HELIX ENERGY SOLUTIONS

# Second Quarter Earnings Conference Call

July 31, 2008

# Forward-Looking Statements

*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, 2007 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.*

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# Presentation Outline

- **Executive Summary**
    A. Summary of Results
    B. Strategy Update
    C. 2008 Outlook Update

- **Operational Highlights by Segment**
    A. Contracting Services
    B. Oil & Gas

- **Questions & Answers**

***Umbilical reels on the MSV Express***

# Executive Summary

***Highlights*** ($ in millions, except per share data)

| | Quarter Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | June 30 | | March 31 | June 30 | |
| | 2008 | 2007 | 2008 | 2008 | 2007 |
| **Revenues** | **$ 540** | **$ 411** | **$ 451** | **$ 991** | **$ 807** |
| Gross Profit | 192 | 142 | 121 | 313 | 277 |
| | *36%* | *35%* | *27%* | *32%* | *34%* |
| Net Income | 91 | 58 | 74 | 165 | 114 |
| **Diluted EPS** | **$ 0.96** | **$ 0.61** | **$ 0.79** | **$ 1.75** | **$ 1.21** |
| Adjusted EBITDAX (A) | | | | | |
| Contracting Svcs. | $ 82 | $ 82 | $ 57 | $ 139 | $ 163 |
| Oil & Gas | 163 | 107 | 186 | 349 | 198 |
| Elimination | (4) | (3) | (4) | (8) | (8) |
| **Adjusted EBITDAX** | **$ 241** | **$ 186** | **$ 239** | **$ 480** | **$ 353** |

(A) See non-GAAP reconciliation on slide 16

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# Executive Summary
***Highlights of the Quarter***

- Record revenues and gross profit based on strong performance across all business segments.
- Consolidated revenues, gross profit and net income increased 20%, 59% and 23% respectively compared to the 1st quarter of 2008.
- Helix Contracting Services revenues increased 24% on strong performance from our Well Operations and Robotics divisions.
- Shelf Contracting revenues increased 19% on improved seasonal demand.
- Oil and Gas revenues increased 13% on higher average realized commodity prices of $105.48 per barrel and $10.36 per mcf.
- Closed the sale of an additional 10% interest in Bushwood and sold all onshore oil and gas properties, generating combined gross proceeds of $108 million and a pre-tax gain of approximately $19 million.
- Well Enhancer hull launched on schedule at Merwede Shipyard.
- *Q4000* returned to service in June.

# Strategy Update

## *2008 Objectives*

- **Sell down interests in Oil & Gas properties to capture value while mitigating risk, reduce intercompany profit deferral and fund capital program**.
  - Completed sale of 10% working interest in Bushwood in April. Total proceeds of approximately $181 million received for 30% working interest sold to date.
  - Completed sale of non-core onshore properties for proceeds of approximately $47 million.
  - Management will continue to evaluate potential asset sales based on commodity price environment and time to first production; however, no further sales are assumed in our 2008 guidance update.

- **Complete new services assets and deepwater developments.**
  - *Q4000* marine and drilling upgrades completed and vessel returned to service in June.
  - *Caesar* pipelay vessel conversion to be completed in Q4 at an increased but market competitive cost.
  - *Helix Producer I* conversion expected to be completed during Q2 2009.
  - *Noonan* development projected to be on time with first production expected in Q3.
  - *Phoenix* development delayed due to *HPI* conversion. First production targeted for July 2009.
  - *Danny* development delayed due to *Caesar* conversion. First production targeted for June 2009.

- **Outperform guidance.**
  - See 2008 Earnings Outlook Update.

# 2008 Outlook Update

*($ in millions, except per share data)*

| Revenue | Updated Guidance | Initial Guidance | % Change |
|---|---|---|---|
| Contracting Services **(A)** | $ 1,670 | $ 1,700 | -2% |
| Oil & Gas **(B)** | 750 | 600 | 25% |
| Elimination | (170) | (200) | -15% |
| **Total Revenue** | **$ 2,250** | **$ 2,100** | **8%** |
| **Adjusted EBITDAX (C)** | | | |
| Contracting Services **(D)** | $ 340 | $ 400 | -15% |
| Oil & Gas | 620 | 590 | 5% |
| Elimination | (20) | (50) | -60% |
| **Adjusted EBITDAX** | **$ 940** | **$ 940** | **-** |
| **Earnings per Share** | **$ 3.36** | **$ 3.36** | **-** |

- Guidance reaffirmed as improvements in commodity prices offset lower property sales and weakness in shelf contracting
- Shelf contracting lowered to middle of revised DVR guidance range
- Earnings contribution from *Caesar* deferred to 2009
- Annual production guidance remains unchanged

**Notes:**

(A) Includes 100% of Cal Dive revenues
(B) Commodity price deck for 2H-08, $120 oil, $9 natural gas
(C) See Non-GAAP reconciliation on slide 18 and 19
(D) Includes our proportionate share of Cal Dive EBITDA

# OPERATIONAL HIGHLIGHTS BY SEGMENT


Launch of the MSV Well Enhancer in Rotterdam on May 31, 2008

# Contracting Services

*($ in millions, except percentages)*

| | Quarter Ended | | |
|---|---|---|---|
| | June 30 | | March 31 |
| | 2008 | 2007 | 2008 |
| **Revenues (A)** | | | |
| Helix Contracting Services | $ 228 | $ 155 | $ 184 |
| Shelf Contracting | 172 | 135 | 145 |
| Total Revenue | $ 400 | $ 290 | $ 329 |
| **Gross Profit (A)** | | | |
| Helix Contracting Services | $ 51 | $ 43 | $ 39 |
| Profit Margin | 22% | 28% | 21% |
| Shelf Contracting | 47 | 46 | 25 |
| Profit Margin | 27% | 34% | 17% |
| Total Gross Profit | $ 98 | $ 89 | $ 64 |
| Gross Profit margin | 25% | 31% | 19% |
| **Equity in Earnings (B)** | $ 9 | $ 7 | $ 11 |

(A) Amounts are before intercompany eliminations. See non-GAAP reconciliation on slide 17

(B) Amounts represent equity in earnings of Marco Polo and Independence Hub production facilities only and exclude equity in losses of Cal Dive's investment in OTSL

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# Contracting Services

***Continued***

| | Quarter Ended | | |
|---|---|---|---|
| | June 30 | | March 31 |
| | 2008 | 2007 | 2008 |
| **Vessel Utilization** | | | |
| ***Helix Contracting Services*** | | | |
| Offshore Construction Vessels | 93% | 70% | 99% |
| Well Operations | 60% | 94% | 26% |
| Robotics | 70% | 87% | 63% |
| ***Shelf Contracting*** | 55% | 63% | 31% |
| **Production Facilities Throughput** | | | |
| Marco Polo (MBOE) | 3,634 | 3,532 | 3,126 |
| Independence Hub (BCFE) | 24.1 | - | 77.2 |

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# Contracting Services
## *Commentary*

## Helix Contracting Services

- The *Intrepid* completed the Anadarko Powerplay pipe-in-pipe project and commenced installation of the Noonan flowline.
- The MSV *Express* continues working offshore India on the Reliance KGD6 project.
- *Olympic Triton* installed the first segment of the Noonan umbilical.
- Canyon had another strong quarter with six active vessels under contract during the quarter working in the North Sea, West Africa, India, GOM, Malaysia and Australia.
- Canyon executed a framework agreement with Statoil for trenching services offshore Norway.
- The *Seawell* had full utilization and excellent project execution.
- The *Q4000* returned to work in June after extensive seatrials.

***Q4000 Intervention Riser System in operation***

# Contracting Services

***Commentary***

## Shelf Contracting (Cal Dive)

- Utilization and margins improved due to more traditional seasonality.
- See separate earnings release and conference call for this majority owned subsidiary.

## Production Facilities

- Independence Hub platform shut in on April 9, 2008 as the result of a leak in the Independence Trail gas export pipeline. Delay of production restart until June resulted in loss in equity in earnings of approximately $2 million for the quarter.



# Oil & Gas

## *Financial Highlights*

| | Quarter Ended | | |
|---|---|---|---|
| | June 30 | | March 31 |
| | 2008 | 2007 | 2008 |
| Revenue (millions) | $ 194 | $ 142 | $ 171 |
| Gross Profit (millions) | $ 98 | $ 56 | $ 61 |
| **Production (Bcfe):** | | | |
| Shelf **(A)** | 12.8 | 12.6 | 13.4 |
| Deepwater | 2.1 | 3.2 | 2.2 |
| Total | 14.9 | 15.8 | 15.6 |
| **Average Commodity Prices (B):** | | | |
| Oil / Bbl | $ 105.48 | $ 62.32 | $ 87.32 |
| Gas / Mcf | $ 10.36 | $ 8.04 | $ 8.95 |

(A) Includes UK production of 0.2 and 0.1 Bcfe in Q2 and Q1 2008
(B) Net of hedge impact

**Comments**

- Significant growth in revenue and gross profit due to favorable commodity price environment
- Production of 14.9 Bcfe in line with expectations; down from prior periods due to reduction in capital allocated to shelf exploration
- Net gains on sale of property during the quarter total $18.6 million

# Oil & Gas

***Operating Costs** ($ in millions, except per Mfce data)*

| | Quarter Ended | | | | | |
|---|---|---|---|---|---|---|
| | June 30 | | | | March 31 | |
| | 2008 | | 2007 | | 2008 | |
| | Total | per Mcfe | Total | per Mcfe | Total | per Mcfe |
| **DD&A (A)** | **$ 54** | **$ 3.65** | **$ 51** | **$ 3.23** | **$ 57** | **$ 3.66** |
| **Operating and Other:** | | | | | | |
| Operating Expenses (B) | $ 24 | 1.61 | $ 20 | 1.26 | $ 22 | 1.43 |
| Workover | 4 | 0.27 | 1 | 0.08 | 3 | 0.18 |
| Transportation | 2 | 0.15 | 1 | 0.08 | 1 | 0.06 |
| Repairs & Maintenance | 6 | 0.39 | 3 | 0.18 | 5 | 0.31 |
| Abandonment | 3 | 0.19 | 3 | 0.17 | 1 | 0.04 |
| Impairment | 0 | 0.02 | 1 | 0.06 | 17 | 1.07 |
| Other | 1 | 0.07 | $ 3 | 0.21 | 2 | 0.17 |
| **Total Operating & Other** | **$ 40** | **2.70** | **$ 32** | **2.04** | **$ 51** | **3.26** |
| **Total** | **$ 94** | **$ 6.35** | **$ 83** | **$ 5.27** | **$ 108** | **$ 6.92** |

(A) Includes Accretion Expense

(B) Excludes exploration expenses of $1.5 million, $3.0 million and $1.9 million for the quarters ended June 30, 2008, June 30, 2007 and March 31, 2008, respectively

# Summary of 2008 – 2009 Hedging Positions

(July 2008 – December 2009)

| Oil (Bbls) | Forward Sales | Collars | Swaps | Total Volume Hedged | Forward Pricing | Swap Pricing | Average Collar Price Floor | Average Collar Price Ceiling |
|---|---|---|---|---|---|---|---|---|
| 2008 | 255,000 | 180,000 | 240,000 | 675,000 | $ 72.20 | $ 107.02 | $ 60.00 | $ 82.38 |
| 2009 | 1,800,000 | - | - | 1,800,000 | $ 71.79 | $ - | $ - | $ - |
| ***Natural Gas (mcf)*** | | | | | | | | |
| 2008 | 9,279,400 | 2,250,000 | - | 11,529,400 | $ 8.33 | $ - | $ 7.50 | $ 11.22 |
| 2009 | 18,076,400 | - | - | 18,076,400 | $ 8.23 | $ - | $ - | $ - |
| ***Totals (mcfe)*** | | | | | | | | |
| 2008 | 10,809,400 | 3,330,000 | 1,440,000 | 15,579,400 | | | | |
| 2009 | 28,876,400 | - | - | 28,876,400 | | | | |
| **Grand Totals** | **39,685,800** | **3,330,000** | **1,440,000** | **44,455,800** | | | | |

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# Non GAAP Reconciliations

## Adjusted EBITDAX *($ in millions)*

| | Quarter Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | June 30 | | March 31 | June 30 | |
| | 2008 | 2007 | 2008 | 2008 | 2007 |
| Net income applicable to common shareholders | $ 91 | $ 58 | $ 74 | $ 165 | $ 114 |
| Non-cash impairment and other unusual items | - | 9 | - | - | 9 |
| Preferred stock dividends | 1 | 1 | 1 | 2 | 2 |
| Income tax provision | 53 | 30 | 44 | 97 | 59 |
| Net interest expense and other | 16 | 13 | 23 | 39 | 26 |
| Depreciation and amortization | 79 | 72 | 95 | 174 | 139 |
| Exploration expense | 1 | 3 | 2 | 3 | 4 |
| Adjusted EBITDAX | $ 241 | $ 186 | $ 239 | $ 480 | $ 353 |

*We calculate adjusted EBITDAX as earnings before net interest expense, taxes, depreciation and amortization, and exploration expense. Further, we reduce adjusted EBITDAX for the minority interest in Cal Dive that we do not own. 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.*

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# Non GAAP Reconciliations

***Revenue and Gross Profit As Reported***

*($ in millions)*

| | Quarter Ended | | |
|---|---|---|---|
| | June 30 | | March 31 |
| | 2008 | 2007 | 2008 |
| **Revenues** | | | |
| Helix Contracting Services | $ 228 | $ 155 | $ 184 |
| Shelf Contracting | 172 | 135 | 145 |
| Intercompany elim. - Helix Contracting Services | (43) | (17) | (42) |
| Intercompany elim. - Shelf Contracting | (11) | (5) | (6) |
| Revenue as Reported | $ 346 | $ 268 | $ 281 |
| **Gross Profit** | | | |
| Helix Contracting Services | $ 51 | $ 43 | $ 39 |
| Shelf Contracting | 47 | 46 | 25 |
| Intercompany elim. - Helix Contracting Services | (3) | (1) | (3) |
| Intercompany elim. - Shelf Contracting | (1) | (2) | (1) |
| Gross Profit as Reported | $ 94 | $ 86 | $ 60 |
| Gross Profit Margin | 27% | 32% | 21% |

# Non GAAP Reconciliations

## *2008 Outlook Update – Adjusted EBITDAX* *($ in millions)*

| | Contracting Services | Oil & Gas | Eliminations | Total |
|---|---|---|---|---|
| Net Income | $ 120 | $ 222 | $ (13) | $ 329 |
| Depreciation & Amortization | 100 | 232 | - | 332 |
| Income Tax Provision | 68 | 120 | (7) | 181 |
| Net Interest Expense & Other | 49 | 33 | | 82 |
| Preferred Stock Dividends | 3 | - | - | 3 |
| Non-cash Impairment | - | 13 | - | 13 |
| Exploration Expense | - | - | - | - |
| Adjusted EBITDAX (A) | $ 340 | $ 620 | $ (20) | $ 940 |

(A) See definition on slide 16

# Non GAAP Reconciliations

***2008 Initial Outlook – Adjusted EBITDAX*** *($ in millions)*

| | Contracting Services | Oil & Gas | Eliminations | Total |
|---|---|---|---|---|
| Net Income | $ 150 | $ 203 | $ (32) | $ 321 |
| Depreciation & Amortization | 112 | 205 | - | 317 |
| Income Tax Provision | 86 | 110 | (18) | 178 |
| Net Interest Expense & Other | 49 | 33 | | 82 |
| Preferred Stock Dividends | 3 | - | - | 3 |
| Non-cash Impairment | - | 13 | - | 13 |
| Exploration Expense | - | 26 | - | 26 |
| Adjusted EBITDAX (A) | $ 400 | $ 590 | $ (50) | $ 940 |

(A) See definition on slide 16

# Contracting Services – World Class fleet and Capabilities

## Deepwater Construction

- MSV DP2 *Intrepid* (*reeled pipelay vessel*)
- MSV DP2 *Express* (*reeled pipelay vessel*)
- DP2 *Caesar* (*S-Lay vessel*) (2008; under conversion)

## Production Facilities

- Marco Polo TLP (50% interest)
- Independence Hub (20% interest)
- Helix Producer I (2009; under conversion)

## Shelf Contracting

- Cal Dive (~58% interest)

## Robotics (Canyon Offshore)

- 42 ROVs
- 5 trenchers
- 2000 HP i- trencher
- 2 ROV drill units
- Portable pipelay system *(2008; under construction)*
- Long term charters
  - DP2 *Northern Canyon*
  - DP2 *Olympic Canyon*
  - DP2 *Olympic Triton*
  - DP2 *Island Pioneer*
  - DP2 *Seacor Canyon*
- Short term charters
  - On an opportunistic basis to serve spot market

## Well Operations (Well ops)

- MSV DP2 *Seawell*
- MSV DP2 *Q4000*
- MSV DP2 Well Enhancer *(2009; under construction)*
- 3 SILs
- 1 IRS
- 1 VDS
- Tooling (AXE, CIT)

## Reservoir Engineering and Well Technology Services

- Helix RDS

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# Thank You