

HERCULES OFFSHORE, INC.

Form 425

March 19, 2007

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Hercules Offshore Acquisition of TODCO

Filed by Hercules Offshore, Inc.

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-6

under the Securities Exchange Act of 1934

Subject Company: Hercules Offshore, Inc.

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Forward-looking Statements

This presentation will contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements, which include any statement that does not relate strictly to historical facts, use terms such as anticipate,

assume,
believe,
estimate,
expect,
forecast,
intend,
plan,
position,
predict,
project,

or strategy

or the negative connotation or other variations of such terms or other similar terminology. In particular, statements, express or implied, regarding future results of operations or ability to generate revenues, income or

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The forward-looking statements involve risks and uncertainties that affect Hercules operations and financial performance. All forward-looking statements attributable to Hercules representatives are expressly qualified in their entirety by this cautionary statement.

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A Winning Combination

A Gulf of Mexico leader. . . with global reach

A Leader in Liftboats

A Leader in Barge Drilling

A New Leader in Jackup Drilling

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Management Representatives

Representatives

Randall Stilley

Chief Executive Officer and President

John Rynd

Senior Vice President

Lisa Rodriguez

Senior Vice President and Chief Financial Officer

David Crowley

Senior Vice President of Operations (TODCO)

Stephen Butz

Vice President and Treasurer

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Transaction Highlights

Consideration to TODCO shareholders

Average per share

0.979 Hercules shares

\$16.00 per share in cash

Cash or stock election feature (subject to proration)

Acquisition funded with existing cash on hand
and a senior secured term loan facility
Closing expected mid-2007

Subject to:

HSR approval

Hercules and TODCO shareholder votes
Post-transaction Board of Directors to include
seven Hercules and three TODCO nominees

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Creates Shareholder Value in Near and Long-term

Accretive to earnings and cash flow per share

Opportunity to enhance future returns with lower cost of capital

Potential for multiple expansion due to size and growth prospects

Pro forma 2006 revenue and EBITDA of \$1.3 billion and \$551 million,
respectively

Revenue

(1)

(\$mm)

EBITDA

(1)

(\$mm)

(1)

PF Hero represents Hercules plus TODCO financials per 2006 10K filings, no accounting adjustments have been made.

\$344

\$1,256

0.0

500.0

1,000.0

1,500.0

HERO

PF HERO

\$190

\$551

0.0

250.0

500.0

750.0

HERO

PF HERO

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Acquisition-related debt allows Hercules to optimize its capital structure

Enhanced credit quality due to increased scale and scope

Term loan provides flexibility for rapid de-leveraging with significant expected free cash flow

Successful track record of de-leveraging following acquisitions

Pro Forma Capital Structure as of 12/31/06

Total Debt/Total Capitalization

Total Debt as a Multiple of LTM EBITDA

2.0x

2.0x

1.8x

1.7x
1.0x
0.8x
0.6x
0.5x
0.0x
0.5x
1.0x
1.5x
2.0x
2.5x
PF
HERO
RIG
PDE
SPN
RDC
DO
NE
GSF
50%
37%
35%
33%
29%
23%
18%
12%
0.0%
20.0%
40.0%
60.0%
SPN
PF
HERO
PDE
RIG
DO
RDC
NE
GSF

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Summary of Strategic Rationale

Enhances position in Gulf of Mexico and increases operational flexibility

Provides asset and geographic diversity

Expands international footprint for future growth

Creates larger, more diverse jackup fleet

Timely combination in a fragmented jackup market

Combines leaders in barge drilling and liftboats

Potential to realize meaningful synergies

Economies of scale

Procurement of materials, insurance, employee benefits

Operational synergies and redundant public company expenses

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Provides Asset Diversity
2006 Revenue Segmentation Analysis
Pre-Transaction
\$344 MM
Post-Transaction
\$1,256 MM
GOM Contract
Drilling
47%
International
Liftboats
6%
Domestic
Liftboats
39%
International
Contract Drilling

9%
Domestic
Liftboats
11%
International
Contract Drilling
17%
Inland Barge
Drilling
19%
International
Liftboats
2%
GOM Contract
Drilling
46%
Delta Towing
6%

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2006 Geographic Revenue Analysis

Provides Geographic Diversity

Pre-Transaction

\$344 MM

Post-Transaction

\$1,256 MM

We expect international contribution to represent a greater portion of our revenues in the future

US GOM

86%

West Africa

6%

India / Middle East

9%

India

1%

West Africa

2%

Latin America

14%

Inland US

25%

US GOM

56%

Middle East

1%

10	A Global Footprint with Significant Expansion Potential
	Mexico
	Jackup Rigs
2	
	Platform Rig
1	
	West Africa
	Jackup Rig
1	
	Liftboats

17
Middle East
Jackup Rig 1
Malaysia
(1)
Jackup Rig 1
U.S. Gulf Coast
Inland Barges
27
Land Rigs (TX)
2
Trinidad
Jackup Rig
1
Land Rig
1
(1)
Pro forma for TODCO s
announced THE 208 relocation.
(2)
Includes Hercules *Rig 26*, marketing internationally.
Brazil
Jackup Rig 1
Venezuela
Land Rigs
6
U.S. Gulf of Mexico
Jackup Rigs
25
Submersible 3
Liftboats
47
India
Jackup Rig 1
Global Summary
Liftboats
64
Jackup Rigs
33
Inland Barges
27
Land Rigs
9
Submersible 3
Platform Rigs
1
(2)

11
Fourth Largest Global Jackup Fleet
Current Global Jackup Landscape
Current
Gulf
of
Mexico
Jackup
Landscape
(1)
Source: ODS-Petrodata

(1)

Excludes rigs that have announced mobilization out of the GOM, including Hercules *Rig 26*

43

42

40

33

27

25

24

20

16

13

11

10

9

0

5

10

15

20

25

30

35

40

45

ESV

GSF

NE

PF

HERO

PDE

RIG

THE

RDC

NBR

DO

COSL

Nat'lHERO

Drilling

24

18

14

12

9

7

6

4

3

3

0

5
10
15
20
25
PF
HERO
THE
ESV
PDE
NBR
RDC
HERO
DO
Blake
GSF

12
A Leading Player in US Gulf Coast Inland Barges

Source:

Company estimates based on public information.

27

13

4

2

2

1

0

5

10

15

20

25

30

HERO

PKD

Axxis

Tetra

Coastal

NBR

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A Leading Provider of Liftboat Services

Current Gulf of Mexico Liftboat Landscape

Current West Africa Liftboat Landscape

Source:

Company estimates based on public information.

(1)

Denotes cold-stacked or abandoned vessels.

47

27

15

6
6
4
3
3
2
1
0
10
20
30
40
50
HERO
SPN
Aries
Montco
OL
Laredo
AMC
OMC
Seahorse
CS Liftboats
17
3
2
1
1
0
5
10
15
20
HERO
Zumax
(1)
Zukus
(1)
NV De Brandt
Shoreline

14
August
2005
Acquired
the *Whale*
Shark
liftboat
from
CS Liftboats
June
2005
Acquired *Rig 16*
from Transocean
and 17 liftboats

from Superior
Energy
October
2004
Acquired 22
liftboats from
Global Industries
August
2004
Acquired five
jackup rigs from
Parker Drilling
Successful integration of 12 asset acquisitions since formation

Integrated several large fleets, operations and employees

Opportunistic acquisition strategy
Focus on return on capital employed
Successful Acquisition Track Record

February

2006

Acquired *Rig 26*

from Aries

Offshore Partners

Ltd.

November

2005

Acquired seven

liftboats from

Danos & Curole

September

2005

Acquired *Rig 31*

from Hydrocarbon

Capital II LLC

June

2006

Acquired six

liftboats from

Laborde Marine

Lifts

November

2006

Acquired eight

liftboats and

assumed rights to

operate five

additional liftboats

from Halliburton

January

2005

Acquired *Rig 25*
from Parker Drilling
and
Rig
30
from
Porterhouse
Offshore, L.P.

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Stated Key Objectives

Past, Present, and Future

Grow the Company

Merger expedites growth initiative

Utilize critical mass and financial strength to enhance future growth

Quickly integrate and deploy newly acquired assets

Identify and implement operational best practices

Past successes of effectively integrating acquisitions

Maintain Financial Discipline

Pro forma debt level of 2.0x LTM EBITDA is within industry range

Use significant free cash to de-lever

Diversify asset base and geographic footprint

Leverage combined operational and management depth to continue and accelerate international expansion

Business Outlook

17
0
50
100
150
200
250

300
\$-
\$25
\$50
\$75
\$100
\$125
0
50
100
150
200
250
300
350
400
450
500
\$-
\$25
\$50
\$75
\$100
\$125
\$150
\$175
\$200

Source:

ODS-Petrodata. West Africa dayrates are used to approximate average market rates for worldwide jackup rigs.

Solid Backlog of Work Globally

Business visibility has increased substantially over the past six years, but has weakened considerably in the US Gulf of Mexico over the last several months

Current Worldwide Jackup Backlog

Current GOM Jackup Backlog

Jan 1999

187 Days

Feb 2007

459 Days

West Africa 300

IC

200

MC Jackups in GOM

Jan 2004

32 Days

Feb 2007

134 Days

18
Inland Barge Update
Largest operator in US Gulf Coast

72
total
barges
of
which
23
are

workover
only

Of 49 drilling barges, TODCO owns 27, Parker owns 14 (84% of supply)

TODCO holds excess supply with 17 operating and 10 cold stacked

Latest Contracted Dayrates

Rigs

Avg

High

-

Conventional <2000hp

1

\$30,800

\$30,800

Conventional

2000hp

2

32,500

35,300

Conventional 3000hp

3

45,800

60,500

Posted

2000hp

3

56,900

65,300

Posted

3000hp

8

46,400

62,100

17

\$45,600

\$57,400

(1)

TODCO fleet as of February 28, 2007

(1)

Marketed

19

Liftboat Update

Weather causing seasonal decline in utilization in the GOM

Liftboats cannot mobilize in seas greater than 5 ft.

As much as 15% of the fleet was waiting on weather at various times during January and February, but utilization improving in March