
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 14, 2006

Helix Energy Solutions Group, Inc.

(Exact name of registrant as specified in its charter)

Minnesota

(State or other jurisdiction
of incorporation)

001-32936

(Commission File Number)

95-3409686

(IRS Employer Identification No.)

**400 N. Sam Houston Parkway E., Suite 400
Houston, Texas**

(Address of principal executive offices)

77060

(Zip Code)

281-618-0400

(Registrant's telephone number,
including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure

Attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the press release and presentation issued by Helix Energy Solutions Group, Inc. (the “Company”) on December 14, 2006 regarding the Company’s earnings guidance for 2007. This information is not deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any Securities Act registration statements.

Item 9.01 Financial Statements and Exhibits.

(c) *Exhibits.*

<u>Number</u>	<u>Description</u>
99.1	Press Release of Helix Energy Solutions Group, Inc. dated December 14, 2006.
99.2	2007 Earnings Guidance Presentation.

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99.1	Press Release of Helix Energy Solutions Group, Inc. dated December 14, 2006.
99.2	2007 Earnings Guidance Presentation.



PRESS RELEASE

www.HelixESG.com

Helix Energy Solutions Group, Inc. • 400 N. Sam Houston Parkway E., Suite 400 • Houston, TX 77060-3500 • 281-618-0400
• fax: 281-618-0505

For Immediate Release

Date: December 14, 2006

06-034

Contact: Wade Pursell
Title: Chief Financial Officer

Helix Issues Formal 2007 Earnings Guidance

HOUSTON, TX – Helix Energy Solutions (NYSE: HLX) today announced that following the completion of its annual budgeting process and the pricing of the Initial Public Offering (IPO) of a minority stake in its subsidiary – Cal Dive International, Inc. (NYSE: DVR), it now expects 2007 earnings to be in the range of \$3.35 — \$4.75/share. See attached “Key Variable” slide for the general range of assumptions embedded in the updated and preliminary earnings estimates.

Martin Ferron, President and Chief Executive Officer, of Helix stated, “Our main strategic objective is to achieve long term sustainable earnings growth, linked to a superior return on capital. Based on the market opportunities open to us we have crafted a capital allocation plan that could generate at least 25% earnings growth in each of the next three years. For 2007, in particular, we reallocated capital between our Contracting Services and Oil and Gas business units to take advantage of recently announced marine asset investment opportunities (e.g. a second Well Intervention vessel for the North Sea) while achieving a more measured, lower risk, growth in our oil and gas production.

“Upon the closing of the Cal Dive IPO, we expect to receive net proceeds of around \$345 million which does not include any proceeds from the potential exercise of the over-allotment option by the underwriters. These proceeds will allow us the balance sheet capacity to continue investing in marine assets that have a significant impact on the reduction of deepwater field finding and development costs, both for external customers and for our own activities. The IPO should result in a boost to our Q4/06 earnings of around \$1.30/share. Our earnings guidance includes 100% of Cal Dive’s estimated earnings. Due to transaction constraints at this time we cannot give specific guidance with respect to Cal Dive’s earnings assumptions. The mid point of our earnings guidance represents an approximate 40% increase over current street estimates for 2006. It should also be noted the primary reason for the reduced upper end of the range compared to the initial preliminary estimate is lower commodity price assumptions.”

Further details will be provided in a presentation and conference call on Friday, December 15th at 9:00 AM Central Standard Time. The call will be webcast live and can be accessed, along with the presentation at the Investor Relations page of www.HelixESG.com. A replay will be available from the Audio Archives page.

Helix Energy Solutions, headquartered in Houston, Texas, is an energy services company that provides innovative solutions to the oil and gas industry worldwide for marginal field development, alternative development plans, field life extension and abandonment, with service lines including diving services, shelf and deepwater construction, robotics, well operations, well engineering and subsurface consulting services, platform ownership and oil and gas production.

FORWARD-LOOKING STATEMENTS

This press release and attached presentation contain 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 relating to services; 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, 2005 and subsequent quarterly reports on Form 10-Q. We assume no obligation and do not intend to update these forward-looking statements.

Key Variables

	Updated 2007		Preliminary 2007 Estimate	
	Low	High	Low	High
Contracting Services:				
Revenues (millions)	\$1,060	\$1,200	\$1,000	\$1,100
EBITDA Margins (1)	35%	40%	35%	40%
Gross Profit Deferral				
(from internal projects – millions)	\$ 25	\$ 20	\$ 15	\$ 10
Production Facilities:				
Equity in Earnings (millions)	\$ 35	\$ 45	\$ 45	\$ 55
Oil & Gas:				
Oil Price (per bbl)	\$55.00	\$65.00	\$55.00	\$72.64
Natural Gas Price (per mcf)	\$ 7.00	\$ 8.00	\$ 6.00	\$ 9.18
Production (BcFe)	85	95	90.5	109.5
LOE (per MCFe)	\$ 1.30	\$ 1.20	(2)	(2)
DD&A (per MCFe)	\$ 2.90	\$ 2.80	(2)	(2)
Dry Hole Expense (millions)	\$ 35	\$ 30	(2)	(2)
Corporate:				
SG&A % of Revenue	8%	7%	10%	8%
Effective Tax Rate	35%	34%	35%	34%
Interest Expense (millions)	\$ 70	\$ 60	(2)	(2)
Average Shares Outstanding (millions)	96.5	96.5	98	96
Capex (millions):				
Contracting Services	\$ 435	\$ 580	\$ 225	\$ 450
Oil & Gas	\$ 415	\$ 470	\$ 400	\$ 550

(1) See GAAP reconciliation at www.HelixESG.com.

(2) No previous guidance disclosed



2007 Earnings Guidance Presentation



Forward-Looking Statements

This presentation 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 relating to services; 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, 2005 and subsequent quarterly reports on Form 10-Q. We assume no obligation and do not intend to update these forward-looking statements.

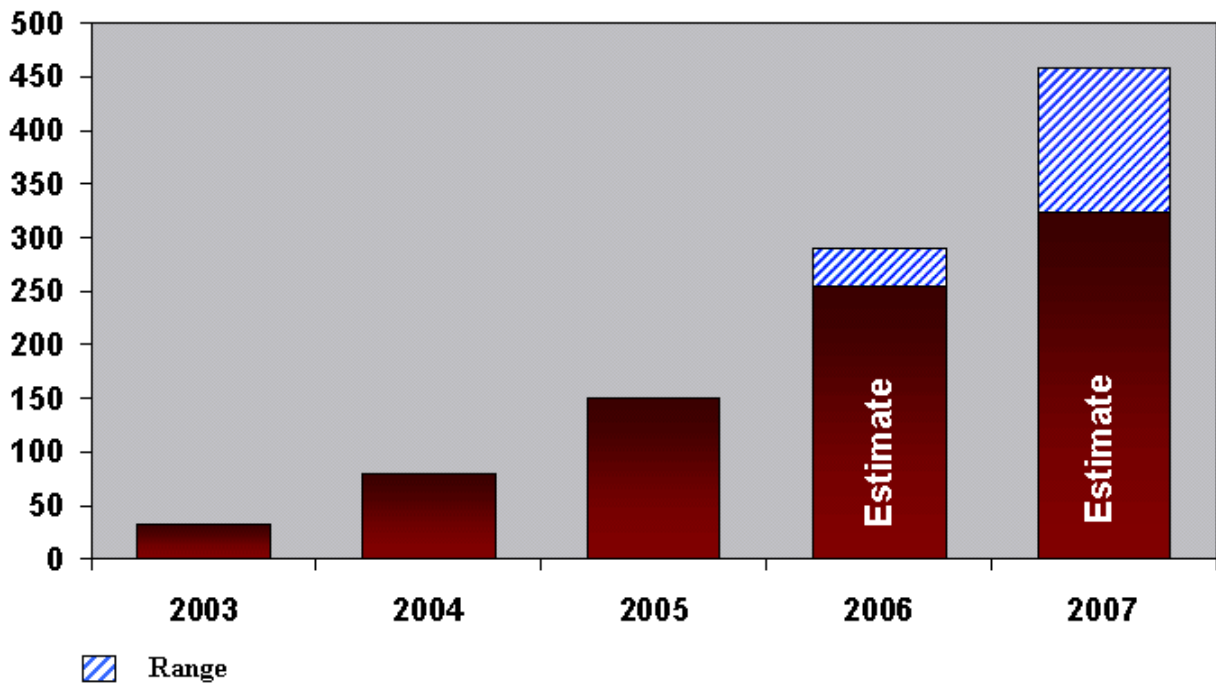
The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Statements of proved reserves are only estimates and may be imprecise. Any reserve estimates provided in this presentation that are not specifically designated as being estimates of proved reserves may include not only proved reserves but also other categories of reserves that the SEC's guidelines strictly prohibit the Company from including in filings with the SEC. Investors are urged to consider closely the disclosure in the Company's Annual Report on Form 10-K for the year ending December 31, 2005.

As previously announced, Cal Dive has filed with the Securities and Exchange Commission a Form S-1 for its planned initial public offering (IPO) of a minority interest in Cal Dive's common stock, which has been declared effective. The offering will be made only by means of a prospectus. Once available, preliminary prospectuses may be obtained from Cal Dive International, Inc., 400 North Sam Houston Parkway E., Houston, Texas 77060 or by calling (281) 618-0400. A registration statement relating to the IPO of Cal Dive stock has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of Cal Dive common stock in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state. There can be no assurance of if or when this offering will be completed.



Long Term Sustainable Growth

Net Income in Millions





Key Variables

	Updated 2007		Preliminary 2007	
	Low	High	Low	High
Contracting Services				
Revenues (millions)	\$1,060	\$1,200	\$1,000	\$1,100
EBITDA Margins ⁽¹⁾	35%	40%	35%	40%
Gross Profit Deferral (from internal projects – millions)				
	\$25	\$20	\$15	\$10
Production Facilities:				
Equity in Earnings (millions)	\$35	\$45	\$45	\$55
Oil & Gas				
Oil Price (per bbl)	\$55.00	\$65.00	\$55.00	\$72.64
Natural Gas Price (per mcf)	\$7.00	\$8.00	\$6.00	\$9.18
Production (BcFe)	85	95	90.5	109.5
LOE (per MCF e)	\$1.30	\$1.20	Ø	Ø
DD & A (per MCF e)	\$2.90	\$2.80	Ø	Ø
Dry Hole Expense (millions)				
	\$35	\$30	Ø	Ø
Corporate:				
SG&A % of Revenue	8%	7%	10%	8%
Effective Tax Rate	35%	34%	35%	34%
Interest Expense (millions)	\$70	\$60	Ø	Ø
Average Shares Outstanding (millions)	96.5	96.5	96	96
Capex (million):				
Contracting Services	\$435	\$580	\$225	\$450
Oil & Gas	\$415	\$470	\$400	\$550

⁽¹⁾ See GAAP reconciliation at www.HelixESG.com
⁽²⁾ No previous guidance disclosed



Two Stranded Strategy



**Reduced
Cyclicity
(Steady Growth)
And Superior
Financial
Returns**



Near Term Strategic Initiatives

Grow Earnings by at least 25% Per Year for next three years, while maintaining debt within manageable levels¹

By:

- Continuing to invest in Marine Assets that help lower field F&D costs
- Focusing on high value field exploitation activities (drilling, construction, well intervention)
- Building oil and gas production through PDNP/PUD conversion and a low risk shallow water exploration program
- Completing the drilling of first two deepwater wells (Noonan and Bishop) and selling up to 50% of any discovered reserves. Then finding partners to drill selected deepwater prospects with *Q4000*
- Monetizing other created production value on an opportunistic basis.
- Showcasing field development approach on Phoenix (aka Typhoon) field

¹ Debt/Book Cap < 50%, Debt / EBITDA < 2.0X



Impact of IPO of Minority Stake in Cal Dive



- Approximately 27% of subsidiary sold to public (excluding greenshoe share allotment).
- Total net proceeds will be around \$345 million, including proceeds from subsidiary debt.
- Proceeds reduce net debt to book cap to 41% (45% including Cal Dive's debt, which is non-recourse to Helix).
- Sale should boost earnings in Q4/2006 by around \$1.30/share.



Continued Investment in Strategic Marine Assets



Net IPO
Proceeds
\$345 MM

+ 125 M
= \$470 M

Seawell II



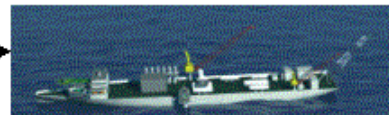
\$160 MM

Caesar



\$142 MM

Helix Producer I



\$140 MM

Robotic Assets



\$28 MM

\$470 MM

Earnings Impact in full year
After introduction = \$0.60 - \$1.00/Share



2007 Earnings Guidance Themes

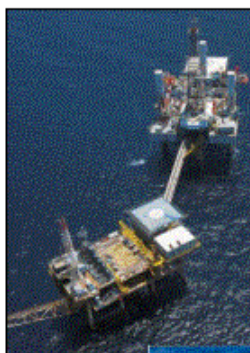
Contracting Services



- Introduction of *Caesar* in Q4
- Pricing escalation, especially in the in deepwater and well intervention segments
- Avoidance of unplanned downtime for *Q4000* and commencement of drilling program in 2H, after 75 day regulatory drydock
- Continuation of international expansion by *Cal Dive*
- Full year of contribution from *Express*, *Kestrel*, and *Fraser Diving* and *SEATRAC* acquisitions
- Further ramp up of tariff income from *Marco Polo* hub and start-up of contribution from *Independence Hub*



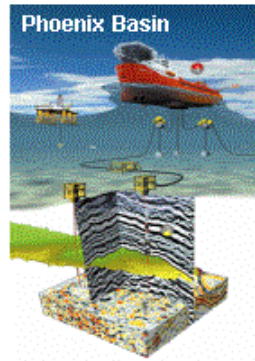
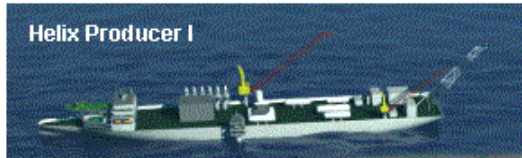
2007 Earnings Guidance Themes Oil & Gas



- Production growth to 90 BCFe mainly through PDNP and PUD conversion.
- The split of production volume between 1H/07 and 2H/07 is likely to be around 42%/58%.
- Commencement of production from first North Sea field-Camelot.
- Low risk shelf exploration program, targeting around 50 BCFe of risked reserves.
- Two well, potential high impact deepwater drilling program.
 - ✓ Bishop
 - ✓ Balvenie (in Phoenix Area)



2008 Growth Drivers

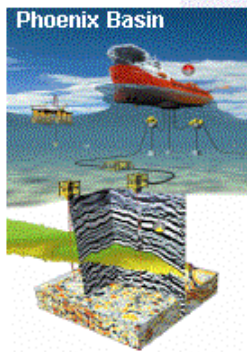


- Full year of contribution from *Caesar*
- Introduction of *Seawell II* in Q4
- Introduction of *Helix Producer I* in Q3
- Further international expansion by Cal Dive
- Production growth to > 105 BCFE with start up of Phoenix field in Q3, and Bass Lite in Q4
- First production from Noonan, Bishop? Upside?
- Full year of contribution from *Independence Hub*

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2009 and Beyond



- Full year of contribution from *Seawell II* and *Helix Producer I*.
- Introduction of Q4500 – next generation Q4000 (subject to Board approval in 1H/07).
- Full year of production from Phoenix field should drive overall production to > 120 BCFE.
- Deepwater drilling portfolio upside.



Major Marine Capital Projects – Caesar



Recent Developments

- Signed conversion contract with COSCO Nantong Shipyard Co., Ltd., China
- Vessel is already DP2 and doesn't require the installation of any new thrusters and / or engines
- All long lead items on order and delivery on schedule
- Vessel has been chartered to Oceanografia in Mexico since it was acquired and is scheduled to leave for China later this month
- Conversion expected to be completed by October 2007



Major Marine Capital Projects – Seawell II⁽¹⁾



Recent Developments

- Signed shipyard contract with Merwede Shipyard (the Netherlands) in November 2006
- Delivery date late 2008
- Secured diving system

Note (1):

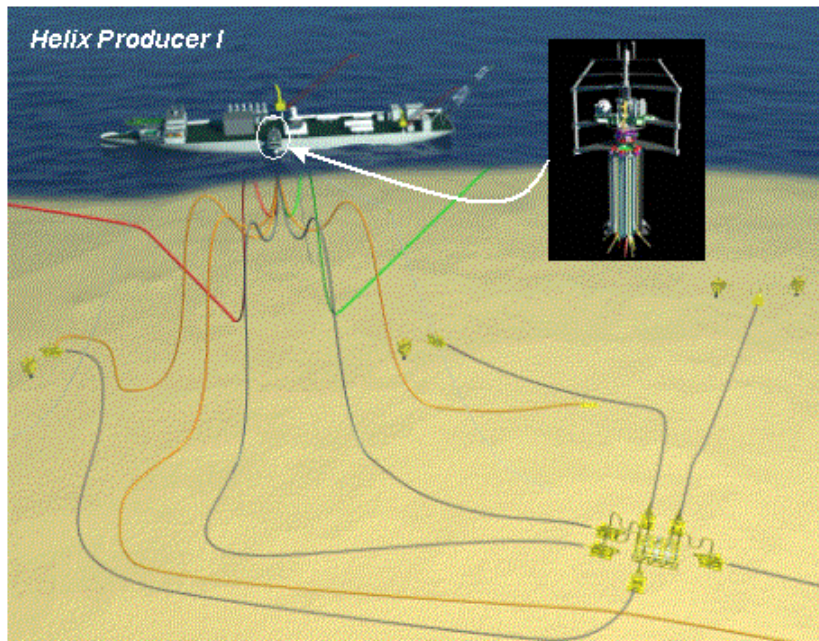
- *Seawell II* to be renamed in January 2007

Specifications:

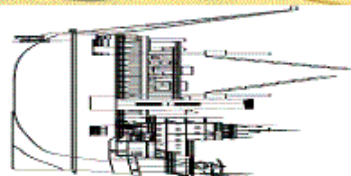
- DP3 Well Intervention Vessel
- Length of 131 meters
- Electric line, slick line and coiled tubing capabilities
- Cement and compressor plant
- A dual bell 18 man saturated dive spread with hyperbaric lifeboat
- Two work class deck mounted ROV's



Major Marine Capital Projects – HPI



- DP Floating Production Unit
- Processing capacity of 46,000 BOPD and 70 MMCFD
- Quick-disconnected riser system for hurricane relocation
- No oil storage – use of existing export pipelines



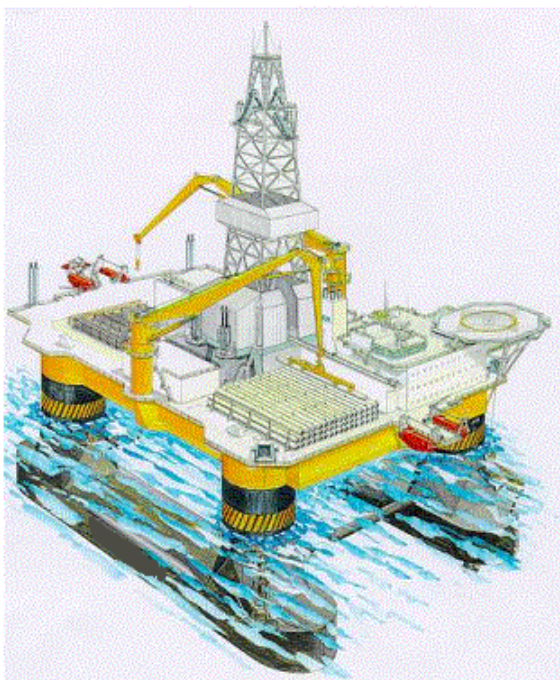
- Formed 50/50 JV with KR RØMØ to own DP2 offshore vessel (“*Helix Producer I*”; aka K5000)
- Conversion of Karl Train Ferry into HPI ongoing in Croatia



- Contract for External Riser Turret has been issued
- Long lead items for topsides facilities have been ordered



Major Marine Capital Projects – Q4500



Recent Developments

- Ordered thrusters and engines at cost of \$23 MM
- Detailed design by GVA ongoing
- Model test scheduled for January 2007
- Preparation of RFP for shipyard construction on schedule for January 2007 issue
- Several shipyards have expressed serious interest in building this asset
- On schedule for AFE submittal of complete project in March 2007
- Expect rig to be operational late 2009



First Mature Property Acquired By ERT in North Sea

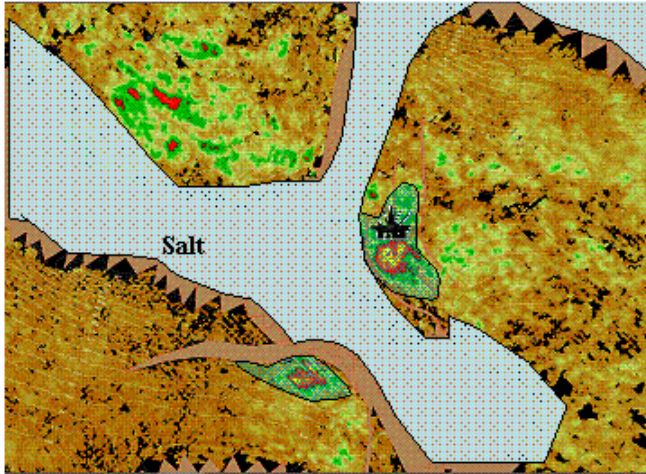


- Classic ERT Deal involving assumption of abandonment liability
- Value will be created by
 - Rejuvenation of existing production (Q1/07).
 - Drilling and tie back of nearby PUD reserves (Q4/07).
- Expected case reserves around 30 BCFE
- Present 100% ownership to be sold down to 50%
- CAPEX around \$40 million (net to 50% interest).



Why are we drilling the Noonan Prospect on a 100% basis?

Simply because we have a favorable rig contract



- **Cash cost to drill first well:**
 - \$30 million at contracted rig rate
 - \$55 million at market rig rate
- **Un-risked reserve potential**
 - 400 BCFE
- **Intention is to sell down to 50% if commercial quantities of reserves are discovered**
- **Contracting services revenue potential for field development between \$150 - \$300 million**
- **Likely to reach target depth around year-end**



Helix Hedges - As Of December 14, 2006

<u>Production Period</u>	<u>Instrument Type</u>	<u>Average Monthly Volumes</u>	<u>Weighted Average Price</u>
<u>Crude Oil</u>			
December 2006	Collars	125 MBbl	\$44.00 - \$70.48
January 2007 - December 2007	Collars	98 MBbl	49.74 - 65.27
December 2006 - June 2007	Forward Sale	43 MBbl	70.67
<u>Natural Gas</u>			
December 2006	Collars	600,000 MMBtu	\$7.25 - \$13.40
January 2007 - June 2007	Collars	650,000 MMBtu	7.85 - 12.90
July 2007 - December 2007	Collars	933,333 MMBtu	7.50 - 10.13
December 2006 - June 2007	Forward Sale	754,285 MMBtu	9.37