Oceaneering Announces 32% Sequential Improvement
In Second Quarter Earnings

August 11, 2003– Houston, Texas – Oceaneering International, Inc. (NYSE:OII) today reported a 32% sequential improvement in second quarter earnings for the quarter ended June 30, 2003. On revenues of $163.8 million, Oceaneering generated net income of $8.1 million, or $0.33 per common share. For the first quarter of 2003, Oceaneering reported revenues of $140.7 million and net income of $6.0 million, or $0.25 per common share.

The increase in earnings over the first quarter was the result of improved profit contributions by Oceaneering's Remotely Operated Vehicle, Subsea Products, and Inspection & Non-Destructive Testing business segments.

Summary of Results
(in thousands, except per share amounts)

	Three months ended			Six months ended	
	June 30,		March 31,	June 30,	
	2003	2002	2003	2003	2002
Revenues	$163,761	$141,550	$140,669	$304,430	$280,399
Gross Margin	$28,226	$31,587	$24,163	$52,389	$57,597
Operating Income	$14,743	$20,108	$11,457	$26,200	$35,208
Net Income	$8,086	$10,926	$6,035	$14,121	$19,290
Diluted Earnings Per Share	$0.33	$0.44	$0.25	$0.58	$0.79
Weighted Average Number of Diluted Shares	24,284	24,892	24,500	24,392	24,555

On a comparable basis for the second quarter of 2002, Oceaneering reported revenues of $141.6 million and net income of $10.9 million, or $0.44 per share. The year-over-year quarterly decline in net income was attributable to lower revenue and gross margin contributions from Oceaneering's Subsea Products and Subsea Projects business segments and a higher level of Unallocated Expenses. All Oceaneering business segments continued to contribute profit margins, despite a challenging market environment for oilfield services and products in general.

John Huff, Chairman and Chief Executive Officer, stated, "Results for the quarter were encouraging and within our earnings guidance range. Revenues from each of our six business segments were higher in the second quarter than the first quarter.

"When compared to the first quarter of this year, gross margin from our Remotely Operated Vehicle operations increased on the strength of improved fleet utilization to 72% from 64%. Geographically most of the profit improvement came from our Eastern Region, particularly in Norway and West Africa, as anticipated. Inspection & NDT gross margin increased due to higher service sales, particularly in Europe, and an improvement in gross margin percentage derived from the contribution of operations acquired in the first quarter.

"Subsea Products gross margin improved on higher sales and an improvement in gross margin percentage from both Multiflex umbilicals and Oceaneering Intervention Engineering specialty subsea products. Subsea Products gross margin was positively impacted by $1.3 million due to the successful completion of a project at a lower cost than previously estimated. Backlog dropped to $26 million, down from $31 million at the end of the first quarter. Our relatively low level of backlog continues to be attributable to depressed umbilical orders. Certain orders have been delayed and we expect our backlog to be higher by the end of this year. We are continuing our efforts to locate a suitable facility to expand our U.S. umbilical plant manufacturing capacity. Profit contributions from our U.S. and Brazilian steel tube capabilities are expected by the third quarter of 2004.

"Gross margin from our Subsea Projects segment declined due to a very competitive market environment in the Gulf of Mexico for diving and vessel-related subsea installation, repair and maintenance services. Unallocated Expenses increased due to higher restricted stock expenses associated with our long-term and deferred compensation plans. Gross margin contributions from our Mobile Offshore Production System and Advanced Technologies segments were comparable to the first quarter.

"During the second quarter, we continued to have strong cash flow provided by operating activities. Our capital expenditures, including acquisitions, were $26.3 million. Our cash balance at quarter's end was $26.6 million and recently we completed the arrangement of a new $100 million credit facility. We remain committed to use our financial strength to make accretive investments, which will expand and augment our existing operations, as well as to continue share repurchases as conditions warrant.

"Our current EPS outlook is approximately $1.40 for 2003. This reflects a lower anticipated profit contribution by our Subsea Products operations. We are projecting earnings per share in the range of $0.35 to $0.40 for the third quarter.

"At this time, we estimate 2004 EPS in the range of $1.60 to $1.75. This estimate is based on incremental earnings contributions from Subsea Products, driven by increased subsea completion activity, and additional asset and acquisition investments. We anticipate continuation of current market conditions or similar demand trends for our other five business segments. Should a substantive recovery in market demand, particularly for our niche ROV and Subsea Projects, occur we will be able to improve on this estimate by utilizing our excess capacity and operating leverage."

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, its projected earnings for 2003 and 2004, its expectations concerning future umbilical orders and contributions from its U.S. and Brazilian steel tube capabilities, incremental earnings contribution from additional asset and acquisition 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 more 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@oceaneering.com. A live webcast of the Company's earnings release conference call, scheduled for August 12, 2003 at 10:00 am central time, can be heard at www.companyboardroom.com (enter ticker OII).

PR 854

- Tables follow on next page –

OII LISTED NYSE

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2003	Dec. 31, 2002
	(in thousands)	
ASSETS		
Current Assets (including cash and cash equivalents of $26,617 and $66,201)	$237,604	$233,070
Net Property and Equipment	327,734	322,390
Other Assets	51,254	34,888
TOTAL ASSETS	$616,592	$590,348
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities	$126,319	$116,031
Long-Term Debt	115,200	112,800
Other Long-Term Liabilities	50,848	47,652
Shareholders' Equity	324,225	313,865
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$616,592	$590,348

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2003	June 30, 2002	March 31, 2003	June 30, 2003	June 30, 2002
	(in thousands, except per share amounts)				
Revenues	$163,761	$141,550	$140,669	$304,430	$280,399
Cost of Services	135,535	109,963	116,506	252,041	222,802
Gross Margin	28,226	31,587	24,163	52,389	57,597
Selling, General and Administrative Expenses	13,483	11,479	12,706	26,189	22,389
Income from Operations	14,743	20,108	11,457	26,200	35,208
Interest Income	123	135	164	287	204
Interest Expense	(1,931)	(2,355)	(1,920)	(3,851)	(4,682)
Equity Earnings (Losses) of Unconsolidated Affiliates	(85)	(675)	(136)	(221)	(312)
Other Expense, Net	(410)	(403)	(280)	(690)	(745)
Income before Income Taxes	12,440	16,810	9,285	21,725	29,673
Provision for Income Taxes	(4,354)	(5,884)	(3,250)	(7,604)	(10,383)
Net Income	$ 8,086	$ 10,926	$ 6,035	$ 14,121	$ 19,290
Diluted Earnings per Common Share	$0.33	$0.44	$0.25	$0.58	$0.79
Weighted Average Number of Common Shares and Equivalents	24,284	24,892	24,500	24,392	24,555

The above 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

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2003	June 30, 2002	Mar. 31, 2003	June 30, 2003	June 30, 2002
			($ in thousands)		
Capital Expenditures, Including Acquisition	$26,276	$ 4,857	$37,575	$63,851	$12,025
Depreciation and Amortization	$14,174	$12,873	$13,746	$27,920	$25,243

SEGMENT INFORMATION

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2003	June 30, 2002	Mar. 31, 2003	June 30, 2003	June 30, 2002
			($ in thousands)		
OFFSHORE OIL AND GAS					
Remotely Operated Vehicles					
Revenues	$ 40,879	$ 37,730	$ 35,064	$ 75,943	$ 73,752
Gross Margin	$ 10,633	$ 10,846	$ 8,859	$ 19,492	$ 20,471
Gross Margin %	26%	29%	25%	26%	28%
Days Available	11,375	11,336	11,250	22,625	22,586
Utilization	72%	70%	64%	68%	70%
Subsea Products					
Revenues	$ 27,878	$ 36,461	$ 24,041	$ 51,919	$ 69,020
Gross Margin	$ 6,366	$ 8,453	$ 3,588	$ 9,954	$ 15,453
Gross Margin %	23%	23%	15%	19%	22%
Subsea Projects					
Revenues	$ 18,367	$ 21,534	$ 12,534	$ 30,901	$ 43,501
Gross Margin	$ 1,683	$ 4,319	$ 2,291	$ 3,974	$ 8,966
Gross Margin %	9%	20%	18%	13%	21%
Mobile Offshore Production Systems					
Revenues	$ 12,068	$ 12,474	$ 11,289	$ 23,357	$ 24,701
Gross Margin	$ 4,460	$ 4,730	$ 4,601	$ 9,061	$ 10,563
Gross Margin %	37%	38%	41%	39%	43%
Inspection & NDT					
Revenues	$ 34,761	$ 10,881	$ 30,480	$ 65,241	$ 20,057
Gross Margin	$ 4,320	$ 1,417	$ 3,150	$ 7,470	$ 2,753
Gross Margin %	12%	13%	10%	11%	14%
ADVANCED TECHNOLOGIES					
Revenues	$ 29,808	$ 22,470	$ 27,261	$ 57,069	$ 49,368
Gross Margin	$ 5,486	$ 4,233	$ 5,387	$ 10,873	$ 8,700
Gross Margin %	18%	19%	20%	19%	18%
UNALLOCATED EXPENSES	$ (4,722)	$ (2,411)	$ (3,713)	$ (8,435)	$ (9,309)
TOTAL					
Revenues	$163,761	$141,550	$140,669	$304,430	$280,399
Gross Margin	$ 28,226	$ 31,587	$ 24,163	$ 52,389	$ 57,597
Gross Margin %	17%	22%	17%	17%	21%