



## Cal Dive Announces 2006 Earnings Guidance

December 15, 2005

HOUSTON, Dec. 15 /PRNewswire-FirstCall/ -- Cal Dive International, Inc. (Nasdaq: CDIS) today announced 2006 earnings guidance in a range of \$2.30 - \$3.30 per diluted share.

Owen Kratz, Chairman and Chief Executive Officer, stated, "This guidance is a natural result of the CDI budgeting process and risk mitigation approach. It represents an attempt to provide transparency into the thought process of CDI management. Our budget is produced between September and December and thus guidance will be issued only once, just prior to the beginning of the fiscal year. Quarterly conference calls will focus upon a discussion of the accompanying key variables (see attached list) plus any new issues that were not foreseen at the time of the original guidance. It is management's view that quarterly earnings variances are too often a result of timing differences and thus there will be no attempt to provide quarterly guidance."

Mr. Kratz continued, "During 2005, we capitalized on several significant growth opportunities that now allow us to forecast a range of earnings for 2006 that has a mid point 138% higher than that initially predicted for this year. This is impressive growth by any standard and we are excited to report that we have both the cash flow and opportunities to make further meaningful improvement."

We will make the following capital expenditures during 2006 for maintenance purposes and to continue our strong record of long term sustainable growth.

- Marine Contracting: approximately \$110 million for maintenance and small growth projects, along with phase three of the Stolt asset acquisition (i.e., the Kestrel) and conversion of the Express.
- Oil and Gas Production: approximately \$230 million for well work on existing fields and the development of deepwater PUD inventory.
- Production Facilities: approximately \$35 million to complete the build and installation of the Independence Hub.

Cal Dive International, Inc., headquartered in Houston, Texas, is an energy service company which provides alternate solutions to the oil and gas industry worldwide for marginal field development, alternative development plans, field life extension and abandonment, with service lines including subsea intervention, reservoir management, facilities ownership and oil and gas production.

This press release contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are statements that could be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any projections of revenue, gross margin, expenses, earnings or losses from operations, or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statement concerning developments, performance or industry rankings relating to services; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The risks, uncertainties and assumptions referred to above include the performance of contracts by suppliers, customers and partners; employee management issues; complexities of global political and economic developments, and other risks described from time to time in our reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ending December 31, 2004. We assume no obligation and do not intend to update these forward-looking statements.

### Key Variables

Marine Contracting: Revenues of \$650 - \$750 million with EBITDA margins of 25% - 35%

- Shelf Contracting
  - Longevity of hurricane related clean-up, inspection and repair work.
  - Timing of geographic expansion opportunities
  - Timing / extent of divestment of minority stake in this business unit
- Deepwater Contracting
  - Pricing and performance on subsea tie back projects
  - Timing of the conversion of the Express
  - Volume of trenching work for robotics group
  - Availability of ROV support vessels for project specific charters
- Well Operations
  - Mix of Well Intervention to subsea construction work in the Gulf of Mexico for the Q4000.
  - Spot market pricing for the Seawell in the North Sea

Oil & Gas: Production of 44 to 47 BCFe with a Price Deck of \$50 - \$60 / bbl oil and \$8 - \$11/mcf for gas

- Production efficiency (LOE)
- Hedging Effectiveness
- Timing of development of deepwater PUDs
- Success of Well Exploitation Program
- Extent of hurricane related damage and production deferrals in the 2006 season.

Production Facilities: Equity in Deepwater Gateway Earnings of \$27 - \$32 million

- Timing and extent of tariff income related to the tie back of incremental production from the K2, K2 North and Genghis Khan fields.
- Timing of the mechanical completion of the Independence Hub

Corporate: SG&A at 9% to 10% of Revenues

- Insurance: Renewal Terms and Aggregate Deductibles Incurred
- Foreign currency exchange
- Effective tax rate (36%)
- Average shares outstanding 82 - 83 million
- Interest and preferred stock dividend expense of \$20 - 22 million

SOURCE Cal Dive International, Inc.

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