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 March 31, 2001

( ) 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 May 14, 2001 there were 32,437,247 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)

	March 31, 2001	Dec. 31, 2000
ASSETS	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 56,693	$ 44,838
Restricted cash	2,654	2,624
Accounts receivable --		
Trade, net of revenue allowance on gross amounts billed of $2,076 and $1,770	36,879	42,924
Unbilled	3,088	1,902
Income tax receivable	0	10,014
Other current assets	17,539	20,975
Total current assets	116,853	123,277
PROPERTY AND EQUIPMENT	294,294	266,102
Less - Accumulated depreciation	(76,710)	(67,560)
	217,584	198,542
OTHER ASSETS:		
Goodwill	15,523	12,878
Other assets, net	13,214	12,791
	$ 363,174	$ 347,488
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 25,350	$ 25,461
Accrued liabilities	20,282	21,435
Income taxes payable	0	0
Total current liabilities	45,632	46,896
LONG-TERM DEBT	40,054	40,054
DEFERRED INCOME TAXES	42,184	38,272
DECOMMISSIONING LIABILITIES	27,575	27,541
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, no par, 120,000 shares authorized, 46,031 and 44,885 shares issued	96,068	93,838
Retained earnings	115,412	104,638
Treasury stock, 13,640 shares, at cost	(3,751)	(3,751)
Total shareholders' equity	207,729	194,725
	$ 363,174	$ 347,488

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 March 31, 2001	2000
	(unaudited)	
NET REVENUES:		
Subsea and salvage	$ 31,282	$ 30,338
Natural gas and oil production	27,200	9,771
	58,482	40,109
COST OF SALES:		
Subsea and salvage	25,170	25,177
Natural gas and oil production	11,054	6,535
Gross profit	22,258	8,397
SELLING AND ADMINISTRATIVE EXPENSES	5,607	4,296
INCOME FROM OPERATIONS	16,651	4,101
NET INTEREST (INCOME) AND OTHER	291	(200)
INCOME BEFORE INCOME TAXES	16,360	4,301
Provision for income taxes	5,726	1,505
Minority interest	(140)	(418)
NET INCOME	$ 10,774	$ 3,214
EARNINGS PER COMMON SHARE:		
Basic	$ 0.33	$ 0.10
Diluted	$ 0.33	$ 0.10
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	32,308	31,220
Diluted	33,072	32,014

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)

	Three Months Ended March 31, 2001	2000
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 10,774	$ 3,214
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	10,394	5,470
Deferred income taxes	3,912	143
Changes in operating assets and liabilities:		
Accounts receivable, net	4,137	21,438
Other current assets	4,312	(3,482)
Accounts payable and accrued liabilities	(265)	(11,413)
Income taxes payable/receivable	9,323	140
Other non-current, net	(1,980)	(3,617)
Net cash provided by operating activities	40,607	11,893
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(19,655)	(19,151)
Purchase of Professional Divers of New Orleans, Inc.	(11,500)	0
Restricted cash	(30)	8,648
Deposits restricted for salvage operations	782	0
Minority interest in Cal Dive Aker Dove	(140)	(418)
Net cash provided by (used in) investing activities	(30,543)	(10,921)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Exercise of stock options	1,791	2,150
Net cash provided by financing activities	1,791	2,150
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,855	3,122
CASH AND CASH EQUIVALENTS:		
Balance, beginning of period	44,838	11,310
Balance, end of period	$ 56,693	$ 14,432

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 Aquatica, Inc. All significant intercompany accounts and transactions have been eliminated. These financial statements are unaudited, 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 period ended March 31, 2001, are not necessarily indicative of the results that may be expected for the year ending December 31, 2001. 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 for its fiscal year ended December 31, 2000.

Note 2 - Professional Divers Acquisition

In March, 2001, CDI acquired substantially all of the assets of Professional Divers of New Orleans, Inc. (PDNO) in exchange for $11.5 million. The assets purchased included the Sea Level 21 (a 165-foot four-point moored DSV renamed the Mr. Sonny), three utility vessels and associated diving equipment including two saturation diving systems. PDNO offshore personnel, comprising 20 diver/tender teams and marine crews that operate the four DSVs, were offered employment positions with CDI's wholly-owned subsidiary, Aquatica, Inc., most of which accepted the offer. This acquisition was accounted for as a purchase with the acquisition price of $11.5 million being allocated to the assets acquired and liabilities assumed based upon their estimated fair values. The fair value of tangible asset acquired and liabilities assumed was $8.7 million and $0, respectively. The balance of the purchase price ($2.8 million) was recorded as excess of cost over net assets acquired (goodwill) and will be amortized over its estimated remaining useful life of 25 years.

Note 3 - Horizon Offshore

In February, 2001, CDI formed a joint venture with Horizon Offshore, Inc. to conduct small diameter reeled pipelay projects in deepwater areas of the U.S. Gulf of Mexico. The two companies will fund the estimated $15 million cost of pipelay equipment to be deployed from CDI's Sea Sorceress. In addition, Horizon will construct a pipe spooling facility at its Port Arthur, Texas shore base.

In March, 2001, the two companies announced that the Alliance Agreement covering operation on the Outer Continental Shelf was extended for a three-year period. Principal features of the Alliance are that CDI provides Dive Support Vessel services behind Horizon pipelay barges while Horizon supplies pipelay, derrick barge and heavy lift capacity to Cal Dive. The Alliance was also expanded to include CDI providing the diving personnel working from Horizon barges, a service Horizon handled internally last year.

Note 4 - Business Segment Information (in thousands)

	March 31, 2001 (unaudited)	December 31, 2000
Identifiable Assets --		
Subsea and Salvage	$324,728	$301,416
Natural Gas and Oil Production	38,446	46,072
Total	$363,174	$347,488

Note 5 - Subsequent Event - Acquisition of Deepwater Vessel

In May 2001, Cal Dive acquired a DP marine construction vessel, the Mystic Viking (formerly the Bergen Viking). The 240 foot by 52 foot vessel is DP-2 class similar to the Witch Queen. The Mystic Viking replaces the Balmoral Sea (lost last year to fire) and the Cal Dive Aker Dove (Cal Dive's ownership was transferred to Aker effective April 1, 2001). A major upgrade program to install construction and diving related equipment below deck is planned for the first quarter of 2002.

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 includes or incorporates by reference certain statements that may be deemed "forward looking statements" under applicable law. Forward looking statements and assumptions in this Form 10-Q that are not statements of historical fact 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, offshore weather conditions, 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.

RESULTS OF OPERATIONS

Comparison of Three Months Ended March 31, 2001 and 2000

Revenues. During the three months ended March 31, 2001, the Company's revenues increased 46% to $58.5 million compared to $40.1 million for the three months ended March 31, 2000. The increase was generated by the Natural Gas and Oil Production segment. In the Subsea and Salvage segment stronger than anticipated demand on the OCS, where utilization of our DSV's was 67% versus 42% in the first quarter of 2000, was sufficient to absorb a $5.6 million decline in revenues generated by our DP fleet. The DP fleet decrease was due mainly to the loss of the Balmoral Sea in June, 2000 and first quarter 2000 contributions from two major deepwater projects (Exxon Diana installation and EEX Cooper decommissioning).

Natural gas and oil production revenue for the three months ended March 31, 2001 increased $17.4 million to $27.2 million from $9.8 million during the comparable prior year period. The increase was due to higher levels of production (4.3 Bcfe in the first quarter of 2001 versus 3.3 Bcfe in the comparable quarter of 2000) coupled with an increase in average gas prices from $2.73/mcfe realized in the first quarter of 2000 compared to $6.00/mcfe ($6.50/mcf of natural gas and $27.30 per barrel of oil) in the first quarter of 2001.

Gross Profit. Gross profit of $22.3 million for the first quarter of 2001 represents a 165% increase compared to the $8.4 million recorded in the comparable prior year period due to the aforementioned revenue increase in Natural Gas and Oil Production. Margins also improved from 21% during the first quarter of 2000 to 38% during the first quarter of 2001. The margin increase is due mainly to Natural Gas and Oil Production margins improving 26 points to 59% for the three months ended March 31, 2001 from 33% during the comparable prior year period. Margins of Subsea and Salvage of 20% improved from 17% in the year ago quarter.

Natural gas and oil production gross profit increased $12.9 million from $3.2 million in the first quarter of 2000 to $16.1 million for the three months ended March 31, 2001, due to the aforementioned increases in average gas prices and production.

Selling & Administrative Expenses. Selling and administrative expenses were $5.6 million in the first quarter of 2001, which is 30% more than the $4.3 million incurred in the first quarter of 2000 due mainly to the ERT employee incentive program which tracks that subsidiary's significantly improved operating results.

Net Interest. The Company reported net interest expense and other of $291,000 for the three months ended March 31, 2001 in contrast to $200,000 of net interest income and other for the three months ended March 31, 2000. The change between periods is due to the reduction in cash balances (net of MARAD debt) as a result of our CAPEX program (Q4000 vessel construction and Sea Sorceress conversion), combined with the amortization of non-compete agreements and additional goodwill amortization.

Income Taxes. Income taxes increased to $5.7 million for the three months ended March 31, 2001 compared to $1.5 million in the comparable prior year period due to increased profitability.

Net Income. Net income of $10.8 million for the three months ended March 31, 2001 was $7.6 million, or 235%, more than the comparable period in 2000 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 1998/1999. The Company completed an initial public offering of common stock on July 7, 1997, with the net proceeds of approximately $39.5 million resulting in $15 million of cash on hand after paying off all debt outstanding. The following three years internally generated cash flow, along with proceeds received from the sale and leaseback of the Cal Dive Aker Dove of $20.0 million, funded approximately $164 million of capital expenditures while enabling the Company to remain essentially debt free. During the third quarter of 2000 we closed the long-term MARAD financing for construction of the Q4000 and made an initial draw of $40.1 million on a total commitment of $138.5 million. No subsequent draws have occurred. Through March 31, 2001, we have funded over $100 million of the newbuild vessel's construction costs. Significant internally generated cash flow in the first quarter of 2001 coupled with the collection of a $10 million tax refund resulted in cash balances increasing to $56.7 million as of March 31, 2001.

Operating Activities. Net cash provided by operating activities was $40.6 million during the three months ended March 31, 2001, as compared to $11.9 million during the first three months of 2000. This increase was due mainly to increased profitability and collection of a $10 million tax refund from the Internal Revenue Service (reflected in Changes in Income Taxes Payable/Receivable) relating to the deduction of Q4000 construction costs as research and development expenditures for federal tax purposes, offset by a $17.3 million decrease in funding from accounts receivable collections during the first three months of 2001 compared to the first three months of 2000 when we collected all amounts due on the EEX Cooper abandonment project (the largest contract ever in CDI's history) during the first quarter of 2000. In addition, depreciation and amortization increased $4.9 million to $10.4 million for the first quarter of 2001 due mainly to ERT depletion as a result of the increased production.

Investing Activities. The Company incurred $19.7 million of capital expenditures during the first three months of 2001 compared to $19.2 million during the comparable prior year period. Included in the $19.7 million of capital expenditures in the first three months of 2001 is $9.2 million for the construction of the Q4000 and $6.2 million relating to the Sea Sorceress DP conversion project. In March, 2001, CDI acquired substantially all of the assets of Professional Divers of New Orleans, Inc. (PDNO) in exchange for $11.5 million. The assets purchased included the Sea Level 21 (a 165-foot four-point moored DSV renamed the Mr. Sonny), three utility vessels and associated diving equipment including two saturation diving systems.

Included in the $19.2 million of capital expenditures in the first quarter of 2000 is $10 million for the construction of the Q4000. Also during the first quarter of 2000, ERT acquired interests in six offshore blocks from EEX Corporation and agreed to operate the remaining EEX properties on the Outer Continental Shelf (OCS). The acquired offshore blocks include working interests from 40% to 75% in five platforms, one caisson and 13 wells currently producing 23 mmcf per day (13 mmcf net). ERT agreed to a purchase price of $4.9 million and assumed EEX's prorated share of the abandonment obligation for the acquired interests, and entered into a two-year contract to manage the remaining EEX operated properties. In connection with this transaction, $8.6 million of previously restricted funds were utilized in the acquisition (these funds were obtained in late 1999 from the sale of properties qualifying as "Like-Kind Exchanges" for tax purposes).

Financing Activities. The only financing activity during the first quarters of 2001 and 2000 represents exercise of employee stock options.

Capital Commitments. Our Board of Directors has approved a capital budget of up to $150 million for the year 2001, with approximately $80 million of that associated with the Q4000 and the Sea Sorceress. We have also set aside up to $50 million for production contracting (ERT prospect acquisitions and initial Gunnison development costs), although timing of these events is difficult to predict. In May 2001, we acquired a DP marine construction vessel, the Mystic Viking (formerly the Bergen Viking) for an undisclosed sum of cash. This purchase is in addition to the $150 million approved capital budget. In order to fund the remaining approved capital expenditures, we estimate that an additional $40 - $50 million be drawn on the MARAD debt given the significant cash reserves available and the additional cash flow we expect to generate in 2001.

During 2000, ERT acquired a 20% working interest in the Gunnison prospect, a Deepwater project that has encountered significant potential reserves, in partnership with Kerr-McGee Oil & Gas Corporation, the operator. Consistent with CDI's philosophy of avoiding exploratory risk, financing for up to $15 million of the exploratory costs is being provided by an investment partnership, the investors of which are CDI senior management, in exchange for a 25% override of CDI's 20% working interest. Cal Dive has agreed to fund up to $49 million in development costs and up to $1 million of certain additional costs if the Gunnison prospect is declared a sanctioned project.

In connection with our business strategy, we evaluate acquisition opportunities (including additional vessels as well as interests in offshore natural gas and oil properties). No such acquisitions are currently pending.

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.

The Company entered into a subcontract with Seacore Marine Contractors Limited to provide the Sea Sorceress for subsea excavation in Canada. Seacore was inturn contracted by Coflexip Stena Offshore Newfoundland Limited, a subsidiary of Coflexip ("CSO Nfl"), as representative of the consortium of companies contracted to perform services on the project. Due to difficulties with respect to the sea states and soil conditions the contract was terminated. Seacore was provided a performance bond of $5 million with respect to the subcontract. No call has been made on this bond. Although CSO Nfl has alleged that the Sea Sorceress was unable to adequately perform the excavation work required under the subcontract, Seacore and the Company believe the contract was wrongfully terminated and are vigorously defending this claim and seeking damages in arbitration. In another commercial dispute, EEX Corporation sued Cal Dive and others alleging breach of fiduciary duty by a former EEX employee and damages resulting from certain construction agreements. Cal Dive has responded alleging EEX Corporation breached various provisions of the same contracts and is seeking a declaratory judgment that the defendants are not liable. The Company believes that the outcome of all such proceedings is not likely to have a material adverse effect on its business or financial condition.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits -

None

(b) Reports on Form 8-K -

Current Report on Form 8-K filed February 15, 2001 to report the Company's 2000 fourth quarter financial results and its forecasted results for the quarter ending March 31, 2001 and year ending December 31, 2001.

Current Report on Form 8-K filed May 3, 2001 to report the Company's 2001 first quarter financial results and its forecasted results for the quarter ending June 30, 2001.

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: May 15, 2001 By: /s/ S. JAMES NELSON

S. James Nelson, Vice Chairman

Date: May 15, 2001 By: /s/ A. WADE PURSELL

A. Wade Pursell, Senior Vice President, Chief Financial Officer