

OCEANEERING INTERNATIONAL INC

Form 8-K

March 01, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 1, 2011

OCEANEERING INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

1-10945
(Commission

File Number)

95-2628227
(IRS Employer

Identification No.)

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11911 FM 529

Houston, TX
(Address of principal executive offices)

77041
(Zip Code)

Registrant's telephone number, including area code: (713) 329-4500

N/A

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On March 3, 2011, M. Kevin McEvoy, our Executive Vice President and Chief Operating Officer, will be a participant on the Oil Service Capital Equipment Panel at the 11th Annual Energy Conference hosted by Simmons & Company in Las Vegas, NV.

The conference handout will be accessible after the close of the market on Tuesday, March 1, 2011, through the Investor Relations link at Oceaneering's website, www.oceaneering.com. There will not be a webcast of the panel discussion. The handout includes a reconciliation of the non-GAAP term EBITDA used in the handout.

The information furnished pursuant to this Item 7.01 shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Please note that certain information contained in the presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995 and are subject to the Safe Harbor provisions of those statutes. Forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, anticipate, plan, forecast, budget, goal or other words that convey the uncertainty of future events. Among other items, the forward-looking statements in the presentation include statements about:

Our belief that deepwater projects take years to develop, involve largely oil reservoirs with high production flow rates, are primarily undertaken by well capitalized customers and that their investment decisions are predicated on long-term commodity price assumptions;

Our belief Western Integrated Oil Companies (IOCs) will invest in the deepwater markets because:

the IOCs have little choice as they have limited access to world class onshore reserves;

the IOCs' exploration success in deepwater bodes well for the future; and

drilling intensity is rising;

Our near-term deepwater market outlook of lower activity in the U.S. Gulf of Mexico and higher demand for ROV tooling and possibly BOP Control Systems;

Our expectation that our 2011 earnings per share will be \$3.45 to \$3.75;

Our segment operating income guidance for 2011 compared to 2010, with projections that ROV and Inspection will be up, Subsea Products and Advanced Technologies will be flat and Subsea Projects will be down;

Our projection of strong cash flow of over \$435 million of EBITDA in 2011;

Our belief that we will have ample resources to invest in growth;

Our plans for our cash:

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organic growth including 2011 capital expenditures in the range of \$150 million to \$175 million;

acquisitions; and

share repurchases;

Our current plans of acquisition targets:

being within our market niches, with expansion of Subsea Products;

having an international focus; and

being reasonably priced and accretive to earnings per share;

Anticipated worldwide deepwater discoveries to be evaluated and developed;

Our expectation that 24 new floating rigs will be to be placed in service during 2011;

Our expectation of adding 15 to 20 new ROV systems in 2011;

Our expectation that 2011 ROV operating income will exceed that of 2010;

Expected increase of 45% in subsea completions in the decade commencing 2010;

Subsea tree orders forecast to be up approximately 40% in the period 2011 - 2014 compared to the period 2007 - 2010;

Our belief there will be additional Subsea Product opportunities arising from regulatory changes after the Macondo incident, specifically for:

ROV tooling:

Hot stabs with higher flow rates

Hot stab receptacles and valves

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ROV accumulator reservoir bottle skids

Backup accumulator bottle skids

BOP Control Systems:

Acoustically actuated

Dean Man control;

Our expectation that our 2011 Subsea Products operating income will be approximately the same as 2010;

Projected cumulative subsea completions in the Gulf of Mexico through 2014;

Our expectation that the *Ocean Project*, a new, purpose-built U.S.-flagged diving service vessel that we have under construction, should be available in the first quarter of 2011;

Our expectations that the acquired vessel *DMT Sapphire*, which we have renamed *Ocean Patriot*, will be used for saturation diving service and will be available in the second quarter of 2011;

Our expectation that Subsea Projects will have lower operating income in 2011 compared to 2010;

Our projected EBITDA for 2011 in the EBITDA reconciliation to Net Income in the Supplemental Financial Information; and

Subsea production control umbilicals orders forecast to be up approximately 70% in the period 2011 - 2014 compared to the period 2007 - 2010 in the Supplemental Market Information.

These forward-looking statements are based on our current information 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:

worldwide demand for oil and gas;

general economic and business conditions and industry trends;

delays in deliveries of deepwater drilling rigs;

the ability of the Organization of Petroleum Exporting Countries, or OPEC, to set and maintain production levels;

the level of production by non-OPEC countries;

the ability of oil and gas companies to generate funds for capital expenditures;

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domestic and foreign tax policy;

laws and governmental regulations that restrict exploration and development of oil and gas in various offshore jurisdictions;

rapid technological changes;

the political environment of oil-producing regions;

the price and availability of alternative fuels; and

overall economic conditions.

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. For additional information regarding these and other factors that could cause our actual results to differ materially from those expressed in our forward-looking statements, see our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2010.

Except as required by applicable law, we do not undertake any obligation to update or revise any of our forward-looking statements, whether as a result of new information, future events or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OCEANEERING INTERNATIONAL, INC.

By: /s/ ROBERT P. MINGOIA
Robert P. Mingoia
Vice President and Treasurer

Date: March 1, 2011