

HERCULES OFFSHORE, INC.

Form 10-Q

August 01, 2013

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 0-51582

HERCULES OFFSHORE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

56-2542838

(I.R.S. Employer
Identification No.)

9 Greenway Plaza, Suite 2200

Houston, Texas

(Address of principal executive offices)

(713) 350-5100

(Registrant's telephone number, including area code)

77046

(Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value \$0.01 per share

Outstanding as of July 26, 2013

159,741,522

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

HERCULES OFFSHORE, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In thousands, except par value)

	June 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$40,658	\$259,193
Restricted Cash	2,027	2,027
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$607 and \$788 as of June 30, 2013 and December 31, 2012, Respectively	178,835	167,936
Prepays	39,105	16,135
Current Deferred Tax Asset	—	21,125
Assets Held for Sale	98,802	—
Other	22,968	12,191
	382,395	478,607
Property and Equipment, Net	1,744,548	1,462,755
Equity Investment	—	38,191
Other Assets, Net	28,151	37,077
	\$2,155,094	\$2,016,630
LIABILITIES AND EQUITY		
Current Liabilities:		
Short-term Debt and Current Portion of Long-term Debt	\$—	\$67,054
Accounts Payable	78,031	58,615
Accrued Liabilities	69,866	82,781
Interest Payable	17,085	17,367
Insurance Notes Payable	28,872	9,123
Other Current Liabilities	202,171	26,483
	396,025	261,423
Long-term Debt, Net of Current Portion	805,508	798,013
Deferred Income Taxes	13,182	56,821
Other Liabilities	23,108	17,611
Commitments and Contingencies		
Stockholders' Equity:		
Common Stock, \$0.01 Par Value; 300,000 Shares Authorized; 162,033 and 160,708 Shares Issued, Respectively; 159,678 and 158,628 Shares Outstanding, Respectively	1,620	1,607
Capital in Excess of Par Value	2,166,004	2,159,744
Treasury Stock, at Cost, 2,355 Shares and 2,080 Shares, Respectively	(54,972)	(53,100)
Retained Deficit	(1,217,688)	(1,225,489)
	894,964	882,762
Noncontrolling Interest	22,307	—
Total Equity	917,271	882,762
	\$2,155,094	\$2,016,630

The accompanying notes are an integral part of these financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended June		Six Months Ended June 30,	
	30, 2013	2012	2013	2012
Revenue	\$211,456	\$154,498	\$397,651	\$283,053
Costs and Expenses:				
Operating Expenses	118,857	100,602	232,811	197,547
Asset Impairment	—	47,523	—	47,523
Depreciation and Amortization	37,928	36,321	72,866	73,297
General and Administrative	21,421	5,724	40,537	22,869
	178,206	190,170	346,214	341,236
Operating Income (Loss)	33,250	(35,672)) 51,437	(58,183)
Other Income (Expense):				
Interest Expense	(18,040)) (18,627)) (35,135)) (36,612)
Loss on Extinguishment of Debt	—	(9,156)) —	(9,156)
Gain on Equity Investment	14,876	—		