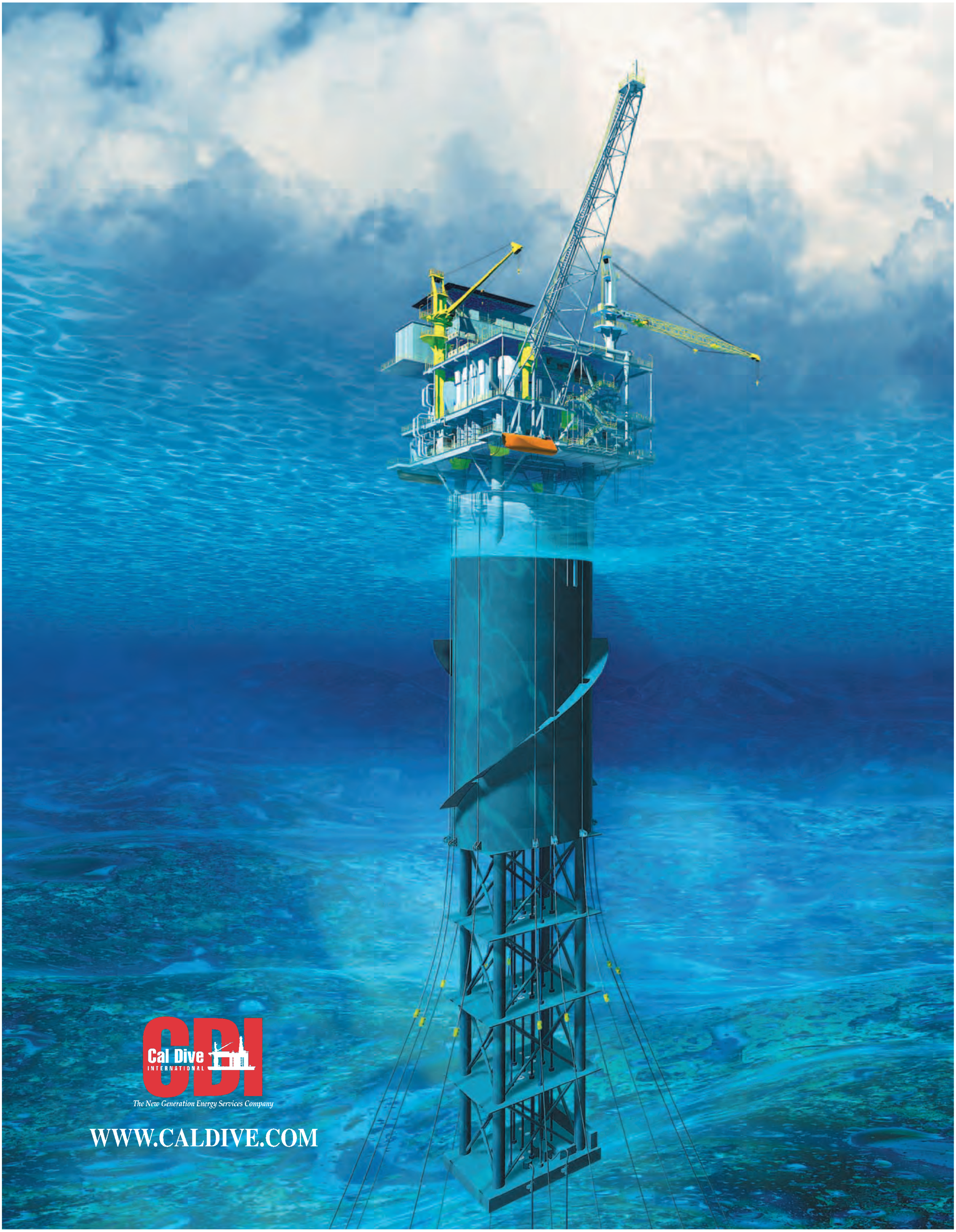
CDI
Cal Dive
INTERNATIONAL
The New Generation Energy Services Company
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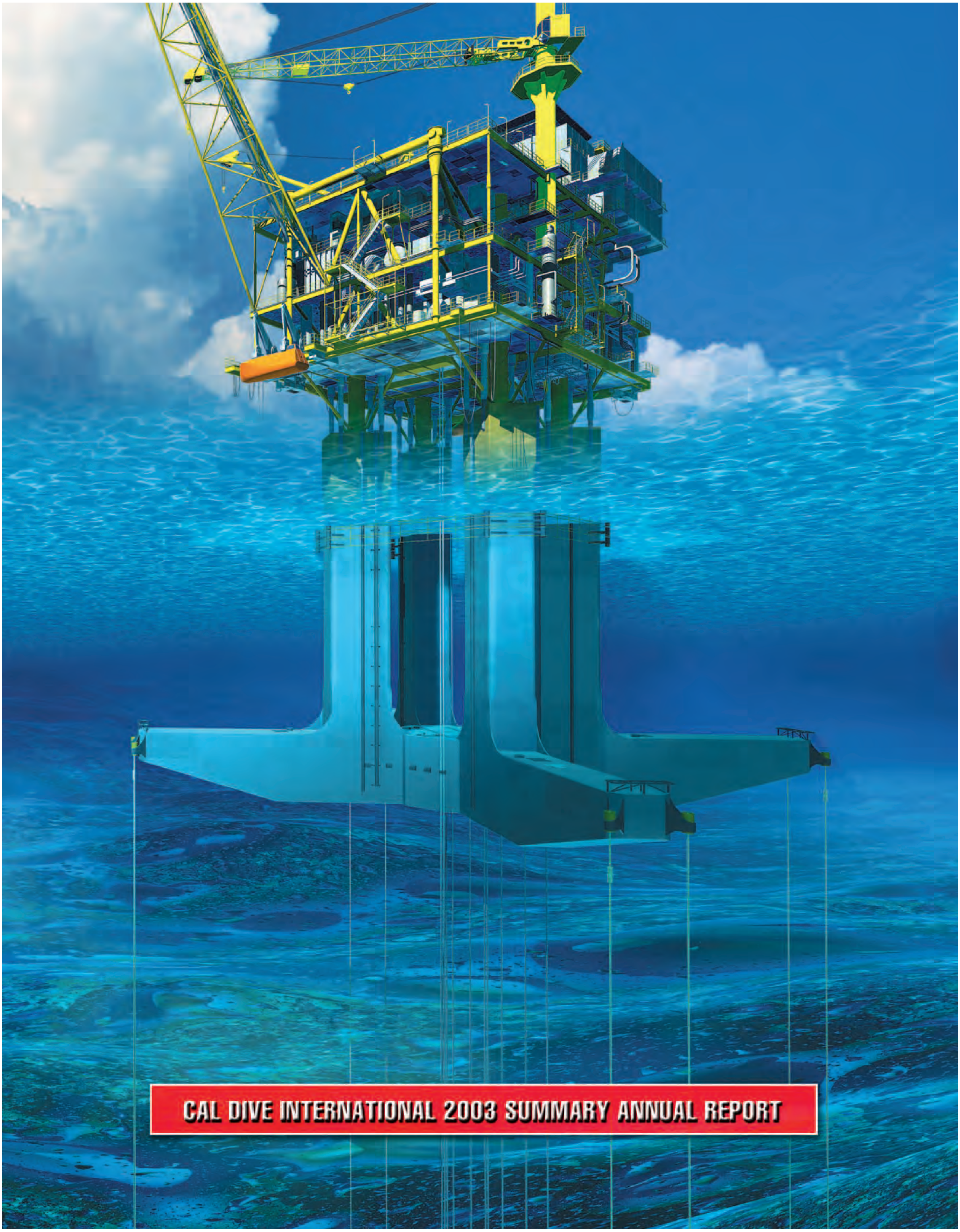


CAL DIVE INTERNATIONAL 2003 SUMMARY ANNUAL REPORT

CORPORATE PROFILE

Cal Dive International, Inc. (CDI) is a leading marine contractor and operator of offshore oil and gas properties and production facilities. The company seeks to align the interests of the producer and the contractor by investing in mature offshore oil and gas properties, hub production facilities and proven undeveloped reserve plays where CDI adds value by deploying vessels from its diverse contracting fleet. This unique integration of marine contracting and oil and gas operations is designed to add stability to revenues and earnings in an industry as cyclical as energy. CDI has established a corporate culture in which environment, health and safety (EHS) at work are embraced as core business values. Our goal is "people going home safely," with zero incidents and no harm to the environment.

MARINE CONTRACTING

Cal Dive provides marine construction, robotic services, manned diving and decommissioning services worldwide with an emphasis on the Gulf of Mexico and North Sea basins.

WELL OPERATIONS (P.4): Well Ops, Inc. manages and conducts well construction, intervention, and decommissioning operations on subsea wells and trees. Our purpose-built vessels serve as work platforms to troubleshoot or enhance production from the well, shift zones, or perform recompletion work at project prices significantly less than drilling rigs.

DEEPWATER CONTRACTING (P.6): CDI has assembled a world class fleet of proven, dynamically positioned vessels, the single most important asset for the development of deepwater fields. While each vessel targets a specific market niche, a common denominator is our focus upon tying subsea trees and manifolds on the ocean floor back to a host platform.

ROBOTICS (P.8): Our Canyon Offshore subsidiary provides ROV systems, ROV equipment and services, submarine cable and flowline burial, trenching services, intervention tooling, technical manpower, project management and dedicated DP vessels.

SHELF CONTRACTING (P.10): Since 1975 Cal Dive has been the market leader in Gulf of Mexico manned diving services with the largest complement of diving talent in the region. The scheduling flexibility afforded by the Cal Dive fleet enables us to manage turnkey projects while assuring customers of on time project performance. CDI also has an established presence in the salvage market.

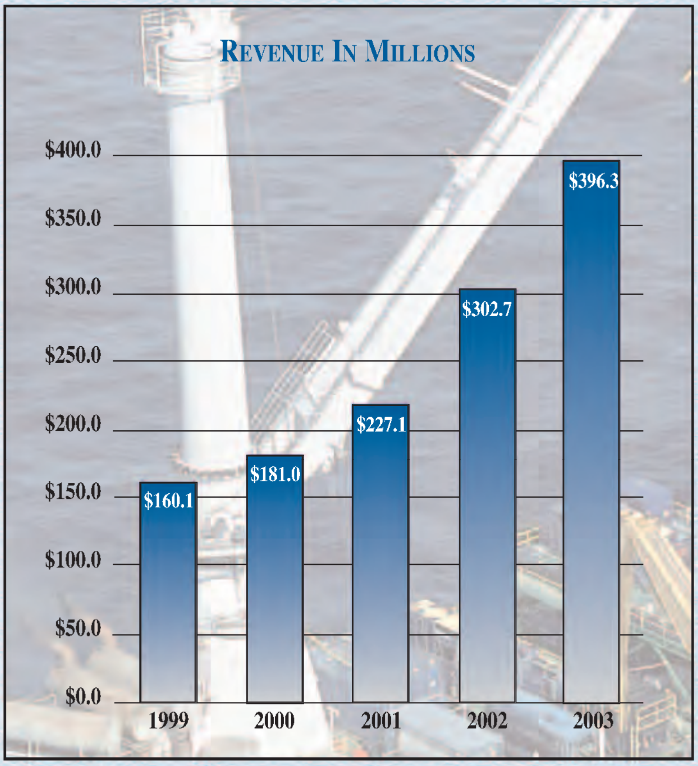
OIL & GAS

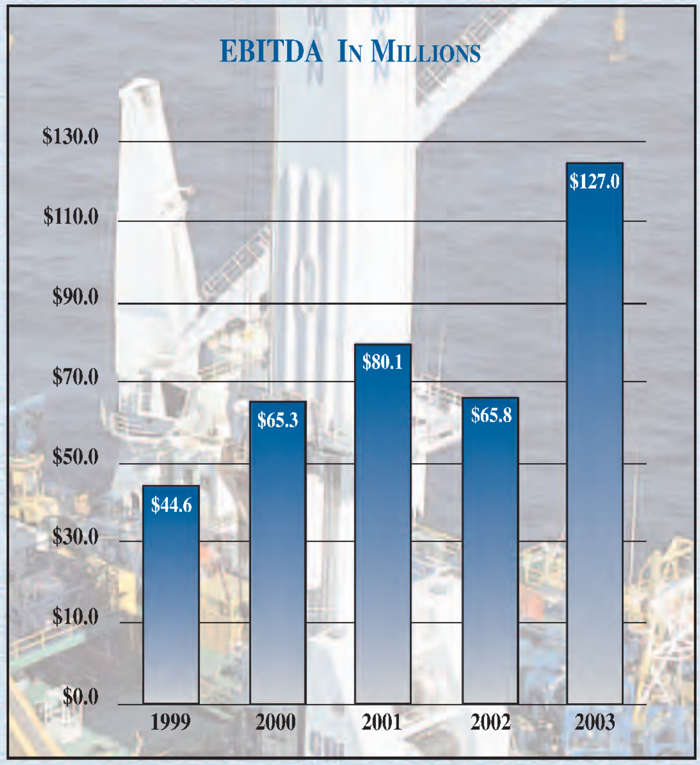
Energy Resource Technology (ERT) acquires and operates mature and non-core offshore oil and gas properties. The ERT model was extended into the deepwater arena with the company's purchase of a working interest in the *Gunnison* field. The company acquires or partners in oil and gas reservoirs when the investment provides utilization of Cal Dive assets (P.12).

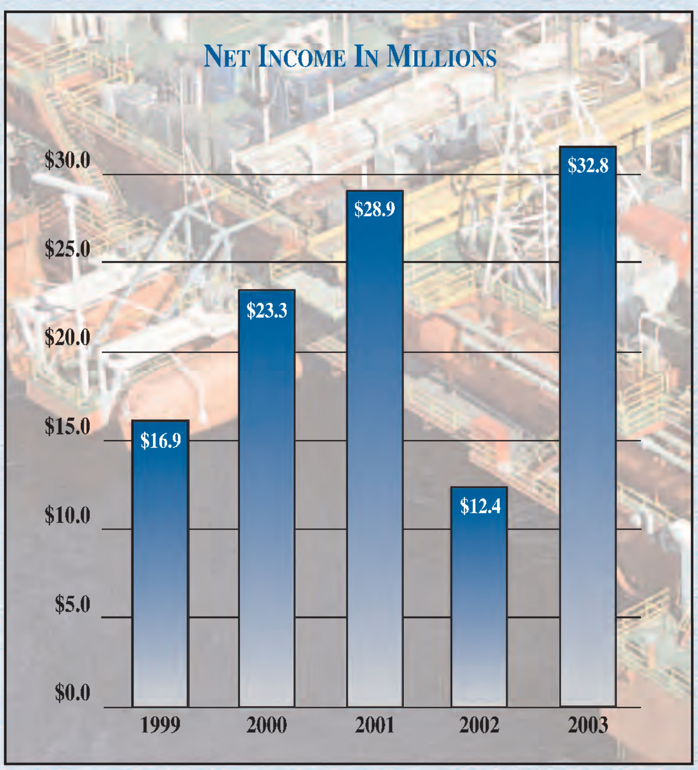
PRODUCTION FACILITIES

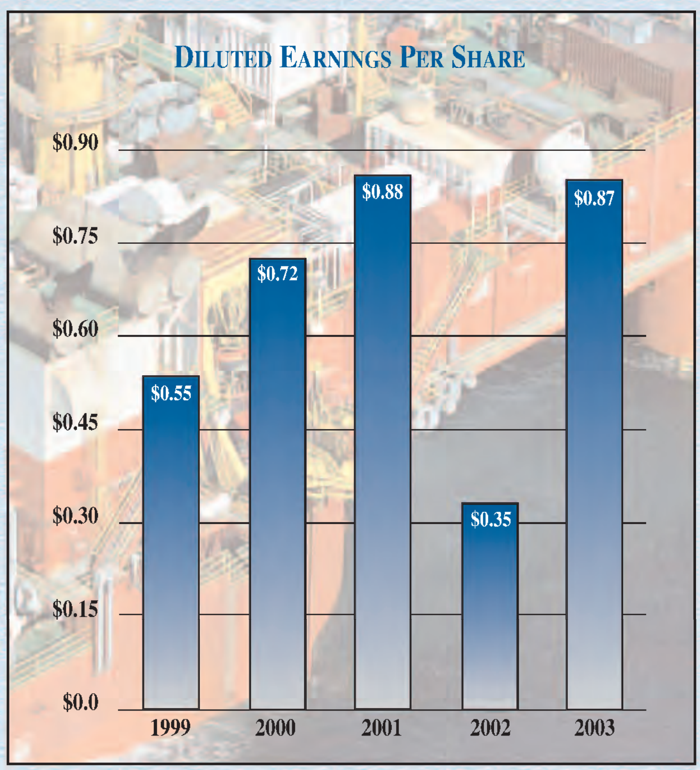
CDI seeks ownership of production facilities in hub locations where potential exists for significant subsea tieback activity (P.16).

FINANCIAL HIGHLIGHTS









TO OUR SHAREHOLDERS

Your company reported all-time record earnings in 2003 despite the prolonged cyclical downturn in marine contracting. Our unique business model enabled us to come close to our shareholder return target of 10% in a year when oil and gas operations carried most of the load. The combination of marine contracting and oil and gas operations generated 2003 revenues of just under $400 million, giving Cal Dive a 30% compound annual growth rate in its top line through the last decade. While that performance alone sets us apart from most oilfield service companies, we also produced significant year-over-year improvements in key financial yardsticks (see table). An important operational measure, EBITDA, almost doubled to $127 million (see Financial Highlights).

The challenges of the 2003 contracting market were exemplified by our peer group losing over $500 million at the bottom line. While the profit contribution of CDI's marine contracting business was flat as compared to 2002, our contracting personnel achieved most of their corporate goals (see Box Score). The less than stellar grades reflect the fact that these goals are only a step toward achievement of a shareholder return greater than 10%. This performance can be boiled down to two principal accomplishments. First, we secured excellent utilization of 81% for the large deepwater vessels (the *Q4000*, *Seawell*, *Intrepid* and *Eclipse*). While we reduced prices to achieve this level of utilization, we exposed the unique capabilities of these high-end vessels to key customers and set a number of subsea construction industry firsts. Second, 40% of contracting revenues were generated globally in basins outside of the GOM**. Our entire suite of marine contracting services (shelf and deepwater construction, robotic support and Well Ops) is now offered in the North Sea. In addition, we worked DP** vessels and robotic vehicles in Southeast Asia, Trinidad and Mexico during 2003.

Oil and gas revenues of $137 million were more than double the prior two year average as the significant property acquisitions completed in 2002 provided over half of our production volumes. Improving the operating efficiency of these new platform facilities and higher commodity prices resulted in gross profit margins of 48%, five points better than the prior year. Our 2003 well work program successfully replaced 91% of OCS reserves, a significant achievement given the rapid decline curve of sunset properties. A major milestone was achieved in December with first production from *Gunnison*, a deepwater field that is expected to generate significant returns to CDI shareholders over an expected reservoir life of 12 years. Proved reserves at the end of 2003 were 150 BCFe, including 71 BCFe associated with *Gunnison*. 100% of our 2003 proved oil and gas reserves were audited by Huddleston & Co., independent petroleum engineers.

The high profile *Gunnison* project demonstrated the benefits of our production partnering strategy. Cal Dive's 20% working interest in this field aligned our interests with those of our E&P partners, providing additional incentive to complete the contracting work in the most cost-effective, high performance manner. The full range of our deepwater construction capabilities was brought to bear as we deployed four vessels and a number of robotic vehicles to support the *Gunnison* commissioning. The *Q4000* maintained station alongside the spar for logistical support; the *Intrepid* installed pipelines, flexible risers, plets and jumpers; the *Northern Canyon* provided critical robotic intervention; and the *Talisman* supplied the vessels in the field.

We are proud of the companywide focus upon the safety of our operations. The two Well Ops vessels had only one recordable lost-time incident in 850,000 man-hours during the year. In addition, the MMS selected Energy Resource Technology as a district winner of the 2003 Safety Award For Excellence (SAFE) in the Gulf of Mexico. One reason E&P companies choose Cal Dive when disposing of mature properties is the assurance that ERT will make the investments necessary to operate these older fields safely and efficiently.

Beginning in 2004, our third business segment, the ownership of production facilities, was inaugurated with the recent mechanical connection of the *Marco Polo* TLP. With this event, Cal Dive shareholders will realize returns from nearly a quarter of billion dollars of deepwater investments in *Gunnison* and *Marco Polo*. This also marks the completion of an $800 million expansion program which commenced in 1999. Funding for the program was provided by $145 million of new equity, $220 million of debt ($140 million of which is the low-cost MARAD debt), and the balance by cash from operations.

While we expect that offshore construction markets will remain competitive and chal-

(In Thousands Except Per Share Amounts)	2002	2003	Increase
Revenues	$302,705	$396,269	31%
Gross Profit	53,792	92,083	71%
Selling & Administrative	32,783	35,922	10%
Net Income	12,377	32,771	165%
Diluted Earnings Per Common Share	$0.35	$0.87	149%

*** See Glossary on P. 23 for a definition of key terms.*

2003 Box Score		
Goals	**Grade**	**Comments**
Shareholder Return: Deliver return on invested capital of 10%.	*C+*	8% was up from 5% in 2002.
Deepwater Contracting: Improve gross profit margins to 15%.	*A-*	17% margins compare to 6% last year.
Well Operations: 500 days of combined *Q4000* and *Seawell* utility.	*B*	After a slow Q1 response, the two vessels worked 567 days in difficult market conditions.
Shelf Contracting: Match 2002 financial results.	*C*	Revenues declined 10% and gross profit was 25% below 2002 levels.
Production Contracting: Achieve 30 BCFe of production.	*B+*	28 BCFe was 69% more than the 16.6 BCFe produced last year.
Safety: Reduce TRIR (Total Recordable Incidence Rate) to 2.00.	*B-*	While 1.64 was below the 2.00 goal, Jones Act claims increased during the year .

lenging in 2004, our corporate strategy is built upon three long-term trends. First, the life-of-field services provided by our Well Ops group target the rapidly growing population of subsea trees. ERT expansion opportunities will accelerate as more oil and gas properties mature and we move this business model to other basins of the world. Finally, more small reservoirs will require the installation of "hub" production facilities to facilitate subsea tiebacks while also offering PUD or stranded field opportunities. With our debt to total book capitalization at 35% and entering a period of free cash flow, we have sufficient dry powder to grow our production contracting model.

The Cal Dive culture is fully captured by a single all-encompassing goal of cost-effective, incident-free performance. We take a considerably broader view of incidents to include not only safety but also the functioning of equipment and third party services, the avoidance of contract disputes and cost overruns, client satisfaction, regulatory compliance and ultimately our reputation and credibility. With this in mind we have set the following corporate goals for 2004:

- **Shareholder Return:** Deliver a ROCE of 10%.
- **Marine Contracting:** Reduce direct costs by $10 million.
- **Oil & Gas:** 40 BCFe of production.
- **Production Facilities:** Structure a second Deepwater Gateway type opportunity.
- **Property Acquisitions:** Conclude one mature property and one PUD acquisition.
- **Financial:** Establish flexible credit/capital structure.
- **Safety:** Maintain TRIR below 2.00 while reducing the number of Jones Act claims.

Respectfully submitted,

Owen E. Kratz
Chairman - Chief Executive Officer

Martin Ferron
President - Chief Operating Officer

S. James Nelson, Jr. - *Vice Chairman*

A. Wade Pursell - *Chief Financial Officer*

Marine Contracting

WELL OPERATIONS

Our Well Ops group was formed in 2002 to provide the offshore industry with a single comprehensive resource to support well operation tasks. As the number of installed subsea trees increases worldwide, the energy industry is seeking a more cost-efficient, rigless solution. Our two purpose-built vessels, the *Seawell* in the North Sea and the *Q4000* in the Gulf of Mexico, offer a number of competitive advantages: lower operating costs, quicker mobilization to the worksite and the ability to maximize productive time by performing a broad range of intervention and P&A tasks. The engineering expertise of our group enables an understanding of specific subsea operational issues from initial planning, to mobilization and in-hole operation, through to final well handover and ultimately decommissioning.

567 days of combined utilization of the two vessels produced $75 million of 2003 revenues. Margins, however, were just slightly better than breakeven as we took on a variety of tasks to keep the *Q4000* away from the dock and market conditions in the North Sea deteriorated significantly.

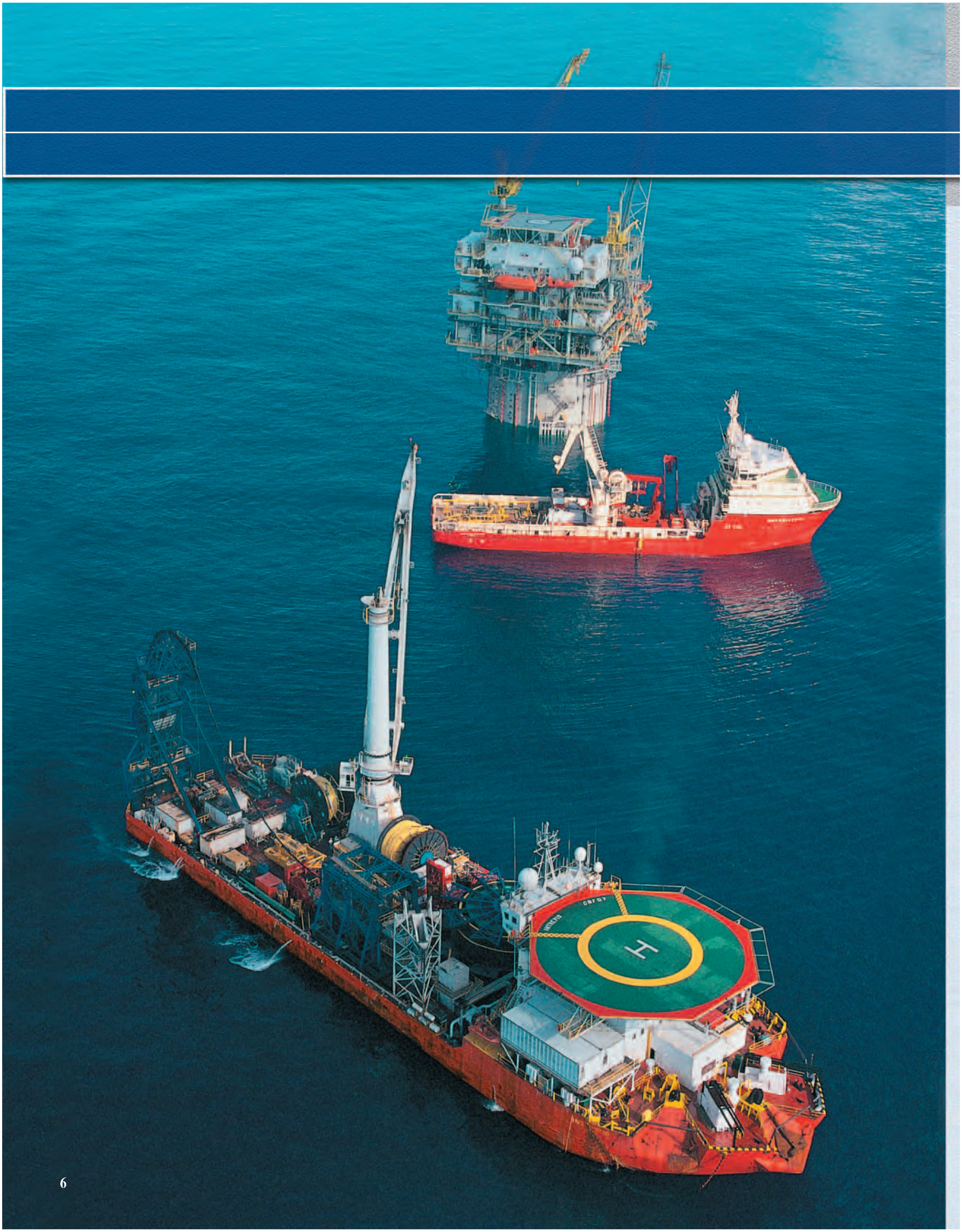
The *Seawell*, the principal asset of Well Ops UK, has an established market position in a mature market with the largest number of subsea trees in the world (1,200 in the UK and Norwegian sectors of the North Sea combined). As a purpose-built vessel introduced in 1987, the *Seawell* has performed intervention projects on over 450 wells and decommissioned over 100 wells and 15 subsea fields while working in the UK, Norwegian, Dutch, Danish and Irish sectors. The UK is a market in transition as independents and new operators acquire established fields from the majors. This transition, combined with the lingering effect of British tax law changes that targeted the oil and gas industry, have resulted in significant excess drilling rig capacity, our primary competition. Rig rates, which historically had averaged $80,000 to $120,000 per day, dropped to half those levels during 2003. Because of these market developments, only four of 13 well intervention projects which our customers had budgeted for 2003 actually materialized.

The North Sea, as a relatively shallow basin, requires saturation diving for most subsea tasks. In 2003 we replaced a third party supplier with CDI diving personnel and equipment, adding 145 days of subsea construction and IRM at a time when competitive DSVs were idle. The *Seawell* operated throughout the year without a single lost-time incident. Other highlights in an otherwise difficult year included ISO 9001 vessel accreditation, building and operating a 7-inch lubricator system for suspended trees, and the creation of a new service, Step Out Solutions. This alliance of Canyon Offshore and Aquatic Engineering targets subsea tiebacks to existing infrastructure from small step-out developments.

The *Q4000* is specifically designed for well intervention and construction tasks to 10,000 feet. The deepwater Gulf is a relatively young basin with only 200 subsea wells producing, and another 150 suspended or temporarily abandoned. The number in production is expected to double in the next few years as major discoveries at *Thunderhorse*, *Mad Dog* and *Atlantis* are brought on line. We made the strategic decision to introduce the *Q4000* early into the market to secure a first-in advantage and establish credibility with our clients. The goal for our flagship multi-service vessel is to secure construction utilization while waiting for the well ops market to mature. During 2003 the vessel worked 108 days on well ops projects and 189 on low margin construction tasks. Much of the well ops work involved decommissioning as we assisted with permanent well abandonment, tree recovery, flowline abandonment and wellhead removal (75 days); the balance included well intervention projects at *Troika* for BP and *King Kong/Yosemite* for ENI.

During the year we mobilized a 7 3/8 inch intervention riser system which enables access to both conventional and horizontal subsea trees in up to 5,000 feet of water. Well Ops' commitment to this specialized equipment provides customers access to the only large-bore intervention riser in the GOM.

2004 will be another challenging year for our Well Ops vessels although we expect improvement in the North Sea market generally and will be working the *Seawell* in the Norwegian sector for the first time in years.



DEEPWATER CONTRACTING

Since entering the deepwater arena in 1995, we have carefully built a technically diverse fleet of DP vessels specifically designed for effectiveness in the new dynamics of this frontier region. In doing so we have avoided the highly competitive, asset-intensive segments of the market such as major pipelay and heavy lift. While we have also conspicuously avoided the inherent risks of EPIC contracting, we are happy to work in support of those contractors and producers who seek our specialized equipment and standards of operating performance.

Five DP vessels make up the core of our deepwater construction fleet: the semi-submersible MSV *Uncle John*; the 380 foot pipelay vessel *Intrepid*; a 380 foot monohull the *Eclipse*; and two workhorse DP 2 vessels, the *Witch Queen* and the *Mystic Viking*. It is a tribute to our strategy that we achieved 83% utilization of these vessels during 2003. That level of utilization and solid offshore project performance enabled gross profit margins of 17% on $100 million of revenues, in contrast to margins of only 6% in the prior year.

A key contribution to our utilization rate in 2003 was the ability to work the vessels globally. The *Uncle John* and *Witch Queen* spent 10 months and four months, respectively, on multiple contracts in Mexican waters. The *Mystic Viking* spent over half of 2003 in Trinidad on major projects at BP Kapok and performed inspection and maintenance tasks for EOG and British Gas. The *Eclipse* turned in a great year that included eight months in Southeast Asia as she demonstrated a broad array of capabilities to customers in the region. The DP vessels also worked cost-effectively on deep shelf saturation diving projects on the OCS.

The versatility and performance of the *Intrepid*, as well as the best station-keeping footprint in our fleet, made a significant impression upon our customers. This new-build vessel has state-of-the-art equipment, stringent welding acceptance criteria, unique installation methodology, and the ability to fabricate and install pipelines from a deck capable of a 4000 metric ton load. The *Intrepid* installed pipelines for Pioneer and at Anadarko's *Pardner*, recovered jumpers at *Diana*, and played a key role at *Gunnison*.

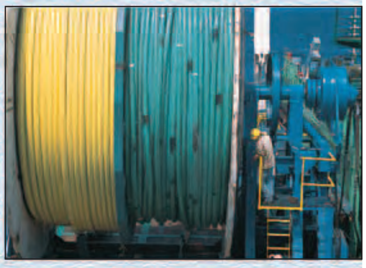
Our deepwater construction group also supervised the MSV *Q4000* and ROV support vessel *Northern Canyon* and *Merlin* when those vessels were deployed on construction projects during 2003. The experience and capability of the deepwater management team was especially demonstrated at *Gunnison* as we coordinated the marine construction efforts of four CDI vessels and a number of Canyon robotic vehicles. The field was brought into production on time and on budget. 2003 also witnessed three innovative and milestone projects:

- **Pile Driving:** The *Q4000* installed the mooring piles which anchored the *Gunnison* spar, the first time such work had been conducted from anything other than a heavy lift barge. Each pile was 84 inches in diameter, 210 feet long and weighed 130 tons.

- **Steel Catenary Risers (SCR):** We successfully installed the SCRs at Shell's *Princess* field in water depths of 3,700 feet. This involved lifting and transferring the SCRs from the CDI vessel to the TLP with assistance from the onboard robotic system.

- **Jumpers:** Installed 10 jumpers (five flowline jumpers and five wellhead jumpers) in 7,000 feet of water at *Nakika*. Each jumper was 75 to 85 feet long with spreader bars measuring 105 feet.

Looking to 2004, we have taken steps to reduce our exposure to the Gulf market given the lack of a *Gunnison* type project and our expectation of continued excess deepwater vessel capacity. The *Eclipse* is expected to remain in the Middle East and Southeast Asia arena, the *Mystic Viking* will again work offshore Trinidad and assist Canyon with robotic support, and the *Witch Queen* will be cold stacked until we see a market improvement.




Canyon

ROBOTICS

Cal Dive acquired Canyon Offshore in 2002 as remotely operated vehicles (ROVs) are an essential component in all deepwater construction and well ops intervention projects. Canyon's fleet of high-end, innovative ROV systems and skilled offshore teams ensure consistent quality results on the critical path for deepwater projects. The company currently operates twenty five (25) ROV and burial systems including 14 heavy work class systems and five (5) trenching and cable burial systems, including the state-of-the-art T-750 Super Trencher. To date Canyon has performed nearly 600 projects worldwide focused principally on subsea construction (60%), inspection (10%), survey (15%), trenching (10%) and drill support (5%). Canyon employs approximately 200 personnel, 150 of whom operate ROVs offshore and work from bases in Houston, Aberdeen and Singapore.

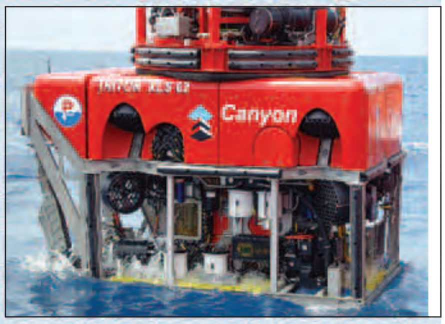
Revenues of $45 million increased by 21% over the prior year due to four new robotic systems acquired and the execution of Master Service and Frame Agreements to provide worldwide robotic and trenching services to Technip. 31% of the year's revenues were realized in support of Cal Dive operations with other major customers including Technip, Total, BP, Shell, ConocoPhillips (Indonesia), ChevronTexaco (Thailand) and Global Industries. ROV uptime improved to 95% as the technical challenges related to new design systems deployed in 2001 are now behind us. Our ROV systems worked 4,200 days during 2003 for a utilization rate of 51%, five points below the prior year. Lower ROV system utilization, start-up costs on two trenching jobs, and the fixed costs of a worldwide operation resulted in a breakeven bottom line, a financial result similar to 2002.

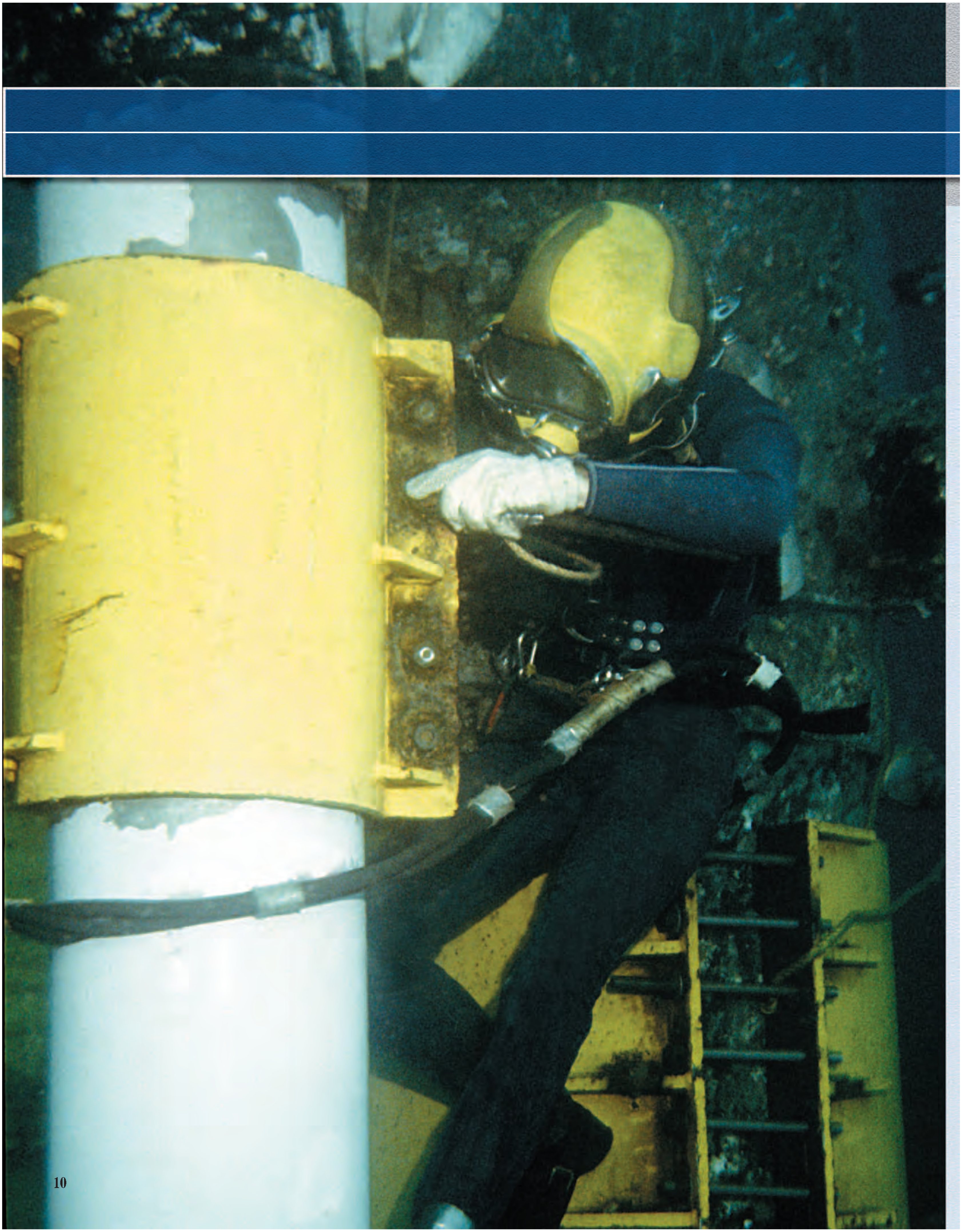
From a strategic standpoint the acquisition of Canyon provided an opportunity to leverage the company's expertise in submarine telecom cable burial to provide deepwater burial of pipelines and umbilicals for the oil and gas industry. Canyon's expertise was put to use building the T-750 Super Trencher, one of the most powerful and advanced deepwater burial systems in the world. Utilizing it's fleet of burial ROV systems (T-200, T-500, T-750), Canyon can provide effective burial of pipelines, flowlines and umbilicals, submarine cables, 4-D seismic arrays and offers the capacity to bury subsea products up to 28 inches in diameter.

Major burial projects in 2003 involved work for Technip Norge in Norway on the Fram Vest project and for STATTNET utilizing the T-750, and one of our first turnkey projects, burial of the Faroes Submarine Cable from Scotland to Iceland utilizing the T-500. While the systems performed well in these harsh environments, extended sea trials for the new T-750 trencher and contract issues resulted in small losses on these jobs.

Another aspect of our ROV strategy is to utilize CDI DP vessels specifically designed to support robotic operations. Two vessels were permanently deployed in support of Canyon: the *Merlin* in the Gulf and the *Northern Canyon*, a chartered vessel in the North Sea, with the *Mystic Viking* assisting on an as needed basis in the Gulf and offshore Trinidad. In total these vessels worked almost 500 days for Canyon during 2003 at a time when there was significant excess capacity in the worldwide DSV markets.

We expect improved Canyon profitability in 2004 as the company's transition from telecom to oil and gas support has been completed. A major sales effort and goal has been undertaken to promote and develop flowline burial as a flow assurance tool which provides an economic and useful alternative to "pipe in pipe" technology in deepwater. Flowline burial also provides the opportunity for increased utilization of CDI reeled pipeline assets and vessels for deepwater subsea tiebacks. The T-750, operating from the *Northern Canyon*, has recently completed burial of two deepwater flowline projects for Shell E&P in the U.S. Gulf. The projects set a world depth record for flowline burial in more than 3,300 feet of water. This methodology has the potential to save customers nearly half of the cost of pipeline fabrication and lay for small diameter, deepwater flowlines.





Marine Contracting

SHELF CONTRACTING

Cal Dive has been providing manned diving services on the OCS since 1975. We have 12 vessels permanently dedicated to the Shelf: two four-point saturation DSVs, four anchored DSVs, five utility vessels and a stiff leg derrick barge. We also offer general diving services working off customer vessels or platforms. As the market leader for such services in the GOM we currently employ approximately 600 full-time supervisors, divers, tenders, OCS vessel crews, and operations support staff. As our primary focus is life-of-field support, much of our work involves inspection, maintenance and repair of the rapidly aging OCS infrastructure.

Revenues of $65 million declined from $73 million in the prior year and gross profit was down 25%. The number of mobile rigs contracted, a key leading indicator, remained between 120 and 130 units throughout the year, in contrast to the 170 to 190 rigs employed in 2000 and early 2001. Utilization of our OCS vessels was 47%, one of the lowest levels in years, due in part to the prior year benefiting from significant utility and high margin repair work following Hurricane *Lily*. In addition, we transferred a number of projects awarded to our sat vessels to the DP group in order to utilize the more expensive assets.

Hurricane *Lily* did have a carryover impact in 2003 as our utility vessels worked in support of MMS mandated inspections of all OCS platforms within the storm path. The hurricane also led to one of our more innovative salvage and well P&A projects at a platform toppled at Eugene Island 309. The salvage work was completed by the *Intrepid* in DP mode with the *Cal Diver II* saturation vessel tied up alongside. Divers plugged and abandoned eight subsea wells using specialized equipment onboard the *Intrepid*. The sat divers also severed and removed platform members and the heavy lift capacity of the *Intrepid* was then used to remove and recover the deck section. This project involved technical personnel from our Well Ops, Deepwater and Shelf Contracting groups, all working in concert to complete the project in half of the time that the customer estimated.

Our shallow water division had 13,600 days of general diving activity in 2003, down from 14,200 diver days in the prior year. Current year projects had divers working from Shell TLPs at *Ursa* and *Princess*, and supporting abandonment operations from Superior and Tetra Technology vessels and lift boats.

Our derrick barge generated revenues of only $5 million or approximately 2% of 2003 marine contracting volume. In a high commodity price environment customers seek to milk the last possible production from fields, delaying the decommissioning work. Even so our DSVs were quite active with pipeline abandonment projects. The *Mr. Fred*, one of our four-point anchor vessels, permanently abandoned 40 pipelines for ExxonMobil in a single month as we decommissioned a total of 90 pipelines during the course of the year. Additionally, our general diving group completed an eighty well subsea tree abandonment program for Anadarko. This project required extensive planning and utilized a combination of mechanical cutting and subsea burning techniques.

2003 marked the final year of an OCS alliance with Horizon Offshore whereby we provided DSV and diving services for Horizon pipelay barges while Horizon supplies heavy lift capacity to us. Our Horizon revenue in 2003 was roughly half of the average of the two prior years as that company has moved much of its equipment to other basins of the world.

The personnel-intensive nature of diving and shelf construction activity requires a relentless focus upon safety. Striving for excellence in HSE performance simply has no finish line.

Even with commodity prices at historic high levels, we are assuming that 2004 will be a mirror image of the past year. As such, most of our work will involve inspection, pipeline abandonment, infrastructure repair and maintenance

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OIL & GAS PRODUCTION

Our oil and gas subsidiary, Energy Resource Technology (ERT), was formed in 1992 to offer customers the option to sell mature or sunset properties and thereby avoid the risk and cost of the decommissioning process. That innovation, a radical concept at the time, has since become the industry standard. Over the past 11 years we have acquired interests in 90 offshore leases and generated over $400 million of oil and gas sales through the production of 100 BCFe. Our ROCE of 29% in 2003 was consistent with the average annual return generated throughout the history of ERT. The ERT model has been expanded to the deepwater regions of the Gulf via a working interest in the *Gunnison* field and the development of non-core, stranded field PUD opportunities where CDI construction vessels add value. ERT is a fully integrated oil and gas company with a very flat organizational structure: 25 technical personnel supported by 120 working at our offshore facilities.

There are four underlying keys to ERT's success. Since inception we have employed a disciplined approach that avoids both exploration risk and the acquisition of unproved acreage, and we are under no pressure to replace reserves annually. Second is the synergy that comes from the salvage assets and financial capacity of Cal Dive as the parent company. These assets assure customers as to the risk transfer of the abandonment obligation. Equally important, Cal Dive personnel assist in assessing the decommissioning obligation assumed in property acquisitions; this is one reason we have never significantly underestimated the abandonment obligations associated with the 90 leases acquired. Third is an intense focus upon properties: We optimize production rates and lease operating expenses, place regulatory compliance and safety ahead of production goals, and find bypassed reserves through well exploitation efforts. Finally, a unique incentive system has enabled ERT to attract some of the most respected and entrepreneurial talent in the oil and gas industry.

In 2003 we broke through the $100 million mark for the first time with oil gas revenues of $137 million. The impact of improved commodity prices was apparent as revenues increased by roughly 120% over the prior year on production which was up 69%. The increase in volumes, in turn, reflected the impact of the four significant property acquisitions completed during the second half of 2002 and a $30 million well work program which was successful on 51 of 80 projects (a success rate of 64%). The 2003 well exploitation program added over 20 BCFe to our base of proved reserves (see table on P.15); we estimate a payback period of less than six months for this work.

It is our corporate policy to hedge up to 50% of ERT production when we can lock in an attractive rate of return on acquired properties. Our average realized commodity price of $4.82 per MCFe was less than the $5.31 we could have received had we sold our product at 2003 market prices. However, the hedged price represented a 60% return when viewed in relation to the price assumption of our 2002 property acquisitions. Going forward we have altered our natural gas hedging practice by also using costless collars in addition to the swap instruments of 2003; this should enable ERT to fully realize market prices from a $5.00 MCF floor to ceilings between $6.25 and $6.60 on the hedged volumes.

Gross profit margins of 48% in 2003 were spot on the five year average after dipping to 43% a year ago. Lease operating expenses had climbed to 31% of revenues in 2002 as it took time to get our arms around the large oil complex acquired at South Marsh Island 130, a facility which today is functioning on almost all cylinders. The John S. Herold 2003 Upstream Review confirmed the profitability of our oil and gas operations as ERT was rated the 16th most profitable of 132 U.S. companies evaluated.

A key element of our oil and gas growth strategy involves PUD acquisitions; i.e. fields where the exploration has been completed yet the reserves discovered were below the E&P company target threshold or in a non-core geographic area with limited infrastructure. This strategy recognizes the manpower constraints of the majors and large independents and the alternative capital allocation preferences of the E&P companies. Relatively high sunk costs (leasehold and exploratory drilling) of smaller scale discoveries result in total finding and development (F&D) metrics which fail to meet E&P corporate hurdles for development budgets.

(continued on P.15)

OIL & GAS PRODUCTION

During 2003, production from the lower zone of our first PUD acquisition, East Cameron 374, was 40% above the acquisition economics. The well is now producing almost 15 million cubic feet a day as we recently changed productive zones using a Baker Oil Tools intelligent well system operated from a remote platform. Our second PUD success was at High Island 544, a 100% owned property purchased in 2002 although no reserves were assigned to the field in the acquisition economics. ERT subsequently purchased 3D seismic for the block and mapped a target zone which essentially twinned a well drilled in the 1970s. The subsea well was successfully completed and brought into production early in December after Cal Dive fabricated and installed a 12,000 foot flowline (laid by the DSV *Witch Queen*) to a nearby ERT platform while the *Cal Diver I* assisted in commissioning.

In 1999 ERT reservoir engineers evaluated the *Gunnison* opportunity. Since the development was sanctioned in 2001, ERT personnel have participated actively in an assessment of reservoir development drilling and appraisal wells while CDI personnel worked on the construction project team. First production from the three subsea natural gas wells occurred in December, 2003. Seven additional wells will be brought online during 2004 as the field ramps up to peak production. ERT also has a 10% interest in the "Dawson Deep" well now being drilled. If successful it would further enhance 2004 and future production.

Estimated proved reserves at December 31, 2003 consisted of 74.7 BCFe of natural gas and 12.5 million barrels of oil and condensate. We owned interests in 288 oil wells and 151 natural gas wells (gross) located in federal offshore waters in the Gulf of Mexico. The standardized pre-tax measure of discounted future net cash flow (PV10 value) of these reserves was estimated at $430 million. With production from *Gunnison* commencing, we asked Huddleston & Co., Inc., our independent petroleum engineers, to audit the proved reserves assigned to this field in addition to ERT Shelf reserves. Final integration of development drilling results lowered *Gunnison* proved reserves by 2.6 BCFe from those estimated at the end of 2002.

During 2003 approximately $7.0 million of abandonment work was completed on ERT properties. Adoption of SFAS No. 143, *Accounting for Asset Retirement Obligations*, had the effect of reducing the liability on our 2002 balance sheet by approximately $26 million. The reduction is due to the new accounting standard requiring that the liability be recorded on a discounted basis and much of our decommissioning obligation is not scheduled until 2016.

ERT has an outstanding safety record and is recognized for its regulatory compliance. The company is exempt from Minerals Management Services (MMS) supplemental bonding requirements and is fully insured with coverage that includes liablity, comprehensive blow-out and environmental risk protection. ERT was a recipient of the 2003 MMS district SAFE Award covering all of the West Cameron, East Cameron and Vermilion areas. 28 inspections of our facilities were performed by the MMS in 2003, testing 284 safety components.

We expect significantly improved performance in 2004 if the high commodity prices of Q1 continue throughout the year and we are able to achieve our production goal of 40 BCFe. While there are a large number of mature property packages for sale, the high commodity prices make it difficult to complete acquisitions that meet our return hurdles. PUD acquisitions are more likely in this environment. In the meantime, we have a substantial backlog of remaining well work associated with the properties purchased in 2002 to keep us busy.

Net BCFe	1999	2000	2001	2002	2003
Beginning Balance (Shelf)	30.2	35.6	28.2	24.5	83.7
Production	(8.9)	(15.5)	(13.9)	(16.6)	(27.9)
Sale of Properties	(5.2)	(1.2)	---	---	---
Purchase of Reserves	15.2	6.3	2.0	70.6	2.7
Exploitation (Extensions/Revision)	4.3	3.0	8.2	5.2	20.1
Ending Balance (Shelf)	35.6	28.2	24.5	83.7	78.6
Gunnison	---	---	76.6	73.8	71.2
Total ERT	35.6	28.2	101.1	157.5	149.8


DEMAC

PRODUCTION FACILITIES

The deepwater GOM is being developed in a hub-and-spoke system much like the airline industry: Floating production facilities serve as hubs with multiple subsea developments (spokes) surrounding them. A topographical analysis of likely pipeline routes led us to identify eight potential hub locations which included *Gunnison* and *Marco Polo*. Our strategy is to use the production contracting model to become involved in these hub locations and the surrounding developments. It is based upon the premise that production infrastructure will be the key to unlocking the deepwater GOM potential.

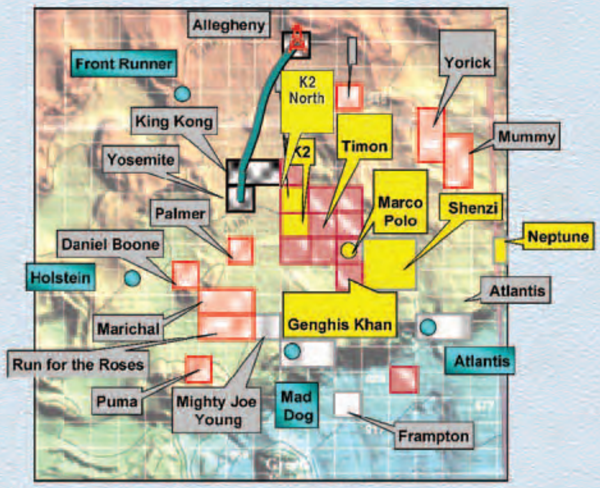
Today there are 26 deepwater platforms on location and producing, with another 13 under construction or being installed. All but two of those currently in place are owned outright by E&P companies. Working with partner GulfTerra Energy Partners L.P., our strategy is to expand infrastructure ownership from the pipeline on through to the production facility itself. This has a number of benefits to the E&P company. Relieved of the upfront capital requirement to build the production facility, the producer is able to deploy those funds to purchase and drill acreage. Other advantages include an acceleration of first production, future access to available nearby production capacity, and potentially lower platform operating and pipeline gathering fees.

Estimated recoverable reserves at the *Marco Polo* field standing alone made it difficult to justify the economic cost of constructing a production facility. However, analysis suggested that the field was in a potentially prolific area. As a result, Deepwater Gateway L.L.C., the joint venture between Cal Dive and GulfTerra, elected to construct a tension-leg facility having capacity roughly double the anticipated production from *Marco Polo*. Exploratory discoveries announced while the TLP was under construction led us to increase capacity to 120,000 barrels of oil and 300 million cubic feet of gas per day. In fact, continued success of nearby discoveries and negotiations to tieback production to the TLP suggest that we still may not have sufficient capacity to handle demand in the area. With the shipyard enhancements, the TLP was delivered at a total cost of approximately $230 million. At 4,300 feet of water *Marco Polo* was the world's deepest TLP, a significant technological feat which adds to Cal Dive's deepwater track record.

Deepwater Gateway will realize a return first from a fixed demand charge, paid monthly over a five year period. When production commences a tariff will be received for each barrel of oil and MCF of gas processed through the facility. This business model differs from our oil and gas production business in that our return is not subject to commodity price risk nor the risk of a specific reservoir. CDI vessels assisted with the installation and recent commissioning of the TLP. We also seek future subsea tiebacks to the facility and situations for ERT to participate in ownership of fields in the surrounding area.

Cal Dive also has a 20% ownership position in the spar installed at the *Gunnison* field. Production from the three Garden Banks blocks which make up *Gunnison* will utilize most of the available productive capacity in the initial years. However, drilling in nearby blocks to the north suggests that CDI shareholders will receive ongoing revenues from this production facility as satellite prospects are drilled and tied back to the spar when *Gunnison* production begins to decline.

Turning to 2004, the six wells at *Marco Polo* are expected to come online during the second half of the year, eventually taking up to 50% of the TLP oil capacity. During the year we expect formal announcements of fields that have elected to tieback to our facility, work that will be completed throughout 2005 and beyond. We are aggressively seeking further opportunities to expand the Deepwater Gateway model.



FINANCIAL STATEMENTS

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES:

Consolidated Balance Sheets - December 31, 2003 and 2002 (in thousands)

	DECEMBER 31,	
	2003	**2002**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 6,378	$ ---
Restricted cash	2,433	2,506
Accounts receivable -		
Trade, net of revenue allowance on gross amounts billed of $8,518 and $7,156	78,733	65,743
Unbilled revenue	17,874	9,675
Other current assets	25,232	38,195
Total current assets	130,650	116,119
PROPERTY AND EQUIPMENT	802,694	726,878
Less - Accumulated depreciation	(183,891)	(130,527)
	618,803	596,351
OTHER ASSETS		
Investment in production facilities - Deepwater Gateway, L.L.C.	34,517	32,688
Goodwill, net	81,877	79,758
Other assets, net	16,995	15,094
	$ 882,842	$ 840,010
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 50,897	$ 62,798
Accrued liabilities	36,850	34,790
Current maturities of long-term debt	16,199	4,201
Total current liabilities	103,946	101,789
LONG-TERM DEBT	206,632	223,576
DEFERRED INCOME TAXES	89,274	75,208
DECOMMISSIONING LIABILITIES	75,269	92,420
OTHER LONG TERM LIABILITIES	2,042	1,972
Total liabilities	477,163	494,965
REDEEMABLE STOCK IN SUBSIDIARY	---	7,528
CONVERTIBLE PREFERRED STOCK	24,538	---
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock, no par, 120,000 shares authorized, 51,460 and 51,060 shares issued	199,999	195,405
Retained earnings	178,718	145,947
Treasury stock, 13,602 and 13,602 shares, at cost	(3,741)	(3,741)
Accumulated other comprehensive income (loss)	6,165	(94)
Total shareholders' equity	381,141	337,517
	$ 882,842	$ 840,010

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES:

Consolidated Statements Of Operations For The Years Ended December 31, 2003, 2002 and 2001 (in thousands, except per share amounts)

	YEAR ENDED DECEMBER 31,		
	2003	**2002**	**2001**
NET REVENUES			
Marine contracting	$ 258,990	$ 239,916	$ 163,740
Oil and gas production	137,279	62,789	63,401
	396,269	302,705	227,141
COST OF SALES			
Marine contracting	233,005	212,868	127,047
Oil and gas production	71,181	36,045	33,183
Gross profit	92,083	53,792	66,911
SELLING AND ADMINISTRATIVE EXPENSES	35,922	32,783	21,325
INCOME FROM OPERATIONS	56,161	21,009	45,586
Net interest expense and other	3,490	1,968	1,290
INCOME BEFORE INCOME TAXES AND CHANGE IN ACCOUNTING PRINCIPLE	52,671	19,041	44,296
Provision for income taxes	18,993	6,664	15,504
Minority Interest	---	---	(140)
INCOME BEFORE CHANGE IN ACCOUNTING PRINCIPLE	33,678	12,377	28,932
Cumulative effect of change in accounting principle, net	530	---	---
NET INCOME	34,208	12,377	$ 28,932
Preferred stock dividends and accretion	1,437	---	---
NET INCOME APPLICABLE TO COMMON SHAREHOLDERS	$ 32,771	$12,377	$ 28,932
NET INCOME PER COMMON SHARE			
Basic:			
Net income applicable to common shareholders before change in accounting principle	$ 0.86	$ 0.35	$ 0.89
Cumulative effect of change in accounting principle	0.01	---	---
Net income applicable to common shareholders	$ 0.87	$ 0.35	$ 0.89
Diluted:			
Net income applicable to common shareholders before change in accounting principle	$ 0.86	$ 0.35	$ 0.88
Cumulative effect of change in accounting principle	0.01	---	---
Net income applicable to common shareholders	$ 0.87	$ 0.35	$ 0.88
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING			
Basic	37,740	35,504	32,449
Diluted	37,844	35,749	33,055

CAL DIVE INTERNATIONAL, INC., AND SUBSIDIARIES:

Consolidated Statements Of Shareholders' Equity For The Years Ended December 31, 2003, 2002 and 2001 (in thousands)

	COMMON STOCK			TREASURY STOCK		ACCUMULATED OTHER	TOTAL
	SHARES	AMOUNT	RETAINED EARNINGS	SHARES	AMOUNT	COMPREHENSIVE INCOME (LOSS)	SHAREHOLDERS' EQUITY
BALANCE, DECEMBER 31, 2000	45,885	$ 93,838	$ 104,638	(13,640)	$ (3,751)	---	$ 194,725
NET INCOME	---	---	28,932	---	---	---	28,932
ACTIVITY IN COMPANY STOCK							
PLANS, NET	354	5,267	---	---	---	---	5,267
PURCHASE OF TREASURY SHARES	---	---	---	(143)	(2,575)	---	(2,575)
BALANCE, DECEMBER 31, 2001	46,239	99,105	133,570	(13,783)	(6,326)	---	226,349
COMPREHENSIVE INCOME							
NET INCOME	---	---	12,377	---	---	---	12,377
FOREIGN CURRENCY							
TRANSLATION ADJUSTMENTS	---	---	---	---	---	2,548	2,548
UNREALIZED LOSS ON							
COMMODITY HEDGES	---	---	---	---	---	(2,642)	(2,642)
COMPREHENSIVE INCOME							12,283
SALE OF COMMON STOCK, NET	3,961	87,219	---	---	---	---	87,219
ACTIVITY IN COMPANY STOCK							
PLANS, NET	860	7,376	---	---	---	---	7,376
ISSUANCE OF SHARES IN							
BUSINESS ACQUISITION	---	1,705	---	181	2,585	---	4,290
BALANCE, DECEMBER 31, 2002	51,060	195,405	145,947	(13,602)	(3,741)	(94)	337,517
COMPREHENSIVE INCOME							
NET INCOME	---	---	34,208	---	---	---	34,208
FOREIGN CURRENCY							
TRANSLATION ADJUSTMENTS	---	---	---	---	---	5,044	5,044
UNREALIZED GAIN ON							
COMMODITY HEDGES	---	---	---	---	---	1,215	1,215
COMPREHENSIVE INCOME							40,467
CONVERTIBLE PREFERRED							
STOCK DIVIDENDS	---	---	(981)	---	---	---	(981)
ACCRETION OF PREFERRED							
STOCK COSTS	---	---	(456)	---	---	---	(456)
ACTIVITY IN COMPANY							
STOCK PLANS, NET	400	4,594	---	---	---	---	4,594
BALANCE, DECEMBER 31, 2003	51,460	$ 199,999	$ 178,718	(13,602)	$ (3,741)	$ 6,165	$381,141

CAL DIVE INTERNATIONAL, INC. AND SUBSIDIARIES:

Consolidated Statements Of Cash Flows For The Years Ended December 31, 2003, 2002 and 2001 (in thousands)

	YEAR ENDED DECEMBER 31,		
	2003	**2002**	**2001**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 34,208	$ 12,377	$ 28,932
Adjustments to reconcile net income to net cash provided by operating activities --			
Cumulative effect of change in accounting principle	(530)	---	---
Depreciation and amortization	70,793	44,755	34,533
Deferred income taxes	18,993	6,130	15,504
Gain on sale of assets	45	(10)	(1,881)
Changes in operating assets and liabilities:			
Accounts receivable, net	(20,256)	(1,728)	(13,594)
Other current assets	5,038	(7,086)	2,760
Accounts payable and accrued liabilities	(9,808)	14,730	21,263
Income taxes receivable/payable	---	1,476	10,014
Other noncurrent, net	(11,362)	(5,443)	(8,424)
Net cash provided by operating activities	87,121	65,201	89,107
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(93,160)	(161,766)	(151,261)
Acquisition of businesses, net of cash acquired	(407)	(118,331)	(11,500)
Investment in Deepwater Gateway, L.L.C.	(1,830)	(32,688)	---
Restricted cash	73	(2,506)	2,624
Prepayments and deposits related to salvage operations	---	---	782
Proceeds from sales of property	200	483	1,530
Net cash used in investing activities	(95,124)	(314,808)	(157,825)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Sale of common stock, net of transaction costs	---	87,219	---
Sale of convertible preferred stock, net of transaction costs	24,100	---	---
Borrowings under MARAD loan facility	---	43,899	59,494
Repayment of MARAD borrowings	(2,767)	(1,318)	---
Borrowings (repayments) on line of credit	(22,402)	52,591	---
Borrowings on term loan	5,730	29,270	---
Borrowings on capital leases	12,000	---	---
Repayment of capital leases	(2,430)	(5,183)	---
Preferred stock dividends paid	(981)	---	---
Redemption of stock in subsidiary	(2,676)	---	---
Exercise of stock options, net	3,570	5,900	4,084
Purchase of treasury stock	---	---	(2,575)
Net cash provided by financing activities	14,144	212,378	61,003
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	237	106	---
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,378	(37,123)	(7,715)
CASH AND CASH EQUIVALENTS:			
Balance, beginning of year	---	37,123	44,838
Balance, end of year	$ 6,378	$ ---	$ 37,123

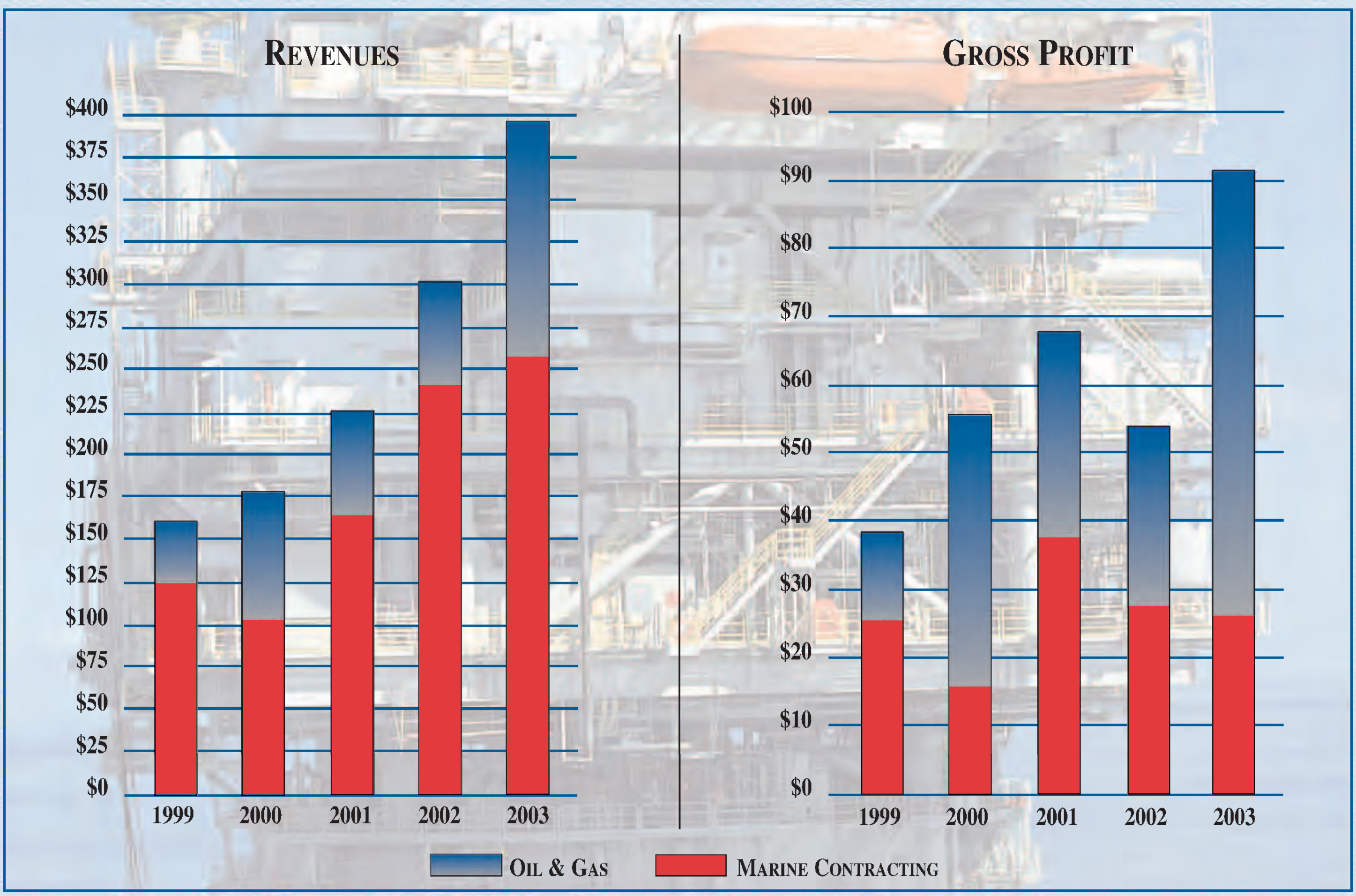
FINANCIAL STATISTICS

Segment Information

Cal Dive International operates in two business segments: Marine Contracting and Oil and Gas, with a third segment, the ownership of production facilities, commencing in 2004. Within Marine Contracting each vessel represents a profit center which may operate in: Well Operations, Deepwater Contracting and Shelf Contracting. Canyon robotic vehicles work principally as a third party provider to various CDI vessels. Our multi-service and DP vessels often provide saturation diving services on the OCS. Accordingly, the revenues and gross profit information provided in this Summary Annual Report reflect the grouping of assets by each respective segment.

Non-GAAP Financial Information

To supplement our consolidated financial statements presented in accordance with generally accepted accounting principles (GAAP), CDI uses additional non-GAAP measures of operating results we believe appropriate to enhance an overall understanding of our past financial performance and also our prospects for the future. These adjustments to GAAP results are made with the intent of providing both management and investors a more complete understanding of the underlying results and trends and our marketplace performance. For example, the company and investors in the energy industry use Earnings Before Net Interest Expense, Taxes, Depreciation and Amortization (EBITDA) as a supplemental measure in the evaluation of our business due to the measurement being similar to performance of operations. In addition, management views Return on Capital Employed (ROCE) as a primary factor in evaluating our performance and planning for future periods. ROCE is the amount, expressed as a percentage, earned on a company's total capital (shareholders' equity plus long-term debt). It is calculated by dividing tax affected earnings before interest and taxes by total capital.



Earnings Before Net Interest Expense, Taxes, Depreciation and Amortization					
Reconciliation from Net Income to EBITDA (000 omitted)	1999	2000	2001	2002	2003
Net income applicable to common shareholders	16,899	23,326	28,932	12,377	32,771
Accretion and dividends on preferred stock	---	---	---	---	1,437
Cumulative effect of accounting change	---	---	---	---	(530)
Minority interest	(491)	(866)	(140)	---	---
Income tax provision	8,465	11,555	15,504	6,664	18,993
Net interest expense and other	(849)	554	1,290	1,968	3,490
Depreciation and amortization	20,615	30,730	34,533	44,755	70,793
EBITDA	$44,639	$65,299	$80,119	$65,764	$126,954

Cal Dive: Return on Capital Employed (In Thousands)	2002	2003	ERT: Return on Capital Employed	2003
Income from Operations	$21,009	56,161	Net Income (before interest and accretion)	$37,683
Add: Litigation and Contract Reserves	10,000	---		
Tax Affected Earnings	20,056	36,505		
Total Capital (Average quarterly shareholder equity plus long term debt less *Gunnison/ Marco Polo* investments)	412,908	466,681	Total Capital (Average shareholder equity plus undiscounted P&A liability less funding for P&A provided to parent)	131,748
ROCE	4.86%	7.82%	ROCE	28.60%

Glossary

BCFe (BCF): Billions of cubic feet of natural gas equivalent.

Deepwater: Water depths beyond 1,000 feet.

Dive Support Vessel (DSV): Specially constructed vessels which serve as an operational base for divers, ROVs and customized underwater construction equipment.

Dynamic Positioning (DP): Satellite based global positioning systems ensure the proper counteraction to wind, current and wave forces, thereby enabling the vessel to stay in position without the use of anchors.

DP-2: Redundancy required for vessels which support both manned diving and robotics and for working in close proximity to platforms.

EHS: Environment, Health and Safety programs that protect the environment, safeguard employee health and eliminate injuries.

E&P: Companies involved in oil and gas exploration and production.

EPIC: Fixed price contract covering engineering, procurement, installation and construction.

Gulf of Mexico: Referred to in this report as Gulf, Deepwater Gulf or GOM.

IMR: Inspection, maintenance and repair activities.

Life of Field Services: Includes services performed on facilities, trees and pipelines from the beginning to the economic end of the life of an oil field, including installation, inspection, maintenance, repair, contract operations, well intervention, recompletion and abandonment.

MARAD Debt: U.S. government-guaranteed financing administered by the Maritime Administration seeks to encourage the building of U.S. flagged vessels in U.S. shipyards.

MCF: Thousands of cubic feet of natural gas.

MSV: Multi-service vessel capable of performing a variety of marine construction and well operations tasks.

Minerals Management Service (MMS): Federal regulatory body having responsibility for the mineral resources of the United States in the GOM.

Outer Continental Shelf (OCS): Areas in the GOM from the shore to 1,000 feet of water.

Peer Group: Global Industries, Ltd. (GLBL), Horizon Offshore, Inc. (HOFF), McDermott International, Inc. (MDR), Oceaneering International, Inc. (OII), Stolt Offshore SA (SOSA), Technip (TKP) and Torch Offshore, Inc. (TORC).

Proved Undeveloped Reserves (PUD): Proved undeveloped oil and gas reserves that are expected to be recovered from a new well on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

Remotely Operated Vehicles (ROV): Robotic vehicles used to complement, support and increase the efficiency of diving and subsea operations and for tasks beyond the capability of manned diving operations.

Saturation Diving (SAT): Sat diving, required for work in water depths greater than 300 feet, involves divers working from special chambers for extended periods at a pressure equivalent to the depth of the work site.

Spar: Floating production facility anchored to the sea-bed with catenary mooring lines.

Stranded Field: Smaller PUD reservoir that, standing alone, may not justify the economics of a host production facility and/or infastructure connection.

Tension-Leg Platform (TLP): A floating deepwater compliant structure designed for offshore hydrocarbon production.

Trencher or Trenching system: A subsea robotics system capable of providing post-lay trenching, inspection, burial and maintenance of submarine cables and oil & gas flowlines in water depths from 30 to 7,200 feet.

TRIR: Total recordable incidence rate, a safety performance benchmark used by the federal government (OSHA).

CORPORATE DIRECTORY

Board of Directors

Gordon F. Ahalt, 76
Independent Consultant

Bernard J. Duroc-Danner, 50
Chairman & Chief Executive Officer
Weatherford International, Inc.

Martin R. Ferron, 47
President & Chief Operating Officer
Cal Dive International, Inc.

Owen E. Kratz, 49
Chairman & Chief Executive Officer
Cal Dive International, Inc.

John Lovoi, 43
Principal
JVL Partners

S. James Nelson, Jr., 61
Vice Chairman
Cal Dive International, Inc.

T. William Porter III, 62
Chairman
Porter & Hedges, LLP

William L. Transier, 49
Co-Chief Executive Officer
Endeavour International Corporation

Anthony Tripodo, 51
Managing Director
Arch Creek Advisors, LLC

Executive Officers

Owen E. Kratz, 49
Chairman & Chief Executive Officer

Martin R. Ferron, 47
President & Chief Operating Officer

S. James Nelson, Jr., 61
Vice Chairman

A. Wade Pursell, 39
Senior Vice President &
Chief Financial Officer

James Lewis Connor III, 46
Senior Vice President & General Counsel

Lloyd A. Hajdik, 38
Vice President - Corporate Controller
& Chief Accounting Officer

Corporate Officers

Michael V. Ambrose, 57
Senior Vice President - International

G. Kregg Lunsford, 34
Vice President - Finance & Audit

A. Mark McWatters, 44
Vice President - Project Support Services

Scott T. Naughton, 49
Vice President - Shelf Contracting

Daniel Young Schultz, 39
Vice President - Environment,
Health & Safety

John Sokol, 53
Vice President - Deepwater Contracting

Subsidiary Management

Johnny E. Edwards, 50
President -
Energy Resource Technology, Inc.

John S. Edwards, 47
Martin O'Carroll, 45
Co-Presidents - Canyon Offshore, Inc.

Ian A. Collie, 53
General Manager - Well Ops, Inc.

William E. Morrice, 39
General Manager
Well Ops, (UK) Limited

Steve Brazda, 53
General Manager - CDI / Aquatica

Corporate Locations

Corporate & ERT Headquarters
Houston
400 N. Sam Houston Parkway E.
Suite 400 • Houston, TX 77060
Office: 281-618-0400
Fax: 281-618-0500

Operations Base
Morgan City
1550 Youngs Road
Morgan City, LA 70380
Office: 504-330-0300
Fax: 504-330-0394

CDI/Aquatica
Lafayette
3209 Moss Street
Lafayette, LA 70509
Office: 337-232-8714
Fax: 337-234-9831

Canyon Offshore, Inc.
Houston
5212 Brittmoore Road
Houston, TX 77041
Office: 713-856-6010
Fax: 713-856-6020

Well Ops (UK) Ltd.
Kettock Lodge
Campus 2
Science & Technology Park
Balgownie Drive
Bridge of Don
Aberdeen AB22 8GU
United Kingdom
Office: 01224-226650
Fax: 01224-822731

SHAREHOLDER INFORMATION

Common Stock Listing
Nasdaq National Market
Symbol: CDIS

Annual Meeting
Stockholders are invited to attend CDI's Annual Shareholder Meeting on Tuesday, May 11, 2004 at 11:00 a.m. Central Daylight Time at the Wyndham Greenspoint Hotel, 12400 Greenspoint Drive, Houston, Texas.

Stock Held In "Street Name"
The company maintains a direct mailing list to ensure that shareholders with stock held in brokerage accounts receive information on a timely basis. We also maintain a list of those investors who wish to receive CDI Press Releases on a "real time" basis. Shareholders wanting to be added to these lists should direct their requests to Investor Relations at the Corporate Headquarters or call 281-618-0400.

Stock Transfer Agent
Wells Fargo Shareowner Services
161 North Concord Exchange
P. O. Box 64854
St. Paul, MN 55164-0854
(800) 468-9716
www.wellsfargo.com/shareownerservices
Communications concerning the transfer of shares, lost certificates, duplicate mailings or change of address should be directed to the stock transfer agent.

Website
www.caldive.com
Our website includes a profile of your company, the services we offer and a review of each of our business units. The Investor Relations section enables you to access the most recent quarterly and annual reports as soon as they are issued. All shareholders are invited to participate in the quarterly conference calls with analysts. Simply click on "Live Webcast" in the Investor Relations module to listen; replays of the conference calls are also available by clicking on "Audio Archives."

Independent Public Accountants
Ernst & Young LLP
Houston, TX

Corporate Counsel
Fulbright & Jaworski L.L.P.
Houston, TX

Form 10-K
Shareholders and other persons interested in obtaining, without cost, a printed copy of the Form 10-K filed with the Securities and Exchange Commission may do so by writing to Cal Dive International, Inc., 400 N. Sam Houston Parkway E., Suite 400, Houston TX 77060-3500. The Form 10-K can also be accessed and downloaded from our website.

Investor Relations
Shareholders, securities analysts or portfolio managers seeking information about Cal Dive are welcome to contact Investor Relations, at 281-618-0400.

Quarterly Stock Prices

2003			2002		
Quarter	High	Low	Quarter	High	Low
1st	$24.46	$16.99	1st	$25.20	$20.50
2nd	23.19	15.95	2nd	27.22	21.70
3rd	22.74	19.31	3rd	21.90	15.36
4th	25.24	19.88	4th	25.20	20.00

This Summary Annual Report contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including, without limitation, any projections of revenue, gross margin, expenses, earnings or losses from operations, or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statement concerning developments, performance or industry rankings relating to services; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. The risks, uncertainties and assumptions referred to above include the performance of contracts by suppliers, customers and partners; employee management issues; as described from time to time in our reports filed with the Securities and Exchange Commission, including the company's Annual Report on Form 10-K for the year ending December 31, 2003. We assume no obligation and do not intend to update these forward-looking statements.