



# HORNBECK OFFSHORE

*Service with Energy*<sup>®</sup>

## Hornbeck Offshore Reports First Quarter 2003 Results

05/08/03

Click here for a [printable version of the financial tables](#).

Hornbeck Offshore Services, Inc. ("Hornbeck" or "the Company") announced today that revenues for the quarter ended March 31, 2003 increased 20.3 percent to \$27.3 million compared to \$22.7 million for the same quarter in 2002. Operating income was \$10.4 million or 38.1 percent of revenues for the first quarter of 2003, compared to \$9.3 million or 41.0 percent of revenues for the same quarter in 2002. First quarter 2003 net income was \$4.3 million, including a \$0.7 million gain on disposition of a vessel, compared to \$3.5 million for the first quarter 2002.

The primary reason for the increase in revenue was the increase in the size of the Company's fleet by an average of 3.8 offshore supply vessels ("OSVs") during the first quarter 2003 compared to the first quarter 2002.

### Management Discussion

The Company took delivery of a total of five newly constructed, deepwater OSVs on February 20, June 13, August 11 and October 20, 2002 and March 17, 2003, respectively, all of which are 240E, 240ED or 265-ft. class OSVs. The \$4.6 million net increase in first quarter 2003 revenue over the prior year quarter was comprised primarily of incremental revenue from these newly constructed vessels. Operating costs and depreciation expense increased by a combined \$3.5 million, primarily related to the incremental quarter-over-quarter contribution of the five new, larger class OSVs. On January 28, 2003, Hornbeck sold a tank barge, the Energy 5502, to an unrelated third party for \$1.65 million, which resulted in a gain of \$0.7 million. There were no such dispositions of assets in the first quarter 2002. On February 28, 2003, the Company purchased an 80,000 barrel double-hulled tank barge for \$7.4 million. The purchase of the vessel, which was renamed the Energy 8001, was funded with a \$7.4 million draw on Hornbeck's revolving credit facility. The amount outstanding under the revolver remained at \$7.4 million as of March 31, 2003.

Todd Hornbeck, President and CEO, stated, "Even though we continue to experience downward pressure on dayrates and utilization in our OSV segment, we had another quarter of strong financial results, primarily due to two reasons: continued fleet expansion in our OSV segment and strong winter-related activity in our tug and tank barge segment. This is the sixth consecutive quarter that we have delivered a newly constructed deepwater OSV into our fleet, a trend we expect to continue in each of the next three quarters. We also experienced a full quarter of the favorable effects of normal winter conditions on the Northeast tank barge market, a trend that may not be sustainable post-winter until current U.S. economic conditions improve."

### Recent Developments

**Delivery of the HOS Bluewater.** On March 17, 2003, Hornbeck took delivery of the HOS Bluewater, the Company's first 240ED class offshore supply vessel, and the first vessel to be delivered under its current eight-vessel newbuild program. The HOS Bluewater, which was delivered two weeks early by the shipyard, immediately commenced service under a spot time charter with a large independent oil and gas company to support its deepwater operations in the Gulf of Mexico.

**Bareboat of Newly Constructed Crewboat.** On April 30, 2003, Hornbeck entered into a bareboat lease of a newly constructed 165-ft. crewboat, the HOS Hotshot. The vessel immediately commenced service under a spot time charter within the "pool fleet" of a major oil company to support its deepwater operations in the Gulf of Mexico.

### Conference Call

The Company will hold a conference call to discuss its first quarter 2003 financial results at 9:00 a.m. (Central Time) today, May 8, 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 36406.

An archived version of the call will be available for replay beginning at 12:00 noon (Central Time) today, May 8, 2003 and ending at midnight Thursday, May 15, 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 36406.

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 in Trinidad, and 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).

### 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.