

**Oceaneering Announces Fourth Quarter, Record Annual Earnings,  
and Results of Accounting Restatement**

February 19, 2003– Houston, Texas – Oceaneering International, Inc. (NYSE:OII) today reported fourth quarter and record annual earnings for the periods ended December 31, 2002. The new record annual earnings were 28% more than the previous record set in 2001.

During the fourth quarter, on revenues of \$136.5 million, Oceaneering generated net income of \$8.9 million, or \$0.36 per common share. On a comparable basis for the same period in 2001, Oceaneering reported revenues of \$145.7 million and net income of \$8.3 million, or \$0.35 per common share. For the year, Oceaneering reported net income of \$40.1 million, or \$1.63 per common share, on revenues of \$547.5 million. Restated net income for 2001 was \$31.3 million, or \$1.33 per common share, on revenues of \$524.7 million.

Oceaneering determined during the third quarter of 2002 it had not been correctly accounting for its restricted stock expense and accordingly restated the results of previously reported periods. Also, as announced in November 2002, Oceaneering requested its independent auditors re-audit the financial results for the periods ended December 2000 and 2001. The restatements and audits have now been completed, with the effect that cumulative EPS for the period from April 2000 through September 2002 decreased by \$0.20, or 6%, to \$3.00 from the originally reported \$3.20. The EPS reduction by period was \$0.09 in 2000, \$0.05 in 2001, and \$0.06 in the first nine months of 2002.

As a result of the audits, the restated results for the applicable reporting periods differ from those reported in November 2002. In addition to the earlier-noted change in accounting for restricted stock expense, other revisions were mainly related to accounting for Brazilian currency translation and the timing of certain employee benefit accruals. The restated results are attached.

Summary of Results  
For the Periods Ended December 31, 2002 and 2001  
(in thousands, except per share amounts)

	Three months ended December 31,		Year ended December 31,	
	<u>2002</u>	Restated <u>2001</u>	<u>2002</u>	Restated <u>2001</u>
Revenues	\$136,461	\$145,662	\$547,467	\$524,660
Gross Margin	\$26,489	\$26,326	\$114,165	\$100,331
Operating Income	\$15,001	\$14,604	\$67,703	\$56,598
Net Income	\$8,934	\$8,289	\$40,133	\$31,322
Diluted Earnings Per Share	\$0.36	\$0.35	\$1.63	\$1.33
Weighted Average Number of Diluted Shares	24,821	23,758	24,683	23,630

Annual net income increased \$8.8 million on the strength of record operating performances by Oceaneering's Subsea Products, Mobile Offshore Production Systems (MOPS), and Other Services segments, and a lower effective tax rate resulting primarily from the realization of previously unrecognized foreign tax credits. Fourth quarter operating results were slightly improved, as a decline in revenues was offset by higher margins from MOPS and Other Services.

John Huff, Chairman and Chief Executive Officer, stated, "2002 was a great period for Oceaneering, as we had record earnings for the second consecutive year. This achievement is particularly remarkable given that, according to publicly-available information, 14 of the 15 companies comprising the Philadelphia Oil Service Index (OSX) are expected to report lower earnings per share.

"Our all-time-high performance was achieved on the strength of record gross margin performances by our Subsea Products, Mobile Offshore Production Systems (MOPS), and Other Services segments. Operational highlights

included: Subsea Products – completed manufacturing the largest, at over \$30 million, umbilical contract in our history; MOPS – each of our three systems worked the entire year under favorable contracts; and Other Services – in what can be described as a weak marketplace, we achieved 88% utilization for our two Ocean Intervention vessels and performed a large, first-of-its-kind diving project on a deepwater floating structure.

“The profit contributions from our ROV and Advanced Technologies operations were respectable, given the market. ROV revenues and gross margin were the second highest in Oceaneering’s history, despite a decline in fleet utilization to 69%.

“During the year we had strong free cash flow and no large capital projects. Therefore, we reduced our long-term debt by \$52.4 million and at year-end our net debt-to-total capitalization was only 14%. Furthermore, we repurchased 417,000 shares of Oceaneering’s common stock and grew our cash balance to \$66.2 million. We intend to use our financial strength and anticipated free cash flow in 2003 to make additional investments, to augment our existing operations, and to continue share repurchases as appropriate. So far in 2003, we completed the \$27 million acquisition of OIS International Inspection plc, a global market provider of non-destructive testing and inspection services, and have repurchased 176,000 more shares of Oceaneering’s stock.

“Looking forward, we expect a slower start than envisioned last November due to subsea product order delays and Gulf of Mexico project timing issues; our 2003 EPS outlook is \$1.40 to \$1.60. We are projecting earnings in the range of \$0.20 to \$0.25 for the first quarter.

“Our preliminary assessment is to achieve EPS growth of 15% to 25% in 2004. This is based on our expectations of improving market demand for our services and products, driven by increased floating drilling rig use and subsea completion activity; incremental earnings contribution from additional asset investments; and possible future share repurchases.”

*Statements in this press release that express a belief, expectation or intention, as well as those that are not historical fact, are forward looking. The forward-looking statements in this press release include the statements concerning Oceaneering’s intentions with respect to the use of its financial strength and anticipated free cash flow in 2003, its projected earnings for 2003, its assessment of EPS growth in 2004, and its expectations concerning improving market demand, incremental earnings contribution from additional asset investments, and possible future share repurchases. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are based on current information and expectations of Oceaneering that involve a number of risks, uncertainties, and assumptions. Among the factors that could cause the actual results to differ materially from those indicated in the forward-looking statements are: industry conditions, prices of crude oil and natural gas, Oceaneering’s ability to obtain and the timing of new projects, and changes in competitive factors. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could vary materially from those indicated. These and other risks are fully described in Oceaneering’s periodic filings with the Securities and Exchange Commission.*

Oceaneering is an advanced applied technology company that provides engineered services and hardware to Customers who operate in marine, space, and other harsh environments. Oceaneering’s services and products are marketed worldwide to oil and gas companies, government agencies, and firms in the telecommunications, aerospace, and marine engineering and construction industries.

For further information, please contact Jack Jurkoshek, Manager Investor Relations, Oceaneering International, Inc., 11911 FM 529, Houston, Texas 77041; Telephone 713-329-4670; Fax 713-329-4653; E-mail to [investorrelations@oii.oceaneering.com](mailto:investorrelations@oii.oceaneering.com). A live webcast of the Company’s earnings release conference call, scheduled for February 20, 2003 at 10:00 am central time, can be heard at [www.companyboardroom.com](http://www.companyboardroom.com) (enter ticker OII).

PR 841



**OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

*(in thousands)*

	Dec. 31, <u>2002</u>	Dec. 31, <u>2001</u> <i>(restated)</i>	Dec. 31, <u>2000</u> <i>(restated)</i>
<b>ASSETS</b>			
Current Assets (including cash and cash equivalents of \$66,201, \$10,474 and \$9,911)	233,070	205,653	152,751
Net Property and Equipment	322,390	342,336	336,360
Other Assets	<u>34,888</u>	<u>32,342</u>	<u>26,643</u>
<b>TOTAL ASSETS</b>	<b><u>\$590,348</u></b>	<b><u>\$580,331</u></b>	<b><u>\$515,754</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current Liabilities	116,031	120,998	100,309
Long-Term Debt	112,800	170,000	180,000
Other Long-Term Liabilities	47,652	39,117	30,378
Shareholders' Equity	<u>313,865</u>	<u>250,216</u>	<u>205,067</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>\$590,348</u></b>	<b><u>\$580,331</u></b>	<b><u>\$515,754</u></b>

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

*(in thousands, except per share amounts)*

	Three Months Ended <i>(unaudited)</i> Dec. 31,		Year Ended Dec. 31,		Nine-Month Period Ended Dec. 31,
	<u>2002</u>	<u>2001</u> <i>(restated)</i>	<u>2002</u>	<u>2001</u> <i>(restated)</i>	<u>2000</u> <i>(restated)</i>
Revenues	\$136,461	\$145,662	\$547,467	\$524,660	\$306,890
Cost of Services	<u>109,972</u>	<u>119,336</u>	<u>433,302</u>	<u>424,329</u>	<u>257,280</u>
Gross Margin	26,489	26,326	114,165	100,331	49,610
Selling, General and Administrative Expenses	<u>11,488</u>	<u>11,722</u>	<u>46,462</u>	<u>43,733</u>	<u>30,860</u>
Income from Operations	15,001	14,604	67,703	56,598	18,750
Interest Income	294	166	668	491	386
Interest Expense	(1,945)	(2,673)	(8,610)	(9,928)	(5,629)
Other Income (Expense), Net	<u>(767)</u>	<u>642</u>	<u>(3,236)</u>	<u>1,004</u>	<u>746</u>
Income before Income Taxes	12,583	12,739	56,525	48,165	14,253
Provision for Income Taxes	<u>(3,649)</u>	<u>(4,450)</u>	<u>(16,392)</u>	<u>(16,843)</u>	<u>(5,131)</u>
<b>Net Income</b>	<b><u>\$ 8,934</u></b>	<b><u>\$ 8,289</u></b>	<b><u>\$ 40,133</u></b>	<b><u>\$ 31,322</u></b>	<b><u>\$ 9,122</u></b>
Diluted Earnings per Common Share	\$0.36	\$0.35	\$1.63	\$1.33	\$0.40
Weighted Average Number of Common Shares and Equivalents	24,821	23,758	24,683	23,630	22,775

*The Condensed Consolidated Balance Sheets and Consolidated Statements of Income should be read in conjunction with the Company's latest Annual Report, Quarterly Report on Form 10-Q and Annual Report on Form 10-K.*

**SELECTED CASH FLOW INFORMATION**

*(unaudited)*  
*(in thousands)*

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
		<i>(restated)</i>		<i>(restated)</i>
Capital Expenditures	\$14,009	\$ 6,480	\$ 34,552	\$ 57,661
Operating Cash Flow *	\$28,828	\$29,621	\$120,044	\$104,504

\* Income from operations plus depreciation and amortization

**SEGMENT INFORMATION**

*(\$ in thousands)*

	Three Months Ended <i>(unaudited)</i>			Year Ended	
	Dec. 31,	Dec. 31,	Sep. 30,	Dec. 31,	Dec. 31,
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2002</u>	<u>2001</u>
		<i>(restated)</i>	<i>(restated)</i>		<i>(restated)</i>
<b>OFFSHORE OIL AND GAS</b>					
Remotely Operated Vehicles					
Revenues	\$ 37,800	\$ 41,155	\$ 38,067	\$149,619	\$153,929
Gross Margin	\$ 9,019	\$ 11,554	\$ 10,048	\$ 39,538	\$ 48,253
Gross Margin %	24%	28%	26%	26%	31%
Days Available	11,561	11,500	11,438	45,585	44,801
Utilization	70%	76%	65%	69%	76%
Subsea Products					
Revenues	\$ 30,282	\$ 36,844	\$ 23,925	\$123,227	\$126,448
Gross Margin	\$ 7,268	\$ 8,434	\$ 6,699	\$ 29,420	\$ 20,301
Gross Margin %	24%	23%	28%	24%	16%
Mobile Offshore Production Systems					
Revenues	\$ 10,810	\$ 12,014	\$ 13,027	\$ 48,538	\$ 39,154
Gross Margin	\$ 4,651	\$ 3,288	\$ 5,966	\$ 21,180	\$ 12,518
Gross Margin %	43%	27%	46%	44%	32%
Other Services					
Revenues	\$ 30,541	\$ 27,925	\$ 28,636	\$122,735	\$102,250
Gross Margin	\$ 6,138	\$ 3,979	\$ 4,174	\$ 22,031	\$ 15,502
Gross Margin %	20%	14%	15%	18%	15%
<b>ADVANCED TECHNOLOGIES</b>					
Revenues	\$ 27,028	\$ 27,724	\$ 26,952	\$103,348	\$102,879
Gross Margin	\$ 4,940	\$ 4,856	\$ 6,438	\$ 20,078	\$ 20,342
Gross Margin %	18%	18%	24%	19%	20%
UNALLOCATED EXPENSES	\$ (5,527)	\$ (5,785)	\$ (3,246)	\$ (18,082)	\$ (16,585)
<b>TOTAL</b>					
Revenues	\$136,461	\$145,662	\$130,607	\$547,467	\$524,660
Gross Margin	\$ 26,489	\$ 26,326	\$ 30,079	\$114,165	\$100,331
Gross Margin %	19%	18%	23%	21%	19%

**SEGMENT INFORMATION**

**2002**

(\$ in thousands)

	Three Months Ended (unaudited)				Year Ended
	<u>Mar. 31.</u>	<u>Jun. 30.</u>	<u>Sep. 30.</u>	<u>Dec. 31.</u>	<u>Dec. 31.</u>
	(restated)	(restated)	(restated)		
<b>OFFSHORE OIL AND GAS</b>					
Remotely Operated Vehicles					
Revenues	\$ 36,022	\$ 37,730	\$ 38,067	\$ 37,800	\$149,619
Gross Margin	\$ 9,625	\$ 10,846	\$ 10,048	\$ 9,019	\$ 39,538
Gross Margin %	27%	29%	26%	24%	26%
Days Available	11,250	11,336	11,438	11,561	45,585
Utilization	70%	70%	65%	70%	69%
Subsea Products					
Revenues	\$ 32,559	\$ 36,461	\$ 23,925	\$ 30,282	\$123,227
Gross Margin	\$ 7,000	\$ 8,453	\$ 6,699	\$ 7,268	\$ 29,420
Gross Margin %	21%	23%	28%	24%	24%
Mobile Offshore Production Systems					
Revenues	\$ 12,227	\$ 12,474	\$ 13,027	\$ 10,810	\$ 48,538
Gross Margin	\$ 5,833	\$ 4,730	\$ 5,966	\$ 4,651	\$ 21,180
Gross Margin %	48%	38%	46%	43%	44%
Other Services					
Revenues	\$ 31,143	\$ 32,415	\$ 28,636	\$ 30,541	\$122,735
Gross Margin	\$ 5,983	\$ 5,736	\$ 4,174	\$ 6,138	\$ 22,031
Gross Margin %	19%	18%	15%	20%	18%
<b>ADVANCED TECHNOLOGIES</b>					
Revenues	\$ 26,898	\$ 22,470	\$ 26,952	\$ 27,028	\$103,348
Gross Margin	\$ 4,467	\$ 4,233	\$ 6,438	\$ 4,940	\$ 20,078
Gross Margin %	17%	19%	24%	18%	19%
<b>UNALLOCATED EXPENSES</b>					
	\$ (6,898)	\$ (2,411)	\$ (3,246)	\$ (5,527)	\$(18,082)
<b>TOTAL</b>					
Revenues	\$138,849	\$141,550	\$130,607	\$136,461	\$547,467
Gross Margin	\$ 26,010	\$ 31,587	\$ 30,079	\$ 26,489	\$114,165
Gross Margin %	19%	22%	23%	19%	21%

**SEGMENT INFORMATION**

**2001**

(\$ in thousands)

	Three Months Ended (unaudited)				Year Ended
	<u>Mar. 31.</u>	<u>Jun. 30.</u>	<u>Sep. 30.</u>	<u>Dec. 31.</u>	<u>Dec. 31.</u>
	(restated)	(restated)	(restated)	(restated)	(restated)
<b>OFFSHORE OIL AND GAS</b>					
Remotely Operated Vehicles					
Revenues	\$ 32,234	\$ 40,584	\$ 39,956	\$ 41,155	\$153,929
Gross Margin	\$ 10,672	\$ 13,822	\$ 12,205	\$ 11,554	\$ 48,253
Gross Margin %	33%	34%	31%	28%	31%
Days Available	10,703	11,156	11,442	11,500	44,801
Utilization	71%	79%	79%	76%	76%
Subsea Products					
Revenues	\$ 22,095	\$ 27,176	\$ 40,333	\$ 36,844	\$126,448
Gross Margin	\$ 3,262	\$ 720	\$ 7,885	\$ 8,434	\$ 20,301
Gross Margin %	15%	3%	20%	23%	16%
Mobile Offshore Production Systems					
Revenues	\$ 6,979	\$ 11,130	\$ 9,031	\$ 12,014	\$ 39,154
Gross Margin	\$ 2,036	\$ 2,936	\$ 4,258	\$ 3,288	\$ 12,518
Gross Margin %	29%	26%	47%	27%	32%
Other Services					
Revenues	\$ 19,767	\$ 27,722	\$ 26,836	\$ 27,925	\$102,250
Gross Margin	\$ 2,587	\$ 5,525	\$ 3,411	\$ 3,979	\$ 15,502
Gross Margin %	13%	20%	13%	14%	15%
<b>ADVANCED TECHNOLOGIES</b>					
Revenues	\$ 23,113	\$ 25,593	\$ 26,449	\$ 27,724	\$102,879
Gross Margin	\$ 4,620	\$ 5,503	\$ 5,363	\$ 4,856	\$ 20,342
Gross Margin %	20%	22%	20%	18%	20%
<b>UNALLOCATED EXPENSES</b>					
	\$ (4,080)	\$ (3,658)	\$ (3,062)	\$ (5,785)	\$ (16,585)
<b>TOTAL</b>					
Revenues	\$104,188	\$132,205	\$142,605	\$145,662	\$524,660
Gross Margin	\$ 19,097	\$ 24,848	\$ 30,060	\$ 26,326	\$100,331
Gross Margin %	18%	19%	21%	18%	19%

**OCEANEERING INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**2002**

(\$ in thousands, except per share amounts)

	Three Months Ended ( <i>unaudited</i> )				Year Ended
	Mar. 31. <i>(restated)</i>	Jun. 30. <i>(restated)</i>	Sep. 30. <i>(restated)</i>	Dec. 31.	Dec. 31.
Revenues	\$138,849	\$141,550	\$130,607	\$136,461	\$547,467
Cost of Services and Products	<u>112,839</u>	<u>109,963</u>	<u>100,528</u>	<u>109,972</u>	<u>433,302</u>
Gross Margin	26,010	31,587	30,079	26,489	114,165
Selling, General and Administrative Expenses	<u>10,910</u>	<u>11,479</u>	<u>12,585</u>	<u>11,488</u>	<u>46,462</u>
Income from Operations	15,100	20,108	17,494	15,001	67,703
Interest Income	69	135	170	294	668
Interest Expense	(2,327)	(2,355)	(1,983)	(1,945)	(8,610)
Other Income (Expense), Net	<u>21</u>	<u>(1,078)</u>	<u>(1,412)</u>	<u>(767)</u>	<u>(3,236)</u>
Income before Income Taxes	12,863	16,810	14,269	12,583	56,525
Provision for Income Taxes	<u>(4,499)</u>	<u>(5,884)</u>	<u>(2,360)</u>	<u>(3,649)</u>	<u>(16,392)</u>
Net Income	<u>\$ 8,364</u>	<u>\$ 10,926</u>	<u>\$ 11,909</u>	<u>\$ 8,934</u>	<u>\$ 40,133</u>
Diluted Earnings per Common Share	\$0.35	\$0.44	\$0.48	\$0.36	\$1.63
Weighted Average Number of Common Shares and Equivalents	24,219	24,892	24,802	24,821	24,683

**OCEANEERING INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**2001**

(\$ in thousands, except per share amounts)

	Three Months Ended ( <i>unaudited</i> )				Year Ended
	Mar. 31. <i>(restated)</i>	Jun. 30. <i>(restated)</i>	Sep. 30. <i>(restated)</i>	Dec. 31. <i>(restated)</i>	Dec. 31. <i>(restated)</i>
Revenues	\$104,188	\$132,205	\$142,605	\$145,662	\$524,660
Cost of Services and Products	<u>85,091</u>	<u>107,357</u>	<u>112,545</u>	<u>119,336</u>	<u>424,329</u>
Gross Margin	19,097	24,848	30,060	26,326	100,331
Selling, General and Administrative Expenses	<u>10,517</u>	<u>10,619</u>	<u>10,875</u>	<u>11,722</u>	<u>43,733</u>
Income from Operations	8,580	14,229	19,185	14,604	56,598
Interest Income	81	124	120	166	491
Interest Expense	(1,878)	(2,624)	(2,753)	(2,673)	(9,928)
Other Income (Expense), Net	<u>(59)</u>	<u>(178)</u>	<u>599</u>	<u>642</u>	<u>1,004</u>
Income before Income Taxes	6,724	11,551	17,151	12,739	48,165
Provision for Income Taxes	<u>(2,350)</u>	<u>(4,043)</u>	<u>(6,000)</u>	<u>(4,450)</u>	<u>(16,843)</u>
Net Income	<u>\$ 4,374</u>	<u>\$ 7,508</u>	<u>\$ 11,151</u>	<u>\$ 8,289</u>	<u>\$ 31,322</u>
Diluted Earnings per Common Share	\$0.19	\$0.32	\$0.47	\$0.35	\$1.33
Weighted Average Number of Common Shares and Equivalents	23,299	23,744	23,718	23,758	23,630