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OCEANEERING ANNOUNCES ACQUISITION OF SPECTRUM SALES AND SERVICES

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NEW TECHNOLOGIES

AMERICAS INTRODUCE NEW SERVICE LINE, REMOTE AERIAL VEHICLES (RAVS)

In May our Houston office sent a RAV crew out to Padre North to conduct a flare boom inspection on PNA42A. The flare boom, approximately 275’ in length with two upper anchor points and one lower anchor point, required an overall general visual inspection with a close visual of the anchor points. The inspection was conducted in a single day with data recorded by photograph and video providing the client with a comprehensive visual condition report.

Oceaneering anticipate many future applications for the new RAV service line including inspection of pipelines, communication towers both on and offshore, under-hull inspections, and riser inspections. Generated reports will be available to clients via a dedicated web portal and if required, the RAV system has the ability to stream live imagery from the worksite over the internet, enabling real-time analysis by our clients.

The EMAT system being put through it’s paces at the NASA Neutral Buoyancy lab
Oceaneering Asset Integrity (OAI) recently discovered a broken bolt lying on the deck of one of Statoil’s platforms.

Following investigation, it was discovered the bolt had fallen from a 25 tonne lifting beam, with a drop height of 25 meters.

Operation ‘Inspection’ was commissioned to examine corresponding pins throughout the entire platform utilising Rope Access. Inspection and analysis of the bolts detected acid brittleness in a large number.

On this basis, OAI recommended exchanging all 400 bolts. Immediately Statoil began preparation for this operation with a request to OAI to undertake the assignment.

A 4 person Rope Access team was assembled with personnel from both OAI and NCA, to perform the task. Oceaneering NCA provided specialised equipment and knowledge on bolt exchange, with OAI managing the operation providing expertise in Rope Access techniques and reporting.

The operation did not require scaffolding or cranes, with sole use of Rope Access, more than 400 bolts were replaced in the 2 week operation.

This case not only demonstrated to our customer Oceaneering’s flexibility, skills and knowledge, but also the ability to provide complimentary services and solutions few others are able to deliver. It also undoubtedly resulted in a substantial cost saving for Statoil, who were very pleased with their project. Their problem was solved and potential risks averted.

The lifespan for the Heimdal platform is to be extended for several years longer than the original design. To ensure the integrity of the installation, several safety and maintenance measures have been initiated. One of the high priority jobs was the surface inspection and renovation of the flare boom structure, where there is potential for Corrosion Under Insulation (CUI) issues. An initial time estimate of about 17,000 manhours on an already tight schedule, created concern for the customer, as they had other priority operations to consider.

Oceaneering investigated reducing this calculation and following several meetings and discussions with Statoil and the ISS contractor, Bilfinger, proposed a reduced time estimate of 6,000 hours, using Rope Access techniques and specialist equipment.

A team of 6 multi skilled personnel were deployed from Bilfinger and Oceaneering. Several tasks were performed: Fire protection removal, sandblasting, inspection and painting. All completed via Rope Access techniques.

The job was not only physically demanding, but required cooperation and combined effort from all. Due to the expert climbing capabilities of the team, the project is now close to completion, on time and on budget.

Once again Oceaneering has provided the customer with a safe and effective solution to a difficult challenge.

Oceaneering Specialist Inspection Services was commissioned by Shell to provide a Creaform 3D laser scanner to survey pipework at the Shell St Fergus Gas Plant.

The Creaform 3D laser scanner is an innovative approach for assessing surface condition. Thanks to advances in laser scanning technology it is now possible to create an exact replica of the surface, providing a fully auditable corrosion assessment.

Prior visual inspection of the pipework initiated the request as the extent of the issue could not be rapidly or accurately determined via traditional ultrasonic techniques. The Creaform 3D laser scanner with Pipecheck software was deployed. The survey produced an assessment of the maximum depth of corrosion/pitting. It was then used to calculate the minimum remaining wall thickness in visually corroded areas and then to formally report all areas scanned. The survey enabled Shell’s engineers to make informed decisions and calculations regarding the integrity of the inspected areas.

The five day survey was conducted from June 1st-June 6th 2014 and thanks to advance planning, effective surface preparation and good scaffold access, combined with the rapid scanning technique, the request was delivered on time with an accurate inspection and report for the client.
Outgrowing the Che Guevara office was inevitable given Oceaneering’s ever-increasing business activities. Consequently Oceaneering Angola faced the challenge of constructing a new multilevel office and staff accommodation building at 495 Avenida Deolinda Rodrigues in Terra Nova, just north east of Luanda’s Quatro Febrero airport.

With construction now complete, the purposeful design combines high quality office space with luxurious staff accommodation facilities and as a result improves functionality taking efficiency and productivity to a new level.

Building details

The impressive entrance is comparable to any high class hotel. Elevators and two stairwells provide access to all floors.

Levels 2 – 5 are the pulse of company business activities. Each floor comprises of six offices at each side, a small and large conference room and open plan pods capable of seating up to 30 people.

Kitchen, rest rooms and storage rooms provide ample facilities for employees on each floor while a canteen on level 2 allows space for larger gatherings.

Recreational facilities include a gym, swimming pool, squash court and sauna, with a barbeque area and bar with sun beds on the top floor for socialising.

The building is a culmination of modern design and comfort, embracing a perfect balance between company requirements and employee needs.

Oceaneering Angola is truly setting the standard in working environments.

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Oceaneering Asset Integrity at BP Chemicals, Hull has reached a major milestone of 300,000 Man Hours without a Days Away From Work Case (DAPWC).

Oceaneering has been providing Non-Destructive Testing and Inspection on the BP Chemicals site since 2000. During the 14 years there has been over 18 Turnarounds (TARs) when the resident site team has been supplemented by additional personnel, increasing the onsite resource fourfold for short periods of high activity. Proactive planning, leadership and rigorous control measures have ensured the health and safety of all personnel.

Roy Wickens, Oceaneering site manager on BP Chemicals for seven years, has worked closely with BP to implement meticulous safety standards, and considers the ‘Good Spot’ system and Pre-TAR safety awareness training, to be crucial factors in this achievement.

Chemical plants are potentially extremely hazardous environments, which makes this a remarkable achievement for all involved and worthy of proud acknowledgement. Appreciation is given to all Oceaneering Asset Integrity employees for their dedication and exemplary work.

Oceaneering will continue to work closely with BP Chemicals reviewing and evaluating safety standards to maintain their excellent reputation.

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The Oceaneering team at the ExxonMobil Fawley refinery achieved yet another incident free year in 2013 and were presented with the Silver Tiger Award as a result of their excellent safety performance.

Over the past four years they attained two silver and one gold Tiger Awards. This is a tremendous performance taking into consideration the difficult evaluation process and given the ExxonMobil Fawley Refinery is the largest facility in the UK and also one of the biggest in Europe.

Congratulations and a huge thank you to all the technicians involved and the support from Stockton QHSE and Senior Management. Let’s make 2014 another safe year!
The joint venture between Oceaneering and O’Neill Radiography Services has achieved another success with the completion of the PNG LNG pipelines project for ESSO Highlands.

For nearly 3 years Automated Ultrasonic Testing and Phased Array Ultrasonic Testing teams have been working in some of the harshest environments imaginable. The final mainline weld was finished 10th December 2013 after 32 months, with final small diameter hill climb sections and tie-ins taking a further four months to complete.

Despite work progressing through swamps, tropical rainforest and steep slopes, all team members maintained their exemplary work and commitment delivering a high quality service. Well done to all at site and the support staff in Batam.

Following on from the successful Aberdeen Advanced NDT open day in 2013, Asset Integrity decided to host a similar event in 2014. Oceaneering Asset Integrity’s Specialist Inspection Services department and Subsea Inspection and Integrity Management amalgamated for the event to introduce and update their clients on Oceaneering’s latest technologies and future developments in the detection of pipe wall loss, both topside and subsea.

Held in May at the Oceaneering workshop in Aberdeen, the open day began with an overview of the advanced NDT and inspection systems uniquely suited for the detection and sizing of corrosion and erosion in process piping systems. This was followed by practical demonstrations on condition monitoring, Specialist Inspection Services, Splash Zone Inspection, Subsea Inspection and Oceaneering’s unique Conductor Stabilisation Solution.

Again, the open day proved to be a huge success having over 150 attendees, which included the majority of our major clients. With this in mind, we are currently in the process of planning our next open day in Baku, Azerbaijan.

A huge thank you to all involved!

Oceaneering Subsea Inspection and Integrity Management (SIIM) recently welcomed five new members to its team; Aleksandra Tomaszek (Project Manager), Conor Bannerman (Graduate Engineer), Mike Killeen (Sales Engineer), Lukasz Korziuk (UT Technician) and Paul Nicolson (Electronics Technician).

In addition to expanding the headcount in Aberdeen, SIIM are increasing the level of equipment available. The pool of Neptune tools, used for performing external UT of rigid or flexible pipework, is being increased to six. Oceaneering have taken delivery of one of the systems on the 25th of June with a further system currently being manufactured and assembled by Whitaker’s Engineering based in Stonehaven. This increase in capacity will allow the SIIM team to keep pace with the ever increasing demand for UT inspection subsea.

The recent acquisition of subsea inspection company Spectrum has added yet another tool to the expanding specialist inspection technologies available to Oceaneering. Spectrum’s Sea Turtle is an Electromagnetic Acoustic Transducer (EMAT) tool which will complement the subsea UT already offered. Complementary technology allows SIIM working closely with ROV and DTS, to provide complete packaged solutions to clients.
February was a busy month for Oceaneering Australia’s Asset Integrity group – hosting its first Advanced Non-Destructive Testing (NDT) Open Day on 18 February, and jointly participating with the rest of Oceaneering Australia’s product lines in the Australasian Oil & Gas Exhibition & Conference (AOG) 2014 that was held from 19 – 21 February at the Perth Convention & Exhibition Centre.

Recognising a huge opportunity for the use of Asset Integrity’s advanced tools here in Australia, the group sought to capture the attention of major industry players, to increase awareness of its international capability and commitment to support the Australian market. In order to do this, Australia’s Asset Integrity team organised its very first Open Day to introduce and update their clients on Oceaneering’s latest technologies.

Held at the Rydges Perth Hotel, the Advanced NDT Open Day began with an overview of Oceaneering’s Specialist Inspection Services (SIS) department and a presentation on how advanced technologies play an ever increasing and crucial part in the delivery of Non-Intrusive Inspection. Presentations on Tube Inspection, Non-Intrusive Inspection, Scab Inspection, Pipe supports, as well as case studies and demonstrations were presented by the group’s experts, Alan Parker, Technical Group Manager and Stuart Kenny, SIS Technical Manager – Advanced UT. A question and answer session concluded the open day with positive interest being generated which has led to ongoing follow up meetings with major clients.

“We were delighted to have attendance from all the major players here in WA. What we need to do now is follow up to maintain the momentum to create the opportunities – not a bad place to be in,” said Roger Thorne, General Manager, Asset Integrity.

Promoting the use of Asset Integrity’s advanced inspection tools and services in Australia forms part of the group’s business strategy. Elaborating on this strategy, Roger added, “Our first campaign starts in April, and hopefully will be the first of many. We will now plan to send our technicians for training and mentoring in Oceaneering’s Swansea facility so that we can respond to our clients’ requests semi-independently.”

In line with this strategy, Asset Integrity took the opportunity to showcase on Oceaneering’s stand at the Australasian Oil & Gas (AOG) Exhibition 2014, its Neptune System – Oceaneering’s versatile and unique ROV subsea piping inspection tool that provides a platform for high resolution wall thickness mapping and state of the art weld inspection.

The AOG, being the first and largest major industry event of the international oil and gas calendar held in Perth, Western Australia, provided a unique opportunity to allow the group to present the Neptune System to new and existing clients, and visitors. Clients who visited the stand had the benefit of coming up close and personal with the Neptune system which had recently come from a successful pipeline inspection job, and gained a better understanding of the solutions Oceaneering could provide – either as a complete system inclusive of ROV and launch from vessel or platform, or as a stand-alone inspection solution with the ability to interface to a client ROV.

Asset Integrity experts on the stand were kept busy with the amount of subsea asset integrity interest generated, with Neptune being the star of the show.

In conjunction with the AOG 2014, Asset Integrity’s Advance NDT Application Manager, Dr. Irene Pettigrew gave a presentation on NDT of Electrofusion Welds in HDPE Pipelines, which was part of a series of free seminars organised by the Australian Institute for Non-destructive Testing (AINDT). The seminars were held at a newly expanded section of the AOG – the Non-Destructive Testing & Condition Monitoring Zone. The presentation was well received by attendees.

At the specific request of TAQA, a workshop was organised in May at the Swansea branch to showcase the equipment and capabilities of the Specialist Inspection Services department. Included in the day were presentations on Non-Intrusive Inspection, Electro Magnetic Acoustic Transducers (EMAT), Guided Wave Technology, Medium Range Ultrasonic Testing, and Pulsed Eddy Current, as well as demonstrations of various technologies detailing the departments’ impressive abilities.

Feedback from TAQA was extremely positive. One of the Integrity Engineers went on to say “I know we all found it to be an exceedingly informative day with all of us agreeing that it certainly struck the right balance between giving an overview of the departments capabilities but providing sufficient detail where it was needed. It was also great to see the demonstrations of each technique and have the chance to explore the finer points in more detail with the Principal Engineers. It was abundantly clear that you have some first rate engineers who understand the equipment well and it was very promising to see that many of them had been with Oceaneering for a number of years”.

The workshop proved to be a huge success and projects are in discussion to utilise both the Guided Wave Technology, EMAT and the Splash Zone Riser Inspection Tool with marinated Pulsed Eddy Current.
KEITH HYDE

Keith Hyde began working for Foster Wheeler in June 1974 and has progressed through the company during its transition from QIS and OIS to its now present form Oceaneering International Services.

Having always worked at the Stockton branch, Keith’s services have been crucial on major construction projects within the UK - including Sizewell B and many British Energy/EDF Outage programmes.

Keith has a wide and varying knowledge of all oil, gas and power related maintenance and construction within the NDT/Inspection Industry. For the last 10 years he has worked as a Senior Technician carrying out day-to-day inspections and passing on his extensive knowledge and experience to our apprentices.

Always willing to assist in any way possible, Keith is a valued employee who has consistently carried out this work ethic.

Oceaneering would like to thank Keith for his 40 years of loyal service.

Mark Hill, Operations Manager, presents Keith Hyde with his service award

40 years
Keith Hyde

35 Years
Deborah Stevenson

30 Years
Dany Labrador

25 Years
Joseph Gelpi

20 Years
Kjell Reiertsen, Tore Monsen, Jeanetta Sillick, Carl Steinar Andersen, Michael Hessel, Billie Aucoin

15 Years
Ian Haig, Martin Pooley, Paul Wingell, Robert Robertson, Gary Richardson, Melissa Pinell, John Parks, Karen Terry

10 Years

For further information on any of the articles in the newsletter or on Oceaneering’s services please email: asset-integrity@oceaneering.com

Statements in this newsletter that express belief, expectation or intention, as well as those that are historical fact, are forward-looking. The forward-looking statements include the statements concerning Oceaneering’s expected contract revenue and anticipation average annual revenue. These forward-looking statements are made pursuant to the safe harbour provisions of the Private Securities Litigation Reform Act of 1995 and are based on current information and expectations of Oceaneering that involve a number of risks, uncertainties, and assumptions. Among the factors that could cause actual results to differ materially from those indicated in the forward-looking statements are risks and uncertainties related to industry conditions; prices of crude oil and natural gas; Oceaneering’s ability to obtain and the timing of new projects; and changes in competitive factors. Should one or more of these risks or uncertainties materialize, or should the assumptions underlying the forward-looking statements prove incorrect, actual outcomes could carry materially from those indicated. These and other risks are more fully described in Oceaneering’s latest annual report on Form 10-K and is other periodic filings with the Securities and Exchange Commission.