
**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 11, 2008

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

- 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 1.01 Entry into a Material Definitive Agreement.

On December 11, 2008, the Company amended the existing employment arrangement with Robert Murphy (the "Amendment"), the Company's Executive Vice President — Oil & Gas. The Amendment was approved by the Company's Compensation Committee of its Board of Directors (the "Committee"). The Company hereby incorporates by reference the disclosure made in Item 5.02 below.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 11, 2008, the Company amended the existing employment arrangement between the Company and Robert Murphy, the Company's Executive Vice President — Oil & Gas. The Amendment is effective as of January 1, 2009, and sets forth the timing of certain payments, including payments upon the death, disability or severance of Mr. Murphy, and alters certain aspects of his tax gross up payment. The Amendment was entered into in order for Mr. Murphy's employment arrangement and the payments thereunder to comply with section 409A of the Internal Revenue Code of 1986, as amended. The form of the Amendment was approved by the Committee.

The descriptions of the provisions of the Amendment are qualified in their entirety by reference to the full and complete terms of such agreements which are attached hereto as Exhibit 10.1 and are incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On December 11, 2008, Helix issued a press release containing an update on its future strategic direction. Attached hereto as Exhibit 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.

Forward-Looking Statements and Assumptions

This Report on Form 8-K, including any exhibits included herein, contains various statements that contain forward-looking information regarding Helix Energy Solutions Group, Inc. and represent our expectations or beliefs concerning future events. This forward-looking information is intended to be covered by the safe harbor for “forward-looking statements” provided by the Private Securities Litigation Reform Act of 1995 as set forth in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements that are predictive in nature, that depend upon or refer to future events or conditions, or that use terms and phrases such as “achieve,” “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “plan,” “project,” “propose,” “strategy,” “predict,” “envision,” “hope,” “intend,” “will,” “continue,” “may,” “potential,” “achieve,” “should,” “could” and similar terms and phrases are forward-looking statements. Included in forward-looking statements are, among other things:

- statements regarding our anticipated production volumes, results of exploration, exploitation, development, acquisition or operations expenditures, and current or prospective reserve levels, with respect to any property or well;
- statements relating to our proposed acquisition, exploration, development and/or production of oil and gas properties, prospects or other interests and any anticipated costs related thereto;
- statements relating to the construction or acquisition of vessels or equipment and any anticipated costs related thereto;
- statements that our proposed vessels, when completed, will have certain characteristics or the effectiveness of such characteristics;
- statements regarding projections of revenues, gross margin, expenses, earnings or losses, working capital or other financial items;
- statements regarding our business strategy, our business plans or any other plans, forecasts or objectives, any or all of which is subject to change; and
- statements regarding anticipated developments, industry trends, performance or industry ranking.

Although we believe that the expectations reflected in these forward-looking statements are reasonable and are based on reasonable assumptions, they do involve risks, uncertainties and other factors that could cause actual results to be materially different from those in the forward-looking statements. These factors include, among other things:

- uncertainties inherent in the development and production of oil and gas and in estimating reserves;
 - uncertainties regarding our ability to replace depletion;
 - unexpected future capital expenditures (including the amount and nature thereof);
 - impact of oil and gas price fluctuations and the cyclical nature of the oil and gas industry;
 - the effects of indebtedness, which could adversely restrict our ability to operate, could make us vulnerable to general adverse economic and industry conditions, could place us at a competitive disadvantage compared to our competitors that have less debt and could have other adverse consequences;
 - the success of our derivative activities;
 - the results of our continuing efforts to control or reduce costs, and improve performance;
 - the success of our risk management activities;
 - the effects of competition;
 - the availability (or lack thereof) of capital (including any financing) to fund our business strategy and/or operations and the terms of any such financing;
 - the impact of current and future laws and governmental regulations including tax and accounting developments;
 - the effect of adverse weather conditions or other risks associated with marine operations;
 - the effect of environmental liabilities that are not covered by an effective indemnity or insurance;
 - the potential impact of a loss of one or more key employees; and
 - the impact of general economic, market, industry or business conditions.
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Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk and uncertainties set forth above as well as those described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2007 and our subsequent periodic reports. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors. These risk factors are not intended to be a discussion of all potential risks and uncertainties as it is not possible to predict or identify all risk factors. Although we believe the expectations reflected in the forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviation will not be material. All forward-looking statements in this report are based upon information available to us on the date of this report. You should not place undue reliance on these forward-looking statements. Forward-looking statements are only as of the date they are made, and other than as required under the securities laws, we assume no obligation to update or revise these forward-looking statements or provide reasons why actual results may differ.

Item 9.01 Financial Statements and Exhibits.

(c) *Exhibits.*

<u>Number</u>	<u>Description</u>
10.1	Amendment to Employment Agreement by and between Helix Energy Solutions Group, Inc. and Robert Murphy.
99.1	Press Release of Helix Energy Solutions Group, Inc. dated December 11, 2008 containing an update on the Company’s strategic direction.

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: December 12, 2008

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Anthony Tripodo
Anthony Tripodo
Executive Vice President and Chief Financial Officer

Index to Exhibits

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AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into by and between HELIX ENERGY SOLUTIONS GROUP, INC., a Minnesota corporation (the "Company") and Robert P. Murphy (the "Employee") effective as of January 1, 2009.

WHEREAS, the Company and the Employee previously entered into an agreement the deferred compensation provisions of which are set forth in an exhibit to the Employee's offer letter dated January 22, 2006 entitled "Employment Agreement" (the "Employment Agreement") and are incorporated by reference into a letter agreement between the Company and Employee dated December 21, 2006 (the "Letter Agreement"); and

WHEREAS, the Company and the Employee desire to amend the Employment Agreement to comply with section 409A of the Internal Revenue Code of 1986, as amended;

NOW THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Employee hereby agree as follows:

(1) **Accrued Bonus Due Upon Death.** Clause (ii) of the second sentence of Section 7(b) is deleted and the following provision is inserted in its stead:

(ii) ten (10) days after Employee's death, any accrued but, as of the date of such death, unpaid Incentive Bonus (or, if such death shall have occurred after the first three (3) months of the Company's fiscal year, any prorated portion thereof.)

(2) **Accrued Bonus Due Upon Disability.** The third sentence of Section 7(c) is deleted and the following provision is inserted in its stead:

In the event of Employee's termination of employment due to Disability the Company shall pay to Employee, any accrued but, as of the date of such termination, unpaid Incentive Bonus (or, if such Disability shall have occurred after the first three (3) months of the Company's fiscal year, any prorated portion thereof.) ten (10) days after Employee's Separation From Service.

(3) **Cash Severance Payments.** The last sentence of the first paragraphs of Section 7(d) and Section 7(e) of the Employment Agreement is deleted and the following provision is inserted in its stead.

To the extent due, any cash severance benefits specified in Section 7(d), Section 7(e) and any other provision of the Agreement (other than Section 7(b)), shall be paid on the date that is ten days following Employee's Separation From Service if Employee is not a Specified Employee or on the date that is six months following Employee's Separation From Service if Employee is a Specified Employee. For purposes of this Agreement, the terms "Separation From Service" and "Specified Employee" shall have the meanings ascribed to such terms in section 409A of the Internal Revenue Code of 1986, as amended and the Department of Treasury regulations issued thereunder ("Section 409A").

(4) **Medical and Dental Benefits.** The Employment Agreement is amended by adding thereto the following new Section 9(h):

To the extent that the medical or dental insurance benefits specified in Section 7(d) or Section 7(e), as applicable, are taxable to Employee and are not otherwise exempt from Section 409A the following provisions shall apply to the reimbursement of such benefits. The amount of medical or dental insurance expenses eligible for reimbursement during Employee's taxable year will not affect the expenses eligible for reimbursement in any other taxable year (with the exception of applicable lifetime maximums specified in the plans). Employee's right to reimbursement is not subject to liquidation or exchange for another benefit.

(5) **Tax Gross-Up Payments.** The tax gross-up payment provision of Section 7(f) is amended in its entirety to provide as follows:

(i) Certain Additional Payments by the Company. Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment or distribution to or for the benefit of Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this section) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, hereinafter referred to as the "Excise Tax"), then Employee shall be entitled to receive an additional payment (a "Gross Up Payment") in an amount such that after payment by Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross Up Payment, Employee retains an amount of the Gross Up Payment equal to the Excise Tax imposed upon the Payments. Employee acknowledges that the Gross Up Payment can be withheld from Employee by the Company and, instead, paid to the Internal Revenue Service on behalf of Employee.

All determinations required to be made under this Section 7(f) with respect to the Excise Tax imposed by Section 4999 of the Code, including whether and when the Gross Up Payment is required and the amount of such Gross Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by an accounting firm selected by the Company. All fees and expenses of the accounting firm shall be borne solely by the Company. Any determination by the accounting firm shall be binding upon the Company and Employee. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the accounting firm hereunder, it is possible that Gross Up Payments which will not have been made by the Company should have been made ("Underpayment"), consistent with the calculations required to be made hereunder. In the event that it is ultimately determined in accordance with the procedures set forth in this Section 7(f) that Employee is required to make a payment of any Code Section 4999 Excise Tax, the accounting firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be paid by the Company to or for the benefit of Employee within five days of the receipt of the accounting firm's determination of the amount of the Underpayment.

Employee shall notify the Company in writing of any claims by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross Up Payment. Such notification shall be given as soon as practicable but no later than 30 days after Employee actually receives notice in writing of such claim. Employee shall not pay such claim prior to the expiration of the 30-day period following the date on which he gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies Employee in writing prior to the expiration of such period that it desires to contest such claim, Employee shall:

- (i) give the Company any information reasonably requested relating to such claim;
- (ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time;
- (iii) cooperate with the Company in good faith in order effectively to contest such claim; and
- (iv) if the Company elects not to assume and control the defense of such claim, permit the Company to participate in any proceedings relating to such claim; *provided, however*, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold Employee harmless, on an after tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this section, the Company shall have the right, at its sole option, to assume the defense of and control all proceedings in connection with such contest, in which case it may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may either direct Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine.
- (v) Notwithstanding anything in this section to the contrary, unless an earlier payment date is specified above, the Company shall, in accordance with Treasury Regulation § 1.409A-3(i)(1)(v), pay Employee (or pay on Employee's behalf) all amounts to which Employee is entitled under this section no later than the end of Employee's taxable year next following Employee's taxable year in which Employee remits the Excise Tax or tax to the Internal Revenue Service (or in the case of costs and expenses payable under this section, no later than the end of Employee's taxable year next following Employee's taxable year in which the taxes that are the subject of the audit or litigation are remitted to the Internal Revenue Service, or where as a result of such audit or litigation no taxes are remitted, the end of Employee's taxable year next following Employee's taxable year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation).

(6) **Specified Employee.** Section 9 is amended by adding thereto the following new paragraph (h):

(h) Specified Employee. Notwithstanding any other provision herein, if Employee is a Specified Employee, then any amounts under this Agreement which are payable upon his Separation From Service and subject to the provisions of Section 409A and not otherwise excluded under Section 409A, shall not be paid until the date that is six (6) months after the date of Employee's Separation From Service (the "Waiting Period"). Any payments that would have been made to Employee during the Waiting Period but for this Section 9(h) shall instead be made to Employee in the form of a lump sum payment on the date that is six months following the date of Employee's Separation From Service.

(7) **Letter Agreement.** With respect to the paragraph of the Letter Agreement entitled "Termination," the Company and Employee agree that the provisions with respect to termination in the Employment Agreement as amended hereby (rather than in the original form attached to the Employee's offer letter dated January 22, 2006) shall apply.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date above first written.

HELIX ENERGY SOLUTIONS GROUP, INC.

ROBERT P. MURPHY

By: _____
Name: _____
Title: _____
Date: _____

Date: _____



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

Date: December 11, 2008

Contact: Tony Tripodo
Title: Chief Financial Officer

Helix Announces Future Strategic Direction

Helix Energy Solutions (NYSE: HLX) announced today that it intends to focus and shape the future direction of the Company around its deepwater construction and well intervention services. In order to achieve this strategic focus, the Company is seeking to:

1. Divest all or a portion of the Company's oil and gas assets;
2. Divest its interest in production facilities; and
3. Evaluate strategic alternatives with respect to the disposition of its 58% owned subsidiary, Cal Dive International.

The Company has engaged financial advisors to assist the Company in its efforts with respect to these matters.

The Company anticipates that present economic and financial market conditions will affect the timing of any strategic dispositions and may require a degree of patience in order to execute any transactions. As a result, the Company is unable to be specific with respect to a timetable for any disposition, but it intends to aggressively focus on deleveraging its balance sheet through monetization of non-core assets and allocation of free cash flows in order to accelerate its strategic goals. As such, the Company intends to market a broad array of non-core assets in order to reduce debt and lower obstacles to the execution of its strategy.

Owen Kratz, President and Chief Executive Officer of Helix, stated, "We believe that unlocking the asset value in the Company via debt reduction and the divestment of assets outside of our core business focus will enhance shareholder value and position the Company to take advantage of opportunities for future growth or value creation in our strongest core competencies."

Consistent with its strategy to divest non-core assets, the Company also announced today the signing of an Asset Purchase Agreement to sell its 17.5% non-operating working interest in its Bass Lite field in the Gulf of Mexico for \$49 million to one of the other owners in the field. The sale is subject to other co-owners' exercising their preferential purchase rights for a portion of the Company's interest. The Company expects to complete the sale of all of its interest in the Bass Lite field over the next few weeks.

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, 2007. We assume no obligation and do not intend to update these forward-looking statements.