



**HORNBECK OFFSHORE**  
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## **Hornbeck Offshore Reports Third Quarter 2003 Results, Announces Delivery of 240-ft. HOS Greystone, Commencement of Double-Hulled Tank Barge Newbuild Program and Expansion of Revolving Credit Facility**

November 6, 2003

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### Third Quarter Results

Hornbeck Offshore Services, Inc. ("Hornbeck" or the "Company") announced today that revenues for the quarter ended September 30, 2003 increased 26.5 percent to \$28.2 million compared to \$22.3 million for the same quarter in 2002. Operating income was \$8.3 million or 29.4 percent of revenues for the third quarter of 2003, compared to \$7.2 million or 32.3 percent of revenues for the same quarter in 2002. Third quarter 2003 net income was \$2.2 million compared to \$2.0 million for the third 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 8.3 new generation offshore supply vessels ("OSVs") during the third quarter of 2003 compared to the third quarter of 2002. The decrease in operating margin was primarily due to soft market conditions in the Company's OSV segment.

### Nine-Month Results

For the nine months ended September 30, 2003, revenues increased 22.9 percent to \$81.6 million resulting in operating income of \$27.3 million or 33.5 percent of revenues, compared to revenues in the same period last year of \$66.4 million, which resulted in operating income of \$24.8 million or 37.3 percent of revenues. Net income totaled \$9.1 million for the first nine months of 2003, compared to net income of \$8.4 million for the first nine months of 2002.

### Management Discussion

Since the end of the third quarter of 2002, the Company took delivery of a total of four newly constructed OSVs, with one vessel delivered on each of October 20, 2002 and March 17, June 19, and September 17, 2003, respectively, and acquired a total of six additional new generation OSVs, with five vessels delivered on June 26, 2003 and one vessel on August 6, 2003, respectively. The \$5.9 million net increase in third quarter 2003 revenue over the prior year quarter was comprised primarily of incremental revenue from these newly constructed and acquired vessels.

This increase was offset, in part, by a decrease in the average dayrate of the Company's other OSVs, primarily the 200-ft. class, due to soft market conditions in the Gulf of Mexico, as well as certain charges related to the integration of the six recently acquired 220-ft. vessels into the fleet during the third quarter of 2003.

Operating costs and depreciation expense increased by a combined \$4.5 million, primarily related to the incremental quarter-over-quarter effect of the increase in the OSV fleet size. Net income was also impacted by higher net interest expense in the third quarter of 2003 related to borrowings under the Company's revolving credit facility, compared to the 2002 quarter when the revolver was undrawn.

Todd Hornbeck, President and CEO, stated, "Despite continued weak market conditions in the U.S. Gulf of Mexico, we were able to produce yet another quarter of solid financial results. We achieved these results primarily due to increased capacity in our OSV fleet, and geographic diversification and a high degree of contract coverage in both of our business segments."

### Certain Recent Developments

#### Delivery of 240 ED class HOS Greystone.

On September 17, 2003, Hornbeck took delivery of the HOS Greystone, the Company's third 240 ED class OSV. The HOS Greystone, which was delivered two weeks early by the shipyard, is currently working under a spot market time charter with a large independent oil and gas company to support its deepwater operations in the Gulf of Mexico.

#### Change of Address.

On September 29, 2003, Hornbeck completed the previously announced move of its corporate headquarters from Mandeville, Louisiana into approximately 24,000 square feet of office space, in nearby Covington, Louisiana. The Company's new mailing address is:

103 Northpark Boulevard, Suite 300  
Covington, Louisiana, 70433;  
The telephone number, (985) 727-2000, remains unchanged.

#### Double-Hulled Tank Barge Newbuild Program.

The Company's Board of Directors recently approved a new vessel construction and vessel retrofit program for its wholly-owned subsidiary, Hornbeck Offshore Transportation, LLC. This is the Company's fourth newbuild program since its inception six years ago - the first three were for the construction of a total of 17 new generation OSVs that were built to the Company's proprietary in-house designs.

The Company has signed definitive agreements with two shipyards for the first two double-hulled tank barges for delivery in December 2004 and is currently evaluating its

plans with respect to a third tank barge. Hornbeck has also secured fixed-price options from one of the shipyards to construct up to a total of three additional double-hulled tank barges for delivery after 2004.

Hornbeck Offshore Transportation currently operates a fleet of 12 ocean-going tugs and 16 ocean-going tank barges, one of which is double-hulled. Three of its existing tank barges are scheduled to be retired under the Oil Pollution Act of 1990 ("OPA '90") by January 1, 2005.

#### Expansion of Revolving Credit Facility.

On September 30, 2003, in anticipation of its plans to undertake the first phase of construction under its double-hulled tank barge newbuild program, Hornbeck expanded the borrowing capacity under its revolving credit facility from \$50.0 million to \$60.0 million, while adding a fourth bank, DVB Bank AG, to its lending group. The Company's board has approved construction and retrofit costs for the first three tank barges of the newbuild program of up to \$42.0 million, before allocation of construction period interest, which is expected to be funded by current cash, projected free cash flow from operations and available borrowing capacity. As of September 30, 2003, the Company had cash of \$12.5 million and a balance of \$46.9 million outstanding under its \$60.0 million revolving credit facility.

Todd M. Hornbeck, the Company's President and Chief Executive Officer commented, "The primary purpose of this tank barge newbuild and retrofit program is to address our need to replace three single-hulled tank barges that are required by OPA '90 to be retired from service by January 1, 2005." Carl Annessa, the Company's Vice President and Chief Operating Officer commented, "The newbuild program that we announced today is based on a proprietary new design that we have developed to replace and expand our existing fleet of ocean-going tank barges. We specifically designed these vessels to maximize transit speed, improve cargo through-put rates and enhance crew safety features."

#### Conference Call

The Company will hold a conference call to discuss its third quarter 2003 financial results and recent developments at 1:00 p.m. (Central Time) today, November 6, 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 3605637. An archived version of the call will be available for replay beginning at 3:00 p.m. (Central Time) today, November 6, 2003 and ending at midnight Thursday, November 13, 2003. 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 3605637.

Additional material information with respect to the Company's results of operations and financial condition for the third quarter of 2003 may be discussed on the conference call and, in any event, will be included in the Company's Quarterly Report on Form 10-Q, which is expected to be filed with the Securities and Exchange Commission within five business days after today's conference call.

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](http://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.