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CRIMSON EXPLORATION INC.

Form 424B3

December 09, 2005

Prospectus Supplement No. 3
(To Prospectus dated August 9, 2005)

Filed pursuant to Rule 424(b)(3)
Registration No. 333-116048

P R O S P E C T U S

SUPPLEMENT No. 3

CRIMSON EXPLORATION INC.

18,861,799 Shares of Crimson Exploration Inc. Common Stock
(the "Shares")

This document supplements the prospectus of Crimson Exploration Inc., dated August 9, 2005, as supplemented by the prospectus supplement dated August 16, 2005 and the prospectus supplement dated November 14, 2005, relating to the resale of up to 18,861,799 Shares issuable to certain selling shareholders assuming the exercise of warrants or conversion of certain preferred stock by those shareholders. The information in this prospectus supplement replaces and supersedes the information set forth under "Selling Shareholders" in the prospectus dated August 9, 2005. The table in that section has been modified to reflect the transfer of 175,000 Shares from a named selling shareholder originally included in the prospectus, Petro Capital Advisors, to one donee, St Marks School of Texas, pursuant to the prospectus as supplemented.

This prospectus supplement is incorporated by reference into, and should be read in conjunction with, the prospectus supplement dated November 14, 2005, the prospectus supplement dated August 16, 2005 and the prospectus dated August 9, 2005. This prospectus supplement is not complete without, and may not be delivered or utilized except in connection with, the prospectus supplement dated November 14, 2005, the prospectus supplement dated August 16, 2005 and the prospectus dated August 9, 2005.

Investing in our stock involves a high degree of risk. Please see "Risk Factors" beginning on page 9 of the prospectus, dated August 9, 2005, for a discussion of certain factors that you should consider before investing.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is December 9, 2005

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SELLING SHAREHOLDERS

The selling shareholders may offer and sell, from time to time, any or all of the Shares. Because the selling shareholders may offer all or only some portion of the 18,861,799 Shares, no estimate can be given as to the amount or percentage of these Shares that will be held by the selling shareholders upon termination of the offering. There will be no proceeds to us from the sale of shares of common stock in this offering. However, we will receive proceeds from the sale of shares of common stock upon the exercise of any warrants. Any proceeds received upon exercise of warrants will be used for general working capital purposes.

The following table sets forth the name and relationship with us, if any, of certain of the selling shareholders and (i) the maximum number of shares of common stock which may be offered for the account of the selling shareholders under this prospectus, (ii) the amount and percentage of common stock that would be owned by the selling shareholders after completion of the offering, assuming a sale of all of the common stock which may be offered hereunder and (iii) the number of shares of common stock beneficially owned by the selling shareholders as of the date of this prospectus. Except as otherwise noted below, the selling shareholders have not, within the past three years, had any position, office or other material relationship with us.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission. The number of shares beneficially owned by a person includes shares of common stock subject to options, warrants and preferred stock held by that person that are currently convertible or exercisable or convertible or exercisable within 60 days of the date of this prospectus. The shares issuable under these securities are treated as if outstanding for computing the percentage ownership of the person holding these securities but are not treated as if outstanding for the purposes of computing the percentage ownership of any other person.

| Name and Address of Selling Security Holder | Total Shares Registered | Amount and % of Ownership | Total Shares Owned(1) |
|--|----------------------------|---------------------------------|--------------------------|
| Drawbridge Special Opportunities Fund, L.P. (2) 1251 Avenue of the Americas 16th Floor New York, NY 10020 | 1,009,112 | 14,550 | 1,023,662 |
| | | * | |
| D.B. Zwirn Special Opportunities Fund, L.P. (2) 745 5th Avenue 18th Floor New York, NY 10151 | 1,009,112 | 14,550 | 1,023,662 |
| | | * | |
| Petro Capital Advisors(3) 3838 Oak Lawn Ave., Suite 1775 Dallas, TX 75201 | 1,383,572 | 75,000 | 1,458,572 |
| | | * | |
| Virgil Waggoner(4) 6605 Cypresswood Drive, Suite 250 | 7,160,715 | 9,705,503 | 16,866,218 |

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Spring, TX 77379

25.5%

| | | | |
|---|---------|--------|---------|
| Patrick Parker Scarborough Building, 6th and Congress, 101 W. 6th St. Suite 610 Austin, TX 78701 | 857,143 | 45,000 | 902,143 |
| | | * | |

| Name and Address of Selling Security Holder | Total Shares Registered | Amount and % of Ownership | Total Shares Owned(1) |
|--|----------------------------|---------------------------------|--------------------------|
|--|----------------------------|---------------------------------|--------------------------|

| | | | |
|---|-----------|--------|-----------|
| Douglas Moreland 1655 East Layton Drive Englewood, CO 80100 | 1,428,572 | 78,333 | 1,506,905 |
| | | * | |

| | | | |
|---|--------|---|--------|
| Stanley Chason 6711 North Ocean Blvd. Ocean Ridge, FL 33435 | 71,428 | 0 | 71,428 |
| | | * | |

| | | | |
|--|-----------|--------|-----------|
| XMen, LLC 520 Lake Cook Road, Suite105 Deerfield, IL 60015 | 1,714,286 | 90,000 | 1,804,286 |
| | | * | |

| | | | |
|--|--------|-------|--------|
| Bruce Goldstein 1934 Deercrest Lane Northbrook, IL 60062 | 77,143 | 3,000 | 80,143 |
| | | * | |

| | | | |
|---|---------|--------|---------|
| Barry S. Cohn Revocable Trust 2505 Astor Court Glenview, IL 60025 | 214,286 | 11,250 | 225,536 |
| | | * | |

| | | | |
|---|---------|-------|---------|
| Bargus Partnership (Gus Schultes) 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 142,862 | 7,500 | 150,362 |
| | | * | |

| | | | |
|--|---------|-------|---------|
| Schultes Family Partnership LP (Ed Schultes) 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 142,858 | 7,500 | 150,358 |
| | | * | |

| | | | |
|---|---------|-------|---------|
| Richard Schultes 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 142,858 | 7,500 | 150,358 |
| | | * | |

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|--|---------|---------|---------|
| 4-Sibs, LLC 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 142,858 | 7,500 | 150,358 |
| William Jefferys 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 28,570 | 1,500 | 30,070 |
| John T. O'Brien and Linda O'Brian (JTWROS) 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 28,570 | 1,500 | 30,070 |
| Robert Collison 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 28,570 | 1,500 | 30,070 |
| ----- | | | |
| David Hartman 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 28,570 | 1,500 | 30,070 |
| Jeffrey DeMatte 664 South Evergreen Ave Woodbury Heights, NJ 08097 | 28,570 | 1,500 | 30,070 |
| Edwin J. Hagerty 13355 Noel Road, Suite 1400 Dallas, TX 75248 | 371,429 | 19,500 | 390,929 |
| Star-Tex Trading Company 16300 Addison Rd., Suite 300 Addison, TX 75001 | 285,715 | 84,667 | 370,382 |
| ST Advisory Corp./John E. Loehr(5) 16300 Addison Rd., Suite 300 Addison, TX 75001 | 470,000 | 147,491 | 617,491 |
| Thomas R, Kaetzer(6) | 200,000 | 408,852 | 608,852 |

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480 N. Sam Houston Parkway, Suite 300
Houston, TX 77060

1.1%

Jim C. Bigham(7)
480 N. Sam Houston Parkway, Suite 300
Houston, TX 77060

100,000 160,985 260,985
*

Marshall A. Smith III(8)
480 N. Sam Houston Parkway, Suite 300
Houston, TX 77060

270,000 619,005 889,005
1.6%

Intermarket Management LLC(9)
271 Grove Ave., Suite C-3
Verona, NJ 07044

500,000 0 500,000
*

Star Investments , LTD
3421 Causeway Blvd., Suite 103
Metairie, LA 70002

50,000 39,500 89,500
*

Ray B. Nesbitt
1 Winston Woods
Houston, TX 77024

150,000 243,333 393,333
*

J. T. Thompson
1212 Woodhollow Drive, No. 15101
Houston, TX 77057

40,000 10,000 50,000
*

Ron Zimmerman
1212 Woodhollow Drive, No. 15101
Houston, TX 77057

60,000 0 60,000
*

| Name and Address of Selling Security Holder | Total Shares Registered | Amount and % of Ownership | Total Shares Owned(1) |
|---|----------------------------|---------------------------------|--------------------------|
| ----- Steven M. Morris P.O. Box 941828 Houston, TX 77094 | 500,000 | 0 * | 500,000 |
| ----- John Kruljac 8873 E. Bayou Gulch Road Parker, CO 80134 | 20,000 | 0 * | 20,000 |

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|--|--------|---|--------|
| USGT Investors 1845 Woodall Rodgers, Suite 1700 Dallas, TX 75201 | 30,000 | 0 | 30,000 |
| | | * | |

| | | | |
|--|---------|---|---------|
| St Marks School of Texas 10600 Preston Road Dallas, TX 75230 | 175,000 | 0 | 175,000 |
| | * | | |

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- * Less than 1%
 - 1 Includes shares registered hereunder.
 - 2 The selling shareholder is a former lender.
 - 3 The selling shareholder is a former investment advisor.
 - 4 Mr. Waggoner is a former director of the Company.
 - 5 Mr. Loehr is a former director and officer of the Company. Reflects 270,000 shares issuable to Mr. Loehr pursuant to immediately exercisable warrants and 200,000 shares issued upon exchange of preferred stock held by ST Advisory Corp. ST Advisory Corp. is owned by John E. Loehr.
 - 6 Mr. Kaetzer is Senior Vice President of Operations of the Company. See "Management."
 - 7 Mr. Bigham is Vice President and Secretary of the Company. See "Management."
 - 8 Mr. Smith was a director of the Company.
 - 9 Mr. M. Scott Manolis was one of our directors. Mr. Manolis is an owner of Intermarket Management LLC.