



50

YEARS

1964-2014

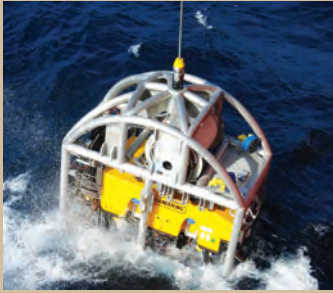
...where safety comes first, employees and customers are treated fairly,
and service is based on the best available technology.



2014 ANNUAL REPORT

Oceaneering at a Glance

Oceaneering is a global provider of engineered services and products, primarily to the offshore oil and gas industry, with a focus on deepwater applications. Through the use of its applied technology expertise, Oceaneering also serves the defense, entertainment, and aerospace industries. At year end, Oceaneering employed approximately 12,400 people in 28 countries.



Remotely Operated Vehicles ROVs are submersible vehicles teleoperated by technicians from a control van onboard a floating drilling rig or vessel. They are piloted by means of a microprocessor-based control system through an armored, electrical, fiber-optic umbilical. ROVs are the key technology enabling the performance of critical oilfield tasks in deepwater. These tasks include drill support, subsea hardware installation and construction, subsea infrastructure inspections and surveys, and subsea production facility operation and maintenance.

We own and operate the largest fleet of oilfield work class ROVs in the world. At the end of 2014, we had 336 ROVs, about 36% of the industry's vehicles. We were the primary provider of these vehicles to perform drill support service, with an estimated market share of 59%, almost three times that of the second largest supplier.



Subsea Products We manufacture a variety of specialty subsea oilfield products. These encompass production control umbilicals, tooling and subsea work systems, installation workover control systems (IWOCS), and subsea hardware.

While most of our subsea products are sold, we also rent tooling and provide IWOCS and subsea work systems as a service, including hydrate remediation, dredging, and decommissioning.



Subsea Projects We perform subsea oilfield hardware installation and inspection, maintenance, and repair services, principally in the U.S. Gulf of Mexico (GOM) and offshore Angola. We service deepwater projects with dynamically positioned vessels that have our ROVs onboard, and shallow water projects with our manned diving operation, utilizing dive support vessels and saturation diving systems.

Commencing in 2015, we plan to provide survey and satellite-based positioning services on a global basis, primarily offshore. These include ocean-bottom mapping in deepwater utilizing customized autonomous underwater vehicles.



Asset Integrity We provide asset integrity management, corrosion management, inspection, and non-destructive testing services, principally to the oil and gas, power generation, and petrochemical industries. These services are performed on facilities onshore and offshore, both topside and subsea.



Courtesy of U.S. Navy

Advanced Technologies We provide engineering services and related manufacturing, principally to the U.S. Department of Defense, NASA and its prime contractors, and the commercial theme park industry. The U.S. Navy is our largest non-oilfield customer, for whom we perform work predominantly on surface ships and submarines.

Commemorating 50 Years

The company was founded as World Wide Divers in 1964 to provide air and mixed gas diving services to oil and gas companies, initially in the U.S. Gulf of Mexico. In 1969 the company merged with two other privately held diving companies to form Oceaneering International, Inc. Oceaneering went public in 1975 on the NASDAQ Exchange, ticker OCER, and in 1991 was listed on the New York Stock Exchange, ticker OII.

Over the past fifty years the company has grown to be a global provider of engineered services and products, primarily to the offshore oil and gas industry, with a focus on deepwater applications. We are best known today as being the worldwide leader in providing work class ROV services and a large supplier of specialty subsea products.

Financial Highlights



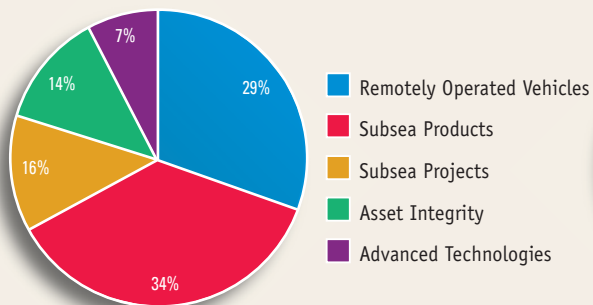
(\$ in thousands, except per share amounts)

	2014	2013	% Increase
Revenue	\$3,659,624	\$3,287,019	11%
Gross Margin	859,201	765,536	12%
Operating Income	628,330	545,116	15%
Net Income	428,329	371,500	15%
Diluted Earnings Per Share	\$4.00	\$3.42	17%

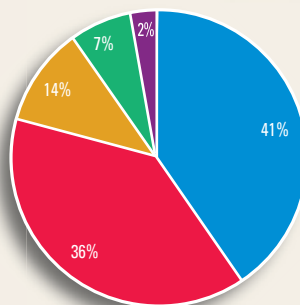
Oceaneering achieved record earnings and EPS for 2014. These results were achieved due to our global focus on deepwater and subsea completion activity and solid operational execution.



Revenue



Operating Income



2014 Letter to Shareholders

I am pleased to report that we achieved record EPS for the fifth consecutive year. At \$4.00, our EPS for 2014 was up 17% over 2013, and we realized the highest annual operating income margin in our history. This was accomplished on the strength of best-ever performances by our Remotely Operated Vehicles (ROV), Subsea Products, and Subsea Projects business segments.

Compared to 2013, ROV results improved on the expansion of our fleet in response to higher global demand to provide drill support and vessel-based services and an improvement in operating margin. Subsea Products growth was attributable to higher demand for each of our major product lines, led by tooling and umbilicals. Subsea Projects operating income grew on increased deepwater vessel service activity and the commencement of diving services offshore Angola.

Our ability to produce exceptional results in 2014 was largely attributable to our global focus on deepwater and subsea completion activity and solid operational execution. I recognize and thank our employees worldwide who made this happen through their commitment to safety, quality, and creativity within the framework of our core values.

In 2014 we more than doubled our committed bank facilities to \$800 million, consisting of a \$500 million revolver and a \$300 million three-year delayed-draw term loan, on which we had drawn \$250 million at year end. We also issued \$500 million of ten-year senior notes through a public offering, in November, to add a layer of long-term debt to our balance sheet and achieve a more efficient capital structure.

Total capital allocation spending was approximately \$1.1 billion in 2014. We invested \$387 million in organic capital expenditures, of which \$189 million was spent on expanding and upgrading our ROV fleet, and \$40 million on acquisitions. We also paid \$110 million of cash dividends and spent \$590 million on the repurchase of 8.9 million shares of our common stock – approximately 8% of our shares outstanding at the end of 2013. We completed our 2010 stock repurchase program in mid-December, and our Board of Directors authorized a new 10 million share repurchase program. The cash dividends, share repurchases, and our new share repurchase program underscore our willingness to return cash to our shareholders and confidence in Oceaneering's financial strength and future business prospects.

Entering 2014 the deepwater market we serve was coming under heightened investment scrutiny – due to sharp cost inflation in recent years, recurrent project delays, and pressure on our customers to rein in capital investment and increase dividends and share repurchases. And, at mid-year, the price of Brent crude oil, which had traded predominantly above \$100 per barrel since 2011, started to decline due to a growing supply-driven imbalance relative to the demand for oil. By the end of 2014, the price of Brent crude had plummeted by over 50% to about \$55 per barrel from around \$115 in June, and continued to fall in early 2015 to below \$50.

Thus, heading into 2015 we are faced with a slowdown in deepwater activity due to this oil price decline and the growing prospect that a depressed oil price environment could be prolonged. This has led to announced plans by our customers



“When Johnny and I founded World Wide Divers, we could not even imagine the Oceaneering of today. All we could do is create a culture where safety came first, employees and customers were treated fairly, and service was based on the best available technology. It is wonderful that Oceaneering conducts its business today with those same precepts. It is hard to imagine what Oceaneering will look like fifty years from now.”

D. Michael Hughes
Director and Co-Founder
Oceaneering International, Inc.

to reduce their 2015 exploration and development expenditures, which have adversely impacted our earnings prospects. While work on most deepwater projects already approved and underway is likely to continue, the urgency to start new projects is in question until the commodity price stabilizes and improves.

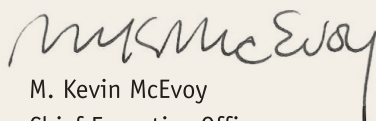
For 2015 we are forecasting EPS in the range of \$3.10 to \$3.50. Compared to 2014, our forecast assumptions are that demand and pricing for many of the services and products we offer will be down. Consequently, we are forecasting that all of our oilfield business segments will have lower operating income in 2015 than in 2014. Our EPS range includes the impact of right-sizing and cost reduction initiatives we have underway. We will take further measures if demand falls short of our expected levels.

Certainly this is a challenging time, but we believe we are well positioned to make the most of it. Market conditions may change, but our commitment to deliver results to our shareholders remains the same. We have a seasoned management team in place that has experienced serious oilfield service industry down cycles before. We are confident in our ability to quickly adjust our business plan and take advantage of opportunities as may be dictated by the market. We are focused on cash flow generation and cost control.

Despite our lower 2015 earnings outlook, we are confident that our liquidity and projected cash flow provide us with ample resources to continue investing in Oceaneering's future as opportunities arise and returning capital to our shareholders. We have announced an agreement to acquire C & C Technologies, Inc. (C&C) for approximately \$230 million. We expect to complete the acquisition in April 2015. C&C is a global provider of survey services, principally to the oil and gas industry in deepwater. We expect the C&C acquisition to be accretive to our 2015 earnings and plan to include its results in our Subsea Projects segment. For 2015 we are planning to reduce our organic capital expenditures to between \$200 million and \$250 million.

We remain convinced that our strategy to focus on providing services and products that facilitate deepwater exploration and production remains sound. Deepwater is expected to continue to play a critical role in global oil supply growth despite its large capital commitments and technical challenges, and the current commodity price environment. Therefore, we anticipate demand for our deepwater services and products will rebound and rise over time, and believe our long-term business prospects remain promising. We are well positioned to supply a wide range of the services and products required to safely support the deepwater efforts of our customers.

2014 marked our 50th year in business and my 35th year with the company. I am grateful for the opportunity to have been a part of the firm's evolution and growth, and look forward to leading Oceaneering to another year of substantial earnings in 2015.



M. Kevin McEvoy
Chief Executive Officer

“Our ability to produce exceptional results in 2014 was largely attributable to our global focus on deepwater and subsea completion activity and solid operational execution. I recognize and thank our employees worldwide who made this happen through their commitment to safety, quality, and creativity within the framework of our core values.”



Directors

T. Jay Collins

Former Chief Executive Officer of Oceaneering International, Inc. and a Director of: Murphy Oil Corporation; Nautronix Group Limited; Pason Systems Inc.; and Texas Institute of Science, Inc.

Jerold J. DesRoche

An Owner of National Power

John R. Huff, Chairman

A Director of Hi-Crush GP LLC, the general partner of Hi-Crush Partners LP, and Suncor Energy Inc.

D. Michael Hughes

Owner of The Broken Arrow Ranch and affiliated businesses

M. Kevin McEvoy

Chief Executive Officer of Oceaneering International, Inc.

Paul B. Murphy, Jr.

Chief Executive Officer, President, and a Director of Cadence Bancorp, LLC, and a Director of: Cadence Bank, N.A.; the Federal Reserve Bank of Dallas-Houston Branch; and Hines Real Estate Investment Trust, Inc.

Harris J. Pappas

President of Pappas Restaurants, Inc. and a Director of Luby's, Inc.

Executive Officers

M. Kevin McEvoy

Chief Executive Officer

Roderick A. Larson

President and Chief Operating Officer

Marvin J. Migura

Executive Vice President

W. Cardon Gerner

Senior Vice President and Chief Financial Officer

David K. Lawrence

Senior Vice President, General Counsel, and Secretary

Alan R. Curtis

Senior Vice President, Operations Support

Charles W. Davison, Jr.

Senior Vice President, Subsea Products

Knut Eriksen

Senior Vice President, Business Development

Clyde W. Hewlett

Senior Vice President, Subsea Services

Kevin F. Kerins

Senior Vice President, ROVs

John R. Kreider

Senior Vice President, Advanced Technologies

Michael C. Leys

Senior Vice President, Asset Integrity

Robert P. Moschetta

Senior Vice President, Health Safety Environment/ Training/Quality

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Oceaneering International Dubai LLC

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Telephone: (971-4) 311-7500

Oceaneering Advanced Technologies

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Telephone: (443) 459-3700

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Oceaneering AS

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Oceaneering Australia Pty. Ltd.

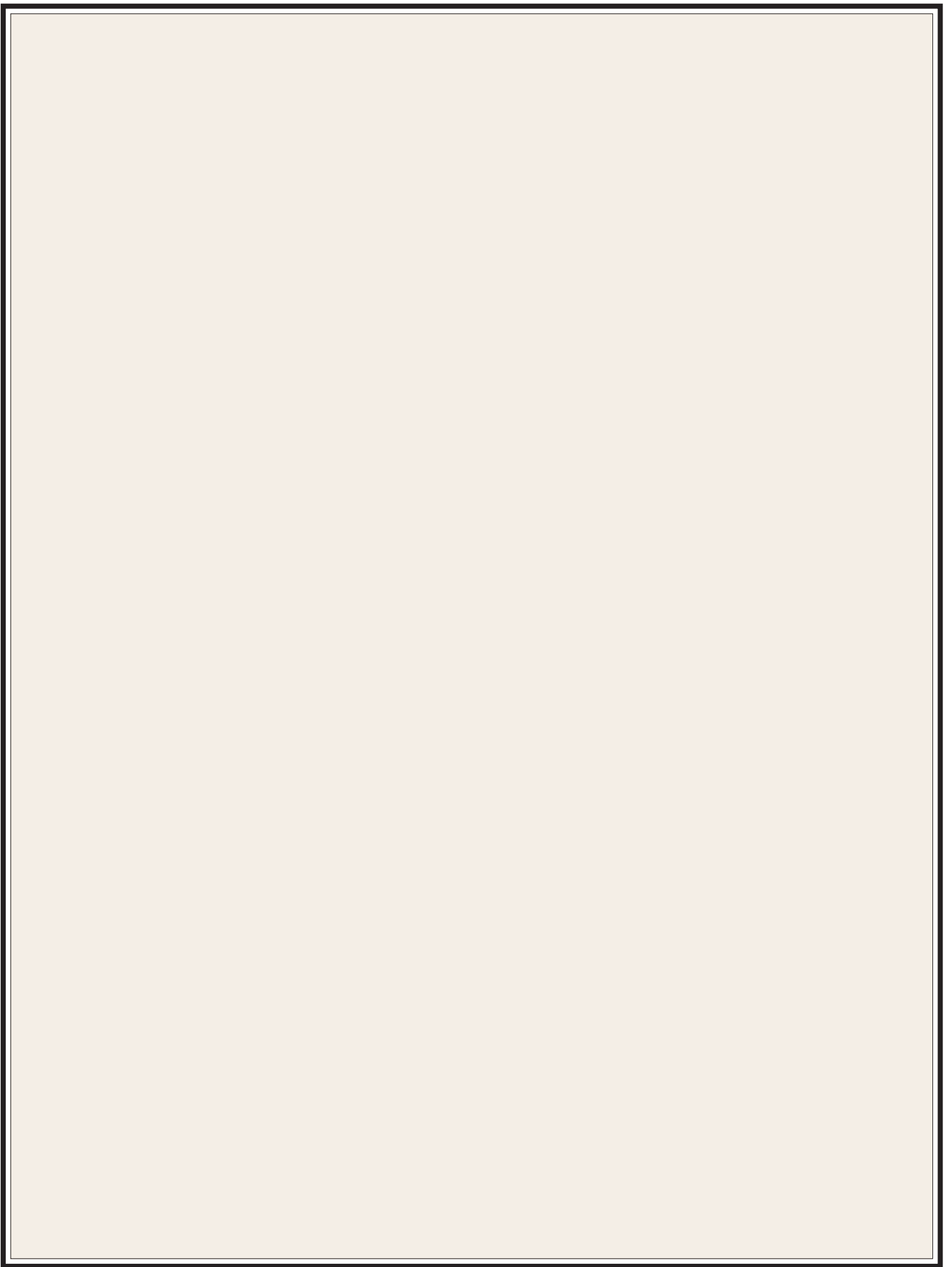
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Oceaneering Angola, S.A.

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Edifício N°495
Terra Nova
Luanda
Angola
Telephone: (244) 222 6354000



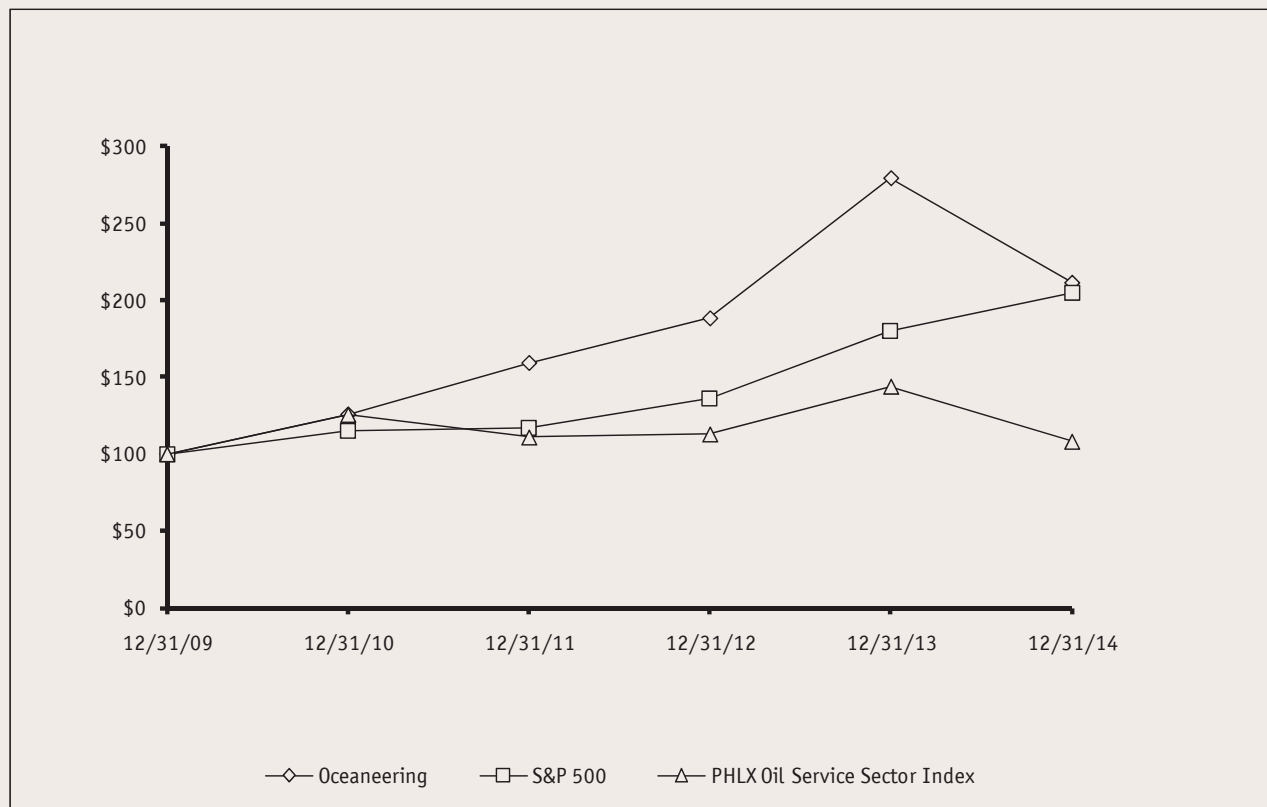




PERFORMANCE GRAPH

The following graph compares our total shareholder return to the Standard & Poor's 500 Stock Index ("S&P 500") and the PHLX Oil Service Sector Index from December 31, 2009 through December 31, 2014. The PHLX Oil Service Sector Index is designed to track the performance of a set of companies involved in the oil services sector.

It is assumed in the graph that: (1) \$100 was invested in Oceaneering Common Stock, the S&P 500 and the PHLX Oil Service Sector Index on December 31, 2009; (2) the peer group investment is weighted based on the market capitalization of each individual company within the peer group at the beginning of each period; and (3) any dividends are reinvested. The shareholder return shown is not necessarily indicative of future performance.



	December 31,					
	2009	2010	2011	2012	2013	2014
Oceaneering	100.00	125.82	159.30	188.26	279.27	211.36
S&P 500	100.00	115.06	117.49	136.30	180.44	205.14
PHLX Oil Service Sector	100.00	125.75	110.96	112.95	144.17	108.18

Oceaneering Common Stock

Our common stock is listed on the New York Stock Exchange under the symbol OII. We submitted to the New York Stock Exchange during 2014 a certification of our Chief Executive Officer regarding compliance with the Exchange's corporate governance listing standards. We also included as exhibits to our annual report on Form 10-K, as filed with the SEC, the certifications of our principal executive officer and principal financial officer required under Section 302 of the Sarbanes-Oxley Act of 2002.

The following table sets out, for the periods indicated, the high and low sales prices for our common stock as reported on the New York Stock Exchange (consolidated transaction reporting system):

	2014		2013	
	High	Low	High	Low
For the quarter ended:				
March 31	\$ 79.13	\$ 66.00	\$ 67.11	\$ 54.27
June 30	78.13	68.96	76.60	58.08
September 30	79.05	62.86	84.64	72.70
December 31	72.19	56.58	87.64	75.60

On February 6, 2015, there were 394 holders of record of our common stock. On that date, the closing sales price, as quoted on the New York Stock Exchange, was \$55.84. In 2014, we declared quarterly cash dividends of \$0.22 per share in the first quarter and \$0.27 per share in each of the second, third and fourth quarters. In 2013, we declared quarterly cash dividends of \$0.18 per share in the first quarter and \$0.22 per share in each of the second, third and fourth quarters. It is our intent to continue to pay a quarterly cash dividend; however, payment of future cash dividends will be at the discretion of our board of directors in accordance with applicable law, after taking into account various factors, including our financial condition, earnings, capital requirements, legal requirements, regulatory constraints, industry practice and any other factors that our board of directors believes are relevant.

In February 2010, our Board of Directors approved a plan to repurchase up to 12 million shares of our common stock. Through December 31, 2014 under this plan, we repurchased the 12 million shares of our common stock for \$677 million. We repurchased the following shares in the fourth quarter of 2014 to complete the authorization under the February 2010 plan:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
October 1 through October 31, 2014	—	N/A	—	5,400,000
November 1 through November 30, 2014	1,375,900	\$ 70.6443	1,375,900	4,024,100
December 1 through December 31, 2014	4,024,100	63.7410	4,024,100	—
Total	5,400,000	\$ 65.4999	5,400,000	—

In December 2014, following completion of the February 2010 program, our Board of Directors approved a new share repurchase program under which we may repurchase up to 10 million shares of our common stock on a discretionary basis. The December 2014 program calls for the repurchases to be made in the open market, or in privately negotiated transactions from time to time, in compliance with applicable laws, rules and regulations, including Rule 10b-18 under the Securities Exchange Act of 1934, as amended, subject to market and business conditions, levels of available liquidity, cash requirements for other purposes, applicable legal requirements and

other relevant factors. The timing and amount of any repurchases will be determined by management based on its evaluation of these factors. We expect that any shares repurchased under the new program will be held as treasury stock for future use. The new program does not obligate us to repurchase any particular number of shares. We did not repurchase any shares under this program in 2014.

Selected Financial Data

The following table sets forth certain selected historical consolidated financial data and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operation and our Consolidated Financial Statements and Notes included in this report. The following information may not be indicative of our future operating results.

Results of Operations:

<i>(in thousands, except per share amounts)</i>	Year Ended December 31,				
	2014	2013	2012	2011	2010
Revenue	\$ 3,659,624	\$ 3,287,019	\$ 2,782,604	\$ 2,192,663	\$ 1,917,045
Cost of services and products	2,800,423	2,521,483	2,154,746	1,683,904	1,450,725
Gross margin	859,201	765,536	627,858	508,759	466,320
Selling, general and administrative expense	230,871	220,420	199,261	173,928	156,820
Income from operations	\$ 628,330	\$ 545,116	\$ 428,597	\$ 334,831	\$ 309,500
Net income	\$ 428,329	\$ 371,500	\$ 289,017	\$ 235,658	\$ 200,531
Cash dividends declared per Share	\$ 1.03	\$ 0.84	\$ 0.69	\$ 0.45	\$ —
Diluted earnings per share	\$ 4.00	\$ 3.42	\$ 2.66	\$ 2.16	\$ 1.82
Depreciation and amortization	\$ 229,779	\$ 202,228	\$ 176,483	\$ 151,227	\$ 153,651
Capital expenditures, including business acquisitions	\$ 426,671	\$ 393,590	\$ 309,858	\$ 526,645	\$ 207,180

Other Financial Data:

<i>(dollars in thousands)</i>	As of December 31,				
	2014	2013	2012	2011	2010
Working capital ratio	2.52	1.97	1.95	1.96	2.24
Working capital	\$ 1,034,413	\$ 706,187	\$ 585,805	\$ 482,747	\$ 543,646
Total assets	\$ 3,511,701	\$ 3,128,500	\$ 2,768,118	\$ 2,400,544	\$ 2,030,506
Long-term debt	\$ 750,000	\$ —	\$ 94,000	\$ 120,000	\$ —
Shareholders' equity	\$ 1,657,620	\$ 2,043,440	\$ 1,815,460	\$ 1,557,962	\$ 1,390,215
Goodwill as a percentage of Shareholders' equity	20%	17%	20%	21%	10%

Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this annual report, including, without limitation, statements regarding the following matters are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995:

- our business strategy;
- our plans for future operations;
- industry conditions;
- seasonality;
- our expectations about 2015 earnings per share and segment operating results, and the factors underlying those expectations, including our expectations about demand for our deepwater oilfield services and products as a result of the factors we specify in "Overview" and "Results of Operations" below;
- projections relating to floating rigs to be placed in service and subsea tree orders and installations;
- the adequacy of our liquidity and capital resources to support our operations and internally generated growth initiatives;
- our projected capital expenditures for 2015;
- our expectations regarding the acquisition of C & C Technologies, Inc.;
- our plans to add ROVs to our fleet;
- our intentions relating to the subsea support vessel scheduled for delivery in 2016;
- our belief that our goodwill will not be impaired during 2015;
- the adequacy of our accruals for uninsured expected liabilities from workers' compensation, maritime employer's liability and general liability claims;
- our belief that our total unrecognized tax benefits will not significantly increase or decrease in the next 12 months;
- our anticipated tax rates and underlying assumptions;
- our expectations about the cash flows from our investment in Medusa Spar LLC, and the factors underlying those expectations;
- our expectations regarding shares repurchased under our share repurchase plan;
- our backlog; and
- our expectations regarding the effect of inflation in the near future.

These forward-looking statements are subject to various risks, uncertainties and assumptions, including those we refer to under the headings "CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS" and "Risk Factors" in Part I of our annual report on Form 10-K. Although we believe that the expectations reflected in such forward-looking statements are reasonable, because of the inherent limitations in the forecasting process, as well as the relatively volatile nature of the industries in which we operate, we can give no assurance that those expectations will prove to have been correct. Accordingly, evaluation of our future prospects must be made with caution when relying on forward-looking information.

Overview

The table that follows sets out our revenue and operating results for 2014, 2013 and 2012.

<i>(dollars in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Revenue	\$ 3,659,624	\$ 3,287,019	\$ 2,782,604
Gross Margin	859,201	765,536	627,858
Gross Margin %	23%	23%	23%
Operating Income	628,330	545,116	428,597
Operating Income %	17%	17%	15%
Net Income	428,329	371,500	289,017

Our business substantially depends on the level of capital spending on offshore developments by our customers in the oil and gas industry. During 2014, we generated approximately 93% of our revenue, and 98% of our operating income before Unallocated Expenses, from services and products we provided to the oil and gas industry. In 2014, our revenue increased by 11%, with the largest percentage increase occurring in our Subsea Products segment, which increased 21%, on higher demand for each of our major product lines.

The \$428 million consolidated net income we earned in 2014 was the highest in our history. The \$57 million increase from 2013 net income was attributable to higher profit contributions from all of our oilfield operating segments, most notably:

- our Subsea Products segment, which had \$50 million more operating income on \$211 million more revenue;
- our ROV segment, which had \$39 million more operating income on \$87 million more revenue; and
- our Subsea Projects segment, which had \$14 million more operating income on \$79 million more revenue.

In 2014, we invested in the following major capital projects:

- additions of and upgrades to our work-class ROVs;
- expenditures in our Subsea Products segment, including growth of our tooling and installation and workover control systems capabilities, expansion of our Houston manufacturing facilities and establishment of manufacturing capabilities in Angola; and
- additions of capabilities in our Subsea Projects segment, including \$40 million related to a new subsea support vessel scheduled for delivery in 2016.

We expect our 2015 diluted earnings per share to be in the range of \$3.10 to \$3.50, as compared to \$4.00 in 2014. We anticipate a decrease in our total overall operating income margin percentage of approximately 2%. We anticipate lower global demand for deepwater drilling, field development, and inspection, maintenance and repair activities due to the decline of oil prices since the start of the fourth quarter of 2014. Compared to 2014, in 2015 we are forecasting decreases in each of our oilfield operating business segments, including:

- ROVs on lower service demand to support drilling and vessel-based projects and reduced revenue per day;
- Subsea Products on lower demand to support field development projects and for BOP system replacements;
- Subsea Projects on lower vessel pricing in the U.S. Gulf of Mexico and reduced use of a third vessel on our BP Angola project; and
- Asset Integrity on reduced demand for our services and generally lower pricing.

We use our ROVs to provide drilling support, vessel-based inspection, maintenance and repair, subsea hardware installation, construction, and pipeline inspection services to customers in the oil and gas industry. The largest percentage of our ROVs has historically been used to provide drill support services. Therefore, the number of floating drilling rigs on hire is a leading market indicator for this business. The following table shows average floating rigs under contract and our ROV utilization.

	2014	2013	2012
Average number of floating rigs under contract	280	275	268
ROV days on hire (in thousands)	98	92	82
ROV utilization	83%	85%	80%

Demand for floating rigs is our primary driver of growth prospects. According to industry data published by IHS Petrodata, at the end of 2014, there were 323 floating drilling rigs in the world, with 275 of the rigs under contract. Of the 275 rigs under contract, 193 are contracted through 2015. We estimate approximately 20 floating rigs will be placed in service during 2015, and we have ROV contracts on 11 of those. Competitors have the ROV contracts on three rigs, leaving six contract opportunities. Recent new rig additions have approximated the number of rigs being idled or retired, resulting in flat ROV demand. We anticipate that recently announced cuts in our customers' 2015 capital spending budgets will adversely affect our ROV demand.

In addition to floating rig demand, subsea tree completions are another leading indicator of the strength of the deepwater market and the primary demand driver for our Subsea Products lines. According to industry data published by Quest Offshore Resources, Inc. in November 2014, the global market for subsea tree orders is expected to increase approximately 43% in the 2014-2018 time period compared to the previous five years. Additionally, Quest projects that subsea tree installations during the same time period will increase approximately 32% compared to the previous five-year period, and the installed subsea completion base will have a net increase of approximately 1,100 trees, or 27%. However, due to recent declines in the price of crude oil, we believe some scheduled future tree installations may be delayed.

Critical Accounting Policies and Estimates

We have based the following discussion and analysis of our financial condition and results of operations on our consolidated financial statements, which we have prepared in conformity with accounting principles generally accepted in the United States. These principles require us to make various estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the periods we present. We base our estimates on historical experience, available information and other assumptions we believe to be reasonable under the circumstances. On an ongoing basis, we evaluate our estimates; however, our actual results may differ from these estimates under different assumptions or conditions. The following discussion summarizes the accounting policies we believe (1) require our management's most difficult, subjective or complex judgments and (2) are the most critical to our reporting of results of operations and financial position.

Revenue Recognition. We recognize our revenue according to the type of contract involved. On a daily basis, we recognize revenue under contracts that provide for specific time, material and equipment charges, which we bill periodically, ranging from weekly to monthly.

We account for significant fixed-price contracts, which we enter into mainly in our Subsea Products segment, and occasionally in our Subsea Projects and Advanced Technologies segments, using the percentage-of-completion method. In 2014, we accounted for 15% of our revenue using the percentage-of-completion method. In determining whether a contract should be accounted for using the percentage-of-completion method, we consider whether:

- the customer provides specifications for the construction of facilities or production of goods or for the provision of related services;
- we can reasonably estimate our progress towards completion and our costs;
- the contract includes provisions as to the enforceable rights regarding the goods or services to be provided, consideration to be received and the manner and terms of payment;
- the customer can be expected to satisfy its obligations under the contract; and
- we can be expected to perform our contractual obligations.

Under the percentage-of-completion method, we generally recognize estimated contract revenue based on costs incurred to date as a percentage of total estimated costs. Changes in the expected cost of materials and labor, productivity, scheduling and other factors affect the total estimated costs. Additionally, external factors, including weather or other factors outside of our control, may also affect the progress and estimated cost of a project's completion and, therefore, the timing of income and revenue recognition. We routinely review estimates related to our contracts and reflect revisions to profitability in earnings immediately. If a current estimate of total contract cost indicates an ultimate loss on a contract, we recognize the projected loss in full when we determine it. In prior years, we have recorded adjustments to earnings as a result of revisions to contract estimates. Although we are continually striving to accurately estimate our contract costs and profitability, adjustments to overall contract costs could be significant in future periods.

We recognize the remainder of our revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, price is fixed or determinable and collection is reasonably assured.

Property and Equipment and Long-lived Intangible Assets. We evaluate our property and equipment and long-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be appropriate. We base these evaluations on a comparison of the assets' carrying values to forecasts of undiscounted cash flows associated with the assets or quoted market prices. If an impairment has occurred, we recognize a loss for the difference between the carrying amount and the fair value of the asset. Our expectations regarding future sales and undiscounted cash flows are highly subjective, cover extended periods of time and depend on a number of factors outside our control, such as changes in general economic conditions, laws and regulations. Accordingly, these expectations could differ significantly from year to year.

We charge the costs of repair and maintenance of property and equipment to operations as incurred, while we capitalize the costs of improvements that extend asset lives or functionality.

Goodwill. We account for business combinations using the acquisition method of accounting, with the acquisition price being allocated to the assets acquired and liabilities assumed based on their fair market values at the date of acquisition. In September 2011, the Financial Accounting Standards Board ("FASB") issued an update regarding goodwill impairment testing. Under the update, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test. The provisions of the update have not had a material effect on our financial position or results of operations. For reporting units with significant goodwill, we do not believe our goodwill will be impaired during 2015.

Loss Contingencies. We self-insure for workers' compensation, maritime employer's liability and comprehensive general liability claims to levels we consider financially prudent, and beyond the self-insurance level of exposure we carry insurance, which can be by occurrence or in the aggregate. We determine the level of accruals for claims exposure by reviewing our historical experience and current year claim activity. We do not record accruals on a present-value basis. We review larger claims with insurance adjusters and establish specific reserves for known liabilities. We establish an additional reserve for incidents incurred but not reported to us for each year using our estimates and based on prior experience. We believe we have established adequate accruals for uninsured expected liabilities arising from those obligations. However, it is possible that future earnings could be affected by changes in our estimates relating to these matters.

We are involved in various claims and actions against us, most of which are covered by insurance. We believe that our ultimate liability, if any, that may result from those claims and actions will not materially affect our financial position, cash flows or results of operations.

Income Taxes. Our tax provisions are based on our expected taxable income, statutory rates and tax-planning opportunities available to us in the various jurisdictions in which we operate. Determination of taxable income in any jurisdiction requires the interpretation of the related tax laws. We are at risk that a taxing authority's final determination of our tax liabilities may differ from our interpretation. Our effective tax rate may fluctuate from year to year as our operations are conducted in different taxing jurisdictions, the amount of pre-tax income fluctuates, the amounts of foreign income we anticipate will be repatriated and our estimates regarding the realizability of items such as foreign tax credits may change. In 2014, 2013 and 2012, we recorded reductions of income tax expense of \$0.9 million, \$0.7 million and \$3.0 million, respectively, resulting from a combination of expiring statutes of limitations and the resolution of uncertain tax positions related to certain tax liabilities we recorded in prior years. Current income tax expense represents either nonresident withholding taxes or the liabilities expected to be reflected on our income tax returns for the current year, while the net deferred income tax expense or benefit represents the change in the balance of deferred tax assets or liabilities as reported on our balance sheet.

We establish valuation allowances to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized in the future. We currently have no valuation allowances. While we have considered estimated future taxable income and ongoing prudent and feasible tax-planning

strategies in assessing the need for the valuation allowances, changes in these estimates and assumptions, as well as changes in tax laws, could require us to provide for valuation allowances for our deferred tax assets. These provisions for valuation allowances would impact our income tax provision in the period in which such adjustments are identified and recorded.

We recognize the benefit for a tax position if the benefit is more likely than not to be sustainable upon audit by the applicable taxing authority. If this threshold is met, the tax benefit is then measured and recognized at the largest amount that is greater than 50% likely of being realized upon ultimate settlement.

We account for any applicable interest and penalties on uncertain tax positions as a component of our provision for income taxes on our financial statements. We decreased our provision for income taxes in 2014 by \$0.4 million for penalties and interest for uncertain tax positions, which brought our total liabilities for penalties and interest on uncertain tax positions to \$2.9 million on our balance sheet at December 31, 2014. Including associated foreign tax credits and penalties and interest, we have accrued a net total of \$6.5 million in the caption "other long-term liabilities" on our balance sheet at December 31, 2014 for unrecognized tax benefits. All additions or reductions to those liabilities affect our effective income tax rate in the periods of change.

We do not believe that the total of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

For a summary of our major accounting policies and a discussion of recently adopted accounting standards, please see Note 1 to our Consolidated Financial Statements.

Liquidity and Capital Resources

We consider our liquidity and capital resources adequate to support our operations and growth initiatives. At December 31, 2014, we had working capital of \$1.0 billion, including cash and cash equivalents of \$431 million. Additionally, we had \$500 million available through a revolving credit facility and \$50 million available under a delayed-draw term loan facility, both under a credit agreement (the "Credit Agreement"), which is scheduled to expire on October 25, 2019. The delayed-draw period to borrow additional funds under the term loan facility expires in April 2015.

In October 2014, we entered into the Credit Agreement with a group of banks. The Credit Agreement provides for a \$300 million three-year delayed-draw term loan (the "Term Loan Facility") and a \$500 million five-year revolving credit facility (the "Revolving Credit Facility"). The Credit Agreement replaces a prior credit agreement that was scheduled to mature on January 6, 2017. Subject to certain conditions, the aggregate commitments under the Revolving Credit Facility may be increased to up to \$800 million at any time upon agreement between us and existing or additional lenders. Borrowings under the Revolving Credit Facility and the Term Loan Facility may be used for general corporate purposes. Simultaneously with the execution of the Credit Agreement and pursuant to its terms, we repaid all amounts outstanding under, and terminated, the prior credit agreement.

The Term Loan Facility is scheduled to mature on October 27, 2017, and the Revolving Credit Facility is scheduled to mature on October 25, 2019. Borrowings under the Credit Agreement bear interest at an Adjusted Base Rate or the Eurodollar Rate (both as defined in the Credit Agreement), at our option, plus an applicable margin to be initially based on our Leverage Ratio (as defined in the Credit Agreement) and, at our election, based on ratings of our senior unsecured debt by both Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, thereafter to be based on such debt ratings. The applicable margin varies: (1) in the case of advances bearing interest at the Adjusted Base Rate, from 0.125% to 0.750% for borrowings under the Revolving Credit Facility and from 0% to 0.500% for borrowings under the Term Loan Facility; and (2) in the case of advances bearing interest at the Eurodollar Rate, from 1.125% to 1.750% for borrowings under the Revolving Credit Facility and from 1.000% to 1.500% for borrowings under the Term Loan Facility. The Adjusted Base Rate is the highest of (1) the per annum rate established by the administrative agent as its prime rate, (2) the federal funds rate plus 0.50% and (3) daily one-month LIBOR plus 1%. We pay a commitment fee ranging from 0.125% to 0.300% on the

unused portions of the Revolving Credit Facility and the Term Loan Facility, depending on our Leverage Ratio. The commitment fees are included as interest expense in our consolidated financial statements.

The Credit Agreement contains various covenants that we believe are customary for agreements of this nature, including, but not limited to, restrictions on our ability and the ability of each of our subsidiaries to incur debt, grant liens, make certain investments, make distributions, merge or consolidate, sell assets, enter into transactions with affiliates and enter into certain restrictive agreements. We are also subject to a maximum Leverage Ratio of 4.00 to 1.00. The Credit Agreement includes customary events of default and associated remedies. As of December 31, 2014, we were in compliance with all the covenants set forth in the Credit Agreement.

On November 21, 2014, we completed the public offering of \$500 million aggregate principal amount of 4.650% Senior Notes due 2024 (the "Senior Notes"). We will pay interest on the Senior Notes on May 15 and November 15 of each year, beginning on May 15, 2015. The Senior Notes are scheduled to mature on November 15, 2024. We may redeem some or all of the Senior Notes at specified redemption prices. We are using the net proceeds from the offering for general corporate purposes, which may include funding the acquisition described below and other capital expenditures and repurchases of outstanding shares of our common stock.

Our maximum outstanding borrowings during 2014 under the above and our prior revolving credit agreement were \$750 million, and our total interest costs, including commitment fees, were \$4.5 million.

Our capital expenditures, including business acquisitions, for 2014, 2013 and 2012 were \$427 million, \$394 million and \$310 million, respectively. Our capital expenditures in 2014 included: \$189 million for upgrading and expanding our ROV fleet; \$113 million in our Subsea Products segment, principally for growth of our tooling and installation and workover control systems capabilities, expansion of our Houston manufacturing facilities and establishment of manufacturing capabilities in Angola; and \$92 million in our Subsea Projects segment, including \$40 million related to a new subsea support vessel scheduled for delivery in 2016. Our capital expenditures in 2013 included \$226 million for upgrading and expanding our ROV fleet and \$103 million in our Subsea Products segment, principally to increase the capabilities of our umbilical plants in the U.S. and Scotland and to expand our rental and service tooling hardware offerings. Our capital expenditures in 2012 included \$198 million for expanding and upgrading our ROV fleet. In 2012, we also invested \$68 million in our Subsea Products business, largely to increase the capabilities of our umbilical plants in Brazil and Scotland and to expand our suite of subsea rental and service tooling.

For 2015, we expect our capital expenditures to be in the range of \$200 million to \$250 million, exclusive of business acquisitions. This estimate includes \$35 million in our Subsea Projects segment for construction progress payments on a new subsea support vessel scheduled for delivery in 2016. In January 2015, we announced that we have entered into an agreement to acquire C & C Technologies, Inc. ("C&C") for approximately \$230 million. We expect we will close the transaction in early April 2015, subject to customary closing conditions. C&C is a provider of ocean-bottom mapping services in deepwater utilizing customized autonomous underwater vehicles and provides marine construction surveys for both surface and subsea assets, as well as satellite-based positioning services for drilling rigs and seismic and construction vessels. C&C also provides land and near-shore survey services along the U.S. Gulf Coast and in Mexico, and performs shallow water conventional geophysical surveys in the U.S. Gulf of Mexico.

Our capital expenditures during 2014, 2013 and 2012 included \$189 million, \$226 million and \$198 million, respectively, in our ROV segment, principally for additions and upgrades to our ROV fleet to expand the fleet and replace units we retired and for facilities infrastructure to support our growing ROV fleet size. We plan to continue adding ROVs at levels we determine appropriate to meet market opportunities as they arise. We added 49, 26, and 37 ROVs to our fleet and retired 17, 10 and 15 units during 2014, 2013 and 2012, respectively, and transferred one to our Advanced Technologies segment in 2013, resulting in a total of 336 work-class systems in the fleet at December 31, 2014.

In 2012, we rechartered a deepwater vessel, the *Ocean Intervention III*, for two years, with extension options for up to three additional years, and which we have extended to January 2016. We have also chartered an additional larger deepwater vessel, the *Olympic Intervention IV*, for an initial term of five years, which began in the third quarter of 2008, and which we have extended to July 2016. We outfitted each of these deepwater vessels with two of our high-specification work-class ROVs, and we have been utilizing these vessels to perform subsea hardware installation and inspection, maintenance and repair projects, and to conduct well intervention services in the ultra-deep waters of the U.S. Gulf of Mexico and offshore Angola. In 2012, we moved the *Ocean Intervention III* to Angola and chartered the *Bourbon Oceanteam 101* to work on a three-year field support contract. We have extended the charter of the *Bourbon Oceanteam 101* to January 2017. Under the field support contract, we supply project management, engineering, and the two chartered vessels, each equipped with two Oceaneering high-specification work-class ROVs. We are also providing ROV tooling, asset integrity services and installation and workover control system services. We also provide other chartered vessels and one barge on an as-requested basis from our customer. The customer for this contract has exercised its options to extend the contract to January 2017. In March 2013, we commenced a five-year charter for a Jones Act-compliant multi-service support vessel that we are using in the U.S. Gulf of Mexico. We have outfitted the vessel, which we have renamed the *Ocean Alliance*, with two of our high-specification work-class ROVs. In January 2015, we commenced a two-year multi-service vessel bareboat charter agreement with a customer for the use of the *Ocean Alliance* in the U.S. Gulf of Mexico.

In December 2013, we commenced a three-year charter for the *Normand Flower*, a multi-service subsea marine support vessel. We have made modifications to the vessel, including reconfiguration to accommodate two of our high-specification work-class ROVs. We anticipate we will continue to use the vessel in the U.S. Gulf of Mexico to perform inspection, maintenance and repair projects and hardware installations. We have options to extend the charter for up to three additional years. In November 2014, we commenced a two-year charter for the use of the *Island Pride*, a multi-service subsea marine support vessel. We have modified the vessel to enhance its service capabilities, including a reconfiguration to accommodate two of our high-specification work-class ROVs. We are using and anticipate continuing to use the vessel in the U.S. Gulf of Mexico to perform inspection, maintenance and repair projects and hardware installations. We have options to extend the charter for up to three additional years.

We also charter or lease dynamically positioned vessels on a short-term basis.

In 2010, we acquired a vessel, which we renamed the *Ocean Patriot*, and we have converted it to a dynamically positioned saturation diving and ROV service vessel. We installed a 12-man saturation ("SAT") diving system and one work-class ROV on the vessel, and we placed the vessel into service in December 2011.

During the third quarter of 2013, we signed an agreement with a shipyard for the construction of a subsea support vessel, to be named the *Ocean Evolution*. We expect delivery of that vessel by the end of the first quarter of 2016. Our cash payments for the vessel will be spread over the construction period. We intend for the vessel to be U.S.-flagged and documented with a coastwise endorsement by the U.S. Coast Guard. It is expected to have an overall length of 353 feet, a Class 2 dynamic positioning system, accommodations for 110 personnel, a helideck, a 250-ton active heave-compensated crane, and a working moonpool. We expect to outfit the vessel with two of our high specification work-class ROVs. The vessel will also be equipped with a satellite communications system capable of transmitting streaming video for real-time work observation by shore personnel. We anticipate the vessel will be used to augment our ability to provide subsea intervention services in the ultra-deep waters of the U.S. Gulf of Mexico. These services are required to perform inspection, maintenance and repair projects and hardware installations.

Our principal source of cash from operating activities is our net income, adjusted for the non-cash expenses of depreciation and amortization, deferred income taxes and noncash compensation under our restricted stock plans. Our \$722 million, \$531 million and \$438 million of cash provided from operating activities in 2014, 2013 and 2012, respectively, were affected by cash increases/(decreases) of \$(8) million, \$(102) million and \$(94) million, respectively, of changes in accounts receivable, \$66 million, \$(111) million and \$(76) million, respectively, of changes in inventory and \$(44) million, \$128 million, and \$87 million, respectively, in changes in accounts

payable and accrued liabilities. In 2014, our inventory decreased as a result of the use of inventory in progressing and completing projects that had been in our Subsea Products backlog at December 31, 2013 and our expectation of lower Subsea Products demand in 2015 as compared to 2014. In 2013, the increases in accounts receivable and accounts payable and accrued liabilities reflect the increase in our revenue in 2013. The increase in inventory in 2013 is consistent with the increase in our backlog over 2012. In 2012, the increase in accounts receivable was largely attributable to increased revenue in the fourth quarter of 2012 compared to the fourth quarter of 2011. The increase in inventory in 2012 was principally in our Subsea Products and ROV segments: Subsea Products in preparation for production related to the higher backlog levels at December 31, 2012 as compared to those at December 31, 2011; and ROV in anticipation of adding additional units. In 2012, the changes in accounts payable and accrued expenses related to higher accruals for payroll and project costs and an increase in progress payments received from customers.

In 2014, we used a net of \$419 million in investing activities, with \$427 million used to fund the capital expenditures and business acquisitions described above. In 2013, we used a net of \$378 million in investing activities, with \$394 million used to fund the capital expenditures and business acquisitions described above. In 2012, we used \$306 million in investing activities, with \$310 million used to fund the capital expenditures and business acquisitions described above.

In 2014, we generated \$45 million in financing activities. We borrowed \$742 million, net of associated expenses and debt discount, repurchased 8.9 million shares for \$590 million and paid cash dividends of \$110 million. In 2013, we used \$180 million in financing activities, principally for repayment against our revolving credit facility of \$94 million and the payment of cash dividends of \$91 million. In 2012, we used \$118 million in financing activities, principally for the payment of cash dividends of \$75 million, repayment against our revolving credit facility of \$26 million and common stock share repurchases of \$19 million.

In February 2010, our Board of Directors approved a plan to repurchase up to 12 million shares of our common stock. In 2014, we completed the purchase of the shares authorized under this plan by repurchasing the remaining 8.9 million shares for \$590 million. The total cost for the repurchase of the 12 million shares of our common stock was \$677 million. As of December 31, 2014, we retained 11.2 million of the shares we had repurchased. We expect to hold the shares repurchased under the plan for future use.

In December 2014, following completion of the February 2010 program, our Board of Directors approved a new share repurchase program under which we may repurchase up to 10 million shares of our common stock on a discretionary basis. The December 2014 program calls for the repurchases to be made in the open market, or in privately negotiated transactions from time to time, in compliance with applicable laws, rules and regulations, including Rule 10b-18 under the Securities Exchange Act of 1934, as amended, subject to market and business conditions, levels of available liquidity, cash requirements for other purposes, applicable legal requirements and other relevant factors. The timing and amount of any repurchases will be determined by management based on its evaluation of these factors. We expect that any shares repurchased under the new program will be held as treasury stock for future use. The new program does not obligate us to repurchase any particular number of shares. We did not repurchase any shares under this program in 2014.

Because of our significant foreign operations, we are exposed to currency fluctuations and exchange rate risks. We generally minimize these risks primarily through matching, to the extent possible, revenue and expense in the various currencies in which we operate. Cumulative translation adjustments as of December 31, 2014 relate primarily to our net investments in, including long-term loans to, our foreign subsidiaries. A stronger U.S. dollar against the U.K. pound sterling and the Norwegian kroner would result in lower operating income. See "Quantitative and Qualitative Disclosures About Market Risk" below.

Results of Operations

Additional information on our business segments is shown in Note 7 of the Notes to Consolidated Financial Statements included in this report.

Oilfield. The table that follows sets out revenue and profitability for the business segments within our Oilfield business. In the ROV section of the table that follows, "Days available" includes all days from the first day that an ROV is placed in service until the ROV is retired. All days in this period are considered available days, including periods when an ROV is undergoing maintenance or repairs. Our ROVs do not have scheduled maintenance or repair that requires significant time when the ROVs are not available for utilization.

<i>(dollars in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Remotely Operated Vehicles			
Revenue	\$ 1,069,022	\$ 981,728	\$ 853,520
Gross Margin	361,466	328,031	289,929
Gross Margin %	34%	33%	34%
Operating Income	320,550	281,973	248,972
Operating Income %	30%	29%	29%
Days available	117,882	108,201	102,225
Days utilized	98,302	91,618	82,126
Utilization %	83%	85%	80%
Subsea Products			
Revenue	1,238,746	1,027,792	829,034
Gross Margin	364,760	311,206	241,240
Gross Margin %	29%	30%	29%
Operating Income	281,239	231,050	170,959
Operating Income %	23%	22%	21%
Backlog at end of period	690,000	906,000	681,000
Subsea Projects			
Revenue	588,572	509,440	379,571
Gross Margin	124,418	108,758	80,944
Gross Margin %	21%	21%	21%
Operating Income	107,852	93,865	63,461
Operating Income %	18%	18%	17%
Asset Integrity			
Revenue	500,237	481,919	435,381
Gross Margin	87,236	81,856	71,100
Gross Margin %	17%	17%	16%
Operating Income	55,469	55,243	45,196
Operating Income %	11%	11%	10%
Total Oilfield			
Revenue	\$ 3,396,577	\$ 3,000,879	\$ 2,497,506
Gross Margin	937,880	829,851	683,213
Gross Margin %	28%	28%	27%
Operating Income	765,110	662,131	528,588
Operating Income %	23%	22%	21%

In response to continued increasing demand to support deepwater drilling and vessel-based inspection, maintenance and repair ("IMR") and installation work, we have continued to build new ROVs. These new vehicles

are designed for use around the world in water depths of 10,000 feet or more. We added 49, 26 and 37 ROVs in 2014, 2013 and 2012, respectively, while retiring 42 units over the three-year period and transferring one to our Advanced Technologies segment over that period. We have grown our ROV fleet size to 336 at December 31, 2014 from 304 at December 31, 2013 and 289 at December 31, 2012. We plan to continue adding ROVs at levels we determine appropriate to meet market opportunities.

For 2014, our ROV revenue and operating income improved over 2013 from higher demand, particularly offshore Africa and in the U.S. Gulf of Mexico. ROV days on hire increased by 7% and revenue per day on hire increased 1%.

For 2013, our ROV revenue and operating income improved over 2012 from:

- higher demand:
 - in the U.S. Gulf of Mexico;
 - offshore Africa;
 - offshore India;
 - offshore Canada;
 - offshore Australia; and
- expansion of our fleet to meet the increased demand.

In 2013, our ROV general and administrative expenses included a charge of \$3.3 million to record an allowance for doubtful accounts related to a customer in Brazil that filed for restructuring under Brazilian bankruptcy law.

We anticipate ROV operating income to decrease in 2015 as a result of decreases in average revenue per day on hire and the number of days on hire for both drilling support and vessel-based services, attributable to market conditions described under "Overview" above. We anticipate placing more than 10 new vehicles into service in 2015. We normally expect to retire, on average, 4% to 5% of our fleet on an annual basis, although we may exceed that in 2015 due to market conditions.

Subsea Products revenue, operating income and margin were higher in 2014 than in 2013 from increased demand across our major product lines, led by tooling and umbilicals. Subsea Products revenue, operating income and margin were higher in 2013 than in 2012 from increased demand across our major product lines, principally for subsea hardware used in offshore field developments and for clamp connector systems.

We anticipate our Subsea Products segment operating income in 2015 to be lower than in 2014, as we expect lower demand to support field abandonment projects and for BOP control system replacements. Our Subsea Products backlog was \$690 million at December 31, 2014, approximately 24% lower than it was at December 31, 2013. The decrease in backlog is attributable to umbilicals.

Our 2014 revenue and operating income for Subsea Projects was higher than in 2013 on increased deepwater vessel service activity, including work associated with the *Bourbon Evolution 803*, a vessel we chartered on a short-term basis during 2014 and have extended to April 2015. We also commenced diving services offshore Angola in 2014. Our 2013 revenue and operating income was higher than in 2012 on increased deepwater vessel service activity. For 2015, we anticipate lower operating income resulting from lower vessel pricing in the U.S. Gulf of Mexico and the completion during 2015 of the work associated with the *Bourbon Evolution 803*.

Our Asset Integrity results in 2014 were fairly comparable to those of 2013. This segment's revenue and operating income were higher in 2013 over 2012 due to high demand in most of our geographic areas, particularly Africa and Australia. We anticipate our 2015 operating income for Asset Integrity to be lower than in 2014 on reduced demand as a result of planned maintenance deferrals by our customers and generally lower pricing.

Advanced Technologies. The table that follows sets out revenue and profitability for this segment.

<i>(dollars in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Revenue	\$ 263,047	\$ 286,140	\$ 285,098
Gross Margin	32,410	44,576	38,681
Gross Margin %	12%	16%	14%
Operating Income	13,230	24,954	21,182
Operating Income %	5%	9%	7%

Advanced Technologies operating income for 2014 was lower than that of 2013 on decreased activity on commercial theme park projects and vessel maintenance work for the U.S. Navy, and lower margins on the theme park work we did perform. Our Advanced Technologies operating income in 2013 was higher than that of 2012 due to increases in work and operational efficiency on theme park projects and an increase in vessel maintenance and repair work for the U.S. Navy. We expect a significant improvement in our Advanced Technologies operating income in 2015, due to the resolution of execution issues on certain U.S. Navy and commercial projects that hampered our results in 2014, as well as additional industrial project work.

Unallocated Expenses. Our unallocated expenses, *i.e.*, those not associated with a specific business segment, within gross margin consist of expenses related to our incentive and deferred compensation plans, including restricted stock and bonuses, as well as other general expenses. Our unallocated expenses within operating income consist of those within gross margin plus general and administrative expenses related to corporate functions.

The table that follows sets out our unallocated expenses.

<i>(dollars in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Gross margin expenses	\$ (111,089)	\$ (108,891)	\$ (94,036)
% of revenue	3%	3%	3%
Operating expenses	(150,010)	(141,969)	(121,173)
% of revenue	4%	4%	4%

Our unallocated gross margin and operating expenses increased in each of 2014 and 2013, primarily due to higher compensation related to incentive plans. We expect higher expenses in 2015, as we improve our information technology infrastructure, including increased costs for cybersecurity.

Other. The table that follows sets forth our significant financial statement items below the operating income line.

<i>(dollars in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Interest income	\$ 293	\$ 554	\$ 1,935
Interest expense, net of amounts capitalized	(4,708)	(2,194)	(4,218)
Equity earnings (loss) of unconsolidated affiliates	(51)	133	1,673
Other income (expense), net	(387)	(1,273)	(6,065)
Provision for income taxes	195,148	170,836	132,905

Interest expense increased in 2014 compared to 2013 on higher debt levels, including borrowings described in "Liquidity and Capital Resources" above. Interest expense decreased in 2013 compared to 2012 on decreasing debt levels as we paid down our debt to zero during 2013. We capitalized \$0.7 million of interest in 2014. We did not capitalize any interest in 2013 or 2012.

We record results from our 50% investment in Medusa Spar LLC using the equity method. Medusa Spar LLC owns 75% of a production spar in the U.S. Gulf of Mexico and earns its revenue from fees charged on production processed through the facility. Throughput declined in each of 2014 and 2013 from the immediately preceding year due to normal well production decline.

We expect Medusa Spar LLC revenue will decline in 2015 due to normal production declines from existing wells. Medusa Spar LLC's revenue could be increased if the operator of the producing wells receives regulatory approval to start producing from other zones in the existing wells, which are anticipated to have higher flow rates than the currently-producing zones, or is able to connect more wells to the spar.

Included in other income (expenses), net are foreign currency transaction gains/(losses) of \$(0.5) million, \$0.1 million and \$(5.4) million for 2014, 2013 and 2012, respectively.

Our effective tax rate, including foreign, state and local taxes, was 31.3%, 31.5%, and 31.5% for 2014, 2013 and 2012, respectively, which included a combination of expiring statutes of limitations and the resolution of uncertain tax positions of \$0.9 million, \$0.7 million and \$3.0 million, respectively, related to certain liabilities for uncertain tax positions we recorded in prior years. The primary difference between our effective tax rates and the U.S. federal statutory rate of 35% reflects our intent to indefinitely reinvest in certain of our international operations. Therefore, we are no longer providing for U.S. taxes on a portion of our foreign earnings. We anticipate our effective tax rate in 2015 will be approximately 31.3%.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, as defined by SEC rules.

Contractual Obligations

At December 31, 2014, we had payments due under contractual obligations as follows:

	Payments due by period				
	Total	2015	2016-2017	2018-2019	After 2019
Long-term Debt	\$ 750,000	\$ —	\$ 250,000	\$ —	\$ 500,000
Vessel Charters	294,583	101,612	143,250	49,721	—
Other Operating Leases	177,791	25,778	41,825	32,126	78,062
Purchase Obligations	288,821	258,749	29,462	300	310
Other Long-term Obligations reflected on our balance sheet under GAAP	63,131	1,536	3,199	3,384	55,012
TOTAL	\$ 1,574,326	\$ 387,675	\$ 467,736	\$ 85,531	\$ 633,384

At December 31, 2014, we had outstanding purchase order commitments totaling \$289 million, including approximately \$64 million for the construction of a new subsea support vessel scheduled for delivery in 2016 and \$27 million for specialized steel tubes to be used in our manufacturing of steel tube umbilicals. We have ordered the specialized steel tubes in advance to meet expected sales commitments. Should we decide not to accept delivery of the steel tubes, we would incur cancellation charges of at least 10% of the amount canceled.

In 2001, we entered into an agreement with our Chairman of the Board of Directors (the "Chairman") who was also then our Chief Executive Officer. That agreement was amended in 2006 and in 2008. Pursuant to the amended agreement, the Chairman relinquished his position as Chief Executive Officer in May 2006 and began his post-employment service period on December 31, 2006, which continued through August 15, 2011, during which service period the Chairman, acting as an independent contractor, agreed to serve as nonexecutive Chairman of our Board of Directors. The agreement provides the Chairman with post-employment benefits for ten years following August 15, 2011. The agreement also provides for medical coverage on an after-tax basis to the Chairman, his spouse and children for their lives. We recognized the net present value of the post-employment

benefits over the expected service period. Our total accrued liabilities, current and long-term, under this post-employment benefit were \$5.7 million and \$6.3 million at December 31, 2014 and 2013, respectively.

Effects of Inflation and Changing Prices

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, using historical U.S. dollar accounting, or historical cost. Statements based on historical cost, however, do not adequately reflect the cumulative effect of increasing costs and changes in the purchasing power of the dollar, especially during times of significant and continued inflation.

In order to minimize the negative impact of inflation on our operations, we attempt to cover the increased cost of anticipated changes in labor, material and service costs, either through an estimate of those changes, which we reflect in the original price, or through price escalation clauses in our contracts. Inflation has not had a material effect on our revenue or income from operations in the past three years, and no such effect is expected in the near future.

Quantitative and Qualitative Disclosures About Market Risk.

We are currently exposed to certain market risks arising from transactions we have entered into in the normal course of business. These risks relate to interest rate changes and fluctuations in foreign exchange rates. We do not believe these risks are material. We have not entered into any market risk sensitive instruments for speculative or trading purposes. We currently have one interest rate swap in place on \$100 million of our 4.650% Senior Notes. See Note 6 of Notes to Consolidated Financial Statements included in this report for a description of this interest rate swap. We typically manage our exposure to interest rate changes through the use of a combination of fixed- and floating-rate debt. See Note 5 of Notes to Consolidated Financial Statements included in this report for a description of our revolving credit facility and interest rates on our borrowings. We believe significant interest rate changes would not have a material near-term impact on our future earnings or cash flows.

Because we operate in various oil and gas exploration and production regions in the world, we conduct a portion of our business in currencies other than the U.S. dollar. The functional currency for several of our international operations is the applicable local currency. A stronger U.S. dollar against the U.K. pound sterling and the Norwegian kroner would result in lower operating income. We manage our exposure to changes in foreign exchange rates principally through arranging compensation in U.S. dollars or freely convertible currency and, to the extent possible, by limiting compensation received in other currencies to amounts necessary to meet obligations denominated in those currencies. We use the exchange rates in effect as of the balance sheet date to translate assets and liabilities as to which the functional currency is the local currency, resulting in translation adjustments that we reflect as accumulated other comprehensive income or loss in the shareholders' equity section of our Consolidated Balance Sheets. We recorded adjustments of \$(129) million, \$(71) million and \$45 million to our equity accounts in 2014, 2013 and 2012, respectively. Negative adjustments reflect the net impact of the strengthening of the U.S. dollar against various foreign currencies for locations where the functional currency is not the U.S. dollar. Conversely, positive adjustments reflect the effect of a weakening dollar.

We recorded foreign currency transaction gains (losses) of \$(0.5) million, \$0.1 million and \$(5.4) million that are included in Other income (expense), net in our Consolidated Statements of Income in 2014, 2013 and 2012, respectively.

Controls and Procedures

Disclosure Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2014 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the quarter ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. We developed our internal control over financial reporting through a process in which our management applied its judgment in assessing the costs and benefits of various controls and procedures, which, by their nature, can provide only reasonable assurance regarding the control objectives. You should note that the design of any system of controls is based in part on various assumptions about the likelihood of future events, and we cannot assure you that any system of controls will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive, financial and accounting officers, we have conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). This evaluation included a review of the documentation surrounding our financial reporting controls, an evaluation of the design effectiveness of these controls, testing of the operating effectiveness of these controls and an evaluation of our overall control environment. Based on that evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2014.

Ernst & Young LLP, the independent registered public accounting firm that audited our financial statements, has audited our internal control over financial reporting, as stated in their report that follows.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Oceaneering International, Inc.

We have audited the internal control over financial reporting of Oceaneering International, Inc. and Subsidiaries (the "Company") as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity for each of the three years in the period ended December 31, 2014, and our report dated February 19, 2015 expressed an unqualified opinion thereon.

Ernst & Young LLP

Houston, Texas
February 19, 2015

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

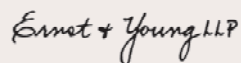
To the Board of Directors and Shareholders of Oceaneering International, Inc.

We have audited the accompanying consolidated balance sheets of Oceaneering International, Inc. and Subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, cash flows, and shareholders' equity for each of the three years in the period ended December 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2014 and 2013, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2014, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 19, 2015 expressed an unqualified opinion thereon.

Ernst & Young LLP

Houston, Texas
February 19, 2015

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<i>(in thousands, except share data)</i>	December 31,	
	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 430,714	\$ 91,430
Accounts receivable, net of allowances for doubtful accounts of \$137 and \$4,168	778,372	768,842
Inventory	375,588	441,789
Other current assets	128,876	131,214
Total Current Assets	1,713,550	1,433,275
Property and Equipment, at cost	2,660,788	2,380,888
Less accumulated depreciation	1,354,966	1,191,789
Net Property and Equipment	1,305,822	1,189,099
Other Assets:		
Goodwill	331,474	344,018
Investments in unconsolidated affiliates	32,624	37,462
Other non-current assets	128,231	124,646
Total Other Assets	492,329	506,126
Total Assets	\$ 3,511,701	\$ 3,128,500
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 123,688	\$ 129,632
Accrued liabilities	490,260	516,628
Income taxes payable	65,189	80,828
Total Current Liabilities	679,137	727,088
Long-term Debt	750,000	—
Other Long-term Liabilities	424,944	357,972
Commitments and Contingencies		
Shareholders' Equity:		
Common Stock, par value \$0.25 per share; 180,000,000 shares authorized; 110,834,088 shares issued	27,709	27,709
Additional paid-in capital	229,640	222,402
Treasury stock; 11,220,682 and 2,636,644 shares, at cost	(656,917)	(75,736)
Retained earnings	2,240,229	1,921,642
Accumulated other comprehensive income	(183,041)	(52,577)
Total Shareholders' Equity	1,657,620	2,043,440
Total Liabilities and Shareholders' Equity	\$ 3,511,701	\$ 3,128,500

The accompanying Notes are an integral part of these Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

<i>(in thousands, except per share data)</i>	Year Ended December 31,		
	2014	2013	2012
Revenue	\$ 3,659,624	\$ 3,287,019	\$ 2,782,604
Cost of services and products	2,800,423	2,521,483	2,154,746
Gross Margin	859,201	765,536	627,858
Selling, general and administrative expense	230,871	220,420	199,261
Income from Operations	628,330	545,116	428,597
Interest income	293	554	1,935
Interest expense, net of amounts capitalized	(4,708)	(2,194)	(4,218)
Equity earnings (loss) of unconsolidated affiliates	(51)	133	1,673
Other income (expense), net	(387)	(1,273)	(6,065)
Income before Income Taxes	623,477	542,336	421,922
Provision for income taxes	195,148	170,836	132,905
Net Income	\$ 428,329	\$ 371,500	\$ 289,017
Cash dividends declared per Share	\$ 1.03	\$ 0.84	\$ 0.69
Basic Earnings per Share	\$ 4.02	\$ 3.43	\$ 2.68
Weighted average basic shares outstanding	106,593	108,158	108,015
Diluted Earnings per Share	\$ 4.00	\$ 3.42	\$ 2.66
Weighted average diluted shares outstanding	107,091	108,731	108,617

The accompanying Notes are an integral part of these Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

	Year Ended December 31,		
	2014	2013	2012
Net Income	\$ 428,329	\$ 371,500	\$ 289,017
Other comprehensive income (loss), net of tax:			
Foreign currency translation	(128,666)	(71,282)	44,775
Pension-related adjustments	(1,947)	859	262
Change in fair value of interest rate swap	149	—	—
Other comprehensive income (loss)	(130,464)	(70,423)	45,037
Comprehensive Income	\$ 297,865	\$ 301,077	\$ 334,054

The accompanying Notes are an integral part of these Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Cash Flows from Operating Activities:			
Net income	\$ 428,329	\$ 371,500	\$ 289,017
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	229,779	202,228	176,483
Deferred income tax provision	70,717	51,800	20,654
Net loss (gain) on sales of property and equipment	(1,165)	450	(584)
Noncash compensation	20,034	19,380	16,442
Distributions from unconsolidated affiliates greater than earnings	—	878	6,988
Excluding the effects of acquisitions, increase (decrease) in cash from:			
Accounts receivable	(8,482)	(101,912)	(94,237)
Inventory	66,327	(110,508)	(76,186)
Other operating assets	(11,197)	(22,380)	(20,278)
Currency translation effect on working capital, excluding cash	(21,603)	(12,114)	10,224
Accounts payable and accrued liabilities	(43,507)	128,297	87,453
Income taxes payable	(15,639)	2,435	23,559
Other operating liabilities	8,169	1,370	(1,735)
Total adjustments to net income	293,433	159,924	148,783
Net Cash Provided by Operating Activities	721,762	531,424	437,800
Cash Flows from Investing Activities:			
Purchases of property and equipment	(386,883)	(382,531)	(300,598)
Business acquisitions, net of cash acquired	(39,788)	(11,059)	(9,260)
Distributions of capital from unconsolidated affiliates	4,772	4,279	—
Dispositions of property and equipment and equity investment	2,427	11,666	3,814
Net Cash Used in Investing Activities	(419,472)	(377,645)	(306,044)
Cash Flows from Financing Activities:			
Net proceeds of 4.65% Senior Notes, net of issuance costs	493,125	—	—
Net proceeds (payments) of bank credit facilities, net of new loan costs	248,429	(93,739)	(27,045)
Excess tax benefits from employee benefit plans	3,932	4,279	2,475
Cash dividends	(109,742)	(90,885)	(74,515)
Purchases of treasury stock	(590,384)	—	(19,358)
Net Cash Provided by (Used in) Financing Activities	45,360	(180,345)	(118,443)
Effect of exchange rates on cash	(8,366)	(2,553)	1,094
Net Increase (Decrease) in Cash and Cash Equivalents	339,284	(29,119)	14,407
Cash and Cash Equivalents—Beginning of Period	91,430	120,549	106,142
Cash and Cash Equivalents—End of Period	\$ 430,714	\$ 91,430	\$ 120,549

The accompanying Notes are an integral part of these Consolidated Financial Statements.

OCEANEERING INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<i>(in thousands)</i>	Common Stock Issued		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)			Total
	Shares	Amount				Currency Translation Adjustments	Fair Value of Hedging Instruments	Pension	
	—	—				—	—	—	
Balance, December 31, 2011	110,834	\$ 27,709	\$ 202,619	\$ (71,700)	\$ 1,426,525	\$ (23,637)	\$ —	\$ (3,554)	\$ 1,557,962
Net Income	—	—	—	—	289,017	—	—	—	289,017
Other Comprehensive Income	—	—	—	—	—	44,775	—	262	45,037
Restricted stock unit activity	—	—	8,985	5,857	—	—	—	—	14,842
Restricted stock activity	—	—	(1,139)	1,139	—	—	—	—	—
Tax benefits from employee benefit plans	—	—	2,475	—	—	—	—	—	2,475
Cash dividends	—	—	—	—	(74,515)	—	—	—	(74,515)
Treasury stock purchases, 400,000 shares	—	—	—	(19,358)	—	—	—	—	(19,358)
Balance, December 31, 2012	110,834	27,709	212,940	(84,062)	1,641,027	21,138	—	(3,292)	1,815,460
Net Income	—	—	—	—	371,500	—	—	—	371,500
Other Comprehensive Income	—	—	—	—	—	(71,282)	—	859	(70,423)
Restricted stock unit activity	—	—	6,447	7,062	—	—	—	—	13,509
Restricted stock activity	—	—	(1,264)	1,264	—	—	—	—	—
Tax benefits from employee benefit plans	—	—	4,279	—	—	—	—	—	4,279
Cash dividends	—	—	—	—	(90,885)	—	—	—	(90,885)
Balance, December 31, 2013	110,834	27,709	222,402	(75,736)	1,921,642	(50,144)	—	(2,433)	2,043,440
Net Income	—	—	—	—	428,329	—	—	—	428,329
Other Comprehensive Income	—	—	—	—	—	(128,666)	149	(1,947)	(130,464)
Restricted stock unit activity	—	—	4,311	8,198	—	—	—	—	12,509
Restricted stock activity	—	—	(1,005)	1,005	—	—	—	—	—
Tax benefits from employee benefit plans	—	—	3,932	—	—	—	—	—	3,932
Cash dividends	—	—	—	—	(109,742)	—	—	—	(109,742)
Treasury stock purchases, 8,900,000 shares	—	—	—	(590,384)	—	—	—	—	(590,384)
Balance, December 31, 2014	110,834	\$ 27,709	\$ 229,640	\$ (656,917)	\$ 2,240,229	\$ (178,810)	\$ 149	\$ (4,380)	\$ 1,657,620

The accompanying Notes are an integral part of these Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF MAJOR ACCOUNTING POLICIES

Principles of Consolidation. The consolidated financial statements include the accounts of Oceaneering International, Inc. and our 50% or more owned and controlled subsidiaries. We also consolidate entities that are determined to be variable interest entities if we determine that we are the primary beneficiary; otherwise, we account for those entities using the equity method of accounting. We use the equity method to account for our investments in unconsolidated affiliated companies of which we own an equity interest of between 20% and 50% and as to which we have significant influence, but not control, over operations. All significant intercompany accounts and transactions have been eliminated.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires that our management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Reclassifications. Certain amounts from prior periods have been reclassified to conform with the current year presentation.

Cash and Cash Equivalents. Cash and cash equivalents include demand deposits and highly liquid investments with original maturities of three months or less from the date of investment.

Accounts Receivable – Allowances for Doubtful Accounts. We determine the need for allowances for doubtful accounts using the specific identification method. We do not generally require collateral from our customers.

Inventory. Inventory is valued at lower of cost or market. We determine cost using the weighted-average method.

Property and Equipment and Long-Lived Intangible Assets. We provide for depreciation of property and equipment on the straight-line method over estimated useful lives of eight years for ROVs, three to 20 years for marine services equipment (such as vessels and diving equipment), and three to 25 years for buildings, improvements and other equipment.

Long-lived intangible assets, primarily acquired in connection with business combinations, include trade names, intellectual property and customer relationships and are being amortized with a weighted average remaining life of approximately 12 years.

We charge the costs of repair and maintenance of property and equipment to operations as incurred, while we capitalize the costs of improvements that extend asset lives or functionality.

We capitalize interest on assets where the construction period is anticipated to be more than three months. We capitalized \$0.7 million of interest in 2014. We did not capitalize any interest in 2013 or 2012. We do not allocate general administrative costs to capital projects. Upon the disposition of property and equipment, the related cost and accumulated depreciation accounts are relieved and any resulting gain or loss is included as an adjustment to cost of services and products.

Our management periodically, and upon the occurrence of a triggering event, reviews the realizability of our property and equipment and long-lived intangible assets, which are held and used by us, to determine whether any events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. For long-lived assets to be held and used, we base our evaluation on impairment indicators such as the nature of the assets, the future economic benefit of the assets, any historical or future profitability measurements and other external market conditions or factors that may be present. If such impairment indicators are present or other factors exist that indicate that the carrying amount of the asset may not be recoverable, we determine whether an impairment has occurred through the use of an undiscounted cash flows analysis of the asset at the lowest level for which identifiable cash flows exist. If an impairment has occurred, we recognize a loss for the difference

between the carrying amount and the fair value of the asset. For assets held for sale or disposal, the fair value of the asset is measured using fair market value less cost to sell. Assets are classified as held-for-sale when we have a plan for disposal of certain assets and those assets meet the held for sale criteria.

Business Acquisitions. We account for business combinations using the acquisition method of accounting, with the acquisition price being allocated to the assets acquired and liabilities assumed based on their fair values at the date of acquisition.

We made several smaller acquisitions during the periods presented, none of which were material.

In January 2015, we announced that we have entered into an agreement to acquire C & C Technologies, Inc. ("C&C") for approximately \$230 million. We expect we will close the transaction in early April 2015, subject to customary closing conditions. C&C is a provider of ocean-bottom mapping services in deepwater utilizing customized autonomous underwater vehicles and provides marine construction surveys for both surface and subsea assets, as well as satellite-based positioning services for drilling rigs and seismic and construction vessels. C&C also provides land and near-shore survey services along the U.S. Gulf Coast and in Mexico, and performs shallow water conventional geophysical surveys in the U.S. Gulf of Mexico.

Goodwill. In September 2011, the Financial Accounting Standards Board ("FASB") issued an update regarding goodwill impairment testing. Under the update, an entity has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, performing the two-step impairment test is unnecessary. However, if an entity concludes otherwise, then it is required to perform the first step of the two-step impairment test. We qualitatively tested the goodwill attributable to each of our reporting units for impairment as of December 31, 2014 and 2013 and concluded that there was no impairment. The only changes in our reporting units' goodwill balances during the periods presented are from business acquisitions, as discussed above, and currency exchange rate changes. For more information regarding goodwill by business segment, see Note 7.

Revenue Recognition. We recognize our revenue according to the type of contract involved. On a daily basis, we recognize revenue under contracts that provide for specific time, material and equipment charges, which we bill periodically, ranging from weekly to monthly.

We account for significant fixed-price contracts, which we enter into mainly in our Subsea Products segment, and to a lesser extent in our Subsea Projects and Advanced Technologies segments, using the percentage-of-completion method. In 2014, we accounted for 15% of our revenue using the percentage-of-completion method. In determining whether a contract should be accounted for using the percentage-of-completion method, we consider whether:

- the customer provides specifications for the construction of facilities or production of goods or for the provision of related services;
- we can reasonably estimate our progress towards completion and our costs;
- the contract includes provisions as to the enforceable rights regarding the goods or services to be provided, consideration to be received and the manner and terms of payment;
- the customer can be expected to satisfy its obligations under the contract; and
- we can be expected to perform our contractual obligations.

Under the percentage-of-completion method, we generally recognize estimated contract revenue based on costs incurred to date as a percentage of total estimated costs. Changes in the expected cost of materials and labor, productivity, scheduling and other factors affect the total estimated costs. Additionally, external factors, including weather or other factors outside of our control, also affect the progress and estimated cost of a project's completion and, therefore, the timing of income and revenue recognition. We routinely review estimates related to our contracts and reflect revisions to profitability in earnings immediately. If a current estimate of total

contract cost indicates an ultimate loss on a contract, we recognize the projected loss in full when we determine it. Although we are continually striving to accurately estimate our contract costs and profitability, adjustments to overall contract costs could be significant in future periods.

We recognize the remainder of our revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, price is fixed or determinable and collection is reasonably assured.

Revenue in Excess of Amounts Billed is classified as accounts receivable and relates to recoverable costs and accrued profits on contracts in progress. Billings in Excess of Revenue Recognized on uncompleted contracts are classified in accrued liabilities.

Revenue in Excess of Amounts Billed on uncompleted fixed-price contracts accounted for using the percentage-of-completion method is summarized as follows:

<i>(in thousands)</i>	December 31,	
	2014	2013
Revenue recognized	\$ 368,888	\$ 199,654
Less: Billings to customers	(312,968)	(168,215)
Revenue in excess of amounts billed	<u>\$ 55,920</u>	<u>\$ 31,439</u>

Billings in Excess of Revenue Recognized on uncompleted fixed-price contracts accounted for using the percentage-of-completion method are summarized as follows:

<i>(in thousands)</i>	December 31,	
	2014	2013
Amounts billed to customers	\$ 196,501	\$ 200,909
Less: Revenue recognized	(109,547)	(86,264)
Billings in excess of revenue recognized	<u>\$ 86,954</u>	<u>\$ 114,645</u>

Stock-Based Compensation. We recognize all share-based payments to directors, officers and employees over their vesting periods in the income statement based on their estimated fair values. For more information on our employee benefit plans, see Note 8.

Income Taxes. We provide income taxes at appropriate tax rates in accordance with our interpretation of the respective tax laws and regulations after review and consultation with our internal tax department, tax advisors and, in some cases, legal counsel in various jurisdictions. We provide for deferred income taxes for differences between carrying amounts of assets and liabilities for financial and tax reporting purposes. We provide for deferred U.S. income taxes on foreign income only to the extent such income is not indefinitely reinvested in foreign entities. We provide a valuation allowance against deferred tax assets when it is more likely than not that the asset will not be realized.

We recognize the benefit for a tax position if the benefit is more likely than not to be sustainable upon audit by the applicable taxing authority. If this threshold is met, the tax benefit is then measured and recognized at the largest amount that we believe is greater than 50 percent likely of being realized upon ultimate settlement. We account for any applicable interest and penalties on uncertain tax positions as a component of our provision for income taxes on our financial statements.

Foreign Currency Translation. The functional currency for several of our foreign subsidiaries is the applicable local currency. Results of operations for foreign subsidiaries with functional currencies other than the U.S. dollar are translated into U.S. dollars using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, and the resulting translation adjustments are recognized in accumulated other comprehensive income as a component of shareholders' equity. All foreign currency transaction gains and losses are recognized currently in the Consolidated Statements of Income. We recorded \$(0.5) million, \$0.1 million and \$(5.4) million of foreign

currency transaction gains (losses) in 2014, 2013 and 2012, respectively, and those amounts are included as a component of Other income (expense), net.

Earnings Per Share. For each year presented, the only difference between our annual calculated weighted average basic and diluted number of shares outstanding is the effect of outstanding restricted stock units.

Repurchase Plans. In February 2010, our Board of Directors approved a plan to repurchase up to 12 million shares of our common stock. In 2014, we completed the purchase of the shares authorized under this plan by repurchasing the remaining 8.9 million shares for \$590 million. The total cost for the repurchase of the 12 million shares of our common stock was \$677 million.

In December 2014, following completion of the February 2010 program, our Board of Directors approved a new share repurchase program under which we may repurchase up to 10 million shares of our common stock on a discretionary basis. The December 2014 program calls for the repurchases to be made in the open market, or in privately negotiated transactions from time to time, in compliance with applicable laws, rules and regulations, including Rule 10b-18 under the Securities Exchange Act of 1934, as amended, subject to market and business conditions, levels of available liquidity, cash requirements for other purposes, applicable legal requirements and other relevant factors. The timing and amount of any repurchases will be determined by management based on its evaluation of these factors. We expect that any shares repurchased under the new program will be held as treasury stock for future use. The new program does not obligate us to repurchase any particular number of shares. We did not repurchase any shares under this program in 2014.

Financial Instruments. We recognize all derivative instruments as either assets or liabilities in the balance sheet and measure those instruments at fair value. Subsequent changes in fair value are reflected in current earnings or other comprehensive income, depending on whether a derivative instrument is designated as part of a hedge relationship and, if it is, the type of hedge relationship. See Note 6 for information relative to the interest rate swap we had in effect at December 31, 2014. During the two-year period ended December 31, 2013, we had no derivative instruments in effect.

New Accounting Standard. In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." ASU 2014-09 completes the joint effort by the FASB and International Accounting Standards Board to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards. ASU 2014-09 applies to all companies that enter into contracts with customers to transfer goods or services. ASU 2014-09 is effective for us for interim and annual reporting periods beginning after December 15, 2016. Early application is not permitted and we have the choice to apply ASU 2014-09 either retrospectively to each reporting period presented or by recognizing the cumulative effect of applying ASU 2014-09 at the date of initial application (January 1, 2017) and not adjusting comparative information. We are currently evaluating the requirements of ASU 2014-09 and have not yet determined its impact on our consolidated financial statements.

2. SELECTED BALANCE SHEET INFORMATION

The following is information regarding selected balance sheet accounts:

<i>(in thousands)</i>	December 31,	
	2014	2013
Inventory:		
Remotely operated vehicle parts and components	\$ 207,885	\$ 190,403
Other inventory, primarily raw materials	167,703	251,386
Total	<u>\$ 375,588</u>	<u>\$ 441,789</u>
Other Current Assets:		
Deferred income taxes	\$ 49,809	\$ 61,589
Prepaid expenses	79,067	69,625
Total	<u>\$ 128,876</u>	<u>\$ 131,214</u>
Other Non-Current Assets:		
Intangible assets, net	\$ 60,895	\$ 68,522
Cash surrender value of life insurance policies	53,653	52,862
Other	13,683	3,262
Total	<u>\$ 128,231</u>	<u>\$ 124,646</u>
Investments in unconsolidated affiliates:		
Medusa Spar LLC	\$ 32,553	\$ 37,376
Other	71	86
Total	<u>\$ 32,624</u>	<u>\$ 37,462</u>
Accrued Liabilities:		
Payroll and related costs	\$ 209,481	\$ 218,766
Accrued job costs	79,894	72,117
Deferred revenue	116,936	150,246
Other	83,949	75,499
Total	<u>\$ 490,260</u>	<u>\$ 516,628</u>
Other Long-Term Liabilities:		
Deferred income taxes	\$ 322,758	\$ 260,807
Supplemental Executive Retirement Plan	45,423	45,144
Long-Term Incentive Plan	29,482	26,700
Accrued post-employment benefit obligations	11,349	10,528
Other	15,932	14,793
Total	<u>\$ 424,944</u>	<u>\$ 357,972</u>

In 2003, we purchased a 50% equity interest in Medusa Spar LLC for \$43.7 million. Medusa Spar LLC owns a 75% interest in a production spar platform in the U.S. Gulf of Mexico. Medusa Spar LLC's revenue is derived from processing oil and gas production for a fee based on the volumes processed through the platform (throughput). We account for our investment in Medusa Spar LLC under the equity method of accounting. Our 50% share of the underlying equity of the net assets of Medusa Spar LLC is equal to its carrying value.

3. INCOME TAXES

Our provisions for income taxes and our cash taxes paid are as follows:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Current:			
Domestic	\$ 17,856	\$ 45,468	\$ 4,039
Foreign	106,575	73,568	108,212
Total current	124,431	119,036	112,251
Deferred:			
Domestic	73,520	56,115	26,170
Foreign	(2,803)	(4,315)	(5,516)
Total deferred	70,717	51,800	20,654
Total provision for income taxes	\$ 195,148	\$ 170,836	\$ 132,905
Cash taxes paid	\$ 139,724	\$ 113,760	\$ 92,422

The components of income before income taxes are as follows:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Domestic	\$ 110,800	\$ 68,066	\$ 53,240
Foreign	512,677	474,270	368,682
Income before income taxes	\$ 623,477	\$ 542,336	\$ 421,922

As of December 31, 2014 and 2013, our worldwide deferred tax assets, liabilities and net deferred tax liabilities were as follows:

<i>(in thousands)</i>	December 31,	
	2014	2013
Deferred tax assets:		
Deferred compensation	\$ 50,829	\$ 48,401
Deferred income	16,305	30,101
Accrued expenses	9,235	8,441
Other	27,808	11,921
Gross deferred tax assets	104,177	98,864
Valuation allowance	—	—
Total deferred tax assets	\$ 104,177	\$ 98,864
Deferred tax liabilities:		
Property and equipment	\$ 128,958	\$ 129,441
Unremitted foreign earnings not considered indefinitely reinvested	238,133	157,091
Basis difference in equity investments	8,947	10,843
Other	1,088	707
Total deferred tax liabilities	\$ 377,126	\$ 298,082
Net deferred income tax liability	\$ 272,949	\$ 199,218

Our net deferred tax liability is reflected within our balance sheet as follows:

<i>(in thousands)</i>	December 31,	
	2014	2013
Deferred tax liabilities	\$ 322,758	\$ 260,807
Current deferred tax assets	(49,809)	(61,589)
Net deferred income tax liability	<u>\$ 272,949</u>	<u>\$ 199,218</u>

At December 31, 2014, we had approximately \$28 million of foreign tax credits available to reduce future payments of U.S. federal income taxes. The tax credits expire commencing in 2024. We believe it is more likely than not that all our deferred tax assets are realizable. Reconciliations between the actual provision for income taxes on continuing operations and that computed by applying the United States statutory rate to income before income taxes were as follows:

	Year Ended December 31,		
	2014	2013	2012
United States statutory rate	35.0%	35.0%	35.0%
State and local taxes	0.1	0.2	0.1
Foreign tax rate differential	(2.6)	(3.7)	(2.9)
Other items, net	(1.2)	—	(0.7)
Total effective tax rate	<u>31.3%</u>	<u>31.5%</u>	<u>31.5%</u>

We consider \$573 million of unremitted earnings of our foreign subsidiaries is indefinitely reinvested. It is not practical for us to compute the amount of additional U.S. tax that would be due on this amount. We have provided deferred income taxes on the foreign earnings not considered indefinitely reinvested.

We recognize the benefit for a tax position if the benefit is more likely than not to be sustainable upon audit by the applicable taxing authority. If this threshold is met, the tax benefit is then measured and recognized at the largest amount that we believe is greater than 50% likely of being realized upon ultimate settlement.

We account for any applicable interest and penalties on uncertain tax positions as a component of our provision for income taxes on our financial statements. We increased/(decreased) income tax expense by \$(0.4) million, \$1.7 million and \$(2.7) million in 2014, 2013 and 2012, respectively, for penalties and interest on uncertain tax positions, which brought our total liabilities for penalties and interest on uncertain tax positions to \$2.9 million and \$3.3 million on our balance sheets at December 31, 2014 and 2013, respectively. All additions or reductions to those liabilities would affect our effective income tax rate in the periods of change.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits, not including associated foreign tax credits and penalties and interest, is as follows:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Beginning of year	\$ 7,168	\$ 5,140	\$ 10,104
Additions based on tax positions related to the current year	432	100	244
Reductions for expiration of statutes of limitations	(1,572)	(1,225)	(225)
Additions based on tax positions related to prior years	254	3,490	3,335
Reductions based on tax positions related to prior years	(707)	(337)	(8,193)
Settlements	—	—	(125)
Balance at end of year	<u>\$ 5,575</u>	<u>\$ 7,168</u>	<u>\$ 5,140</u>

We do not believe that the total of unrecognized tax benefits will significantly increase or decrease in the next 12 months.

We file a consolidated U.S. federal income tax return for Oceaneering International, Inc. and our domestic subsidiaries. We conduct our international operations in a number of locations that have varying laws and regulations with regard to income and other taxes, some of which are subject to interpretation. Our management believes that adequate provisions have been made for all taxes that will ultimately be payable, although final determination of tax liabilities may differ from our estimates.

Our tax returns are subject to audit by taxing authorities in multiple jurisdictions. These audits often take years to complete and settle. The following lists the earliest tax years open to examination by tax authorities where we have significant operations:

Jurisdiction	Periods
United States	2011
United Kingdom	2011
Norway	2004
Angola	2009
Brazil	2009
Australia	2010

4. SELECTED INCOME STATEMENT INFORMATION

The following schedule shows our revenue, costs and gross margins by services and products:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Revenue:			
Services	\$ 2,336,304	\$ 2,174,739	\$ 1,887,957
Products	1,323,320	1,112,280	894,647
Total revenue	3,659,624	3,287,019	2,782,604
Cost of Services and Products:			
Services	1,742,411	1,624,483	1,418,511
Products	946,923	788,109	642,199
Unallocated expenses	111,089	108,891	94,036
Total cost of services and products	2,800,423	2,521,483	2,154,746
Gross margin:			
Services	593,893	550,256	469,446
Products	376,397	324,171	252,448
Unallocated expenses	(111,089)	(108,891)	(94,036)
Total gross margin	\$ 859,201	\$ 765,536	\$ 627,858

5. DEBT

Long-term Debt consisted of the following:

<i>(in thousands)</i>	December 31,	
	2014	2013
4.650% Senior Notes due 2024	\$ 500,000	\$ —
Term Loan Facility	250,000	—
Revolving Credit Facility	—	—
Long-term Debt	<u>\$ 750,000</u>	<u>\$ —</u>

In October 2014, we entered into a new credit agreement (the "Credit Agreement") with a group of banks. The Credit Agreement provides for a \$300 million three-year delayed-draw term loan (the "Term Loan Facility") and a \$500 million five-year revolving credit facility (the "Revolving Credit Facility"). The Credit Agreement replaces a prior credit agreement that was scheduled to mature on January 6, 2017. Subject to certain conditions, the aggregate commitments under the Revolving Credit Facility may be increased by up to \$300 million at any time upon agreement between us and existing or additional lenders. Borrowings under the Revolving Credit Facility and the Term Loan Facility may be used for general corporate purposes. Simultaneously with the execution of the Credit Agreement and pursuant to its terms, we repaid all amounts outstanding under, and terminated, the prior credit agreement.

The Term Loan Facility is scheduled to mature on October 27, 2017. The Revolving Credit Facility is scheduled to mature on October 25, 2019, and the delayed-draw feature of the Term Loan Facility expires in April 2015. Borrowings under the Credit Agreement bear interest at an Adjusted Base Rate or the Eurodollar Rate (both as defined in the Credit Agreement), at our option, plus an applicable margin to be initially based on our Leverage Ratio (as defined in the Credit Agreement) and, at our election, based on the ratings of our senior unsecured debt by both Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, thereafter to be based on such debt ratings. The applicable margin varies: (1) in the case of advances bearing interest at the Adjusted Base Rate, from 0.125% to 0.750% for borrowings under the Revolving Credit Facility and from 0% to 0.500% for borrowings under the Term Loan Facility; and (2) in the case of advances bearing interest at the Eurodollar Rate, from 1.125% to 1.750% for borrowings under the Revolving Credit Facility and from 1.000% to 1.500% for borrowings under the Term Loan Facility. The Adjusted Base Rate is the highest of (1) the per annum rate established by the administrative agent as its prime rate, (2) the federal funds rate plus 0.50% and (3) daily one-month LIBOR plus 1%. We pay a commitment fee ranging from 0.125% to 0.300% on the unused portions of the Revolving Credit Facility and the Term Loan Facility, depending on our Leverage Ratio. The commitment fees are included as interest expense in our consolidated financial statements.

The Credit Agreement contains various covenants that we believe are customary for agreements of this nature, including, but not limited to, restrictions on our ability and the ability of each of our subsidiaries to incur debt, grant liens, make certain investments, make distributions, merge or consolidate, sell assets, enter into transactions with affiliates and enter into certain restrictive agreements. We are also subject to a maximum Leverage Ratio of 4.00 to 1.00. The Credit Agreement includes customary events of default and associated remedies. As of December 31, 2014, we were in compliance with all the covenants set forth in the Credit Agreement.

In November 2014, we completed the public offering of \$500 million aggregate principal amount of 4.650% Senior Notes due 2024 (the "Senior Notes"). We will pay interest on the Senior Notes on May 15 and November 15 of each year, beginning on May 15, 2015. The Senior Notes are scheduled to mature on November 15, 2024. We may redeem some or all of the Senior Notes at specified redemption prices. We are using the net proceeds from the offering for general corporate purposes, which may include funding acquisitions and other capital expenditures and repurchases of outstanding shares of our common stock.

We incurred \$6.9 million of issuance costs related to the Senior Notes and \$1.6 million of new loan costs related to the Revolving Credit Facility and the Term Loan Facility. We are amortizing these costs, which are included on our balance sheet as other non-current assets, to interest expense over ten years for the Senior Notes and over five years for the Revolving Credit Facility and the Term Loan Facility.

We made cash interest payments of \$3.7 million, \$2.1 million and \$4.3 million in 2014, 2013 and 2012, respectively.

6. COMMITMENTS AND CONTINGENCIES

Lease Commitments

At December 31, 2014, we occupied several facilities under noncancellable operating leases expiring at various dates through 2025. Future minimum rentals under all of our operating leases, including vessel rentals, are as follows:

(in thousands)	
2015	\$ 127,390
2016	117,793
2017	67,282
2018	51,842
2019	30,005
Thereafter	78,062
Total Lease Commitments	<u>\$ 472,374</u>

Rental expense, which includes hire of vessels, specialized equipment and real estate rental, was approximately \$257 million, \$191 million and \$107 million in 2014, 2013 and 2012, respectively.

Insurance

We self-insure for workers' compensation, maritime employer's liability and comprehensive general liability claims to levels we consider financially prudent, and beyond the self-insurance level of exposure, we carry insurance, which can be by occurrence or in the aggregate. We determine the level of accruals for claims exposure by reviewing our historical experience and current year claim activity. We do not record accruals on a present-value basis. We review larger claims with insurance adjusters and establish specific reserves for known liabilities. We establish an additional reserve for incidents incurred but not reported to us for each year using our estimates and based on prior experience. We believe we have established adequate accruals for uninsured expected liabilities arising from those obligations. However, it is possible that future earnings could be affected by changes in our estimates relating to these matters.

Litigation

On June 17, 2014, a purported shareholder filed a derivative complaint against all of the then-current members of our board of directors and one of our former directors, as defendants, and our company, as nominal defendant, in the Court of Chancery of the State of Delaware. Through the complaint, the plaintiff is asserting, on behalf of our company, actions for breach of fiduciary duties and unjust enrichment in connection with prior determinations of our board of directors relating to nonexecutive director compensation. The plaintiff is seeking relief including disgorgement of payments made to the defendants, an award of unspecified damages and an award for attorneys' fees and other costs. We and the defendants filed a motion to dismiss the complaint and a supporting brief on September 5, 2014, asserting that the complaint failed to state a claim on which relief could be granted, and further that the plaintiff did not comply with procedural requirements necessary to allow him to commence litigation against certain directors on our behalf. We are awaiting a ruling on that motion. In any event, our company is only a nominal defendant in this litigation, and we do not expect the resolution of this matter to have a material adverse effect on our results of operations, cash flows or financial position.

Various other actions and claims are pending against us, most of which are covered by insurance. Although we cannot predict the ultimate outcome of these matters, we believe the ultimate liability, if any, that may result from these other actions and claims will not materially affect our results of operations, cash flows or financial position.

Letters of Credit

We had \$70 million and \$45 million in letters of credit outstanding as of December 31, 2014 and 2013, respectively, as guarantees in force for self-insurance requirements and various bid and performance bonds, which are usually for the duration of the applicable contract.

Financial Instruments and Risk Concentration

In the normal course of business, we manage risks associated with foreign exchange rates and interest rates through a variety of strategies, including the use of hedging transactions. As a matter of policy, we do not use derivative instruments unless there is an underlying exposure.

Other financial instruments that potentially subject us to concentrations of credit risk are principally cash and cash equivalents and accounts receivable. The carrying value of cash and cash equivalents approximates its fair value due to the short maturity of those instruments. Accounts receivable are generated from a broad group of customers, primarily from within the energy industry, which is our major source of revenue. Due to their short-term nature, carrying values of our accounts receivable and accounts payable approximate fair market value. The carrying values of borrowings under the Credit Agreement approximate their fair value because the short-term durations of the associated interest rate periods reflect market changes to interest rates. Our borrowings under the Credit Agreement are classified as Level 2 in the fair value hierarchy under U.S. GAAP (inputs other than quoted prices in active markets for similar assets and liabilities that are observable or can be corroborated by observable market data for substantially the full term for the assets or liabilities).

We estimated the fair market value of the Senior Notes to be \$494 million at December 31, 2014. We arrived at this estimate by computing the net present value of the future principal and interest payments using a yield to maturity interest rate for securities of similar credit quality and term. The Senior Notes are classified as Level 2 in the fair value hierarchy under U.S. GAAP.

We have an interest rate swap in place on \$100 million of the Senior Notes for the period from November 2014 to November 2024. The agreement swaps the fixed interest rate of 4.650% on \$100 million of the Senior Notes to the floating rate of one month LIBOR plus 2.426%. We estimate the fair value of the interest rate swap to be an asset of \$0.2 million at December 31, 2014. This asset value was arrived at using a discounted cash flow model using Level 2 inputs.

In 2013, we experienced delays in payment from OGX Petróleo e Gás S.A. ("OGX"), which is a customer in Brazil. The parent company of OGX missed making an interest payment on its bonds and, on October 30, 2013, OGX and its parent filed for a restructuring process under Brazilian bankruptcy law, which grants the filer judicial protection from creditors while a restructuring plan is developed for approval. As of December 31, 2014, we had accounts receivable due from OGX of approximately \$4.1 million, and in the fourth quarter of 2013 we recorded an allowance for doubtful accounts of \$3.3 million, which was charged as a selling, general and administrative expense in our ROV segment. As of December 31, 2014, OGX had reorganized and we received shares of stock in the reorganized company. We have written off the receivables and allowance for doubtful accounts and assigned no value to the shares we received.

7. OPERATIONS BY BUSINESS SEGMENT AND GEOGRAPHIC AREA

Business Segment Information

We are a global oilfield provider of engineered services and products, primarily to the offshore oil and gas industry, with a focus on deepwater applications. Through the use of our applied technology expertise, we also serve the defense, aerospace and commercial theme park industries. Our Oilfield business consists of Remotely Operated Vehicles ("ROVs"), Subsea Products, Subsea Projects and Asset Integrity. Our ROV segment provides submersible vehicles operated from the surface to support offshore oil and gas exploration, development and production activities. Our Subsea Products segment supplies a variety of specialty subsea hardware. Our Subsea Projects segment provides multiservice vessels, oilfield diving and support vessel operations, which are used principally in inspection, maintenance and repair and installation activities, and a mobile offshore production system, through a 50% interest in an entity that holds a 75% interest in the system. With the acquisition we made in December 2011, we also operate and maintain offshore and onshore oil and gas production facilities, provide subsea engineering services, and operate an offshore logistics supply base in Australia. Our Asset Integrity segment provides asset integrity management and assessment services and nondestructive testing and inspection. Our Advanced Technologies business provides project management, engineering services and equipment for applications in non-oilfield markets. Unallocated Expenses are those not associated with a specific business segment. These consist of expenses related to our incentive and deferred compensation plans, including restricted stock and bonuses, as well as other general expenses, including corporate administrative expenses.

There are no differences in the basis of segmentation or in the basis of measurement of segment profit or loss in the year ended December 31, 2014 from those used in our consolidated financial statements for the years ended December 31, 2013 and 2012.

The table that follows presents Revenue, Income from Operations, Depreciation and Amortization Expense and Equity Earnings of Unconsolidated Affiliates by business segment:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Revenue			
Oilfield			
Remotely Operated Vehicles	\$ 1,069,022	\$ 981,728	\$ 853,520
Subsea Products	1,238,746	1,027,792	829,034
Subsea Projects	588,572	509,440	379,571
Asset Integrity	500,237	481,919	435,381
Total Oilfield	3,396,577	3,000,879	2,497,506
Advanced Technologies	263,047	286,140	285,098
Total	\$ 3,659,624	\$ 3,287,019	\$ 2,782,604
Income from Operations			
Oilfield			
Remotely Operated Vehicles	\$ 320,550	\$ 281,973	\$ 248,972
Subsea Products	281,239	231,050	170,959
Subsea Projects	107,852	93,865	63,461
Asset Integrity	55,469	55,243	45,196
Total Oilfield	765,110	662,131	528,588
Advanced Technologies	13,230	24,954	21,182
Unallocated Expenses	(150,010)	(141,969)	(121,173)
Total	\$ 628,330	\$ 545,116	\$ 428,597
Depreciation and Amortization Expense			
Oilfield			
Remotely Operated Vehicles	\$ 145,691	\$ 128,310	\$ 108,933
Subsea Products	46,085	39,964	36,638
Subsea Projects	18,561	15,331	13,340
Asset Integrity	12,775	12,401	11,808
Total Oilfield	223,112	196,006	170,719
Advanced Technologies	2,574	2,682	2,677
Unallocated Expenses	4,093	3,540	3,087
Total	\$ 229,779	\$ 202,228	\$ 176,483
Equity Earnings of Unconsolidated Affiliates			
Subsea Projects	\$ (51)	\$ 133	\$ 1,673
Total	\$ (51)	\$ 133	\$ 1,673

We determine income from operations for each business segment before interest income or expense, other income (expense) and provision for income taxes. We do not consider an allocation of these items to be practical.

During 2014, 2013 and 2012, revenue from one customer, BP plc and subsidiaries in our oilfield business segments, accounted for 18%, 18% and 13% of our total consolidated revenue, respectively.

The following table presents Assets, Property and Equipment and Goodwill by business segment as of the dates indicated:

<i>(in thousands)</i>	December 31,	
	2014	2013
Assets		
Oilfield		
Remotely Operated Vehicles	\$ 1,148,680	\$ 1,117,920
Subsea Products	904,935	942,607
Subsea Projects	448,378	382,782
Asset Integrity	347,411	381,392
Total Oilfield	2,849,404	2,824,701
Advanced Technologies	86,203	67,328
Corporate and Other	576,094	236,471
Total	\$ 3,511,701	\$ 3,128,500
Property and Equipment, net		
Oilfield		
Remotely Operated Vehicles	\$ 693,240	\$ 681,027
Subsea Products	336,125	289,015
Subsea Projects	214,478	163,210
Asset Integrity	41,624	34,223
Total Oilfield	1,285,467	1,167,475
Advanced Technologies	8,780	12,332
Corporate and Other	11,575	9,292
Total	\$ 1,305,822	\$ 1,189,099
Goodwill		
Oilfield		
Remotely Operated Vehicles	\$ 25,458	\$ 26,761
Subsea Products	99,656	113,066
Subsea Projects	19,712	—
Asset Integrity	164,806	183,777
Total Oilfield	309,632	323,604
Advanced Technologies	21,842	20,414
Total	\$ 331,474	\$ 344,018

All assets specifically identified with a particular business segment have been segregated. Cash and cash equivalents, certain other current assets, certain investments and certain other assets have not been allocated to particular business segments and are included in Corporate and Other.

The following table presents Capital Expenditures, including business acquisitions, by business segment for the periods indicated:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Capital Expenditures			
Oilfield			
Remotely Operated Vehicles	\$ 188,848	\$ 225,885	\$ 198,323
Subsea Products	112,851	102,653	68,052
Subsea Projects	91,918	40,833	15,890
Asset Integrity	27,027	8,327	18,560
Total Oilfield	420,644	377,698	300,825
Advanced Technologies	2,352	13,175	2,953
Corporate and Other	3,675	2,717	6,080
Total	\$ 426,671	\$ 393,590	\$ 309,858

Geographic Operating Areas

The following table summarizes certain financial data by geographic area:

<i>(in thousands)</i>	Year Ended December 31,		
	2014	2013	2012
Revenue			
Foreign:			
Africa	\$ 795,229	\$ 696,202	\$ 505,541
Norway	488,789	461,915	461,863
United Kingdom	456,804	383,397	334,319
Asia and Australia	317,277	335,129	290,821
Brazil	185,299	213,282	164,660
Other	98,881	90,456	70,172
Total Foreign	2,342,279	2,180,381	1,827,376
United States	1,317,345	1,106,638	955,228
Total	\$ 3,659,624	\$ 3,287,019	\$ 2,782,604
Long-Lived Assets			
Foreign:			
Norway	\$ 332,503	\$ 429,603	\$ 474,408
Africa	215,122	186,865	141,927
United Kingdom	113,191	99,250	85,434
Asia and Australia	90,061	83,885	65,012
Brazil	99,269	112,840	113,829
Other	56,079	38,516	34,105
Total Foreign	906,225	950,959	914,715
United States	838,273	691,404	607,572
Total	\$ 1,744,498	\$ 1,642,363	\$ 1,522,287

Revenue is based on location where services are performed and products are manufactured.

8. EMPLOYEE BENEFIT PLANS

Retirement Investment Plans

We have several employee retirement investment plans that, taken together, cover most of our full time employees. The Oceaneering Retirement Investment Plan is a 401(k) plan in which U.S. employees may participate by deferring a portion of their gross monthly salary and directing us to contribute the deferred amount to the plan. We match a portion of the employees' deferred compensation. Our contributions to the 401(k) plan were \$21.3 million, \$18.4 million and \$16.0 million for the plan years ended December 31, 2014, 2013 and 2012, respectively. In 2013, we amended the plan to give plan participants the option to be paid directly, or through the plan within 90 days of the close of the plan year, for dividends of Oceaneering International, Inc. stock that the plan participants held within the plan. This change allowed us to realize a tax benefit from tax deductions in excess of financial statement expense of \$0.8 million and \$0.9 million in 2014 and 2013, respectively.

We also make matching contributions to other foreign employee savings plans similar in nature to a 401(k) plan. In 2014, 2013 and 2012, these contributions, principally related to plans associated with U.K. and Norwegian subsidiaries, were \$18.7 million, \$17.4 million and \$11.6 million, respectively.

The Oceaneering International, Inc. Supplemental Executive Retirement Plan covers selected key management employees and executives, as approved by the Compensation Committee of our Board of Directors (the "Compensation Committee"). Under this plan, we accrue an amount determined as a percentage of the participant's gross monthly salary and the amounts accrued are treated as if they are invested in one or more investment vehicles pursuant to this plan. Expenses related to this plan during 2014, 2013 and 2012 were \$3.3 million, \$3.4 million and \$2.8 million, respectively.

We have defined benefit plans covering some of our employees in the U.K. and Norway. There are no further benefits accruing under the U.K. plan, and the Norway plan is closed to new participants. The projected benefit obligations for both plans were \$32 million and \$30 million, at December 31, 2014 and 2013, respectively, and the fair values of the plan assets (using Level 2 inputs) for both plans were \$27 million and \$26 million at December 31, 2014 and 2013, respectively.

Incentive Plans

Under our 2010 Incentive Plan (the "Incentive Plan"), shares of our common stock are made available for awards to employees and nonemployee members of our Board of Directors.

The Incentive Plan is administered by the Compensation Committee; however, the full Board of Directors makes determinations regarding awards to nonemployee directors under the Incentive Plan. The Compensation Committee or our Board of Directors, as applicable, determines the type or types of award(s) to be made to each participant and sets forth in the related award agreement the terms, conditions and limitations applicable to each award. Stock options, stock appreciation rights and stock and cash awards may be made under the Incentive Plan. There are no options outstanding under the Incentive Plan. We have not granted any stock options since 2005 and the Compensation Committee has expressed its intention to refrain from using stock options as a component of employee compensation for our executive officers and other employees for the foreseeable future. Additionally, the Board of Directors has expressed its intention to refrain from using stock options as a component of nonemployee director compensation for the foreseeable future.

In 2014, 2013 and 2012, the Compensation Committee granted awards of performance units under the Incentive Plan to certain of our key executives and employees, and our Board of Directors granted performance units under the Incentive Plan and a prior plan to our Chairman of the Board of Directors (our "Chairman"). The performance units awarded are scheduled to vest in full on the third anniversary of the award date, or pro rata over three years if the participant meets certain age and years of service requirements. The Compensation Committee and the Board of Directors have approved specific financial goals and measures (as defined in the Performance Award Goals and Measures), based on our cumulative cash flow from operations and a comparison of return on invested capital and cost of capital for each of the three-year periods ending December 31, 2016, 2015 and 2014 to be used as the basis for the final value of the performance units. The final value of each performance unit granted in

2014, 2013 and 2012 may range from \$0 to \$150. Upon vesting and determination of value, the value of the performance units will be payable in cash. Compensation expense related to the performance units was \$22.8 million, \$22.9 million and \$19.9 million in 2014, 2013 and 2012, respectively. As of December 31, 2014, there were 442,392 performance units outstanding.

There has been no stock option activity after December 31, 2011.

During 2014, 2013 and 2012, the Compensation Committee granted restricted units of our common stock to certain of our key executives and employees. During 2014, 2013 and 2012, our Board of Directors granted restricted units of our common stock to our Chairman and restricted common stock to our other nonemployee directors. Over 60%, 60%, and 50% of the grants made to our employees in 2014, 2013 and 2012, respectively, vest in full on the third anniversary of the award date, conditional upon continued employment. The remainder of the grants made to employees and all the grants made to our Chairman vest pro rata over three years, as these participants meet certain age and years-of-service requirements. For the grants to each of the participant employees and the Chairman, the participant will be issued a share of our common stock for the participant's vested restricted stock units at the earlier of three years or, if the participant vested earlier after meeting the age and service requirements, following termination of employment or service. The grants to our nonemployee directors vest in full on the first anniversary of the award date conditional upon continued service as a director, with one exception. In February 2013, we granted shares of restricted common stock to a director who had given written notice of his intention to retire from our board of directors. Those shares were to vest if his service continued until the election of directors at our annual meeting of shareholders in April 2013. The director fulfilled that requirement by resigning concurrent with that election and the shares of restricted stock became vested. In April 2009, the Compensation Committee adopted a policy that Oceaneering will not provide U.S. federal income tax gross-up payments to any of its directors or executive officers in connection with future awards of restricted stock or stock units. This policy had no effect on existing change-in-control agreements with two of our executive officers or the existing service agreement with our Chairman, which provide for tax gross-up payments that could become applicable to such future awards in limited circumstances, such as following a change in control of Oceaneering. Since August 2010, there have been no outstanding awards that provide for tax gross-up payments. The tax benefit realized from tax deductions in excess of the financial statement expense of our restricted stock grants was \$3.1 million, \$3.4 million and 2.5 million in 2014, 2013 and 2012, respectively.

The following is a summary of our restricted stock and restricted stock unit activity for 2014, 2013 and 2012:

	Number	Weighted Average Fair Value	Aggregate Intrinsic Value
Balance at December 31, 2011	1,090,850	\$ 30.49	
Granted	337,575	55.98	
Issued	(369,050)	20.03	\$ 20,325,000
Forfeited	(27,803)	42.02	
Balance at December 31, 2012	1,031,572	42.27	
Granted	330,705	62.55	
Issued	(376,078)	33.18	\$ 23,904,000
Forfeited	(25,909)	52.72	
Balance at December 31, 2013	960,290	52.53	
Granted	299,274	70.63	
Issued	(411,800)	43.57	\$ 29,043,000
Forfeited	(33,364)	62.66	
Balance at December 31, 2014	814,400	\$ 63.30	

The restricted stock units granted in 2014, 2013 and 2012 carry no voting rights and no dividend rights. Each grantee of shares of restricted common stock is deemed to be the record owner of those shares during the restriction period, with the right to vote and receive any dividends on those shares.

Effective January 1, 2006, the unvested portions of our grants of restricted stock units were valued at their estimated fair values as of their respective grant dates. The grants in 2014, 2013 and 2012 were subject only to vesting conditioned on continued employment or service as a nonemployee director; therefore, these grants were valued at the grant date fair market value using the closing price of our stock on the New York Stock Exchange.

Compensation expense under the restricted stock plans was \$17.2 million, \$16.7 million and \$14.6 million for 2014, 2013 and 2012, respectively. As of December 31, 2014, we had \$14.8 million of future expense to be recognized related to our restricted stock unit plans over a weighted average remaining life of 1.7 years.

Post-Employment Benefit

In 2001, we entered into an agreement with our Chairman who was also then our Chief Executive Officer. That agreement was amended in 2006 and in 2008. Pursuant to the amended agreement, the Chairman relinquished his position as Chief Executive Officer in May 2006 and began his post-employment service period on December 31, 2006, which continued through August 15, 2011, during which service period the Chairman, acting as an independent contractor, agreed to serve as nonexecutive Chairman of our Board of Directors. The agreement provides the Chairman with post-employment benefits for ten years following August 15, 2011. The agreement also provides for medical coverage on an after-tax basis to the Chairman, his spouse and children for their lives. We recognized the net present value of the post-employment benefits over the expected service period. Our total accrued liabilities, current and long-term, under this post-employment benefit were \$5.7 million and \$6.3 million at December 31, 2014 and 2013, respectively.

As part of the arrangements relating to the Chairman's post-employment benefits, we established an irrevocable grantor trust, commonly known as a "rabbi trust," to provide the Chairman greater assurance that we will set aside an adequate source of funds to fund payment of the post-retirement benefits under this agreement, including the medical coverage benefits payable to the Chairman, his spouse and their children for their lives. In connection with establishment of the rabbi trust, we contributed to the trust a life insurance policy on the life of the Chairman, which we had previously obtained, and we agreed to continue to pay the premiums due on that policy. When the life insurance policy matures, the proceeds of the policy will become assets of the trust. If the value of the trust exceeds \$4 million, as adjusted by the consumer price index, at any time after January 1, 2012, the excess may be paid to us. However, because the trust is irrevocable, the assets of the trust are generally not available to fund our future operations until the trust terminates, which is not expected to be during the lives of the Chairman, his spouse or their children. Furthermore, no tax deduction will be available for our contributions to the trust; however, we may benefit from future tax deductions for benefits actually paid from the trust (although benefit payments from the trust are not expected to occur in the near term, because we expect to make direct payments of those benefits for the foreseeable future).

SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)*(in thousands, except per share data)***Year Ended December 31, 2014**

Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Revenue	\$ 840,201	\$ 927,407	\$ 973,089	\$ 918,927	\$ 3,659,624
Gross profit	189,491	218,215	241,855	209,640	859,201
Income from operations	132,862	161,311	181,918	152,239	628,330
Net income	91,225	110,295	124,338	102,471	428,329
Diluted earnings per share	\$ 0.84	\$ 1.02	\$ 1.16	\$ 0.99	\$ 4.00
Weighted average number of diluted shares outstanding	108,724	108,421	107,407	103,851	107,091

Year Ended December 31, 2013

Quarter Ended	March 31	June 30	Sept. 30	Dec. 31	Total
Revenue	\$ 718,552	\$ 820,372	\$ 853,297	\$ 894,798	\$ 3,287,019
Gross profit	160,375	201,864	205,492	197,805	765,536
Income from operations	108,290	146,337	153,736	136,753	545,116
Net income	74,849	98,811	104,407	93,433	371,500
Diluted earnings per share	\$ 0.69	\$ 0.91	\$ 0.96	\$ 0.86	\$ 3.42
Weighted average number of diluted shares outstanding	108,612	108,713	108,783	108,840	108,731

Form 10-K

The entire Form 10-K, as filed with the Securities and Exchange Commission, is incorporated herein by reference and may be accessed through the Oceaneering website, www.oceaneering.com by selecting "Investor Relations," then "SEC Financial Reports," then selecting the desired report, or may be obtained by writing to:

Oceaneering International, Inc.
11911 FM 529
Houston, TX 77041-3000
Attention: David K. Lawrence, Secretary

Forward-Looking Statements

All statements in this report that express a belief, expectation, or intention are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current information at the time this report was written and expectations 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: general economic and industry conditions; worldwide demand for and prices of crude oil and natural gas; Oceaneering's ability to obtain and the timing of new projects and acquisitions; operating risks; weather events; changes in laws and government regulations; outcomes of legal or regulatory proceedings; business acquisition integration; technological changes; 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 annual report on Form 10-K for the year ended December 31, 2014 and other periodic filings with the Securities and Exchange Commission.



The use in this report of such terms as Oceaneering, company, group, organization, we, us, our, and its, or references to specific entities, is not intended to be a precise description of corporate relationships.

General Information

Corporate Office

Oceaneering International, Inc.
11911 FM 529
Houston, TX 77041-3000
Telephone: (713) 329-4500
www.oceaneering.com

Stock Symbol: OII



Stock traded on NYSE
CUSIP Number: 675232102
Please direct communications concerning
stock transfer requirements or lost
certificates to our transfer agent.

Transfer Agent and Registrar

Computershare Trust Company, N.A.
P.O. Box 30170
College Station, TX 77842-3170

Overnight Deliveries:
211 Quality Circle
Suite 210
College Station, TX 77845

OII Account Information

www.computershare.com/investor
Telephone: (781) 575-2879 or (877) 373-6374
Fax: (781) 575-3605
Hearing Impaired/TDD: (800) 952-9245

Annual Shareholders' Meeting

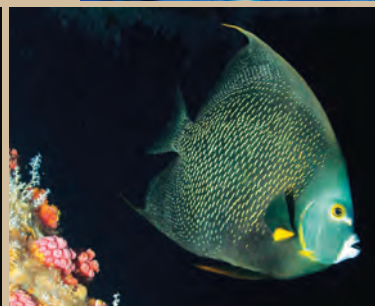
Date: May 8, 2015
Time: 8:30 a.m. CDT
Location:
Oceaneering International, Inc.
11911 FM 529
Houston, TX 77041

Independent Registered Public Accounting Firm

Ernst & Young LLP
5 Houston Center
1401 McKinney
Houston, TX 77010-4034

Counsel

Baker Botts L.L.P.
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910 Louisiana Street
Houston, TX 77002-4995



Courtesy of ROV Global Explorer with Schmidt Ocean Institute



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