

ENCORE ACQUISITION CO

Form 424B5

September 10, 2009

**Table of Contents**

**Filed Pursuant to Rule 424(b)(5)**  
**Registration No. 333-158680**

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Aggregate Offering Price Per Share</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
Common Stock, par value \$0.01 per share	2,750,000	\$37.40	\$102,850,000	\$5,740 <sup>(1)</sup>

<sup>(1)</sup> The registration fee of \$5,740 is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

**PROSPECTUS SUPPLEMENT**  
(To Prospectus dated April 22, 2009)

2,750,000 Shares

Common Stock

We are selling 2,750,000 shares of our common stock. Our common stock is listed on the New York Stock Exchange under the symbol EAC. On September 8, 2009, the last reported sale price of our common stock on the New York Stock Exchange was \$39.42 per share.

*Investing in our common stock involves risks. See Risk Factors on page S-9 of this prospectus supplement, on page 2 of the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement.*

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$ 37.40	\$ 102,850,000
Underwriting discounts and commissions	\$ 0.74	\$ 2,035,000
Proceeds to Encore Acquisition Company (before expenses)	\$ 36.66	\$ 100,815,000

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

Barclays Capital expects to deliver the shares on or about September 14, 2009.

**Barclays Capital**

Prospectus Supplement dated September 8, 2009

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## TABLE OF CONTENTS

### Prospectus Supplement

<u>Summary</u>	S-1
<u>Risk Factors</u>	S-9
<u>Use of Proceeds</u>	S-9
<u>Capitalization</u>	S-10
<u>Price Range of Common Stock and Dividends</u>	S-11
<u>Underwriting</u>	S-12
<u>Legal Matters</u>	S-18
<u>Experts</u>	S-18
<u>Incorporation by Reference</u>	S-18

### Prospectus

About this Prospectus	i
Where You Can Find More Information	ii
Incorporation by Reference	ii
About Encore Acquisition Company	1
Risk Factors	2
Forward-Looking Statements	2
Use of Proceeds	3
Ratio of Earnings to Fixed Charges	3
Description of Debt Securities	4
Description of Capital Stock	11
Plan of Distribution	15
Legal Opinions	16
Independent Registered Public Accounting Firm	16
Independent Petroleum Engineers	16

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information about securities we may offer from time to time. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus, the information in this prospectus supplement controls. Before you invest in our common stock, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents we refer to under the heading "Incorporation by Reference" in this prospectus supplement and the accompanying prospectus.

**You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus we may authorize to be delivered to you. Neither we nor the underwriter has authorized anyone to provide you with additional or different information. If**

**anyone provides you with different or inconsistent information, you should not rely on it. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy our common stock in any jurisdiction where such offer or any sale would be unlawful. 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 cover of this prospectus supplement or the accompanying prospectus, respectively, or any information that we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.**

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**Table of Contents**

**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before making an investment decision. You should carefully read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference for a more complete understanding of our business. You should pay special attention to the Risk Factors section on page S-9 of this prospectus supplement and on page 2 of the accompanying prospectus, as well as the risk factors included in Item 1A. Risk Factors of our 2008 Annual Report on Form 10-K and the other documents incorporated by reference, to determine whether an investment in our common stock is appropriate for you. The estimates of proved oil and natural gas reserves at December 31, 2008 included in this prospectus supplement and in the documents incorporated by reference are based upon the report of Miller and Lents, Ltd., an independent engineering firm.*

*As used in this prospectus supplement, we, us, our and similar terms mean Encore Acquisition Company and its subsidiaries, unless the context indicates otherwise. References to ENP refer to Encore Energy Partners LP and its subsidiaries.*

**Encore Acquisition Company**

We are a Delaware corporation engaged in the acquisition and development of oil and natural gas reserves from onshore fields in the United States. Since 1998, we have acquired producing properties with proven reserves and leasehold acreage and grown the production and proven reserves by drilling, exploring and reengineering or expanding existing waterflood projects. Our properties and oil and natural gas reserves are located in four core areas:

the Cedar Creek Anticline ( CCA ) in the Williston Basin in Montana and North Dakota;

the Permian Basin in West Texas and southeastern New Mexico;

the Rockies, which includes non-CCA assets in the Williston, Big Horn and Powder River Basins in Wyoming, Montana and North Dakota, and the Paradox Basin in southeastern Utah; and

the Mid-Continent area, which includes the Arkoma and Anadarko Basins in Arkansas and Oklahoma, the North Louisiana Salt Basin and the East Texas Basin.

Our estimated total proved reserves at December 31, 2008 were 134.5 million barrels of oil equivalent (BOE) and 307.5 billion cubic feet of natural gas, based on December 31, 2008 spot market prices of \$44.60 per BOE and \$5.62 per thousand cubic feet for natural gas. On a BOE basis, our proved reserves were 185.7 million BOE at December 31, 2008, of which approximately 72 percent was oil and approximately 80 percent was proved developed.

In 2008, we drilled 88 gross (67.8 net) operated productive wells and participated in drilling 194 gross (37.0 net) non-operated productive wells for a total of 282 gross (104.8 net) productive wells. Also in 2008, we drilled 7 gross (4.9 net) operated dry holes and participated in drilling another 6 gross (1.9 net) dry holes for a total of 13 gross (6.8 net) dry holes. This represents a success rate of over 95 percent during 2008.

As of September 4, 2009, we owned 20,924,055 of ENP s outstanding common units, representing an approximate 46 percent limited partner interest. Through our indirect ownership of ENP s general partner, we also hold all 504,851 general partner units in ENP, representing an approximate 1.1 percent general partner interest.



**Table of Contents**

**Recent Developments**

**Purchase of Mid-Continent and East Texas Properties**

On August 11, 2009, we acquired certain oil and natural gas properties and related assets in the Mid-Continent and East Texas from EXCO Resources, Inc. for approximately \$356.1 million in cash.

**Sale of Rockies and Permian Basin Properties to ENP**

On August 11, 2009, we sold certain oil and natural gas producing properties in the Big Horn Basin in Wyoming, the Permian Basin in West Texas and New Mexico and the Williston Basin in Montana and North Dakota to ENP for approximately \$186.8 million in cash.

**CO<sub>2</sub> Supply Agreement**

On August 14, 2009, we acquired a private company in order to procure a CO<sub>2</sub> supply that is expected to be used for a tertiary oil recovery project in our Bell Creek Field. Under the terms of the supply agreement, we will purchase all of the volumes available from the Lost Cabin Gas Plant located in Fremont County, Wyoming. Initially, the volumes are estimated to be approximately 50 million cubic feet per day. The initial term of the contract is 15 years. We plan to build compression facilities adjacent to the plant and construct a 206-mile pipeline to transport the compressed CO<sub>2</sub> to our Bell Creek Field in Southeastern Montana, where we intend to upgrade our current waterflood secondary recovery project into a miscible CO<sub>2</sub> flood tertiary recovery project.

**Our Executive Office**

Our principal executive office is located at 777 Main Street, Suite 1400, Fort Worth, Texas, 76102, and our telephone number is (817) 877-9955.



**Table of Contents**

**The Offering**

<b>Common Stock Offered</b>	2,750,000 shares
<b>Common Stock Outstanding After this Offering*</b>	55,544,207 shares
<b>Use of Proceeds</b>	We expect to receive net proceeds from this offering of approximately \$100.5 million, after deducting underwriting discounts and commissions and estimated offering expenses. We plan to use the net proceeds from this offering to repay amounts outstanding under our revolving credit facility. Please read Use of Proceeds.
<b>New York Stock Exchange Symbol</b>	EAC
<b>Risk Factors</b>	Investing in our common stock involves risks. Please read Risk Factors on page S-9 of this prospectus supplement and on page 2 of the accompanying prospectus for a discussion of factors you should consider before investing on our common stock.

\* Calculated as of September 4, 2009 and excluding (1) an aggregate of 1,731,396 shares of common stock issuable upon the exercise of outstanding stock options, of which 1,298,690 were exercisable as of September 4, 2009, with a weighted average price of \$16.24 per share, and (2) an aggregate of 1,715,882 shares of common stock available for issuance pursuant to our long-term incentive plan.

**Table of Contents****Summary Consolidated Financial Data**

The following table presents summary consolidated financial data as of and for the periods indicated. Certain amounts of prior periods have been reclassified in order to conform to the current period presentation. Our summary historical financial data as of December 31, 2007 and 2008 and for the years ended December 31, 2006, 2007 and 2008 are derived from our audited financial statements included in our 2008 Annual Report on Form 10-K, which we incorporate by reference in this prospectus supplement. Our summary historical financial data as of June 30, 2009 and for the six months ended June 30, 2008 and 2009 are derived from our unaudited financial statements included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, which we incorporate by reference in this prospectus supplement. Results of operations for the six months ended June 30, 2009 are not necessarily indicative of the results of operations for the entire year or any future period.

You should read this information in conjunction with (1) Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data contained in our 2008 Annual Report on Form 10-K, and (2) Item 1. Financial Statements and Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, which we incorporate by reference in this prospectus supplement.

	<b>Six Months Ended</b>		<b>Year Ended December 31,<sup>(a)</sup></b>		
	<b>June 30,</b>		<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>2009</b>	<b>2008</b>			
	<i>(Unaudited)</i>				

*(In thousands)***Consolidated Statements of Operations****Data:**Revenues<sup>(b)</sup>:

Oil	\$ 221,966	\$ 507,458	\$ 897,443	\$ 562,817	\$ 346,974
Natural gas	54,740	116,201	227,479	150,107	146,325
Marketing <sup>(c)</sup>	1,121	6,577	10,496	42,021	147,563
<b>Total revenues</b>	<b>277,827</b>	<b>630,236</b>	<b>1,135,418</b>	<b>754,945</b>	<b>640,862</b>

Expenses:

Production:

Lease operating	84,676	81,047	175,115	143,426	98,194
Production, ad valorem, and severance taxes	28,852	62,495	110,644	74,585	49,780
Depletion, depreciation, and amortization	144,734	100,569	228,252	183,980	113,463
Impairment of long-lived assets <sup>(d)</sup>			59,526		
Exploration	27,133	17,081	39,207	27,726	30,519
General and administrative	27,473	21,246	48,421	39,124	23,194
Marketing <sup>(c)</sup>	1,254	7,507	9,570	40,549	148,571
Derivative fair value loss (gain) <sup>(e)</sup>	12,515	321,528	(346,236)	112,483	(24,388)
Provision for doubtful accounts	4,678		1,984	5,816	1,970
Other operating	16,500	5,732	12,975	17,066	8,053
<b>Total expenses</b>	<b>347,815</b>	<b>617,205</b>	<b>339,458</b>	<b>644,755</b>	<b>449,356</b>

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Operating income (loss)	(69,988)	13,031	795,960	110,190	191,506
Other income (expenses):					
Interest	(35,089)	(36,545)	(73,173)	(88,704)	(45,131)
Other	1,211	1,537	3,898	2,667	1,429
Total other expenses	(33,878)	(35,008)	(69,275)	(86,037)	(43,702)

S-4

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**Table of Contents**

	<b>Six Months Ended</b>		<b>Year Ended December 31,<sup>(a)(f)</sup></b>		
	<b>2009</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>June 30,</b>				
	<i>(Unaudited)</i>				
	<i>(In thousands, other than per share data)</i>				
Income (loss) before income taxes	(103,866)	(21,977)	726,685	24,153	147,804
Income tax benefit (provision)	36,443	2,589	(241,621)	(14,476)	(55,406)
Consolidated net income (loss)	(67,423)	(19,388)	485,064	9,677	92,398
Less: net loss (income) attributable to noncontrolling interest	12,892	14,888	(54,252)	7,478	
Net income (loss) attributable to EAC	\$ (54,531)	\$ (4,500)	\$ 430,812	\$ 17,155	\$ 92,398
Net income (loss) per common share:					
Basic	\$ (1.05)	\$ (0.09)	\$ 8.10	\$ 0.32	\$ 1.75
Diluted	\$ (1.05)	\$ (0.09)	\$ 8.01	\$ 0.31	\$ 1.74
Weighted average common shares outstanding:					
Basic	51,769	52,571	52,270	53,170	51,865
Diluted	51,769	52,571	52,866	53,629	52,356
<b>Consolidated Statements of Cash Flows Data:</b>					
Cash provided by (used in):					
Operating activities	\$ 544,147	\$ 352,315	\$ 663,237	\$ 319,707	\$ 297,333
Investing activities	(309,360)	(306,403)	(728,346)	(929,556)	(397,430)
Financing activities	(200,986)	(46,022)	65,444	610,790	99,206

	<b>As of</b>	<b>As of December 31,<sup>(a)</sup></b>		
	<b>June 30,</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>2009</b>			
	<i>(Unaudited)</i>			
	<i>(In thousands)</i>			
<b>Consolidated Balance Sheets Data:</b>				
Working capital	\$ (53,025)	\$ 188,678	\$ (16,220)	\$ (40,745)
Total assets	3,420,969	3,633,195	2,784,561	2,006,900
Long-term debt	1,172,912	1,319,811	1,120,236	661,696
Equity <sup>(f)</sup>	1,450,126	1,483,248	1,070,689	816,865

(a) We acquired certain oil and natural gas properties and related assets in the Big Horn and Williston Basins in March 2007 and April 2007, respectively. The operating results of these acquisitions are included with ours from the date of acquisition forward. We disposed of certain oil and natural gas properties and related assets in the Mid-Continent in June 2007. The operating results of this disposition are included with ours through the date of disposition.

- (b) For the six months ended June 30, 2009 and 2008, we reduced oil and natural gas revenues for net profits interests owned by others by \$12.6 million and \$31.8 million, respectively. For 2008, 2007 and 2006, we reduced oil and natural gas revenues for net profits interests owned by others by \$56.5 million, \$32.5 million and \$23.4 million, respectively.
- (c) In 2006, we began purchasing third-party oil Bbls from a counterparty other than to whom the Bbls were sold for aggregation and sale with our own equity production in various markets. These purchases assisted us in marketing our production by decreasing our dependence on individual markets. These activities allowed us to aggregate larger volumes, facilitated our efforts to maximize the prices we received for production, provided for a greater allocation of future pipeline capacity in the event of curtailments and enabled us to reach other markets. In 2007, we discontinued purchasing oil from third party companies as market conditions changed and pipeline space was

S-5

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**Table of Contents**

gained. Implementing this change allowed us to focus on the marketing of our own oil production, leveraging newly gained pipeline space and delivering oil to various newly developed markets in an effort to maximize the value of the oil at the wellhead. In March 2007, ENP acquired a natural gas pipeline as part of the Big Horn Basin asset acquisition. Natural gas volumes are purchased from numerous gas producers at the inlet to the pipeline and resold downstream to various local and off-system markets.

- (d) During 2008, circumstances indicated that the carrying amounts of certain oil and natural gas properties, primarily four wells in the Tuscaloosa Marine Shale, may not be recoverable. We compared the assets' carrying amounts to the undiscounted expected future net cash flows, which indicated a need for an impairment charge. We then compared the net carrying amounts of the impaired assets to their estimated fair value, which resulted in a write-down of the value of proved oil and natural gas properties of \$59.5 million. Fair value was determined using estimates of future production volumes and estimates of future prices we might receive for these volumes, discounted to a present value.
- (e) During July 2006, we elected to prospectively discontinue hedge accounting for our commodity derivative contracts, which were previously accounted for as hedges. From that point forward, mark-to-market gains or losses on commodity derivative contracts are recorded in Derivative fair value loss (gain) while in periods prior to that point, only the ineffective portions of commodity derivative contracts which were designated as hedges were recorded in Derivative fair value loss (gain).
- (f) Recast for the adoption of Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements – an amendment to ARB No. 51* ( SFAS 160 ) and Financial Accounting Standards Board Staff Position No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ( EITF 03-6-1 ) on January 1, 2009. The retrospective application of SFAS 160 resulted in the reclassification of approximately \$169.1 million and \$122.5 million from minority interest in consolidated partnership to noncontrolling interest at December 31, 2008 and 2007, respectively. The retrospective application of the provisions of EITF 03-6-1 to the reported per-share amounts of net income (loss) per common share reduced our basic earnings by \$0.14 and \$0.03 for the years ended December 31, 2008 and 2006, respectively, and reduced our diluted earnings by \$0.06, \$0.01 and \$0.01 for the years ended December 31, 2008, 2007 and 2006, respectively. There was no change in our basic earnings for the year ended December 31, 2007 as a result of the adoption of EITF 03-6-1. See notes 2 and 11 and notes 2 and 10 to our unaudited consolidated financial statements included in our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2009 and June 30, 2009, respectively, for more information regarding the adoption of these new accounting standards.

**Summary Oil and Natural Gas Reserve Data**

The following table sets forth summary oil and natural gas reserve data with respect to our estimated proved reserves as of the dates indicated. The following estimates of our net proved oil and natural gas reserves are based on estimates prepared by Miller and Lents, Ltd., independent petroleum engineers. Guidelines established by the SEC regarding the present value of future net revenues were used to prepare these reserve estimates. Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data and the interpretation of that data by petroleum engineers. In addition, the results of drilling, testing and production activities may require revisions of estimates that were made previously. Accordingly, estimates of reserves and their value are inherently imprecise and are subject to constant revision and change, and they should not be

**Table of Contents**

construed as representing the actual quantities of future production or cash flows to be realized from oil and natural gas properties or the fair market value of such properties.

You should read this information in conjunction with our proved oil and natural gas reserve data contained in our 2008 Annual Report on Form 10-K, which we incorporate by reference in this prospectus supplement.

	<b>Year Ended December 31,</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Proved Reserves:</b>			
Oil (MBbls)	134,452	188,587	153,434
Natural gas (MMcf)	307,520	256,447	306,764
Combined (MBOE)	185,705	231,328	204,561

**Summary Operating Data**

The following table sets forth summary operating data for the periods indicated. You should read this information in conjunction with the operating data contained in our 2008 Annual Report on Form 10-K and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, which we incorporate by reference in this prospectus supplement.

	<b>Six Months Ended</b>		<b>Year Ended December 31,<sup>(a)</sup></b>		
	<b>June 30,</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
			<i>(Unaudited)</i>		
<b>Total Production Volumes<sup>(b)</sup>:</b>					
Oil (MBbls)	4,918	4,964	10,050	9,545	7,335
Natural gas (MMcf)	15,727	11,937	26,374	23,963	23,456
Combined (MBOE)	7,539	6,953	14,446	13,539	11,244
<b>Average Realized Prices:</b>					
Oil (\$/Bbl)	\$ 45.14	\$ 102.23	\$ 89.30	\$ 58.96	\$ 47.30
Natural gas (\$/Mcf)	3.48	9.73	8.63	6.26	6.24
Combined (\$/BOE)	36.70	89.69	77.87	52.66	43.87
<b>Average Costs per BOE:</b>					
Lease operating	\$ 11.23	\$ 11.66	\$ 12.12	\$ 10.59	\$ 8.73
Production, ad valorem, and severance taxes	3.83	8.99	7.66	5.51	4.43
Depletion, depreciation, and amortization	19.20	14.46	15.80	13.59	10.09
Impairment of long-lived assets <sup>(c)</sup>			4.12		
Exploration	3.60	2.46	2.71	2.05	2.71
General and administrative	3.64	3.06	3.35	2.89	2.06
Derivative fair value loss (gain) <sup>(d)</sup>	1.66	46.24	(23.97)	8.31	(2.17)
Provision for doubtful accounts	0.62		0.14	0.43	0.18
Other operating expense	2.19	0.82	0.90	1.26	0.71
Marketing, net of revenues <sup>(e)</sup>	0.02	0.13	(0.06)	(0.11)	0.09

(a)

We acquired certain oil and natural gas properties and related assets in the Big Horn and Williston Basins in March 2007 and April 2007, respectively. The operating results of these acquisitions are included with ours from the date of acquisition forward. In June 2007, we disposed of certain oil and natural gas properties and related assets in the Mid-Continent. The operating results of this disposition are included with ours through the date of disposition.

S-7

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**Table of Contents**

- (b) For the six months ended June 30, 2009 and 2008, our total production volumes were reduced for net profits interests owned by others by 343 MBOE and 315 MBOE, respectively. For 2008, 2007 and 2006, our total production volumes were reduced for net profits interests owned by others by 560 MBOE, 535 MBOE and 467 MBOE, respectively.
- (c) During 2008, circumstances indicated that the carrying amounts of certain oil and natural gas properties, primarily four wells in the Tuscaloosa Marine Shale, may not be recoverable. We compared the assets' carrying amounts to the undiscounted expected future net cash flows, which indicated a need for an impairment charge. We then compared the net carrying amounts of the impaired assets to their estimated fair value, which resulted in a write-down of the value of proved oil and natural gas properties of \$59.5 million. Fair value was determined using estimates of future production volumes and estimates of future prices we might receive for these volumes, discounted to a present value.
- (d) During July 2006, we elected to prospectively discontinue hedge accounting for our commodity derivative contracts, which were previously accounted for as hedges. From that point forward, mark-to-market gains or losses on commodity derivative contracts are recorded in Derivative fair value loss (gain) while in periods prior to that point, only the ineffective portions of commodity derivative contracts which were designated as hedges were recorded in Derivative fair value loss (gain).
- (e) In 2006, we began purchasing third-party oil Bbls from a counterparty other than to whom the Bbls were sold for aggregation and sale with our own equity production in various markets. These purchases assisted us in marketing our production by decreasing our dependence on individual markets. These activities allowed us to aggregate larger volumes, facilitated our efforts to maximize the prices we received for production, provided for a greater allocation of future pipeline capacity in the event of curtailments and enabled us to reach other markets. In 2007, we discontinued purchasing oil from third party companies as market conditions changed and pipeline space was gained. Implementing this change allowed us to focus on the marketing of our own oil production, leveraging newly gained pipeline space and delivering oil to various newly developed markets in an effort to maximize the value of the oil at the wellhead. In March 2007, ENP acquired a natural gas pipeline as part of the Big Horn Basin asset acquisition. Natural gas volumes are purchased from numerous gas producers at the inlet to the pipeline and resold downstream to various local and off-system markets.

**Table of Contents**

**RISK FACTORS**

*Before investing in our common stock, you should consider carefully all of the information about risks included in Item 1A. Risk Factors of our 2008 Annual Report on Form 10-K, as well as the other documents incorporated by reference, together with the other information contained in this prospectus supplement, the accompanying prospectus and any free writing prospectus prepared by or on behalf of us. If any of the risks actually were to occur, our business, financial condition, results of operations, cash flow and future prospects could be materially and adversely affected. In that case, the trading price of our securities, including our common stock, could decline and you could lose all or part of your investment.*

**USE OF PROCEEDS**

We expect to receive net proceeds from this offering of approximately \$100.5 million, after deducting underwriting discounts and commissions and estimated offering expenses. We plan to use the net proceeds from this offering to repay amounts outstanding under our revolving credit facility. Funds repaid on our revolving credit facility may be reborrowed for general corporate purposes, including to fund costs of our drilling program and future acquisitions.

As of September 4, 2009, the average interest rate on the outstanding borrowings under our revolving credit facility was approximately 2.0%. Our revolving credit facility matures on March 7, 2012.

The underwriter may, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of its business.

**Table of Contents****CAPITALIZATION**

The following table shows our capitalization as of June 30, 2009 on an actual basis and as adjusted to reflect the offering and the application of the net proceeds as described under Use of Proceeds.

You should read this information in conjunction with Item 1. Financial Statements and Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, which we incorporate by reference in this prospectus supplement.

	<b>June 30, 2009</b>	
	<b>Historical</b>	<b>As Adjusted<sup>(1)</sup></b>
	<i>(In thousands)</i>	
<b>Cash and cash equivalents</b>	\$ 35,840	\$ 35,840
<b>Total long-term debt:</b>		
Revolving Credit Facility	\$ 175,000	\$ 74,485
ENP Credit Agreement	195,000	195,000
6.25% senior subordinated notes due 2014	150,000	150,000
6.0% senior subordinated notes due 2015 (net of discount)	296,292	296,292
7.25% senior subordinated notes due 2017 (net of discount)	148,821	148,821
9.5% senior subordinated notes due 2016 (net of discount)	207,799	207,799
<b>Total long-term debt</b>	<b>1,172,912</b>	<b>1,072,397</b>
<b>Equity:</b>		
Preferred stock		
Common stock	519	547
Additional paid-in capital	542,278	642,765
Treasury stock	(16)	(16)
Retained earnings	733,309	733,309
Accumulated other comprehensive loss	(1,434)	(1,434)
Noncontrolling interest	175,470	175,470
<b>Total equity</b>	<b>1,450,126</b>	<b>1,550,641</b>
<b>Total capitalization</b>	<b>\$ 2,623,038</b>	<b>\$ 2,623,038</b>

(1) Does not reflect the payments by us of approximately \$356.1 million in connection with our acquisition of assets from EXCO Resources, Inc. on August 11, 2009. On September 4, 2009, there were \$320 million of outstanding borrowings under our revolving credit facility.

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

Our common stock is listed on the New York Stock Exchange under the symbol EAC. As of September 4, 2009, there were 52,794,207 shares of our common stock outstanding, which were held by 424 holders of record.

The following table sets forth, for the periods indicated, the high and low sales prices per share of our common stock, as reported on the New York Stock Exchange:

	<b>Price Range</b>	
	<b>High</b>	<b>Low</b>
<b>Year Ending December 31, 2009</b>		
Third Quarter (through September 8, 2009)	\$ 39.93	\$ 25.53
Second Quarter	\$ 39.01	\$ 22.30
First Quarter	\$ 32.11	\$ 17.04
<b>Year Ended December 31, 2008</b>		
Fourth Quarter	\$ 41.05	\$ 17.89
Third Quarter	\$ 79.62	\$ 36.84
Second Quarter	\$ 77.35	\$ 38.45
First Quarter	\$ 40.74	\$ 26.10
<b>Year Ended December 31, 2007</b>		
Fourth Quarter	\$ 38.55	\$ 30.59
Third Quarter	\$ 33.00	\$ 25.79
Second Quarter	\$ 29.96	\$ 24.21
First Quarter	\$ 26.50	\$ 21.74

We did not pay any cash dividends in the periods reflected in the table above. We do not plan to pay cash dividends in the foreseeable future.

**Table of Contents**

**UNDERWRITING**

Under the terms of an underwriting agreement, which we will file as an exhibit to a current report on Form 8-K and incorporate by reference in this prospectus supplement and the accompanying prospectus, Barclays Capital Inc., as the underwriter in this offering, has agreed to purchase from us 2,750,000 shares of common stock.

The underwriting agreement provides that the underwriter's obligation to purchase the 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, if any of the shares are purchased;

that the representations and warranties made by us to the underwriter are true;

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

our delivery of customary closing documents to the underwriter.

**Commissions and Expenses**

The following table summarizes the underwriting discounts and commissions we will pay to the underwriter. The underwriting fee is the difference between the initial price to the public and the amount the underwriter pays to us for the shares.

Per share	\$ 0.74
Total	\$ 2,035,000

The underwriter has advised us that it proposes 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 underwriter, at such offering price less a selling concession not in excess of \$0.40 per share. After the offering, the underwriter may change the offering price and other selling terms. Sales of shares made outside of the United States may be made by affiliates of the underwriter.

The expenses of the offering that are payable by us are estimated to be \$300,000 (excluding underwriting discounts and commissions).

**Lock-Up Agreements**

We and our executive officers and directors have agreed that, without the prior written consent of the underwriter, 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 our common stock or securities convertible into or exercisable or exchangeable for shares of our common stock or any of our other securities, other than certain permitted transfers and issuances; (2) sell or grant any options, rights or warrants with respect to any shares of our common stock or securities convertible into or exercisable or exchangeable for shares of our common stock; (3) 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 shares of our

common stock; (4) file or cause to be filed a registration statement, including any amendment thereto, with respect to the registration of any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock; or (5) publicly disclose the intention to do any of the foregoing, in each case for a period of 45 days after the date of this prospectus supplement.

The restrictions described above do not apply to:

the sale of shares of our common stock to the underwriters pursuant to the underwriting agreement;

S-12

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**Table of Contents**

the issuance by us of employee stock options or restricted stock that do not vest or become exercisable during the lock-up period pursuant to our long-term incentive plan;

the issuance by us of shares of common stock or other rights to acquire common stock in private transactions in connection with future acquisitions, so long as the recipients of such stock agree to be locked-up for the remainder of the lock-up period;

the issuance by us of shares of common stock upon the conversion of securities or the exercise of options or warrants outstanding as of the applicable time of the underwriting agreement;

the issuance by us of shares of common stock as consideration to sellers in connection with future acquisitions; or

with respect to our directors and executive officers, subject to certain other conditions, bona fide gifts, sales or other dispositions of shares of our common stock exclusively between and among such persons or members of their immediate family, or affiliates of such persons.

The underwriter, in its sole discretion, may release the shares of 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 the shares of common stock and other securities from lock-up agreements, the underwriter will consider, among other factors, the holder's reasons for requesting the release, the number of shares or other securities for which the release is being requested and market conditions at the time.

**Indemnification**

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments that the underwriter may be required to make for these liabilities.

**Stabilization, Short Positions and Penalty Bids**

The underwriter may engage in stabilizing transactions, covering transactions or purchases for the purpose of pegging, fixing or maintaining the price of the shares, in accordance with Regulation M under the Securities Exchange Act of 1934, as amended.

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

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.

These stabilizing transactions and covering transactions 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 our 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 the underwriter 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 our common stock. In addition, neither we nor the

underwriter make any representation that the underwriter will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

**Electronic Distribution**

A prospectus supplement and the accompanying prospectus in electronic format may be made available on the Internet sites or through other online services maintained by the underwriter or by its

S-13

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## **Table of Contents**

affiliates. In those cases, prospective investors may view offering terms online and, depending upon the online services, prospective investors may be allowed to place orders online. The underwriter 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 underwriters on the same basis as other allocations.

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

## **New York Stock Exchange**

Our shares are listed on the New York Stock Exchange under the symbol EAC.

## **Relationships**

The underwriter and its related entities have engaged, and may in the future engage, in commercial and investment banking transactions with us in the ordinary course of its business. In addition, the underwriter has engaged in, and may in the future engage in, transactions with us and ENP and perform services for us and ENP in the ordinary course of its business. An affiliate of the underwriter is a lender under ENP's credit facility. The underwriter and its related entities have received, and expect to receive, customary compensation and expense reimbursement for these commercial and investment banking transactions. In addition, the underwriter has served as a financial advisor and rendered a fairness opinion to our board of directors in connection with prior sales of oil and natural gas properties to ENP and received compensation for these services.

## **Selling Restrictions**

### *European Economic Area*

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of securities described in this prospectus supplement may not be made to the public in that relevant member state other than:

to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity that 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;

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 representative; or

in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of securities shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an offer of securities to the public in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to

S-14

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**Table of Contents**

decide to purchase or subscribe the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

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

*United Kingdom*

This prospectus supplement is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant persons should not act or rely on this document or any of its contents.

*Australia*

No prospectus supplement or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (Corporations Act)) in relation to the securities has been or will be lodged with the Australian Securities & Investments Commission (ASIC). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

- (i) a sophisticated investor under section 708(8)(a) or (b) of the Corporations Act;
- (ii) a sophisticated investor under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
- (iii) a person associated with the company under section 708(12) of the Corporations Act; or
- (iv) a professional investor within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

(b) you warrant and agree that you will not offer any of the securities for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

**Table of Contents**

*Hong Kong*

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

*India*

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

*Japan*

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

*Korea*

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

*Singapore*

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not

S-16

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**Table of Contents**

be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore (the SFA ), (ii) to a relevant person as defined in Section 275(2) of the SFA, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the securities are subscribed and purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole whole purpose is to hold investments and each beneficiary is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions, specified in Section 275 of the SFA;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 275(1A) of the SFA, or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (iii) where no consideration is or will be given for the transfer; or
- (iv) where the transfer is by operation of law.

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

**Table of Contents**

**LEGAL MATTERS**

Baker Botts L.L.P., Houston, Texas, will pass upon the validity of the common stock offered hereby. Andrews Kurth LLP, Houston, Texas, will pass upon certain legal matters in connection with the offering on behalf of the underwriters.

**EXPERTS**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2008, and the effectiveness of our internal control over financial reporting as of December 31, 2008, as set forth in their reports, which are incorporated by reference in this prospectus supplement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Certain information with respect to the oil and natural gas reserves associated with our oil and natural gas properties as of December 31, 2008 is derived from the report of Miller and Lents, Ltd., independent petroleum engineers, and has been included in this prospectus supplement upon the authority of said firm as experts with respect to matters covered by such reports and in giving such report.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus supplement by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus supplement. Our future filings with the SEC will automatically update and may replace information in this prospectus supplement, the accompanying prospectus and other information previously filed with the SEC.

We are incorporating by reference into this prospectus supplement the documents listed below and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (File No. 001-16295) (excluding information deemed to be furnished and not filed with the SEC) until all the securities are sold:

our annual report on Form 10-K for the year ended December 31, 2008;

our quarterly reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009;

our definitive proxy statement on Schedule 14A filed with the SEC on April 3, 2009 and our additional proxy materials filed with the SEC on April 14, 2009;

our current reports on Form 8-K filed with the SEC on February 11, 2009 (excluding information furnished under Item 2.02), March 2, 2009, March 11, 2009, April 27, 2009, May 1, 2009, May 19, 2009 and June 29, 2009;

the description of our common stock in our registration statement on Form 8-A filed with the SEC on December 21, 2000; and

the description of our rights to purchase preferred stock in our registration statement on Form 8-A filed with the SEC on October 31, 2008.

You may obtain any of the documents incorporated by reference in this prospectus supplement and the registration statement from the SEC through the SEC's web site at [www.sec.gov](http://www.sec.gov). You also may request a copy of any document incorporated by reference in this prospectus supplement and the registration statement (including exhibits to those documents specifically

S-18

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**Table of Contents**

incorporated by reference in this document), at no cost, by visiting our web site at [www.encoreacq.com](http://www.encoreacq.com), or by writing or calling us at the following address:

Encore Acquisition Company  
777 Main Street, Suite 1400  
Fort Worth, Texas 76102  
Attention: Corporate Secretary  
Telephone: (817) 877-9955

Any statement contained in a document incorporated or considered to be incorporated by reference in this prospectus supplement shall be considered to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any subsequently filed document that is or is considered to be incorporated by reference modifies or supersedes that statement. Any statement that is modified or superseded shall not, except as so modified or superseded, constitute a part of this prospectus supplement.

S-19

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**Table of Contents**

**PROSPECTUS**

**Encore Acquisition Company  
777 Main Street, Suite 1400  
Fort Worth, Texas 76102  
(817) 877-9955**

**Senior Debt Securities  
Subordinated Debt Securities  
Preferred Stock  
Common Stock**

We may offer from time to time senior debt securities, subordinated debt securities, preferred stock and common stock. Our subsidiaries may guarantee the senior or subordinated debt securities offered by this prospectus.

We will provide additional terms of our securities in one or more prospectus supplements to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you invest in our securities.

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

*You should consider carefully Risk Factors on page 2 before investing in our securities.*

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

The date of this prospectus is April 22, 2009.

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**You should rely only on the information contained or incorporated by reference in this prospectus, any prospectus supplement and any written communication from us or any underwriter specifying the final terms of a particular offering. We have not authorized anyone to provide you with additional or different information. You should not assume that the information in this prospectus, any prospectus supplement or any written communication from us or any underwriter specifying the final terms of a particular offering is accurate as of any date other than the date on its cover page and that any information we have incorporated by reference is accurate only as of the date of the documents incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since those dates.**

## TABLE OF CONTENTS

<u>About This Prospectus</u>	i
<u>Where You Can Find More Information</u>	ii
<u>Incorporation By Reference</u>	ii
<u>About Encore Acquisition Company</u>	1
<u>Risk Factors</u>	2
<u>Forward-Looking Statements</u>	2
<u>Use of Proceeds</u>	3
<u>Ratio of Earnings to Fixed Charges</u>	3
<u>Description of Debt Securities</u>	4
<u>Description of Capital Stock</u>	11
<u>Plan of Distribution</u>	15
<u>Legal Opinions</u>	16
<u>Independent Registered Public Accounting Firm</u>	16
<u>Independent Petroleum Engineers</u>	16

## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission under a “shelf” registration process. Using this process, we may offer the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer.

Each time we use this prospectus to offer securities, we will provide a prospectus supplement and, if applicable, a pricing supplement. The prospectus supplement and any pricing supplement will describe the specific terms of that offering. The prospectus supplement and any pricing supplement may also add to, update or change the information contained in this prospectus. Please carefully read this prospectus, the prospectus supplement and any pricing supplement together with the information contained in the documents we refer to under the heading “Where You Can Find More Information” and “Incorporation by Reference.”

As used in this prospectus, we, us and our and similar terms mean Encore Acquisition Company and its subsidiaries, unless the context indicates otherwise. References to ENP refer to Encore Energy Partners LP and its subsidiaries.

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy any materials we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-732-0330. The SEC also maintains a website that contains information we file electronically with the SEC at <http://www.sec.gov>. You can also obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus does not contain all the information the registration statement sets forth or includes in its exhibits and schedules, in accordance with the rules and regulations of the SEC, and we refer you to that omitted information. The statements this prospectus makes pertaining to the content of any contract, agreement or other document that is an exhibit to the registration statement necessarily are summaries of their material provisions, and we qualify them in their entirety by reference to those exhibits for complete statements of their provisions. The registration statement and its exhibits and schedules are available at the SEC's public reference room or through its website.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information we file with it, which means we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus, and later information we file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (File Number 001-16295) (excluding information deemed to be furnished and not filed with the SEC) after the date of this prospectus. The documents we incorporate by reference are:

our annual report on Form 10-K for the year ended December 31, 2008;

our current reports on Form 8-K filed with the SEC on February 11, 2009 (excluding information furnished under Item 2.02), March 2, 2009 and March 11, 2009;

our definitive proxy statement on Schedule 14A filed with the SEC on April 3, 2009 and our additional proxy materials filed with the SEC on April 14, 2009;

the description of our common stock in our registration statement on Form 8-A filed with the SEC on December 21, 2000; and

the description of our rights to purchase preferred stock in our registration statement on Form 8-A filed with the SEC on October 31, 2008.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, upon written or oral request, a copy of any or all of the documents we incorporate by reference in this prospectus, other than any exhibit to any of those documents, unless we have specifically incorporated that exhibit by reference into the information this prospectus incorporates. You may request copies by visiting our website at <http://www.encoreacq.com>, or by writing or telephoning us at the following address:

Encore Acquisition Company

777 Main Street, Suite 1400  
Fort Worth, Texas 76102  
Attention: Corporate Secretary  
Telephone: (817) 877-9955

**Table of Contents**

**ABOUT ENCORE ACQUISITION COMPANY**

We are a Delaware corporation engaged in the acquisition and development of oil and natural gas reserves from onshore fields in the United States. Since 1998, we have acquired producing properties with proven reserves and leasehold acreage and grown the production and proven reserves by drilling, exploring, and reengineering or expanding existing waterflood projects. Our properties and our oil and natural gas reserves are located in four core areas:

the Cedar Creek Anticline ( CCA ) in the Williston Basin in Montana and North Dakota;

the Permian Basin in West Texas and southeastern New Mexico;

the Rockies, which includes non-CCA assets in the Williston, Big Horn, and Powder River Basins in Wyoming, Montana, and North Dakota, and the Paradox Basin in southeastern Utah; and

the Mid-Continent area, which includes the Arkoma and Anadarko Basins in Oklahoma, the North Louisiana Salt Basin, the East Texas Basin, and the Mississippi Salt Basin.

As of April 22, 2009, we owned 20,924,055 of ENP s outstanding common units, representing an approximate 62 percent limited partner interest. Through our indirect ownership of ENP s general partner, we also hold all 504,851 general partner units, representing a 1.5 percent general partner interest in ENP.

Our principal executive office is located at 777 Main Street, Suite 1400, Fort Worth, Texas 76102. Our main telephone number is (817) 877-9955. We maintain a website at <http://www.encoreacq.com>. The information on our website is not incorporated by reference into this prospectus.

**Table of Contents**

**RISK FACTORS**

Our business is influenced by many factors that are difficult to predict and that involve uncertainties that may materially affect actual operating results, cash flows and financial condition. These risk factors include those described as such in Item 1A. Risk Factors of our most recent Form 10-K and subsequent Form 10-Qs, where applicable, and other documents that are incorporated by reference in this prospectus, and could include additional uncertainties not presently known to us or that we currently do not consider material. Before making an investment decision, you should carefully consider these risks as well as any other information we include or incorporate by reference in this prospectus or include in any applicable prospectus supplement.

**FORWARD-LOOKING STATEMENTS**

This prospectus, including the information we incorporate by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. You can identify our forward-looking statements by words such as estimate, project, predict, believe, expect, anticipate, plan, forecast, budget, goal or other words that convey the uncertainty of future events or outcomes. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements contained in this prospectus, any prospectus supplement and the documents we have incorporated by reference.

The forward-looking statements are not guarantees of future performance, and we caution you not to rely unduly on them. We have based many of these forward-looking statements on expectations and assumptions about future events that may prove to be inaccurate. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks, contingencies and uncertainties relate to, among other matters, the following:

- items of income and expense;
- expected capital expenditures and the focus of our capital program;
- areas of future growth;
- our development and exploitation programs;
- future secondary development and tertiary recovery potential;
- anticipated prices for oil and natural gas and expectations regarding differentials between wellhead prices and benchmark prices (including, without limitation, the effects of the worldwide economic recession);
- projected results of operations;
- timing and amount of future production of oil and natural gas;
- availability of pipeline capacity;

expected commodity derivative positions and payments related thereto (including the ability of counterparties to fulfill obligations);

expectations regarding working capital, cash flow and liquidity;

projected borrowings under our revolving credit facility (and the ability of lenders to fund their commitments); and

the marketing of our oil and natural gas production.

We have discussed some of these factors in more detail under Item 1A. Risk Factors of our most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q, where applicable. These factors



**Table of Contents**

are not necessarily all the important factors that could affect us. We advise you that you should (1) be aware that important factors we do not refer to above could affect the accuracy of our forward-looking statements and (2) use caution and common sense when considering our forward-looking statements. We do not intend to update these statements unless the securities laws require us to do so.

**USE OF PROCEEDS**

Unless we inform you otherwise in the prospectus supplement, we will use the net proceeds from the sale of the offered securities for general corporate purposes. These purposes may include:

- funding working capital requirements;
- capital expenditures;
- repayment or refinancing of indebtedness; and
- repurchases and redemptions of securities.

Pending any specific application, we may initially invest those funds in short-term marketable securities or apply them to the reduction of any short-term indebtedness.

**RATIO OF EARNINGS TO FIXED CHARGES**

The table below presents our ratio of earnings to fixed charges for each of the periods indicated:

	<b>Year Ended December 31,</b>				
	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Ratio of earnings to fixed charges	10.7x	1.3x	4.2x	5.5x	6.1x

We have computed the ratios of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income before income taxes and minority interest plus fixed charges exclusive of capitalized interest. Fixed charges consist of interest, whether expensed or capitalized, amortization of capitalized expenses relating to indebtedness and an estimate of the portion of annual rental expense on operating leases that represents the interest factor.

We had no preferred stock outstanding for any period presented, and accordingly, the ratio of earnings to combined fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges.

**Table of Contents**

**DESCRIPTION OF DEBT SECURITIES**

The debt securities covered by this prospectus will be our general unsecured obligations. The debt securities will be either senior debt securities or subordinated debt securities. Subject to compliance with our revolving credit agreements and the indentures related to our outstanding senior subordinated notes, we will issue senior debt securities under a separate indenture to be entered into between us and a trustee that we will name in the prospectus supplement (the senior indenture) and subordinated debt securities under an indenture dated as of November 16, 2005, between us, the subsidiary guarantors named therein and Wells Fargo Bank, National Association, as trustee (as supplemented from time to time, the subordinated indenture). In this description, we sometimes call the senior indenture and the subordinated indenture the indentures.

We have summarized the provisions of the indentures and the debt securities below. You should read the indentures for more details regarding the provisions we describe below and for other provisions that may be important to you. We have filed the forms of the indentures with the SEC as exhibits to this registration statement, and we will include the applicable final indenture and any other instrument establishing the terms of any debt securities we offer as exhibits to a filing we will make with the SEC in connection with that offering. Please read [Where You Can Find More Information](#).

In this summary description of the debt securities, all references to Encore, us, we or our mean Encore Acquisition Company only, unless we state otherwise or the context clearly indicates otherwise.

**General**

The senior debt securities will constitute senior debt and will rank equally with all our unsecured and unsubordinated debt. The subordinated debt securities will be subordinated to, and thus have a junior position to, any senior debt securities and all our other senior debt. The indentures will not limit the amount of debt we may issue under the indentures, and, unless we inform you otherwise in the prospectus supplement, they will not limit the amount of other unsecured debt or securities we may incur or issue. We may issue debt securities under either indenture from time to time in one or more series, each in an amount we authorize prior to issuance.

We conduct a substantial part of our operations through our subsidiaries, and our subsidiaries generate a significant part of our operating income and cash flow. As a result, distributions or advances from our subsidiaries are important sources of funds to meet our debt service obligations. Contractual provisions or laws, as well as our subsidiaries financial condition and operating requirements, may limit our ability to obtain from our subsidiaries cash that we need to pay our debt service obligations, including payments on the debt securities. In addition, holders of the debt securities will have a junior position to the claims of creditors of our subsidiaries on their assets and earnings.

Unless we inform you otherwise in the prospectus supplement, the indentures and the debt securities will not contain:

any covenants or other provisions designed to protect holders of the debt securities in the event we participate in a highly leveraged transaction; or

provisions that give holders of the debt securities the right to require us to repurchase their securities in the event of a decline in our credit rating resulting from a takeover, recapitalization or similar restructuring or otherwise.

The prospectus supplement relating to any series of debt securities being offered will include specific terms relating to the offering. These terms will include some or all of the following:

the title of the debt securities;

the total principal amount of the debt securities;

whether the debt securities are senior debt securities or subordinated debt securities;

**Table of Contents**

whether we will issue the debt securities in individual certificates to each holder or in the form of temporary or permanent global securities held by a depository on behalf of holders;

the date or dates on which the principal of and any premium on the debt securities will be payable;

any interest rate, the date from which interest will accrue, interest payment dates and record dates for interest payments;

whether and under what circumstances any additional amounts with respect to the debt securities will be payable;

the place or places where payments on the debt securities will be payable;

any provisions for redemption or early repayment;

any sinking fund or other provisions that would obligate us to redeem, purchase or repay the debt securities prior to maturity;

the denominations in which we may issue the debt securities;

whether payments on the debt securities will be payable in foreign currency or currency units or another form, and whether payments on the debt securities will be payable by reference to any index or formula;

the portion of the principal amount of the debt securities that will be payable if the maturity is accelerated, if other than the entire principal amount;

any additional means of defeasance of the debt securities, any additional conditions or limitations to defeasance of the debt securities or any changes to those conditions or limitations;

any changes or additions to the events of default or covenants this prospectus describes;

any restrictions or other provisions relating to the transfer or exchange of the debt securities;

any terms for the conversion or exchange of the debt securities for other securities issued by Encore or any other entity; and

any other terms of the debt securities, whether in addition to, or by modification or deletion of, the terms described herein.

We may sell the debt securities at a discount, which may be substantial, below their stated principal amount. Those debt securities may bear no interest or may bear interest at a rate that at the time of issuance is below market rates.

**Subordination**

Under the subordinated indenture, payment of the principal, interest and any premium on the subordinated debt securities will generally be subordinated and junior in right of payment to the prior payment in full of all Senior Debt. Unless we inform you otherwise in the prospectus supplement, we may not make any payment of principal, interest or any premium on the subordinated debt securities if:

we fail to pay the principal, interest, premium or any other amounts on any Senior Debt when due; or

we default in performing any other covenant (a covenant default ) in any Senior Debt that we have designated if the covenant default allows the holders of that Senior Debt to accelerate the maturity of the Senior Debt they hold.

Unless we inform you otherwise in the prospectus supplement, a covenant default will prevent us from making payments on the subordinated debt securities only for up to 179 days after holders of the Senior Debt give the trustee for the subordinated debt securities notice of the covenant default.

## **Table of Contents**

The subordination provisions will not affect our obligation, which will be absolute and unconditional, to pay, when due, principal of, premium, if any, and interest on the subordinated debt securities. In addition, the subordination provisions will not prevent the occurrence of any default under the subordinated indenture.

Unless we inform you otherwise in the prospectus supplement, the subordinated indenture will not limit the amount of Senior Debt that we may incur. As a result of the subordination of the subordinated debt securities, if we became insolvent, holders of subordinated debt securities may receive less on a proportionate basis than our other creditors.

Unless we inform you otherwise in the prospectus supplement, Senior Debt will mean all notes or other indebtedness, including guarantees, of Encore for money borrowed and similar obligations, unless the indebtedness states that it is not senior to the subordinated debt securities or our other junior debt.

## **Subsidiary Guarantees**

If specified in the prospectus supplement, subsidiaries of Encore may guarantee the obligations of Encore relating to its debt securities issued under this prospectus. The specific terms and provisions of each subsidiary guarantee, including any provisions relating to the subordination of any subsidiary guarantee, will be described in the applicable prospectus supplement. The obligations of each subsidiary guarantor under its subsidiary guarantee will be limited as necessary to seek to prevent that subsidiary guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable federal or state law.

## **Consolidation, Merger and Sale of Assets**

The indentures generally will permit a consolidation or merger between us and another entity. They also will permit the sale by us of our assets substantially as an entirety. The indentures will provide, however, that we may consolidate with another entity to form a new entity or merge into any other entity or transfer or dispose of our assets substantially as an entirety to any other entity only if:

the resulting or surviving entity assumes the due and punctual payments on the debt securities and the performance of our covenants and obligations under the applicable indenture and the debt securities; and

immediately after giving effect to the transaction, no default or event of default would occur and be continuing.

## **Events of Default**

Unless we inform you otherwise in the prospectus supplement, the following will be events of default with respect to a series of debt securities:

our failure to pay interest or any required additional amounts on any debt securities of that series for 30 days;

our failure to pay principal of or any premium on any debt securities of that series when due;

our failure to deposit any mandatory sinking fund payment for that series of debt securities when due for 30 days;

our failure to comply with any of our covenants or agreements in the debt securities of that series or the applicable indenture, other than an agreement or covenant that we have included in that indenture solely for the benefit of other series of debt securities, for 90 days after written notice by the trustee or by the holders of at least 25% in principal amount of all the outstanding debt securities issued under that indenture that are affected

by that failure;

specified events involving bankruptcy, insolvency or reorganization of Encore; and

any other event of default provided for that series of debt securities.

**Table of Contents**

A default under one series of debt securities will not necessarily be a default under another series. The trustee may withhold notice to the holders of the debt securities of any default or event of default, except in any payment on the debt securities, if the trustee in good faith determines that withholding notice is in the interest of the holders of the debt securities.

If an event of default for any series of debt securities occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of the series affected by the default, or, in some cases, 25% in principal amount of all senior debt securities or subordinated debt securities affected, voting as one class, may declare the principal of and all accrued and all unpaid interest on those debt securities to be immediately due and payable. If an event of default relating to events of bankruptcy, insolvency or reorganization occurs, the principal of and all accrued and unpaid interest on all debt securities will become immediately due and payable without any action on the part of the applicable trustee or any holder. The holders of a majority in principal amount of the outstanding debt securities of the series affected by the default, or of all senior debt securities or subordinated debt securities affected, voting as one class, may in some cases rescind this accelerated payment requirement. Depending on the terms of our other indebtedness, an event of default under either of the indentures may give rise to cross defaults on our other indebtedness.

A holder of a debt security of any series will be able to pursue any remedy under the applicable indenture only if:

the holder gives the trustee written notice of a continuing event of default for that series;

the holders of at least 25% in principal amount of the outstanding debt securities of that series make a written request to the trustee to pursue the remedy;

the holder or holders offer to the trustee indemnity reasonably satisfactory to it;

the trustee fails to act for a period of 60 days after receipt of notice and offer of indemnity; and

during that 60-day period, the holders of a majority in principal amount of the debt securities of that series do not give the trustee a direction inconsistent with the request.

This provision will not, however, affect the right of a holder of a debt security to sue for enforcement of any overdue payment.

In most cases, holders of a majority in principal amount of the outstanding debt securities of a series, or of all debt securities affected, voting as one class, will be able to direct the time, method and place of:

conducting any proceeding for any remedy available to the applicable trustee; and

exercising any trust or power conferred on the applicable trustee not relating to or arising under an event of default.

Each indenture will require us to file with the trustee each year a written statement as to our compliance with the covenants contained in that indenture.

**Modification and Waiver**



We may amend or supplement either indenture if the holders of a majority in principal amount of the outstanding debt securities of all series issued under the applicable indenture and affected by the amendment or supplement, acting as one class, consent to it. Without the consent of the holder of each debt security affected, however, no amendment or supplement may:

reduce the amount of debt securities whose holders must consent to an amendment, supplement or waiver;

reduce the rate of or change the time for payment of interest on any debt security;

reduce the principal of, premium on or any mandatory sinking fund payment for any debt security;

**Table of Contents**

change the stated maturity of any debt security;

reduce any premium payable on the redemption of any debt security or change the time at which any debt security may or must be redeemed;

change any obligation to pay additional amounts on any debt security;

make the payments on any debt security payable in any currency or currency unit other than as the debt security originally states;

impair the holder's right to institute suit for the enforcement of any payment on any debt security;

make any change in the percentage of principal amount of debt securities necessary to waive compliance with specified provisions of the applicable indenture or to make any change in the applicable indenture's provisions for modification;

waive a continuing default or event of default regarding any payment on any debt security; or

with respect to the subordinated indenture, modify the provisions relating to the subordination of any subordinated debt security in a manner adverse to the holder of that security.

We and the applicable trustee may agree to amend or supplement either indenture or waive any provision of either indenture without the consent of any holders of debt securities in some circumstances, including:

to cure any ambiguity, omission, defect or inconsistency;

to provide for the assumption of our obligations under the indenture by a successor upon any merger, consolidation or asset transfer;

to provide for uncertificated debt securities in addition to or in place of certificated debt securities or to provide for bearer debt securities;

to provide any security for or add guarantees of any series of debt securities;

to comply with any requirement to effect or maintain the qualification of the indenture under the Trust Indenture Act of 1939;

to add covenants that would benefit the holders of any debt securities or to surrender any rights we have under the indenture;

to add events of default with respect to any debt securities;

to make any change that does not adversely affect any outstanding debt securities of any series in any material respect;

to facilitate the defeasance or discharge of any series of debt securities if that change does not adversely affect the holders of debt securities of that series or any other series under the indenture in any material respect; and

to provide for the acceptance of a successor or another trustee.

The holders of a majority in principal amount of the outstanding debt securities of any series, or of all senior debt securities or subordinated debt securities affected, voting as one class, may waive any existing or past default or event of default with respect to those debt securities. Those holders may not, however, waive any default or event of default in any payment on any debt security or compliance with a provision that cannot be amended or supplemented without the consent of each holder affected.

## **Table of Contents**

### **Discharge and Defeasance**

We will be discharged from all obligations under the applicable indenture with respect to any series of debt securities, except for surviving obligations relating to any conversion rights and to register the transfer or exchange of the debt securities, if:

all debt securities of the series previously authenticated and delivered under the relevant indenture have been delivered to the indenture trustee for cancellation; or

all debt securities of that series have become due and payable or will become due and payable within one year, at maturity or by redemption, and we deposit with the applicable trustee funds or government securities sufficient to make payments on the debt securities of that series on the dates those payments are due.

To exercise our right to be discharged, we must deliver to the applicable trustee an opinion of counsel and an officers certificate stating that all conditions precedent to the satisfaction and discharge of the applicable indenture have been complied with.

In addition to our right of discharge described above, we may deposit with the applicable trustee funds or government securities sufficient to make payments on the debt securities of a series on the dates those payments are due and payable, then, at our option, either of the following will occur:

we will be discharged from our obligations with respect to the debt securities of that series ( legal defeasance ); or

we will no longer have any obligation to comply with the restrictive covenants under the applicable indenture, and the related events of default will no longer apply to us, but some of our other obligations under the indenture and the debt securities of that series, including our obligation to make payments on those debt securities, will survive ( covenant defeasance ).

If we defease a series of debt securities, the holders of the debt securities of the series affected will not be entitled to the benefits of the applicable indenture, except for our obligations to:

register the transfer or exchange of debt securities;

replace stolen, lost or mutilated debt securities; and

maintain paying agencies and hold moneys for payment in trust.

Unless we inform you otherwise in the prospectus supplement, we will be required to deliver to the applicable trustee an opinion of counsel that the deposit and related defeasance would not cause the holders of the debt securities to recognize income, gain or loss for United States federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based on a ruling from the United States Internal Revenue Service or a change in law to that effect.

### **Governing Law**

New York law will govern the indentures and the debt securities.

### **Trustee**

If an event of default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent person in the conduct of his own affairs. The trustee will become obligated to exercise any of its powers under the indenture at the request of any of the holders of any debt securities only after those holders have offered the trustee indemnity reasonably satisfactory to it.

Each indenture will limit the right of the trustee, if it becomes one of our creditors, to obtain payment of claims or to realize on certain property received for any such claim, as security or otherwise. The trustee may engage in other transactions with us. If it acquires any conflicting interest, however, it must eliminate that conflict or resign.

## **Table of Contents**

### **Form, Exchange, Registration and Transfer**

We will issue the debt securities in registered form, without interest coupons. We will not charge a service charge for any registration of transfer or exchange of the debt securities. We may, however, require the payment of any tax or other governmental charge payable for that registration.

Debt securities of any series will be exchangeable for other debt securities of the same series with the same total principal amount and the same terms but in different authorized denominations in accordance with the applicable indenture. Holders may present debt securities for registration of transfer at the office of the security registrar or any transfer agent we designate. The security registrar or transfer agent will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request.

Unless we inform you otherwise in the prospectus supplement, we will appoint the trustee under each indenture as security registrar for the debt securities we issue under that indenture. If the prospectus supplement refers to any transfer agents initially designated by us, we may at any time rescind that designation or approve a change in the location through which any transfer agent acts. We will be required to maintain an office or agency for transfers and exchanges in each place of payment. We may at any time designate additional transfer agents for any series of debt securities or rescind the designation of any transfer agent.

In the case of any redemption, neither the security registrar nor the transfer agent will be required to register the transfer or exchange of any debt security:

during a period beginning 15 business days before the day of mailing of the relevant notice of redemption and ending on the close of business on that day of mailing; or

if we have called the debt security for redemption in whole or in part, except the unredeemed portion of any debt security being redeemed in part.

### **Payment and Paying Agents**

Unless we inform you otherwise in the prospectus supplement, we will make payments on the debt securities in U.S. dollars at the office of the applicable trustee or any paying agent we designate. At our option, we may make payments by check mailed to the holder's registered address or, with respect to global debt securities, by wire transfer. Unless we inform you otherwise in the prospectus supplement, we will make interest payments to the person in whose name the debt security is registered at the close of business on the record date for the interest payment.

Unless we inform you otherwise in the prospectus supplement, we will designate the trustee under each indenture as our paying agent for payments on debt securities we issue under that indenture. We may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts.

Subject to the requirements of any applicable abandoned property laws, the trustee and paying agent will repay to us upon written request any funds held by them for payments on the debt securities that remain unclaimed for two years after the date upon which that payment has become due. After repayment to us, holders entitled to those funds must look only to us for payment.

### **Book-entry Debt Securities**

We may issue the debt securities of a series in the form of one or more global debt securities that would be deposited with a depository or its nominee identified in the prospectus supplement. We may issue global debt securities in either temporary or permanent form. We will describe in the prospectus supplement the terms of any depository arrangement and the rights and limitations of owners of beneficial interests in any global debt security.

**Table of Contents**

**DESCRIPTION OF CAPITAL STOCK**

Our authorized capital stock consists of:

144,000,000 shares of common stock; and

5,000,000 shares of preferred stock, issuable in series.

As of April 20, 2009, there were 52,852,042 shares of our common stock issued and outstanding, and no shares of our preferred stock were issued and outstanding.

In the discussion that follows, we refer to our certificate of incorporation, as amended and restated, as our certificate of incorporation and to our amended and restated bylaws as our bylaws. You should read our certificate of incorporation and bylaws as currently in effect for more details regarding the provisions we describe below and for other provisions that may be important to you. We have filed copies of those documents with the SEC, and they are incorporated by reference as exhibits to this registration statement. Please read [Where You Can Find More Information](#).

**Common Stock**

The holders of our common stock are entitled to one vote per share on all matters to be voted on by the stockholders. Holders of common stock may not cumulate their votes in the election of directors. As a result, the holders of a majority of the voting power of the shares voting for the election of directors can elect all directors to be elected if they choose to do so. Our board of directors may grant holders of preferred stock, in the resolutions creating the series of preferred stock, the right to vote on the election of directors or any questions affecting us.

Holders of common stock will be entitled to dividends in such amounts and at such times as our board of directors in its discretion may declare out of funds legally available for the payment of dividends. We have not paid dividends and intend to retain future earnings to provide funds for use in the operation and expansion of our business. In addition, the payment of dividends on our common stock may be limited by the provisions of our debt instruments or by obligations we may have to holders of our preferred stock. In particular, we are prohibited from paying any cash dividends by our revolving credit facilities.

If we liquidate or dissolve our business, the holders of our common stock will share ratably in all assets available for distribution to stockholders after our creditors are paid in full and the holders of all series of our outstanding preferred stock, if any, receive their liquidation preferences in full.

The common stock has no preemptive rights and is not convertible or redeemable or entitled to the benefits of any sinking or repurchase fund. All issued and outstanding shares of common stock are fully paid and nonassessable. Any shares of common stock we offer and sell under this prospectus will also be fully paid and nonassessable.

Our outstanding shares of common stock are listed on the New York Stock Exchange and trade under the symbol EAC. Any additional shares of common stock we offer and sell under this prospectus and related prospectus supplements will also be listed on the New York Stock Exchange.

**Preferred Stock**



At the direction of our board of directors, without any action by the holders of our common stock, we may issue one or more series of preferred stock from time to time. Our board of directors can determine the number of shares of each series of preferred stock and, subject to some limitations our certificate of incorporation set forth, the voting powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions applicable to any of those rights, including dividend rights, voting rights, conversion or exchange rights, terms of redemption and liquidation preferences, of each series.

**Table of Contents**

The prospectus supplement relating to any series of preferred stock we offer will include specific terms relating to the offering. These terms will include some or all of the following:

the series designation of the preferred stock;

the maximum number of shares of the series;

the dividend rate or the method of calculating the dividend, the date from which dividends will accrue and whether dividends will be cumulative;

any liquidation preference;

any optional redemption provisions;

any sinking fund or other provisions that would obligate us to redeem or repurchase the preferred stock;

any terms for the conversion or exchange of the preferred stock for any other securities;

any voting rights; and

any other powers, preferences and relative, participating, optional or other special rights or any qualifications, limitations or restrictions on the rights of the shares.

Any preferred stock we offer and sell under this prospectus will be fully paid and nonassessable.

The registration statement will include the certificate of designation as an exhibit or will incorporate the certificate of designation by reference. You should read that document for provisions that may be important to you.

Undesignated preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise, and to thereby protect the continuity of our management. The issuance of shares of preferred stock may adversely affect the rights of our common stockholders. For example, any preferred stock issued may rank prior to the common stock as to dividend rights, liquidation preference or both, may have full or limited voting rights and may be convertible into shares of our common stock. As a result, the issuance of shares of preferred stock may discourage bids for our common stock or may otherwise adversely affect the market price of our common stock or any existing preferred stock.

**Limitation on Directors Liability**

Our certificate of incorporation limits the liability of our directors to us or our stockholders such that no member of our board of directors will be personally liable for monetary damages for any breach of the member's fiduciary duty as a director, except for liability:

for any breach of the member's duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

for unlawful payments of dividends or unlawful stock repurchases or redemptions; and

for any transaction from which the member derived an improper personal benefit.

This provision could have the effect of discouraging or deterring our stockholders from bringing a lawsuit against our directors for breach of their duty of care, even though such an action, if successful, might otherwise have benefited our stockholders and us. Our bylaws provide indemnification to our officers and directors and other specified persons with respect to their conduct in various capacities, and we have entered into agreements with each of our directors which provide them with contractual rights of indemnification consistent with our bylaws.

## **Table of Contents**

### **Anti-Takeover Provisions of Our Bylaws**

Our bylaws establish an advance notice procedure for the nomination of candidates for election as directors. In general, notice of intent to nominate a director at the annual meeting of stockholders or a special meeting of stockholders must contain specified information concerning the person to be nominated and be delivered to our principal executive office:

with respect to elections to be held at the annual meeting of stockholders:

not later than the 90th day nor earlier than the 120th day prior to the first anniversary of the preceding year's annual meeting;

if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 90 days after that anniversary date, not earlier than the 120th day before the meeting and not later than the close of business on the later of (1) the 90th day before the meeting or (2) the tenth day following the day on which we first make a public announcement of the date of the meeting;

with respect to elections to be held at a special meeting of stockholders for the election of directors, not earlier than the 120th day before the meeting and not later than the close of business on the later of (1) the 90th day before the meeting and (2) the tenth day following the day on which we first make a public announcement of the date of the meeting and of the nominees proposed by the board of directors to be elected at the meeting.

These procedures may operate to limit the ability of stockholders to nominate candidates for election as directors.

### **Delaware Takeover Statute**

We have opted out of Section 203 of the Delaware General Corporation Law. Section 203 regulates corporate acquisitions and prevents certain Delaware corporations, including those whose securities are listed on the New York Stock Exchange, from engaging, under certain circumstances, in a business combination with any interested stockholder for three years following the date that such stockholder became an interested stockholder. For purposes of Section 203, a business combination includes, among other things, a merger or consolidation involving Encore and the interested stockholder and the sale of 10% or more of our assets to the interested stockholder. In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

### **Shareholder Rights Plan**

We have adopted a preferred share purchase rights plan. Under the plan, each share of our common stock includes one right to purchase Series A Junior Participating Preferred Stock. The rights will separate from our common stock and become exercisable (1) ten days after public announcement that a person or group of affiliated or associated persons has acquired, or obtained the right to acquire, beneficial ownership of 10% of our outstanding common stock or (2) ten business days following the commencement of a tender offer or exchange offer that would result in a person's acquiring beneficial ownership of 10% of our outstanding common stock. A 10% beneficial owner is referred to as an acquiring person under the plan.

Our board of directors can elect to delay the separation of the rights from the common stock beyond the ten-day periods referred to above. The plan also confers on our board the discretion to increase or decrease the level of ownership that causes a person to become an acquiring person. Until the rights are separately distributed, the rights will be evidenced by the common stock certificates and will be transferred with and only with the common stock

certificates.

After the rights are separately distributed, each right will entitle the holder to purchase from us one one-hundredth of a share of Series A Junior Participating Preferred Stock for a purchase price of \$120, subject to adjustment. The rights will expire at the close of business on October 28, 2011, unless we redeem or exchange them earlier as described below.

## **Table of Contents**

If a person becomes an acquiring person, the rights will become rights to purchase shares of our common stock for one-half the current market price, as defined in the rights agreement, of the common stock. This occurrence is referred to as a flip-in event under the plan. After any flip-in event, all rights that are beneficially owned by an acquiring person, or by certain related parties, will be null and void. Our board of directors has the power to decide that a particular tender or exchange offer for all outstanding shares of our common stock is fair to and otherwise in the best interests of our stockholders. If the board makes this determination, the purchase of shares under the offer will not be a flip-in event.

If, after there is an acquiring person, we are acquired in a merger or other business combination transaction or 50% or more of our assets, earning power or cash flow are sold or transferred, each holder of a right will have the right to purchase shares of the common stock of the acquiring company at a price of one-half the current market price of that stock. This occurrence is referred to as a flip-over event under the plan. An acquiring person will not be entitled to exercise its rights, which will have become void.

Until ten days after the announcement that a person has become an acquiring person, our board of directors may decide to redeem the rights at a price of \$0.01 per right, payable in cash, shares of our common stock or other consideration. The rights will not be exercisable after a flip-in event until the rights are no longer redeemable.

At any time after a flip-in event and prior to either a person's becoming the beneficial owner of 50% or more of the shares of our common stock or a flip-over event, our board of directors may decide to exchange the rights for shares of our common stock on a one-for-one basis. Rights owned by an acquiring person, which will have become void, will not be exchanged.

Other than provisions relating to the redemption price of the rights, the rights agreement may be amended by our board of directors at any time that the rights are redeemable. Thereafter, the provisions of the rights agreement other than the redemption price may be amended by the board of directors to cure any ambiguity, defect or inconsistency, to make changes that do not materially adversely affect the interests of holders of rights (excluding the interests of any acquiring person), or to shorten or lengthen any time period under the rights agreement. No amendment to lengthen the time period for redemption may be made if the rights are not redeemable at that time.

The rights have certain anti-takeover effects. The rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our board of directors. As a result, the overall effect of the rights may be to render more difficult or discourage any attempt to acquire us even if the acquisition may be favorable to the interests of our stockholders. Because our board of directors can redeem the rights or approve a tender or exchange offer, the rights should not interfere with a merger or other business combination approved by the board.

## **Registration Rights**

The holders of approximately 3,500,000 shares of common stock are entitled to rights with respect to the registration of such shares under the Securities Act of 1933, as amended. Under the terms of the agreement between us and the holders of such registrable securities, if we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders exercising registration rights, such holders are entitled to notice of such registration and are entitled to include shares of such common stock in the registration. Additionally, such holders are also entitled to demand registration rights, pursuant to which they may require us on up to three occasions to file a registration statement under the Securities Act at our expense with respect to their shares of common stock, and we are required to use all reasonable efforts to effect such registration. All of these registration rights are subject to certain conditions and limitations, including the right of the underwriters of an offering to limit the number of shares included in such registration and our right not to effect a requested registration within 180 days following an offering of our securities.

**Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is BNY Mellon Shareowner Services.

**Table of Contents**

**PLAN OF DISTRIBUTION**

We may sell the offered securities in and outside the United States (1) through underwriters or dealers, (2) directly to purchasers, (3) through agents or (4) a combination of any of these methods. The prospectus supplement will set forth the following information:

- the terms of the offering;
- the names of any underwriters or agents;
- the name or names of any managing underwriter or underwriters;
- the purchase price of the securities from us;
- the net proceeds we will receive from the sale of the securities;
- any delayed delivery arrangements;
- any underwriting discounts, commissions and other items constituting underwriters' compensation;
- the initial public offering price;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any commissions paid to agents.

**Sale Through Underwriters or Dealers**

If we use underwriters in the sale of the offered securities, the underwriters will acquire the securities for their own account. 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 prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to certain 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 the public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

During and after an offering through underwriters, the underwriters may purchase and sell the securities in the open market. These transactions may include overallotment 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. 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, these activities may be discontinued at any time.



If we use dealers in the sale of securities, we may 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. The dealers participating in any sale of the securities may be deemed to be underwriters within the meaning of the Securities Act of 1933 with respect to any sale of these securities. We will include in the 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 that event, no underwriters or agents would be involved. We may also sell the securities through agents we designate from time to time. In the prospectus supplement, we will name any agent involved in the offer or sale of the offered securities, and we will describe any commissions payable by us to the agent. Unless we inform you otherwise in the 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 of 1933 with respect to any sale of those securities. We will describe the terms of any such sales in the prospectus supplement.

## **Table of Contents**

### **Delayed Delivery Contracts**

If we so indicate in the prospectus supplement, we may authorize agents, underwriters or dealers to solicit offers from selected 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 prospectus supplement. The prospectus supplement will describe the commission payable for solicitation of those contracts.

### **Derivative Transactions**

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third parties may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in these sale transactions will be underwriters and will be identified in the applicable prospectus supplement or in a post-effective amendment to the registration statement of which this prospectus forms a part.

### **General Information**

We may have agreements with firms, agents, dealers and underwriters to indemnify them against civil liabilities, including liabilities under the Securities Act of 1933, or to contribute with respect to payments that the firms, agents, dealers or underwriters may be required to make. Such firms, agents, dealers and underwriters may be customers of, engage in transactions with or perform services for us in the ordinary course of their businesses.

Each series of offered securities will be a new issue, and other than our common stock, which is listed on the New York Stock Exchange, will have no established trading market. We may elect to list any series of offered securities on an exchange, but we are not obligated to do so. It is possible that one or more underwriters may make a market in a series of offered securities. However, they will not be obligated to do so and may discontinue market making at any time without notice. We cannot assure you that a liquid trading market for any of our offered securities will develop.

## **LEGAL OPINIONS**

Baker Botts L.L.P., Houston, Texas, our counsel, will issue an opinion about the legality of any common stock, preferred stock or debt securities we offer through this prospectus. Any underwriters will be advised about issues relating to any offering by their own legal counsel.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2008, and the effectiveness of our internal control over financial reporting as of December 31, 2008, as set forth in their reports, which are incorporated by reference in this prospectus and elsewhere in the registration statement. Our financial statements are incorporated by reference in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

## **INDEPENDENT PETROLEUM ENGINEERS**

Certain information with respect to the oil and natural gas reserves associated with our oil and natural gas properties as of December 31, 2008 is derived from the report of Miller and Lents, Ltd., independent petroleum engineers, and has been incorporated by reference in this prospectus upon the authority of said firm as experts with respect to matters covered by such reports and in giving such report.

**Table of Contents**

**2,750,000 Shares**

**Common Stock**

Prospectus Supplement  
September 8, 2009

**Barclays Capital**