

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
Three Months Ended September 30, 2006

Earnings Release:

Balance Sheet: "...2.2 times trailing twelve month EBITDAX."

<u>Reconciliation From Net Income to EBITDAX:</u>	<u>3Q06</u>	<u>2Q06</u>	<u>1Q06</u>	<u>4Q05</u>
	(in thousands, except ratio)			
Net income applicable to common shareholders	\$ 57,029	\$ 69,139	\$ 55,389	\$ 56,006
Preferred stock dividends	804	805	804	804
Income tax provision	31,409	35,887	29,091	20,601
Net interest expense and other adjustments	15,103	2,983	2,457	2,691
Non-cash stock compensation expense	1,910	2,251	1,565	673
Depreciation and amortization	63,879	34,346	33,226	26,758
Non-cash impairment	-	-	-	-
Dry hole expense	16,869	-	20,746	-
Exploration expense	2,651	1,029	-	514
Share of Equity Investments:	-	-	-	-
Depreciation	1,238	1,242	1,240	1,220
Interest Expense, net	79	75	99	46
EBITDAX	<u>\$ 190,971</u>	<u>\$ 147,757</u>	<u>\$ 144,617</u>	<u>\$ 109,313</u>
Trailing Twelve Months EBITDAX	<u><u>\$ 592,658</u></u>			
Total Debt at September 30, 2006	<u><u>\$ 1,276,825</u></u>			
Ratio	<u><u>2.2</u></u>			

Earnings Conference Call Presentation:

Slide 4 (Summary of Results):

Reconciliation From Net Income to EBITDAX:

	<u>3Q06</u>	<u>3Q05</u>	<u>2Q06</u>
	(in thousands, except percentages)		
Net income applicable to common shareholders	\$ 57,029	\$ 42,671	\$ 69,139
Preferred stock dividends	804	550	805
Income tax provision	31,409	25,099	35,887
Net interest expense and other adjustments	15,103	2,766	2,983
Non-cash stock compensation expense	1,910	311	2,251
Depreciation and amortization	63,879	28,746	34,346
Non-cash impairment	-	-	-
Dry hole expense	16,869	-	-
Exploration expense	2,651	928	1,029
Share of Equity Investments:	-	-	-
Depreciation	1,238	1,200	1,242
Interest Expense, net	79	143	75
EBITDAX	<u>\$ 190,971</u>	<u>\$ 102,414</u>	<u>\$ 147,757</u>
Revenues	<u>\$ 374,424</u>	<u>\$ 209,338</u>	<u>\$ 305,013</u>
EBITDAX Margin (EBITDAX / Net Revenues)	<u>51%</u>	<u>49%</u>	<u>48%</u>

Slide 10 (Contracting Services):

	<u>3Q06</u>	<u>3Q05</u>	<u>2Q06</u>
	(in thousands, except percentages)		
Revenues as Shown	\$ 251,206	\$ 144,398	\$ 237,354
Intercompany Revenue Elimination	<u>(21,815)</u>	<u>(10,522)</u>	<u>(13,451)</u>
Revenues as Reported	<u>\$ 229,391</u>	<u>\$ 133,876</u>	<u>\$ 223,903</u>
Gross Profit as Shown	\$ 91,882	\$ 42,051	\$ 91,190
Intercompany Profit Elimination	<u>(6,007)</u>	<u>-</u>	<u>(997)</u>
Gross Profit as Reported	<u>\$ 85,875</u>	<u>\$ 42,051</u>	<u>\$ 90,193</u>
Revenues as Reported	<u>\$ 229,391</u>	<u>\$ 133,876</u>	<u>\$ 223,903</u>
Gross Profit Margin	<u>37%</u>	<u>31%</u>	<u>40%</u>

Slide 13 (CS-Shelf Construction):

	<u>3Q06</u>	<u>3Q05</u>	<u>2Q06</u>
	(in thousands, except percentages)		
Revenues as Shown	\$ 128,363	\$ 49,246	\$ 124,765
Intercompany Revenue Elimination	<u>(9,234)</u>	<u>(109)</u>	<u>(3,236)</u>
Revenues as Reported	<u>\$ 119,129</u>	<u>\$ 49,137</u>	<u>\$ 121,529</u>
Gross Profit as Shown	\$ 57,738	\$ 17,667	\$ 60,944
Asset Impairments	-	-	-
Intercompany Profit Elimination	<u>(4,098)</u>	<u>-</u>	<u>(750)</u>
Gross Profit as Reported	<u>\$ 53,640</u>	<u>\$ 17,667</u>	<u>\$ 60,194</u>
Revenues as Reported	<u>\$ 119,129</u>	<u>\$ 49,137</u>	<u>\$ 121,529</u>
Gross Profit Margin	<u>45%</u>	<u>36%</u>	<u>50%</u>