



## Record Fourth Quarter Results in 67% Increase in 1998 Earnings

February 12, 1999

HOUSTON TX – Cal Dive International (Nasdaq: CDIS), announced record fourth quarter net income of \$5.4 million or \$0.36 per diluted share, an increase of 33% in a quarter when the domestic energy industry experienced the most severe downturn in over a decade. Quarterly revenues of \$37.3 million increased 11% as there was a considerable level of activity on the Outer Continental Shelf completing 1998 construction projects and repairing damage caused by Hurricane Georges.

Annual revenues of just under \$152 million in 1998 represent an increase of \$42.5 million over the previous year as three dynamically positioned vessels, the Uncle John, Witch Queen and Balmoral Sea, combined to generate 60% of the revenue improvement. Net income of \$24.1 million increased \$9.6 million or 67% over what the company earned in fiscal year 1997. Diluted earnings per share were \$1.61 in contrast to \$1.09 in 1997 with the variation between years effected by the new shares issued in the company's initial public offering (IPO) in July of 1997.

Chairman and Chief Executive Officer, Owen Kratz said "Establishing new record benchmarks for earnings in each quarter of 1998 in the face of falling commodity prices and customer spending truly sets Cal Dive apart from others in the oilfield service industry. During the year the company remained debt-free and increased cash balances by \$20 million as operating activities generated sufficient funds to cover \$15 million of capital expenditures and the \$5 million investment in Aquatica, Inc. The performance of our three core DP vessels, the Uncle John, Witch Queen and Balmoral Sea, was so outstanding that we recovered the total capital invested in these vessels in just over two years. The challenges of 1999 will showcase the unique talents of our people and enable the company to better position itself for the explosion in deepwater construction services which we have always targeted for the year 2001."

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 and conducts salvage operations in the Gulf of Mexico. The company's wholly owned subsidiary, Energy Resource Technology, acquires and operates mature offshore properties as part of CDI decommissioning services.

*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.*