HOS
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Investor Presentation Appendix

September 2017

Todd M. Hornbeck
Chairman, President & CEO

James O. Harp, Jr.
Executive VP & CFO

Forward-Looking Statements

This Presentation contains “forward-looking statements,” as contemplated by the Private Securities Litigation Reform Act of 1995, in which the Company discusses factors it believes may affect its performance in the future. Forward-looking statements are all statements other than historical facts, such as statements regarding assumptions, expectations, beliefs and projections about future events or conditions. You can generally identify forward-looking statements by the appearance in such a statement of words like “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “might,” “plan,” “potential,” “predict,” “project,” “remain,” “should,” “will,” or other comparable words or the negative of such words. The accuracy of the Company’s assumptions, expectations, beliefs and projections depends on events or conditions that change over time and are thus susceptible to change based on actual experience, new developments and known and unknown risks. The Company gives no assurance that the forward-looking statements will prove to be correct and does not undertake any duty to update them. The Company’s actual future results might differ from the forward-looking statements made in this Presentation for a variety of reasons, including sustained low or further declines in oil and natural gas prices; continued weakness in demand for the Company’s services through and beyond the maturity of any of the Company's long-term debt; unplanned customer suspensions, cancellations, rate reductions or non-renewals of vessel charters or vessel management contracts, or failures to finalize commitments to charter or manage vessels; sustained or further reductions in capital spending budgets by customers; the inability to accurately predict vessel utilization levels and dayrates; fewer than anticipated deepwater and ultra-deepwater drilling units operating in the GoM or other regions where the Company operates; the effect of inconsistency by the United States government in the pace of issuing drilling permits and plan approvals in the GoM or other drilling regions; the Company’s inability to successfully complete the remainder of its current vessel newbuild program on-time and on-budget, which involves the construction and integration of highly complex vessels and systems; the inability to successfully market the vessels that the Company owns, is constructing or might acquire; the government's cancellation or non-renewal of the management, operations and maintenance contracts for vessels; an oil spill or other significant event in the United States or another offshore drilling region that could have a broad impact on deepwater and other offshore energy exploration and production activities, such as the suspension of activities or significant regulatory responses; the imposition of laws or regulations that result in reduced exploration and production activities or that increase the Company’s operating costs or operating requirements; environmental litigation that impacts customer plans or projects; disputes with customers; bureaucratic, administrative or operating barriers that delay vessels in foreign markets from going on-hire or result in contractual penalties or deductions imposed by foreign customers; the impact stemming from the reduction of Petrobras' announced plans for or administrative barriers to exploration and production activities in Brazil; disruption in Mexican offshore activities; age or other restrictions imposed on our vessels by customers; unanticipated difficulty in effectively competing in or operating in international markets; less than anticipated subsea infrastructure and field development demand in the GoM and other markets affecting our MPSVs; sustained vessel over capacity for existing demand levels in the markets in which the Company competes; economic and geopolitical risks; weather-related risks; upon a return to improved operating conditions, the shortage of or the inability to attract and retain qualified personnel, when needed, including vessel personnel for active vessels or vessels the Company may reactivate or acquire; any success in unionizing the Company's U.S. fleet personnel; regulatory risks; the repeal or administrative weakening of the Jones Act or adverse changes in the interpretation of the Jones Act; drydocking delays and cost overruns and related risks; vessel accidents, pollution incidents or other events resulting in lost revenue, fines, penalties or other expenses that are unrecoverable from insurance policies or other third parties; unexpected litigation and insurance expenses; other industry risks; fluctuations in foreign currency valuations compared to the U.S. dollar and risks associated with expanded foreign operations, such as non compliance with or the unanticipated effect of tax laws, customs laws, immigration laws, or other legislation that result in higher than anticipated tax rates or other costs; the inability to repatriate foreign-sourced earnings and profits; the inability of the Company to refinance or otherwise retire certain funded debt obligations that come due in 2019, 2020 and 2021; or the potential for any impairment charges that could arise in the future and that would reduce the Company’s consolidated net tangible assets which, in turn, would further limit the Company’s ability to grant certain liens, make certain investments, and incur certain debt under the Company’s senior notes indentures and the New Credit Facility. In addition, the Company’s future results may be impacted by adverse economic conditions, such as inflation, deflation, or lack of liquidity in the capital markets, that may negatively affect it or parties with whom it does business resulting in their non-payment or inability to perform obligations owed to the Company, such as the failure of customers to fulfill their contractual obligations or the failure by individual lenders to provide funding under the Company’s New Credit Facility, if and when required. Further, the Company can give no assurance regarding when and to what extent it will effect common stock or note repurchases. Should one or more of the foregoing risks or uncertainties materialize in a way that negatively impacts the Company, or should the Company’s underlying assumptions prove incorrect, the Company’s actual results may vary materially from those anticipated in its forward-looking statements, and its business, financial condition and results of operations could be materially and adversely affected and, if sufficiently severe, could result in noncompliance with certain covenants of the Company's existing indebtedness. Additional factors that you should consider are set forth in detail in the “Risk Factors” section of the Company's most recent Annual Report on Form 10-K as well as other filings the Company has made and will make with the Securities and Exchange Commission which, after their filing, can be found on the Company’s website, www.hornbeckoffshore.com. The Company cautions readers that the information contained in this Presentation is only current as of Aug 23, 2017 and the Company undertakes no obligation to update or publicly release any revisions to the forward-looking statements in this Presentation hereafter to reflect the occurrence of any events or circumstances or any changes in its assumptions, expectations, beliefs and projections, except to the extent required by applicable law.

Mission Statement

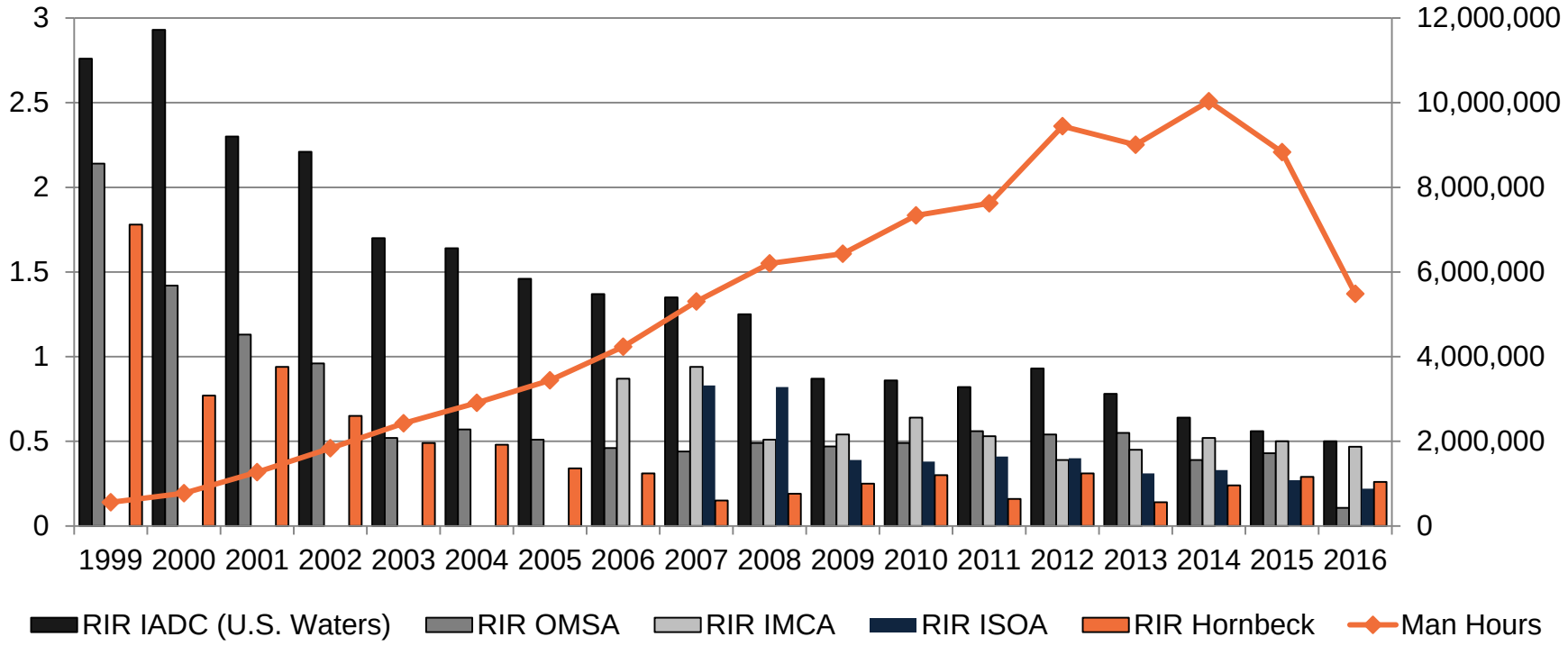
Our mission is to be recognized as the energy industry's marine transportation and service company of choice for our customers, employees and investors through innovative, high quality, value-added business solutions delivered with enthusiasm, integrity and professionalism and with the utmost regard for the safety of individuals and the protection of the environment.

Safety

Our People at Work

Safety Record Outperforms Industry Benchmarks

Recordable Incident Rates (RIR)



- Outstanding total recordable incident rating (RIR) of 0.34 or better since 2005
- HOS safety record is consistently better than the marine industry peer benchmarks

Note: IADC=International Association of Drilling Contractors; OMSA=Offshore Marine Services Association; IMCA=International Marine Contractors Association; ISOA=International Support Vessel Owners' Association.

QHS&E Certifications

ABS

Marine Safety & Environmental Management

CERTIFICATE OF

Company Compliance

This is to Certify that

the Management System implemented by

Hornbeck Offshore Operators, LLC

complies with the Safety and Environment requirements of the *ABS Guide for Marine Health, Safety, Quality and Environmental Management*, as applied to the operation of:

Offshore Support Vessels and Ocean Tugs

ABS Quality Evaluations

CERTIFICATE OF CONFORMANCE

Hornbeck Offshore Operators

ISO 14001:2004

OPERATION AND MANAGEMENT OF OIL TANKER AND OTHER CARGO SHIPS (OFFSHORE SUPPORT VESSEL)

- ISM certification for all SOLAS class OSVs and AHTS vessels
- ISM Code certified on all vessels
- Only U.S. marine transportation and energy service company with SIP approval
- ISO 140001:2004 certified by ABS
- ABS certified Safety Management System

Upstream Market Summary

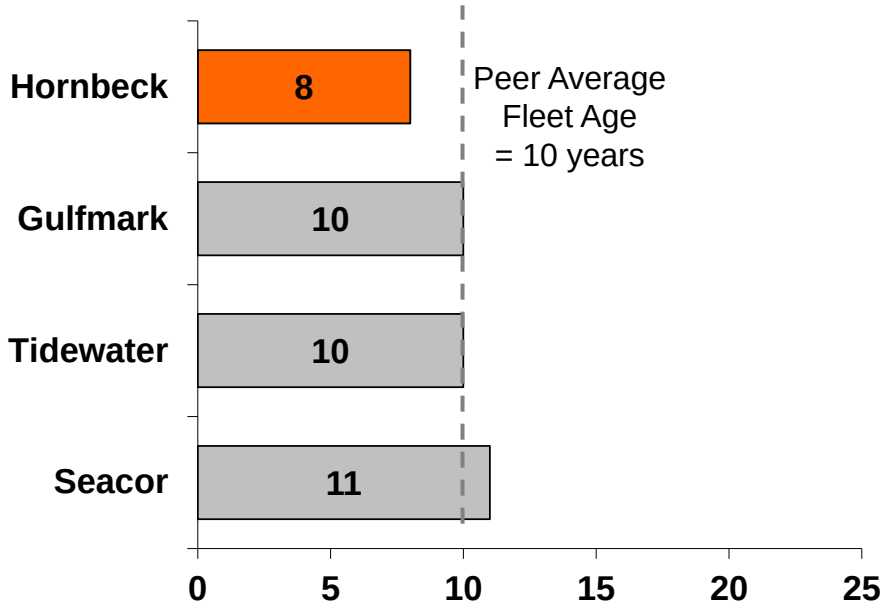
“Best in Class” OSV Fleet

HOS OSV fleet is 100% new generation technologically advanced vessels[1]

New Gen OSV Conventional 180’

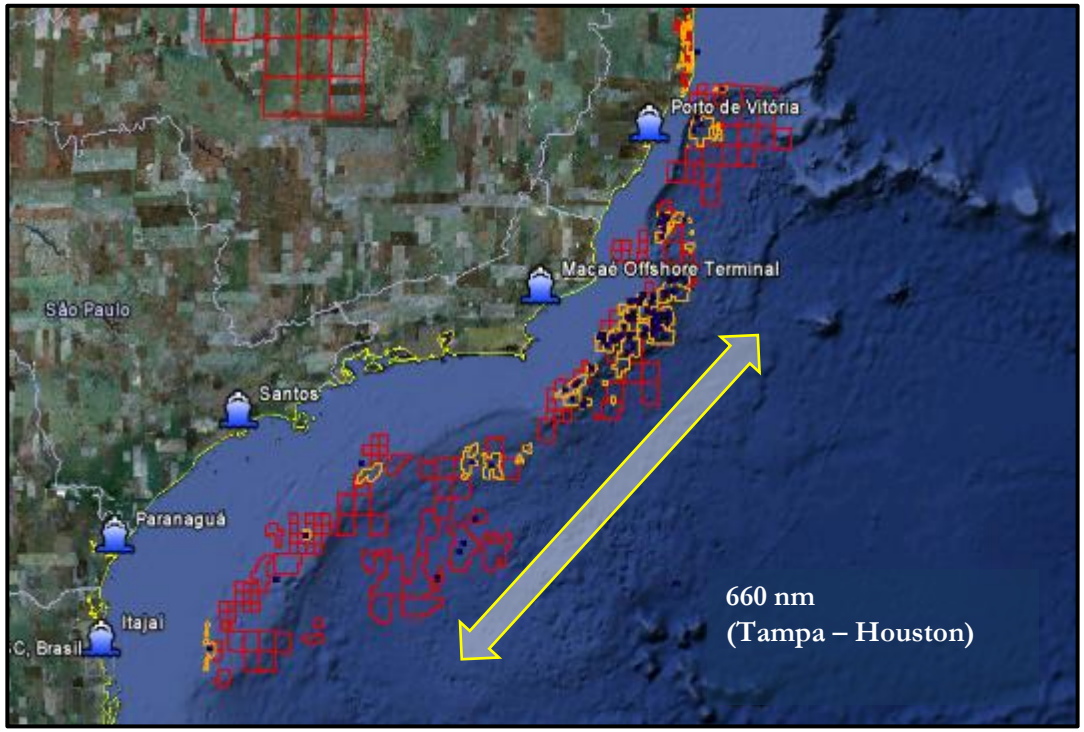
(240’ HOS Deepwater vs. Typical 180’ Shelf Vessel)

HOS has one of the youngest OSV fleets of all U.S. publicly traded peers

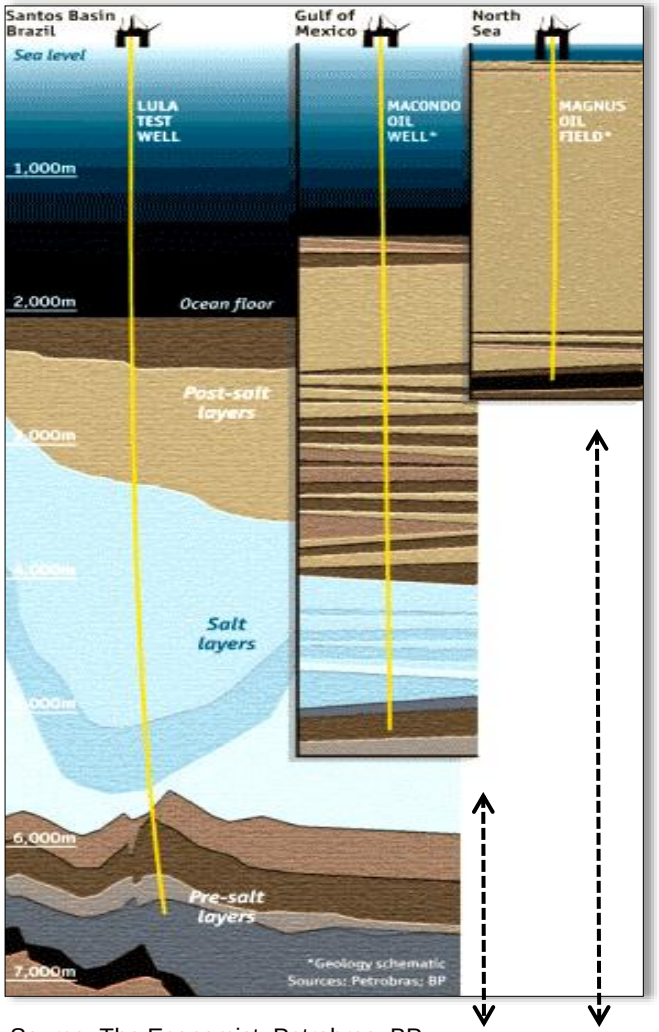


Longest Remaining Economic Useful Life

Brazil Pre-Salt Play

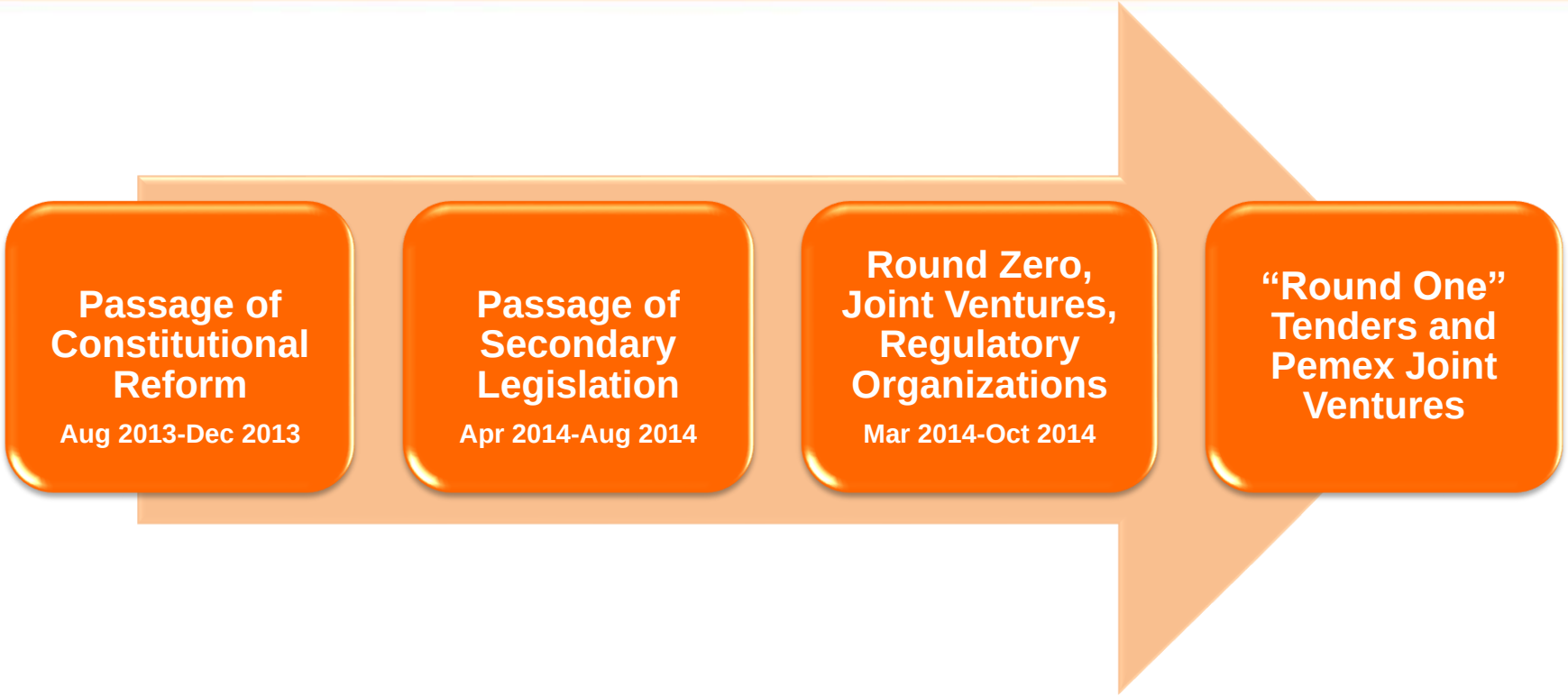


Source: Petrobras; Company estimates.



Source: The Economist; Petrobras; BP.

Mexico Energy Reform



- Mexican president Peña Nieto signed Energy Reform into law in Dec 2013, allowing direct private investment
- In Aug 2014, Peña Nieto signed all secondary legislation bills into law, establishing new regulatory framework
- In Aug 2014, Round Zero announced exploratory blocks and producing fields that Pemex will retain
- "Round One" will be comprised of 169 fields, including unconventional, shallow water and deepwater projects
- First found of shallow water bids completed in 2015, with deepwater contracts estimated to be completed in 2016

Source: Public articles and published reports.

Mexico's Deepwater Potential

MMMboe (billion barrels of oil equivalent)

Basin	Cum. Prod.	Reserves			Prospective Resources	
		1P (90%)	2P (50%)	3P (10%)	Conv.	Non Conv.
Southeastern	46.5	11.8	17.0	23.4	16.8	
Tampico Misantla	6.5	1.1	6.6	15.7	2.4	34.8
Burgos	2.4	0.3	0.5	0.7	3.0	10.8
Veracruz	0.8	0.2	0.2	0.3	1.4	0.6
Sabinas	0.1	0.0	0.0	0.1	0.4	14.0
Deepwater	0.0	0.1	0.4	2.0	27.1	
Yucatán Platform					1.5	
Total	**56.2**	**13.4**	**24.8**	**42.2**	**52.6**	**60.2**

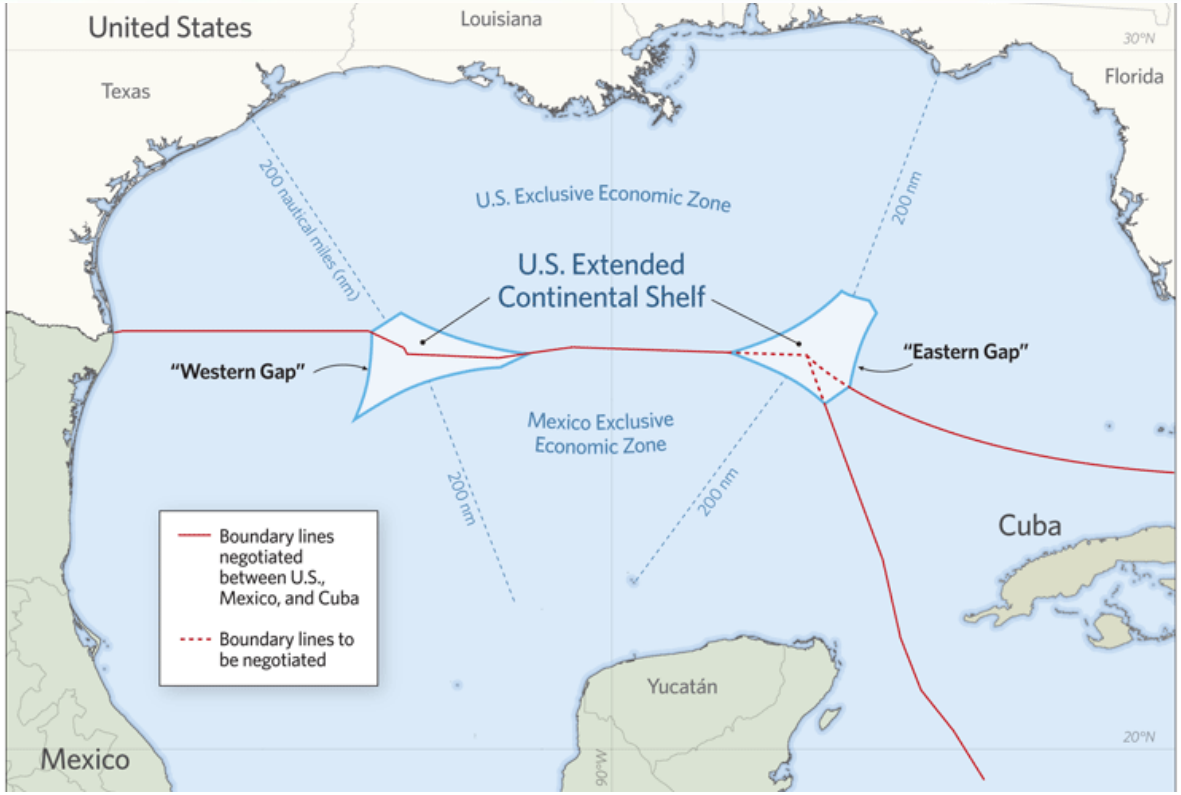
Development and Exploitation Projects

Exploration Projects

- Over 50% of the 53 billion barrels of conventional prospective resources are in deepwater
- Pemex granted 83% of 2P Reserves and 21% of total Prospective Resources in Round Zero
- Round Zero decision accelerated so that first private contracts were revealed during 2015

Source: PEMEX.

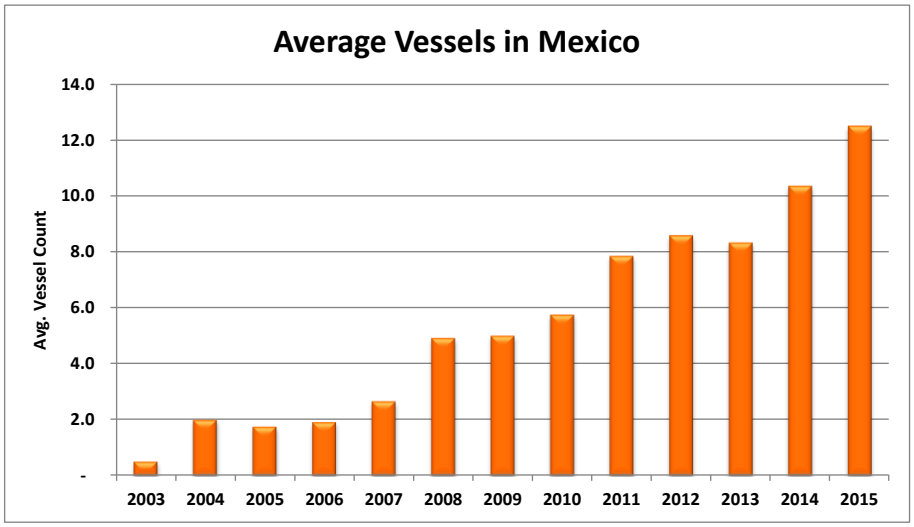
U.S.-Mexico Transboundary Agreement

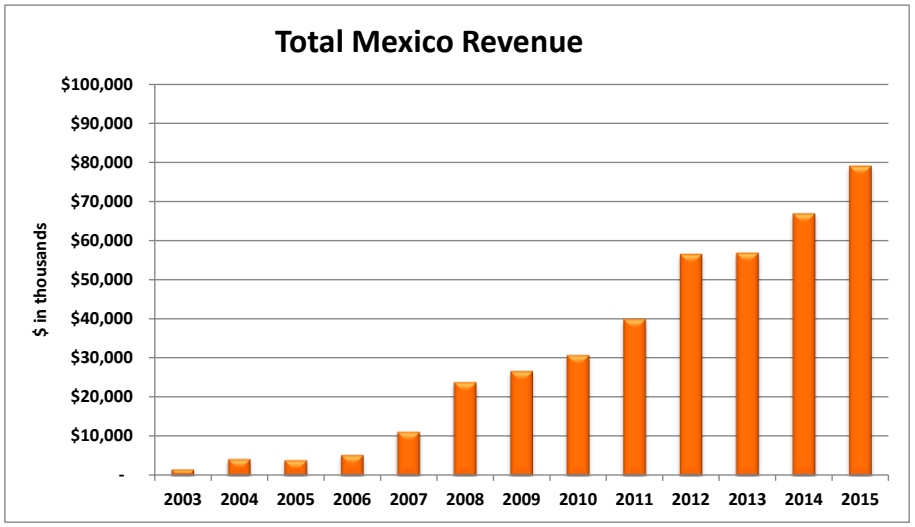


- Removes uncertainties regarding development of resources that cross the U.S.-Mexico maritime boundary
- Nearly 1.5 million acres containing 172 million bbls of oil and 304 billion ft^3 of natural gas now accessible
- Operator interest in transboundary leases evident in latest U.S. lease sale as 24 blocks received bids

Source: U.S. Department of the Interior.

Hornbeck Offshore Steady Growth in Mexico

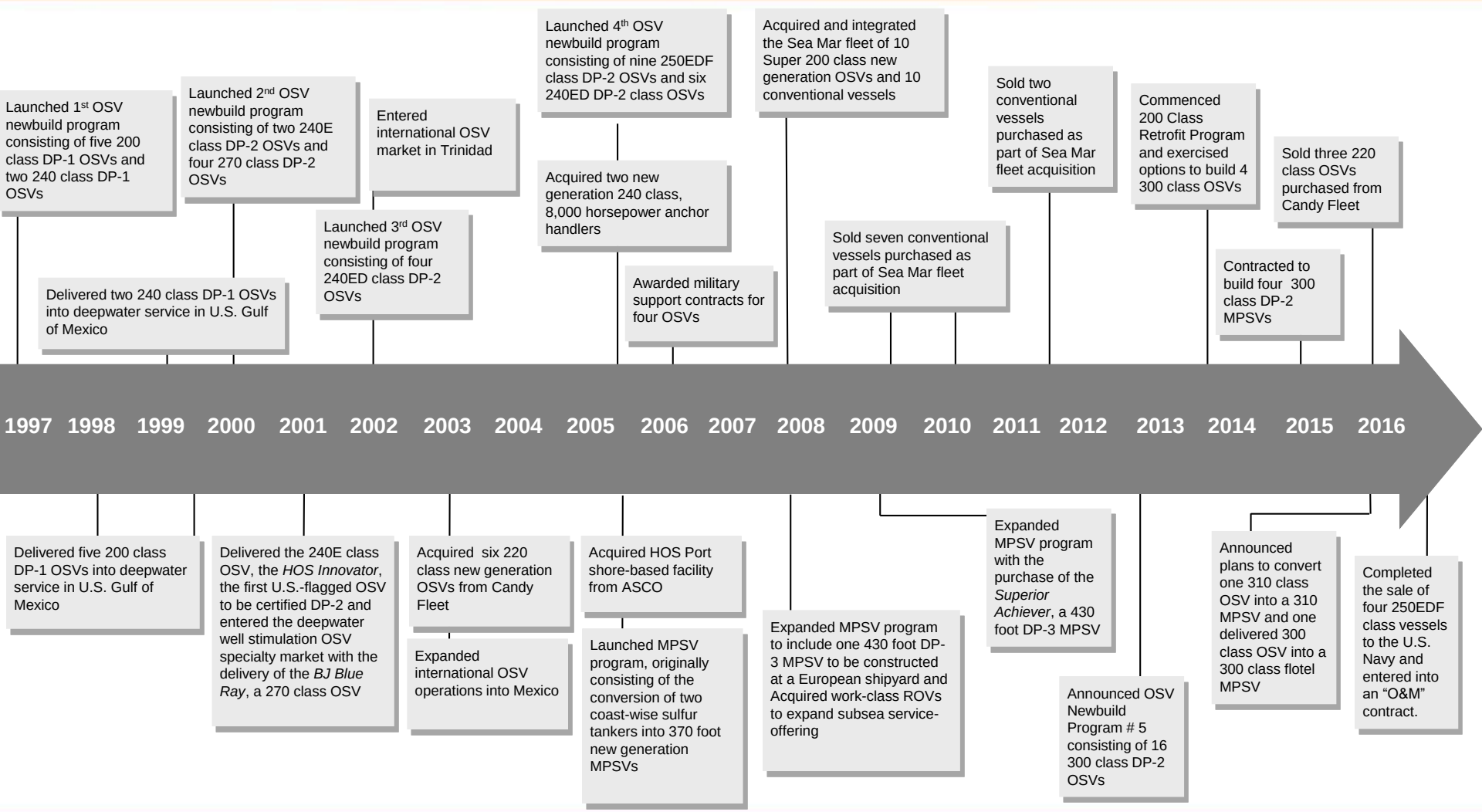




- Since entering the Mexican offshore market in 2003, HOS has seen a steady increase in revenue to $80m
- After establishing our Naviera in 2008, we have been able to seamlessly mobilize spot vessels to Mexico
- We are well positioned for further expansion with our operating structure and shoreside team in place

Upstream Fleet Summary

Upstream Fleet: Historical Timeline



Multi-Class Fleet of New Generation OSVs

200 class *HOS Crossfire,*
our first proprietary new generation OSV

220 class *HOS Voyager,* one of
six OSVs acquired from Candy Fleet

240E class *HOS Innovator* surveying
hurricane damage at BP's *Thunderhorse*

240ED class *HOS Bluewater,*
A proprietary OSV design

265 class *HOS Sandstorm,* performing
specialty services in the Mediterranean Sea

310 class *HOS Black Rock,* one of
sixteen DP-2 300 Class OSV newbuilds

Three Distinct Classes of MPSVs

Merwede T-22 class DP3 design

HOS Iron Horse, our second of two 430-ft foreign-built DP3 Merwede T-22 class MPSVs

(Delivered in 4Q2008 and 4Q2009)[1]

HOS 370 class DP2 design

HOS Centerline, our first of two 370-ft U.S.-flagged DP2 HOS 370 class MPSVs

(Delivered in 1Q2009 and 1Q2010)[2]

HOSMAX class DP2 design

HOS Bayou, our first of six U.S.-flagged DP2 HOSMAX class MPSVs

(Delivered in 4Q2014, 2Q2015 and 3Q2016 with remaining deliveries in 3Q2018 and 4Q2018)[3]

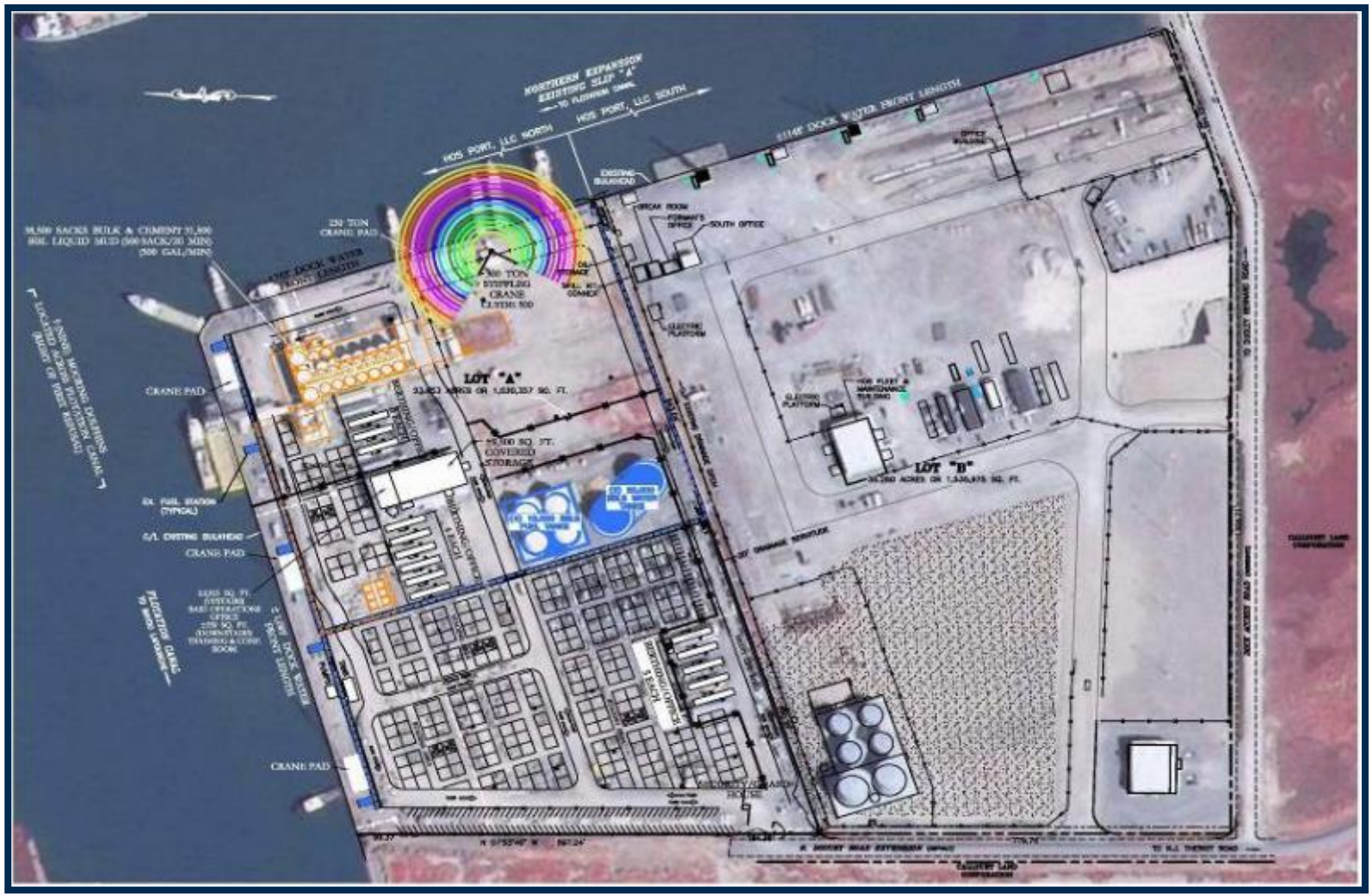
[1] The *HOS Achiever* was placed in service on 1-Oct-2008 and the *HOS Iron Horse* was placed in service on 27-Nov-2009.
[2] The *HOS Centerline* was placed in service on 27-Mar-2009 and the *HOS Strongline* was placed in service on 25-Mar-2010.
[3] The *HOS Bayou* was placed in service on 17-Dec-2014. The *HOS Riverbend*, a 300 class OSV previously placed in service, was converted into a 300 class MPSV vessel and re-delivered in April 2015. The *HOS Warland* and *HOS Woodland* were placed in service on 19-Aug-2016 and 29-Nov-2016, respectively.

430 Class DP3 MPSVs

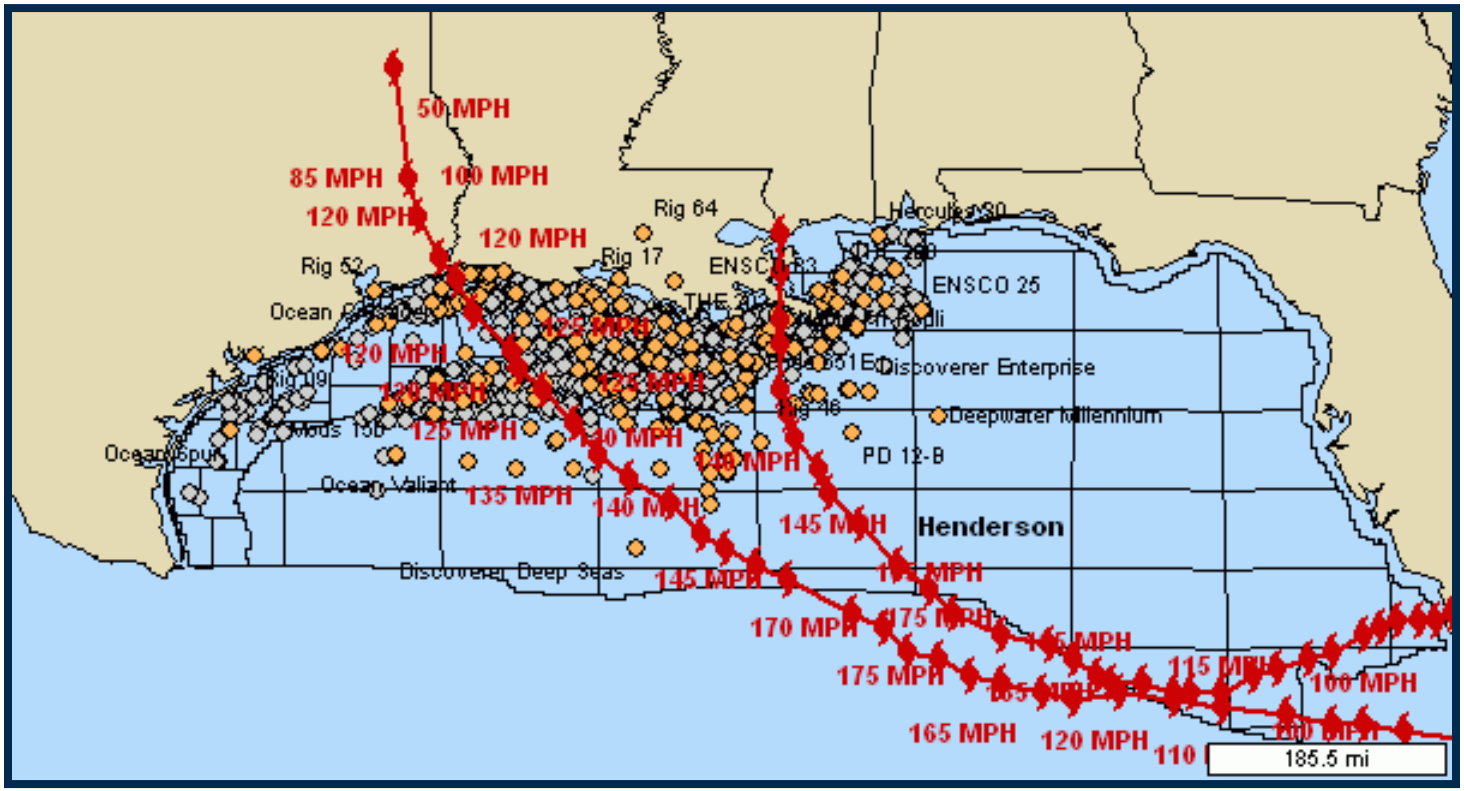
370 Class DP2 MPSVs

HOSMAX Class DP2 MPSVs

HOS Port Site Plan



Vast Majority of U.S. Offshore Energy Infrastructure is in “Hurricane Alley”



- Mobile Rig Locations (as of September 20, 2005)
- All Fixed Manned Platforms

Post Hurricane Repair

Offshore Supply Vessels

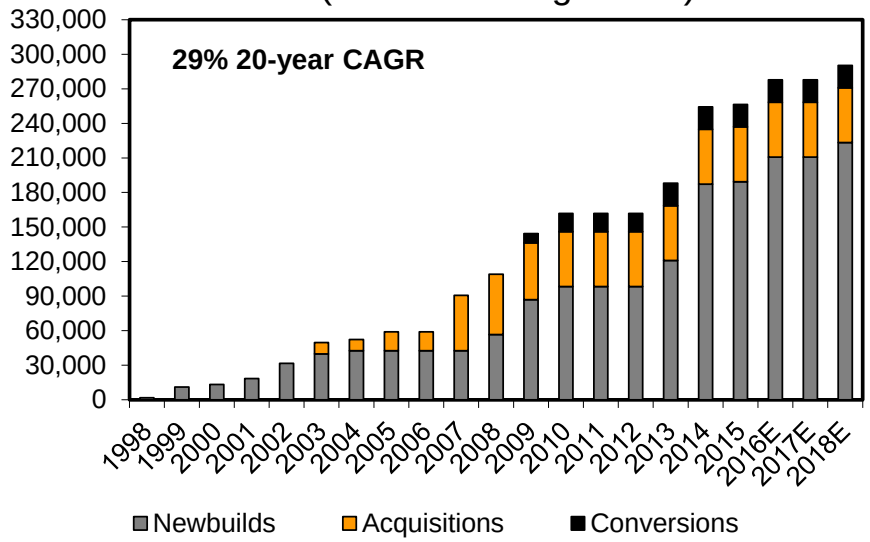
DP2 240E class OSV, *HOS Innovator* surveying damage at BP's *Thunderhorse* semi-submersible production platform after Hurricane Dennis in 2005.

Multi-Purpose Support Vessels

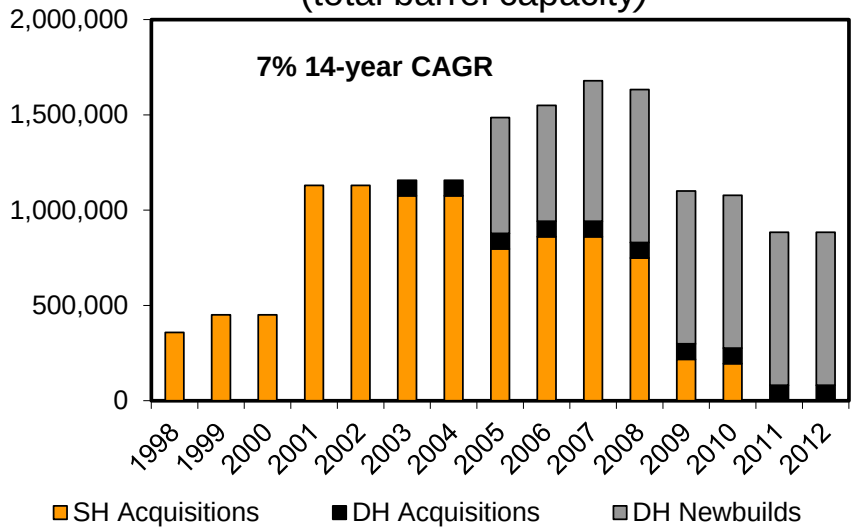
DP3 T-22 class MPSV, *HOS Achiever*, on her first shelf platfom remediation job in the GoM after Hurricanes Gustav and Ike in 2008

HOS Fleet Growth (1998 to 2017E)[1]

Upstream Vessels
(total deadweight tons)



Tank Barges [3]
(total barrel capacity)

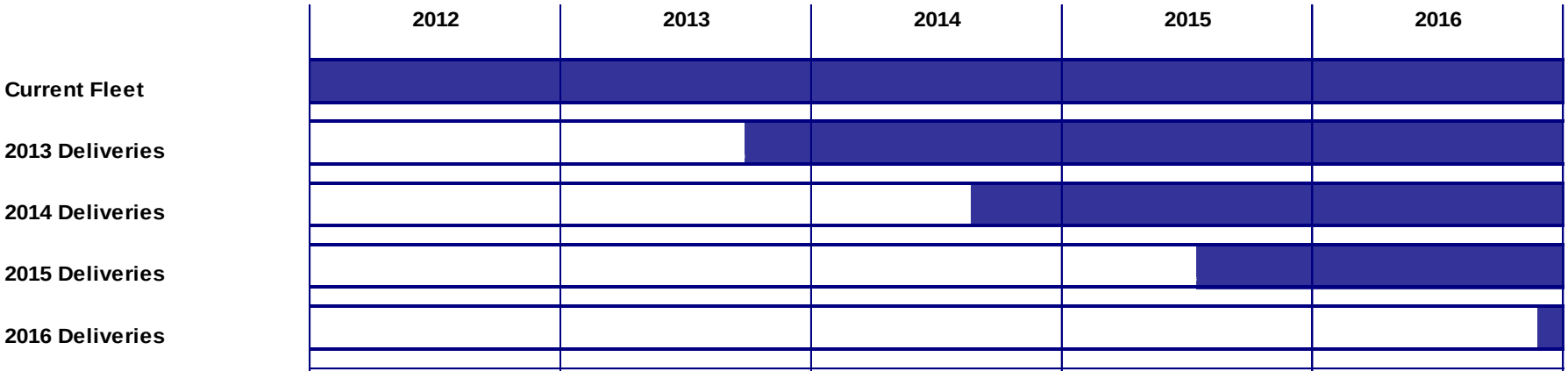


- HOS has constructed 47 OSVs and 8 MPSVs and has acquired 15 OSVs [2]
- HOS currently has 2 MPSVs remaining to be delivered under OSV Newbuild Program #5
- HOS acquired 13 TBs and built 8 TBs
- Closed the sale of the entire active Downstream fleet to Genesis Marine in Aug 2013

[1] Excludes prior vessel divestures including four vessels sold to the U.S. Navy in Feb. 2015 and Sep. 2015.
[2] Includes 10 OSVs from the Sea Mar Fleet acquired in August 2007.
[3] On August 29, 2013, the Company closed the sale of its Downstream segment to Genesis Marine, LLC for gross proceeds of $230 million.

Note: SH = Single-Hulled; DH = Double-Hulled.

300 Class OSV Deliveries Will Drive Earnings Power



	2012	2013	2014	2015	2016
Current Fleet					
2013 Deliveries					
2014 Deliveries					
2015 Deliveries					
2016 Deliveries					
Weighted Avg Fleet Count	51.0	51.7	57.4	59.6	61.9
Days in Year	x 365	x 365	x 365	x 365	x 365
Total Vessel Days	18,615	18,871	20,951	21,754	22,594
Annual Increase	0.0%	1.4%	11.0%	3.8%	3.9%
Aggregate Increase	0.0%	1.4%	12.5%	16.9%	21.4%
Year End Fleet Count	51.0	53.0	61.0	61.0	62.0

- New generation OSV fleet has increased from 51 in 2012 to 62 in 2016
- In carrying capacity, this program increased total deadweight tons by 150k, or nearly double the pre-newbuild fleet
- Every $1,000 change in new gen OSV effective dayrates should result in a $23m change in EBITDA[1]

[1] Based on our current operating and G&A cost structure, such change in effective dayrates impacts our annualized revenue, EBITDA and pre-tax net income. As of 2-Aug-2017.

HOS Fleet Growth Through Acquisitions




Amerada Hess Fleet	Candy Fleet	Walvis Vessels	Sea Mar Fleet
Year: 2001	Year: 2003	Year: 2005	Year: 2007
Flag: Domestic	Flag: Domestic	Flag: Foreign	Flag: Domestic
Vessels: 9 x single-hull barges 9 x ocean going tugs	Vessels: 6 x 220 Class OSVs	Vessels: 2 x 240 class AHTS	Vessels: 10 x S200 class OSVs 10 x Conv class OSVs
Purchase Price: $28 million	Purchase Price: $54 million	Purchase Price: $25 million	Purchase Price: $186 million
Carrying Capacity: 679,072 bbls	Deadweight : 1,609 tons	Deadweight: 3,322 tons	Deadweight: 2,250 tons(S200s)
	DP System: DP1	DP System: DP1	DP System: DP1 (S200 Class)

Proprietary OSV Newbuild Designs

Six Discrete Classes

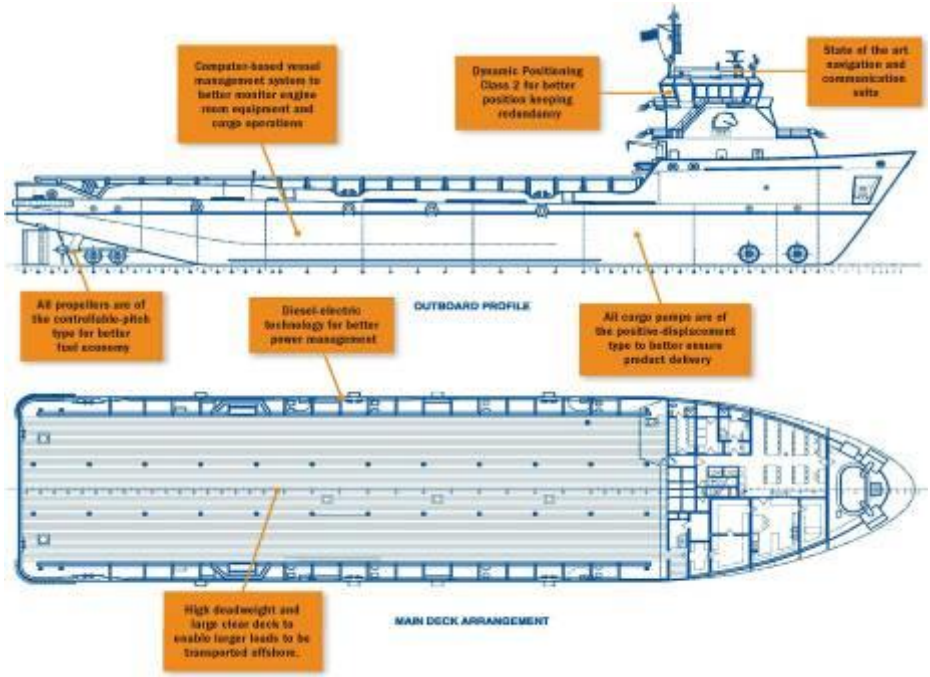
HOS 200 OSV

HOS 240/240E/240ED OSV

HOS 250EDF OSV

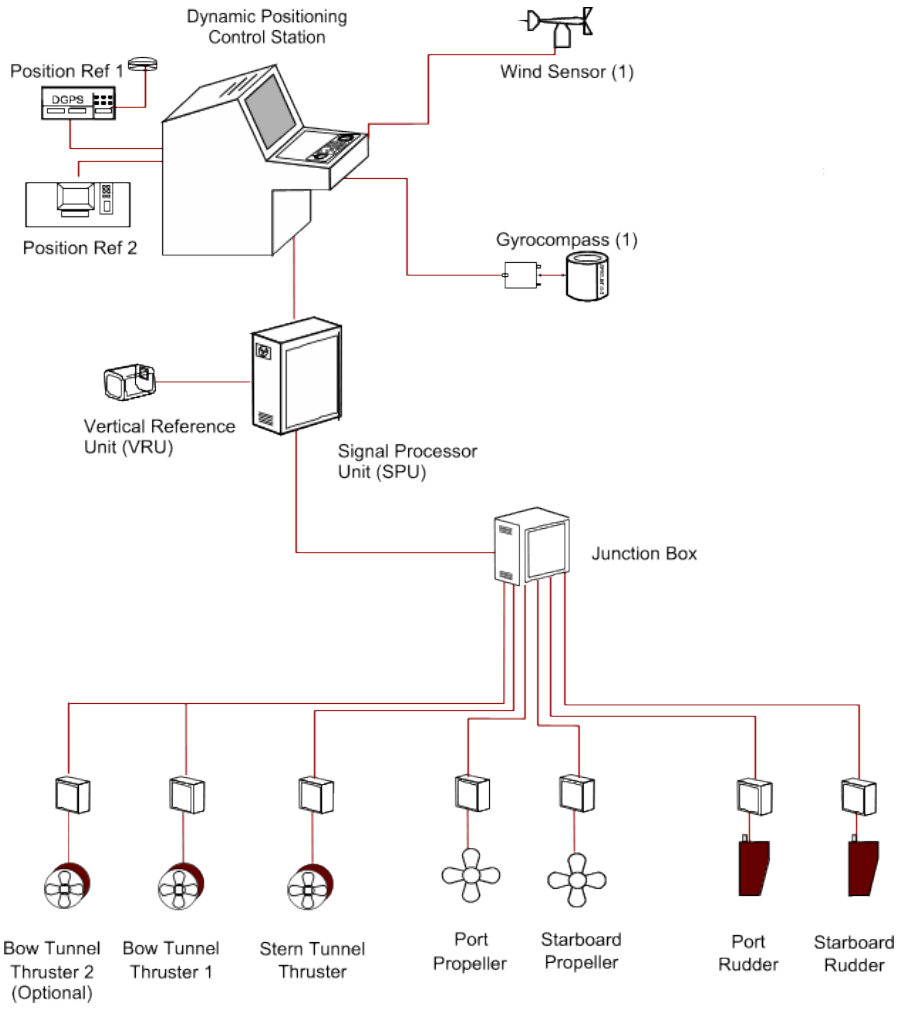
HOS 265 OSV

Proprietary Design Features

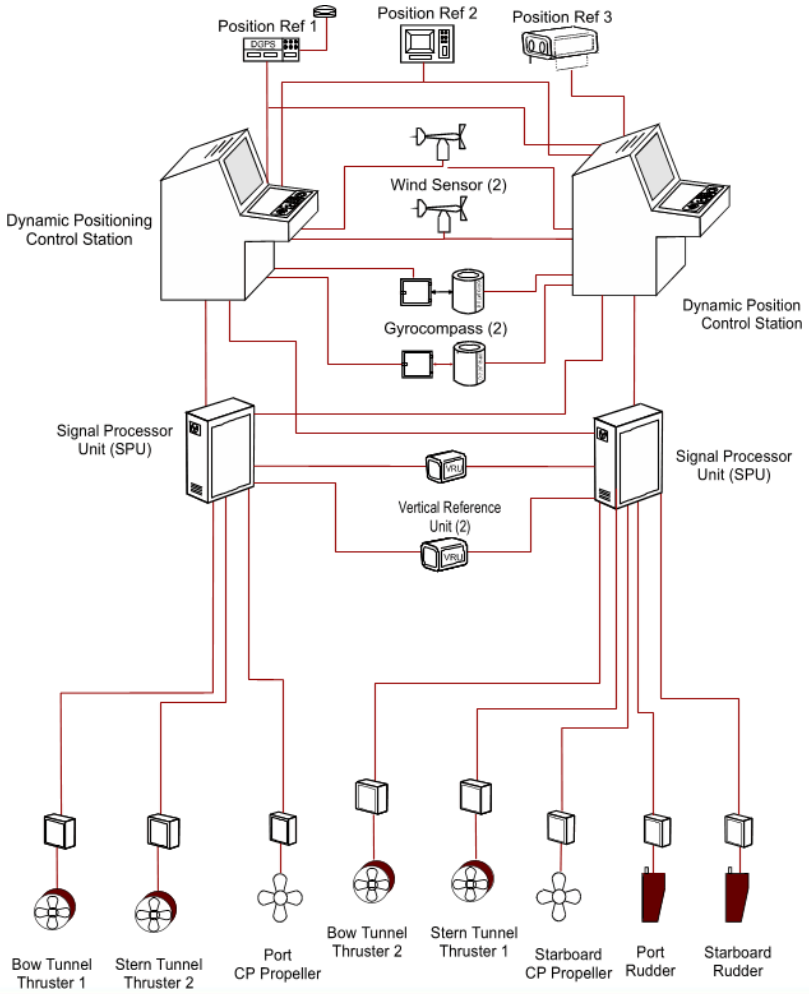


- Since 1998, HOS has built a multi-class fleet of in-house designed new generation OSVs
- Each program improved upon prior designs to develop larger, more versatile deepwater vessels
- This fleet is able to service the widest array of our customers' needs from "cradle to grave"

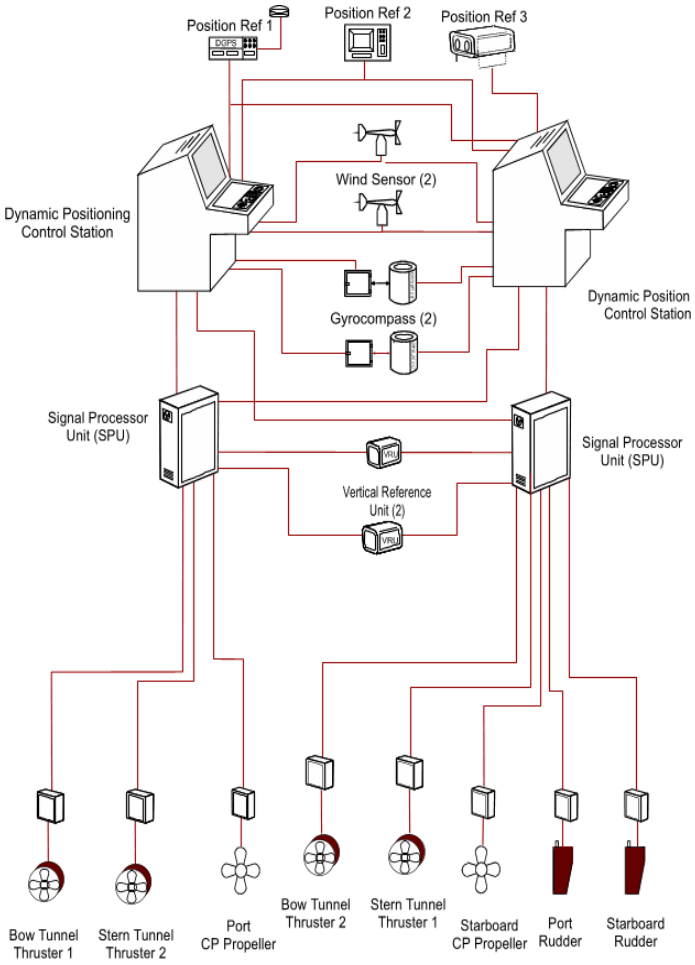
DP1 System Classification Breakdown

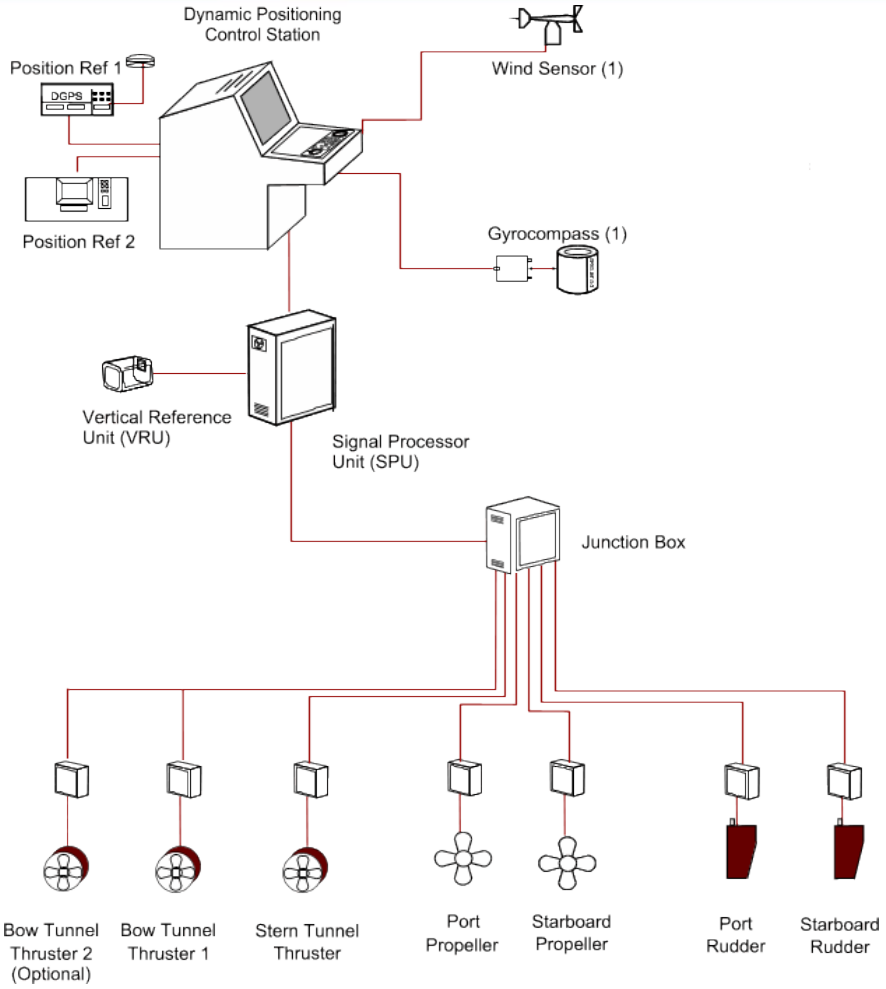


DP2 System Classification Breakdown



DP3 System Classification Breakdown

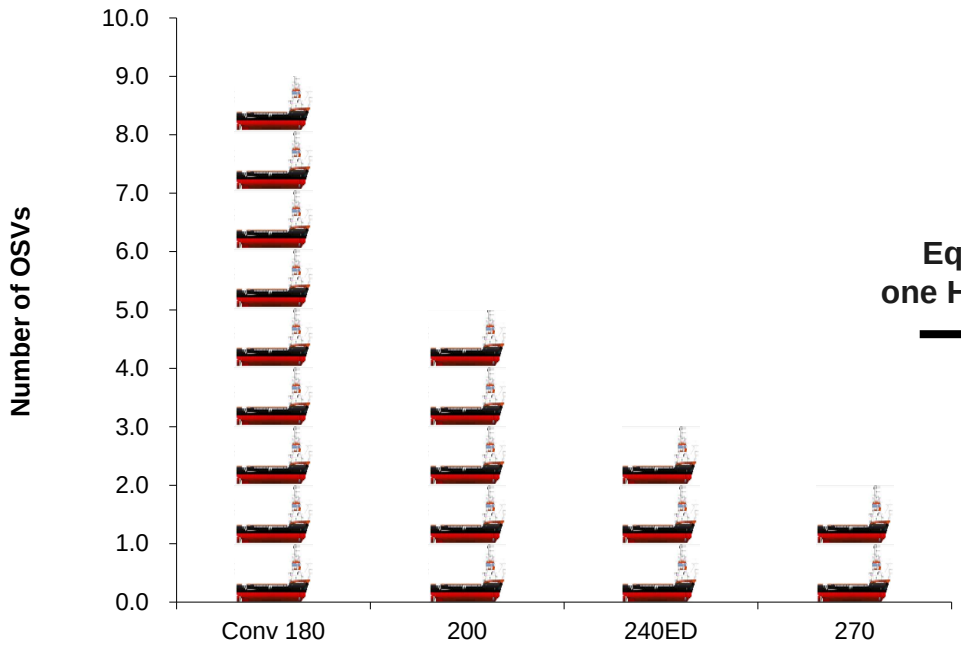




MPSV Fleet Capabilities

Highlights of 370 Class MPSV-DP2 Vessel Specs

Vessel Equivalents to 8,000 DWT



Number of OSVs needed to equal the deadweight tons of one HOS 370 class MPSV

Equals one HOS 370

Vessel Specs

- Proprietary HOS 370 class DP2 design
- ~370-ft overall length
- ~8k deadweight tons (dwt)
- ~30k bbls of liquid mud capacity
- Crane and ROV work packages (optional)

Notable Vessel Attributes

- World's largest supply vessels (by dwt)
- U.S. Jones Act qualified MPSVs
- Unique U.S.C.G. Subchapter L-I-D-O notations
- Deepwater well tests require Subchapter D
- Liquid mud well-suited for ultra-deep spud loads

Note: The above illustration may not represent final vessel configuration.

Highlights of T-22 Class MPSV-DP3 Vessel Specs

Vessel Specs

- Proven Merwede T-22 class DP3 design
- ~430-ft overall length
- ~8k deadweight tons
- ~15,000 bhp propulsion
- Accommodations for 100 to 150
- Moon pool / heli-deck (Super Puma class)

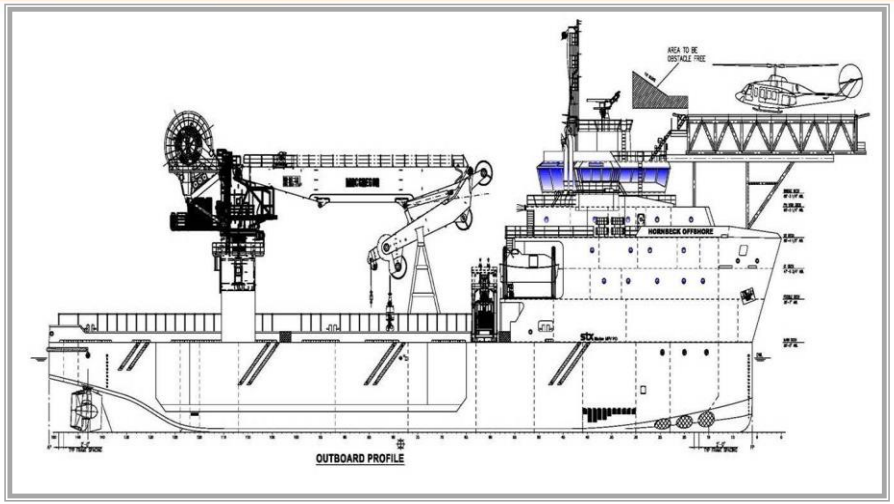
Notable Vessel Attributes

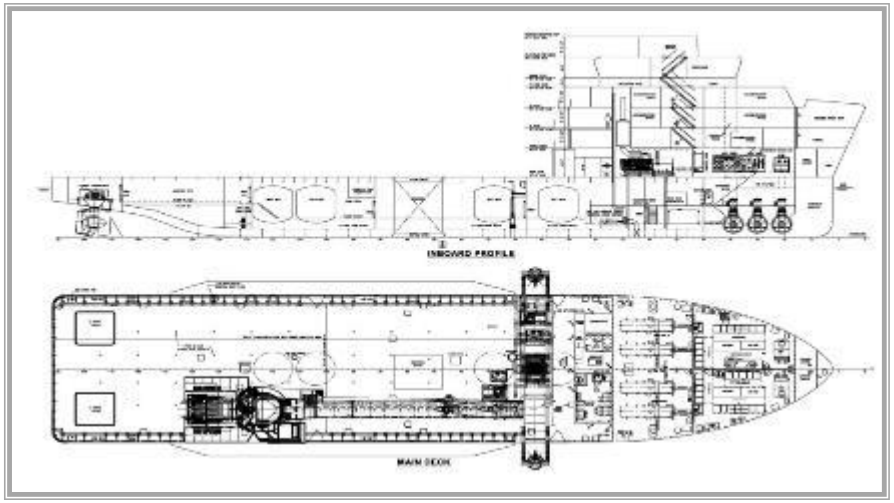
- Complementary to HOS DP2 MPSVs
- DP3 for live well intervention and sat-diving
- High capacity cranes ideal for decommissioning
- Ample accommodations for flotel services

Note: The above illustrations may not represent final vessel configurations.

Highlights of HOSMAX MPSV-DP2 Vessel Specs

- IMO Special Purpose Ship Class Notation
- ~300-400-ft overall length
- ~150-250 ton heave-compensated knuckle-boom cranes
- Accommodations for 73 persons
- Moon pool / heli-deck
- Suitable for two-work class ROVs





Note: The above illustrations may not represent final vessel configurations.

Comparison of HOS Vessel Capabilities

USCG Notation	Typical Features and Services	HOS 265	370 MPSV-DP2	MPSV-DP3
Subchapter L:	Platform Supply			
	ROV Support			
	Saturation Dive Support			
Subchapter I:	Subsea Construction / IRM			
	Decommissioning			
	Deep Well Intervention			
	Flexible Umbilical Pipelay			
	Power Cable / Fiber Optic			
	Trenching			
Subchapter D:	Petroleum Transportation			
	Deepwater Well Test			

Yes, as designed Yes, with modifications Not as designed

HOS Strongline – Before and After

HOS Strongline – Before and After

Record-Setting Riserless Well Intervention

The *HOS Iron Horse* performing subsea support

Deploying Blue Ocean Technologies subsea well intervention equipment from the *HOS Iron Horse*

- *HOS Iron Horse* used as the work platform for record-setting subsea riserless well intervention
- Worked over two production gas wells in 2,950 feet of water and roughly 9,000 feet downhole
- ATP Oil & Gas deployed Blue Ocean Technologies' *Interchangeable Riserless Intervention System (ISIS)*

Shell Perdido Spar Flotel

The *HOS Achiever* under normal subsea support configuration

The *HOS Achiever* mobilized for flotel operation to support Shell's Perdido SPAR

- Six-week mobilization to add additional berthing to accommodate 283 passengers and crew
- Added additional galleys, lounges and common areas with wireless internet, sat-TV and sat-phones
- Maintained continuous DP operations for more than eight months with no downtime or interruptions

Shell Perdido Spar Flotel

Transferring personnel between the *HOS Achiever* and the Perdido SPAR

Discharging SPAR personnel on the helideck atop the *HOS Achiever*

- More than 47,300 incident-free personnel transfers between the *HOS Achiever* and the spar
- At peak activity levels, received as many as three Sikorsky S-92 helicopters a day
- Logged nearly 184,000 work hours over the term of the project without a recordable incident

Shell Perdido Spar – HOS Crew

Shell Perdido Spar – Personnel Transfers

Shell Perdido Spar – Accommodation Units

Shell Perdido Spar – Safety Drills

Shell Perdido Spar – Helideck Ops

BP Oil Spill Response

BP Oil Spill Response Spread

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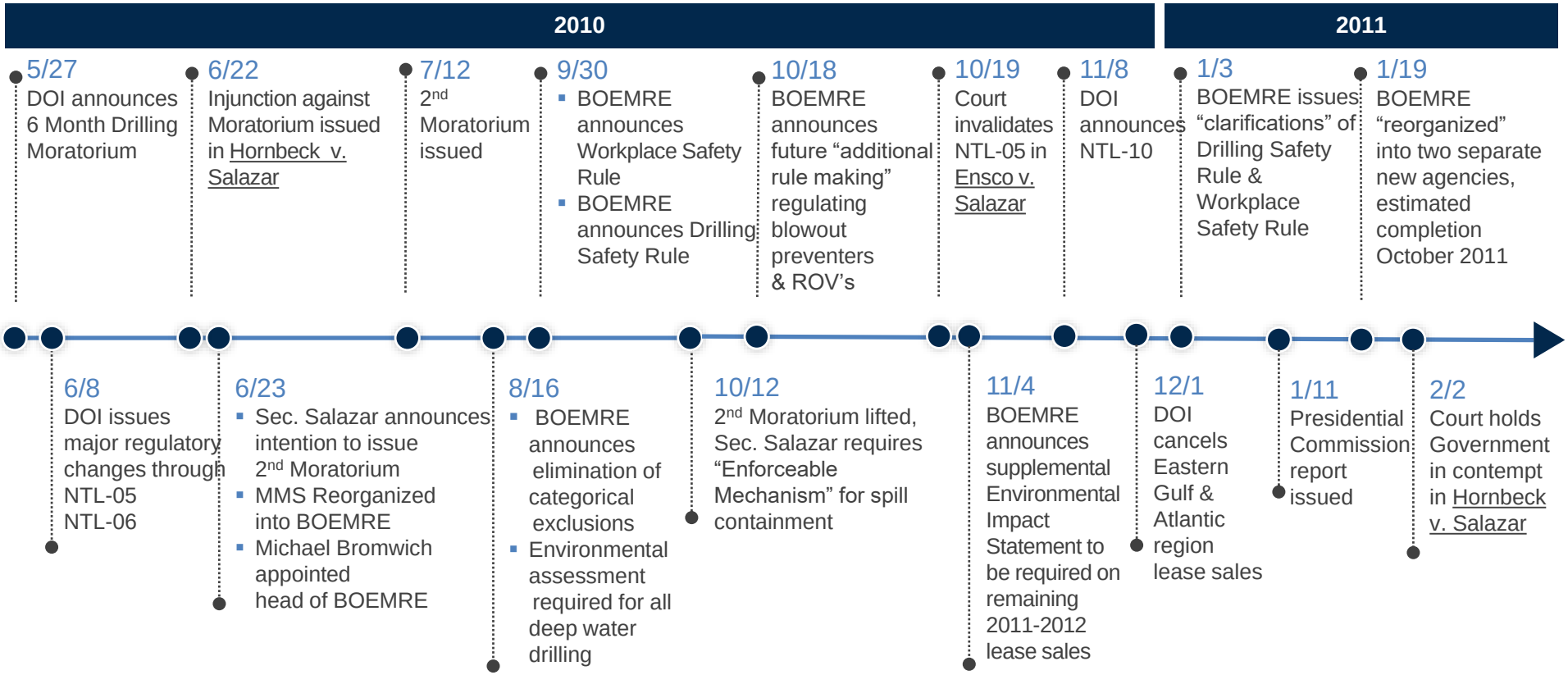
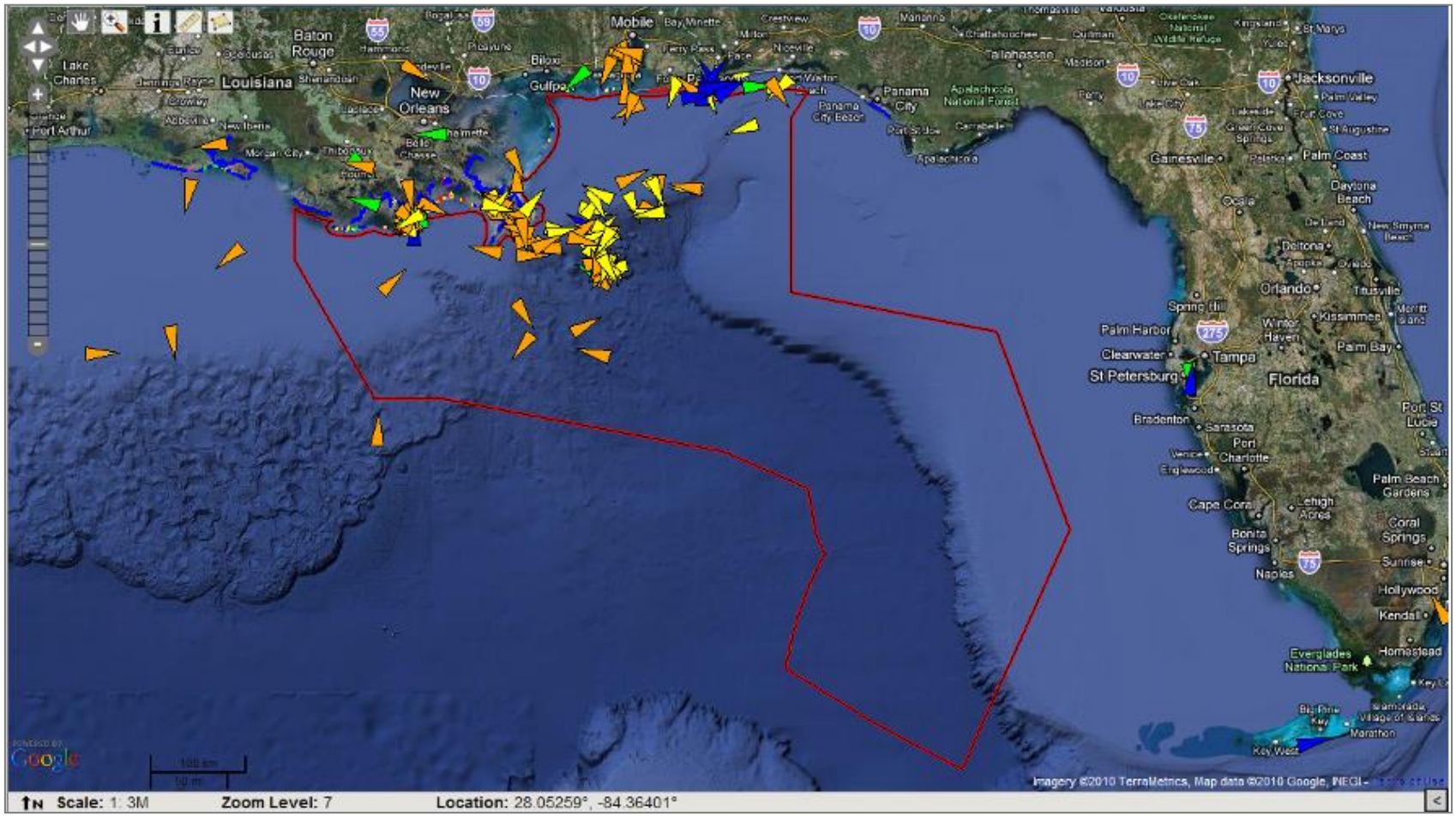
HOS Involved in Each Major Category of BP Spill Relief

New Generation OSVs	▪ Mobilized and operated various types of oil containment boom and skimming equipment ▪ Applied biodegradable dispersants to help break down surface oil ▪ Supported drilling of “Bottom Kill” relief wells
430 DP-3 MPSVs	▪ Provided subsea monitoring of well head through first “live” video feed from ROVs ▪ Supported the installation of “Top Hat” and other subsea containment systems ▪ Placed containment cap on broken drill pipe to stop crude oil flowing from the well bore
370 DP-2 MPSVs	▪ Played key role in support of “Top Kill” operation as “kill” and/or standby vessels ▪ Played key role in support of “Static Kill” operation as “kill” and/or standby vessels ▪ Played key role in support of “Bottom Kill” operation as “kill” and/or standby vessels
Double-Hulled Tank Barges and Tugs	▪ Mobilized and operated various types of ocean boom and skimming equipment ▪ Performed separation and processing of oily water and storage of recovered oil ▪ Operated as lightering vessel and storage capacity for smaller skimming vessels

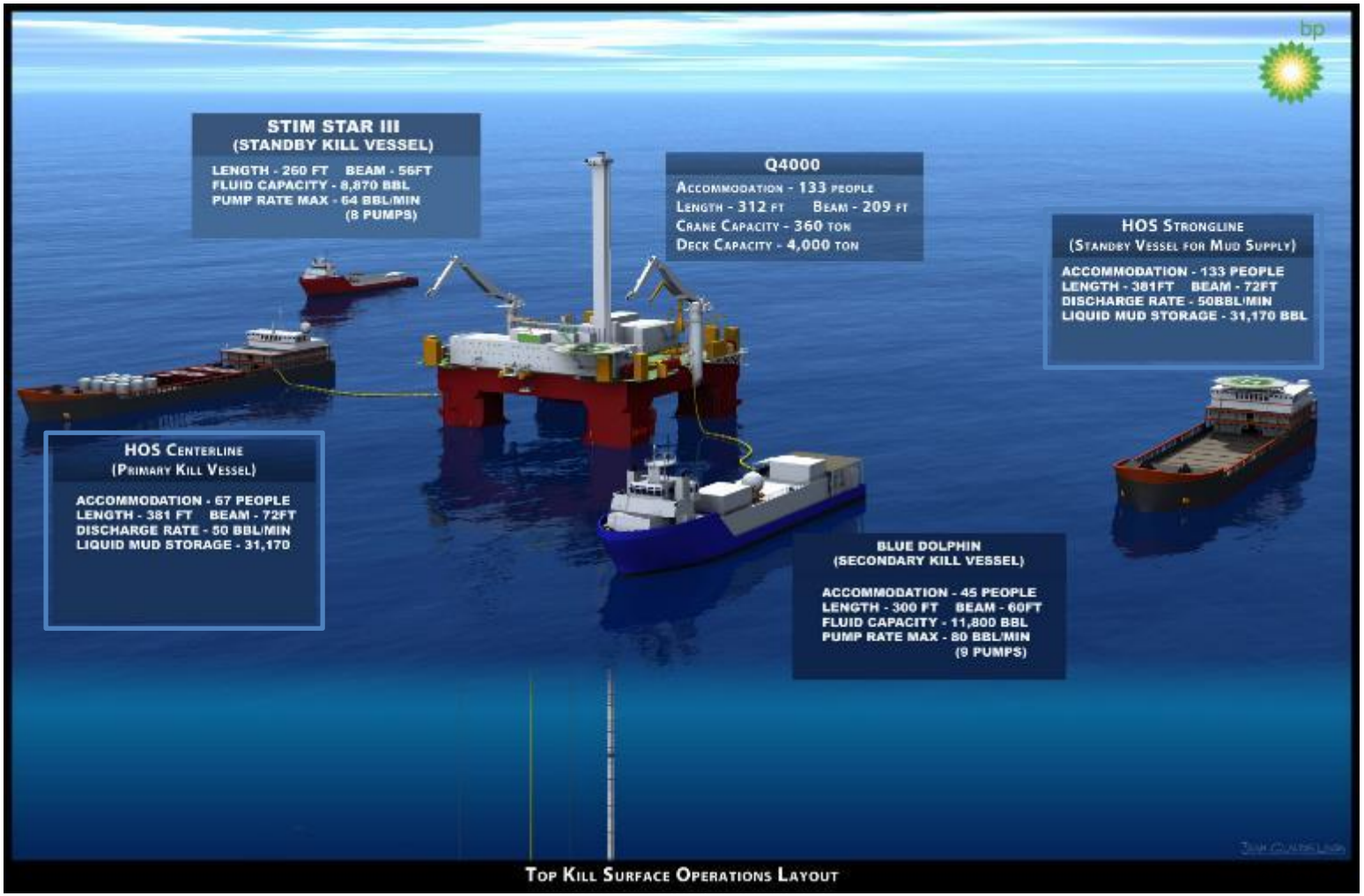
GoM Post-Macondo "Permitorium" Timeline



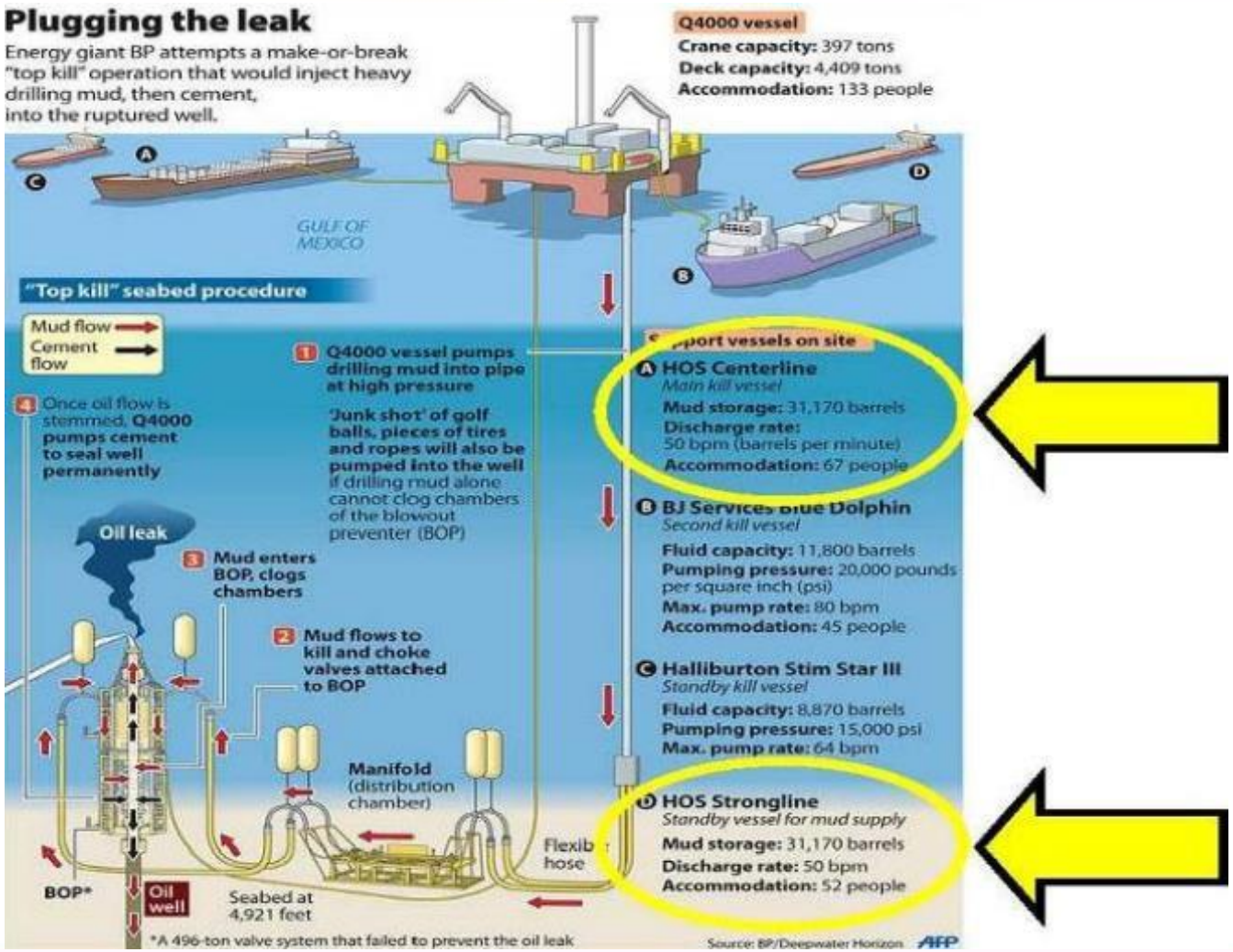
BP Oil Spill and Marine Response



BP “Top Kill” Operation



BP's Operation "Top Kill"



BP's Operation "Top Kill"

The *HOS Centerline,* the primary "kill vessel" supporting BP's Operation Top Kill

The *HOS Strongline* acting as a standby vessel for BP's Operation Top Kill

The *HOS Centerline* along side the Q4000 supporting BP's Operation Top Kill

Pumping equipment installed on the deck of the *HOS Centerline* for BP's Operation Top Kill

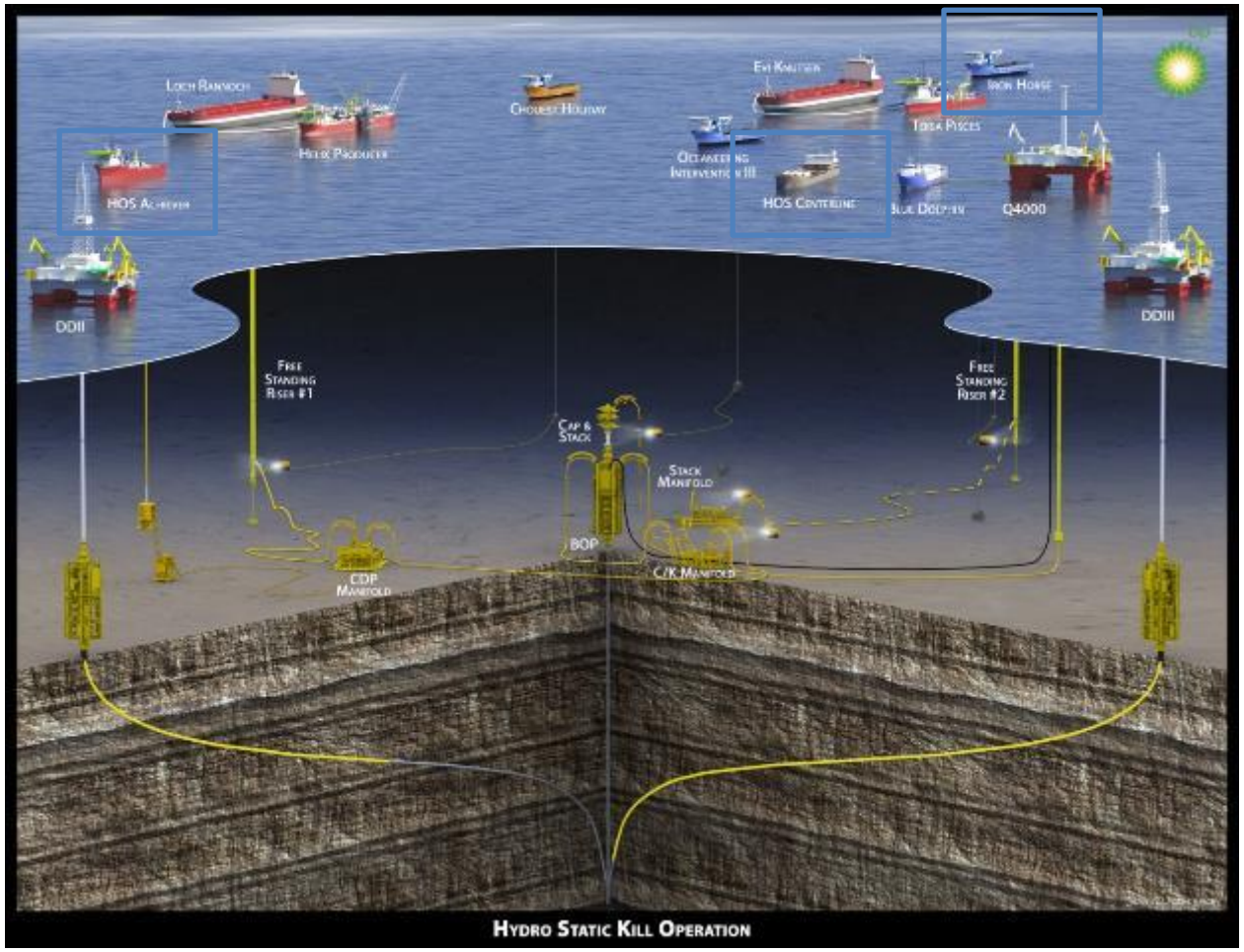
BP's Operation "Top Kill"

Helix Energy Solution's *Q4000*, a DP-3 semi-submersible multi-purpose vessel

The *HOS Centerline* along side the *Q4000* during Operation Top Kill

Pumping hoses deployed overboard the *HOS Centerline* to the *Q4000*

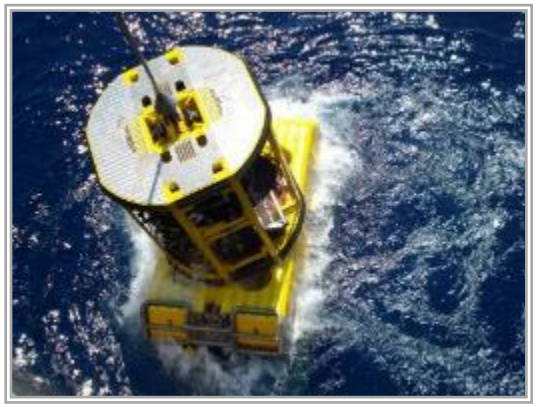
BP “Static Kill” Operation



BP Oil Spill: Subsea Response

300-ton A&R winch
on the *HOS Achiever*

120-ton knuckle-boom crane
on the *HOS Iron Horse*



Lowering of a deepwater work-class ROV
from a HOS DP-3 MPSV

100-ton knuckle-boom crane
on the *HOS Achiever*

ROV deployed from the *HOS Iron Horse* in support of BP oil spill

BP Oil Spill: Surface Response

The *HOS Mystique* outfitted with Koseq oil sweeping system

HOS *Super H* deployed as a surface dispersant vessel

The *HOS North* configured as an oil skimming vessel with portable marine tanks

The *HOS North* operating with a V.O.S.S. skimming system

BP Oil Spill: Oil Recovery

The *Energy 13501* outfitted with oily water separators and skimming equipment

The *Energy 8001* outfitted with oily water separators in lightering and storage response role

Downstream Fleet History

Sale of Downstream Segment

Ocean-going Tugs

9 Rebuilt Tugs

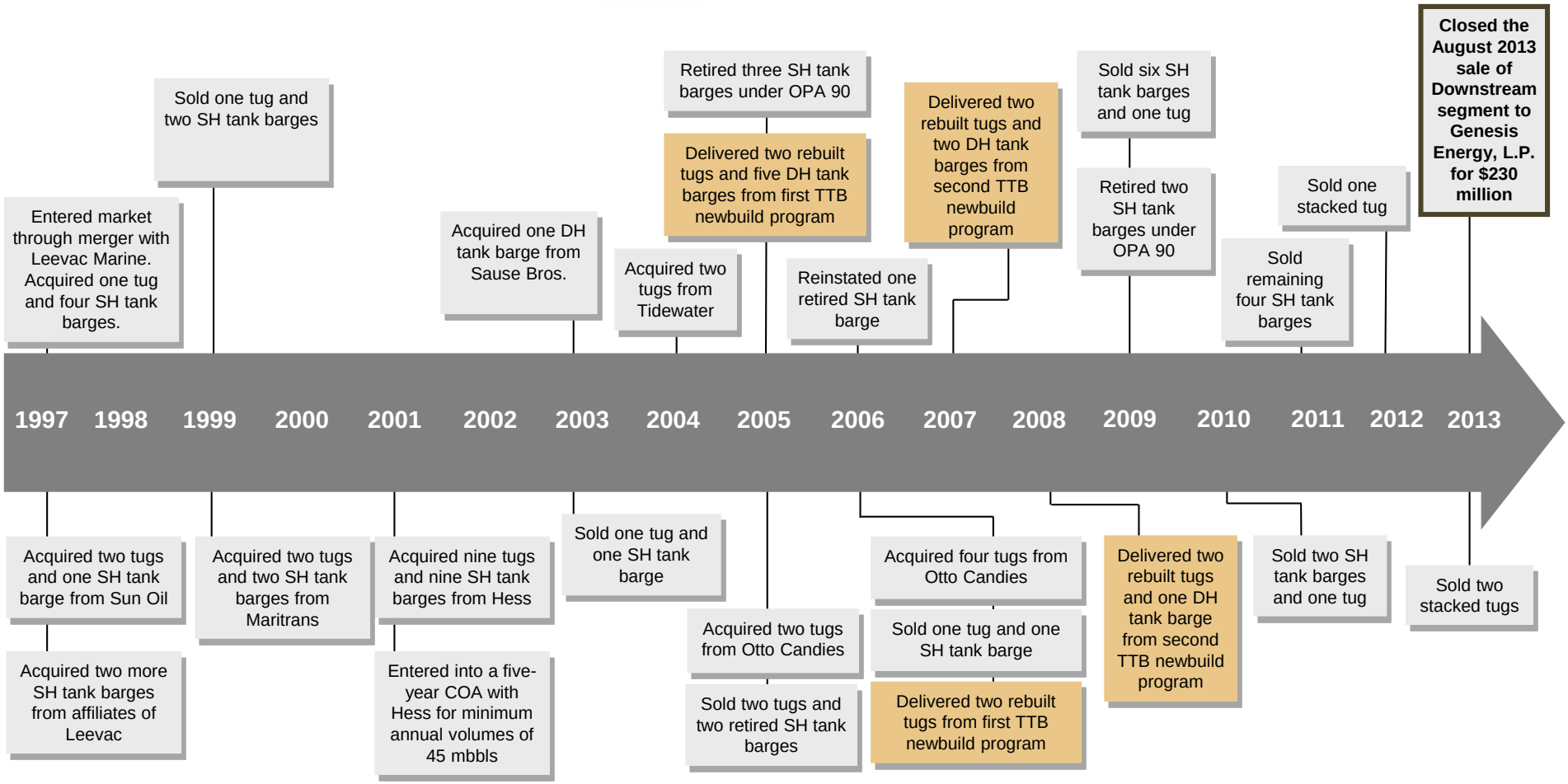
Tank Barges

9 Double-Hulled Barges

- Closed the sale of substantially all of the Downstream segment to Genesis Marine in August 2013
- The all-cash transaction generated gross proceeds of $230m and resulted in a gain on sale of $60m
- Entered into transition service agreements in order to ensure a smooth transition of operations and services

As of 2-Aug-2017.

Downstream Fleet: Historical Timeline



Diverse Fleet of Tugs and Tank Barges

Energy 13501, our first proprietary double-hulled tank barge newbuild

HOS tugs docked at our Brooklyn shore-based facility

Energy 13501 on its maiden voyage, powered by the 6,140 hp *Liberty Service*

Two of our double-hulled newbuilds, the *Energy 11104* and *Energy 11105*

Energy 6506, our first 60,000-bbl double-hulled tank barge newbuild

The *Gulf Service,* one of our 3,900 hp ocean-going tugs, in New York Harbor

Financial Highlights

Company Valuation and Credit Metrics

HOS LISTED NYSE

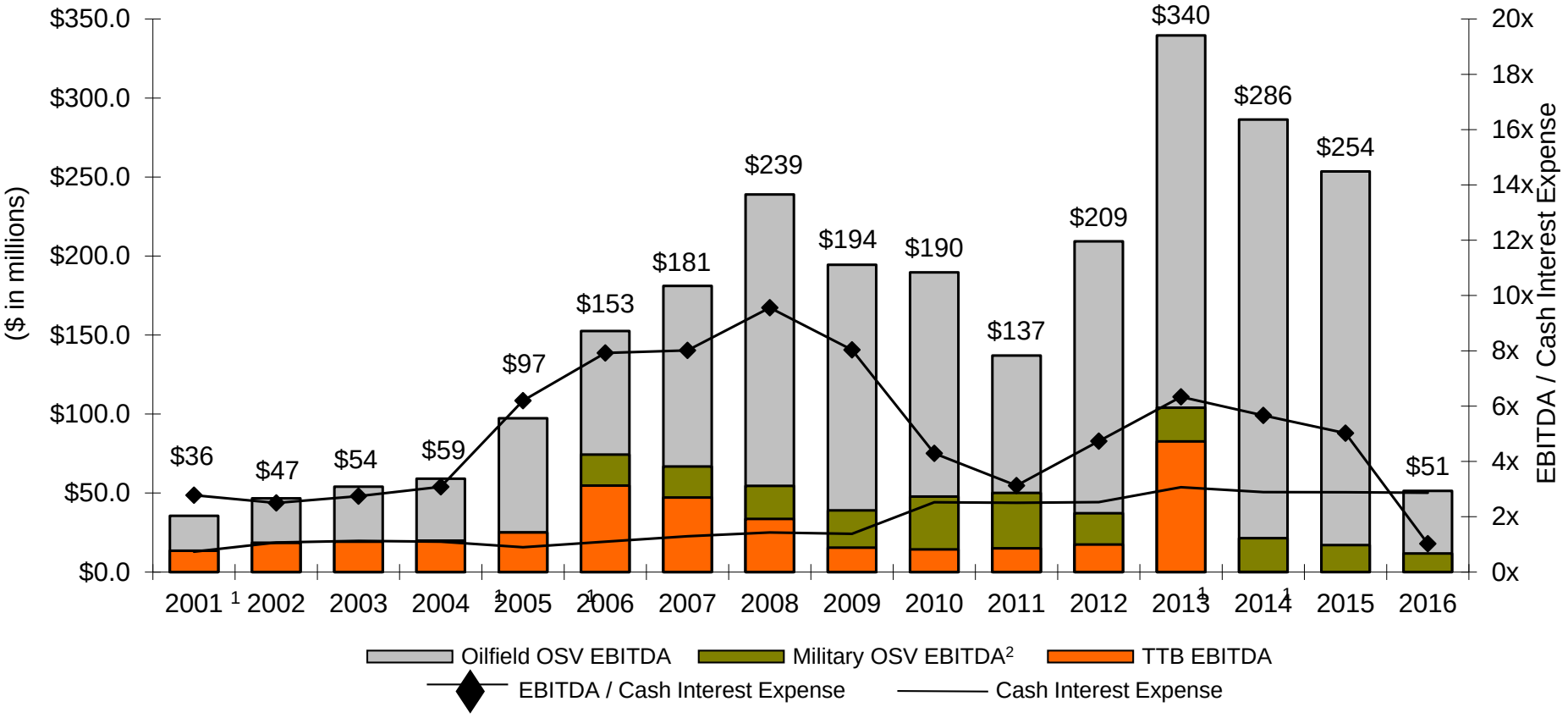
52-Week Range	$1.51-$9.07
Average Daily Trading Volume (L3M)	1.25m
Stock Price @ 23-Aug-2017	$2.76
Shares Outstanding	37.03
Market Capitalization @ 23-Aug-2017	$ 102m
Total Cash [1]	$ 125m
Total Debt [1]	$ 1,013m
Total Enterprise Value @ 23-Aug-2017	$ 990m
Moody's Rating [2]	Caa3 / Caa3
S&P Rating [2]	CCC-/CCC

	2016A	2017E Consensus[3]	2018E Consensus[3]
Results			
EBITDA	$ 51m	$ (17)m	$ (6)m
Diluted EPS	$ (1.76)	$ (3.22)	$ (2.71)
Trading Multiples			
TEV/EBITDA	19.1x	n/a	n/a
Price/Earnings	n/a	n/a	n/a

[1] As of 30-Jun-2017.
[2] Corporate credit rating and senior notes issue rating, respectively.
[3] First Call Consensus estimates for EBITDA and EPS as of 23-Aug-2017. The Company does not confirm or reconcile EBITDA from third parties.

“Blue Chip” Customers

Significant Operating Leverage with Stable Base



Note: EBITDA is a non-GAAP financial measure; see Appendix for definition and Regulation G reconciliation to GAAP.

[1] EBITDA for 2001, 2004, 2005, 2012, and 2013 has only been adjusted for loss on early extinguishment of debt of $3.0m, $22.4m, $1.7m , $6.0m and $25.8m, respectively.

[2] "Military OSV EBITDA" reflects estimated contribution from the Company's vessels currently working for the military under long-term contracts and EBITDA earned from the operations and maintenance "O&M" contact from the four vessels sold to the U.S. Navy in 2015.

Young Fleet Requires Lower Maintenance Capex

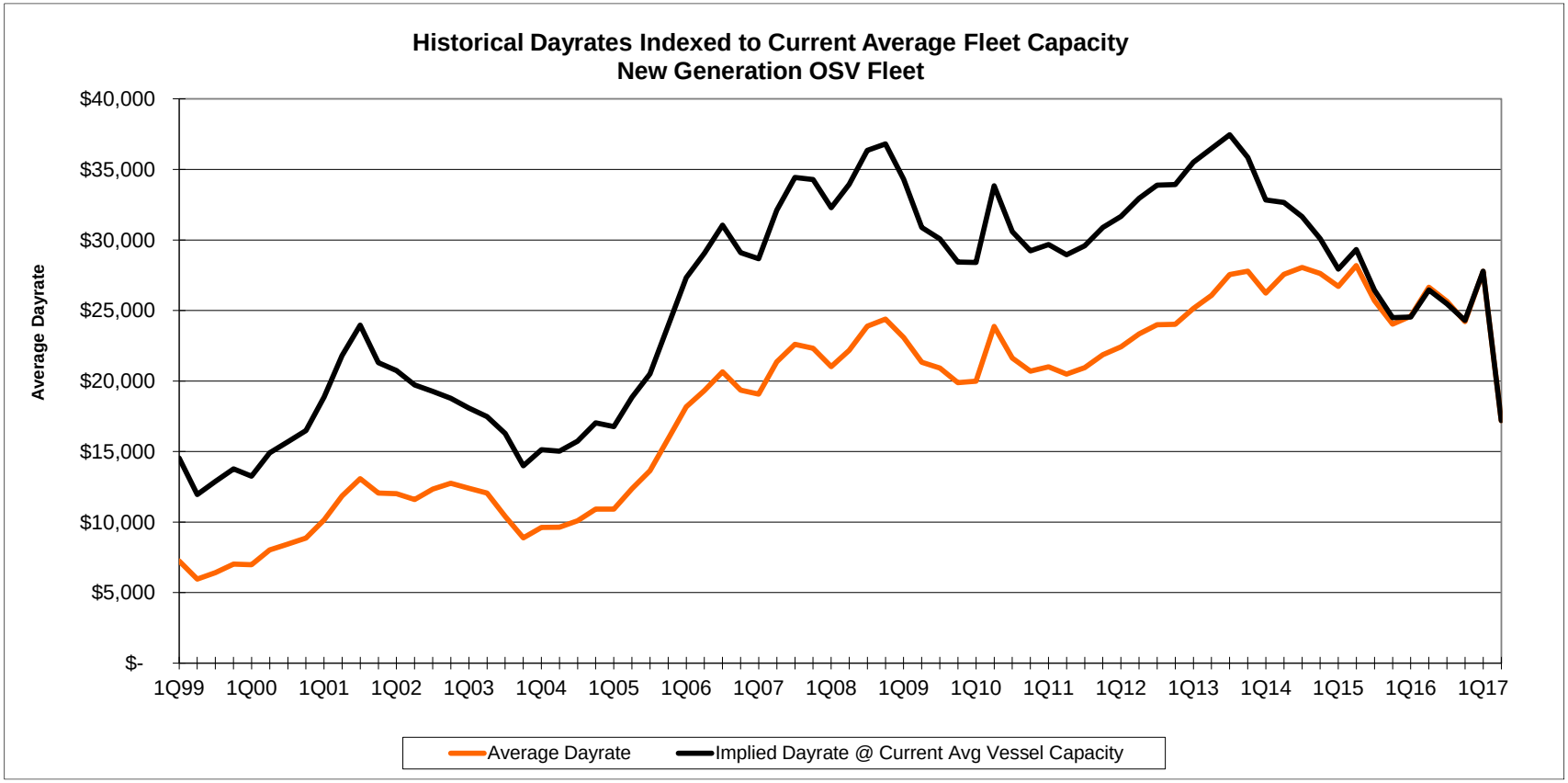
Maintenance Capex	2016A	2017E	2018E
Deferred drydocking charges	$ 4m	$ 8m	$ 10m
Other vessel capital improvements	$ 5m	$ 1m	$ 5m

Other Capex	2016A	2017E	2018E
Commercial related expenditures	$ 15m	$ 0m	-
Non-vessel related capital expenditures	$ 1m	$ 1m	$ 1m

Total	$ 25m	$ 10m	$ 16m

As of 2-Aug-2017.

Pro Forma DWT-Adjusted Historical Dayrates



- From 1999 to mid-2002, our average OSV size (DWT) was about 25% smaller than today's fleet
- After adjusting for this size differential, we believe our historical trough dayrates in 1999 would be higher

Pro Forma Operating Leverage of Upstream Fleet

Dayrate Sensitivity for New Gen OSV Fleet

Dayrate Change	Change in EBITDA	Change in EPS
2,000	$ 45.3m	$ 0.80
1,500	$ 33.9m	$ 0.60
1,000	$ 22.6m	$ 0.40
500	$ 11.3m	$ 0.20
-	$ -	$ -
(500)	$ (11.3m)	$ (0.20)
(1,000)	$ (22.6m)	$ (0.40)
(1,500)	$ (33.9m)	$ (0.60)
(2,000)	$ (45.3m)	$ (0.80)

Dayrate Sensitivity for MPSV Fleet

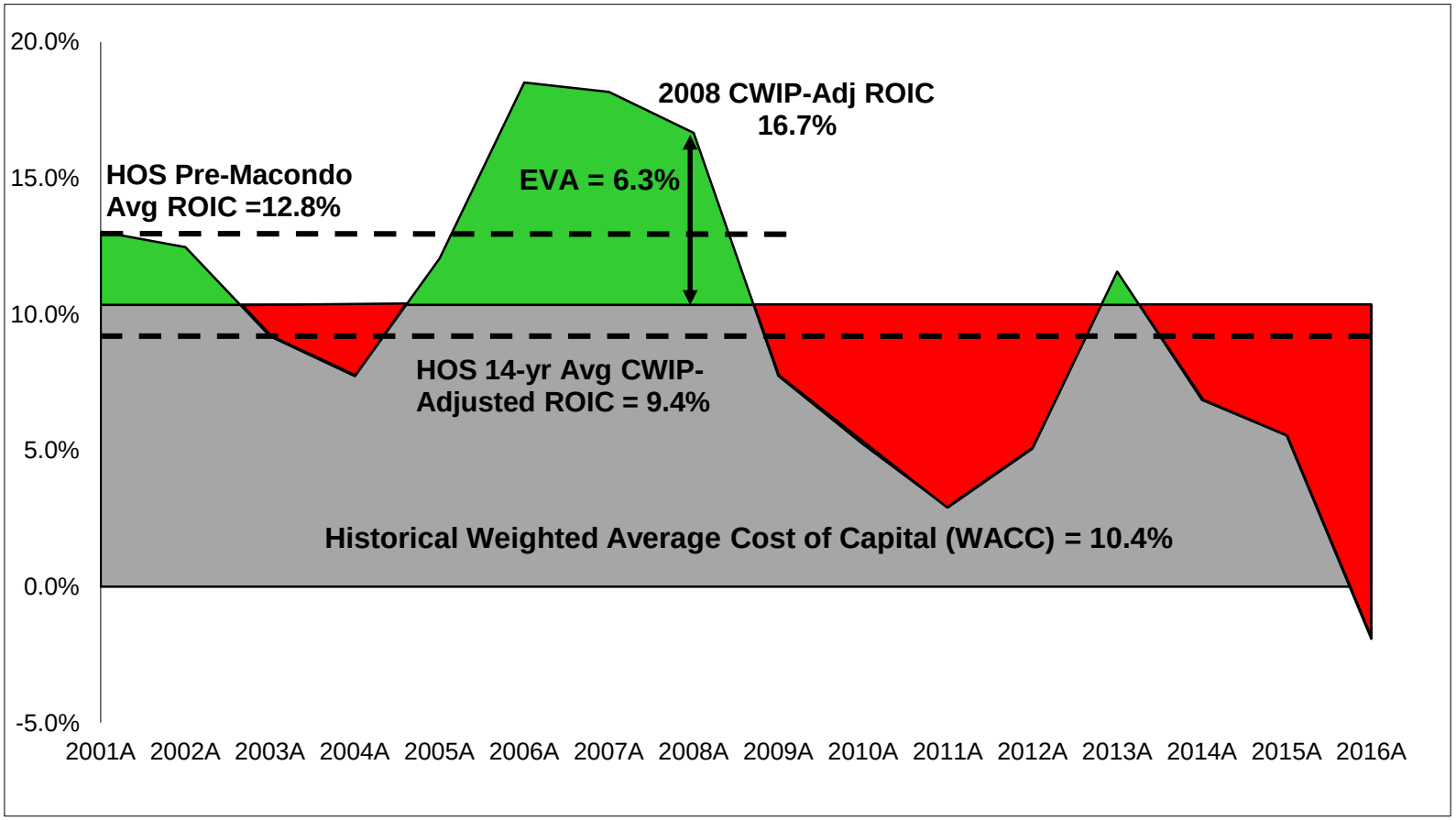
Dayrate Change	Change in EBITDA	Change in EPS
40,000	$ 146.0m	$ 2.59
30,000	$ 109.5m	$ 1.94
20,000	$ 73.0m	$ 1.29
10,000	$ 36.5m	$ 0.65
-	$ -	$ -
(10,000)	$ (36.5m)	$ (0.65)
(20,000)	$ (73.0m)	$ (1.29)
(30,000)	$ (109.5m)	$ (1.94)
(40,000)	$ (146.0m)	$ (2.59)

- HOS pro forma new gen OSV count will be 62 vessels and pro forma MPSV count will be ten vessels
- Every $1,000 change in new gen OSV effective dayrates will result in a $23m change in EBITDA[1]
- Every $10,000 change in MPSV effective dayrates will result in a $37m change in EBITDA[1]

[1] Based on our current operating and G&A cost structure, such change in effective dayrates impacts our annualized revenue, EBITDA and pre-tax net income.

Track Record of Value Creation in Market Upcycles

EVA = CWIP Adjusted ROIC[1] – WACC



[1]CWIP-Adjusted return on invested capital (ROIC) is defined as tax-affected GAAP EBIT divided by average GAAP net book capital less CWIP (BoY LT debt less cash plus book equity less CWIP + EoY LT debt less cash plus book equity less CWIP divided by 2) excluding any loss on early extinguishment of debt.

2016 Return on Invested Capital (ROIC[1])

Average Invested Capital

($ in millions)	BoY	EoY[2]	Avg
Book Equity	$1,446.2m	$1,402.9m	$1,424.6m
Plus Debt	$1,070.3m	$1,083.7m	$1,077.0m
Less Cash	$259.8m	$217.0m	$238.4m
Invested Capital	$2,256.7m	$2,269.7m	$2,263.2m
Construction WIP	$485.5m	$160.2m	$322.9m
Invested Capital less CWIP	$1,771.2m	$2,109.5m	$1,940.4m
Deferred Tax Liability	$381.6m	$343.0m	$362.3m
Invested Capital plus Deferred Tax Liability	$2,152.8m	$2,452.5m	$2,302.7m

ROIC (Fiscal 2016)

EBITDA	$51.4m
Depreciation/Amortization	$113.6m
Effective Tax Rate	37.3%
Deferred Income Taxes	$(43.1)m

ROIC	**(1.3)%**
CWIP-Adjusted ROIC	**(1.6)%**
Cash-Tax Adjusted ROIC	**(3.8)%**

[1] ROIC equals tax-affected EBIT divided by average net book capital; EBIT equals EBITDA minus Depreciation/Amortization.
[2] Reflects 2016 year-end capital structure.

Capital Structure

Current Weighted-Average Cost of Capital

(Calculated as of 31-Jan-2017)

BOY Capital Structure [1]			
	Book Equity	$ 1,377.4m	55.0%
	Debt	$ 1,125.0m	44.0%
	Total Capital	$ 2,502.4m	

Cost of Equity = $R_f + \beta(R_m - R_f)$

Risk-free Rate (R_f)	2.48%
Industry Beta[2] (β)	1.84
Market Risk Premium[3] ($R_m - R_f$)	16.02%
Cost of Equity	31.95%

Cost of Debt = i x (1-t)

Average Debt Interest Rate (i)[4]	5.49%
Marginal Tax Rate (t)	41.6%
After-Tax Cost of Debt	3.21%

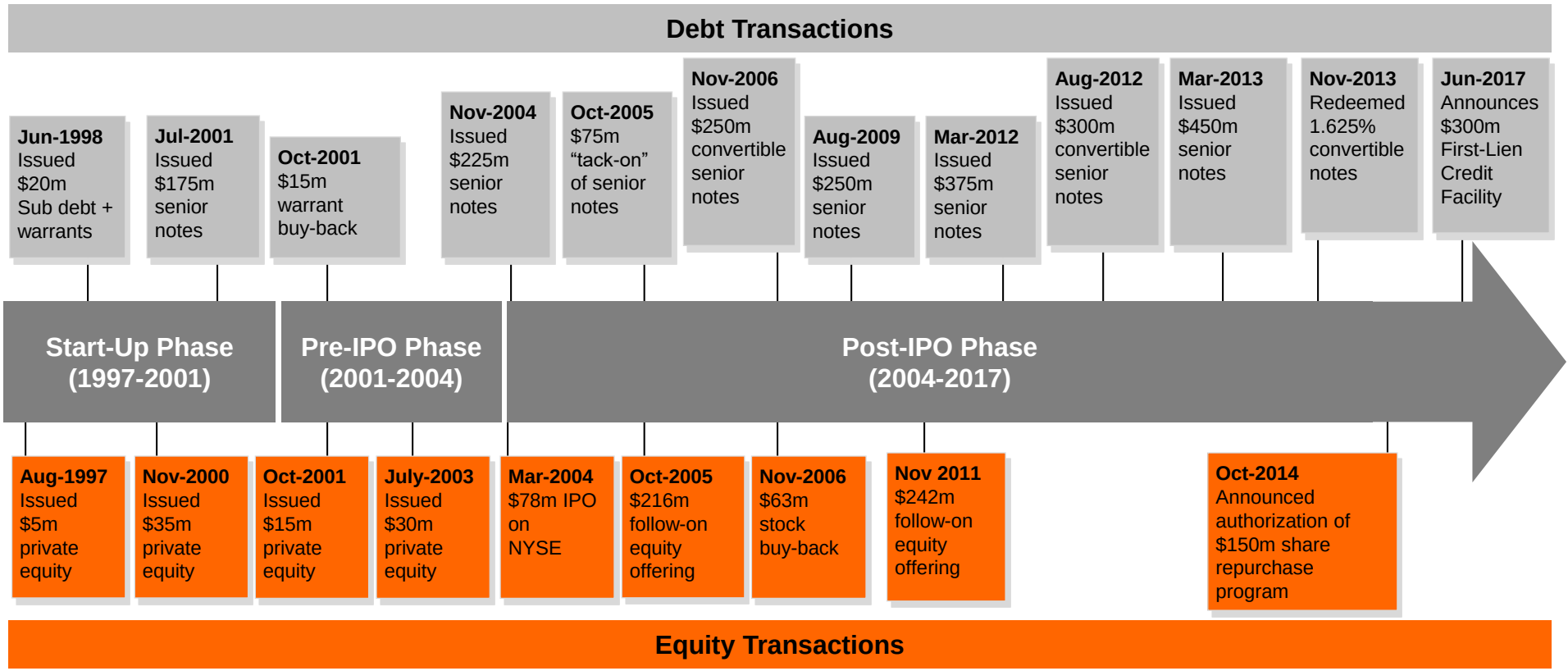
Equity	Debt	
WACC = **(31.95%**	**x 55.0%) +**	**(3.21% x 45.0%) = 19.03%**

[1] BoY Capital Structure has been adjusted to reclassify OID related to the 1.500% Convertible Notes from equity to debt.
[2] Levered 2-yr adjusted beta versus the S&P 500 Index as of 31-Jan-2017 (Source: HOS calculation).
[3] Based on "notching" build-up from recent HOS senior unsecured bond yields as of 31-Jan-2017.
[4] Based on cash interest cost of current HOS high-yield debt and GAAP implied interest cost of HOS convertible debt.

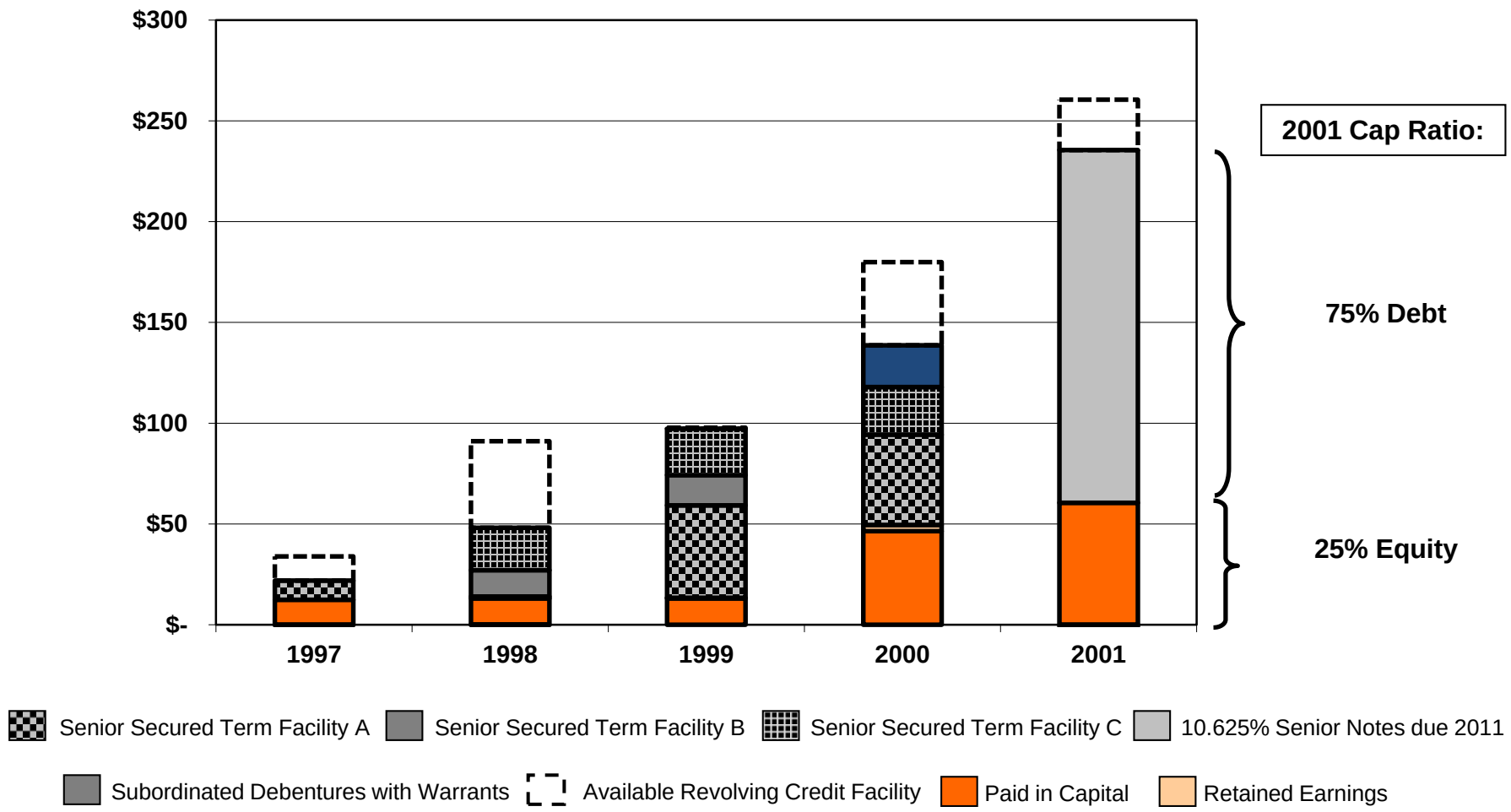
Historical Weighted-Average Cost of Capital

Year	Cost of Equity	Cost of Debt	Debt/Cap	Equity /Cap	WACC
2007	11.56%	4.19%	56.2%	43.8%	**7.42%**
2008	10.13%	4.20%	50.4%	49.6%	**7.14%**
2009	19.01%	3.62%	49.8%	50.2%	**11.35%**
2010	11.57%	4.44%	51.6%	48.4%	**7.89%**
2011	11.99%	4.42%	49.8%	50.2%	**8.22%**
2012	11.70%	5.07%	43.3%	56.7%	**8.83%**
2013	9.51%	4.06%	52.0%	48.0%	**6.68%**
2014	11.37%	3.51%	47.7%	52.3%	**7.62%**
2015	17.30%	3.44%	46.0%	54.0%	**10.92%**
2016	31.11%	3.44%	44.5%	55.5%	**18.81%**
2017	31.95%	3.21%	45.0%	55.0%	**19.03%**
Average	16.11%	3.96%	n/a	n/a	**10.35%**

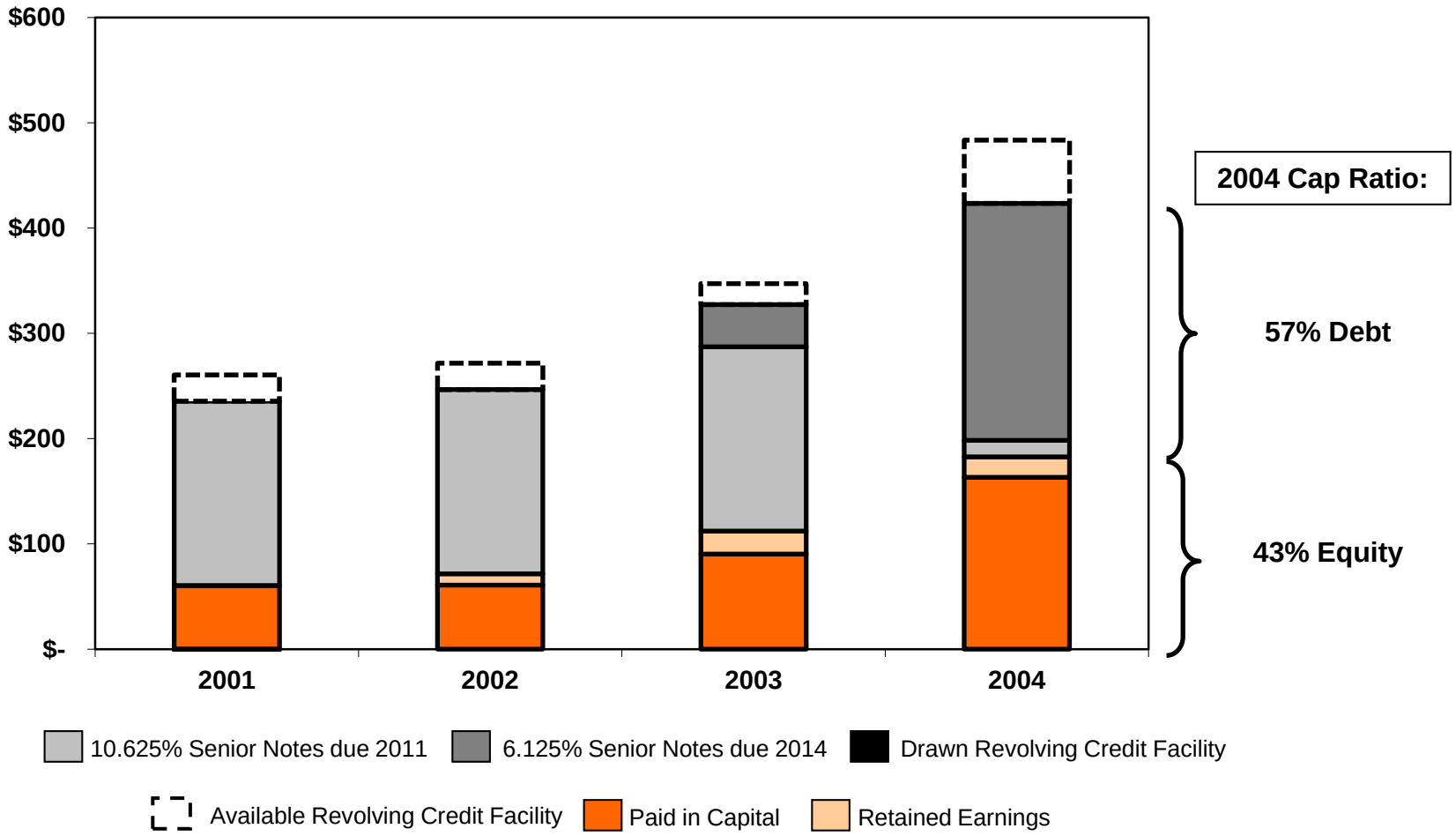
HOS Capital Structure: Historical Timeline



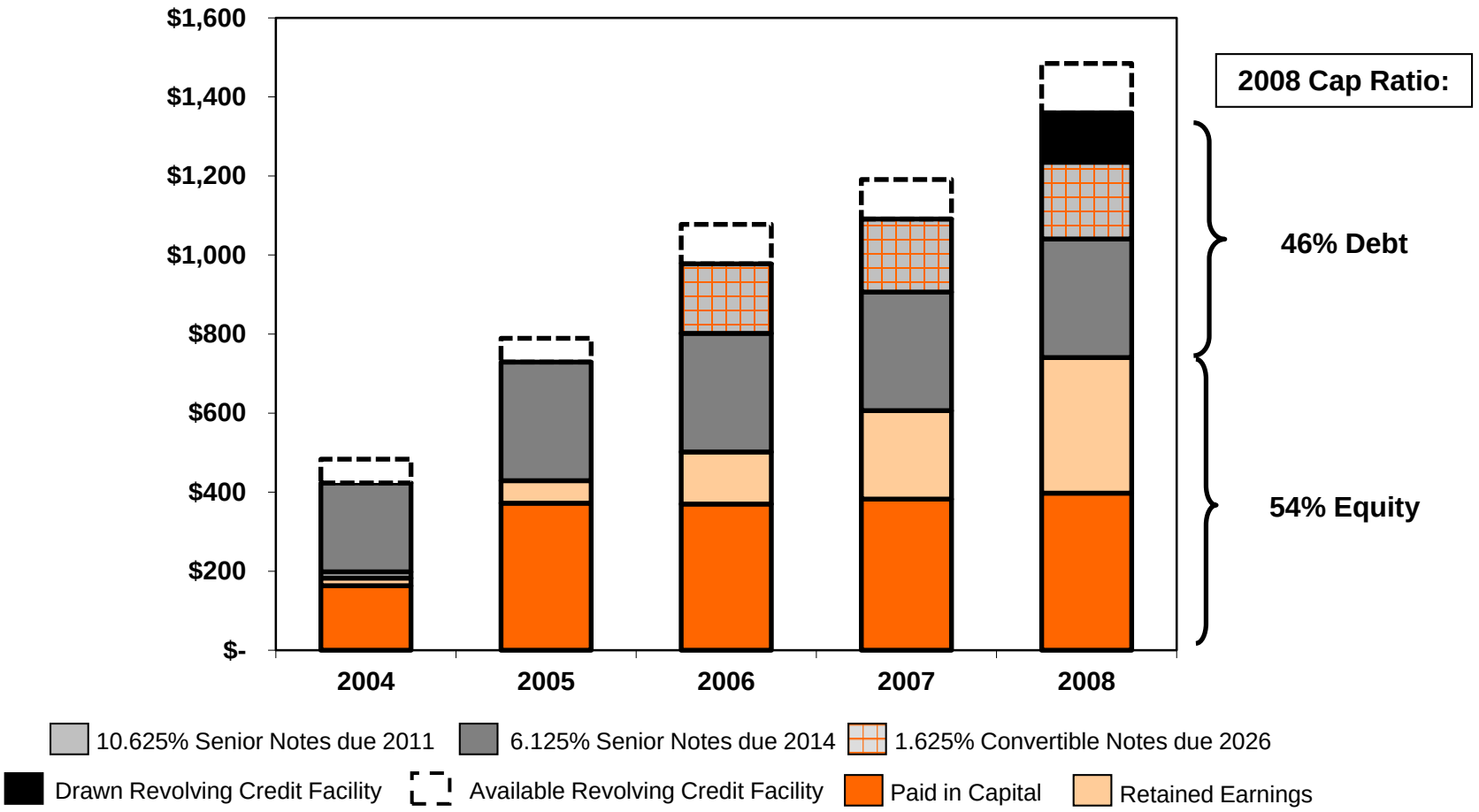
Start-Up Phase Capital Structure



Pre-IPO Phase Capital Structure



Post-IPO Phase Capital Structure



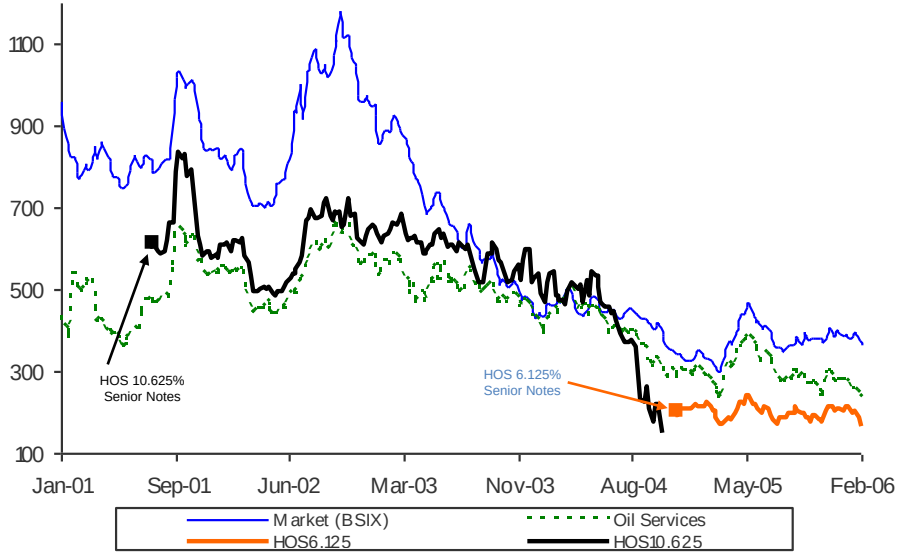
Note: Effective 1-Jan-2009, the Company adopted APB 14-1, which requires retrospective application to its historical financial results, including long-term debt and stockholders' equity. Please see the Company's most recent SEC filings and Presentation dated 30-Apr-2009 for the adjustments made to prior and future periods.

Current Balance Sheet and Liquidity

($ in millions)	31-Dec-2014 Actual	31-Dec-2015 Actual	31-Dec-2016 Actual	30-Jun-2017 Actual [1]
Cash & Equivalents	**$185**	**$260**	**$217**	**$125**
First-Lien Credit Facility due 2023	$0	$0	$0	$113
5.875% Senior Notes due 2020	370	371	372	364
5.000% Senior Notes due 2021	444	445	446	446
1.500% Convertible Notes due 2019	243	254	266	89
Total GAAP Debt	**1,073**	**1,070**	**1,084**	**1,013**
Book Equity	**1,371**	**1,446**	**1,403**	**1,360**
Total Capitalization	**$2,444**	**$2,516**	**$2,487**	**$2,373**
Debt / Capitalization	44%	43%	44%	43%
Net Debt / Net Capitalization	39%	36%	38%	40%
Net Debt / LTM Adjusted EBITDA	2.93x	3.05x	13.79x	21.97x
LTM Adjusted EBITDA / LTM Cash Interest	5.9x	5.3x	1.3x	0.8x
Total Available Liquidity [2]	$485	$560	$417	$329
Secured Credit Facility Coupon (as of period-end)	L + 275	L + 250	L + 275	L + 600
Moody's Rating	Ba3	B2	Caa3	Caa3
S&P Rating	BB-	B+	CCC-	CCC-

[1] As of 30-Jun-2017, based on GAAP debt balances..
[2] Equals cash plus immediately available borrowing capacity under Secured Credit Facility.

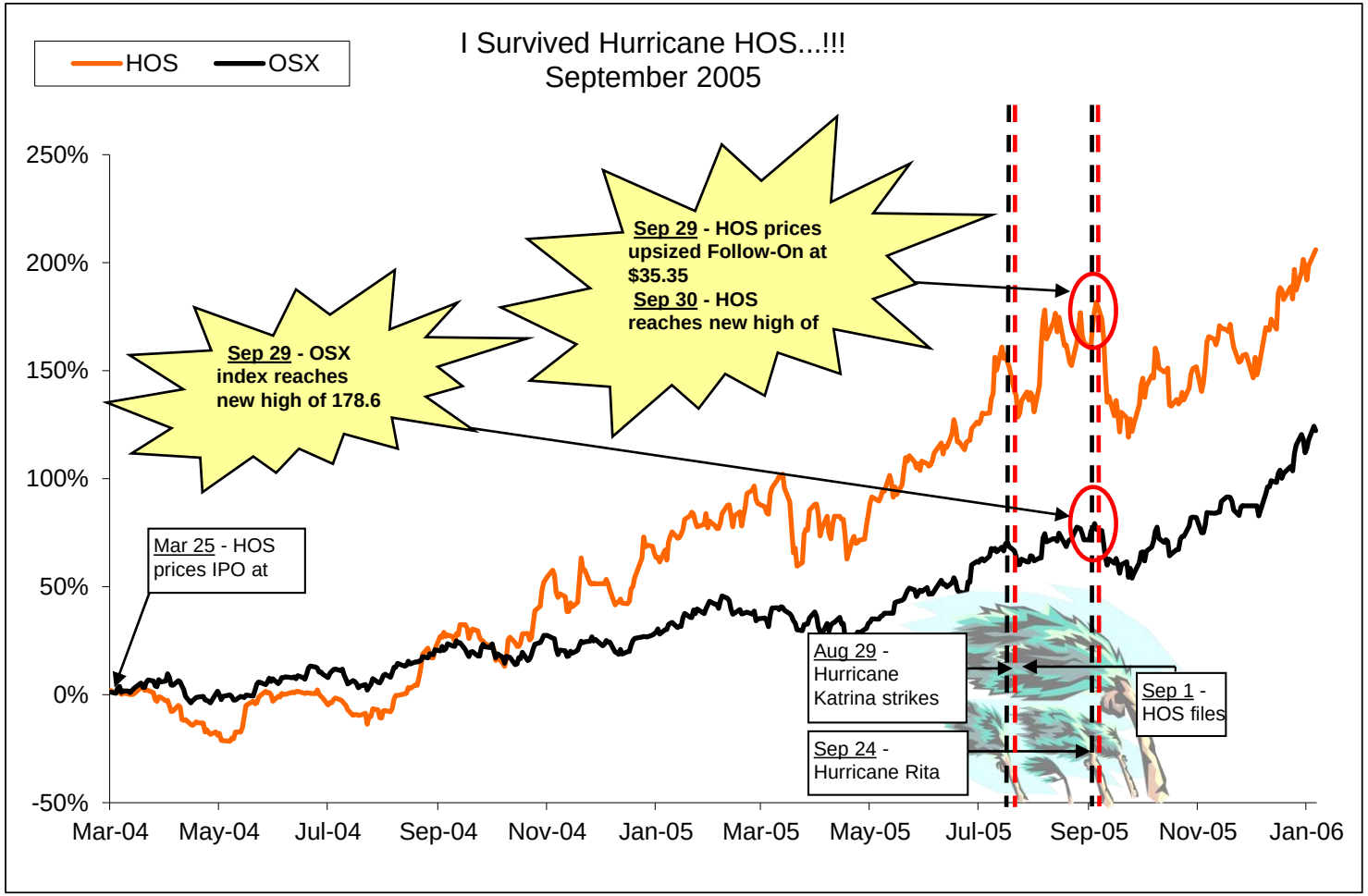
Summary of 2001 and 2004 Bond Offerings



- 2001 high yield bond deal was a transformational refinancing to “bridge” the company to its IPO
- Treasury spreads of HOS senior notes traded from > 800 bps in 2001 to < 200 bps in late 2004
- 2004 deal set record-low coupon and Treasury spread in the history of oil service “high yield” deals
- Reduced cost of then-outstanding 10-year bonds by 44% from 11.0% yield to 6.125% yield

As of 21-Nov-2004.

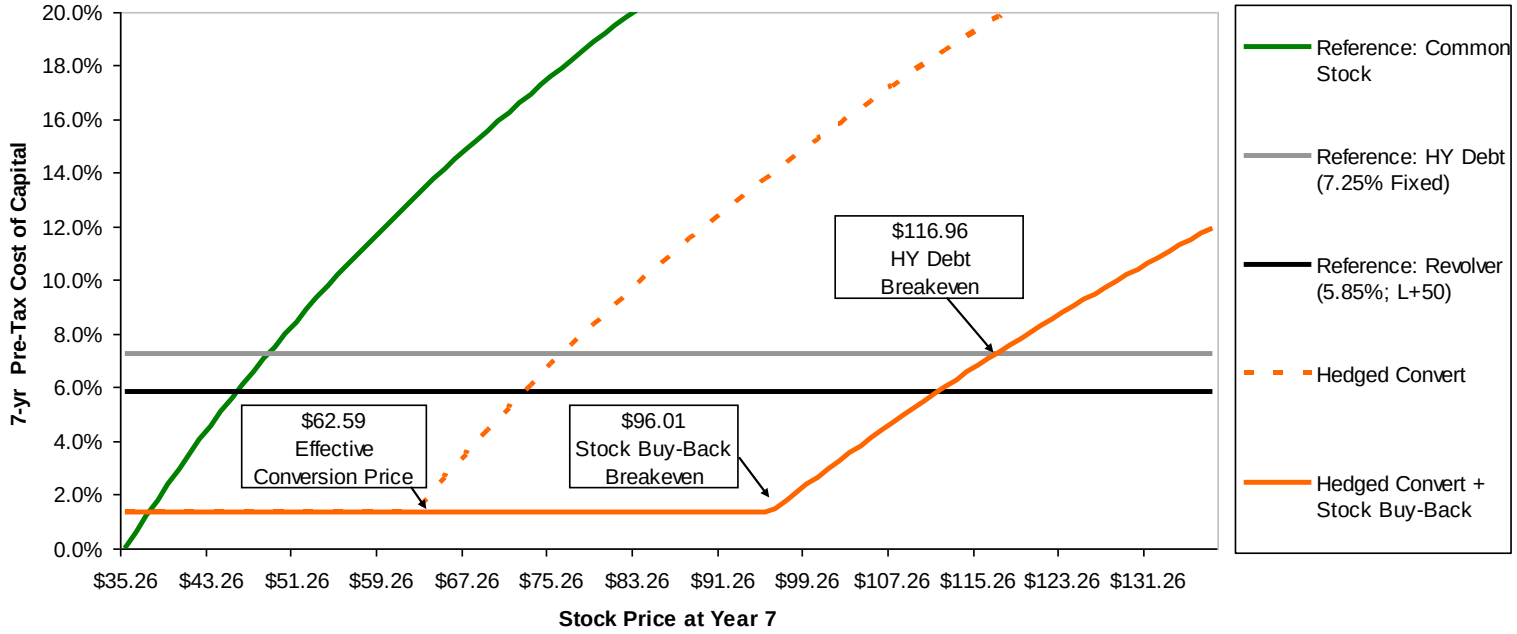
Summary of 2005 Follow-on Equity Offering



As of 6-Oct-2005.

Summary of 2006 Convertible Notes Offering

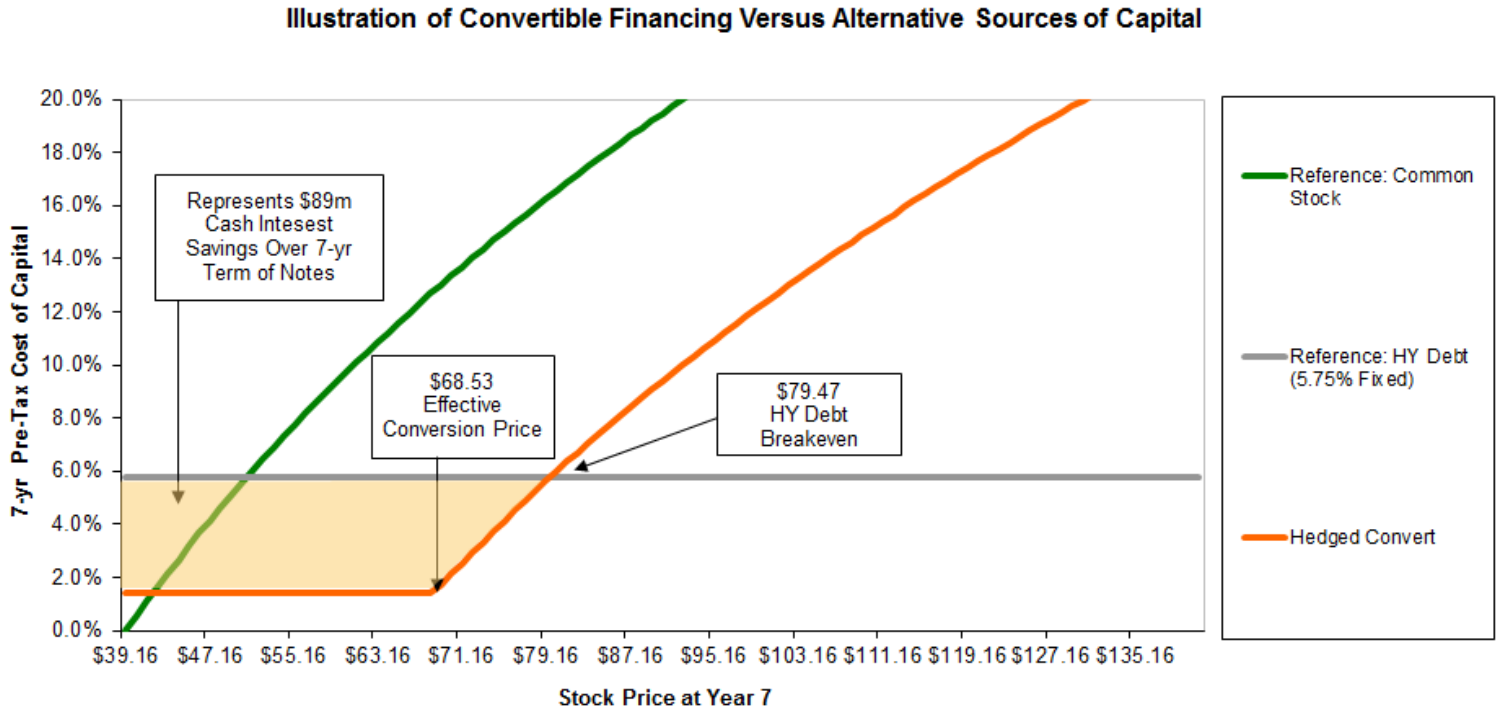
Illustration of Convertible Financing Versus Alternative Sources of Capital



- Opportunistic financing in Oct-2006 allowed HOS to monetize its high stock volatility and strong credit profile
- Lowest-cost source of capital then-available to HOS at ~560 bps less than a fixed-rate HYD tack-on
- Lowered weighted-average fixed-rate cash coupon on company-wide debt from 6.125% to 4.1%
- Favorable interest rate arbitrage of ~350 bps versus money market rates then being earned on invested cash
- Immediately accretive to 2007E diluted EPS

As of 13-Nov-2006.

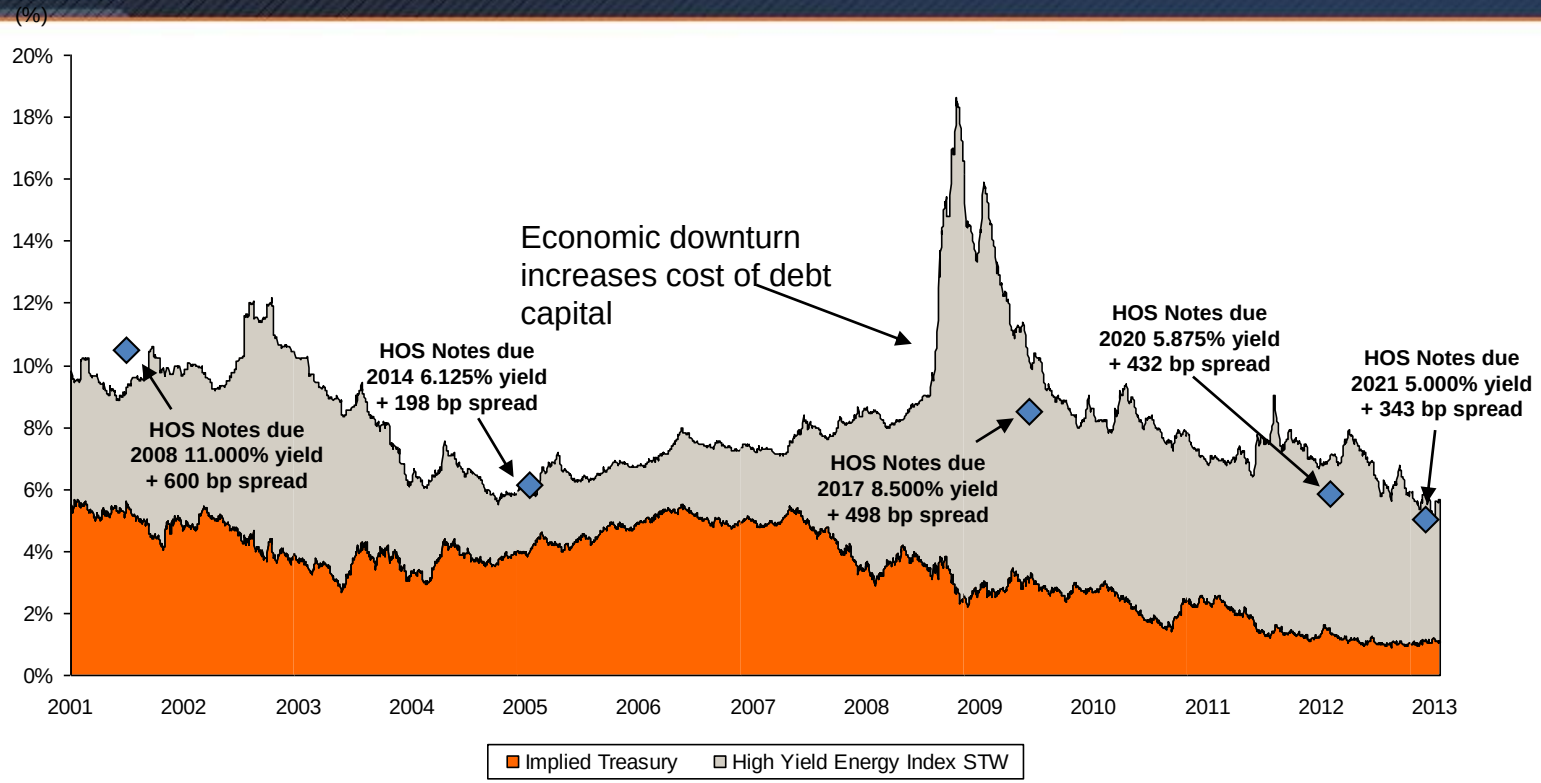
Summary of 2012 Convertible Notes Offering



- Opportunistic financing in Aug-2012 allowed HOS to monetize its high stock volatility and strong credit profile
- Low-cost source of capital available to HOS resulting in 425 bps less cash coupon than a fixed-rate HYD tack-on
- Allows $89m of cash interest expense savings to be redeployed into EBITDA-generating assets over 7-yr term
- Lowered weighted-average fixed-rate cash coupon on company-wide debt from 5.3% to 4.3% for next 15 months

As of 13-Aug-2012.

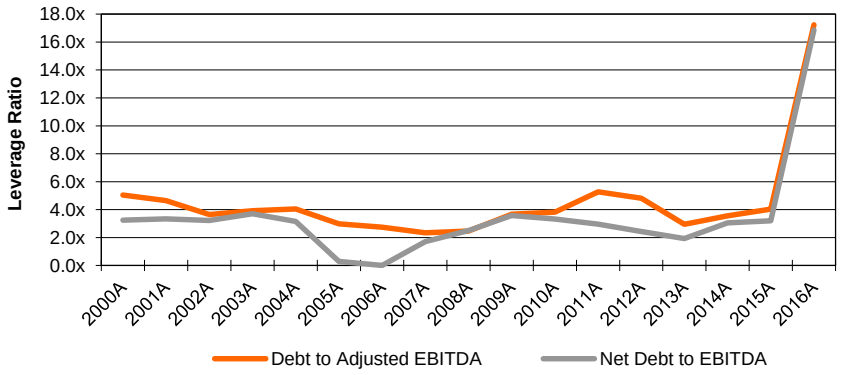
HOS vs. Historical Spreads of Energy High Yield Bonds



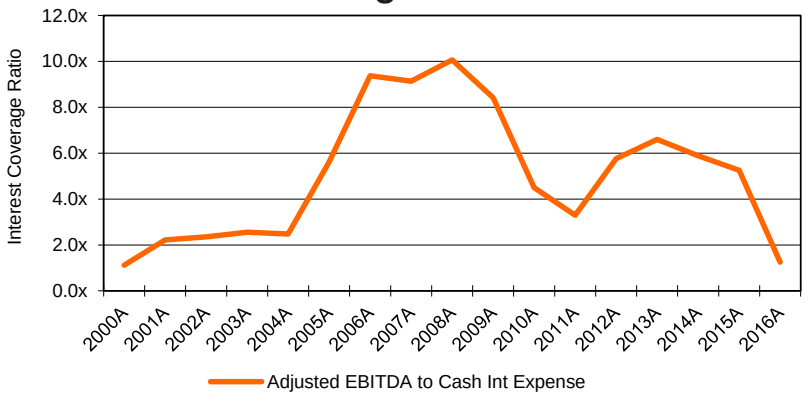
- Since 2001, HY Energy Index yields have ranged from 6% to 19% and averaged 9%
- Timely offerings are required to take advantage of open windows in capital markets
- HOS refinanced old 10.625% notes in 2004 with 6.125% notes and issued 8.0% notes in 2009
- Recent offerings replaced 6.125% and 8.000% notes with 5.875% and 5.000% notes, respectively

Historical Credit Statistics

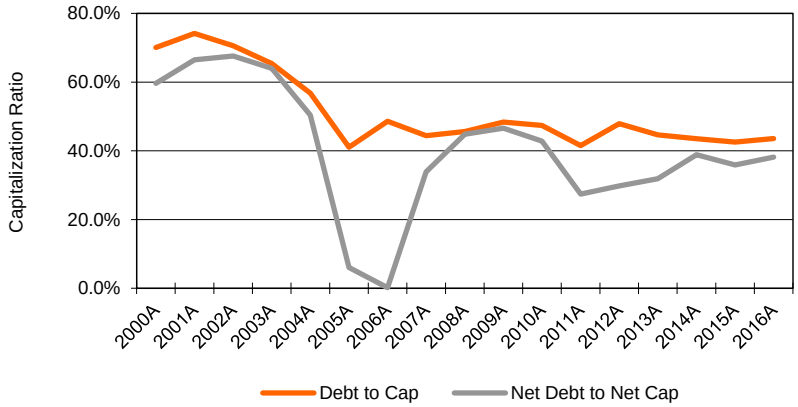
Leverage Ratio[1]



Coverage Ratio[1]



Capitalization Ratio

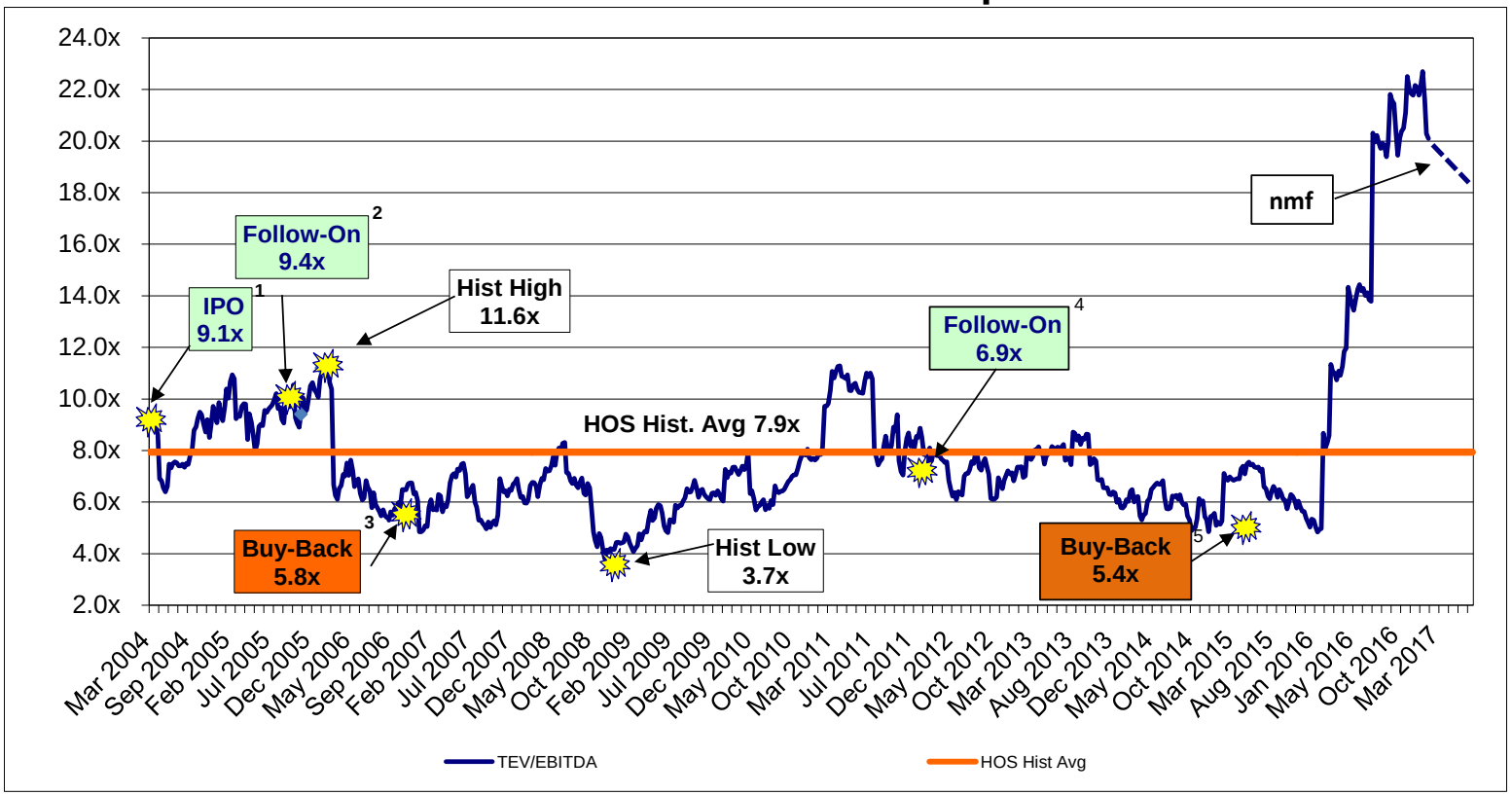


Note: EBITDA is a non-GAAP financial measure; see Appendix for definition and Regulation G reconciliation to GAAP.

[1] EBITDA for 2001, 2004, 2005, 2012, and 2013 has only been adjusted for loss on early extinguishment of debt of $3.0m, $22.4m, $1.7m, $6.0m and $25.8m, respectively.

HOS Common Stock Historical Trading Multiples

TEV / Forward EBITDA Multiples

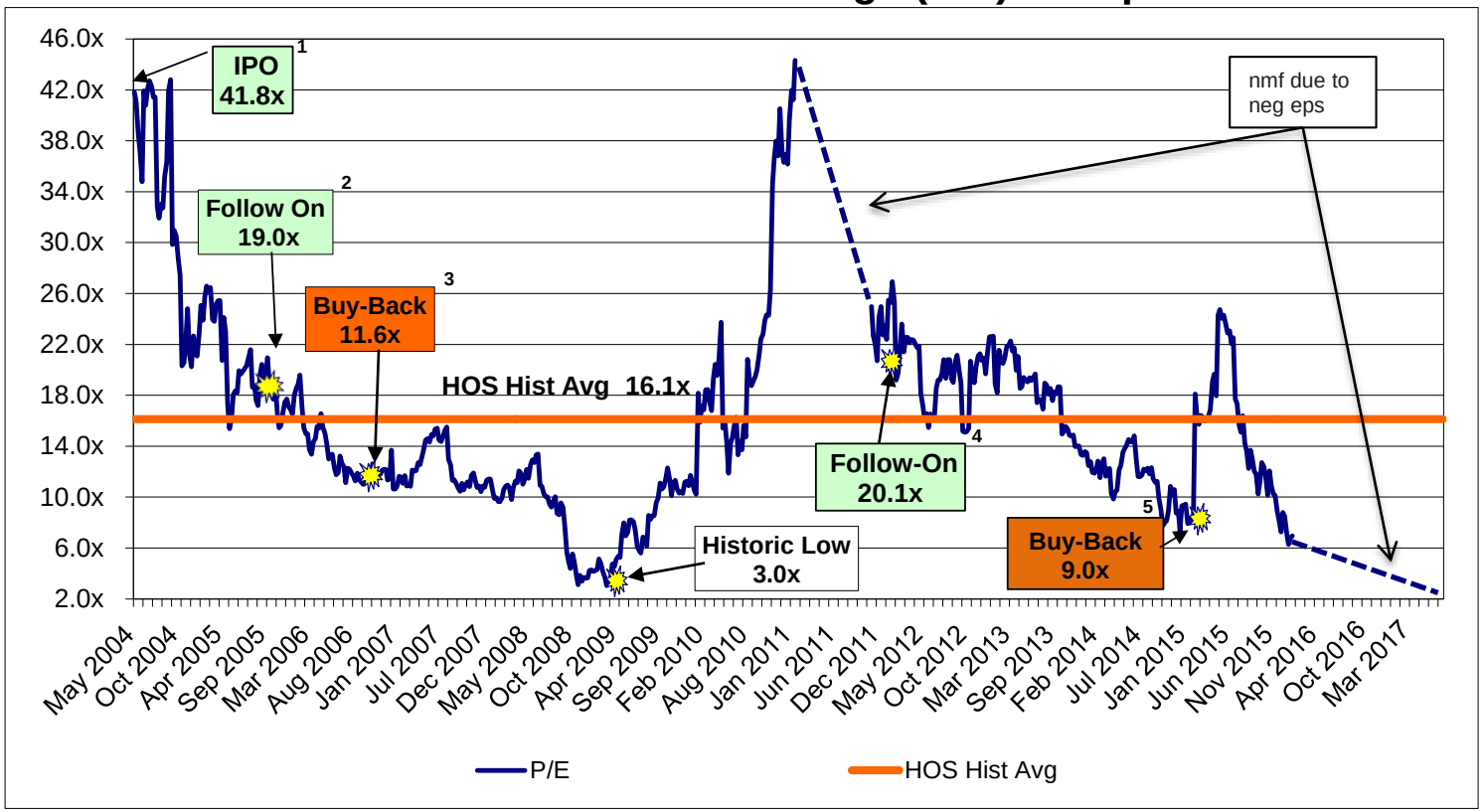


[1] On 31-Mar-2004, HOS issued 6.1m shares of common stock in an IPO at $13.00
[2] On 6-Oct-2005, HOS issued 6.1m shares of common stock in a follow-on offering at $35.35
[3] On 13-Nov-2006, HOS bought 1.8m shares of common stock at $35.26
[4] On 16-Nov-2011, HOS issued 8.1m shares of common stock at $30.00
[5] On various dates in 4Q2014, HOS bought approximately 900k shares of common stock at an average price of $28.05.

As of 2-Aug-2017.

HOS Common Stock Historical Trading Multiples

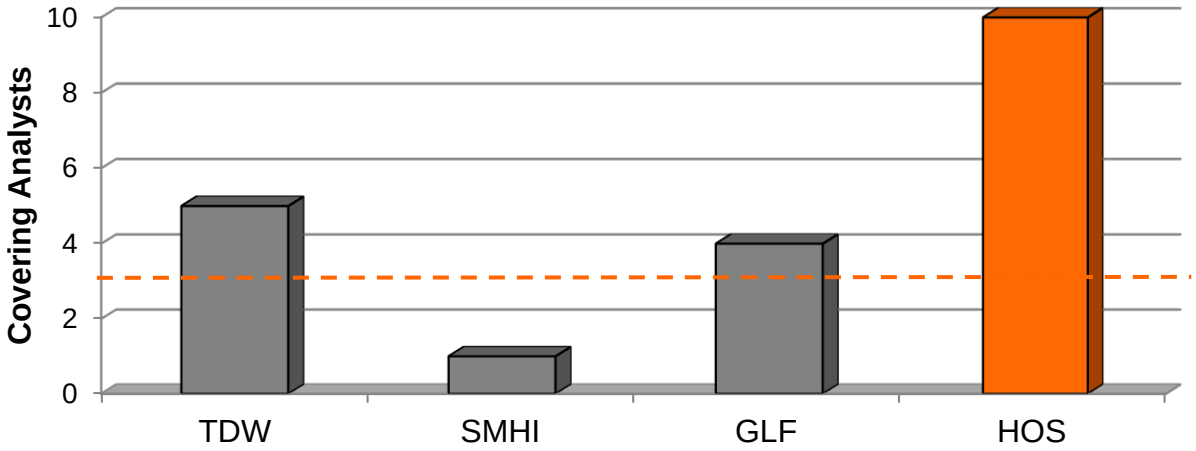
Stock Price / Forward Earnings (P/E) Multiples



[1] On 31-Mar-2004, HOS issued 6.1m shares of common stock in an IPO at $13.00
[2] On 6-Oct-2005, HOS issued 6.1m shares of common stock in a follow-on offering at $35.35
[3] On 13-Nov-2006, HOS bought 1.8m shares of common stock at $35.26
[4] On 16-Nov-2011, HOS issued 8.1m shares of common stock at $30.00
[5] On various dates in 4Q2014, HOS bought approximately 900k shares of common stock at an average price of $28.05

As of 2-Aug-2017.

Equity Analyst Coverage



TDW	SMHI	GLF	HOS
Capital One Securities	Evercore ISI Group	Capital One Securities	Barclays
Clarksons Platou		Clarksons Platou	Capital One Securities
Credit Suisse		Evercore ISI Group	Clarksons Platou
Johnson Rice		Wells Fargo	Credit Suisse
Morgan Stanley			Evercore ISI Group
			Johnson Rice
			Morgan Stanley
			Piper Jaffray
			Seaport Global Securities
			Wells Fargo

Source: Nasdaq IR Insight, as of 2-Aug-2017.

HOS
LISTED
NYSE

Investor Presentation Appendix

September 2017

Todd M. Hornbeck
Chairman, President & CEO

James O. Harp, Jr.
Executive VP & CFO

Regulation G EBITDA Reconciliation

This presentation contains references to the non-GAAP financial measures of earnings (net income) before interest, income taxes, depreciation and amortization, or EBITDA, and Adjusted EBITDA. The Company views EBITDA and Adjusted EBITDA primarily as liquidity measures and, therefore, believes that the GAAP financial measure most directly comparable to such measures is cash flows provided by operating activities. Reconciliations of EBITDA and Adjusted EBITDA to cash flows provided by operating activities are provided in the table below. Management's opinion regarding the usefulness of EBITDA and the components of Adjusted EBITDA to investors and a description of the ways in which management uses such measures can be found in the Company's most recent Annual Report on Form 10-K filed with the SEC. The following data is as of 2-Aug-2017.

Reconciliation of EBITDA to Cash Flows Provided by Operating Activities ($m)

	Year Ended December 31,																			Full Market Recovery [1]		
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Low Case	Mid Case	High Case
Components of EBITDA:																						
Net income (loss)	$ (1.4)	$ (1.8)	$ (4.5)	$ 7.0	$ 11.6	$ 11.2	$ (2.5)	$ 37.4	$ 75.7	$ 94.8	$ 117.1	$ 50.4	$ 36.4	$ (2.6)	$ 37.0	$ 111.4	$ 88.5	$ 66.8	$ (63.8)	$ 47.9	$ 163.6	$ 288.6
Interest expense, net:																						
Debt obligations	1.2	5.3	8.2	10.7	16.2	18.5	17.7	12.6	17.7	15.7	6.3	16.5	45.0	48.1	45.2	35.3	26.5	33.5	41.0	57.6	57.6	57.6
Incremental APB-14 Non Cash Interest Expense [2]	-	-	-	-	-	-	-	-	-	-	-	4.5	10.2	11.5	12.7	12.1	4.3	6.0	7.6	7.6	7.6	7.6
Put warrants	1.5	2.3	7.3	3.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	(0.1)	(0.1)	(0.3)	(1.5)	(0.7)	(0.2)	(0.4)	(3.2)	(16.1)	(18.4)	(1.5)	(0.5)	(0.5)	(0.8)	(2.2)	(2.5)	(1.1)	(1.5)	(1.5)	(2.5)	(2.5)	(2.5)
Total interest expense, net	2.6	7.5	15.2	12.2	15.5	18.3	17.3	9.4	1.6	(2.7)	4.8	20.5	54.7	58.8	55.7	44.9	29.6	38.0	47.2	62.7	62.7	62.7
Income tax expense (benefit)	(0.2)	0.3	1.6	5.7	7.1	6.9	(1.3)	21.5	43.1	53.8	65.1	30.2	21.5	(0.8)	22.7	63.3	52.4	39.8	(45.5)	28.8	98.1	173.1
Depreciation	0.9	2.4	4.2	6.5	10.4	14.4	17.4	20.0	24.1	23.0	33.5	69.5	58.5	61.0	60.5	60.5	71.6	82.6	93.1	103.0	103.0	103.0
Amortization	0.4	0.7	1.0	1.2	1.9	3.2	5.7	7.3	8.0	12.2	18.5	23.9	18.5	20.6	27.3	33.9	44.1	26.5	20.5	57.6	57.6	57.6
EBITDA	$ 2.3	$ 9.1	$ 17.5	$ 32.6	$ 46.5	$ 54.0	$ 36.6	$ 95.6	$ 152.5	$ 181.1	$ 239.0	$ 194.5	$ 189.6	$ 137.0	$ 203.2	$ 313.9	$ 286.3	$ 253.6	$ 51.4	$ 300.0	$ 485.0	$ 685.0
Loss on early extinguishment of debt [3]	-	-	-	3.0	-	-	22.4	1.7	-	-	-	-	-	-	6.0	25.8	-	-	-	-	-	-
Stock-based compensation expense	-	-	-	-	-	-	-	-	5.2	7.4	10.8	8.7	8.7	6.5	10.9	11.9	10.3	10.3	10.0	11.8	11.8	11.8
Interest income	0.1	0.1	0.3	1.5	0.7	0.2	0.4	3.2	16.1	18.4	1.5	0.5	0.5	0.8	2.2	2.5	1.1	1.5	1.5	2.5	2.5	2.5
Adjusted EBITDA	$ 2.4	$ 9.2	$ 17.8	$ 37.1	$ 47.2	$ 54.2	$ 59.4	$ 100.5	$ 173.8	$ 206.9	$ 251.3	$ 203.7	$ 198.8	$ 144.3	$ 222.3	$ 354.1	$ 297.7	$ 265.4	$ 62.9	$ 314.3	$ 499.3	$ 699.3
EBITDA Reconciliation to GAAP:																						
EBITDA	$ 2.3	$ 9.1	$ 17.5	$ 32.6	$ 46.5	$ 54.0	$ 36.6	$ 95.6	$ 152.5	$ 181.1	$ 239.0	$ 194.5	$ 189.6	$ 137.0	$ 203.2	$ 313.9	$ 286.3	$ 253.6	$ 51.4	$ 300.0	$ 485.0	$ 685.0
Cash paid for deferred drydocking charges	(1.7)	(2.4)	(1.5)	(1.7)	(2.4)	(6.1)	(8.5)	(6.8)	(12.9)	(19.8)	(19.8)	(19.2)	(22.5)	(19.7)	(44.2)	(39.8)	(43.6)	(13.3)	(4.0)	(58.0)	(58.0)	(58.0)
Cash paid for interest	(0.4)	(4.5)	(7.1)	(5.6)	(19.1)	(19.7)	(24.0)	(17.9)	(18.5)	(22.6)	(25.0)	(24.2)	(44.2)	(43.8)	(38.6)	(53.6)	(50.5)	(50.5)	(50.2)	(51.0)	(51.0)	(51.0)
Cash paid for taxes	-	-	-	-	-	-	-	-	(1.4)	(4.8)	(6.1)	(15.5)	(2.8)	(1.3)	(1.3)	(4.5)	(5.7)	(4.8)	(3.7)	(20.0)	(20.0)	(20.0)
Changes in working capital [4]	4.7	(0.6)	(2.9)	1.9	(0.5)	(2.0)	(5.0)	5.1	8.6	(4.1)	8.1	41.1	4.3	(14.0)	7.9	30.2	(30.0)	65.4	50.4	(5.7)	(5.7)	(5.7)
Stock-based compensation expense	-	-	-	-	-	-	-	-	5.2	7.4	10.8	8.7	8.7	6.5	10.9	11.9	10.3	10.3	10.0	11.8	11.8	11.8
Loss on early extinguishment of debt [3]	-	-	-	3.0	-	-	22.4	1.7	-	-	-	-	-	-	6.0	25.8	-	-	-	-	-	-
Changes in other, net [4]	(1.3)	0.3	(0.1)	0.1	0.3	(0.7)	(0.2)	(1.9)	(1.7)	(1.7)	(7.5)	(2.1)	(2.1)	(1.0)	1.5	(61.3)	(1.4)	(44.9)	(0.8)	(2.0)	(2.0)	(2.0)
Cash flows provided by operating activities	$ 3.6	$ 1.9	$ 5.9	$ 30.3	$ 24.8	$ 25.5	$ 21.3	$ 75.8	$ 131.8	$ 135.5	$ 199.5	$ 183.3	$ 131.0	$ 63.7	$ 145.4	$ 222.4	$ 165.5	$ 215.8	$ 53.1	$ 175.1	$ 360.1	$ 560.1

[1] These full market recovery scenarios are solely intended to illustrate the hypothetical annual EBITDA-generating potential of our fleet complement of 62 new-gen OSVs and ten MPSVs (upon completion of OSV Newbuild Program #5) when all vessels have fully returned to active service. These scenarios assume that all 45 stacked new-gen OSVs are fully operational. Included in all scenarios is the incremental EBITDA earned from the operations and maintenance ("O&M") contract for the four vessels sold to the U.S. Navy and do not reflect actual or projected results for any specific period. The Low case scenario is not intended to represent extreme trough market conditions. Accordingly, no vessel stackings are assumed. EBITDA for the Current Fleet was calculated using Low, Mid and High case historical average dayrates per DWT experienced for our pre-newbuild fleet of low-spec OSVs of $6 to $10, high-spec OSVs of $7 to $11 and MPSVs of $8 to $11. EBITDA for OSV Newbuild Program #5 was calculated using Low, Mid and High-case dayrates per DWT for our 300 class OSVs of $6 to $9 and our HOSMAX class MPSVs of $9 to $12. The above assumptions for average dayrates represent a blend of term and spot dayrates for each vessel type. Utilization is assumed to be 80%, 85% and 90% in the Low, Mid and High case, respectively. Operating costs for our pro forma fully operational fleet complement are vessel class estimates based on recent actual ranges of opex cost per available vessel day commensurate with the applicable market conditions assumed in each case. G&A costs are based on actual ranges of G&A costs per available vessel day applicable market conditions assumed in each case.

[2] Represents incremental non-cash interest expense resulting from the adoption of APB 14-1. See Company's most recent Annual Report on Form 10-K for more information regarding the adoption of APB-14.

[3] Results for 2001 were impacted by a $2.0m after-tax ($0.19 per diluted share) charge on early extinguishment of debt relating to a July 2001 debt refinancing. Results for 2004 were impacted by a $14.7m after-tax ($0.75 per diluted share) charge on early extinguishment of debt relating to 91% of the November 2004 refinancing of our 10.625% Senior Notes due 2008. Results for 2005 were impacted by a $1.1m after-tax ($0.05 per diluted share) charge on early extinguishment of debt relating to the January 2005 redemption of the final 9% of our 10.625% Senior Notes due 2008. Results for 2012 were impacted by a $3.7m after-tax ($0.11 per diluted share) charge on early extinguishment of debt relating to a March 2012 debt refinancing. Results from 2013 were impacted by a $16.1m after-tax ($0.44 per diluted share) charge on early extinguishment of debr relating to a March 2013 debt refinancing.

[4] Projected cash flows provided by operating activities are based, in part, on estimated future "changes in working capital" and "changes in other, net," that are susceptible to significant variances due to the timing at quarter-end of cash inflows and outflows, most of which are beyond the Company's ability to control. However, any future variances in those two line items from the above forward-looking reconciliations should result in an equal and opposite adjustment to actual cash flows provided by operating activities.

Regulation G Cash Earnings and Cash EPS Reconciliation

This presentation contains references to the non-GAAP financial measure of Cash Earnings per Share. The Company views Cash Earnings per Share as a meaningful profitability metric and as an important supplemental measure of our operating performance that is frequently used by securities analysts, investors and other interested parties. A reconciliation of Cash Earnings per Share to GAAP is provided in the table below. The following data is as of 2-Aug-2017.

Reconciliation of Cash Earnings per Share to GAAP ($m)

Cash Earnings Reconciliation to GAAP	2009	2010	2011	2012	2013	2014	2015	2016	Full Market Recovery [1] Low Case	Mid Case	High Case
Income (loss) from continuing operations	$ 66.6	$ 35.0	$ (3.5)	$ 34.7	$ 64.1	$ 87.9	$ 66.8	$ (63.8)	$ 47.9	$ 163.6	$ 288.6
Plus:											
Total interest expense, net	21.0	55.2	59.6	57.9	47.4	30.7	39.5	48.7	65.2	65.2	65.2
Income tax expense (benefit)	38.9	20.7	(1.4)	21.4	36.3	52.4	39.8	(45.5)	28.8	98.1	173.1
Depreciation	35.0	50.0	52.5	52.0	55.3	71.3	82.6	93.1	103.0	103.0	103.0
Amortization	15.8	14.7	15.5	21.7	30.6	44.1	26.5	20.5	57.6	57.6	57.6
Loss on early extinguishment of debt [2]	-	-	-	6.0	25.8	-	-	-	-	-	-
Stock-based compensation expense	7.7	8.7	6.5	10.9	11.9	10.3	10.3	10.0	11.8	11.8	11.8
Less:											
Deferred drydocking charges	(17.3)	(13.2)	(16.8)	(39.2)	(35.9)	(43.6)	(13.3)	(4.0)	(58.0)	(58.0)	(58.0)
Cash paid for interest	(24.2)	(44.2)	(43.8)	(38.6)	(53.6)	(50.5)	(50.5)	(50.2)	(51.0)	(51.0)	(51.0)
Cash paid for taxes	(15.5)	(2.8)	(1.3)	(1.3)	(4.5)	(5.7)	(4.8)	(3.7)	(20.0)	(20.0)	(20.0)
Cash Earnings:	128.0	124.1	67.2	125.5	177.4	196.9	196.8	5.0	185.3	370.3	570.3
Diluted shares outstanding	27.0	27.2	27.9	36.1	36.5	36.7	36.3	37.0	37.0	37.0	37.0
Cash earnings per share	$ 4.75	$ 4.57	$ 2.41	$ 3.48	$ 4.85	$ 5.37	$ 5.42	$ 0.14	$ 5.01	$ 10.01	$ 15.41

[1] These full market recovery scenarios are solely intended to illustrate the hypothetical annual EBITDA-generating potential of our fleet complement of 62 new-gen OSVs and ten MPSVs (upon completion of OSV Newbuild Program #5) when all vessels have fully returned to active service. These scenarios assume that all 45 stacked new-gen OSVs are fully operational. Included in all scenarios is the incremental EBITDA earned from the operations and maintenance ("O&M") contract for the four vessels sold to the U.S. Navy and do not reflect actual or projected results for any specific period. The Low case scenario is not intended to represent extreme trough market conditions. Accordingly, no vessel stackings are assumed. EBITDA for the Current Fleet was calculated using Low, Mid and High case historical average dayrates per DWT experienced for our pre-newbuild fleet of low-spec OSVs of $6 to $10, high-spec OSVs of $7 to $11 and MPSVs of $8 to $11. EBITDA for OSV Newbuild Program #5 was calculated using Low, Mid and High-case dayrates per DWT for our 300 class OSVs of $6 to $9 and our HOSMAX class MPSVs of $9 to $12. The above assumptions for average dayrates represent a blend of term and spot dayrates for each vessel type. Utilization is assumed to be 80%, 85% and 90% in the Low, Mid and High case, respectively. Operating costs for our pro forma fully operational fleet complement are vessel class estimates based on recent actual ranges of opex cost per available vessel day commensurate with the applicable market conditions assumed in each case. G&A costs are based on actual ranges of G&A costs per available vessel day applicable market conditions assumed in each case.

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