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OCEANEERING INTERNATIONAL INC

Form 8-K

December 01, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 30, 2003

OCEANEERING INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-10945 (Commission File Number)	95-2628227 (IRS Employer Identification No.)
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11911 FM 529 Houston, TX (Address of principal executive offices)	77041 (Zip Code)
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Registrant's telephone number, including area code (713) 329-4500

N/A

(Former name or former address, if changed since last report)

Item 9. Regulation FD Disclosure.

On November 30, 2003, we issued a press release entitled "Oceaneering Announces Agreement to Acquire ROV Related Business Operations from Subsea 7."

The text of the press release is as follows:

Oceaneering Announces Agreement to Acquire ROV Related Business Operations
From Subsea 7

HOUSTON, Nov. 30 /PRNewswire-FirstCall/ -- Oceaneering International, Inc. (NYSE: OII) announced it has entered into an agreement to acquire the drill support ROV business consisting of 82 remotely operated vehicles (ROVs), including 54 work class and 28 observation class, related contracts and employees, and significant subsea engineering, tooling, and products capabilities and capacity from the Subsea 7 group of companies. This agreement has been approved by the respective Boards of Directors and is conditional upon several factors, including no material adverse findings during the due diligence review. It is anticipated that closing of the transaction will occur in early 2004.

The purchase price for the assets being acquired is \$108 million, subject to certain possible adjustments; no financial working capital is included. Oceaneering expects to fund the purchase price by using existing credit facilities, as well as expanded facilities currently being discussed.

Oceaneering projects this acquisition would generate approximately \$70 million in revenues; \$10 to \$12 million of operating income, after an

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estimated \$10 million of depreciation and amortization expense; and be \$0.15 accretive to earnings per share (EPS) on an annualized basis in 2004. Actual results will be impacted by the date the transaction closes. In 2005 Oceaneering projects the EPS accretion to be in the range of \$0.20 to \$0.25.

John Huff, Chairman and Chief Executive Officer, stated, "We are extremely pleased to have reached a conditional agreement with Subsea 7 to acquire an exceptional operation. We look forward to integrating these assets and talented individuals into our existing ROV organization and increasing Oceaneering's international business exposure to deepwater exploration, development, and production activities.

"The pending acquisition of these ROVs and related tooling engineering capabilities will substantially enhance our existing worldwide market leadership position in providing oilfield ROV services. Our oilfield work class ROV fleet size will increase by 40%, from 125 to 179 vehicles."

Subsea 7 was formed in 2002 as a result of the combination of the business and assets of Halliburton Subsea and the subsea business and assets of DSND Subsea ASA. Subsea 7 will continue to own and operate ROVs and retain robotic and subsea engineering in support of its offshore construction, deepwater, and survey projects. Further information on Subsea 7 can be found on the Internet at www.subsea7.com.

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 acquisition of the drill support ROV business of Subsea 7, the closing date of the transaction, the purchase price for the assets being acquired, funding the acquisition, and 2004 and 2005 projected financial statement impacts attributable to the operations to be acquired. 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. 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.

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; www.oceaneering.com

SOURCE Oceaneering International, Inc.

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/Web site: <http://www.oceaneering.com>
<http://www.subsea7.com> /

(OII)

CO: Oceaneering International, Inc.; Subsea 7
ST: Texas
IN: OIL
SU: TNM

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 hereunto duly authorized.

OCEANEERING INTERNATIONAL, INC.

By: /s/ MARVIN J. MIGURA

Date: November 30, 2003

Marvin J. Migura
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)