
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

January 28, 2013 (January 27, 2013)
Date of Report (Date of earliest event reported)



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 E.
Suite 400
Houston, Texas**

77060

(Address of principal executive offices)

(Zip Code)

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

N/A

(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))

Item 1.01 Entry into a Material Definitive Agreement

Amendment No. 1 to Equity Purchase Agreement

On January 27, 2013, Helix Energy Solutions Group, Inc., a Minnesota corporation (“**Helix**”) and Talos Production LLC, a Delaware limited liability company (“**Talos**”) entered into Amendment No. 1 (the “**Amendment**”) to the Equity Purchase Agreement (the “**Purchase Agreement**”) dated December 13, 2012 between Helix and Talos. Pursuant to the Purchase Agreement, Helix agreed to sell and Talos agreed to purchase all of the outstanding equity in Energy Resource Technology GOM, Inc., a Delaware corporation (“**ERT**”), representing Helix’s oil and gas exploration business in the Gulf of Mexico. Helix and Talos are collectively referred to herein as the “**Parties**.”

Pursuant to the Amendment, the Parties agreed to amend the Purchase Agreement to provide as follows:

- At or prior to Closing, Talos will provide one or more bonds to BOEM in an amount sufficient to obtain a complete release of Helix’s existing financial guarantee to BOEM of ERT’s lease obligations with respect to the Shelf Properties (as defined in the Amendment).
- With respect to the Deep Water Properties (as defined in the Amendment), Talos will promptly, but in any event within eighty (80) days after Closing, take all actions required by BOEM to obtain a complete release of Helix’s existing financial guarantee to BOEM of ERT’s lease obligations, including providing one or more supplemental bond(s) to BOEM in amounts sufficient to secure all lease obligations as specified or estimated by BOEM.
- In addition, until Helix’s financial guarantee is released by BOEM, Talos will use commercially reasonable efforts to ensure BOEM seeks any damages first against the bonds provided by Talos prior to seeking damages against Helix’s guarantee, and Talos will also provide one or more bond(s) to Helix in the amount of \$11,400,000 to guarantee ERT’s lease obligations with respect to the Deep Water Properties.
- Talos’s restriction against drilling new wells as contemplated under the Purchase Agreement will not apply to the Shelf Properties once Helix’s financial guarantee to BOEM with respect to the Shelf Properties is released.
- To the extent Talos or ERT are required to provide collateral in excess of \$100,000,000 in order to secure bond(s) to BOEM in order to obtain a full release of Helix’s existing financial guarantee to BOEM with respect to ERT’s lease obligations with respect to the Deep Water Properties, Helix will provide one or more one-year irrevocable letter(s) of credit (the “**LOC(s)**”) to the surety providing the supplemental bond(s) to BOEM. Helix’s obligations with respect to the LOC(s) shall not exceed \$50,000,000 or extend for a period beyond one year.
- Talos will use commercially reasonable efforts to obtain agreement from each surety bond issuer that any LOC(s) will only be called after all bond collateral posted by Talos with respect to each such bond has been called, executed upon and exhausted.
- Talos will provide each issuer of the supplemental bond(s) with respect to the Deep Water Properties substitute collateral in substitution of each LOC in order to prevent the bond issuer(s) from drawing on such LOC resulting from default of a direct contractual obligation pursuant to a surety contract or pending expiration, and Talos will indemnify Helix from any and all losses in the event an LOC is drawn as a result of Talos’s failure to provide substitute collateral.
- Talos and ERT will pay Helix for all direct expenses and certain other fees associated with obtaining the LOC(s).

The foregoing description of the Amendment is qualified by reference in its entirety to a copy of the Amendment, which is filed herewith as an exhibit and incorporated herein by reference. Defined terms not defined herein shall have the meaning ascribed to them in the Purchase Agreement, as amended.

Item 7.01 Regulation FD Disclosure

While we have not yet completed our financial statements for the fiscal quarter ended December 31, 2012, our average net oil and natural gas production for the quarter ended December 31, 2012 and for December 2012 was 15,637 barrel of oil equivalent (“Boe”) per day and 16,155 Boe per day, respectively.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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10.1 Amendment No. 1 to Equity Purchase Agreement dated January 27, 2013, between Helix Energy Solutions Group, Inc. and Talos Production LLC

SIGNATURE

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 thereunto duly authorized.

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Anthony Tripodo

Anthony Tripodo

Executive Vice President and Chief Financial Officer

Date: January 28, 2013

Index to Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 1 to Equity Purchase Agreement dated January 27, 2013, between Helix Energy Solutions Group, Inc. and Talos Production LLC.



AMENDMENT NO. 1 TO EQUITY PURCHASE AGREEMENT

THIS AMENDMENT NO. 1 TO EQUITY PURCHASE AGREEMENT (this "Amendment"), dated as of January 27, 2013, is entered into by and between HELIX ENERGY SOLUTIONS GROUP, INC., a Minnesota corporation ("Seller"), and TALOS PRODUCTION LLC, a Delaware limited liability company ("Buyer").

WHEREAS, the Parties entered into that certain Equity Purchase Agreement, dated as of December 13, 2012 (the "Purchase Agreement");

WHEREAS, the Parties desire to amend the Purchase Agreement in certain respects as more specifically set forth below; and

WHEREAS, capitalized terms not defined herein shall have the meanings given to them in the Purchase Agreement.

NOW, THEREFORE, in consideration of the agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Amendments. The Parties agree that the Purchase Agreement is amended as follows:

(a) Section 8.13(a) of the Purchase Agreement is hereby amended and restated in its entirety as follows:

“(a) Buyer and Seller agree to work jointly together to obtain from BOEM the amount of a bond or bonds required to obtain from BOEM a full release of Seller from its financial guarantee to BOEM with respect to the obligations of the Acquired Companies. With respect to the Shelf Properties, Buyer shall provide a bond or bonds to BOEM in the aggregate amount of \$110,587,000 (or such other amount sufficient to obtain a complete release of Seller’s financial guarantee to BOEM with respect to the Shelf Properties) at or prior to Closing. With respect to the Deep Water Properties, Buyer shall take all actions required by BOEM (or reasonable action requested by Seller) to obtain a complete release of Seller’s financial guarantee to BOEM, including without limitation, providing a supplemental bond or bonds to BOEM in amounts sufficient to secure all lease obligations as specified or estimated by BOEM promptly, but in any event within eighty (80) days after the Closing, unless extended by mutual agreement of Buyer and Seller. In addition, Buyer shall not, and shall cause the Acquired Companies not to, drill any additional new wells until the earlier of (i) six (6) months following the Closing or (ii) the release of Seller’s financial guarantee to BOEM; provided, that this restriction shall not apply to the Shelf Properties at such time as the Seller’s financial guarantee to BOEM is released with respect to the Shelf Properties. Notwithstanding the foregoing, Buyer shall be permitted to engage in recompletions and workovers on existing wells. Until such time as Seller’s financial guarantee is released by BOEM, Buyer shall (i) use commercially reasonable efforts to ensure BOEM seeks any damages first against the bonds provided by Buyer to BOEM pursuant to this Section 8.13(a) prior to the guarantee by Seller, provided, that any rights that Buyer may have to indemnification pursuant to Section 13.2 shall not be prejudiced or affected thereby, and (ii) provide a bond or bonds to Seller from a surety in the amount of \$11,400,000 to guarantee the lease obligations of the Acquired Companies with respect to the Deep Water Properties. In furtherance hereof and in addition to the foregoing, Buyer shall submit or cause to be submitted to BOEM the form(s) necessary to accomplish the foregoing, including Form BOEM-2028A attached hereto as Exhibit 8.13(a) with the second box checked as reflected on such exhibit.

Notwithstanding anything else herein to the contrary, Buyer and Seller agree that to the extent Buyer or the Acquired Companies (as the case may be) are required to provide collateral (which may be in the form of letters of credit, cash or other credit support) in excess of \$100,000,000 in order to secure a bond or bonds to BOEM in satisfaction of Buyer’s obligations under this Section 8.13(a) to provide a supplemental bond or bonds to BOEM as required in order to obtain a full release of Seller from its financial guarantee to BOEM with respect to the obligations of the Acquired Companies, Seller agrees to provide one or more one-year irrevocable letter(s) of credit (such letter or letters of credit hereinafter referred to individually as a “Seller Letter of Credit” or collectively as the “Seller Letters of Credit”) from a reputable financial institution,

reasonably acceptable to the surety providing such supplemental bond or bonds to BOEM, with respect to lease obligations of the Acquired Companies to BOEM with respect to the Deep Water Properties, provided, in no event shall Seller's obligations with respect to collateral hereunder exceed \$50,000,000 or extend for a period beyond one year.

Buyer will use commercially reasonable efforts to obtain a written agreement, at the same time as the issuance of each applicable bond by the surety, in a form satisfactory to Seller, from the surety bond issuer that any Seller Letter of Credit will only be called after all bond collateral posted by Buyer with respect to such bond has been called, executed upon and exhausted. Buyer and the Acquired Companies agree to reimburse Seller for all direct expenses and fees associated with obtaining the Seller Letters of Credit plus a quarterly payment, payable at the beginning of each three-month period preceding the date of issuance, in an amount equal to 1% of the face amount of the Seller Letters of Credit (the "Fee Amount"); *provided*, that the Fee Amount shall increase by 0.25% every three months following the date of issuance. In the event that any surety agreement (which is supported by a Seller Letter of Credit for collateral purposes) contains a requirement to replace such Seller Letter of Credit prior to its expiration, Buyer and the Acquired Companies shall provide (within the time frame expressly written in the applicable surety agreement) to the issuer of the supplemental bond or bonds with respect to the Deep Water Properties substitute collateral in form and amount acceptable to the bond issuer in substitution of such Seller Letter of Credit, in order to prevent the bond issuer or issuers from drawing on such Seller Letter of Credit as a result of its pending expiration. In addition, in the event that Buyer or any Acquired Company defaults on any of its direct contractual obligations pursuant to a surety contract for which a Seller Letter of Credit provides collateral support and as a result of such default a surety bond issuer determines to draw on such Seller Letter of Credit, Buyer and the Acquired Companies shall provide to the issuer of the supplemental bond or bonds with respect to the Deep Water Properties substitute collateral in form and amount acceptable to the bond issuer in substitution of such Seller Letter of Credit, in order to prevent the bond issuer or issuers from drawing on such Seller Letter of Credit as a result of such default. In the event any Seller Letter of Credit is drawn in violation of the foregoing two sentences, Buyer and the Acquired Companies shall indemnify Seller from any and all losses (including without limitation all expenses actually incurred) in connection therewith."

(b) Appendix A of the Purchase Agreement is hereby amended by adding the following definitions:

"Bushwood Field" means Garden Banks Blocks 462, 463 and 506.

"Deep Water Properties" means the Bushwood Field and the Phoenix Field.

"Fee Amount" shall be defined in Section 8.13(a).

"Seller Letter of Credit" or **"Seller Letters of Credit"** shall be defined in Section 8.13(a).

"Shelf Properties" are all offshore properties of the Acquired Companies other than the Deep Water Properties"

2. **Ratification.** Except as expressly amended hereby, all other terms and provisions of the Purchase Agreement shall remain in full force and effect. The Parties acknowledge that the Purchase Agreement, as amended hereby, is ratified and confirmed to be in full force and effect and that all rights, powers and duties created thereunder or existing thereby are ratified and confirmed in all respects.

3. **Execution in Counterparts.** For the convenience of the Parties, this Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4. **Governing Law.** THIS AMENDMENT AND THE LEGAL RELATIONS BETWEEN THE PARTIES (INCLUDING ANY CLAIMS MADE IN CONTRACT, TORT OR OTHERWISE RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH SECTION 15.2 OF THE PURCHASE AGREEMENT.

[Signature Page Follows]



IN WITNESS WHEREOF, the Parties have executed this Amendment on the date first written above.

SELLER:

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Anthony Tripodo
Name: Anthony Tripodo
Title: Executive Vice President & Chief Financial Officer

BUYER:

TALOS PRODUCTION LLC

By: /s/ Timothy S. Duncun
Name: Timothy S. Duncun
Title: Chief Executive Officer
