



Helix Receives LOI for Santos Operated Project Offshore Australia

October 12, 2007

HOUSTON, Oct. 12 /PRNewswire-FirstCall/ -- Helix Energy Solutions (NYSE: HLX) announced today that it has received a Letter of Intent ("LOI") for the installation of the subsea infrastructure for the VIC/P44 Stage 2 Development project in the Otway Basin offshore Australia. Participants in the VIC/P44 permit are Santos Limited (Operator) 50%, Peedamullah Petroleum Pty Ltd (Australian Worldwide Exploration) 25% and Mitsui E&P Australia Pty Ltd. 25%.

The scope of work under this LOI consists of (i) the preparation and welding of a 22 kilometer, 12-inch gas pipeline at a designated spoolbase, (ii) the installation of the pipeline together with the electro-hydraulic control umbilical, flowline jumpers and control flying leads, and (iii) the pre-commissioning and commissioning of the system. The value of the contract is approximately US\$80 MM and the work is scheduled to commence in the fourth quarter of 2008 using Helix's MSV Express after completing her obligations in India under the Reliance Industries Ltd. KG D6 project. The expected duration of the work is four and a half months, including mobilization and demobilization to the Otway Basin from and to India.

Bart Heijermans, Helix's Executive Vice President and Chief Operating Officer, commented, "Our Deepwater Contracting division has successfully been transformed from a predominantly Gulf of Mexico contractor to a high end global deepwater construction services provider as evidenced by the major awards obtained in the last twelve months for work in offshore India, Norway, Australia and Gulf of Mexico. The 2008 fleet in this division will consist of the reel vessels Intrepid and Express, the S-Lay vessel Caesar and the MSV Olympic Triton that Helix subsidiary Canyon Offshore has chartered. The vessels in this fleet are capable of executing challenging projects and have a relatively low cost basis. We have been successful in hiring the professionals, based in our offices in Houston, Rotterdam and Perth, required to operate these vessels and to execute the projects with the level of performance our clients demand".

Helix Energy Solutions, headquartered in Houston, Texas, is an international offshore energy company that provides development solutions and other key life of field services to the open energy market as well as to our own oil and gas business unit. That business unit is a prospect generation, exploration, development and production company. Employing our own key services and methodologies, we seek to lower finding and development costs, relative to industry norms.

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 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 statement concerning developments, performance or industry rankings, any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. 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 ending December 31, 2006 as amended. We assume no obligation and do not intend to update these forward-looking statements.

SOURCE Helix Energy Solutions

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