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HORNBECK-LEEAC Marine Services, Inc. Announces 68% Increase in Second Quarter Revenue

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HORNBECK-LEEAC Marine Services, Inc. announced today that revenues for the quarter ended June 30, 2001 increased 68.1 percent to \$15.3 million compared to \$9.1 million for the same quarter in 2000. Operating income was \$6.4 million or 41.8 percent of revenues for the second quarter of 2001, compared to \$3.5 million or 38.4 percent of revenues for the same quarter in 2000. Second-quarter 2001 net income was \$3.1 million, compared to net income of \$0.8 million for the second-quarter 2000.

First Half Results

For the first half of 2001, revenues increased 57.7 percent to \$25.7 million resulting in operating income of \$10.4 million or 40.5 percent of revenues, compared to first-half 2000 revenues of \$16.3 million that resulted in operating income of \$4.9 million or 30.1 percent of revenues. Net income totaled \$4.9 million for the first six months of 2001, compared to net income of \$0.5 million for the first six months of 2000.

Management Discussion

On May 31, 2001, the Company acquired nine oceangoing tugs and nine oceangoing tank barges and the related coastwise transportation businesses from the Spentonbush/Red Star Group, affiliates of Amerada Hess Corporation, for approximately \$28 million. This acquisition increased the Company's tank barge fleet capacity from 451,655 barrels to 1,130,727 barrels. As part of this acquisition, the Company entered into a long-term contract of affreightment with Amerada Hess as its exclusive marine logistics provider and coastwise transporter of petroleum products in the northeastern United States. This acquisition contributed to the Company's revenue growth for one month during the three and six-month periods ended June 30, 2001.

Also contributing to the increase were the results of the HOS Innovator, a 240-foot class deepwater offshore supply vessel, which the Company took delivery of on April 27, 2001 and immediately placed into service under a three-year time charter with a large oilfield service company.

Christian Vaccari, Chairman and CEO, stated, "Our operating results for the first half of 2001 continue to reflect the results of our growth strategy with the delivery of the HOS Innovator during April and the Spentonbush/Red Star Group acquisition at the end of May. In addition, our recent successful offering of \$175 million of senior unsecured notes provides us with greater financial flexibility to respond to opportunities in this dynamic market."

Offshore supply vessel average day rates for our fleet for the second quarter of 2001 were \$11,859, compared to \$8,192 for the same period last year, and \$10,147 for the first quarter of 2001. Our offshore supply vessel fleet increased during the period to eight vessels with the addition of the HOS Innovator. Utilization for our offshore supply vessel fleet increased to 99.0% in the second quarter of 2001, compared to 93.1% for the same period last year and 98.7% in the first quarter of 2001. This increase is primarily due to the increase in deepwater drilling activity in the Gulf of Mexico.

Tank barge average day rates for our fleet for the second quarter of 2001 were \$9,225, compared to \$9,623 for the same period last year, and \$7,824 for the first quarter of 2001. Utilization for our tug and tank barge fleet increased to 84.4% in the second quarter of 2001, compared to 68.5% for the same period last year and 83.3% in the first quarter of 2001. The decrease in average day rates and increase in utilization rates for the second quarter of 2001 compared to the second quarter of 2000 are the result of a change in mix of tugs and tank barges under contracts of affreightment, time charter, and bareboat charter. This change in contract mix resulted in an increase in operating margin for our tug and tank barge fleet, which was \$3.4 million in the second quarter of 2001, as compared to \$1.7 million in the same period last year. The increase in average tank barge day rates for the second quarter of 2001 compared to the first quarter of 2001 resulted primarily from one month of operations from the recently acquired vessels at average rates higher than our existing fleet.