

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
4Q07 Earnings Conference Call Presentation

Slides 4 & 6 (Executive Summary and Summary of Results):

Reconciliation From Net Income to Adjusted EBITDAX (excluding impact of non-recurring items: excluding noncash gain on Cal Dive investment in 4Q07, gain on sale of Cal Dive IPO in 4Q06 and non-recurring items: OTSL impairment, DOJ accrual, and sale of diving assets in 2Q07:

	4Q07	4Q06	2007	2006
	(in thousands)			
Net income applicable to common shareholders	\$ 21,810	\$ 65,948	\$ 218,160	\$ 252,805
Preferred stock dividends	881	945	3,716	3,358
Income tax provision	6,420	34,166	106,119	133,253
Net interest expense and other	17,796	13,981	56,703	34,524
Non-cash stock compensation expense	3,100	2,797	13,060	8,523
Depreciation and amortization	97,195	61,809	320,235	193,205
Non-cash impairment	73,046	-	73,950	-
Exploration expense	11,203	1,820	16,847	43,115
Non-recurring items	-	-	8,602	-
Share of equity investments:				
Depreciation	1,731	1,004	6,423	4,960
Interest expense, net	(76)	(70)	(239)	289
Adjusted EBITDAX ⁽¹⁾	<u>\$ 233,106</u>	<u>\$ 182,400</u>	<u>\$ 823,576</u>	<u>\$ 674,032</u>

(1) We calculate adjusted EBITDAX as earnings before net interest expense, taxes, depreciation and amortization, exploration expense, non-cash stock compensation expense and our share of depreciation, net interest expense and taxes from our equity investments. Further, we reduce adjusted EBITDAX for the minority interest in Cal Dive that we do not own. Adjusted EBITDAX margin is defined as adjusted EBITDAX divided by net revenues. 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.

	<u>Contracting</u>		<u>Cal Dive</u>		<u>Adjusted</u>			
	<u>Services</u>	<u>Adjustment</u>	<u>Contracting</u>	<u>Oil & Gas</u>	<u>Eliminations</u>	<u>Total</u>		
	(in thousands)							
2008								
Net income applicable to common shareholders	\$ 150,000	\$ -	\$ 150,000	\$ 204,000	\$ (33,000)	\$ -	\$ 321,000	
Preferred stock dividends	3,000	-	3,000	-	-	-	3,000	
Income tax provision	109,000	(23,000)	86,000	110,000	(18,000)	-	178,000	
Net interest expense and other	60,000	(11,000)	49,000	33,000	-	-	82,000	
Depreciation and amortization	143,000	(31,000)	112,000	205,000	-	-	317,000	
Non-cash impairment	-	-	-	13,000	-	-	13,000	
Exploration expense	-	-	-	26,000	-	-	26,000	
Adjusted EBITDAX ⁽¹⁾	<u>465,000</u>	<u>(65,000)</u>	<u>400,000</u>	<u>591,000</u>	<u>(51,000)</u>	<u>-</u>	<u>940,000</u>	
2007								
Net income applicable to common shareholders	\$ 190,415	\$ -	\$ 190,415	\$ 48,877	(21,132)	\$ -	\$ 218,160	
Preferred stock dividends	3,716	-	3,716	-	-	-	3,716	
Income tax provision	98,732	(15,715)	83,017	24,896	(1,794)	-	106,119	
Net interest expense and other	9,864	(2,741)	7,123	49,580	-	-	56,703	
Non-cash stock compensation expense	11,172	(954)	10,218	2,842	-	-	13,060	
Depreciation and amortization	81,548	(11,684)	69,864	250,371	-	-	320,235	
Non-cash impairment	-	-	-	73,950	-	-	73,950	
Exploration expense	-	-	-	16,847	-	-	16,847	
Non-recurring items	8,602	-	8,602	-	-	-	8,602	
Share of equity investments:								
Depreciation	6,423	-	6,423	-	-	-	6,423	
Interest expense, net	(239)	-	(239)	-	-	-	(239)	
Adjusted EBITDAX ⁽¹⁾	<u>410,233</u>	<u>(31,094)</u>	<u>379,139</u>	<u>467,363</u>	<u>(22,926)</u>	<u>-</u>	<u>823,576</u>	

Slide 15 (Contracting Services):

	<u>4Q07</u>	<u>4Q06</u>	<u>3Q07</u>
	(in thousands, except percentages)		
Revenues:			
Deepwater Construction	\$ 175,815	\$ 97,980	\$ 126,934
Shelf Construction	162,203	136,999	176,928
Well Operations	39,879	41,378	57,705
Reservoir/Well Tech	8,372	9,426	7,692
Intercompany elimination Deepwater Construction	(16,685)	(820)	(3,280)
Intercompany elimination Canyon	(31,534)	(8,486)	(24,312)
Intercompany elimination Shelf Construction	(2,839)	(1,282)	(19,020)
Intercompany elimination Well Operations	(4,661)	(2,508)	(3,895)
Revenues as Reported	<u>\$ 330,550</u>	<u>\$ 272,687</u>	<u>\$ 318,752</u>
Gross Profit:			
Deepwater Construction	\$ 40,684	\$ 28,804	\$ 38,712
Shelf Construction	53,941	53,643	69,939
Well Operations	11,039	14,530	22,096
Reservoir/Well Tech	1,165	3,075	1,010
Corp & Ops Support	(1,812)	(1,581)	(1,954)
Intercompany elimination Deepwater Construction	(6,200)	(303)	(632)
Intercompany elimination Canyon	-	(141)	-
Intercompany elimination Shelf Construction	(1,423)	(716)	(6,213)
Intercompany elimination Well Operations	(286)	-	(233)
Gross Profit as Reported	<u>\$ 97,108</u>	<u>\$ 97,311</u>	<u>\$ 122,725</u>
Gross Profit Margin	29%	36%	39%