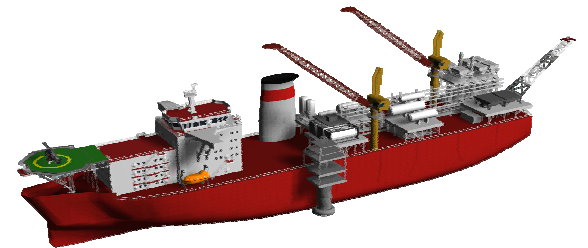




Fourth Quarter Earnings Conference Call & 2008 Outlook

February 29, 2008





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

- **Executive Summary**
 - A. Summary of Results
 - B. 2008 Outlook
- **Strategy**
- **Operational Highlights by Segment**
 - A. Contracting Services
 - B. Oil & Gas
- **Questions & Answers**



Subsea Intervention Lubricator stack-up on Seawell

Executive Summary

Highlights

(\$ in millions, except per share data)

	<u>Fourth Quarter</u>		<u>Full Year</u>	
Results	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenue	\$500.2	\$395.8	\$1,767.4	\$1,366.9
Adj. EBITDAX ^(A)	233.1	182.4	823.6	674.0
Net Income	120.4	162.5	316.8	344.0
EPS	\$1.25	\$1.73	\$3.34	\$3.87

2007 Highlights

- Adjusted EBITDAX Totaled \$823 MM

Contracting Services	\$356
Oil & Gas	<u>468</u>
Total	<u>\$824</u>

- Contracting Services Exceeded Expectations
 - ✓ Escalating market demand in deepwater
 - ✓ Added capacity on the shelf
- E&P Production was below expectation but we had significant success in exploration

^(A) See GAAP reconciliation on our website at www.helixesg.com

Oil & Gas – 2007 Reserve Report

<u>Amounts in BCFe</u>	<u>12/31/06 Reserves</u>	<u>2007 Production</u>	<u>Exploration Additions</u>	<u>Sales</u>	<u>Revisions</u>	<u>12/31/07 Reserves</u>
Shelf *	406	(52)	38	(15)	(4)	373
Deepwater	<u>130</u>	<u>(13)</u>	<u>206</u>	<u>(14)</u>	<u>(5)</u>	<u>304</u>
Total	<u>536</u>	<u>(65)</u>	<u>244</u>	<u>(29)</u>	<u>(9)</u>	<u>677</u>

Other 12/31/07 Reserve Statistics (U.S. Only):

PV – 10 Value	\$4,058 million
PDP/PUD mix %	33/67
Gas/Oil mix %	65/35
Reserve Growth YOY %	26
Reserve Replacement %	376

Finding and Development Cost**

Capital Expenditures	\$585 million
Exploration Additions	244 BCFe
F & D Cost	\$2.40/ MCFe

* Includes Onshore and U.K. reserves.

**2007 Exploration + Development+ Proved Property Acquisition/Exploratory Additions (U.S. Only)

Summary of Results - Reconciliation

(\$ in millions, except per share data)

	Fourth Quarter	
	<u>2007</u>	<u>2006</u>
Reported Net Income	\$120.4	\$162.5
Unusual Items (net of tax):		
IPO gain	—	(96.5)
Gain from Cal Dive acquisition of Horizon	(98.6)	—
Oil & Gas impairments and other	61.4	—
Adjusted Net Income	<u>\$83.2</u>	<u>\$66.0</u>
Adjusted Diluted EPS	<u>\$0.87</u>	<u>\$0.71</u>
Adjusted EBITDAX ^(A)	<u>\$233.1</u>	<u>\$182.4</u>

(A) See GAAP reconciliation on our website at www.helixesg.com

Summary of Unusual Items

(\$ in millions)

<u>Description</u>	<u>Amount</u>	<u>Comments</u>
Oil & Gas Impairments	\$59.4	Devil's Island, Non-Commercial PUDs, PDP Impairments
Prospect Impairments	9.0	Non-Commercial Prospects on Expiring Leases
Accelerated DD&A (Impaired Properties)	12.5	Tiger & EC 235 Impaired Properties
Dry hole Costs	10.1	Suspended Well Deemed Non-Commercial; Non-Op Well Dryhole
Other	<u>3.4</u>	Deferred Financing Costs write off, Lawsuit Settlement offset by CDI Gain on Sale of Asset
Total	<u><u>\$94.4</u></u>	

Earnings Outlook and Normalization

	<u>2008 Estimate</u>	<u>2007 Actual</u>
EPS before Interest Expense, Profit Deferral & Sales	\$3.33	\$3.34
Interest expense	(0.72)	(0.41)
Intercompany profit deferral	<u>(0.40)</u>	<u>(0.15)</u>
EPS before sales and unusual items	<u>\$2.21</u>	<u>\$2.78</u>
<i><u>Impact from Oil & Gas Sales:</u></i>		
30% Phoenix sale gain	—	0.27
Incremental earnings from sales (gain & reduced interest expense and profit deferral offset by reduced production)	<u>1.15</u>	<u>—</u>
Normalized EPS	<u><u>\$3.36</u></u>	<u><u>\$3.05</u></u>
<i><u>Unusual Items:</u></i>		
Net impact of OTSL impairment and other items in 2Q		(0.09)
Net impact of gain on Cal Dive acquisition of Horizon and oil & gas related impairments, dry hole and other (4Q)		<u>0.38</u>
Reported EPS		<u><u>\$3.34</u></u>

2008 Outlook

(\$ in millions, except per share data)

<u>Revenue</u>	<u>2008E</u>	<u>2007</u>	<u>Δ %</u>
Contracting Service	\$1,700	\$1,335	27%
Oil & Gas	600	582	3%
Elimination	<u>(200)</u>	<u>(150)</u>	
Total Revenue	\$2,100	\$1,767	19%
<u>EBITDAX (A)</u>			
Contracting Service	\$400	380	5%
Oil & Gas	590	467	26%
Elimination	<u>(50)</u>	<u>(23)</u>	—
Total EBITDAX	\$940	\$824	14%
Nomalized EPS	\$3.36	\$3.05	10%

Highlights

- Projected EBITDAX increase of 14% in 2008
- Contracting Services
 - Deepwater strengthening offsets shelf
 - New capacity in deepwater in second half of the year
 - Higher contribution from MSV Q4000
- Oil & Gas
 - Total production flat year-over-year with declining shelf production offset by Deepwater contribution in Q4
 - Noonan on first production September 2008, Phoenix December 2008
 - Includes sell down of production interests.

(A) See GAAP reconciliation on our website at www.helixesg.com

2008 Estimate Assumptions

- CAPEX: \$800 million (assuming property sell downs); 50/50 split between Contracting Services and Oil and Gas

Contracting Services

- Revenues: \$1.7 billion
- Margins: 26%
- Assets Placed in Service:
 - *Q4000* April 2008
 - *Caesar* Q3 2008
 - *Helix Producer I* Q4 2008
- Internal Profit Deferral:
\$60 million (assuming no property sell downs)

Oil & Gas

- Commodity Prices: \$7.50 (NG)/\$75 (Oil)
- Production: 69 Bcfe (assuming no property sell downs)
- LOE rate: \$2.02 per mcfe
- DD&A rate: \$3.15 per mcfe (excl. exp & dry hole)
- Exploration & Dryhole \$40 million (\$13 million – Devil's Island)
- New Deepwater Fields start dates:
 - Noonan* September 2008
 - Phoenix* December 2008



STRATEGY



Strategy

Last Three Years

- Significantly shifted contracting focus from Shelf to Deep
- Acquired Remington for deepwater prospect generation potential
- Added value through investment in new deepwater service and reservoir assets

Next Three Years – Continue to Evolve

- Capture value created in deepwater prospects via interest sell down
- Complete current new assets and developments
- Expand geographically
- Reduce net debt

Long Term Goal

Become premier deepwater service provider of field development services. Generate attractive prospects that can be promoted and added to our backlog and returns.



OPERATIONAL HIGHLIGHTS BY SEGMENT



Contracting Services – World Class fleet and Capabilities

Deepwater Contracting

- MSV DP2 Intrepid (*reeled pipelay vessel*)
- MSV DP2 Express (*reeled pipelay vessele*)
- DP2 Caesar (*S-Lay vessele*) (Q4 2008; under conversion)



Production Facilities

- Marco Polo TLP (50% interest)
- Independence Hub (20% interest)
- Helix Producer I (Q4 2008; under conversion)



Shelf Contracting

- Cal Dive (~59% interest)

Robotics (Canyon Offshore)

- 39 ROVs
- 5 trenchers
- 2000 HP i- trencher (2008; under construction)
- 2 ROV drill units
- Portable pipelay system (2008; under construction)
- Long term charters
 - DP2 Northern Canyon
 - DP2 Olympic Canyon
 - DP2 Olympic Triton
 - DP2 Island Pioneer
 - DP2 Seacor Canyon
- Short term charters
 - On an opportunistic basis to serve spot market



Well Operations (Well ops)

- MSV DP2 Seawell
- MSV DP2 Q4000 (Q2 Operational)
- MSV DP2 Well Enhancer (2009; under construction)
- 3 SILs
- 1 IRS
- 1 VDS
- Tooling (AXE, CIT)



Reservoir Engineering and Well Technology

- Helix RDS

Contracting Services

(in millions, except percentages)

	<u>Fourth Quarter</u>		<u>Third Quarter</u>	
	2007		2006	2007
<u>Revenues</u> ^(A)				
Deepwater Construction	\$175.8		\$98.0	\$126.9
Shelf Construction (Cal Dive)	162.2		137.0	176.9
Well Operations	39.9		41.4	57.7
Reservoir/Well Tech	8.4		9.4	7.7
<i>Contracting Services</i>	\$386.3		\$285.8	\$369.2
<u>Gross Profit</u> ^(A)				
		<u>Margin</u>		<u>Margin</u>
Deepwater Construction	\$40.7	23%	\$28.8	29%
Shelf Construction (Cal Dive)	53.9	33%	53.6	39%
Well Operations	11.0	28%	14.5	35%
Reservoir/Well Tech	1.2	14%	3.1	33%
<i>Contracting Services</i>	106.8	27%	\$100.0	35%
<u>Equity in Earnings</u>				
Production Facilities	\$10.5		\$5.3	\$7.9

A. Amounts are before intercompany eliminations. See GAAP reconciliation on our website at www.helixesg.com.



Contracting Services *Continued*

	<u>Fourth Quarter</u>		<u>Third Quarter</u>
	2007	2006	2007
<u>Utilization</u>			
Deepwater: – Deepwater Contracting	100%	95%	97%
– Robotics	68%	67%	86%
Shelf Construction (Cal Dive)	52%	77%	74%
Well Operations	44%	85%	83%
<u>Independence Hub & Marco Polo</u>			
<u>Production</u>			
Total throughput:			
Marco Polo (MBOE)	3,554	3,653	3,555
Independence Hub (BCFe)	64.7	–	11.5

Contracting Services

Commentary (1)

Deepwater Contracting

- The *Intrepid* and the *Express* had full utilization and contributed \$21.4 MM of gross profit. Margins were lower due to the large amount of work performed by a chartered third party vessel on a major GOM job.
- The *Express* arrived in India in November and commenced work on the Reliance project.
- Conversion of the *Caesar* at COSCO's yard in Nantong is ongoing. We expect the vessel to leave China in July. Vessel has backlog for the rest of 2008, has contracted two months of work in 2009 and is bidding on a significant number of projects in 2009 and 2010.
- *Olympic Triton* joined the deepwater contracting fleet in December and work on the Phoenix project as her first deployment.
- 2008 Outlook: The Deepwater Contracting fleet has a solid backlog in 2008.

Robotics (Canyon Offshore)

- Canyon Offshore was awarded a three year IRM for Southeast Asia with a contract value of \$160 MM.
- We signed a 4-year charter for the *Island Pioneer*, increasing the number of long term chartered DP2 vessels by Canyon to five.
- Canyon had another strong quarter with gross profit of nearly \$18 MM. They had six active vessels under contract during the quarter.
- 2008 Outlook: Canyon expects a busy year with the introduction of the i-trencher and the portable reeled pipelay system that can be used on all of Canyon's DP vessels.



Express
Installing
Suction
piles



Island Pioneer (chartered)



Caesar



Contracting Services

Commentary (2)

Shelf Construction (Cal Dive)

- Cal Dive closed its acquisition of Horizon Offshore in December 2007.
- Utilization and margins down due to normal seasonality.
- See separate earnings release and conference call for this majority owned subsidiary.

Well Operations

- The *Seawell* enjoyed high utilization with strong contribution. The vessel worked in well intervention and construction / diving mode for 90% of the quarter.
- The *Q4000* spent the whole quarter in the shipyard for scheduled marine and drilling upgrades. The vessel is scheduled to commence seatrials in March and has a busy schedule with tophole drilling, completion and deepwater well intervention work for the rest of the year.
- WOSEA commenced the system and worked hard on the system integration test (SIT) of the modular vessel deployment system (VDS) and subsea intervention lubricator (SIL) that will be used in 1Q2008 on Woodside projects and fields.
- 2008 Outlook: We expect the activity level in the Well Operations business unit to increase with the return of the *Q4000*.



Helix Contracting Services

Commentary (3)

Reservoir / Well Technology Services

- Helix RDS had another difficult quarter due to seasonal vacation related impact and the net loss of revenue generating personnel. We have appointed a new Managing Director in December 2007 and expect a turnaround in 2008.

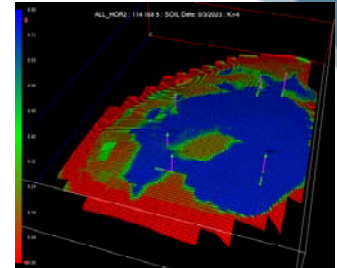
Production Facilities

Q4/07 Review

- Recorded a record equity in earnings of \$10.5 MM for the quarter due to strong contribution from our 20% interest in Independence Hub LLC.
- Production on the Hub ramped up during the quarter with all 15 subsea wells on line by the end of the quarter.
- Production on the *Marco Polo* TLP was flat from the prior quarter with the first well of the *Genghis Khan* field commencing production.

Q1/08 and Outlook

- *Marco Polo*: Expect production to increase as the result of two more *Genghis Khan* wells coming online.
- *Independence Hub*: Platform was shut-down for a couple of days in February to replace a couple of valves that limited the capacity on the hub. Expect the platform to operate at 80% capacity for the year.





Images of the Quarter



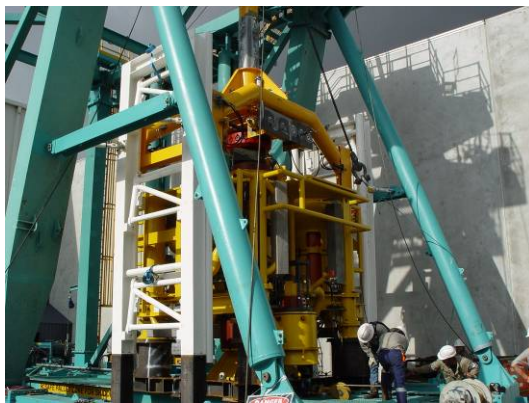
**Helix Producer I
in Croatia**



**Canyon Offshore took delivery of
second Olympic Shipping vessel**



**Express working on
Reliance KGD6 project
Offshore India**



**System Integration Test of WOSEA
VDS with Woodside's Vincent Tree**



**Conversion of Caesar
underway in China**



**ERT drilled second Noonan
production well**

Oil & Gas

Financial Highlights

	<u>Fourth Quarter</u>		<u>Third Quarter</u>
	2007	2006	2007
Revenue (in millions)	\$169.7	\$123.2	\$141.8
Gross Profit (in millions)	\$64.8 (A)	\$53.7	\$43.6
Gross Profit Margin	38%	44%	31%
<u>Production (BCFe)</u>			
• Shelf	14.1	12.9	12.4
• Deepwater	<u>3.4</u>	<u>2.2</u>	<u>3.2</u>
Quarter Total	17.5	15.1	15.6
<u>Average Commodity Prices</u> (net of hedging impact):			
• Oil / Bbl	\$80.53	\$56.11	\$71.63
• Gas / Mcf	\$7.99	\$7.36	\$7.04
• Hedge gain/(loss) (in millions)	\$(5.0)	\$2.1	\$3.2

(A) 4Q 2007 Gross Profit reflects the oil & gas amount without the \$91.0 million of impairment / dry hole related items.

Oil & Gas – Statistics (A)

(in millions, except per Mcfe data)

	<u>Fourth Quarter</u>				<u>Third Quarter</u>	
	<u>2007</u>		<u>2006</u>		<u>2007</u>	
	Total	Per Mcfe	Total	Per Mcfe	Total	Per Mcfe
Operating Expenses	\$23.3	\$1.33	\$20.5	\$1.36	\$25.8	\$1.65
Proved & Prospect Impairments	68.4	3.91	–	–	–	–
Exploration Expense ^(B)	11.2	0.64	1.1	0.07	1.5	0.10
Repair & Maintenance	8.2	0.47	1.5	0.10	5.2	0.33
DD&A	71.2 ^(D)	4.07	43.9	2.95	50.7	3.25
Other ^(C)	12.1	0.69	2.5	0.17	15.0	0.97
	\$194.4	\$11.10	\$69.5	\$4.67	\$98.2	\$6.30

(A) U.S. only.

(B) Includes expenditures on seismic data.

(C) Includes abandonment overruns related to hurricanes, net of insurance.

(D) Includes \$12.5 million incremental DDA for reserve impairments.

Summary of 2007 – 2009 Hedging Positions

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

<u>Oil (Bbls)</u>	<u>Forward Sales</u>	<u>Collars</u>	<u>Total Volume Hedged</u>	<u>Forward Pricing</u>	<u>Average Collar Price</u>		<u>Revenue at Collar Floor^a</u>
					<u>Floor</u>	<u>Ceiling</u>	
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
<u>Natural Gas (mcf)</u>							
2008	13,730,200	7,650,000	21,380,200	\$ 8.35	\$ 7.32	\$ 10.87	\$ 170,645,170
2009	17,976,400	-	17,976,400	\$ 8.23	\$ -	\$ -	\$ 147,945,772
<u>Totals (mcf)</u>							
2008	16,940,200	10,890,000	27,830,200				\$ 239,873,970
2009	28,776,400	-	28,776,400				\$ 277,167,772
Grand Totals	45,716,600	10,890,000	56,606,600				\$ 517,041,742

a - Revenue at the collar ceiling would be approximately \$555 million.



Thank You