



HORNBECK OFFSHORE

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Hornbeck Offshore Reports Second Quarter Results. Announces New Contract for 265-foot HOS Stormridge and International Expansion

08/06/03

Second Quarter Results

Hornbeck Offshore Services, Inc. announced today that revenues for the quarter ended June 30, 2002 increased 39.2 percent to \$21.3 million compared to \$15.3 million for the same quarter in 2001. Operating income was \$8.2 million or 38.6 percent of revenues for the second quarter of 2002, compared to \$6.4 million or 42.1 percent of revenues for the same quarter in 2001. Second quarter 2002 net income was \$2.8 million compared to net income of \$3.1 million for the second quarter 2001. The significant increase in the Company's revenue in the second quarter 2002 over the prior year was due to the increase in size of the Company's fleet since April 2001. However, net income declined \$300,000 because of higher depreciation expense related to the new vessels and greater interest expense associated with the Company's high yield debt offering in July 2001.

First Half Results

For the first half of 2002, revenues increased 71.5 percent to \$44.1 million resulting in operating income of \$17.6 million or 39.8 percent of revenues, compared to first-half 2001 revenues of \$25.7 million that resulted in operating income of \$10.4 million or 40.6 percent of revenues.

Net income totaled \$6.3 million for the first six months of 2002, compared to net income of \$4.9 million for the first six months of 2001.

Management Discussion

The Company took delivery of four newly constructed, deepwater offshore supply vessels ("OSVs") on April 27, 2001, November 6, 2001, February 20, 2002 and June 13, 2002, respectively; and acquired nine ocean-going tugs and nine ocean-going tank barges from the Spentonbush/Red Star Group, affiliates of Amerada Hess Corporation, on May 31, 2001. The \$6.0 million net increase in second quarter 2002 revenue over the prior year quarter was comprised of \$7.4 million of incremental revenue from these newly acquired or constructed vessels, offset by a \$1.4 million decrease in "same vessel" revenue. The decrease in "same vessel" revenue was primarily attributable to an 11 percent decline in tank barge utilization from the year-ago quarter. As noted above, net income declined \$300,000 because of higher depreciation expense related to the new vessels and greater interest expense associated with the Company's high yield debt offering in July 2001.

Jim Harp, Vice President and CFO, stated, "Despite continued weakness in the Northeast tank barge market and several of our deepwater OSVs working in a soft spot market, we were pleased to deliver another quarter of financial results well within analysts' expectations, resulting in trailing twelve-month EBITDA of \$46.4 million for the period ended June 30, 2002."

Recent Developments

Hornbeck Offshore completed construction of the HOS Brimstone during the second quarter of 2002. This new 265-ft. class vessel was delivered on June 13, 2002 and immediately commenced service under the previously reported fixed time charter with one of the Company's existing customers, a large international exploration and production company.

The HOS Stormridge, an additional 265-ft. class offshore supply vessel to be constructed under the Company's second newbuild program, is currently on sea trials and is expected to be delivered within the next few days. Upon delivery, the vessel will immediately commence service under a fixed time charter with a major oil company. The contract will have an initial three-month term, with renewal options.

On July 22, 2002, the Company was awarded a contract with a major oil company operating in Trinidad for two of its offshore supply vessels, the 200-ft. class HOS Thunderfoot and 240-ft. class HOS Cornerstone. The fixed time charters will each have an initial six-month term, with renewal options, and are expected to commence in mid-August upon the vessels' mobilization to Trinidad.

Todd Hornbeck, President and CEO, stated, "We are pleased to announce the international expansion of our OSV operation into Trinidad. Given the geographic proximity of Trinidad to our current OSV operations in the Gulf of Mexico and tank barge operations in Puerto Rico, we believe this is a logical next step for us to penetrate new oil and gas markets within our hemisphere."

Conference Call

The Company will hold a conference call to discuss its second quarter 2002 financial results at 10:00 a.m. (Central Daylight Time) today, August 6, 2002. To participate in the call, callers in the United States/Canada can dial toll-free 800/642-9816 and international callers can dial 706/679-3206. The conference ID for all callers is 5034115.

An archived version of the call will be available for replay beginning at 1:00 p.m. (Central Daylight Time) today, August 6, 2002 and ending at midnight Tuesday, August 13, 2002. To access the replay, the toll-free number for callers in the United States is 800/642-1687 while the number for international callers is 706/645-9291. The conference ID for all callers is 5034115.

IPO Registration Statement

As previously reported, Hornbeck Offshore has filed a registration statement with the Securities and Exchange Commission ("SEC") relating to a proposed initial public

offering of its common stock, which has not yet been declared effective by the SEC. The Company is currently monitoring market conditions and has not yet determined a specific timeframe for when it plans to finalize its offering. These securities may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

Under the securities laws, the content of the Company's disclosures to the public is restricted while the proposed offering is pending. Therefore, the Company's communications in its conference call later today will be limited solely to factual, non-offering related matters.

Hornbeck Offshore Services, Inc. is a leading provider of marine transportation services through the operation of newly constructed deepwater offshore supply vessels in the Gulf of Mexico and ocean-going tugs and tank barges in the northeastern U.S. and in Puerto Rico.

Forward-Looking Statements

This news release contains forward-looking statements, including, in particular, statements about Hornbeck Offshore's plans and intentions. These have been based on the Company's current assumptions, expectations and projections about future events. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, the Company can give no assurance that the expectations will prove to be correct.

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