HERCULES OFFSHORE, INC.
Form 424B2
September 25, 2009

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Filed Pursuant to Rule 424(b)(2)
Registration No.: 333-138475

PROSPECTUS SUPPLEMENT
(To Prospectus Dated March 12, 2009)

17,500,000 Shares

Hercules Offshore, Inc.

COMMON STOCK

Hercules Offshore, Inc. is offering 17,500,000 shares of its common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol HERO. On September 24, 2009, the last reported sale price of the common stock on the NASDAQ Global Select Market was $5.35 per share.

Investing in our common stock involves risk. See Risk Factors beginning on page S-9 of this prospectus supplement to read about factors you should consider before buying shares of the common stock.

PRICE $5.00 PER SHARE

	Price to Public	***Underwriting Discounts and Commissions***	***Proceeds to Company***
Per Share	$ 5.00	$ 0.2375	$ 4.7625
Total	$ 87,500,000	$ 4,156,250	$ 83,343,750

We have granted the underwriters a 30-day option to purchase up to an additional 2,625,000 shares from us on the same terms and conditions set forth above if the underwriters sell more than 17,500,000 shares of common stock in this offering.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about September 30, 2009.

MORGAN STANLEY ***UBS INVESTMENT BANK***

BofA Merrill Lynch ***Deutsche Bank Securities*** ***FBR Capital Markets***
Goldman, Sachs & Co. ***Jefferies & Company*** ***Pritchard Capital Partners, LLC***

Raymond James ***Tudor, Pickering, Holt & Co.***

September 24, 2009

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Industry and Market Data

In this prospectus supplement or the documents we incorporate by reference, we rely on and refer to information regarding our industry from the U.S. Energy Information Administration and ODS-Petrodata, Inc. These organizations are not affiliated with us and are not aware of and have not consented to being named in this prospectus supplement or the accompanying prospectus. We believe this information is reliable. In addition, in many cases we have made statements in this prospectus supplement and the accompanying prospectus regarding our industry and our position in the industry based on our experience in the industry and our own evaluation of market conditions.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this common stock offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in the prospectus. The second part is the accompanying prospectus dated March 12, 2009, which we refer to as the accompanying prospectus. The accompanying prospectus gives more general information, some of which does not apply to this offering.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and in any written communication from us or the underwriters, including any free writing prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on the prospectus supplement. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these securities in any state where the offer or sale is not permitted. You should not assume that the information provided by this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before you invest in our common stock, you should carefully read the registration statement described in the accompanying prospectus (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectus form a part, as well as this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The incorporated documents are described in this prospectus supplement under Where You Can Find More Information.

References in this prospectus supplement to Hercules Offshore, we, us and our are to Hercules Offshore, Inc., unles otherwise noted.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy these materials at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC s public reference room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains information we have filed electronically with the SEC, which you can access over the Internet at *http://www.sec.gov*.

This prospectus supplement and the accompanying prospectus are part of a registration statement we have filed with the SEC relating to the securities we may offer. As permitted by SEC rules, this prospectus supplement does not contain all of the information we have included in the registration statement and the accompanying exhibits and schedules we filed with the SEC. You may refer to the registration statement, exhibits and schedules for more information about us and the securities. The registration statement, exhibits and schedules are available at the SEC s public reference room or through its Internet site.

The SEC allows us to incorporate by reference the information we have filed with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until the termination of this offering. The documents we incorporate by reference are:

- our annual report on Form 10-K for the year ended December 31, 2008, as amended by our current report on Form 8-K filed on September 23, 2009;

- our quarterly reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009;

- our current reports on Form 8-K filed with the SEC on January 6, 2009, February 17, 2009, March 3, 2009, April 28, 2009, June 18, 2009, September 23, 2009 and September 23, 2009, in each case other than information furnished under Item 2.02 or 7.01 of Form 8-K; and

- the description of our common stock (including the related preferred share purchase rights) contained in our registration statement on Form 8-A as filed with the SEC on October 21, 2005, as that description may be updated from time to time.

We also are incorporating by reference all additional documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof and before the termination of this offering.

You may request a copy of these filings, other than an exhibit to these filings unless we have specifically incorporated that exhibit by reference into the filing, at no cost, by writing or telephoning us at the following:

Hercules Offshore, Inc.
9 Greenway Plaza, Suite 2200
Houston, Texas 77046
Telephone: (713) 350-5100
Attention: Investor Relations

FORWARD-LOOKING STATEMENTS

This prospectus supplement, including the information we incorporate by reference, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included in this prospectus supplement or the documents we incorporate by reference, including statements that address activities, events or developments that we intend, contemplate, estimate, expect, project, believe or anticipate will or may occur in the future, are forward-looking statements. These include such matters as:

- our levels of indebtedness, covenant compliance and access to capital under current market conditions;
- our ability to enter into new contracts for our rigs and liftboats and future utilization rates and dayrates for the units;
- our ability to renew or extend our long-term international contracts, or enter into new contracts, when such contracts expire;
- demand for our rigs and our liftboats;
- activity levels of our customers and their expectations of future energy prices;
- sufficiency and availability of funds for required capital expenditures, working capital and debt service;
- success of our cost cutting measures and plans to dispose of certain assets;
- our ability to effectively reactivate rigs that we have recently stacked;
- our plans to increase international operations, including how successful we are in transporting and also obtaining contracts for the four liftboats we plan to move from the Gulf of Mexico to West Africa;
- expected useful lives of our rigs and liftboats;
- future capital expenditures and refurbishment, reactivation, transportation, repair and upgrade costs;
- liabilities and restrictions under coastwise laws of the United States and regulations protecting the environment;
- expected outcomes of litigation, claims and disputes and their expected effects on our financial condition and results of operations; and
- expectations regarding offshore drilling activity and dayrates, market conditions, demand for our rigs and liftboats, operating revenues, operating and maintenance expense, insurance coverage, insurance expense and deductibles, interest expense, debt levels and other matters with regard to outlook and future earnings.

We have based these statements on our assumptions and analyses in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Forward-looking statements by their nature involve substantial risks and uncertainties that could significantly affect expected results, and actual future results could differ materially from those described in such statements. Although it is not possible to identify all factors, we continue to face many risks and uncertainties. Among the factors that could cause actual future results to differ materially are the risks and uncertainties described under Risk Factors in our most recent annual report on Form 10-K and quarterly reports on Form 10-Q and the following:

- oil and natural gas prices and industry expectations about future prices;
- demand for offshore drilling rigs and liftboats;
- our ability to enter into and the terms of future contracts;
- the worldwide military and political environment and uncertainty or instability resulting from an escalation or additional outbreak of armed hostilities or other crises in the Middle East, West Africa and other oil and natural gas producing regions or acts of terrorism or piracy;

- the impact of governmental laws and regulations;
- the adequacy and costs of sources of credit and liquidity;
- uncertainties relating to the level of activity in offshore oil and natural gas exploration, development and production;
- competition and market conditions in the contract drilling and liftboat industries;
- the availability of skilled personnel in view of recent reductions in our personnel;
- labor relations and work stoppages, particularly in the West African and Mexican labor environments;
- operating hazards such as hurricanes, severe weather and seas, fires, cratering, blowouts, war, terrorism and cancellation or unavailability of insurance coverage, or insufficient insurance coverage;
- the effect of litigation and contingencies; and
- our inability to achieve our plans or carry out our strategy.

Many of these factors are beyond our ability to control or predict. Any of these factors, or a combination of these factors, could materially affect our future financial condition or results of operations and the ultimate accuracy of the forward-looking statements. These forward-looking statements are not guarantees of our future performance, and our actual results and future developments may differ materially from those projected in the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels. In addition, each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements except as required by applicable law.

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SUMMARY

This summary does not contain all of the information that is important to you. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference for a more complete understanding of this offering. You should read Risk Factors beginning on page S-9 of this prospectus supplement for more information about important risks that you should consider before making a decision to purchase common stock in this offering.

Hercules Offshore, Inc.

Hercules Offshore, Inc. is a leading provider of shallow-water drilling and marine services to the oil and natural gas exploration and production industry globally. We provide these services to national oil and gas companies, major integrated energy companies and independent oil and natural gas operators. As of September 22, 2009, we owned a fleet of 30 jackup rigs, 17 barge rigs, three submersible rigs, one platform rig, a fleet of marine support vessels and 60 liftboat vessels. In addition, we operate five liftboat vessels owned by a third party. We operate in nine countries on three continents. Our diverse fleet is capable of providing services such as oil and gas exploration and development drilling, well service, platform inspection maintenance and decommissioning operations.

As of September 22, 2009, our business segments include the following:

Domestic Offshore includes 20 jackup rigs and three submersible rigs in the U.S. Gulf of Mexico that can drill in maximum water depths ranging from 85 to 350 feet. Four of the jackup rigs are working on short-term contracts and another seven jackup rigs are available for contracts. Nine jackup rigs and the three submersibles are cold stacked.

International Offshore includes 10 jackup rigs and one platform rig outside of the U.S. Gulf of Mexico. We have one jackup rig working offshore in each of Malaysia and Angola, as well as one jackup rig warm stacked in each of Bahrain and Gabon. We have two jackup rigs working offshore in each of India and Saudi Arabia and two jackup rigs and one platform rig operating in Mexico. In August 2009, we closed the sale of the *Hercules 110*, which had been cold stacked in Trinidad.

Inland includes a fleet of six conventional and 11 posted barge rigs that operate inland in marshes, rivers, lakes and shallow bay or coastal waterways along the U.S. Gulf Coast. Three of our inland barges are either operating on short-term contracts or available and 14 are cold stacked.

Domestic Liftboats operates 41 liftboats in the U.S. Gulf of Mexico. Currently, 38 liftboats are either working on short-term contracts or are available. Three are cold stacked.

International Liftboats includes 24 liftboats. Eighteen are operating offshore West Africa, including five liftboats owned by a third party. One liftboat is operating in the Middle East region and one liftboat is in the Middle East region available for contracts. Four liftboats are scheduled to be mobilized from the U.S. Gulf of Mexico to West Africa in early October and are expected to arrive in West Africa in late October. These four liftboats are expected to be available for work between November 2009 and January 2010.

Delta Towing our Delta Towing business operates a fleet of 30 inland tugs, 12 offshore tugs, 34 crew boats, 46 deck barges, 17 shale barges and four spud barges along and in the U.S. Gulf of Mexico and along the Southeastern coast. As of September 22, 2009, 24 crew boats, 17 inland tugs and four offshore tugs were cold stacked and the remaining are working or available for contracts.

Our jackup rigs, submersible rigs and barge rigs are used primarily for exploration and development drilling in shallow waters. Under most of our contracts, we are paid a fixed daily rental rate called a dayrate, and we are required to pay all costs associated with our own crews as well as the upkeep and insurance of the rig and equipment. Dayrate drilling contracts typically provide for payment on a dayrate basis, with higher rates while the unit is operating and lower rates or a lump sum payment for periods of mobilization or when operations are interrupted or restricted by equipment breakdowns, adverse weather conditions or other factors.

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Our liftboats are self-propelled, self-elevating vessels that support a broad range of offshore support services, including platform maintenance, platform construction, well intervention and decommissioning services throughout the life of an oil or natural gas well. A liftboat contract generally is based on a flat dayrate for the vessel and crew. Our liftboat dayrates are determined by prevailing market rates, vessel availability and historical rates paid by the specific customer. Under most of our liftboat contracts, we receive a variable rate for reimbursement of costs such as catering, fuel, oil, rental equipment, crane overtime and other items. Liftboat contracts generally are for shorter terms than are drilling contracts.

Competitive Strengths

We believe our operations benefit from a number of competitive strengths, including the following:

Leading provider of services. We are a leading service provider in our core businesses: jackup drilling in the shallow waters of the U.S. Gulf of Mexico and domestic and international liftboats. We own the fourth largest jackup rig fleet in the world and have the largest jackup rig fleet in the oil and natural gas prolific U.S. Gulf of Mexico. In addition, our liftboat fleet of 65 vessels is the largest liftboat fleet in the world and has allowed us to gain the leading position in the U.S. Gulf of Mexico and West Africa. We also have an expanding international jackup presence. We believe this leadership position allows us to better meet the requirements of our customers and also provides us with greater efficiencies, economies of scale and operational flexibility relative to many of our competitors.

Diversity of assets, revenue streams, and geographic footprint. We have a diversified set of assets that generate revenue streams with complementary cash flow profiles. While the performance of some of our businesses, such as domestic offshore drilling and inland barges, is highly cyclical due to the short-term nature of the contracts and the correlation to changes in commodity prices, our international offshore and liftboat businesses are typically less cyclical due to longer-term contracts and production-related activities. During the fiscal quarter ended June 30, 2009, we generated 77% of our revenues from liftboats and our international drilling rigs. We also have a geographically balanced revenue stream with operations in nine countries. During the fiscal quarter ended June 30, 2009, we generated 67% of our revenues internationally. Our breadth of services provided and broad geographic scope of operations help reduce the volatility of our cash flows.

Meaningful backlog with solid counterparties. We have a strong revenue backlog of approximately $574 million as of September 22, 2009. Of this backlog, $502 million is in our international offshore segment, which experienced gross profit margins of 59% for the six months ended June 30, 2009. Majors, national oil companies and independents with investment grade ratings account for approximately 86% of total contracted revenue. We believe the size of our revenue backlog and the quality of the customers behind it provides us with an attractive and visible stream of cash flows over the next few years.

Proactive cost management. We have a flexible cost structure that allows us to adapt to changes in market conditions. In response to lower drilling activity over the last twelve months, we implemented cost reduction initiatives and have reduced our workforce by over 45%, stacked nine jackup rigs, three submersible rigs, and 14 barge rigs, and reduced our 2009 capital spending budget by $164 million, relative to the 2008 budget. In addition, because our jackup fleet consists of smaller rigs that require smaller crews to operate when compared to fleets consisting of higher specification assets, we believe we have an operating and capital cost advantage. Our operating expenditures during the three months ended June 30, 2009 were $65 million less than our operating expenditures for the three months ended September 30, 2008, the last quarter prior to implementation of our cost reduction initiatives. We believe that our response to the economic and industry downturn will provide us with the ability to better withstand any further weakening of business conditions and respond to improving conditions.

Knowledgeable and experienced management team focused in the oilfield services industry. Our operating level management team has extensive industry experience both in the U.S. Gulf of Mexico and internationally, with an average of over 25 years of experience in the oil service industry. We believe that our management team s considerable knowledge and experience enhance our ability to operate effectively throughout industry cycles and provide us with valuable insight in identifying and executing on business opportunities. Our management team also has extensive experience in managing growth, developing creative businesses solutions and integrating acquisitions, which we expect will provide us with an advantage when market and economic conditions improve.

Business Strategies

We aim to be the leading provider of shallow water drilling and liftboat services to the oil and natural gas exploration and production industry. We intend to employ the following strategies to achieve our goal:

Focus on drilling and liftboat services. We are one of the largest operators of a diverse fleet of jackup rigs and liftboats globally, and believe we are well-positioned to benefit from any increase in drilling and production maintenance activity.

Maintain our status as an efficient, low-cost service provider. We intend to maintain an organizational structure and asset base that allow us to be an efficient, low-cost service provider in the industry.

Optimize our capital structure and maintain financial flexibility. In order to further strengthen our capital structure, we intend to continue to reduce our overall debt levels in the coming months and years, while maintaining our financial flexibility. Since December 2008, we have retired $154.1 million of our convertible notes in exchange for $50.9 million of cash and the issuance of 7,755,440 shares of our common stock. We also recently completed an amendment to our credit agreement which relaxed certain covenants through the end of the term of the facility. Pro forma for the reduction in the revolving credit facility under the amendment, we had approximately $290 million of liquidity as of June 30, 2009. Our recent success in reducing total debt and improving our financial covenant profile provides us increased operating and financial flexibility, and positions us to react quickly and take advantage of increased operating activity by our clients. We continue to evaluate opportunities to improve our capital structure, including potential capital expenditure reductions, repayments of indebtedness, equity offerings, and selected asset sales.

Continue our focus on safety, reliability and operational excellence. We intend to continue to devote significant resources to safety, reliability and operational excellence, which we believe promotes a culture of diligence and minimizes risk. Since year end 2007, we have had a 32% improvement in our total recordable incident rate (1.77 in 2007 vs. 1.21 in the first six months of 2009), and a 24% improvement in our lost time incident rate (0.45 in 2007 vs. 0.34 in the first six months of 2009).

Continue our geographic diversification. We are committed to continuing to expand internationally and leverage our current geographic footprint. We have expanded the number of international rigs that we operate from two jackups in 2007 to the ten rigs we operate today. Our international liftboat business has also grown from the original four liftboats we operated in West Africa in 2005 to 20 liftboats we operate in the Middle East and West Africa today. We intend to move four additional liftboats to West Africa in October 2009.

Pursue growth opportunities with a disciplined approach. Our long-term strategy is to undertake growth projects and acquisitions that generate an attractive return on capital. All potential projects are carefully evaluated based on their ability to improve our competitive position throughout the business cycle and strengthen our financial profile and liquidity position.

Third Quarter Update

We do not as a matter of course make public projections as to future earnings or other results. However, in the context of this offering our management has prepared the following third quarter update. The prospective financial information presented below was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of our management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management s knowledge and belief, the expected course of action and our expected future financial performance.

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The prospective financial information presented below is not a guarantee that we will achieve any specific level of revenues, operating costs or any other financial measure presented below. Investors should not place undue reliance on the prospective financial information presented below as actual results may vary significantly. We are providing this information to help investors understand our projected revenues and operating costs for the third quarter. Our actual results are subject to change and may vary significantly from the amounts or ranges indicated in the prospective financial information presented below. Please also read Forward-Looking Statements in this prospectus supplement for additional cautionary language regarding the uncertainty of forward-looking information.

Neither our independent registered public accountants, nor any other independent registered public accountants, have compiled, examined or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Domestic Drilling Operational Update. The bidding activity for our domestic offshore and inland businesses has increased in September from the low in July as our customers plan their post-hurricane season activity. Our average backlog in Domestic Offshore increased to 83 days as of September 22, 2009 from 24 days as of July 21, 2009. The active hurricane seasons of 2005 and 2008 have increased the seasonality of our domestic offshore businesses, as many of our customers reduce activity during hurricane season, which is from June 1 through November 1.

International Offshore Operational Update. Early in the third quarter we completed upgrades to *Hercules 185* and it commenced its 18 month contract in Angola. We experienced unanticipated downtime on both *Hercules 208* and *Hercules 260* for 28 and 52 days, respectively. *Hercules 208* earned a reduced dayrate and *Hercules 260* was at zero dayrate during the downtime. We estimate the downtime adversely impacted third quarter revenue by approximately $12 million.

Liftboat Operational Update. We intend to mobilize the 230¢ class *Tiger Shark*, the 200¢ class *Cutlassfish* and *Creole Fish* and the 175¢ class *Mako* from the Gulf of Mexico to West Africa where higher dayrates and longer term contracts are more prevalent. The vessels are scheduled to depart the Gulf of Mexico in early October and arrive in West Africa in late October at a cost of approximately $6 million. If we do not obtain signed contracts prior to the vessels departure, these transportation costs will be expensed primarily in the fourth quarter of 2009. The vessels will also undergo various upgrades at an approximate cost of $2 million and are expected to commence work between November 2009 and January 2010.

Revenue and Cost Expectations. Although full results for the third quarter are not yet available, based on the results of July and August, excluding the impact of asset sales, we are currently anticipating our revenue and operating costs for the third quarter to be as follows:

We currently anticipate third quarter revenues will be approximately $155 million to $160 million.

Domestic Offshore operating costs per day are expected to be approximately $28,000 to $30,000 per day for marketed rigs and $7,500 per day for cold stacked rigs. We therefore expect our total Domestic Offshore operating costs to be approximately $37 million to $39 million for the third quarter.

International Offshore operating costs are expected to be approximately $47 million to $48 million for the third quarter, which reflects the costs associated with the *Hercules 185* commencing its contract in Angola early in the third quarter.

Inland operating costs per day are expected to be approximately $15,000 to $18,000 per day for the three marketed rigs and $3,000 per day for cold stacked rigs. We expect our total Inland operating costs to be approximately $8 million for the third quarter.

Domestic Liftboat operating costs per day are expected to be $3,400 to $3,700 per day, with total Domestic Liftboat operating costs expected to be approximately $12 million to $13 million.

International Liftboat total operating costs are expected to be approximately $13 million to $14 million, which reflects the costs associated with the *Whale Shark* being on contract in the Middle East.

Delta Towing operating costs are expected to be approximately $7 million to $8 million for the third quarter.

Selling, general and administrative expenses are expected to be approximately $15 million for the third quarter. Depreciation and amortization are expected to be approximately $52 million to $53 million in the third quarter. Interest expense is expected to be approximately $23 million, excluding the impact of the fair value of hedging activity as further discussed below. Our effective tax rate is expected to be approximately 40 percent.

In connection with the capital structure improvement actions we have taken, the third quarter will also reflect a net loss on sale of assets of approximately $1 million and a $15 million charge in connection with the credit facility amendment as described below.

Capital Structure Improvement Actions

In addition to reducing our operating cost structure, we have taken the following actions to strengthen our capital structure and increase our financial flexibility:

Sale of idle or non-core assets. In June 2009, we entered into an agreement to sell our *Hercules 100* and *Hercules 110* jackup drilling rigs for a total purchase price of $12.0 million. The *Hercules 100* was classified as retired and was stacked in Sabine Pass, Texas, and the *Hercules 110* was cold stacked in Trinidad. The sale of the *Hercules 100* and *Hercules 110* closed in August 2009. During 2009, we have also sold $8.0 million of marine vessels owned by Delta Towing, LLC. During the third quarter we repaid $16.1 million of our term loan with asset sale proceeds and incurred a net loss on sale of assets of $1.1 million. We have engaged a rig broker to assist us in selling our assets classified as retired, and have recently entered into an agreement to sell two retired barge rigs for $0.6 million.

Credit agreement amendment. In July 2009, we amended our credit agreement to, among other things, eliminate the requirement that we comply with the total leverage ratio financial covenant for the nine month period commencing October 1, 2009 and ending June 30, 2010, increase our maximum total leverage ratio upon reinstatement, revise the definition of fixed charge coverage ratio and reduce our minimum fixed charge coverage ratio that we must maintain. In connection with the amendment we expensed $15 million, of which $11 million was a non-cash charge associated with the write off of deferred debt issuance costs. The credit agreement amendment provides us with additional flexibility to assist us in managing the business through the current downturn.

In connection with the inclusion of a LIBOR floor in the credit agreement, the interest rate hedges that we had previously entered into are no longer designated as hedges for accounting purposes. This will require us to recognize a gain or loss on a quarterly basis as we mark the financial instruments to fair value.

Convertible senior notes retirement. Since December 2008, we have retired $154.1 million notional amount of our convertible senior notes in exchange for $50.9 million of cash and the issuance of 7,755,440 shares of our common stock. Approximately $95.9 million of the convertible senior notes remain outstanding.

Potential refinancing of additional term loan indebtedness. We are contemplating issuing, subject to market conditions, additional debt securities in the near future, the proceeds of which would be used to repay additional indebtedness outstanding under our term loan facility.

Our principal executive office is located at 9 Greenway Plaza, Suite 2200, Houston, Texas 77046, telephone (713) 350-5100. We maintain a website at http://www.herculesoffshore.com that provides information about our business and operations. Information contained on this website, however, is not incorporated into or otherwise a part of this prospectus supplement or the accompanying prospectus.

THE OFFERING

Issuer	Hercules Offshore, Inc.
Common stock offered	17,500,000 shares (20,125,000 if the underwriters exercise their over-allotment option in full).
Over-allotment option	2,625,000 shares.
Common stock outstanding after this offering	113,333,845 shares (115,958,845 shares if the underwriters exercise their over-allotment option in full).(1)
Use of proceeds	We expect to receive net proceeds from this offering of approximately \$82.3 million, after deducting underwriting discounts and the estimated offering expenses. If the underwriters exercise their over-allotment option in full, we expect to receive net proceeds of approximately \$94.8 million. We intend to use the net proceeds from this offering, including any net proceeds from the underwriters exercise of their over-allotment option, to repay a portion of the indebtedness outstanding under our term loan facility and for general corporate purposes, which may in the future include repaying indebtedness, among other things. Pending any specific application, we may initially invest the net proceeds in short-term marketable securities. Certain of the underwriters or their affiliates are lenders under our credit facility and will receive a portion of the net proceeds of this offering used to reduce our outstanding borrowings under our credit facility. Please read Use of Proceeds and Underwriting (Conflicts of Interest).
Risk factors	See Risk Factors beginning on page S-9 of this prospectus supplement for a discussion of the risk factors you should carefully consider before deciding to invest in our common stock.
NASDAQ Global Select Market symbol	HERO

(1) The number of shares of our common stock to be outstanding after this offering excludes 4,789,130 shares of common stock reserved for issuance under our 2004 long-term incentive plan, of which options to purchase 4,438,735 shares at a weighted average exercise price of \$11.39 per share had been issued as of September 22, 2009.

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SUMMARY CONSOLIDATED FINANCIAL DATA

We have derived the following consolidated financial information as of December 31, 2008 and 2007 and for the years ended December 31, 2008, 2007 and 2006 from our audited consolidated financial statements incorporated by reference in this prospectus supplement. Our audited consolidated financial statements as of and for the year ended December 31, 2008 reflect the retrospective adoption of Financial Accounting Standards Board Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) and as related to the consolidated financial statements as of December 31, 2008 and 2007, the reclassification of assets associated with the *Hercules 100* and the *Hercules 110* as assets held for sale, as set forth in our Current Report on Form 8-K filed September 23, 2009. We have also derived the following consolidated financial information as of June 30, 2009 and for the six-month periods ended June 30, 2009 and 2008 from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement. The financial information as of and for the six-month periods ended June 30, 2009 and 2008 include, in management s opinion, all adjustments necessary for the fair presentation of our financial position as of such date and our results of operations for such periods and may not be indicative of results to be expected for the full year.

The following summary financial data are qualified by reference to, and should be read in conjunction with, our consolidated financial statements and accompanying notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations, which can be found in our quarterly report on Form 10-Q for the quarter ended June 30, 2009 and our current report on Form 8-K filed on September 23, 2009, each as incorporated by reference into this prospectus. See Where You Can Find More Information in this prospectus supplement.

	Six Months Ended June 30,		Year Ended December 31,		
	2009[a]	2008	2008[b]	2007	2006
	(unaudited)				
	(in thousands, except per share data)				
Statement of Operations Data:					
Revenues	$ 407,182	$ 482,600	$ 1,111,807	$ 726,278	$ 344,312
Operating income (loss)	(16,720)	62,216	(1,120,913)	225,642	158,057
Income (loss) from continuing operations	(16,298)	21,263	(1,081,870)	136,012	119,050
Earnings (loss) per share from continuing operations:					
Basic	$ (0.18)	$ 0.24	$ (12.25)	$ 2.31	$ 3.80
Diluted	(0.18)	0.24	(12.25)	2.28	3.70
Other Financial Data:					
Net cash provided by (used in):					
Operating activities	$ 88,322	$ 68,854	$ 269,948	$ 175,741	$ 124,241
Investing activities	(58,291)	(383,237)	(515,787)	(825,007)	(149,983)
Financing activities	(6,606)	199,957	139,842	788,946	50,939
Capital expenditures[c]	62,068	451,367	585,084	155,390	204,456
Deferred drydocking expenditures	9,662	9,151	17,269	20,772	12,544

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	June 30, 2009	December 31, 2008	December 31,