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): **May 2, 2007**

Helix Energy Solutions Group, Inc.
(Exact name of registrant as specified in its charter)

Minnesota	**001-32936**	**95-3409686**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

400 N. Sam Houston Parkway E., Suite 400 **Houston, Texas**	**77060**
(Address of principal executive offices)	(Zip Code)

281-618-0400
(Registrant's telephone
number, including area code)

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 (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On May 2, 2007, Helix Energy Solutions Group, Inc. ("Helix") issued a press release announcing its first quarter results of operation for the period ended March 31, 2007. Attached hereto as Exhibits 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.

Item 7.01 Regulation FD Disclosure.

On May 2, 2007, Helix issued a press release announcing its first quarter results of operation for the period ended March 31, 2007. In addition, on May 3, 2007, Helix is making a presentation (with slides) to analysts and investors regarding its financial and operating results. Attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated by reference herein are the press release and the slides for the First Quarter 2007 Earnings Conference Call Presentation issued by Helix.

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.

Item 9.01 Financial Statements and Exhibits.

(c) *Exhibits.*

Number	Description
99.1	Press Release of Helix Energy Solutions Group, Inc. dated May 2, 2007 reporting financial results for the first quarter of 2007.
99.2	First Quarter 2007 Earnings Conference Call Presentation.

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: May 2, 2007

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ A. WADE PURSELL
A. Wade Pursell
Executive Vice President and Chief Financial Officer

Index to Exhibits

Exhibit No.	Description
99.1	Press Release of Helix Energy Solutions Group, Inc. dated May 2, 2007 reporting financial results for the first quarter of 2007.
99.2	First Quarter 2007 Earnings Conference Call Presentation.

Exhibit 99.1

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 **07-009**

Date: May 2, 2007

Contact: **Wade Pursell**
Title: **Chief Financial Officer**

Helix Reports First Quarter Results

HOUSTON, TX —Helix Energy Solutions (NYSE: HLX) reported first quarter net income of $55.8 million, or $0.60 per diluted share.

Summary of Results

(in thousands, except per share amounts and percentages)

	First Quarter 2007	First Quarter 2006	Fourth Quarter 2006
Revenues	$ 396,055	$ 291,648	$ 395,839
Gross Profit	135,615	102,266	150,980
	34%	35%	38%
Net Income	55,820	55,389	162,479*
	14%	19%	41%
Diluted Earnings Per Share	0.60	0.67	1.73*

*Includes gain from sale of Cal Dive IPO of $96.5 million, net of taxes, or $1.02 per diluted share.

Martin Ferron, President and Chief Executive Officer of Helix, stated, “Historically Q1 has been our slowest quarter for earnings due to seasonality and scheduled maintenance activity. This, together with the planned ramp up in our oil and gas production this year, is why we guided that less than 20% of our 2007 earnings would occur in this Q1. Actual earnings were near where we expected, despite production being in the bottom third of our guidance range and another period of unscheduled downtime for the *Q4000*. This points to the continuing strengthening of the market for our Contracting Services and our performance in deepwater pipelay, robotics and shallow water services (Cal Dive) was particularly encouraging. Additionally we were extremely pleased with the outcome of our exploration program adding around 100 bcfe to our proven reserves. Obviously we were delighted to replace more than our anticipated 2007 production in just one quarter.”

"During the improved weather of Q2 we will swing into action with our production enhancement efforts and the results should start to show in Q3. For that reason we expect our Q2 earnings performance to be similar to that achieved in Q1. We have also completed an assessment of the key variables that drive our earnings for the year and that will be covered in the conference call tomorrow. Based on this analysis, we narrow our full year earnings guidance range to $3.00 - $3.90/share."

Financial Highlights

- Revenues: The $104.4 million increase in year-over-year first quarter revenues was driven primarily by significant improvements in contracting services revenues due to the introduction of newly acquired assets and improved market conditions. In addition, Oil and Gas sales increased $50.7 million due primarily to the production added from the Remington acquisition.
- Margins: 34% is essentially flat with the year ago quarter (35%) as improved margins in the Oil and Gas segment ($20.7 million Tulane write off in 1Q 2006) offset lower margins in the Contracting Services segment (*Q4000* downtime in 1Q 2007 due to thruster problems).
- SG&A: $30.6 million increased $9.6 million from the same period a year ago due primarily to increased overhead to support the Company's growth. This level of SG&A was 8% of first quarter revenues, slightly above the 7% in the year ago quarter.
- Interest Expense: $13.0 million is $10.5 million more than the $2.5 million in the first quarter of 2006 due primarily to the debt incurred for the cash portion ($835 million) of the Remington acquisition in July, 2006.
- Equity in Earnings: $6.1 million reflects primarily our share of Deepwater Gateway, L.L.C.'s earnings for the quarter relating to the *Marco Polo* facility.
- Income Tax Provision: The Company's effective tax rate for the quarter was 34% which is essentially the same as last year's first quarter.
- Shares Outstanding: On July 1, 2006, Helix acquired Remington Oil & Gas Corporation for approximately $1.4 billion paying approximately 58% with cash and 42% with Helix stock. The additional shares were the primary cause of total diluted shares outstanding increasing to 94.3 million for the first quarter 2007 from 83.8 million in the first quarter 2006. This increase was partially offset by the Company buying back $50 million (1.7 million shares) of its stock in the open market during the fourth quarter.
- Balance Sheet: Total consolidated debt as of March 31, 2007 was $1.45 billion. This includes $172 million under Cal Dive's new revolving facility which is non-recourse to Helix. We had $203 million of cash and liquid investments on hand as of March 31, 2007. This represents 43% net debt to book capitalization and with $691 million of EBITDAX (excluding the gain on sale of the Cal Dive IPO) over the last twelve months, this represents 1.8 times trailing twelve month EBITDAX.

Further details are provided in the presentation for Helix's quarterly conference call (see the Investor Relations page of www.HelixESG.com). The call, scheduled for 9:00 a.m. Central Daylight Time on Thursday, May 3, 2007, will be webcast live. A replay will be available from the Audio Archives page.

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 reservoirs. Our oil and gas business 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.

FORWARD-LOOKING STATEMENTS

This press release and attached presentation contain 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, 2006 and subsequent quarterly reports on Form 10-Q. We assume no obligation and do not intend to update these forward-looking statements.

HELIX ENERGY SOLUTIONS GROUP, INC.

Comparative Condensed Consolidated Statements of Operations

(in thousands, except per share data)	Three Months Ended Mar. 31, 2007	Three Months Ended Mar. 31, 2006
	(Unaudited)	
Net revenues	$ 396,055	$ 291,648
Cost of sales	260,440	189,382
Gross profit	135,615	102,266
Selling and administrative	30,600	21,028
Income from operations	105,015	81,238
Equity in earnings of investments	6,104	6,236
Net interest expense and other	13,012	2,190
Income before income taxes	98,107	85,284
Income tax provision	33,123	29,091
Minority interest	8,219	—
Net income	56,765	56,193
Preferred stock dividends	945	804
Net income applicable to common shareholders	$ 55,820	$ 55,389
Weighted Avg. Shares Outstanding:		
Basic	89,994	77,969
Diluted	94,312	83,803
Earnings Per Share:		
Basic	$ 0.62	$ 0.71
Diluted	$ 0.60	$ 0.67

Comparative Condensed Consolidated Balance Sheets

(in thousands)	Mar. 31, 2007	Dec. 31, 2006
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and equivalents	$ 183,134	$ 206,264
Short term investments	19,575	285,395
Accounts receivable	385,631	370,709
Other current assets	62,992	61,532
Total Current Assets	651,332	923,900
Net Property & Equipment:		
Contracting Services	836,261	800,503
Oil and Gas	1,505,291	1,411,955
Equity investments	219,720	213,362
Goodwill	824,137	822,556
Other assets, net	123,030	117,911
Total Assets	$ 4,159,771	$ 4,290,187
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 210,688	$ 240,067
Accrued liabilities	190,694	199,650
Income taxes payable	9,969	147,772
Current mat of L-T debt (1)	25,993	25,887
Total Current Liabilities	437,344	613,376
Long-term debt (1)	1,420,764	1,454,469
Deferred income taxes	454,539	436,544
Decommissioning liabilities	139,213	138,905
Other long-term liabilities	7,343	6,143
Minority interest	68,525	59,802
Convertible preferred stock (1)	55,000	55,000
Shareholders' equity (1)	1,577,043	1,525,948
Total Liabilities & Equity	$ 4,159,771	$ 4,290,187

(1) Net debt to book capitalization — 43% at March 31, 2007. Calculated as total debt less cash and equivalents and short-term investments ($1,244,048) divided by sum of total debt less cash and equivalents and short-term investments, convertible preferred stock and shareholders' equity ($2,876,091).

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
Three Months Ended March 31, 2007

Earnings Release:

Balance Sheet: “1.8 times trailing twelve month EBITDAX.”

Reconciliation From Net Income to EBITDAX (excluding gain on sale of Cal Dive IPO):

	1Q07	4Q06	3Q06	2Q06	1Q06
			(in thousands, except ratio)		
Net income applicable to common shareholders	$ 55,820	$ 65,948	$ 57,029	$ 69,139	55,389
Preferred stock dividends	945	945	804	805	804
Income tax provision	28,617	34,166	31,409	35,887	29,091
Net interest expense and other	12,331	13,981	15,103	2,983	2,457
Non-cash stock compensation expense	3,267	2,797	1,910	2,251	1,565
Depreciation and amortization	67,558	61,809	63,879	34,346	33,226
Exploration expense	1,190	1,820	19,520	1,029	22,105
Share of equity investments:	—	—	—	—	—
Depreciation	1,004	1,004	1,004	1,003	1,008
Interest expense, net	(57)	(70)	(59)	(43)	(27)
EBITDAX	$ 170,675	$ 182,400	$ 190,599	$ 147,400	$ 145,618
Trailing Twelve Months EBITDAX	$ 691,074				
Net Debt at March 31, 2007 *(a)*	$ 1,244,048				
Ratio	1.8				

We calculate EBITDAX as earnings before net interest expense, taxes, depreciation and amortization, exploration expense, non-cash stock compensation expense and our share of depreciation, net interest expense and taxes from our equity investments. Further, we reduce EBITDAX for the minority interest in Cal Dive that we do not own. EBITDAX margin is defined as EBITDAX divided by net revenues. These non-GAAP measures are useful to investors and other internal and external users of our financial statements in evaluating our operating performance because it is widely used by investors in our industry to measure a company’s operating performance without regard to items which can vary substantially from company to company and helps investors meaningfully compare our results from period to period. EBITDAX should not be considered in isolation or as a substitute for, but instead is supplemental to, income from operations, net income or other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions which are excluded.

(a) Total debt less cash, cash equivalents and short term investments

Exhibit 99.2

First Quarter 2007
Earnings Conference Call
May 3, 2007

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 statement 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 ending December 31, 2006 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 press release and presentation. 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 Annual Report on Form 10-K for the year ending December 31, 2006.

Presentation Outline

I. Summary of Results and Guidance

II. Operational Highlights by Segment

   A. Contracting Services

   B. Oil & Gas

III. Questions & Answers

Summary of Results

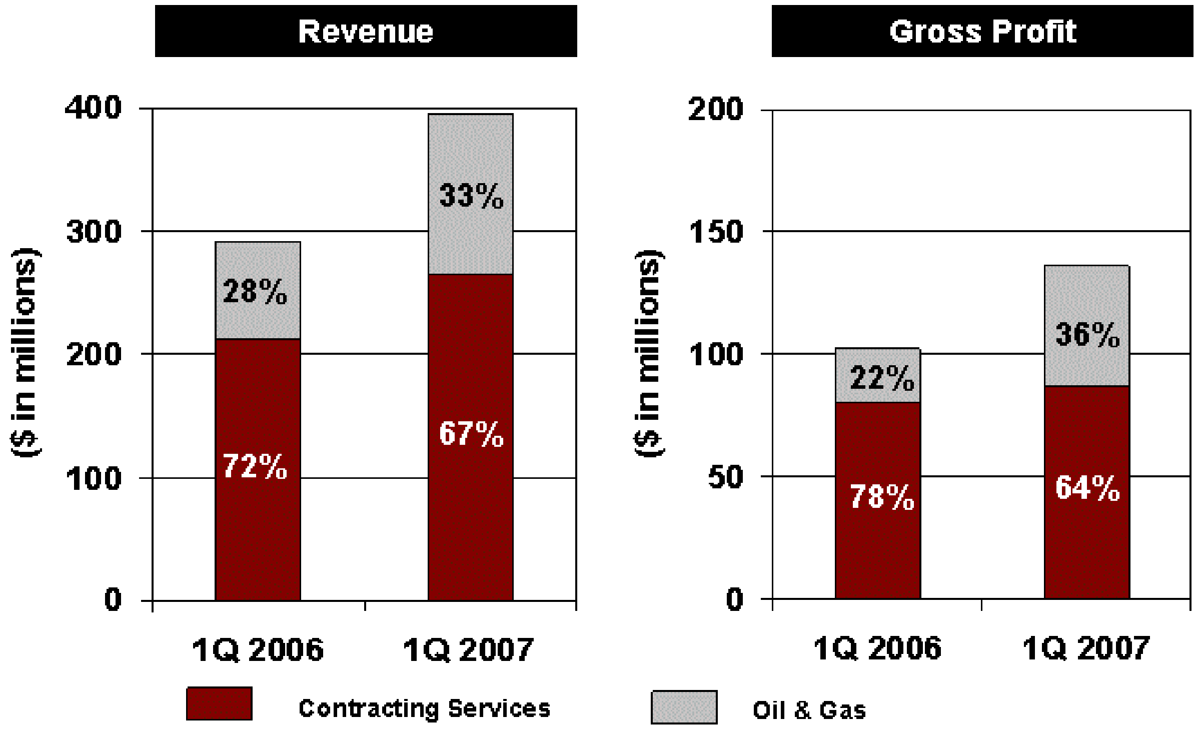
($ in millions, except per share data)

	First Quarter		Fourth Quarter
	2007	**2006**	**2006**
Revenues	$396.1	$291.6	$395.8
Gross Profit	$135.6	$102.3	$151.0
Margins	*34%*	*35%*	*38%*
Net Income	$55.8	$55.4	$65.9 [2]
Margins	*14%*	*19%*	*17%* [2]
Diluted EPS	$0.60	$0.67	$0.71 [2]
EBITDAX [1]	$170.7	$145.6	$182.4 [2]
Margins	*43%*	*50%*	*46%* [2]

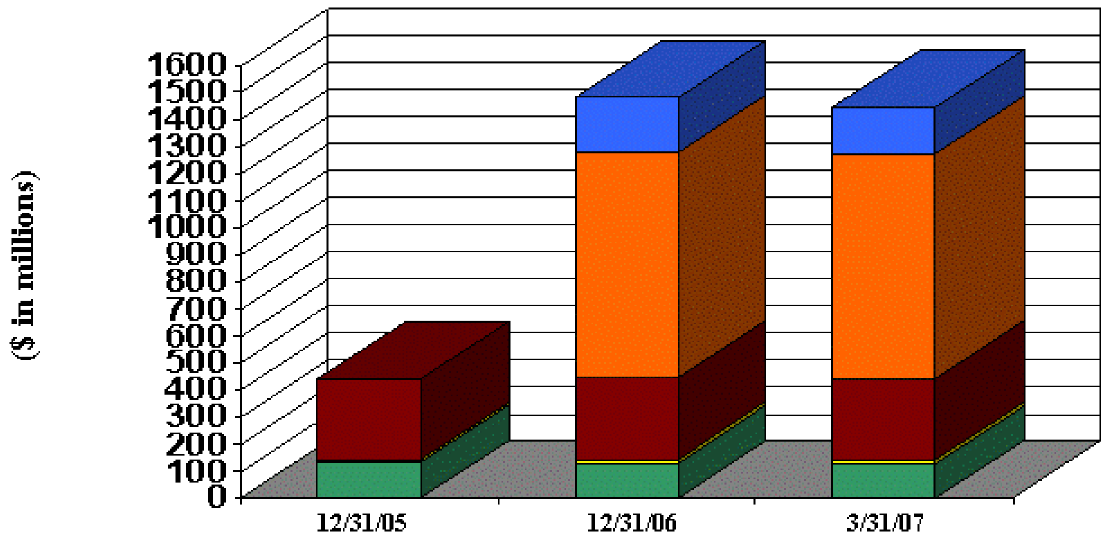
Note 1: See GAAP reconciliation on slide 19.

Note 2: Excludes gain on sale of Cal Dive IPO of $96.5 million, net of tax, or $1.02 per diluted share.

Revenue and Gross Profit by Segment



Long Term Debt



Net Debt To Book Capitalization 40% 38% 43%

Key Guidance Variables – Q1 Performance (1)

($ in millions)

		Annual					
Contracting Services	**-**	**Low**	**Mid**	**High**	**+**	**Q1 Actual**	**Commentary**
Revenues (A)		$1,060		$1,200		$287	May trend higher depending on uptime of *Q4000* before drydock planned for Q3
EBITDA Margins (B)		35%		40%		35%	
Gross Profit Deferral		$25.0		$20.0		$5.4	Timing of internal well P/A activity and construction work accelerated over $5 million of deferral into Q1
Production Facilities – Equity in Earnings		$35.0		$45.0		$5.2	Timing of production start up at the *Independence Hub* is a key driver
Minority Interest – Cal Dive		$29.4		$36.2		$8.2	May trend higher after good start to year

Present Trend

A. Actual Q1 revenues are before intercompany elimination. See GAAP reconciliation on slide 20.

B. See GAAP reconciliation on slides 21 and 22 .

Key Guidance Variables – Q1 Performance (2)

	Annual						
Oil & Gas	**–**	**Low**	**Mid**	**High**	**+**	**Q1 Actual**	**Commentary**
Oil Price ($/Bbl)		$55		$65		$56.36	At this point we expect 2007 commodity prices to fall within our range
Natural Gas Price ($/Mcf)		$7.00		$8.00		$7.66	
Production (Bcfe)		85		95		15.6	Q1/Q2 shortfall will be more challenging to make up in Q3/Q4
LOE ($/Mcfe)		$1.30		$1.20		$1.41	Quarterly performance should improve as production increases
DD&A ($/Mcfe)		$2.90		$2.80		$3.00	
Exploration Expense (in millions)		$35		$30		$1.2	Q1 was second successive quarter with minimal dry hole expense

Present Trend

Key Guidance Variables – Q1 Performance (3)

(in millions, except percentages)

Corporate	Annual -	Annual Low	Annual Mid	Annual High	Annual +	Q1 Actual	Commentary
SG&A (% of Revenue)		8%		7%		8%	Decline related to production ramp-up may be offset by incentive payment accruals in 2H
Effective Tax Rate		35%		34%		34%	
Interest Expense		$70		$60		$13	Quarterly expense will increase as CAPEX is incurred
Average Shares Outstanding		96.5		96.5		94.3	Adjusted for stock repurchase program
CAPEX :							
Contracting Services		$435		$580		$67	– Some discretionary items deferred or cancelled
Oil & Gas		$415		$470		$127	– Trend is to the high side due to exploration success

Present Trend

Contracting Services – Division Reporting (1)

(in millions, except percentages)

	First Quarter				Fourth Quarter	
Revenues [A]	**2007**		**2006**		**2006**	
Deepwater Construction	$92.5		$61.2		$98.0	
Shelf Construction	149.2		119.8		137.0	
Well Operations	35.4		30.2		41.4	
Reservoir/Well Tech	9.8		9.6		9.4	
Contracting Services	$286.9		$220.8		$285.8	
Gross Profit [A]		Margin		Margin		Margin
Deepwater Construction	$29.5	32%	$24.4	40%	$28.8	29%
Shelf Construction	58.0	39%	50.2	42%	53.6	39%
Well Operations	3.7	10%	4.1	14%	14.5	35%
Reservoir/Well Tech	3.0	31%	2.5	26%	3.1	33%
Contracting Services	$94.2	33%	$81.2	37%	$100.0	35%
Equity in Earnings						
Production Facilities	5.2		3.4		5.3	
OTSL (owned by Cal Dive)	0.9		2.8		0.2	

A. Amounts are before intercompany eliminations. See GAAP reconciliation on slide 20.

Contracting Services – Division Reporting (2)

Utilization	First Quarter 2007	First Quarter 2006	Fourth Quarter 2006
Deepwater – Pipelay	93%	100%	95%
– Robotics	70%	70%	67%
Shelf Construction	70%	89%	78%
Well Operations	65%	71%	85%
Marco Polo Production			
Facility Throughput (MBOE)	2,978	1,273	3,653

Contracting Services - Commentary

- Overall profitability was up by 16%, year over year, due to asset additions, and continually improving market conditions.
- The sequential decline in overall profitability was mostly due to seasonality, a planned drydocking for the *Seawell* and unplanned downtime for the *Q4000*, caused by a reoccurrence of thruster issues. These cannot be rebuilt until her drydocking in Q3, and will limit vessel performance in the meantime.
- The improved profitability in Shelf Construction (Cal Dive) points to continued growth well beyond the peak of the underwater activity caused by the 2005 hurricanes.
- Profit margins improved sequentially in Deepwater although we have not yet fully worked through the backlog of lower margin work bid in 2005 for our pipelay assets.
- Our robotics group (Canyon) had an encouraging start to the year with both ROV support work and early season pipe burial projects.
- Although continued downhole safety valve issues caused a decline in throughput at the *Marco Polo* facility, we were pleased to achieve mechanical completion at the *Independence Hub* during the quarter.

Oil & Gas – Financial Highlights

	First Quarter		Fourth Quarter
	2007	2006	2006
Revenue (in millions)	$131.0	$80.3	$123.2
Gross Profit (in millions)	$48.6	$22.6	$53.7
Margin	37%	28%	44%
Production (BCFe)			
• Shelf	12.2	5.4	12.9
• Deepwater	3.4	2.7	2.2
Average Commodity Prices (net of hedging impact):			
• Oil / Bbl	$56.36	$58.71	$56.11
• Gas / Mcf	$7.66	$9.52	$7.36
• Hedge gain (loss) (in millions)	$2.1	$4.9	$2.1

Oil & Gas – Statistics (A)

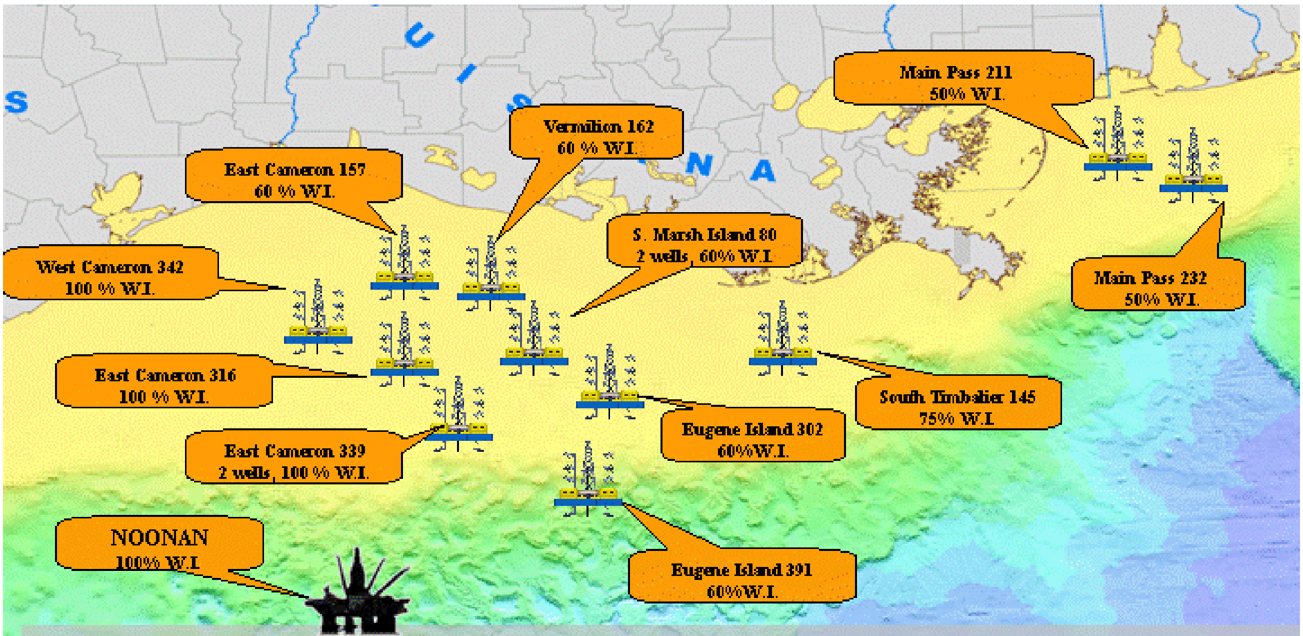
(in millions, except per McFe data)

	First Quarter				Fourth Quarter	
	2007		2006		2006	
	Total	Per Mcfe	Total	Per Mcfe	Total	Per Mcfe
Operating Expenses	$22.0	$1.41	$11.9	$1.43	$20.5	$1.38
Exploration Expense(B)	1.2	0.08	22.1	2.67	1.1	0.07
Repair & Maintenance	6.6	0.42	3.7	0.45	1.5	0.10
DD&A	46.9	3.01	18.2	2.19	43.9	2.95
Other	3.8	0.25	1.9	0.22	2.5	0.17
	$80.5	$5.17	$57.8	$6.96	$69.5	$4.67

(A) Gulf of Mexico only.

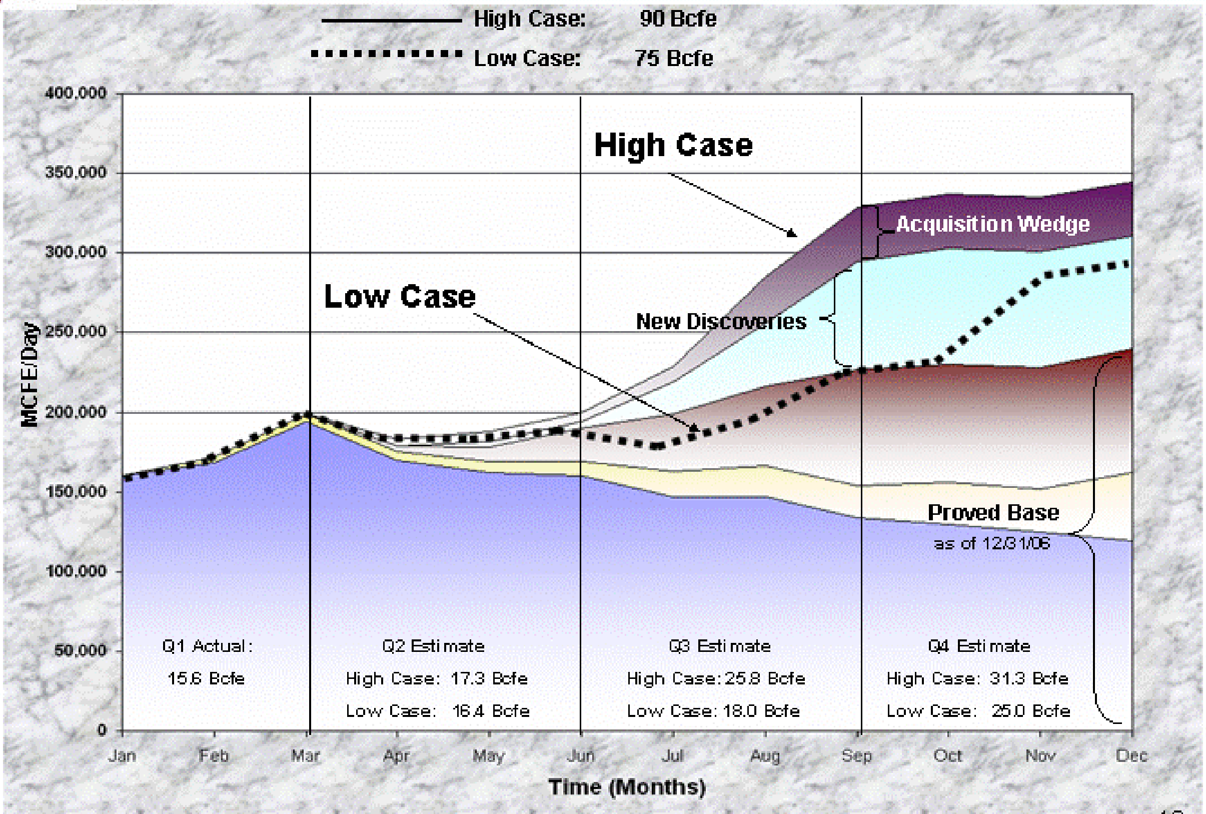
(B) Includes expenditures on seismic data.

Exploration Report Card (since 7/1/06)



- *14 /16 Exploratory Wells Drilled Were Discoveries (7/06-3/07)*
- *Est. Discovered Reserves: >115 Bcfe Proved*
- *Est. Finding & Development Cost of: < $2.50 Mcfe Proved*

Production Update



Helix Hedges - As Of March 31, 2007

Production Period	Instrument Type	Average Monthly Volumes	Weighted Average Price
Crude Oil			
April 2007 - December 2007	Collars	100 MBbl	\$50.00 – \$67.55
April 2007 – June 2007	Forward Sale	30 MBbl	71.10
January 2008 – June 2008	Collars	60 MBbl	55.00 – 73.58
Natural Gas			
April 2007 – June 2007	Collars	600,000 MMBtu	7.83 – 10.28
July 2007 – December 2007	Collars	1,083,333 MMBtu	7.50 – 10.10
April 2007 - June 2007	Forward Sale	606,666 MMBtu	9.72
January 2008 – June 2008	Collars	900,000 MMBtu	7.25 – 10.73

NON-GAAP MEASURE RECONCILIATIONS

Non-GAAP Measure Reconciliations

Slide 4 (Summary of Results):

Reconciliation From Net Income to EBITDAX (excluding gain on sale of Cal Dive IPO):

		1Q07		1Q06		4Q06
		(In thousands, except percentages)				
Net income applicable to common shareholders	$	55,820	$	55,389	$	65,948
Preferred stock dividends		945		804		945
Income tax provision		28,617		29,091		34,166
Net interest expense and other		12,331		2,457		13,981
Non-cash stock compensation expense		3,267		1,565		2,797
Depreciation and amortization		67,558		33,226		61,809
Exploration expense		1,190		22,105		1,820
Share of equity investments:		-		-		-
Depreciation		1,004		1,008		1,004
Interest expense, net		(57)		(27)		(70)
EBITDAX	$	170,675	$	145,618	$	182,400
Net Revenues	$	396,055	$	291,648	$	395,839
EBITDAX Margin (EBITDAX / Net Revenues)		43%		50%		46%

We calculate EBITDAX as earnings before net interest expense, taxes, depreciation and amortization, exploration expense, non-cash stock compensation expense and our share of depreciation, net interest expense and taxes from our equity investments. Further, we reduce EBITDAX for the minority interest in Cal Dive that we do not own. EBITDAX margin is defined as EBITDAX divided by net revenues. These non-GAAP measures are useful to investors and other internal and external users of our financial statements in evaluating our operating performance because it is widely used by investors in our industry to measure a company's operating performance without regard to items which can vary substantially from company to company and helps investors meaningfully compare our results from period to period. EBITDAX should not be considered in isolation or as a substitute for, but instead is supplemental to, income from operations, net income or other income data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions which are excluded.

Non-GAAP Measure Reconciliations cont.

Slide 7 and 10 (Contracting Services):	1Q07	1Q06	4Q06
	(in thousands, except percentages)		
Revenues:			
Deepwater Construction	$ 92,537	$ 61,220	$ 97,980
Shelf Construction	149,226	119,790	136,999
Well Operations	35,379	30,206	41,378
Reservoir/Well Tech	9,801	9,605	9,426
Intercompany elimination Deepwater Construction	(11,761)	(5,254)	(9,305)
Intercompany elimination Shelf Construction	(7,259)	(2,330)	(1,283)
Intercompany elimination Well Operations	(2,835)	(1,901)	(2,508)
Revenues as Reported	$ 265,088	$ 211,336	$ 272,687
Gross Profit:			
Deepwater Construction	$ 29,529	$ 24,459	$ 28,804
Shelf Construction	57,952	50,206	53,643
Well Operations	3,704	4,117	14,530
Reservoir/Well Tech	3,002	2,509	3,075
Corp & Ops Support	(1,741)	(1,647)	(1,708)
Intercompany elimination Deepwater Construction	(2,018)	-	(303)
Intercompany elimination Shelf Construction	(3,395)	-	(716)
Intercompany elimination Well Operations	-	-	-
Gross Profit as Reported	$ 87,033	$ 79,644	$ 97,325
Gross Profit Margin	33%	38%	36%

Non-GAAP Measure Reconciliations cont.

Slide 7:

Contracting Services EBITDA Margins:

	2007 Estimate	
	Low	**High**
	(in thousands, except percentages)	
Income from operations	$ 273,000	$ 381,000
Plus: Equity in earnings of investment	-	-
Plus: Depreciation and amortization	94,000	94,000
EBITDA	$ 367,000	$ 475,000
Revenues	$ 1,060,000	$ 1,200,000
EBITDA Margin (EBITDA /Revenues)	35%	40%

Non-GAAP Measure Reconciliations cont.

Slide 7:

Contracting Services EBITDA Margins (amounts before intercompany eliminations):

	1Q07
	(in thousands, except percentages)
Income from operations	$ 71,213
Plus: Equity in earnings of OTSL	952
Plus: Equity in earnings of production facilities investments and other	5,152
Plus: Depreciation and amortization	20,065
Plus: Stock compensation expense	2,707
Plus: Interest expense	(57)
EBITDA	$ 100,032
Revenues	$ 286,943
EBITDA Margin (EBITDA /Revenues)	35%