UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 September 30, 1997

[ ] 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 of Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

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

(281) 618-0400
(Registrants telephone number, Including area code)

Indicate by check mark 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 [ ] No [X]

At November 7, 1997 there were 14,524,831 shares of common stock, no par value outstanding.

PART I. FINANCIAL STATEMENTS

Item 1. Financial Statements

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

	Sept. 30, 1997	Dec. 31, 1996
ASSETS	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,984	$ 204
Accounts receivable --		
Trade, net of revenue allowance on gross amounts billed of $1,590 (unaudited) and $1,021	19,910	18,849
Unbilled	9,585	7,364
Other current assets	5,886	2,755
Total current assets	48,365	29,172
PROPERTY AND EQUIPMENT	77,996	61,466
Less - Accumulated depreciation	(17,990)	(13,260)
	60,006	48,206
OTHER ASSETS:		
Cash deposits restricted for salvage operations	5,447	5,234
Loan acquisition costs and other assets, net	586	444
	$ 114,404	$ 83,056

LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 10,093	$ 9,909
Accrued liabilities	5,094	5,758
Income taxes payable	461	94
Total current liabilities	15,648	15,761
LONG-TERM DEBT	0	25,000
DEFERRED INCOME TAXES	8,525	5,417
DECOMMISSIONING LIABILITIES	5,100	6,034
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, no par, 20,000 shares authorized, 21,345 and 18,448 shares issued and outstanding	52,603	9,093
Retained earnings	36,279	25,806
Treasury stock, 6,820 and 7,349 shares, at cost	(3,751)	(4,055)
Total shareholders' equity	85,131	30,844
	$ 114,404	$ 83,056

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 September 30,	
	1997	1996
	(unaudited)	
NET REVENUES:		
Subsea and salvage	$ 25,480	$ 20,747
Natural gas and oil production	3,379	3,159
	28,859	23,906
COST OF SALES:		
Subsea and salvage	18,639	14,393
Natural gas and oil production	1,801	2,005
Gross profit	8,419	7,508
SELLING AND ADMINISTRATIVE EXPENSES:		
Selling expenses	319	320
Administrative expenses	2,189	1,792
Total selling and administrative expenses	2,508	2,112
INCOME FROM OPERATIONS	5,911	5,396
OTHER INCOME AND EXPENSE:		
Interest (income) expense, net	(242)	223
Other (income) expense, net	13	(6)
INCOME BEFORE INCOME TAXES	6,140	5,179
Provision for income taxes	2,157	1,767
NET INCOME	$ 3,983	$ 3,412
EARNINGS PER SHARE	$ 0.27	$ 0.31
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	14,812	11,099

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)

	Nine Months Ended September 30,	
	1997	1996
	(unaudited)	
NET REVENUES:		
Subsea and salvage	$64,326	$44,540
Natural gas and oil production	11,605	8,149
	75,931	52,689
COST OF SALES:		
Subsea and salvage	46,741	31,690
Natural gas and oil production	6,066	4,847
Gross profit	23,124	16,152
SELLING AND ADMINISTRATIVE EXPENSES:		

Selling expenses	1,028	893
Administrative expenses	5,657	4,315
Total selling and administrative expenses	6,685	5,208
INCOME FROM OPERATIONS	16,439	10,944
OTHER INCOME AND EXPENSE:		
Interest expense, net	374	316
Other (income) expense, net	45	20
INCOME BEFORE INCOME TAXES	16,020	10,608
Provision for income taxes	5,547	3,637
NET INCOME	$10,473	$ 6,971
EARNINGS PER SHARE	$ 0.82	$ 0.63
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	12,831	11,099

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)

	Nine Months Ended September 30,	
	1997	1996
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 10,473	$ 6,971
Adjustments to reconcile net income to net cash provided by operating activities --		
Depreciation and amortization	5,424	3,367
Deferred income taxes	3,108	403
Gain on sale of property	(464)	--
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,282)	(9,934)
Other current assets	(3,131)	(658)
Accounts payable and accrued liabilities	(480)	4,070
Income taxes payable/receivable	367	1,434
Other non-current, net	489	224
Net cash provided by operating activities	12,504	5,877
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(18,214)	(21,666)
Purchase of deposits restricted for salvage operations	(213)	(235)
Restricted cash	(1,196)	--
Proceeds from sale of property	1,084	6
Net cash used in investing activities	(18,539)	(21,895)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Sale of common stock, net of transaction costs	39,456	--
Sale of treasury stock, net of transaction costs	4,359	--
Borrowings under term loan facility	6,700	21,600
Repayments of long-term debt	(31,700)	(4,900)
Net cash used in financing activities	18,815	16,700
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,780	682
CASH AND CASH EQUIVALENTS:		
Balance, beginning of period	204	159
Balance, end of period	$ 12,984	$ 841

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. 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 September 30, 1997, are not necessarily indicative of the results that may be expected for the year ending December 31, 1997. These financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Prospectus filed on Form S-1 on July 1, 1997.

NOTE 2 - EARNINGS PER SHARE

Net income per share is calculated by dividing net income by the weighted average number of common shares outstanding for the applicable period, adjusted to give effect to the assumed exercise of dilutive stock options, less the number of treasury shares assumed to be purchased from the proceeds. Fully diluted earnings per share is not presented as the dilutive effect is not material.

In March 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 128, "Earnings Per Share". This statement replaces APB Opinion No. 15 and establishes standards for computing and presenting earnings per share. The Company is required to adopt this standard for the year ended December 31, 1997. Management believes adoption of this standard will not have a material effect on the Company's reported earnings per share amounts.

NOTE 3 - SHAREHOLDERS' EQUITY

The Company completed an initial public offering of common stock on July 7, 1997, with the sale of 4.1 million shares at $15 per share. Of the 4.1 million shares, 2,875,000 shares were sold by the Company and 1,265,000 shares were sold by First Reserve Funds. Net proceeds to the Company from the offering were approximately $39.5 million, net of underwriting discounts and issuance costs. The Company utilized $20.0 million of the proceeds to retire all of its then outstanding long-term indebtedness.

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 SEPTEMBER 30, 1997 AND 1996

REVENUES. During the three months ended September 30, 1997, the Company's revenues increased 21% to $28.9 million compared to $23.9 million for the three months ended September 30, 1996 with the Subsea and Salvage segment contributing virtually all of the increase. The addition of the DPMSV UNCLE JOHN provided $5.0 million of revenue for the three months ended September 30, 1997 (the vessel was placed into service in October, 1996). Two unusual events - a lightning strike on the WITCH QUEEN and an electrical fire onboard the CAL DIVER II - put these two vessels out of service a combined six weeks during the quarter, reducing revenue by approximately $2.0 million. This reduction was offset by higher rates experienced from high demand for shallow water diving services.

Natural gas and oil production revenue for the three months ended September 30, 1997 was $3.4 million as compared to $3.2 million for the three months ended September 30, 1996. Production increased from 1.2 Bcf to 1.4 Bcf due to five blocks acquired during the second half of 1996. Average gas prices increased slightly for the third quarter 1997 as compared to the comparable prior year period.

GROSS PROFIT. Gross profit increased approximately $900,000, or 12%, from $7.5 million for the three months ended September 30, 1996, to $8.4 million for the three months ended September 30, 1997. The addition of the UNCLE JOHN contributed approximately $500,000 of the increase although at relatively low margins due to difficulties encountered on a large construction project. Overall Subsea and Salvage margins were down 1% from the third quarter of 1996 due to the difficulties experienced by the UNCLE JOHN and the aforementioned unusual events (lightning strike and electrical fire).

Natural gas and oil production gross profit was $1.6 million for the three months ended September 30, 1997, as compared to $1.2 million during the same period in the prior year due mainly to the increase in average gas prices and successful well work at two of the properties.

SELLING & ADMINISTRATIVE EXPENSES. Selling and administrative expenses increased $400,000, or 19%, to $2.5 million for the three months ended September 30, 1997, as compared to $2.1 million during the same period in the prior year. The majority of the increase is due to the addition of a number of experienced technical personnel to support the newly formed Deepwater Technical Services group.

NET INTEREST. The Company reported net interest income of $242,000 for the three months ended September 30, 1997 in contrast to net interest expense of $223,000 for the three months ended September 30, 1996. This improvement was due to the Company paying off all outstanding debt with proceeds from its initial public offering of common stock in July 1997. Borrowings under the Revolving Credit Agreement averaged $1.3 million during the third quarter of 1997 as compared to $16.5 million during the third quarter of 1996.

INCOME TAXES. Income taxes increased to $2.2 million for the three months ended September 30, 1997, compared to $1.8 million in the prior year period due to increased profitability.

NET INCOME. Net income of $4.0 million for the three months ended September 30, 1997 was $600,000, or 17%, more than the comparable period in 1996 as a result of factors described above. Earnings per share decreased by $0.04 due to the additional shares issued in conjunction with the Company's initial public offering of common stock (IPO) funds which have yet to be converted to revenue generating assets.

COMPARISON OF NINE MONTHS ENDED SEPTEMBER 30, 1997 AND 1996

REVENUES. Consolidated revenues of $75.9 million for the first three quarters of 1997 were 44% more than the $52.7 million reported during the first three quarters of 1996 due primarily to the addition of DP vessels, improved demand for traditional subsea services and increased natural gas and oil production. Revenues from DP vessels increased 89% to $30.8 million for the nine months ended September 30, 1997 as compared to the comparable prior year period due to the full year operations of the Balmoral Sea and Uncle John (vessels placed in service in April and October, 1996, respectively. This increase, combined with stronger market conditions for surface diving and supply boats offset the fact that seven vessels were out of service for a combined 40 weeks during the first two quarters of 1997 for regulatory inspections, preventative maintenance and/or vessel upgrades in addition to the six weeks of downtime experienced during the third quarter from the lightning strike and electrical fire. During the first three quarters of 1996 only one such vessel was out of service for any significant length of time.

Natural gas and oil production was $11.6 million for the first three quarters of 1997 from 12 properties as compared to $8.1 million for the comparable period in 1996 from nine properties. The 1997 revenue benefited from prior year well enhancement efforts and also includes a book gain from the sale of two properties during the second quarter of 1997. Average gas sales prices improved slightly in the first three quarters of 1997 compared to the comparable period in 1996.

GROSS PROFIT. Gross profit increased by $7.0 million, or 43%, from $16.2

million in the first three quarters of 1996 to $23.1 million in the first three quarters of 1997. The addition of the UNCLE JOHN and BALMORAL SEA into the Company's fleet made up approximately half of the increase with the remainder due to improved demand for traditional subsea services and increased natural gas and oil production. Subsea and Salvage margins were down slightly (1%) despite encountering difficulties on a large construction project in the third quarter and a 1997 regulatory inspection and maintenance program which took Subsea and Salvage repair costs to $4.8 million compared to $2.1 million in the first three quarters of 1996.

Natural gas and oil production gross profit was $5.5 million for the nine months ended September 30, 1997 as compared to $3.3 million for the comparable prior period. The increase was due to the acquisition of five blocks during the second half of 1996 and the gain recorded on the sale of two properties during the second quarter of 1997.

SELLING & ADMINISTRATIVE EXPENSES. Selling and administrative expenses increased 28% to $6.7 million in the nine months ended September 30, 1997 as compared to the first three quarters of 1996. The increase is due to the addition of new personnel to support the Company's deepwater strategy and growth in its base business. The remainder of the increase is due to the ERT incentive compensation program whereby key management personnel share in the improved earnings of the natural gas and oil production segment. Selling and administrative expenses were 9% of 1997 third quarter revenues, an improvement from 10% in the same period of 1996.

NET INTEREST. Net interest expense was roughly the same: $316,000 for the nine months ended September 30, 1996, compared to $374,000 for the nine months ended September 30, 1997. Borrowings related to vessel and property acquisitions during the second half of 1996 were offset by the reduction of debt resulting from proceeds received from the IPO. Borrowings under the Revolving Credit Agreement averaged $13.8 million during the first three quarters of 1997 as compared to $9.4 million during the first three quarters of 1996.

INCOME TAXES. Income taxes were $5.5 million for the first three quarters of 1997 as compared to $3.6 million for the comparable prior year period. The increase was due to the Company's increased profitability. Higher depreciation related to the newly acquired DP vessels has resulted in a reduction of the amount of cash taxes paid in the period and also a corresponding increase in the deferred tax liability.

NET INCOME. Net income increased 50% to $10.5 million in the nine months ended September 30, 1997 as compared to $7.0 million in the first three quarters of 1996 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. As of September 30, 1997, the Company had $32.7 million of working capital and $13 million of cash on hand after the purchase of the SEA SORCERESS. 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, net of underwriting discounts and issuance costs. The proceeds were used to fund capital expenditures of $18.5 million during the nine months ended September 30, 1997, and to repay all outstanding long-term indebtedness. Additionally the Company has available all of a $40.0 million Revolving Credit Agreement. On October 27, 1997, the Company closed on the acquisition of interests in two offshore natural gas and oil properties and assumption of the responsibility to decommission the properties in full compliance with all governmental regulations. 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 $12.5 million in the nine months ended September 30, 1997, as compared to $5.9 million provided in the nine months ended September 30, 1996. This increase was primarily the result of increased profitability and depreciation and amortization as a result of vessel and natural gas and oil properties acquisitions.

The Company experienced improved collections of its billed accounts receivable during the first three quarters of 1997 as compared to the comparable prior year period. Total accounts receivable increased $3.3 million at September 30, 1997 as compared to December 31, 1996 due to seasonality in the Company's business. Weather conditions in the Gulf of Mexico are typically better in the second and third quarters versus the fourth quarter which directly impacts the Company's utilization and revenue, causing a corresponding increase in accounts receivable.

INVESTING ACTIVITIES. The Company incurred $18.5 million of capital expenditures during the first three quarters of 1997. During the third quarter, the Company acquired a 374 foot by 104 foot ice-strengthened vessel (the DSV SEA SORCERESS). The Company plans an extensive upgrade program during 1998 to add power, dynamic positioning and a 200 ton crane so that the vessel can be used for J-lay, reeled product lay and similar deepwater heavy construction tasks. The conversion will be a joint effort between the Company and its strategic partner, Coflexip Stena offshore, with funding of the Company's 50% portion expected to come from cash flow from operations. Nearly half of the remaining capital expenditures were for the acquisition of two ROVs from Coflexip with the remaining balance representing principally the costs associated with installation of a derrick on the UNCLE JOHN.

During the second quarter of 1997, the Company sold two offshore natural gas and oil properties for approximately $1.0 million. These transactions were structured as a Section 1031 "Like Kind" exchange for tax purposes. Accordingly, the cash received was restricted as of September 30, 1997, to be used for the acquisition of additional natural gas and oil properties. The amount is included in other current assets on the accompanying consolidated balance sheet.

FINANCING ACTIVITIES. During the first two quarters of 1997, the Company repaid $5.0 million, net of its borrowings under its Revolving Credit Agreement with Fleet Capital Corporation and in the third quarter repaid the remaining $20.0 million outstanding with proceeds from the initial public offering of common stock.

CAPITAL COMMITMENTS. The Company's share of the SEA SORCERESS conversion cost is expected to approximate $15.0 million, subject to any additional expenditures that might be incurred in conjumction with final design plans. In addition, and as discussed previously, in connection with its business strategy, management expects the Company to acquire or build additional vessels such as the SEA SORCERESS as well as buy additional natural gas and oil properties.

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. 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 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: November 7, 1997	By: /s/ S. JAMES NELSON S. James Nelson, Executive Vice President and Chief Financial Officer
Date: November 7, 1997	By: /s/ A. WADE PURSELL A. Wade Pursell, Vice President-Finance and Chief Accounting Officer

<ARTICLE> 5

<PERIOD-TYPE>	9-MOS
<FISCAL-YEAR-END>	DEC-31-1997
<PERIOD-END>	SEP-30-1997
<CASH>	12,984
<SECURITIES>	0
<RECEIVABLES>	31,085
<ALLOWANCES>	1,590
<INVENTORY>	0
<CURRENT-ASSETS>	48,365
<PP&E>	77,996
<DEPRECIATION>	17,990
<TOTAL-ASSETS>	114,404
<CURRENT-LIABILITIES>	15,648
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	52,603
<OTHER-SE>	32,528
<TOTAL-LIABILITY-AND-EQUITY>	114,404
<SALES>	75,931
<TOTAL-REVENUES>	75,931
<CGS>	52,807
<TOTAL-COSTS>	59,492
<OTHER-EXPENSES>	45
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	374
<INCOME-PRETAX>	16,020
<INCOME-TAX>	5,547
<INCOME-CONTINUING>	10,473
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	10,473
<EPS-PRIMARY>	.82
<EPS-DILUTED>	0