SWIFT ENERGY CO
Form 424B5
November 12, 2009

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-159341

Prospectus supplement

To prospectus dated June 26, 2009

$225,000,000
8 7/8% Senior Notes Due 2020
Guaranteed by
Swift Energy Operating, LLC

We are offering $225,000,000 of our 87/8% Senior Notes due 2020. The notes will bear interest at 87/8% per year and will mature on January 15, 2020. Interest on the notes will be payable on January 15 and July 15 of each year, beginning January 15, 2010.

We may redeem the notes in whole or in part on and after January 15, 2015 at the redemption prices described herein. In addition, we may redeem up to 35% of the notes before January 15, 2013, with the proceeds of certain equity offerings. If we sell all or substantially all of our assets or experience specific kinds of changes in control, we must offer to repurchase the notes. There is no sinking fund for the notes.

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior debt and senior to any future subordinated debt that we may incur. The notes will be unconditionally guaranteed initially by our principal domestic operating subsidiary, Swift Energy Operating, LLC, on a senior unsecured basis. This guarantee of the notes will rank equally in right of payment with the guarantor s existing and future senior debt, including its indebtedness under our bank credit facility, and senior to any future subordinated debt that it may incur.

See Risk factors beginning on page S-11 for a discussion of certain risks that you should consider in connection with an investment in the notes.

	Public offering price(1)	Underwriting discount	Proceeds, before expenses, to Swift Energy Company(1)
Per note	98.389%	2.000%	96.389%
Total	$ 221,375,250	$ 4,500,000	$ 216,875,250

(1) Plus accrued interest, if any, from November 25, 2009.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

Delivery of the notes, in book-entry form, will be made on or about November 25, 2009 through The Depository Trust Company.

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

Joint book-running managers

J.P. Morgan

Goldman, Sachs & Co.

RBC Capital Markets

Wells Fargo Securities

Senior co-managers

BNP PARIBAS **CALYON** **SOCIETE GENERALE**

Co-managers

BBVA Securities **Comerica Securities** **Natixis Bleichroeder LLC**

November 10, 2009

We expect delivery of the notes will be made against payment therefor on or about November 25, 2009, which is the tenth business day following the date of pricing of the notes (such settlement being referred to as T+10). Under Rule 15(c)6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing of the notes or during the next succeeding six business days will be required, by virtue of the fact that the notes initially will settle in T+10, to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement and should consult their own advisers.

This prospectus supplement relates to the offer and sale by us of the notes, and the accompanying prospectus gives more general information, some of which may not apply to the notes. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell securities in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate only as of the respective dates on the front cover of these documents or earlier dates specified herein or therein and that the information incorporated herein by reference is accurate only as of its date. Our business, financial condition, results of operations and prospects may have changed since those dates. It is important that you read and consider all of the information in this prospectus supplement and the information contained in the accompanying prospectus and any document incorporated by reference in making your investment decision. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus or any document incorporated by reference, you should rely on the information in this prospectus supplement.

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Summary

This summary highlights information included or incorporated by reference elsewhere in this prospectus supplement. It does not contain all of the information that you should consider before making an investment decision. We urge you to read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, including the historical financial statements and notes to those financial statements incorporated by reference. Please read Risk factors in this prospectus supplement, in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2008 and in Item 1A of Part II of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 for more information about important risks that you should consider before making a decision to purchase any notes in this offering. Unless the context indicates otherwise, information presented in this prospectus supplement relates only to our continuing operations. As used in this prospectus supplement and the accompanying prospectus, unless the context otherwise requires or indicates, references to Swift, we, our, and us refer to Swift Energy Company and its subsidiaries, collectively.

Our company

We are engaged in developing, exploring, acquiring, and operating oil and natural gas properties, with a focus on oil and natural gas reserves onshore in Louisiana and Texas, and in the inland waters of Louisiana. As of December 31, 2008, we had estimated proved reserves from our continuing operations of 116.4 million barrels of oil equivalent, or MMBoe. Our total estimated proved reserves at year-end 2008 were comprised of approximately 43% crude oil, 42% natural gas, and 15% natural gas liquids, or NGLs; and 53% of our total estimated proved reserves were proved developed. Our estimated proved reserves are concentrated with 61% of the total in Louisiana, 38% in Texas, and 1% in other states.

Our operations are primarily focused in four core areas identified as Southeast Louisiana, South Louisiana, Central Louisiana/East Texas, and South Texas. South Texas is the oldest of our core areas, with our operations first established in the AWP field in 1989, and subsequently expanded with the acquisition in 2007 of the Sun TSH, Briscoe Ranch, and Las Tiendas fields, and the 2008 acquisition of additional interests in the Briscoe Ranch field. Operations in our Central Louisiana/East Texas area began in mid-1998 when we acquired the Masters Creek field in Louisiana and the Brookeland field in Texas, to which we later added the South Bearhead Creek field in Louisiana in late 2005. The Southeast Louisiana and South Louisiana areas were established when we acquired majority interests in producing properties in the Lake Washington field in early 2001, in the Bay de Chene and Cote Blanche Island fields in December 2004, and in the Bayou Sale, Bayou Penchant, Horseshoe Bayou, and Jeanerette fields in 2006.

Our competitive strengths and business strategy

Our competitive strengths, together with a balanced and comprehensive business strategy, provide us with the flexibility and capability to achieve our goals. Our primary strengths and strategies are set forth below.

Concentrated focus on core areas with operational control

We are one of the largest crude oil producers in Louisiana and have been the most active driller in Southern Louisiana from 2005 through 2008. This concentration and regional scale allows us

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to leverage our drilling unit and workforce synergies while enabling us to minimize development and operating costs. Each of our core areas includes properties that we have targeted for future growth. The value of this concentration is enhanced by our operational control of 96% of our proved oil and natural gas reserves base as of December 31, 2008. Retaining operational control allows us to more effectively manage production, control operating costs, allocate capital, and time field development.

Balanced portfolio of development and exploration prospects

We have identified almost 1,000 development and exploration prospects within our four core areas spanning our Gulf Coast asset base. These projects range from lower-risk repeatable targets, such as recompletions and behind-pipe development, to higher-risk/higher-reward exploration targets. Within our core area of operations, we are diversified across geologic horizons and formations, including conventional sands, tight gas sands and shales. Our understanding of the underlying geology of our core areas, together with the depth and diversity of our projects in those areas, allows us to optimize the development of our prospect inventory.

Balanced approach to growth

We have grown our estimated proved reserves from 107.4 MMBoe to 116.4 MMBoe over the five-year period ended December 31, 2008, which equates to a 120% production replacement rate. Over the same period, our annual production has grown from 5.6 MMBoe to 10.0 MMBoe. Our growth in reserves and production over this five-year period has resulted primarily from drilling activities and acquisitions in our core areas. During 2008, our estimated proved reserves decreased by 13% and we did not replace 2008 production, due mainly to technical adjustments in two fields and lower prices used in the 2008 computation of reserves. Based on our long-term historical performance and our business strategy going forward, we believe that we have the opportunities, experience, and knowledge to continue growing both our reserves and production.

Our strategy is to increase our reserves and production through both drilling and acquisitions, shifting the balance between the two activities in response to market conditions and strategic opportunities. In general, we focus on drilling in each of our core areas when oil and natural gas prices are strong. When prices weaken and the per unit cost of acquisitions becomes more attractive, or a strategic opportunity exists, we also focus on acquisitions. We believe this balanced approach has resulted in our ability to grow in a strategically cost-effective manner.

Track record of developing under-exploited properties

We are focused on applying advanced technologies and recovery methods to areas with known hydrocarbon resources to optimize our exploration and exploitation of such properties, as illustrated in our core areas. For instance, we acquired our properties in the Lake Washington field, which originally was discovered in the 1930s, for $30.5 million in 2001. Since that time, we have increased our average daily net production in that field from less than 700 Boe to 10,002 Boe during the third quarter of 2009. We have also increased our estimated proved reserves in the Lake Washington field from 7.7 MMBoe to approximately 31.8 MMBoe as of December 31, 2008. We have acquired and successfully developed other fields since the Lake Washington acquisition, and we intend to continue acquiring significant acreage positions where we can grow production by applying advanced technologies and recovery methods using our experience and knowledge developed in our core areas.

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Financial flexibility and disciplined capital structure

We practice a disciplined approach to financial management and have historically maintained a disciplined capital structure to provide us with the ability to execute our business plan. As of December 31, 2008, our debt to capitalization ratio was approximately 49%, while our debt to estimated proved reserves ratio was $4.99 per Boe, and our debt to PV-10 ratio was 44%. We plan to maintain a capital structure that provides financial flexibility through the prudent use of capital, aligning our capital expenditures to our cash flows, and maintaining a strategic hedging program when appropriate.

Experienced technical team and technology utilization

We employ 65 oil and gas professionals, including geophysicists, petrophysicists, geologists, petroleum engineers, and production and reservoir engineers, who have an average of approximately 23 years of experience in their technical fields. In addition, we engage experienced and qualified consultants to perform various comprehensive seismic acquisitions, processing, reprocessing, interpretation, and other related services. We continually apply our extensive in-house experience and current technologies to benefit our drilling and production operations.

We increasingly use advanced technology to enhance the results of our drilling and production efforts, including two and three-dimensional seismic acquisitions, pre-stack time and depth image enhancement reprocessing, amplitude versus offset datasets, coherency cubes, and detailed field reservoir depletion planning. In 2004, we performed a 3-D seismic survey covering our Lake Washington field, and in 2006 we carried out a second 3-D survey in and around our Cote Blanche Island field. We now have seismic data covering over 4,000 square miles in South Louisiana that have been merged into two data sets, inclusive of data covering five fields we acquired in 2006. In late 2007, we began to extend this methodology to South Texas and licensed approximately 400 square miles of 3-D seismic data. In 2008, we purchased data from a 3-D seismic survey in the AWP field. As these data are processed, merged with other available seismic data, and integrated with geologic data, we develop proprietary geo-science databases that we use to guide our exploration and development programs.

We use various recovery techniques, including gas lift, water flooding, pressure maintenance, and acid treatments to enhance crude oil and natural gas production. We also fracture reservoir rock through the injection of high-pressure fluid, install gravel packs, and insert coiled-tubing velocity strings to enhance and maintain production. We believe that the application of fracturing and coiled-tubing technology has resulted in significant increases in production and decreases in completion and operating costs, particularly in our AWP field.

In South Louisiana we also employ measurement-while-drilling techniques extensively that allow us to guide the drill bit during the drilling process. This technology allows the well bore path to be steered parallel to the salt face and to intersect multiple targeted sands in a single well bore.

Recent equity offering

On August 4, 2009, we sold 6.21 million shares of our common stock at a price of $18.50 per share to the public, the largest equity issuance in Swift s 30 year history. We received $108.8 million of net proceeds which were used to pay down borrowings under our revolving credit facility.

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Recent developments

South Texas Olmos and Eagle Ford plays

We currently own and operate significant leasehold positions in two emerging resource plays in South Texas: Olmos tight gas sands and Eagle Ford Shale. Utilizing our nearly 20 years of history and extensive experience in the AWP field in South Texas, we drilled what we believe to be the first horizontal well in the low-permeability, tight-sand Olmos formation in the fourth quarter of 2008 by employing the multi-stage fracture technology being used in various domestic shale plays. The first two wells of our follow-on 2009 horizontal drilling and completion program targeting the Olmos formation have been drilled, completed, and are currently producing. We are currently drilling the third well in that program. During the fourth quarter of 2009, we intend to keep one rig actively drilling horizontally in the AWP field.

Additionally, in excess of 150 wells in the AWP field have been identified as candidates for additional fracture stimulation. Since the beginning of September 2009, 11 of these wells have been re-fractured. We plan to perform two re-fracture operations per week for the remainder of 2009 and into 2010. While the potential increased production rates from a single re-fracture will not be meaningful, we believe that these operations will help support our base production profile in the AWP field over the next several years.

In November 2009 we entered into a joint venture agreement with Petrohawk Energy Corporation to jointly develop and operate an approximate 26,000 acre prospect area located in our AWP field, covering leasehold interests beneath the Olmos formation (including the Eagle Ford Shale formation) and extending to the base of the Pearsall formation. Petrohawk will serve as operator during the drilling and completion phase of the joint development, and we will operate the wells once they have entered the production phase, subject to the terms of the agreement. The appraisal drilling program covered by the joint venture agreement will begin in the fourth quarter of 2009. We received approximately $26 million in cash consideration upon closing of the Petrohawk joint venture agreement, which requires that Petrohawk also fund approximately $13 million of capital expenditures on our behalf within the first twelve months of the joint venture. We will receive any portion of this amount not expended during the first twelve months as cash consideration.

Burr Ferry joint venture

In the Central Louisiana/East Texas core area, we recently entered into a joint venture agreement with Anadarko E&P Company, LP for development and exploitation in and around the Burr Ferry field in Vernon Parish, Louisiana. As the fee mineral owner, we leased a 50% working interest in approximately 33,623 gross acres to Anadarko. We retain a 50% working interest in the joint venture acreage as well as our fee mineral royalty rights.

Corporate information

We were incorporated in Texas in 1979. Our principal executive offices are located at 16825 Northchase Drive, Suite 400, Houston, Texas 77060, and our main telephone number is (281) 874-2700. Our internet address is www.swiftenergy.com. We have not incorporated by reference into this prospectus supplement or the accompanying prospectus the information included on, or linked from, our website, and you should not consider it to be part of this prospectus supplement or the accompanying prospectus.

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The offering

Issuer	Swift Energy Company
Notes offered	$225 million aggregate principal amount of 87/8% senior notes.
Maturity	January 15, 2020
Interest	87/8% per annum, payable January 15 and July 15 of each year, commencing January 15, 2010.
Optional redemption	On or after January 15, 2015, we may redeem some or all of the notes at any time at the prices listed under the heading Description of the notes Optional redemption. Before January 15, 2013, we may redeem up to 35% of the aggregate principal amount of the notes originally issued with the proceeds from certain equity offerings. In addition, we may redeem some or all of the notes prior to January 15, 2015 at a price equal to 100% of the principal amount plus the applicable premium set for under the heading Description of the notes Optional redemption.
Change of control	If a change of control of Swift occurs, we must offer to repurchase the notes at a purchase price of 101% of their face amount, plus accrued interest to the date we repurchase the notes.
Subsidiary guaranty	Initially, Swift Energy Operating, LLC, our principal domestic operating subsidiary, will guarantee the notes. In the future, if any of our other domestic subsidiaries incurs debt, issues preferred stock or guarantees any of our debt, that subsidiary may be required to guarantee the notes.
Ranking	The notes: are senior unsecured obligations; will rank equally in right of payment with all our existing and future senior indebtedness; will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, including indebtedness under our bank credit facility, and to all liabilities of our subsidiaries that are not subsidiary guarantors; and will rank senior to all of our existing and future subordinated indebtedness. The guarantee of Swift Energy Operating, LLC will rank equally in right of payment with all of its existing and future senior indebtedness, including its indebtedness under our bank credit facility.
Covenants	We will issue the notes under an indenture containing covenants for your benefit. These covenants restrict our ability and the ability of our subsidiaries to:

- incur additional debt or issue preferred stock;
- create liens;

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- pay dividends or make other restricted payments;
- make investments;
- transfer or sell assets;
- enter into transactions with affiliates;
- incur dividend or other payment restrictions affecting subsidiaries; or
- consolidate, merge or transfer all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications, which are described under the captions Description of the notes Certain covenants and Merger, consolidation and sale of substantially all assets.

The indenture allows termination of many of the covenants discussed above if in the future the notes are rated investment grade by both Moody s and S&P and no default has occurred and is continuing under the indenture. See Description of the notes Covenant termination.

Use of proceeds

We expect to receive net proceeds of approximately $216.4 million from this offering after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds to redeem all of our $150.0 million 75/8% senior notes due 2011, to pay down borrowings under our revolving credit facility and to use the funds then made available under our revolving credit facility for general corporate purposes. General corporate purposes may include development and exploration expenditures, additions to working capital and the financing of acquisitions of oil and gas properties and related assets. The net proceeds may be invested temporarily until they are used for their stated purpose. Affiliates of certain of the underwriters are lenders under our revolving credit facility and therefore will receive proceeds from the offering to the extent that proceeds are used to repay borrowings under the revolving credit facility. Please read Use of proceeds in this prospectus supplement.

Risk factors

An investment in the notes involves risk. Please read Risk factors in this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2008 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009. Realization of any of those risks or adverse results from the listed matters could have a material adverse effect on our business, financial condition, cash flows and results of operations.

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Summary consolidated financial data

The summary historical consolidated financial data set forth below as of and for each of the three years ended December 31, 2006, 2007 and 2008 have been derived from our audited consolidated financial statements. The summary consolidated financial data as of and for each of the nine months ended September 30, 2008 and 2009 has been derived from our unaudited consolidated financial statements. The summary consolidated financial data are qualified in their entirety by and should be read in conjunction with our consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our annual report on Form 10-K for the year ended December 31, 2008, and our quarterly report on Form 10-Q for the quarter ended September 30, 2009, both of which are incorporated by reference into this prospectus supplement.

(in thousands, except ratios)	Year ended December 31, 2006	2007	2008	Nine months ended September 30, 2008	2009
Operating data					
Revenues:					
Oil and gas sales	$ 537,513	$ 652,856	$ 793,859	$ 677,270	$ 257,153
Price-risk management and other, net	13,323	1,265	26,956	(1,862)	(1,610)
	550,836	654,121	820,815	675,408	255,543
Costs and expenses:					
General and administrative, net	27,634	34,182	38,673	30,323	24,830
Depreciation, depletion, and amortization	139,245	188,393	222,288	161,991	125,310
Accretion of asset retirement obligation	884	1,437	1,958	1,432	2,151
Lease operating cost	49,948	70,893	104,874	79,975	57,139
Severance and other taxes	61,235	73,813	80,403	69,138	30,291
Interest expense, net	23,582	28,082	31,079	23,856	22,616
Debt retirement cost		12,765			
Write-down of oil and gas properties			754,298		79,312
	302,528	409,565	1,233,573	366,715	341,649
Income (loss) before income taxes	248,308	244,556	(412,758)	308,693	(86,106)
Provision (benefit) for income taxes	97,234	91,968	(155,628)	113,342	(32,451)
Income (loss) from continuing operations	151,074	152,588	(257,130)	195,351	(53,655)
	10,491	(131,301)	(3,360)	(3,148)	(215)

Income (loss) from discontinued operations, net of taxes					
Net income (loss)	$ 161,565	$ 21,287	$ (260,490)	$ 192,203	$ (53,870)
Continuing operations					
Fully diluted earnings per share	$ 5.00	$ 4.91	$ (8.39)	$ 6.18	$ (1.66)
Total diluted weighted average shares outstanding	29,847	30,422	30,661	30,936	32,310

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(in thousands, except ratios)	Year ended December 31, 2006	2007	2008	Nine months ended September 30, 2008	2009
Other financial data					
EBITDA[1]	$ 412,019	$ 462,468	$ 596,865	$ 495,972	$ 143,283
Net cash provided by operating activities	424,921	467,902	588,066	505,140	145,810
Capital expenditures including acquisitions	448,226	650,594	674,797	519,758	164,504
Ratio of earnings to fixed charges[2]	8.21x	7.17x		11.02x	
Ratio of EBITDA to cash interest[1][3]	12.9x	12.3x	15.6x	17.8x	5.8x
Balance sheet data (at end of period)					
Working capital (deficit)	$ (61,688)	$ (10,211)	$ (75,413)	$ (100,584)	$ (21,509)
Total assets	1,585,682	1,969,051	1,517,288	2,200,810	1,396,445
Total debt	381,400	587,000	580,700	516,600	480,800
Stockholders equity	797,917	836,054	600,877	1,054,372	661,386

(1) EBITDA represents income before interest expense (net), income tax, depreciation, depletion, amortization and accretion of asset retirement obligation. We have reported EBITDA because we believe EBITDA is a measure commonly reported and widely used by investors as an indicator of a company s operating performance. We believe EBITDA assists such investors in comparing a company s performance on a consistent basis without regard to depreciation, depletion and amortization, which can vary significantly depending upon accounting methods or nonoperating factors such as historical cost. EBITDA is not a calculation based on generally accepted accounting principles (GAAP) and should not be considered an alternative to net income in measuring our performance or used as an exclusive measure of cash flow because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in our Consolidated Statements of Cash Flows. Investors should carefully consider the specific items included in our computation of EBITDA. While EBITDA has been disclosed herein to permit a more complete comparative analysis of our operating performance relative to other companies, investors should be cautioned that EBITDA as reported by us may not be comparable in all instances to EBITDA as reported by other companies. EBITDA amounts may not be fully available for management s discretionary use, due to certain requirements to conserve funds for capital expenditures, debt service and other commitments.

EBITDA is not intended to represent net income as defined by GAAP and such information should not be considered as an alternative to net income, cash flow from operations or any other measure of performance prescribed by GAAP in the United States. The following table reconciles net income to EBITDA for the periods presented:

Year ended December 31,	Nine months ended September 30,

(in thousands)	2006	2007	2008	2008	2009
Income (Loss) from continuing operations	$ 151,074	$ 152,588	$ (257,130)	$ 195,351	$ (53,655)
Depreciation, depletion and amortization	139,245	188,393	222,288	161,991	125,310
Accretion of asset retirement obligation	884	1,437	1,958	1,432	2,151
Write-down of oil and gas properties			754,298		79,312
Interest expense, net	23,582	28,082	31,079	23,856	22,616
Provision (benefit) for income taxes	97,234	91,968	(155,628)	113,342	(32,451)
EBITDA	412,019	462,468	596,865	495,972	143,283

(2) For purposes of calculating the ratio of earnings to fixed charges, fixed charges include interest expense, capitalized interest, amortization of debt issuance costs and that portion of non-capitalized rental expense deemed to be the equivalent of interest. Earnings represent income before income taxes from continuing operations before fixed charges. Earnings were inadequate to cover fixed charges for the year ended December 31, 2008, and for the nine months ended September 30, 2009, by approximately $420.8 million and $90.7 million, respectively.

(3) Cash interest is defined as the total amount of interest paid on our obligations, prior to any allowed capitalized amount.

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Summary reserves and production data

The following tables summarize our estimated proved oil and natural gas reserves from continuing operations and additional production and operating data as of and for the periods presented. The information set forth in the tables regarding reserves is based on estimated proved reserves reports prepared by us. H.J. Gruy and Associates, Inc., Houston, Texas, independent petroleum engineers, has audited 97% of our 2008 estimated proved reserves and 100% of our estimated proved reserves for 2007 and 2006. The audit by H.J. Gruy and Associates, Inc. was conducted according to the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserve Information approved by the Board of Directors of the Society of Petroleum Engineers, Inc. Based on its investigations, it is the judgment of H.J. Gruy and Associates, Inc. that Swift used appropriate engineering, geologic and evaluation principles and methods that are consistent with practices generally accepted in the petroleum industry. Reserves estimates are based on extrapolation of established performance trends, material balance calculations, volumetric calculations, analogy with the performance of comparable wells, or a combination of these methods.

Year ended December 31,	**2006**	**2007**	**2008**
Estimated proved oil and natural gas reserves			
Natural gas reserves (MMcf):			
Proved developed	133,815	172,974	172,214
Proved undeveloped	135,846	170,824	120,166
Total	269,661	343,798	292,380
Oil reserves (MBbl):			
Proved developed	33,346	35,548	33,411
Proved undeveloped	40,119	40,934	34,299
Total	73,465	76,482	67,710
Total estimated reserves (MBoe)	118,408	133,781	116,440
Discounted present value of estimated proved reserves (in millions)			
PV-10 Value(1)(2)	$ 2,410	$ 3,751	$ 1,313
Standardized measure of discounted future net cash flows to proved oil and gas reserves	$ 1,632	$ 2,540	$ 1,033
Prices used in calculating end of year reserves(3):			
Oil (per Bbl)	$ 60.07	$ 93.24	$ 44.09

Natural Gas (per Mcf)	5.84	6.65	4.96
NGL (per Bbl)	31.54	56.28	25.39
Other reserves data:			
Three-year reserve replacement rate[4]	147%	192%	130%
Crude oil and NGLs as percent of total estimated proved reserves	62%	57%	58%
Proved developed reserves as a percent of total estimated proved reserves	47%	48%	53%

	Year ended December 31,			Nine months ended September 30,	
	2006	2007	2008	2008	2009
Net sales volume:					
Oil (per MBbl)	6,721	7,045	5,420	4,073	3,213
Natural gas (MMcf)	13,604	16,782	20,503	15,663	16,403
NGL (per MBbl)	460	774	1,211	900	894
Total production (MBoe)	9,449	10,617	10,049	7,583	6,841
Weighted average sales prices:					
Oil (per Bbl)	$ 64.28	$ 71.92	$ 101.38	$ 115.50	$ 54.77
Natural gas (per Mcf)	6.44	6.42	8.54	9.43	3.40
NGL (per Bbl)	38.70	49.72	57.15	65.87	28.42
Selected data (per Boe):					
Lease operating costs	$ 5.29	$ 6.68	$ 10.44	$ 10.55	$ 8.35
Severance and other taxes	6.48	6.95	8.00	9.12	4.43
Depreciation, depletion and amortization	14.74	17.75	22.12	21.36	18.32
General and administrative, net of reimbursement	2.92	3.22	3.85	4.00	3.63

(1) The closest GAAP measure to PV-10, a non-GAAP measure, is the standardized measure of discounted future net cash flows. We believe PV-10 is a helpful measure in evaluating the value of our oil and gas reserves and many securities analysts and investors use PV-10. We use PV-10 in our ceiling test computations, and we also compare PV-10 against our debt balances. The following table is a reconciliation between PV-10 and the standardized measure of discounted future net cash flows:

Year ended December 31, (in millions)	**2006**	**2007**	**2008**
PV-10 value	$ 2,410	$ 3,751	$ 1,313
Future income taxes (discounted at 10%)	(778)	(1,211)	(280)
Standardized measure of discounted future net cash flows relating to oil and gas reserves	1,632	2,540	1,033

(2) PV-10 values above give effect to asset retirement obligations of $34 million, $38 million and $48 million as of the years ended December 31, 2006, 2007 and 2008.

(3) Represents the total weighted average year-end prices for all our estimated proved reserves for the years ended December 31, 2006, 2007 and 2008.

(4) Calculated for a three-year period ending with the year presented by dividing the increase in estimated proved reserves by the production quantities for such period.

Risk factors

An investment in the notes involves risks. You should carefully consider all of the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference and provided under Incorporation of certain documents by reference in the accompanying prospectus, including our 2008 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference also contain forward-looking statements that involve risks and uncertainties. Please read Forward-looking statements in the accompanying prospectus. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below, elsewhere in this prospectus supplement, in the accompanying prospectus and in the documents incorporated by reference.

If any one or more of the following risks actually were to occur, our business, financial condition, results of operations or cash flow could be affected materially and adversely.

Risks related to this offering and our indebtedness

As a holding company, our only source of cash is distributions from our subsidiaries.

We are a holding company with no operations of our own and we conduct all of our business through our subsidiaries. We are wholly dependent on the cash flow of our subsidiaries and dividends and distributions to us from our subsidiaries in order to service our current indebtedness, including the notes, and any of our future obligations. Our subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any amounts due pursuant to the notes or to make any funds available therefore. The ability of our subsidiaries to pay such dividends and distributions will be subject to, among other things, statutory or contractual restrictions. We cannot assure you that our subsidiaries will generate cash flow sufficient to pay dividends or distributions to us in order to pay interest or other payments on the notes.

Holders of the notes will be effectively subordinated to all of our non-guarantor subsidiaries indebtedness.

Initially, Swift Energy Operating, LLC is required to guarantee the notes offered by this prospectus supplement. None of our other subsidiaries will be required to guarantee the notes. In addition, we may be able to designate one or more subsidiaries in the future as unrestricted subsidiaries, which would not be required to guarantee the notes. As a result, holders of the notes will be effectively subordinated to the indebtedness and other liabilities of these non-guarantor subsidiaries, including trade creditors. Therefore, in the event of the insolvency or liquidation of a non-guarantor subsidiary, following payment by that subsidiary of its liabilities, such subsidiary may not have sufficient remaining assets to make payments to us as a shareholder or otherwise. In the event of a default by any such subsidiary under any credit arrangement or other indebtedness, its creditors could accelerate such debt, prior to such subsidiary distributing amounts to us that we could have used to make payments on the notes.

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The notes and the guarantee are not secured by our assets and are effectively subordinated to all of our secured indebtedness to the extent of the value of assets securing such indebtedness.

The notes and the guarantee will be the general unsecured obligations of Swift and Swift Energy Operating, LLC, respectively, and will be effectively subordinated in right of payment to all of the secured indebtedness of Swift and Swift Energy Operating, LLC, respectively, to the extent of the value of the assets securing such indebtedness. If we become insolvent or are liquidated, our assets that serve as collateral under our secured indebtedness would be made available to satisfy our obligations under any secured debt before any payments are made on the notes. Our obligations under our bank credit facility are secured by substantially all of our assets. As of October 31, 2009, after giving effect to this offering and the application of the net proceeds thereof, we would have had $2.2 million of indebtedness outstanding under our bank credit facility, excluding letters of credit, with the ability to borrow up to an additional $274.5 million under the facility. See Description of the notes Certain covenants Limitation on indebtedness.

If we experience a change of control, we may be unable to repurchase the notes as required under the indenture.

In the event of a change of control, you will have the right to require us, subject to various conditions, to repurchase the notes, and the holders of our outstanding 71/8% senior notes due 2017 would have a similar right. We may not have sufficient financial resources to pay the repurchase price for the notes, or may be prohibited from doing so under our bank credit facility or other debt agreements.

If a change of control occurs and we fail to repurchase the notes, our failure to do so would constitute a default under the indenture, which in turn is likely to be a default under our bank credit facility and our outstanding senior notes.

The term change of control is limited to certain specified transactions and may not include other events that might adversely affect our financial condition. Our obligation to repurchase the notes upon a change of control would not necessarily afford holders of notes protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction.

A guarantee could be voided if the guarantor fraudulently transferred the guarantee at the time it incurred the indebtedness, which could result in the noteholders being able to rely on only us to satisfy claims.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee can be voided, or claims under a guarantee may be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- intended to hinder, delay or defraud any present or future creditor or received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor s remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any payment by that guarantor under a guarantee could be voided and required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or

it could not pay its debts as they became due.

On the basis of historical financial information, recent operating history and other factors, we believe that the subsidiary guarantee of the notes is being incurred for proper purposes and in good faith and that the subsidiary guarantor, after giving effect to its guarantee of the notes, will not be insolvent, have unreasonably small capital for the business in which it is engaged or have incurred debts beyond its ability to pay those debts as they mature. We cannot be certain, however, that a court would agree with our conclusions in this regard.

You may find it difficult to sell your notes.

The notes will constitute a new issue of securities with no established public market. Although the underwriters have indicated that they intend to make a market in the notes, they are not obligated to do so and any of their market making activities may be terminated or limited at any time. In addition, although we have registered the offer and sale of the notes under the Securities Act of 1933, there can be no assurance as to the liquidity of markets that may develop for the notes and the ability of noteholders to sell their notes or the prices at which notes could be sold. The notes may trade at prices that are lower than their initial purchase price depending on many factors, including prevailing interest rates and the markets for similar securities. The liquidity of trading markets for the notes may also be adversely affected by general declines or disruptions in the markets for debt securities. Those market declines or disruptions could adversely affect the liquidity of and market for the notes independent of our financial performance or prospects. An active market for the notes may not develop or, if developed, may not continue. In the absence of an active trading market, you may not be able to transfer the notes within the time or at the price you desire.

Many of the covenants contained in the indenture governing the notes will terminate if the notes are rated investment grade by both Standard & Poor s Ratings Services and Moody s Investors Service, Inc.

Many of the covenants in the indenture governing the notes will terminate if the notes are rated investment grade by both Standard & Poor s Ratings Services and Moody s Investors Service, Inc., provided at such time no default under the indenture governing the notes has occurred and is continuing. These covenants will restrict, among other things, our ability to pay dividends, to incur indebtedness and to enter into certain other transactions. There can be no

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assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain such ratings. However, termination of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. See Description of the notes Certain covenants Covenant termination.

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Ratio of earnings to fixed charges

The following table sets forth our ratio of earnings to fixed charges:

	Year ended December 31,					Nine months ended September 30,
	2004	2005	2006	2007	2008	2009
Ratio of earnings to fixed charges(1)	3.31x	5.59x	8.21x	7.17x		

(1) Earnings were inadequate to cover fixed charges for the year ended December 31, 2008, and for the nine months ended September 30, 2009, by approximately $420.8 million and $90.7 million, respectively. Assuming application of the net proceeds of our notes offering as described in this prospectus supplement, pro forma for the offering earnings would have been inadequate to cover fixed charges for the year ended December 31, 2008, and for the nine months ended September 30, 2009 by approximately $427.6 million and $95.9 million, respectively.

For purposes of calculating the ratio of earnings to fixed charges, fixed charges include interest expense, capitalized interest, amortization of debt issuance costs and that portion of non-capitalized rental expense deemed to be the equivalent of interest. Earnings represent income before income taxes from continuing operations before fixed charges.

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Use of proceeds

We expect to receive net proceeds of approximately $216.4 million from this offering after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds to redeem all of our $150.0 million 75/8% senior notes due 2011, to pay down borrowings under our revolving credit facility and to use the funds then made available under our revolving credit facility for general corporate purposes. General corporate purposes may include development and exploration expenditures, additions to working capital and the financing of acquisitions of oil and gas properties and related assets. The net proceeds may be invested temporarily until they are used for their stated purpose. Affiliates of certain of the underwriters are lenders under our revolving credit facility and therefore will receive proceeds from the offering to the extent that proceeds are used to repay borrowings under the revolving credit facility.

We expect to redeem the 75/8% senior notes due 2011 within approximately 30 days of the date of this prospectus supplement. Their redemption price is 101.906% of the principal amount of the notes to be redeemed plus interest accrued to the redemption date.

At October 31, 2009, we had borrowings of $65.8 million under our revolving credit facility, which expires in October 2011. Effective May 1, 2009, the interest rate is either (a) the lead bank s prime rate plus applicable margin or (b) the adjusted London Interbank Offered Rate (LIBOR) plus the applicable margin depending on the level of outstanding debt. The lead bank s prime rate plus the applicable margin was 4.25% at October 31, 2009. The borrowings under our credit facility were used to fund or partially fund our acquisitions of oil and gas properties and for general corporate purposes.

Capitalization

The following table sets forth our actual capitalization as of September 30, 2009, and our capitalization as adjusted to reflect the consummation of this offering and the application of the net proceeds as described in Use of proceeds.

The following table is unaudited and should be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical financial statements and the related notes thereto included in our annual report on Form 10-K for the year ended December 31, 2008, and our quarterly report on Form 10-Q for the quarter ended September 30, 2009.

(dollars in thousands)	**At September 30, 2009**	
(unaudited)	**Actual**	**As adjusted[1]**
Cash and cash equivalents	$ 154	$ 154
Long-term debt:		
Bank borrowings[2]	80,800	17,234
87/8% Senior Notes Due 2020		225,000
71/8% Senior Notes Due 2017	250,000	250,000
75/8% Senior Notes Due 2011	150,000	
Total long-term debt	$ 480,800	$ 492,234
Stockholders equity:		
Common stock	379	379
Additional paid-in capital	548,395	548,395
Treasury stock held, at cost	(9,183)	(9,183)
Retained earnings	121,818	119,240[3]
Other comprehensive loss	(23)	(23)
Total stockholders equity	661,386	658,808
Total capitalization	$ 1,142,186	$ 1,151,042

(1) Assumes the redemption of all of our 75/8% senior notes due 2011 at a redemption price of 101.906% of the principal amount of the notes to be redeemed, but does not include payment of accrued interest through the date of redemption. Reflects offering fees and expenses.

(2) As of October 31, 2009, our outstanding bank borrowings were $65.8 million. Accordingly, after giving effect to this offering and the application of the net proceeds thereof, our bank borrowings would have been $2.2 million under our bank credit facility, excluding $0.8 million letters of credit, at such date.

(3) Reflects redemption of all of our 75/8% senior notes due 2011 at a premium and write off of unamortized debt discount.

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Description of existing indebtedness

Bank borrowings

At September 30, 2009, we had borrowings of $80.8 million outstanding under our $500.0 million credit facility with a syndicate of ten banks that has a borrowing base of $300.0 million, and expires in October 2011. (As of October 31, 2009, our outstanding bank borrowings were $65.8 million.) In May 2009, in conjunction with the normal semi-annual review, our borrowing base and commitment amount were set at $300.0 million. This was a decrease from the previous borrowing base of $400.0 million and commitment amount of $350.0 million but still in line with our 2009 cash needs. Effective May 1, 2009, the interest rate is either (a) the lead bank s prime rate plus applicable margin or (b) the adjusted London Interbank Offered Rate (LIBOR) plus the applicable margin depending on the level of outstanding debt. The applicable margins have increased to escalating rates of 100 to 250 basis points above the lead bank s prime rate and escalating rates of 200 to 350 basis points for LIBOR rate loans. The commitment fee associated with the unfunded portion of the borrowing base is set at 50 basis points. At September 30, 2009, the lead bank s prime rate was 3.25%.

Our credit facility permits the issuance of notes in a form approved by the administrative agent under the credit facility and the incurrence of other indebtedness (whether senior or subordinated), provided that any incurrence of debt will result in a borrowing base reduction of $0.30 for each $1.00 in principal amount of such debt not used to redeem, refinance or repay the existing senior notes due 2011. As a result of this offering, we expect the borrowing base to decrease by the amount of $22.5 million.

The terms of our credit facility include, among other restrictions, a limitation on the level of cash dividends (not to exceed $15.0 million in any fiscal year), a remaining aggregate limitation on purchases of our stock of $50.0 million, requirements as to maintenance of certain minimum financial ratios (principally pertaining to adjusted working capital ratios and EBITDAX), and limitations on incurring other debt, or absent permitted refinancing, repurchasing our 75/8% senior notes due 2011. Since inception, no cash dividends have been declared on our common stock. We are currently in compliance with the provisions of this agreement. The credit facility is secured by our domestic oil and natural gas properties. The borrowing base amount is re-determined at least every six months and was re-determined in November 2009 at the same $300.0 million level; the next scheduled borrowing base review is in May 2010. A portion of the notes offered hereby constitute Permitted Refinancing Debt under the terms of our credit facility.

Senior notes due 2011

These notes consist of $150.0 million of 75/8% senior notes, which were issued on June 23, 2004 at 100% of the principal amount and will mature on July 15, 2011. The notes are senior unsecured obligations that rank equally with all of our existing and future senior unsecured indebtedness, are effectively subordinated to all our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, including borrowing under our bank credit facility, and rank senior to all of our existing and future subordinated indebtedness. Interest on these notes is payable semi-annually on January 15 and July 15, and commenced on January 15, 2005.

Currently, we may redeem some or all of the notes, with certain restrictions, at a redemption price, plus accrued and unpaid interest, of 101.906% of principal, declining to 100% in 2010 and thereafter. Upon certain changes in control of Swift, each holder of notes will have the right to require us to repurchase all or any part of the notes at a purchase price in cash equal to 101% of the principal amount, plus accrued and unpaid interest to the date of purchase. The terms of these notes include, among other restrictions, a limitation on how much of our own common stock we may repurchase. We are currently in compliance with the provisions of the indenture governing these senior notes.

Senior notes due 2017

These notes consist of $250.0 million of 71/8% senior notes due 2017, which were issued on June 1, 2007 at 100% of the principal amount and will mature on June 1, 2017. The notes are senior unsecured obligations that rank equally with all of our existing and future senior unsecured indebtedness, including the notes offered hereby, are effectively subordinated to all our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, including borrowing under our bank credit facility, and will rank senior to any future subordinated indebtedness of Swift. Interest on these notes is payable semi-annually on June 1 and December 1, and commenced on December 1, 2007.

On or after June 1, 2012, we may redeem some or all of these notes, with certain restrictions, at a redemption price, plus accrued and unpaid interest, of 103.563% of principal, declining in twelve-month intervals to 100% in 2015 and thereafter. In addition, prior to June 1, 2010, we may redeem up to 35% of the principal amount of the notes with the net proceeds of qualified offerings of our equity at a redemption price of 107.125% of the principal amount of the notes, plus accrued and unpaid interest. In the event of certain changes in control of Swift, each holder of notes will have the right to require us to repurchase all or any part of the notes at a purchase price in cash equal to 101% of the principal amount, plus accrued and unpaid interest to the date of purchase. The terms of these notes include, among other restrictions, a limitation on how much of our own common stock we may repurchase. We are currently in compliance with the provisions of the indenture governing these senior notes.

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Description of the notes

You can find the definitions of certain terms used in this description under the subheading Certain definitions, beginning on page S-37. In this description, the words Swift, we, us and our refer to Swift Energy Company and no any of its subsidiaries.

We will issue the notes under an indenture dated as of May 19, 2009, which is to be supplemented by a first supplemental indenture to be dated as of the Issue Date, referred to as supplemented as the Indenture, among Swift, as issuer, Swift Energy Operating, LLC, as Subsidiary Guarantor, and Wells Fargo Bank, National Association, as trustee (the Trustee). The Indenture is governed by the Trust Indenture Act of 1939 (the Trust Indenture Act). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act.

The following description is a summary of the material provisions of the Notes and the Indenture. We urge you to read the Indenture because it, and not this description, defines your rights as a holder of these notes. Copies of the forms of indenture and the first supplemental indenture are incorporated by reference. The indenture is filed as an exhibit to our registration statement on Form S-3, filed with the Securities and Exchange Commission on May 19, 2009, and the first supplemental indenture will be filed as an exhibit to a Current Report on Form 8-K.

We are issuing $225.0 million of senior notes (the Offered Notes) now and can issue an unlimited amount of notes at later dates under the Indenture. Any notes that we issue in the future will be identical in all respects to the Offered Notes that we are issuing now, except that notes issued in the future will have different issuance prices and issuance dates. We can issue notes as part of the same series or as an additional series. The Offered Notes and any notes later issued under the Indenture are collectively referred to as the Notes. We will issue Notes only in fully registered form without coupons, in denominations of $2,000 and integral multiples of $1,000.

Principal, maturity and interest

The Notes will mature on January 15, 2020.

Interest on the Notes will accrue at a rate of 87/8% per annum and will be payable semi-annually in arrears on January 15 and July 15, commencing on January 15, 2010, in the case of the Offered Notes. We will pay interest to those persons who were holders of record on January 1 and July 1 immediately preceding each interest payment date.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Subsidiary guaranties

Initially, there will be only one Subsidiary Guarantor, Swift Energy Operating, LLC, our principal domestic operating subsidiary and a co-obligor on our outstanding 75/8% senior notes due 2011 and our 71/8% senior notes due 2017. Under the circumstances described below under Certain covenants Future subsidiary guarantors, Swift s payment obligations under the Notes may in the future be jointly and severally guaranteed by one or more other Subsidiary Guarantors. The

Subsidiary Guaranty of any Subsidiary Guarantor will be an unsecured senior obligation of such Subsidiary Guarantor.

Upon the sale or other disposition of all the Capital Stock of a Subsidiary Guarantor (other than to Swift or an Affiliate of Swift) permitted by the Indenture, such Subsidiary Guarantor will be released from all its obligations under its Subsidiary Guaranty. For a more detailed description of these obligations, see Certain covenants Limitation on asset sales. In addition, any Subsidiary Guarantor that is designated an Unrestricted Subsidiary in accordance with the terms of the Indenture shall be released from and relieved of its obligations under its Subsidiary Guaranty upon execution and delivery of a supplemental indenture satisfactory to the Trustee. Any Subsidiary Guarantor may be released from its obligation under its Subsidiary Guaranty if such Subsidiary Guarantor no longer has any outstanding Indebtedness or Preferred Stock or it again qualifies as an Exempt Foreign Subsidiary.

Each of Swift and any Subsidiary Guarantor will agree to contribute to any other Subsidiary Guarantor that makes payments pursuant to its Subsidiary Guaranty an amount equal to Swift s or such Subsidiary Guarantor s proportionate share of such payment, based on the net worth of Swift or such Subsidiary Guarantor relative to the aggregate net worth of Swift and the Subsidiary Guarantors.