



October 25, 2011



Third Quarter 2011 Conference Call

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 “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any projections of financial items; projections of contracting services activity; future production volumes, results of exploration, exploitation, development, acquisition and operations expenditures, and prospective reserve levels of properties or wells; projections of utilization; any statements of the plans, strategies and objectives of management for future operations; any statements concerning developments; and any statements of assumptions underlying any of the foregoing. These statements involve certain assumptions we made based on our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are reasonable and appropriate under the circumstances. The forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially. The risks, uncertainties and assumptions referred to above include the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities; operating hazards and delays; employee management issues; local, national and worldwide economic conditions; uncertainties inherent in the exploration for and development of oil and gas and in estimating reserves; complexities of global political and economic developments; geologic risks, volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission (“SEC”), including the Company’s most recently filed Annual Report on Form 10-K and in the Company’s other filings with the SEC. Free copies of the reports can be found at the SEC’s website, www.SEC.gov. 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.

References to quantities of oil or gas include amounts we believe will ultimately be produced, and may include “proved reserves” and quantities of oil or gas that are not yet classified as “proved reserves” under SEC definitions. Statements of oil and gas reserves are estimates based on assumptions and may be imprecise. Investors are urged to consider closely the disclosure regarding reserves in our most recently filed Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q.

Presentation Outline



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Welding and spooling pipe at Ingleside Spoolbase

Executive Summary



Executive Summary



(\$ in millions, except per share data)

| | Quarter Ended | | | Nine Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>9/30/2011</u> | <u>9/30/2010</u> | <u>6/30/2011</u> | <u>9/30/2011</u> | <u>9/30/2010</u> |
| Revenues | \$ 372 | \$ 393 | \$ 338 | \$ 1,002 | \$ 894 |
| Gross Profit: | 126 | 88 | 131 | 335 | 192 |
| Operating | 34% | 22% | 39% | 33% | 21% |
| Oil & Gas Impairments/ARO Increases | (2) | (1) | (23) | (25) | (172) |
| Exploration Expense | (2) | - | (8) | (10) | (2) |
| Total | <u>\$ 122</u> | <u>\$ 87</u> | <u>\$ 100</u> | <u>\$ 300</u> | <u>\$ 18</u> |
| Net Income (Loss) | \$ 46 | \$ 26 | \$ 41 | \$ 113 | \$ (77) |
| Diluted Earnings (Loss) Per Share | \$ 0.43 | \$ 0.25 | \$ 0.39 | \$ 1.06 | \$ (0.74) |
| <u>Adjusted EBITDAX (A)</u> | | | | | |
| Contracting Services | \$ 84 | \$ 102 | \$ 69 | \$ 189 | \$ 224 |
| Oil & Gas | 100 | 50 | 115 | 338 | 173 |
| Corporate / Elimination | (6) | (10) | (8) | (24) | (63) |
| Adjusted EBITDAX | <u>\$ 178</u> | <u>\$ 142</u> | <u>\$ 176</u> | <u>\$ 503</u> | <u>\$ 334</u> |

(A) See non-GAAP reconciliations on slides 26-27.

Executive Summary



- Q3 2011 EPS of \$0.43 per diluted share driven by continuing strong results from the oil and gas business and robust activity levels for the well intervention and robotics businesses
- Contracting Services
 - 99% utilization in well intervention business
 - Continued improvement in ROV and trenching utilization in the robotics business
 - Significantly improved utilization in subsea construction with *Express* and *Intrepid* achieving 95% utilization in the third quarter
- Oil and Gas
 - Third quarter average production rate of 127 Mmcfe/d (69% oil)
 - July production impacted by scheduled downtime of third party pipeline servicing Phoenix field (~10 days)
 - August production for Phoenix field impacted by third party pipeline flow restrictions (~7 days)
 - September production impacted by third party pipeline safety shutdowns associated with *Tropical Storm Lee* (~7 days)
 - Production through October 23 averaged approximately 128 Mmcfe/d (~70% oil)
 - October production impacted by third party pipeline disruption affecting our Danny well in the Bushwood field

Executive Summary



- Oil and Gas (continued)
 - Oil and gas production totaled 11.7 Bcfe in Q3 2011 versus 12.7 Bcfe in Q2 2011 (year-to-date production of 38.7 Bcfe)
 - Avg realized price for oil of \$100.93 / bbl (\$101.43 / bbl in Q2 2011), inclusive of hedges
 - Avg realized price for natural gas and natural gas liquids (NGLs) of \$6.15 / Mcf (\$6.17 / Mcf in Q2 2011), inclusive of hedges
 - Gas price realizations benefited from sales of natural gas liquids
 - NGL production of 0.8 Bcfe in both Q3 2011 and Q2 2011
- Higher tax rate in Q3 (33%) due to higher portion of U.S. income
- Balance sheet continues to strengthen
 - Repurchased \$75 million of senior unsecured notes
 - Cash decreased to \$375 million at 9/30/2011 from \$414 million at 6/30/2011 due to debt repurchases
 - Liquidity* decreased to \$933 million at 9/30/2011 from \$965 million at 6/30/2011 (debt repurchases)
 - Gross debt decreased to \$1.17 billion at 9/30/2011 from \$1.25 billion at 6/30/2011
 - Net debt decreased to \$796 million at 9/30/2011 from \$833 million at 6/30/2011

*Liquidity as we define it is equal to cash and cash equivalents (\$375 million), plus available capacity under our revolving credit facility (\$558 million).

Operational Highlights



Contracting Services



(\$ in millions, except percentages)

| | Quarter Ended | | |
|----------------------------|---------------|---------------|---------------|
| | September 30 | | June 30 |
| | 2011 | 2010 | 2011 |
| Revenues (A) | | | |
| Contracting Services | \$ 230 | \$ 239 | \$ 171 |
| Production Facilities | 20 | 74 | 21 |
| Total Revenue | \$ 250 | \$ 313 | \$ 192 |
| Gross Profit (A) | | | |
| Contracting Services | \$ 56 | \$ 42 | \$ 38 |
| Profit Margin | 24% | 18% | 22% |
| Production Facilities | 11 | 45 | 12 |
| Profit Margin | 55% | 60% | 59% |
| Total Gross Profit | \$ 67 | \$ 87 | \$ 50 |
| Gross Profit margin | 27% | 28% | 26% |

- 99% utilization in Well Ops
- 63% utilization in Subsea Construction due to improved activity levels for *Express* and *Intrepid*
- *Caesar* in shipyard for planned upgrades; completed sea trials in mid-October and transited to Mexico for accommodations project



***Helix Producer 1* deployed on Helix's Phoenix field in Green Canyon 237 (Gulf of Mexico)**

(A) See non-GAAP reconciliation on slides 26-27. Amounts are prior to intercompany eliminations.

Equity in Earnings of Equity Investments



(\$ in millions)

| | Quarter Ended | | |
|--------------------------------|---------------------|-------------|----------------|
| | <u>September 30</u> | | <u>June 30</u> |
| | <u>2011</u> | <u>2010</u> | <u>2011</u> |
| Independence Hub | \$ 4 | \$ 4 | \$ 4 |
| Deepwater Gateway (Marco Polo) | 1 | 1 | 1 |
| Clough Helix JV | - | 1 | 1 |
| Equity in Earnings | <u>\$ 5</u> | <u>\$ 6</u> | <u>\$ 6</u> |

Contracting Services – Well Ops



GOM

- Q4000 worked for Shell and Anadarko on multiple projects throughout the third quarter
- 100% utilization achieved in the third quarter
- Current backlog extends to Q4 2012 and is building into 2013

North Sea

- *Seawell* and *Well Enhancer* posted a combined 98% utilization in the third quarter
- Strong outlook anticipated for both vessels for the rest of 2011; backlog building well into 2012

Asia Pacific

- *Normand Clough* working for Clough Helix JV on a day rate construction project for COOEC offshore China
- Wellhead cutting system completed two wellhead removals in Q3; scheduled to complete 10+ removals beginning in Q4 2012



Well Enhancer, operating in the North Sea, is the world's only monohull well intervention vessel capable of deploying coiled tubing

Contracting Services – Robotics



- Strong chartered vessel utilization in all three regions during the third quarter
- Secured a three year ROV contract with Technip utilizing two newly acquired ROVs
- ROVDrill upgrades completed; initial project to commence in the fourth quarter
- Awarded a 30 day wind farm trenching project utilizing the *Island Pioneer*, *Deep Cygnus*, *T750*, *T600*, and *i-Trencher* scheduled to commence in December
- Expanding focus on renewable energy market such as wind farm development
 - New chartered vessel, *Grand Canyon*, under construction with 2012 delivery
 - Building new trencher, the *T-1200*, to be paired with the *Grand Canyon*



iTrencher being deployed in the North Sea

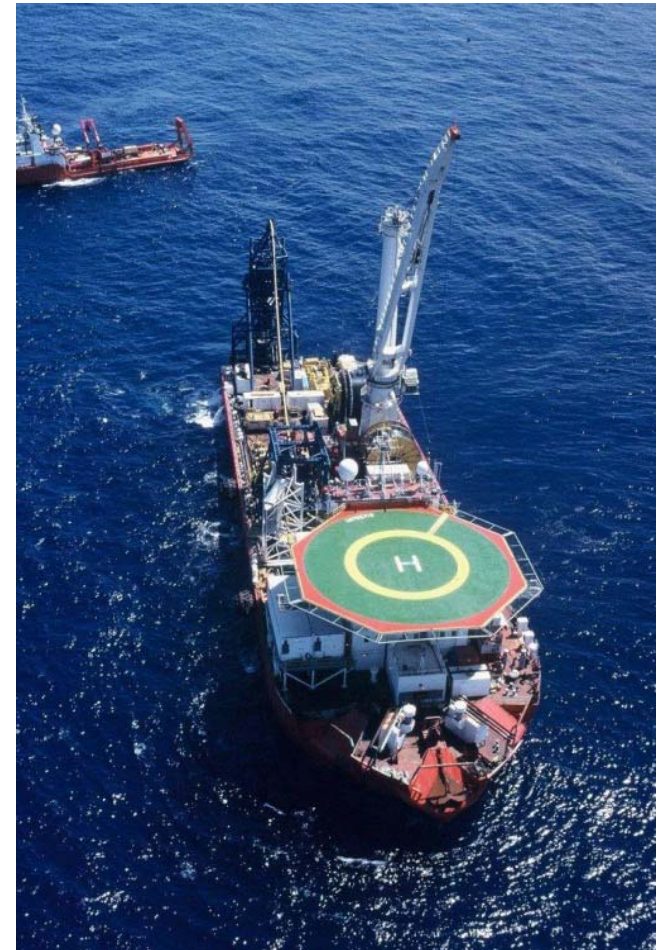


Various components of the Grand Canyon's hull being fabricated and welded in Turkey

Contracting Services – Subsea Construction



- *Express* and *Intrepid* posted a combined 95% utilization in the third quarter (excluding the *Caesar*)
- *Express* completed projects for Noble, Chevron and Newfield
- *Intrepid* completed projects for Noble and Chevron; deployed to California on October 16
- *Caesar* remained in the shipyard all of Q3 undergoing planned maintenance and upgrades; left the shipyard in mid-October to perform accommodations work in Mexico's Bay of Campeche

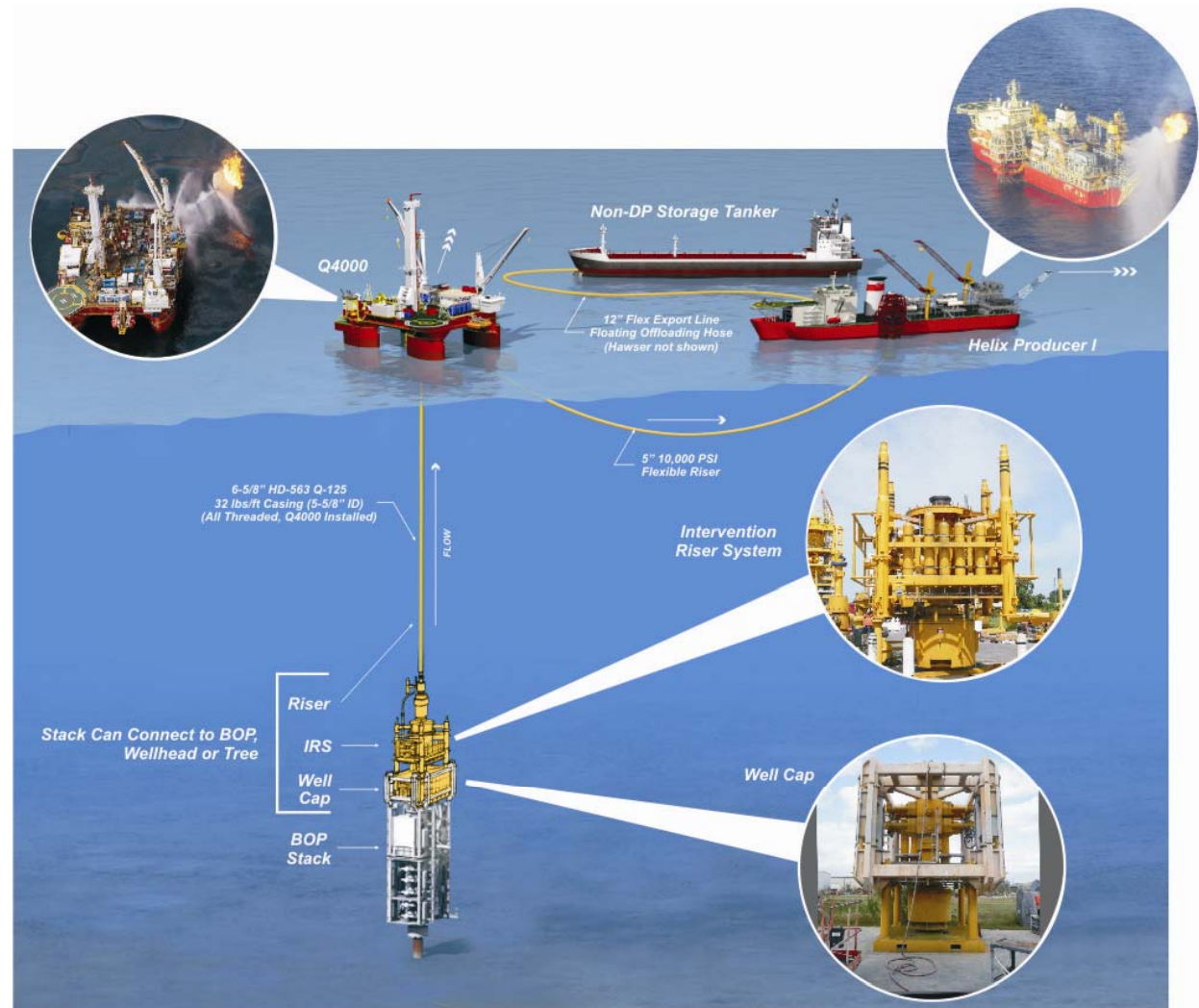


Intrepid performed pipelay and saturation diving operations in the Gulf of Mexico during the third quarter

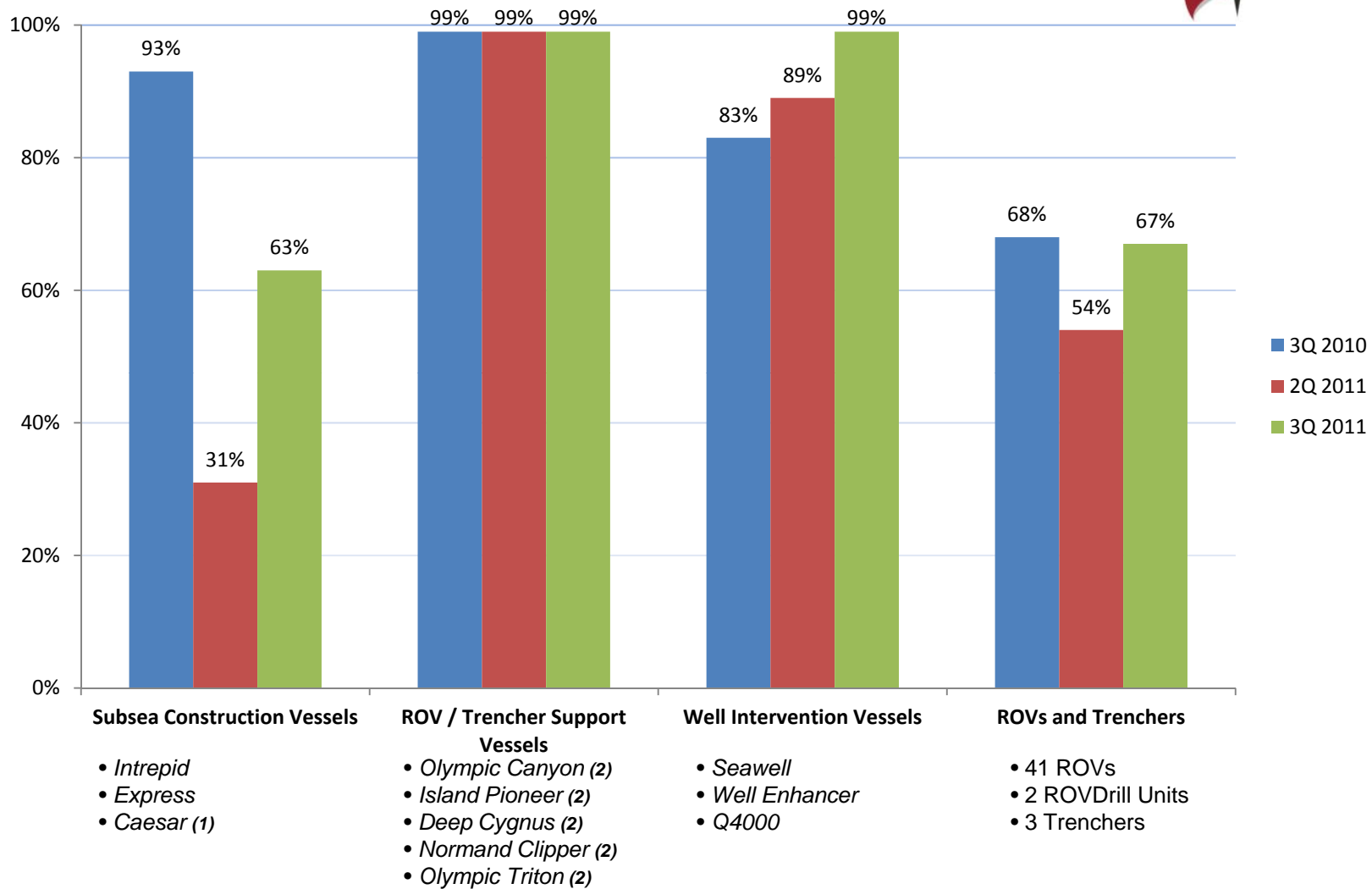
Helix Fast Response System (HFRS)



- Utilizes vessels and subsea systems proven in Gulf of Mexico spill response and containment efforts
- Capability to capture and process up to 55,000 bpd in water depths to 10,000 feet at 15,000 psi
- 24 independent E&P operators have signed on to include HFRS in drilling permit applications
- Cited as spill response and containment plan in 38 approved deepwater permits to date



Contracting Services Utilization



(1) Vessel in shipyard during third quarter undergoing planned maintenance and upgrades. Completed upgrades and sea trials on October 13. *Caesar* transited to Mexico to begin accommodations project in Mexico's Bay of Campeche.

(2) Chartered vessels.

Oil & Gas



Financial Highlights

(\$ in millions, except production and price data)

| | Quarter Ended | | |
|---|---------------|-------|---------|
| | September 30 | | June 30 |
| | 2011 | 2010 | 2011 |
| Revenue | \$ 159 | \$ 96 | \$ 172 |
| Gross Profit - Operating | 60 | 3 | 82 |
| Oil & Gas Impairments and ARO Increases | (2) | (2) | (23) |
| Exploration Expense | (2) | - | (8) |
| Total | \$ 56 | \$ 1 | \$ 51 |
| Gain (loss) on Oil & Gas Derivative Contracts | \$ - | \$ - | \$ - |

Production (Bcfe):

| | | | |
|--------------|-------------|-------------|-------------|
| Shelf | 4.3 | 4.7 | 4.6 |
| Deepwater | 7.4 | 5.7 | 8.1 |
| Total | <u>11.7</u> | <u>10.4</u> | <u>12.7</u> |
| Oil (Mmbbls) | 1.3 | 0.8 | 1.4 |
| Gas (Bcf) | 3.6 | 5.9 | 4.1 |
| Total (Bcfe) | <u>11.7</u> | <u>10.4</u> | <u>12.7</u> |

Average Commodity Prices (A):

| | | | |
|-----------|-----------|----------|-----------|
| Oil / Bbl | \$ 100.93 | \$ 73.63 | \$ 101.43 |
| Gas / Mcf | \$ 6.15 | \$ 6.13 | \$ 6.17 |

(A) Including effect of settled hedges and mark-to-market derivative contracts.

Operating Costs (\$ in millions, except per Mcfe data)

| | Quarter Ended | | | | | |
|------------------------------------|---------------------|-----------------|--------------|-----------------|----------------|-----------------|
| | <u>September 30</u> | | | | <u>June 30</u> | |
| | <u>2011</u> | | <u>2010</u> | | <u>2011</u> | |
| | <u>Total</u> | <u>per Mcfe</u> | <u>Total</u> | <u>per Mcfe</u> | <u>Total</u> | <u>per Mcfe</u> |
| DD&A (A) | \$ 50 | \$ 4.25 | \$ 54 | \$ 5.24 | \$ 52 | \$ 4.13 |
| Operating and Other: | | | | | | |
| Operating Expenses (B) | \$ 38 | 3.26 | \$ 27 | 2.64 | \$ 29 | 2.32 |
| Workover | 4 | 0.32 | 4 | 0.36 | 2 | 0.18 |
| Transportation | 2 | 0.15 | 2 | 0.18 | 1 | 0.11 |
| Repairs & Maintenance | 2 | 0.20 | 3 | 0.25 | 3 | 0.24 |
| Other | 3 | 0.23 | 2 | 0.19 | 3 | 0.26 |
| Total Operating & Other | \$ 49 | 4.16 | \$ 38 | 3.62 | \$ 38 | 3.11 |
| Total | \$ 99 | \$ 8.41 | \$ 92 | \$ 8.86 | \$ 90 | \$ 7.24 |

(A) Included accretion expense. Q2 2011 DD&A rate positively affected (approximately \$9.2 million) due primarily to increased proved reserves at our Phoenix field as a result of better than expected production rates (net of adjustments in other fields).

(B) Excluded exploration expense, net hurricane-related costs (reimbursements) and abandonment costs. Included \$8.4 and \$9.4 million related to a weather derivative contract (catastrophic bond) for the quarters ended September 30, 2011 and September 30, 2010, respectively.

Summary of Oct 2011 – Dec 2013 Hedging Positions *



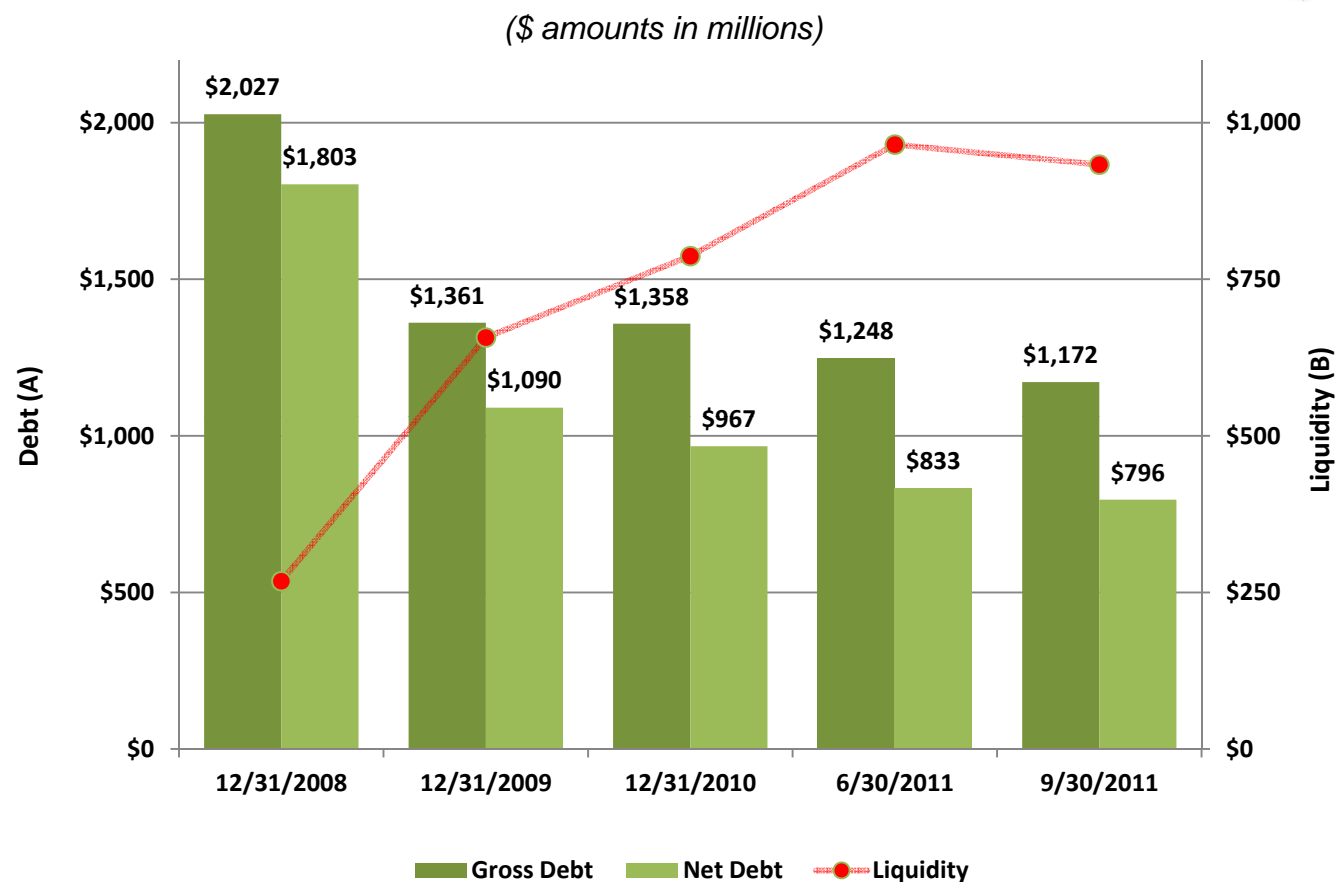
| <u>Oil (Bbls)</u> | <u>Collars</u> | <u>Swaps</u> | <u>Total Volume Hedged</u> | <u>Pricing Basis</u> | <u>Swap Pricing</u> | <u>Average Collar Price</u> | |
|---------------------------------|-------------------|-------------------|----------------------------|----------------------|---------------------|-----------------------------|----------------|
| | | | | | | <u>Floor</u> | <u>Ceiling</u> |
| 2011 | 106,000 | 490,000 | 596,000 | WTI | \$ 82.62 | \$ 95.00 | \$ 124.59 |
| 2011 | 150,000 | - | 150,000 | Brent | | \$ 100.00 | \$ 122.80 |
| 2012 | 900,000 | - | 900,000 | WTI | | \$ 96.67 | \$ 118.57 |
| 2012 | 1,667,500 | 192,500 | 1,860,000 | Brent | \$ 103.20 | \$ 99.42 | \$ 117.59 |
| 2013 | 500,000 | 500,000 | 1,000,000 | Brent | \$ 99.15 | \$ 95.00 | \$ 102.60 |
| <u>Natural Gas (mcf)</u> | | | | | | | |
| 2011 | - | 2,110,000 | 2,110,000 | Henry Hub | \$ 4.93 | | |
| 2012 | 2,000,000 | 4,000,000 | 6,000,000 | Henry Hub | \$ 4.70 | \$ 4.75 | \$ 5.09 |
| <u>Subtotals (mcf)</u> | | | | | | | |
| 2011 | 1,536,000 | 5,050,000 | 6,586,000 | | | | |
| 2012 | 17,405,000 | 5,155,000 | 22,560,000 | | | | |
| 2013 | 3,000,000 | 3,000,000 | 6,000,000 | | | | |
| Grand Totals | 21,941,000 | 13,205,000 | 35,146,000 | | | | |

* As of October 23, 2011.

Key Balance Sheet Metrics



Debt and Liquidity Profile



Liquidity of approximately \$933 million at 9/30/2011

(A) Includes impact of unamortized debt discount under our Convertible Senior Notes.

(B) Liquidity, as we define it, is equal to cash and cash equivalents (\$375 million), plus available capacity under our revolving credit facility (\$558 million).

2011 Outlook



2011 Outlook



| Broad Metrics | | 2011 Forecast (revised) | 2011 Forecast (original) | 2010 Actual |
|------------------------|--|-------------------------|--------------------------|---------------|
| Oil and Gas Production | | 50 Bcfe | 49 Bcfe | 47 Bcfe |
| EBITDAX | | \$625+ million | \$475 million | \$430 million |
| CAPEX | | \$275 million | \$225 million | \$179 million |

| Commodity Price Deck | | 2011 Forecast (revised) | 2011 Forecast (original) | 2010 Actual |
|----------------------|-----|-------------------------|--------------------------|---------------|
| Hedged | Oil | \$95.89 / bbl | \$87.11 / bbl | \$75.27 / bbl |
| | Gas | \$5.82/ mcf | \$4.80/ mcf | \$6.01 / mcf |

We expect to continue to improve our liquidity position in 2011.

- **Contracting Services**

- Strong backlog for the *Q4000*, *Well Enhancer* and *Seawell* in 2011 and building well into 2012
- *Well Enhancer* to work in West Africa this winter
- *Intrepid* deployed to California performing field development projects through early 2012
- *Express* working through a full backlog for the remainder of 2011 and is scheduled to work in the North Sea in the second half of 2012
- *Caesar* deployed to Mexico's Bay of Campeche in mid-October for accommodations project
- Continued focus on trenching and cable burial business with non-oilfield projects growing
- Five vessels scheduled for regulatory drydocks in 2012; will provide some headwind next year

- **Production Facilities**

- *HPI* continues production at Phoenix field

- **Oil and Gas**

- Forecasted 2011 overall production of 50 Bcfe
 - 67% oil and 64% deepwater
 - Assumes no further significant storm disruptions

- **Capital Expenditures**

- Contracting Services (\$110 million)

- Continued incremental investment in robotics business, with a focus on adding trenching spread capacity
 - Seeking to deploy capital in well intervention business
 - *Caesar* thruster upgrade completion

- Oil and Gas (\$165 million)

- Focus capital investment on oil development with relatively fast payback
 - Two major planned well projects in the 2nd half of the year
 - Nancy (completion) – commenced in Q3
 - Kathleen (development drill) – expected to commence in Q4 / Q1 2012
 - Shelf platform construction and opportunistic workovers

Non-GAAP Reconciliations



Non-GAAP Reconciliations



Adjusted EBITDAX (\$ in millions)

| | Quarter Ended | | | Nine Months Ended | |
|---|---------------|---------------|---------------|-------------------|---------------|
| | September 30 | | June 30 | September 30 | |
| | 2011 | 2010 | 2011 | 2011 | 2010 |
| Net income (loss) applicable to common shareholders | \$ 46 | \$ 26 | \$ 41 | \$ 113 | \$ (77) |
| Non-cash impairments | - | - | 12 | 12 | 171 |
| Gain on asset sales | - | - | - | (1) | (6) |
| Preferred stock dividends | - | - | - | - | - |
| Income tax provision (benefit) | 23 | 18 | 16 | 49 | (42) |
| Net interest expense and other | 35 | 22 | 24 | 81 | 64 |
| Depreciation and amortization | 72 | 76 | 75 | 239 | 222 |
| Exploration expense | 2 | - | 8 | 10 | 2 |
| Adjusted EBITDAX | <u>\$ 178</u> | <u>\$ 142</u> | <u>\$ 176</u> | <u>\$ 503</u> | <u>\$ 334</u> |

We calculate Adjusted EBITDAX as earnings before net interest expense, taxes, depreciation and amortization and exploration expense. 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



Revenue and Gross Profit As Reported (\$ in millions)

| | Quarter Ended | | |
|--|---------------------|-------------------|-------------------|
| | <u>September 30</u> | | <u>June 30</u> |
| | <u>2011</u> | <u>2010</u> | <u>2011</u> |
| <u>Revenues</u> | | | |
| Contracting Services | \$ 230 | \$ 239 | \$ 171 |
| Production Facilities | 20 | 74 | 21 |
| Intercompany elim. - Contracting Services | (26) | (16) | (14) |
| Intercompany elim. - Production Facilities | (11) | - | (12) |
| | <u> </u> | <u> </u> | <u> </u> |
| Revenue as Reported | <u>\$ 213</u> | <u>\$ 297</u> | <u>\$ 166</u> |
| <u>Gross Profit</u> | | | |
| Contracting Services | \$ 56 | \$ 42 | \$ 38 |
| Production Facilities | 11 | 45 | 12 |
| Intercompany elim. - Contracting Services | (1) | - | - |
| Intercompany elim. - Production Facilities | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Gross Profit as Reported | <u>\$ 66</u> | <u>\$ 87</u> | <u>\$ 50</u> |
| Gross Profit Margin | 31% | 29% | 30% |



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