



HORNBECK OFFSHORE

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Hornbeck Offshore Reports Fourth Quarter 2003 Results, Announces Delivery of 240-ft. HOS Silverstar, and Amendment to Revolving Credit Facility

February 19, 2004

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Hornbeck Offshore Services, Inc. ("Hornbeck" or the "Company") announced today that revenues for the quarter ended December 31, 2003 increased 11.5 percent to \$29.2 million compared to \$26.2 million for the same quarter in 2002. Operating income was \$8.4 million or 28.8 percent of revenues for the fourth quarter of 2003, compared to \$9.5 million or 36.3 percent of revenues for the same quarter in 2002. Fourth quarter 2003 net income was \$2.1 million compared to \$3.3 million for the fourth quarter of 2002.

The primary reason for the increase in revenue was the increase in the size of the Company's fleet by an average of 9.2 new generation offshore supply vessels ("OSVs") during the fourth quarter of 2003 compared to the fourth quarter of 2002. The decrease in operating margin was primarily due to soft market conditions in the Company's OSV segment and a higher level of drydocking activity in the tug and tank barge segment during the fourth quarter of 2003.

Calendar 2003 Results

For the calendar year 2003, revenues increased 19.7 percent to \$110.8 million resulting in operating income of \$35.7 million or 32.2 percent of revenues, compared to revenues in the calendar year 2002 of \$92.6 million, which resulted in operating income of \$34.3 million or 37.0 percent of revenues. Net income totaled \$11.2 million for the calendar year 2003, compared to net income of \$11.6 million for the calendar year 2002.

Management Discussion

OSV Segment. The Company took delivery of three newly constructed, new generation OSVs on March 17, June 19, and September 17, 2003, respectively, and purchased a total of six additional new generation OSVs, with five vessels acquired on June 26, 2003 and one vessel on August 6, 2003. The increase in fourth quarter 2003 revenues over the prior year quarter was comprised primarily of incremental revenue from these newly constructed and acquired vessels. The increase in operating costs and depreciation expense for the OSV segment was primarily related to the incremental quarter-over-quarter contribution of the nine vessels added to the OSV fleet.

Tug and Tank Barge Segment. Revenues in the fourth quarter of 2003 were up slightly from the same period in 2002. The decrease in the fourth quarter 2003 operating margin over the year ago quarter resulted primarily from increased drydocking amortization related to vessels recertified during the first nine months of 2003, and roughly 80 more days of drydocking-related downtime during the fourth quarter of 2003.

Todd Hornbeck, President and CEO, commented, "Our OSV segment continued to perform well, achieving above industry average utilization and day rates, despite soft market conditions that kept pressure on margins. While we have not yet seen a significant upturn in Gulf of Mexico OSV activity, we are encouraged that several operators are moving forward with large development projects in the Gulf and in several other key producing areas worldwide."

Hornbeck added, "In our tug and tank barge segment, the increase in revenue reflected the expected seasonal upturn in demand in the latter part of the quarter. However, margins were lower due to increased drydocking activity. Seasonal factors continue to positively impact results for our tug and tank barge segment, particularly as January 2004 was the coldest in the Northeast since 1977."

Certain Recent Developments

Delivery of 240 ED class HOS Silverstar. In late January 2004, Hornbeck took delivery of the HOS Silverstar, the Company's fourth 240 ED class OSV, and commenced testing of the enhanced vessel modifications it elected to make in December 2003. The HOS Silverstar is being placed into service in the second half of February 2004.

Amendment of Revolving Credit Facility. On February 13, 2004, we amended and restated our revolving credit facility primarily to extend its maturity from December 31, 2004 to February 13, 2009 and to increase its size from \$60.0 million to \$100.0 million. Our current borrowing base under the facility remains unchanged at \$60.0 million. We also added a fifth bank, Wells Fargo Bank, N.A., to our lending group. As of December 31, 2003, the Company had cash of \$12.9 million and a balance of \$40.0 million outstanding under the revolving credit facility.

Conference Call

The Company will hold a conference call to discuss its fourth quarter 2003 financial results and recent developments at 1:00 p.m. (Central Time) today, February 19, 2003. 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 5414767.

An archived version of the call will be available for replay beginning at 4:00 p.m. (Central Time) today, February 19, 2003 and ending at midnight Thursday, February 26, 2004. 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 5414767.

Hornbeck Offshore Services, Inc. is a leading provider of technologically advanced, new generation offshore supply vessels in the U.S. Gulf of Mexico and select international markets, and is a leading transporter of petroleum products through its fleet of ocean-going tugs and tank barges in the northeastern U.S. and in Puerto Rico. Additional Company information is available at its website at www.hornbeckoffshore.com under the captions, "News" and "Investors."

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.