UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(X) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the quarterly period ended June 30, 1999

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____________to _____________

Commission File Number: 0-22739

Cal Dive International, Inc.
(Exact Name of Registrant as Specified in its Charter)

Minnesota	95-3409686
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification Number)

400 N. Sam Houston Parkway E.
Suite 400
Houston, Texas 77060
(Address of Principal Executive Offices)

(281) 618-0400
(Registrant's telephone number, Including area code)

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13(b) or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

At August 16, 1999 there were 14,760,581 shares of common stock, no par value outstanding.

CAL DIVE INTERNATIONAL, INC.
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PART I. FINANCIAL STATEMENTS

Item 1. Financial Statements

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	JUNE 30, 1999	DEC. 31, 1998
ASSETS	(UNAUDITED)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 15,939	$ 32,843
Accounts receivable --		
Trade, net of revenue allowance on gross amounts billed of $2,018 and $1,335	24,918	20,350
Unbilled	11,097	10,703
Other current assets	12,559	9,190
Total current assets	64,513	73,086
PROPERTY AND EQUIPMENT	150,565	107,421
Less - Accumulated depreciation	(33,922)	(28,262)
	116,643	79,159
OTHER ASSETS:		
Cash deposits restricted for salvage operations	2,501	2,408
Investment in Aquatica, Inc.	8,106	7,656
Other assets, net	4,327	1,926
	$ 196,090	$ 164,235
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 25,514	$ 15,949
Accrued liabilities	5,947	10,020
Income taxes payable	750	1,201
Total current liabilities	32,211	27,170
LONG-TERM DEBT	0	0
DEFERRED INCOME TAXES	15,409	13,539
DECOMMISSIONING LIABILITIES	28,387	9,883
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, no par, 60,000 shares authorized, 21,535 and 21,402 shares issued and outstanding	54,639	52,981
Retained earnings	69,195	64,413
Treasury stock, 6,821 shares, at cost	(3,751)	(3,751)
Total shareholders' equity	120,083	113,643
	$ 196,090	$ 164,235

The accompanying notes are an integral part of these consolidated financial statements.

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED JUNE 30, 1999	1998
	(UNAUDITED)	
NET REVENUES:		
Subsea and salvage	$ 29,563	$ 35,228
Natural gas and oil production	4,541	3,298
	34,104	38,526
COST OF SALES:		
Subsea and salvage	24,511	23,999
Natural gas and oil production	3,869	2,393
Gross profit	5,724	12,134
SELLING AND ADMINISTRATIVE EXPENSES:		
Selling expenses	269	328
Administrative expenses	2,186	3,370
Total selling and administrative expenses	2,455	3,698
INCOME FROM OPERATIONS	3,269	8,436
OTHER INCOME AND EXPENSE:		
Equity in earnings of Aquatica, Inc.	350	500
Net interest (income) and other	(422)	(224)
INCOME BEFORE INCOME TAXES	4,041	9,160
Provision for income taxes	1,400	3,206
NET INCOME	$ 2,641	$ 5,954
EARNINGS PER COMMON SHARE:		
Basic	$ 0.18	$ 0.41
Diluted	$ 0.18	$ 0.40
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	14,685	14,545
Diluted	15,075	14,997

The accompanying notes are an integral part of these consolidated financial statements.

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
	(UNAUDITED)	
NET REVENUES:		
Subsea and salvage	$ 52,817	$ 64,570
Natural gas and oil production	7,293	7,113
	60,110	71,683
COST OF SALES:		
Subsea and salvage	43,159	44,393
Natural gas and oil production	5,970	4,592
Gross profit	10,981	22,698
SELLING AND ADMINISTRATIVE EXPENSES:		
Selling expenses	638	644
Administrative expenses	4,390	5,893
Total selling and administrative expenses	5,028	6,537
INCOME FROM OPERATIONS	5,953	16,161
OTHER INCOME AND EXPENSE:		
Equity in earnings of Aquatica, Inc.	450	633
Net interest (income) and other	(870)	(434)
INCOME BEFORE INCOME TAXES	7,273	17,228
Provision for income taxes	2,545	6,031
NET INCOME	$ 4,728	$ 11,197
EARNINGS PER COMMON SHARE:		
Basic	$ 0.32	$ 0.77
Diluted	$ 0.32	$ 0.75
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	14,651	14,540
Diluted	14,994	14,992

The accompanying notes are an integral part of these consolidated financial statements.

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 1999	SIX MONTHS ENDED JUNE 30, 1998
	(UNAUDITED)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 4,728	$ 11,197
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	6,641	4,168
Deferred income taxes	1,870	1,200
Equity in earnings of Aquatica, Inc.	(450)	(633)
Changes in operating assets and liabilities:		
Accounts receivable, net	(4,962)	217
Other current assets	(3,368)	(5,083)
Accounts payable and accrued liabilities	5,492	7,583
Income taxes payable/receivable	(219)	2,041
Other non-current, net	(3,862)	(1,085)
Net cash provided by operating activities	5,870	19,605
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(32,015)	(9,274)
Prepayment of deferred lease abandonement cost	7,750	0
Acquisition of Investment in Aquatica, Inc.	0	(5,013)
Purchase of deposits restricted for salvage operations	(93)	(236)
Proceeds from sale of property	157	0
Net cash used in investing activities	(24,201)	(14,523)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under term loan facility	0	0
Exercise of stock options	1,427	45
Net cash provided by financing activities	1,427	45
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,904)	5,127
CASH AND CASH EQUIVALENTS:		
Balance, beginning of period	32,843	13,025
Balance, end of period	$ 15,939	$ 18,152

The accompanying notes are an integral part of these consolidated financial statements.

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements include the accounts of Cal Dive International, Inc. (Cal Dive or the Company) and its wholly owned subsidiaries, Energy Resource Technology, Inc. (ERT) and Cal Dive Offshore, Ltd. All significant intercompany accounts and transactions have been eliminated. These financial statements are unaudited and have been prepared pursuant to instructions for the Quarterly Report on Form 10-Q required to be filed with the Securities and Exchange Commission and do not include all information and footnotes normally included in financial statements prepared in accordance with generally accepted accounting principles.

Management has reflected all adjustments (which were normal recurring adjustments) which it believes are necessary for a fair presentation of the consolidated balance sheets, results of operations, and cash flows, as applicable. Operating results for the periods ended June 30, 1999, are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K.

NOTE 2 - ACQUISITION OF OFFSHORE BLOCKS

During the first quarter, ERT acquired interests in ten blocks involving seven separate fields from Sonat Exploration Company, five offshore blocks from Shell Offshore, Inc. and two blocks from Vastar Resources, Inc. in exchange for cash consideration, as well as assumption of the pro rata share of the related decommissioning liabilities. In the second quarter, ERT acquired interests in two fields from Spirit Energy and one from Newfield, along with the acquisition of additional interest in a currently owned ERT property from Samedan, in exchange for cash consideration, as well as assumption of the seller's pro rata share of the related decommissioning liability. The decommissioning obligations of $19.5 million assumed in these six transactions were such that a cash outlay was not required in conjunction with the property acquisitions.

NOTE 3 - BUSINESS SEGMENT INFORMATION (IN THOUSANDS)

	JUNE 30, 1999 (UNAUDITED)	DECEMBER 31, 1998
Identifiable Assets --		
Subsea and Salvage	$ 155,204	$ 142,629
Natural Gas and Oil Production ..	40,886	21,606
Total	$ 196,090	$ 164,235

NOTE 4 - ACQUISITION OF DP VESSEL

In June 1999, CDI acquired Hvide Marine's 56% interest in the CAL DIVE AKER DOVE (a newbuild DP anchor handling and subsea construction vessel) for $15.6 million. CDI is also committed to fund up to (and not to exceed) an additional $3.3 million for the completion of the construction of the vessel.

NOTE 5 - SUBSEQUENT EVENT - ACQUISITION OF AQUATICA, INC.

In February 1998, CDI purchased a significant minority equity interest in Aquatica, Inc., a surface diving company founded in October 1997. CDI accounted for this investment on the equity basis of accounting for financial reporting purposes. Dependent upon various preconditions, as defined, shares of Aquatica, Inc. can be converted into Cal Dive shares at a ratio based on a formula which, among other things, values their shares of Aquatica, Inc. and must be accretive to Cal Dive shareholders. Effective August 1, 1999, 696,000 shares of common stock of Cal Dive were issued for all of the remaining common stock of Aquatica, Inc. which Cal Dive did not previously own. This acquisition will be accounted for as a step purchase in the third quarter with the purchase price being allocated to the assets acquired and liabilities assumed based upon their estimated fair values. Results of operations for Aquatica, Inc. will be consolidated with Cal Dive's results for periods subsequent to August 1, 1999.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

FORWARD LOOKING STATEMENTS AND ASSUMPTIONS

This Quarterly Report on Form 10-Q may contain or incorporate by reference certain forward-looking statements, including by way of illustration and not of limitation, statements relating to liquidity, margins, the Company's business strategy, plans for future operations, and the industry conditions. 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 changes. Accordingly, evaluation of future prospects of the Company must be made with caution when relying on forward-looking information.

RESULTS OF OPERATIONS

COMPARISON OF THREE MONTHS ENDED JUNE 30, 1999 AND 1998

REVENUES. During the three months ended June 30, 1999, the Company's revenues declined 11% to $34.1 million compared to $38.5 million for the three months ended June 30, 1998. Subsea and Salvage generated the same dollar volume of revenues as it did during the second quarter last year (i.e., after removing $4 million in revenue from chartering Coflexip vessels) even though Cal Dive fleet utilization was down 13%. An increase in salvage work for CDI's BARGE I coupled with CDI functioning as the prime contractor on two larger pipelay jobs offset a decline experienced due to the UNCLE JOHN being out of service for six weeks for repairs and a DNV inspection.

Natural gas and oil production revenue for the three months ended June 30, 1999 increased 38% to $4.5 million from $3.3 million during the comparable prior year period as an increase in production resulting from recent property acquisitions was partially offset by a decline in average gas prices from $2.24/mcf realized in the second quarter of 1998 compared to $2.07/mcf in the second quarter of 1999.

GROSS PROFIT. Gross profit of $5.7 million for the second quarter of 1999 represents a 53% decline compared to the $12.1 million recorded in the comparable prior year period due to the 14 point decline in margins (from 31% to 17%). The decrease in gross profit is due primarily to the impact of the Uncle John's 1999 thruster repairs which resulted in a $600,000 loss for the quarter versus $7.3 million of second quarter 1998 gross profit. Margins of 17% reflect in part the competitive market and the high volume of third party "pass through" costs associated with the increased mix of work as prime contractor.

Natural gas and oil production gross profit decreased $200,000 from $900,000 in the second quarter of 1998 to $700,000 for the three months ended June 30, 1999, due to the aforementioned decrease in average gas prices and additional wellwork expense.

SELLING & ADMINISTRATIVE EXPENSES. Selling and administrative expenses were $2.5 million in the second quarter of 1999, which is 34% less than the $3.7 million incurred in the second quarter of 1998. Administrative costs represented 7% of revenues in the second quarter compared to 10% in the same period of 1998 due to lower personnel costs and improvements to our supply chain management system.

NET INTEREST. The Company reported net interest income and other of $422,000 for the three months ended June 30, 1999 in contrast to $224,000 for the three months ended June 30, 1998 due to an approximately $19 million increase in average cash balances during the second quarter of 1999 as compared to the same period of 1998.

INCOME TAXES. Income taxes decreased to $1.4 million for the three months ended June 30, 1999, compared to $3.2 million in the comparable prior year period due to decreased profitability.

NET INCOME. Net income of $2.6 million for the three months ended June 30, 1999 was $3.3 million, or 56%, less than the comparable period in 1998 as a result of factors described above.

COMPARISON OF SIX MONTHS ENDED JUNE 30, 1999 AND 1998

REVENUES. During the six months ended June 30, 1999, the Company's revenues declined 16% to $60.1 million from $71.7 million in the six months ended June 30, 1998 with the Subsea and Salvage segment contributing all of the decline. This level of sales volume is actually within 6% of last year's first half after eliminating $8 million of Coflexip charter revenue. The remaining decrease was due to the UNCLE JOHN being out of service for six weeks for thruster repair/DNV inspection offset by a substantial increase in salvage work during the first half of 1999 compared to the comparable period in 1998. CDI salvage assets and the contracting of derrick and pipelay barges generated $10.6 million of revenues versus $2.4 million last year due principally to the significant 1999 salvage contract for Sonat Offshore.

Natural gas and oil production revenue for the six months ended June 30, 1999 increased slightly (3%) to $7.3 million from $7.1 million during the comparable prior year period as an increase in production (due to properties acquired during the first half of 1999) offset a decrease in average natural gas prices ($1.92/mcf in the first half of 1999 compared to $2.18/mcf during the comparable period in 1998).

GROSS PROFIT. Gross profit of $11.0 million for the first half of 1999 is approximately half the $22.7 million gross profit recorded in the comparable prior year period due to the revenue decline coupled with a 14 point decline in margins (from 32% to 18%). The decrease in gross profit is due primarily to the more competitive market conditions and to the impact of the Uncle John's 1999 drydock. In addition, the pass through costs associated with CDI functioning as prime contractor resulted in third party costs that were 37% of Subsea and Salvage revenues in contrast to 28% in the first half of 1998.

Natural gas and oil production gross profit decreased $1.2 million from $2.5 million in the first half of 1998 to $1.3 million for the first half of 1999, due in part to the 12% decrease in average gas prices mentioned above. In addition, gross profit margin of 18% versus 35% in the same period of 1998 reflect high levels of through tubing and rig recompletion well work.

SELLING & ADMINISTRATIVE EXPENSES. Selling and administrative expenses were $5.0 million in the first half of 1999, which is 23% less than the $6.5 million incurred in the first half of 1998 due mainly to lower labor costs in Subsea and Salvage. ERT administrative costs remained constant with the first six months of 1998 as we added personnel to handle a three fold increase in the number of wells operated by ERT, offsetting a significant decrease in accrued incentive compensation.

NET INTEREST. The Company reported net interest income and other of $870,000 for the six months ended June 30, 1999 which is double the $434,000 reported for the six months ended June 30, 1998 due to an approximately $21 million increase in average cash balances during the first half of 1999 as compared to the first half of 1998.

INCOME TAXES. Income taxes decreased to $2.5 million for the six months ended June 30, 1999, compared to $6.0 million in the comparable prior year period due to lower profitability.

NET INCOME. Net income of $4.7 million for the six months ended June 30, 1999 was $6.5 million, or 58%, less than the comparable period in 1998 as a result of factors described above.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically funded its operating activities principally from internally generated cash flow, even during industry-depressed years such as 1992 and 1998. The Company completed an initial public offering of common stock on July 7, 1997, with the sale of 2,875,000 shares generating net proceeds to the Company of approximately $39.5 million, which resulted in $15 million of cash on hand after paying off all debt outstanding. In the past two years internally generated cash flow has funded $75 million of capital expenditures while enabling the Company to remain debt free. As of June 30, 1999, the Company had $32.3 million of working capital (including $15.9 million of cash on hand) and no debt outstanding. Additionally, CDI has approximately $40.0 million available under a Revolving Credit Agreement. The Company has had, and anticipates having additional discussions with third parties regarding possible asset acquisitions (including natural gas and oil properties and vessels). However, the Company can give no assurance that any such transaction can be completed.

OPERATING ACTIVITIES. Net cash provided by operating activities was $5.9 million in the six months ended June 30, 1999, as compared to $19.6 million in the first half of 1998. This reduction was due mainly to decreased profitability during the first half of 1999 and a $5.0 million increase in accounts receivable during the first half of 1999 compared to a $200,000 decrease in the first half of 1998 due to timing of collections. In July, 1999, the Company collected over half of the $36 million accounts receivable balance as of June 30, 1999.

INVESTING ACTIVITIES. The Company incurred $32.0 million of capital expenditures during the first half of 1999 compared to $14.3 million during the comparable prior year period. Included in the $32.0 million of capital expenditures in the first half of 1999 is $15.6 million for the acquisition of Hvide Marine's 56% interest in the CAL DIVE AKER DOVE (a newbuild DP anchor handling and subsea construction vessel). In addition, $10.1 million is related to ERT property acquisitions and well recompletion work on the ERT properties acquired. In connection with the aforementioned ERT property acquisitions the seller prepaid $7.8 million of the decommissioning liability.

In January 1998, ERT acquired interests in six blocks involving two separate fields from Sonat Exploration Company and incurred costs to put the MERLIN and SEA SORCERESS into service. In February 1998, the Company purchased a significant minority equity investment in Aquatica, Inc. (a surface diving company) for $5.0 million. Effective August 1, 1999, 696,000 shares of common stock of Cal Dive were issued for all of the remaining common stock of Aquatica, Inc. which Cal Dive had not previously acquired. This acquisition will be accounted for as a step purchase in the third quarter with the purchase price being allocated to the assets acquired and liabilities assumed based upon their estimated fair values. Results of operations for Aquatica, Inc. will be consolidated with Cal Dive's results for periods subsequent to August 1, 1999.

FINANCING ACTIVITIES. The only financing activity during the first halves 1999 and 1998 represents exercise of employee stock options.

CAPITAL COMMITMENTS. In July 1999, the Company's Board of Directors approved the construction of the Q4000, a newbuild, ultra-deepwater multi-service vessel, at a total estimated cost of $150,000,000. Funding for this project is expected to come from cash balances on hand, long-term borrowings and perhaps the issuance of additional equity. In addition, as discussed previously, in connection with its business strategy, management expects the Company to acquire additional vessels as well as buy additional natural gas and oil properties.

IMPACT OF YEAR 2000 ISSUE

The Company has assessed what computer software and hardware will require modification or replacement so that its computer systems will properly utilize dates beyond December 31, 1999. The Company has purchased, and has implemented, a new project management accounting system which is Year 2000 compliant. This system, which fully integrates all of its modules, provides project managers and accounting personnel with up-to-date information enabling them to better control jobs in addition to providing benefits in inventory control and planned vessel maintenance. CDI's vessel computer DP systems are partially dependent on government satellites and the government has not yet confirmed that they have solved Year 2000 data problems. If necessary, the vessels could operate for sometime safely on redundant systems other than satellite information. Accordingly, the Company believes that the Year 2000 issue will be resolved in a timely manner and presently does not believe that the cost to become Year 2000 compliant will have a material adverse effect on the Company's consolidated financial statements. The foregoing statements are intended to be and are hereby designated "Year 2000 Readiness Disclosure" within the meaning of the Year 2000 Information Readiness and Disclosure Act.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various routine legal proceedings primarily involving claims for personal injury under the General Maritime Laws of the United States and Jones Act as a result of alleged negligence. In addition, the Company from time to time incurs other claims, such as contract disputes, in the normal course of business. The Company believes that the outcome of all such proceedings would not have a material adverse effect on its consolidated financial position, results of operations or net cash flows.

Item 4. Submission of Matters to a Vote of Security Holders

(a) The annual meeting of shareholders was held on May 5, 1999.

(b) The only matter submitted to a vote of security holders was for the election of four "Class II" Directors.

ELECTION OF DIRECTORS	VOTES FOR	VOTES WITHHELD
Martin R. Ferron	12,886,246	63,191
William E. Macauley	12,886,246	63,191
Gordon F. Ahalt	12,888,546	63,191
Jean-Bernard Fay	12,885,946	63,191

The other continuing directors of the Company are:
Owen Kratz
S. James Nelson
Thomas M. Ehret
Bernard J. Duroc-Danner
Ben Guill
Kevin Wood

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits -

Exhibit 27 - Financial Data Schedule. (Exhibit 27 is being submitted as an exhibit only in the electronic format of this Quarterly Report on Form 10-Q being submitted to the Securities and Exchange Commission.)

(b) Reports on Form 8-K - None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAL DIVE INTERNATIONAL, INC.

Date: August 16, 1999 By:_________________________

S. James Nelson, Executive Vice President
and Chief Financial Officer

Date: August 16, 1999 By:_________________________

A. Wade Pursell, Vice President-Finance
and Chief Accounting Officer

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1,000
6-MOS
DEC-31-1999
JUN-30-1999
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36,015
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64,513
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