

Hornbeck Offshore Services, Inc. and Subsidiaries
Unaudited Consolidated Statements of Operations
(in thousands, except Other Operating Data)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2003	2002	2003	2002
Statement of Operations (unaudited):				
Revenues.....	\$ 28,215	\$ 22,322	\$ 81,572	\$ 66,381
Operating expenses.....	12,182	9,106	33,232	25,202
Depreciation and amortization.....	4,816	3,404	12,433	8,756
General and administrative expenses.....	2,941	2,603	8,654	7,657
Total operating expenses.....	19,939	15,113	54,319	41,615
Operating income.....	8,276	7,209	27,253	24,766
Interest expense.....	(4,804)	(4,021)	(13,378)	(11,817)
Interest income.....	25	127	141	575
Other income (expense), net ¹	(10)	-	697	-
Income before income taxes.....	3,487	3,315	14,713	13,524
Income tax expense.....	(1,328)	(1,272)	(5,591)	(5,152)
Net income.....	\$ 2,159	\$ 2,043	\$ 9,122	\$ 8,372
Other Financial Data (unaudited):				
EBITDA ²				
Net income.....	\$ 2,159	\$ 2,043	\$ 9,122	\$ 8,372
Plus:				
Interest expense.....	4,804	4,021	13,378	11,817
Income tax expense.....	1,328	1,272	5,591	5,152
Depreciation and amortization.....	4,816	3,404	12,433	8,756
EBITDA	\$ 13,107	\$ 10,740	\$ 40,524	\$ 34,097
	As of September 30,	As of December 31,		
	2003	2002		
Balance Sheet Data (unaudited):				
Cash and cash equivalents.....	\$ 12,462	\$ 22,228		
Working capital.....	24,288	22,265		
Property, plant and equipment, net.....	314,068	226,232		
Total assets.....	363,298	278,290		
Total long-term debt.....	219,480	172,306		
Stockholders' equity.....	110,327	71,875		

¹ Represents other income and expenses, including gains or losses on disposition of assets, foreign currency exchange gains or losses and minority interests in income or loss from unconsolidated entities.

² EBITDA consists of earnings (net income) before interest expense, provision for income taxes, depreciation and amortization. This term, as the Company defines it, may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with accounting principles generally accepted in the United States, or GAAP. EBITDA should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP.

EBITDA is useful to an investor in evaluating the Company's operating performance because:

- it is widely used by investors in Hornbeck's industry to measure a company's operating performance without regard to items such as interest expense, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired; and
- it helps investors more meaningfully evaluate and compare the results of the Company's operations from period to period by removing the impact of its capital structure (primarily interest charges from the Company's outstanding debt) and asset base (primarily depreciation and amortization of vessels) from the operating results.

Company management uses EBITDA:

- as a measure of operating performance because it assists the Company in comparing its performance on a consistent basis as it removes the impact of capital structure and asset base from its operating results;
- in presentations to the board of directors to enable them to have the same consistent measurement basis of operating performance used by Company management
- as a measure for planning and forecasting overall expectations and for evaluating actual results against such expectations
- as a basis for incentive cash bonuses paid to the executive officers and other shore-based employees
- to assess compliance with financial ratios and covenants included in the revolving credit facility and the indenture governing the Company's senior notes; and
- in communications with lenders, senior note holders, rating agencies and others, concerning the Company's financial performance

In March 2003, the Securities and Exchange Commission ("SEC") adopted rules regulating the use of non-GAAP financial measures, such as EBITDA, in filings with the SEC, disclosures and press releases. These rules require non-GAAP financial measures to be presented with and reconciled to the most nearly comparable financial measure calculated and presented in accordance with GAAP. The above table reconciles EBITDA with the Company's net income (loss).

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	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2003	2002	2003	2002
Other Operating Data (unaudited):				
Offshore Supply Vessels:				
Average number.....	19.9	11.6	15.8	10.4
Average utilization rate ¹	88.6%	91.0%	90.0%	94.1%
Average dayrate ² \$	10,411	\$ 12,344	\$ 11,460	\$ 11,994
Tugs and Tank Barges:				
Average number of tank barges.....	16.0	16.0	15.9	16.0
Average fleet capacity (barrels).....	1,156,330	1,130,727	1,141,308	1,130,727
Average barge size (barrels).....	72,271	70,670	72,019	70,670
Average utilization rate ¹	67.7%	73.1%	72.8%	77.9%
Average dayrate ³ \$	10,788	\$ 9,119	\$ 11,125	\$ 9,382

¹ Utilization rates are average rates based on a 365-day year. Vessels are considered utilized when they are generating revenues.

² Average dayrates represent average revenue per day, which includes charter hire and brokerage revenue, based on the number of days during the period that the offshore supply vessels generated revenue.

³ Average dayrates represent average revenue per day, including time charters, brokerage revenue, revenues generated on a per-barrel-transported basis, demurrage, shipdocking and fuel surcharge revenue, based on the number of days during the period that the tank barges generated revenue. For purposes of brokerage arrangements, this calculation excludes that portion of revenue that is equal to the cost of in-chartering third party equipment paid by customers