



Cal Dive Completes Major Vessel Financing

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HOUSTON, Aug. 28 /PRNewswire/ -- Cal Dive International, Inc. (Nasdaq: CDIS) has completed a low-interest, long-term financing for the construction of its technologically advanced multi-service vessel, the Q4000. The U.S. government is guaranteeing the \$138.5 million financing under Title XI of the Merchant Marine Act, as administered by the Maritime Administration (MARAD).

The Q4000, under construction at the AMFELS yard in Brownsville, Texas, is a sixth generation semi-submersible that the company believes will revolutionize the economics of Deepwater completion and construction operations. At closing, the company made an initial draw of \$40 million, with additional funding to occur at the end of 2000 and upon delivery of the vessel. Proceeds from the initial draw were used to retire all borrowings on the company's revolving line of credit and fund current construction calls of the Q4000. Govco Incorporated, a unit of Citigroup, handled the sale of the notes which are backed by the full faith and credit of the United States government.

Jim Nelson, Chief Financial Officer of Cal Dive, stated, "This attractive financing vehicle offers the advantages of a relatively low interest rate, initially 6.9%, and mortgage style amortization over a 25-year period. It's also important that we have four years to lock in the fixed rate for the permanent financing, and that a portion of the principal repayment is secured solely by the vessel. Since Cal Dive had already funded \$67 million of the vessel's estimated \$150 million construction cost through internally generated cash flow, the \$25 million net balance from this first draw is available for general corporate purposes."

The Title XI financing program is designed to assist the U.S. shipbuilding industry. MARAD's interest in the Q4000 and factors important in completing the financing included the revolutionary design of the vessel, the fact that it is a U.S. flagged vessel being built by a United States corporation, the experience of the AMFELS yard and the financial strength of Cal Dive.

John B. Graykowski, acting MARAD Administrator said, "The Maritime Administration is pleased to have been a part of financing this innovative vessel. This transaction is good for the U.S. shipbuilding industry and Cal Dive and we recognize that this is exactly the creative way the public and private sectors can partner together."

Cal Dive International, Inc. operates a fleet of technically advanced marine construction vessels and conducts salvage operations in the Gulf of Mexico. Energy Resource Technology, Inc., a wholly owned subsidiary, acquires and operates mature and non-core offshore oil and gas properties. SOURCE Cal Dive International, Inc.

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