

Edgar Filing: ENERGY PARTNERS LTD - Form 8-K

Item 2.02. Results of Operations and Financial Condition

On November 6, 2006, we issued a press release with respect to our 2006 third quarter earnings. The press release is furnished as Exhibit 99.1 to this Current Report and incorporated by reference herein. The press release contains certain measures (discussed below), which may be deemed "non-GAAP financial measures" as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Management discloses discretionary cash flow. This non-GAAP financial measure and reconciliation to the most comparable GAAP financial measure for the third quarter of 2006 are included in Exhibit 99.1 to this Current Report, furnished to the Securities and Exchange Commission.

Discretionary cash flow is defined as cash flow from operations before changes in working capital and exploration expenditures. Discretionary cash flow is widely accepted as a financial indicator of oil and natural gas company's ability to generate cash, which is used to internally fund exploration and development activities, pay dividends and service debt. Discretionary cash flow is presented based on management's belief that this non-GAAP measure is useful information to investors because it is widely used by professional research analysts in the valuation, comparison, rating and investment recommendations of companies within the oil and natural gas exploration and production industry. The Company does not use this non-GAAP measure for any other purpose. Many investors use the published research of these analysts in making their investment decisions. Discretionary cash flow is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating activities, as defined by GAAP, or as a measure of liquidity, or an alternative to net income. Investors should be cautioned that discretionary cash flow as reported by us may not be comparable in all instances to discretionary cash flow as reported by other companies.

-2-

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release, dated November 6, 2006 announcing earnings for the quarter ended September 30, 2006.

-3-

SIGNATURES

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

Dated: November 6, 2006

Edgar Filing: ENERGY PARTNERS LTD - Form 8-K

ENERGY PARTNERS, LTD.

By: /s/ Timothy R. Woodall

Timothy R. Woodall
Executive Vice President and Chief
Financial Officer
(authorized officer and
principal financial officer)

-4-