



## PRESS RELEASE

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### Oceaneering Announces Medusa Spar Participation Agreement

September 3, 2003 – Houston, Texas – Oceaneering International, Inc. (NYSE:OII) announced today that it has signed an agreement to participate in the formation of a limited liability company (LLC), which will own a 75% undivided ownership interest in the deepwater production spar on the Medusa field in the Gulf of Mexico, subject to the occurrence of certain events. The LLC will earn a tariff based on production volume throughput. Oceaneering expects to invest approximately \$45 million to acquire a 50% ownership in this LLC and estimates the closing of this transaction to occur in the fourth quarter 2003.

The agreement is with Murphy Exploration & Production Company - USA, a subsidiary of Murphy Oil Corporation (NYSE:MUR), and Callon Petroleum Operating Company, a subsidiary of Callon Petroleum Company (NYSE:CPE). Two main conditions must be satisfied for closing of this transaction to occur. The first is that the spar shall have met certain operational criteria. The second is securing non-recourse financing for at least one-half of the spar's cost.

Oceaneering will account for its investment in the LLC and its share of the LLC's results of operations using the equity method of accounting for unconsolidated affiliates. Further guidance as to the expected impact on Oceaneering's earnings will be provided upon closing of the transaction.

John Huff, Oceaneering Chairman and Chief Executive Officer, stated, "We appreciate the opportunity to participate in the mobile offshore productions systems market in the Gulf of Mexico through our ownership interest in the LLC. This investment offers the opportunity for a good rate of return and a source of stable long-term earnings for Oceaneering."

The Medusa Spar is moored in over 2,200 feet of water in the Gulf of Mexico, Mississippi Canyon Block 582. It is in the final stages of being outfitted for the commencement of production operations, initially from six wells.

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 expectations with respect to the amount of the potential investment, the opportunity for a good rate of return, and the impact on future earnings. 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 and the amount and timing of the spar's production volume throughput. Should any 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. The Company'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.

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