



**Fourth Quarter 2006
Earnings Conference Call
February 27, 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 relating to services; and any statements of assumptions underlying any of the foregoing. Although [we] [Helix] believes that the expectation effected 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, 2005 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, which we expect to file on March 1, 2007.



Presentation Outline



- I. Summary of Results
- II. Operational Highlights by Segment
 - A. Contracting Services
 - B. Oil & Gas
- III. Status of Capital Projects (Services)
- IV. Questions & Answers



2006 Results – IPO Impact

(\$MM, except per share data)

Reported Net Income	\$344.0
Fourth Quarter Gain on Sale, net of tax	<96.5>
Incremental Overhead during 2006 (\$8MM pre-tax)	5.3
Net Income, ex. IPO impact	<u>\$252.8</u>
Diluted EPS	<u><u>\$2.85</u></u>



Summary of Results

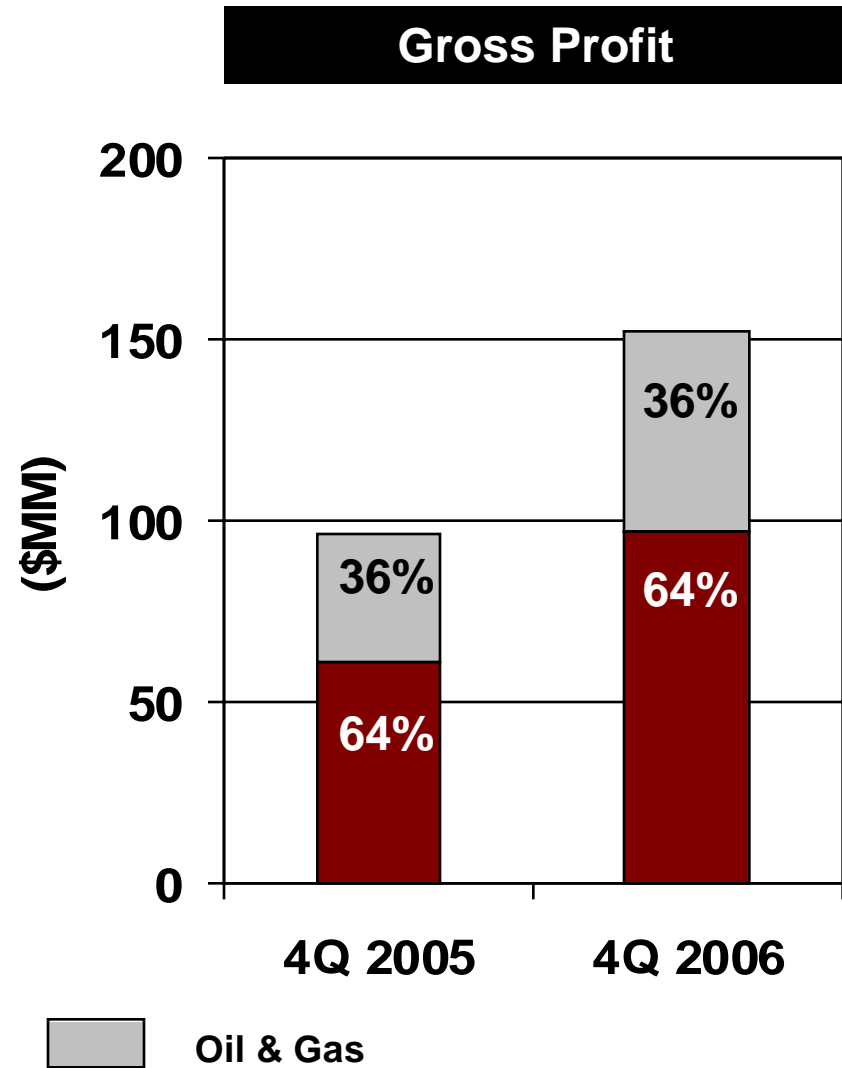
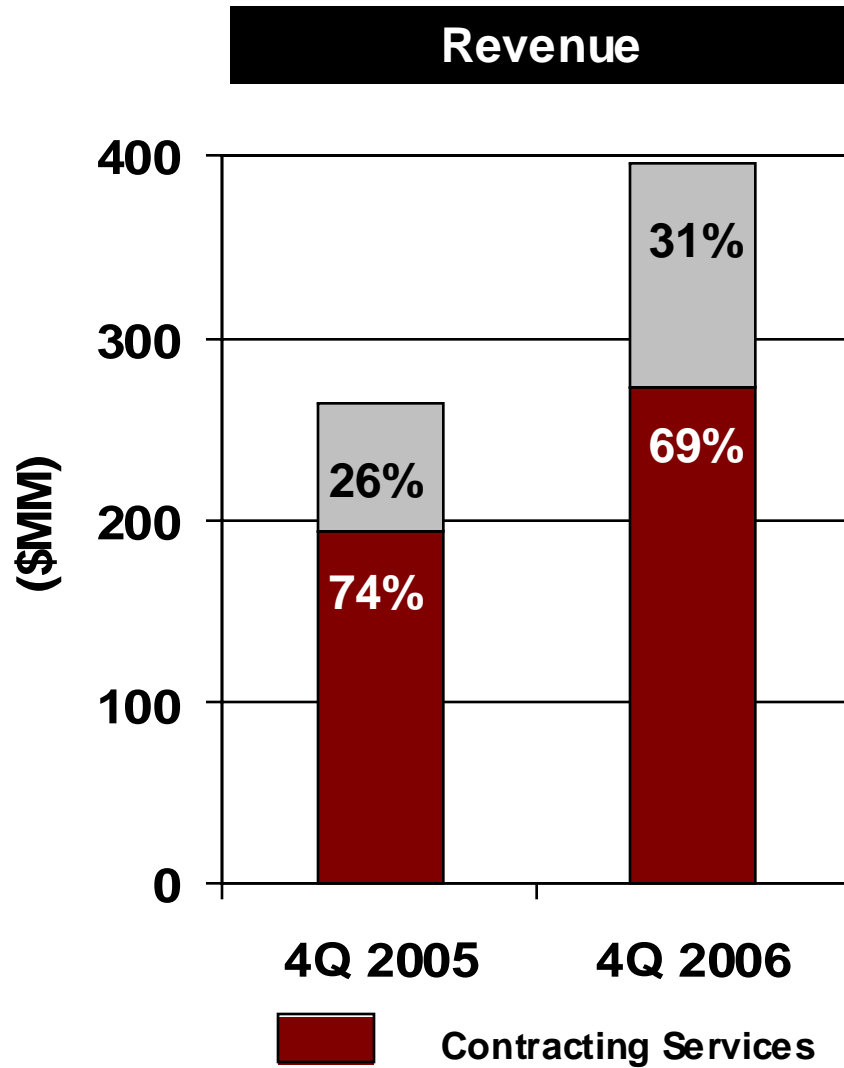
(\$MM, except per share data)

	Fourth Quarter		Third Quarter
	2006	2005	2006
Revenues	\$395.8	\$264.0	\$374.4
Gross Profit	151.0	95.9	130.5
<i>Margins</i>	38%	36%	35%
Net Income	162.5	56.0	57.0
<i>Margins</i>	41%	21%	15%
Diluted EPS	1.73	0.69	0.60
EBITDAX⁽¹⁾	405.8	109.3	191.0
<i>Margins</i>	103%	41%	51%

Note 1: See reconciliation in the attached financial summary

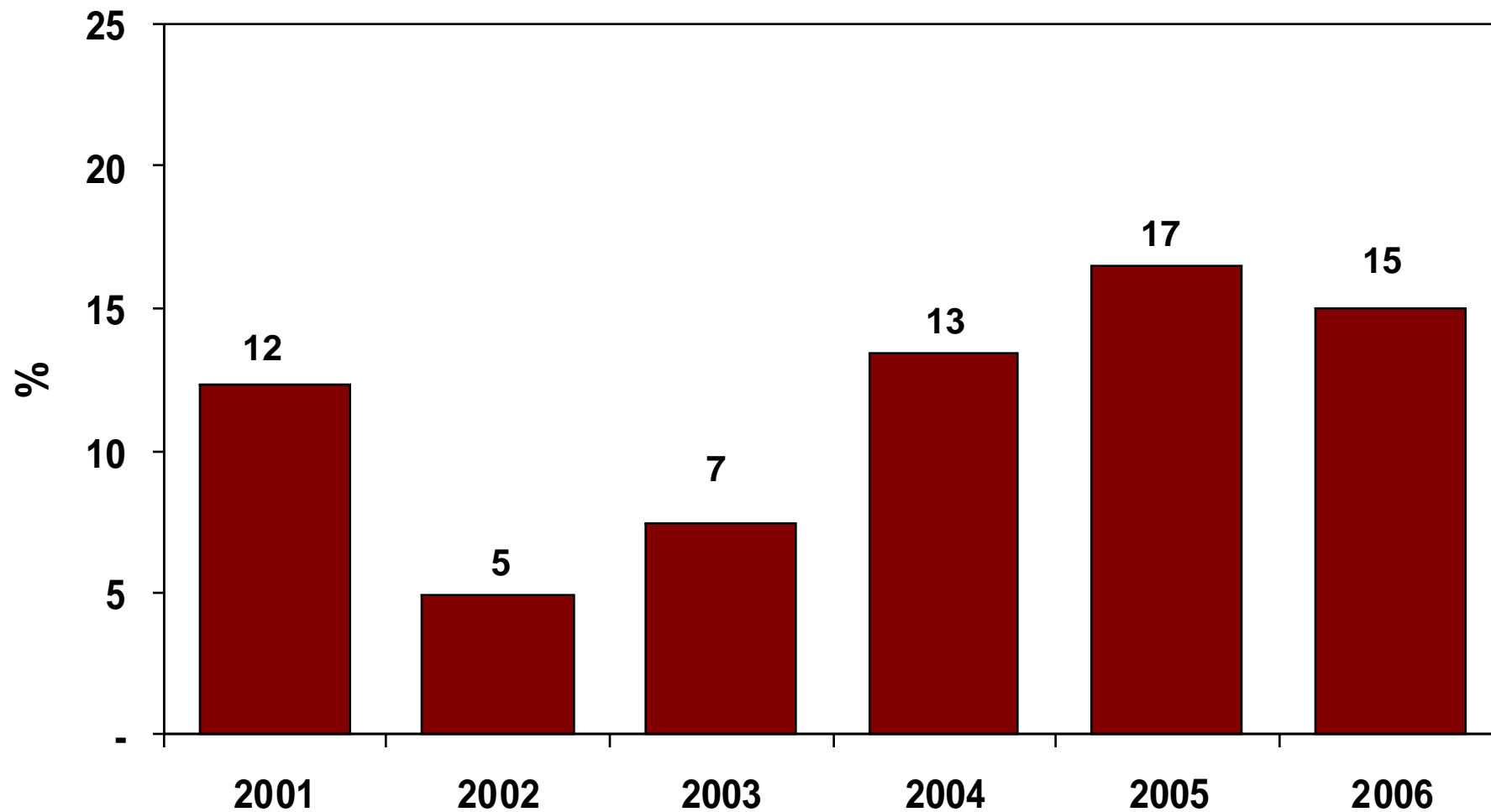


Revenue and Gross Profit by Segment





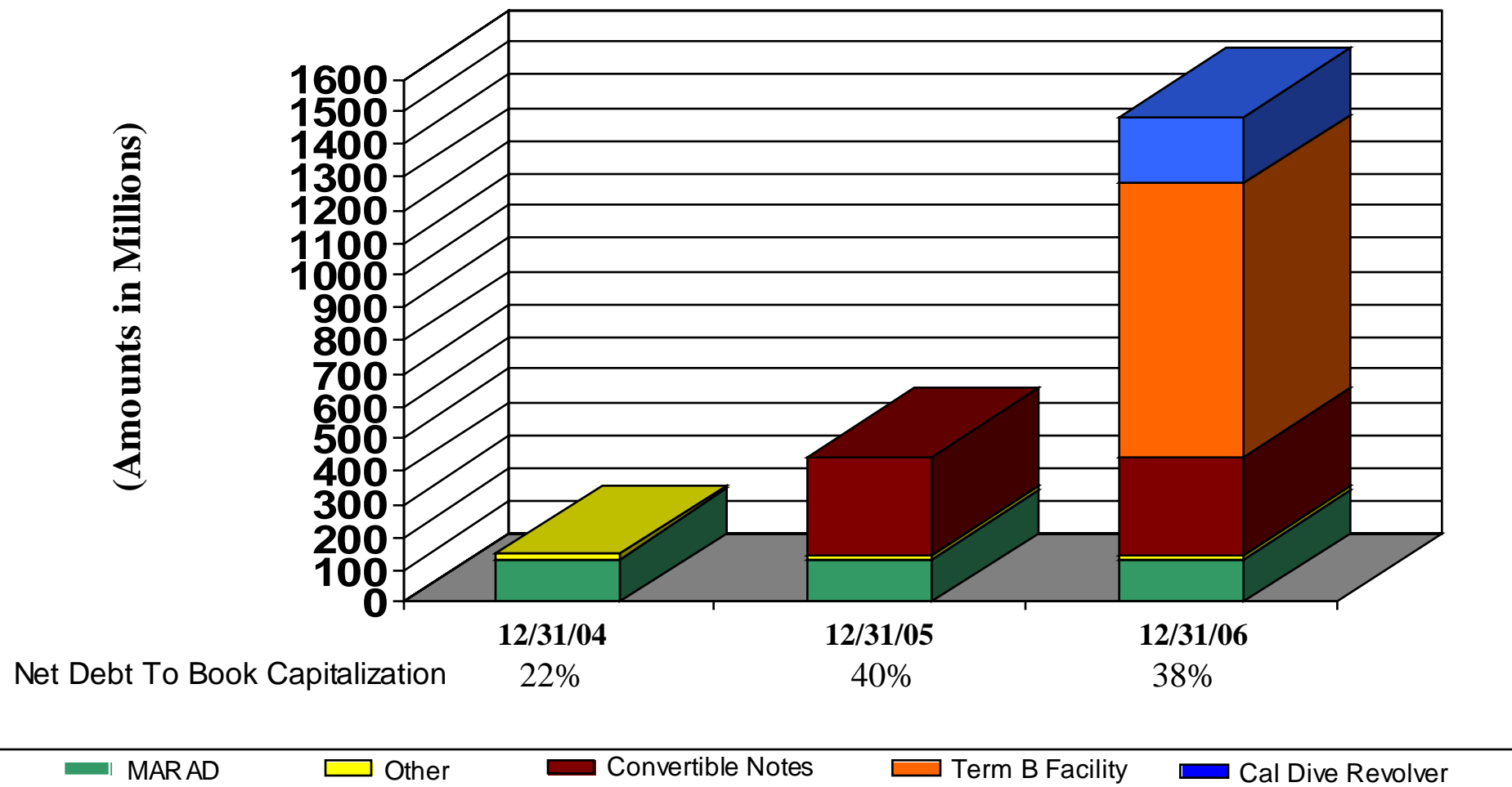
Return on Capital Invested



(See GAAP reconciliation at Company's website – www.HelixESG.com)

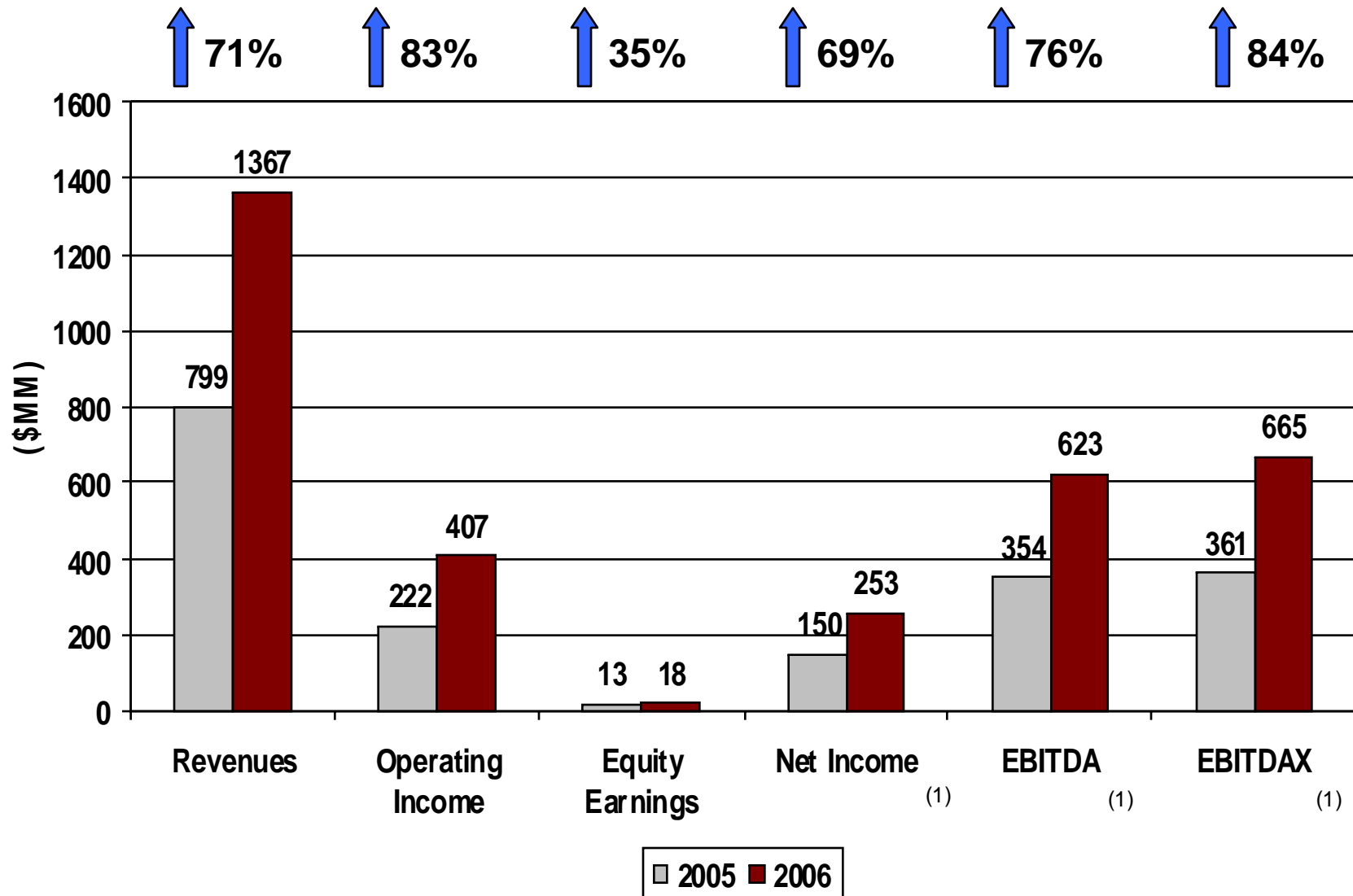


Long Term Debt





Continuation of Growth Story in 2006



(1) 2006 results exclude the impact of the Gain on Sale in the Cal Dive IPO and estimated incremental overhead costs during the year.



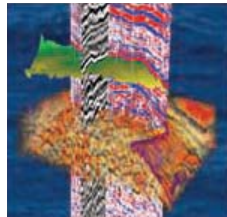
2006 Highlights



- Announcement of New Build Well Intervention Vessel for North Sea
- Planning of Drilling Upgrade for *Q4000*
- Planning for *H4500*



- Acquisition of Remington Oil & Gas
- Acquisition of Phoenix (a.k.a. Typhoon) Field



- Integration of Helix RDS



- Investment in 4 New ROVs
- Integration of Torch and Stolt (GOM) Acquisitions
Partial IPO of Cal Dive
- Purchase of Caesar and Planning of Conversion
Completion of Upgrade of Express



- Continuation of *Independence Hub* Construction
- Commencement of *Helix Producer I* Conversion



Contracting Services Summary



(\$MM)	Fourth Quarter		Third Quarter
	2006	2005	2006
Revenues	285.8	203.2	251.2
Gross Profit	98.3	60.8	91.9
GPM	34%	30%	37%

Note:

1. Amounts are before intercompany eliminations

Fourth Quarter Review

- Overall revenues increased by 14% sequentially mainly driven by the return to service of the *Q4000* and *Express*, the introduction of the *Kestrel* and a full quarter of contributions from the assets acquired from Fraser Diving.
- Gross profit margins showed a five point improvement year over year and were off two points sequentially, with the latter largely due to seasonality and international start up costs.



Deepwater Construction



	Fourth Quarter		Third Quarter
(\$MM)	2006	2005	2006
Revenues	98.0	61.5	72.6
Gross Profit	28.8	18.3	24.5
GPM	29%	30%	34%
Utilization:			
Pipelay	95%	96%	66%
Robotics	67%	75%	82%

Note: amounts are before intercompany eliminations

Fourth Quarter Review

- The *Express* returned to work in early October after completion of the upgrade program and had good utilization in the North Sea, while the *Intrepid* had another excellent quarter of performance in the Gulf of Mexico.
- Canyon Offshore , our robotics division, had another strong quarter to cap a record year, although ROV utilization did drop off due to seasonality, especially in the North Sea region.



Deepwater Construction



First Quarter and 2007 Outlook:

- Both the *Intrepid* and the *Express* have strong backlogs and pricing continues to escalate in accordance with our expectations. The *Express* is due to leave for the year long, project in East Indian waters, during Q3.
- The *Intrepid* has a 30 day drydocking scheduled for Q2.
- We expect Q1 to be similar to Q4/06 for our robotics group with the seasonal slowdown in North Sea ROV activity continuing into early Q2.
- The robotics group recently received an LOI with a major contractor for a significant pipe burial contract.



Shelf Construction



	Fourth Quarter		Third Quarter
(\$MM)	2006	2005	2006
Revenues	137.0	97.1	128.4
Gross Profit	53.6	33.6	57.7
GPM	39%	35%	45%
Utilization	77%	85%	83%

Note: amounts are before intercompany eliminations



Fourth Quarter Review

- These results will be discussed on a separate Cal Dive Conference call at 11:00 AM today (2/27/2007)



Well Operations



	Fourth Quarter		Third Quarter
(\$MM)	2006	2005	2006
Revenue	41.4	39.1	40.8
Gross Profit	14.5	9.4	8.3
GPM	35%	24%	20%
Utilization	85%	98%	86%

Note: Amounts are before intercompany eliminations.

Fourth Quarter Review

- The *Seawell* achieved full utilization on a winter intervention campaign for Shell on old contract rates, while the *Q4000* returned to higher margin well operations work following the replacement of a rebuilt thruster.

First Quarter and 2007 Outlook

- The *Seawell* commenced the new contract with Shell, on better terms in January and she entered dry-dock in mid February for 30 days of maintenance. After that she is booked for the rest of the year at good rates.
- The *Q4000* has a good backlog of both construction and well intervention work before she is due to enter her scheduled dry-dock in Q3 that is expected to last 75 days. The drilling package will also be installed during that time.



2007 Drydock Schedule



	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
<i>Eclipse (A)</i>	X			
<i>Cal Diver II (A)</i>	X			
<i>Seawell</i>	X			
<i>Kestrel (A)</i>		X		
<i>Intrepid</i>		X		
<i>American Triumph (A)</i>		X		
<i>Brave (A)</i>		X		
<i>Q4000</i>			X	
<i>Mr. Jack (A)</i>			X	
<i>Sterling Pony (A)</i>			X	
<i>American Star (A)</i>			X	

(A) Cal Dive vessel



Production Facilities



	Fourth Quarter		Third Quarter
	2006	2005	2006
Equity in Earnings (\$MM)	5.3	3.1	5.1
Production Throughput (MBOE)	3,653	1,109	3,148

Fourth Quarter Review

- Production through *Marco Polo* improved sequentially but continued below expectations due to well start-up delays and a *K2-North* well shut-in due to safety valve failure. By late in the fourth quarter, combined production from the *Marco Polo* and five *K2/K2 North* wells was about 46,000 BOED. Integration of the *Independence Hub* topsides and Hull occurred as planned.

First Quarter and 2007 Outlook

- *Marco Polo*: The field operator began well-work on the GC608 wells in late Q4 and still expects to add 2,000 to 5,000 BOEPD from these wells. They also expect to have a rig available during Q1 2007 to repair the K2N valve and bring this well back online at 7,000 to 8,000 BOEPD. The *Genghis Khan* PUD sale to the Shenzi Partners was closed in early Q1 2007 with a commitment to tie-back up to three wells through the existing infrastructure beginning in June.
- *Independence Hub*: Installation of the Hub is underway with mechanical completion still expected by the end of March and production start-up is likely to occur in Q3. We will receive \$11 million in demand fees per year and approximately \$1.8 million for every 100 mmcfed of throughput.



Reservoir and Well Tech Services



(\$MM)	Fourth Quarter	Third Quarter
	2006	2006
Revenues	9.4	9.5
Gross Profit	3.1	3.0
GPM	33%	32%

Fourth Quarter Review

- Revenue and gross profit were essentially flat with Q3 levels. For this first full year since the acquisition of Helix RDS, revenue exceeded our expectations by 8% and gross margins were one point better. This was achieved as a result of being able to achieve utilization levels and higher professional fees than those originally budgeted.

First Quarter and 2007 Outlook

- Since staff recruitment and retention remain our key challenges in a very competitive market place, Q1 revenue and gross profit are expected to remain in line with in Q4/06. Continued modest growth is predicted for 2007 as a whole.



Oil & Gas – Financial Highlights

	<u>Fourth Quarter</u>		<u>Third Quarter</u>
	2006	2005	2006
Revenue (\$MM)	123.2	69.4	145.0
Gross Profit (\$MM)	53.7	35.1	44.6
GPM	44%	51%	31%
<u>Production (BCFe)</u>			
• Shelf	12.9	4.6	13.3
• Gunnison	2.2	2.1	2.3
<u>Average Commodity Prices</u> (net of hedging impact):			
• Oil / Bbl	\$56.11	\$54.31	\$62.55
• Gas / Mcf	\$7.36	\$11.36	\$7.61
• Hedge gain (loss) (\$MM)	2.1	(6.2)	0.6



Oil & Gas – Statistics

LOE (\$MM except per Mcfe amounts)	<u>Fourth Quarter</u>		<u>Third Quarter</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>
Operating Expenses	\$23.5	\$10.6	\$26.8
Repair & Maintenance	.1	8.0	6.9
Total LOE	\$23.6	\$18.6	\$33.7
Per McFe	\$1.59	\$2.80	\$2.16
DD&A	\$45.5	\$15.6	\$48.8
Per McFe	\$3.06	\$2.34	\$3.13
			<u>Pro Forma</u>
<u>Proved Reserves (BcFe)</u>	<u>Dec 31, 2006</u>	<u>Dec 31, 2005</u>	<u>Dec. 31, 2005</u>
PDP	141.5	44.0	154.2
PDNP	94.7	57.9	107.2
PUD	300.0	123.4	242.8
Total	536.2	225.3	504.2



Oil & Gas - Commentary

Fourth Quarter Review:

- Shelf Production was 0.5 BCFe lower sequentially, and was around 0.9 BCFe lower than the bottom of our expectation range due to continued pipeline shut-ins and the late start up of production from the deepwater *Tiger* field. Natural gas made up 59% of the overall Q4 production.
- We incurred no 'dry-hole' cost in the quarter and have now drilled seven consecutive successful wells since the last earnings release, including the deepwater *Noonan* prospect (see slide 22).

First Quarter and 2007 Outlook:

- We are still suffering from the impact of pipeline shut-ins, but the extent is now down to < 10 mmcfed.
- Production from the deepwater *Tiger* field started in late December and an additional Shelf discovery will be brought onstream during the quarter.
- Our overall production estimate for Q1 is 15 – 18 BCFe and we still expect total production for 2007 to be in the range of 85 – 95 BCFe.
- Production will ramp up as we convert PUDs, via development work, as illustrated on slides 23 and 24.
- Exciting near term drilling activity includes either the second prospect in the *Noonan* area or the *Bishop* prospect in Green Canyon 250.



Exploration Drilling Results Update

Location	Working Interest	Net Risked Reserves Potential (BCFE)	Comments
S. Marsh Island - 80A3	60%	8	Discovery
S. Timbalier 145 #1	75%	8	Discovery
E. Cameron 339 #1	100%	12 – 24 2 Wells	Discovery Drilling #2 Well
Main Pass 232 #1	50%	4	Discovery
Main Pass 211 #1	50%	5	Discovery
Garden Banks 506 #1- Noonan	100%	100 +	Discovery
E. Cameron 157 #1	60%	13	Discovery



PUD Drilling/Completion Activity

Well Name	Working Interest %	Operator	Current Activity
Main Pass185 #1	50	Cimarex	Waiting on Pipeline
Main Pass 200 #1	50	Cimarex	Completing/ Waiting on pipeline
Main Pass 241 #1	50	Cimarex	Waiting on Pipeline
West Cameron 170 C-2	42	NEXEN	Producing
Atwater Valley 426 "Bass Lite"	18	Mariner	Drilling/Completing 2 wells
Garden Banks 344 "Devil's Island"	100/65	ERT	Q3/Q4 Drilling
Garden Banks 668 "Gunnison"	20	Anadarko	Well Planned for Q3



Development Projects – Near Term

Project Name	Working Interest	Current Activity	Estimated Initial Rate	1 st Production
	%		(Net MMCFE/D 6:1)	Est. Start Date
Eugene Island 391	60	Flowline Installed	5	2/15/07
Eugene Island 302	60	Flowline Installed	5	2/15/07
West Cameron 342	100	Waiting on Platform/Pipeline Install	4	Q2/07
Vermilion 162	100	Waiting on Platform/Pipeline Install	5	Q2/07
South Timbalier 145	75	Planning Development	3	Q3/07
East Cameron 339	100	Planning Development	10	Q3/07
Main Pass Area 5 Developments	20-50	Completing Wells Subsea tie-backs	15-20	Q2-Q3/07
East Cameron 157	60	Planning Development	5-10	Q3/07



Helix Hedges - As Of February 26, 2007

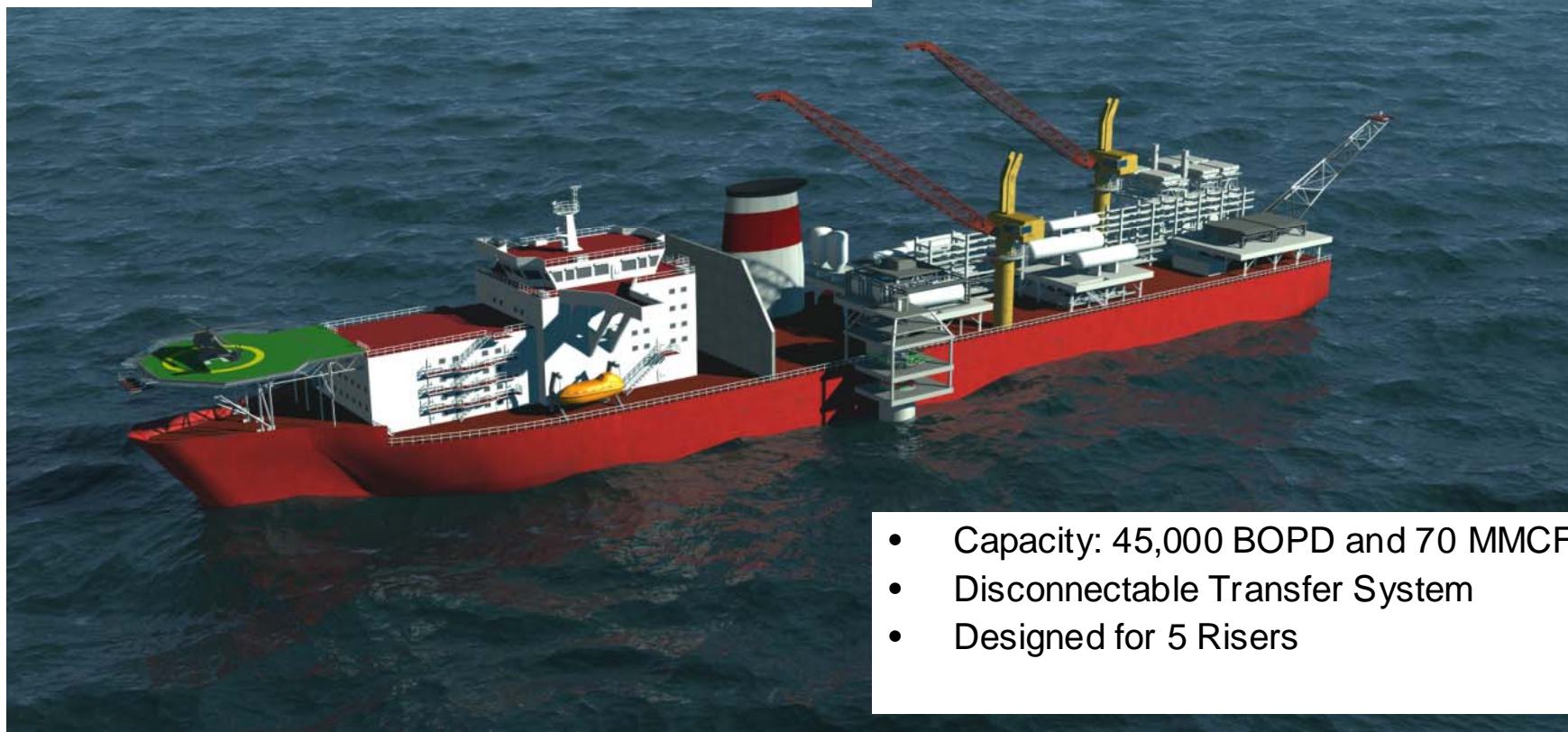
<u>Production Period</u>	<u>Instrument Type</u>	<u>Average Monthly Volumes</u>	<u>Weighted Average Price</u>
<u>Crude Oil</u>			
December 2006	Collars	125 MBbl	\$44.00 - \$70.48
January 2007 - December 2007	Collars	98 MBbl	49.74 - 66.96
January 2007 – June 2007	Forward Sale	40 MBbl	70.83
January 2008 – June 2008	Collars	60 MBbl	75.58
<u>Natural Gas</u>			
January 2007 – June 2007	Collars	650,000 MMBtu	7.85 – 12.90
July 2007 – December 2007	Collars	1,083,333 MMBtu	7.50 – 10.10
January 2007 - June 2007	Forward Sale	750,833 MMBtu	9.49
January 2008 – March 2008	Collars	600,000 MMBtu	7.50 – 12.55



Organic Growth Capital Projects

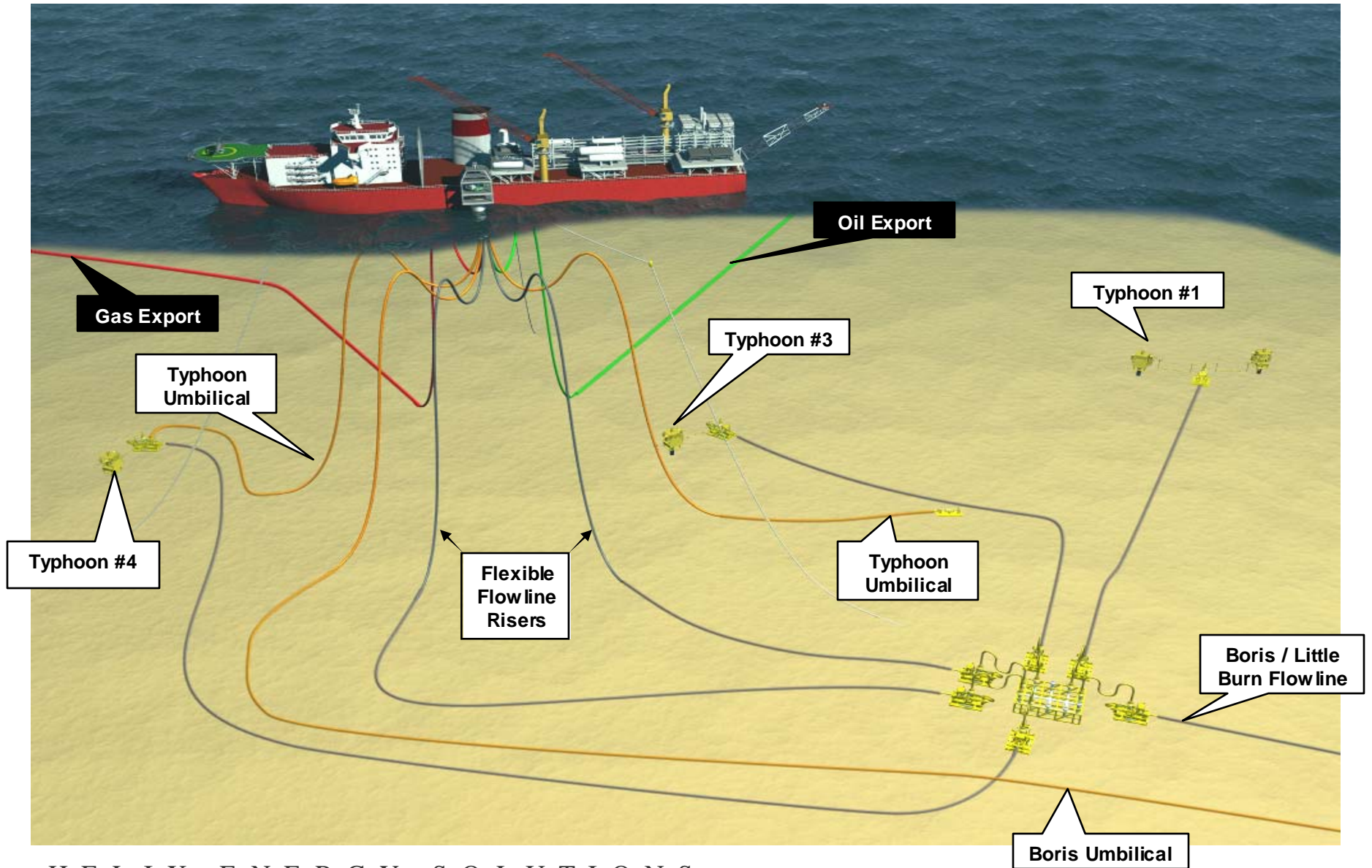
DP Floating Production Unit - Helix Producer I

- To be installed on Phoenix field in GOM (formerly known as Typhoon)
- Initial conversion scheduled to be complete end of 2007
- Installation and hook-up of processing facilities on target for completion mid 2008
- Total estimated cost net to Helix - \$140 million





Phoenix Field Development



HELIX ENERGY SOLUTIONS



Organic Growth Capital Projects



Pipelay Vessel - Caesar

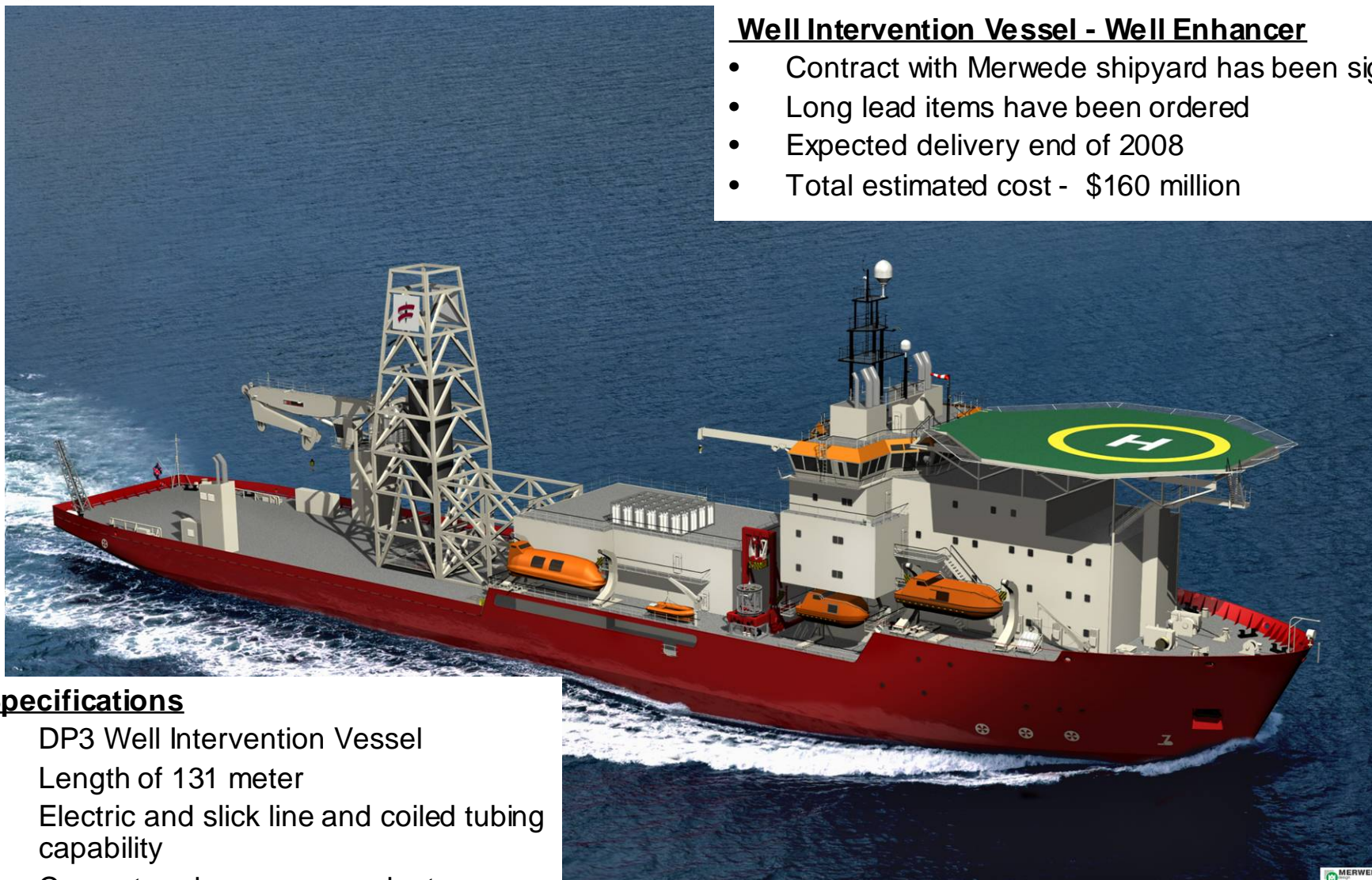
- Vessel expected to arrive at COSCO yard in Shanghai early March
- Conversion on schedule to be completed end of 2007
- Total estimated cost - \$138 million



Organic Growth Capital Projects

Well Intervention Vessel - Well Enhancer

- Contract with Merwede shipyard has been signed
- Long lead items have been ordered
- Expected delivery end of 2008
- Total estimated cost - \$160 million



Specifications

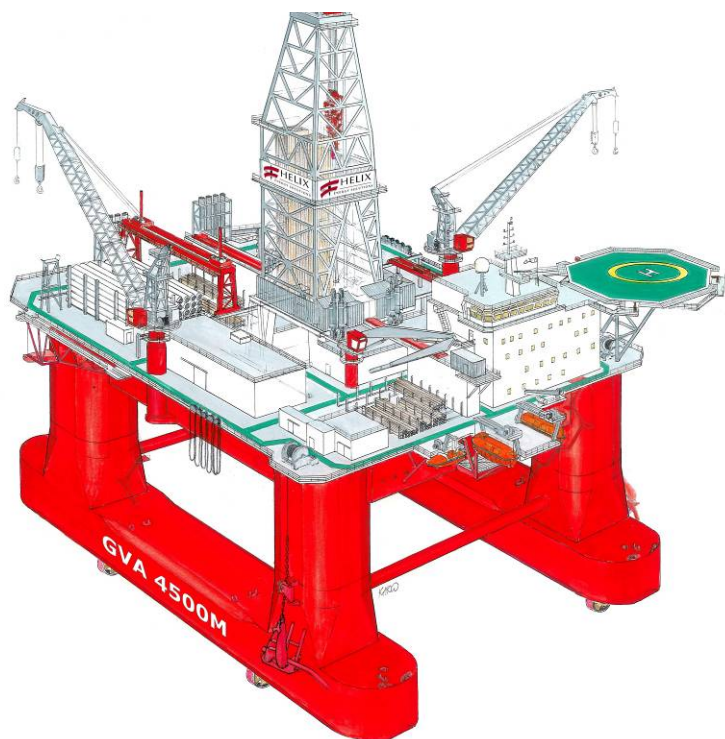
- DP3 Well Intervention Vessel
- Length of 131 meter
- Electric and slick line and coiled tubing capability
- Cement and compressor plant
- Dual bell 18 man sat-dive spread
- Two work class ROV's



Organic Growth Capital Projects

Deepwater Drilling Semi - H4500

- Long lead items have been purchased
- Detailed design for RFP and model testing completed
- Firm prices from shipyards being solicited



FPSO Shiraz

- Formed 50/50 JV with AGR Group, a Norwegian-based oil technology and services group
- JV acquired fuel supply vessel from the Australian Commonwealth Government
- Plan to convert tanker into FPSO or EPTV for deployment in South East Asia

