

HELIX ENERGY SOLUTIONS GROUP INC

Form DEF 14A

April 01, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Helix Energy Solutions Group Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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HELIX ENERGY SOLUTIONS GROUP, INC.

400 North Sam Houston Parkway East

Houston, Texas 77060

Telephone: (281) 618-0400

April 1, 2011

Dear Shareholder:

You are cordially invited to join us for our 2011 Annual Meeting of shareholders to be held on Wednesday, May 11, 2011 at 10:00 a.m. at the Crowne Plaza Houston North Greenspoint Hotel, 425 North Sam Houston Parkway East, Houston, Texas 77060. **Beginning at 9:30 a.m., employees and officers will be available to provide information about 2010 developments.**

The materials following this letter include the formal Notice of Annual Meeting of shareholders and the proxy statement. The proxy statement describes the business to be conducted at the meeting, including the election of two directors, the ratification of the appointment of Ernst & Young LLP as our independent auditors for the 2011 fiscal year, an advisory non-binding resolution to approve our executive compensation for 2010, and an advisory non-binding vote on the frequency on which shareholders will have an advisory non-binding vote on our executive compensation. At the meeting, we will also report on industry matters of current interest to our shareholders, and you will have an opportunity to meet with some of our directors and officers.

We have elected to furnish proxy materials to shareholders on the Internet pursuant to rules adopted by the Securities and Exchange Commission. We believe these rules enable us to provide you with the information you need, while making delivery more efficient, more cost effective and more environmentally friendly. In accordance with these rules, we have sent a Notice of Availability of Proxy Materials to each of our shareholders.

Your vote is especially important because of a regulatory change. In 2009, the Securities and Exchange Commission approved an amendment to the New York Stock Exchange rules that eliminated broker discretionary voting for the election of directors. If your shares are held by a broker, your broker can no longer vote your shares for the election of directors unless you provide voting instructions. Therefore, if your shares are held by a broker, please instruct your broker regarding how to vote your shares on the election of directors.

Whether you own a few or many shares of stock, it is important that your shares be represented. Regardless of whether you plan to attend the meeting in person, please take a moment now to vote your proxy over the Internet, by telephone, or, if this statement was mailed to you, by completing and signing the enclosed proxy card and promptly returning it in the envelope provided. The Notice of Annual Meeting of Shareholders on the inside cover of this proxy statement includes instructions on how to vote your shares.

The officers and directors of Helix appreciate and encourage shareholder participation. We look forward to seeing you at the annual meeting.

Sincerely,

Owen Kratz

President and Chief Executive Officer

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**HELIX ENERGY SOLUTIONS GROUP, INC.
NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS**

- DATE: Wednesday, May 11, 2011
- TIME: 10:00 a.m. Central Daylight Time (Houston Time)
- PLACE: Crowne Plaza Houston North Greenspoint Hotel
425 North Sam Houston Parkway East
Houston, Texas 77060
- ITEMS OF BUSINESS:
1. To elect two Class III directors to serve a three-year term expiring on the later of the Annual Meeting of shareholders in 2014 or a successor being elected and qualified.
 2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.
 3. To approve, on a non-binding advisory basis, the 2010 compensation of our named executive officers.
 4. To vote, on a non-binding advisory basis, on the frequency of including an advisory vote on the compensation of our named executive officers in our proxy statement.
 5. To consider any other business that may properly be considered at the Annual Meeting or any adjournment thereof.
- RECORD DATE: You may vote at the Annual Meeting if you were a holder of our common stock of record at the close of business on March 18, 2011.
- VOTING BY PROXY:
- In order to avoid additional soliciting expense to us, please vote your proxy as soon as possible, even if you plan to attend the meeting. Shareholders of record can vote by one of the following methods:
1. Call 1-800-560-1965 to vote by telephone anytime up to 12:00 noon Central Daylight Time on May 10, 2011; OR
 2. GO TO THE WEBSITE: www.eproxy.com/hlx to vote over the Internet anytime up to 12:00 noon Central Daylight Time on May 10, 2011; OR
 3. IF PRINTED PROXY MATERIALS WERE MAILED TO YOU, MARK, SIGN, DATE AND RETURN your proxy card in the enclosed postage-paid envelope. If you are voting by

telephone or the Internet, please do not mail your proxy card.

INTERNET AVAILABILITY OF PROXY
MATERIALS

**The proxy statement and 2010 Annual Report to
shareholders are also available at
www.HelixESG.com/annualmeeting.**

By Order of the Board of Directors,

Alisa B. Johnson
Corporate Secretary
April 1, 2011

**YOUR VOTE IS IMPORTANT
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 11, 2011**

The Company's proxy statement and 2010 Annual Report to shareholders (including our Annual Report on Form 10-K) for the fiscal year ended December 31, 2010 are also available at www.HelixESG.com/annualmeeting.

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HELIX ENERGY SOLUTIONS GROUP, INC.
400 North Sam Houston Parkway East
Houston, Texas 77060
Telephone: (281) 618-0400

PROXY STATEMENT
Annual Meeting of Shareholders
May 11, 2011

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

The Board of Directors of Helix Energy Solutions Group, Inc., a Minnesota corporation that is referred to herein as Helix, the Company, we, us, or our, is soliciting your proxy to vote at the 2011 Annual Meeting of shareholders May 11, 2011. This proxy statement contains information about the items being voted on at the Annual Meeting and information about Helix. Please read it carefully.

The Annual Meeting will be held at the Crowne Plaza Houston North Greenspoint Hotel, 425 North Sam Houston Parkway East, Houston, Texas 77060. The Board of Directors of Helix set March 18, 2011 as the record date for the Annual Meeting. There were 105,916,229 shares of Helix's common stock outstanding on the record date. If you attend the Annual Meeting, please note that you may be asked to present valid picture identification. Cameras, recording devices and other electronic devices may not be permitted at the meeting other than those operated by Helix or its designees.

As permitted by the Securities and Exchange Commission (SEC) rules, we are making this proxy statement and our annual report available to our shareholders electronically via the Internet. On or about April 1, 2011, we intend to mail to our shareholders a Notice of Internet Availability of Proxy Materials (Notice). The Notice contains instructions on how to vote online, or in the alternative, request a paper copy of the proxy materials and a proxy card. By providing the Notice and access to our proxy materials by the Internet, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

ABOUT THE ANNUAL MEETING

Why am I receiving these materials?

We are providing these proxy materials to you in connection with our Annual Meeting of shareholders, to be held on Wednesday, May 11, 2011 at 10:00 a.m. at the Crowne Plaza Houston North Greenspoint Hotel, 425 North Sam Houston Parkway East, Houston, Texas 77060, and all reconvened meetings after adjournments thereof. As a shareholder of the Company, you are invited to attend the Annual Meeting and are entitled and requested to vote on the proposal described in this proxy statement.

What proposals will be voted on at the Annual Meeting?

Four matters are currently scheduled to be voted on at the Annual Meeting.

First is the election of two Class III directors to our board, to serve a three-year term expiring at the Annual Meeting of shareholders in 2014 or, if at a later date, the date on which a successor is elected and qualified.

Second is the ratification of the selection by our Audit Committee of the board of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.

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Third is the approval, on a non-binding advisory basis, of the 2010 compensation of our named executive officers.

Fourth is the vote, on a non-binding advisory basis, on the frequency of including an advisory vote on the compensation of our named executive officers in our proxy statement.

Although we do not expect any other items of business, we also will consider other business that properly comes before the meeting in accordance with Minnesota law and our By-laws. The chairman of the Annual Meeting may refuse to allow the presentation of a proposal or a nomination for the board from the floor of the Annual Meeting if the proposal or nomination was not properly submitted.

Who may vote at the Annual Meeting?

The board has set March 18, 2011 as the record date for the Annual Meeting. Owners of Helix common stock whose shares are recorded directly in their name in our stock register (shareholders of record) at the close of business on March 18, 2011 may vote their shares on the matters to be acted upon at the meeting. Shareholders who hold shares of our common stock in street name, that is, through an account with a broker, bank or other nominee, as of such date may direct the holder of record how to vote their shares at the meeting by following the instructions for this purpose that such shareholders receive from the holder of record. You are entitled to one vote for each share of common stock you held on the record date. You may cast one vote for each share of common stock held by you on the record date on each of the matters presented at the meeting.

How does the board recommend that I vote?

Our board unanimously recommends that you vote your shares:

FOR each of the director nominees identified in this proxy statement;

FOR the ratification of Ernst & Young LLP as our independent auditors;

FOR the approval, on a non-binding advisory basis, of the 2010 compensation of our named executive officers; and

FOR on a non-binding advisory basis, every three years as the frequency of including an advisory vote on the compensation of our named executive officers in our proxy statement.

If I received a notice in the mail regarding Internet availability of the proxy materials instead of a paper copy of the proxy materials, why was that the case?

Similar to last year, we are using the notice and access process permitted by the SEC to distribute proxy materials to certain shareholders. This process allows us to post proxy materials on a designated website and notify shareholders of the availability of such proxy materials on that website. Thus, for most shareholders, we are furnishing proxy materials, including this proxy statement and our 2010 Annual Report, by providing access to such documents on the Internet instead of mailing paper copies.

The Notice, which is being mailed to most of our shareholders, describes how to access and review all of the proxy materials on the Internet. The Notice also describes how to vote via the Internet. If you would like to receive a paper copy by mail or an electronic copy by e-mail of our proxy materials, you should follow the instructions for requesting such materials in the Notice. Your request to receive your future proxy materials by e-mail will save us the cost of printing and mailing documents to you and will reduce the impact on the environment.

Can I vote my shares by filling out and returning the Notice of Internet Availability of Proxy Materials?

No, the Notice identifies the matters to be voted on at the Annual Meeting, but you cannot vote by marking the Notice and returning it.

How do I vote my shares?

You may either vote your shares in person at the Annual Meeting or designate another person to vote the shares you own. That other person is called a proxy, and you may vote your shares by means of a proxy using one of the following methods of voting if you are a shareholder of record:

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Electronically using the Internet,

By telephone, or

If this proxy statement was mailed to you, by signing and dating the enclosed proxy card and returning it in the prepaid envelope.

The instructions for these three methods are set forth on the Notice which immediately follows the cover page of this proxy statement and also on the proxy card. If you return your signed proxy card but do not mark the boxes showing how you wish to vote, your shares will be voted as recommended by the board. The giving of such proxy does not affect your right to vote in person if you attend the meeting.

Am I shareholder of record?

Shareholder of Record. If your shares are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services (Wells Fargo), you are considered a shareholder of record with respect to those shares and the Notice is being sent directly to you by Wells Fargo. As a shareholder of record, you may vote in person at the Annual Meeting or vote by proxy. To vote your shares at the Annual Meeting you should bring proof of identification. Whether or not you plan to attend the Annual Meeting, we urge you to vote via the Internet, by telephone, or by completing, signing and returning the proxy card.

Beneficial Owner. If, like most shareholders of the Company, you hold your shares in street name through a stockbroker, bank or other nominee rather than directly in your own name, you are considered the beneficial owner of those shares, and the Notice is being forwarded to you by the recordholder. If you are a beneficial owner, you may appoint proxies and vote as provided by that bank, broker or nominee. The availability of telephone or internet voting will depend upon the voting process of the broker, bank or other nominee. You should follow the voting directions provided by your broker, bank or nominee. If you provide specific voting instructions in accordance with the directions provided by your broker, bank or nominee, your shares will be voted by such party as you have directed. The organization that holds your shares, however, is considered the shareholder of record for purposes of voting at the Annual Meeting. Accordingly, you may vote shares held in street name at the Annual Meeting only if you obtain a signed legal proxy from the record holder (broker, bank or other nominee) giving you the right to vote the shares and provide an account statement or letter from such nominee showing that you were the beneficial owner of the shares on the record date. If your shares are not registered in your name and you plan to attend the Annual Meeting and vote your shares in person, you should contact your broker, bank or other nominee in whose name your shares are registered to obtain a proxy executed in your favor and bring it to the Annual Meeting.

May I change my vote?

Yes, if you are a shareholder of record, you may change your vote and revoke your proxy by:

 sending a written statement to that effect to the Corporate Secretary of Helix,

 submitting a properly signed proxy card with a later date, or

 voting in person at the Annual Meeting.

If you hold shares in street name, you must follow the procedures to change your vote required by the holder of record, either your broker, bank or other nominee, to revoke or change a proxy. You should contact the shareholder of record directly for more information on these procedures.

What is a quorum?

A majority of Helix's outstanding common shares as of the record date must be present at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the Annual Meeting if a shareholder:

 is present in person at the Annual Meeting; or

 has properly submitted a proxy (either by written proxy card or by voting on the Internet or by telephone).

Proxies received but marked as abstentions or withholding authority, if any, and broker non-votes, will be included in the calculation of the number of shares considered to be present at the meeting for quorum purposes.

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What are broker non-votes and abstentions?

If you are the beneficial owner of shares held in street name by a broker, bank or other nominee, then the broker, bank or other nominee, as shareholder of record of the shares, is required to vote those shares in accordance with your instructions. If you do not give instructions to the broker, bank or other nominee, then it will have discretion to vote the shares with respect to routine matters, such as the ratification of the selection of an independent registered public accounting firm, but will not be permitted to vote with respect to non-routine matters, such as the election of directors, approval, on a non-binding advisory basis, of the 2010 compensation of our named executive officers, and the vote regarding the frequency of the approval, on a non-binding advisory basis, of the compensation of our named executive officers. Accordingly, if you do not instruct your broker, bank or other nominee on how to vote your shares with respect to these non-routine matters, your shares will be broker non-votes with respect to that proposal.

An abstention is a decision by a shareholder to take a neutral position on a proposal being submitted to shareholders at a meeting. Taking a neutral position through an abstention is considered a vote cast on a proposal being submitted at a meeting.

How many shares can vote?

On the record date, there were 105,916,229 shares of Helix common stock outstanding and entitled to vote at the meeting held by approximately 25,500 beneficial owners. These are the only securities entitled to vote. Each holder of a share of common stock is entitled to one vote for each share held.

What happens if additional matters are presented at the Annual Meeting?

Other than the election of two Class III directors, the ratification of the appointment of Ernst & Young LLP as our independent auditors for the 2011 fiscal year, an advisory, non-binding resolution to approve our executive compensation, and an advisory non-binding vote on the frequency on which shareholders will have an advisory non-binding vote on our executive compensation, we are not aware of any other business to be acted upon at the Annual Meeting. If you grant a proxy, the persons named as proxy holders will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting in accordance with Minnesota law and our By-laws.

How many votes are required to approve each proposal?

Proposal No. 1. The election of each director nominee requires the affirmative FOR vote of a plurality of the shares present in person or by proxy at the Annual Meeting and entitled to vote on the election of directors. Assuming that a quorum is present at the Annual Meeting, the two directors receiving the greatest number of votes cast by the holders of common stock entitled to vote on the matter will be elected as directors. As a result, if you WITHHOLD AUTHORITY to vote for a nominee, your vote will not be counted in determining the outcome of the election of directors.

Proposal No. 2. The ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011 requires the affirmative FOR vote of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote on the proposal.

Proposal No. 3. The vote on our executive compensation is advisory and non-binding. However, the board will consider shareholders to have approved our executive compensation if the proposal receives the affirmative FOR vote of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote on the proposal.

Proposal No. 4. The vote on the frequency of the advisory vote on our executive compensation is advisory and non-binding. However, the Board will consider shareholders to have selected the frequency option for advisory votes on our executive compensation that receives the most votes.

Any other proposal being voted on requires the affirmative FOR vote of a majority of the shares present in person or by proxy at the meeting and entitled to vote on that proposal.

What if I don't give specific voting instruction?

Shareholders of Record. If you are the shareholder of record and you:

Indicate when voting via the Internet or by telephone that you wish to vote as recommended by the board, or

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Return a signed proxy card but do not indicate how you wish to vote, then your shares will be voted in accordance with the recommendations of the board on all matters presented in this proxy statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the Annual Meeting. If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions.

Beneficial Owners. If you are a beneficial owner and hold your shares in street name and do not provide your stockbroker, bank or other nominee with voting instructions, the stockbroker, bank or other nominee will determine if it has the discretionary authority to vote on the particular matter. Under applicable rules, brokers have the discretion to vote on routine matters, such as the ratification of the selection of an independent registered public accounting firm, but do not have discretion to vote on non-routine matters, such as the election of directors, approval, on a non-binding advisory basis, of the compensation of our named executive officers, and the vote regarding the frequency of the approval, on a non-binding advisory basis, of the compensation of our named executive officers (each, a broker non-vote).

Broker non-votes and abstentions are included in determining the number of shares present for the purpose of determining whether a quorum exists at the Annual Meeting. Abstentions will have no effect on the election of directors. Abstentions will be treated as being present and entitled to vote on the other proposals presented at the Annual Meeting and, therefore, (except for the vote on the frequency of including an advisory vote on the compensation of our named executive officers) will have the effect of votes against any such proposal. Shares subject to broker non-votes will not be considered entitled to vote with respect to the applicable proposal, and will not affect the outcome on those proposals (including the election of directors).

Your vote is especially important. If your shares are held by a stockbroker, bank or other nominee, your broker, bank or other nominee cannot vote your shares for the election of directors, approval, on a non-binding advisory basis, of the 2010 compensation of our named executive officers, and the vote regarding the frequency of the approval, on a non-binding advisory basis, of the compensation of our named executive officers, unless you provide voting instructions. **Therefore, please promptly instruct your broker regarding how to vote your shares regarding these matters.**

Is my vote confidential?

Proxy cards, proxies delivered by Internet or telephone, ballots and voting tabulations that identify individual shareholders are mailed or returned directly to an independent inspector of election and handled in a manner that protects your voting privacy. The independent inspector of election will count the votes.

How do I get to the Annual Meeting of shareholders?

A map is provided on the back of this proxy statement for your convenience or at www.HelixESG.com under *Investor Relations* tab and by clicking *Annual Meeting*.

May shareholders ask questions at the Annual Meeting?

Yes. During the Annual Meeting shareholders may ask questions or make remarks directly related to the matters being voted on. In order to ensure an orderly meeting, we ask that shareholders direct questions and comments to the Chairman. In order to provide this opportunity to every shareholder who wishes to speak, the Chairman may limit each shareholder's remarks to two minutes. In addition, beginning at 9:30 a.m., our employees and officers will be available to provide information about 2010 developments and to answer questions of more general interest.

What does it mean if I receive more than one proxy card?

It means you hold shares registered in more than one account. To ensure that all your shares are voted, please follow the instructions and vote the shares represented by each such card. To avoid this situation in the future, we encourage you to have all accounts registered in the same name and address whenever possible. For shares held directly by you, you can do this by contacting our transfer agent Wells Fargo at 1 (800) 468-9716.

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Who will count the votes?

We have hired a third party, Wells Fargo, to judge the voting, be responsible for determining whether or not a quorum is present, and tabulate votes cast by proxy or in person at the Annual Meeting.

Who will bear the cost for soliciting votes for the meeting?

We will bear all expenses in conjunction with the solicitation of proxies, including the charges of brokerage houses and other custodians, nominees or fiduciaries for forwarding documents to beneficial owners; provided, however that we will not bear any costs related to an individual shareholder's use of the Internet or telephone to cast their vote. Proxies may be solicited by mail, in person, or by telephone or by facsimile by certain of our officers, directors and regular employees, without extra compensation.

How do I find out the results of the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting and posted on our website under *Investor Relations* at www.HelixESG.com. The final voting results will be reported in Current Report on Form 8-K filed in accordance with SEC rules.

Whom should I call with other questions?

If you have additional questions about this proxy statement or the meeting, or would like additional copies of this document or our 2010 Annual Report to Shareholders (including our Annual Report on Form 10-K), please contact: Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston Texas, 77060, Attention: Corporate Secretary, telephone: (281) 618-0400.

How may I communicate with the Company's Board of Directors?

Shareholders may send communications in care of the Corporate Secretary, Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston, Texas 77060. Please indicate whether your message is for the Board of Directors as a whole, or a particular group or committee of directors, or an individual director.

When are the shareholder proposals for the 2012 Annual Meeting of shareholders due?

All shareholder proposals must be submitted *in writing* to General Counsel and Corporate Secretary, Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston Texas 77060. Any shareholder who intends to present a proposal at the 2012 Annual Meeting of shareholders must deliver the proposal to us so that it is received no later than December 3, 2011, to have the proposal included in our proxy materials for that meeting. Shareholder proposals must also meet other requirements of the Securities Exchange Act of 1934, as amended (Exchange Act), to be eligible for inclusion. In addition, our By-laws permit shareholders to propose business to be considered and to nominate directors for election by the shareholders. To propose business or to nominate a director, the shareholder must deliver a notice to the Corporate Secretary prior to February 11, 2012 setting forth the name of the nominee and all information required to be disclosed in solicitations of proxies or otherwise required pursuant to Regulation 14A under the Exchange Act together with such person's written consent to serve as a director if elected.

PROPOSAL 1: ELECTION OF DIRECTORS

Two directors are to be elected at the 2011 Annual Meeting. The board has nominated two incumbent directors: Nancy K. Quinn and William L. Transier to stand for re-election as Class III directors to the board to serve a three-year term until the 2014 annual meeting or, if at a later date, until their successors are elected and qualified. Each of the nominees is currently serving as a director. Mr. Transier is currently serving as a Class II director and ordinarily would not be a nominee for re-election until 2012; however, as a result of the previously announced resignation of Mr. Ahalt effective upon the adjournment of the 2011 Annual Meeting, Mr. Transier is standing for re-election as a Class III director in order to balance the classes following the departure of Messrs. Ahalt and Duroc-Danner.

The nominees have agreed to be named in this proxy statement and have indicated a willingness to continue to serve if elected. The Corporate Governance and Nominating Committee of the board determined that each of the nominees qualifies for election under its criteria for the evaluation of directors and nominated the candidates for election. If the nominees become unable to

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serve before the election, the shares represented by proxies may be voted for a substitute designated by the board, unless a contrary instruction is indicated on the proxy card. The board has no reason to believe that either of the nominees will become unavailable. The board has affirmatively determined that each of the nominees qualifies as independent as that term is defined under NYSE Rule 303A and applicable rules promulgated by the SEC.

Unless otherwise instructed, the persons named as proxies will vote all proxies received **FOR** the election of each person named as nominee below as a Class III director for a term of three years, until the annual meeting of shareholders to be held in 2014 or, if at a later date, until their respective successor is elected and qualified. There is no cumulative voting in the election of directors and the Class III directors will be elected by a plurality of the votes cast at the Annual Meeting.

In the section below, we provide the name and biographical information about each of the Class III nominees and each other member of the board. Age and other information in the director's biographical information are as of March 18, 2011. Information about the number of shares of Common Stock beneficially owned by each director as of March 18, 2011 appears below under the heading Share Ownership Information Management Shareholdings on pages 22-24.

There are no family relationships among any of our directors, nominees for director or executive officers.

Board of Directors Recommendation

The board recommends that you vote FOR the nominees to the Board of Directors set forth in this Proposal 1.

Vote Required

Election of each director requires the affirmative vote of a plurality of the shares of common stock present or represented and entitled to vote at the Annual Meeting. This means the director receiving the greatest number of votes cast by the holders of common stock entitled to vote on the matter will be elected as director.

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Information about Nominees for Class III Directors

Nominees for Class III Directors Term Expiring in 2014:

Nancy K. Quinn Director since 2009
Principal age 57
Hanover Capital, LLC

Ms. Quinn has served as a director since February 2009. Ms. Quinn is co-founder and a principal of Hanover Capital, LLC, a privately-owned advisory firm that provides services primarily to clients in the energy and natural resources industries. She has served as Executive Director of The Beacon Group, LP, a private equity firm, from 1996 to 2000, as Managing Director of PaineWebber Incorporated from 1994 to 1995, and as co-head of the natural resources and energy investment banking section of Kidder, Peabody & Co. from 1982 to 1994. Ms. Quinn currently serves on the board of directors of Endeavour International Corporation, an international oil and gas exploration and production company, and Atmos Energy Corporation, a natural gas distribution, intrastate pipeline and marketing company. Ms. Quinn graduated with a Bachelor of Fine Arts degree from Louisiana State University and an M.B.A. from the University of Arkansas. Ms. Quinn has worked in the financial industry for over 25 years, specializing in financial restructuring, strategic advisory and mergers and acquisitions for a broad range of energy and natural resource companies. As a result of these professional experiences, Ms. Quinn possesses particular knowledge and experience in accounting and finance, including experience with capital market transactions and investments. Ms. Quinn also possesses a knowledge in strategic planning and capital markets that strengthen the board's collective qualifications, skills and experience.

William L. Transier Director since 2000
Chairman of the Board, Chief Executive Officer and President age 56
Endeavour International Corporation

Mr. Transier has served as a director since October 2000. He is founder, Chief Executive Officer and President, and serves as Chairman of the Board of Endeavour International Corporation, an international oil and gas exploration and production company. He served as Co-Chief Executive Officer of Endeavour from its formation in February 2004 through September 2006. Mr. Transier served as Executive Vice President and Chief Financial Officer of Ocean Energy, Inc. from March 1999 to April 2003, when Ocean Energy merged with Devon Energy Corporation. From September 1998 to March 1999, Mr. Transier served as Executive Vice President and Chief Financial Officer of Seagull Energy Corporation when Seagull Energy merged with Ocean Energy. From May 1996 to September 1998, he served as Senior Vice President and Chief Financial Officer of Seagull Energy Corporation. Prior thereto, Mr. Transier served in various roles including partner from June 1986 to April 1996 in the audit department of KPMG LLP. Mr. Transier graduated from the University of Texas with a B.B.A. in accounting and has an M.B.A. from Regis University. In addition to serving on our Board of Directors and the Board of Endeavour, he is also a director of Cal Dive International, Inc. As a result of his professional experiences, Mr. Transier possesses particular knowledge and experience in accounting and disclosure compliance including accounting rules and regulations. Mr. Transier also has extensive knowledge of international operations, the oil and gas industry, leadership of complex organizations and other aspects of operating a major corporation that strengthen the board's collective qualifications, skills and experience.

Information about Continuing Directors

Class I Directors Three Year Term Expiring in 2013:

Owen Kratz Director since 1990
Chairman of the Board, President and Chief Executive Officer age 56

Helix Energy Solutions Group, Inc.

Mr. Kratz is President and Chief Executive Officer of Helix. He was named Executive Chairman in October 2006 and served in that capacity until February 2008 when he resumed the position of President and Chief Executive Officer. He was appointed Chairman in May 1998 and served as the Company's Chief Executive Officer from April 1997 until October 2006. Mr. Kratz served as President from 1993 until February 1999, and has served as a Director since 1990. He served as Chief Operating Officer from 1990 through 1997. Mr. Kratz joined Cal Dive International, Inc. (now known as Helix) in 1984 and held various offshore positions, including saturation (SAT) diving supervisor, and management responsibility for client relations, marketing and estimating. From 1982 to 1983, Mr. Kratz was the owner of an independent marine construction company operating in the Bay of Campeche. Prior to 1982, he was a superintendent for Santa Fe and various international diving

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companies, and a diver in the North Sea. Mr. Kratz is also a member of the Board of Directors of Cal Dive International, Inc. Mr. Kratz has a Bachelor of Science degree from State University of New York (SUNY).

John V. Lovoi
Principal
JVL Partners

Director since 2003
 age 50

Mr. Lovoi has served as a director since February 2003. He is a founder and Managing Partner of JVL Partners, a private oil and gas investment partnership. Mr. Lovoi served as head of Morgan Stanley's global oil and gas investment banking practice from 2000 to 2002 and was a leading oilfield services and equipment research analyst for Morgan Stanley from 1995 to 2000. Prior to joining Morgan Stanley in 1995, he spent two years as a senior financial executive at Baker Hughes and four years as an energy investment banker with Credit Suisse First Boston. Mr. Lovoi also serves as a director of Dril-Quip, Inc., a provider of offshore drilling and production equipment to the global oil and gas business. Mr. Lovoi graduated from Texas A&M University with a Bachelor of Science degree in chemical engineering and received an M.B.A. from the University of Texas. As a result of these professional experiences, Mr. Lovoi possesses particular financial knowledge and experience in financial matters including capital market transactions, strategic financial planning (including risk assessment), and analysis that strengthen the board's collective qualifications, skills and experience.

Class II Directors Three Year Term Expiring in 2012:

T. William Porter
Chairman Emeritus
Porter & Hedges, L.L.P.

Director since 2004
 age 69

Mr. Porter has served as a director since March 2004. He is the Chairman Emeritus and a retired partner of Porter & Hedges, L.L.P., a Houston law firm formed in 1981. He was a founding partner of that firm, and for the 10 years prior to his retirement at the end of 2009, he also served as Chairman of Porter & Hedges. Mr. Porter also serves as a director of Copano Energy L.L.C., a midstream energy company with networks of natural gas gathering and intrastate transmission pipelines in Texas and the mid-continent. Mr. Porter graduated with a B.B.A. in finance from Southern Methodist University in 1963 and received his law degree from Duke University in 1966. As a result of his professional experiences, Mr. Porter possesses particular knowledge and expertise in legal and regulatory matters including public reporting requirements, corporate governance and regulatory matters, and other aspects of the operation and administration of business entities that strengthen the board's collective qualifications, skills and experience.

James A. Watt
Chief Executive Officer and President
Dune Energy, Inc.

Director since 2006
 age 61

Mr. Watt has served as a director since July 2006. Mr. Watt has been Chief Executive Officer, President and a director of Dune Energy, Inc., an oil and gas exploration and development company since April 2007. He served as Chairman and Chief Executive Officer of Maverick Oil and Gas, Inc., an independent oil and gas exploration and production company from August 2006 until March 2007. Mr. Watt was the Chief Executive Officer of Remington Oil and Gas Corporation from February of 1998 and the Chairman of Remington from May 2003, until Helix acquired Remington in July 2006. Mr. Watt also served on Remington's Board of Directors from September 1997 to July 2006. Mr. Watt was Vice President/Exploration of Seagull E & P, Inc., from 1993 to 1997, and Vice President/Exploration and Exploitation of Nerco Oil & Gas, Inc. from 1991 to 1993. Mr. Watt served as a director of Pacific Energy

Resources, Ltd. from May 2006 until January 2010. He graduated from Rensselaer Polytechnic Institute with a Bachelor of Science in physics. As a result of his professional experiences, Mr. Watt possesses particular knowledge and experience in oil and gas exploration and production and the risks and volatile economic conditions inherent in that industry. Mr. Watt also possesses knowledge in the leadership of complex organizations and other areas related to the operation of a major corporation that strengthen the board's collective qualifications, skills and experience.

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Information about Directors whose Term is Ending at the Adjournment of the 2011 Annual Meeting

Gordon F. Ahalt Director since 1990
Retired Consultant age 83

Mr. Ahalt has served as a director since July 1990. Since 1982, Mr. Ahalt has been the President of GFA, Inc., a petroleum industry management and financial consulting firm. From 1977 to 1980, he was President of the International Energy Bank, London, England. From 1980 to 1982, he served as Senior Vice President and Chief Financial Officer of Ashland Oil Company. Prior thereto, he spent a number of years in executive positions with Chase Manhattan Bank. Mr. Ahalt also served as a director of Bancroft & Elsworth Convertible Funds until 2010 and currently serves as a director of other private investment funds. Mr. Ahalt received a B.S. Degree in Petroleum Engineering in 1951 from the University of Pittsburgh. As a result of his professional experiences, Mr. Ahalt possesses particular knowledge and experience in oil and gas exploration and production, capital markets, including banking and lending transactions and finance that have strengthened the board's collective qualifications, skills and experience.

Bernard J. Duroc-Danner Director since 1999
Chairman of the Board, President and Chief Executive Officer age 57
Weatherford International Ltd.

Mr. Duroc-Danner has served as a director since February 1999. He has been Chairman of the Board, President and Chief Executive Officer of Weatherford International Ltd. since May 1998. Weatherford is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and gas industry. Mr. Duroc-Danner also serves as a director of LMS, a London investment company. Mr. Duroc-Danner is also a member of the National Petroleum Council and the Society of Petroleum Engineers. Mr. Duroc-Danner holds a Ph.D. in economics from The Wharton School of the University of Pennsylvania. As a result of his experiences, Mr. Duroc-Danner possesses particular knowledge and experience as a chief executive officer of a public company and in providing leadership of complex organizations. Mr. Duroc-Danner has extensive knowledge in oilfield services, strategic planning in a complex industry, and all aspects of operating a large international business that served to strengthen the board's collective qualifications, skills and experience.

CORPORATE GOVERNANCE

Composition of the Board

In accordance with our By-laws, the Board of Directors currently consists of eight members and is divided into three classes of similar size. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. The Class I, II and III directors are currently serving until the later of the annual meeting in 2013, 2012 and 2011, respectively, and their respective successor being elected and qualified. There are currently three directors in Class I and Class II and two directors in Class III. Upon the conclusion of the 2011 Annual Meeting, in the event that both director nominees are re-elected, the Board of Directors will consist of six members with two directors in each class.

Role of the Board

The board has established guidelines that it follows in matters of corporate governance. A complete copy of the Corporate Governance Guidelines is available on our website, which is located at www.HelixESG.com, under *Investor Relations*, by clicking *Governance*. According to the guidelines, the Board is vested with all powers necessary for the management and administration of Helix's business operations. Although not responsible for our day-to-day operations, the board has the responsibility to oversee management, provide strategic direction, provide counsel to management regarding the business and to be informed, investigate and act as necessary to promote our business objectives.

Board of Directors Independence

The board currently consists of eight directors, a majority of which are independent.

Independence Determinations

The board has affirmatively determined that the following members of the board qualify as independent as that term is defined under NYSE Rule 303A and applicable rules under the Exchange Act: Messrs. Ahalt, Duroc-Danner, Lovoi, Porter, Transier

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and Watt and Ms. Quinn. In making this determination, the board has concluded that none of these members has a relationship with the Company which, in the opinion of the board, is material and would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The non-independent management director is Mr. Kratz, our President and Chief Executive Officer (CEO). Accordingly, a majority of the members of the board are independent, as required by NYSE Rule 303A. This independence determination is analyzed annually to promote arms-length oversight. In making the determination regarding independence the board reviewed the NYSE Rule 303A criteria for independence in advance of the first meeting of the board in 2011. The board then gathered information with respect to each board member individually regarding potential transactions and relationships between the Company and its directors, including the existence of certain ongoing transactions entered into between the Company and certain entities of which existing directors serve as officers or directors, including transactions with Weatherford International Ltd. Each director also completed a questionnaire which included questions about his or her relationship with the Company. None of these transactions were deemed to affect the independence of the applicable director and they did not exceed the thresholds established by NYSE rules.

Selection of Director Candidates

The board is responsible for selecting candidates for board membership and for establishing the criteria to be used in identifying potential candidates. The board delegates the screening and nomination process to the Corporate Governance and Nominating Committee. For more information on the director nomination process, including the current selection criteria, see *Corporate Governance and Nominating Committee* starting on page 15.

Board of Directors Experience, Qualification and Skills

We are an international offshore energy company that provides field development solutions and other contracting services to the energy market as well as to our own oil and gas properties. We believe our board should be composed of individuals with sophistication and experience in the substantive areas that impact our business. We believe experience, qualifications, or skills in one or more of the following areas to be most important: oil field services, oil and gas exploration and production, international operations, accounting and finance, strategic planning, investor relations, legal/regulatory, leadership and administration of complex organizations, corporate governance and other areas related to the operation of a major corporation (whether social, cultural, industrial or operational). We believe that all of our current board members possess the professional and personal qualifications necessary for board service, and have described noteworthy attributes in their biographies under *Election of Directors* on pages 8-10 above.

Shareholder Communications with the Board

Pursuant to the terms of our Corporate Governance Guidelines adopted by the board, any shareholder or other interested party wishing to send written communications to any one or more of the Company's directors may do so by sending them in care of the Corporate Secretary at the Company's principal executive offices. All such communications will be forwarded to the intended recipient(s). All such communications should indicate whether it contains a message for the Board of Directors as a whole, or a particular group or committee of directors, or an individual director.

Code of Business Conduct and Ethics

In addition to the Corporate Governance Guidelines, in 2003, we adopted a written Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our CEO, Chief Financial Officer and Senior Vice President-Finance and Chief Accounting Officer. At that time we also established a Code of Ethics for Chief Executive Officer and Senior Financial Officers which is applicable to the CEO, Chief Financial Officer, Senior Vice President-Finance and Chief Accounting Officer, and Vice President Internal Audit. We have posted a current copy of both codes on our website, which is located at www.HelixESG.com, under *Investor Relations*, then by clicking *Governance*. In addition, we intend to post on our website all disclosures that are required by law or NYSE listing standards concerning any amendments to, or waivers from, any provision of the code. All of the Code of Business Conduct and Ethics, the Code of Ethics for Chief Executive and Senior Financial Officers and the Corporate Governance Guidelines are available free of charge in print upon request sent to the Corporate Secretary at Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston, Texas 77060.

Attendance at the Annual Meeting of Shareholders

The members of the board hold a regular meeting immediately preceding or immediately after each year's Annual Meeting of shareholders. Therefore, members of the Company's Board of Directors generally attend the Company's annual meetings of

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shareholders. The board encourages its members to attend the annual meeting, but does not have a written policy regarding attendance at such meeting. Messrs. Kratz, Ahalt, Lovoi, Porter, Transier, and Watt and Ms. Quinn attended the 2010 Annual Meeting.

Directors Continuing Education

The board encourages all members of the board to attend director education programs appropriate to their individual backgrounds in order to stay abreast of developments in corporate governance and best practices relevant to their contribution to the board and their specific committee assignments.

Selection of Chairman and Chief Executive Officer

The board does not have a formal policy with respect to whether the CEO should also serve as chairman of the board. The board currently combines the role of chairman of the board and the role of CEO. Mr. Kratz has served as chairman of the board and CEO from 1998 to 2006 and again since 2008. The board believes this structure is optimal for us because it allows one person to speak for and lead the Company and demonstrates to our employees, suppliers, customers and other stakeholders that we are under strong leadership, with a single person setting the tone and having the primary responsibility for managing our operations. Combining the chairman and the CEO roles fosters clear accountability, effective decision-making, and alignment on corporate strategy. Having a single leader also eliminates the potential for confusion and duplication of efforts. However, the board periodically reviews its leadership structure. The board, through the Compensation Committee, evaluates the CEO on an annual basis.

The board believes that independent oversight of management is an important component of an effective board of directors. Members of the board play an important role in determining agenda for many board and committee meetings and often request specific information as part of their oversight role. The board does not have a specific presiding director, but Mr. Porter, in his role as chairman of the Corporate Governance and Nominating Committee, presides as the Chair of each executive session of the board unless the particular topic of the applicable executive session dictates that another independent director serve as the Chair of the meeting, typically the Chair of the committee responsible for the particular topic. In the case of an executive session of the independent directors held in connection with a meeting of a committee of the board, the chairman of the particular committee will preside as Chair.

We believe that having a combined CEO and chairman, coupled with a substantial majority of independent, experienced directors; key board committees comprised entirely of independent directors; and strong and effective corporate governance guidelines provides the right leadership structure for our company and its shareholders at this time.

Risk Oversight

The board has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. Our management identifies and prioritizes risk associated with our business. Each prioritized risk is assigned to a board committee or the full board for oversight. The board focuses on our general risk management strategy, the most significant risks, and ensures that appropriate risk mitigation strategies are implemented by our management. The board is also told of particular risks in connection with its general oversight and approval of corporate matters.

The board delegates to the Audit Committee oversight of much of our risk management process. Among its duties, the Audit Committee regularly reviews with management (a) our hedging policies and transactions, (b) our policies with respect to risk assessment and the management of risks that may be material, (c) our system of disclosure controls and system of internal controls over financial reporting, (d) key credit risks and (e) our compliance with legal and regulatory requirements and our programs related to such compliance.

Management regularly reports on each such risk to the relevant committee or the board. Additional review and reporting of risks is conducted as needed or as requested by the board or committee. Our other committees also consider and address risk as they perform their respective committee responsibilities. All committees report to the full board as appropriate, including when a matter rises to the level of material risk.

In addition to the reports from the committees, the board receives presentations throughout the year from various departments that include discussion of significant risks as necessary, including any risks associated with a proposed transaction. At each board meeting, the chairman and CEO addresses matters of particular importance or concern, including any significant areas of risk that require board attention, whether commercial, operational, legal, regulatory

or other type of risk. Additionally, the board reviews our short-term and long-term strategies, including consideration of significant risks facing the company and the impact of such risks.

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The board's risk oversight process builds upon management's risk assessment and mitigation processes. Our management is responsible for the day-to-day management including the management of risk. Our finance, legal (which includes human resources, contracts and risk management functions) and internal audit departments serve as the primary monitoring and testing function for company policies and procedures, and manage the day-to-day oversight of our risk management strategy. This oversight includes identifying, evaluating and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels.

We believe that the risk management procedures and responsibilities described above are an effective approach for addressing the risks facing Helix and that our board structure supports this approach.

COMMITTEES OF THE BOARD AND MEETINGS**Meetings of the Board and Committees**

The board currently has, and appoints members to, three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each committee acts under the terms of a written charter, copies of which are available at our website, www.HelixESG.com under *Investor Relations*, by clicking *Governance*. A copy of each charter is available free of charge upon request to the Corporate Secretary at Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston, Texas 77060. The following table summarizes the membership of the board and each of its committees as well as the number of times each met during the year ended December 31, 2010. Members were elected to these committees in February 2009 and February 2010 based upon the recommendation of the Corporate Governance and Nominating Committee by a vote of the board. Each member of each of these committees is independent as defined by the applicable NYSE and SEC rules.

Name	Board	Audit	Compensation	Corporate Governance and Nominating
Mr. Kratz	Chair			
Mr. Ahalt	Member		Member	Member
Mr. Duroc-Danner	Member			
Mr. Lovoi	Member	Member	Chair	
Mr. Porter	Member	Member		Chair
Ms. Quinn	Member	Member		Member
Mr. Transier	Member	Chair	Member	
Mr. Watt	Member		Member	Member
Number of Meetings in 2010				
Regular	4	7	4	4
Special	6	1	3	0

Board Attendance

During the year ended December 31, 2010, the board held a total of ten meetings. Each director attended 75% or more of the total meetings of the board other than Mr. Duroc-Danner who attended six meetings and each director attended 75% or more of the total meetings of the committees on which such director served.

Executive Sessions of the Directors

Non-management directors meet in regularly scheduled executive sessions following each board and committee meeting without any members of management being present and at which only those directors who meet the independence standards of the NYSE are present, provided however, that committees did meet with individual members of management, including the CEO, during executive session by invitation. Mr. Porter presided as the Chair of each executive session of the board unless the particular topic of the applicable executive session dictated that another independent director serve as the Chair of the meeting, typically the Chair of the committee responsible for the particular topic. In the case of an executive session of the independent directors held in connection with a meeting of a committee of the board, the chairman of the particular committee will preside as Chair.

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Audit Committee

The Audit Committee is composed of four non-employee, independent directors, Mr. Transier, Chairman, Messrs. Lovoi and Porter and Ms. Quinn, each of whom meets the independence and financial literacy requirements as defined in the applicable NYSE and SEC rules. The Audit Committee is appointed by the board to assist the board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and others relating to: (i) the integrity of our financial statements, (ii) the compliance with applicable legal and regulatory requirements, (iii) the performance of our internal audit function and independent registered public accounting firm, and (iv) the independent registered public accounting firm's qualifications and independence. Among the duties of the Audit Committee, all of which are more specifically described in the Audit Committee charter, which was most recently amended and restated in December 2009, the Audit Committee:

Oversees and appoints our independent registered public accounting firm.

Reviews the adequacy of our accounting and audit principles and practices, and the adequacy of compliance assurance procedures and internal controls.

Reviews and pre-approves all non-audit services to be performed by the independent registered public accounting firm in order to maintain such accounting firm's independence.

Reviews the scope of the annual audit.

Reviews with management and the independent registered public accounting firm our annual and quarterly financial statements, including disclosures made in management's discussion and analysis and our earnings press releases.

Meets independently with management and the independent registered public accounting firm.

Reviews corporate compliance and disclosure systems.

Reviews and approves all related-party transactions.

Makes regular reports to the board.

Reviews and reassesses the adequacy of its charter annually and recommends any proposed changes to the board for approval.

Performs an annual self-evaluation of its own performance.

Produces an annual report for inclusion in our proxy statement.

Audit Committee Independence

The board has affirmatively determined that all members of the Audit Committee (i) are considered independent as defined under NYSE Rule 303A, and (ii) meet the criteria for independence set forth in Exchange Act Rule 10A-3(b)(1).

Designation of Audit Committee Financial Expert

The board has determined that each of the members of the Audit Committee is financially literate and that Mr. Transier and Ms. Quinn are audit committee financial experts, as that term is defined in the rules promulgated by the SEC pursuant to the Sarbanes-Oxley Act of 2002 and have financial management expertise as required by the NYSE listing rules.

For more information regarding the Audit Committee, please refer to the Report of the Audit Committee on page 20.

Compensation Committee

The Compensation Committee is composed of four non-employee, independent directors, Mr. Lovoi, Chairman, and Messrs. Ahalt, Transier, and Watt. The Compensation Committee is appointed by the board to discharge the board's responsibilities relating to compensation of our executive officers. The Compensation Committee has the responsibilities described in the Compensation Committee charter including the overall responsibility for reviewing, evaluating and approving the Company's executive officer compensation agreements (to the extent such agreements are considered necessary or appropriate by the Compensation Committee), plans, policies and programs. The Compensation Committee is also responsible for reviewing and recommending to the board whether the

Compensation Discussion and Analysis should be included in our proxy statement, and for performing such other functions as the board may assign to the Compensation Committee from time to time, including the responsibility to:

Review compensation philosophy and major compensation and benefits programs for employees.

Oversee the 2005 Long-Term Incentive Plan, the Employee Retirement Savings Plan and the 2009 Long-Term Incentive Cash Plan.

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Commission independent consultants and review compensation with respect to executive officer compensation as compared to industry surveys and our peer group, as discussed in our Compensation Discussion and Analysis below.

Review and approve executive officer compensation, including bonuses and equity and cash opportunity long-term incentive compensation.

Review and reassess the adequacy of its charter annually and recommend any proposed changes to the board for adoption.

Perform an annual self-evaluation of its performance.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is composed of four independent, non-employee directors, Mr. Porter, Chairman, Messrs. Ahalt and Watt and Ms. Quinn. The members of the Corporate Governance and Nominating Committee are appointed by the Board of Directors. The goal of the Corporate Governance and Nominating Committee is to take a leadership role in shaping the corporate governance and business standards of our Board of Directors and the Company.

The Corporate Governance and Nominating Committee identifies individuals qualified to become board members, consistent with criteria approved by the board, oversees the organization of the board to discharge the board's duties and responsibilities properly and efficiently, and identifies best practices and recommends corporate governance principles, including giving proper attention and effective responses to shareholder concerns regarding corporate governance. The Corporate Governance and Nominating Committee has the responsibilities specifically described in the Corporate Governance and Nominating Committee charter, including the responsibility to:

Identify and evaluate potential qualified director nominees and select or recommend director nominees to the board.

Monitor, and recommend members for, each of the committees of the board.

Periodically review and revise our corporate governance principles.

Review and reassess the adequacy of its charter annually and recommend any proposed changes to the board for approval.

Perform an annual self-evaluation of its performance and the performance of the board.

Perform such other duties as may be assigned by the board from time to time.

Process for Director Nominations Shareholder Nominees

The policy of the Corporate Governance and Nominating Committee is to consider properly submitted shareholder nominations for candidates for membership on the board as described below under Identifying and Evaluating Nominees for Directors. In evaluating such nominations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the board and to address the membership criteria set forth below under Director Qualifications. Any shareholder nominations proposed for consideration by the Corporate Governance and Nominating Committee should include the nominee's name and qualifications for board membership and should be addressed to the Corporate Secretary, Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston, Texas 77060. In addition, our By-laws permit shareholders to nominate directors for consideration at an annual shareholder meeting. However, in order to be considered at this year's Annual Meeting such nominations were required to be received by us prior to the date of this proxy statement. Shareholders may nominate persons for election to the Board of Directors to be considered at next year's annual meeting in accordance with the procedure on page 55 of this proxy statement.

Director Qualifications and Diversity

The Corporate Governance and Nominating Committee has established certain criteria that identify desirable skills and experiences for prospective board members, including those recommended by the committee and those properly nominated by shareholders. The board, with the assistance of the Corporate Governance and Nominating Committee, selects potential new board members using criteria and priorities established from time to time. Desired personal qualifications for director nominees include: intelligence, insight and practical wisdom based on experience, the highest professional and personal ethics and values, integrity, strength of character and commitment. Nominees should also have broad experience at the policy-making level in business and possess a familiarity with complex business organizations and one or more of our industry segments. Nominees should have the independence necessary to make an unbiased evaluation of management performance and effectively carry out responsibilities of oversight and be committed to enhancing shareholder value. Nominees should have sufficient time to carry out their duties. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties. Each director must represent the interests of all shareholders. Although the Corporate Governance and Nominating Committee does not have a specific formal policy regarding board diversity, it does view diversity expansively and has determined that it is desirable for the board to have a variety of different viewpoints, professional experiences,

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educational backgrounds, and skills, and considers these types of diversity and background considerations in its selection process. The composition, skills and needs of the board change over time and will be considered in determining desirable candidates for any specific opening on the board. The Corporate Governance and Nominating Committee in considering a potential nominee will conduct its search for the best candidate for the board seat on a non-discriminatory basis.

Identifying and Evaluating Nominees for Directors

The Corporate Governance and Nominating Committee utilizes a variety of methods for identifying and evaluating nominees for director. The Corporate Governance and Nominating Committee regularly assesses the appropriate size of the board, and whether any vacancies on the board are expected, due to retirement or otherwise. In the event that vacancies are anticipated, or otherwise arise, the Corporate Governance and Nominating Committee considers various potential candidates for director. Candidates may come to the attention of the Corporate Governance and Nominating Committee through current board members, professional search firms, shareholders or other persons. These candidates are evaluated at regular or special meetings of the Corporate Governance and Nominating Committee, and may be considered at any point during the year. As described above, the Corporate Governance and Nominating Committee considers properly submitted shareholder nominations for candidates for the board. Following verification of the shareholder status of persons proposing candidates, recommendations are aggregated and considered by the Corporate Governance and Nominating Committee at a regularly scheduled meeting, which is generally the first or second meeting prior to the issuance of the proxy statement for our Annual Meeting of shareholders. If any materials are provided by a shareholder in connection with the nomination of a director candidate, such materials are forwarded to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee may also review materials provided by professional search firms or other parties in connection with a nominee who is not proposed by a shareholder. In evaluating such nominations, the Corporate Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on the board.

Sources for New Nominees

Ms. Quinn and Mr. Transier are the only directors standing for re-election. The Company did not utilize any third party search firms to assist in identifying potential director candidates during 2010 or to date in 2011. Neither the Corporate Secretary nor the Corporate Governance and Nominating Committee received any recommendations for director candidates from any shareholder or group of shareholders during 2010 or to date in 2011.

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The following table provides compensation which was earned or paid during the one-year period ended December 31, 2010 for each member of our Board of Directors.

Name (1)	Fees Earned or		Option Awards (\$)(3)(5)	Total (\$)
	Paid in Cash (\$)(2)	Stock Awards (\$)(3)(4)		
Gordon F. Ahalt	\$ 99,000	\$200,000	\$ -0-	\$299,000
Bernard J. Duroc-Danner	\$ -0-	\$287,812	\$ -0-	\$287,812
John V. Lovoi	\$ -0-	\$337,499	\$ -0-	\$337,499
T. William Porter	\$ 103,000	\$200,000	\$ -0-	\$303,000
Nancy K. Quinn	\$ 101,000	\$200,000	\$ -0-	\$301,000
William L. Transier	\$ 115,000	\$200,000	\$ -0-	\$315,000
James A. Watt	\$ 99,000	\$200,000	\$ -0-	\$299,000

- (1) Mr. Kratz has been omitted from the table because he did not receive any compensation for serving on our board during fiscal year 2010.
- (2) The annual fee for each member of the board and the fee related to the applicable board member's serving on committees are paid quarterly. Since January 1, 2005, non-employee directors have had the option of taking board and committee fees (but not expenses) in the form of restricted stock. See Summary of Director Compensation and Procedures below.
- (3) Amounts shown in these columns represent the grant date fair value of the restricted stock as calculated in accordance with the provisions of FASB Accounting Standard Codification (ASC) Topic 718. We did not grant any stock options in the year ended December 31, 2010. The value ultimately realized by the director may or may not be equal to the FASB ASC Topic 718 determined value.
- (4) As of December 31, 2010, unvested restricted stock held by each non-employee director is as follows:

Director	Shares of Unvested Restricted Stock Outstanding (a)
Mr. Duroc-Danner	99,911
Mr. Ahalt	49,581
Mr. Lovoi	66,685
Mr. Transier	54,929
Mr. Watt	50,930
Mr. Porter	37,561
Ms. Quinn	88,041

- (a) Includes January 4, 2011 grants of restricted stock to Messrs. Duroc-Danner and Lovoi for fourth quarter service.

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The grant date fair value of the restricted stock awarded with respect to the year ended December 31, 2010 to each director, computed in accordance with SFAS 123R is as follows:

Name	Date of Grant		Number of Shares	Grant Date Fair Value
Mr. Duroc-Danner	December 7, 2009	(a)	17,036	\$200,000
	January 4, 2010	(b)	1,197	\$ 14,062
	April 1, 2010	(b)	1,271	\$ 16,562
	July 1, 2010	(b)	1,770	\$ 19,063
	October 4, 2010	(b)	1,711	\$ 19,063
	January 4, 2011	(b)	1,570	\$ 19,062
Mr. Ahalt	December 7, 2009	(a)	17,036	\$200,000
Ms. Quinn	December 7, 2009	(a)	17,036	\$200,000
Mr. Lovoi	December 7, 2009	(a)	17,036	\$200,000
	April 1, 2010	(c)	2,758	\$ 35,937
	July 1, 2010	(c)	3,337	\$ 35,937
	October 4, 2010	(c)	2,777	\$ 30,938
	January 4, 2011	(c)	2,857	\$ 34,687
Mr. Porter	December 7, 2009	(a)	17,036	\$200,000
Mr. Transier	December 7, 2009	(a)	17,036	\$200,000
Mr. Watt	December 7, 2009	(a)	17,036	\$200,000

- (a) Represents annual grant for 2010 board service.
- (b) Represents the payment of retainer and board and committee fees due for the fourth quarter of 2009 and each quarter of 2010.
- (c) Represents the payment of retainer and board and committee fees for each quarter of 2010.

On December 10, 2010, each of the non-employee directors was issued 15,152 shares of restricted stock having a value of \$200,000 representing their annual grant for 2011 board service.

- (5) We did not grant any stock options in the year ended December 31, 2010. As of December 31, 2010, options for 88,000 shares were outstanding to Mr. Duroc-Danner awarded on February 25, 2004; options for 88,000 shares were outstanding to Mr. Lovoi awarded on February 17, 2003; and options for 52,800 shares were outstanding to Mr. Porter awarded on May 11, 2004. All grants of options to directors were in the initial amount equivalent to 88,000 shares and vested ratably over a five-year period on the anniversary of the grant date. Messrs. Ahalt, Watt, Transier, and Ms. Quinn did not have any outstanding options as of December 31, 2010.

For information regarding the vesting schedules of all restricted stock awards see the footnotes to the table under Share Ownership Information Management Shareholdings on pages 22-24 hereof.

Summary of Director Compensation and Procedures

Our non-employee director compensation structure has three components: director retainer and other fees, expenses and equity-based compensation currently in the form of restricted stock awards. We re-evaluate director compensation on an annual basis based on the compensation of directors by companies in our peer group. In 2010, the directors (other than Mr. Kratz, who is employed by the Company) received an annual director's fee of \$45,000, and \$2,000 per board meeting for attending each of four regularly scheduled quarterly meetings and any special board meetings. Furthermore, each of the outside directors receives an annual committee retainer fee of \$5,000 for each committee on which such director serves and a fee of \$2,000 (\$3,000 for the Chair) for each committee meeting attended. We also pay the reasonable out-of-pocket expenses incurred by each director in connection with attending the meetings of the

Board of Directors and any committee thereof.

Since January 1, 2005, non-employee directors have had the option of taking board and committee fees (but not expenses) in the form of restricted stock, pursuant to the terms of the 2005 Long Term Incentive Plan, as amended (the 2005 Plan) for grants after May 10, 2005, or the 1995 Long Term Incentive Plan, as amended (the 1995 Plan) for grants on or before May 10, 2005. An election to take fees in the form of cash or stock is made by a director prior to the beginning of the subject fiscal year. Directors taking fees in the form of restricted stock receive an award for a quarter on the first business day of the next quarter in an amount equal to 125% of the cash equivalent with the number of shares determined by the stock price on the last trading day of the fiscal quarter for which the

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fees are being determined. The award fully vests two years after the first day of the subject fiscal year. For fiscal year 2010, Messrs. Duroc-Danner and Lovoi elected to take board fees in the form of restricted stock. During the year ended December 31, 2010, total director (other than our employee directors) compensation earned or paid was \$2,142,311, which was composed of \$517,000 in cash compensation and \$1,625,311 in restricted stock compensation (as described above).

In 2005, the board, on the recommendation of the Compensation Committee, voted to change the equity compensation of directors. Currently, on joining the board (and for incumbent directors whose previously granted stock options have vested, on the date of the board meeting closest to the anniversary date of such joining) and thereafter on the date of each December board meeting, a director would receive a grant of restricted stock; provided, however, that such grants of restricted stock would not occur until such time as any prior grant of options had fully vested. All previously granted options to directors have fully vested. In addition, the grant of options is not currently an element of director compensation. All annual grants of restricted stock are made pursuant to the terms of the 2005 Plan and vest ratably over five years on the anniversary of the grant date, subject to immediate vesting on the occurrence of a Change of Control (as defined in the 2005 Plan).

Directors who are also our employees do not receive cash or equity compensation for service on the board in addition to compensation payable for their service as employees of Helix.

CERTAIN RELATIONSHIPS

In accordance with our Audit Committee charter, our Audit Committee is responsible for reviewing and approving the terms and conditions of all related party transactions. The Audit Committee has adopted a written statement of policy with respect to related party transactions. It is our written policy to approve and enter into transactions only when the board, acting through the Audit Committee, determines that a transaction with a related party is in, or not inconsistent with, the best interests of the Company or our shareholders. The Audit Committee will consider all relevant facts and circumstances available to the Audit Committee to determine whether such related party transaction is in our best interests, including the benefits to us, the impact on a director's independence, the availability of other sources for the product or services, the terms of the transaction and the terms available from unrelated third parties. The policy covers any transaction, arrangement or relationship in which we are a participant and in which a related party has a direct or indirect interest, other than transactions available to all employees generally or transactions involving less than \$5,000. A related party includes any person that served as a senior officer or director in the last fiscal year, and a person that beneficially owns more than 5% of our outstanding voting securities, and a person that is the immediate family member of either of the foregoing or an entity that is controlled by any of the foregoing. Other than the ongoing ordinary course transactions with Weatherford International Ltd. (Weatherford) described below, we did not enter into any financial transactions with any related party during fiscal 2010. If we were to do so in the future, any such material financial transaction would need to be approved by our Audit Committee prior to our Company entering into such transaction.

OKCD Investments, Ltd.

In April 2000, we acquired a 20% working interest in Gunnison, a deepwater Gulf of Mexico prospect of Kerr-McGee. Financing for the exploratory costs of approximately \$20 million was provided by an investment partnership (OKCD Investments, Ltd. or OKCD), the investors of which include current and former members of Helix senior management, in exchange for a revenue interest that is an overriding royalty interest of 25% of our 20% working interest. Production from the Gunnison field commenced in December 2003. We have made payments to OKCD totaling \$11.2 million, \$11.3 million and \$21.6 million in the years ended December 31, 2010, 2009 and 2008, respectively. Our CEO, Mr. Kratz, through Class A limited partnership interests in OKCD, personally owns approximately 80.4% of the partnership. Martin Ferron, our former President and CEO, owns approximately 1.6% of the partnership and A. Wade Pursell, our former Executive Vice President and Chief Financial Officer, owns approximately 0.4% of the partnership. In 2000, OKCD also awarded Class B income participations to key Helix employees, who are required to maintain their employment status with Helix in order to retain such income participations.

Weatherford International Ltd.

During 2010, we paid \$6,907,943, to Weatherford International Ltd. (Weatherford), an oil and gas industry company, for services provided to us. Mr. Duroc-Danner, a member of our board of directors, is Chairman, President and Chief Executive Officer of Weatherford.

Table of Contents**Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee has adopted procedures for pre-approving certain audit and permissible non-audit services provided by the independent registered public accounting firm. These procedures include reviewing a budget for audit and permissible non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of audit and permissible non-audit services that are recurring in nature and therefore anticipated at the time the budget is submitted. During the year, circumstances may arise such that it becomes necessary to engage the independent registered public accounting firm for services in excess of those contemplated by the budget or for additional services. Audit Committee approval is required to exceed the budget amount for a particular category of audit or permissible non-audit services and to engage the independent registered public accounting firm for any audit or permissible non-audit services not included in the budget. For both types of pre-approval, the Audit Committee considers whether such services are consistent with the SEC rules on auditor independence. The Audit Committee charter includes specific pre-approval procedures with respect to tax related services. The Audit Committee charter delegates pre-approval authority in certain circumstances to the Chairman of the Audit Committee. The Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firms to ensure that such services are within the parameters approved by the Audit Committee. None of the fees were for services approved by the Audit Committee pursuant to the *de minimis* exception in paragraph (c)(7)(i)(c) of Rule 2-01 of Regulation S-X.

All fiscal year 2010 professional services by Ernst & Young LLP were pre-approved.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed the audited financial statements of the Company for the year ended December 31, 2010 with management, our internal auditors and Ernst & Young LLP. In addition, the Committee has discussed with Ernst & Young LLP, the independent registered public accounting firm for the Company, the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Sarbanes-Oxley Act of 2002 requires certifications by the Company's chief executive officer and chief financial officer in certain of the Company's filings with the Securities and Exchange Commission (SEC). The Committee discussed the review of the Company's reporting and internal controls undertaken in connection with these certifications with the Company's management and independent registered public accounting firm. The Committee also reviewed and discussed with the Company's management and independent registered public accounting firm management's report and Ernst & Young LLP's report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. The Audit Committee has further periodically reviewed such other matters as it deemed appropriate, including other provisions of the Sarbanes-Oxley Act of 2002 and rules adopted or proposed to be adopted by the SEC and the NYSE.

The Committee also has received the written disclosures and the letter from Ernst & Young LLP regarding the auditor's independence pursuant to the applicable requirements of the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, and it has reviewed, evaluated and discussed the written disclosures with that firm and its independence from the Company. The Committee also has discussed with management of the Company and the independent registered public accounting firm such other matters and received such assurances from them as it deemed appropriate.

Based on the foregoing review and discussions and relying thereon, the Committee recommended to the Company's Board of Directors the inclusion of the Company's audited financial statements for the year ended December 31, 2010 in the Company's Annual Report on Form 10-K for such year filed with the SEC.

Members of the Audit Committee:

William L. Transier, Chairman

John V. Lovoi

T. William Porter

Nancy K. Quinn

Table of Contents**SHARE OWNERSHIP INFORMATION****Five Percent Owners**

The following table sets forth information as to all persons or entities known by us to have beneficial ownership, as of March 18, 2011, of more than 5% of the outstanding shares of our common stock, other than Mr. Kratz's beneficial ownership which is set forth in Management Shareholdings below. As of March 18, 2011, we had 105,916,229 shares outstanding. The information set forth below has been determined in accordance with Rule 13d-3 under the Exchange Act on the basis of the most recent information filed with the SEC and furnished to us by the person listed. To our knowledge, except as otherwise indicated below, all shares shown as beneficially owned are held with sole voting power and sole dispositive power.

Name and Address	Shares Beneficially Owned	Percent of Common Shares
(1) BlackRock, Inc. 40 East 52 nd Street New York, New York 10022	7,992,107 ⁽¹⁾	7.58%
(2) Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	6,442,322 ⁽²⁾	6.11%
(3) EARNEST Partners, LLC 1180 Peachtree Street NE, Suite 2300 Atlanta, Georgia 30309	6,061,267 ⁽³⁾	5.8%

- (1) Based solely on Amendment No. 1 to Schedule 13G filed with the SEC by BlackRock, Inc. on February 4, 2011. BlackRock has sole power to vote and power to dispose of 7,992,107 shares of our common stock.
- (2) Based solely on a Schedule 13G filed with the SEC by Dimensional Fund Advisors LP on February 11, 2011. Dimensional Fund Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, neither Dimensional Fund Advisors LP or its subsidiaries (collectively, Dimensional) possess voting and/or investment power over the securities of the Issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in the Schedule 13G are owned by the Funds. Dimensional disclaims beneficial ownership of such securities.
- (3) Based solely upon Amendment No. 2 to Schedule 13G filed with the SEC by EARNEST Partners, LLC on February 10, 2011. EARNEST Partners, LLC has the sole power to vote 3,719,551 shares of common stock beneficially owned by it and shared power to vote 1,012,096 shares of common stock beneficially owned by it. EARNEST has the sole power to dispose of the 6,061,267 shares of common stock beneficially owned by it.

Table of Contents**Management Shareholdings**

The following table shows the number of shares of our common stock beneficially owned as of March 18, 2011 by our directors and nominees for director and the executive officers identified in the Summary Compensation Table below (named executive officers), and all directors and such executive officers as a group.

The number of shares beneficially owned by each director or executive officer is determined by the rules of the SEC, and the information does not necessarily indicate beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the person or entity has sole or shared voting power or investment power regardless of economic interest, and also any shares that the person or entity can acquire within 60 days of March 18, 2011 through the exercise of stock options or other right. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares. As of March 18, 2011 there were 105,916,229 shares of common stock outstanding. The address of all executive officers and directors is care of Helix Energy Solutions Group, Inc., 400 North Sam Houston Parkway East, Suite 400, Houston, Texas 77060.

Name of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership ⁽²⁾	Of Shares Beneficially Owned, Amount that may be Acquired Within 60 Days by Option Exercise	Percentage of Common Stock Outstanding
Owen Kratz ⁽³⁾	5,936,327	-0-	5.6%
Bart H. Heijermans ⁽⁴⁾	14,717	-0-	*
Anthony Tripodo ⁽⁵⁾	256,926	31,000	*
Johnny Edwards ⁽⁶⁾	84,782	-0-	*
Alisa B. Johnson ⁽⁷⁾	141,511	-0-	*
Robert Murphy ⁽⁸⁾	83,507	-0-	*
Gordon F. Ahalt ⁽⁹⁾	85,173	-0-	*
Bernard Duroc-Danner ⁽¹⁰⁾	210,939	88,000	*
John V. Lovoi ⁽¹¹⁾	183,718	88,000	*
T. William Porter ⁽¹²⁾	95,962	52,800	*
Nancy K. Quinn ⁽¹³⁾	88,262	-0-	*
William L. Transier ⁽¹⁴⁾	99,010	-0-	*
James A. Watt ⁽¹⁵⁾	86,137	-0-	*
All executive officers and directors as a group (12 persons)	7,355,499	273,800	6.9%

* Indicates ownership of less than 1% of the outstanding shares of our common stock.

- (1) The persons named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them except as may be otherwise indicated in a footnote.
- (2) Amounts include the shares shown in the next adjacent column, which are not currently outstanding but are deemed beneficially owned because of the right to acquire them pursuant to options exercisable within 60 days of March 18, 2011 (*i.e.*, on or before May 17, 2011).
- (3) Mr. Kratz disclaims beneficial ownership of 1,000,000 shares included in the above table, which are held by Joss Investments Limited Partnership, an entity of which he is a General Partner. Amount also includes restricted

stock awards: (i) in the amount of 44,250 shares awarded on January 3, 2006 which vest 20% on each of January 3, 2007, 2008, 2009, 2010 and 2011; (ii) in the amount of 89,576 shares awarded on January 2, 2007 which vest 20% on January 2, 2008, 2009, 2010, 2011 and 2012; (iii) in the amount of 72,289 shares awarded on January 2, 2008 which vest 20% on each of January 2, 2009, 2010, 2011, 2012 and 2013; (iv) in the amount of 72,289 shares awarded on January 2, 2009 which vest 20% on each of January 2, 2010, 2011, 2012, 2013 and 2014; (v) in the amount of 101,012 shares awarded on January 4, 2010 which vest 20% on each of January 4, 2011, 2012, 2013, 2014 and 2015; and (vi) in the amount of 88,000 shares awarded on January 3, 2011 which vest 20% on each of January 3, 2012, 2013, 2014, 2015 and 2016.

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- (4) Mr. Heijermans resigned as an executive officer of the Company effective January 21, 2011. Pursuant to the terms of his Stock and Cash Award Amendment Agreement 37,195 shares of restricted stock vested on January 31, 2011. All other unvested shares of restricted stock outstanding as of January 31, 2011 were forfeited by Mr. Heijermans.
- (5) Amount includes restricted stock awards (i) in the amount of 70,500 shares awarded June 25, 2008 which vest 20% on June 25, 2009, 2010, 2011, 2012 and 2013; (ii) in the amount of 31,325 shares awarded January 2, 2009 which vest 20% on January 2, 2010, 2011, 2012, 2013 and 2014; (iii) in the amount of 43,767 shares awarded on January 4, 2010 which vest 20% on each of January 4, 2011, 2012, 2013, 2014 and 2015; and (iv) in the amount of 56,082 shares awarded on January 3, 2011 which vest 20% on each of January 3, 2012, 2013, 2014, 2015 and 2016.
- (6) Amount includes restricted stock awards (i) in the amount of 95,633 shares awarded January 2, 2007 which will vest 20% on January 2, 2008, 2009, 2010, 2011 and 2012; (ii) in the amount of 7,229 shares awarded January 2, 2009 which will vest 20% on January 2, 2010, 2011, 2012, 2013 and 2014; (iii) in the amount of 10,101 shares awarded on January 4, 2010 which vest 20% on each of January 4, 2011, 2012, 2013, 2014 and 2015, and (iv) in the amount of 22,427 shares awarded on January 3, 2011 which vest 20% on each of January 3, 2012, 2013, 2014, 2015 and 2016.
- (7) Amount includes restricted stock awards (i) in the amount of 19,117 shares awarded September 18, 2006 which will vest 20% on September 18, 2007, 2008, 2009, 2010 and 2011; (ii) in the amount of 7,007 shares awarded January 2, 2007 which will vest 20% on January 2, 2008, 2009, 2010, 2011 and 2012; (iii) in the amount of 22,892 shares awarded January 2, 2008 which will vest 20% on January 2, 2009, 2010, 2011, 2012 and 2013; (iv) in the amount of 22,892 shares awarded January 2, 2009 which will vest 20% on January 2, 2010, 2011, 2012, 2013 and 2014; (v) in the amount of 35,350 shares awarded on January 4, 2010 which vest 20% on each of January 4, 2011, 2012, 2013, 2014 and 2015; and (vi) in the amount of 39,270 shares awarded on January 3, 2011 which vest 20% on each of January 3, 2012, 2013, 2014, 2015 and 2016.
- (8) Mr. Murphy resigned as an executive officer of the Company effective March 7, 2010. Pursuant to the terms of his Stock and Cash Award Amendment Agreement 69,023 shares of restricted stock vested on March 16, 2010. All other unvested shares of restricted stock outstanding as of March 16, 2010 were forfeited by Mr. Murphy.
- (9) On February 22, 2011, Gordon F. Ahalt informed the Board that he will not stand for re-election as a director at the May 2011 Annual Meeting of Shareholders. In connection with his departure from the Board, the Company and Mr. Ahalt entered into a Stock Award Amendment Agreement dated February 22, 2011 in which 49,581 shares of Company common stock vested on such date.
- (10) Amount includes restricted stock awards (i) in the amount of 1,985 awarded on January 2, 2009 which will vest on January 1, 2011; and (ii) in the amount of 67,901 awarded on February 26, 2009 which will vest 20% on February 26, 2010, 2011, 2012, 2013 and 2014; (iii) in the amount of 4,195 awarded on April 1, 2009 which will vest on January 1, 2011; (iv) in the amount of 1,754 awarded on July 1, 2009 which vest on January 1, 2011; (v) in the amount of 939 awarded on October 1, 2009 which vest on January 1, 2011; (vi) in the amount of 17,036 shares awarded on December 7, 2009 which vest 20% on each of December 7, 2010, 2011, 2012, 2013 and 2014; (vii) in the amount of 1,197 awarded on January 4, 2010 which vest on January 1, 2012; (viii) in the amount of 1,271 awarded on April 1, 2010 which vest on January 1, 2012; (ix) in the amount of 1,770 awarded on July 1, 2010 which vest on January 1, 2012; (x) in the amount of 1,711 awarded on October 4, 2010 which vest on January 1, 2012; (xi) in the amount of 15,152 shares awarded on December 10, 2010 which vest 20% on each of December 10, 2011, 2012, 2013, 2014 and 2015; and (xii) in the amount of 1,570 awarded on January 4, 2011 which vest on January 1, 2013. In connection with Mr. Duroc-Danner's resignation from the Board of

Directors, any restricted stock awards that are unvested on May 11, 2011 will be forfeited.

- (11) Amount includes restricted stock awards (i) in the amount of 5,537 shares awarded February 28, 2008 which vest 20% on each of February 28, 2009, 2010, 2011, 2012 and 2013; (ii) in the amount of 29,586 awarded on December 11, 2008 which will vest 20% on December 11, 2009, 2010, 2011, 2012 and 2013; (iii) in the amount of 4,316 awarded on January 2, 2009 which will vest on January 1, 2011; (iv) in the amount of 17,036 shares awarded on December 7, 2009 which vest 20% on each of December 7, 2010, 2011, 2012, 2013 and 2014; (v) in the amount of 2,758 awarded on April 1, 2010 which vest on January 1, 2012; (vi) in the amount of 3,337 awarded on July 1, 2010 which vest on January 1, 2012; (vii) in the amount of 2,777 awarded on October 4, 2010 which vest on January 1, 2012; (viii) in the amount of 15,152 shares awarded on December 10, 2010 which vest 20% on each of December 10, 2011, 2012, 2013, 2014 and 2015; and (ix) in the amount of 2,857 awarded on January 4, 2011 which vest on January 1, 2013.

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- (12) Amount includes restricted stock awards (i) in the amount of 10,974 shares awarded on May 13, 2009 which vest 20% on each of May 13, 2010, 2011, 2012, 2013 and 2014; (ii) in the amount of 17,036 shares awarded on December 7, 2009 which vest 20% on each of December 7, 2010, 2011, 2012, 2013 and 2014; and (iii) in the amount of 15,152 shares awarded on December 10, 2010 which vest 20% on each of December 10, 2011, 2012, 2013, 2014 and 2015.
- (13) Amount includes restricted stock awards (i) in the amount of 74,074 shares awarded on February 26, 2009 which will vest 20% on February 26, 2010, 2011, 2012, 2013 and 2014; (ii) in the amount of 17,036 shares awarded on December 7, 2009 which vest 20% on each of December 7, 2010, 2011, 2012, 2013 and 2014; and (iii) in the amount of 15,152 shares awarded on December 10, 2010 which vest 20% on each of December 10, 2011, 2012, 2013, 2014 and 2015.
- (14) Amount includes restricted stock awards (i) in the amount of 5,000 shares awarded on December 13, 2005 which vest 20% on each of December 13, 2006, 2007, 2008, 2009 and 2010; (ii) in the amount of 5,642 shares awarded on December 7, 2006 which vest 20% on each of December 7, 2007, 2008, 2009, 2010 and 2011; (iii) in the amount of 4,797 shares awarded on December 7, 2007 which vest 20% on each of December 7, 2008, 2009, 2010, 2011 and 2012; (iv) in the amount of 29,586 awarded on December 11, 2008 which will vest 20% on December 11, 2009, 2010, 2011, 2012 and 2013; (v) in the amount of 4,316 awarded on January 2, 2009 which will vest on January 1, 2011; (vi) in the amount of 17,036 shares awarded on December 7, 2009 which vest 20% on each of December 7, 2010, 2011, 2012, 2013 and 2014; and (vii) in the amount of 15,152 shares awarded on December 10, 2010 which vest 20% on each of December 10, 2011, 2012, 2013, 2014 and 2015.
- (15) Amount also includes restricted stock award (i) in the amount of 12,390 shares awarded on July 1, 2006 which vest 20% on each of July 1, 2007, 2008, 2009, 2010 and 2011; (ii) in the amount of 4,797 shares awarded on December 7, 2007 which vest 20% on each of December 7, 2008, 2009, 2010, 2011 and 2012; (iii) in the amount of 29,586 awarded on December 11, 2008 which will vest 20% on December 11, 2009, 2010, 2011, 2012 and 2013; (iv) in the amount of 17,036 shares awarded on December 7, 2009 which vest 20% on each of December 7, 2010, 2011, 2012, 2013 and 2014; and (v) in the amount of 15,152 shares awarded on December 10, 2010 which vest 20% on each of December 10, 2011, 2012, 2013, 2014 and 2015.

Section 16(a) Beneficial Ownership Reporting Compliance.

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers and persons who own more than ten percent of a registered class of our equity securities, or reporting persons, to file with the Securities and Exchange Commission initial reports of ownership and to report changes in ownership of the Company's common stock. Reporting persons are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on a review of the copies of these reports furnished to the Company, we believe that all reports required to be filed by reporting persons pursuant to Section 16(a) of the Exchange Act were filed for the year ended December 31, 2010 on a timely basis.

EQUITY COMPENSATION PLAN INFORMATION

The table below provides information relating to the Company's equity compensation plans as of December 31, 2010:

Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants	Weighted-Average Exercise Price of Outstanding Options,	Number of Securities Remaining Available for Future Issuance under
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Plan Category	and Rights⁽³⁾	Warrants and Rights	Compensation Plans⁽⁴⁾
Equity compensation plans approved by security holders ⁽¹⁾	-0-	-0-	2,892,573 ⁽⁴⁾⁽⁵⁾
Equity compensation plans not approved by security holders ⁽²⁾	432,918	\$ 10.78	631,115
Total	432,918	\$ 10.78	3,523,688

- (1) The 2005 Plan, which was approved by our shareholders at our 2005 annual meeting, provides that the Company may grant up to 6,000,000 shares of our common stock in the form of 2,000,000 options and up to 4,000,000 shares of restricted stock or restricted stock units subject to the terms and conditions of the 2005 Plan.
- (2) The 1995 Plan was approved in 1995 at a meeting of the Compensation Committee. Under the 1995 Plan, a maximum of 10% of the total shares of common stock issued and outstanding may be granted to key executives and selected employees and non-employee members of the Board of Directors in the form of stock options, stock appreciation right or stock awards. Following

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the approval by shareholders of the 2005 Plan on May 10, 2005, no further grants have been or will be made under the 1995 Plan.

- (3) As of December 31, 2010, there were 8,343,798 options, and 193,166 shares of restricted stock, granted under the 1995 Plan and 3,284,007 shares of restricted stock granted under the 2005 Plan.
- (4) Between December 31, 2010 and the record date, March 18, 2011, no new options were issued and 480,231 shares of restricted stock were awarded pursuant to the 2005 Plan. As of March 18, 2011, the Company had 631,115 shares available under the 1995 Plan and 2,000,000 options and 892,573 shares of restricted stock available under the 2005 Plan.
- (5) This number reflects only securities available for issuance under the 2005 Plan. The Company has additional securities available under the 1995 Plan as discussed in note 4 above.

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COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

No member of the Compensation Committee of our board was, during fiscal year 2010, an officer or employee of the Company or any of its subsidiaries, or was formerly an officer of the Company or any of its subsidiaries, or had any relationships requiring disclosure by the Company under Item 404 of Regulation S-K under the Exchange Act.

During 2010, no executive officer of the Company served as (i) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one or more of whose executive officers served on the Compensation Committee of our board, (ii) a director of another entity, one or more of whose executive officers served on the Compensation Committee, or (iii) a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one or more of whose executive officers served as a member of our board.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis (CD&A) is intended to provide our shareholders with a description of the material elements of our compensation program for our executive officers for the year 2010 including our named executive officers listed in the summary compensation table below, or named executive officers, and the policies and objectives that support that program.

Compensation Philosophy and Objectives

Our business model, which includes both a marine contracting services segment and an oil and gas exploration, development and production segment, is very complex and requires highly qualified, experienced and technically proficient executive officers. In addition, we rely on our executive officers to develop and execute our business strategy in a way that maximizes value for our shareholders through the market and business fluctuations of a cyclical industry. Our compensation philosophy reflects the realities of the competitive market in which we operate as well as the characteristics of our business environment. The Compensation Committee and management believe that our compensation programs are balanced and reasonable and help us attract, retain and motivate qualified and technically proficient employees through a range of business cycles. Helix has always taken a long-term view, and as a result, we use judgment and discretion rather than relying solely on formulaic results to determine compensation.

Our compensation program is designed to create a positive environment in which the employees, including the named executive officers, are enthusiastic about our business, strategic objectives, core values and culture, and are working toward our long-term success. We have a pay-for-performance culture that runs through the whole Company but starts at the top with the named executive officers. For our executive officers, we attempt to reward sustained performance over time by emphasizing long-term incentive awards, including both a cash component and an equity component. Although we strive to maintain consistency in our compensation philosophy and approach, our compensation elements are in general designed and operate to limit certain components of compensation during periods of economic stress, reduced earnings and significantly lower stock prices.

Currently, we have five executive officers. These executive officers have the broadest set of responsibilities, duties and policy-making authority in the Company. We hold them responsible for our overall performance, for implementing our strategic objectives and for fostering and maintaining a culture of strong core values and ethics. Details of compensation for our CEO, Chief Financial Officer, three other highest paid executive officers, and Mr. Murphy can be found in the tables beginning on page 39. Mr. Murphy, a named executive officer, resigned as an executive officer effective March 7, 2010. Mr. Heijermans, also a named executive officer, resigned as an executive officer effective January 21, 2011. In connection with their resignations, they each entered into a Separation and Release Agreement and Stock and Cash Award Amendment Agreement that collectively provided the terms and conditions for all payments, vesting of equity and cash awards and all other compensation related matters arising out of their departures from the Company.

Executive Compensation Policy

While the amount of compensation may be different, the components of each executive officer's compensation package are the same and are applied using broadly the same methodology, which is described below. In 2010, our executive compensation program consisted of a base salary, a short-term incentive cash bonus, a long-term incentive cash opportunity award and a long-term incentive equity award. All elements of the compensation program are designed upon the following principles:

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We pay for performance and compensate to reflect the overall performance of the executive, the group for which the executive is responsible, and our business in general;

We pay competitively in terms of type and amount of compensation as compared to other companies in our industry (as discussed below);

We compensate based upon the responsibilities, complexity and difficulty of an executive's position during the applicable period;

A substantial portion of each executive's total compensation should be variable or at risk ;

Because of the cyclical nature of our industry and other factors related to an executive officer's overall performance, the short-term incentive bonus compensation should not be based on formulas or pre-set thresholds but should be based on the discretion of the Compensation Committee considering the facts and circumstances of the applicable period;

The compensation program should incentivize executive officers to remain with us over the long-term;

Components of compensation should be tied to increasing shareholder value;

The compensation program should incentivize executive officers to execute our business plan and our financial objectives consistent with our long-term strategy and should balance rewards for short-term and long-term performance; and

Annual performance that reflects the execution of our stated strategy should be rewarded.

Key Considerations in Determining Executive Compensation for 2010

The Compensation Committee applies the principles listed above to determine the compensation of each executive officer. The Compensation Committee considered the following information in evaluating the compensation program for 2010 and the compensation of each individual executive officer:

Marketplace compensation levels for each position provided by the independent compensation consultant retained by the Compensation Committee based on compensation data derived from the proxy statements of oilfield industry peers (our peer group);

The current roles and responsibilities of each executive officer;

Current and historic information related to the performance of the Company and each of its segments;

Information regarding the compensation, performance, responsibilities, difficulties and complexities related to each executive officer's role in our Company relative to the other executive officers in the applicable period; and

Recommendations of our CEO, with respect to the base salary, cash bonus, long-term incentive cash opportunity awards and equity grant for each executive officer, including each named executive officer.

The Compensation Committee focuses much of its time on the CEO and other senior executive compensation to ensure that such compensation reflects operating and financial performance. In 2010, the Company faced one of the most challenging environments in its history. In April 2010, while drilling at the Macondo Prospect, the *Deepwater Horizon* drilling rig experienced an explosion and fire, and later sank into the Gulf of Mexico. The complete destruction of the *Deepwater Horizon* rig also resulted in a significant release of crude oil into the Gulf. As a result of this explosion, the resulting oil spill and the inability to stop the oil spill, a moratorium was placed on offshore

deepwater drilling in the United States, which was subsequently lifted on October 12, 2010 and replaced with enhanced safety standards for offshore deepwater drilling. The Company's CEO and senior executive officers responded to the rapidly deteriorating economic condition resulting from the moratorium and other economic conditions by: (i) serving on the *Deepwater Horizon* team of responders and developing the Helix Fast Response System, culminating from our experience as a responder, which has been named as a spill response resource for the U.S. Gulf of Mexico in response plans submitted by certain oil and gas producers with state and federal authorities; (ii) continuing to focus and shape the future direction of the Company around our deepwater construction and well intervention services; (iii) diligently working to improve the Company's balance sheet, reduce debt and maximize our financial flexibility; and (iv) restarting production in the Company's Phoenix field. However, in addition to the foregoing the Company also experienced setbacks including (i) oil and gas production underperformance and (ii) underperformance on certain marine construction projects. The Compensation Committee considered these performance factors among others in determining executive compensation.

The main elements and goals of our executive compensation program did not change from 2009 to 2010. However, the Compensation Committee faced the challenge of achieving the right mix and level of compensation to retain and motivate executives through the challenging business conditions we experienced in 2010. Except for setting the metrics for the payout with respect to the cash opportunity awards, which depends on achieving specific quantitative performance objectives, the Compensation Committee

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does not use formulas in determining the amount and mix of compensation. Thus, the Compensation Committee evaluates a broad range of both quantitative and qualitative factors which may include financial and other performance in the context of the economic environment and our corporate objectives, a track record of integrity and good judgment, and expected future contribution to our results.

Components of the Compensation Committee Analysis

Set forth below are some of the components that impact the compensation decisions made by the Compensation Committee. These factors or components are not intended to be exhaustive.

Considerations Regarding Roles and Responsibilities

The roles and responsibilities of each named executive officer are taken into account in two distinct ways in determining compensation. First, the officer's roles and responsibilities are considered by the Compensation Committee, as well as by its independent compensation consultant, when determining the applicable comparable position for inclusion in the peer group and survey data compensation information, as applicable. Second, the Compensation Committee evaluates the responsibilities and the complexity of the applicable officer's specific position to determine whether such officer should receive compensation, or a mix of compensation, that is different from the other named executive officers. The Compensation Committee has the authority to consider the respective roles and responsibilities of each named executive officer in any way it deems appropriate in its judgment. For example, it is possible that the Compensation Committee could exercise its discretion and decide that a certain officer should receive base salary equal to the 75th percentile of his or her respective peer group or survey data or an increase in bonus compensation because the responsibilities of the position were more demanding than his or her peers within the peer group.

Discretion of the Compensation Committee

The Compensation Committee retains overall discretion with respect to all aspects of our compensation program for our executive officers, and in particular, has complete discretion with respect to executive officer bonuses. The Committee may elect to consider any relevant measure of performance (company, department and/or individual), the achievement of strategic objectives, change in the stock price or financial position of the Company, and any other factor it deems appropriate. In addition, although it has not done so in several years, the Compensation Committee may grant additional discretionary bonuses as a result of our achievements during a particular year.

Tax Considerations

The Compensation Committee and management consider the accounting and tax effects of various compensation elements when designing our annual compensation plans and making other compensation decisions. Although we design our plan and programs to be tax-efficient and to minimize compensation expense, these considerations are secondary to meeting the overall objectives of the executive compensation program.

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of \$1,000,000 on the amount of compensation that may be deducted by us in any year with respect to the named executive officers unless the compensation is performance-based compensation as described in Section 162(m) and the related regulations. Although the Compensation Committee may take into account the potential application of Section 162(m) on its compensation decisions, including the grant of long-term incentive compensation awards, it may approve compensation that exceeds the above-referenced limit in order to ensure competitive levels of compensation for our executive officers. As a result, certain compensation paid to the named executive officers may not be deductible for tax purposes.

The Compensation Committee Process and the Role of Advisors and Management

The Compensation Committee

The Compensation Committee assists the Board in fulfilling its responsibilities for determining the total compensation packages offered to our executive officers and administers our executive officer and equity compensation programs. Specifically, the Compensation Committee is responsible for establishing the compensation policies and administering the compensation programs for our executive officers, for administering the grant of cash-based incentive awards for our executive officers under our 2009 Cash Incentive Plan and for administering the grant of equity-based incentive awards under our 2005 Plan. The Compensation Committee's

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charter (i) empowers the Compensation Committee to review, evaluate and approve our executive officer compensation agreements, plans, policies and programs, (ii) delegates to the Compensation Committee all authority of the Board required or appropriate to fulfill such purpose, and (iii) grants to the Compensation Committee the sole authority to retain and terminate any independent compensation consultant. No Compensation Committee member participates in any of our compensation programs, except for receiving grants of equity-based awards normally awarded to our directors under our 2005 Plan.

The Compensation Consultant

To assist it in meeting its responsibilities, the Compensation Committee engages an outside consulting firm. For 2010, the Compensation Committee retained the services of Hewitt Consulting through September 2010 and thereafter engaged Meridian Consulting, an independent consultant that specializes in executive compensation matters. Meridian Consulting reported to, and acted at the direction of, the Compensation Committee. Our management provides input to the compensation consultant but does not direct or oversee its activities with respect to our executive compensation programs.

For 2010, Hewitt Consulting provided survey database (with respect to the Chief Accounting Officer only) and with respect to other executive officers proxy peer data on total compensation with respect to the 25th percentile, market median (50th percentile), and 75th percentile of the market based on such officer's position and pay rank. This data was presented to management and the Compensation Committee for its review and analysis in advance of the December 2009 meeting.

From time to time the compensation consultant provides additional services and advice to the Compensation Committee, including advice and review regarding the terms and conditions of employment agreements, advice on the structure and award levels of non-equity based incentive compensation for executive officers, advice with respect to structuring the fees paid to our independent directors as well as equity compensation awarded to our independent directors, and information or advice regarding other issues as may be requested by the Committee.

The Committee does not adopt all of the compensation consultant's recommendations, but utilizes the compensation consultant's work as a check in arriving at its own judgment with respect to what it deems appropriate.

The compensation consultant regularly participates in the meetings of the Compensation Committee and meets privately with the Committee when requested to do so.

Role of the Chief Executive Officer

Our President and CEO annually reviews the competitive pay position and the performance of each executive officer. The CEO's conclusions and recommendations based on his reviews of the other named executive officers, including his conclusions and recommendations with respect to salary adjustments, annual long-term incentive award amounts and bonus determinations, are presented to the Compensation Committee.

While the Compensation Committee considers the recommendations of the CEO with respect to the various elements of compensation for each executive officer, the Compensation Committee retains complete discretion over all decisions regarding compensation for our executive officers, including the CEO. We believe that the CEO's input and recommendations are an important part of the Compensation Committee's decision-making process because he is familiar with both the business objectives and each officer's contributions to the attainment of those objectives. As the highest ranking officer involved in the management of the Company, the CEO is in the best position to assess the performance of the Company, the applicable business unit or group, and each individual executive officer, and, as a result, the CEO may make recommendations regarding the compensation of all executive officers, including himself, based on any factors he deems relevant; however, the Compensation Committee makes its determinations of all executive officer compensation in its complete discretion. The Compensation Committee independently evaluates the recommendations of the CEO and makes all final compensation decisions. The Compensation Committee decides the base salary, bonus target, bonus award, and long-term incentive award for each of the executive officers, including the CEO, in executive session.

Senior members of our management team including the CEO provide recommendations regarding many aspects of our compensation program, including executive compensation. The Compensation Committee does not, however, delegate any of its functions or authority to management (other than the issuance of certain equity incentive compensation awards pursuant to the terms of the 2005 Plan to new hires or employees who are promoted).

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Business Context and Peer Group

The Company provides life-of-field services and development solutions to offshore energy producers worldwide. Helix actively reduces finding and development costs through a unique mix of offshore production assets, service methodologies, and highly skilled personnel. Our industry is highly competitive and cyclical.

We compete for talent across many different sectors around the world. However, our primary competitive market generally includes other companies in the energy industry.

For each year, including 2010, the Compensation Committee compares our total compensation for each position occupied by our executive officers to the compensation paid by companies in our peer group for similar positions. The Compensation Committee's independent consultant proposes companies to be included in the peer group and management annually reviews such proposal to ensure that the most appropriate companies are included therein. The Compensation Committee then reviews and approves the members of the peer group as it deems appropriate. The report of the compensation consultant with respect to 2010 compensation included proxy information on executive officer compensation programs of sixteen oil and gas companies or energy services companies of similar size which we consider our peer group companies. For fiscal 2010, the peer group for executive officer compensation consisted of the following companies:

BJ Services Company	Cameron International Corp.
FMC Technologies, Inc.	Global Industries Ltd.
Mariner Energy Inc.	McDermott International Inc.
Oceaneering International Inc.	Oil States International, Inc.
Petrofac Limited	Pioneer Natural Resources Company
Pride International, Inc.	Rowan Companies Inc.
Superior Energy Services, Inc.	Tetra Technologies Inc.
W&T Offshore, Inc.	

We believe these companies were appropriate for the purpose of our targeted compensation comparison for 2010 because such companies were our direct competitors and/or were companies that are likely competition for executive talent, their executive officers often have similar positions to or responsibilities of the positions held by our executive officers, each of the companies was of a comparable size to us, and each such company is within our same general industry.

As a result of the lack of proxy data for Lloyd Hajdik, our Senior Vice President- Finance and Chief Accounting Officer, the Compensation Committee was also provided with data from Hewitt Consulting's energy industry compensation database containing survey information (survey data) for this position. The survey data is for executive officers with similar positions with roles and responsibilities similar to those of Mr. Hajdik. The data used for compensation reference point purposes with respect to Mr. Hajdik's compensation is the survey data.

The data derived from the proxy peer group is the data used by the Compensation Committee for compensation reference point purposes (other than with respect to Mr. Hajdik). With this information, the Compensation Committee reviews and analyzes compensation for each executive officer and makes adjustments as it deems appropriate in its discretion. As a general rule, annual base salary is compared to the 50th percentile (mid-point) of the range of annual cash base salary paid by our industry peers. The annual cash bonus award target and the long-term incentive award for each executive officer were compared to the range of such compensation paid by our industry peers. The total compensation of our executive officers was compared to the 75th percentile of the range of total compensation paid by our industry peers to provide an incentive to our executive officers, including the named executive officers, to achieve a level of performance comparable to the top performing companies within our industry and also to attract and retain highly talented individuals.

Changes in 2011

In December 2010, following a discussion with Meridian Consulting, the Compensation Committee reformulated the peer group for purposes of determining 2011 executive officer compensation as follows:

ATP Oil & Gas Corp.	Atwood Oceanics
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Cameron International Corp.
Energy XXI Ltd.
Global Industries Ltd.

Dril-Quip, Inc.
FMC Technologies, Inc.
Oceaneering International Inc.

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Oil States International, Inc.
Pride International, Inc.
Stone Energy Corp.
Tetra Technologies Inc.

Petrofac Limited
Rowan Companies Inc.
Superior Energy Services, Inc.
W&T Offshore, Inc.

Consideration of Risk

Our compensation programs are discretionary, balanced and focused on the long term. Under this structure, the highest amount of compensation can be achieved through consistent superior performance over sustained periods of time. In addition, significant amounts of compensation are usually paid out over time, specifically the long-term incentive awards which vest over a five year period. This provides incentives to manage the Company for the long term, while avoiding excessive risk-taking in the short term. Goals and objectives reflect a balanced mix of quantitative and qualitative performance measures to avoid excessive weight on a single performance measure. Likewise, the elements of compensation are balanced among cash payments, cash bonus, long-term cash opportunity awards and long-term equity incentive awards. We have also determined that our current form of long-term incentive compensation (restricted stock and long-term cash opportunity) is more appropriate than stock options to encourage management to take only the appropriate level of risk in order to create sustained shareholder value over the long-term. The Compensation Committee retains a large amount of discretion to adjust compensation for quality of performance and adherence to Company values.

Elements of our 2010 Compensation Program

Overview

During fiscal 2010, the primary elements of compensation earned by each of our executive officers, including our named executive officers, consisted of:

base salary;

a short term incentive cash bonus;

long-term incentive compensation, in the form of a cash opportunity award; and

long-term incentive compensation, in the form of equity awards.

We use each element of compensation to satisfy one or more of our stated compensation objectives. For purposes of this discussion, total compensation includes the total cash compensation (base salary plus cash bonus) plus long-term incentive awards (cash opportunity award and equity award). The Committee's goal is to achieve the appropriate balance between short-term cash rewards and long-term financial incentives for the achievement of both annual and long-term financial goals. To ensure appropriate linkage between our objectives and compensation levels, we periodically review the goals and the levels of each element of compensation.

Typically, the Compensation Committee reviews and approves each element of compensation separately, and, if necessary, makes adjustments to individual elements of compensation to achieve total compensation that is competitive with our peer group at the desired levels and that is deemed appropriate by the Compensation Committee.

Base Salary Determination

In establishing base salaries for executive officers, including the named executive officers, the Compensation Committee considers a number of factors including the executive's job responsibilities, individual achievements and contributions, level of experience and personal compensation history. Base salary is set for our named executive officers at the regularly scheduled December meeting of our Compensation Committee, to be effective beginning on the first day of the next calendar year. It is not our policy to pay executive officers a base salary at the highest level relative to their peers, but rather generally to set their base salaries at a level comparable to the 50th percentile of the market. We believe that this, together with the other elements of our compensation program, provides appropriate compensation to each of our executive officers depending on his or her position, and gives us the opportunity to attract and retain talented managerial employees at the executive level.

After reviewing the peer group or the survey data, as applicable, the Compensation Committee exercises its discretion and determines a base salary for each executive officer. In light of the turbulent economic environment that existed when the Compensation Committee approved the 2010 compensation program for executive officers and the challenges facing the Company,

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management did not recommend salary increases for the executive officers other than Mr. Tripodo whose base salary increased to \$400,000 as a result of an increase in departments under his supervision and in order to bring his total compensation in approximately the 75th percentile of the peer group.

Changes in 2011

In December 2010, the Compensation Committee approved base salary increases for Ms. Johnson and Mr. Hajdik effective January 1, 2011 as a result of an increase in duties and responsibilities as well as a review of proxy and survey data. The following sets forth the base salary for each of the named executive officers, with the exception of Mr. Murphy who departed the Company prior to 2011:

	Base Salary
Owen Kratz ⁽¹⁾	\$ 700,000
Anthony Tripodo	400,000
Johnny Edwards	350,000
Alisa Johnson	350,000
Bart Heijermans ⁽²⁾	450,000

(1) Annual base salary for Mr. Kratz has remained unchanged since 2008.

(2) Mr. Heijermans resigned from the Company effective January 21, 2011.

Cash Bonus Program

The annual incentive compensation plan includes a cash bonus designed to reward our employees, including our executive officers, for the achievement of certain goals in a given year. The bonus target for each executive officer is established in either the December meeting of the Compensation Committee in the prior year or during the Committee's first meeting of the applicable year. In February of each year, prior to granting a bonus with respect to the prior year, the CEO reviews each executive officer's responsibilities and performance for the prior year, reviews whether our goals and criteria were achieved during the prior year, and makes a recommendation to the Compensation Committee. The Committee awards bonuses for the previous year at its first regular meeting of the year based upon the exercise of its discretion considering the previously approved target bonus and after its review of the data provided by management and any other considerations it deems relevant. Bonuses are typically paid in March. The Compensation Committee evaluates many factors and components when determining a bonus payment which may include the following:

Company Performance

The Compensation Committee reviews our performance, for the applicable year, financial and otherwise, including balance sheet and pre-tax income measures. Our objectives, as stated to our shareholders, potential investors and investment advisors, are aligned with the performance objectives of our named executive officers. In this way, we incentivize each named executive officer to successfully perform during the year in terms of his or her respective responsibilities, which, together with its efforts of others, would ultimately cause us to meet our stated business and strategic objectives, including our earnings per share performance.

Group Performance

The Compensation Committee reviews the performance and effectiveness of each of our business segments or groups. The Committee evaluates whether the department or division for which each named executive officer has responsibility was well managed, performed effectively in light of market and other conditions, and achieved its overall performance goals.

Personal Performance

The Compensation Committee reviews the overall performance of each executive officer, including the named executive officers, in light of the officer's job responsibilities, and the general effectiveness of such executive officer during the applicable period with respect to his or her position and responsibilities and challenges presented during the year.

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Set forth below are the 2010 target bonus and the actual bonus (paid in March 2011) for each named executive officer:

	Target	Actual
Owen Kratz	\$ 1,400,000	\$ 295,000
Anthony Tripodo	600,000	438,000
Johnny Edwards	332,500	300,000
Alisa Johnson	375,000	273,750
Bart Heijermans	600,000	600,000 ⁽¹⁾
Robert Murphy	600,000	600,000 ⁽²⁾

- (1) In connection with his departure from the Company, Mr. Heijermans received \$600,000 in full and final satisfaction for his 2010 and 2011 aggregate target bonus amounts.
- (2) In connection with his departure from the Company, Mr. Murphy received \$600,000 in respect of his 2010 target bonus amount as additional consideration for his release of claims pursuant to the Separation and Release Agreement with the Company.

The cash bonuses paid for 2010 were based on the discretion of the Compensation Committee, considering some of the factors described above. The Committee, after consultation with the CEO, determined that although during the course of the year the Company had successes with the Macondo response effort, the development of the Helix Fast Response System, and improvement of the balance sheet, among other items on the positive side, from a shareholder return performance perspective, it did not perform as well as its peers. As a result, the executive officers of the Company as well as other corporate employees were awarded cash bonuses equal to approximately 73% of their bonus targets, with the exception of Messrs. Heijermans and Murphy noted above and Messrs. Edwards and Kratz. Mr. Edwards received a bonus equal to 90% of his target bonus amount as a result of performance and the undertaking of additional responsibilities and duties associated with his promotion. Mr. Kratz, recognizing that total shareholder return was lower in comparison to our peer group and is primarily the responsibility of the CEO, recommended to the Compensation Committee that his bonus be reduced. The Committee considered Mr. Kratz' suggestion and he received approximately 21% of his target bonus.

2011 Bonus Plan

For 2011, the Compensation Committee determined the bonus target for each executive officer in its December 2010 meeting. The Committee will award bonuses for 2011 at its first meeting in 2012 based upon the exercise of its discretion after its review of the data provided by management, its independent compensation consultant, and any other data deemed appropriate by the Compensation Committee in its discretion. For 2011, all named executive officers have bonus targets equal to their 2010 bonus target except Mr. Edwards whose bonus target was increased as a result of the increase in his responsibilities and the scope of his duties resulting from his promotion and Mr. Murphy who was no longer employed with the Company at the time the 2011 bonus targets were determined. The bonus target for each named executive officer is set forth below:

Owen Kratz	\$ 1,400,000
Anthony Tripodo	\$ 600,000
Johnny Edwards	\$ 375,000
Alisa B. Johnson	\$ 375,000
Bart Heijermans	\$ 600,000 ⁽¹⁾

- (1) As noted above, in connection with his departure from the Company, Mr. Heijermans received \$600,000 in full and final satisfaction for his 2010 and 2011 aggregate target bonus amounts.

Long-Term Incentive Awards

In addition to total cash compensation, each officer receives a long-term incentive award. In determining each executive officer's long-term incentive award, the Compensation Committee reviews the peer group data provided by

the compensation consultant, as discussed above, and the CEO's recommendation regarding the long-term incentive award and, through the exercise of its discretion, makes its determination at its December meeting. After reviewing all information it deemed to be relevant, including the compensation reported by peer group companies with respect to their executive officers, management proposals or

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recommendations, historical information regarding Helix's long-term incentive awards and any other fact the Compensation Committee deemed relevant in its discretion, the long-term incentive awards for each of the named executive officers were set by the Committee.

The incentive award is comprised of a cash opportunity award and an equity award. In 2010, the total value of the incentive award was determined by the Compensation Committee at meetings in December 2009. At that time, the Compensation Committee determined that the total value of the long-term incentive award would be the same as 2009, except for Ms. Johnson and Messrs. Tripodo and Hajdik. The Committee also determined that the composition of each executive officer's award would be a reasonable mix of restricted stock and cash incentive awards (40% equity awards and 60% cash opportunity awards). The value of the restricted stock grant was determined based on the closing price of our common stock on the last trading day of 2009. Then the cash opportunity award was determined by subtracting the value of such restricted stock from the aggregate long-term incentive award determined by the Compensation Committee. Set forth below are the long-term incentive awards for each of the named executive officers granted in 2010:

	Long Term Incentive Awards	
	Shares of	
	Restricted Stock	Cash Opportunity Award
Owen Kratz	101,012	\$ 1,813,100
Anthony Tripodo	43,767	785,739
Johnny Edwards	10,101	181,309
Alisa Johnson	35,350	634,640
Bart Heijermans ⁽¹⁾	50,506	906,549
Robert Murphy ⁽²⁾	50,506	906,549

- (1) In connection with Mr. Heijermans' departure from the Company, pursuant to the terms of his employment agreement the forfeiture restrictions lapsed on 10,101 shares of this equity award. In addition, Mr. Heijermans received \$187,439 in full and final satisfaction for his 2010 cash opportunity award.
- (2) In connection with Mr. Murphy's departure from the Company, pursuant to the terms of his letter agreement the forfeiture restrictions lapsed on 10,101 shares of this equity award. In addition, Mr. Murphy received \$180,378 in full and final satisfaction for his 2010 cash opportunity award.

Cash Incentive Awards

In January 2010, each executive officer received a long-term cash opportunity award under our 2009 Cash Incentive Plan. We adopted such plan in January 2009 to provide certain long-term cash based incentive compensation to eligible employees. Under terms of the 2009 Cash Incentive Plan, the majority of the cash awards, which vest ratably over a five-year period of employment, are paid out in a fixed sum amount (20% each year). Our executive officers, including the named executive officers, are granted cash awards the amount of which to be paid out on any vesting date will fluctuate based upon the Company's stock performance. The share-based cash awards, as determined by the Compensation Committee, are paid out based on the performance of our stock price over the applicable measurement period compared to the base stock price determined by the Compensation Committee on the date of the grant. For the cash opportunity awards granted in 2010, the measurement period to determine an annual payment for the share based cash awards is the last 20 trading days of the applicable year. Payment amounts are based on the calculated ratio of the average closing stock price during the measurement period over the original base price determined by the Compensation Committee on the date of grant. The maximum amount payable under these share-based cash opportunity awards is twice the original targeted award and if the average closing price during the measurement period is less than 50% of the base price, no payout whatsoever will be made at the applicable vesting date. The long-term incentive cash awards granted in 2010 vest 20% per year for a five-year period beginning

January 4, 2011 or upon such other events described in the award letters applicable to such awards. Payments under the 2009 Cash Incentive Plan are made each year on the anniversary date of the award provided that the recipient's employment with the Company has not terminated. The base price for the long-term incentive cash awards granted in 2010 is \$11.67.

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In addition to total cash compensation and cash opportunity awards, each executive officer receives a long-term equity award under our 2005 Plan (with respect to 2010, in the form of restricted stock). Historically, this award is in an amount based on the value of the underlying award (when combined with the long-term incentive cash award) necessary to place the applicable officer in the 50th to 75th percentile for incentive compensation for companies in our peer group.

As a result of the changes to regulatory, tax and accounting treatment of certain types of long-term equity incentives as well as risk considerations, we currently believe that restricted stock awards are the most efficient way to reward executive officers and provide them with the chance to receive a proprietary interest in the Company, but we will periodically reevaluate that determination and may grant other types of equity-based incentive compensation in the future, including stock options. The Compensation Committee believes that equity-based incentive awards provide a proprietary interest for the executive officers in the Company and that as a result of their proprietary interest in the Company, the economic interests of our executive officers are more closely aligned to those of our shareholders and, when combined with our long-term cash opportunity awards, provides proper incentives to avoid excessive risk. We also believe that such grants are an important retention tool with respect to such employees, including our named executive officers. The restricted stock awards contain restrictions such that the executive officer must remain with us until the date of vesting. Restricted stock awards typically vest one-fifth annually after the original award date. Pursuant to the terms of the restricted stock award agreements, any unvested stock award is forfeited if the executive officer terminates employment with the Company.

Approximately 66% of the shares of restricted stock granted under the 2005 Plan have been granted to employees that are named executive officers or directors through December 31, 2010. During 2010, a total of 37 employees and seven non-employee directors received restricted stock awards equal to an aggregate of 0.56% of the outstanding shares of our common stock on March 18, 2011, including the named executive officers, who received 291,242 shares of restricted stock or 49% of the total restricted stock grants in fiscal year 2010 and the non-employee directors, who received 120,885 shares of restricted stock or 20% of the total restricted stock grants for fiscal year 2010.

With respect to restricted stock grants to certain management employees, including grants to the named executive officers, our practice is to make the grants on the first business day of each calendar year, with the number of shares based on dividing the dollar value of each proposed grant by the closing price for our common stock on the last business day of the prior year. (For example, grants made in 2010 were made on January 4, 2010, and were based on the closing price of our stock on December 31, 2009.) In 2009 this process was adjusted to reflect the grant of cash opportunity awards under the 2009 Cash Incentive Plan in addition to equity grants under the 2005 Plan.

In addition, restricted stock may be awarded on certain other dates during the year including the start date of new employees (including any new executive officer), promotions of existing employees, and certain anniversary dates for non-employee directors. Historically, executive officers have received significant grants on or immediately after the start of their employment with the Company. Under the 2005 Plan, our CEO has the power to grant options and restricted stock with respect to not more than 200,000 shares per fiscal year as an inducement to hire prospective employees or to employees who receive promotions during the year, in each case who will not be officers of the Company subject to the provisions of Section 16 of the Exchange Act. Grants to newly hired employees are effective on the employee's first day of employment.

2011 Long-Term Incentive Award

Set forth below are the long-term incentive awards for each of the named executive officers granted in 2011, with the exception of Mr. Murphy who was no longer employed with the Company at the time the long-term incentive awards were made:

Long Term Incentive Awards	
Shares of	
Restricted	Cash Opportunity

	Stock	Award
Owen Kratz	88,000	\$ 1,931,680
Anthony Tripodo	56,082	819,165
Johnny Edwards	22,427	327,736
Alisa Johnson	39,270	573,262
Bart Heijermans ⁽¹⁾	56,082	819,165

(1) In connection with Mr. Heijermans departure from the Company, these awards were forfeited.

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We limit the perquisites that we make available to our named executive officers. Our named executive officers are not entitled to any benefits that are not otherwise available to all of our employees. In this regard it should be noted that we do not provide pension arrangements, post-retirement health coverage, or similar benefits for our named executive officers.

Benefits

We offer a variety of health and welfare and retirement programs to all eligible employees. The executive officers generally are eligible for the same benefit programs on the same basis as the rest of our employees. Our health and welfare programs include medical, pharmacy, dental, vision, life insurance and accidental death and disability insurance. In addition, we offer a retirement program intended to supplement the employee's personal savings and social security. The retirement program is our Helix Energy Solutions Group, Inc. Employees Retirement Savings Plan, which is a 401(k) plan. With respect to all employees who participate in our 401(k) plan, the Company currently matches 50% of the employee's pre-tax contributions up to 5% of the employee's salary (including bonus) subject to contribution limits. All of our named executive officers participated in our 401(k) plan and received matching funds in 2010. Our health and insurance plans are the same for all employees. In general, our employees pay approximately 30% of the health insurance premium due.

Severance and Change in Control Arrangements

We believe that the competitive marketplace for executive talent and our desire to retain our executive officers require us to provide our executive officers with certain severance benefits. In addition, we believe that the interests of our shareholders are served by having limited change of control benefits for executive officers who would be integral to the success of, and are most likely to be impacted by, a change of control. Each of our executive officers with the exception of Mr. Edwards executed amended and restated employment agreements with the Company in November 2008. Mr. Heijermans' employment agreement was terminated in connection with his departure from the Company and Mr. Murphy's letter agreement with respect to his employment was terminated in connection with his departure from the Company. The employment agreements contain severance benefits in the event the executive's employment is involuntarily terminated by the Company or the executive terminates employment for Good Reason. The employment agreements generally contain benefits payable to the executive officer if the executive officer terminates his or her employment for Good Reason or is terminated without Cause within a two-year period following a Change of Control. We believe the provision of the benefits to be reasonable and customary within our peer group. For more information regarding the severance and change in control benefits, please refer to Employment Agreements and Change of Control Provisions beginning on page 46.

Stock Ownership Guidelines

We believe that it is important for our directors and executive officers to build and maintain an appropriate minimum equity stake in the Company. We believe that requiring our directors and executive officers to maintain such a stake helps align their interests with interests of our shareholders. As a result, in February 2011 we adopted stock ownership guidelines for our Section 16 officers and non-employee directors (Participants). Participants have five years from (i) the date of adoption of the guidelines or (ii) the date upon which they become subject to the guidelines, whichever is earlier to accumulate the equity necessary to comply with the guidelines. The forms of equity ownership that can be used to satisfy the guidelines include shares of Company common stock owned directly, shares of Company common stock owned indirectly (e.g. by a spouse or a trust) or time-vested restricted stock. The ownership guidelines are as follows:

Non-Employee Member of the Board of Directors 5x annual cash retainer

President and CEO 6x current base salary

Executive Vice Presidents 3x current base salary

Senior Vice Presidents and Vice Presidents 2x current base salary

The value of the Participants' holdings is based on the average of the closing price of a share of the Company's common stock for the previous calendar year. The Corporate Governance and Nominating Committee has the discretion to enforce the guidelines on a case-by-case basis for directors. The Compensation Committee has the discretion to enforce the guidelines on a case-by-case basis for Section 16 officers. Each of the committees, as applicable, will determine the consequences for non-compliance with the guidelines, which may include but not be limited to retention of a portion of a Participant's vested long-term incentive plan shares or annual equity retainer (after tax), or result in the Participant receiving future grants of long-term incentive plan awards in lieu of cash

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compensation or retainer until compliance is achieved. These guidelines may be waived for Section 16 officers, at the discretion of the Compensation Committee, or for directors, at the discretion of the Corporate Governance and Nominating Committee, if compliance would create severe hardship or prevent a Section 16 officer or director from complying with a court order, as in the case of a divorce settlement or other good cause.

Conclusion

We believe our overall compensation mix and levels are appropriate and provide a direct link to enhancing shareholder value, achieving our mission and business strategy, and advancing other core principles of our compensation philosophy and objectives, which include attracting, motivating and retaining the key talent needed to ensure the long-term success of the Company. We will continue to monitor current trends and issues in our competitive landscape and will modify our programs where appropriate.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors has reviewed and discussed the above Compensation Discussion and Analysis with management. Based on such review and discussions, the compensation Committee recommended to the Company's Board of Directors that the above Compensation Discussion and Analysis be included in this proxy statement.

COMPENSATION COMMITTEE:

John V. Lovoi, Chair
Gordon F. Ahalt
William L. Transier
James A. Watt

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of Helix are as follows:

Name	Age	Position
Owen Kratz	56	President and Chief Executive Officer and Director
Anthony Tripodo	58	Executive Vice President and Chief Financial Officer
Johnny Edwards	57	Executive Vice President Oil & Gas
Alisa B. Johnson	53	Executive Vice President, General Counsel and Corporate Secretary
Lloyd A. Hajdik	45	Senior Vice President Finance and Chief Accounting Officer

Owen Kratz is President and Chief Executive Officer of Helix. He was named Executive Chairman in October 2006 and served in that capacity until February 2008 when he resumed his former position of President and Chief Executive Officer. He was appointed Chairman in May 1998 and served as the Company's Chief Executive Officer from April 1997 until October 2006. Mr. Kratz served as President from 1993 until February 1999, and has served as a Director since 1990. He served as Chief Operating Officer from 1990 through 1997. Mr. Kratz joined Helix in 1984 and held various offshore positions, including saturation diving supervisor, and had management responsibility for client relations, marketing and estimating. From 1982 to 1983, Mr. Kratz was the owner of an independent marine construction company operating in the Bay of Campeche. Prior to 1982, he was a superintendent for Santa Fe and various international diving companies, and a diver in the North Sea. Mr. Kratz is also Chairman of the Board of Directors of Cal Dive International, Inc. Mr. Kratz has a Bachelor of Science degree from State University of New York.

Anthony Tripodo was elected as Executive Vice President and Chief Financial Officer on June 25, 2008. Mr. Tripodo oversees the finance, treasury, accounting, tax, information technology, supply chain, production facilities, administration and corporate planning functions. Mr. Tripodo was a director of Helix from February 2003 until June 2008. Prior to joining Helix, Mr. Tripodo was the Executive Vice President and Chief Financial Officer of Tesco Corporation. From 2003 through the end of 2006, he was a Managing Director of Arch Creek Advisors LLC, a Houston based investment banking firm. From 2002 to 2003, Mr. Tripodo was Executive Vice President of Veritas DGC, Inc., an international oilfield service company specializing in geophysical services. Prior to becoming Executive Vice President, he was President of Veritas DGC's North and South American Group. From 1997 to 2001, he was Executive Vice President, Chief Financial Officer and Treasurer of Veritas. Previously, Mr. Tripodo served

16 years in various executive capacities with Baker Hughes, including serving as Chief Financial Officer of both the Baker Performance Chemicals and

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Baker Oil Tools divisions. Mr. Tripodo serves as a director of Geokinetics Inc. He graduated Summa Cum Laude with a Bachelor of Arts degree from St. Thomas University (Miami).

Johnny Edwards is Executive Vice President Oil & Gas of Helix. He was named Executive Vice President Oil & Gas in March 2010. Mr. Edwards joined the Company in its oil and gas subsidiary, Energy Resources Technology GOM, Inc. (ERT), in 1994. Mr. Edwards served as President of ERT since 2000. Prior to becoming President of ERT, Mr. Edwards held several positions with increasing responsibilities at ERT managing the engineering and acquisitions for the company. Mr. Edwards has been involved in the oil and gas industry for over 36 years. Prior to joining ERT, Mr. Edwards spent 19 years in a broad range of engineering, operations and management positions with ARCO Oil & Gas Co. Mr. Edwards has a Bachelor of Science degree in chemical engineering from Louisiana Tech University.

Alisa B. Johnson joined the Company as Senior Vice President, General Counsel and Secretary of Helix in September 2006, and in November 2008 became Executive Vice President, General Counsel and Secretary of the Company. Ms. Johnson has been involved with the energy industry for over 20 years. Prior to joining Helix, Ms. Johnson worked for Dynegy Inc. for nine years, at which company she held various legal positions of increasing responsibility, including Senior Vice President and Group General Counsel Generation. From 1990 to 1997, Ms. Johnson held various legal positions at Destec Entergy, Inc. Prior to that Ms. Johnson was in private law practice. Ms. Johnson received her Bachelor of Arts degree Cum Laude from Rice University and her law degree Cum Laude from the University of Houston.

Lloyd A. Hajdik joined the Company in December 2003 as Vice President Corporate Controller. Mr. Hajdik became Chief Accounting Officer in February 2004 and in November 2008 he became Senior Vice President Finance and Chief Accounting Officer. Prior to joining Helix, Mr. Hajdik served in a variety of accounting and finance-related roles of increasing responsibility with Houston-based companies, including NL Industries, Inc., Compaq Computer Corporation (now Hewlett Packard), Halliburton's Baroid Drilling Fluids and Zonal Isolation product service lines, Cliffs Drilling Company and Shell Oil Company. Mr. Hajdik was with Ernst & Young LLP in the audit practice from 1989 to 1995. Mr. Hajdik graduated Cum Laude from Texas State University receiving a Bachelor of Business Administration degree. Mr. Hajdik is a Certified Public Accountant and a member of the Texas Society of CPAs as well as the American Institute of Certified Public Accountants.

Table of Contents**EXECUTIVE COMPENSATION****Summary Compensation Table**

The following table provides a summary of the cash and non-cash compensation for the years ended December 31, 2008, December 31, 2009 and December 31, 2010, for each of the following named executive officers: (i) the principal executive officer, the Chief Executive Officer and the Chief Financial Officer, (ii) each of the three most highly compensated executive officers of the Company during 2010 other than the principal executive officer, the Chief Executive Officer or Chief Financial Officer, and (iii) an executive officer who departed during 2010, but whose compensation requires that he be included as a named executive officer. The table may not reflect the actual compensation received by named executive officers for those periods. For example, amounts recorded in the stock awards and non-equity incentive plan compensation columns reflect the fair market value of the awards at the award date. The actual value of compensation realized by the named executive officer will likely vary from any targeted equity award or cash opportunity award due to stock price fluctuations and/or forfeitures.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)(2)	Stock Awards (\$)(3)	Non-Equity Incentive Plan	All Other Compensation (\$)(5)	Total (\$)
					Compensation (\$)(4)		
Owen Kratz, Chief Executive Officer and President	2010	\$700,000	\$ 295,000	\$1,186,891	\$1,813,100	\$ 6,125	\$4,001,116
	2009	\$700,000	\$1,000,000	\$ 523,372	\$2,476,628	\$ 6,125	\$4,706,125
	2008	\$697,307	-0-	\$2,999,994	\$ -0-	\$ 5,750	\$3,703,051
Anthony Tripodo, Executive Vice President and Chief Financial Officer	2010	\$400,000	\$ 438,000	\$ 514,262	\$ 785,739	\$ 6,125	\$2,144,126
	2009	\$365,000	\$ 450,000	\$ 226,793	\$1,073,207	\$ 6,125	\$2,121,125
	2008	\$186,711	\$ 375,000 ⁽⁶⁾	\$2,865,120 ⁽⁷⁾	\$ -0-	\$ 5,750	\$3,432,581
Johnny Edwards, Executive Vice President Oil & Gas	2010	\$350,000	\$ 300,000	\$ 118,687	\$ 181,309	\$ 6,125	\$ 956,121
Alisa B. Johnson, Executive Vice President and General Counsel	2010	\$325,000	\$ 273,750	\$ 415,363	\$ 643,640	\$ 6,125	\$1,663,878
	2009	\$325,000	\$ 335,000	\$ 165,738	\$ 784,262	\$ 6,125	\$1,616,125
	2008	\$323,750	\$ 285,000	\$ 950,018	\$ -0-	\$ 7,062	\$1,565,830
Bart Heijermans, former ⁽⁸⁾ Executive Vice President and Chief Operating Officer	2010	\$450,000	\$ 600,000	\$ 593,446	\$ 906,549	\$ 6,125	\$2,556,120
	2009	\$450,000	\$ 450,000	\$ 348,917	\$1,651,083	\$ 6,125	\$2,906,125
	2008	\$448,269	\$ 300,000	\$2,000,010	\$ -0-	\$ 7,765	\$2,756,045
Robert Murphy, former ⁽⁹⁾ Executive Vice President Oil & Gas	2010	\$ 90,000	-0-	-0-	-0-	\$3,073,238 ⁽¹⁰⁾	\$3,163,238
	2009	\$450,000	\$ 300,000	\$ 348,917	\$1,651,083	\$ 6,125	\$2,756,125
	2008	\$448,269	\$ 180,000	\$2,000,010	\$ -0-	\$ 8,160	\$2,636,439

(1)

The bonus reflected for 2010, 2009 and 2008 is based on that year's performance but was actually paid in 2011, 2010 and 2009, respectively.

- (2) In the 2008 proxy statement, pursuant to the amended disclosure requirements promulgated by the SEC in 2008 and 2007, the cash performance bonuses awarded pursuant to our incentive compensation plan are disclosed in the Non-Equity Incentive Plan Compensation column and the cash discretionary bonuses awarded by the Compensation Committee are disclosed in the Bonus column. All amounts awarded to executive officers for the 2010, 2009 and 2008 calendar years were at the discretion of the Compensation Committee and, as a result, all of the 2010, 2009 and 2008 bonuses are set forth in the Bonus column.

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The amounts disclosed in the Bonus column of this table represent discretionary bonuses. The amounts in the Bonus column were paid in March of the year after the year reflected.

- (3) The amounts shown in these columns represent the grant date fair value of the restricted stock as calculated in accordance with the provisions of FASB Accounting Standard Codification Topic 718. No stock options were granted by the Company in the years ended December 31, 2010, 2009 and 2008. The value ultimately realized by the named executive officer may or may not be equal to the FASB ASC Topic 718 determined value. See the Grant of Plan-Based Awards table below for details of the 2010, 2009 and 2008 stock awards and the related grant date fair market value.
- (4) In January 2010, each executive officer received a long-term cash opportunity award under our 2009 Cash Incentive Plan. We adopted such plan in January 2009 to provide certain long-term cash based incentive compensation to eligible employees. Our executive officers, including the named executive officers, are granted cash awards the amount of which to be paid out on any payment date will fluctuate based upon the Company's stock performance compared to a base stock price determined by the Compensation Committee at the time of the award. The awards vest 20% per year for a five-year period beginning on the anniversary of the grant date. The base price for cash awards in 2010 was \$11.67. In January 2010, each of the named executive officers received the following amounts from the vesting of their 2009 long-term cash opportunity awards: Mr. Kratz, \$812,019; Mr. Tripodo, \$351,876; Mr. Edwards, \$49,532; Ms. Johnson, \$257,138; Mr. Heijermans, \$541,345; and Mr. Murphy, \$541,345.
- (5) The amounts in this column consist of matching contributions by the Company through its 401(k) plan. The Company's Retirement Plan is a 401(k) retirement savings plan under which the Company currently matches 50% of employees' pre-tax contributions up to 5% of salary (including bonus), subject to contribution limits.
- (6) Mr. Tripodo received a bonus in the amount of \$75,000 in connection with accepting his employment with us.
- (7) The amount set forth in this table reflects equity securities received by Mr. Tripodo as an executive officer and not equity securities received by Mr. Tripodo in his prior position as a member of the board.
- (8) Mr. Heijermans resigned as an executive officer effective January 21, 2011.
- (9) Mr. Murphy resigned as an executive officer effective March 7, 2010.
- (10) Includes the following amounts payable under the Severance and Release Agreement with Mr. Murphy: (i) a severance payment of \$450,000 of which \$337,500 was paid in 2010 and the remainder was accrued at the year ended December 31, 2010, (ii) \$300,000 in full and final satisfaction of his 2009 target bonus, (iii) \$600,000 in respect of his 2010 target bonus amount as additional consideration for his release of claims, (iv) \$709,911 in full and final satisfaction of his 2009 and 2010 Cash Opportunity Awards, (v) the acceleration of the vesting of 69,023 shares of restricted stock valued at \$955,278 and (vii) \$51,924 for the payment of accrued but unused vacation. Also includes matching contributions by the Company through its 401(k) plan of \$6,125.

Salary and Bonus in Proportion to Total Compensation

Under our compensation program, the value of the combined base salary and annual bonus for each of our named executive officers (other than Mr. Murphy) for 2010 is approximately 25% to 68% of their total compensation. No element of an officer's compensation is directly linked to any other element and the Compensation Committee does not have an exact formula for allocating between cash and non-cash compensation except that the Compensation Committee determines a total value of incentive compensation and the allocation between equity and cash component depends on the value of the restricted stock grant on the grant date. We strive to design a compensation package that uses total cash compensation (salary plus annual cash bonus) to recognize each individual officer's responsibilities,

role in the organization, experience and contributions to the Company and uses long-term equity-based incentives to align employee and shareholder interests, as well as to attract, retain and motivate employees. All such compensation is compared against our peer group or survey reference data, as applicable.

Grant of Plan-Based Awards for Fiscal Year 2010

In 2005, we adopted the 2005 Plan which provides that we may grant up to 6,000,000 shares (as adjusted for the two-for-one stock split on December 10, 2005) of our common stock in the form of options, restricted stock or restricted stock units subject to the

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terms and conditions of the 2005 Plan. As of March 18, 2011, 3,764,238 shares of restricted stock had been granted pursuant to the 2005 Plan. Our restricted stock awards (other than director fees) generally vest 20% per annum beginning on the first anniversary of the grant date, and each such share awarded is eligible to vote at each meeting of shareholders and to receive any dividend declared after the grant date.

The following table sets forth certain information with respect to grants of plan-based awards under the 2005 Plan and the 2009 Cash Incentive Plan during the fiscal year ended December 31, 2010 to each of our named executive officers:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾⁽²⁾			All Other Stock Awards: Number of Shares of Stock (Restricted Stock)	Grant Date Fair Value of Stock and Options Awarded
		Threshold ⁽³⁾	Target or Opportunity	Maximum ⁽⁴⁾		
Owen Kratz	January 4, 2010	\$0	\$ 1,813,100	\$3,626,200	101,012	\$ 1,186,891
Anthony Tripodo	January 4, 2010	\$0	\$ 785,739	\$1,571,478	43,767	\$ 514,262
Johnny Edwards	January 4, 2010	\$0	\$ 181,309	\$ 362,618	10,101	\$ 118,687
Alisa Johnson	January 4, 2010	\$0	\$ 634,640	\$1,269,280	35,350	\$ 415,363
Bart Heijermans	January 4, 2010	\$0	\$ 906,549	\$1,813,098	50,506	\$ 593,446
Robert Murphy	January 4, 2010	\$0	\$ 906,549	\$1,813,098	50,506	\$ 593,446

(1) Helix's annual bonus plan does not provide for specific goals or objectives and therefore is not an incentive compensation plan. All amounts paid under the plan are based on the discretion of the Compensation Committee, as set forth in the summary compensation table and discussed in Compensation Discussion and Analysis. The bonus targets for 2010 and 2011 and the bonus amounts paid for 2010 are as follows:

	2010 Bonus		2011 Bonus
	Target	Actual	Target
Owen Kratz	\$1,400,000	\$295,000	\$1,400,000
Anthony Tripodo	600,000	438,000	600,000
Johnny Edwards	332,500	300,000	375,000
Alisa Johnson	375,000	273,750	375,000
Bart Heijermans ^(a)	600,000	600,000	600,000
Robert Murphy ^(b)	600,000	600,000	N/A

(a) In connection with his departure from the Company in January 2011, Mr. Heijermans received \$600,000 in full and final satisfaction for his 2010 and 2011 aggregate target bonus amounts.

(b) In connection with his departure from the Company in March 2010, Mr. Murphy received \$600,000 in respect of his 2010 target bonus amount as additional consideration for his release of claims pursuant to the Separation and Release Agreement with the Company.

- (2) In January 2010, each executive officer received a long-term cash opportunity award under our 2009 Cash Incentive Plan. We adopted such plan in January 2009 to provide certain long-term cash based incentive compensation to eligible employees. Our executive officers, including the named executive officers, are granted cash awards the amount of which to be paid out on any payment date will fluctuate based upon the Company's stock performance compared to the base price determined by the Compensation Committee at the time of the award. The base price for cash awards in 2010 was \$11.67. For the cash opportunity awards set forth in this table, the measurement period to determine an annual payment is the last 20 trading days of the applicable year. Payment amounts are based on the calculated ratio of the average closing stock price during the measurement period over \$11.67.
- (3) In the event that the average closing price during the measurement period is less than \$5.84, no payout will be made at the applicable anniversary date.
- (4) Payment amounts are based on the calculated ratio of the average closing stock price during the measurement period over \$11.67. The maximum amount payable under these share-based cash opportunity awards is twice the amount set forth in this table and is achieved if the average closing price of our common stock during the measurement period is greater than or equal to \$23.34.

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The following table sets forth certain information with respect to the restricted stock granted during or for the fiscal year ended December 31, 2010, 2009 and 2008 to each of our named executive officers listed in the Summary Compensation Table, respectively.

Name	Grant Date	Approval Date	All Other Stock Awards: Number of Shares of Stock or Units (#)(1)	Grant Date Fair Market Value of Stock Awards (\$)(1)
Owen Kratz, President and Chief Executive Officer	1/4/2010	12/10/2009	101,012	\$ 1,186,891
	1/2/2009	12/9/2008	72,289	\$ 523,372
	1/2/2008	12/6/2007	72,289	\$ 2,999,994
Anthony Tripodo Executive Vice President and Chief Financial Officer	1/4/2010	12/10/2009	43,767	\$ 514,262
	1/2/2009	12/9/2008	31,325	\$ 226,793
	6/25/2008	6/26/2008	70,500	\$ 2,865,120
Johnny Edwards, Executive Vice President Oil & Gas	1/4/2010	12/10/2009	10,101	\$ 118,687
Alisa Johnson, Executive Vice President and General Counsel	1/4/2010	12/10/2009	35,350	\$ 415,363
	1/2/2009	12/9/2008	22,892	\$ 165,738
	1/2/2008	12/6/2007	22,892	\$ 950,018
Bart Heijermans, Former Executive Vice President and Chief Operating Officer ⁽²⁾	1/4/2010	12/10/2009	50,506	\$ 593,446
	1/2/2009	12/9/2008	48,193	\$ 348,917
	1/2/2008	12/6/2007	48,193	\$ 2,000,010
Robert Murphy, Former Executive Vice President Oil & Gas ⁽³⁾	1/4/2010	12/10/2009	50,506	\$ 593,446
	1/2/2009	12/9/2008	48,193	\$ 348,917
	1/2/2008	12/6/2007	48,193	\$ 2,000,010

- (1) Awards granted to all named executive officers were in the form of restricted stock. The January 4, 2010, January 2, 2009, and 2008 grants are valued based on the quoted closing market price of \$11.75 per share of our common stock on December 31, 2009, \$7.24 per share of our common stock on December 31, 2008, and the quoted closing price of \$41.50 per share of our common stock on December 31, 2007, respectively, the last business day prior to the respective grants. Mr. Tripodo's June 25, 2008 grant was based on the quoted closing market price of \$40.64 per share of our common stock on June 24, 2008.
- (2) Mr. Heijermans resigned as an executive officer effective January 21, 2011. Pursuant to the terms of his Stock and Cash Award Amendment Agreement, the forfeiture restrictions with respect to 10,101 of the 2010 Restricted Stock Award, 9,639 of the 2009 Restricted Stock Award, 9,639 of the 2008 Restricted Stock Award, and 7,816 of the 2007 Restricted Stock Award lapsed.
- (3) Mr. Murphy resigned as an executive officer effective March 7, 2010. Pursuant to the terms of his Stock and Cash Award Amendment Agreement, the forfeiture restrictions with respect to 10,101 of the 2010 Restricted Stock Award, 9,639 of the 2009 Restricted Stock Award, 9,639 of the 2008 Restricted Stock Award, and 39,644

of the 2006 Restricted Stock Award lapsed.

Table of Contents**Outstanding Equity Awards at December 31, 2010**

The following table includes certain information with respect to the value at December 31, 2010 of all unexercised options and all unvested restricted stock awards outstanding for each of the named executive officers. The number of options and unvested restricted stock awards held at December 31, 2010 includes options and restricted stock awards granted under the 1995 Plan and the 2005 Plan.

Name(1)	Option Awards			Option Expiration Date	Stock Awards	
	Number of Securities Underlying Unexercised Options (2)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)		Number of Shares or Units of Stock That Have Not Vested (3)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(4)(5)
Owen Kratz, President and Chief Executive Officer	-0-	-0-	N/A	N/A	8,850 ⁽⁶⁾ 35,831 ⁽⁷⁾ 43,374 ⁽⁸⁾ 57,832 ⁽⁹⁾ 101,012 ⁽¹⁰⁾	\$ 107,439 \$ 434,988 \$ 526,560 \$ 702,080 \$1,226,286
Anthony Tripodo, Executive Vice President and Chief Financial Officer	31,000	-0-	\$8.57	2/17/2013	42,300 ⁽¹¹⁾ 25,060 ⁽¹²⁾ 43,767 ⁽¹³⁾	\$ 513,522 \$ 304,228 \$ 531,331
Johnny Edwards, Executive Vice President Oil & Gas	-0-	-0-	N/A	N/A	38,254 ⁽¹⁴⁾ 5,784 ⁽¹⁵⁾ 10,101 ⁽¹⁶⁾	\$ 464,404 \$ 70,218 \$ 122,626
Alisa B. Johnson, Executive Vice President and General Counsel	-0-	-0-	N/A	N/A	3,824 ⁽¹⁷⁾ 2,831 ⁽¹⁸⁾ 13,736 ⁽¹⁹⁾ 18,314 ⁽²⁰⁾ 35,350 ⁽²¹⁾	\$ 46,423 \$ 34,368 \$ 166,755 \$ 222,332 \$ 429,149
Bart Heijermans, Former Executive Vice President and Chief Operating Officer	-0-	-0-	N/A	N/A	2,720 ⁽²²⁾ 15,633 ⁽²³⁾ 28,916 ⁽²⁴⁾ 38,555 ⁽²⁵⁾ 50,506 ⁽²⁶⁾	\$ 33,021 \$ 189,785 \$ 351,040 \$ 468,058 \$ 613,143

(1) Mr. Murphy did not hold any unvested restricted stock or unexercised options at December 31, 2010.

(2) No options were granted by the Company in 2010.

(3) Equity awards granted to all named executive officers in 2010, 2009 and 2008 were in the form of restricted stock.

- (4) The fair market value is calculated as the product of the closing price on the last business day of 2010, or \$12.14 per share, and the number of unvested shares.
- (5) No dividends were paid in 2010, 2009 or 2008 with respect to any outstanding restricted stock awards.
- (6) Restricted shares granted on January 3, 2006 and vest 20% per year for a five-year period beginning on January 3, 2007.
- (7) Restricted shares granted on January 2, 2007 and vest 20% per year for a five-year period beginning on January 2, 2008.
- (8) Restricted shares granted on January 2, 2008 and vest 20% per year for a five-year period beginning on January 2, 2009.
- (9) Restricted shares granted on January 2, 2009 and vest 20% per year for a five-year period beginning on January 2, 2010.
- (10) Restricted shares granted on January 4, 2010 and vest 20% per year for a five-year period beginning on January 4, 2011.
- (11) Restricted shares granted on June 25, 2008 and vest 20% per year for a five-year period beginning on June 25, 2009.
- (12) Restricted shares granted on January 2, 2009 and vest 20% per year for a five-year period beginning on January 2, 2010.
- (13) Restricted shares granted on January 4, 2010 and vest 20% per year for a five-year period beginning on January 4, 2011.

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- (14) Restricted shares granted on January 2, 2007 and vest 20% per year for a five-year period beginning on January 2, 2008.
- (15) Restricted shares granted on January 2, 2009 and vest 20% per year for a five-year period beginning on January 2, 2010.
- (16) Restricted shares granted on January 4, 2010 and vest 20% per year for a five-year period beginning on January 4, 2011.
- (17) Restricted shares granted on September 18, 2006 and vest 20% per year for a five-year period beginning on September 18, 2007.
- (18) Restricted shares granted on January 2, 2007 and vest 20% per year for a five-year period beginning on January 2, 2008.
- (19) Restricted shares granted on January 2, 2008 and vest 20% per year for a five-year period beginning on January 2, 2009.
- (20) Restricted shares granted on January 2, 2009 and vest 20% per year for a five-year period beginning on January 2, 2010.
- (21) Restricted shares granted on January 4, 2010 and vest 20% per year for a five-year period beginning on January 4, 2011.
- (22) Restricted shares granted on January 3, 2006 and vest 20% per year for a five-year period beginning on January 3, 2007.
- (23) Restricted shares granted on January 2, 2007 and vest 20% per year for a five-year period beginning on January 2, 2008.
- (24) Restricted shares granted on January 2, 2008 and vest 20% per year for a five-year period beginning on January 2, 2009.
- (25) Restricted shares granted on January 2, 2009 and vest 20% per year for a five-year period beginning on January 2, 2010.
- (26) Restricted shares granted on January 4, 2010 and vest 20% per year for a five-year period beginning on January 4, 2011.

Table of Contents**Option Exercises and Stock Vested for Fiscal Year 2010**

The following table includes certain information with respect to the options exercised by the named executive officers and with respect to restricted stock vesting for such executive officers during the year ended December 31, 2010.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Owen Kratz, President and Chief Executive Officer	13,400	\$ 32,160	67,584	\$ 794,112
Anthony Tripodo, Executive Vice President and Chief Financial Officer	20,000	\$ 23,200	8,421	\$ 98,947
Johnny Edwards, Executive Vice President Oil & Gas	-0-	-0-	14,100	\$ 155,100
Alisa B. Johnson, Executive Vice President and General Counsel	-0-	-0-	20,571	\$ 241,709
Bart Heijermans, former Executive Vice President and Chief Operating Officer	-0-	-0-	3,823	\$ 38,803
Robert Murphy, former Executive Vice Oil & Gas	-0-	-0-	10,572	\$ 124,221
			4,028	\$ 36,655
			29,814	\$ 350,315
			19,279	\$ 226,505
			69,023 ⁽¹⁾	\$ 955,278

(1) Shares that vested on March 16, 2010 in connection with Mr. Murphy's departure from the Company.

Table of Contents**All Other Compensation**

The following table includes certain information with respect to the other compensation received by the named executive officers during the years ended December 31, 2010, 2009 and 2008, respectively.

Name	Year	Company Contributions to Retirement and 401(k) Plans (\$)(1)	Severance Payments / Accruals (\$)(2)	Total (\$)
Owen Kratz, President and Chief Executive Officer	2010	\$ 6,125	-0-	\$ 6,125
	2009	\$ 6,125	-0-	\$ 6,125
	2008	\$ 5,750	-0-	\$ 5,750
Anthony Tripodo, Executive Vice President and Chief Financial Officer	2010	\$ 6,125	-0-	\$ 6,125
	2009	\$ 6,125	-0-	\$ 6,125
	2008	\$ 5,750	-0-	\$ 5,750
Johnny Edwards, Executive Vice President Oil & Gas	2010	\$ 6,125	-0-	\$ 6,125
Alisa B. Johnson, Executive Vice President and General Counsel	2010	\$ 6,125	-0-	\$ 6,125
	2009	\$ 6,125	-0-	\$ 6,125
	2008	\$ 7,062	-0-	\$ 7,062
Bart Heijermans Former Executive Vice President and Chief Operating Officer	2010	\$ 6,125	-0-	\$ 6,125
	2009	\$ 6,125	-0-	\$ 6,125
	2008	\$ 7,765	-0-	\$ 7,765
Robert Murphy Former Executive Vice President Oil & Gas	2010	\$ 6,125	\$3,067,113	\$3,073,238
	2009	\$ 6,125	-0-	\$ 6,125
	2008	\$ 7,062	-0-	\$ 7,062

(1) The amounts in this column consist of matching contributions by the Company through its 401(k) plan. The Company's Retirement Plan is a 401(k) retirement savings plan under which the Company currently matches 50% of employees' pre-tax contributions up to 5% of salary (including bonus), subject to contribution limits which is equal to \$6,250 for each of the named executive officers in 2010.

(2) Includes the following amounts payable under the Severance and Release Agreement with Mr. Murphy: (i) a severance payment of \$450,000 of which \$337,500 was paid in 2010 and the remainder was accrued at December 31, 2010, (ii) \$300,000 in full and final satisfaction of his 2009 target bonus, (iii) \$600,000 in respect of his 2010 target bonus amount as additional consideration for his release of claims, (iv) \$709,911 in full and final satisfaction of his 2009 and 2010 Cash Opportunity Awards, (v) the acceleration of the vesting of 69,023 shares of restricted stock valued at \$955,278 and (vii) \$51,924 for the payment of accrued but unused vacation.

Employment Agreements and Change of Control Provisions

In November 2008, all of our executive officers other than Messrs. Edwards and Murphy, who are discussed below, signed amended and restated employment agreements. The new agreements were intended to comply with

Section 409A of the Internal Revenue Code of 1986 (Section 409A), as amended, and to clarify certain provisions contained in the prior employment agreements. Our employment agreements are a component of our overall employment arrangement and as such have the same primary objectives

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as our compensation program to attract and retain executive officers. Payments to be made to any executive officer under their employment agreement as a result of retirement, death, disability, termination for cause, involuntary termination without cause or upon a change in control are based on such executive officer's employment agreement. We have historically entered into employment agreements with executive officers contemporaneously with either the executive officer's initial hiring by us or his or her promotion. The form of employment agreement contains provisions for the payments described above in order to provide a compensation package that will attract and retain the applicable executive officer. In order to provide consistency among the executive officers, we generally continue to use the same form for multiple years. In order to comply with the requirements of Section 409A, we adopted a new form of employment agreement in 2008. The form was reviewed by our management, and by the Compensation Committee's compensation consultant to determine whether the provisions contained therein were consistent with the employment agreements of our peer group and the survey data. Although we believe that each company in our peer group understandably has different employment contracts from ours, including with respect to specific severance payment provisions, we believe key employment contract provisions covering our executive officers remain in line with market practice and provide terms designed to attract and retain such executive officers. The form of employment agreement was then reviewed and approved by the Compensation Committee both for use as a form, and also with respect to the specific terms applicable to each of the executive officers.

All of our named executive officers entered into employment agreements with the Company effective November 17, 2008, other than Mr. Murphy who has a letter agreement which was amended to comply with Section 409A and Mr. Edwards. Mr. Kratz executed the new employment agreement effective November 17, 2008. Pursuant to his employment agreement, Mr. Kratz is entitled to receive a base annual salary, participate in the annual incentive compensation plan (cash bonus), participate in the long term incentive plan and participate in all profit sharing, incentive, bonus and other employee benefit plans made available to the Company's executive officers. Each of Messrs. Heijermans, Murphy, Hajdik and Tripodo and Ms. Johnson's employment agreements had similar terms involving salary, bonus and benefits (with amounts that varied due to their responsibilities). Mr. Murphy's letter agreement was entered into in December 2006 and Mr. Murphy did not enter into a revised agreement since becoming an executive officer. Mr. Murphy's letter agreement was terminated effective March 15, 2010. Mr. Heijermans' employment agreement was terminated effective January 21, 2011.

The following information and table labeled "Estimated Payments Upon Termination or Change of Control" set forth the amount of payments to each of the named executive officers (other than Mr. Murphy whose employment with the Company terminated prior to December 31, 2010) under certain circumstances and describe certain other provisions of their employment agreements. The following assumptions and general principles apply with respect to the following information and table:

The amounts shown with respect to any termination assume that the named executive officer was terminated on December 31, 2010. Accordingly, the table reflects amounts payable, some of which are estimates based on available information, to the named executive officer upon the occurrence of a termination after a change in control.

Each of the named executive officers is entitled to receive amounts earned prior to his or her termination regardless of the manner in which the named executive officer is terminated. In addition, he or she would be entitled to receive any amounts accrued and vested under our retirement and savings programs. These amounts are not shown in the table or otherwise discussed.

Mr. Edwards became an executive officer in March, 2010. Mr. Edwards does not have an employment agreement with the Company.

Non-Compete Provision

Each executive officer's employment agreement, provides, among other things, that during the term of the executive officer's employment and for a period of one year after the termination of the executive officer's employment with us for any reason, the executive officer shall not engage in a business which engages in the business of providing offshore energy construction services in the Gulf of Mexico or the oil and gas exploration and production business in the Gulf of Mexico or other fields in which the Company owns an interest. Each executive officer also agrees not to

solicit any customers with whom he or she has had contact or any employees for a period of one year after the termination of such executive officer's employment with us for any reason.

Termination for Cause or as a Result of Death, Disability or Retirement

Pursuant to the employment agreements between us and our named executive officers, if an executive officer is terminated by us for cause or the named executive officer resigns without "Good Reason", as defined in the employment agreement, then such officer shall have no further rights under such agreement except to receive base salary for periods prior to the termination and unpaid cash bonus for the prior year. In the event of the death, disability or retirement of such executive officer, we are obligated to pay to the executive officer's estate, or other designated party, the executive officer's salary through the date of such termination plus any

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unpaid cash bonus for the previous year. The cash bonus for the year of such termination shall be paid in an amount equal to prorated portion of the bonus for the period prior to the date of termination. Any prorated bonus will be paid on the same date as the bonus is paid to the other participants (but no later than March 15 of the following year). In the event a named executive officer becomes disabled, such executive officer shall remain eligible to receive the compensation and benefits set forth in the employment agreement until his or her termination (a period of at least 6 months and up to 12 months).

Termination by Employee

In the event a named executive officer who has an employment agreement with the Company terminates his or her employment without *Good Reason*, upon 30 days written notice, the executive officer shall remain our employee for 30 days and shall remain subject to, and receive the benefit of the employment agreement during that time. In the event the named executive officer, terminates his or her employment with *Good Reason*, then the executive officer shall be entitled to receive an amount equal to the factor set forth below times such officer's base salary for the year in which the termination occurs. With respect to each named executive officer other than Mr. Tripodo, all equity based incentive awards that would have vested in accordance with their terms within 12 months of the termination shall automatically vest. Mr. Tripodo is not entitled to any additional vesting of his equity based incentive awards other than the number of shares necessary for him to receive an aggregate minimum of 20,000 shares from his initial restricted stock award of 70,500 as an employee (on June 25, 2008) if such amount has not vested prior to such termination. The executive is also entitled to receive any unpaid cash bonus for the preceding year paid no later than March 15 of the year of termination and the full amount of his or her target bonus for the year of the termination to be paid at the same time bonuses are paid to the other participants, but no later than March 15 of the following year. The salary multiple for each named executive officer is set forth below:

Owen Kratz	-	2 times
Anthony Tripodo	-	2 times
Alisa B. Johnson	-	1 times
Bart Heijermans	-	1 times

Involuntary Termination by the Company

In the event we terminate the employment of a named executive officer who has an employment agreement with the Company for any other reason (other than for cause or upon the death, disability or retirement of the named executive officer), then the named executive officer shall be entitled to receive an amount equal to the factor set forth below times such officer's base salary for the year in which the termination occurs. With respect to each named executive officer other than Mr. Tripodo, all equity based incentive awards that would have vested in accordance with its terms within 12 months of the termination shall automatically vest. Mr. Tripodo is not entitled to any additional vesting of his equity based incentive awards, other than the number of shares necessary for him to receive an aggregate minimum of 20,000 shares from his initial restricted stock award of 70,500 as an employee if such amount has not vested prior to such termination. The executive is also entitled to receive any unpaid cash bonus for the preceding year paid no later than March 15 of the year of termination and the full amount of his or her target bonus for the year of the termination to be paid at the same time bonuses are paid to the other participants, but no later than March 15 of the following year. The multiple for each executive officer is set forth below:

Owen Kratz	-	2 times
Anthony Tripodo	-	2 times
Alisa B. Johnson	-	1 times
Bart Heijermans	-	1 times

In addition, in the event of the termination of any named executive officer for any reason, including involuntary termination, the Compensation Committee has the discretion to determine the amount and timing of any severance payments and benefits that will be offered to the named executive officer. In making such determination, the Committee takes into consideration the terms of the employment agreement, if any, of the named executive officer. The Compensation Committee would consider a number of factors in making a determination regarding the payment

of severance or benefits. The determination has historically been based in part on the executive officer's rights under his employment agreement as well as any other factors the Compensation Committee deems to be relevant. Moreover, such determination would depend on a variety of circumstances and factors that cannot be anticipated.

Table of Contents***Change of Control Provision***

With respect to each named executive officer except Mr. Tripodo and Mr. Edwards, pursuant to the terms of their employment agreement, if the named executive officer terminates his or her employment for *Good Reason* or is terminated without *Cause* within a two-year period following a *Change of Control*, in addition to amounts due and payable at the time of such termination, the executive officer is entitled to receive (i) a lump sum payment in an amount equal to the multiple set forth below times such executive's aggregate annual cash compensation defined as his or her current salary plus cash bonus target; (ii) all options and restricted stock held by such officer under the 2005 Plan and its predecessor, our 1995 Plan, would immediately vest, and (iii) a lump sum payment equal to the cost of continuation of health coverage under COBRA for eighteen months. The agreements provide that if any payment to the named executive officer will be subject to any excise tax under Internal Revenue Code Section 4999, a gross-up payment would be made to place the officer in the same net after-tax position as would have been the case if no excise tax had been payable. Mr. Tripodo would receive the same benefits upon a *Change of Control* whether or not his employment is terminated. Mr. Edwards does not have an employment agreement with the Company.

Owen Kratz	-	2.99 times
Anthony Tripodo	-	2 times
Alisa B. Johnson	-	2 times
Bart Heijermans	-	2 times

For purposes of the employment agreements, *Change of Control* is defined as one person or group acquires stock that gives such person or group control of more than 50% of the value or voting power of the Company, during any 12-month period any person or group obtains 45 percent of the voting power of the Company or a majority of the Board is replaced by persons not endorsed by a majority of the existing Board, or a change in ownership of a substantial portion of the assets of the Company; *Cause* means embezzlement or theft, breach of a material provision of the employment agreement, any act constituting a felony or otherwise involving theft, fraud, gross dishonesty or moral turpitude, negligence or willful misconduct, any breach of the executive officer's fiduciary obligations, a material violation of our policies or procedures or any chemical dependence which adversely affects the performance of the executive officer; and *Good Reason* means the material diminution of the executive officer's base salary, material diminution of his or her authority, duties or responsibilities, a material change in the executive officer's reporting relationship, material change in the geographic location at which the executive officer must perform his or her duties, or any action that would constitute a material breach of the employment agreement by the Company.

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If a Change of Control had occurred within three months of the end of 2010 or their employment had been terminated on December 31, 2010, the named executive officers (except Mr. Murphy whose employment terminated prior in March 2010) would have been eligible to receive the payments set forth below.

	O. Kratz	A. Tripodo	B. Heijermans	J. Edwards	A. Johnson
Normal and early retirement					
2010 annual cash incentive compensation	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Total	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Death					
2010 annual cash incentive compensation	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Total	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Disability ⁽¹⁾					
2010 annual cash incentive compensation	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Total	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Termination for cause or resignation without good reason					
Amount received	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Involuntary termination without cause					
2010 annual cash incentive compensation	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Multiple of base salary	1,400,000	800,000	450,000	-0-	325,000
Acceleration vesting of restricted stock ⁽²⁾	921,195	-0-	484,544	-0-	260,585
Total	\$ 3,721,195	\$ 1,400,000	\$ 1,534,544	\$ -0-	\$ 960,585
Termination by Executive for Good Reason					

2010 annual cash incentive compensation	\$ 1,400,000	\$ 600,000	\$ 600,000	\$ -0-	\$ 375,000
Multiple of base salary	1,400,000	800,000	450,000	-0-	325,000
Acceleration vesting of restricted stock ⁽²⁾	921,195	-0-	484,544	-0-	260,585
Total	\$ 3,721,195	\$ 1,400,000	\$ 1,534,544	\$ -0-	\$ 960,585
Change in control					
Cash severance payment	\$ -0-	2,000,000	-0-	-0-	-0-
Accelerated Helix restricted stock ⁽²⁾	2,997,353	1,349,082	1,655,047	657,248	899,027
Accelerated Cash Opportunity Award ⁽³⁾	3,794,402	1,644,305	2,227,415	379,439	1,262,050
COBRA Coverage	-0-	20,683	-0-	-0-	-0-
Excise tax gross up	-0-	1,628,013	-0-	-0-	-0-
Total	\$ 6,791,755	\$ 6,642,083	\$ 3,882,462	\$ 1,063,687	\$ 2,161,077
Change in control with involuntary termination without cause or by executive for good reason					
Cash severance payment	\$ 6,279,000	\$ 2,000,000	\$ 2,100,000	\$ -0-	\$ 1,400,000
Accelerated Helix restricted stock ⁽²⁾	2,997,353	1,349,082	1,665,047	657,248	899,027
Accelerated Cash Opportunity Award ⁽³⁾	3,794,402	1,644,305	2,227,415	379,439	1,262,050
COBRA Coverage	25,172	20,683	28,761	-0-	25,172
Excise tax gross up	-0-	1,628,013	-0-	-0-	1,075,443
Total	\$ 13,095,927	\$ 6,642,083	\$ 6,021,223	\$ 1,063,687	\$ 4,661,692

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- (1) Named executive officers would continue to earn their base salary plus receive benefits for six months after becoming disabled prior to being terminated. Assuming notice of termination occurs on December 31, 2010, the named executive officer would have already received his base salary for such period.
- (2) Based upon the closing price of our stock on December 31, 2010 or equal to \$12.14 per share. Although Mr. Edwards does not have an employment agreement with the Company, his restricted stock awards provide for acceleration of unvested restricted stock upon a change in control.
- (3) The Cash Opportunity Award agreement provides for vesting of 100% of the target amount (or remaining portion thereof) upon the occurrence of a change in control.

Mr. Murphy's Separation from the Company

The following table describes severance payments and other benefits to Mr. Murphy in connection with his termination of employment in March 2010.

Severance Payments	
Separation Payment ⁽¹⁾	\$ 450,000
2009 Target Bonus ⁽²⁾	\$ 300,000
2010 Target Bonus ⁽³⁾	\$ 600,000
2009 Cash Opportunity Award ⁽⁴⁾	\$ 529,533
2010 Cash Opportunity Award ⁽⁵⁾	\$ 180,378
Vacation ⁽⁶⁾	\$ 51,924
Lapse of forfeiture restrictions 69,023 shares ⁽⁷⁾	\$ 955,278

- (1) As of December 31, 2010, \$337,500 had been paid and the remainder had been accrued.
- (2) In full and final satisfaction of the 2009 Target Bonus.
- (3) As additional consideration for the release of claims contained in the Separation and Release Agreement in respect of the 2010 Target Bonus.
- (4) In full and final satisfaction of the 2009 Cash Opportunity Award.
- (5) In full and final satisfaction of the 2010 Cash Opportunity Award.
- (6) Payment for accrued but unused vacation.
- (7) The value of the accelerated vesting resulting from the lapse of forfeiture restrictions.

Mr. Heijermans' Separation from the Company

The following table describes severance payments and other benefits to Mr. Heijermans in connection with his termination of employment in January 2011.

Severance Payments ⁽¹⁾	
Separation Payment	\$ 450,000
2010 and 2011 Target Bonus ⁽²⁾	\$ 600,000
2009 Cash Opportunity Award ⁽³⁾	\$ 562,980

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2010 Cash Opportunity Award ⁽⁴⁾	\$ 187,439
Welfare benefits continuation ⁽⁵⁾	\$ 21,600
Lapse of forfeiture restrictions 37,195 shares ⁽⁶⁾	\$ 438,157

- (1) These amounts were consideration for Mr. Heijermans' release of claims.
- (2) In full and final satisfaction of the 2009 and 2010 Target Bonuses.
- (3) In full and final satisfaction of the 2009 Cash Opportunity Award.
- (4) In full and final satisfaction of the 2010 Cash Opportunity Award.
- (5) This is an approximation of the welfare benefits continuation.
- (6) The value of the accelerated vesting resulting from the lapse of forfeiture restrictions.

PROPOSAL 2:**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP has served as our independent registered public accounting firm providing auditing and financial services in 2010 and has acted as such since their engagement in fiscal year 2002, and will continue to provide such services during fiscal year 2011. Our Audit Committee has the authority to retain, oversee, evaluate and terminate the independent registered public accounting firm. Pursuant to such authority, the Audit Committee has appointed Ernst & Young LLP, an independent registered public accounting firm, as auditors to examine the financial statements of the Company for the fiscal year ending December 31, 2011, and to perform other appropriate accounting services.

Although our By-laws do not require that shareholders ratify the appointment of Ernst & Young LLP as the outside auditors, the board has determined to submit the selection for ratification by the shareholders. If the shareholders do not ratify the appointment of Ernst & Young LLP, the adverse vote will be considered as a direction to the Audit Committee to select other auditors for the next fiscal year. However, because of the difficulty and expense of making any substitution of auditors after the beginning of the current fiscal year, it is contemplated that the appointment for the fiscal year ending December 31, 2011, will be permitted to stand unless the Audit Committee finds other reasons for making a change. It is understood that even if the selection of Ernst & Young LLP is ratified, the Audit Committee, in its discretion, may direct the appointment of a new independent accounting firm at any time during the year if the audit committee feels that such a change would be in the best interests of the Company and the shareholders.

We expect that representatives of Ernst & Young LLP will be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so. They will also be available to respond to appropriate questions.

Fees for professional services (in thousands) provided by our independent registered public accounting firm in each of the last two fiscal years in each of the following categories were:

	2010	2009
Audit Fees ^{(1) (2)}	\$ 2,824	\$ 2,555
Audit-Related Fees ⁽³⁾	2	25
Tax Fees ⁽⁴⁾	235	22
All Other Fees		
Total	\$ 3,060	\$ 2,602

- (1) Fees related to the audit of the Company's consolidated financial statements, audit of internal controls over financial reporting, and the review of the Company's interim financial statements included in its quarterly reports on Form 10-Q.
- (2) The increase in audit fees in 2010 reflects stand alone audit costs for our oil and gas business performed in connection with our efforts to pursue potential disposition alternatives for that business. The Audit fees include approximately \$0.3 million in 2009 related to the audit and reviews of Cal Dive. Amount in 2009 reflects only audit services fees incurred through June 10, 2009, at which time Cal Dive was deconsolidated from us.

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(3) Audit-related fees included consultations concerning financial accounting and reporting matters not required by statute or regulation.

(4) Fees primarily related to statutory tax returns in the United Kingdom, Singapore, China, India and tax planning.

The Audit Committee considers whether the provision of the foregoing services is compatible with maintaining the auditor's independence and has concluded that the foregoing non-audit services and non-audit-related services did not adversely affect the independence of Ernst & Young LLP.

Board of Directors Recommendation

The board recommends that you vote FOR each of the ratification of the selection of Ernst & Young LLP as the Company's independent registered public accounting firm set forth in this Proposal 2.

Vote Required

The ratification of Ernst & Young LLP requires the affirmative vote of holders of a majority of the shares of common stock present or represented and voting at the Annual Meeting.

PROPOSAL 3:

APPROVAL, ON A NON-BINDING ADVISORY BASIS, OF THE 2010 COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS' COMPENSATION

The Company is providing shareholders with an advisory, non-binding vote on the executive compensation of the Named Executive Officers (commonly referred to as a "say on pay"). Accordingly, shareholders will vote on whether to approve the following resolution:

RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the Company's Named Executive Officers as disclosed in the Compensation Discussion and Analysis section, the accompanying compensation tables and the related narrative disclosure in this Proxy Statement.

This vote is non-binding. The Board of Directors expects to take the outcome of the vote into account when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results.

As described in detail under the Compensation Discussion and Analysis section of this Proxy Statement, our compensation programs are designed to achieve the Company's goal of attracting, developing and retaining executive officers who can develop and execute our business strategy in a way that maximizes value for our shareholders through the market and business fluctuations of a cyclical industry. Our executive compensation framework is based on the following principles:

We pay for performance and compensate to reflect the overall performance of the executive, the group for which the executive is responsible, and our business in general;

We pay competitively in terms of type and amount of compensation as compared to other companies in our industry (as discussed below);

We compensate based upon the responsibilities, complexity and difficulty of an executive's position during the applicable period;

A substantial portion of each executive's total compensation should be variable or "at risk";

Because of the cyclical nature of our industry and other factors related to an executive officer's overall performance, the short-term incentive bonus compensation should not be based on formulas or pre-set thresholds but should be based on the discretion of the Compensation Committee considering the facts and circumstances of the applicable period;

The compensation program should incentivize executive officers to remain with us over the long-term;

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Components of compensation should be tied to increasing shareholder value;

The compensation program should incentivize executive officers to execute our business plan and our financial objectives consistent with our long-term strategy and should balance rewards for short-term and long-term performance; and

Annual performance that reflects the execution of our stated strategy should be rewarded.

Shareholders are encouraged to read the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure to better understand the compensation of our Named Executive Officers.

The board recommends that you vote FOR the approval of the non-binding, advisory vote of the 2010 compensation of our named executive officers.

Vote Required

The vote on our executive compensation is advisory and non-binding. However, the board will consider shareholders to have approved our executive compensation if the proposal receives the affirmative FOR vote of a majority of the shares present in person or by proxy at the Annual Meeting and entitled to vote on the proposal.

PROPOSAL 4:

VOTE, ON A NON-BINDING ADVISORY BASIS, ON THE FREQUENCY OF INCLUDING AN ADVISORY VOTE ON

THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS IN OUR PROXY STATEMENT

The Company is required to seek an advisory, non-binding shareholder vote on the frequency of submission to shareholders of the advisory vote on executive compensation. Shareholders have the opportunity to vote on whether the so-called say on pay vote will occur once every year, every two years or every three years.

Shareholders are being asked to vote on the following resolution:

RESOLVED, that the shareholders indicate, by their vote on this resolution, whether the say-on-pay vote should take place every 1, 2 or 3 years.

This vote is non-binding. The board will review the voting results and expects to take the outcome of the vote into account when selecting the frequency of advisory votes on executive compensation.

The Board of Directors has determined that a three-year advisory vote on the compensation of our Named Executive Officers is the best approach for us based on a number of considerations, including the following:

Our compensation program is designed to reward the achievement of short-term, long-term and strategic goals that are closely aligned with the interests of our shareholders and encourages appropriate decision-making regarding the long-term value of the Company;

A three-year cycle will provide shareholders sufficient time to evaluate the effectiveness of our short-and long-term compensation strategies and the related business outcome of the Company;

Many shareholders will have to process other Say on Pay related proposals included in proxy statements of other companies and may rely on proxy advisory firms, which evaluate the compensation programs of thousands of public companies, for vote recommendations. We believe holding a Say on Pay vote every three years, rather than annually or even biennially, provides our shareholders and their proxy advisory firms with a greater ability to conduct detailed and thorough analyses and to make recommendations to our stockholders;

A three-year vote cycle gives the Board of Directors and the Compensation Committee sufficient time to thoughtfully respond to shareholders' sentiments and to implement any necessary changes to our executive compensation policies and procedures;

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Rules of the NYSE require the Company to seek shareholder approval for new employee equity compensation plans and material revisions thereto. This requirement provides our shareholders with the opportunity to provide additional feedback on important matters involving executive compensation even in years when Say on Pay votes do not occur; and

The Board will engage with our shareholders on executive compensation during the period between shareholder votes. As discussed elsewhere in this Proxy Statement, the Company provides shareholders an opportunity to communicate directly with the Board of Directors, including on issues of executive compensation.

Although the advisory vote is non-binding, the Board of Directors will review the results of the vote and consider our stockholders' concerns and take them into account when determining how often to include a Say on Pay proposal in our proxy materials. We currently intend to provide a Say on Pay proposal at least once every three years.

The board recommends that you vote FOR the option of once every three years as the frequency with which shareholders will have an advisory, non-binding vote on the compensation of our named executive officers in our proxy statement.

Vote Required

The vote on the frequency of the advisory vote on our executive compensation is advisory and non-binding. However, the Board will consider shareholders to have selected the frequency option for advisory votes on our executive compensation that receives the most votes.

OTHER INFORMATION

Expenses of Solicitation

The cost of this proxy solicitation will be borne by the Company. It is expected that the solicitation will be primarily by mail, telephone and facsimile. The Company has arranged for Georgeson Shareholder Communications Inc., 199 Water Street, 26th Floor, New York, New York 10038, to solicit proxies in such manner at a cost of \$9,500 plus out-of-pocket expenses. Proxies may also be solicited personally by directors, officers, and other employees of the Company in the ordinary course of business and at nominal cost. Proxy materials will be provided for distribution through brokers, custodians, and other nominees or fiduciaries to owners of ordinary shares. The Company expects to reimburse such parties for their reasonable out-of-pocket expenses incurred in connection therewith.

Proposals and Director Nominations for 2012 Shareholders Meeting

In order for a shareholder proposal (other than for the nomination of directors) to be considered for inclusion in our proxy statement for the 2012 annual meeting, the written proposal must be received by the Corporate Secretary at our offices no later than December 3, 2011. The proposal must comply with SEC regulations regarding the inclusion of shareholder proposals in company-sponsored proxy materials. The persons designated in the proxy card will be granted discretionary authority with respect to any shareholder proposal not submitted to us timely.

With respect to shareholder nominations of directors, a shareholder may propose director candidates for consideration by the board's Corporate Governance and Nominating Committee. Any such recommendations should include the nominee's name and qualifications for board membership and should be directed to the Corporate Secretary at the address of our principal executive offices set forth below. In addition, our By-laws permit shareholders to propose business to be considered and to nominate directors for election by the shareholders. To propose business to be considered or to nominate a director, the shareholder must deliver a notice to the Corporate Secretary setting forth the business or the name of the nominee and all information required to be disclosed in solicitations of proxies or otherwise required pursuant to Regulation 14A under the Exchange Act together with such person's written consent to serve as a director if elected. The shareholder providing such proposal or nomination must provide his or her name and address and the class and number of voting securities held by such shareholder. Such shareholder must be a shareholder of record on the day the nomination notice is delivered to us and be eligible to vote for the election of directors at the Annual Meeting of shareholders. In addition, the shareholder must give timely notice to our Corporate Secretary no later than February 11, 2012. A copy of the By-laws is available from the Corporate Secretary.

All submissions to, or requests from, the Corporate Secretary should be made to our principal executive offices at 400 North Sam Houston Parkway East, Suite 400, Houston, Texas 77060.

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Other

Some broker, bank and other nominee record holders may be participating in the practice of householding. This means that only one copy of our annual report and proxy statement will be sent to shareholders who share the same last name and address. Householding is designed to reduce duplicate mailings and save significant printing and postage costs. If you receive a household mailing this year and would like to receive additional copies of our annual report or proxy statement, please submit your request in writing to the address set forth below.

Our 2010 Annual Report on Form 10-K, including financial statements, is available to shareholders of record as of March 18, 2011, together with this proxy statement.

WE WILL FURNISH TO SHAREHOLDERS WITHOUT CHARGE A COPY OF OUR ANNUAL REPORT (INCLUDING THE ANNUAL REPORT ON FORM 10-K) FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010, AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, UPON RECEIPT OF WRITTEN REQUEST ADDRESSED TO: CORPORATE SECRETARY, HELIX ENERGY SOLUTIONS GROUP, INC., 400 NORTH SAM HOUSTON PARKWAY EAST, SUITE 400, HOUSTON, TEXAS 77060 OR BY CALLING 1 (888) 345-2347 AND ASKING FOR THE CORPORATE SECRETARY.

The Board of Directors knows of no other matters to be presented at the Annual Meeting. If any other business properly comes before the Annual Meeting or any adjournment thereof, the proxies will vote on that business in accordance with their best judgment.

By Order of the Board of Directors

Alisa B. Johnson
Corporate Secretary
Helix Energy Solutions Group, Inc.

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**400 North Sam Houston Parkway East, Suite 400
Houston, Texas 77060-3500
Phone (281) 618-0400**

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**NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS
MAY 11, 2011
AND PROXY STATEMENT
400 North Sam Houston Parkway East
Houston, Texas 77060**

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Shareowner ServicesSM
P.O. Box 64945
St. Paul, MN 55164-0945
Address Change? Mark box, sign, and indicate
changes below: o

COMPANY #

TO VOTE BY INTERNET
OR
TELEPHONE, SEE
REVERSE SIDE
OF THIS PROXY CARD.

**TO VOTE BY MAIL AS THE BOARD OF DIRECTORS RECOMMENDS ON ALL ITEMS BELOW, SIMPLY
SIGN, DATE, AND RETURN THIS PROXY CARD.**

The Board of Directors Recommends a Vote FOR Proposals 1, 2 and 3

- | | | | |
|--|--|---|---|
| <p>1. To elect two Class III directors of the Company with terms expiring in 2014:</p> | <p>01. Nancy K Quinn
02. William L. Transier</p> | <p><input type="radio"/> FOR all Class III nominees (except as indicated below)</p> | <p><input type="radio"/> WITHHOLD AUTHORITY from ALL nominees</p> |
|--|--|---|---|

(Instructions: To withhold authority to vote for any indicated nominee, write the number(s) of the nominee(s) in the box provided to the right.)

Please fold here Do not separate

- | | | | |
|---|----------------------------------|--------------------------------------|--------------------------------------|
| <p>2. Ratification of the selection of Ernst & Young LLP as independent registered public accounting firm for the fiscal year 2011.</p> | <p><input type="radio"/> For</p> | <p><input type="radio"/> Against</p> | <p><input type="radio"/> Abstain</p> |
| <p>3. Approval, on a non-binding advisory basis, of the 2010 compensation of our named executive officers.</p> | <p><input type="radio"/> For</p> | <p><input type="radio"/> Against</p> | <p><input type="radio"/> Abstain</p> |

The Board of Directors recommends you vote for 3 years on Proposal 4:

- | | | | | |
|--|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <p>4. The vote, on a non-binding advisory basis, on the frequency of including an advisory vote on the compensation of our named executive officers every one, two or three years.</p> | <p><input type="radio"/> 1 Year</p> | <p><input type="radio"/> 2 Years</p> | <p><input type="radio"/> 3 Years</p> | <p><input type="radio"/> Abstain</p> |
|--|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED ON THE PROXY BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE CLASS III DIRECTORS INDICATED IN PROPOSAL 1, FOR PROPOSALS 2 AND 3, FOR 3 YEARS FOR PROPOSAL 4, AND IN THE PROXY HOLDER S DISCRETION ON ANY OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING OR ANY ADJOURNMENT THEREOF. ABSTENTIONS WILL BE COUNTED TOWARD THE EXISTENCE OF A QUORUM.

Date _____

Signature(s) in Box

Please sign exactly as the name appears on this proxy. When shares are held by joint tenants, both should sign. If signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporation name by president or other authorized officer. If a partnership, please sign in partnership name by an authorized person.

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**HELIX ENERGY SOLUTIONS GROUP, INC.
ANNUAL MEETING OF SHAREHOLDERS
MAY 11, 2011**

**Crowne Plaza Hotel Houston North Greenspoint
425 North Sam Houston Parkway
East Houston, TX 77060**

**Helix Energy Solutions Group, Inc.
400 North Sam Houston Parkway East, Suite 400
Houston, TX 77060**

proxy

This Proxy is Solicited on Behalf of the Board of Directors for the Annual Meeting on May 11, 2011.

The undersigned, having duly received the Notice of Annual Meeting of Shareholders and the Proxy Statement, dated April 1, 2011, hereby appoints Anthony Tripodo and Alisa B. Johnson as Proxies (each with the power to act alone and with the power of substitution and revocation) to represent the undersigned and to vote, as designated below, all common shares of Helix Energy Solutions Group, Inc. held of record by the undersigned on March 18, 2011 at the 2011 Annual Meeting of Stockholders to be held on May 11, 2011 at 10:00 a.m. at the Crowne Plaza Hotel Houston North Greenspoint - 425 North Sam Houston Parkway East, Houston, TX 77060, and any adjournments thereof.

**Vote by Internet, Telephone or Mail
24 Hours a Day, 7 Days a Week**

Your phone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed and returned your proxy card.

INTERNET

www.eproxy.com/hlx

PHONE

1-800-560-1965

MAIL

Use the Internet to vote your proxy until 12:00 noon (Central Daylight Time) on May 10, 2011.

Use a touch-tone telephone to vote your proxy until 12:00 noon (Central Daylight Time) on May 10, 2011.

Mark, sign and date your proxy card and return it in the postage-paid envelope provided.

If you vote your proxy by Internet or by Telephone, you do NOT need to mail back your Proxy Card.