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

FORM 8-K

**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

DATE OF REPORT: July 20, 2010
(Date of earliest event reported)

Forbes Energy Services Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

333-150853-04
(Commission
File Number)

98-0581100
(I.R.S. Employer
Identification Number)

3000 South Business Highway 281
Alice, Texas
(Address of Principal Executive Offices)

78332
(Zip Code)

(361) 664-0549
(Registrant's Telephone Number, Including Area Code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01 – Other Information

On July 20, Forbes Energy Services Ltd., or the Company, in connection with its recently announced consent solicitation of the 11% Senior Secured Notes due 2015 issued by two of its subsidiaries, issued a press release announcing selected financial information and a press release extending the expiration of the consent solicitation until 4:30 p.m., New York City time, on Friday, July 23, 2010.

A copy of each press release is attached hereto as Exhibits 99.1 and 99.2, respectively. The press releases are incorporated by reference herein and the foregoing description of the press releases is qualified in its entirety by reference to the attached exhibits.

The press release announcing selected financial information contains reference to the non-GAAP (as defined below) financial measure adjusted EBITDA. Adjusted EBITDA is defined as net income before interest, taxes, impairment charges, stock based compensation, gain (loss) on extinguishment of debt, depreciation, and amortization. Management does not include impairment charges or gain (loss) on extinguishment of debt in its calculations of adjusted EBITDA, as it believes that they are not representative of our core operations. Further, management believes that most investors exclude impairment charges, gain (loss) on extinguishment of debt, and stock based compensation recorded under FIN123R from customary EBITDA calculations as those items are often viewed as either non-recurring and not reflective of ongoing financial performance or having no cash impact on operations.

Adjusted EBITDA, as the Company defines it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with United States generally accepted accounting principles, or GAAP. Adjusted EBITDA should not be considered in isolation or as an alternative to net income, operating income, cash flow from operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Adjusted EBITDA excludes some, but not all, items that affect net income and operating income and these measures may vary among other companies.

The Company believes that adjusted EBITDA is useful to investors, directors and management as a supplement financial measure to assess:

- The financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- The ability of our assets to generate cash sufficient to pay interest on our indebtedness; and
- Our operating performance and return on invested capital as compared to those of other companies in the well services industry, without regard to financing methods and capital structure.

The Company's management uses adjusted EBITDA for the reasons stated above. In addition, the Company's management uses adjusted EBITDA (i) in presentations to the Board of Directors to enable them to have the same consistent measurement basis of operating performance used by management, (ii) as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations, and (iii) in communications with shareholders, lenders, noteholders, rating agencies, and others concerning the Company's financial performance.

Set forth below are the material limitations associated with using adjusted EBITDA as an analytical tool:

- Adjusted EBITDA does not reflect our current or future requirements for capital expenditures or capital commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not reflect income taxes;

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Management compensates for the above-described limitations in using adjusted EBITDA as a non-GAAP financial measure by only using adjusted EBITDA to supplement GAAP results. A reconciliation of adjusted EBITDA to net income, the most directly comparable GAAP financial measure, is contained in the press release filed as Exhibit 99.1 to this Form 8-K.

Item 9.01 – Financial Statements and Exhibits

(d) Exhibits.

99.1 Press Release, dated July 20, 2010

99.2 Press Release, dated July 20, 2010

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 thereunto duly authorized.

Forbes Energy Services Ltd.

Date: July 23, 2010

By: /s/ L. Melvin Cooper

L. Melvin Cooper

Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated July 20, 2010
99.2	Press Release, dated July 20, 2010



Contacts: Forbes Energy Services Ltd.
L. Melvin Cooper, SVP & CFO
361-664-0549

FOR IMMEDIATE RELEASE

DRG&E
Ken Dennard, Managing Partner
Ben Burnham, AVP
713-529-6600

**FORBES ENERGY SERVICES PROVIDES
SELECTED FINANCIAL INFORMATION**

ALICE, TEXAS – July 20, 2010 – Forbes Energy Services Ltd. (TSX: FRB) (collectively with its subsidiaries, the “Company”), in connection with the recently announced consent solicitation of the 11% Senior Secured Notes due 2015 issued by two of its subsidiaries, is releasing the following selected financial information today.

The Company is benefiting from strengthened activity across all of its markets, particularly in South Texas. This activity has allowed the industry, and the Company, to implement gradual customer price increases beginning in the first quarter of 2010. John Crisp, the President and Chief Executive Officer of Forbes Energy Services Ltd., stated, “These increases have now allowed the Company to establish a more normalized gross margin.”

Mr. Crisp further stated, “Beginning in the second quarter most Company employees were granted rate increases in response to these improving industry conditions and tighter labor markets. Even with these increased costs, the Company has been able to retain the majority of the customer price increases in the form of expanded margins as it realigned its revenues and costs.”

Gross revenues for the months of April and May 2010 are approximately \$24 million and \$27 million, respectively. Once all the numbers are finalized, the Company expects June 2010 revenues to be in line with May. The Company estimates adjusted EBITDA for the second quarter will be in excess of \$10.5 million as compared with adjusted EBITDA for the first

quarter of 2010 of \$5 million. It is anticipated that U.S. operations will contribute approximately 80% of the second quarter adjusted EBITDA with Mexico contributing the balance.

Accounts receivable as of May 31, 2010 amounted to \$73 million as compared to December 31, 2009 accounts receivable of \$53 million. The May 31, 2010 balance was comprised of approximately \$51 million from the United States and \$22 million from Mexico. This resulted in Days Sales Outstanding (“DSO”) of 68 and 71 in the United States as of December 31, 2009 and May 31, 2010, respectively, and days sales outstanding of 243 and 187 in Mexico as of December 31, 2009 and May 31, 2010, respectively.

The United States DSO reflects the rapid ramp-up in revenues from December through May. Future months should see the United States DSO begin to decline, more in line with industry averages.

The new management team in Mexico has implemented new systems to ensure timely billings to Pemex, which we believe will begin to improve our DSO. Although the new team has developed a closer working relationship with Pemex and now better understands the billing process, Mexico DSO will continue to lag behind those in the United States due to the extended approval and billing process required by Pemex.

During 2009 and, to a lesser degree, the first quarter of 2010, the Company provided additional working capital to Mexico. Since mid-March, with the new billing processes and more efficient field operations, Mexico has generated adequate cash flow from which to pay its expenses. The Company believes its Mexico operation will soon begin generating adequate cash flow to begin distributions to the United States.

Unrestricted cash on deposit as of the following dates was:

March 31, 2010	\$12.6 million
May 31, 2010	\$17.3 million (adjusted for bond repurchase of \$7.2 million)
July 19, 2010	\$15.5 million

A statement of cash flows through March 31, 2010 was provided in our Report on Form 10-Q for the quarter ended March 31, 2010, and can be found on the Company’s website (www.ForbesEnergyServices.com) or at www.sec.gov. The following update provides selected information relative to the quarter ending June 30, 2010. During the second quarter a preferred stock offering was completed for net proceeds of approximately \$14 million. Additionally, it is

projected that the Company generated in excess of \$10.5 million in adjusted EBITDA during the second quarter. During this same quarter, the Company repurchased approximately \$7 million in bonds, increased accounts receivable by approximately \$10 million, increased cash by approximately \$2 million, paid approximately \$2 million on installment loans, and purchased approximately \$1 million in equipment.

The Company has a cash interest payment in the amount of \$1.2 million due on August 1, 2010, and another cash interest payment in the amount of \$10.6 million due August 12, 2010.

The Company cautions that several factors other than those discussed above may impact the Company's operating results and that a particular trend regarding the factors above may or may not be indicative of the Company's current or future financial performance.

The Company is an independent oilfield services contractor that provides a broad range of drilling-related and production-related services to oil and natural gas companies, primarily onshore in Texas, Mississippi, Pennsylvania and Mexico.

Forward-Looking Statements and Regulation G Reconciliation

This press release contains "forward-looking statements," as contemplated by the Private Securities Litigation Reform Act of 1995 and the applicable securities laws of Canada, in which the Company discusses factors it believes may affect its performance in the future. The accuracy of the Company's assumptions, expectations, beliefs and projections depend on events or conditions that change over time and are thus susceptible to change based on actual experience, new developments and known and unknown risks. The Company gives no assurance that the forward-looking statements will prove to be correct and does not undertake any duty to update them. The Company's actual future results might differ from the forward-looking statements made in this press release for a variety of reasons, which include: supply and demand for oilfield services and the level of oil and natural gas prices; the continued uncertainty in the global financial markets and its effect on domestic spending in the oil and natural gas industry; the Company's ability to maintain or improve pricing on its core services; the potential for excess capacity in the industry; and competition. Should one or more of the foregoing risks or uncertainties materialize, or should the Company's underlying assumptions prove incorrect, the Company's actual results may vary materially from those anticipated in its forward-looking statements, and the Company's business, financial condition and results of operations could be materially and adversely affected. Additional factors that you should consider are set forth in detail in the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (the "Form 10-K") as well as other filings the Company has made with the Securities and Exchange Commission and the securities commissions or similar regulatory authorities in each of the provinces of Canada, other than Quebec.

This press release also contains references to the non-GAAP financial measure of adjusted EBITDA. For a reconciliation of adjusted EBITDA to net income, please see the table at the end of this release. Management’s opinion regarding the usefulness of adjusted EBITDA to investors and a description of the ways in which management uses such measures can be found on the “Investor Relations” page of Forbes Energy’s website, www.forbesenergyservices.com.

**Reconciliation of Adjusted EBITDA to Net Income
(Unaudited)**

	Three Months Ended	
	<u>March 31, 2010</u>	<u>June 30, 2010</u> (projected)
Net loss	\$ (8,171,517)	\$ (4,483,050)
Depreciation and amortization	9,924,064	9,925,000
Interest expense	6,847,731	6,850,000
Income tax benefit	(4,000,607)	(2,413,950)
Stock based compensation	622,420	622,000
Adjusted EBITDA	<u>\$ 5,222,091</u>	<u>\$10,500,000</u>

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Contacts: Forbes Energy Services Ltd.
L. Melvin Cooper, SVP & CFO
361-664-0549

FOR IMMEDIATE RELEASE

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713-529-6600

**Forbes Energy Services Announces
Extension of Consent Solicitation**

ALICE, TEXAS – July 20, 2010 – Forbes Energy Services Ltd. (TSX: FRB) (the “Company”) announced today that it is extending the previously announced consent solicitation with respect to the 11% Senior Secured Notes due 2015 (the “Notes”) issued by two of its subsidiaries, Forbes Energy Services LLC and Forbes Energy Capital Inc. The consent solicitation, which was scheduled to expire at 4:30 p.m., New York City time, on Tuesday, July 20, 2010, will now expire at 4:30 p.m., New York City time, on Friday, July 23, 2010, unless further extended.

All other terms of the consent solicitation remain unchanged. Holders of the Notes who have already properly delivered their consents do not need to deliver new consents or take any other action in response to this extension. Holders wishing to submit consents may use the Letter of Consent provided with the Consent Solicitation Statement dated July 6, 2010 (the “Statement”) by following the procedures set forth therein.

For a complete statement of the terms and conditions of the consent solicitation and of the proposed amendments to the indenture governing the Notes, holders of the Notes should refer to the Statement.

Questions regarding the consent solicitation may be directed to the Company at (361) 664-0549. Wells Fargo Bank, National Association is serving as Tabulation Agent in connection with the consent solicitation. Requests for assistance in delivering consents or for additional copies of the Statement or the related solicitation documents should be directed to the Tabulation Agent at Wells Fargo Bank, National Association, 45 Broadway, 14th Floor, New York, NY 10006, Telephone: (212) 515-1589.

This announcement is not a solicitation of consent with respect to any notes. The consent solicitation is being made solely by the Statement.

About the Company

Forbes Energy Services Ltd. is an independent oilfield services contractor that provides a broad range of drilling-related and production-related services to oil and natural gas companies,

primarily onshore in Texas, Mississippi and Mexico.

Forward-Looking Statements

This press release includes forward-looking statements concerning the Company's consent solicitation in connection with its senior secured notes. There can be no assurance that the consent solicitation and the transactions associated therewith will be consummated. These forward-looking statements are based upon management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company and which could cause actual results to differ materially from such statements.

Additional factors that you should consider are set forth in detail in the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2009 (the "Form 10-K"), which was previously filed, as well as other filings the Company has made with the Securities and Exchange Commission.