



Cal Dive Awarded Canadian Contract

December 16, 1997

Houston TX - Cal Dive International, Inc. (CDI) announced that its newly acquired ice class construction vessel, the Sea Sorceress, has been awarded a contract to assist in the development of the Terra Nova field. Terra Nova, the second largest Canadian field with an estimated 300-400 million barrels of recoverable oil, lies 350 kilometers east southeast of St. Johns, Newfoundland. CDI teamed with Seacore Ltd. in submitting a proposal that includes using the latest technology to construct "glory holes" to protect wellheads and subsea templates from the iceberg flow. Instead of conventional dredging operations, a large drill (5.6 meters in diameter) will be deployed from the Sea Sorceress via a twin heave compensated drilling tower which will be mounted over the vessel moonpool, with excavated material lifted to the vessel and later deposited on the seabed some distance away. In addition, a 20 M3 clam finger grab can be used to remove large objects. CDI will provide the Sea Sorceress, full marine and deck crew and marine logistical management while Seacore will provide and operate the special drilling/suction dredging unit. Construction is scheduled to commence in June 1998 in preparation for bringing first Terra Nova oil on line in 2001 or earlier.

A total of four glory holes will be constructed, each to 11.5 meter depth into the sea bed and of varying size in approximately 95 meters of water, "one of the largest underwater excavations ever made for an offshore hydrocarbon project" observed Jean-Michel Dumay, President of Coflexip Stena Offshore International, the Terra Nova Alliance member company responsible for managing the contract.

Cal Dive acquired the Canadian registered and crewed Sea Sorceress and in October announced that it planned an extensive conversion program of the 374' x 104' ship into a multipurpose deepwater construction vessel, a project that will involve a joint effort between the company and its alliance partner, Coflexip Stena Offshore. Owen Kratz, Chief Executive Officer of CDI, commented that "long lead time components, particularly DP thrusters and positioning systems, will extend the Sea Sorceress conversion into the third quarter of 1999. The Terra Nova award represents an opportunity to generate \$5 to \$6 million of CDI revenues with the vessel in its present configuration yet not interfere with the anticipated conversion timetable."

CDI, headquartered in Houston, Texas, is a leading Subsea services contractor which operates the largest fleet of permanently deployed DP-DSV vessels in the Gulf of Mexico. Its shares are traded on the NASDAQ national market under the symbol CDIS. The Terra Nova Alliance is a consortium of companies, led by Petro-Canada, to design and construct the floating production facility and subsea components necessary for the development of the Terra Nova oil field. The Alliance consists of SBR Offshore, Halliburton Energy Services, FMC Offshore Canada Ltd., PCL Industrial Constructions Inc., Coflexip Stena Offshore Newfoundland Ltd. and Doris ConPro Offshore Ltd. The Terra Nova development proponents are : Petro-Canada (operator), Mobil Oil Canada Properties, Husky Oil Operations Ltd., Norsk Hydro, Murphy Oil Company Limited and Mosbacher Operating Limited.