


**Abraxas Petroleum Corporation****AXAS NASDAQ****Oil / Gas Exploration / Production**

Market Capitalization USD:

\$242.35 mm**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Robert L. G. Watson**Age: 61****CEO Since: 1977**

	2009	2010	2011
Base Salary	\$350,000	\$360,500	\$377,650
Discretionary Bonus	\$13,462	\$14,000	\$14,700
Annual Cash Incentive	\$0	\$45,864	\$0
Benefits and Perquisites	\$12,250	\$8,575	\$8,575
TOTAL ANNUAL COMPENSATION	\$375,712	\$428,939	\$400,925
Increase in Post-Retirement Benefits	\$0	\$0	\$0
Stock Option Awards	\$429,048	\$137,485	\$198,935
Stock Awards	\$105,824	\$0	\$28,466
TOTAL COMPENSATION	\$910,584	\$566,424	\$628,326
Median of Other Named Executive Officers Total Compensation	\$424,826	\$341,222	\$334,510
Value Realized on Exercise of Stock Option	\$0	\$164,400	\$161,320
Value Realized on Vesting of Stock	\$0	\$41,718	\$30,566
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$206,118	\$191,886

Proxy Date: 30 Mar 2012

Annual Meeting Date: 4 May 2012

Equity Reserves: 3.83%

Stock Option Run Rate: 1.42%

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Performance Comparison

■ S&P500 ■ Industry ■ AXAS



Peer Comparisons (TRBC) =Oil / Gas Exploration / Production

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
AXAS	Abraxas Petroleum Corporation	\$910,584	\$566,424	\$628,326	\$242,350,339
REN	Resolute Energy Corporation	\$344,638	\$6,173,941		\$692,633,456
HDY	Hyperdynamics Corporation		\$1,473,752	\$941,626	\$577,631,760
REXX	Rex Energy Corporation	\$635,704	\$997,651		\$562,030,594
VQ	Venoco, Inc.	\$3,040,833	\$6,876,940		\$543,759,657
CWEI	Clayton Williams Energy, Inc.	\$641,028	\$939,448	\$3,498,319	\$520,678,166
AREX	Approach Resources Inc.	\$1,008,367	\$1,329,163		\$483,202,888

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Peer group not disclosed.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Ralph F. Cox	Chairman	79	Male	13	Outside Related
Dennis E. Loque	Member	68	Male	9	Outside
Harold D. Carter	Member	73	Male	9	Outside