

TODCO  
Form 425  
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Howard Weil Energy Conference  
Filed by Hercules Offshore, Inc.  
Pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934  
Subject Company: TODCO  
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1

#### 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

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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.



2

Unlocking Shareholder Value

A Gulf of Mexico leader. . . with global reach

A Leader in Liftboats

A Leader in Barge Drilling

A New Leader in Jackup Drilling

3  
Pending TODCO Acquisition 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

4

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

5

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

6

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

7

Provides Asset Diversity

4Q 2006 Revenue Segmentation Analysis

Pre-Transaction

\$115 MM

Post-Transaction

\$375 MM

GoM

Contract

Drilling

43%

Domestic

Liftboats

33%

International

Contract Drilling

16%  
International  
Liftboats  
8%  
Domestic Lift  
Boats  
10%  
Inland Barge  
Drilling  
18%  
International  
Contract Drilling  
18%  
International Lift  
Boats  
2%  
GOM Contract  
Drilling  
46%  
Delta Towing  
6%

8

4Q 2006 Geographic Revenue Analysis

Provides Geographic Diversity

Pre-Transaction

\$115 MM

Post-Transaction

\$375 MM

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

Middle East

6%



US GoM  
76%  
West Africa  
8%  
India  
10%  
India  
3%  
US GoM  
62%  
Inland US  
18%  
Latin America  
12%  
West Africa  
4%  
Middle East  
2%

9  
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)

10

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  
9  
8  
6  
3  
3  
0  
5  
10  
15  
20  
25

PF  
HERO  
THE  
ESV  
PDE  
DO  
NBR  
RDC  
HERO  
Blake  
GSF

11  
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



12

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

13

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

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

January  
2005

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

14

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



16  
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

200

MC Jackups in GOM

Jan 2004

32 Days

Feb 2007

134 Days

Jan 1999

187 Days

Feb 2007

459 Days

West Africa 300

IC

Backlog

Dayrate

17

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

18

Liftboat Update

Experienced seasonal decline in utilization in the GOM during the winter months

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

Return to more typical seasonality

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

GOM Dayrate outlook stable

Dayrates likely to remain flat into the first part of 2007  
West Africa remains strong

Increased spot market prices by 30% during December

May mobilize additional vessels into West Africa

19

Conclusions

Enhances position in Gulf of Mexico and increases operational flexibility

Provides asset and geographic diversity

Expands international footprint for future growth

Timely combination in a fragmented jackup market

Combines leaders in barge drilling and liftboats

Accretive to earnings and cash flow per share

Use significant free cash flow to de-lever

Appendix A  
Combined Fleet Details



21  
Combined Jackup Fleet  
Under Contract  
West Africa  
ILC 150  
THE 185  
Under Contract  
Trinidad  
MC 100  
THE 110  
Reactivating  
Mobilizing to SE Asia  
MC 200  
THE 208  
Under Contract  
Middle East  
ILC 170  
Rig 16  
Under Contract  
Mexico  
MC 200  
THE 206  
Shipyard  
Mexico  
MC 200  
THE 205  
Under Contract  
India  
MS 250  
Rig 31  
Under Contract  
Brazil  
ILC 150  
THE 156  
Under Contract  
US GOM  
MS 250  
THE 251  
Cold Stacked  
US GOM

MS 250  
THE 256  
Cold Stacked  
US GOM  
MS 250  
THE 255  
Cold Stacked  
US GOM  
MS 250  
THE 254  
Under Contract  
US GOM  
MS 250  
THE 253  
Under Contract  
US GOM  
MS 250  
THE 252  
Under Contract  
US GOM  
MS 250  
THE 250  
Under Contract  
US GOM  
MS 250  
Rig 30  
Under Contract  
US GOM  
MC 200  
THE 207  
Under Contract  
US GOM  
MC 200  
THE 204  
Under Contract  
US GOM  
MC 200  
THE 203  
Under Contract  
US GOM  
MC 200  
THE 202  
Shipyard  
US GOM  
MC 200  
THE 201  
Under Contract  
US GOM  
MC 200  
THE 200

Under Contract  
US GOM  
MC 200  
Rig 11  
Under Contract  
US GOM  
MC 173  
Rig 22  
Idle  
US GOM  
MC 150  
THE 153  
Under Contract  
US GOM  
MC 150  
THE 152  
Under Contract  
US GOM  
MC 120  
Rig 21  
Under Contract  
US GOM  
MC 100  
Rig 20  
Shipyard  
US GOM  
ILC 250  
Rig 26  
Cold Stacked  
US GOM  
ILC 160  
THE 191  
Cold Stacked  
US GOM  
ILC 150  
THE 155  
Under Contract  
US GOM  
ILC 150  
THE 150  
Under Contract  
US GOM  
ILS 85  
Rig 15  
Status as of  
2/28/07  
Region of Operation  
Vessel Class  
Asset Name

22  
Inland Barge Fleet  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 64  
Cold Stacked  
30,000  
Posted  
3,000 HP  
Rig 61  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 55  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 49  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 48  
Cold Stacked  
30,000  
Posted  
3,000 HP  
Rig 47  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 46  
Under Contract  
30,000  
Posted

3,000 HP  
Rig 41  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 27  
Under Contract  
30,000  
Posted  
3,000 HP  
Rig 17  
Under Contract  
25,000  
Posted  
3,000 HP  
Rig 57  
Under Contract  
25,000  
Posted  
2,000 HP  
Rig 52  
Cold Stacked  
25,000  
Posted  
2,000 HP  
Rig 10  
Under Contract  
25,000  
Posted  
2,000 HP  
Rig 09  
Cold Stacked  
25,000  
Posted  
2,000 HP  
Rig 07  
Cold Stacked  
30,000  
Conventional  
2,000 HP  
Rig 32  
Cold Stacked  
30,000  
Conventional  
3,000 HP  
Rig 31  
Cold Stacked  
30,000  
Conventional

3,000 HP  
Rig 30  
Under Contract  
30,000  
Conventional  
3,000 HP  
Rig 29  
Under Contract  
30,000  
Conventional  
3,000 HP  
Rig 28  
Under Contract  
30,000  
Conventional  
3,000 HP  
Rig 11  
Under Contract  
25,000  
Conventional  
3,000 HP  
Rig 15  
Under Contract  
20,000  
Conventional  
2,000 HP  
Rig 01  
Cold Stacked  
14,000  
Conventional  
2,000 HP  
Rig 23  
Cold Stacked  
15,000  
Conventional  
1,000 HP  
Rig 21  
Cold Stacked  
14,000  
Conventional  
1,000 HP  
Rig 20  
Under Contract  
14,000  
Conventional  
1,000 HP  
Rig 19  
Status  
as of 2/28/07  
Drilling Depth

Platform Type  
Vessel Class  
Asset Name

23  
Liftboat Fleet  
West Africa  
400,000  
215  
Blue Shark  
US GOM  
300,000  
140  
Rainbow Runner  
West Africa  
590,000  
170  
Oilfish  
US GOM  
300,000  
140  
Blue Runner  
West Africa  
200,000  
150  
Black Marlin  
US GOM  
150,000  
140  
Starfish  
West Africa  
200,000  
150  
F.J. Leleux  
US GOM  
150,000  
130  
Triggerfish  
West Africa  
200,000  
145  
Rudderfish  
US GOM



150,000  
130  
Albacore  
West Africa  
175,000  
145  
Pilotfish  
US GOM  
150,000  
130  
Stingray  
West Africa  
150,000  
130  
Scamp  
US GOM  
150,000  
130  
Sandshark  
West Africa  
100,000  
120  
Zoal  
Albrecht  
US GOM  
142,000  
130  
Mahi  
Mahi  
West Africa  
100,000  
120  
Tigerfish  
US GOM  
137,500  
130  
Sailfish  
West Africa  
100,000  
120  
Solefish  
US GOM  
130,000  
130  
Moray  
West Africa  
100,000  
120  
James Choat  
US GOM

110,000  
130  
Skipfish  
West Africa  
100,000  
120  
Durwood  
Speed  
US GOM  
100,000  
130  
Pompano  
West Africa  
100,000  
120  
Charlie Cobb  
US GOM  
150,000  
125  
Rockfish  
West Africa  
100,000  
105  
Tapertail  
US GOM  
150,000  
120  
Grouper  
West Africa  
100,000  
105  
Gemfish  
US GOM  
150,000  
120  
Gar  
West Africa  
90,000  
105  
Bonefish  
US GOM  
110,000  
120  
Tilapia  
West Africa  
72,000  
105  
Croaker  
US GOM  
110,000

120  
Sea Robin  
US GOM  
729,000  
260  
Whale Shark  
US GOM  
130,000  
105  
Pike  
US GOM  
1,000,000  
230  
Tigershark  
US GOM  
110,000  
105  
Jackfish  
US GOM  
500,000  
229  
Man-O-War  
US GOM  
110,000  
105  
Tarpon  
US GOM  
500,000  
229  
Kingfish  
US GOM  
110,000  
105  
Marlin  
US GOM  
500,000  
215  
Wahoo  
US GOM  
110,000  
105  
Herring  
US GOM  
500,000  
205  
Amberjack  
US GOM  
110,000  
105  
Dolphin

US GOM  
1,000,000  
200  
Bullshark  
US GOM  
110,000  
105  
Cobia  
US GOM  
798,000  
200  
Cutlassfish  
US GOM  
110,000  
105  
Carp  
US GOM  
798,000  
200  
Creole Fish  
US GOM  
110,000  
105  
Barracuda  
US GOM  
700,000  
190  
Swordfish  
US GOM  
100,000  
105  
Palometa  
US GOM  
654,000  
175  
Mako  
US GOM  
100,000  
105  
Sea Trout  
US GOM  
575,850  
175  
Leatherjack  
US GOM  
100,000  
105  
Seabream  
US GOM  
200,000

150  
Seabass  
US GOM  
100,000  
105  
Wolffish  
US GOM  
200,000  
150  
Manta Ray  
US GOM  
100,000  
105  
Remora  
US GOM  
150,000  
145  
Hammerhead  
US GOM  
100,000  
105  
Corina  
Operating  
Region  
Maximum  
Deck Load  
(pounds)  
Leg Length  
(feet)  
Asset Name  
Operating  
Region  
Maximum Deck  
Load (pounds)  
Leg Length  
(ft.)  
Asset Name

24  
Other Rigs  
Idle  
USA --  
Texas  
8,000  
900 HP  
Land  
Rig #27  
Reactivating  
USA --  
Texas  
6,500  
750 HP  
Land  
Rig #26  
Under Contract  
Venezuela  
35,000  
3,000 HP  
Land  
Cliffs #55  
Under Contract  
Venezuela  
30,000  
3,000 HP  
Land  
Cliffs #54  
Under Contract  
Venezuela  
25,000  
2,000 HP  
Land  
Cliffs #43  
Under Contract  
Venezuela  
25,000  
2,000 HP  
Land  
Cliffs #42

Under Contract  
Venezuela  
25,000  
2,000 HP  
Land  
Cliffs #40  
Warm Stacked  
Venezuela  
18,000  
2,000 HP  
Land  
Cliffs #37  
Under Contract  
Trinidad  
18,000  
2,000 HP  
Land  
Cliffs #36  
Under Contract  
Mexico  
25,000  
--  
Platform  
Platform 3  
Under Contract  
US GOM  
30,000  
--  
Submersible  
THE 78  
Under Contract  
US GOM  
30,000  
--  
Submersible  
THE 77  
Under Contract  
US GOM  
25,000  
--  
Submersible  
THE 75  
Status  
Region of Operation  
Drilling Depth  
Details  
Rig Type  
Asset Name

25  
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 measure of our ability to meet our future debt service, capital expenditures and working capital requirements, and Adjusted EBITDA is commonly used by our investors to measure our ability to service indebtedness. Adjusted EBITDA is not a substitute for the GAAP measures of earnings

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 of other companies. Adjusted EBITDA has material limitations as a performance measure because it excludes interest expense, taxes, depreciation, amortization, gain on disposal of assets and loss on early retirement of debt. The following tables reconcile Adjusted EBITDA to 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 05

2Q 05

Q3 05

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

Net Income

\$9.5

\$7.6

\$10.5

\$0.5

\$25.6

\$15.6

\$19.1

\$27.2

\$2.5

\$1.5

\$2.5

(\$1.6)

\$7.5

\$9.3

\$12.6

\$12.7

Plus: Interest Expense

1.8  
1.8  
1.9  
1.5  
1.3  
1.4  
1.7  
2.3  
0.5  
0.6  
0.9  
0.8  
0.7  
0.8  
0.9  
1.4  
Plus: Income Tax Expense

6.9  
15.1  
7.5  
10.5  
10.0

8.9  
4.4  
5.5  
7.6  
4.7  
Plus: Depreciation and Amortization  
1.3  
1.3  
1.4  
1.5  
1.7  
2.3  
3.5  
4.0  
1.2  
1.5  
2.3  
3.2  
4.3  
5.2  
5.6  
5.7

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

\$44.0

\$4.2

\$4.6

\$5.8

\$11.7

\$16.8

\$20.7

\$26.7

\$24.5

Company EBITDA Reconciliation

(\$ in millions)

Company

1Q 05

2Q 05

Q3 05

4Q 05

1Q 06

2Q 06

3Q 06

4Q 06

Net Income

\$11.4

\$8.2

\$10.1

(\$2.2)

\$30.9

\$22.9

\$29.7

\$35.5

Plus: Interest Expense

2.3

2.5

2.7

2.3

2.1

2.2

2.6

2.5

Plus: Income Tax Expense

15.4

18.6

12.3

17.4

16.1

Plus: Loss on Early Retirement of Debt

2.8

1.3

Less: Gain on Disposal of Assets

29.6

1.1

Adjusted EBIT

\$13.7

\$13.5

\$12.8

\$16.8

\$22.0

\$37.4

\$48.6

\$54.1

Plus: Depreciation and Amortization

2.5

2.9

3.8

4.7

5.9

7.6

9.1

9.7

Adjusted EDITDA

\$16.2

\$16.3

\$16.6

\$21.5

\$27.9

\$45.0

\$57.7

\$63.9

26

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.



27

Important Information to be Filed

Hercules Offshore will file materials relating to the proposed merger with the SEC, including a registration statement that will contain a joint proxy statement/prospectus. Investors and security holders of Hercules Offshore and TODCO are urged to read the 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 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](http://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](http://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](http://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 will be set forth in the joint proxy statement/prospectus when

it becomes available.

