



OCEANEERING INTERNATIONAL, INC.

11911 FM 529, Houston, Texas 77041-3000

March 26, 2009

Dear Shareholder:

You are cordially invited to attend the 2009 Annual Meeting of Shareholders of Oceaneering International, Inc. The meeting will be held on Friday, May 8, 2009, at 8:30 a.m., local time, in the Atrium of our corporate offices at 11911 FM 529, Houston, Texas 77041-3011.

On the following pages, you will find the Notice of Annual Meeting of Shareholders and Proxy Statement giving information concerning the matters to be acted on at the meeting. Our Annual Report to Shareholders describing Oceaneering's operations during the year ended December 31, 2008 is enclosed.

We hope you will be able to attend the meeting in person. Whether or not you plan to attend, please take the time to vote. In addition to using the enclosed paper proxy card to vote, which you may sign, date and return in the enclosed postage-paid envelope, you may vote your shares via the Internet or by telephone by following the instructions included in this package.

Thank you for your interest in Oceaneering.

A handwritten signature in black ink that reads "John Huff". The signature is written in a cursive style with a large, prominent "H".

John R. Huff
Chairman of the Board

A handwritten signature in black ink that reads "T. Jay Collins". The signature is written in a cursive style with a large, prominent "C".

T. Jay Collins
President and Chief Executive Officer

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on May 8, 2009.

The proxy statement and annual report are available on the Internet at www.oceanenergy.com/InvestorRelations.asp at "Annual Reports and Proxies."

The following information applicable to the Annual Meeting may be found in the proxy statement and accompanying proxy card:

- the date, time and location of the meeting;
- a list of the matters intended to be acted on and our recommendations regarding those matters;
- any control/identification numbers that you need to access your proxy card; and
- information about attending the meeting and voting in person.

OCEANEERING INTERNATIONAL, INC.

11911 FM 529, Houston, Texas 77041-3000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 8, 2009

To the Shareholders of Oceaneering International, Inc.:

The Annual Meeting of Shareholders of Oceaneering International, Inc., a Delaware corporation (“Oceaneering”), will be held on Friday, May 8, 2009, at 8:30 a.m., local time, in the Atrium of our corporate offices at 11911 FM 529, Houston, Texas 77041-3011, to consider and take action on the following:

- election of two Class II directors as members of the Board of Directors of Oceaneering to serve until the 2012 Annual Meeting of Shareholders or until a successor has been duly elected and qualified (Proposal 1);
- ratification of the appointment of Ernst & Young LLP as independent auditors of Oceaneering for the year ending December 31, 2009 (Proposal 2); and
- transaction of such other business as may properly come before the Annual Meeting of Shareholders or any adjournment or postponement thereof.

The Board of Directors recommends a vote in favor of Proposal 1 and Proposal 2.

The close of business on March 23, 2009 is the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting or any adjournment thereof.

Our Board welcomes your personal attendance at the meeting. Whether or not you expect to attend the meeting, please submit a proxy as soon as possible so that your shares can be voted at the meeting. You may submit your proxy by filling in, dating and signing the enclosed proxy card and returning it in the enclosed postage-paid envelope. Please refer to page 1 of the Proxy Statement and the proxy card for instructions for proxy voting by telephone or over the Internet.

By Order of the Board of Directors,



George R. Haubenreich, Jr.
Senior Vice President, General Counsel
and Secretary

March 26, 2009

YOUR VOTE IS IMPORTANT

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE SIGN, DATE AND MAIL YOUR PROXY PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE, OR VOTE BY TELEPHONE OR OVER THE INTERNET IN ACCORDANCE WITH INSTRUCTIONS IN THIS PROXY STATEMENT AND ON YOUR PROXY CARD.

OCEANEERING INTERNATIONAL, INC.

PROXY STATEMENT

PROXIES AND VOTING AT THE MEETING

Only shareholders of record at the close of business on March 23, 2009 will be entitled to notice of, and to vote at, the meeting. As of that date, 54,678,902 shares of our Common Stock, \$.25 par value per share ("Common Stock"), were outstanding. Each of those outstanding shares is entitled to one vote at the meeting. We are initially sending this Proxy Statement and the accompanying proxy to our shareholders on or about March 26, 2009. The requirement for a quorum at the meeting is the presence in person or by proxy of holders of a majority of the outstanding shares of Common Stock. There is no provision for cumulative voting.

Solicitation of Proxies

The accompanying proxy is solicited on behalf of our Board of Directors for use at our annual meeting of shareholders to be held at the time and place set forth in the accompanying notice. We will pay all costs of soliciting proxies. We will solicit proxies primarily by mail. In addition to solicitation by mail, our officers, directors and employees may solicit proxies in person or by telephone, facsimile and electronic transmissions, for which such persons will receive no additional compensation. We have retained Georgeson Shareholder Communications, Inc. to solicit proxies at a fee estimated at \$7,000, plus out-of-pocket expenses. We will reimburse brokerage firms, banks and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding proxy material to beneficial owners of our Common Stock.

The persons named as proxies were designated by our Board and are officers of Oceaneering. All properly executed proxies will be voted (except to the extent that authority to vote has been withheld), and where a choice has been specified by the shareholder as provided in the proxy, the proxy will be voted in accordance with the specification so made. Proxies submitted without specified choices will be voted **FOR Proposal 1** to elect the director nominees proposed by our Board and **FOR Proposal 2** to ratify the appointment of Ernst & Young LLP as independent auditors of Oceaneering for the year ending December 31, 2009.

Methods of Voting

Voting by Mail – You may sign, date and return your proxy card in the pre-addressed, postage-paid envelope provided. If you return your proxy card without indicating how you want to vote, the designated proxies will vote as recommended by our Board.

Voting by Telephone or the Internet – If you are a shareholder of record, you may vote by proxy by using the toll-free number or at the Internet address listed on the proxy card.

The telephone and Internet voting procedures are designed to verify your vote through the use of a voter control number that is provided on each proxy card. The procedures also allow you to vote your shares and to confirm that your instructions have been properly recorded. Please see your proxy card for specific instructions.

If you hold shares through a brokerage firm, bank or other custodian, you may vote by telephone or the Internet only if the custodian offers that option.

Revocability of Proxies

If you are a shareholder of record, and you vote by proxy, mail, the Internet or telephone, you may later revoke your proxy instructions by:

- sending a written statement to that effect to our Corporate Secretary at 11911 FM 529, Houston, Texas 77041-3000, the mailing address for the executive offices of Oceaneering, provided that we receive the statement before the Annual Meeting;
- submitting a signed proxy card, prior to the Annual Meeting, with a later date;
- voting at a later time, but prior to the Annual Meeting, by telephone or the Internet; or
- voting in person at the Annual Meeting.

If you have shares held through a brokerage firm, bank or other custodian, and you vote by proxy, you may later revoke your proxy instructions only by informing the custodian in accordance with any procedures it sets forth.

PROPOSAL 1

Election of Directors

Our Certificate of Incorporation divides our Board into three classes, each consisting as nearly as possible of one-third of the members of the whole Board. There are currently two members of each class. The members of each class serve for three years following their election, with one class being elected each year.

Two Class II directors are to be elected at the 2009 Annual Meeting. In accordance with our bylaws, directors are elected by a plurality of the votes cast. Accordingly, abstentions and broker “non-votes” marked on proxy cards will not be counted in the election. The Class II directors will serve until the 2012 Annual Meeting of Shareholders or until a successor has been duly elected and qualified. The directors of Classes I and III will continue to serve their terms of office, which will expire at the Annual Meetings of Shareholders to be held in 2011 and 2010, respectively.

The persons named in the accompanying proxy intend to vote all proxies received in favor of the election of the nominees named below, except in any case where authority to vote for the directors is withheld. Although we have no reason to believe that the nominees will be unable to serve as directors, if either nominee withdraws or otherwise becomes unavailable to serve, the persons named as proxies will vote for any substitute nominee our Board designates.

Set forth below is information (ages are as of May 8, 2009) with respect to the nominees for election as directors of Oceaneering.

Nominees

2009 - Class II Directors

Jerold J. DesRoche

Mr. DesRoche, 72, has been a partner and a director of National Power Company, a privately owned company that owns and operates power generation facilities using waste fuels and renewable energy, since 1991. He served as President and Chief Executive Officer of ABB Combustion Engineering Canada, Inc. from 1988 to 1991. He is a member of the Compensation Committee and the Nominating and Corporate Governance Committee of Oceaneering’s Board. Mr. DesRoche has been a director of Oceaneering since 2003.

John R. Huff

Mr. Huff, 63, has been Chairman of Oceaneering’s Board of Directors since August 1990. He served as Chief Executive Officer of Oceaneering from 1986 to May 2006. Mr. Huff also serves as a director of BJ Services Company, Rowan Companies, Inc., KBR, Inc. and Suncor Energy, Inc. Mr. Huff has been a director of Oceaneering since 1986.

Continuing Directors

Information below (ages are as of May 8, 2009) is for those directors whose terms will expire in 2010 and 2011.

2010 - Class III Directors

David S. Hooker

Mr. Hooker, 66, has been Chairman of Houlder Limited, an engineering company, since June 2008, Chairman of Avoco Secure Ltd., a software development and distribution company, since November 2006, and Chairman of Ocean Hover Limited, an oilfield hovercraft marketing organization, since January 2004. He is also a director of Aminex plc, an oil and gas exploration and production company, and a director of Eleuthera Capital Ltd., a helium exploration company. He is Chairman of the Audit Committee of Oceaneering's Board and a member of the Nominating and Corporate Governance Committee of Oceaneering's Board. Mr. Hooker has been a director of Oceaneering since 1973.

Harris J. Pappas

Mr. Pappas, 63, has been President of Pappas Restaurants, Inc., a privately owned multistate restaurant group, since 1983 and Chief Operating Officer and director of Luby's, Inc., a publicly owned restaurant company, since March 2001. He also serves on the Advisory Board of Frost National Bank – Houston and is a director of TIRR Hospital in the Memorial Hermann Hospital System. He is Chairman of the Compensation Committee of Oceaneering's Board and a member of the Audit Committee of Oceaneering's Board. Mr. Pappas has been a director of Oceaneering since 1996.

2011 - Class I Directors

T. Jay Collins

Mr. Collins, 62, has been Chief Executive Officer of Oceaneering since May 2006 and President of Oceaneering since 1998. He previously served as Chief Operating Officer of Oceaneering from 1998 until 2006. He also served as Executive Vice President – Oilfield Marine Services of Oceaneering from 1995 to 1998 and as Senior Vice President and Chief Financial Officer of Oceaneering from 1993 until 1995. Mr. Collins has been a director of Oceaneering since 2002.

D. Michael Hughes

Mr. Hughes, 70, has been owner of The Broken Arrow Ranch and affiliated businesses, which harvest, process and market wild game meats, since 1983. He has been associated with Oceaneering since its incorporation, serving as Chairman of the Board from 1970 to 1980 and from 1984 to 1990. He is Chairman of the Nominating and Corporate Governance Committee of Oceaneering's Board and a member of the Audit Committee of Oceaneering's Board. Mr. Hughes has been a director of Oceaneering since 1970.

Security Ownership of Management and Certain Beneficial Owners

The following table sets forth the number of shares of Common Stock beneficially owned as of March 23, 2009 by each director and nominee for director, each of the executive officers named in the Summary Compensation Table in this Proxy Statement and all directors and executive officers as a group. Except as otherwise indicated, each individual named has sole voting and dispositive power with respect to the shares shown.

Name	Number of Shares (1)	Shares Underlying Restricted Stock Units (2)	Total
T. Jay Collins	92,464	103,000	195,464
Jerold J. DesRoche	24,000	--	24,000
Philip D. Gardner	31,850	25,600	75,450
George R. Haubenreich, Jr.	43,170	39,400	82,570
David S. Hooker	62,000	--	62,000
John R. Huff	148,767	105,500	254,267
D. Michael Hughes	32,600	--	32,600
M. Kevin McEvoy	55,255	47,000	102,255
Marvin J. Migura	42,750	41,800	84,550
Harris J. Pappas	120,390	--	120,390
All directors and executive officers as a group (11 persons)	661,957	370,500	1,032,457

- (1) Includes the following shares subject to stock options exercisable as of March 23, 2009: Mr. Gardner – 7,500; Mr. Hooker – 30,000; Mr. Pappas – 40,000; and all directors and executive officers as a group – 77,500. There are no other outstanding stock options for directors and executive officers. Also includes the following shares granted pursuant to restricted stock award agreements, as to which the recipient has sole voting power and no dispositive power: Mr. DesRoche – 8,000; Mr. Hooker – 8,000; Mr. Hughes – 8,000; Mr. Pappas – 8,000 and all directors and executive officers as a group – 32,000. Also includes the following share equivalents, which are fully vested but are held in trust pursuant to the Oceaneering Retirement Investment Plan (the “401(k) Plan”), as to which the individual has the right to direct the plan trustee on how to vote: Mr. McEvoy – 10,255; and all directors and executive officers as a group – 10,616. At withdrawal, the share equivalents are settled in shares of Common Stock. Each executive officer and director owns less than 1% of the outstanding Common Stock; all directors and executive officers as a group own (1) approximately 1.2% of the outstanding Common Stock and (2) approximately 1.9% of the total of the outstanding shares of Common Stock and the shares underlying restricted stock units owned by directors and executive officers.
- (2) Includes shares of Common Stock that are represented by restricted stock units of Oceaneering that are credited to the accounts of certain individuals and are subject to vesting. The individuals have no voting or investment power over these restricted stock units.

Listed below is the only person who, to our knowledge, may be deemed to be a beneficial owner as of March 23, 2009 of more than 5% of the outstanding shares of Common Stock. This information is based on statements filed with the Securities and Exchange Commission (the "SEC").

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
The TCW Group, Inc., 865 South Figueroa St. Los Angeles, CA 90017	4,128,028 (2)	7.6

- (1) The percentage is based on the total number of issued and outstanding shares of Common Stock as of March 23, 2009.
- (2) The amount beneficially owned of 4,128,028 shares as shown, is as reported by the TCW Group, Inc. on behalf of itself and its direct subsidiaries ("The TCW Business Unit") in a Schedule 13G filed with SEC and dated February 4, 2009. Includes 2,859,218 shares of shared voting power, no shares of sole voting power and 4,128,028 shares of shared dispositive power.

Corporate Governance

During 2008, our Board of Directors held eight meetings of the full Board and 23 meetings of the committees of the Board. Each director attended at least 75% of the aggregate number of meetings of the Board and meetings of the committees of the Board on which he served. In addition, we have a policy that directors are encouraged to attend the annual meeting. Last year, all of our directors attended our annual meeting. In 2008, the nonemployee directors met in regularly scheduled executive sessions without management present, and similar sessions are scheduled for 2009. The chairmen of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee chair these executive sessions on a rotating basis. Interested parties may communicate directly with the nonemployee directors by sending a letter to the "Board of Directors (independent members)," c/o Corporate Secretary, Oceaneering International, Inc., 11911 FM 529, Houston, Texas 77041-3000.

Under rules adopted by the New York Stock Exchange, our Board of Directors must have a majority of independent directors. A director qualifies as independent only if the Board affirmatively determines that the director has no material relationship with us. In evaluating each director's independence, the Board considered relationships and transactions between each director, his family members and any business, charity or other entity in which the director has an interest, on the one hand, and us and our senior management, on the other hand. As a result of this review, the Board affirmatively determined that all our directors are independent, except for Mr. Huff, who had served as our Chief Executive Officer until May 2006, and Mr. Collins, who is our President and Chief Executive Officer.

We have three standing committees of our Board of Directors: the Audit Committee; the Compensation Committee; and the Nominating and Corporate Governance Committee. Our Board of Directors has determined that each member of these committees is independent in accordance with the requirements of the New York Stock Exchange. Our Board has also determined that each member of the Audit Committee meets the independence requirements for service on an audit committee that the SEC has established.

The Audit Committee

The Audit Committee, which is comprised of Messrs. Hooker (Chairman), Hughes and Pappas, held 13 meetings during 2008. Our Board of Directors determined that all members of the Audit Committee are audit committee financial experts as defined in the applicable rules of the SEC. For information relating to the background of each member of the Audit Committee, see the biographical information under “Proposal 1 – Election of Directors” and “Continuing Directors.” The Audit Committee is appointed by our Board of Directors, on the recommendation of the Nominating and Corporate Governance Committee, to assist the Board in its oversight of:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;
- the independence, qualifications and performance of our independent auditors;
- the performance of our internal audit functions; and
- the adequacy of our internal control over financial reporting.

Our management is responsible for our internal controls and preparation of our consolidated financial statements. Our independent auditors are responsible for performing an independent audit of the consolidated financial statements and internal controls over financial reporting and issuing reports thereon. The Audit Committee is responsible for overseeing the conduct of these activities and, subject to shareholder ratification, appointing our independent auditors. As stated above and in the Audit Committee Charter, the Audit Committee’s responsibility is one of oversight. The Audit Committee is not providing any expert or special assurance as to Oceaneering’s financial statements or any professional certification as to the independent auditor’s work.

In discharging its duties, the Audit Committee reviews and approves the scope of the annual audit, non-audit services to be performed by the independent auditors and the independent auditors’ audit and non-audit fees; reviews and discusses with management (including the senior internal auditor) and the independent auditors the annual audit of our internal control over financial reporting; recommends to our Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for filing with the SEC; meets independently with our internal auditors, independent auditors and management; reviews the general scope of our accounting, financial reporting, annual audit and internal audit programs and matters relating to internal control systems, as well as the results of the annual audit and interim financial statements, auditor independence issues and the adequacy of the Audit Committee charter; and reviews with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding our financial statements or accounting policies. A copy of the Audit Committee charter is available on the Corporate Governance page of our Web site (www.oceaneering.com). Any shareholder who so requests may obtain a written copy of the charter from us. The report of the Audit Committee is included in this Proxy Statement under the heading “Report of the Audit Committee.”

The Compensation Committee

The Compensation Committee, which is comprised of Messrs. Pappas (Chairman) and DesRoche, held six meetings during 2008. The Compensation Committee is appointed by our Board of Directors to:

- assist the Board in discharging its responsibilities relating to (1) compensation of our executives, other key employees and nonemployee directors and (2) employee benefit plans and practices; and
- produce or assist management with the preparation of any reports that may be required from time to time by the rules of the NYSE or the SEC to be included in our proxy statements for our annual meetings of shareholders or annual reports on Form 10-K.

Specific duties and responsibilities of the Compensation Committee include: general oversight of our executive and key employee compensation plans and benefit programs; reviewing and approving objectives relevant to the compensation of executives and key employees, including administration of annual bonus plans, long-term incentive plans, supplemental executive retirement plan and severance, termination and change-of-control arrangements; approving employment agreements for key executives; reviewing and making recommendations to the Board regarding the director and officers' indemnification and insurance matters; evaluating the performance of executives and key employees, including our Chief Executive Officer; recommending to the Board the compensation for the Board and committees of the Board; and annually evaluating its performance and its charter.

Since 2004, the Compensation Committee has engaged Mercer, formerly known as Mercer Human Resource Consulting, to assist the Compensation Committee in its administration of compensation for our executives and other key employees. Mercer assisted the Compensation Committee in the design and particulars of our long-term incentive program. Mercer performed a market analysis of total direct compensation (the sum of salary, annual incentive bonus and long-term incentive compensation) and retirement plan value for our executives and other key employees and compensation for nonemployee directors among peer group companies and other survey data, see "Compensation Discussion and Analysis – The Role of the Compensation Consultant" in this Proxy Statement. The Compensation Committee approved the form and amounts of our 2008 long-term incentive program and compensation for our executive officers and other key employees, and recommended to the Board the forms and amounts of compensation for nonemployee directors.

A copy of the Compensation Committee charter is available on the Corporate Governance page of our Web site (www.oceanengineering.com). Any shareholder who so requests may obtain a written copy of the charter from us. The report of the Compensation Committee is included in this Proxy Statement under the heading "Report of the Compensation Committee."

The Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee, which is comprised of Messrs. Hughes (Chairman), DesRoche and Hooker, held four meetings during 2008. The Nominating and Corporate Governance Committee is appointed by our Board of Directors to:

- identify individuals qualified to become directors of Oceaneering;
- recommend to our Board candidates to fill vacancies on our Board or to stand for election to the Board by our shareholders;
- recommend to our Board a director to serve as Chairman of the Board;
- recommend to our Board committee assignments for directors;
- periodically assess the performance of our Board and its committees;
- periodically review with our Board succession planning with respect to our Chief Executive Officer and other executive officers;
- evaluate related-person transactions in accordance with our policy regarding such transactions; and
- periodically review and assess the adequacy of our corporate governance policies and procedures.

The Nominating and Corporate Governance Committee operates under a written charter adopted by our Board of Directors. A copy of this charter and a copy of our Corporate Governance Guidelines are available on the Corporate Governance page of our Web site (www.oceaneering.com). Any shareholder who so requests may obtain a written copy of each of these documents from us.

The Nominating and Corporate Governance Committee solicits ideas for potential Board candidates from a number of sources, including members of our Board of Directors and our executive officers. The Committee also has authority to select and compensate a third-party search firm to help identify candidates, if it deems it advisable to do so.

The Nominating and Corporate Governance Committee will also consider nominees recommended by shareholders in accordance with our bylaws. In assessing the qualifications of all prospective nominees to the Board, the Nominating and Corporate Governance Committee will consider, in addition to criteria set forth in our bylaws, each nominee's personal and professional integrity, experience, skills, ability and willingness to devote the time and effort necessary to be an effective board member, and commitment to acting in the best interests of Oceaneering and its shareholders. Consideration also will be given to the Board's having an appropriate mix of backgrounds and skills. A shareholder who wishes to recommend a nominee for director should comply with the procedures specified in our bylaws, as well as applicable securities laws and regulations of the New York Stock Exchange. The Nominating and Corporate Governance Committee will consider all candidates identified through the processes described above, whether identified by the Committee or by a shareholder, and will evaluate each of them on the same basis.

As to each person a shareholder proposes to nominate for election as a director, our bylaws provide that the nomination notice must:

- include the name, age, business address and principal occupation or employment of that person, the number of shares of Common Stock beneficially owned or owned of record by that person and any other information relating to that person that is required to be disclosed under Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the related SEC rules and regulations; and
- be accompanied by the written consent of the person to be named in the proxy statement as a nominee and to serve as a director if elected.

The nomination notice must also include, as to that shareholder and the beneficial owner, if any, of Common Stock on whose behalf the nomination or nominations are being made:

- the name and address of that shareholder, as they appear on our stock records and the name and address of that beneficial owner;
- the number of shares of Common Stock which that shareholder and that beneficial owner own beneficially or of record;
- a description of all arrangements and understandings between that shareholder or that beneficial owner and each proposed nominee of that shareholder and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by that shareholder;
- a representation by that shareholder that he or she intends to appear in person or by proxy at that meeting to nominate the person(s) named in that nomination notice;
- a representation as to whether that shareholder or that beneficial owner, if any, intends, or is part of a group, as Rule 13d-5(b) under the Exchange Act uses that term, which intends (1) to deliver a proxy statement and/or form of proxy to the holders of shares of Common Stock having at least the percentage of the total votes of the holders of all outstanding shares of Common Stock entitled to vote in the election of each proposed nominee of that shareholder which is required to elect that proposed nominee and/or (2) otherwise to solicit proxies in support of the nomination; and
- any other information relating to that shareholder and that beneficial owner that is required to be disclosed under Section 14 of the Exchange Act and the related SEC rules and regulations.

To be timely for consideration at our 2010 Annual Meeting, a shareholder's nomination notice must be received at our principal executive offices, 11911 FM 529, Houston, Texas 77041-3000, addressed to our Corporate Secretary, no earlier than November 9, 2009 and no later than the close of business on January 8, 2010.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has served as one of our officers or employees at any time. None of our executive officers serve as a member of the compensation committee of any other company that has an executive officer serving as a member of our Board. None of our executive officers serve as a member of the board of directors of any other company that has an executive officer serving as a member of our Compensation Committee.

Code of Ethics

Our Board of Directors adopted a code of ethics that applies to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Treasurer, and a code of business conduct and ethics that applies to all our officers, directors and employees. Each is available on the Corporate Governance page of our Web site (www.oceaneering.com). Any shareholder who so requests may obtain a printed copy of these codes from us. Any change in or waiver of these codes of ethics will be disclosed on our Web site.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and persons who own more than 10% of our Common Stock to file with the SEC and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of Common Stock. Based solely on a review of the copies of such reports furnished to us and representations that no other reports were required, we believe that all our directors and executive officers complied on a timely basis with all applicable filing requirements under Section 16(a) of the Exchange Act during 2008.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Oceaneering International, Inc.'s Board of Directors is comprised of the three directors named below. Each member of the Audit Committee is an independent director as defined by applicable Securities and Exchange Commission rules and New York Stock Exchange listing standards. The Committee met 13 times during the year ended December 31, 2008. The Committee reviewed with management and Ernst & Young LLP, Oceaneering's independent registered public accounting firm, the interim financial information included in Oceaneering's quarterly reports on Form 10-Q for the periods ended March 31, 2008, June 30, 2008 and September 30, 2008, prior to their being filed with the Securities and Exchange Commission. In addition, the Committee reviewed all of Oceaneering's earnings releases in 2008 with management and Ernst & Young prior to the public release of those earnings releases.

The Committee reviewed and discussed with management and Ernst & Young Oceaneering's consolidated financial statements for the year ended December 31, 2008. Members of management represented to the Committee that Oceaneering's consolidated financial statements were prepared in accordance with generally accepted accounting principles. The Committee discussed with Ernst & Young matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Committee also reviewed and discussed with management and Ernst & Young management's report and Ernst & Young's report on internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act.

Ernst & Young provided to the Committee the written disclosures and the letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young's communications with the Committee concerning Ernst & Young's independence, and the Committee discussed with Ernst & Young their independence from Oceaneering. The Committee concluded that Ernst & Young's provision of non-audit services to Oceaneering and its affiliates is compatible with Ernst & Young's independence.

Based on the Committee's discussion with management and the independent auditors and the Committee's review of the items referred to above, the Committee recommended to Oceaneering's Board of Directors that Oceaneering's audited consolidated financial statements as of and for the year ended December 31, 2008 be included in the Form 10-K for the year ended December 31, 2008 filed with the SEC.

Audit Committee
David S. Hooker, Chairman
D. Michael Hughes
Harris J. Pappas

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion and analysis contains statements regarding future individual and company performance goals and measures. These goals and measures are disclosed in the limited context of Oceaneering's compensation programs and should not be understood to be statements of management's expectations or estimates of results or other guidance. Oceaneering cautions investors not to apply these statements to other contexts.

The following Compensation Discussion and Analysis, or "CD&A," provides information regarding the compensation programs in place for our Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers during 2008. We refer to these five individuals in this CD&A as the "Named Executive Officers." This CD&A includes information regarding, among other things, the objectives of our compensation program, the achievements that the compensation program is designed to reward, the elements of the compensation program (including the reasons why we employ each element and how we determine amounts paid) and how each element fits into our overall compensation objectives.

Compensation Philosophy and Objectives

Our executive compensation program is designed to attract and retain key executives, motivate them to achieve our short-term and long-term objectives, and reward them for superior performance. We use several different compensation elements in the executive compensation program which are geared to both our short-term and long-term performance. The following principles influence the design and administration of our executive compensation program.

Compensation Should Be Related to Performance

The Compensation Committee of our Board of Directors (the "Committee") and our Board of Directors believe that a significant portion of a Named Executive Officer's direct compensation should be tied to overall company performance, measured against financial goals and objectives.

Under the performance-based portions of our compensation arrangements, our basic philosophy is that, in years when performance is better than the objectives established for the relevant performance period, Named Executive Officers should be paid more than the target awards and, when our performance does not meet planned objectives, incentive award payments should be less than such targets, in the absence of unusual circumstances.

Compensation Programs Should Motivate Executives to Remain With Us

We believe that there is significant value to our shareholders for Named Executive Officers to remain with our company over time. Our business is built significantly by executives who can develop and maintain customer relationships over time. Also, value is built by executives who understand the unique business and technical aspects of our industry. For these reasons, a significant element of our historical executive compensation arrangements has been long-term incentive compensation arrangements, with awards that have provided for vesting over several years. In addition, we provide several of our executive officers with some financial security in the event of a change of control, to promote long-term retention. We also provide for long-term benefits through retirement plans (see "— Post-Employment Compensation Programs" below).

Incentive Compensation Should Represent a Significant Part of an Executive's Total Direct Compensation

We believe that the portion of a Named Executive Officer's total compensation that varies with our overall performance objectives should increase as the scope and level of the individual's business responsibilities and role in the organization increase. We believe that more than one-half of the total direct compensation (the sum of annual base salary, annual incentive bonus and long-term incentive compensation) of the Named Executive Officers should be at risk against short- and long-term performance goals, and our Chief Executive Officer should be subject to a greater amount of such risk than other Named Executive Officers.

Incentive Compensation Should Balance Short-Term and Long-Term Performance

We strive to maintain an executive compensation program that balances short-term, or annual, results and long-term success. To reinforce the importance of this balancing, we regularly provide the Named Executive Officers both annual and long-term incentives. The value for participants in our long-term incentive plans generally increases at higher levels of responsibility, as executives in these leadership roles have the greatest influence on our strategic direction and results over time.

Beginning in 2006, the Committee adopted our current approach to long-term incentives, in which awards of service-based restricted stock units and performance units are made to our executive officers and other key employees. Assuming restricted stock value based on grant date value established by the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment* ("SFAS 123R"), and performance units notionally valued at \$100 per unit for achievement of performance goals at target level, the Committee believes that the performance units should account for more than one-half of the total annual long-term incentive compensation of the Named Executive Officers and the service-based restricted stock units should account for the balance. The Committee believes that this approach promotes our philosophy of rewarding executives for growing shareholder value over time. Upon vesting, settlement of the restricted stock units will be made in shares of our common stock, with some shares withheld to satisfy withholding tax requirements. Upon vesting, the value of the performance units will be paid in cash.

Compensation Levels Should Be Competitive

The Committee reviews competitive compensation information as part of its process in establishing total direct compensation and retirement plan values that are competitive. In making compensation decisions, the Committee considers all elements of compensation when setting each element of compensation. The Committee assesses each element of base salary, annual incentive bonus, long-term incentive compensation and retirement plan values against a combination of available information from the most recent proxy statements of a peer-group of publicly traded companies and survey data from the energy and general industries.

The Role of the Compensation Committee

The Committee has the primary authority to establish compensation for the Named Executive Officers and other key employees and administers all our executive compensation plans and agreements. The Committee annually reviews corporate goals and objectives and sets the compensation levels for Named Executive Officers based on the Committee's evaluation. Our Chief Executive Officer assists the Committee by providing annual recommendations regarding the compensation of the Named Executive Officers and other key employees, excluding himself. The Committee can exercise its discretion in modifying or accepting these recommendations. The Chief Executive Officer attends Committee meetings. However, the Committee also meets in executive session without the Chief Executive Officer or other members of management present.

The Committee reviews comparative compensation information compiled by a compensation consultant as described in "– The Role of the Compensation Consultant" below; however, the Committee does not base its decisions on targeting compensation to specific benchmarks. Comparative compensation is one factor used by the Committee in making its compensation decisions. Overall, however, our compensation program for Named Executive Officers is intended to create a total compensation opportunity that, on average, is equal to approximately the 50th percentile in the aggregate of appropriate competitive comparative compensation for a Named Executive Officer as discussed in "– The Role of the Compensation Consultant" below. For additional information regarding the role and responsibility of the Committee, see "Proposal 1 – Election of Directors – The Compensation Committee" above.

The Role of the Compensation Consultant

In 2008, the Committee retained Mercer (the "Compensation Consultant") to: (1) conduct a review of our total direct compensation (the sum of base salary, annual incentives bonus and long-term incentive compensation) and value provided under the retirement plan programs for the Named Executive Officers and other key employees; (2) identify and evaluate a peer group of companies and survey data for compensation comparison purposes; (3) conduct a pay-for-performance analysis to assess the alignment of executive pay and company performance for Oceaneering and the peer group of companies identified; and (4) assist in our assessment of whether payments made pursuant to change-of-control agreements could result in excise taxes pursuant to Section 4999 of the Internal Revenue Code, assuming a change-of-control occurred on December 31, 2008 (see "– Post-Employment Compensation Programs – Change-of-Control

Agreements” and “Potential Payments on Termination or Change of Control” below). The Compensation Consultant’s only work for Oceaneering in 2008 was at the direction of the Committee, except for some accounting-related assistance and non-executive compensation advice provided in 2008, for which the Compensation Consultant was paid approximately \$1,400.

The Compensation Consultant assessed the continuing validity of the peer group of companies used for comparison purposes in the review it conducted for the Committee in 2007 and recommended a list of 21 publicly traded companies as the peer group for comparison purposes in 2008 (collectively, the “Compensation Peer Group”). The Compensation Peer Group is comprised of the same companies identified as the peer group in 2007, except for the deletion of two companies that had been acquired.

The companies included in the Compensation Peer Group were approved for inclusion by the Committee, primarily due to their operational focus broadly within the oilfield services industry and the belief that we compete with these companies for talent and for stockholder investment. The companies comprising the Compensation Peer Group in 2008 were:

BJ Services Company	Global Industries, Ltd.	Pride International, Inc.
Bristow Group Inc.	Helix Energy Solutions Group, Inc.	Rowan Companies, Inc.
Cameron International Corporation	Key Energy Services, Inc.	Smith International, Inc.
Diamond Offshore Drilling, Inc.	McDermott International, Inc.	Superior Energy Services, Inc.
ENSCO International Incorporated	National Oilwell Varco, Inc.	Tidewater Inc.
Exterran Holdings, Inc.	Noble Corporation	Transocean Inc.
FMC Technologies, Inc.	Oil States International, Inc.	Weatherford International Ltd.

The sources of the survey data used by the Compensation Consultant were (1) 2008 U.S. Global Premium Executive Remuneration Suite, which combines all of the Compensation Consultant’s survey data as well, as client data submissions, for approximately 570 executive-level positions in which approximately 4,100 organizations participated, and the 2008 Total Compensation Survey for the Energy Sector, which reports pay for all segments of the energy business for approximately 500 executive-level positions in which approximately 260 organizations participated, both of which were prepared by the Compensation Consultant; and (2) a 2008 Survey Report on Top Management Compensation prepared by Watson Wyatt Data Services, which features data across multiple industries and geographies for approximately 120 executive positions in which approximately 2,200 organizations participate (collectively, the “Compensation Surveys”).

The Compensation Consultant identified the 25th, 50th and 75th percentile for base salary, annual bonus incentive, long-term incentive compensation and retirement plan value, individually and in the aggregate for the comparable position of each of our Named Executive Officers from a blend of compensation information identified for the Compensation Peer Group from the most recent proxy statements filed with the SEC by the companies comprising the Compensation Peer Group (weighted at 50%) and from the Compensation Surveys (weighted at 50% with each component weighted equally), except that the Compensation Peer Group information was used exclusively for evaluating retirement plan value, as retirement plan value information was not available in the Compensation Surveys.

2008 Executive Compensation Components

For 2008, the primary components of our compensation program for Named Executive Officers were:

- annual base salary;
- annual incentive awards paid in cash;
- long-term incentive programs comprised of restricted stock units and performance units; and
- retirement plan.

Based on the Compensation Surveys and Compensation Peer Group disclosure data discussed in “ – The Role of the Compensation Consultant” above, the Total Compensation Annual Value (the sum of the above primary components of our compensation program) in 2008 for our Named Executive Officers in the aggregate and our Chief Executive Officer averaged one percent above the 50th percentile.

Annual Base Salary

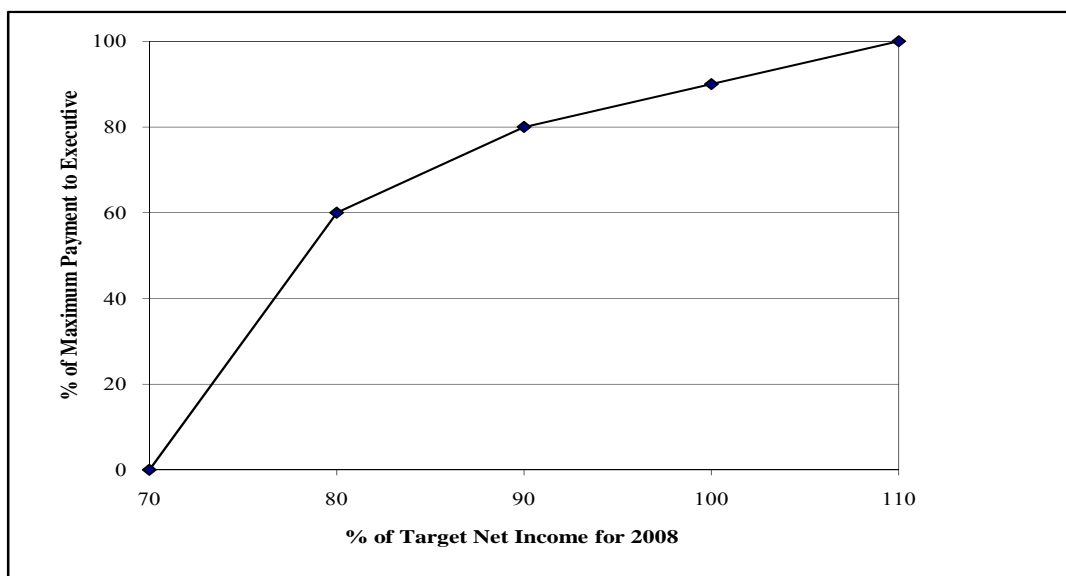
The Committee considers annual base salary levels annually in November, for changes to become effective as of the first day of the following year, as well as upon a promotion or significant change in job responsibility. Each year, our Chief Executive Officer recommends base salaries for the other Named Executive Officers based on historical levels of base salaries, with adjustments he subjectively deems appropriate based on the overall performance of the Named Executive Officer, including a review of contributions and performance, over the past year. In reviewing the Chief Executive Officer's recommendations and in deciding base salaries for all Named Executive Officers, the Committee considers each officer's level of responsibility, experience, tenure, performance and the comparative compensation information provided by the Compensation Consultant. The Committee's evaluation of each Named Executive Officer also takes into account an evaluation of Oceaneering's overall performance. In November 2007, the Committee approved a salary increase of 6.4% for Mr. Collins and, as recommended by Mr. Collins, salary increases ranging from 5.1% to 8.7% for the other Named Executive Officers. Those salaries increases took effect as of January 1, 2008.

Annual Incentive Awards Paid in Cash

In March of each year, the Committee approves a performance-based annual cash bonus award program under a shareholder approved Incentive Plan for the persons listed as named executive officers in the summary compensation table of our proxy statement for that year. These cash bonus award opportunities have been based on a comparison of our net income for the year to target net income for that year. For each other participating employee in the program, the cash bonuses are based upon the level of achievement of a combination of our net income, financial and non-financial goals of our applicable profit center for that employee and individual goals. For each participant, the maximum award achievable is a percentage of the participant's annual salary as of March 1st of the year of the program. In March of each year, the Committee also approves the final bonus amounts under the cash bonus award program for the previous year.

In March 2008, the Committee approved a cash bonus award program for 2008. Under this program, bonuses are determined by a comparison of our net income in calendar year 2008 to target net income for that year. The maximum cash pay-out under the program for each Named Executive Officer is a specified percentage of that executive's base salary as of March 1, 2008. As recommended by our Chief Executive Officer and approved by the Committee (1) the target amount for our net income in 2008 was \$206 million, an amount that was approximately 15% higher than the net income we achieved in 2007 and that equated to the mid-point of our then-published earnings per share guidance range for 2008; and (2) the net income amount in 2008 necessary to achieve the maximum bonuses under the program was 110% of the target amount, or \$227 million. Under the program, attainment of the target amount would have resulted in a payout of 90% of the maximum amount payable to the Named Executive Officer. For any award in the program to be payable, more than 70% of the target net income for 2008 had to be achieved. The Named Executive Officers in the program for 2008 and their respective maximum payouts as a percentage of base salary were: Mr. Collins – 150%; Mr. McEvoy – 125%; Messrs. Migura and Haubenreich – 100%; and Mr. Gardner – 80%. These amounts reflected no change in the maximum percentage of base salary from 2007, except for an increase of 25% for Mr. McEvoy.

The following table notes the percentage of maximum payout to a Named Executive Officer under the program for the percentage of target net income achieved. The Committee has the discretion to award an amount less than that calculated.



In March 2009, the Committee approved the final bonuses under the 2008 Cash Bonus Award Program. The Company achieved a fifth consecutive year of record net income in 2008, a 10.5% increase over the amount of net income achieved in 2007. This level of net income in 2008 was slightly less than the target performance goal for 2008 and the Committee awarded bonuses to each of Messrs. Collins, McEvoy, Migura and Haubenreich of approximately 87% of the individual maximum bonus that could be paid under the program. The Committee also approved an additional merit bonus to Mr. Collins based on our achievement of a record level of net income in 2008. The Committee exercised its discretion to award an amount less than the amount that otherwise could have been paid under the program to Mr. Gardner, as a result of the failure of Subsea Products to achieve planned financial results in 2008.

Awards made to the Named Executive Officers for performance in 2008 are reflected in the “Bonus” and “Non-Equity Incentive Plan Compensation” columns of the “Summary Compensation Table” below.

Long-Term Incentive Compensation

Prior to 2006, we granted stock options annually and restricted stock or stock unit awards every three years to our executive officers and other key employees. However, in 2006 the Committee decided, in light of the expense recognition requirements established by SFAS 123R, to refrain from using stock options as an employee compensation element for our executive officers and other employees for the foreseeable future and to instead use annual grants of service-based restricted stock unit awards and performance unit awards. Accordingly, no stock options were awarded in 2008.

In deciding upon a methodology for determining changes to our long-term incentive program, we established the following objectives:

- deliver competitive economic value;
- reduce annual share utilization;
- preserve the alignment of the executive's financial and shareholding interest with those of our shareholders, generally;
- attract and retain executives and other key employees;
- focus management attention on specific performance measures that have a strong correlation with the creation of shareholder value; and
- provide that a majority of an executive's total direct compensation is performance-based.

In order to achieve these objectives, the Committee decided upon a long-term incentive program to deliver value through two vehicles, restricted stock unit awards and performance unit awards. The Committee expects to consider these long-term incentive awards in late February of each year. Such awards to new employees or in connection with other events such as promotions will be considered at the next scheduled Committee meeting after the hire date or after the event occasioning the consideration of the award.

In February 2008, performance units and service-based restricted stock unit awards, comprising an estimated 62% and 38%, respectively, of the estimated grant date total long-term incentive value, were awarded to the Named Executive Officers. These restricted stock units are scheduled to vest in full on the third anniversary of the award date, subject to earlier vesting if the employee meets certain age or age and years of service requirements, the termination or constructive termination of an employee's employment in connection with a change of control of Oceaneering or due to death or disability. No part of these awards to Named Executive Officers vested during 2008 by reason of any of the early vesting provisions, except that one-third of the awards to Messrs. Collins and Haubenreich vested in December 2008 as a result of them having met certain age and years of service requirements. Each restricted stock unit represents the equivalent of one share of our common stock, with some shares withheld to satisfy withholding tax requirements. Settlement of vested restricted stock units will be made in shares of our common stock. The grant date value of restricted stock units awarded to Named Executive Officers is reflected in the "Grant Date Fair Value of Stock and Stock Option Awards" column of the "Grants of Plan-Based Awards" table below.

The performance units awarded in February 2008 are scheduled to vest in full on the third anniversary of the award date, subject to similar early vesting terms as are applicable to the restricted stock units. The Committee approved specific financial goals and measures based on cumulative cash flow from operations and a comparison of return on invested capital and cost of capital for the three-year period January 1, 2008 through December 31, 2010 to be used as the basis for the final value of the performance units. The measures were selected because of our belief that they have a strong correlation with the creation of shareholder value. The amount of cumulative cash flow from operations during this three-year performance period necessary to achieve the target level goal for this measure is \$1.3 billion. This amount was selected because it was three times the annual cash flow from operations then expected to be achieved in 2008, which exceeded the record amount achieved in 2007. The amounts to be achieved by Oceaneering to reach the threshold and maximum are \$150 million less and more, respectively, than the target level amount. Oceaneering's return on invested capital must exceed its cost of capital over this three-year performance period by 50% for the target level goal to be achieved for this performance measure. For the threshold level to be achieved, the return on invested capital must be 30% in excess of the cost of capital, and for the maximum level to be achieved it must be 80% in excess of the cost of capital. The final value of each performance unit may range from \$0 to \$125, with the threshold, target and maximum levels of achievement of goals valued at \$75, \$100 and \$125, respectively. If the calculated unit value exceeds \$100, the Committee retains discretion to reduce such value to any amount above or equal to \$100. The value of vested performance units will be payable in cash.

The determination of the final value of each performance unit is based on the application of the following grid (with interpolation between the specified levels):

		Unit Values			
		Maximum	Target	Threshold	Below Threshold
Cumulative Cash Flow	Maximum	\$62.50	\$100.00	\$112.50	\$125.00
	Target	\$50.00	\$87.50	\$100.00	\$112.50
	Threshold	\$37.50	\$75.00	\$87.50	\$100.00
	Below Threshold	\$0.00	\$37.50	\$50.00	\$62.50
		Below Threshold	Threshold	Target	Maximum

Return on Invested Capital/Cost of Capital

The estimated future payout of the performance unit awards to Named Executive Officers if each of the performance measures is achieved at the threshold, target or maximum level is reflected in the “Estimated Future Payouts Under Non-Equity Incentive Plan Awards” column of the “Grants of Plan-Based Awards” table below.

For 2008, approximately 61% of the total direct compensation of Mr. Collins, our Chief Executive Officer, was at risk against short- and long-term performance goals and approximately 57-59% was at risk for each of the other Named Executive Officers.

Post-Employment Compensation Programs

Retirement Plans

We maintain a 401(k) plan and a Supplemental Executive Retirement Plan (“SERP”). All of our employees who meet the eligibility requirements may participate in our 401(k) plan. Each of the Named Executive Officers has elected not to participate in our 401(k) plan. Participation in our SERP includes Named Executive Officers and other key employees selected for participation by the Committee. Our SERP was established to provide a benefit to our executives and other key employees in excess of Internal Revenue Code limits for our 401(k) plan, in order to attract and motivate participants to remain with us and provide retirement plan values that are competitive with those provided by companies within the Compensation Peer Group. Under our SERP, we credit each participant’s notional account with a percentage determined by the Committee that the participant’s base salary, subject to vesting. A participant may elect to defer a portion of base salary and annual bonus for accrual pursuant to our SERP. Amounts accrued under our SERP are adjusted for earnings and losses as if they were invested in one or more investment vehicles selected by the participant from those designated as alternatives by the Committee. A participant’s interest in the plan is generally distributable upon termination. The percentages of base salary credited for Named Executive Officers in 2008 were: Mr. Collins – 50%; Mr. McEvoy – 50%; Messrs. Migura and Haubenreich – 40% each; and Mr. Gardner – 25%. These amounts reflected no change in the percentage of base salary credited from 2007, except for an increase of 5% for Mr. Gardner. Please see the “Non-Qualified Deferred Compensation” table and accompanying narrative for further information about our SERP and contributions to the Named Executive Officers’ accounts.

Change-of-Control Agreements

In November 2001, we entered into Change-of-Control Agreements (each, a “Change-of-Control Agreement”) with Messrs. Collins, McEvoy, Migura and Haubenreich, each of whom are Named Executive Officers, replacing each of their respective prior senior executive severance agreements. In December 2008, we amended these Change-of-Control Agreements to clarify certain provisions and provide for compliance with Section 409A of the Internal Revenue Code. The payment and benefits under our Change-of-Control Agreements did not influence and were not influenced by the

other elements of compensation, as the change-of-control payments and benefits serve different objectives and due to the fact that a change of control or other triggering event may never occur. We generally limit eligibility for change-of-control agreement participation to those Named Executive Officers whose full support and sustained contribution would be important to the successful completion of a change of control. We believe the benefits provided by the Change-of-Control Agreements help promote long-term retention by providing some financial security to these Named Executive Officers against the risk of loss of employment which could result following a change of control of our company. The Change-of-Control Agreements entitle the individual to receive a severance package, described below, in the event of the occurrence of both a change of control and a termination of the executive's employment by us without cause (as defined below) or by the executive for good reason (as defined below) during a period of time beginning a year prior to the occurrence or, in some cases, the contemplation by the Board of a change in control (the "Effective Date") and ending two years following the Effective Date. For purposes of the Change-of-Control Agreements, a change of control is defined as occurring if:

- any person is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of our securities representing 20% or more of the combined voting power of our outstanding voting securities, other than through the purchase of voting securities directly from a private placement by us;
- the current members of our Board, or subsequent members approved by at least two-thirds of the current members, no longer comprise a majority of our Board;
- our company is merged or consolidated with another corporation or entity, and our shareholders own less than 60% of the outstanding voting securities of the surviving or resulting corporation or entity;
- a tender offer or exchange offer is made and consummated by a person other than us for the ownership of 20% or more of our voting securities; or
- there has been a disposition of all or substantially all of our assets.

As defined in each Change-of-Control Agreement, cause for termination by Oceaneering means conviction by a court of competent jurisdiction, from which conviction no further appeal can be taken, of a felony-grade crime involving moral turpitude related to service with us.

As defined in each Change-of-Control Agreement, good reason to terminate includes:

- any adverse change in status, title, duties or responsibilities;
- any reduction in annual base salary, SERP contribution level by us, annual bonus opportunity or aggregate long-term compensation, all as may be increased subsequent to date of the Change-of-Control Agreement;
- any relocation;
- the failure of a successor to assume the Change-of-Control Agreement;
- any prohibition by us against the individual engaging in outside activities permitted by the Change-of-Control Agreement;
- any purported termination by us that does not comply with the terms of the Change-of-Control Agreement; or
- any default by us in the performance of our obligations under the Change-of-Control Agreement.

The severance package provided for in each such executive's Change-of-Control Agreement consists of an amount equal to three times the sum of:

- the executive's highest annual rate of base salary during the then-current year or any of the three years preceding the year of termination;
- an amount equal to the maximum award the executive is eligible to receive under the then-current annual bonus plan; and
- an amount equal to the maximum percentage of the executive's annual base salary contributed by us for him in our SERP for the then-current year multiplied by the executive's highest annual rate of base salary.

A minimum aggregate amount payable for these items is stated in each such executive's agreement, which amount was calculated using the year-end December 31, 2001 amounts for each component.

The severance provisions also provide that, for each applicable individual:

- any outstanding stock options would vest immediately and become exercisable or the individual may elect to be paid an amount equal to the spread between the exercise price and the higher market value for the shares of our common stock underlying those options;
- the benefits under all compensation plans, including restricted stock agreements, restricted stock unit agreements and performance unit agreements, would be paid as if all contingencies for payment and maximum levels of performance had been met; and
- the applicable individual would receive benefits under all other plans he then participates in for three years.

The Change-of-Control Agreements provide that, if any payments made thereunder would cause the recipient to be liable for an excise tax because the payment is a "parachute payment" (as defined in the Internal Revenue Code), then we will pay the individual an additional amount to make the individual whole for that tax liability.

Perquisites

We provide our Named Executive Officers with perquisites and other benefits that we believe are reasonable and consistent with our overall compensation program to enable us to attract and retain employees for key positions. The Committee periodically reviews the levels of perquisites and other personal benefits provided to our executive officers. The perquisites provided to the Named Executive Officers in 2008 and our incremental cost to provide those perquisites are set forth in the "All Other Compensation" column of the "Summary Compensation Table" below and the related footnotes to that table.

Stock Ownership Guidelines

To align the interests of our directors, executive officers and shareholders, we believe our directors and executive officers should have a significant financial stake in Oceaneering. To further that goal, our Board adopted stock ownership guidelines in November 2007, requiring that our nonemployee directors, chief executive officer, executive vice president and senior vice presidents maintain minimum ownership interests in Oceaneering. Our nonemployee directors are generally expected to own not less than a fixed number of shares equal to five times the current annual cash retainer generally paid to nonemployee directors divided by the closing price of our stock on the date of adoption of the policy.

Our chief executive officer, executive vice president and senior vice presidents are generally expected to own not less than a fixed number of shares equal to a multiple of their current annual base salary divided by the closing price of our stock on the date of adoption of the policy. The multiple of current annual base salary used to determine the fixed number of shares is as provided in the following table.

Level	Base Salary Multiple
Chief Executive Officer	5
Executive Vice President	3
Corporate Senior Vice Presidents	3
Other Senior Vice Presidents	2

The following forms of ownership are recognized in determining the number of shares of our stock owned by a nonemployee director or executive officer for purposes of satisfying the stock ownership guidelines:

- direct ownership of shares;
- indirect ownership of shares, including stock or stock equivalents held in our retirement plan; and
- vested and unvested shares of restricted stock or stock units held under our long-term incentive programs.

A nonemployee director or executive has three years from the later of the date of adoption of the policy or the initial date of election or appointment to comply with stock ownership guidelines. The time period for satisfying such ownership requirement by an executive may be extended at the discretion of our Chief Executive Officer for an additional period of up to two years. In the event that a nonemployee director or executive does not meet the stock ownership level within the specified time period, he or she will be prohibited from selling any stock acquired through vesting of restricted stock or restricted stock units or upon exercise of stock options, except to pay for applicable taxes or the exercise price, until he or she satisfies the requirements. Each of our current nonemployee directors and Named Executive Officers is covered by this policy and currently satisfies the stock ownership guidelines applicable to him.

Tax Deductibility of Pay

Section 162(m) of the Internal Revenue Code generally disallows a deduction to public companies to the extent of excess annual compensation over \$1 million paid to certain executive officers, except for qualified performance-based compensation. Our 2008 annual cash bonus program and 2008 performance unit program are intended to qualify as performance-based compensation under Section 162(m). Our general policy, where consistent with business objectives, is to preserve the deductibility of compensation to executive officers. We may authorize forms of compensation that might not be deductible if we believe they are in the best interests of Oceaneering and its shareholders. Our 2008 service-based restricted stock unit awards are not considered performance-based under Section 162(m) and, accordingly, are subject to the \$1 million limit on deductibility. All or a portion of the value, when vested, of these restricted stock unit awards may not be deductible. We had no nondeductible compensation paid to executive officers in 2008.

Compliance With Internal Revenue Code Section 409A

Section 409A of the Internal Revenue Code, which was enacted in 2004 and generally became effective in 2005, can impose significant additional taxes on the recipient of “nonqualified deferred compensation” arrangements that do not meet specified requirements regarding both form and operation. Some of the arrangements between Oceaneering and its executive officers and other employees provide, or might be considered to provide, nonqualified deferred compensation. In 2008, the Committee concluded that changes to some of these arrangements were appropriate, so that our employees will not be subject to the additional Section 409A taxes. Section 409A required arrangements subject to Section 409A to be in compliance with the form requirements of Section 409A by December 31, 2008. Accordingly, in December 2008, the Committee recommended and the Board authorized amendments to each of our Incentive Plans, 2002 Restricted Stock Unit Agreements, SERP and Change-of-Control Agreements. The amendments generally clarified various provisions of such plans and agreements to provide for compliance with Section 409A. The amendments addressed the time and form of payment requirements of Section 409A, imposed a six-month delay where required under the Change-of-Control Agreements and, in some instances, eliminated discretionary provisions applicable to Oceaneering or the participants/employees. Additionally, the SERP was amended to allow for a transition election under Section 409A, whereby participants could elect certain early withdrawals from their post-2004 balances. The Committee had previously adjusted some of our compensation arrangements to comply with Section 409A.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with the management of Oceaneering International, Inc., and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors of Oceaneering that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee
Harris J. Pappas, Chairman
Jerold J. DesRoche

COMPENSATION OF EXECUTIVE OFFICERS

The following table summarizes compensation of our Chief Executive Officer, our Chief Financial Officer, and our three most highly compensated executive officers other than our Chief Executive Officer and Chief Financial Officer for the years ended December 31, 2008, 2007 and 2006.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)(4)(5)	Total (\$)
T. Jay Collins President & Chief Executive Officer	2008	585,000	12,000	1,599,882	--	2,513,000	--	1,787,193	6,497,075
	2007	550,000	175,000	2,085,307	--	825,000	--	1,437,080	5,072,387
	2006	457,000	281,000	1,434,336	--	469,000	--	1,440,295	4,081,631
M. Kevin McEvoy Executive Vice President	2008	370,000	--	484,691	--	1,150,000	--	933,687	2,938,378
	2007	350,000	100,000	932,277	--	350,000	--	754,748	2,487,025
	2006	310,000	60,000	700,395	--	290,000	--	744,238	2,104,633
Marvin J. Migura Senior Vice President & Chief Financial Officer	2008	335,000	--	434,226	--	953,500	--	827,075	2,549,801
	2007	315,000	85,000	861,655	--	315,000	--	662,915	2,239,570
	2006	281,000	44,000	648,708	--	281,000	--	691,389	1,946,097
George R. Haubenreich, Jr. Senior Vice President, General Counsel & Secretary	2008	310,000	--	560,107	--	931,500	--	820,626	2,622,233
	2007	295,000	55,000	904,550	--	295,000	--	656,481	2,206,031
	2006	275,000	35,000	648,708	--	275,000	--	686,671	1,920,379
Philip D. Gardner Senior Vice President – Subsea Products	2008	250,000	--	274,595	--	562,500	--	323,626	1,410,721
	2007	230,000	--	403,031	--	150,000	--	248,833	1,031,864
	2006	215,000	--	284,697	--	100,000	--	203,081	802,778

- (1) The amounts represent the discretionary bonuses awarded to the indicated Named Executive Officer in addition to the bonuses awarded under the Cash Bonus Award Program for the applicable year, which are reflected in the “Non-Equity Incentive Plan Compensation” column of this table.
- (2) The amounts represent the compensation cost recognized by us each year related to equity-based awards, in accordance with SFAS 123R. The compensation cost for 2008 is comprised of the following:

Name	Awards Prior to 2008	Awards in 2008	Total (\$)
	Restricted Stock Units (\$)	Restricted Stock Units (\$)	
T. Jay Collins	858,189	741,693	1,599,882
M. Kevin McEvoy	318,718	165,973	484,691
Marvin J. Migura	288,999	145,227	434,226
George R. Haubenreich, Jr.	331,894	228,213	560,107
Philip D. Gardner	181,235	93,360	274,595

For a discussion of valuation assumptions, see Note 8 to our consolidated financial statements included in our Annual Report on Form 10-K for the years ended December 31, 2008, 2007 and 2006, respectively. Excluded from the 2008, 2007 and 2006 amounts are the costs we recognized in 2008, 2007 and 2006, respectively, for tax-assistance payments made in each of those years to Named Executive Officers associated with restricted stock and restricted stock units awarded prior to 2006, because the actual tax-assistance payments made in 2008, 2007 and 2006 for such awards are reported for each year in the “All Other Compensation” column of this table.

- (3) The amounts shown for 2008 are comprised of the following for each Named Executive Officer: a) annual bonuses awarded pursuant to our 2008 Cash Bonus Award Program: Mr. Collins: \$763,000, Mr. McEvoy: \$400,000, Mr. Migura: 291,000, Mr. Haubenreich: \$269,000, and Mr. Gardner: \$125,000, see “Compensation Discussion and Analysis – Annual Incentive Awards Paid in Cash” above, and b) cash payouts pursuant to performance units awarded in 2006 as a result of achievement in excess of maximum goals for each of the performance measures for the three-year performance period, January 1, 2006 – December 31, 2008, as certified by the Compensation Committee in March 2009. Mr. Collins: \$1,750,000, Mr. McEvoy: \$750,000, Mr. Migura: \$662,500, Mr. Haubenreich: \$662,500 and Mr. Gardner: \$437,500.
- (4) The amounts shown for each attributable perquisite or benefit does not exceed the greater of \$25,000 or 10% of the total amount of perquisites received by any Named Executive Officer except as quantified for a Named Executive Officer in footnote (5) below.
- (5) The amounts shown for 2008 are attributable to the following:
- Mr. Collins: \$292,500 for our contribution to his notional SERP account; \$1,460,868 for tax gross-up payment associated with vesting of restricted stock units; perquisites and other personal benefits totaling \$33,825, comprised of: provision of excess liability insurance; tax advice and tax return preparation; club membership; sporting event tickets; medical premium and cost reimbursements for supplemental medical insurance plan; and personal use of company-provided automobile.
 - Mr. McEvoy: \$185,000 for our contribution to his notional SERP account; \$730,434 for tax gross-up payment associated with vesting of restricted stock units; perquisites and other personal benefits totaling \$18,253, comprised of: provision of excess liability insurance; tax advice and tax return preparation; club membership; sporting event tickets; personal use of company-owned apartment; medical premium and cost reimbursements for supplemental medical insurance plan; and personal use of company-provided automobile.
 - Mr. Migura: \$134,000 for our contribution to his notional SERP account; \$681,738 for tax gross-up payment associated with vesting of restricted stock units; perquisites and other personal benefits totaling \$11,337, comprised of: provision of excess liability insurance; tax advice and tax return preparation; club membership; sporting event tickets; and medical premium and cost reimbursements for supplemental medical insurance plan.
 - Mr. Haubenreich: \$124,000 for our contribution to his notional SERP account; \$681,738 in tax gross-up payment associated with vesting of restricted stock, perquisites and other personal benefits totaling \$14,888, comprised of: excess liability insurance; tax advice and tax return preparation; club membership; sporting event tickets; and medical premium and cost reimbursements for supplemental medical insurance plan.
 - Mr. Gardner: \$62,500 for our contribution to his notional SERP account; \$259,710 in tax gross-up payment associated with vesting of restricted stock units; perquisites and other personal benefits totaling \$1,416, comprised of excess liability insurance.

The following table provides information about the equity and non-equity awards to the Named Executive Officers under our 2005 Incentive Plan during the year ended December 31, 2008.

Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)(2)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards \$(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
T. Jay Collins	2/22/08	1,462,500	1,950,000	2,437,500	--	--	--	19,500	--	--	1,213,680
M. Kevin McEvoy	2/22/08	600,000	800,000	1,000,000	--	--	--	8,000	--	--	497,920
Marvin J. Migura	2/22/08	525,000	700,000	875,000	--	--	--	7,000	--	--	435,680
George R. Haubenreich, Jr.	2/22/08	450,000	600,000	750,000	--	--	--	6,000	--	--	373,440
Philip D. Gardner	2/22/08	337,500	450,000	562,500	--	--	--	4,500	--	--	280,080

- (1) These columns show the potential value of the payout for each Named Executive Officer under the performance units awarded in 2008 if the threshold, target or maximum goals are satisfied for each of the performance measures. The potential payouts are performance-driven and, therefore, at risk. For a description of the awards, including business measurements for the three-year performance period and the performance goals for determining the payout, see “Compensation Discussion and Analysis – Long-Term Incentive Compensation” above.
- (2) The amounts reflect the number of restricted stock units awarded to the Named Executive Officers in 2008. For a description of the awards see “Compensation Discussion and Analysis – Long-Term Incentive Compensation” above.
- (3) The amounts reflect the full grant date value of restricted stock units under SFAS 123R awarded to the Named Executive Officers in 2008. For a discussion of valuation assumptions, see Note 8 to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2008. For a description of the awards, see “Compensation Discussion and Analysis – Long-Term Incentive Compensation” above.

The following table provides information on the current holdings of stock options and unvested restricted stock units for each of the Named Executive Officers as of December 31, 2008.

Outstanding Equity Awards at Fiscal Year-End

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(2)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
T. Jay Collins	--	--	--	--	--	58,333	1,699,824	--	--
M. Kevin McEvoy	--	--	--	--	--	50,000	1,457,000	--	--
Marvin J. Migura	--	--	--	--	--	45,400	1,322,956	--	--
George R. Haubenreich, Jr.	--	--	--	--	--	24,333	709,064	--	--
Philip D. Gardner	20,000 7,500	--	--	14.58 18.64	3/25/09 12/26/09	28,100	818,834	--	--

(1) Reflects unvested restricted stock units pursuant to the 2002, 2006, 2007 and 2008 Restricted Stock Unit Agreements for the Named Executive Officers. The vesting schedule for these restricted stock units is as follows:

Name	2002 Agreement (# of Units) Vesting Date		2006 Agreement (# of Units) Vesting Date	2007 Agreement (# of Units) Vesting Date		2008 Agreement (# of Units) Vesting Date			Total (# of Units)
	7/3/09	7/2/10	2/2/09	12/15/09	2/23/10	12/15/09	12/15/10	2/22/11	
T. Jay Collins	24,000	12,000	--	9,333	--	6,500	6,500	--	58,333
M. Kevin McEvoy	12,000	6,000	12,000	--	12,000	--	8,000	--	50,000
Marvin J. Migura	11,200	5,600	10,600	--	11,000	--	7,000	--	45,400
George R. Haubenreich, Jr.	11,200	5,600	--	3,533	--	2,000	2,000	--	24,333
Philip D. Gardner	6,400	3,200	7,000	--	7,000	--	--	4,500	28,100

(2) Market value of unvested restricted stock units assumes a price of \$29.14 per share of our Common Stock as of December 31, 2008, which was the closing sale price of the Common Stock, as reported by the New York Stock Exchange on that date. The estimated value of the tax-assistance payment that would be provided pursuant to each Named Executive Officer's 2002 Restricted Stock Unit Agreement for the market value of these restricted stock units is as follows:

- Mr. Collins	\$601,729
- Mr. McEvoy	\$300,865
- Mr. Migura	\$280,807
- Mr. Haubenreich	\$280,807
- Mr. Gardner	\$160,461

The following table provides information for the Named Executive Officers on (1) stock option exercises during 2008, including the number of shares acquired upon exercise and the value realized, and (2) the number of shares acquired upon vesting of stock awards in the form of restricted stock and restricted stock unit awards and the value realized.

Option Exercises and Stock Vested

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting \$(1)
T. Jay Collins	--	--	36,000	2,547,000
M. Kevin McEvoy	--	--	18,000	1,273,500
Marvin J. Migura	--	--	16,800	1,188,600
George R. Haubenreich, Jr.	--	--	16,800	1,188,600
Philip D. Gardner	--	--	6,400	452,800

- (1) The amount reflects the value realized for restricted stock vested pursuant to our 2002 Restricted Stock Unit Program. Pursuant to these programs, a tax-assistance payment was provided in the following amounts: Mr. Collins - \$1,460,868; Mr. McEvoy - \$730,434; Mr. Migura - \$681,738; Mr. Haubenreich - \$681,738; and Mr. Gardner - \$259,710. The amount of these tax-assistance payments is included for each Named Executive Officer in the amount shown in the "All Other Compensation" column of the "Summary Compensation Table" above.

We do not provide a Pension Benefits Table because we have no qualified pension plan or other plan that would be reportable under the SEC's rules applicable to Pension Benefits Tables.

Nonqualified Deferred Compensation

Our SERP is an unfunded, defined contribution plan for selected executives and key employees of Oceaneering, including the Named Executive Officers. Pursuant to our SERP, U.S. participants, including the Named Executive Officers, may defer up to 85% of their base salaries and 90% of their annual cash bonus amounts. We credit a participant's notional account with a determined percentage of the participant's base salary, subject to vesting. Benefits under our SERP are based on the participant's vested portion of his or her notional account balance at the time of termination of employment. A participant vests in our credited amounts at the rate of 33% each year, subject to accelerated vesting upon the soonest to occur of: (1) the date the participant has completed ten years of participation; (2) the date that the sum of the participant's age and years of participation equals 65; (3) the date of termination of employment by reason of death or disability; and (4) within two years following a change of control. Messrs. Collins, McEvoy, Migura and Haubenreich are fully vested in their SERP accounts. All participants are fully vested in deferred base salary and bonus.

The table below shows the investment options available to all participants and the annual rate of return for each investment for the year ended December 31, 2008, as reported by the administrator of our SERP.

Name of Fund	Rate of Return (%)	Name of Fund	Rate of Return (%)
Alger PSF Small-Cap Growth	-47.11	AllianceBernstein PSF International Value	-47.78
Capital Research PSF American Funds® Growth	-44.19	Capital Research PSF American Funds® Growth-Income	-38.08
Batterymarch PSF International Small-Cap	-47.84	BlackRock PSF Equity Index	-37.35
BlackRock PSF Small-Cap Index	-35.03	Capital Guardian PSF Diversified Research	-39.07
Capital Guardian PSF Equity	-41.12	Clearbridge Advisors PSF Large-Cap Value	-34.80
Columbia PSF Technology	-51.64	Goldman Sachs PSF Short Duration Bond	-5.09
Highland Capital PSF Floating Rate Loan	-29.28	Janus PSF Growth LT	-40.95
JP Morgan PSF Diversified Bond	-7.80	Lazard PSF Mid-Cap Equity	-39.00
Janus PSF Focus 30	-50.14	Analytic/JPMorgan PSF Long/Short Large-Cap	-33.98
Loomis, Sayles PSF Large-Cap Growth	-50.47	MFS PSF International Large Cap	-35.35
NFJ PSF Small Cap Value	-28.23	Oppenheimer PSF Emerging Market	-47.68
Oppenheimer PSF Main Street Core	-38.87	Oppenheimer PSF Multi-Strategy	-43.71
Pacific Asset Mgmt PSF High Yield Bond	-22.20	Pacific Asset Mgmt PSF Money Market	-2.36
PIMCO PSF Inflation Managed	-9.34	PIMCO PSF Managed Bond	-1.71
Van Kampen PSF Comstock	-36.79	Van Kampen PSF Mid-Cap Growth	-48.36
Van Kampen PSF Real Estate	-39.99	Vaughan Nelson PSF Small Cap Equity	-26.11

The following table provides information on our non-qualified deferred compensation plan. Amounts shown are entirely attributable to our SERP.

Name	Executive Contributions in 2008 (\$)	Company Contributions in 2008 \$(1)	Aggregate Earnings in 2008 \$(2)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at 12/31/08 \$(3)
T. Jay Collins	--	292,500	(1,240,800)	--	1,788,438
M. Kevin McEvoy	--	185,000	(629,995)	--	896,253
Marvin J. Migura	--	134,000	(1,098,325)	--	1,643,783
George. R. Haubenreich, Jr.	--	124,000	(660,333)	--	1,227,028
Philip D. Gardner	65,000	62,500	(190,741)	--	253,971

- (1) Amounts reflect the credited contributions we made to the account of the Named Executive Officer in 2008. All of the contributions shown are included in the "All Other Compensation" column of the "Summary Compensation Table." above.
- (2) Amounts shown reflect hypothetical accrued gains (or losses) in 2008 on the aggregate of contributions by the Named Executive Officers and us on notional investments designed to track the performance of the funds selected by the Named Executive Officers, as follows:

Name	Aggregate Earnings in 2008		Total (\$)
	Executive Contributions (\$)	Company Contributions (\$)	
T. Jay Collins	(238,070)	(1,002,730)	(1,240,800)
M. Kevin McEvoy	(22,178)	(607,817)	(629,995)
Marvin J. Migura	(540,044)	(558,281)	(1,098,325)
George R. Haubenreich, Jr.	(171,742)	(488,591)	(660,333)
Philip D. Gardner	(79,284)	(111,457)	(190,741)

- (3) Amounts reflect the accumulated account values (including gains and losses) of contributions by the Named Executive Officers and us as of December 31, 2008 as follows:

Name	Aggregate Balance at 12/31/08		Total (\$)
	Executive Contributions (\$)	Company Contributions (\$)	
T. Jay Collins	323,603	1,464,835	1,788,438
M. Kevin McEvoy	29,047	867,206	896,253
Marvin J. Migura	785,598	858,185	1,643,783
George R. Haubenreich, Jr.	361,350	865,678	1,227,028
Philip D. Gardner	103,849	150,122	253,971

Potential Payments on Termination or Change of Control

As described in the “Compensation Discussion and Analysis” above, Messrs. Collins, McEvoy, Migura and Haubenreich have Change-of-Control Agreements. Upon a change of control of Oceaneering, each of them may be subject to certain excise taxes pursuant to Section 4999 of the Internal Revenue Code. We have agreed to reimburse those Named Executive Officers for all such excise taxes that may be imposed and any income taxes and excise taxes that may become payable as a result of the reimbursement. Based on the amounts shown in the “Change of Control” column in the following tables, none of the Named Executive Officers would be subject to an excise tax liability. However, whether an excise tax liability will arise in the future will depend on the facts and circumstances in existence at the time a change-of-control payment becomes payable. All of the outstanding long-term incentive agreements of the Named Executive Officers have provisions for settlement in the event of death, disability or a change of control, except the 2002 restricted stock unit agreements of Messrs. Collins, McEvoy, Migura and Haubenreich have no provision for settlement in the event of a change of control.

Assuming a December 31, 2008 termination date and, where applicable, using the closing sale price of our Common Stock of \$29.14 as reported by the New York Stock Exchange on that date, the tables below show potential payments to each of the Named Executive Officers under the existing contracts, agreements, plans or arrangements, whether written or unwritten, in the event of a termination of such executive’s employment, including amounts payable pursuant to benefits or awards in which the Named Executive Officers are already vested. As used in the agreements referenced in the table below, the term “Change of Control” has the same meaning as the Change-of-Control Agreements define that term. For a summary of that definition, see “Compensation Discussion and Analysis – Change-of-Control Agreements” above.

T. Jay Collins

Payments upon Termination	Voluntary or involuntary termination	Death and Disability	Change of Control
Severance Payments	\$0	\$0	\$5,265,600 (1)
Benefit Plan Participation	\$0	\$0	\$116,620 (2)
Restricted Stock Units (unvested & accelerated)	\$0	\$2,301,553 (3)	\$650,784 (4)
Performance Units (unvested & accelerated)	\$0	\$0 (5)	\$2,208,375 (6)
Restricted Stock Units (vested)	\$1,549,286 (7)	\$1,549,286 (7)	\$1,549,286 (7)
Performance Units (vested)	\$1,750,000 (8)	\$1,750,000 (8)	\$3,729,125 (9)
Accrued Vacation/Base Salary	\$90,000	\$90,000	\$90,000
SERP (vested)	\$1,788,438 (10)	\$1,788,438 (10)	\$1,788,438 (10)
TOTAL	\$5,177,724	\$7,479,277	\$15,398,228

M. Kevin McEvoy

Payments upon Termination	Voluntary or involuntary termination	Death and Disability	Change of Control
Severance Payments	\$0	\$0	\$3,052,500 (1)
Benefit Plan Participation	\$0	\$0	\$96,700 (2)
Restricted Stock Units (unvested & accelerated)	\$0	\$1,757,865 (3)	\$932,480 (4)
Performance Units (unvested & accelerated)	\$0	\$750,000 (11)	\$2,500,000 (6)
Accrued Vacation/Base Salary	\$28,800	\$28,800	\$28,800
SERP (vested)	\$896,253 (10)	\$896,253 (10)	\$896,253 (10)
TOTAL	\$925,053	\$3,432,918	\$7,506,733

Marvin J. Migura

Payments upon Termination	Voluntary or involuntary termination	Death and Disability	Change of Control
Severance Payments	\$0	\$0	\$2,412,000 (1)
Benefit Plan Participation	\$0	\$0	\$87,000 (2)
Restricted Stock Units (unvested & accelerated)	\$0	\$1,603,763 (3)	\$833,404 (4)
Performance Units (unvested & accelerated)	\$0	\$662,500 (11)	\$2,225,000 (6)
Accrued Vacation/Base Salary	\$51,500	\$51,500	\$51,500
SERP (vested)	\$1,643,783 (10)	\$1,643,783 (10)	\$1,643,783 (10)
TOTAL	\$1,695,283	\$3,961,546	\$7,252,687

George R. Haubenreich, Jr.

Payments upon Termination	Voluntary or involuntary termination	Death and Disability	Change of Control
Severance Payments	\$0	\$0	\$2,232,000 (1)
Benefit Plan Participation	\$0	\$0	\$83,400 (2)
Restricted Stock Units (unvested & accelerated)	\$0	\$989,871 (3)	\$219,512 (4)
Performance Units (unvested & accelerated)	\$0	\$0 (5)	\$720,875 (6)
Restricted Stock Units (vested)	\$573,096 (7)	\$573,096 (7)	\$573,096 (7)
Performance Units (vested)	\$662,500 (8)	\$662,500 (8)	\$1,354,125 (9)
Accrued Vacation/Base Salary	\$47,700	\$47,700	\$47,700
SERP (vested)	\$1,227,028 (10)	\$1,227,028 (10)	\$1,227,028 (10)
TOTAL	\$2,510,324	\$3,500,195	\$6,457,736

Philip D. Gardner

Payments upon Termination	Voluntary or involuntary termination	Death and Disability	Change of Control
Severance Payments	\$0	\$0	\$0
Restricted Stock Units (unvested & accelerated)	\$0	\$979,295 (12)	\$979,295 (12)
Performance Units (unvested & accelerated)	\$0	\$437,500 (11)	\$1,150,000 (13)
SERP (unvested & accelerated)	\$0	\$54,587 (14)	\$54,587 (14)
Accrued Vacation/Base Salary	\$24,000	\$24,000	\$24,000
SERP (vested)	\$253,971 (10)	\$253,971 (10)	\$253,971 (10)
Stock Options (vested)	\$369,988 (15)	\$369,988 (15)	\$369,988 (15)
TOTAL	\$647,959	\$2,119,341	\$2,831,841

- (1) Amount for each indicated Named Executive Officer reflects an amount equaling three times the sum of: a) his highest annual rate of base salary for the prior three years; b) the maximum award he is eligible to receive under the annual cash bonus program for the current year; and c) maximum percentage of base salary contribution level by us for him in our SERP for the current year multiplied by his highest annual rate of base salary in effect during the current year or any of the prior three years that is payable pursuant to the executive's Change-of-Control Agreement.
- (2) Amount for each indicated Named Executive Officer reflects the estimated value of the benefit to the executive to receive the same level of medical, life insurance and disability benefits for a period of three years after termination that is payable pursuant to the executive's Change-of-Control Agreement.
- (3) Amount for each indicated Named Executive Officer reflects: (a) the value of shares of Common Stock that would be delivered for each outstanding unvested restricted stock unit pursuant to the executive's 2002, 2006, 2007 and 2008 Restricted Stock Unit Agreements and Change-of-Control Agreement; and (b) the value of the tax-assistance payment that would be provided pursuant to the executive's 2002 Restricted Stock Unit Agreement and Change-of-Control Agreement. Messrs. Collins and Haubenreich are fully vested under their 2006 Restricted Stock Unit Agreements.
- (4) Amount for each indicated Named Executive Officer reflects the value of shares of Common Stock that would be delivered for each outstanding unvested restricted stock unit pursuant to the executive's 2006, 2007 and 2008 Restricted Stock Unit Agreements and Change-of-Control Agreement. Messrs. Collins and Haubenreich are fully vested under their 2006 Performance Unit Agreements.
- (5) Upon death or disability, the performance units awarded pursuant to the 2007 and 2008 Performance Unit Agreements would vest. The amounts payable, if any, pursuant to the 2007 and 2008 Performance Unit Agreements will not be known until completion of the three-year performance periods January 1, 2007 – December 31, 2009 and January 1, 2008 – December 31, 2010, respectively, at which time the performance will be measured. For information about the goals and measures and the amounts payable, see "Compensation Discussion and Analysis – Long-Term Incentive Compensation" above. Messrs. Collins and Haubenreich are fully vested under their 2006 Performance Unit Agreements.
- (6) Amount for each indicated Named Executive Officer reflects cash payment for outstanding unvested performance units at the maximum goal level of \$125 per unit, pursuant to the executive's 2006, 2007 and 2008 Performance Unit Agreements and Change-of-Control Agreements. Messrs. Collins and Haubenreich are fully vested under their 2006 Performance Unit Agreements.
- (7) Amount for each indicated Named Executive Officer reflects the value of shares of Common Stock that would be delivered for each outstanding vested restricted stock unit pursuant to the executive's 2006, 2007 and 2008 Restricted Stock Unit Agreements and Change-of-Control Agreement.

- (8) Amount for each indicated Named Executive Officer reflects cash payment for vested performance units awarded pursuant to the executive's 2006 Performance Unit Agreement as a result of our achievement in excess of the maximum goals for the three-year performance period January 1, 2006 – December 31, 2008, as certified by the Compensation Committee in March 2009. This amount is included for each indicated executive in the "All Other Compensation" column of the "Summary Compensation Table" above. The amount payable, if any, pursuant to the 2007 and 2008 Performance Unit Agreements for outstanding vested performance units will not be known until completion of the three-year performance periods January 1, 2007 – December 31, 2009 and January 1, 2008 – December 31, 2010, respectively, at which time the performance will be measured. For information about the goals and measures and the amounts payable, see "Compensation Discussion and Analysis – Long-Term Incentive Compensation" above.
- (9) Amount for each indicated Named Executive Officer reflects cash payment for outstanding vested performance units at the maximum level of \$125 per unit, pursuant to the executive's 2006, 2007 and 2008 Performance Unit Agreements and Change-of-Control Agreement.
- (10) Amount for each indicated Named Executive Officer reflects the aggregate of Oceanering and executive contributions and earnings. For more information on vested SERP amounts, see "Nonqualified Deferred Contributions" above.
- (11) Upon death or disability, the performance units awarded pursuant to the 2006, 2007 and 2008 Performance Unit Agreements would vest. Amount reflects cash payment for performance units awarded pursuant to the executive's 2006 Performance Unit Agreement as a result of our achievement in excess of maximum goals for each of the performance measures for the three-year performance period January 1, 2006 – December 31, 2008, as certified by the Compensation Committee in March 2009. This amount is included for the executive in the "Non Equity Incentive Plan Compensation" column of the "Summary Compensation Table" above. The amounts payable, if any, pursuant to the 2007 and 2008 Performance Unit Agreements will not be known until the completion of the three-year performance periods January 1, 2007 – December 31, 2009, and January 1, 2008 – December 31, 2010, respectively, at which time the performance will be measured. For information about the goals and measures and the amounts payable, see "Compensation Discussion and Analysis – Long-Term Incentive Compensation" above.
- (12) Amount reflects: (a) the value of shares of Common Stock that would be delivered for each outstanding unvested restricted stock unit pursuant to Mr. Gardner's 2002, 2006, 2007 and 2008 Restricted Stock Unit Agreements; and (b) the value of the tax-assistance payment that would be provided pursuant to Mr. Gardner's 2002 Restricted Stock Unit Agreement.
- (13) Amount reflects cash payment for outstanding performance units at the target level of \$100 per unit, pursuant to Mr. Gardner's 2006, 2007 and 2008 Performance Unit Agreements.
- (14) Amount reflects unvested accrued amount in our SERP for Mr. Gardner. Accrued amounts in our SERP for all other Named Executive Officers are fully vested at December 31, 2008.
- (15) Amount reflects the value of vested stock options.

Director Compensation

During 2008, we paid our nonemployee directors, on a quarterly basis, an annual retainer of \$40,000 with an additional annual retainer of \$15,000 to the Chairman of the Audit Committee and \$8,000 to each of the Chairmen of the Compensation Committee and the Nominating and Corporate Governance Committee. During 2008, we paid our nonemployee directors \$1,000 per day for each Board meeting attended, \$1,000 per day for each committee meeting attended (if the meeting is on a day other than the date of the Board meeting) and a fee of \$125 per hour, up to a maximum of \$1,000 per day, for any other services directly related to activities of the Board or a Committee of the Board. Mr. Huff, the Chairman of the Board, did not receive the above board and meeting fees in 2008, pursuant to the terms of his Amended Service Agreement. For a description of Mr. Huff's compensation as a nonemployee director, see "Service Agreement and Change-of-Control Agreement with Mr. Huff" below.

During 2008, besides payment of annual retainers and meeting fees, our nonemployee directors were also allowed to participate in health care coverage the same as provided to employees in our basic medical plans. Nonemployee directors could elect to participate in the health care plan without payment of any monthly premium and participate in a supplemental medical plan at no cost to the director. We paid the Medicare premium for Mr. Hughes. Mr. Huff's Amended Service Agreement provides for medical coverage on an after-tax basis to Mr. Huff, his spouse and children for their lives. All directors are provided a group personal excess liability insurance policy at no cost to the directors and they are reimbursed for their travel and other expenses involved in attendance at Board and committee meetings and activities.

In 2008, our nonemployee directors participated in our shareholder-approved 2005 Incentive Plan. Under this plan in 2008, our nonemployee directors, Messrs. DesRoche, Hooker, Hughes and Pappas, were each awarded 8,000 shares of restricted stock. The restricted stock awards are scheduled to vest in full on the first anniversary of the award date, subject to (1) earlier vesting on a change of control or the termination of the director's service due to death, and (2) such other terms as are set forth in the award agreement. Under this plan in 2008, Mr. Huff was awarded 19,500 restricted common stock units and 19,500 performance units in accordance with his Amended Service Agreement, as described under "Service Agreement and Change-of-Control Agreement with Mr. Huff" below. This is an award level equal to and upon terms and conditions substantially the same as that granted in 2008 to our Chief Executive Officer, except as described below. For more information on these restricted common stock unit and performance unit awards, see "Compensation Discussion and Analysis – Long-Term Incentive Compensation."

The table below summarizes the compensation we paid to our nonemployee directors during the year ended December 31, 2008.

Director Compensation Table

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards \$(2)	Option Awards (\$)	Non-Equity Incentive Plan Compensation \$(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation \$(4)(5)	Total (\$)
John R. Huff	400,000	1,256,381	--	1,750,000	--	2,128,529	5,534,910
Jerold J. DesRoche	63,000	483,807	--	--	--	8,817	555,624
D. Michael Hughes	71,000	483,807	--	--	--	36,076	590,883
David S. Hooker	78,000	483,807	--	--	--	1,666	563,473
Harris J. Pappas	69,000	483,807	--	--	--	1,666	554,473

- (1) Amounts shown are attributable entirely to fees for attendance at meetings of the Board and committees of the Board, and annual retainers as described in "Director Compensation" above and "Service Agreement and Change-of-Control Agreement with Mr. Huff" below.
- (2) The amounts represent the compensation costs recognized by us in 2008 related to restricted stock and stock unit awards to nonemployee directors computed in accordance with SFAS 123R. For Mr. Huff, the compensation cost is comprised of: (a) costs associated with awards prior to 2008 - \$514,688; and (b) costs associated with awards in 2008 - \$741,693. Excluded from this amount are the costs we recognized for the tax-assistance payment made to Mr. Huff associated with restricted stock units awarded prior to 2006, because the actual tax-assistance payment made in 2008 for that award is reported in the "All Other Compensation" column of this table. The grant date fair market value of awards made in 2008 computed in

accordance with SFAS 123R is \$497,920 for each of Messrs. DesRoche, Hughes, Hooker and Pappas; and \$1,213,680 for Mr. Huff. For a discussion of valuation assumptions, see Note 8 to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2008. The aggregate number of restricted shares or units of stock outstanding for each of Messrs. DesRoche, Hooker, Hughes and Pappas is 8,000, and for Mr. Huff is 123,500. The aggregate number of shares subject to outstanding stock options is: Mr. Hooker – 30,000; and Mr. Pappas – 40,000.

- (3) The amount represents the cash payment for performance units pursuant to Mr. Huff's 2006 Performance Unit Agreement, as a result of our achievement in excess of the maximum goals for each of the performance measures for the performance period January 1, 2006 – December 31, 2008, as certified by our Board in March 2009.
- (4) The amounts shown for each attributable perquisite or benefit does not exceed the greater of \$25,000 or 10% of the total amount of perquisite received by any director except as quantified for a director in footnote (5) below.
- (5) The amounts shown for 2008 are attributable to the following:
 - Mr. Huff: \$2,038,037 for tax gross-up payments associated with vestings of restricted stock units and Mr. Huff's medical coverage described above; perquisites and other personal benefits totaling \$90,492 comprised of: provision of excess liability insurance; tax advice and tax return preparation (\$52,610); annual premiums and reimbursement of medical costs for health care, including medical premium and costs for a supplemental medical insurance plan (\$36,466).
 - Mr. DesRoche: perquisites and other personal benefits totaling \$8,817 comprised of: provision of excess liability insurance, premium and costs reimbursed for a supplemental medical insurance plan.
 - Mr. Hughes: perquisites and other personal benefits totaling \$36,076 comprised of: provision of excess liability insurance, annual premium for basic health care provided by us, Medicare premium paid by us and premium and medical costs reimbursed for a supplemental medical insurance plan.
 - Mr. Hooker and Mr. Pappas: perquisites and other personal benefits totaling \$1,666 each comprised of provision of excess liability insurance and premium for a supplemental medical insurance plan.

Service Agreement and Change-of-Control Agreement with Mr. Huff

As we previously disclosed, we entered into a Service Agreement with Mr. Huff in November 2001 (the "Service Agreement"), when Mr. Huff was serving as our Chairman of the Board and Chief Executive Officer. The Service Agreement replaced Mr. Huff's prior employment agreement. As did the prior employment agreement, the Service Agreement provided medical coverage on an after-tax basis to Mr. Huff, his spouse and children during his employment with us and thereafter for their lives. The Service Agreement provided for a specific employment period (which, as subsequently amended, extended through December 30, 2006), followed by a specific service period ending no later than August 15, 2011 (the "Post-Employment Service Period"), during which time it was contemplated that Mr. Huff, acting as an independent contractor, would serve as nonexecutive Chairman of our Board of Directors.

The Service Agreement provided that, following the completion of Mr. Huff's employment period, we could request that he serve as Chairman of the Board during the Post-Employment Service Period, and if he refused to serve and we were fulfilling our obligations under the Service Agreement, no salary or benefits not previously vested as of the time of his refusal would have been payable to him under the Service Agreement. If Mr. Huff was not requested to serve as Chairman of the Board or if he did serve as Chairman of the Board for any portion of the Post-Employment Service Period and his service as Chairman of the Board thereafter terminated at any time and for any reason (other than his refusal to serve during the Post-Employment Service Period), including by reason of his death or disability, or our failure to fulfill our obligations under the Service Agreement, he would be entitled to receive various severance benefits. During the Post-Employment Service Period under the Service Agreement, for so long as Mr. Huff was serving as Chairman of the Board, his annual rate of cash compensation would have been equal to 50% of his highest annual base salary during the employment period (or \$400,000 per year). In addition, throughout that period, Mr. Huff would have continued to receive certain perquisites and administrative assistance, and he would have continued to participate in various benefit plans; however, he would not have been eligible for subsequent grants or contributions made under any such plan after the completion of his employment period.

In 2006, the Compensation Committee of our Board of Directors determined that it would approve timely modifications to the Service Agreement to address changes in the tax law and anticipated additional guidance from the Internal Revenue Service regarding "nonqualified deferred compensation arrangements" under Section 409A of the Internal Revenue Code. In the absence of appropriate modifications, the impact of these tax law changes could have resulted in a 20% additional tax payable by Mr. Huff, at least some of which would have been recoverable by Mr. Huff

from us under tax reimbursement provisions of the Service Agreement. On December 21, 2006, acting pursuant to a recommendation of the Compensation Committee, our Board of Directors approved an amendment and restatement of the Service Agreement (the "Amended Service Agreement"). Although the principal purpose for entering into the Amended Service Agreement was to address issues arising under Section 409A of the Internal Revenue Code, the Amended Service Agreement also clarified or resolved other issues that existed under the Service Agreement.

The Amended Service Agreement, among other things, provides for:

- the commencement of the Post-Employment Service Period on December 31, 2006;
- various payments, including annual payments of \$540,000 in 2008, \$540,000 in 2009 and \$540,000 in 2010 (in each case as long as Mr. Huff is then continuing to serve as our Chairman of the Board), in lieu of the perquisites to which Mr. Huff would have been entitled;
- a tax-protection clause, to ensure that Mr. Huff will not be impacted adversely by taxes under Section 409A of the Internal Revenue Code, provided that Mr. Huff agreed to changes in the Amended Service Agreement and his separate Change-of-Control Agreement to satisfy the requirements of the applicable provisions of Section 409A and applicable Treasury Regulations yet to be finalized, unless such changes would cause more than insubstantial harm to him;
- the continuation of long-term incentive plan awards to Mr. Huff in 2008 at a level equal to the awards granted to our Chief Executive Officer, to: (1) partially compensate Mr. Huff for the understanding that he would provide services in addition to those normally provided by a chairman of the board ("Additional Services"), with those Additional Services as mutually agreed, but including assistance with strategic initiatives and business expansion efforts; and (2) place Mr. Huff in the equivalent position as if a three-year award had been granted in 2005, as would have been anticipated based on the practice in effect in 2001;
- the eligibility of Mr. Huff to receive long-term incentive plan awards after 2008, provided that, for any year that Mr. Huff receives a long-term incentive award in excess of awards applicable to our other nonemployee directors, Mr. Huff will not receive an additional long-term incentive award equal to the award granted to our other nonemployee directors for that year;
- the entitlement for Mr. Huff to receive, after 2008, the same pay as our other nonemployee directors during the period that Mr. Huff continues to serve as one of our directors, (in addition to the \$400,000 amount per year for up to five years if Mr. Huff continues to serve as Chairman of the Board during the Post-Employment Service Period), to provide compensation for the post-2008 portion of the Post-Employment Service Period for the understanding that Mr. Huff would provide Additional Services; and
- in the event of his disability, the provision of the same acceleration of payment of the benefits payable to him for the ten years following the Post-Employment Service Period as would be available in the event of his death or a change of control (a lump-sum, undiscounted payment).

In December 2008, acting pursuant to a recommendation of the Compensation Committee, our Board of Directors approved an amendment of the Amended Service Agreement to address requirements of Section 409A of the Internal Revenue Code. The amendment addressed the time and form of payment requirements of Section 409A and removed the dollar limitation on reimbursement of legal fees.

Also as part of the negotiated arrangements relating to Mr. Huff's retirement benefits, the Compensation Committee authorized and approved our establishment of an irrevocable grantor trust, commonly known as a "rabbi trust," to provide Mr. Huff greater assurance that we would set aside an adequate source of funds to fund the payment of the post-retirement benefits under the Amended Service Agreement, including the medical coverage benefits payable to Mr. Huff, 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 Mr. Huff 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 trust assets 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 otherwise available to fund our future operations until the trust terminates, which is not expected to occur during the lives of Mr. Huff, his spouse or his 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).

As we previously described, in November 2001 we entered into a Change-of-Control Agreement with Mr. Huff, who was then serving as our Chairman of the Board and Chief Executive Officer, upon terms and conditions substantially the same as the Change-of-Control Agreement described in the “Compensation Discussion and Analysis – Change-of-Control Agreements,” except as described below. Mr. Huff’s Change-of-Control Agreement replaced his prior senior executive and supplemental senior executive agreements. While Mr. Huff is nonexecutive Chairman of the Board, a termination of his service for any reason other than his refusal to serve as nonexecutive Chairman of the Board would entitle Mr. Huff to the severance package under his agreement. The calculated minimum amount for determining the amount of the severance package under the change of control agreement described in the “Compensation Discussion and Analysis – Change-of-Control Agreements” is applicable to Mr. Huff for any termination occurring during his service as nonexecutive Chairman of the Board. Any payment of the Change of Control severance package to Mr. Huff would not reduce any benefits or compensation due Mr. Huff under the Amended Service Agreement; provided, however, that the benefit in the Change of Control Agreement regarding benefits under compensation plans and other benefits payable for three years are not provided under the Change of Control Agreement to Mr. Huff to the extent they are duplicative of benefits provided to him under the Amended Service Agreement.

Assuming a December 31, 2008 termination date of Mr. Huff serving as our Chairman of the Board (for reasons other than his refusal to serve as our Chairman of the Board) for any reason other than we have failed to fulfill our obligations under his Amended Service Agreement, and, where applicable using the closing sale price of our Common Stock of \$29.14 on December 31, 2008 (as reported by the New York Stock Exchange), potential payments to Mr. Huff consist of: \$8,000,000, which reflects \$800,000 per year payable in advance for ten years provided in the event of Mr. Huff’s death, disability or a change of control, all unpaid amounts would be accelerated and become payable in a non-discounted lump-sum payment; \$10,338,600, which reflects: (1) the value of shares of Common Stock that would be delivered for each outstanding vested and unvested restricted stock unit pursuant to Mr. Huff’s Amended Service Agreement, his 2002, 2006, 2007 and 2008 Restricted Stock Unit Agreements and his Change-of-Control Agreement; (2) the value of the tax-assistance payment that would be provided pursuant to his Amended Service Agreement, his 2002 Restricted Stock Agreement and, if applicable, his Change-of-Control Agreement; and (3) a cash payment for outstanding performance units under his 2006, 2007 and 2008 Performance Unit Agreements at the maximum goal level of \$125 per unit, pursuant to his Amended Service Agreement. If termination of Mr. Huff’s service as our Chairman of the Board is the result of a change of control, an additional amount of \$4,650,000 would be payable as described above. Based upon these amounts, Mr. Huff would not be subject to an excise tax liability. However, whether an excise tax liability will arise in the future will depend on the facts and circumstances in existence at the time a change-of-control payment becomes payable. We have agreed to reimburse Mr. Huff for all such excise taxes that may be imposed and any income taxes and excise taxes that may become payable as a result of the reimbursement.

Assuming a December 31, 2008 termination date of Mr. Huff serving as our Chairman of the Board as a result of his refusal to serve as our Chairman of the Board for any reason other than we have failed to fulfill our obligations under his Amended Service Agreement, Mr. Huff would not receive the above described severance payments; would forfeit all unvested restricted stock units and performance units that were awarded to him and potential payments to Mr. Huff would have consisted of \$4,532,586, which reflects: (1) the value of shares of common stock using the closing sale price of our common stock of \$29.14 per share on December 31, 2008 (as reported by the New York Stock Exchange), that would be delivered for each outstanding vested restricted stock unit under Mr. Huff’s 2006, 2007 and 2008 Restricted Stock Unit Agreements; and (2) a cash payment for outstanding vested performance units under Mr. Huff’s 2006, 2007 and 2008 Performance Unit Agreements at the target goal level of \$100 per unit, pursuant to the Amended Service Agreement. These outstanding restricted stock units and performance units are vested by reason of Mr. Huff having met age and years of service requirements.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Board of Directors adopted a written policy with respect to related-person transactions to document procedures pursuant to which such transactions are reviewed and approved or ratified. The policy applies to any transaction in which (1) Oceaneering or any of its subsidiaries is a participant, (2) any related person has a direct or indirect material interest and (3) the amount involved exceeds \$120,000, but excludes any transaction that does not require disclosure under Item 404(a) of Regulation S-K promulgated by the SEC. Under the policy, related persons include our directors, nominees to become a director, executive officers, beneficial owners of 5% or more of our voting securities, immediate family members of any of the foregoing persons, and any entity in which any of the foregoing persons is employed as an executive officer or is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership. Our policy includes a process to monitor related-person transactions and, if a determination is made that a proposed transaction or category of transaction is a related person transaction, a submission is made to the Nominating and Corporate Governance Committee, which will consider all of the relevant facts and circumstances available and evaluate whether to approve or ratify the transaction.

Except as set forth in this Proxy Statement, no director or executive officer of Oceaneering or nominee for election as a director of Oceaneering, or holder of more than 5% of the outstanding shares of Common Stock, and no member of the immediate family of any such director, nominee, officer or security holder, to our knowledge, had any material interest in any transaction during the year ended December 31, 2008, or in any currently proposed transaction, to which Oceaneering or any subsidiary of Oceaneering was or is a party in which the amount involved exceeds \$120,000.

No director or executive officer of Oceaneering who has served in such capacity since January 1, 2008 or any associate of any such director or officer, to the knowledge of the executive officers of Oceaneering, has any material interest in any matter proposed to be acted on at the 2009 Annual Meeting of Shareholders, other than as described in this Proxy Statement.

PROPOSAL 2

Ratification of Appointment of Independent Auditors

Subject to ratification by the shareholders, the Audit Committee of the Board of Directors has appointed Ernst & Young LLP, independent certified public accountants, as independent auditors of Oceaneering for the year ending December 31, 2009. Representatives of Ernst & Young LLP will be present at the meeting, will be given the opportunity to make a statement if they so desire and will be available to respond to appropriate questions of any shareholders.

In accordance with our bylaws, the approval of the proposal to ratify the appointment of Ernst & Young LLP as independent auditors of Oceaneering for the year ending December 31, 2009 requires the affirmative vote of a majority of the shares of Common Stock voted on this proposal at the meeting. Accordingly, abstentions and broker “non-votes” marked on proxy cards will not be included in the tabulation of votes cast on this proposal.

The persons named in the accompanying proxy intend to vote such proxy in favor of the ratification of the appointment of Ernst & Young LLP as independent auditors of Oceaneering for the year ending December 31, 2009, unless a contrary choice is set forth thereon or unless an abstention or broker “non-vote” is indicated thereon.

The following table shows the fees incurred by Oceaneering for the audit and other services provided by Ernst & Young LLP for 2008 and 2007.

Fees Incurred by Oceaneering for Ernst & Young LLP	2008	2007
Audit Fees (1)	\$2,526,000	\$2,224,000
Audit-Related Fees (2)	142,000	95,000
Tax Fees (3)	34,000	44,000
All Other Fees (4)	2,000	4,000
Total	\$2,704,000	\$2,367,000

- (1) Audit Fees represent fees for professional services provided in connection with: (a) the audit of our financial statements for the years indicated and the reviews of our financial statements included in our Forms 10-Q during those years; and (b) audit services provided in connection with other statutory or regulatory filings.
- (2) Audit-Related Fees consisted of accounting, consultation services, employee benefit plan audits, services related to due diligence for business transactions, and statutory and regulatory compliance.
- (3) Tax Fees consisted of tax compliance and consultation fees.
- (4) All Other Fees consisted of a subscription to Ernst & Young LLP's informational on-line service and special purpose foreign regulatory certifications.

The Audit Committee has concluded that Ernst & Young LLP's provision of services that were not related to the audit of our financial statements in 2008 was compatible with maintaining that firm's independence from us.

The Audit Committee has established a policy that requires pre-approval of the audit and non-audit services performed by our independent auditors. Unless a service proposed to be provided by the independent auditors has been pre-approved by the Audit Committee under its pre-approval policies and procedures, it will require specific pre-approval of the engagement terms by the Audit Committee. Under the policy, pre-approved service categories are generally provided for up to 12 months and must be detailed as to the particular services provided and sufficiently specific and objective so that no judgments by management are required to determine whether a specific service falls within the scope of what has been pre-approved. In connection with any pre-approval of services, the independent auditors are required to provide detailed back-up documentation concerning the specific services to be provided. The Audit Committee does not delegate to management any of its responsibilities to pre-approve services performed by our independent auditors.

None of the services related to the Audit-Related Fees, Tax Fees or All Other Fees described above were approved by the Audit Committee pursuant to the waiver of pre-approval provisions set forth in applicable rules of the SEC.

The Audit Committee has delegated to the Chairman of the Audit Committee the authority to pre-approve audit-related and non-audit-related services not prohibited by law to be performed by Ernst & Young LLP, provided that the Chairman is required to report any decisions to pre-approve such audit-related or non-audit-related services and fees to the full Audit Committee at its next regular meeting.

SHAREHOLDER PROPOSALS

Any shareholder who wishes to have a qualified proposal considered for inclusion in our proxy statement for our 2010 Annual Meeting of Shareholders must send notice of the proposal to our Corporate Secretary at our principal executive offices, 11911 FM 529, Houston, Texas 77041-3000, so that such notice is received no later than November 26, 2009. If you submit such a proposal, you must provide your name, address, the number of shares of Common Stock held of record or beneficially, the date or dates on which you acquired those shares and documentary support for any claim of beneficial ownership.

In addition, any shareholder who intends to submit a proposal for consideration at our 2010 Annual Meeting of Shareholders, regardless of whether the proposal is submitted for inclusion in our proxy statement for that meeting, or who intends to submit nominees for election as directors at that meeting, must notify our Corporate Secretary. Under our bylaws, such notice must:

- be received at our executive offices no earlier than November 9, 2009 and no later than close of business on January 8, 2010; and
- satisfy requirements that our bylaws specify.

A copy of the pertinent bylaw provisions can be obtained from our Corporate Secretary on written request.

We received no shareholder proposals and no shareholder director nominations for the 2008 Annual Meeting of Shareholders.

TRANSACTION OF OTHER BUSINESS

Should any other matter requiring the vote of shareholders arise at the meeting, it is intended that proxies will be voted for or against that matter in accordance with the judgment of the person or persons voting the proxies.

Please return your proxy as soon as possible. Unless a quorum consisting of a majority of the outstanding shares entitled to vote is represented at the 2009 Annual Meeting of Shareholders, no business can be transacted. Therefore, please be sure to date and sign your proxy and return it in the enclosed postage-paid return envelope, or vote by telephone or over the Internet by following the instructions included in this package. Please act promptly to ensure that you will be represented at the meeting.

WE WILL PROVIDE WITHOUT CHARGE ON THE WRITTEN REQUEST OF ANY PERSON SOLICITED HEREBY A COPY OF OUR ANNUAL REPORT ON FORM 10-K AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION FOR THE YEAR ENDED DECEMBER 31, 2008. WRITTEN REQUESTS SHOULD BE MAILED TO GEORGE R. HAUBENREICH, JR., CORPORATE SECRETARY, OCEANEERING INTERNATIONAL, INC., 11911 FM 529, HOUSTON, TEXAS 77041-3000.

By Order of the Board of Directors,



George R. Haubenreich, Jr.
Senior Vice President, General Counsel
and Secretary

March 26, 2009