

Edgar Filing: ABRAXAS PETROLEUM CORP - Form 8-K

ABRAXAS PETROLEUM CORP

Form 8-K

February 24, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

F O R M 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report
February 24, 2004

Abraxas Petroleum Corporation
(Exact name of registrant as specified in its charter)

Nevada
(State of other jurisdiction of incorporation)

0-19118
(Commission File Number)

74-2584033
(I.R.S. Employer Identification Number)

500 N. Loop 1604 East, Suite 100
San Antonio, Texas 78232
(Address of principal executive offices)

including area code: Registrant's telephone number,
210-490-4788

Item 9. REGULATION FD DISCLOSURE

See attached Press Release

Edgar Filing: ABRAXAS PETROLEUM CORP - Form 8-K

The following exhibits are filed as part of this report:

NUMBER

DOCUMENT

99.1

Press release dated February 24, 2004

SIGNATURES

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

ABRAXAS PETROLEUM CORPORATION

By: /s/Chris Williford
Chris Williford
Executive Vice President, Chief Financial
Officer and Treasurer

Dated: February 24, 2004

Exhibit 99.1

NEWS RELEASE

ABRAXAS INCREASES SIZE AND REDUCES COST OF FIRST LIEN CREDIT FACILITY

SAN ANTONIO, TX (February 24, 2004) - Abraxas Petroleum Corporation (AMEX: ABP) today announced that it has executed an amendment to its First Lien Credit Facility resulting in enlarging the facility, reducing the current cost of the credit to the Company, and improving certain covenants. Significant changes to the facility include:

- o Increasing the size of the facility from \$50 million to \$65 million,
- o Reduction of interest rate from a current floating 9% to a floating rate currently at approximately 7.5%,
- o Extending the maturity from January 2006 to February 2007,
- o \$45 million of facility becomes a loan with no borrowing base component,
- o Improvement of certain financial covenant tests, and
- o The outstanding balance under the amended facility is approximately \$51 million with another approximate \$14 million of availability.

Abraxas President, Bob Watson, commented, "We believe that the amendment of this facility demonstrates the value we have added through our continuing development activities, as well as the continuing strength of the commodity markets. This expanded facility removes some restrictions that were impacting our ability to manage our assets and provides us with additional liquidity that we intend to utilize to enhance shareholder value. Cheaper capital with an extended maturity and less exposure to the cyclical nature of our business should allow us to

Edgar Filing: ABRAXAS PETROLEUM CORP - Form 8-K

continue the process of improving our balance sheet and increasing value to our shareholders."

Durham Capital Corporation acted as a financial advisor to the Company related to this transaction.

Abraxas Petroleum Corporation is a San Antonio-based crude oil and natural gas exploitation and production company. The Company operates in Texas, Wyoming and western Canada.

Safe Harbor for forward-looking statement: Statements in this release looking forward in time involve known and unknown risks and uncertainties, which may cause the Company's actual results in future periods to be materially different from any future performance suggested in this release. Such factors may include, but may not be necessarily limited to, changes in the prices received by the Company for crude oil and natural gas. In addition, the Company's future crude oil and natural gas production is highly dependent upon the Company's level of success in acquiring or finding additional reserves. Further, the Company operates in an industry sector where the value of securities is highly volatile and may be influenced by economic and other factors beyond the Company's control. In the context of forward-looking information provided for in this release, reference is made to the discussion of risk factors detailed in the Company's filing with the Securities and Exchange Commission during the past 12 months.

FOR MORE INFORMATION CONTACT:

Janice Herndon/Manager Corp. Communications
Telephone 210.490.4788
jherndon@abraxaspetroleum.com
www.abraxaspetroleum.com