

December 2009



## Company Update

*This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All such statements, other than statements of historical fact, are statements that could be deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any projections of revenue, gross margin, expenses, earnings or losses from operations, or other financial items; future production volumes, results of exploration, exploitation, development, acquisition and operations expenditures, and prospective reserve levels of property or wells; any statements of the plans, strategies and objectives of management for future operations; any statements concerning developments, performance or industry rankings; and any statements of assumptions underlying any of the foregoing. Although we believe that the expectations set forth in these forward-looking statements are reasonable, they do involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. The risks, uncertainties and assumptions referred to above include the performance of contracts by suppliers, customers and partners; employee management issues; complexities of global political and economic developments; geologic risks and other risks described from time to time in our reports filed with the Securities and Exchange Commission (“SEC”), including the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 and subsequent quarterly reports on Form 10-Q. You should not place undue reliance on these forward-looking statements which speak only as of the date of this presentation and the associated press release. We assume no obligation or duty and do not intend to update these forward-looking statements except as required by the securities laws.*

*The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Statements of proved reserves are only estimates and may be imprecise. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include not only proved reserves but also other categories of reserves that the SEC’s guidelines strictly prohibit the Company from including in filings with the SEC. Investors are urged to consider closely the disclosure in the Company’s 2008 Form 10-K.*

# Presenter

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**Owen Kratz**

*President and Chief Executive Officer*

*Helix Energy Solutions Group provides life-of-field services and development solutions to offshore energy producers worldwide. Helix actively reduces finding and development costs through a unique mix of offshore production assets, service methodologies, and highly skilled personnel.*



# Helix ESG: Transforming the Business Model



## Historical Profile

- Deepwater subsea contracting
- Deepwater well intervention
- Robotics
- Oil and gas
  - Deepwater
  - Shelf
- Offshore production facilities
- Shelf contracting (*Cal Dive*)
- Reservoir evaluation and consulting

## The Future

- Deepwater contracting services
  - Well Intervention
  - Robotics
  - Subsea Construction
- Deepwater oil and gas
  - Minimize exploration capex and risk
- Offshore production facilities

***The result: A company focused on deepwater activities and a conservative balance sheet***

# Services For Each Stage of the Field Life Cycle



# Helix Business Segments



## Subsea Construction

### Pipelay

Intrepid

Express

Caesar- new to fleet

### ROV

39 ROVs

2 ROV Drill Units

5 Chartered Vessels

5 Trenchers (200 – 2000hp)



## Helix Oil & Gas / ERT

GOM shelf and deepwater

PV-10 \$1.9 billion @  
12/31/2008

Proved reserves = 665 bcfe  
(12/31/2008)

2009 projected production  
43 – 47 bcfe

## Production Facilities

Marco Polo TLP (50%)

Independence Hub Semi (20%)

Helix Producer I (~87%) (2010)



## Well Intervention

Q4000

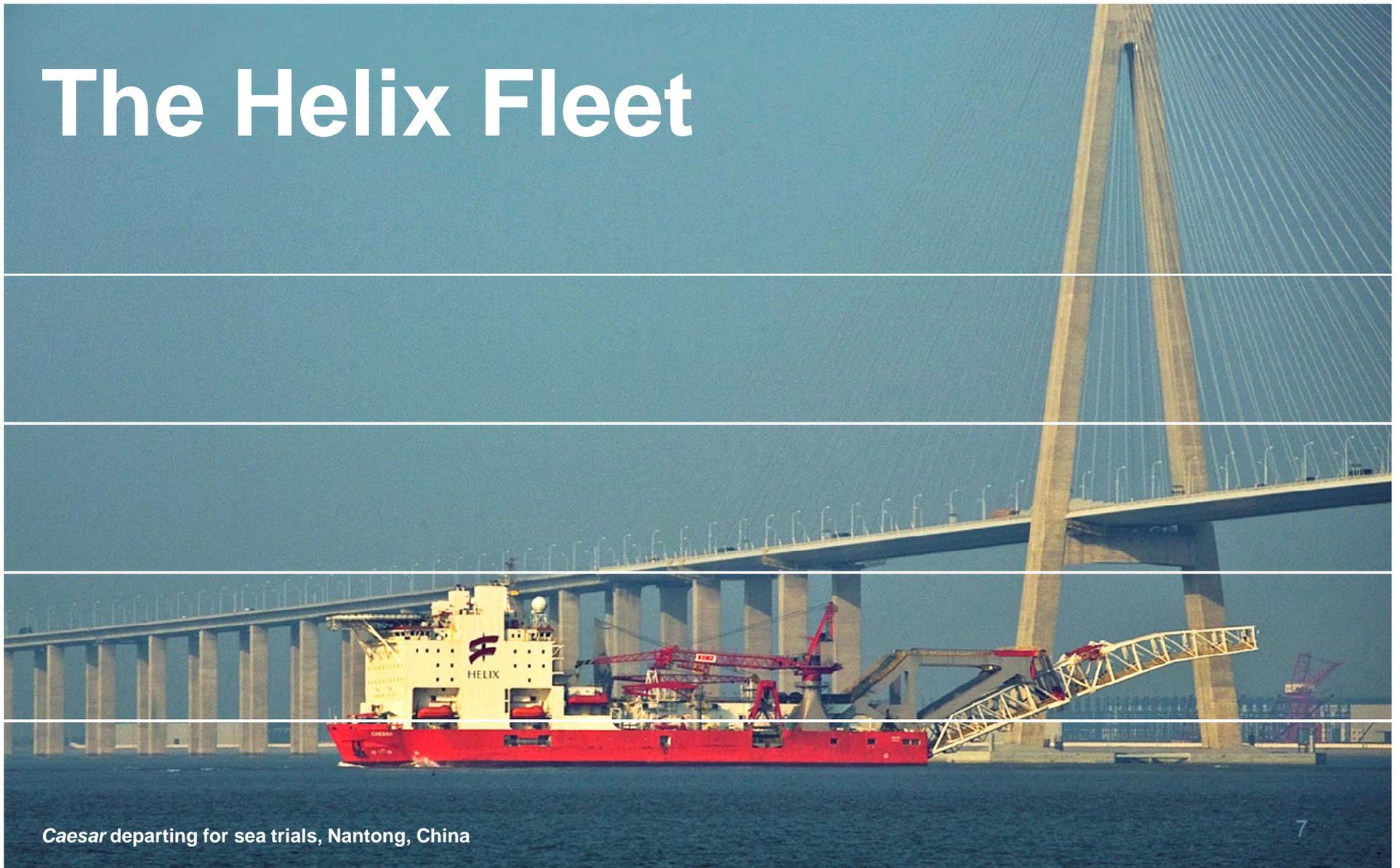
Seawell

Well Enhancer- new to fleet

Mobile VDS/SILs



# The Helix Fleet



*Caesar departing for sea trials, Nantong, China*

# Well Intervention Assets



Helix provides well operation and decommissioning services with the *Seawell* riserless well intervention vessel, the flagship *Q4000* semisubmersible, the *Well Enhancer* wireline / slickline / coiled tubing intervention vessel, and the Subsea Intervention Lubricator system.

# Subsea Construction Vessels



## DP Reel Lay Vessel *Intrepid*

Intrepid has the flexibility to be deployed as a pipelay, installation or saturation diving vessel.



## DP Reel Lay Vessel *Express*

Helix's flagship pipelay and subsea construction vessel has established an extensive track record of field installation projects around the world.



## DP S-Lay Vessel *Caesar*

Caesar's onboard pipe welding and testing capability allows the vessel to lay virtually unlimited lengths of pipe up to 36" in diameter.

# Helix ROV Systems



The Helix ROV fleet consists of 39 vehicles, covering the spectrum of deepwater construction services.



The 600 hp Supertrencher II system is designed to operate at water depths in excess of 6,500 feet.



The state of the art I-Trencher system trenches, lays pipe up to 16" in diameter, and backfills in a single operation.

**Helix is an industry leading provider of ROV and subsea trenching services to deepwater operators worldwide.**

# ROV/Construction Support Vessel Fleet



**Island Pioneer**



**Seacor Canyon**



**Olympic Triton**



**Olympic Canyon**



**Northern Canyon**

**Chartered support vessels allows Helix to adjust the size and capability of its fleet to cost-effectively meet industry demands.**

# Helix Producer I FPU



- Installation completed of Disconnectable Turret System (DTS) receptacle, external thruster porches, cranes and all production modules
- DTS buoy installed on location by Q4000
- Installation of 2,500-ton production modules completed; module interconnection underway
- Expect deployment in Phoenix field in Q2 2010



*Disconnectable  
Transfer System*



*HPI production module installation*

# Contracting Services



New shore base facility in Ingleside, Texas fully operational

- Pipe stalk length 5,230 feet
- 300' x 700' slip can accommodate two Helix Subsea Construction vessels side by side

Welding of Helix Danny 36-mile  
8 x 12-inch pipe-in-pipe began early August



*Helix Danny pipe welding*



*Automated pipe tension system*

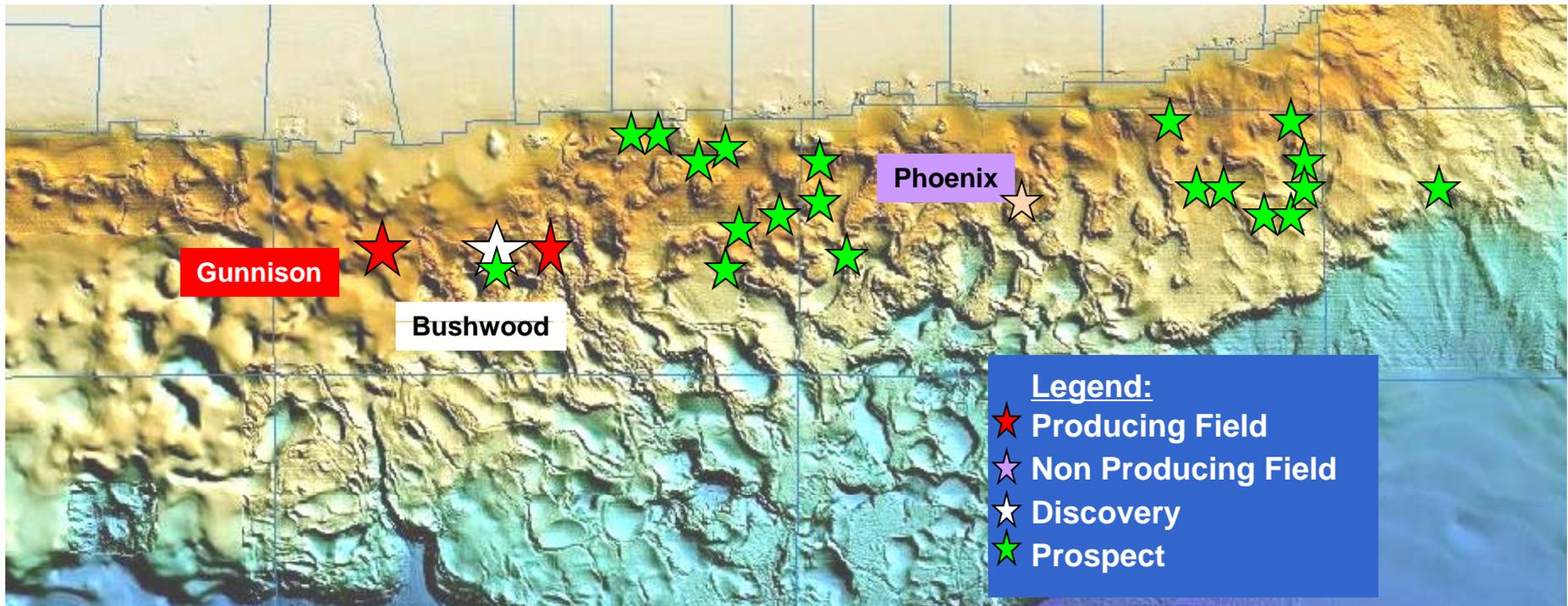
*Aerial view of Ingleside Shore Base*

# Helix Oil & Gas



Gunnison platform, Gulf of Mexico

# ERT Deepwater Portfolio



Interests in 47 Deepwater Blocks –13 Developed, 34 Undeveloped

379 BCFE Proved Reserves- 32 MMCFE Net Daily Production

2.7 Net TCFE Un-Risked Reserve Potential, 1.0 TCFE Risked

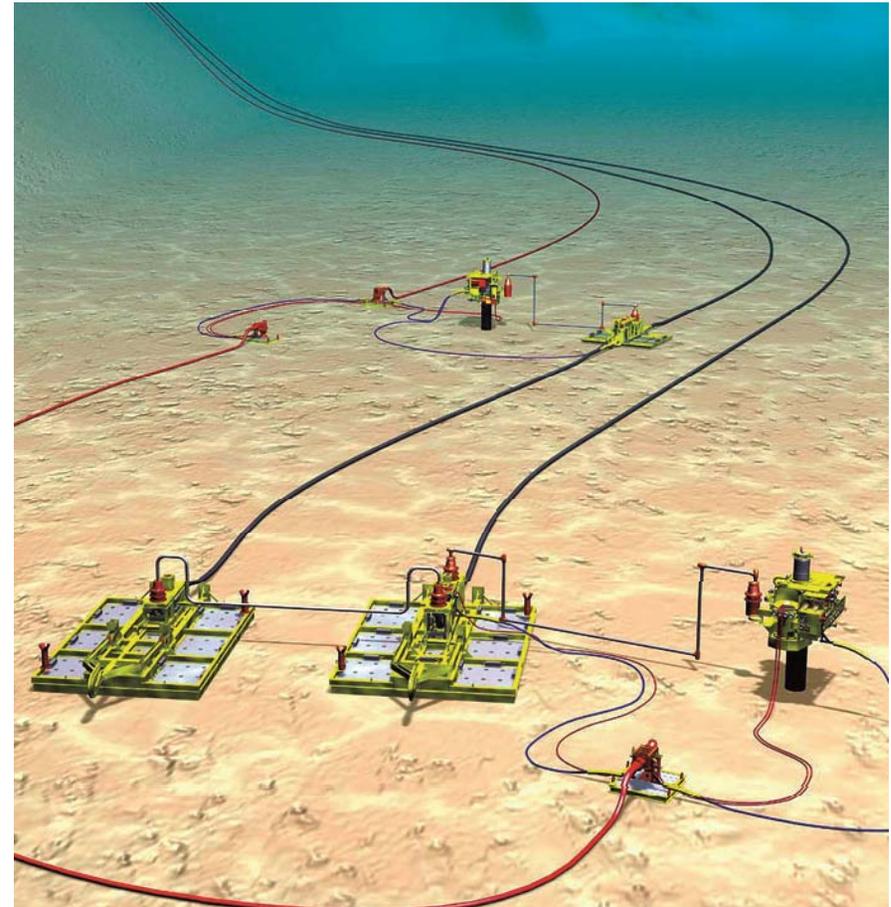
Internal Prospect Generation via Large, In-House 3-D Seismic Library Large,  
Recent Long Offset 3-D Seismic Database,+1,500 Blocks

Experienced Exploration/Drilling/Operations Team - 25+ years avg.

# O&G – 2008 Reserve Report Highlights



- Proven Reserve, Undiscounted Future Net Revenues: \$2.6 billion  
Undiscounted, Discounted PV-10: \$1.9 billion (pre-tax)
- 665 Bcfe Proved Reserves
  - 379 Bcfe deepwater, 273 Bcfe shelf, 13 North Sea
  - Proved Developed / PUD Ratio – 50/50
  - Natural Gas / Oil Mix – 70/30
- Discoveries and Extensions resulted in 176 Bcfe of reserve additions
  - 371% production replacement rate
  - 2008 F&D costs - \$2.44 / mcfe\*



\*2008 Exploration + Development + Proved Property Acquisition / Exploratory Additions (U.S. Only)

# Helix Outlook

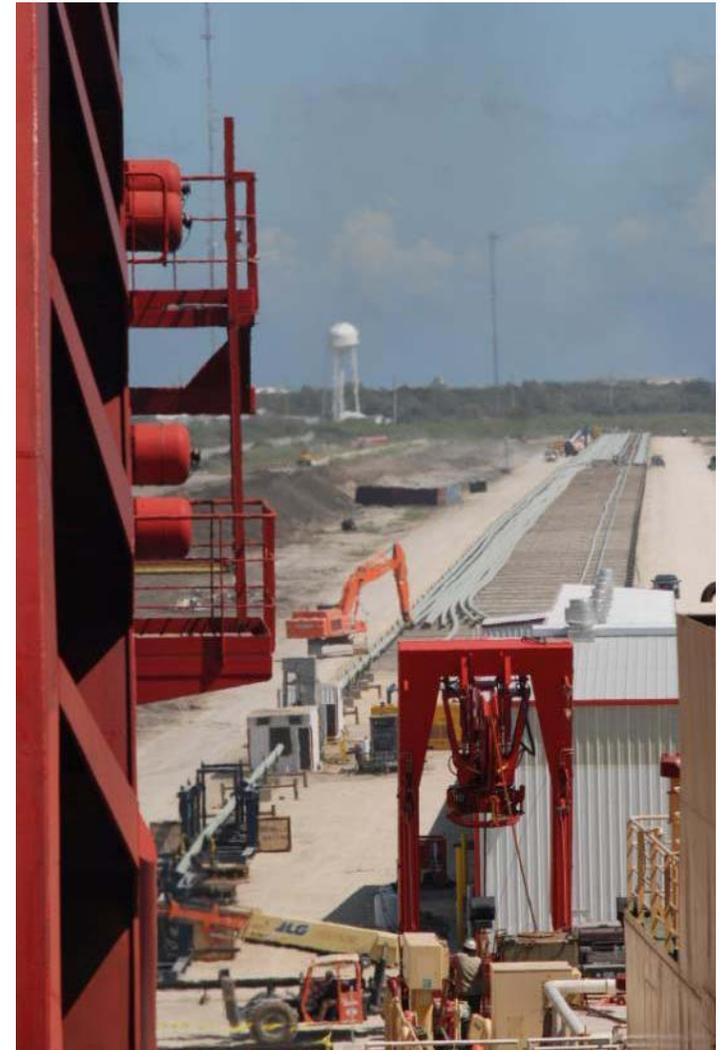


Helix Producer I topside module installation progress at Kiewit Offshore Services fabrication yard

# 2009 Outlook



- Contracting Services demand in 2H 2009 has softened, as expected
- *Express* dry-dock, transit and utilization on Helix Danny pipeline is impacting external revenues
- Capital expenditures of approximately \$340 to \$360 million for 2009, \$209 million spent year-to-date
  - \$205 million relates to completion of three major vessel projects (*Well Enhancer, Caesar and Helix Producer I*)
  - \$55 million relates to development of Danny and Phoenix oil fields
- Improved liquidity and debt levels (see slide 20)



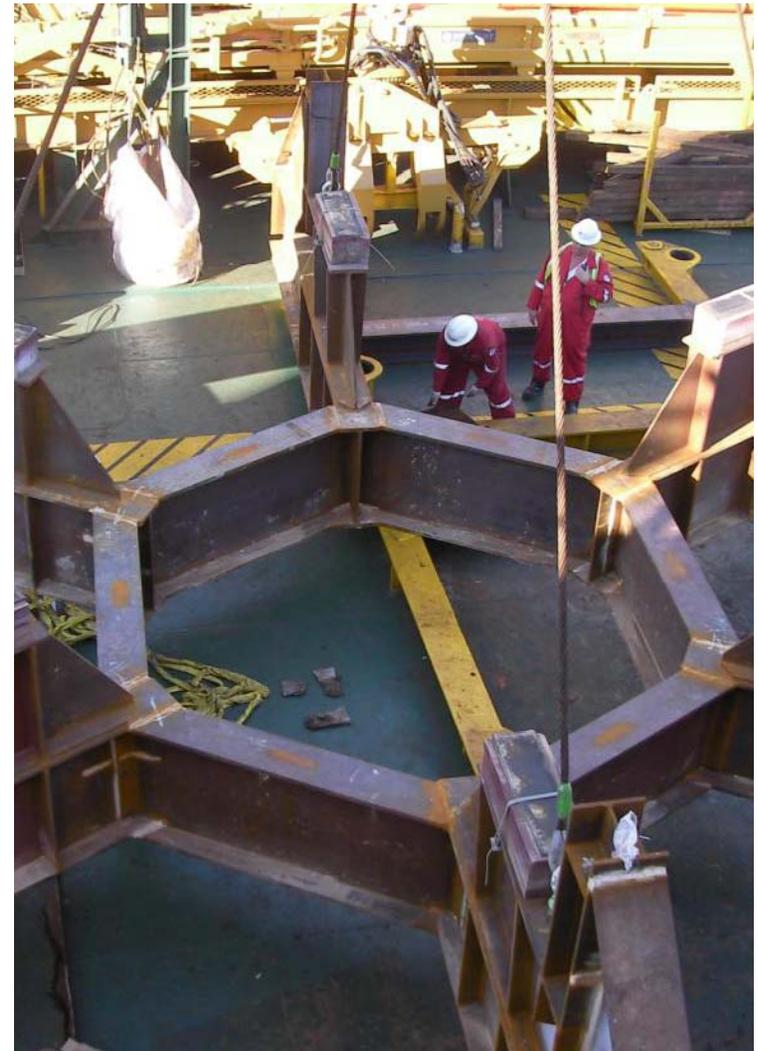
*Express spooling pipe for Helix Danny project*

# 2009 Outlook (continued)



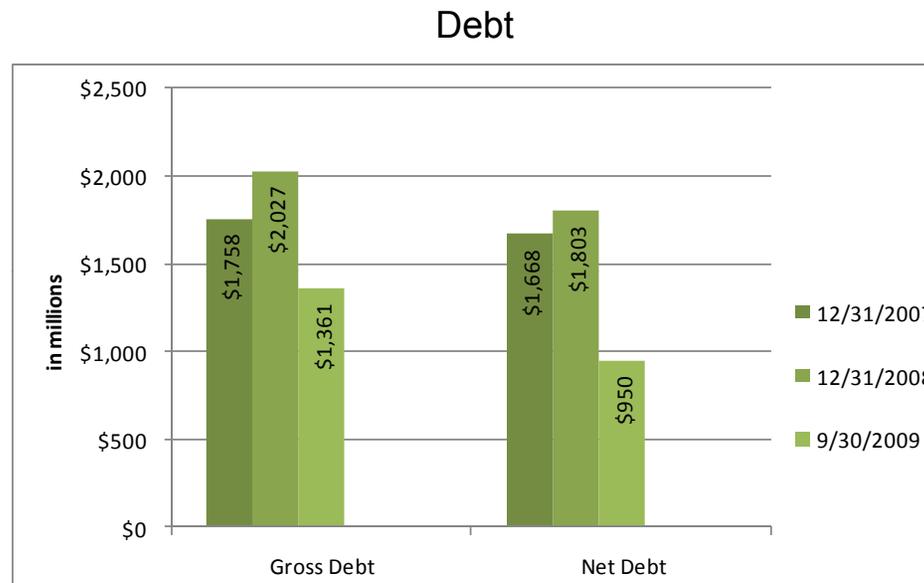
## Oil and Gas

- Production range: 43 - 47 Bcfe
- Oil and gas prices
  - Without hedges: \$4.37 /mcf; \$66.41 /bbl
  - With realized hedges and mark-to-market adjustments (gas only): \$7.45 /mcf; \$70.91 /bbl



*HPI transfer buoy transit template*

# Significant Balance Sheet Improvements



**Liquidity\* of \$781 million at 9/30/09**

*\* Defined as available revolver capacity plus cash*

# Liquidity and Capital Resources

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- Company remains focused on its efforts to monetize non-core assets and businesses
- Completed (≈ \$600 million pre-tax):
  - Oil and gas assets
    - Bass Lite sale December 08 & January 09 (\$49 million)
    - EC 316 sale in February 09 (\$18 million)
  - Cal Dive
    - Sold a total of 15.2 million shares of Cal Dive common stock to Cal Dive in January and June 2009 for aggregate proceeds of \$100 million
    - Sold 45.8 million Cal Dive shares in secondary offerings for proceeds of ≈ \$405 million (net of offering costs) in June and September 2009
  - Sold Helix RDS for \$25 million in April 2009

***Company will continue to seek a sale of its shelf oil and gas properties***

# Liquidity and Capital Resources

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## ***Credit Facilities, Commitments and Amortization***

- **\$435 Million Revolving Credit Facility** – UNDRAWN.
  - Facility extended to November 2012.
  - In July 2011, commitments reduced to \$407 million.
  - \$50 million of LCs in place.
- **\$416 Million Term Loan B** – Committed facility through June 2013. \$4.3 million principal payments annually.
- **\$550 Million High Yield Notes** – Interest only until maturity (January 2016) or called by Helix. First Helix call date is January 2012.
- **\$300 Million Convertible Notes** – Interest only until put by noteholders or called by Helix. First put/call date is December 2012, although noteholders have the right to convert prior to that date if certain stock price triggers are met (\$38.56).
- **\$119 Million MARAD** – Original 25 year term; matures February 2027. \$4.4 million principal payments annually.

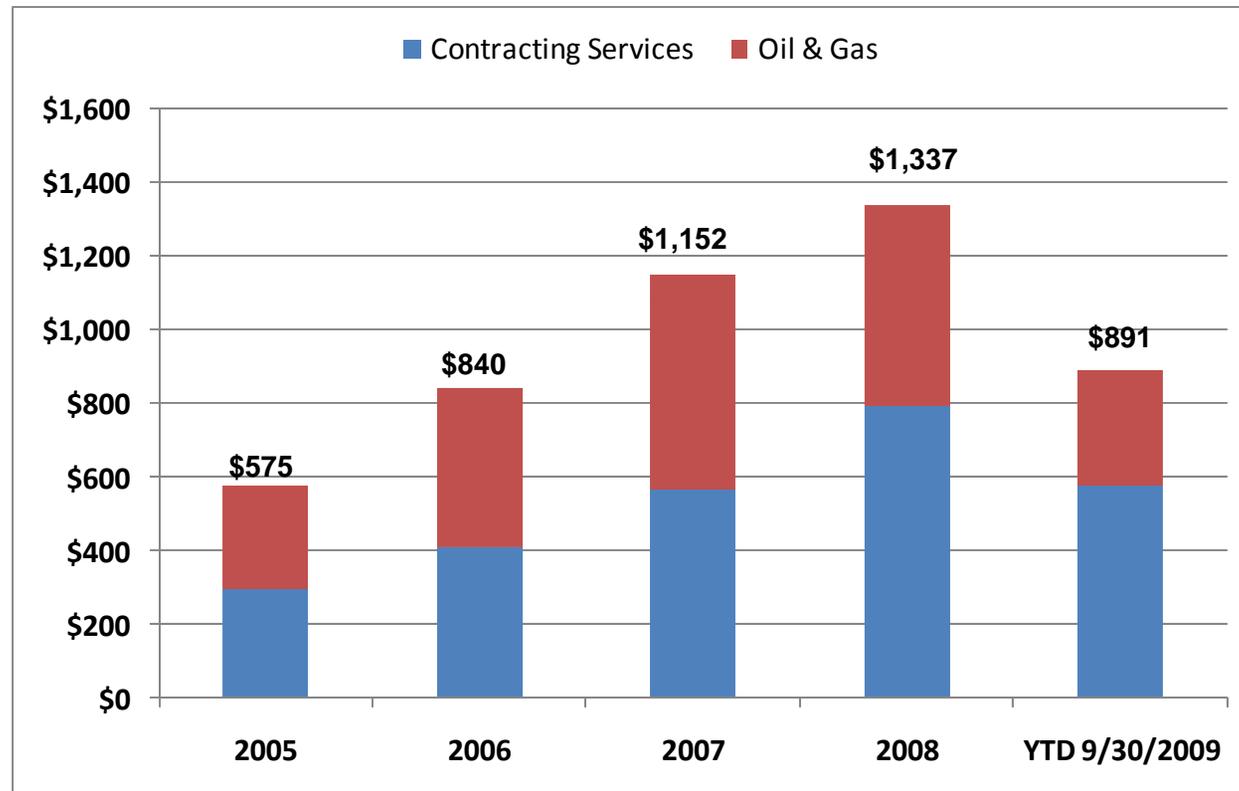
# Financial Information



# Consistent Top-Line Growth



(\$ amounts in millions)



*Note: Excludes Cal Dive and Helix RDS revenues from 2005-2009.  
See Non-GAAP reconciliations on slides 28-30.*

# Earnings Per Share (a)



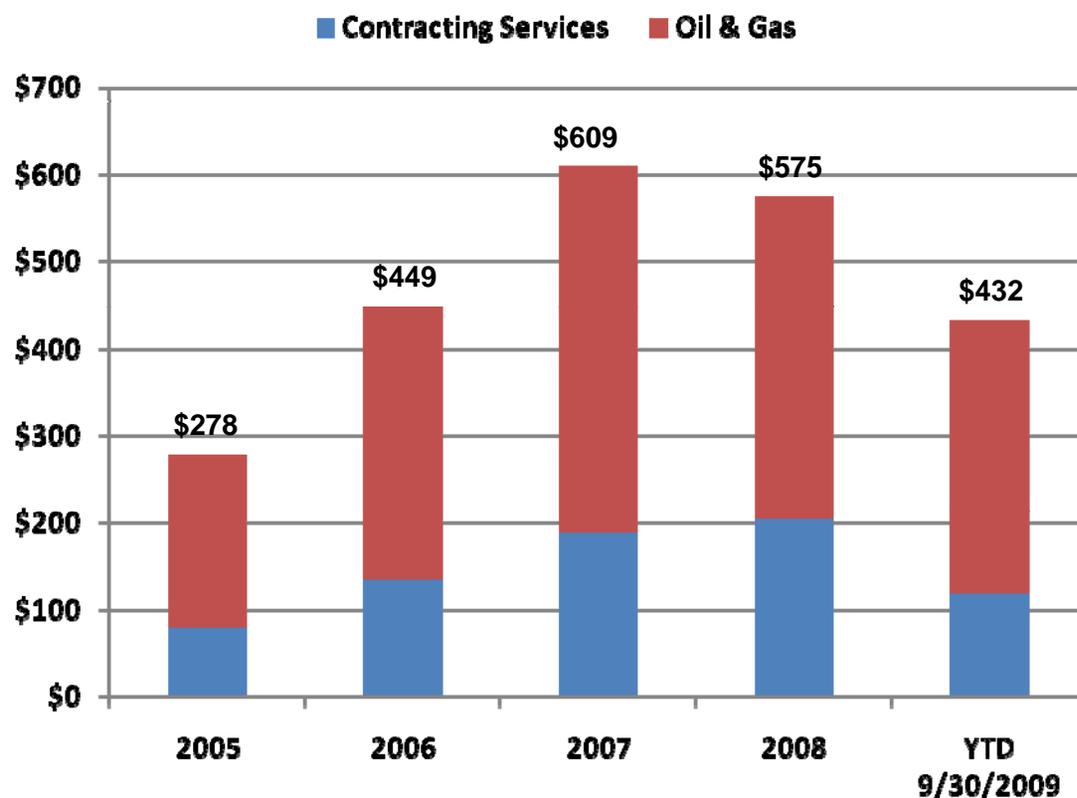
- 2006 results exclude the impact of the gain on sale in the Cal Dive IPO and estimated incremental overhead costs during the year.
- 2007 results exclude the impact of the Cal Dive gain, impairments and other unusual items.
- 2008 results exclude non-cash charges of \$964 million for reduction in carrying values of goodwill and certain oil and gas properties.
- YTD 9/30/2009 results exclude the impact of Cal Dive gains, impairments and other unusual items.

(a) See Non-GAAP reconciliations on slides 28-30.

# Significant Cash Generation – EBITDAX



(\$ amounts in millions)



-2006 results exclude the impact of the gain on sale in the Cal Dive IPO and estimated incremental overhead costs during the year.

-2007 results exclude the impact of the Cal Dive gain, impairments and other unusual items.

-2008 results exclude non-cash impairments.

-Excludes Cal Dive contribution.

(a) See Non-GAAP reconciliations on slides 28-30.

# Non-GAAP Reconciliations



# Non-GAAP Reconciliations



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>YTD 9/30/2009</u>
	(in millions)				
Net income applicable to common shareholders	\$ 150	\$ 340	\$ 312	\$ (639)	\$ 158
Non-cash impairments	1	5	73	918	20
Gain on asset sales	(1)	(99)	(148)	(74)	(88)
Preferred stock dividends	2	3	4	3	54
Income tax provision	75	131	103	67	116
Net interest expense and other	8	41	64	101	36
Depreciation and amortization	111	193	320	306	189
Exploration expense	6	43	27	33	3
EBITDAX as reported	<u>\$ 352</u>	<u>\$ 657</u>	<u>\$ 755</u>	<u>\$ 715</u>	<u>\$ 488</u>
Less: Previously reported contribution from Cal Dive	(74)	(208)	(146)	(140)	(56)
Adjusted EBITDAX	<u>\$ 278</u>	<u>\$ 449</u>	<u>\$ 609</u>	<u>\$ 575</u>	<u>\$ 432</u>

*We calculate adjusted EBITDAX as earnings before net interest expense, taxes, depreciation and amortization, and exploration expense. Further, we do not include earnings from our interest in Cal Dive in any periods presented in our adjusted EBITDAX calculation. These non-GAAP measures are useful to investors and other internal and external users of our financial statements in evaluating our operating performance because they are widely used by investors in our industry to measure a company's operating performance without regard to items which can vary substantially from company to company and help investors meaningfully compare our results from period to period. Adjusted EBITDAX should not be considered in isolation or as a substitute for, but instead is supplemental to, income from operations, net income or other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions which are excluded.*

# Non-GAAP Reconciliations



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>YTD 9/30/2009</u>
Reconciliation to Normalized EPS:	(in millions, except earnings per share)				
Net income applicable to common shareholders	\$ 150	\$ 340	\$ 312	\$ (639)	\$ 158
Preferred stock dividends and accretion	2	3	4	-	1
Gain on subsidiary equity transaction (Cal Dive)	-	(97)	(99)	-	(50)
Goodwill and other intangible impairments	-	-	-	715	-
Other non-recurring items	-	5	70	161	(10)
Net income, excluding non-cash gains on Cal Dive equity transactions and other unusual items	<u>\$ 152</u>	<u>\$ 251</u>	<u>\$ 287</u>	<u>\$ 237</u>	<u>\$ 99</u>
Diluted Shares	82	90	96	91	106
Normalized EPS	\$ 1.86	\$ 2.79	\$ 2.97	\$ 2.60	\$ 0.91

# Non-GAAP Reconciliations



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>YTD 9/30/2009</u>
	(in millions)				
Revenue As Reported	\$ 794	\$ 1,328	\$ 1,732	\$ 2,114	\$ 1,282
Less: Cal Dive	(219)	(488)	(580)	(777)	(391)
Helix ESG Revenues	<u>\$ 575</u>	<u>\$ 840</u>	<u>\$ 1,152</u>	<u>\$ 1,337</u>	<u>\$ 891</u>



**HLX**  
Listed NYSE®