



Cal Dive Reports Record Second Quarter Earnings

August 11, 1998

Houston TX - Cal Dive International, Inc. (Nasdaq: CDIS) announced second quarter net income of \$6.0 million, or \$0.40 per diluted share, an increase of 29% over the \$4.6 million earned last year in a quarter positively impacted by a large, complex shallow water construction project. Revenues of \$38.5 million increased almost \$10 million or 35% due to the performance of the company's fleet of dynamically positioned (DP) vessels.

Chief Executive Officer, Owen Kratz said, "the momentum of the first quarter continued to generate record results in the first half, confirming our expectations for the remainder of 1998. CDI is a performance driven company and we are particularly proud of the focus and execution of project management and offshore personnel reflected in the financial results turned in by our DP fleet during the second quarter. In a period of industry uncertainty caused by depressed oil prices, Cal Dive is in the enviable position of remaining debt free and having \$18 million of cash in the bank. This war chest gives us a great deal of firepower at a time when we expect that the asking prices of subsea construction assets will be reduced to reflect today's commodity prices and market conditions."

First half earnings of \$11.2 million increased 73% over the \$6.5 million reported in the same period of the prior year. Diluted earnings per share increased 19¢ or 34%, an increase that does not track with the net income improvement due to the 29% increase in average shares outstanding as a result of last July's IPO. Revenues of \$71.7 million increased 52% over 1997 due principally to improved rates and utilization of the same asset base. Specifically, the only new asset, the Merlin added \$3 million of revenues as CDI was able to charter the CSO Marianos and Constructor while two of the company's key DP vessels, the Witch Queen and Balmoral Sea, were in drydock during the first half of 1998.

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.