TODCO
Form 425
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UBS Leveraged Finance Conference
Filed by Hercules Offshore, Inc.
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Subject Company: TODCO
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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,
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estimate,
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plan,
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predict,
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acquisitions are forward-looking statements. These forward-looking statements are based on management s current plans, expectations, estimates, assumptions and beliefs concerning future events impacting Hercules Offshore, Inc. (Hercules) and therefore involve a number of risks and uncertainties, many of which are beyond management s control. These risks and uncertainties are further described in Hercules annual report on Form 10-K and its most recent periodic reports and other documents filed with the Securities and Exchange Commission which are available free of charge at the SEC s website at www.sec.gov or the company s website at www.herculesoffshore.com. 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.

2
$9.2
$10.8
$13.9
$24.0
$29.1
$33.7
$42.9
$47.3
$46.8
$24.9
$26.3
$28.2

$24.0
$27.0
$42.6
$54.3
$67.4
$63.7
1Q 05
2Q 05
3Q 05
4Q 05
1Q 06
2Q 06
3Q 06
4Q 06
1Q07
Liftboats
Drilling
$4.2
$4.6
$5.8
$11.7
$16.8
$20.7
$26.7
$24.5
21.7
$12.5
$12.6
$13.8
$11.3
$14.1
$26.8
$33.7
$44.0
40.2
1Q 05
2Q 05
3Q 05
4Q 05
1Q 06
2Q 06
3Q 06
4Q 06
1Q07
Liftboats
Drilling
Hercules Offshore Overview
Note: See Explanatory Information slide. Division Adjusted EBITDA does not include corporate G&A and other income/exp
Quarterly Revenue
Quarterly Adjusted EBITDA

($ in millions)
($ in millions)
Unique business mix within the oil services industry
Tremendous growth since inception in mid 2004
Experienced management team
Proven track record of strong return on capital

3
Pending TODCO Acquisition Highlights
On
March
19
th
,
Hercules
entered
into
a
definitive

agreement to acquire TODCO for $2.3 billion with
average per share consideration of:

0.979 Hercules shares ($1.3 billion in equity)

$16.00 in cash ($930 million in cash)
Cash portion to be 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 approval

Other customary closing conditions
Post-transaction Board of Directors to include
seven Hercules and three TODCO nominees

4

A Gulf of Mexico Leader. . . With Global Reach

A New Leader in Jackup Drilling

A Leader in Barge Drilling

A Leader in Liftboats

5
Creates Value for Stakeholders in Near and Long-term
Accretive to earnings and cash flow per share
Opportunity to enhance future returns with lower cost of capital
Diversifies Hercules
asset and customer base
1Q 07 pro forma trailing 12 month revenue of $1.4 billion and EBITDA of $630 million
Revenue
(1)
($mm)
EBITDA
(1)
($mm)

(1)
PF HERO represents Hercules plus TODCO financials per SEC filings, no accounting adjustments have been made.
$223
$630
0.0
250.0
500.0
750.0
HERO
PF HERO
$399
$1,369
0.0
500.0
1,000.0
1,500.0
HERO
PF HERO

6
Acquisition-related debt allows Hercules to optimize its capital structure
Enhanced credit quality due to increased scale and scope
Free cash flow expected to significantly exceed debt coverage needs
Pro Forma Capital Structure as of 3/31/07
Total Debt/Total Capitalization
Total
Debt
as
a
Multiple
of
LTM
EBITDA
(1)
(1)
For

comparison
purposes,
EBITDA
=
Revenue

Operating
Expenses

SG&A
Competitor
ratios
based
on
1Q07
reported
earnings.
1.7x
1.6x
1.4x
0.9x
0.6x
0.5x
0.4x
1.6x
0.0x
0.4x
0.8x
1.2x
1.6x
2.0x
RIG
PF
HERO
PDE
SPN
RDC
NE
GSF
DO
48%
34%
34%
33%
21%
19%
18%
12%
0.0%
20.0%

40.0%
60.0%
SPN
PF
HERO
RIG
PDE
RDC
NE
DO
GSF

7

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

8
Provides Asset Diversity
1Q 2007 Revenue Segmentation Analysis
Pre-Transaction
$110 MM
Post-Transaction
$352 MM
GOM Contract
Drilling
39%
Domestic
Liftboats
30%
International
Contract Drilling
19%
International
Liftboats
13%
Domestic

Liftboats
9%
Inland Barge
Drilling
18%
International
Contract
Drilling
20%
International
Liftboats
4%
GOM Contract
Drilling
42%
Delta Towing
6%

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1Q 2007 Geographic Revenue Analysis

Provides Geographic Diversity

Pre-Transaction

$110 MM

Post-Transaction

$352 MM

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

Middle East

6%

US GOM

68%

India

13%
West Africa
13%
US GOM, 58%
Inland US, 18%
Latin America,
13%
West Africa, 5%
India, 4%
Middle East, 2%

10
A Global Footprint with Significant Expansion Potential
(1)
Pro forma for TODCO s
announced THE 208 relocation.
(2)
Includes Hercules *Rig 26*, marketing internationally.
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
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
44
43
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
11
9
9
8
6
3
3
0
5
10
15
20
25
PF
HERO
THE
ESV
PDE
DO
NBR
RDC
HERO
Blake

GSF
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
and
Pride
Mississippi

12
A
Leading Player in US Gulf Coast Inland Barge Rigs
Source:
Company estimates based on public information.
27
13
4
2
2
1
0
5
10
15

20
25
30
PF
HERO
PKD
Axxis
Tetra
Coastal
NBR

13
A Leading Provider of Liftboat Services
Source:
Company estimates based on public information.
(1)
Denotes cold-stacked or abandoned vessels.
Current Gulf of Mexico Liftboat Landscape
Current West Africa Liftboat Landscape
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.	March 2007	Entered into a definitive merger agreement to acquire TODCO

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Transaction is Consistent With Hercules
Strategy
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 1.6x LTM EBITDA is within industry range
Diversify asset base and geographic footprint

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

Business Outlook

17
Strong Outlook for Oil Prices . . .
OPEC Surplus Capacity & Utilization
OPEC surplus capacity is minimal
Sustained upward pressure on prices
Encourages investment in projects previously considered uneconomic
Source: US DOE, EIA
Global Oil Production versus
Drilling & Completion Spending
Source: EIA, Spears & Associates
Production 10yr CAGR 1% Spending

10yr CAGR 15%
0
3
6
9
12
0%
3%
6%
9%
12%
15%
Excess
capacity
Capacity
Utilization
30
40
50
60
70
80
90
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
40
80
120
160
200
240
Production
Spending

18
. . . and for US Natural Gas
Decline Rates Are Rising
Production Rates Are Falling
An ever increasing number of wells are needed to maintain production
As a result of long term deliverability issues, gas storage is becoming a less important determinant of price
0.35
0.55
0.75
0.95
1.15
1.35
1.55
1997

1998
1999
2000
2001
2002
2003
2004
2005
2006E
2007E
Initial First Year Production per New Well
Source: EOG Resources, Raymond James
First Year US Gas Well Decline Rates
35.0%
40.0%
45.0%
50.0%
55.0%
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006E

19
Jackup Market has been Bifurcated Since Mid-2006
Jackup
Avail.
Supply
0
20
40
60
80
100
120

140
160
$0
$20
$40
$60
$80
$100
$120
Contracted
Stacked Ready
Dayrate
Contracted
GOM Jackup Market in a Trough
International Jackup Markets at Peak,
but Demand Remains Strong
Jackup
Avail.
Supply
0
20
40
60
80
100
120
140
160
180
$0
$20
$40
$60
$80
$100
$120
$140
$160
$180
$200
Contracted
Stacked Ready
Dayrate
Contracted
Dayrate
Dayrate
Current GOM demand for 62 jackups against marketed supply of 72 jackups,
leaving 10 rigs hot-stacked
International jackup utilization is still effectively at 100%
Source: ODS-Petrodata, Jefferies & Company

20
0
50
100
150
200
250
300
350
400

450
500
$-
$25
$50
$75
$100
$125
$150
$175
$200
0
50
100
150
200
250
300
$-
$25
$50
$75
$100
$125
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
Apr 2007
434 Days
West Africa 300
IC
200
MC Jackups in
GOM
Jan 2004
32 Days
Apr 2007
118 Days
Backlog
Dayrate

21
156
???
???
???
74
(4)
6
72
87
(15)
0
30
60
90

120
150
180
156
87
(15)
72
6
(4)
74
???
???
???
GOM Supply Continues Downward Trend
June 2001
Jackup
Supply
Less: Cold
Stacked/
Shipyard
(2)
Marketed
Supply
Less:
Jackups
Leaving
GOM
Plus:
Jackups in
Yard
(non-
contracted)
Visible
Marketed
Supply
Less: Future
Jackup
Deployments
Plus:
Newbuilds
Plus:
Reactivation
of Cold
Stacked (9)
Current
Jackup
Supply
(1)
(1) Excludes 1 GSF rig severely damaged in Hurricane Katrina
(2) Includes only rigs that are not contracted.

Source: ODS-Petrodata as of 5/4/07, and company disclosure.
Rigs Departing the GOM
Rig Name
Destination
Rig Name
Destination
Hercules 26
TBD
Ben Avon (Songa
Tellus)
West Africa
Mexico
Pride Mississippi
Rigs in Shipyard
Rig Name
Blake 202
Pride Wyoming
Hercules 26
Ensco 83
GSF Adriatic VII
Ben Rinnes
(Songa
Neptune)
West Africa
Ocean King

22
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
Average Backlog 122 days
(1)
TODCO fleet as of April 30, 2007 and Hercules estimates
Latest Contracted Dayrates
Marketed

Rigs
Working
Rigs
Avg
High
Conventional
<2000hp
1
1
32,000
$
32,000
$
Conventional
2000hp
2
2
35,000

35,000

Conventional
3000hp
3
2
38,500

42,000

Posted
2000hp
3
1
68,000

68,000

Posted
3000hp
8
8
47,500

58,000

17
14
44,786
$
51,286

$
(1)

23
Liftboat Update
Return to more typical seasonality in GOM

During 2006 demand was extremely robust given the hurricane repair work and operators were willing to pay for liftboats while waiting out the weather

Following a seasonal decline in utilization in the GOM during the winter months, utilization has rebounded significantly
GOM Dayrate outlook stable

Dayrates likely to remain flat during 2007
West Africa remains strong

Increased spot market prices by 30% during December

May mobilize additional vessels into West Africa

24
Hercules
Liftboat Fleet
Starfish
Class 140
Liftboat
Swordfish
Class 200
Liftboat
(1)
Within the liftboat industry, the terms leg-length and liftboat class are used interchangeably.
Note:
Utilization is defined as the total number of operating days in the period as a percentage of the total number of calendar days i

were actively marketed. Dayrates include reimbursements from customers under relevant contracts.
69%
Leg - Length /
Liftboat Class
(1)
Number of
Mar-06
Mar-07
Y-o-Y
2007
(Feet)
Vessels
Dayrate
Dayrate
% Change
Utilization
Gulf of Mexico
260'
1
$29,638
$33,514
13%
91%
230'
3
$23,579
28,269
20%
37%
190-215'
6
18,736
22,179
18%
83%
170'
2
NA
19,627
NA
18%
140-150'
6
8,583
10,293
20%
82%
120-130'
14
7,321

8,702
19%
62%
105'
15
5,669
7,136
26%
63%
Domestic Total
47
$10,040
$12,748
27%
65%
West Africa
All Vessels
17
$9,934
$11,485
16%
79%

25
Credit Highlights
Successful
History of
Growth
Leading Market
Position
Diversification
by Assets,
Geography, and
Customers
Experienced
Management

Team
Favorable
Industry
Fundamentals
Strong Financial
Profile

26
Explanatory Information
Adjusted
EBITDA
is
calculated
as
net
income
before
interest
expense,
taxes,
depreciation
and
amortization,
gain

on disposal of assets and loss on early retirement of debt. Adjusted EBITDA is included in this presentation because our management considers it an important supplemental measure of our performance and believes that it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry, some of which present EBITDA and Adjusted EBITDA when reporting their results. We regularly evaluate our performance as compared to other companies in our industry that have different financing and capital structures and/or tax rates by using Adjusted EBITDA. In addition, we utilize Adjusted EBITDA in evaluating acquisition targets. Management also believes that Adjusted EBITDA is a useful tool for measuring our ability to meet our future debt service, capital expenditures and working capital requirements, and Adjusted EBITDA is commonly used by us and our investors to measure our ability to service indebtedness. Adjusted EBITDA is not a substitute for the GAAP measures of earnings or of cash flow and is not necessarily a measure of our ability to fund our cash needs. In addition, it should be noted that companies calculate EBITDA and Adjusted EBITDA differently and, therefore, Adjusted EBITDA as presented for us may not be comparable to EBITDA and Adjusted EBITDA reported by other companies. Adjusted EBITDA has material limitations as a performance measure because it excludes interest expense, taxes, depreciation and amortization, gain on disposal of assets and loss on early retirement of debt. The following tables reconcile Adjusted EBITDA with net income.

Note: Reconciliations for Drilling and Liftboats do not include corporate adjustments.
EBITDA Reconciliation
($ in millions)
Drilling
Liftboats
1Q 05
2Q 05
Q3 05
4Q 05
1Q 06
2Q 06
3Q 06
4Q 06
1Q 07
1Q 05
2Q 05
Q3 05
4Q 05
1Q 06
2Q 06
3Q 06
4Q 06
1Q 07
Net Income
$9.5
$7.6
$10.5
$0.5
$25.6
$15.6
$19.1
$27.2
$25.7
$2.5
$1.5
$2.5
($1.6)
$7.5
$9.3
$12.6
$12.7
$7.8
Plus: Interest Expense
1.8
1.8
1.9
1.5
1.3
1.4
1.7

2.3
1.4
0.5
0.6
0.9
0.8
0.7
0.8
0.9
1.4
0.8
Plus: Income Tax Expense

6.9
15.1
7.5
10.5
10.0
9.3

8.9
4.4
5.5
7.6
4.7
5.3
Plus: Depreciation and Amortization
1.3
1.3
1.4
1.5
1.7
2.3
3.5
4.0
3.9
1.2
1.5
2.3
3.2
4.3
5.2
5.6
5.7
7.8
Plus: Loss on Early Retirement of Debt

1.8

0.8

0.9

0.5

Less: Gain on Disposal of Assets

29.6

1.1

Adjusted EBITDA
$12.5
$12.6
$13.8
$11.3
$14.1
$26.8
$33.7
$43.5
$40.2
$4.2
$4.6
$5.8

$11.7
$16.8
$20.7
$26.7
$24.5
$21.7

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Explanatory Information (cont.)

For comparison purposes we have calculated pro forma EBITDA combining Hercules Offshore and TODCO. EBITDA

is
calculated
as
total
revenues
less
direct
operating
expenses
less
general
&
administrative
expenses
not
including
depreciation
and
amortization.
The
pro
forma
represents
Hercules
plus
TODCO
financials
per
SEC
filings.
No
accounting
adjustments
have
been
made.
The
following
table
calculates
pro
forma
EBITDA.
Note: Reconciliations for Drilling and Liftboats do not include corporate adjustments.
Pro forma HERO EBITDA Calculation
($ in millions)
1Q 06
2Q 06
3Q 06
4Q 06

1Q 07
LTM
Hercules Revenue
$56.1
$76.3
$97.2
$114.7
$110.5
$398.7
TODCO Revenue
$183.6
$226.1
$242.3
$260.1
$241.9
$970.4
Pro forma Revenue
$239.7
$302.4
$339.5
$374.8
$352.4
$1,369.1
Hercules Operating Expense
21.9
26.3
33.2
42.7
41.5
143.7
TODCO Operating Expense
107.3
140.6
129.2
133.1
114.7
517.6
Less: Pro forma Operating Expenses
129.2
166.9
162.4
175.8
156.2
661.3
Hercules General & Administrative
6.6
6.6
7.2
9.4
9.2

32.4
TODCO General & Administrativ
9.7
10.7
10.8
10.1
13.3
44.9
Less: Pro forma G&A Expenses
16.3
17.3
18.0
19.5
22.5
77.3
Hercules EBITDA
27.6
43.4
56.8
62.5
59.8
222.6
TODCO EBITDA
66.6
74.8
102.3
116.9
113.9
407.9
PF HERO EBITDA
$94.2
$118.2
$159.1
$179.4
$173.7
$630.5

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Risk Factors
Risks with respect to the combination of Hercules Offshore and TODCO, as well as other recent and future acquisitions, include the risk that we will not be able to close the transaction, as well as difficulties in the integration of the operations and personnel of the acquired company, diversion of management's attention away from other business concerns, and the assumption of any undisclosed or other liabilities of the acquired company. We expect to incur substantial transaction and merger related costs associated with completing the merger with TODCO, obtaining regulatory approvals, combining the operations of the two companies and achieving desired synergies. Additional unanticipated costs may be incurred in the integration of the businesses of Hercules Offshore and TODCO. Expected benefits of the merger may not be achieved in the near term, or at all. Hercules Offshore will have a significant amount of additional debt as a result of the merger. This debt will require us to use cash flow to repay indebtedness, may have a material adverse effect on our financial health, and may limit our future operations and ability to borrow additional funds. For additional information regarding the risks associated with the TODCO acquisition, please read the risk factors section in the joint proxy statement/prospectus
included in Hercules Offshore s
registration statement on
Form S-4 (No. 333-142314)

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Important Information to be Filed

In connection with the TODCO acquisition, Hercules Offshore has filed with the SEC a registration statement on Form S-4 that contains a joint proxy statement/prospectus. Investors and security holders of Hercules Offshore and TODCO are urged to read the registration statement and definitive joint proxy statement/prospectus (if and when they become available) and any other relevant documents filed with the SEC, as well as any amendments or supplements to those documents, because they contain and will contain important information about Hercules Offshore, TODCO and the merger. A definitive joint proxy statement/prospectus will be sent to security holders of Hercules Offshore seeking their approval of the issuance of shares of common stock in the acquisition.
Investors and security holders may obtain these documents free of charge at the SEC's website at www.sec.gov.
In addition, the documents filed with the SEC by Hercules Offshore may be obtained free of charge from our website at www.herculesoffshore.com or by calling our investor relations department at (713) 979-9300. The documents filed with the SEC by TODCO may be obtained free of charge from TODCO's

website at www.theoffshoredrillingcompany.com or by calling TODCO's investor relations department at (713) 278-6000. Investors and security holders are urged to read the joint proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed merger.

Hercules Offshore, TODCO and their respective directors, and executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the participants in the solicitation is set for in the registration statement on Form S-4 and will be set forth in the joint proxy statement/prospectus when it becomes available.