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, among others:

our ability to successfully develop our large inventory of undeveloped acreage held in resource-style areas in Arkansas and Louisiana;

the volatility in commodity prices for oil and natural gas;

the possibility that the industry may be subject to future regulatory or legislative actions (including any additional taxes);

the presence or recoverability of estimated oil and natural gas reserves and the actual future production rates and associated costs;

our ability to generate sufficient cash flow from operations, borrowings or other sources to enable us to fully develop our undeveloped acreage positions;

the ability to replace oil and natural gas reserves;

environmental risks;

drilling and operating risks;

exploration and development risks;

competition including competition for acreage in resource-style areas;

management's ability to execute our plans to meet our goals;

our ability to retain key members of our senior management and key employees;

general economic conditions, whether internationally, nationally or in the regional and local market areas in which we do business, may be less favorable than expected, including the possibility that the United States may be entering into an economic slow-down which could affect the demand for natural gas, oil and natural gas liquids;

continued hostilities in the Middle East and other sustained military campaigns or acts of terrorism or sabotage; and

other economic, competitive, governmental, legislative, regulatory, geopolitical and technological factors may negatively impact our businesses, operations or pricing.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC that are incorporated by reference herein and in the section entitled Risk Factors included elsewhere in this prospectus supplement or the prospectus. For additional information regarding risks and uncertainties, please read our other filings with the SEC under the Exchange Act and the Securities Act, including our annual report on Forms 10-K and 10-K/A for the fiscal year ended December 31, 2006 and our quarterly reports on Form 10-Q for the fiscal quarters ended March 31,

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2007, June 30, 2007, and September 30, 2007. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this paragraph and elsewhere in this prospectus and in the documents incorporated by reference. Other than as required under the securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

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USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$226.2 million after deducting fees and expenses (including underwriting discounts and commissions), assuming an offering price of \$15.82 per share (the last reported sale price of our common stock on January 24, 2008). We intend to use the net proceeds from this offering to pay down a portion of the outstanding borrowings under our senior revolving credit facility, which will provide us additional financial flexibility to fund our capital budget for the year ending December 31, 2008 and acquisitions. A \$1.00 decrease in the expected offering price would decrease estimated net proceeds from this offering by approximately \$14.4 million, thereby reducing by such amount our ability to repay outstanding borrowings under our senior revolving credit facility.

If the underwriters exercise their option to purchase additional shares, we intend to use the net proceeds of approximately \$34.1 million from the sale of additional shares to pay down an additional portion of the outstanding borrowings under our senior revolving credit facility.

In settlement of certain registration rights, we intend to offer to repurchase and retire any or all of approximately 1.77 million restricted shares of our common stock at a price equal to the public offering price per share less the underwriting discount, as described under Summary The Offering. If holders of these registration rights accept our offer, up to \$26.7 million of net proceeds may be used to fund these repurchases, assuming the offering price to the public less the underwriting discount.

As of December 31, 2007, we had approximately \$570 million of borrowings outstanding under our senior revolving credit facility as compared to approximately \$295 million outstanding as of December 31, 2006. The additional funds were used to fund our acquisitions of various oil and natural gas properties, capital expenditures and other general corporate purposes. Our borrowings fluctuate during any month depending on our various working capital needs.

Amounts outstanding under our senior revolving credit facility bear interest at specific margins over LIBOR of 1.00% to 1.75% for Eurodollar loans or at specified margins over ABR of 0.00% to 0.50% for ABR loans. Such margins fluctuate based on utilization of the facility. Amounts drawn on the facility will mature on July 12, 2010.

Certain of the underwriters or their affiliates are lenders under our senior revolving credit facility and, accordingly, may receive a portion of the proceeds of this offering. Please see Underwriting Affiliations.

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization as of September 30, 2007:

on an actual basis;

on a pro forma basis to show the effect of our recent disposition of our Gulf Coast division as described in Summary Recent Developments and as adjusted to give effect to the sale of 15,000,000 shares of our common stock in this offering assuming no exercise of the underwriters' option and application of the estimated net proceeds (assuming a public offering price of \$15.82 per share, the last reported sale price on January 24, 2008) as described in Use of Proceeds.

You should read the information below in conjunction with Use of Proceeds, Management's Discussion and Analysis of Financial Condition and Results of Operations, Description of Capital Stock and our consolidated financial statements and related notes included elsewhere or incorporated by reference in this prospectus supplement.

	As of September 30, 2007	
	Historical	Pro Forma As Adjusted
	(In thousands)	
Cash	\$ 9,801	\$ 9,801
Long-term debt		
Senior revolving credit facility(1)(3)	589,000	335,785
97/8% senior notes	254	254
91/8% \$775 million senior notes	762,737	762,737
71/8% \$275 million senior notes	261,431	261,431
Total long-term debt	1,613,422	1,360,207
Stockholders' equity		
Common stock(2)(3)	170	185
Additional paid-in capital(2)(3)	1,857,345	2,083,545
Retained earnings	137,324	137,324
Total stockholders' equity	1,994,839	2,221,054
Total capitalization	\$ 3,608,261	\$ 3,581,261

- (1) Pro forma amount reflects an adjustment of \$27 million to reduce our senior revolving credit facility related to the recent disposition of our Gulf Coast properties as well as a \$226.2 million reduction related to the issuance of our common stock, net of estimated offering fees and expenses, in this offering, which proceeds will be used to pay down a portion of the borrowings under our senior revolving credit facility.

- (2) Adjustment to reflect our issuance of 15,000,000 shares of our common stock for proceeds of \$226.2 million at \$0.001 par value, net of estimated offering fees and expenses.
- (3) Does not reflect adjustments for the possible repurchase and retirement of any or all of approximately 1.77 million restricted shares of our common stock at a price equal to the public offering price per share less underwriting discount, as described under Summary The Offering.

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Table of Contents**PRICE RANGE OF OUR COMMON STOCK AND DIVIDENDS**

The following table sets forth the high and low intra-day sales prices per share of our common stock as reported on the Nasdaq Global Select Market through March 12, 2007, and on the New York Stock Exchange from March 13, 2007, through December 31, 2007.

Quarter Ended	Sales Price	
	High	Low
March 31, 2008 (through January 24, 2008)	\$ 18.55	\$ 14.00
December 31, 2007	19.11	15.55
September 30, 2007	17.07	13.64
June 30, 2007	17.50	12.87
March 31, 2007	13.46	10.23
December 31, 2006	13.08	9.90
September 30, 2006	13.00	9.76
June 30, 2006	14.64	10.01
March 31, 2006	16.25	11.75

On January 24, 2008, the closing sale price of our common stock, as reported by the NYSE, was \$15.82 per share. On January 18, 2008, there were approximately 603 record holders of our common stock.

DIVIDEND POLICY

We have never paid cash dividends on our common stock. We intend to retain earnings for use in the operation and expansion of our business and therefore do not anticipate declaring cash dividends on our common stock in the foreseeable future. Any future determination to pay dividends on common stock will be at the discretion of the board of directors and will be dependent upon then existing conditions, including our prospects, and such other factors, as the board of directors deems relevant. We are also restricted from paying cash dividends on common stock under our senior revolving credit facility and our other long-term debt.

Table of Contents**MANAGEMENT**

The following table sets forth the names and ages of all of our executive officers, the positions and offices with us held by such persons and the length of their continuous service as an executive officer:

Name	Executive Officer	Age	Position
Floyd C. Wilson	May 2004	60	Chairman of the Board, President and Chief Executive Officer
Mark J. Mize	July 2005	36	Executive Vice President Chief Financial Officer and Treasurer
Larry L. Helm	July 2004	60	Executive Vice President Finance and Administration
Stephen W. Herod	May 2004	48	Executive Vice President Corporate Development and Assistant Secretary
Richard K. Stoneburner	May 2004	54	Executive Vice President Chief Operating Officer
David S. Elkouri	August 2007	54	Executive Vice President General Counsel and Secretary
H. Weldon Holcombe	March 2007	54	Executive Vice President Mid-Continent Region

Our executive officers are appointed to serve until the meeting of the board of directors following the next annual meeting of stockholders and until their successors have been elected and qualified.

Floyd C. Wilson has served as Chairman of the Board, President and Chief Executive Officer since May 25, 2004. Prior to joining us, Mr. Wilson was President of PHAWK, LLC from its formation in June 2003 until May 2004. Mr. Wilson was the Chairman and Chief Executive Officer of 3TEC Energy Corporation from August 1999 until its merger with Plains Exploration & Production Company in June 2003. Mr. Wilson founded W/E Energy Company L.L.C., formerly known as 3TEC Energy Company L.L.C. in 1998 and served as its President until August 1999. Prior to his involvement with 3TEC, Mr. Wilson founded Hugoton Energy Corporation in 1987, and served as its Chairman, President and Chief Executive Officer. In 1994, Hugoton completed an initial public offering and was merged into Chesapeake Energy Corporation in 1998. Mr. Wilson began his career in the energy business in Houston, Texas in 1970 as a completion engineer. He moved to Wichita, Kansas in 1976 to start an oil and gas operating company, one of several private energy ventures which preceded the formation of Hugoton Energy Corporation.

Mark J. Mize has served as Executive Vice President, Chief Financial Officer and Treasurer since August 1, 2007. He served as Vice President, Chief Accounting Officer and Controller from July 2005 until August 1, 2007. Mr. Mize joined us on November 29, 2004 as Controller. Prior to joining us, he was the Manager of Financial Reporting of Cabot Oil & Gas Corporation, a public oil and gas exploration company, from January 2003 to November 2004. Prior to his employment at Cabot Oil & Gas Corporation, he was an Audit Manager with PricewaterhouseCoopers LLP from 1996 to 2002. He is a Certified Public Accountant.

Larry L. Helm has served as Executive Vice President Finance and Administration since August 1, 2007. Mr. Helm served as Vice President Chief Administrative Officer from July 15, 2004 until August 1, 2005, and as Executive Vice President Chief Administrative from August 1, 2005 until August 2007. Prior to serving as an executive officer,

Mr. Helm served on our board of directors for approximately two months. Mr. Helm was employed with Bank One Corporation, a national banking association, from December 1989 until his retirement in January 2004. Most recently Mr. Helm served as Executive Vice President of Middle Market Banking from October 2001 to December 2003. From April 1998 to August 1999, he served as Executive Vice President of the Energy and Utilities Banking Group. Prior to joining Bank One, he worked for 16 years in the banking industry primarily serving the oil and gas sector. He served as director of 3TEC Energy Corporation from 2000 to June 2003.

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Stephen W. Herod has served as Executive Vice President – Corporate Development since August 1, 2005. Mr. Herod served as Vice President – Corporate Development from May 25, 2004 until August 1, 2005. Additionally, Mr. Herod is our Assistant Secretary. Prior to joining us, he was employed by PHAWK, LLC from its formation in June 2003 until May 2004. He served as Executive Vice President – Corporate Development for 3TEC Energy Corporation from December 1999 until its merger with Plains Exploration & Production Company in June 2003 and as Assistant Secretary from May 2001 until June 2003. Mr. Herod served as a director of 3TEC from July 1997 until January 2002. Mr. Herod served as the Treasurer of 3TEC from 1999 until 2001. From July 1997 to December 1999, Mr. Herod was Vice President – Corporate Development of 3TEC. Mr. Herod served as President and a director of Shore Oil Company from April 1992 until the merger of Shore with 3TEC’s predecessor in June 1997. He joined Shore’s predecessor as Controller in February 1991. Mr. Herod was employed by Conquest Exploration Company from 1984 until 1991 in various financial management positions, including Operations Accounting Manager. From 1981 to 1984, Superior Oil Company employed Mr. Herod as a financial analyst.

Richard K. Stoneburner has served as Executive Vice President – Chief Operating Officer since September 13, 2007. Mr. Stoneburner previously has served as Executive Vice President – Exploration from August 1, 2005, until September 13, 2007. Mr. Stoneburner served as Vice President – Exploration from May 25, 2004 until August 1, 2005. Prior to joining us, he was employed by PHAWK, LLC from its formation in June 2003 until May 2004. He joined 3TEC in August 1999 and was its Vice President – Exploration from December 1999 until its merger with Plains Exploration & Production Company in June 2003. Mr. Stoneburner was employed by W/E Energy Company as District Geologist from 1998 to 1999. Prior to joining 3TEC, Mr. Stoneburner worked as a geologist for Texas Oil & Gas, The Reach Group, Weber Energy Corporation, Hugoton and, independently through his own company, Stoneburner Exploration, Inc. Mr. Stoneburner has over 25 years of experience in the energy business.

David S. Elkouri has served as Executive Vice President – General Counsel and Secretary of Petrohawk since August 1, 2007. Mr. Elkouri co-founded Hinkle Elkouri Law Firm L.L.C. in 1987 where he served as head of that firm’s corporate securities and mergers and acquisitions practice. He has been Petrohawk’s principal outside counsel since 2004, until being named as Executive Vice President and General Counsel in August of 2007. Prior to that time he served as primary outside counsel for 3TEC Energy Corporation from 1998-2003 and Hugoton Energy Corporation from 1993-1998.

H. Weldon Holcombe has served as Executive Vice President – Mid-Continent Region since October 1, 2007. Mr. Holcombe joined us on July 12, 2006 in conjunction with our merger with KCS. With the merger of KCS and Petrohawk, Mr. Holcombe became responsible for all of the merged company’s operations in the Mid-Continent Region including our interests in the Elm Grove and Terryville fields where he continues to oversee the growth and development of these key assets among others throughout the Mid-Continent region. Prior to the merger of KCS and Petrohawk, Mr. Holcombe served as Senior Vice President of KCS responsible for operations and engineering. Prior to joining KCS in 1996 he spent many years with Exxon Company in project and management positions associated with sour gas treatment, drilling, completions and reservoir management.

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DESCRIPTION OF COMMON STOCK

Our authorized capital stock consists of 300,000,000 shares of common stock, par value of \$0.001 per share, and 5,000,000 shares of preferred stock, par value \$0.001 per share.

Voting Rights

Holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The vote of the holders of a majority of the stock represented at a meeting at which a quorum is present is generally required to take stockholder action, unless a greater vote is required by law. The holders are not entitled to cumulative voting in the election of directors. Directors are elected by plurality vote. Accordingly, the holder or holders of a majority of the outstanding shares of common stock will be able to elect our entire board of directors.

Dividends, Distributions and Stock Splits

Holders of common stock are entitled to receive dividends if, as and when such dividends are declared by the board of directors out of assets legally available therefor after payment of dividends required to be paid on shares of preferred stock, if any. Our existing debt arrangements restrict our ability to pay cash dividends.

Liquidation

In the event of any dissolution, liquidation, or winding up of our affairs, whether voluntary or involuntary, after payment of debts and other liabilities and making provision for any holders of its preferred stock who have a liquidation preference, our remaining assets will be distributed ratably among the holders of common stock.

Fully Paid

All shares of common stock outstanding are fully paid and nonassessable.

Other Rights

Holders of common stock have no redemption or conversion rights and no preemptive or other rights to subscribe for our securities.

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**MATERIAL UNITED STATES FEDERAL INCOME AND ESTATE TAX CONSEQUENCES
TO NON-U.S. HOLDERS**

The following is a summary of the material United States federal income and, to a limited extent, estate tax consequences relating to the purchase, ownership and disposition of our common stock as of the date hereof. Except where noted, this summary deals only with common stock that is held as a capital asset (generally, property held for investment) by a non-U.S. holder (as defined below).

A non-U.S. holder means a beneficial owner of common stock (other than a partnership or entity treated as a partnership for United States federal income tax purposes) that is not for United States federal income tax purposes any of the following:

an individual citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or who meets the substantial presence test under Section 7701(b) of the Code;

a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary is based upon provisions of the Internal Revenue Code of 1986, as amended, or the Code, and Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income and estate tax consequences different from those summarized below. This summary does not address all aspects of United States federal income and estate taxes and does not deal with foreign, state, local or other tax considerations that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address tax considerations applicable to investors that may be subject to special treatment under the United States federal income tax laws such as (without limitation):

certain United States expatriates;

stockholders that hold our common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction;

stockholders who hold our common stock as a result of a constructive sale;

stockholders who acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

stockholders that are S corporations, entities treated as partnerships for United States federal income tax purposes or other pass-through entities or owners thereof;

financial institutions;

insurance companies;

tax-exempt entities;

dealers in securities or foreign currencies; and

traders in securities that mark-to-market.

Furthermore, this summary does not address any aspect of state, local or foreign tax laws or the alternative minimum tax provisions of the Code.

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If a partnership (including an entity treated as a partnership for United States federal income tax purposes) holds the common stock, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership (including an entity treated as a partnership for United States federal income tax purposes) holding our common stock, you should consult your tax advisor.

We have not sought any ruling from the Internal Revenue Service (the IRS) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions. INVESTORS CONSIDERING THE PURCHASE OF COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL OR FOREIGN TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

Dividends

We do not presently expect to declare or pay any dividends on our common stock in the foreseeable future. However, if we do make distributions on our common stock, such distributions will constitute dividends for United States federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of earnings and profits will constitute a return of capital that is applied against and reduces the non-U.S. holder's adjusted tax basis in our common stock. Any remaining excess will be treated as gain realized on the sale or other disposition of the common stock and will be treated as described under *Gain on Disposition of Common Stock* below. Any dividend paid to a non-U.S. holder of common stock ordinarily will be subject to withholding of United States federal income tax at a rate of 30%, or such lower rate as may be specified under an applicable income tax treaty. In order to receive a reduced treaty rate, a non-U.S. holder must provide us with IRS Form W-8BEN (or applicable substitute or successor form) properly certifying eligibility for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, where a tax treaty applies, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be exempt from the withholding tax described above and instead will be subject to United States federal income tax on a net income basis at the regular graduated United States federal income tax rates in much the same manner as if the non-U.S. holder were a resident of the United States. In such cases, we will not have to withhold United States federal income tax if the non-U.S. holder complies with applicable certification and disclosure requirements. In order to obtain this exemption from withholding tax, a non-U.S. holder must provide us with an IRS Form W-8ECI (or applicable substitute or successor form) properly certifying eligibility for such exemption. Dividends received by a corporate non-U.S. holder that are effectively connected with a trade or business conducted by such corporate non-U.S. holder in the United States also may be subject to an additional branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable tax treaty.

Gain on Disposition of Common Stock

Any gain realized on the disposition of our common stock generally will not be subject to United States federal income tax unless:

the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment of the non-U.S. holder);

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 that disposition, and certain other conditions are met; or

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we are or have been a United States real property holding corporation, or USRPHC, for United States federal income tax purposes.

An individual non-U.S. holder who has gain that is described in the first bullet point immediately above will be subject to tax on the net gain derived from the sale under regular graduated United States federal income tax rates. If a non-U.S. holder that is a foreign corporation has gain described under the first bullet point immediately above, it generally will be subject to tax on its net gain in the same manner as if it were a United States person as defined under the Code, and, in addition, may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

An individual non-U.S. holder who meets the requirements described in the second bullet point immediately above will be subject to a flat 30% tax on the gain derived from the sale, which may be offset by United States source capital losses, even though the individual is not considered a resident of the United States.

With respect to our status as a USRPHC, we believe that we currently are, and expect to remain for the foreseeable future, a USRPHC for United States federal income tax purposes. However, so long as our common stock continues to be regularly traded on an established securities market, a non-U.S. holder will be taxable on gain recognized on the sale of our common stock only if the non-U.S. holder actually or constructively holds or held more than 5% of such common stock at any time during the five-year period ending on the date of disposition or, if shorter, the non-U.S. holder's holding period for the common stock. If our common stock were not considered to be regularly traded on an established securities market, all non-U.S. holders would be subject to United States federal income tax on a disposition of our common stock.

Non-U.S. holders should consult their own tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

Federal Estate Tax

If you are an individual, common stock owned or treated as being owned by you at the time of your death will be included in your gross estate for United States federal estate tax purposes and may be subject to United States federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will be subject to backup withholding for dividends paid to such holder unless such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale of our common stock within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under

the Code), or such owner otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's United States federal income tax liability provided the required information is furnished to the IRS.

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CERTAIN ERISA CONSIDERATIONS

The common stock may be purchased and held by an employee benefit plan or an individual retirement account or other plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), Section 4975 of the Code and other similar laws. A fiduciary of an employee benefit plan subject to ERISA, Section 4975 of the Code and/or such other laws must determine that the purchase and holding of the common stock is consistent with its fiduciary duties. The fiduciary of an ERISA plan, as well as any other prospective investor subject to Section 4975 of the Code or any similar law, must also determine that its purchase and holding of the common stock does not result in a non-exempt prohibited transaction as defined in Section 406 of ERISA or Section 4975 of the Code or similar law. Each purchaser and transferee of the common stock who is subject to ERISA and/or Section 4975 of the Code or a similar law will be deemed to have represented by its acquisition and holding of the common stock that such acquisition and holding does not constitute or give rise to a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or any similar law.

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Lehman Brothers Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as the representatives of the underwriters and joint book-running managers of this offering. Under the terms and subject to the conditions contained in an underwriting agreement dated January , 2008, each of the underwriters named below has severally agreed to purchase from us the respective number of shares of common stock shown opposite its name below:

Underwriters	Number of Shares
Lehman Brothers Inc.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
J.P. Morgan Securities Inc.	
BMO Capital Markets Corp.	
RBC Capital Markets Corporation	
Jefferies & Company, Inc.	
BNP Paribas Securities Corp.	
Tristone Capital (U.S.A.) Inc.	
 Total	 15,000,000

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 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.

Commission and Expenses

The following table summarizes the underwriting discounts and commissions we 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 for the shares.

No Exercise Full Exercise

Per Share	\$	\$
Total	\$	\$

The representatives of the underwriters have advised us 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.

The expenses of the offering that are payable by us are estimated to be \$1 million (excluding underwriting discounts and commissions).

Option to Purchase Additional Shares

We have granted the underwriters an option exercisable for 30 days after the date of the underwriting agreement to purchase, from time to time, in whole or in part, up to an aggregate of 2,250,000 shares at the

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public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than 15,000,000 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 and our directors and executive officers have agreed, subject to certain limitations and except with respect to certain permitted transfers, that, without the prior written consent of the representatives, we and they will not directly or indirectly (1) 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, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of the shares of common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or other securities, in cash or otherwise, (3) 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 (4) publicly disclose the intention to do any of the foregoing for a period of 90 days after the date of this prospectus supplement.

The 90-day restricted period described in the preceding paragraph will be extended if:

during the last 17 days of the 90-day restricted period we issue an earnings release or material news or announce a material event relating to us occurs; or

prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period;

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event, unless such extension is waived in writing by the representatives.

The representatives, in their discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release common stock and other securities from lock-up agreements, the representatives will consider, among other factors, the holder's reasons for requesting the release, the number of shares of common stock and other securities for which the release is being requested and market conditions at the time.

Indemnification

We 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

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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 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 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. 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 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 nor any of the underwriters make any representation that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Listing

Our shares of common stock are listed on the New York Stock Exchange under the symbol HK.

Affiliations

The underwriters have from time to time provided, and in the future may provide, certain investment banking and financial advisory services to us and our affiliates, for which they have received, and in the future would receive, customary fees. In addition, affiliates of each of BNP Paribas Securities Corp., BMO Capital Markets Corp. and J.P. Morgan Securities Inc. are lenders under our senior revolving credit facility and accordingly, may receive a portion of the proceeds of this offering. Please see Use of Proceeds.

Electronic Distribution

A prospectus 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 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 representative on the same basis as other allocations.

Other than the prospectus 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 or the registration statement of which this prospectus supplement and the accompanying prospectus form a part, has not been approved and/or endorsed by us or any

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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 prospectus, 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 prospectus.

United Kingdom

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (e) of the Order (all such persons together being referred to as relevant persons). The shares of common stock are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such common stock will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Each of the underwriters has represented and agreed that:

- (a) 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 or FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to us, and
- (b) it has complied with, and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

European Economic Area

To the extent that the offer of the common stock is made in any Member State of the European Economic Area that has implemented the Prospectus Directive before the date of publication of a prospectus in relation to the common stock which has been approved by the competent authority in the Member State in accordance with the Prospectus Directive (or, where appropriate, published in accordance with the Prospectus Directive and notified to the competent authority in the Member State in accordance with the Prospectus Directive), the offer (including any offer pursuant to this prospectus supplement) is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive or has been or will be made otherwise in circumstances that do not require us to publish a prospectus pursuant to the Prospectus Directive.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) each underwriter represents and warrants that it has not made and will not make an offer to the public of any shares which are the subject of the offering contemplated by this prospectus supplement (the Shares) in that Relevant Member State other than the offers contemplated in the prospectus supplement once the prospectus supplement has been approved by the competent authority in that Relevant Member State and published in accordance with the Prospectus Directive as implemented in that Relevant Member State, except that it may make an offer to the public in that Relevant Member State of any Shares at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised 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 falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by the company or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer to the public in relation to any Shares in any t: Opt; margin-bottom: 0pt">DESCRIPTION OF UNITS

We may, from time to time, issue units comprised of one or more of the other securities that may be offered under this prospectus, in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately at any time, or at any time before a specified date.

Any applicable prospectus supplement will describe:

the material terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
any material provisions relating to the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and
any material provisions of the governing unit agreement that differ from those described above.

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PLAN OF DISTRIBUTION

We may sell the offered securities in and outside the United States:

to or through underwriters or dealers;
directly to purchasers;
through agents;
in short of long transactions; or
through a combination of any of these methods.

We may sell the securities from time to time:

in one or more transactions at a fixed price or prices that may be changed from time to time;
at market prices prevailing at the times of sale;
at prices related to such prevailing market prices; or
at negotiated prices.

The applicable prospectus supplement will include the following information:

the terms of the offering;
the names of any underwriters, brokers, dealers or agents participating in the offering;
the name or names of any managing underwriter or underwriters;
the purchase price or initial public offering price of the securities;
the net proceeds from the sale of the securities;
any delayed delivery arrangements;
in the case of debt securities, the interest rate, maturity and redemption provisions;
any securities exchanges on which the securities may be listed, if any;
any underwriting discounts, commissions and other items constituting underwriters' compensation;
details regarding over-allotment options under which underwriters may purchase additional securities from us, if any;
any discounts or concessions allowed or reallocated or paid to dealers;
any commissions paid to agents; and
any other information we think is important.

Sale Through Underwriters or Dealers

If underwriters are used in the sale, the underwriters will acquire the securities for their own account for resale to the public, either on a firm-commitment or best-efforts basis. The underwriters may resell the securities from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Underwriters may offer securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. Unless we inform you otherwise in the applicable prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to specified conditions, and the underwriters will be obligated to purchase all the offered securities if they purchase any of them. The underwriters may change from time to time any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

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During and after an offering through underwriters, the underwriters may purchase and sell the securities in the open market. These transactions may include over-allotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the offering. The underwriters may also impose a penalty bid, which means that selling concessions allowed to syndicate members or other broker-dealers for the offered securities sold for their account may be reclaimed by the syndicate if the offered securities are repurchased by the syndicate in stabilizing or covering transactions. Such purchasers will be subject to the applicable provisions of the Securities Act and the Exchange Act and the rules and regulations thereunder, including Rule 10b-5 and Regulation M. These activities may stabilize, maintain or otherwise affect the market price of the offered securities, which may be higher than the price that might otherwise prevail in the open market. If commenced, the underwriters may discontinue these activities at any time.

Some or all of the securities that we offer through this prospectus may be new issues of securities with no established trading market. Any underwriters to whom we sell our securities for public offering and sale may make a market in those securities, but they will not be obligated to do so and they may discontinue any market making at any time without notice. Accordingly, we cannot assure you of the liquidity of, or continued trading markets for, any securities that we offer.

If dealers are used in the sale of securities, we will sell the securities to them as principals. They may then resell those securities to the public at varying prices determined by the dealers at the time of resale. We will include in the applicable prospectus supplement the names of the dealers and the terms of the transaction.

Direct Sales and Sales Through Agents

We may sell the securities directly. In this case, no underwriters or agents would be involved. We may also sell the securities through agents designated from time to time. In the applicable prospectus supplement, we will name any agent involved in the offer or sale of the offered securities, and we will describe any commissions payable to the agent. Unless we inform you otherwise in the applicable prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases for the period of its appointment.

We may sell the securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities. We will describe the terms of any sales of these securities in the applicable prospectus supplement.

Remarketing Arrangements

Offered securities may also be offered and sold, if so indicated in the applicable prospectus supplement, in connection with a remarketing upon their purchase, in accordance with a redemption or repayment pursuant to their terms, or otherwise, by one or more remarketing firms, acting as principals for their own accounts or as agents for us. Any remarketing firm will be identified and the terms of its agreements, if any, with us, and its compensation will be described in the applicable prospectus supplement.

Delayed Delivery Contracts

If we so indicate in the applicable prospectus supplement, we may authorize agents, underwriters or dealers to solicit offers from specified types of institutions to purchase securities from us at the public offering price under delayed delivery contracts. These contracts would provide for payment and delivery on a specified date in the future. The

contracts would be subject only to those conditions described in the applicable prospectus supplement. The applicable prospectus supplement will describe the commission payable for solicitation of those contracts.

Derivative Transactions

We may sell securities as part of, or in connection with, our entering into a derivative transaction with a financial institution. The financial institution may hedge its position by making sales of securities covered by this prospectus.

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General Information

We may have agreements with the agents, dealers, underwriters and remarketing firms to indemnify them against specified civil liabilities, including liabilities under the Securities Act, or to contribute with respect to payments that the agents, dealers, underwriters or remarketing firms may be required to make. Agents, dealers, underwriters and remarketing firms may be customers of, engage in transactions with or perform services for us in the ordinary course of their businesses.

At-the-Market Offerings

We may offer our securities into an existing trading market on the terms described in the applicable prospectus supplement. Underwriters and dealers may participate in any at-the-market offerings.

LEGAL MATTERS

Unless otherwise indicated in the applicable prospectus supplement, certain legal matters incident to the issuance and validity of the securities offered by this prospectus and the applicable prospectus supplement will be passed upon for us by Stephen B. Ungar, our General Counsel and Secretary. As of October 6, 2010, Mr. Ungar owned 1,100 shares of our common stock, 4,492 restricted stock units and 110,000 options to purchase shares of our common stock. In addition, counsel that will be named in the applicable prospectus supplement will pass upon the validity of any securities offered under this prospectus and the applicable prospectus supplement for any underwriters or agents.

EXPERTS

The consolidated financial statements and schedules 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 by reference to our Annual Report on Form 10-K for the year ended December 31, 2009 have been so incorporated in reliance on the reports of BDO USA, LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

TABLE OF CONTENTS**PART II****INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth an estimate of the expenses payable in connection with the issuance and distribution of the securities being registered, other than underwriting discounts or commissions. All amounts shown are estimates, except the SEC registration fee, and will be borne by us.

SEC registration fee	\$ 21,390
Legal fees and expenses	75,000
Accounting fees and expenses	50,000
Trustee fees and expenses	10,000
Transfer agent fees and expenses	5,000
NASDAQ listing fees	10,000
Printing fees and expenses	10,000
Miscellaneous	2,000
Total	\$ 183,390

Item 15. Indemnification of Directors and Officers**Amended and Restated Certificate of Incorporation**

Article XI of our Amended and Restated Certificate of Incorporation provides that a director will not be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to us or our stockholders, (2) for acts or omissions not in good faith or that involved intentional misconduct or a knowing violation of the law, (3) under Section 174 of the Delaware General Corporate Law (DGCL) for unlawful payment of dividends or improper redemption of stock or (4) for any transaction from which the director derived an improper personal benefit. In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director, in addition to the limitation on personal liability provided for in our Amended and Restated Certificate of Incorporation, will be limited to the fullest extent permitted by the amended DGCL.

DGCL

Subsection (a) of Section 145 of the DGCL empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner

such person reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

Subsection (b) of Section 145 empowers a corporation to indemnify any person who was or is a party or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted under similar standards, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case the person is fairly and reasonably entitled to indemnity for the expenses which the court shall deem proper.

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Section 145 further provides that, to the extent a director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue or matter therein, the person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith; that indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; the right to indemnification and advancement of expenses arising under a provision of the certificate of incorporation or bylaws shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or commission explicitly authorizes such elimination or impairment after such act or omission has occurred; and that the scope of indemnification extends to directors, officers, employees or agents of a constituent corporation absorbed in a consolidation or merger and persons serving in that capacity at the request of the constituent corporation for another. Section 145 also empowers the corporation to purchase and maintain insurance on behalf of a director or officer of the corporation against any liability asserted against or incurred by the person in any such capacity or arising out of the person's status as such, whether or not the corporation would have the power to indemnify the person against such liabilities under Section 145, including liabilities under the Securities Act.

Insurance

We have obtained directors' and officers' insurance to cover our directors, officers and some of our employees for certain liabilities incurred in their capacities as such.

Indemnification Agreements

We have entered into written indemnification agreements with our directors and executive officers (a form of which is filed as Exhibit 10.12 to our registration statement on Form S-1 (No. 333-134960) filed on June 12, 2006). Under these agreements, if an officer or director makes a claim of indemnification to us, either a majority of the independent directors or independent legal counsel selected by the independent directors must review the relevant facts and make a determination whether the director or officer has met the standards of conduct under Delaware law that would permit (under Delaware law) and require (under the indemnification agreement) us to indemnify the director or officer.

The foregoing represents a summary of the general effect of our Amended and Restated Certificate of Incorporation, the DGCL, our insurance coverage and the indemnification agreements for purposes of general description only.

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Item 16. Exhibits

Exhibit No.	Description of Document
1.1	Form of Underwriting Agreement. ⁽¹⁾
4.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1 (No. 333-134960) filed on June 12, 2006).
4.2	Amended and Restated By-Laws (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1 (No. 333-134960) filed on June 12, 2006).
4.3	Form of Indenture for debt securities between the Company and one or more banking institutions to be qualified as Trustee pursuant to Section 305(b)(2) of the Trust Indenture Act of 1939. ⁽²⁾
4.4	Form of Warrant Agreement. ⁽¹⁾
5.1	Legal Counsel Opinion. ⁽²⁾
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges. ⁽¹⁾
23.1	Consent of Independent Registered Public Accounting Firm.
23.2	Consent of Legal Counsel (included in Exhibit 5.1). ⁽²⁾
24.1	Power of Attorney. ⁽²⁾
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of the Trustee under the Indenture. ⁽¹⁾

To be filed, if necessary, as an exhibit to a post-effective amendment to this registration statement or as an exhibit (1) to a Current Report on Form 8-K to be filed in connection with a specific offering, and incorporated herein by reference.

(2) Previously filed.

Item 17. Undertakings

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (ii) and (iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) under the Securities Act that is part of this registration statement.

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- (2) That, for the purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
- (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
- (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness and the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof; provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.
- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of an undersigned registrant; and
- (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be

deemed to be the initial *bona fide* offering thereof.

- (h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15

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of this Registration Statement, or otherwise (other than insurance), the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it or them is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

- (j) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, the State of New York, on October 13, 2010.

AMTRUST FINANCIAL SERVICES, INC.

By:

/s/ Ronald E. Pipoly, Jr.

Name: Ronald E. Pipoly, Jr.

Title: Chief Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Barry D. Zyskind* Barry D. Zyskind	Chief Executive Officer, President and Director (principal executive officer)	October 13, 2010
/s/ Ronald E. Pipoly, Jr. Ronald E. Pipoly, Jr.	Chief Financial Officer (principal financial and accounting officer)	October 13, 2010
/s/ Michael Karfunkel* Michael Karfunkel	Chairman of the Board	October 13, 2010
/s/ Donald T. DeCarlo* Donald T. DeCarlo	Director	October 13, 2010
/s/ Susan C. Fisch* Susan C. Fisch	Director	October 13, 2010
/s/ Abraham Gulkowitz* Abraham Gulkowitz	Director	October 13, 2010
/s/ George Karfunkel* George Karfunkel	Director	October 13, 2010
/s/ Jay J. Miller* Jay J. Miller	Director	October 13, 2010

The undersigned, pursuant to a Power of Attorney executed by each of the Directors and Officers identified above *and filed with the SEC, by signing his or her name hereto, does hereby sign and execute this Registration Statement on behalf of each of the persons noted above, in the capacities indicated.

/s/ Stephen B. Ungar
Stephen B. Ungar, Attorney-in-Fact

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4.3	Form of Indenture for debt securities between the Company and one or more banking institutions to be qualified as Trustee pursuant to Section 305(b)(2) of the Trust Indenture Act of 1939. ⁽²⁾
4.4	Form of Warrant Agreement. ⁽¹⁾
5.1	Legal Counsel Opinion. ⁽²⁾
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges. ⁽¹⁾
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To be filed, if necessary, as an exhibit to a post-effective amendment to this registration statement or as an exhibit (1) to a Current Report on Form 8-K to be filed in connection with a specific offering, and incorporated herein by reference.

(2)

Previously filed.
