

CRIMSON EXPLORATION INC.  
Form 4  
September 10, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Grady E Joseph

2. Issuer Name and Ticker or Trading Symbol  
CRIMSON EXPLORATION INC.  
[CXPO.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
09/08/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr VP & Chief Fin Officer

C/O CRIMSON EXPLORATION INC., 717 TEXAS AVENUE, SUITE 2900

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

HOUSTON, TX 77002

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Amount or Price   |  |                                   |
| Common Stock                    | 09/08/2008                           |  | A                              | 90,000 A  | 147,334   | D  |                                   |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Employee Stock Option (right to buy)       | \$ 17  | 09/08/2008                           |  | D                              | 180,000   | <u>(2)</u> 02/28/2015                                    | Common Stock 180,000  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                           |       |
|---|---------------|-----------|---------------------------|-------|
|   | Director      | 10% Owner | Officer                   | Other |
| Grady E Joseph<br>C/O CRIMSON EXPLORATION INC.<br>717 TEXAS AVENUE, SUITE 2900<br>HOUSTON, TX 77002 |               |           | Sr VP & Chief Fin Officer |       |

## Signatures

/s/ Stephen W. Schoppe 09/09/2008

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) On September 8, 2008, the reporting person forfeited options granted to hiim on February 28, 2005. In exchange for the forfeiture of the options, the reporting person received 90,000 shares of restricted common stock under the Crimson Exploration Inc. 2005 Stock Incentive Plan. Of these shares of restricted stock, 12.5% will vest on each of September 8, 2009, 2010, 2011 and 2012, and the remaining 50% will vest on September 8, 2013.

(2) The forfeited options have vested and were eligible to be exercised with respect to 15% of the shares on February 28, 2006 and 25% on each of February 28, 2007 and 2008. The options would have vested and could have been exercised with respect to the remaining 35% of the shares on February 28, 2009.

### Remarks:

This form has been signed by Stephen W. Schoppe, Acting Secretary for Crimson Exploration Inc., on behalf of Mr. Grady pursuant to an instrument of power of attorney dated February 23, 2006. The authority granted pursuant to such instrument is to remain in full force and effect until rescinded in writing by Mr. Grady.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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