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): October 31, 2007

Helix Energy Solutions Group, Inc.

(Exact name of registrant as specified in its charter)

Minnesota	**001-32936**	**95-3409686**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

400 North Sam Houston Parkway East, Suite 400 Houston, Texas	**77060**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **281-618-0400**

(Former name or former address if changed since last report.)

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 31, 2007, Helix Energy Solutions Group, Inc. ("Helix") issued a press release announcing its third quarter results of operation for the period ended September 30, 2007. Attached hereto as Exhibits 99.1, and incorporated by reference herein, is the press release.

This information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liabilities of that section, and such information is not incorporated by reference into any registration statements or other document filed under the Securities Act of 1933, as amended ("Securities Act"), or the Exchange Act, regardless of the general incorporation language contained in such filing, except as shall be expressly set forth by specific reference to this filing.

Item 7.01 Regulation FD Disclosure.

On October 31, 2007, Helix issued a press release announcing its third quarter results of operation for the period ended September 30, 2007. In addition, on November 1, 2007, Helix is making a presentation (with slides) to analysts and investors regarding its financial and operating results. Attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the press release and the slides for the Third Quarter 2007 Earnings Conference Call Presentation issued by Helix. The presentation materials will also be posted in the Investor Relations section of Helix's website, www.helixesg.com.

This information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liabilities of that section, and such information is not incorporated by reference into any registration statements or other document filed under the Securities Act of 1933, as amended ("Securities Act"), or the Exchange Act, regardless of the general incorporation language contained in such filing, except as shall be expressly set forth by specific reference to this filing.

Item 9.01 Financial Statements and Exhibits.

(c) *Exhibits.*

Number	Description
99.1	Press Release of Helix Energy Solutions Group, Inc. dated October 31, 2007 reporting financial results for the third quarter of 2007.
99.2	Third Quarter 2007 Earnings Conference Call Presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 31, 2007

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ A. WADE PURSELL
A. Wade Pursell
Executive Vice President and Chief Financial Officer

Index to Exhibits

Exhibit No.	Description
99.1	Press Release of Helix Energy Solutions Group, Inc. dated October 31, 2007 reporting financial results for the third quarter of 2007.
99.2	Third Quarter 2007 Earnings Conference Call Presentation.

Exhibit 99.1

PRESSRELEASE

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 **07-023**

Contact: **Wade Pursell**

Date: October 31, 2007 **Title:** **Chief Financial Officer**

Helix Reports Record Third Quarter Results

HOUSTON, TX —Helix Energy Solutions (NYSE: HLX) reported third quarter net income of $82.8 million, or $0.88 per diluted share. This level of earnings per share, which represents an all time record for the company, is 47% better than last year's third quarter results.

Summary of Results

(in thousands, except per share amounts and percentages)

	Third Quarter 2007	Third Quarter 2006	Second Quarter 2007
Revenues	$ 460,573	$ 374,424	$ 410,574
Gross Profit	166,318	130,470	141,765
	36%	35%	35%
Net Income	82,828	57,029	65,786(1)
	18%	15%	16%(1)
Diluted Earnings Per Share	0.88	0.60	0.70(1)

(1) Excludes impact of non-recurring items: OTSL impairment, DOJ settlement and sale of diving asset.

Martin Ferron, President and Chief Executive Officer of Helix, stated, "During the Q2 earnings conference call we predicted that our contracting services group would have a strong second half of the year; we would bring several key shelf development projects onstream in the same time frame; and we might monetize some of the forward value created in our deepwater production portfolio.

"Taking each of these predictions in turn: we achieved significantly better than expected results in our contracting services business, with much of the improvement being attained in our rapidly growing deepwater segments; our production and field development efforts were hampered by approximately 20 days of precautionary stand-downs related to approaching tropical weather systems; and we successfully sold down a minority interest in the Phoenix project on favorable terms.

“The net effect of these operating factors was that we achieved a record quarter for both earnings and EBITDAX. Looking forward we expect a seasonally slower Q4 for contracting services and a full quarter of upgrade time for the *Q4000*. These factors should be more than offset by enhanced production performance as the field start-ups, delayed in Q3, come on line, and lower operating costs linked to the hurricanes of 2005. All things considered we expect Q4 earnings to be in the range of $0.85 — $1.05, which could lead to another record for performance.”

<u>Financial Highlights</u>

- Revenues: The $86.1 million increase in year-over-year third quarter revenues was driven entirely by Contracting Services increases, due primarily to extra capacity on the shelf (Cal Dive) and continued escalating market demand in the deepwater. On the oil and gas side we were able to sell a 30% working interest in the Phoenix oilfield resulting in $18.8 million of operating income during the quarter.
- Margins: 36% is slightly better than 35% in the third quarter of 2006 as this year’s results included approximately $11.6 million of charges, net of insurance proceeds, for the clean up and removal of facilities damaged during the 2005 hurricanes, while the 2006 third quarter results included approximately $16 million of charges for two deep shelf dry holes.
- SG&A: $42.1 million increased $11.8 million from the same period a year ago due primarily to increased overhead to support our growth. This level of SG&A was 9% of third quarter revenues, compared to 8% in the year ago quarter.
- Equity in Earnings: $7.9 million is comprised of our share of earnings for the quarter relating to the Marco Polo facility and the Independence Hub facility.
- Income Tax Provision: The Company’s effective tax rate for the quarter was 33%, compared to 35% for last year’s third quarter due primarily to increased earnings in lower rate foreign jurisdictions and increased deductions relating to increased oil and gas sales.
- Balance Sheet: Total consolidated debt as of September 30, 2007 was $1.5 billion. This includes $117 million under Cal Dive’s revolving facility which is non-recourse to Helix. This represents 44% net debt to book capitalization and with $771.8 million of adjusted EBITDAX during the last twelve months, this represents 1.8 times trailing twelve month adjusted EBITDAX.

Further details are provided in the presentation for Helix’s quarterly conference call (see the Investor Relations page of www.HelixESG.com). The call, scheduled for 9:00 a.m. Central Daylight Time on Thursday, November 1, 2007, will be webcast live. If you wish to dial in to the call the telephone number is 888-928-9122 (Domestic) or 517-623-4000 (International). The passcode is Pursell. A replay will be available from the Audio Archives page on our website.

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.

HELIX ENERGY SOLUTIONS GROUP, INC.

Comparative Condensed Consolidated Statements of Operations

(in thousands, except per share data)	Three Months Ended Sep. 30, 2007	Three Months Ended Sep. 30, 2006	Nine Months Ended Sep. 30, 2007	Nine Months Ended Sep. 30, 2006
		(Unaudited)		
Net revenues	$ 460,573	$ 374,424	$ 1,267,202	$ 971,085
Cost of sales	294,255	243,954	823,504	606,657
Gross profit	166,318	130,470	443,698	364,428
Gain on sale of assets, net	20,701	2,287	26,385	2,570
Selling and administrative	42,146	30,309	106,134	78,751
Income from operations	144,873	102,448	363,949	288,247
Equity in earnings of investments	7,889	1,897	9,245	12,653
Net interest expense and other	13,467	15,103	40,765	20,543
Income before income taxes	139,295	89,242	332,429	280,357
Income tax provision	45,327	31,409	111,711	96,387
Minority interest	10,195	—	21,533	—
Net income	83,773	57,833	199,185	183,970
Preferred stock dividends	945	804	2,835	2,413
Net income applicable to common shareholders	$ 82,828	$ 57,029	$ 196,350	$ 181,557
Weighted Avg. Shares Outstanding:				
Basic	90,111	91,531	90,051	82,706
Diluted	95,649	96,918	96,087	88,209
Earnings Per Share:				
Basic	$ 0.92	$ 0.62	$ 2.18	$ 2.20
Diluted	$ 0.88	$ 0.60	$ 2.07	$ 2.09

Comparative Condensed Consolidated Balance Sheets

ASSETS

(in thousands)	**Sep. 30, 2007**	**Dec. 31, 2006**
	(unaudited)	
Current Assets:		
Cash and equivalents	$ 50,436	$ 206,264
Short term investments	—	285,395
Accounts receivable	407,725	370,709
Other current assets	155,052	61,532
Total Current Assets	613,213	923,900
Net Property & Equipment:		
Contracting Services	1,040,671	800,503
Oil and Gas	1,711,171	1,411,955
Equity investments	212,975	213,362
Goodwill	835,073	822,556
Other assets, net	132,937	117,911
Total Assets	$ 4,546,040	$ 4,290,187

LIABILITIES & SHAREHOLDERS' EQUITY

(in thousands)	**Sep. 30, 2007**	**Dec. 31, 2006**
	(unaudited)	
Current Liabilities:		
Accounts payable	$ 261,569	$ 240,067
Accrued liabilities	269,289	199,650
Income taxes payable	33,079	147,772
Current mat of L-T debt (1)	25,978	25,887
Total Current Liabilities	589,915	613,376
Long-term debt (1)	1,444,649	1,454,469
Deferred income taxes	488,634	436,544
Decommissioning liabilities	149,602	138,905
Other long-term liabilities	6,770	6,143
Minority interest	80,091	59,802
Convertible preferred stock (1)	55,000	55,000
Shareholders' equity (1)	1,731,379	1,525,948
Total Liabilities & Equity	$ 4,546,040	$ 4,290,187

(1) Net debt to book capitalization — 44% at September 30, 2007. Calculated as total debt less cash and equivalents and short-term investments $1,420,191 divided by sum of total debt less cash and equivalents and short-term investments, convertible preferred stock and shareholders' equity $3,206,570

Helix Energy Solutions Group, Inc. Reconciliation of Non GAAP Measures Three and Nine Months Ended September 30, 2007

Earnings Release:

Balance Sheet: "...1.8 times trailing twelve month adjusted EBITDAX."

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

	3Q07	2Q07	1Q07	4Q06	3Q06
	(in thousands, except ratio)				
Net income applicable to common shareholders	$ 82,828	$ 57,702	$ 55,820	$ 65,948	57,029
Preferred stock dividends	945	945	945	945	804
Income tax provision	40,626	30,456	28,617	34,166	31,409
Net interest expense and other	12,971	13,605	12,331	13,981	15,103
Non-cash stock compensation expense	3,147	3,546	3,267	2,797	1,910
Depreciation and amortization	83,564	71,918	67,558	61,809	63,879
Exploration expense	1,476	2,978	1,190	1,820	19,520
Non-recurring items	—	8,602	—	—	—
Share of equity investments:					
Depreciation	1,723	1,965	1,004	1,004	1,004
Interest expense, net	(258)	(38)	(57)	(70)	(59)
Adjusted EBITDAX	$ 227,022	$ 191,679	$ 170,675	$ 182,400	$ 190,599
Trailing Twelve Months Adjusted EBITDAX	$ 771,776				
Net Debt at September 30, 2007 *(a)*	$ 1,420,191				
Ratio	1.8				

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.

(a) Total debt less cash, cash equivalents and short term investments

Exhibit 99.2

HELIX
ENERGY SOLUTIONS

Third Quarter 2007
Earnings Conference Call
November 1, 2007

Forward-Looking Statements

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 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 statements concerning developments, performance or industry rankings; and any statements of assumptions underlying any of the foregoing. Although we believe that the expectations set forth in these forward-looking statements are reasonable, they do involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. 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 ended December 31, 2006 as amended by our Form 10-K/A filed on June 18, 2007 ("2006 Form 10-K") and subsequent quarterly reports on Form 10-Q. You should not place undue reliance on these forward-looking statements which speak only as of the date of this presentation and the associated press release. We assume no obligation or duty and do not intend to update these forward-looking statements except as required by the securities laws.

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 2006 Form 10-K.

Presentation Outline

I. Summary of Results

II. Operational Highlights by Segment

A. Contracting Services

B. Oil & Gas

III. Questions & Answers

Summary of Results

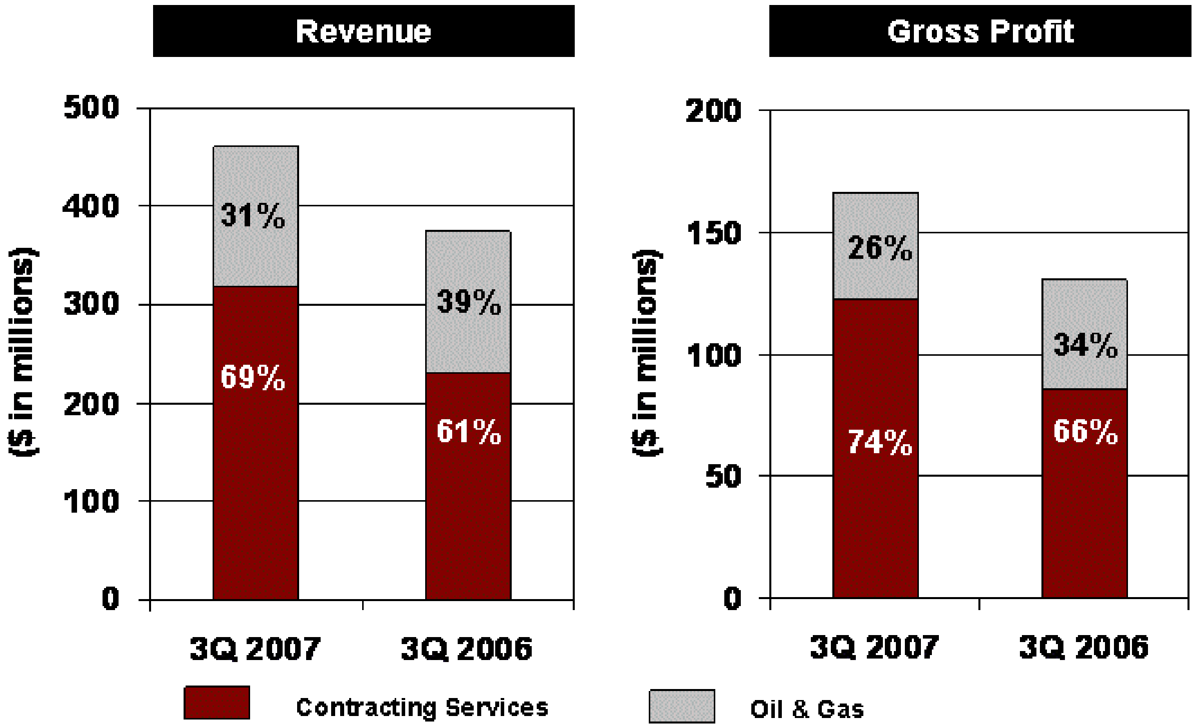
($ in millions, except per share data)

	Third Quarter		Second Quarter
	2007	2006	2007
Revenues	$460.6	$374.4	$410.6
Gross Profit	$166.3	$130.5	$141.8
Margins	*36%*	*35%*	*35%*
Net Income	$82.8	$57.0	65.8(2)
Margins	*18%*	*15%*	*16%*(2)
Diluted EPS	$0.88	$0.60	$0.70(2)
Adjusted EBITDAX(1)	$227.0	$190.6	$191.7(2)
Margins	*49%*	*51%*	*47%*(2)

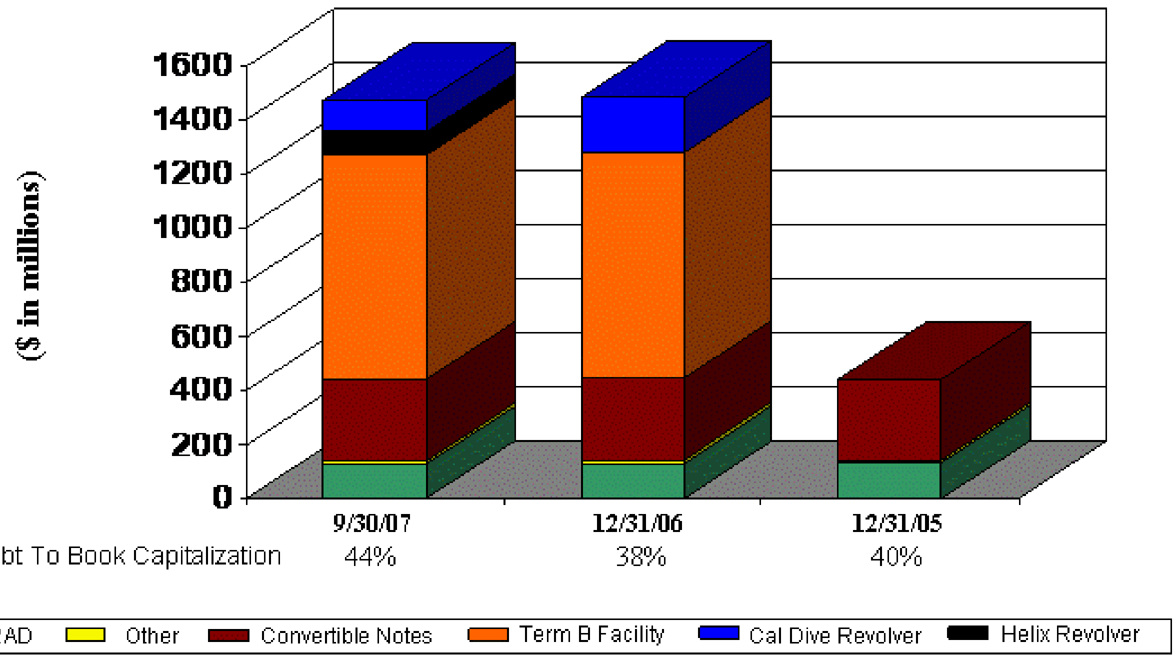
Note 1: See GAAP reconciliation on slide 23.

Note 2: Excludes impact of non-recurring items: OTSL impairment , DOJ settlement accrual and sale of diving asset.

Revenue and Gross Profit by Segment



Long Term Debt



Net Debt To Book Capitalization	44%	38%	40%

Contracting Services – Division Reporting (1)

(in millions, except percentages)

	Third Quarter				Second Quarter	
Revenues (A)	**2007**		**2006**		**2007**	
Deepwater Construction	$126.9		$72.5		$82.3	
Shelf Construction	176.9		128.4		135.3	
Well Operations	57.7		40.8		63.3	
Reservoir/Well Tech	7.7		9.5		9.1	
Contracting Services	$369.2		$251.2		$290.0	
Gross Profit (A)		Margin		Margin		Margin
Deepwater Construction	$38.7	30%	$24.5	34%	$20.8	25%
Shelf Construction	69.9	40%	57.7	45%	45.6	34%
Well Operations	22.1	38%	8.3	20%	21.4	34%
Reservoir/Well Tech	1.0	13%	3.0	32%	2.7	30%
Contracting Services	$131.7	36%	$93.5	37%	$90.5	31%
Equity in Earnings						
Production Facilities	$7.9		$5.1		$7.0	
OTSL (minority owned by Cal Dive)	($0)		($3.2)		($11.8)	

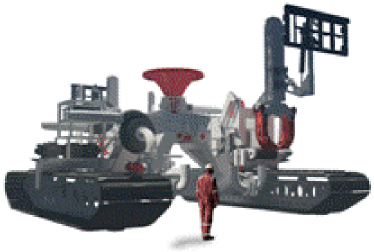
A. Amounts are before intercompany eliminations. See GAAP reconciliation on slide 24.

Contracting Services – Division Reporting (2)

	Third Quarter		Second Quarter
Utilization	2007	2006	2007
Deepwater – Pipelay	97%	66%	70%
– Robotics	86%	85%	86%
Shelf Construction	74%	83%	63%
Well Operations	83%	86%	94%
Independence Hub & Marco Polo Production			
Facility Throughput (MBOE)	5,454	3,148	3,532

Images of the Quarter

Q4000 enters Dry-dock in Galveston for marine and drilling upgrades



Construction of 2000 HP super trencher (i-Trencher) commenced

Express mobilizing for Reliance Project

First production at Independence Hub occurred in July

Awarded over $150 million worth of International pipelay work

ERT drilled and completed Danny, a deepwater exploration well

Contracting Services – Commentary

Express

Caesar

Olympic Triton

Overall

- Revenue increased by 47% year over year and by 29% from Q2 due to asset additions, less maintenance activity and strengthening market conditions.
- As predicted, gross profit margins returned to > 35% levels with a further sequential improvement in Well Operation's profitability being especially noteable.

Deepwater Construction

- The *Intrepid* and the *Express* had near full utilization and contributed 45% of the gross profit for the segment. The *Express* left for India in mid-September.
- We were awarded several contracts in the quarter. The following two international awards with a combined value in excess of $150 million are the most significant.
  - The Caesar was awarded the installation of the BP Skarv Idun gas pipeline offshore Norway, scheduled for mid-2009.
  - We entered into an LOI with Santos for the installation of the subsea infrastructure for Santos' Henry project in the Bass Strait of Australia. The Express will commence this work upon completion of the Reliance KGD6 projects in the fourth quarter of 2008.
- Canyon had another record quarter with gross profit 63% higher sequentially. They had six vessels under contract during the quarter and successfully completed the ROV drill work offshore Papua, New Guinea and executed well on several trenching projects in the North Sea.

Contracting Services – Commentary (2)

Shelf Construction

- Cal Dive had a very good quarter following the extensive vessel maintenance activity of Q2. Revenue and gross profit improved both sequentially and year over year, despite the bulk of the 2005 hurricane work now being completed. See separate earnings release and conference call for this majority owned subsidiary.

Well Operations

- The *Seawell* enjoyed full utilization and had another record quarter in the North Sea. The vessel worked in well intervention and construction / diving mode.

- The *Q4000* performed well in the first two months of the quarter and arrived in Galveston on August 30th to start the extensive marine and drilling upgrade program. Due to extensions to the scope of work, e.g. addition of two new thrusters, the vessel will likely be out of service for all of Q4.

Contracting Services – Commentary (3)

Reservoir/Well Tech Services

- Helix RDS had a difficult quarter due to seasonal vacation related impact and the net loss of personnel on the recruitment front. Steps are being taken to improve this situation.

Production Facilities

Q3/07 Review

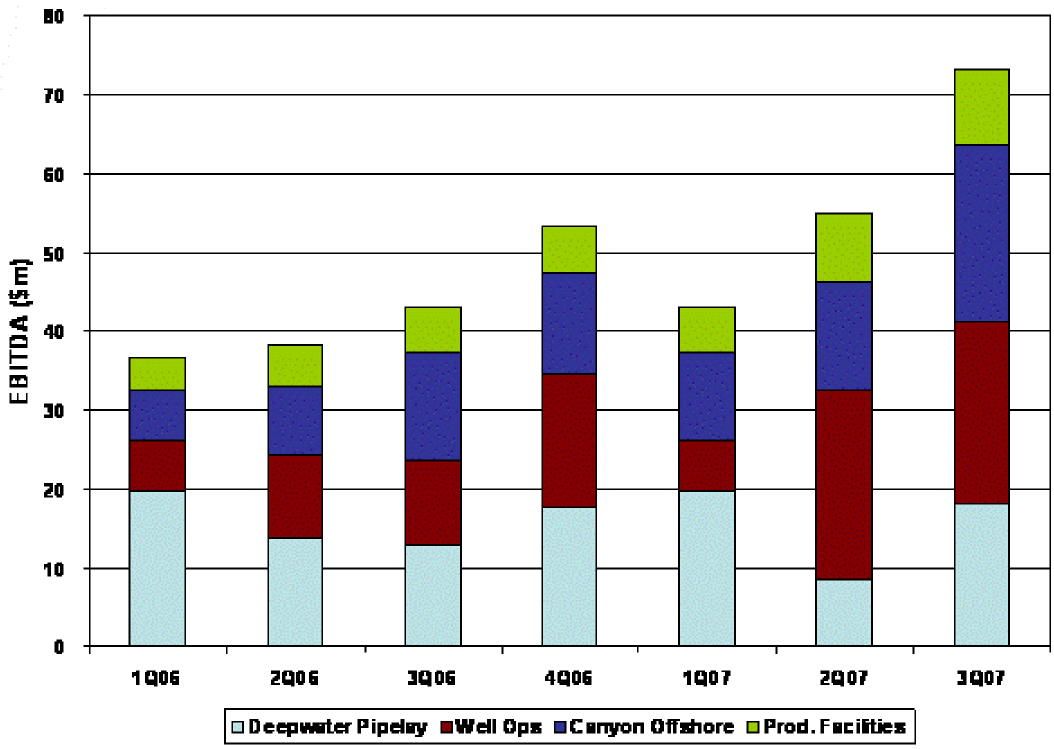
- *Independence Hub* production has ramped-up nicely since its start-up in mid-July. *Marco Polo* production was essentially unchanged from the prior quarter and continued to be below expectations due to limited production from *K2* and *Marco Polo* and delays in start-up of the *Genghis Khan* wells.

Q4/07 and Outlook

- *Marco Polo:* The first of three planned *Genghis Khan* wells started producing to *Marco Polo* in early October. Drilling of the second *Genghis Khan* well is on-going and it is expected to begin production near the end of Q4 with drilling of the third well to commence immediately after the completion of the second. *K2* pressure maintenance is still under evaluation by Anadarko to enhance recovery of claimed 2 to 4 billion BOE in place.
- *Independence Hub:* At the end of October, 12 of 15 wells were on-line and producing approximately 640 MMcf/d. Producers continue to ramp up production toward the 1.0 Bcf/d production capacity around year-end when they expect all 15 wells to be producing. In addition, a large number of leases were acquired by producers in the vicinity of the hub in the October lease sale, which bodes well for the prolonged profitability of this key asset.

Recent Growth of Deepwater Services EBITDA

Excluding Cal Dive International & Helix RDS



Future Growth

Increased throughput at Marco Polo and Independence Hub platforms

- Olympic Canyon
- Olympic Triton
- HST / i-Trencher
- Reeled Pipelay
- Caesar support
- New ROV's

- Upgrade Q4000
- Well Enhancer
- WOSEA Growth

- No scheduled dry-dock in 2008
- Caesar
- Olympic Triton

Prior to any inter-company elimination. See GAAP reconciliation on slide 25

Oil & Gas – Financial Highlights

	Third Quarter 2007	Third Quarter 2006	Second Quarter 2007
Revenue (in millions)	$141.8	$145.0	$142.1
Gross Profit (in millions)	$43.6	$44.6	$55.7
Margin	31%	31%	39%
Production (BCFe)			
• Shelf	12.4	13.3	12.6
• Deepwater	3.2	2.3	3.2
Average Commodity Prices (net of hedging impact):			
• Oil / Bbl	$71.63	$62.55	$62.32
• Gas / Mcf	$7.04	$7.40(A)	$8.06
• Hedge gain (in millions)	$3.2	$0.6	$0.2

(A) Includes effect of NGLs.

Oil & Gas – Statistics [A]

(in millions, except per Mcfe data)

	Third Quarter				Second Quarter	
	2007		2006		2007	
	Total	Per Mcfe	Total	Per Mcfe	Total	Per Mcfe
Operating Expenses	$25.8	$1.65	$22.9	$1.46	$22.9	$1.45
Exploration Expense [B]	1.5	0.10	19.5	1.25	3.0	0.19
Repair & Maintenance	5.2	0.33	9.2	0.59	4.1	0.26
DD&A	50.7	3.25	46.3	2.96	48.5	3.08
Other	15.2 [C]	0.97	2.6	0.17	6.2 [c]	0.40
	$98.4	$6.30	$100.5	$6.43	$84.7	$5.38

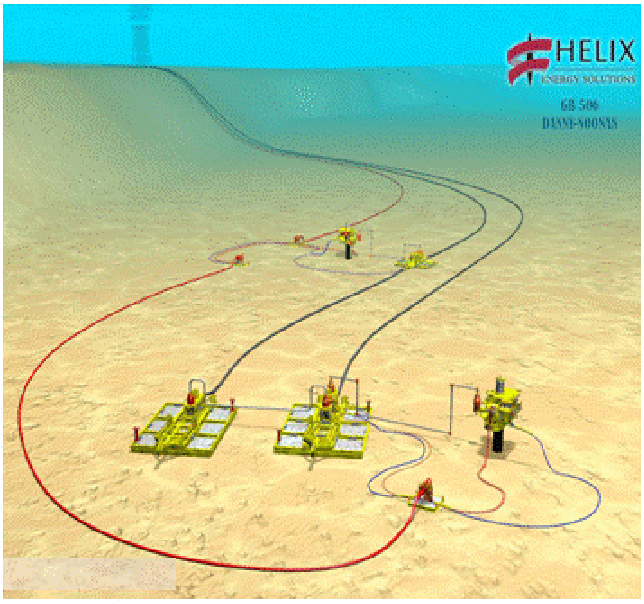
[A] Gulf of Mexico only.

[B] Includes expenditures on seismic data.

[C] Includes abandonment overruns related to hurricanes, net of insurance.

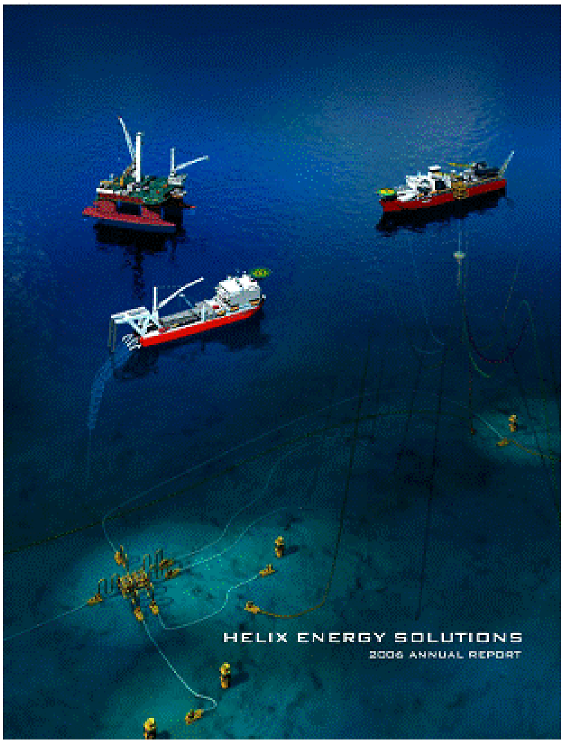
Oil and Gas – Commentary (1)

EC381



- Q3 production was less than expected due to shut-ins and stand-downs related to actual or forecast tropical weather systems. In all, the field development program was delayed by around 20 days, pushing the start-up of some wells into Q4. (See slide 18).
- Our Q3 cost structure was negatively impacted by around $14 million of incremental well P&A and facility repair costs, linked to the 2005 hurricanes. The bulk of that expenditure is now behind us.
- Shelf field development activity is now back in full swing and Q4 production should be meaningfully higher. We will provide an update on Q4 and an estimate for 2008 production, based on more conservative assumptions, when we talk about formal 2008 earnings guidance in mid-December.
- All deepwater field start-up activity is on track, according to the update provided on slide 19. Note that we may also sidetrack/complete/develop the Devil's Island PUD next year, timing subject to rig availability.

Oil and Gas – Commentary (2)



- We have secured a deepwater rig, on an opportunistic basis, to drill a development well at Noonan. The rig is on location and we expect the second well to both enhance production rate and reserve estimates.
- We were the apparent high bidder on 9 out of 10 blocks that we bid on during the recent central lease sale 205. Three of the prospects we will pick up, subject to MMS approval, are 'oily' plays in our midwater sweetspot as shown on slide 20.
- We have actively added positions to our hedging program recently, particularly for the late 2008 and 2009 timeframe. As shown on the new format of slide 21 we now have a total of 64.3 bcfe hedged at approximately $9/mcfe. Significantly, that hedged volume is < 10% of our expected P1 reserves at the end of 2007.

Major Shelf Development Projects

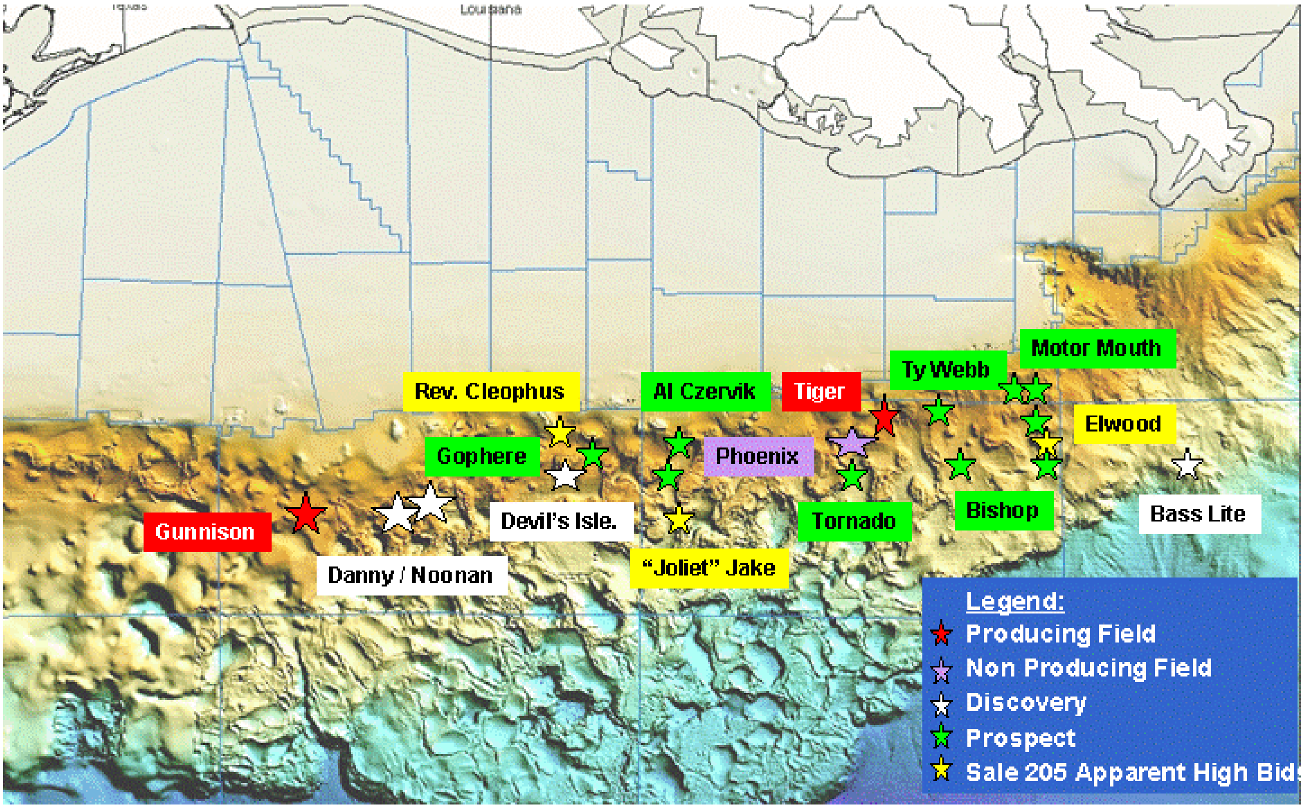
Project Name	Working Interest %	Estimated Initial Rate *Predominant Hydrocarbon Phase* (Net MMCFE/D)	Est. 1st Production/ Actual Start Date
East Cameron 339	100	13 *Oil*	Q3 2007 9/15/07
East Cameron 157/169	60/100	15 *Gas*	Q3 2007 8/20/07
East Cameron 316	100	13 *Gas*	Q3 2007 10/19/07
Brazos 436	90	6 *Gas*	Q3 2007 9/10/07
High Island 466	75	8 *Gas*	Q4 2007 Delayed 30 Days
Vermilion 348	100	8 *Gas*	Q4 2007 Delayed 30 Days
Main Pass Project	20-50	*14* *Gas*	Q1 2008 Delayed 275 Days

Deepwater Development Projects

Project Name	Operator Working Interest %	Estimated Peak Rate *Expected Predominant Hydrocarbon Phase* (Net MMCFE/D)	Activity Update	1st Production Est.
Atwater Valley 426 *"Bass Lite"*	Mariner 18	15 *Gas*	Laying/ Flowline/Umbilical	Q1 2008
Garden Banks 506 *"Danny"* *"Noonan"*	ERT 100	140 *Oil & Gas*	Currently Drilling "Noonan" Development Well	Q3 2008/ Q1 2009
Green Canyon 236/237 *"Phoenix"*	ERT 70	120 *Oil*	Sold 30% W.I. To Sojitz GOM Deepwater, Inc.	Q3 2008
Garden Banks 344 *"Devil's Island"*	ERT 100/65	*50* *Oil*	Drill/Complete* Sidetrack Q1 2008	Q4 2008*

**Subject to rig availability*

ERT Deepwater Portfolio – Main Fields/Prospects



Summary of 2007 – 2009 Hedging Positions

Helix Energy Solutions Group, Inc.
Summary of 2007 - 2009 Hedging Positions

Oil (Bbls)	Forward Sales	Collars	Total Volume Hedged	Forward Pricing	Average Collar Price Floor	Average Collar Price Ceiling	Revenue at Collar Floor (a)
4th Quarter 2007	85,000	300,000	385,000	$ 72.20	$ 50.00	$ 68.28	$ 21,137,000
2008	535,000	540,000	1,075,000	$ 72.20	$ 56.67	$ 76.51	$ 69,228,800
2009	1,800,000	-	1,800,000	$ 71.79	$ -	$ -	$ 129,222,000
Natural Gas (mcf)							
4th Quarter 2007	1,750,000	3,600,000	5,350,000	$ 7.91	$ 7.50	$ 10.37	$ 40,842,500
2008	13,730,200	7,650,000	21,380,200	$ 8.35	$ 7.32	$ 10.87	$ 170,645,170
2009	18,002,400	-	18,002,400	$ 8.23	$ -	$ -	$ 148,159,752
Totals (mcfe)							
4th Quarter 2007	2,260,000	5,400,000	7,660,000				$ 61,979,500
2008	16,940,200	10,890,000	27,830,200				$ 239,873,970
2009	28,802,400	-	28,802,400				$ 277,381,752
Grand Totals	48,002,600	16,290,000	64,292,600				$ 579,235,222 (a)

(a) Total revenues at the collar ceilings would be $633 million.

NON-GAAP MEASURE RECONCILIATIONS

Non-GAAP Measure Reconciliations

Slide 4 (Summary of Results):

Reconciliation From Net Income to Adjusted EBITDAX (excluding impact of non-recurring items: OTSL impairment, DOJ accrual, and sale of diving assets in 2Q07):

		[illegible]		[illegible]		2Q07
		(in thousands, except percentages)				
Net income applicable to common shareholders	$	82,828	$	57,029	$	57,702
Preferred stock dividends		945		804		945
Income tax provision		40,626		31,409		30,456
Net interest expense and other		12,971		15,108		13,605
Non-cash stock compensation expense		3,147		1,910		3,546
Depreciation and amortization		83,564		63,879		71,918
Exploration expense		1,476		19,520		2,978
Non-recurring items		-		-		8,602
Share of equity investments:		-		-		-
Depreciation		1,723		1,004		1,985
Interest expense, net		(258)		(59)		(58)
Adjusted EBITDAX	$	227,022	$	190,558	$	191,679
Net Revenues	$	460,573	$	374,424	$	410,574
Adjusted EBITDAX Margin (Adjusted EBITDAX / Net Revenues)		49%		51%		47%

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.

Non-GAAP Measure Reconciliations cont.

Slide 7 (Contracting Services):	3Q07	3Q06	2Q07
	(in thousands, except percentages)		
Revenues:			
Deepwater Construction	$ 126,934	$ 72,563	$ 82,285
Shelf Construction	176,928	128,364	135,258
Well Operations	57,705	40,784	63,275
Reservoir/Well Tech	7,692	9,495	9,159
Intercompany elimination Deepwater Construction	(27,592)	(12,581)	(13,990)
Intercompany elimination Shelf Construction	(19,020)	(9,233)	(4,584)
Intercompany elimination Well Operations	(3,895)	-	(2,911)
Revenues as Reported	$ 318,752	$ 229,392	$ 268,492
Gross Profit:			
Deepwater Construction	$ 38,712	$ 24,444	$ 20,834
Shelf Construction	69,939	57,738	45,565
Well Operations	22,096	8,307	21,372
Reservoir/Well Tech	1,010	3,026	2,671
Corp & Ops Support	(1,954)	(1,633)	(1,806)
Intercompany elimination Deepwater Construction	(632)	(1,909)	(657)
Intercompany elimination Shelf Construction	(6,213)	(4,098)	(1,951)
Intercompany elimination Well Operations	(233)	-	-
Gross Profit as Reported	$ 122,725	$ 85,875	$ 86,028
Gross Profit Margin	39%	37%	32%

Non-GAAP Measure Reconciliations cont.

Slide 13 (Deepwater Services EBITDA):

	3Q07	2Q07	1Q07	4Q06	3Q06	2Q06	1Q06
				(in thousands)			
Income from Operations:							
Deepwater Construction	$ 15,764	$ 6,393	$ 17,828	$ 15,808	$ 10,851	$ 11,784	17,732
Well Operations	19,545	19,358	1,595	13,168	7,262	6,908	3,150
Canyon Offshore	19,562	11,016	8,506	10,311	11,196	6,416	4,297
Production Facilities (SG&A)	(180)	(145)	(186)	(148)	(250)	(335)	(318)
	$ 54,691	$ 36,622	$ 27,743	$ 39,139	$ 29,059	$ 24,773	$ 24,861
DD&A:							
Deepwater Construction	$ 2,379	$ 2,238	$ 1,838	$ 2,002	$ 1,991	$ 2,072	1,903
Well Operations	3,567	4,540	4,901	3,674	3,608	3,564	3,469
Canyon Offshore	2,943	2,739	2,626	2,431	2,422	2,246	2,138
Production Facilities (Share of Deepwater Gateway)	1,009	1,014	1,004	1,004	1,004	1,003	1,008
Production Facilities (Share of Independence Hub)	714	951	-	-	-	-	-
	$ 10,612	$ 11,482	$ 10,369	$ 9,111	$ 9,025	$ 8,885	$ 8,518
Production Facilities:							
Equity in Earnings - Deepwater Gateway	$ 5,286	$ 4,892	$ 4,681	$ 5,312	$ 5,088	$ 4,626	$ 3,365
Equity in Earnings - Independence Hub	2,630	2,154	495	12	7	3	(1)
Other	(119)	(86)	(130)	(70)	(59)	(43)	(27)
	$ 7,797	$ 6,960	$ 5,046	$ 5,254	$ 5,036	$ 4,586	$ 3,337
EBITDA:							
Deepwater Construction	$ 18,143	$ 8,631	$ 19,666	$ 17,810	$ 12,842	$ 13,856	$ 19,635
Well Operations	23,112	23,898	6,496	16,842	10,870	10,472	6,619
Canyon Offshore	22,505	13,755	11,132	12,742	13,618	8,662	6,435
Production Facilities	9,340	8,780	5,864	6,110	5,790	5,254	4,027
	$ 73,100	$ 55,064	$ 43,158	$ 53,504	$ 43,120	$ 38,244	$ 36,716