



Helix Announces Pricing of Upsized Convertible Senior Notes Offering

August 12, 2020

HOUSTON--(BUSINESS WIRE)--Aug. 12, 2020-- Helix Energy Solutions Group, Inc. ("Helix") (NYSE: HLX) announced today it has priced an upsized offering of \$200 million principal amount of 6.75% Convertible Senior Notes due 2026 (the "2026 Notes"). The size of the offering was increased from the previously announced \$175 million aggregate principal amount. Helix expects to close the offering of the 2026 Notes on or about August 14, 2020, subject to the satisfaction of customary closing conditions. Wells Fargo Securities, LLC and Evercore ISI are acting as joint book-running managers for the offering.

The 2026 Notes are to be issued via an underwritten public offering, resulting in expected net proceeds of approximately \$192.5 million, after deducting underwriting fees and estimated offering expenses. Helix intends to use approximately \$10.5 million of the net proceeds from the offering to fund the cost of entering into the capped call transactions described below. Helix intends to use approximately \$183 million (or approximately \$186 million with accrued interest), consisting of the remainder of the net proceeds together with cash on hand, to repurchase approximately \$90 million aggregate principal amount of its outstanding 4.25% Convertible Senior Notes due 2022 (the "2022 Notes") and approximately \$95 million aggregate principal amount of its outstanding 4.125% Convertible Senior Notes due 2023 (the "2023 Notes" and, together with the 2022 Notes, the "Outstanding Notes") in privately negotiated transactions effected through one of the underwriters or its affiliate, as Helix's agent, concurrently with the offering (the "repurchase transactions").

Interest on the 2026 Notes will be paid semi-annually on February 15 and August 15 of each year beginning on February 15, 2021. During certain periods and subject to certain conditions, the 2026 Notes will be convertible by holders based on an initial conversion rate of 143.3795 shares of common stock per \$1,000 principal amount of 2026 Notes, which is equivalent to an initial conversion price of approximately \$6.97 per share of common stock, subject to adjustment. Upon conversion, holders will receive, at Helix's discretion, cash, shares of Helix's common stock or a combination thereof.

In addition, the holders of the 2026 Notes may require Helix to repurchase the 2026 Notes under certain circumstances, and Helix may redeem all or any portion of the 2026 Notes, at its option, on or after August 15, 2023 (but, in the case of a partial redemption, no later than the 40th scheduled trading day immediately before the maturity date), subject to certain conditions, at a redemption price payable in cash equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest and a "make-whole premium" with a value equal to the present value of the remaining scheduled payments of interest on the 2026 Notes to be redeemed through February 15, 2026.

The terms of the repurchase transactions were negotiated individually with holders of the Outstanding Notes based on several factors, including the market price of Helix's common stock and the trading price of the 2022 Notes and the 2023 Notes at the time of such repurchase(s). The repurchase transactions may affect the market price of Helix's common stock. Helix also expects that holders of Outstanding Notes that sell such Outstanding Notes to it may enter into or unwind various derivatives with respect to Helix's common stock and/or purchase or sell shares of its common stock in the market to hedge their exposure in connection with these transactions. In particular, Helix expects that many holders of the Outstanding Notes employ a convertible arbitrage strategy with respect to such Outstanding Notes and have a short position with respect to Helix's common stock that they would close, through purchases of its common stock, in connection with Helix's repurchase, if any, of their Outstanding Notes. This activity could increase (or reduce the size of any decrease in) the market price of Helix's common stock or the 2026 Notes at that time, which could also impact the initial conversion prices of the 2026 Notes.

In connection with the pricing of the 2026 Notes, Helix entered into one or more privately negotiated capped call transactions with one or more of the underwriters of the offering and/or their respective affiliates and/or other financial institutions (the "option counterparties"). The capped call transactions are expected generally to reduce the potential dilution to Helix's common stock upon any conversion of the 2026 Notes or at the election of Helix (subject to certain conditions) to offset any cash payments that Helix may be required to make in excess of the aggregate principal amount of the converted 2026 Notes, as the case may be, upon any conversion of the 2026 Notes, with such reduction or offset subject to a cap. The cap price of the capped call transactions will initially be \$8.4175 per share of Helix's common stock, which represents a premium of 75% over the closing price of Helix's common stock on the NYSE of \$4.81 per share on August 11, 2020.

Helix has been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates expect to enter into cash-settled over-the-counter derivative transactions with respect to Helix's common stock concurrently with, or shortly after, the pricing of the 2026 Notes and may unwind these cash-settled over-the-counter derivative transactions and purchase shares of Helix's common stock in open market transactions following the pricing of the 2026 Notes. This activity could increase (or reduce the size of any decrease in) the market price of Helix's common stock, the 2026 Notes or other equity-linked securities of Helix at that time. In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to Helix's common stock and/or purchasing or selling shares of Helix's common stock or other securities of Helix in secondary market transactions following the pricing of the 2026 Notes and from time to time prior to the maturity of the 2026 Notes (and are likely to do so on each exercise date of the capped call transactions, which are expected to occur during the observation period prior to the maturity date of the 2026 Notes (the 40 trading day period beginning on the 41st scheduled trading day prior to the maturity date of the 2026 Notes), or following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or conversion of the 2026 Notes if Helix makes the relevant election under the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of Helix's common stock, the 2026 Notes or other equity-linked securities of Helix, which could affect the ability of holders of the 2026 Notes to convert their 2026 Notes and, to the extent the activity occurs during any observation period related to a conversion of the 2026 Notes, it could affect the number of shares of Helix's common stock and value of the consideration that holders of the 2026 Notes will receive upon conversion thereof.

The 2026 Notes are being offered pursuant to an effective shelf registration statement on Form S-3 filed with the Securities and Exchange Commission (the "SEC"). Copies of the prospectus and prospectus supplement relating to the offering may be obtained from the offices of Wells Fargo Securities, LLC, Attention: Equity Syndicate Department, 500 West 33rd Street, New York, New York 10001, Telephone: 800-326-5897, Email: cmclientsupport@wellsfargo.com or Evercore Group L.L.C., Attention: Equity Capital Markets, 55 East 52nd Street, 36th Floor, New York, New York 10055, Telephone: 888-474-0200, Email: ecm.prospectus@evercore.com. Electronic copies of the prospectus and prospectus supplement may also be obtained, when available, by visiting EDGAR on the SEC's website at www.sec.gov.

This announcement shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Helix

Helix Energy Solutions Group, Inc., headquartered in Houston, Texas, is an international offshore energy services company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All 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 statements regarding any repurchases of Outstanding Notes, capped call transactions or other use of proceeds from the offering or effects of the transactions described in this press release; our strategy; any statements regarding visibility and future utilization; any projections of financial items; any statements regarding future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statements regarding our ability to enter into and/or perform commercial contracts; any statements concerning developments; any statements regarding future economic conditions or performance; any statements regarding the offering and the use of proceeds therefrom; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause results to differ materially from those in the forward-looking statements, including but not limited to the potential effects of the transactions described in this press release; the COVID-19 pandemic and actions by governments, customers, suppliers and partners with respect thereto; market conditions; results from acquired properties; demand for our services; the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities; operating hazards and delays, which includes delays in delivery, chartering or customer acceptance of assets or terms of their acceptance; our ultimate ability to realize current backlog; employee management issues; 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 SEC, including Helix's most recently filed Annual Report on Form 10-K and in Helix's other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements, which speak only as of their respective dates, except as required by the securities laws.

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