



*Helix Producer 1 producing Phoenix oil and gas*

# Jefferies Global Energy Conference

December 1, 2010

# Forward-Looking Statements

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*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 Annual Report on Form 10-K for the year ended December 31, 2009, and any subsequent quarterly reports on Form 10-Q. Free copies of the reports can be found at the SEC’s website, [www.SEC.gov](http://www.SEC.gov). You should not place undue reliance on these forward-looking statements which speak only as of the date of this presentation. 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 2009 Form 10-K and any subsequent quarterly reports on Form 10-Q.*

# 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
- *Offshore production facilities*

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

# Helix ESG Business Segments



## Subsea Construction

### Pipelay

Intrepid  
Express

Caesar

### ROV

39 ROVs  
2 ROV Drill Units  
5 Chartered Vessels  
5 Trenchers (200 – 2000hp)



## Helix Oil & Gas

GOM shelf and deepwater

PV-10 \$1.3 billion @  
6/30/2010

Proved reserves = 400 bcfe  
(6/30/2010)

2010 projected production  
45 bcfe

## Well Intervention

Q4000

Seawell

Well Enhancer

Normand Clough (JV)

Mobile VDS/SILs



## Production Facilities

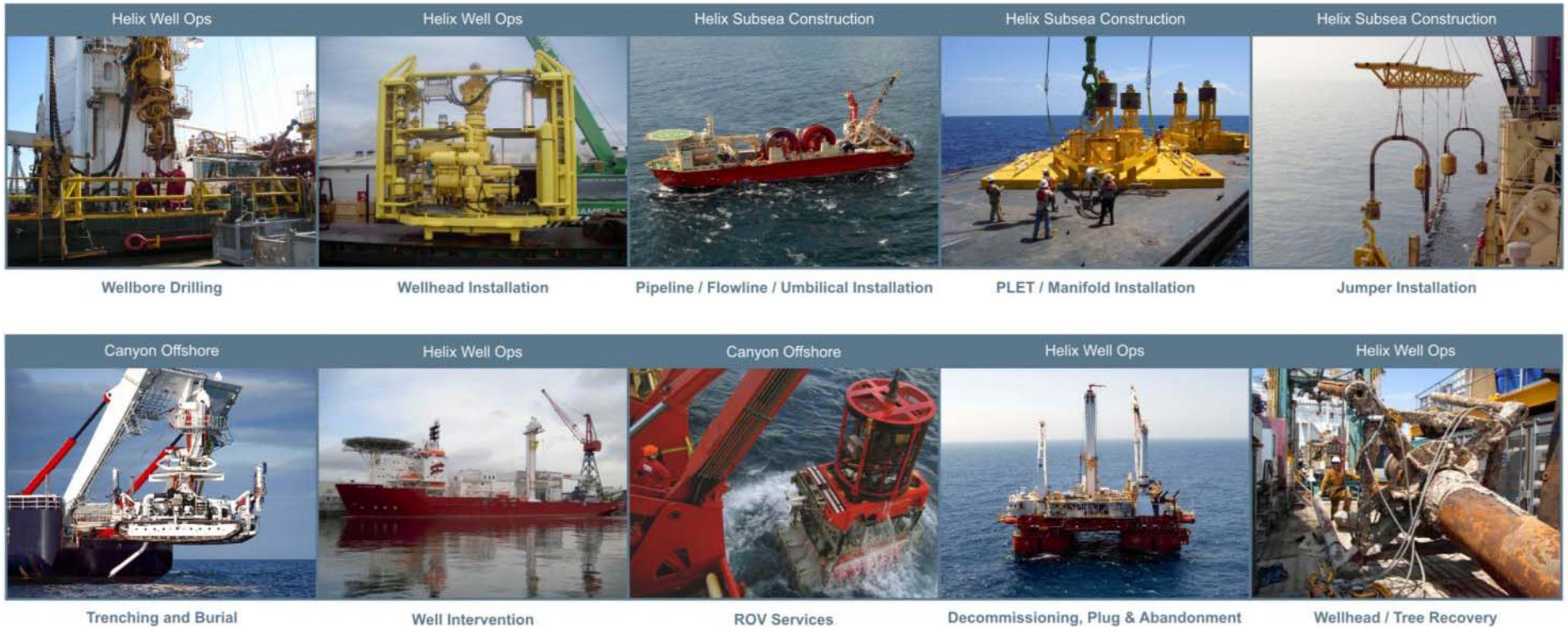
Marco Polo TLP (50%)

Independence Hub Semi (20%)

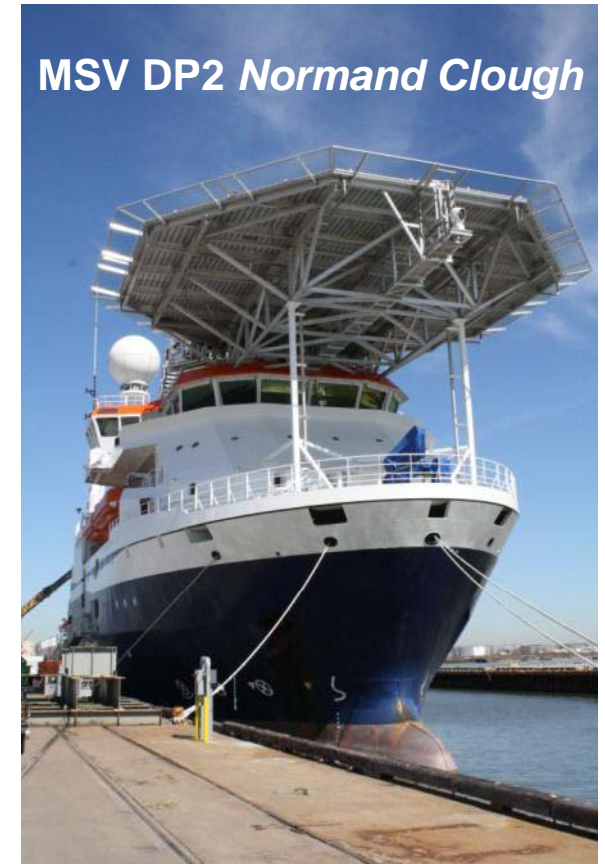
Helix Producer I (~82%)



# Services For Each Stage of the Field Life Cycle



# 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 *Normand Clough* (JV) with our Subsea Intervention Lubricator and Vessel Deployment systems.

# Subsea Construction Vessels



## **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.



## **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 dual-reel pipelay and subsea construction vessel has established an extensive track record of field installation projects around the world.

# Helix ROV Systems



The Helix ROV fleet consists of 40+ 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**



**Olympic Triton**



**Deep Cygnus**



**Olympic Canyon**



**Normand Fortress**



**Normand Clough**  
*as part of CloughHelix JV*

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

# Q4000 in Action for Macondo Response



**Dynamic Kill**



**Static Kill**



**With Evergreen Burners**



**HBOP Recovery**



- Arrived in staging area within 3 days of call-off
- Multi-functional and ease of adaptability between operating modes
  - Containment
  - Dynamic Kill
  - Flaring
  - Static Kill
  - Recovery
  - Control platform for LMRP/BOP yellow pod

# Helix Producer I FPU



Recently served as a spill containment and production vessel at the BP Macondo spill site, and now producing hydrocarbons at Helix's Phoenix field

Length: 161.5 m

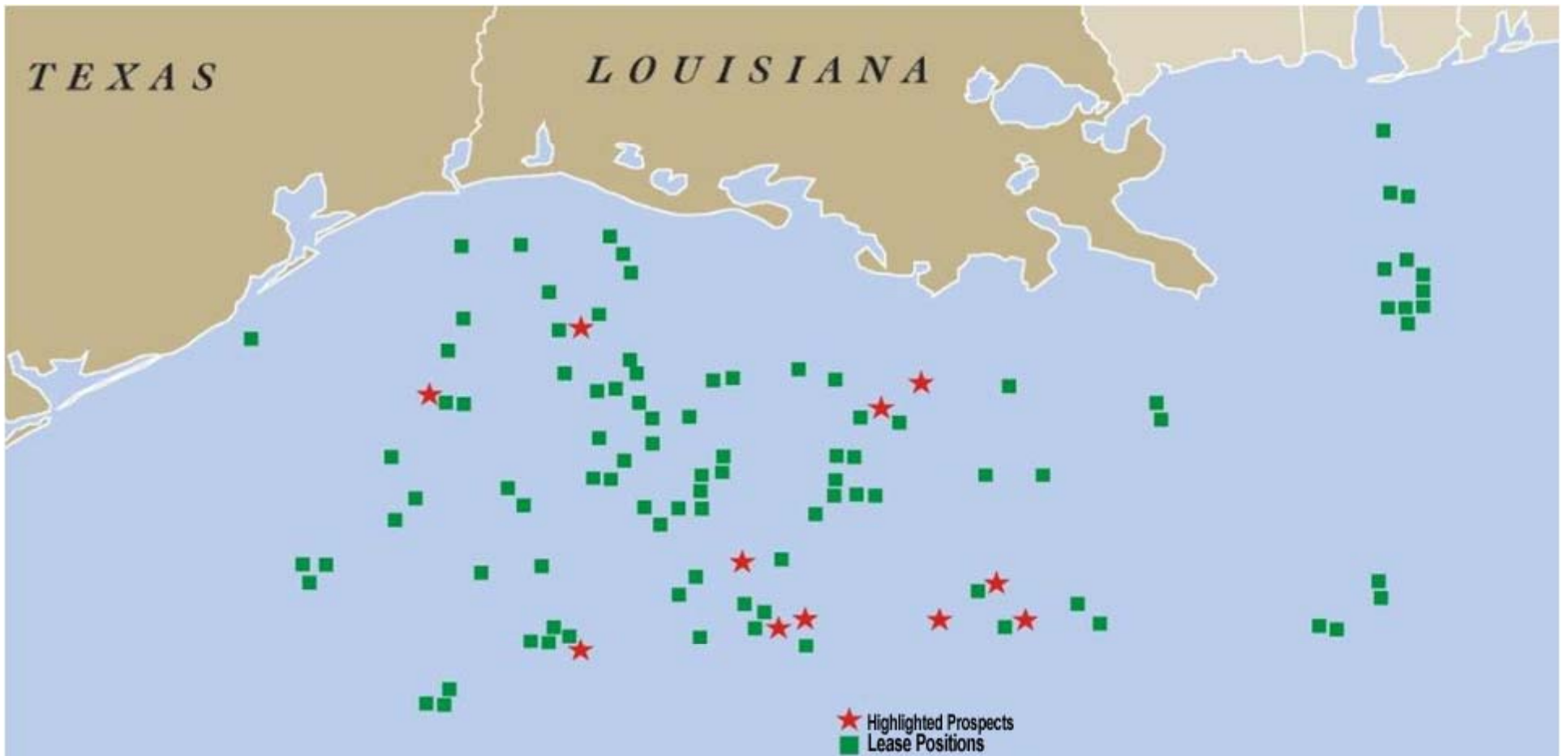
Displacement: 24,085 mT

Accommodations: 80 persons

Maximum Production capacities

- 60,000 bbl/d total liquids
- 45,000 bbl/d oil
- 72 mmscf/d gas





# Oil & Gas

# Helix Oil and Gas



## 6/30/2010 Reserve Profile:

- 400 Bcfe
- $\approx$  55% Deepwater GOM
- $\approx$  43% proved developed
- $\approx$  40% Oil
- PV-10 \$1.3 billion

## Production Profile:

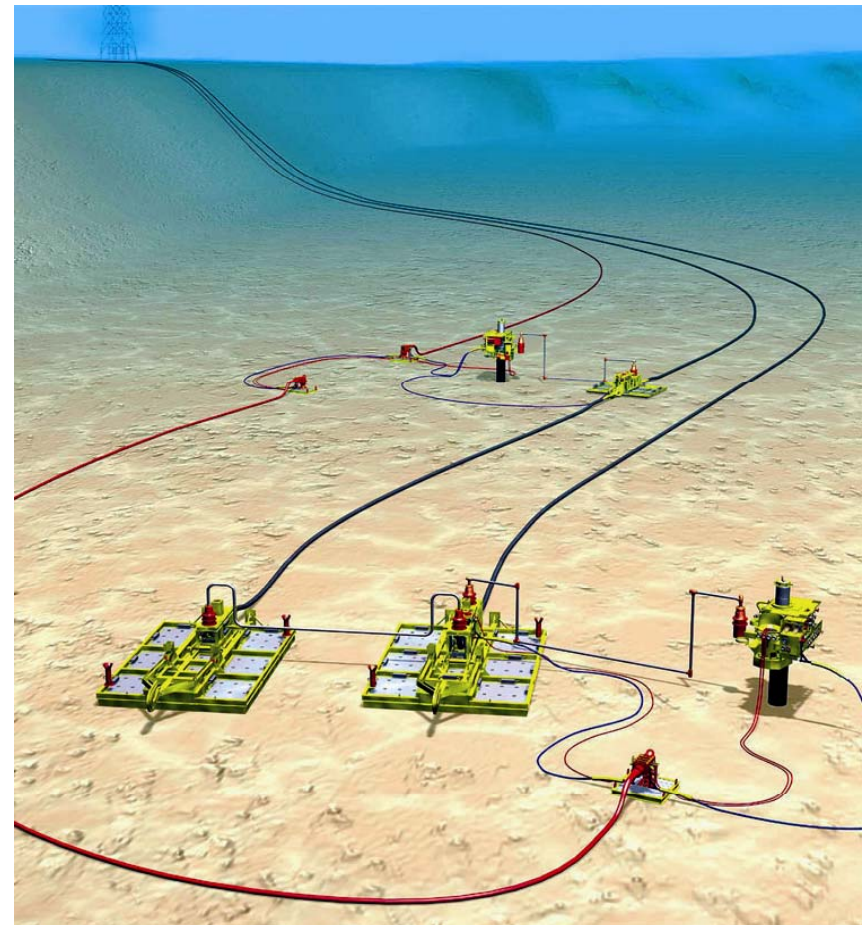
- October production of 125+ mmcfe/d\*
- >55% of production is oil
- $\approx$  60% of production is deepwater

## Current 2010 Production (net)

- Danny oil  $\approx$  2,600 boe/d
- Noonan  $\approx$  25+ mmcfe/d
- Phoenix est. at  $\sim$ 10,000+ boe/d by year end\*\*

\* Average production through mid-October.

\*\* Production commenced October 19, 2010.



# Oil and Gas Deepwater Profile



Helix Oil and Gas specializes in prospect generation, acquisition, exploration, development and production, employing its own key services and methodologies and working to lower finding and development costs relative to industry norms.

- 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
- 22 defined prospects, Helix is operator of 21
- Majority of prospects, if successful, are sub sea tie-backs
- Multiple, low risk prospects on or near existing Helix operated infrastructure



# 2010 Outlook



*Well Enhancer* testing new Coiled Tubing Intervention Unit in the North Sea

# 2010 Outlook

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- Contracting Services activity in Q4 2010 expected to decline from Q3 2010 levels
  - Normal reduction due to seasonal factors
  - *Helix Producer I* returns mostly to internal utilization on Phoenix field
  - Slower ROV construction-related activity
- Capital expenditures of approximately \$200 million expected for 2010
  - \$86 million relates to completion of major vessel projects
  - Oil and Gas capital expenditures of approximately \$80 million, excluding P&A of approximately \$60 million



# 2010 Outlook



Broad Metrics		2010 Forecast	2009
Oil and Gas Production		≈ 45 Bcfe	44 Bcfe
EBITDAX		≈ \$450 million	\$490 million
CAPEX		≈ \$200 million	\$328 million

Commodity Price Deck		2010 Forecast	2009
Hedged	Oil	\$75.96/ bbl	\$67.11 / bbl
	Gas	\$5.97 / mcf	\$7.75 / mcf

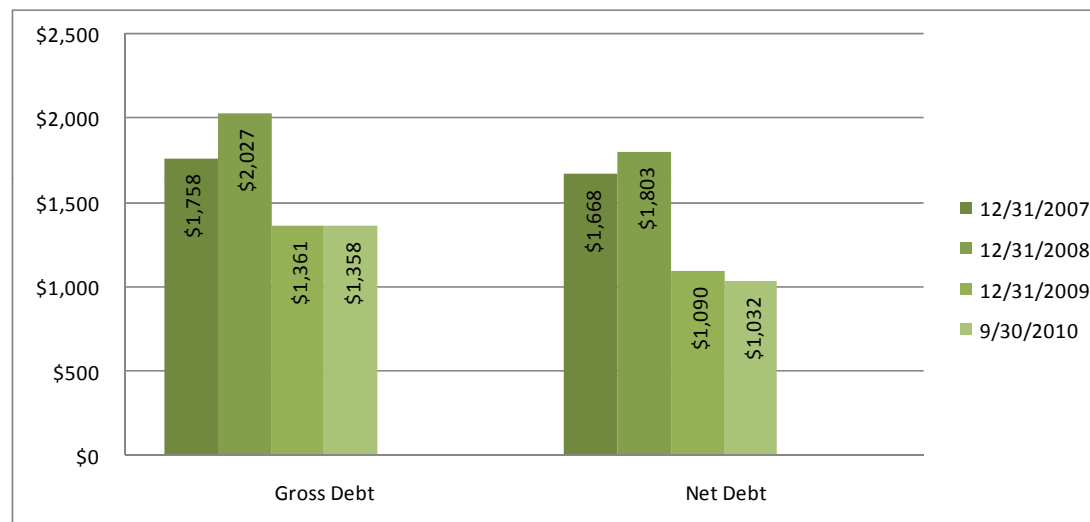
# Helix Summary



# Key Balance Sheet Metrics



Debt (A)



**Liquidity (B) of approximately \$700 million at 9/30/10**

(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 (\$325 million), plus available capacity under our revolving credit facility (\$374 million).

# Liquidity and Capital Resources

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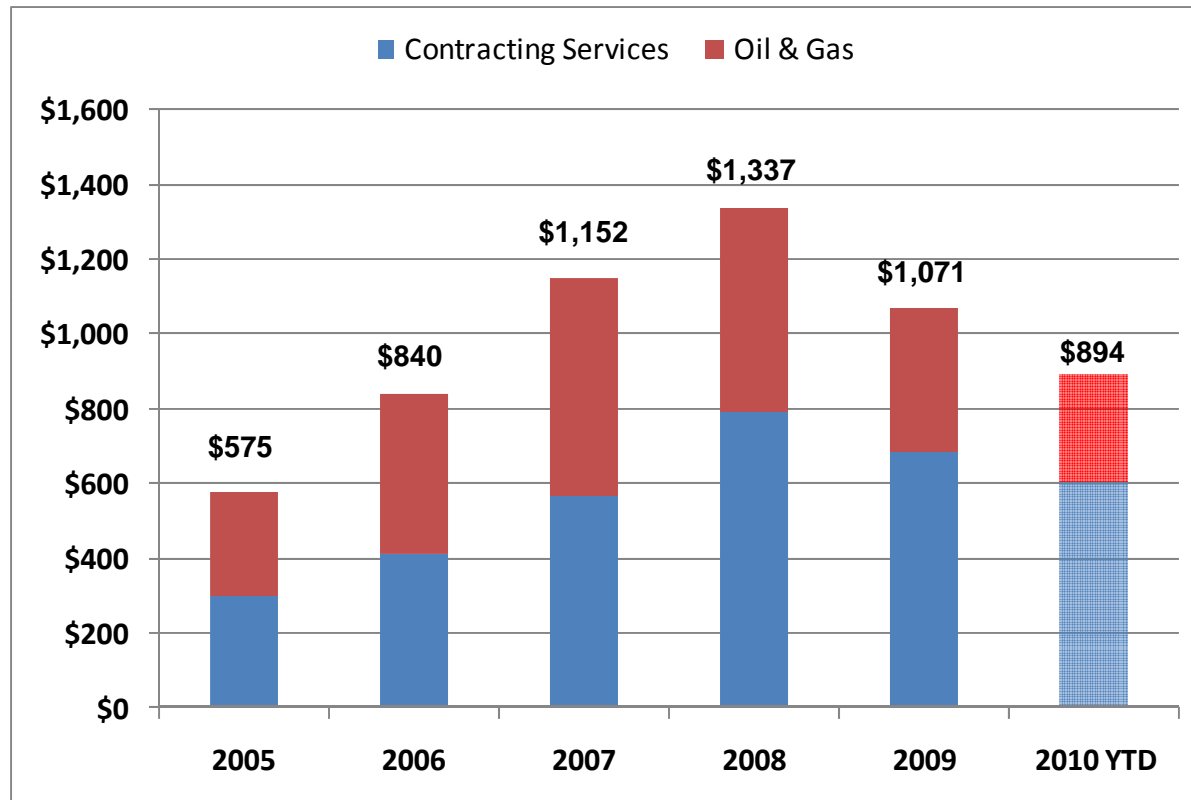
## ***Credit Facilities, Commitments and Amortization***

- **\$435 Million Revolving Credit Facility** – UNDRAWN.
  - Facility extended to November 2012.
  - In July 2011, commitments reduced to \$410 million.
  - \$61 million of LCs in place.
- **\$412 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).
- **\$115 Million MARAD** – Original 25 year term; matures February 2027. \$4.6 million principal payments annually.

# Consistent Top-Line Profile



(\$ amounts in millions)



*Note: Excludes Cal Dive and Helix RDS revenues from 2005-2009.  
See Non-GAAP reconciliations on slides 25-27.*

# Earnings Per Share (a)



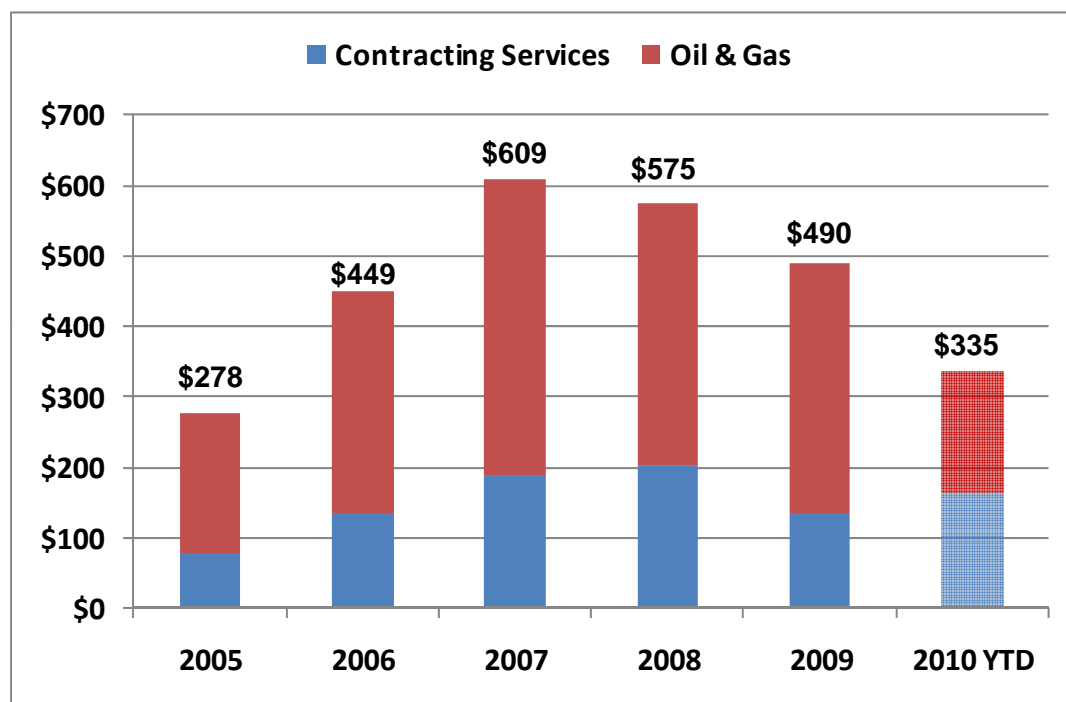
- 2006 results exclude the impact of the gain on sale in the Cal Dive IPO and estimated incremental overhead costs during the year.
- 2007 results exclude the impact of the Cal Dive gain, impairments and other unusual items.
- 2008 results exclude non-cash charges of \$964 million for reduction in carrying values of goodwill and certain oil and gas properties.
- 2009 results exclude the impact of Cal Dive gains, impairments and other unusual items.
- 2010 results exclude impairments and other unusual items.

(a) See Non-GAAP reconciliations on slides 25-27.

# 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.

-2009 results exclude non-cash impairments and impact of Cal Dive gains.

-2010 results exclude non-cash impairments.

(a) See Non-GAAP reconciliations on slides 25-27.

# Non-GAAP Reconciliations





# Non-GAAP Reconciliations



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 9/30/2010</u>
	(in millions)					
Net income (loss) applicable to common shareholders	\$ 150	\$ 340	\$ 312	\$ (639)	\$ 102	\$ (77)
Non-cash impairments	1	5	73	918	72	172
Gain on asset sales	(1)	(99)	(148)	(73)	(87)	(6)
Preferred stock dividends	2	3	4	3	54	-
Income tax provision (benefit)	75	131	103	67	86	(42)
Net interest expense and other	8	41	64	101	48	64
Depreciation and amortization	111	193	320	306	247	222
Exploration expense	6	43	27	33	24	2
EBITDAX as reported	<u>\$ 352</u>	<u>\$ 657</u>	<u>\$ 755</u>	<u>\$ 716</u>	<u>\$ 546</u>	<u>\$ 335</u>
Less: Previously reported contribution from Cal Dive	(74)	(208)	(146)	(141)	(56)	-
Adjusted EBITDAX	<u>\$ 278</u>	<u>\$ 449</u>	<u>\$ 609</u>	<u>\$ 575</u>	<u>\$ 490</u>	<u>\$ 335</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>2009</u>	<u>YTD 9/30/2010</u>
Reconciliation to Normalized EPS:						
	(in millions, except earnings per share)					
Net income (loss) applicable to common shareholders	\$ 150	\$ 340	\$ 312	\$ (639)	\$ 102	\$ (77)
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	41	118
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>\$ 94</u>	<u>\$ 41</u>
Diluted Shares	82	90	96	91	106	106
Normalized EPS	\$ 1.86	\$ 2.79	\$ 2.97	\$ 2.60	\$ 0.88	\$ 0.39

# Non-GAAP Reconciliations



	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>YTD 9/30/2010</u>
			(in millions)			
Revenue As Reported	\$ 794	\$ 1,328	\$ 1,732	\$ 2,114	\$ 1,462	\$ 894
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>\$ 1,071</u>	<u>\$ 894</u>

