SWIFT ENERGY CO
Form 424B3
November 10, 2010

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The information in this preliminary prospectus supplement is not complete and may be changed. Neither this preliminary prospectus supplement nor the accompanying prospectus is an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(3)
Registration No. 333-159341

Subject to completion, dated November 10, 2010

Preliminary prospectus supplement
To prospectus dated June 26, 2009

3,000,000 shares

Common stock

We are selling 3,000,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol SFY. On November 9, 2010, the last reported sale price of our common stock on the New York Stock Exchange was $36.07 per share.

Investing in our common stock involves risk. Please read Risk factors beginning on page S-11 of this prospectus supplement and on page 3 of the accompanying prospectus.

	Per share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds to Swift Energy Company, before expenses	$	$

We have granted the underwriters an option for a period of 30 days to purchase up to 450,000 additional shares of our common stock to cover over-allotments, if any.

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

We expect that the delivery of the shares will be made to investors on or about November , 2010.

Sole book-running manager

J.P. Morgan

, 2010

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About this prospectus supplement

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

You should rely only on the information contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus and any related free writing prospectus. We have not 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 and the accompanying prospectus are not an offer to sell or the solicitation of an offer to buy any securities other than the securities to which they relate and are not an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. You should not assume that the information contained in this prospectus supplement is accurate as of any date other than the date on the front cover of this prospectus supplement, or that the information contained in any document incorporated by reference is accurate as of any date other than the date of the document incorporated by reference, regardless of the time of delivery of this prospectus supplement or any sale of a security.

In this prospectus supplement, the Company, we, us, our or ours refer to Swift Energy Company and its subsidia unless we state otherwise or the context indicates otherwise.

Where you can find more information

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission, which we refer to as the SEC, pursuant to the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. You may read and copy any documents that are filed at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates from the public reference section of the SEC at its Washington address. Please call the SEC at 1-800-SEC-0330 for further information.

Our filings are also available to the public through the SEC s website at *http://www.sec.gov*.

The SEC allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you to documents previously filed with the SEC. The information incorporated by reference is an important part of this prospectus supplement, and the information that we later file with the SEC will automatically update and supersede this information. The following documents we have filed with the SEC pursuant to the Exchange Act are incorporated herein by reference:

our Annual Report on Form 10-K for the year ended December 31, 2009;

our Quarterly Reports on Form 10-Q for the periods ended March 31, 2010, June 30, 2010 and September 30, 2010; and

our Current Reports on Form 8-K filed on May 12, 2010 and September 27, 2010.

These reports contain important information about us, our financial condition and our results of operations.

All future documents filed pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K) before the termination of each offering under this prospectus supplement shall be deemed to be incorporated in this prospectus supplement by reference and to be a part hereof from the date of filing of such documents. Any statement contained herein, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may request a copy of these filings at no cost by writing or telephoning us at the following address or telephone number:

Swift Energy Company
Investor Relations Department
16825 Northchase Drive, Suite 400
Houston, Texas 77060
(281) 874-2700

We also maintain a website at *http://www.swiftenergy.com*. The information on our website is not part of this prospectus supplement, and you should rely only on the information contained in this prospectus supplement and in the documents incorporated by reference when making a decision as to whether to buy our common stock in this offering.

Cautionary statement regarding forward-looking statements

Various statements contained in or incorporated by reference into this prospectus supplement that express a belief, expectation or intention, or that are not statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements reflect our current views with respect to future events and may be identified by terms such as believe, expect, may, intend, will, project, budget, should or a similar words. These statements discuss forward-looking information and may include, among others, statements about anticipated capital expenditures and budgets; sources of capital; future cash flows and borrowings; pursuit of potential future acquisition or drilling opportunities; future production volumes; oil and natural gas reserves; and sources of funding for exploration and development or other uses.

Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. They can be affected by inaccurate assumptions or by known or unknown risks and

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uncertainties. Factors that could cause actual results to differ materially from expected results are described under Risk factors and include:

- The length and severity of the current economic down turn
- volatility in oil and natural gas prices and fluctuation of prices received;
- domestic and worldwide economic conditions;
- disruption of operations and damages due to hurricanes or tropical storms;
- demand or market available for our oil and natural gas production;
- production facility constraints;
- uncertainty of drilling results, reserve estimates and reserve replacement;
- drilling and operating risks;
- our level of indebtedness;
- the strength and financial results of our competitors;
- the availability and cost of capital to fund reserve replacement and other capital expenditures and costs;
- uncertainties inherent in estimating quantities of oil and natural gas reserves, projecting future rates of production and the timing of development expenditures;
- acquisition risks;
- unexpected substantial variances in capital requirements;
- environmental matters; and
- shortages or delays in equipment or services.

There are other factors that could cause actual results to differ materially from those anticipated, which are discussed in our periodic filings with the SEC, including our most recent Annual Report on Form 10-K.

When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus supplement and in the documents we have incorporated by reference. We specifically disclaim all responsibility to publicly update any information contained in a forward-looking statement or any forward-looking statement in its entirety and therefore disclaim any resulting liability for potentially related damages.

All forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary statement.

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Summary

This summary highlights information included or incorporated by reference elsewhere in this prospectus supplement. It does not contain all of the information that you should consider before making an investment decision. We urge you to read the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference carefully, including the historical financial statements and notes to those financial statements incorporated by reference. Please read Risk factors in this prospectus supplement and in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2009 for more information about important risks that you should consider before investing in our common stock. Unless the context indicates otherwise, information presented in this prospectus supplement assumes the underwriters did not exercise their option to purchase additional shares. Further, unless otherwise indicated, information presented herein relates only to our continuing operations. As used in this prospectus supplement and the accompanying prospectus, unless the context otherwise requires or indicates, references to Swift, we, our, ours, and us refer to Swift Energy Company and its subsidiaries, collectively.

Our company

We are engaged in developing, exploring, acquiring, and operating oil and natural gas properties, with a focus on oil and natural gas reserves onshore in Louisiana and Texas, and in the inland waters of Louisiana. As of December 31, 2009, we had estimated proved reserves from our continuing operations of 112.9 million barrels of oil equivalent, or MMBoe. Our total estimated proved reserves at year-end 2009 were approximately 39% crude oil, 43% natural gas, and 18% natural gas liquids, or NGLs; and 50% of our total estimated proved reserves were proved developed. Our estimated proved reserves are concentrated: 56% of the total is in Louisiana and 43% in Texas.

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

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Our competitive strengths and business strategy

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

Concentrated focus on core areas with operational control

The concentration of our operations in our core areas allows us to leverage our drilling unit and workforce synergies while enabling us to minimize development and operating costs. Each of our core areas includes properties that we have targeted for future growth. The value of this concentration is enhanced by our operational control of 96% of our proved oil and natural gas reserves base as of December 31, 2009. Retaining operational control allows us to more effectively manage production, control operating costs, allocate capital, and time field development.

Balanced portfolio of development and exploration prospects

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

Significant upside from two emerging resource plays

We currently own and operate significant leasehold positions in two emerging resource plays in South Texas: the Olmos tight gas sands and the Eagle Ford shale. Utilizing our nearly 20 years of history and extensive experience in the AWP field in South Texas, in 2008 we drilled what we believe to be the first horizontal well in the Olmos formation employing multi-stage fracture technology, with the well having an initial production rate of over 10 MMcfe/d. Our long history and recent activity in this formation leads us to believe that we have several alternatives to consider as we continue to develop our South Texas acreage.

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The following is our horizontal drilling prospective acreage position in South Texas as of September 1, 2010:

Texas County	Olmos Formation Gross acres	Olmos Formation Net acres	Undeveloped[1] Eagle Ford Formation Gross acres	Undeveloped[1] Eagle Ford Formation Net acres
McMullen	~40,000	~40,000	~63,000	~53,000
La Salle	- - -	- - -	~18,000	~14,000
Webb	- - -	- - -	~8,000	~8,000
Zavala	- - -	- - -	~4,000	~4,000
Total Acres	~40,000	~40,000	~92,000	~78,000

(1) Includes surface acreage where our ownership interests in both formations overlap.

Balanced approach to growth

We have grown our estimated proved reserves from 108.8 MMBoe to 112.9 MMBoe over the five-year period ended December 31, 2009, which equates to a 109% production replacement rate. Over the same period, our annual production has grown from 7.0 MMBoe to 9.1 MMBoe. Our growth in reserves and production over this five-year period has resulted primarily from drilling activities and acquisitions in our core areas. Based on our long-term historical performance and our business strategy going forward, we believe that we have the opportunities, experience, and knowledge to continue growing both our reserves and production.

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

Track record of developing under-exploited properties

We are focused on applying advanced technologies and recovery methods to areas with known hydrocarbon resources to optimize our exploration and exploitation of such properties, as illustrated in our core areas. For instance, we acquired our properties in the Lake Washington field, which originally was discovered in the 1930s, for $30.5 million in 2001. Since that time, we have increased our average daily net production in that field from less than 700 Boe to 8,000 Boe as of September 30, 2010. We have also increased our estimated proved reserves in the Lake Washington field from 7.7 million Boe to approximately 27.2 million Boe as of December 31, 2009. We have acquired and successfully developed other fields since the Lake Washington acquisition, and we intend to continue acquiring significant acreage positions where we can grow production by applying advanced technologies and recovery methods using our experience and knowledge developed in our core areas.

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Financial flexibility and disciplined capital structure

We practice a disciplined approach to financial management and have historically maintained a disciplined capital structure to provide us with the ability to execute our business plan. As of December 31, 2009, our debt to capitalization ratio was approximately 41%, while our debt to estimated proved reserves ratio was $4.17 per Boe, and our debt to PV-10 ratio was 36%. We plan to maintain a capital structure that provides financial flexibility through the prudent use of capital, aligning our capital expenditures to our cash flows, and maintaining a strategic hedging program when appropriate.

This offering is intended to provide funding for a portion of our 2011 capital expenditures. We are actively considering seeking additional funding sources for our 2011 accelerated drilling program, including additional long term debt.

Experienced technical team and technology utilization

As of December 31, 2009, we employed 64 oil and gas professionals, including geophysicists, petrophysicists, geologists, petroleum engineers, and production and reservoir engineers, who have an average of approximately 24 years of experience in their technical fields. In addition, we engage experienced and qualified consultants to perform various comprehensive seismic acquisitions, processing, reprocessing, interpretation, and other related services. We continually apply our extensive in-house experience and current technologies to benefit our drilling and production operations.

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

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

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

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Recent developments

Our 2011 preliminary capital expenditure budget of $430 million to $450 million is based on an accelerated drilling program to increase production and reserves, primarily focused on our liquids rich acreage in the Eagle Ford shale and the Olmos sands in South Texas. Operating on this budget, we are targeting production growth of 25-30% and reserves growth of 15-20%. We anticipate spending between 75% to 80% of our 2011 capital budget in South Texas, focused on drilling oil and condensate development wells on acreage that was proved-up in 2010. The remainder will be spent on our oil properties in Southeast Louisiana and Austin Chalk oil and natural gas development wells in our Central Louisiana/East Texas core area.

We continue to deploy capital towards the long-term development of our South Texas properties, including the liquids-rich opportunities these resource plays offer. We are committed to growing production, reserves and cash flows in South Texas, which is evidenced by the steps we have taken to secure critical services, infrastructure, and marketing arrangements in this area where there is intense competition. During 2010, we secured the availability of dedicated fracture stimulation services and manpower from a third party contractor well into 2012, and we have entered into a long-term agreement for gathering and treating services in South Texas. Recently, we have extended contracts for two horizontal drilling rigs, which currently gives us four operated rigs and one non-operated rig in South Texas. During 2011, we expect to increase our operating activities in South Texas and have taken numerous steps to ensure we can drill, complete and produce wells without interruption due to shortages or delays in services from third-party contractors.

In the latter half of 2010 we have focused on new opportunities in the Austin Chalk formation in our Central Louisiana/East Texas core area. During the third quarter 2010, a non-operated well targeting the Austin Chalk was drilled and completed in the South Burr Ferry field, with initial production test rates of 13 Mmcf/d and 1,000 Bbls/d of gross production, and a second well in this area has been drilled and will be completed in the fourth quarter. We have a 50% working interest in both these wells.

Corporate information

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

The offering

Common stock offered by us	3,000,000 shares
Over-allotment option	450,000 shares
Common stock to be outstanding after completion of this offering(1)	40,885,357 shares (or 41,335,357 shares if the underwriters exercise in full their over-allotment option)
Use of proceeds	We estimate that we will receive net proceeds of approximately $102.5 million from this offering, or $117.9 million if the underwriters exercise in full their over-allotment option to purchase additional shares, in each case, after deducting the underwriting discount and estimated offering expenses. We intend to use the net proceeds we receive from this offering for general corporate purposes, including the funding of our 2011 capital expenditure budget. General corporate purposes may also include development and exploration expenditures, additions to working capital and the financing of acquisitions of oil and gas properties and related assets. Please read Use of proceeds in this prospectus supplement.
Conflicts of interest	An affiliate of J.P. Morgan Securities LLC is a lender under our revolving credit facility and, in such capacity, will receive a portion of the net proceeds from this offering. See Conflicts of interest.
Risk factors	An investment in our common stock involves risk. Please read Risk factors in this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2009. Realization of any of those risks or adverse results from the listed matters could have a material adverse effect on our business, financial condition, cash flows and results of operations.
New York Stock Exchange trading symbol	SFY

(1) The number of shares of common stock outstanding after the offering is based on 37,885,357 shares of common stock outstanding as of October 31, 2010, excluding, as of that same date, an aggregate of 2,167,207 shares issuable under unexercised options to purchase common stock and upon vesting of restricted shares, both as granted under our employee benefit and equity plans.

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Summary consolidated financial data

The summary historical consolidated financial data set forth below as of and for each of the three years ended December 31, 2007, 2008 and 2009 has been derived from our audited consolidated financial statements. The summary consolidated financial data as of and for each of the nine months ended September 30, 2009 and 2010 has been derived from our unaudited consolidated financial statements. The summary consolidated financial data are qualified in their entirety by and should be read in conjunction with our consolidated financial statements and related notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included in our annual report on Form 10-K for the year ended December 31, 2009, and our quarterly report on Form 10-Q for the quarter ended September 30, 2010, both of which are incorporated by reference into this prospectus supplement.

	Year ended December 31,			Nine months ended September 30,	
(in thousands, except ratios)	**2007**	**2008**	**2009**	**2009**	**2010**
Operating data					
Revenues:					
Oil and gas sales	$ 652,856	$ 793,859	$ 371,749	$ 257,153	$ 320,887
Price-risk management and other, net	1,265	26,956	(1,304)	(1,610)	1,505
	654,121	820,815	370,445	255,543	322,392
Costs and expenses:					
General and administrative, net	34,182	38,673	34,046	24,830	26,010
Depreciation, depletion, and amortization	188,393	222,288	166,108	125,310	118,103
Accretion of asset retirement obligation	1,437	1,958	2,906	2,151	2,927
Lease operating cost	70,893	104,874	76,740	57,139	59,561
Severance and other taxes	73,813	80,403	41,326	30,291	34,043
Interest expense, net	28,082	31,079	30,663	22,616	24,804
Debt retirement cost	12,765		3,961		
Write-down of oil and gas properties		754,298	79,312	79,312	
	409,565	1,233,573	435,062	341,649	265,448
Income (loss) before income taxes	244,556	(412,758)	(64,617)	(86,106)	56,944
Provision (benefit) for income taxes	91,968	(155,628)	(25,541)	(32,451)	20,788

Income (loss) from continuing operations	152,588	(257,130)	(39,076)	(53,655)	36,156

(in thousands, except ratios)	Year ended December 31, 2007	Year ended December 31, 2008	Year ended December 31, 2009	Nine months ended September 30, 2009	Nine months ended September 30, 2010
Loss from discontinued operations, net of taxes	(131,301)	(3,360)	(254)	(215)	(162)
Net income (loss)	$ 21,287	$ (260,490)	$ (39,330)	$ (53,870)	$ 35,994
Continuing operations					
Fully diluted earnings per share	$ 4.98	$ (8.39)	$ (1.16)	$ (1.66)	$ 0.93
Total diluted weighted average shares outstanding	30,422	30,661	33,594	32,310	37,995
Other financial data					
EBITDA(1)	$ 462,468	$ 596,865	$ 214,372	$ 143,283	$ 202,778
Net cash provided by operating activities	442,282	582,027	226,176	146,176	193,741
Capital expenditures including acquisitions	650,594	674,797	215,370	164,504	