

INTEGRITY MATTERS

“Our integrity is our most valuable and fragile asset. We all share a personal responsibility to protect, preserve and enhance the company’s integrity. To do this, we must comply with both the letter of the policies contained in this manual as well as the spirit of the policies. In complying with the letter and spirit of our policies, we must never forget the principles that must guide all of our actions: fairness, honesty, and transparency.

This manual provides practical guidance for compliance with the company’s Code of Business Conduct and Ethics, which can be found in the Corporate Governance section of the company’s website, www.herculesoffshore.com. Please read this manual carefully. If you do not understand any of the policies, ask your supervisor for an explanation. Also, if you have questions or concerns, you can always contact our Senior Vice President, General Counsel and Chief Compliance Officer.”



John T. Rynd, CEO and President

CONTENTS

Definitions, Guideposts and Resources	3
Definitions	3
Guideposts	3
Resources	3
Contact.....	4
Agents and Marketing Consultants	5
Antitrust	6
Bribery and Unethical Business Practices	8
Business Gifts and Entertainment	10
Competition and Fair Dealing	12
Computer Use and The Internet	13
Confidentiality	15
Conflict Of Interest and Corporate Opportunities	16
Discrimination and Harassment	18
Prohibition on Discrimination	18
Prohibition on Harassment.....	18
Complaint Procedure	19
Investigation and Confidentiality	20
Prohibition on Retaliation	20
Health, Safety and The Environment	21
Insider Trading and Securities Transactions	22
Political Contributions	23
Protection and Use of Company Assets and Property	24
Record Keeping	25
Violations – The Consequences	26

Reporting a Suspected Violation 27

DEFINITIONS, GUIDEPOSTS AND RESOURCES

Definitions

“Company” means Hercules Offshore, Inc. and all of its subsidiaries and affiliates, including any joint venture and partnership entities that Hercules controls.

“Senior Executive” means the Chief Executive Officer & President, the Senior Vice President & Chief Financial Officer, and the Senior Vice President, General Counsel & Chief Compliance Officer.

Guideposts

The policies in this manual are intended to cover most of the situations that we may confront in our industry. It is impossible to anticipate every situation that will arise. Also, knowing “the right thing to do” is sometimes difficult - not all issues are “black and white.” When confronted with a situation that you do not think is covered by a specific section of this manual, ask yourself the following questions:

- Is the action legal?
- Does it comply with our guiding principles of fairness, honesty, and transparency?
- If you do it, will you feel guilty?
- Would you be embarrassed to tell your family what you did?
- How would you feel if the local newspaper reported about the action?

If the answer to any of these questions makes you uneasy, call someone for guidance. If it feels wrong, it probably is wrong.

Resources

If you are not sure about a situation, ask your supervisor. If you are not comfortable discussing the issue with your supervisor or if you feel like you are not getting the right answers, discuss the issue with the Senior Vice President, General Counsel & Chief Compliance Officer, James Noe, or the Senior Vice President and Chief Financial Officer, Lisa Rodriguez.

Contact	Direct Dial	Fax No.	Email
James Noe	713-350-8306	713-350-5109	jnoe@herculesoffshore.com
Lisa Rodriguez	713-350-8312	713-350-5120	lrodriguez@herculesoffshore.com

AGENTS AND MARKETING CONSULTANTS

The Company periodically engages consultants, agents and other third parties (“Agents”) to perform marketing services in the normal conduct of its business. The retention of any agent or other third party in connection with the Company’s operations must be approved by the Senior Vice President, General Counsel and Chief Compliance Officer and then by the Chief Executive Officer if:

- A. the terms of such retention arrangement provide for payment on a basis other than a reasonable hourly or per diem rate for services actually rendered and reimbursements for expenditures properly incurred; or
- B. the purpose of such agent or third party is to assist the Company’s relationships with any government or any agency, department or instrumentality thereof.

The Senior Vice President, General Counsel and Chief Compliance Officer shall conduct appropriate due diligence on any proposed agents prior to the Company’s retention of the Agent. The retention of Agents shall be memorialized in a written agreement with appropriate audit rights and provisions requiring the Agent’s compliance with applicable law, including the U.S. Foreign Corrupt Practices Act.

ANTITRUST

The United States, most state governments, and many other countries regulate and, in some cases, prohibit anti-competitive behavior and business practices. Violations of these laws can result in severe penalties, including criminal liability, for both the Company and for you. In addition to fines that can range up to millions of dollars for companies or employees, individuals can be (and have been) sentenced to serve jail time. The Company firmly supports these laws.

Antitrust laws are complex and, to some extent, vary from jurisdiction-to-jurisdiction. However, the following examples illustrate practices that are prohibited:

- Competitors acting together to fix prices or other terms and conditions of contracts for customers or potential customers
- Competitors agreeing to:
 - allocate markets, geographically or otherwise (such as dividing up customers)
 - limit production or capabilities
 - boycott customers or third parties
- Bid rigging

In order to ensure that you do not violate the law, do not discuss any of the following with the Company's competitors:

- Past, present, or future pricing or dayrates (unless already disclosed to the public, for example, in the Company's Fleet Status Reports filed with the U.S. Securities and Exchange Commission)
- Availability of the Company's equipment or rigs
- Future geographic allocation of the Company's equipment or rigs, including the Company's plans to enter a new market or location
- Bids, including whether the Company intends on submitting a bid
- Marketing

Discussions about competitively sensitive information can sometimes seem innocuous or innocent. For example, trade association meetings or industry groups that poll competitors for information or "suggest" a group approach to business dealings can have anti-competitive impacts. If you are unsure whether a situation or a behavior is appropriate, please contact the Company's Senior Vice President, General Counsel & Chief Compliance Officer. Discussing information contained in the Company's publicly available fleet status report is not a violation of the policy.

BRIBERY AND UNETHICAL BUSINESS PRACTICES

The Company forbids offering to give or giving anything of value to any person either to obtain a business or commercial advantage or to advance our interests with governmental officials. No employee, representative, or agent of the Company shall, directly or through an intermediary, offer to give anything of value to foreign governmental officials, employees, representatives, political parties, or candidates for political office (this includes employees of national oil companies). Such actions may be prohibited by the U.S. Foreign Corrupt Practices Act (“FCPA”) and the law of many countries around the world.

Although bribing officials to obtain business may be an accepted practice in some countries, such activity is strictly prohibited by Company policy and the FCPA. This policy applies everywhere in the world that the Company does business.

The FCPA permits certain small payments, sometimes known as facilitative or “grease” payments, to governmental officials or employees to perform non-discretionary functions or services that they are obligated to perform provided the amount of the payment is customary in the particular country. To qualify as a facilitative or “grease” payment, the payment must be made in return for a purely ministerial or administrative function (such as obtaining a visa or government permit that you are otherwise entitled to) and in no way related to obtaining or retaining business.

However, such “grease” payments are prohibited by Company policy. The only exceptions to this policy are for:

- Payments that (a) are less than U.S. \$100 (or the equivalent in any other currency), (b) constitute facilitative payments under the FCPA, and (c) are made under circumstances where it is reasonably impracticable to contact a Senior Executive before making the payment, or
- Payments that are made in circumstances involving imminent threat to the safety, health, or welfare of any employee or his or her family members.

All payments to governmental officials, including “grease” payments, must be:

- Accurately accounted for in the books and records of the Company as a facilitative payment, and
- Reported immediately to the Chief Financial Officer and the Senior Vice President-General Counsel/Chief Compliance Officer.

Offering or receiving nominal, customary business gifts are acceptable provided the gifts comply with the Company’s policy on Business Gifts and Entertainment.

BUSINESS GIFTS AND ENTERTAINMENT

The purpose of business gifts and entertainment is to create goodwill and sound working relationships, not to gain unfair advantage with customers or to take advantage of vendors or suppliers. All gifts and entertainment given or received by Company employees must be consistent with widely accepted and customary business practices and be of such a nature that public disclosure of all related facts surrounding the gifts or entertainment would not embarrass the Company or the involved employees. Additionally, no employee should offer, give, or accept a gift if any of the following applies:

- The gift is cash, stock, or bonds
- The gift is excessive in value
- The gift could be construed as a bribe, payoff, or kickback
- Offering the gift violates the Foreign Corrupt Practices Act, described in this Manual

Employees are prohibited from requesting gifts or entertainment - regardless of value - from anyone who is doing business with the Company or seeking to do business with the Company. However, soliciting gifts, donations, door prizes, etc. for Company-sponsored events such as golf tournaments or charitable events is not prohibited if approved in advance by a Senior Executive.

The Company's policy does not prohibit reasonable customary expenditures for meals or entertainment with a representative of a customer, contractor or supplier if otherwise lawful and reported under the Company's standard expense account procedures.

Any business gifts or entertainment provided by the Company to an individual having a value in excess of \$750 must be approved in advance by a Senior Executive. All business gifts or entertainment of governmental officials, regardless of amount, must comply with the Company's Bribery and Unethical Business Practices policy and must be approved by the Senior Vice President, General Counsel and Chief Compliance Officer.

COMPETITION AND FAIR DEALING

The Company is committed to outperforming its competition fairly and honestly. The Company seeks competitive advantages through superior performance and never through unethical or illegal business practices.

The following actions are prohibited:

- Stealing or possessing, without the owner's consent, proprietary information or trade secrets
- Inducing employees of competitors or suppliers to reveal proprietary information or trade secrets, including information about prices or bids
- Acting dishonestly towards customers, competitors, suppliers, or other employees of the Company

COMPUTER USE AND THE INTERNET

Computer equipment and software issued by the Company are the property of the Company and are provided for business use only.

Your use of the Internet must be limited to business-related purposes such as:

- Obtaining useful business and industry information
- Communicating with customers, potential customers, or suppliers
- Submitting bids or electronic invoices to customers

You may not use the Internet to do any of the following:

- Accessing or downloading pornographic or indecent material
- Gambling
- Soliciting for personal gain or profit
- Purposefully interfering with the work of other employees
- Downloading or uploading software in violation of its copyright or without the authorization of the Company's Information Technology Department
- Making or posting indecent remarks or proposals
- Transmitting or posting inappropriate jokes or material that may be offensive or embarrassing to others

The Company may monitor your use of the Internet on the Company's network or systems, including conducting an audit of the web sites or chat rooms that you visit.

Your use of email is limited to business-related purposes. While you may use the Company's computer systems for incidental personal matters, you are not guaranteed privacy in these communications. Your use of the Company's email may be monitored by your supervisor or manager or the Company.

There are other policies that apply to the use of the Internet and email, including the policies on Protection and Use of Company Assets and Property and Confidentiality.

CONFIDENTIALITY

You are prohibited from disclosing Company trade secrets or other confidential information of the Company. Confidential information includes all non-public information that might be useful to competitors, or harmful to the Company or its vendors or customers, if disclosed.

All information related to the Company's business, including information regarding customers, customer lists, employees, employee salaries, costs, prices, earnings, equipment, operations, potential acquisitions, new location or business plans, prospective and existing contracts, and financial or cost reports is confidential.

Before you leave your employment with the Company, you must return all books, records, or copies (including electronic copies) that contain confidential information of the Company. You are prohibited from making or retaining any copies of such materials after you leave the employment of the Company. Your obligations to protect the Company's trade secrets and confidential information survive even after you leave the employment of the Company.

CONFLICT OF INTEREST AND CORPORATE OPPORTUNITIES

The Company respects your right to manage your investments and personal business. However, you are responsible for avoiding situations that present - or create the appearance of - potential conflicts of interest between your interests and those of the Company. A conflict of interest exists when your personal interests (or the interests of a family member) are in any way adverse to the interests of the Company.

Conflicts of interest can arise in a variety of ways, but the following situations are obvious examples of conflicts of interest:

- You or one of your family members has an interest, position, or financial stake with a company that:
 - does business with the Company
 - seeks to do business with the Company
 - competes with the Company
- You or one of your family members receives fees, commissions, or other compensation from a supplier or customer of the Company
- You are prohibited from working for a competitor as an employee, consultant, or as a member of the board of directors.

You are prohibited from working for a competitor as an employee, consultant, or as a member of the board of directors.

You are prohibited from taking personal advantage of business opportunities that are discovered using Company property or information or that are developed on Company time. This includes using Company property or equipment for personal gain.

You have similar obligations under the Company's policy on the Protection and Use of Company Assets and Property.

DISCRIMINATION AND HARASSMENT

The Company is committed to ensuring that all employees and applicants are not subjected to unlawful discrimination in the hiring process and in any term and condition of employment. Moreover, the Company is committed to providing a workplace free of unlawful harassment, intimidation, threats, and coercion.

Prohibition on Discrimination

The Company makes all employment decisions (including decisions about hiring, promotion, transfer, demotion, evaluation, compensation, and termination) without regard to race, color, national origin, sex, pregnancy, religion, age, disability, service in the uniformed services, or any other classification protected by federal, state or local law. Additionally, the Company will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship.

Prohibition on Harassment

The Company does not and will not permit harassment of its employees based on sex, race, color, religion, national origin, age, disability, or any other protected class. The Company will not tolerate harassment in any form, whether it is committed by managers, employees, or non-employees. All managers and supervisors will be responsible for preventing and eliminating harassment.

Harassment is verbal or physical conduct that denigrates or shows hostility toward an individual or conduct that creates an intimidating, hostile, or offensive working environment for an individual because of his/her sex, race, color, religion, national origin, age or disability. Harassment may include, but is not necessarily limited to, epithets, slurs, jokes, or other verbal or physical conduct relating to an individual's sex, race, color, religion, national origin, age, or disability.

Sexual harassment consists of unwelcome physical contact, sexual advances, requests for sexual favors and other inappropriate communications or verbal or physical conduct of a sexual nature that creates an offensive or hostile work atmosphere. Sexual harassment includes, but is not limited to:

- (a) Unwanted or unwelcome physical contact or conduct of any kind, including, patting, pinching, brushing up against, hugging, cornering, kissing, fondling, or any other similar physical contact;
- (b) Verbal abuse of a sexual nature, including sexual flirtations, advances, propositions, sexual innuendoes, sexually suggestive, insulting or graphic comments, noises, or sounds;

- (c) Demeaning, insulting, intimidating, or sexually suggestive comments about an individual's dress, body, appearance, or personal life;
- (d) The display or distribution in the workplace of demeaning, insulting, intimidating, or sexually suggestive objects or pictures, including nude photographs, drawings, or magazine pictures; and
- (e) Demeaning, insulting, intimidating, or sexually suggestive written, recorded or electronically transmitted messages.

Complaint Procedure

Any employee who believes that he or she is being or has been harassed or discriminated against in violation of this policy must promptly go to his/her immediate supervisor or manager and, orally or in writing, state the specific details of the harassing or discriminatory behavior. If the employee finds it difficult or uncomfortable to discuss such a matter with his or her supervisor or manager (or if the harassment or discrimination involves the supervisor or manager), the employee must immediately report the incident to the Human Resources Department or the Senior Vice President, General Counsel and Chief Compliance Officer whose contact details are listed in the "Definitions, Guideposts and Resources" section of this Manual. You may also follow the procedures described in the "Reporting a Suspected Violation" section of this Manual.

Investigation and Confidentiality

The Company will listen to all complaints of harassment or discrimination, promptly investigate such complaints, and quickly apply appropriate sanctions that will end any offensive behavior. If it is determined that harassment or discrimination has occurred, the Company will also take appropriate disciplinary action, up to and including unpaid suspension or discharge of the offending party. Complaints of harassment or discrimination will be kept confidential to the extent possible. Employees are required to cooperate fully with any investigation of harassment or discrimination.

Prohibition on Retaliation

The Company will not retaliate against any employee because of good faith complaints of harassment or discrimination or because of cooperation with any investigation. Any employee who believes retaliation has resulted from either the reporting of a complaint of harassment or discrimination or from participation in an investigation of such allegations must immediately report this to his or her supervisor or the Human Resources Department or to the Chief Compliance Officer.

HEALTH, SAFETY AND THE ENVIRONMENT

Each of the Company's business divisions has developed comprehensive Health, Safety & Environmental manuals and training programs. You are required to comply with the Health, Safety & Environmental Protection Program or Health, Safety & Environmental manual that applies to your job. In addition, you are required to comply with the environmental and safety laws and regulations of the jurisdictions in which you work.

INSIDER TRADING AND SECURITIES TRANSACTIONS

It is against Federal law, Company policy, and the rules of the NASDAQ Stock Market for any employee to buy or sell Company stock when the employee is in possession of material non-public information. It is also unlawful and against Company policy for an employee to give material non-public information to any other person who may then trade based on such information. All Company employees at every level must strictly comply with this policy. This policy is not limited to officers, directors, and managers.

The following are examples of information that may be material information:

- News of a new, significant contract awarded to the Company
- Joint venture with, merger with, or acquisition of another company or a significant group of assets
- A positive or negative change in the actual or projected sales or earnings of the Company
- A significant capital expenditure, such as a major upgrade to an important rig or vessel
- A stock split or dividend

Information is considered non-public when it has not been widely disclosed to the public in a press release or a filing with the Securities and Exchange Commission.

It is also against Company policy for any employee to speculate in company stock. This includes trading in options, puts, calls, or forward contracts. This prohibition on speculating in company stock applies whether or not the employee is in possession of material non-public information.

POLITICAL CONTRIBUTIONS

The use of corporate funds for political contributions is prohibited by law in connection with all U.S. Federal elections and in most state and local elections. It may also be prohibited in many other jurisdictions where the Company operates. These prohibitions also cover indirect support of candidates or political parties, whether in the form of tickets for special dinners or other fund-raising events, the loan of employees to political parties or committees, or the furnishing of transportation, special duplicating services and the like. Any request made to an officer or employee for a contribution by the Company, directly or indirectly, for a political candidate or political activity must immediately be reported in writing to the Senior Vice President, General Counsel and Chief Compliance Officer for handling. No Company funds or assets may be utilized for any such foreign or domestic political contribution or support without the prior written approval of the Senior Vice President, General Counsel and Chief Compliance Officer. The Company will not reimburse personal political contributions, directly or indirectly.

This policy is in no way intended to discourage officers and employees from making personal contributions directly to candidates or political parties of their choice.

PROTECTION AND USE OF COMPANY ASSETS AND PROPERTY

You are required to protect the Company's assets and ensure their efficient use. You are prohibited from using Company assets, resources, supplies, or property for any purpose other than the discharge of Company business.

Your obligation to protect and properly use Company property extends to trade secrets and intellectual property. You are prohibited from disclosing Company trade secrets or confidential information, including marketing and service plans, price lists, engineering or manufacturing ideas, designs, databases, records, salary information, arrangements with suppliers, information about the Company's products or equipment (unless the information has been published) and any unpublished financial data, reports, or analysis. You are likewise prohibited from using any of this information or property for your own personal gain.

You have similar obligations under the Company's policy on Confidentiality.

RECORD KEEPING

Accurate business and accounting records are essential to the effective management of the Company. Accurate records are necessary to maintain investor confidence and to ensure that the Company fulfills its obligation to provide full, fair, timely, and understandable financial and business disclosures. Consequently, all employees are required to keep complete, accurate, and timely records. These records include time sheets, invoices, expense reports, purchase orders, financial reports, and utilization reports. Business expense reports must be fully documented and include receipts.

All Company accounting books, records, and financial reports must follow internal accounting control procedures and applicable law. All financial and accounting transactions must be accurately, fully, and timely reported in the Company's financial records and reports. Unrecorded or "off the books" funds, assets, or liabilities shall not be maintained.

VIOLATIONS — THE CONSEQUENCES

Violations of the Company's policies may expose you and the Company to fines, imprisonment, and lawsuits. In addition, if you violate the Company's policies, you expose yourself to appropriate disciplinary action by the Company, including possible termination of your employment. You should be aware that conduct that violates the Company's policies is always considered outside of the scope of your employment. You should also be aware that the Company will voluntarily report violations of law, including violations of applicable antitrust and bribery laws, to the appropriate governmental authority.

REPORTING A SUSPECTED VIOLATION

The Company has established procedures for reporting suspected violations of the Company's Code of Conduct and Ethics. You may report a suspected violation of the Code of Conduct and Ethics through Hercules Offshore's toll free Hotline at (800) 880-9166, which is administered by a third party, or through the Company's Compliance Web Form, which is found on the Corporate Governance section of the Company's website, www.herculesoffshore.com. Your complaint or concern may be submitted anonymously. In compliance with applicable law, persons who in good faith report possible violations of the Code of Conduct and Ethics will not be retaliated against.

Your report will go directly to James Noe, Senior Vice President, General Counsel and Chief Compliance Officer and Lisa Rodriguez, Senior Vice President and Chief Financial Officer. Where circumstances warrant, your complaint will be summarized and referred to the Audit Committee of the Company's Board of Directors for appropriate action. If you believe that the Company has not appropriately responded to your complaint or if you feel uncomfortable discussing a complaint with Mr. Noe or Ms. Rodriguez, you may contact the Chairman of the Audit Committee of the Board of Directors. The Chairman of the Audit Committee is a member of the Company's Board of Directors but is not an employee of the Company. You may contact the Chairman of the Audit Committee by sending an email to Audit@herculesoffshore.com.



HERCULES
Offshore

Corporate Headquarters

Hercules Offshore, Inc.
9 Greenway Plaza, Suite 2200
Houston, Texas 77046
Houston, Texas
Tel: 713-350-5100
Fax: 713-350-5105