



## **90% Increase In Third Quarter Earnings Sets Cal Dive Record**

November 4, 1998

Houston TX - Cal Dive International, Inc. (Nasdaq: CDIS) announced record third quarter net income of \$7.6 million, or \$0.51 per diluted share, an increase of 90% in a period buffeted by Hurricane Georges and three tropical storms. Revenues of \$42.9 million increased 49% due to the ability of the company's fleet of dynamically positioned vessels to hold station and work in rough seas.

Chairman and Chief Executive Officer, Owen Kratz said, "This record performance achieved in the face of adverse weather and falling commodity prices clearly differentiates Cal Dive from our peers in the oilfield service industry. That performance is due principally to the entrepreneurial drive of our employees and the manner in which Cal Dive has aligned the goals of shareholders and employees in a unique incentive compensation system. The 1998 bonus plan, which targets a 20% return on capital employed, extends down to line managers, covering 80 of 125 salaried personnel in addition to a feature that rewards superior performance by offshore personnel. Paying record levels of compensation under these programs at a time when others in the industry are in the midst of layoffs and salary reduction programs reflects a lean operating structure that has this significant variable cost component."

Nine-month earnings of \$18.8 million increased 79% over the \$10.5 million reported in the same period of the prior year. Diluted earnings per share of \$1.25 increased 52%, a proportionately smaller improvement given the additional shares outstanding as a result of last July's IPO. Revenues of \$114.6 million are up 51% and now exceed the \$109 million reported for the entire year 1997. Cash generation, as measured by EBITDA (earnings before interest, income taxes, depreciation and amortization) during the first nine months of 1998 was \$34.5 million or 30% of revenues. The improved operating performance and resulting cash generation produced \$20 million of cash on hand at the end of the quarter, a balance which increased to \$30 million on October 31.

Cal Dive International, headquartered in Houston, Texas is a leading subsea services contractor which operates the largest fleet of permanently deployed saturation and dynamically positioned dive support vessels in the Gulf of Mexico.

*This press release includes certain statements that may be deemed "forward looking statements" under applicable law. Forward looking statements are not statements of historical fact and such statements are not guarantees of future performance or events and involve risks and assumptions that could cause actual results to vary materially from those predicted, including among other things, unexpected delays and operational issues associated with turnkey projects, the price of crude oil and natural gas, weather conditions in offshore markets, change in site conditions, and capital expenditures by customers. The Company strongly encourages readers to note that some or all of the assumptions upon which such forward looking statements are based are beyond the Company's ability to control or estimate precisely and may in some cases be subject to rapid and material change.*