

Helix Energy Solutions Group, Inc.
Reconciliation of Non-GAAP Measures
Earnings Guidance Conference Call - July 11, 2006

Slide 5

Contracting Services EBITDA Margins:

	2006		2007	
	Low	High	Low	High
	(in thousands, except percentages)			
Income from operations	\$ 252,000	\$ 337,000	\$ 272,000	\$ 363,000
Plus: Equity in earnings of investment	4,000	4,000	5,000	5,000
Plus: Depreciation and amortization	63,000	63,000	77,000	77,000
EBITDA	\$ 319,000	\$ 404,000	\$ 354,000	\$ 445,000
Revenues	\$ 900,000	\$ 1,000,000	\$ 1,000,000	\$ 1,100,000
EBITDA Margin (EBITDA /Revenues)	35%	40%	35%	40%

Slide 8

Contracting Services EBITDA:

	2003 Actual	2004 Actual	2005 Actual	2006 Estimate	2007 Estimate
	(in thousands)				
Income from operations	\$ 2,528	\$ 5,349	\$ 98,617	\$ 274,810	\$ 284,283
Plus: Equity in earnings of investment	(87)	7,927	13,425	27,035	56,264
Plus: Depreciation and amortization	32,902	44,447	46,871	66,112	81,490
EBITDA	\$ 35,343	\$ 57,723	\$ 158,913	\$ 367,957	\$ 422,037

Oil & Gas EBITDA

	2003 Actual	2004 Actual	2005 Actual	2006 Estimate	2007 Estimate
	(in thousands)				
Income from operations	\$ 53,633	\$ 117,682	\$ 123,104	\$ 220,600	\$ 445,283
Plus: Depreciation and amortization (include impairments)	37,891	69,046	70,637	182,303	290,490
EBITDA	\$ 91,524	\$ 186,728	\$ 193,741	\$ 402,903	\$ 735,773

Slide 9

Return on Capital Invested

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Estimate	2007 Estimate
	(in thousands, except percentages)					
Income from Operations	\$ 21,009	\$ 56,161	\$ 130,958	\$ 235,146	\$ 495,410	\$ 720,566
Add: Litigation and Contract Reserves	10,000	-	-	-	-	-
Tax Effected Earnings	20,056	35,909	86,118	157,642	319,538	461,162
Total Capital (average quarterly shareholders' equity, plus long term debt, less <i>Gunnison</i> , <i>Marco Polo</i> and <i>Independence Hub</i> investments in 2002-2006)	412,908	486,184	642,855	954,633	1,711,857	2,761,679
Return on Capital Invested	5%	7%	13%	17%	19%	17%

Slide 11**Projected EBITDA-to-Interest Coverage Ratio (in millions, except ratios)**

Projected EBITDA from 7/1/06 to 6/30/07	\$	1,036
Projected Annual Interest Expense		<u>79</u>
Coverage Ratio		<u>13.1</u>

Projected Debt Service Coverage Ratio (in millions, except ratio)

Projected TTM EBITDA at 6/30/07	\$	1,036
Senior Secured		8
MARAD		4
Other		3
Convertible Preferred Stock Dividend		3
Pro Forma Annual Interest Expense		<u>79</u>
		97
Coverage Ratio		<u>10.6</u>

Estimated Debt to TTM EBITDA (in millions, except ratio)

Balance at 07/03/06:		
Senior Secured	\$	835
Convertible Senior Notes		300
MARAD		133
Other		<u>11</u>
		1,279
Projected TTM EBITDA at 03/31/06		<u>588</u>
		<u>2</u>

Slide 15 (in thousands)**Contracting Services EBITDA:**

	2007
	Estimate
Income from operations	\$ 285,962
Plus: Equity in earnings of investment	5,028
Plus: Depreciation and amortization	<u>81,490</u>
EBITDA	<u>\$ 372,480</u>

Oil & Gas EBITDA

	2007
	Estimate
Income from operations	\$ 445,283
Plus: Depreciation and amortization	<u>290,490</u>
EBITDA	<u>\$ 735,773</u>

Production Facilities EBITDA

	2007
	Estimate
Income (loss) from operations	\$ (1,679)
Plus: Equity in earnings of investment	51,236
Plus: Depreciation and amortization	<u>-</u>
EBITDA	<u>\$ 49,557</u>