



HORNBECK OFFSHORE

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Hornbeck Offshore Reports Third Quarter 2002 Results and Announces Delivery of 265-ft. HOS Sandstorm

November 7, 2002

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Third Quarter Results

Hornbeck Offshore Services, Inc. announced today that revenues for the quarter ended September 30, 2002 increased 4.2 percent to \$22.3 million compared to \$21.4 million for the same quarter in 2001. Operating income was \$7.2 million or 32.3 percent of revenues for the third quarter of 2002, compared to \$8.8 million or 41.0 percent of revenues for the same quarter in 2001. Third quarter 2002 net income was \$2.0 million compared to income before extraordinary item of \$3.5 million for the third quarter 2001.

The increase in revenue was primarily the result of the addition of four deepwater offshore supply vessels ("OSVs") that entered the fleet after September 2001. The additional revenue generated by these vessels was offset by a decrease in revenue from vessels operating in the fleet on September 30, 2001. The increase in operating costs and depreciation expense compared to the third quarter 2001 was primarily related to the new vessels. Income before extraordinary item also declined, in part, due to higher net interest expense compared to the 2001 quarter.

The third quarter 2001 included a non-cash extraordinary loss of \$1.9 million, net of taxes, resulting from the early extinguishment of debt. This extraordinary item related to the write-off of deferred financing costs upon the refinancing of all of the Company's debt through the issuance of \$175.0 million of senior unsecured notes in July 2001.

Nine-Month Results

For the nine months ended September 30, 2002, revenues increased 41.0 percent to \$66.4 million from \$47.1 million in the same period last year. Operating income was \$24.8 million or 37.3 percent of revenues, compared to nine-month 2001 operating income of \$19.2 million or 40.8 percent of revenues. Net income totaled \$8.4 million for the first nine months of 2002, equal to income before extraordinary item of \$8.4 million for the first nine months of 2001.

Management Discussion

The Company took delivery of four newly constructed, deepwater OSVs on November 6, 2001, February 20, 2002, June 13, 2002 and August 11, 2002, respectively, all of which are 240-ft. ED or 265-ft. class OSVs. The \$0.9 million net increase in third quarter 2002 revenue over the prior year quarter was comprised of \$4.8 million of incremental revenue from these newly constructed vessels, offset by a \$3.9 million decrease in revenue from vessels that were in service on September 30, 2001.

The decrease in "same vessel" revenue was primarily attributable to a 10 percent decline in tank barge utilization from the 2001 quarter and 40 days of unbudgeted downtime in August related to the retrofit and mobilization of two OSVs for service in Trinidad. Operating costs and depreciation expense increased by a combined \$2.4 million, primarily related to the four new, larger class OSVs. Net income was also impacted by higher net interest expense in the third quarter 2002 compared to the 2001 quarter.

Todd Hornbeck, President and CEO, stated, "As anticipated during our last conference call, we continued to experience weakness in the Northeast tank barge market in the third quarter of 2002. During that period, we also invested 40 days, off-charter, preparing and relocating two of our deepwater OSVs for service in Trinidad. In addition, we experienced longer shipyard delays than anticipated on our latest newbuild, the HOS Sandstorm. Despite all these challenges, we are pleased to report yet another quarter of strong financial results. We achieved these results, in large part, by maintaining a greater than 90 percent utilization in our OSV segment for the quarter, although forced by Tropical Storm Isidore to shut down our corporate offices and evacuate our Gulf of Mexico OSV fleet the final week of the quarter, a process we had to repeat only a week later for Hurricane Lili. Our operations and shore-based staff did an excellent job of protecting lives and property, while at the same time serving our customers' needs, during an extended period of disruptive weather conditions. We did not experience any loss of revenue during either storm, because all of our OSVs were operating under time charters during that time."

Recent Developments

Hornbeck Offshore has taken delivery of the last two of the six vessels constructed under its second OSV newbuild program. The 265-ft. class HOS Stormridge was delivered on August 11, 2002 and immediately commenced service under a previously reported fixed time charter with a major oil company. The HOS Sandstorm, an additional 265-ft. class OSV, was delivered October 20, 2002 and immediately commenced service under a time charter with a large independent oil and gas company supporting its deepwater operations in the Gulf of Mexico. The Company now has thirteen deepwater OSVs in operation and four additional 240-ft. ED class OSVs under construction and scheduled for delivery in 2003.

Conference Call

The Company will hold a conference call to discuss its third quarter 2002 financial results at 1:00 p.m. (Central Standard Time) today, November 7, 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 6126970.

An archived version of the call will be available for replay beginning at 4:00 p.m. (Central Standard Time) today, November 7, 2002 and ending at midnight Thursday, November 14, 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 6126970.

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.