UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2011

OR

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

For the transition period from to

Commission File Number: 001-33238

POWERSHARES DB AGRICULTURE FUND

(A Series of PowerShares DB Multi-Sector Commodity Trust)

(Exact name of Registrant as specified in its charter)

Delaware **(State or Other Jurisdiction of** **Incorporation or Organization)**	**87-0778078** **(I.R.S. Employer** **Identification No.)**
c/o DB Commodity Services LLC **60 Wall Street** **New York, New York** **(Address of Principal Executive Offices)**	**10005** **(Zip Code)**

Registrant s telephone number, including area code: (212) 250-5883

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 þ No ¨

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, an 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 þ 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 definition of accelerated filer, large accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer þ	Accelerated Filer ¨
Non-Accelerated Filer ¨ (Do not check if a smaller reporting company)	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 þ

Indicate the number of outstanding Shares as of March 31, 2011: 115,400,000 Shares.

Table of Contents

POWERSHARES DB AGRICULTURE FUND

(A SERIES OF POWERSHARES DB MULTI-SECTOR COMMODITY TRUST)

QUARTER ENDED MARCH 31, 2011

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

PowerShares DB Agriculture Fund

Statement of Financial Condition

March 31, 2011 (unaudited) and December 31, 2010

	March 31, 2011	December 31, 2010
Assets		
Equity in broker trading accounts:		
United States Treasury Obligations, at fair value (cost $3,627,473,966 and $2,386,667,824 respectively)	$ 3,627,730,558	$ 2,386,743,778
Cash held by broker	38,279,458	
Net unrealized appreciation (depreciation) on futures contracts	285,468,609	370,363,896
Deposits with broker	3,951,478,625	2,757,107,674
Receivable for shares issued	61,590,420	
Total assets	$ 4,013,069,045	$ 2,757,107,674
Liabilities		
Payable to broker	$	$ 42,559,235
Payable for securities purchased	60,987,038	
Management fee payable	2,724,824	1,833,438
Brokerage fee payable	560,682	5,793
Total liabilities	64,272,544	44,398,466
Commitments and Contingencies (Note 9)		
Equity		
Shareholders equity		
General shares:		
Paid in capital 40 shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively	1,000	1,000
Accumulated earnings (deficit)	369	295
Total General shares	1,369	1,295
Shares:		
Paid in capital 115,400,000 and 83,800,000 redeemable Shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively	3,673,263,842	2,601,330,830
Accumulated earnings (deficit)	275,531,290	111,377,083
Total Shares	3,948,795,132	2,712,707,913

Total shareholders equity	3,948,796,501	2,712,709,208
Total liabilities and equity	$ 4,013,069,045	$ 2,757,107,674
Net asset value per share		
General shares	$ 34.23	$ 32.38
Shares	$ 34.22	$ 32.37

See accompanying notes to unaudited financial statements.

Table of Contents

PowerShares DB Agriculture Fund

Unaudited Schedule of Investments

March 31, 2011

Description	Percentage of Net Assets	Fair Value	Face Value
United States Treasury Obligations			
U.S. Treasury Bills, 0.07% due April 7, 2011	18.67%	$ 736,997,789	$ 737,000,000
U.S. Treasury Bills, 0.23% due April 14, 2011	6.86	270,997,019	271,000,000
U.S. Treasury Bills, 0.075% due April 21, 2011	2.45	96,897,965	96,900,000
U.S. Treasury Bills, 0.045% due April 28, 2011	11.02	434,986,080	435,000,000
U.S. Treasury Bills, 0.15% due May 5, 2011	15.09	595,979,140	596,000,000
U.S. Treasury Bills, 0.15% due May 12, 2011	11.24	443,982,240	444,000,000
U.S. Treasury Bills, 0.055% due May 19, 2011	5.14	202,988,632	203,000,000
U.S. Treasury Bills, 0.11% due May 26, 2011	7.19	283,981,824	284,000,000
U.S. Treasury Bills, 0.145% due June 2, 2011	3.62	142,985,271	143,000,000
U.S. Treasury Bills, 0.11% due June 9, 2011	1.55	60,992,985	61,000,000
U.S. Treasury Bills, 0.09% due June 16, 2011	4.89	192,973,559	193,000,000
U.S. Treasury Bills, 0.095% due June 23, 2011	1.57	61,988,964	62,000,000
U.S. Treasury Bills, 0.10% due June 30, 2011	2.58	101,979,090	102,000,000
Total United States Treasury Obligations (cost $3,627,473,966)	91.87%	$ 3,627,730,558	

A portion of the above United States Treasury Obligations are held as initial margin against open futures contracts, as described in Note 4(e).

Description	Percentage of Net Assets	Fair Value
Unrealized Appreciation/(Depreciation) on Futures Contracts		
Cocoa (13,769 contracts, settlement date May 13, 2011)	(1.24)%	$ (49,074,930)
Coffee (4,909 contracts, settlement date May 18, 2011)	0.43	16,911,656
Corn (5,004 contracts, settlement date March 14, 2012)	0.16	6,408,313
Corn (7,948 contracts, settlement date December 12, 2011)	0.71	28,131,238
Cotton (1,398 contracts, settlement date May 06, 2011)	0.44	17,250,540
Feeder Cattle (1,599 contracts, settlement date May 26, 2011)	0.18	7,167,913
Feeder Cattle (932 contracts, settlement date August 25, 2011)	0.07	2,769,613
Lean Hogs (4,095 contracts, settlement date July 15, 2011)	0.14	5,562,320
Lean Hogs (4,099 contracts, settlement date June 14, 2011)	0.30	11,779,920
Live Cattle (4,779 contracts, settlement date August 31, 2011)	0.24	9,416,200
Live Cattle (5,399 contracts, settlement date June 30, 2011)	0.48	18,911,160
Red Wheat (2,034 contracts, settlement date July 14, 2011)	0.10	3,873,750
Red Wheat (293 contracts, settlement date December 14, 2011)	0.01	405,313
Soybean Meal (2,441 contracts, settlement date December 14, 2011)	0.09	3,760,720
Soybean Oil (2,608 contracts, settlement date December 14, 2011)	0.06	2,426,982
Soybeans (3,826 contracts, settlement date November 14, 2011)	1.45	57,341,000
Soybeans (2,060 contracts, settlement date January 13, 2012)	0.44	17,449,088
Sugar (14,955 contracts, settlement date June 30, 2011)	1.32	52,200,154
Wheat (2,086 contracts, settlement date June 30, 2011)	0.46	18,110,025
Wheat (625 contracts, settlement date December 14, 2011)	0.03	1,033,813
Wheat KCB (4,999 contracts, settlement date July 14, 2011)	1.34	52,965,850
Wheat KCB (323 contracts, settlement date December 14, 2011)	0.02	667,971

Net Unrealized Appreciation on Futures Contracts	7.23%	$ 285,468,609

Net unrealized appreciation is comprised of unrealized gains of $356,630,635 and unrealized losses of $71,162,026.

See accompanying notes to unaudited financial statements.

Table of Contents

PowerShares DB Agriculture Fund

Schedule of Investments

December 31, 2010

Description	Percentage of Net Assets	Fair Value	Face Value
United States Treasury Obligations			
U.S. Treasury Bills, 0.08% due January 6, 2011	28.16%	$ 763,998,472	$ 764,000,000
U.S. Treasury Bills, 0.085% due January 13, 2011	4.17	112,998,983	113,000,000
U.S. Treasury Bills, 0.07% due January 20, 2011	3.09	83,898,322	83,900,000
U.S. Treasury Bills, 0.065% due January 27, 2011	13.01	352,986,939	353,000,000
U.S. Treasury Bills, 0.125% due February 3, 2011	14.12	382,971,275	383,000,000
U.S. Treasury Bills, 0.125% due February 10, 2011	9.47	256,975,071	257,000,000
U.S. Treasury Bills, 0.13% due February 17, 2011	2.87	77,989,236	78,000,000
U.S. Treasury Bills, 0.12% due February 24, 2011	3.91	105,982,828	106,000,000
U.S. Treasury Bills, 0.175% due March 3, 2011	1.70	45,990,800	46,000,000
U.S. Treasury Bills, 0.145% due March 10, 2011	2.25	60,986,580	61,000,000
U.S. Treasury Bills, 0.14% due March 17, 2011	3.61	97,978,146	98,000,000
U.S. Treasury Bills, 0.13% due March 24, 2011	0.33	8,997,696	9,000,000
U.S. Treasury Bills, 0.18% due March 31, 2011	1.29	34,989,430	35,000,000
Total United States Treasury Obligations (cost $2,386,667,824)	87.98%	2,386,743,778	

A portion of the above United States Treasury Obligations are held as initial margin against open futures contracts, as described in Note 4(e).

Description	Percentage of Net Assets	Fair Value
Unrealized Appreciation on Futures Contracts		
Feeder Cattle (1,599 contracts, settlement date March 31, 2011)	0.16%	$ 4,270,313
Feeder Cattle (291 contracts, settlement date April 21, 2011)	0.02	640,600
Cocoa (10,034 contracts, settlement date March 16, 2011)	0.77	21,015,810
Coffee (3,592 contracts, settlement date March 21, 2011)	1.66	45,019,444
Corn (3,964 contracts, settlement date March 14, 2011)	1.28	34,800,787
Corn (7,092 contracts, settlement date December 14, 2011)	0.17	4,594,000
Cotton (1,002 contracts, settlement date March 9, 2011)	0.14	3,855,495
Lean Hogs (4,099 contracts, settlement date February 14, 2011)	0.29	7,832,820
Lean Hogs (2,926 contracts, settlement date April 14, 2011)	0.19	5,155,170
Live Cattle (5,399 contracts, settlement date February 28, 2011)	0.55	14,884,290
Live Cattle (2,316 contracts, settlement date April 29, 2011)	0.18	4,759,920
Red Wheat (1,496 contracts, settlement date July 14, 2011)	0.25	6,855,650
Soybeans (3,415 contracts, settlement date November 14, 2011)	1.53	41,628,862
Soybeans (1,834 contracts, settlement date January 13, 2012)	0.33	8,943,862
Sugar (10,859 contracts, settlement date June 30, 2011)	3.47	94,006,797
Wheat (1,781 contracts, settlement date July 14, 2011)	0.81	21,894,975
Wheat (534 contracts, settlement date December 14, 2011)	0.03	899,063
Wheat KCB (3,871 contracts, settlement date July 14, 2011)	1.82	49,306,038
Net Unrealized Appreciation on Futures Contracts	13.65%	$ 370,363,896

Net unrealized appreciation is comprised of unrealized gains of $371,840,229 and unrealized losses of $1,476,333.

See accompanying notes to unaudited financial statements.

3

Table of Contents

PowerShares DB Agriculture Fund

Unaudited Statement of Income and Expenses

For the Three Months Ended March 31, 2011 and 2010

	Three Months Ended	
	March 31, 2011	March 31, 2010
Income		
Interest Income	$ 1,070,615	$ 372,617
Expenses		
Management Fee	7,091,062	5,235,667
Brokerage Commissions and Fees	1,169,788	452,431
Total Expenses	8,260,850	5,688,098
Net investment income (loss)	(7,190,235)	(5,315,481)
Net Realized and Net Change in Unrealized Gain (Loss) on United States Treasury Obligations, Futures and Foreign Currency Translation		
Net Realized Gain (Loss) on		
United States Treasury Obligations	23,885	898
Futures	256,035,280	(41,441,493)
Foreign Currency Translation		(63,481)
Net realized gain (loss)	256,059,165	(41,504,076)
Net Change in Unrealized Gain (Loss) on		
United States Treasury Obligations	180,638	(99,696)
Futures	(84,895,287)	(173,067,134)
Foreign Currency Translation		217
Net change in unrealized gain (loss)	(84,714,649)	(173,166,613)
Net realized and net change in unrealized gain (loss) on United States Treasury Obligations, Futures and Foreign Currency Translation	171,344,516	(214,670,689)
Net Income (Loss)	$ 164,154,281	$ (219,986,170)
Less: net income (loss) attributed to the non-controlling interest in subsidiary - related party		88
Net Income (Loss) Attributable to PowerShares DB Agriculture Fund	$ 164,154,281	$ (219,986,082)

See accompanying notes to unaudited financial statements.

Table of Contents

PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders Equity

For the Three Months Ended March 31, 2011

	General Shares				Shares				
	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Shares	Paid in Capital	Accumulated Earnings (Deficit)	Total Equity	Total Shareholders Equity
Balance at January 1, 2011	40	$ 1,000	$ 295	$ 1,295	83,800,000	$ 2,601,330,830	$ 111,377,083	$ 2,712,707,913	$ 2,712,709,208
Sale of Shares					44,200,000	1,506,219,118		1,506,219,118	1,506,219,118
Redemption of Shares					(12,600,000)	(434,286,106)		(434,286,106)	(434,286,106)
Net Income (Loss)									
Net investment income (loss)			(3)	(3)			(7,190,232)	(7,190,232)	(7,190,235)
Net realized gain (loss) on United States Treasury Obligations and Futures			115	115			256,059,050	256,059,050	256,059,165
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			(38)	(38)			(84,714,611)	(84,714,611)	(84,714,649)
Net Income (Loss)			74	74			164,154,207	164,154,207	164,154,281
Balance at March 31, 2011	40	$ 1,000	$ 369	$ 1,369	115,400,000	$ 3,673,263,842	$ 275,531,290	$ 3,948,795,132	$ 3,948,796,501

See accompanying notes to unaudited financial statements.

Table of Contents

PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders Equity

For the Three Months Ended March 31, 2010

	General Shares				Shares						
	Shares	**Paid in Capital**	**Accumulated Earnings (Deficit)**	**Total Equity**	**Shares**	**Paid in Capital**	**Accumulated Earnings (Deficit)**	**Total Equity**	**Total Shareholders Equity**	**Non-controlling Interest**	**Total Equity**
Balance at January 1, 2010	40	$ 1,000	$ 57	$ 1,057	95,200,000	$ 2,798,734,352	$ (283,034,627)	$ 2,515,699,725	$ 2,515,700,782	$ 1,057	$ 2,515,701,839
Sale of Shares					10,800,000	283,303,252		283,303,252	283,303,252		283,303,252
Redemption of Shares					(9,800,000)	(247,834,942)		(247,834,942)	(247,834,942)		(247,834,942)
Net Income (Loss)											
Net investment income (loss)			(2)	(2)			(5,315,477)	(5,315,477)	(5,315,479)	(2)	(5,315,481)
Net realized gain (loss) on United States Treasury Obligations and Futures			(16)	(16)			(41,504,044)	(41,504,044)	(41,504,060)	(16)	(41,504,076)
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			(70)	(70)			(173,166,473)	(173,166,473)	(173,166,543)	(70)	(173,166,613)
Net Income (Loss)			(88)	(88)			(219,985,994)	(219,985,994)	(219,986,082)	(88)	(219,986,170)
Balance at March 31, 2010	40	$ 1,000	$ (31)	$ 969	96,200,000	$ 2,834,202,662	$ (503,020,621)	$ 2,331,182,041	$ 2,331,183,010	$ 969	$ 2,331,183,979

See accompanying notes to unaudited financial statements.

6

Table of Contents

PowerShares DB Agriculture Fund

Unaudited Statement of Cash Flows

For the Three Months Ended March 31, 2011 and 2010

	Three Months Ended	
	March 31, 2011	March 31, 2010
Cash flows from operating activities:		
Net Income (Loss)	$ 164,154,281	$ (219,986,170)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Cost of securities purchased		

	Three Months Ended March 31,	
	2007	2006
Stock-based compensation expense	$ 1,745	$ 1,238
Interest income	6,008	3,112

Table of Contents

The following table provides detailed components of net income for the three months ended March 31, 2007 and 2006, respectively (in thousands, except for percentage changes).

	Three Months Ended March 31,		Increase (Decrease)	
	2007	2006	$ Change	% Change
Revenues:				
Offshore supply vessels				
Domestic	$ 36,003	$ 33,314	$ 2,689	8.1%
Foreign	5,140	5,186	(46)	(0.9)
	41,143	38,500	2,643	6.9
Tugs and tank barges				
Domestic	24,371	20,611	3,760	18.2
Foreign (1)	2,577	1,945	632	32.5
	26,948	22,556	4,392	19.5
Total	$ 68,091	$ 61,056	$ 7,035	11.5%
Operating expenses:				
Offshore supply vessels	$ 15,324	$ 12,750	$ 2,574	20.2%
Tugs and tank barges	11,779	9,429	2,350	24.9
	$ 27,103	$ 22,179	$ 4,924	22.2%
Depreciation and amortization:				
Offshore supply vessels	$ 3,753	$ 4,072	$ (319)	(7.8)%
Tugs and tank barges	3,434	3,417	17	0.5
Total	$ 7,187	$ 7,489	$ (302)	(4.0)%
General and administrative expenses				
Offshore supply vessels	$ 3,714	$ 3,196	$ 518	16.2%
Tugs and tank barges	3,733	3,644	89	2.4
Total	$ 7,447	$ 6,840	$ 607	8.9%
Gain (loss) on sale of assets:				
Offshore supply vessels	$ (10)	$	$ (10)	(100.0)%
Tugs and tank barges		1	(1)	(100.0)
Total	$ (10)	$ 1	$ (11)	n/a
Operating income:				
Offshore supply vessels	$ 18,342	$ 18,482	$ (140)	(0.8)%
Tugs and tank barges	8,002	6,067	1,935	31.9

Total	$ 26,344	$ 24,549	$ 1,795	7.3%
Interest expense	$ 4,905	$ 4,353	$ 552	12.7%
Interest income	$ 6,008	$ 3,112	$ 2,896	93.1%
Income tax expense	$ 9,967	$ 8,466	$ 1,501	17.7%
Net income	$ 17,485	$ 14,851	$ 2,634	17.7%

(1) Included are amounts applicable to our TTB operations in Puerto Rico. Puerto Rico is considered a possession of the United States and, therefore, the Jones Act and U.S. environmental laws and regulations apply to vessels operating in Puerto Rican waters.

Table of Contents

Three Months Ended March 31, 2007 Compared to Three Months Ended March 31, 2006

Revenues. Revenues for the three months ended March 31, 2007 were higher than the same period in 2006 due primarily to continued strong market conditions in each of our two business segments. Our average operating fleet was approximately 57 vessels at the end of the 2007 and 2006 periods.

Revenues from our OSV segment were 6.9% higher for the three months ended March 31, 2007 compared to the same period in 2006, due primarily to fleetwide effective dayrates being roughly $1,100 higher for the 2007 period. Our OSV average dayrate was $19,073 for the first quarter of 2007 compared to $18,175 for the same period in 2006, an increase of $898 or 4.9%. Our utilization rate was 91.5% for the first quarter of 2007 compared to 90.0% for the same period in 2006. Domestic revenues for our OSV segment for the first quarter of 2007 increased 8.1% compared to the same period in 2006. Foreign revenues for our OSV segment for the first quarter of 2007 were consistent with the same period in 2006 as we had the same vessel complement working in foreign waters during the first quarters of 2006 and 2007.

Revenues from our TTB segment increased 19.5% for the three months ended March 31, 2007 compared to the same period in 2006, due to higher market-driven dayrates, our shift in contract mix from COAs to time charters and a full-quarter contribution from a previously retired single-hulled tank barge that was placed back into service in October 2006. Our tank barge average dayrate was $17,680 for the three months ended March 31, 2007, an increase of $2,909, or 19.7%, from $14,771 for the same period in 2006. Our tank barge utilization was 94.2% for the three months ended March 31, 2007 compared to 93.7% for the same period in 2006.

Operating Expenses. Operating expenses for the three months ended March 31, 2007 increased 22.2% compared to the same period in 2006, due primarily to higher costs related to vessel personnel and in-chartering third-party equipment. We currently expect daily operating costs for existing vessels in each of our operating segments to increase approximately 20% to 25% in 2007 over 2006 levels.

Operating expenses for our OSV segment increased 20.2% for the three months ended March 31, 2007 compared to the same period in 2006, primarily due to market-driven wage increases for OSV mariners in the latter half of 2006, FAS 123R stock-based compensation related to restricted stock awards granted to mariners during the second quarter of 2006 and first quarter of 2007 and an increased cost of operating our shore-based facility.

Operating expenses for our TTB segment increased 24.9% for the three months ended March 31, 2007 compared to the same period in 2006, primarily as a result of market-driven wage increases for TTB mariners, FAS123R stock-based compensation related to restricted stock awards granted to mariners during the second quarter of 2006 and first quarter of 2007, the increased cost of in-chartered third-party tugs to fulfill time charter requirements and higher insurance costs. These cost increases were offset, in part, by lower fuel costs during the three months ended March 31, 2007 due to a shift in contract mix from COAs to time charters. Under time charter arrangements, the charterer is typically responsible for fuel costs. Average daily operating expense for the TTB segment is also expected to increase in 2007 commensurate with the delivery of three 60,000-barrel double-hulled tank barges and

Table of Contents

four retrofitted ocean-going tugs that are expected to be placed in service on various dates throughout 2007.

Depreciation and Amortization. Depreciation and amortization was $0.3 million lower for the three months ended March 31, 2007 compared to the same period in 2006. As of January 1, 2007, we have prospectively modified our assumptions for estimated salvage values for our vessels. The salvage values are now estimated to range between 5% and 25% of the original recorded cost, depending on vessel type. As this represents a change in estimate, we expect our depreciation expense for vessels that were in service as of January 1, 2007, as well as for vessels placed in service after that date, to be lower for the remaining estimated useful life of such assets based on the change in our estimated salvage values. This decrease in depreciation expense was partially offset by a an increase in amortization expense. Amortization expenses were higher due to increased drydockings and drydocking costs. Our drydocking costs were unfavorably impacted during the first quarter of 2007 by reduced shipyard availability, shipyard labor shortages and an increase in the number of our vessels that incurred their first 30 or 60 month regulatory drydocking. Depreciation and amortization expense is expected to increase from current levels when the vessels under our current newbuild and conversion programs are placed in service and when these and any other recently acquired and newly constructed vessels undergo their initial 30 and 60 month recertifications.

General and Administrative Expense. General and administrative expenses increased $0.6 million for the three months ended March 31, 2007 compared to the same period in 2006. The increase in general and administrative expense is primarily due to higher personnel costs, insurance costs and an increase in FAS 123R stock-based compensation expense related to restricted stock awards granted to shore-based employees. Our general and administrative expenses, inclusive of FAS123R expenses, are expected to increase approximately 20% to 25% in 2007 over 2006 levels, but are still expected to remain approximately 10% to 12% of revenues.

Operating Income. Operating income increased by 7.3%, or $1.8 million, to $26.3 million for the first quarter of 2007 due to the reasons discussed above. Operating income as a percentage of revenues for our OSV segment was 44.6% for the three months ended March 31, 2007, compared to 48.0% for the same period in 2006. The primary drivers for this margin decrease relates to a higher allocable portion of general and administrative expenses and, to a lesser extent, increased activity at our OSV shore-based facility. Operating income as a percentage of revenues for our TTB segment was 29.7% for the three months ended March 31, 2007, compared to 26.9% for the same period in 2006. This margin increase was primarily related to the shift in our TTB contract mix from COAs to time charters.

Interest Expense. Interest expense increased $0.6 million for the three months ended March 31, 2007 compared to the same period in 2006, primarily as a result of the November 2006 issuance of $250.0 million of 1.625% convertible senior notes. The increase in interest expense was partially offset by a $0.8 million increase in capitalized interest during the first quarter of 2007 compared to the same period in 2006. The increase in capitalized interest resulted from higher newbuild construction and conversion activity during the 2007 period. See   Liquidity and Capital Resources   for further discussion.

Interest Income. Interest income increased $2.9 million for the three months ended March 31, 2007 primarily due to higher interest rates on larger invested cash balances. Our cash balances were driven higher by the contribution of $156.6 million in net proceeds received from the November 2006 convertible senior notes offering and concurrent hedge transactions. Our average cash balance for the three months ended March 31, 2007 was $462.3 million compared to $279.6 million for the same period in 2006. Our average interest rate earned on invested cash during the first quarter of 2007 was approximately 5.2% compared to approximately 4.4% in the first quarter of 2006.

Income Tax Expense. Our effective tax rate was 36.3% for each of the three months ended March 31, 2007 and 2006, respectively. Our income tax expense primarily consists of deferred taxes due to our federal tax net operating loss carryforwards. Our income tax rate is higher than the federal statutory rate, due primarily to expected state and foreign tax liabilities and items not deductible for federal income tax purposes.

Net Income. Net income increased by 17.7%, or $2.6 million, to $17.5 million for the first quarter of 2007 primarily due to the growth in operating income and net interest income for the reasons discussed above.

Liquidity and Capital Resources

Our capital requirements have historically been financed with cash flows from operations, proceeds from issuances of our debt and common equity securities, and borrowings under our credit facilities. We require capital to fund on-going operations, vessel construction, retrofit or conversion, acquisitions, vessel recertifications, discretionary capital expenditures and debt service. The nature of our capital requirements and the types of our financing sources are not expected to change significantly during 2007.

On September 27, 2006, we entered into a new senior secured revolving credit facility with an increased current borrowing base of $100.0 million and an accordion feature that allows for an increase in the size of the facility to an aggregate of $250.0 million in certain circumstances. The new senior secured revolving credit facility replaced our prior revolving credit facility. The new facility has a maturity date of September 27, 2011. As of March 31, 2007, we had no amounts drawn and $100.0 million of credit immediately available under such new revolving credit facility.

We have historically made, and may make additional, short-term draws on our revolving credit facility from time to time to satisfy scheduled capital expenditure requirements or for other corporate purposes. Any liquidity in excess of our planned capital expenditures will be utilized to repay debt or finance the implementation of our growth strategy, which includes expanding our fleet through the construction of new vessels, conversion or retrofit of existing vessels or acquisition of additional vessels, including OSVs, MPSVs, AHTS vessels, fast supply vessels, ocean-going tugs, tank barges and tankers, as needed to take advantage of the market demand for such vessels.

We believe that our current working capital, projected cash flows from operations and available capacity under our revolving credit facility, will be sufficient to meet our cash requirements for the foreseeable future and will fund our previously announced vessel

Table of Contents

newbuild and conversion programs, including the expansion of such programs announced since their commencement. Although we expect to continue generating positive working capital through our operations, events beyond our control, such as declines in expenditures for exploration, development and production activity, mild winter conditions or a reduction in domestic consumption of refined petroleum products, may affect our financial condition or results of operations. Depending on the market demand for OSVs, tugs and tank barges and other growth opportunities that may arise, we may require additional debt or equity financing.

Construction costs related to our MPSV program, our fourth OSV newbuild program and our second TTB newbuild program will be funded, in part, with cash on hand, including a portion of the net proceeds from our October 2005 common stock offering and concurrent senior note offering, our November 2006 convertible senior note offering and concurrent hedge transactions and projected cash flows from operations.

Cash Flows

Operating Activities. We rely primarily on cash flows from operations to provide working capital for current and future operations. Cash flows from operating activities were $31.0 million for the three months ended March 31, 2007 and $27.9 million for the three months ended March 31, 2006. The increase in operating cash flows from the first quarter of 2006 was primarily due to increased effective dayrates in both of our business segments.

Investing Activities. Net cash used in investing activities was $54.8 million for the three months ended March 31, 2007 and $12.3 million for the three months ended March 31, 2006. Cash utilized in the first quarter of 2007 primarily consisted of construction costs incurred for our MPSV program, our fourth OSV newbuild program, and our second TTB newbuild program. Cash utilized in the first quarter of 2006 primarily consisted of construction costs incurred for our first TTB newbuild program, our MPSV program and our fourth OSV newbuild program. Investing activities for the remainder of 2007 are anticipated to include costs related to our current newbuild and conversion programs, retrofit and construction of additional vessels, additional acquisitions and other capital expenditures, including discretionary vessel modifications and corporate projects.

Financing Activities. Net cash used in financing activities was $0.1 million for the three months ended March 31, 2007 and net cash provided by financing activities was $0.1 million for the three months ended March 31, 2006. Net cash used in financing activities for the first quarter of 2007 resulted from the net effect of financing costs related to the November 2006 convertible senior note offering and the accompanying convertible note hedge, warrant sale, and stock repurchase transactions and the net proceeds from common stock issued under employee benefit programs. Net cash provided by financing activities for the first quarter of 2006 resulted from cash proceeds generated from stock option exercises.

Contractual Obligations

Debt

As of March 31, 2007, we had total debt of $549.5 million, net of original issue discount. Our debt is comprised of $299.5 million of our 6.125% senior notes due 2014 and $250.0 million of our 1.625% convertible senior notes due 2026. The effective interest rate on the

Table of Contents

senior notes is 6.38% with semi-annual cash interest payments of $9.2 million due and payable each June 1 and December 1. The convertible senior notes currently bear interest at an annual rate of 1.625% with semi-annual cash interest payments of $2.0 million due and payable each May 15 and November 15, with the first interest payment due and payable on May 15, 2007. Beginning on November 15, 2013, the annual rate declines to 1.375% resulting in semi-annual cash interest payments of $1.7 million. We also have a new senior secured revolving credit facility due September 2011 with an increased current borrowing base of $100.0 million and an accordion feature that allows for an increase in the size of the facility to an aggregate of $250.0 million in certain circumstances. As of March 31, 2007, we had no amounts drawn and $100.0 million of credit immediately available under such new revolving credit facility.

Capital Expenditures and Related Commitments

The following table sets forth the amounts incurred, before construction period interest, during the three months ended March 31, 2007 and since each program s inception, respectively, as well as the estimated total project costs for each of our current expansion programs (in millions):

	Three Months Ended March 31, 2007	Incurred Since Inception	Estimated Program Totals (1)	Projected Delivery Dates (1)
Growth Capital Expenditures:				
MPSV program (2)	$ 29.0	$ 68.2	$ 260.0	1Q2008-3Q2009
OSV newbuild program #4 (3)	8.4	30.5	305.0	1Q2008-1Q2010
TTB newbuild program #2 (4)	15.3	34.7	70.0	3Q2007-4Q2007
Total:	$ 52.7	$ 133.4	$ 635.0	

(1) Estimated Program Totals and Projected Delivery Dates are based on internal estimates and are subject to change due to delays and possible cost overruns inherent in any large construction project, including shortages of equipment, lack of shipyard availability, unforeseen engineering problems, work stoppages, weather interference, unanticipated cost increases, inability to obtain necessary certifications and approvals and shortages of materials, component equipment or skilled labor. All of the above historical and budgeted capital expenditure project amounts for our active and pending newbuild and conversion programs represent estimated cash outlays and do not include any allocation of capitalized construction period interest. Projected delivery dates correspond to pending vessels that are currently contracted with shipyards for construction, retrofit or conversion.

(2) In May 2005, we announced a conversion program to retrofit two coastwise sulfur tankers into U.S.-flagged, 370-ft. DP-2 new generation MPSVs. These MPSVs are expected to be delivered from the shipyard during the first half of 2008. In May 2007, we announced the expansion of our MPSV program to include one 430-ft. DP-3 new generation MPSV that will be constructed in a foreign shipyard and an exclusive four-year option to build up to two additional sister vessels of the same DP3 MPSV design at a domestic shipyard of our choice. The newbuild MPSV is expected to be delivered from the foreign shipyard during the third quarter of 2009.

(3) In September 2005, we announced, and later expanded in February, May and August 2006, respectively, our fourth OSV newbuild program. This program is now expected to add, in the aggregate, approximately 38,000 deadweight tons of capacity to our OSV fleet. We are currently committed under vessel construction contracts with two domestic shipyards to build four proprietary 240 ED class OSVs and nine proprietary 250 EDF class OSVs, respectively.

(4) In September 2005, we announced, and later expanded in August 2006, our second TTB newbuild program. We are currently committed under vessel construction contracts with domestic shipyards to build three 60,000-barrel proprietary double-hulled barges and retrofit four 3,000 horsepower ocean-going tugs that were purchased in July 2006.

Table of Contents

During calendar 2007, we expect to drydock a total of twelve OSVs, four tugs, and three tank barges for recertification and/or discretionary vessel enhancements, and to incur non-vessel capital expenditures related primarily to information technology initiatives, shore-side transportation assets and corporate projects. The following table summarizes the costs incurred for these purposes for the three months ended March 31, 2007 and 2006 (in millions and prior to construction period interest, as applicable):

	Three Months Ended March 31,		Year Ended December 31,
	2007	2006	2007
Maintenance Capital Expenditures:	*Actual*	*Actual*	*Forecast*
Deferred drydocking charges	$ 6.1	$ 0.9	$ 14.7
Other vessel capital improvements	1.6	1.1	7.0
Miscellaneous non-vessel additions	0.9	1.3	7.2
Total:	$ 8.6	$ 3.3	$ 28.9

Forward Looking Statements

We make forward-looking statements in this Quarterly Report on Form 10-Q, including certain information set forth in the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations. We have based these forward-looking statements on our current views and assumptions about future events and our future financial performance. You can generally identify forward-looking statements by the appearance in such a statement of words like anticipate, believe, continue, could, estimate, expect, intend, may, might, plan, potential, predict, forecast project, should or will or other comparable words or the negative of such words. When you consider our forward-looking statements, you should keep in mind the risk factors we describe in our Annual Report on Form 10-K for the year ended December 31, 2006 and other cautionary statements we make in this Quarterly Report on Form 10-Q.

Among the risks, uncertainties and assumptions to which these forward-looking statements may be subject are:

- activity levels in the energy markets;
- changes in oil and natural gas prices;
- increases in supply of vessels in our markets;
- the effects of competition;
- our ability to complete vessels under construction or conversion programs without significant delays or cost overruns;

our ability to integrate acquisitions successfully;

our ability to maintain adequate levels of insurance;

changes in demand for refined petroleum products or in methods of delivery;

loss of existing customers and our ability to attract new customers;

changes in laws;

25

changes in domestic and international economic and political conditions;

changes in foreign currency exchange rates;

adverse domestic or foreign tax consequences;

uncollectible accounts receivable or longer collection periods on such accounts;

financial stability of our customers;

retention and new hiring of skilled employees and our management;

laws governing the health and safety of our employees working offshore;

catastrophic marine disasters;

collisions or allisions;

shipyard delays in drydockings;

adverse weather and sea conditions;

oil and hazardous substance spills;

war and terrorism;

acts of God;

our ability to finance our operations and capital requirements on acceptable terms and access the debt and equity markets;

our ability to recruit and retain qualified crew members;

our ability to charter our vessels on acceptable terms; and

our success at managing these risks.

Our forward-looking statements are only predictions based on expectations that we believe are reasonable. Actual events or results may differ materially from those described in any forward-looking statement. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. To the extent these risks, uncertainties and assumptions give rise to events that vary from our expectations, the forward-looking events discussed in this Quarterly Report on Form 10-Q may not occur.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

We have not entered into any derivative financial instrument transactions to manage or reduce market risk or for speculative purposes, other than the convertible note hedge and warrant transactions entered into concurrently with our convertible note offering in November 2006. Such transactions were entered into to mitigate the potential dilutive effect of the conversion feature of the convertible notes on our common stock.

Changes in interest rates may result in changes in the fair market value of our financial instruments, interest income and interest expense. Our financial instruments that are exposed to interest rate risk are cash equivalents and long-term borrowings. Due to the short duration and conservative nature of our cash equivalent investment portfolio, we do not expect any

Table of Contents

material loss with respect to our investments. The book value for cash equivalents is considered to be representative of its fair value.

We are subject to interest rate risk on our long-term fixed interest rate 6.125% senior notes and 1.625% convertible senior notes. In general, the fair market value of debt with a fixed interest rate will increase as interest rates fall. Conversely, the fair market value of debt will decrease as interest rates rise. Such fluctuations may create or negate the need to enter into other financial instruments to manage or reduce interest rate risk. The currently outstanding 6.125% senior notes accrue interest at the rate of 6.125% per annum and mature on December 1, 2014 and the effective interest rate on such notes is 6.39%. Our outstanding 1.625% convertible senior notes accrue interest at the rate of 1.625%, which will decline to 1.375% beginning on November 15, 2013, and mature on November 15, 2026 and the effective interest rate on such notes is 2.04%. Our revolving credit facility has a variable interest rate and, therefore, is not subject to interest rate risk.

Our operations are primarily conducted between U.S. ports, including along the coast of Puerto Rico, and historically we have not been exposed to foreign currency fluctuation. However, as we expand our operations to international markets, we may become exposed to certain risks typically associated with foreign currency fluctuation. We currently have time charters for four of our OSVs for service offshore Trinidad. Although such contracts are denominated and will be paid in U.S. Dollars, value added tax, or VAT, payments are paid in Trinidad & Tobago dollars which creates an exchange risk related to currency fluctuations. In addition, we are currently operating under a fixed time charter with one of our OSVs for service offshore Mexico. Although we are paid in U.S. Dollars, there is an exchange risk to foreign currency fluctuations related to the payment terms of such time charter. To date, we have not hedged against any foreign currency rate fluctuations associated with foreign currency VAT payments or other foreign currency denominated transactions arising in the normal course of business.

In May 2007, we announced the expansion of our MPSV program to include the newbuild construction of one DP-3 MPSV at a foreign shipyard. This shipyard contract is denominated in Euros and we will be required to remit shipyard milestone payments in such currency. To date, we have not hedged against foreign currency rate fluctuations associated with these shipyard milestone payments.

We continually monitor the currency exchange risks associated with conducting international operations. To date, gains or losses associated with such fluctuations have not been material.

Item 4 Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures were

Table of Contents

effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the quarter ended March 31, 2007 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1 Legal Proceedings

On January 18, 2007, Anthony Caiafa filed an action in the United States District Court for the Eastern District of Louisiana against Hornbeck Offshore Services, Inc. and Todd M. Hornbeck, our Chairman of the Board, President, and Chief Executive Officer. On January 24, 2007, Thomas Schedler filed a similar action in the United States District Court for the Eastern District of Louisiana against Hornbeck Offshore Services, Inc., Todd M. Hornbeck and James O. Harp, Jr., our Executive Vice President and Chief Financial Officer. On January 26, 2007, Michael D. Fontenelle filed another similar action in the United States District Court for the Eastern District of Louisiana against Hornbeck Offshore Services, Inc. and Todd M. Hornbeck. On February 8, 2007, Oakmont Capital Management, LLC filed a similar action in the United States District Court for the Eastern District of Louisiana against Hornbeck Offshore Services, Inc., Todd M. Hornbeck, James O. Harp, Jr. and Carl G. Annessa, our Executive Vice President and Chief Operating Officer. These lawsuits purport to be filed as a class action on behalf of the plaintiffs and other similarly situated purchasers of our securities from November 1, 2006 to January 10, 2007. In their complaints, the plaintiffs allege that Hornbeck Offshore Services, Inc. and the other defendants violated Section 10(b) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 thereunder, by allegedly making false and misleading statements, and/or by omitting to state material facts necessary to make the statements not misleading, in connection with its forward earnings guidance and its January 10, 2007 announcement of preliminary financial results for the fourth quarter of 2006 that fell short of such guidance and indicated a reduction in 2007 guidance. The Company and such officers deny these allegations and believe that these actions are without merit. We intend to defend these actions vigorously. However, we cannot predict whether we will prevail in the actions or estimate the amount of damages that we might incur. We are also unable to estimate any reimbursement that we may receive from insurance policies in the event that we incur any damages or costs in connection with these actions.

Table of Contents

Item 1A Risk Factors

Our expansion of operations into international markets and shipyard activities in foreign shipyards subjects us to risks inherent in conducting business internationally.

Over the past several years we have derived an increasing portion of our revenues from foreign sources. In addition, certain of our newbuild construction, shipyard repair and procurement activities are being conducted with foreign vendors. We therefore face risks inherent in conducting business internationally, such as legal and governmental regulatory requirements, potential vessel seizure or nationalization of assets, import-export quotas or other trade barriers, difficulties in collecting accounts receivable and longer collection periods, political and economic instability, kidnapping of or assault on personnel, adverse tax consequences, difficulties and costs of staffing international operations, currency exchange rate fluctuations and language and cultural differences. All of these risks are beyond our control and difficult to insure against. We cannot predict the nature and the likelihood of any such events. If such an event should occur, however, it could have a material adverse effect on our financial condition and results of operations.

There were no other material changes to the risk factors previously disclosed in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006, in response to Item 1A to Part I of Form 10-K.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3 Defaults Upon Senior Securities

None.

Item 4 Submission of Matters to a Vote of Security Holders

None.

Item 5 Other Information

On May 7, 2007, the Company entered into amended and restated employment agreements, effective January 1, 2007, with each of its three most senior executive officers. Todd M. Hornbeck serves as the Company s President and Chief Executive Officer, Carl G. Annessa serves as its Executive Vice President and Chief Operating Officer and James O. Harp, Jr. serves as its Executive Vice President and Chief Financial Officer. The long-term employment agreements were amended principally to clarify and conform the confidentiality, noncompetition and nonsolicitation provisions and to provide a gross up payment for any potential excise tax liability to such executives, and, with respect to Todd Hornbeck s employment agreement, to add a two year post-employment noncompete. Certain other provisions regarding potential payments upon termination or change in control were also clarified and conformed. No changes were made to the executives salaries, potential cash or equity incentive compensation, perquisites and other personal benefits.

Table of Contents

Messrs. Todd Hornbeck, Annessa and Harp have each agreed that during the term of their respective agreements and for a period of two years after termination, they will not (1) be employed by or associated with or own more than 5% of the outstanding securities of any entity that competes with us in the locations in which we operate, (2) solicit any of our employees to terminate their employment or (3) accept employment with or payments from any of our clients or customers who did business with us while employed by us. We may elect to extend Messrs. Todd Hornbeck s, Annessa s or Harp s noncompetition period for an additional year by paying his compensation and other benefits for an additional year.

Under the terms of the amended and restated employment agreements, in the event of the death or permanent disability of any of Messrs. Todd Hornbeck, Annessa and Harp: (i) such executive or his estate would receive the compensation that such executive would have earned through the date of his death or determination of permanent disability, including any bonus or cash incentive compensation earned but not yet paid; (ii) his unvested stock options and time-based restricted stock awards would vest; (iii) his performance-based restricted stock awards would vest at the greater of the base share amount or the number of shares that would have vested on the date of his death or determination of permanent disability as if such date were the end of the performance period (as such term is used in the applicable restricted stock award agreement); (iv) his dependents would be entitled to benefits, including medical, and other benefits and use of a Company automobile for a period of one year; and (v) such executive or his estate would receive any life insurance benefits included in the benefit package provided by the Company to such executive on the date of his death or determination of permanent disability.

Under the terms of the amended and restated employment agreements, in the event any of Messrs. Todd Hornbeck, Annessa or Harp are terminated without good cause as defined in such employment agreements: (i) his unvested stock options and time-based restricted stock awards would vest upon the termination event; (ii) his performance-based restricted stock awards would vest at the greater of the base share amount or the number of shares that would have vested on the date of his termination without good cause as if such date were the end of the performance period (as such term is used in the applicable restricted stock award agreement); and (iii) he would be entitled to his base salary, cash incentive compensation, automobile, and medical and other benefits through the actual expiration date of his agreement.

Should any of the payments made to Messrs. Todd Hornbeck, Annessa or Harp, whether paid or payable pursuant to the terms of the amended and restated employment agreements or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement, including without limitation any equity incentive compensation plan, or the lapse or termination of any restriction on or the vesting or exercisability of any of the foregoing, subject him to excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, he will also be entitled to a gross up payment equal to such excise tax.

The foregoing descriptions of the amended and restated employment agreements are a summary only, do not purport to be complete and are qualified in their entirety by reference to each amended and restated employment agreement, copies of which are filed herewith as Exhibits 10.1, 10.2 and 10.3 to this Form 10-Q and are incorporated in this Item 5 by reference.

Item 6 Exhibits

Exhibit Number	Description of Exhibit
3.1	Second Restated Certificate of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 to the Company s Form 10-Q for the quarter ended March 31, 2005).
3.2	Certificate of Designation of Series A Junior Participating Preferred Stock filed with the Secretary of State of the State of Delaware on June 20, 2003 (incorporated by reference to Exhibit 3.6 to the Company s Registration Statement on Form S-1 dated September 19, 2003, Registration No. 333-108943).
3.3	Fourth Restated Bylaws of the Company adopted June 30, 2004 (incorporated by reference to Exhibit 3.3 to the Company s Form 10-Q for the quarter ended June 30, 2004).
4.1	Indenture dated as of November 23, 2004 between the Company, the guarantors named therein and Wells Fargo Bank, National Association (as Trustee), including table of contents and cross-reference sheet (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K filed November 24, 2004).
4.2	Specimen 6.125% Series B Senior Note due 2014 (incorporated by reference to Exhibit 4.12 to the Company s Registration Statement on Form S-4 dated December 12, 2004, Registration No. 333-121557).
4.3	Exchange and Registration Rights Agreement, dated as of October 4, 2005, among Goldman, Sachs & Co., Bear, Stearns & Co., Inc., Jefferies & Company, Inc., Hornbeck Offshore Services, Inc. and the guarantors party thereto (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K filed October 7, 2005).
4.4	Specimen stock certificate for the Company s common stock, $0.01 par value (incorporated by reference to Exhibit 4.2 to the Company s amended Registration Statement on Form 8-A/A dated March 25, 2004).
4.5	Rights Agreement dated as of June 18, 2003 between the Company and Mellon Investor Services LLC as Rights Agent, which includes as Exhibit A the Certificate of Designations of Series A Junior Participating Preferred Stock, as Exhibit B the form of Right Certificate and as Exhibit C the form of Summary of Rights to Purchase Stock (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K filed July 3, 2003).
4.6	Amendment to Rights Agreement dated as of March 5, 2004 between the Company and Mellon Investor Services LLC as Rights Agent (incorporated by reference to Exhibit 4.13 to the Company s Form 10-K for the period ended December 31, 2003).
4.7	Second Amendment to Rights Agreement dated as of September 3, 2004 by and between the Company and Mellon Investor Services, LLC as Rights Agent (incorporated by reference to Exhibit 4.3 to the Company s Form 8-A/A file September 3, 2004).

Table of Contents

Exhibit Number	Description of Exhibit
4.8	Indenture dated as of November 13, 2006 by and among Hornbeck Offshore Services, Inc., the guarantors named therein, and Wells Fargo Bank, National Association, as Trustee (including form of 1.625% Convertible Senior Notes due 2026) (incorporated by reference to Exhibit 4.1 to the Company s Current Report on Form 8-K filed November 13, 2006).
4.9	Registration Rights Agreement dated November 13, 2006 by and among Hornbeck Offshore Services, Inc., the guarantors named therein, and Jefferies & Company, Inc. and Bear, Stearns & Co. Inc. (incorporated by reference to Exhibit 4.2 to the Company s Current Report on Form 8-K filed November 13, 2006).
4.10	Confirmation of OTC Warrant Confirmation dated as of November 7, 2006 by and between Hornbeck Offshore Services, Inc. and Jefferies International Limited (incorporated by reference to Exhibit 4.6 to the Company s Current Report on Form 8-K filed November 13, 2006).
4.11	Confirmation of OTC Warrant Confirmation dated as of November 7, 2006 by and between Hornbeck Offshore Services, Inc and Bear, Stearns International Limited, as supplemented on November 9, 2006 (incorporated by reference to Exhibit 4.7 to the Company s Current Report on Form 8-K filed November 13, 2006).
4.12	Confirmation of OTC Warrant Confirmation dated as of November 7, 2006 by and between Hornbeck Offshore Services, Inc. and AIG-FP Structured Finance (Cayman) Limited, as supplemented on November 9, 2006 (incorporated by reference to Exhibit 4.8 to the Company s Current Report on Form 8-K filed November 13, 2006).
*10.1	Amended and Restated Senior Employment Agreement dated May 7, 2007 by and between Todd M. Hornbeck and the Company.
*10.2	Amended and Restated Employment Agreement dated May 7, 2007 by and between Carl G. Annessa and the Company
*10.3	Amended and Restated Employment Agreement dated May 7, 2007 by and between James O. Harp, Jr. and the Company
*31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

Hornbeck Offshore Services, Inc.

Date: May 8, 2007

/s/ JAMES O. HARP, JR.

James O. Harp, Jr.

Executive Vice President and Chief Financial Officer

33