

Helix Energy Solutions Group, Inc.
Reconciliation of Non GAAP Measures
Three Months Ended June 30, 2006

Earnings Release:

Contracting Services EBITDA:

	<u>2Q06</u>	<u>2Q05</u>
Income from operations	\$ 69,073	\$ 8,901
Plus: Equity in earnings of investment	4,520	2,708
Plus: Depreciation and amortization	14,175	19,604
Plus: Share of equity investments:		
Depreciation	1,242	997
Interest expense, net	75	-
Contracting Services EBITDA	<u>\$ 89,085</u>	<u>\$ 32,210</u>
Total EBITDA (see below)	<u>\$ 146,728</u>	<u>\$ 72,717</u>
Percent of total EBITDA	<u>61%</u>	<u>44%</u>

Balance Sheet: "...0.9 times trailing twelve month EBITDA."

Reconciliation From Net Income to EBITDA:

	<u>2Q06</u>	<u>1Q06</u>	<u>4Q05</u>	<u>3Q05</u>
	(in thousands, except ratio)			
Net income applicable to common shareholders	\$ 69,139	\$ 55,389	\$ 56,006	\$ 42,671
Dividends on preferred stock	805	804	804	550
Income tax provision	35,887	29,091	20,601	25,099
Net interest expense and other adjustments	2,983	2,457	2,691	2,766
Non-cash stock compensation expense	2,251	1,565	673	311
Depreciation and amortization	34,346	53,972	26,758	28,746
Share of Equity Investments:				
Depreciation	1,242	1,240	1,220	1,200
Interest Expense, net	75	99	46	143
EBITDA	<u>\$ 146,728</u>	<u>\$ 144,617</u>	<u>\$ 108,799</u>	<u>\$ 101,486</u>
Trailing Twelve Months EBITDA	<u>\$ 501,630</u>			
Total Debt at June 30, 2006	<u>\$ 444,286</u>			
Ratio	<u>0.9</u>			

Earnings Conference Call Presentation:

Slide 4 (Summary of Results):

Reconciliation From Net Income to EBITDA:

	<u>2Q06</u>	<u>2Q05</u>	<u>1Q06</u>
	(in thousands, except percentages)		
Net income applicable to common shareholders	\$ 69,139	\$ 26,027	\$ 55,389
Dividends on preferred stock	805	550	804
Income tax provision	35,887	14,779	29,091
Net interest expense and other adjustments	2,983	913	2,457
Non-cash stock compensation expense	2,251	204	1,565
Depreciation and amortization	34,346	29,247	53,972
Share of Equity Investments:			
Depreciation	1,242	997	1,240
Interest Expense, net	75	-	99
EBITDA	<u>\$ 146,728</u>	<u>\$ 72,717</u>	<u>\$ 144,617</u>
Revenues	<u>\$ 305,013</u>	<u>\$ 166,531</u>	<u>\$ 291,648</u>
EBITDA Margin (EBITDA / Net Revenues)	<u>48%</u>	<u>44%</u>	<u>50%</u>

Slide 8 (Long Term Debt):

	<u>7/1/2006</u>
	(in thousands, except percentages)
Pro Forma Debt at July 1, 2006	\$ 1,279,286
Pro Forma Book Capitalization at July 1, 2006 ⁽¹⁾	<u>2,677,324</u>
Pro Forma Debt to Book Capitalization	<u>48%</u>

⁽¹⁾ Book capitalization defined as total debt, plus convertible preferred stock plus shareholders' equity.

Slide 9 (Contracting Services):

	<u>2Q06</u>	<u>2Q05</u>	<u>1Q06</u>
	(in thousands, except percentages)		
Revenues as Shown	\$ 237,354	\$ 103,391	\$ 220,821
Intercompany Revenue Elimination	(13,451)	(4,450)	(9,485)
Revenues as Reported	<u>\$ 223,903</u>	<u>\$ 98,941</u>	<u>\$ 211,336</u>
Gross Profit as Shown	\$ 91,190	\$ 17,577	\$ 79,644
Asset Impairments	-	(790)	-
Intercompany Profit Elimination	(997)	-	-
Gross Profit as Reported	<u>\$ 90,193</u>	<u>\$ 16,787</u>	<u>\$ 79,644</u>
Revenues as Reported	<u>\$ 223,903</u>	<u>\$ 98,941</u>	<u>\$ 211,336</u>
Gross Profit Margin	<u>40%</u>	<u>17%</u>	<u>38%</u>

Slide 12 (CS-Shelf Construction):

	<u>2Q06</u>	<u>2Q05</u>	<u>1Q06</u>
	(in thousands, except percentages)		
Revenues as Shown	\$ 124,765	\$ 40,699	\$ 119,790
Intercompany Revenue Elimination	(3,236)	(511)	(2,330)
Revenues as Reported	<u>\$ 121,529</u>	<u>\$ 40,188</u>	<u>\$ 117,460</u>
Gross Profit as Shown	\$ 60,944	\$ 9,584	\$ 50,205
Asset Impairments	-	(790)	-
Intercompany Profit Elimination	(749)	-	-
Gross Profit as Reported	<u>\$ 60,194</u>	<u>\$ 8,794</u>	<u>\$ 50,205</u>
Revenues as Reported	<u>\$ 121,529</u>	<u>\$ 40,188</u>	<u>\$ 117,460</u>
Gross Profit Margin	<u>50%</u>	<u>22%</u>	<u>43%</u>

Slide 18 (Oil and Gas Production):

	<u>2Q06</u>	<u>2Q05</u>	<u>1Q06</u>
	(in thousands, except percentages)		
Gross Profit Before Asset Impairment	\$ 41,499	\$ 38,389	\$ 43,369
Asset Impairments	-	(2,757)	(20,746)
Gross Profit as Reported	<u>\$ 41,499</u>	<u>\$ 35,632</u>	<u>\$ 22,623</u>
Revenues as Reported	<u>\$ 81,110</u>	<u>\$ 67,590</u>	<u>\$ 80,312</u>

Gross Profit Margin

51%

53%

28%