

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
Three Months Ended December 31, 2006

Earnings Release:

Balance Sheet: "...1.7 times trailing twelve month EBITDAX."

Reconciliation From Net Income to EBITDAX:

	<u>4Q06</u>	<u>3Q06</u>	<u>2Q06</u>	<u>1Q06</u>
	(in thousands, except ratio)			
Net income applicable to common shareholders	\$ 162,479	\$ 57,029	\$ 69,139	\$ 55,389
Preferred stock dividends	945	804	805	804
Income tax provision	160,769	31,409	35,887	29,091
Net interest expense and other adjustments	13,981	15,103	2,983	2,457
Non-cash stock compensation expense	2,797	1,910	2,251	1,565
Depreciation and amortization	61,754	63,879	34,346	33,226
Non-cash impairment	-	-	-	-
Dry hole expense	720	16,869	-	20,746
Exploration expense	1,100	2,651	1,029	-
Share of Equity Investments:	-	-	-	-
Depreciation	1,240	1,238	1,242	1,240
Interest Expense, net	36	79	75	99
EBITDAX	<u>\$ 405,821</u>	<u>\$ 190,971</u>	<u>\$ 147,757</u>	<u>\$ 144,617</u>
Trailing Twelve Months EBITDAX	<u><u>\$ 889,166</u></u>			
Total Debt at December 31, 2006	<u><u>\$ 1,480,356</u></u>			
Ratio	<u><u>1.7</u></u>			

Earnings Conference Call Presentation:

Slide 5 (Summary of Results):

Reconciliation From Net Income to EBITDAX:

	<u>4Q06</u>	<u>4Q05</u>	<u>3Q06</u>
	(in thousands, except percentages)		
Net income applicable to common shareholders	\$ 162,479	\$ 56,006	\$ 57,029
Preferred stock dividends	945	804	804
Income tax provision	160,769	20,601	31,409
Net interest expense and other adjustments	13,981	2,691	15,103
Non-cash stock compensation expense	2,797	673	1,910
Depreciation and amortization	61,754	26,758	63,879
Non-cash impairment	-	-	-
Dry hole expense	720	-	16,869
Exploration expense	1,100	515	2,651
Share of Equity Investments:	-	-	-
Depreciation	1,240	1,220	1,238
Interest Expense, net	36	46	79
EBITDAX	<u>\$ 405,821</u>	<u>\$ 109,314</u>	<u>\$ 190,971</u>
Revenues	<u>\$ 395,839</u>	<u>\$ 264,028</u>	<u>\$ 374,424</u>
EBITDAX Margin (EBITDAX / Net Revenues)	<u>103%</u>	<u>41%</u>	<u>51%</u>

Slide 7

RETURN ON CAPITAL INVESTED (DOLLARS IN THOUSANDS)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Income from Operations	\$ 45,586	\$ 21,009	\$ 56,161	\$ 130,958	\$ 235,146
Add: Litigation and Contract Reserves	-	10,000	-	-	-
Tax Effected Earnings	29,631	20,056	35,909	86,118	157,642
Total Capital (average quarterly shareholders' equity, plus long term debt, less <i>Gunnison, Marco Polo, Independence Hub, Noonan, Well Enhancer,</i> and <i>Helix Producer I</i> investments in 2002 - 2006)	241,750	412,908	486,184	642,855	954,633
ROI	12%	5%	7%	13%	17%

Slide 11 (Contracting Services):	4Q06	4Q05	3Q06
	(in thousands, except percentages)		
Revenues as Shown	\$ 285,783	\$ 203,249	\$ 251,207
Intercompany Revenue Elimination	(13,096)	(8,597)	(21,815)
Revenues as Reported	<u>\$ 272,687</u>	<u>\$ 194,652</u>	<u>\$ 229,391</u>
Gross Profit as Shown	\$ 98,330	\$ 60,796	\$ 91,882
Intercompany Profit Elimination	(1,019)	-	(6,007)
Gross Profit as Reported	<u>\$ 97,311</u>	<u>\$ 60,796</u>	<u>\$ 85,875</u>
Revenues as Reported	<u>\$ 272,687</u>	<u>\$ 194,652</u>	<u>\$ 229,391</u>
Gross Profit Margin	<u>36%</u>	<u>31%</u>	<u>37%</u>

Slide 12 (Deepwater Construction):	4Q06	4Q05	3Q06
	(in thousands, except percentages)		
Revenues as Shown	\$ 97,980	\$ 61,471	\$ 72,565
Intercompany Revenue Elimination	(9,305)	(5,344)	(9,889)
Revenues as Reported	<u>\$ 88,675</u>	<u>\$ 56,127</u>	<u>\$ 62,676</u>
Gross Profit as Shown	\$ 19,977	\$ 18,352	\$ 24,537
Intercompany Profit Elimination	(303)	-	(1,909)
Gross Profit as Reported	<u>\$ 19,674</u>	<u>\$ 18,352</u>	<u>\$ 22,628</u>
Revenues as Reported	<u>\$ 88,675</u>	<u>\$ 56,127</u>	<u>\$ 62,676</u>
Gross Profit Margin	<u>22%</u>	<u>33%</u>	<u>36%</u>

Slide 14 (Shelf Construction):

	<u>4Q06</u>	<u>4Q05</u>	<u>3Q06</u>
	(in thousands, except percentages)		
Revenues as Shown	\$ 136,999	\$ 97,062	\$ 128,363
Intercompany Revenue Elimination	<u>(1,283)</u>	<u>(583)</u>	<u>(9,234)</u>
Revenues as Reported	<u>\$ 135,716</u>	<u>\$ 96,479</u>	<u>\$ 119,129</u>
Gross Profit as Shown	\$ 53,643	\$ 33,614	\$ 57,738
Intercompany Profit Elimination	<u>(716)</u>	<u>-</u>	<u>(4,098)</u>
Gross Profit as Reported	<u>\$ 52,927</u>	<u>\$ 33,614</u>	<u>\$ 53,640</u>
Revenues as Reported	<u>\$ 135,716</u>	<u>\$ 96,479</u>	<u>\$ 119,129</u>
Gross Profit Margin	<u>39%</u>	<u>35%</u>	<u>45%</u>

Slide 15 (Well Operations):

	<u>4Q06</u>	<u>4Q05</u>	<u>3Q06</u>
	(in thousands, except percentages)		
Revenues as Shown	\$ 41,378	\$ 39,104	\$ 40,784
Intercompany Revenue Elimination	<u>(2,508)</u>	<u>(2,670)</u>	<u>(2,692)</u>
Revenues as Reported	<u>\$ 38,870</u>	<u>\$ 36,434</u>	<u>\$ 38,092</u>
Gross Profit as Shown	\$ 14,530	\$ 9,397	\$ 8,307
Intercompany Profit Elimination	<u>-</u>	<u>-</u>	<u>-</u>
Gross Profit as Reported	<u>\$ 14,530</u>	<u>\$ 9,397</u>	<u>\$ 8,307</u>
Revenues as Reported	<u>\$ 38,870</u>	<u>\$ 36,434</u>	<u>\$ 38,092</u>
Gross Profit Margin	<u>37%</u>	<u>26%</u>	<u>22%</u>

\$ 416,775
-
274,389
1,815,271
15%