

HERCULES OFFSHORE, INC.
Form S-4
April 24, 2007
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As filed with the Securities and Exchange Commission on April 24, 2007

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Hercules Offshore, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1381
(Primary Standard Industrial
Classification Code Number)

56-2542838
(I.R.S. Employer

Identification Number)

11 Greenway Plaza, Suite 2950

Houston, Texas 77046

(713) 979-9300

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

James W. Noe

Hercules Offshore, Inc.

Senior Vice President, General Counsel, Chief Compliance Officer and Secretary

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11 Greenway Plaza, Suite 2950

Houston, Texas 77046

(713) 979-9300

Fax: (713) 979-9301

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Melinda H. Brunger

Michael P. Donaldson

Nick D. Nicholas

Andrews Kurth LLP

TODCO

Porter & Hedges, L.L.P.

600 Travis, Suite 4200

Vice President, General Counsel and Secretary

1000 Main Street, 36th Floor

Houston, Texas 77002

2000 W. Sam Houston Parkway, Suite 800

Houston, Texas 77002

(713) 220-4200

Houston, Texas 77042-3615

(713) 226-6000

Fax: (713) 238-7235

(713) 278-6000

Fax: (713) 226-6237

Fax: (713) 278-6107

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of each class of

Amount

**Proposed maximum
offering price**

**Proposed maximum
aggregate offering**

**Amount
of**

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securities to be registered(1)	to be registered(2)	per share	price(3)	registration fee
Common stock, par value \$0.01 per share, including the associated preferred stock purchase rights	58,779,285	N/A	\$ 1,497,240,057	\$ 45,966

-
- (1) The registration statement also covers the associated preferred stock purchase rights (the Rights) issued pursuant to the Rights Agreement dated effective as of October 31, 2005, between the registrant and American Stock Transfer & Trust Company, as rights agent. Until the occurrence of certain events, the Rights will not be exercisable for or evidenced separately from the shares of common stock of the registrant.
- (2) Represents the maximum number of shares of Hercules common stock issuable upon completion of the merger described herein, including shares of Hercules common stock issuable upon exercise of options and other stock-based awards with respect to TODCO common stock that will be converted into options and other stock-based awards of Hercules common stock in the merger.
- (3) Computed pursuant to Securities Act Rules 457(c) and 457(f), and estimated solely for purposes of calculating the registration fee, the proposed maximum aggregate offering price is \$1,497,240,057, which is the difference between (a) the product of (i) the average high and low prices of TODCO common stock of \$41.13, as reported on the New York Stock Exchange on April 18, 2007, and (ii) the maximum total number of shares of TODCO common stock to be cancelled in the merger, shares, less (b) the maximum amount of cash to be paid by Hercules in exchange for TODCO common stock, \$920,351,936.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this joint proxy statement/prospectus is not complete and may be changed. Hercules Offshore, Inc. may not distribute or issue the shares of Hercules Offshore, Inc. common stock being registered pursuant to this registration statement until the registration statement filed with the Securities and Exchange Commission, of which this joint proxy statement/prospectus is a part, is effective. This joint proxy statement/prospectus is not an offer to distribute these securities and Hercules Offshore, Inc. is not soliciting offers to receive these securities in any state where such offer or distribution is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 24, 2007

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

To the Stockholders of Hercules Offshore, Inc. and TODCO:

The boards of directors of Hercules Offshore, Inc., which we sometimes refer to herein as Hercules, and TODCO have approved a merger agreement by which Hercules will acquire TODCO. As we describe in greater detail in this document, we believe the transaction will result in significant benefits to each company's stockholders.

The merger consideration is fixed at approximately \$924.4 million in cash and approximately 56.6 million shares of Hercules common stock, based on the amount of TODCO common stock and restricted stock outstanding on the effective date of the merger agreement. This is equivalent to 0.979 shares of Hercules common stock plus \$16.00 per share of TODCO common stock. TODCO stockholders may elect to receive cash or shares of Hercules common stock in the merger. Those desiring to receive a combination of cash and Hercules common stock may do so by making a cash election for a portion of their shares and a stock election for their remaining shares. **Regardless of the election made, the merger agreement contains provisions designed to cause the value of the per share consideration that TODCO stockholders receive to be substantially equivalent.**

Your vote is very important. We cannot complete the transaction unless, among other things, the holders of TODCO common stock vote to approve and adopt the merger agreement and the holders of Hercules common stock vote to approve the issuance of Hercules common stock in the merger. Each of Hercules and TODCO will hold a meeting of stockholders to vote on proposals related to the merger, and in the case of Hercules additional proposals unrelated to the merger, including election of directors and amendments to its long-term incentive plan. The meetings of stockholders will be held at the date, time and location set forth below. Whether or not you plan to attend your company's meeting, please take the time to submit your proxy by completing and mailing the enclosed proxy card or by using the telephone or Internet procedures provided to you. If your shares of Hercules common stock or TODCO common stock are held in street name, you must instruct your broker how to vote those shares.

For Hercules stockholders:

, 2007 at [Time] at [Location]

The Hercules board of directors recommends that Hercules stockholders vote FOR the issuance of Hercules common stock in the merger, and FOR each other proposal, including for each of the director nominees.

This document describes the stockholder meetings, the transactions contemplated by the merger agreement, documents related to the merger transaction and other related matters. **Please read this entire document carefully, including the section discussing risk factors beginning on page 28.** You can also obtain information about our companies from documents that we have each filed with the Securities and Exchange Commission.

For TODCO stockholders:

, 2007 at [Time] at [Location]

The TODCO board of directors recommends that TODCO stockholders vote FOR the approval and adoption of the merger agreement.

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Shares of Hercules common stock trade on the NASDAQ Global Select Market, which we refer to herein as NASDAQ, under the symbol HERO. Shares of TODCO common stock trade on the New York Stock Exchange, which we refer to herein as the NYSE, under the symbol THE.

Randall D. Stillely

Jan Rask

Chief Executive Officer and President

President and Chief Executive Officer

Hercules Offshore, Inc.

TODCO

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or has passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated _____, 2007, and is first being mailed to Hercules stockholders and TODCO stockholders on or about _____, 2007.

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HERCULES OFFSHORE, INC.

11 Greenway Plaza, Suite 2950

Houston, Texas 77046

NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS

To be held on _____, 2007

To the Stockholders

of Hercules Offshore, Inc.:

The Annual Meeting of stockholders of Hercules Offshore, Inc. (the Hercules Meeting) will be held on _____, 2007, at _____ a.m., local time, at the St. Regis Hotel, 1919 Briar Oaks Lane, Houston, Texas for the following purposes:

1. to approve the issuance of Hercules common stock to TODCO stockholders in connection with the merger as set forth in the Amended and Restated Agreement and Plan of Merger, effective as of March 18, 2007, by and among Hercules, TODCO and THE Hercules Offshore Drilling Company LLC, a copy of which is attached as Annex A to the joint proxy statement/prospectus accompanying this notice, pursuant to which TODCO will merge with and into a direct, wholly-owned subsidiary of Hercules,
2. to elect three directors to the class of directors whose term will expire at the 2010 Annual Meeting of Stockholders,
3. to approve an amendment to Hercules 2004 Long-Term Incentive Plan, sometimes referred to herein as the plan, increasing the number of shares of Hercules common stock available for issuance under the plan by 6,800,000 shares, or by 1,200,000 shares if the merger is not consummated,
4. to approve the adjournment of the Hercules Meeting, if necessary or appropriate, to solicit additional proxies in favor of any of the foregoing proposals, and
5. to transact any other business as may properly come before the Hercules Meeting or any adjournments or postponements thereof. Attached to this notice is a joint proxy statement/prospectus setting forth information with respect to the above items and certain other information.

The Hercules board of directors has fixed the close of business on _____, 2007 as the record date for the determination of stockholders entitled to notice of and to vote at the Hercules Meeting or any adjournment thereof. Only holders of record of Hercules common stock at the close of business on the record date are entitled to notice of and to vote at the Hercules Meeting. For a period of ten days prior to the Hercules Meeting, a complete list of the holders of record of Hercules common stock entitled to vote at the meeting will be available at Hercules executive offices for inspection by stockholders during normal business hours for proper purposes.

The Hercules Offshore, Inc. Board of Directors recommends that you vote FOR each of the proposals listed above.

Your vote is important. All stockholders are cordially invited to attend the meeting. *We urge you, whether or not you plan to attend the Hercules Meeting, to submit your proxy by completing, signing, dating and mailing the enclosed proxy card in the postage-paid envelope provided or submit your proxy by telephone or the Internet, using the procedures in the voting instructions provided to you.* If a stockholder

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who has submitted a proxy attends the meeting in person, the stockholder may revoke the proxy and vote in person on all matters submitted at the meeting.

Houston, Texas

, 2007

By Order of the Board of Directors
James W. Noe
Senior Vice President, General Counsel and Secretary

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TODCO

2000 W. Sam Houston Parkway S., Suite 800

Houston, Texas 77042-3615

(713) 278-6000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On _____, 2007

Notice is hereby given that a special meeting of stockholders of TODCO (the TODCO Meeting) will be held at the Westchase Hilton Hotel, 9999 Westheimer, Houston, Texas, at _____ a.m., Houston time, on _____, 2007, for the following purposes:

1. to approve and adopt the Amended and Restated Agreement and Plan of Merger, effective as of March 18, 2007, by and among Hercules Offshore, Inc., TODCO and THE Hercules Offshore Drilling Company LLC, a copy of which is attached as Annex A to the joint proxy statement/prospectus accompanying this notice, pursuant to which TODCO will merge with and into a direct, wholly-owned subsidiary of Hercules Offshore, Inc.,
2. to approve the adjournment of the TODCO Meeting, if necessary or appropriate, to solicit additional proxies in favor of the foregoing proposal, and

3. to transact any other business as may properly come before the TODCO Meeting or any adjournments or postponements thereof. Stockholders of record at the close of business on _____, 2007, are entitled to notice of and to vote at the TODCO Meeting or any adjournment or postponement thereof. A list of all stockholders entitled to vote at the TODCO Meeting will be available at TODCO's office at 2000 W. Sam Houston Parkway S., Suite 800, Houston, Texas 77042-3615, for a period of at least ten days prior to the TODCO Meeting, and will also be available at the TODCO Meeting.

The TODCO Board of Directors recommends that you vote FOR each of the proposals listed above.

By Order of the Board of Directors

Michael P. Donaldson

Vice President, General Counsel and Secretary

Houston, Texas

_____, 2007

Whether or not you plan to attend the TODCO Meeting, please sign, date and return the enclosed proxy card as promptly as possible in the envelope provided or submit your proxy by telephone or the Internet, using the procedures in the voting instructions provided to you. No postage is required if mailed in the United States. Should you receive more than one proxy card because your shares are registered in different names and addresses, each proxy card should be signed and returned to ensure that all your shares will be voted. Your proxy may be revoked at any time prior to the time it is voted at the TODCO Meeting.

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates by reference important business and financial information about Hercules and TODCO from documents that are not included or delivered with this joint proxy statement/prospectus. These documents are available to Hercules and TODCO stockholders without charge upon written or oral request, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this joint proxy statement/prospectus. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate company.

Hercules Offshore, Inc.	TODCO
11 Greenway Plaza, Suite 2950	2000 W. Sam Houston Parkway, Suite 800
Houston, Texas 77046	Houston, Texas 77042-3615
Attention: Investor Relations	Attention: Investor Relations
Telephone number: (713) 979-9300	Telephone number: (713) 278-6000
www.herculesoffshore.com	www.theoffshoredrillingcompany.com

See **Where You Can Find More Information** beginning on page for a detailed description of the documents incorporated by reference into this joint proxy statement/prospectus.

In order for you to receive timely delivery of the documents in advance of the meetings, Hercules or TODCO, as applicable, should receive your request by no later than _____, 2007.

Information contained on the Hercules and TODCO websites is expressly not incorporated by reference into this joint proxy statement/prospectus.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission, which is referred to herein as the SEC, by Hercules (File No. 333-_____), constitutes a prospectus of Hercules under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, with respect to the shares of Hercules common stock to be issued to TODCO stockholders in the merger pursuant to the merger agreement.

This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, with respect to the Hercules Meeting, at which Hercules stockholders will be asked to consider and vote upon certain proposals, including a proposal to approve the issuance of shares of Hercules common stock to TODCO stockholders in the merger pursuant to the merger agreement, and with respect to the TODCO Meeting, at which TODCO stockholders will be asked to consider and vote upon a proposal to approve and adopt the merger agreement.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

Important Information and Risks: *The following are brief answers to some questions that Hercules stockholders and TODCO stockholders may have regarding the proposed merger and the proposals being considered at the Hercules Meeting and the TODCO Meeting. Hercules and TODCO urge you to read and consider carefully the remainder of this joint proxy statement/prospectus, including the Risk Factors beginning on page and the attached Annexes, because the information in this section does not provide all of the information that might be important to you. Additional important information and descriptions of risks are also contained in the documents incorporated by reference in this joint proxy statement/prospectus.*

Your vote is very important. You are encouraged to submit a proxy as soon as possible.

Q: What is the proposed merger?

A: Hercules, TODCO and THE Hercules Offshore Drilling Company LLC, referred to as Merger Sub, have entered into a merger agreement, pursuant to which TODCO will merge with and into Merger Sub, with Merger Sub surviving the merger as a direct, wholly-owned subsidiary of Hercules. Stockholders of both Hercules and TODCO must approve proposals enabling the merger to occur.

Q: Why is Hercules proposing the merger?

A: The Hercules board of directors believes that the combined company will be one of the leading oil and gas service providers in the world. The Hercules board of directors also believes that the combination of Hercules and TODCO offers the following advantages to the combined company:

provides the opportunity to diversify the combined company's asset base,

increases the combined company's operational flexibility,

expands the international footprint of the combined company, which provides diversity as well as a platform for future growth in existing and new locations,

expands the stockholder base and market capitalization of the combined company,

enables Hercules to combine the operational and safety best practices developed by both companies in order to deliver high quality drilling and marine services to the combined company's customers, and

generates additional career and developmental opportunities for the employees of Hercules and TODCO, which in turn will enhance the combined company's ability to recruit and retain a skilled workforce.

Q: How much in total is Hercules paying the TODCO stockholders in the merger?

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A: Based on the number of outstanding shares of TODCO common stock as of March 18, 2007, the effective date of the merger agreement.

Hercules will issue a total of approximately 56.6 million shares of Hercules common stock in the merger based on the number of shares outstanding as of March 18, 2007, representing approximately % of the shares of Hercules common stock outstanding on the same date. We refer to this as the total stock consideration.

Hercules will pay approximately \$924.4 million in cash to TODCO stockholders in the merger pursuant to the merger agreement based on the number of shares outstanding as of March 18, 2007. We refer to this as the total cash consideration.

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Q: What will TODCO stockholders receive as a result of the merger?

A: At the effective time of the merger, on a per-share basis, the outstanding shares of TODCO common stock will be converted into the right to receive merger consideration equal in value to \$16.00 per share plus the product of (1) 0.979 times (2) the average of the per share closing sales price of Hercules common stock during a ten consecutive trading day valuation period ending on the fifth calendar day immediately prior to the effective time of the merger, or if the fifth calendar day is not a trading day, then ending on the immediately preceding trading day.

Q: