

HOUSTON EXPLORATION CO  
Form SC 13D/A  
April 17, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*

THE HOUSTON EXPLORATION COMPANY

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(Name of Issuer)

Common Stock, \$0.01 Par Value

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(Title of Class of Securities)

442120101

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(CUSIP Number)

Marc Weingarten, Esq.  
Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
(212) 756-2000

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(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

April 17, 2006

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(Date of Event which Requires  
Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. [ ]

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 5 Pages)

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\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange



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9.0%

14 TYPE OF REPORTING PERSON\*

IA

\* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP NO. 442120101

SCHEDULE 13D

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The Schedule 13D filed on February 21, 2006 by JANA Partners LLC, a Delaware limited liability company (the "Reporting Person"), relating to the shares ("Shares") of common stock, \$0.01 par value, of The Houston Exploration Company (the "Issuer"), is hereby amended as set forth below by this Amendment No. 1 to the Schedule 13D.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 of the Schedule 13D is hereby amended and restated as follows:

As of the date of this filing, the Reporting Person may be deemed the beneficial owner of 2,617,700 Shares. The aggregate purchase price of the Shares owned beneficially by the Reporting Person is approximately \$152,374,946. Such Shares were acquired with investment funds in accounts under management.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended and restated as follows:

The Reporting Person acquired the Shares for investment in the ordinary course of business. The Reporting Person believes that the Shares at current market prices are undervalued and represent an attractive investment opportunity. The Reporting Person may make further purchases of the Shares from time to time and may dispose of any or all of the Shares held by it at any time.

On April 17, 2006, following earlier discussions between representatives of the Reporting Person and the Issuer regarding the Issuer's strategic direction and related matters, the Reporting Person's Managing Partner, Barry Rosenstein, sent a letter to the Board of Directors of the Issuer, which letter set forth the Reporting Person's belief that the Issuer should use the proceeds from its recent disposition of certain assets to repurchase shares of its common stock and addressed related matters. The Reporting Person also expressed its belief that the Issuer should explore strategic alternatives, including a sale. The letter sent by the Reporting Person is attached hereto as Exhibit A and is incorporated herein by reference. The Reporting Person intends to continue discussions regarding these matters with representatives of the Issuer.

Except as set forth herein, neither the Reporting Person nor the Principals have any present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D. The Reporting Person intends to review its investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer's financial position and strategic direction, price levels of the Shares, conditions in the securities market and general economic and industry conditions, the Reporting Person may in the future take such actions with



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3/17/2006	Options Exercised for 28,000 Shares	\$50.00 (Exercise Price)
3/17/2006	Options Exercised for 50,000 Shares	\$50.00 (Exercise Price)
4/3/2006	Options Exercised for 1,837,000 Shares	\$30.00 (Exercise Price)
4/10/2006	25,000	\$54.21
4/10/2006	75,000	\$54.26

Note: Options exercisable for 50,000 shares have expired.

Item 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 of the Schedule 13D is hereby amended by the addition of the following:

1. Exhibit A - Letter from the Reporting Person to the Issuer's Board of Directors, dated April 17, 2006.
2. Exhibit B - Press release dated April 17, 2006.

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CUSIP NO. 442120101  
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SCHEDULE 13D

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: April 17, 2006

JANA PARTNERS LLC

By: /s/ Barry Rosenstein

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Name: Barry Rosenstein  
Title: Managing Partner

By: /s/ Gary Claar

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Name: Gary Claar  
Title: Managing Director