

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS  
PURSUANT TO SECTIONS 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-12289

SEACOR SMIT INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware

13-3542736

(State or Other Jurisdiction of  
Incorporation or Organization)

(I.R.S. Employer Identification No.)

11200 Richmond Avenue, Suite 400, Houston, Texas

77082

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code

(281) 899-4800

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class

Name of Each Exchange on Which Registered

Common Stock, par value \$.01 per share

New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act:

None

(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X Yes

The aggregate market value of the voting stock of the registrant held by non-affiliates as of March 20, 2002 was approximately \$922,836,000. The total number of shares of Common Stock issued and outstanding as of March 20, 2002 was

## DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission (the "Commission") pursuant to Regulation 14A within 120 days after the end of the Registrant's last fiscal year is incorporated by reference into Part III of this Annual Report on Form 10-K.

SEACOR SMIT INC.  
FORM 10-K  
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FORWARD-LOOKING STATEMENTS

Certain statements discussed in Item 1 (Business), Item 3 (Legal Proceedings), Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations), Item 7A (Quantitative and Qualitative Disclosures About Market Risk) and elsewhere in this Form 10-K constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concerning Management's expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others: general economic and business conditions, the cyclical nature of our business, adequacy of insurance coverage, currency exchange fluctuations, changes in foreign political, military and economic conditions, the ongoing need to replace aging vessels, dependence of spill response revenue on the number and size of spills and upon continuing government regulation in this area and our ability to comply with such regulation and other governmental regulation, industry fleet capacity, changes in foreign and domestic oil and gas exploration and production activity, competition, regulatory initiatives, customer preferences, marine-related risks and various other matters, many of which are beyond the Company's control and other factors. The words "estimate," "project," "intend," "believe," "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances on which the forward-looking statement is based.

PART I

ITEM 1. BUSINESS

GENERAL

Unless the context indicates otherwise, any reference to the "Company" refers to SEACOR SMIT Inc., incorporated in 1989 in Delaware, and its consolidated subsidiaries, "SEACOR" refers to SEACOR SMIT Inc. and "Common Stock" refers to the common stock, par value \$.01 per share, of SEACOR.

The Company is a major provider of offshore marine services to the oil and gas exploration and production industry and is one of the leading

providers of oil spill response services to owners of tank vessels and oil storage, processing and handling facilities. The Company also operates an inland river hopper barge business and holds a 23.8% equity interest in Chiles Offshore Inc. ("Chiles Offshore"), a company that owns and operates three ultra-premium jackup drilling rigs.

SEACOR's principal executive offices are located at 11200 Richmond Avenue, Suite 400, Houston, Texas 77082, where its telephone number is (281) 899-4800.

#### OFFSHORE MARINE SERVICES

##### GENERAL

The Company's offshore marine service business is primarily dedicated to operating a diversified fleet of offshore support vessels that service offshore oil and gas exploration and production facilities mainly in the U.S. Gulf of Mexico, the North Sea, Latin America, West Africa and Asia. Our vessels deliver cargo and personnel to offshore installations, handle anchors for drilling rigs and other marine equipment, support offshore construction and maintenance work and provide standby safety support and oil spill response services. From time-to-time, vessels service special projects, such as well stimulation, seismic data gathering, salvage and freight hauling. In addition to vessel services, the Company's offshore marine service business offers logistics services, which include shorebase, marine transport and other supply chain management services also in support of offshore oil and gas exploration and production operations.

#### 1

##### FLEET

GENERAL. As of December 31, 2001, the average age of the Company's owned fleet was approximately 14.8 years. Excluding standby safety vessels, the average age of the fleet was approximately 13.7 years. The Company believes that after vessels have been in service for approximately 25 years (20 years for crewboats and 30 years for certain standby safety vessels), the level of expenditures (which typically increase with vessel age) necessary to satisfy required marine certification standards may not be economically justifiable. There can be no assurance that the Company will be able to maintain its fleet by extending the economic life of existing vessels or acquiring new or used vessels, or that the Company's financial resources will be sufficient to enable it to make capital expenditures for such purposes.

The Company's fleet is primarily comprised of the following types of vessels:

ANCHOR HANDLING TOWING SUPPLY. Anchor handling towing supply vessels range in size and capacity and are equipped with winches capable of towing drilling rigs and lifting and positioning their anchors. At present, the horsepower and pounds of winch line pull capacity for these vessels range from approximately 6,000 horsepower to 15,000 horsepower and 600,000 lbs. to 1,000,000 lbs., respectively. These vessels also have varying capacity to transport deck cargo and liquid mud, potable and drill water, diesel fuel and dry bulk cement in compartments below deck. A number of anchor handling towing supply vessels are equipped with dynamic positioning ("DP") systems that enable them to maintain a fixed position in close proximity to a rig without the use of tie-up lines.

CREW BOATS. Crew boats transport personnel as well as cargo to and from production platforms and rigs. Vessels built prior to 1990 are generally 100 feet to 110 feet in length. Newer vessel designs, also known as Fast Support Intervention Vessels, are generally 130 feet to 190 feet in length and have enhanced cargo carrying capacities. Crew boats are equipped with high-speed capabilities and are used primarily to transport cargo on a time sensitive basis.

GEOPHYSICAL, FREIGHT AND OTHER. Vessels employed in geophysical and other project work generally have special features to meet the requirements of specific projects, including large deck space, high

electrical generating capacity, high maneuverability and unique thrusters, extra berthing facilities and long-range cruising capabilities. These vessels are used for projects such as well stimulation and the deployment of seismic data gathering equipment. Freight vessels have a substantial amount of clear deck space for cargo and adequate stability to handle tiers of containers or over-dimensional cargo.

MINI-SUPPLY. Mini-supply vessels range in size from 125 feet through 155 feet in length and serve drilling and production facilities and support offshore construction and maintenance work. They typically carry deck cargo, liquid mud, methanol and fuel and water but are not equipped with below deck bulk tanks for the carriage of dry mud or cement. Mini-supply vessels have bow thrusters for added maneuverability and are well suited for deepwater production support.

STANDBY SAFETY. Standby safety vessels operate in the UK sector of the North Sea. They typically remain on station to provide a safety backup to offshore rigs and production facilities, carry special equipment to rescue personnel, are equipped to provide first aid and shelter and, in some cases, function as supply vessels.

SUPPLY. Supply vessels serve drilling and production facilities and support offshore construction and maintenance work. They are differentiated from other vessels by cargo carrying flexibility and capacity, which is typically determined by the size of a vessel. In addition to deck cargo, supply vessels transport liquid mud, potable and drill water, diesel fuel and dry bulk cement below deck. Generally, customers prefer vessels with large liquid mud and bulk cement capacity and large areas of clear deck space. For certain projects, characteristics such as maneuverability, fuel efficiency or firefighting capability may also be important. The Company's supply vessels range in length from 166 feet to 250 feet and certain of those vessels have DP capabilities.

TOWING SUPPLY. Towing supply vessels perform the same functions as supply vessels but are equipped with more powerful engines (3,000 to 6,000 horsepower) and deck mounted winches, giving them the added capability to perform general towing duties, buoy setting and limited anchor handling work. Towing supply vessels are primarily used in international operations, which require the additional versatility that these vessels offer relative to supply vessels.

UTILITY. Utility vessels service offshore production facilities and also support offshore maintenance and construction work. They are capable of transporting fuel, water, deck cargo and personnel and certain of the fleet have enhanced firefighting and pollution response features. Utility vessels range in length from 96 feet to 125 feet.

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The following table sets forth, at the dates indicated, the Company's fleet count by type of vessel.

<TABLE>

<CAPTION>

		At December 31,	
		-----	
Type of Vessels Comprising Fleet		1999	2000
-----		-----	
2001			
-----		-----	
<S>		<C>	<C>
<C>			
Anchor Handling Towing Supply.....		30	27
31			
Crew.....		81	90
91			
Geophysical, Freight and Other.....		3	3
3			
Mini-Supply.....		8	8
26			
Standby Safety.....		19	37

30		
Supply and Towing Supply.....	79	74
79		
Utility.....	74	66
65		
-----		
Total Fleet.....	294	305
325(1)		
=====		

</TABLE>

(1) Includes 237 vessels owned directly by the Company and an additional vessel owned by a subsidiary in which the Company owns a majority equity interest. Twenty-five and 12 vessels are chartered-in and managed, respectively. Joint venture corporations in which the Company owns less than a majority equity interest own 46 and charter-in 4 vessels from third parties.

ACQUISITIONS AND DISPOSITIONS. The Company actively monitors opportunities to buy and sell vessels to maximize the overall utility and flexibility of its fleet. The fleet has grown significantly, from 83 vessels at January 1, 1995 to 325 vessels at December 31, 2001, principally through the purchase of vessels from competitors, newly constructed vessels and equity holdings in joint ventures that own vessels. The most significant vessel acquisition transactions beginning in 1995 are set forth in the following table.

<TABLE>

<CAPTION>

Year and Transaction	Anchor Handling Towing Supply	Crew	Geophysical, Freight and Other	Mini- Supply	Standby Safety	Supply and Towing Supply	
Utility Total							
-----							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1995:							
Graham(1).....	-	37	-	5	-	7	78
127							
CNN(2).....	2	-	-	-	-	3	-
5							
1996:							
McCall(3).....	-	36	-	-	-	-	5
41							
CNN(2).....	5	-	-	-	-	1	-
6							
SMIT(4).....	24	-	1	-	-	24	-
49							
1997:							
New Construction.....	1	3	-	-	-	1	-
5							
Galaxie(5).....	-	5	-	1	-	1	17
24							
1998:							
New Construction.....	3	4	-	-	-	3	-
10							
1999:							
New Construction.....	3	4	-	2	-	1	-
10							
2000:							
Boston Putford(6).....	-	-	-	-	18	-	-
18							
New Construction.....	1	2	-	-	-	-	-
3							
2001:							
Plaisance Marine(7).....	-	-	-	6	-	-	-
6							
Cheramie(8).....	-	-	-	11	-	2	11
24							
Stirling(9).....	5	-	-	-	-	9	-
14							

New Construction.....	-	4	-	2	-	1	-
7							
-----							
	44	95	1	27	18	53	111
349							

</TABLE>

Transaction with:

- (1) John E. Graham & Sons and certain affiliated companies, headquartered in Alabama.
- (2) Compagnie Nationale de Navigation, a French company.
- (3) McCall Enterprises, Inc. and its affiliated companies, headquartered in Louisiana.
- (4) SMIT Internationale N.V., a Netherlands company, that included the purchase by the Company of a 50% interest in 9 vessels sold by SMIT and SMIT's equity interest in joint ventures that owned and operated 12 vessels.
- (5) Galaxie Marine Services, Inc. and affiliated companies, headquartered in Louisiana.
- (6) Putford Enterprises Ltd. and associated companies, headquartered in England.
- (7) Plaisance Marine, Inc. and affiliated companies, headquartered in Louisiana.
- (8) Gilbert Cheramie Boats, Inc. and affiliated companies, headquartered in Louisiana.
- (9) Stirling Shipping Holdings Limited, headquartered in Scotland, including 2 new construction vessels delivered in 2002.

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The table below sets forth, in the years indicated, the number of vessels sold by type of service. At December 31, 2001, 24 of these vessels, including 12 crew, 8 supply and towing supply, 2 anchor handling towing supply and 2 mini-supply, were bareboat chartered-in by the Company pursuant to sale-leaseback transactions. The leases expire at various dates from 2002 through 2008 and contain purchase and renewal options. The Company has removed one standby safety vessel from operations and is actively marketing it for sale. Of the vessels sold in 2001, 3 utility and 1 mini-supply vessel were sold to the Company's environmental service business.

<TABLE>

<CAPTION>

Type of Vessels Sold		1995	1996	1997	1998	1999
2000	2001					
-----						
<S>		<C>	<C>	<C>	<C>	<C>
<C>	<C>					
Anchor Handling Towing Supply.....		1	-	5	8	1
1	1					
Crew.....		1	-	2	5	11
1	13					
Geophysical, Freight and Other.....		-	-	2	-	-
-	-					
Mini-Supply.....		-	-	-	-	-
-	4					
Standby Safety.....		-	-	-	-	-
2	6					
Supply and Towing Supply.....		4	-	21	14	-
9	5					
Utility.....		6	16	7	7	2
8	10					
-----						
		12	16	37	34	14
21	39					

</TABLE>

MARKETS

Vessels operate in five principal geographic regions of the world. The table below sets forth, at the dates indicated, the various types of vessels that are owned, bareboat chartered-in, managed, joint ventured and pooled in those five regions.

<TABLE>  
<CAPTION>

Vessel Types by Geographic Market	At December 31,		
	1999	2000	2001
-----			
<S>	<C>	<C>	<C>
Domestic, principally in the U.S. Gulf of Mexico:			
Anchor Handling Towing Supply.....	11	7	4
Crew.....	64	66	60
Geophysical, Freight and Other.....	2	2	2
Mini-Supply.....	6	6	23
Supply and Towing Supply.....	29	24	20
Utility.....	69	61	62
-----			
Total Domestic Fleet.....	181	166	171
-----			
North Sea:			
Anchor Handling Towing Supply.....	-	-	2
Standby Safety.....	19	37	30
Supply and Towing Supply.....	5	4	15
	24	41	47
-----			
Latin America:			
Anchor Handling Towing Supply.....	6	6	9
Crew.....	5	6	10
Mini-Supply.....	2	2	3
Supply and Towing Supply.....	16	18	20
Utility.....	3	3	3
	32	35	45
-----			
West Africa:			
Anchor Handling Towing Supply.....	6	6	9
Crew.....	9	8	11
Supply and Towing Supply.....	13	13	11
Utility.....	2	2	-
	30	29	31
-----			
Asia:			
Anchor Handling Towing Supply.....	6	6	6
Crew.....	2	9	9
Supply and Towing Supply.....	5	5	6
	13	20	21
-----			
Other Foreign:			
Anchor Handling Towing Supply.....	1	2	1
Crew.....	1	1	1
Geophysical, Freight and Other.....	1	1	1
Supply and Towing Supply.....	11	10	7
	14	14	10
-----			
Total Foreign Fleet.....	113	139	154
-----			
Total Fleet.....	294	305	325
=====			

</TABLE>

DOMESTIC. The Company is a major provider of vessel services to the U.S. oil and gas exploration and production industry that operates primarily in the U.S. Gulf of Mexico. At December 31, 2001, the U.S. fleet included 171 vessels. Its supply and towing supply, anchor handling towing supply and certain crew vessels support exploration activities and utility and certain crew vessels support production activities. The Company's vessels may also be employed in geophysical, freight and other special purpose operations. At December 31, 2001, there were approximately 350 supply and towing supply, 220 crew, 160 utility and 30 anchor handling towing supply vessels operating in the U.S. Gulf of Mexico through 40 companies.

In 2001, the Company increased the size of its U.S. Gulf of Mexico fleet through business combinations and the purchase and construction of vessels. In January 2001, the Company acquired all of the issued and outstanding shares of Plaisance Marine, Inc. ("Plaisance"), which owned 2 vessels and purchased 4 additional vessels from companies affiliated with Plaisance (collectively the "Plaisance Fleet"). Aggregate consideration paid for the Plaisance Fleet was \$20.1 million, including \$16.2 million paid in cash, the assumption of \$0.7 million of debt, and the issuance of 71,577 shares of Common Stock from treasury, valued at \$3.2 million on the closing date. In February 2001, the Company acquired all of the issued and outstanding shares of Gilbert Cheramie Boats, Inc. and related companies (collectively, "Cheramie"), which owned 24 vessels, for \$72.0 million and 2 vessels from Rincon Marine, Inc. ("Rincon") for \$19.7 million, including \$6.1 million in cash and the assumption of \$13.6 million in debt. The Company commissioned the construction of six U.S. flag vessels in 2001 at a cost of approximately \$25.0 million.

NORTH SEA. The principal activities of the Company's North Sea fleet, comprised of 47 vessels at December 31, 2001, are the provisioning of standby safety, supply and anchor handling towing supply vessel services to platform and rig operators in the region, which encompasses offshore Norway, Denmark, the Netherlands, Germany, Great Britain and Ireland. Two supply and 10 standby safety vessels were managed by the Company for third party owners and 2 additional standby safety vessels participate in joint ventures, one in which the Company owns a majority equity interest. See "Joint Ventures and Pooling Arrangements" for discussion of joint venture vessel activities and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Offshore Marine Services" for discussion of managed vessel activity. At December 31, 2001, there were approximately 121 vessels certified for North Sea standby safety operations and 112 supply and 89 anchor handling towing supply vessels working in the North Sea.

Demand in the North Sea market for standby safety vessel services developed in 1991 after the United Kingdom promulgated legislation requiring offshore operations to maintain higher specification standby safety vessels. The legislation requires a vessel to "stand by" to provide a means of evacuation and rescue for platform and rig personnel in the event of an emergency at an offshore installation. The Company believes that it was one of the first companies to convert vessels for use in standby safety service.

In May 2001, the Company acquired all of the issued and outstanding shares of Stirling Shipping Holdings Limited ("Stirling Shipping"), which owned 12 vessels and construction contracts for 2 additional vessels. Aggregate consideration was (pound)54.3 million (\$77.1 million based on exchange rates in effect and the price of Common Stock on the closing date), consisting of (pound)29.9 million, or \$43.0 million, in cash, (pound)14.7 million, or \$21.2 million, in one-year loan notes, and 285,852 shares of Common Stock issued from treasury, valued at \$12.9 million. Stirling Shipping's long term debt at closing was approximately (pound)43.0 million, or \$61.9 million. Stirling Shipping's 2 new construction vessels were delivered to the Company in the first quarter of 2002.

LATIN AMERICA. The Company provides vessel services in Latin America for both exploration and production activities. At December 31, 2001, the Company owned, either directly or through joint ventures, and/or operated 45 vessels in this region, including 27 based in Mexican ports

and 18 based in ports of Trinidad, Brazil, Chile, Argentina and Venezuela. Joint venture corporations in which the Company owns an equity interest owned 26 of its Latin American vessels and bareboat or time chartered-in an additional 11 vessels, 7 from the Company and 4 from outside sources. See "Joint Ventures and Pooling Arrangements" for discussion of joint venture vessel activities. The Company bareboat chartered-out 4 additional vessels to a Brazilian customer.

Operating conditions in Mexico are similar to those in the U.S. Gulf of Mexico; however, demand for vessels in Mexico has been affected historically to a significant degree by Mexican government policies, particularly those relating to Petroleos Mexicanos ("PEMEX"), the Mexican national oil company. PEMEX has an aggressive budget for 2002, which, if implemented, will increase vessel demand offshore Mexico. At December 31, 2001, there were approximately 280 vessels operating in Mexico, including tugs and barges.

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In Trinidad, expansion of a LNG facility continues to drive demand for natural gas, and in late 2001, the largest oil discovery in decades was made off the country's East Coast. Brazil, a premier deepwater market, saw modest increases in drilling activity during 2001 by multinational oil companies and Petrobras, the state owned oil company. Approximately 15 international oil companies presently have concessions to explore offshore Brazil. Offshore drilling and production activities in Venezuela, Chile and Argentina have been steady. Petroleos de Venezuela, S.A., the state owned oil company in Venezuela, has plans to increase offshore drilling along its border with Trinidad, where multinational oil companies operating off the Southern Coast of Trinidad have discovered significant gas reserves.

WEST AFRICA. At December 31, 2001, the Company owned and/or operated 30 vessels and, through a joint venture, bareboat chartered-out a vessel to a customer in West Africa. Competition is very concentrated in this market with only 6 principal vessel operators managing approximately 240 vessels. See "Joint Ventures and Pooling Arrangements" for discussion of joint venture vessel activities. The need for vessels in this market is primarily dependent upon multi-year offshore oil and gas exploration and development projects and production support.

ASIA. At December 31, 2001, the Company's fleet in Asia was comprised of 21 vessels, including 1 vessel constructed during the year at a cost of \$11.5 million. Joint venture corporations in which the Company owns an equity interest owned 10 of the vessels in this fleet. See "Joint Ventures and Pooling Arrangements" for discussion of joint venture vessel activities. At December 31, 2001, there were in excess of 250 vessels operated by approximately 17 companies supporting exploration, production, construction and special project activities in Asia.

OTHER FOREIGN. At December 31, 2001, 10 of the Company's other foreign vessels operated from bases located in France, Greece, Egypt and Turkmenistan. Joint venture corporations in which the Company owns an equity interest owned 8 of these vessels and 2 vessels owned by the Company were bareboat chartered-out. See "Joint Ventures and Pooling Arrangements" for discussion of joint venture vessel activities.

## JOINT VENTURES AND POOLING ARRANGEMENTS

The Company has formed or acquired interests in offshore marine joint ventures and entered into pooling arrangements with various third parties to enter new markets, enhance its marketing capabilities and facilitate operations in certain foreign markets. These arrangements have allowed the Company to expand its fleet or marine related operations while diversifying the risks and reducing the capital outlays associated with independent expansion.

TMM JOINT VENTURE. In 1994, the Company and Transportacion Maritima Mexicana S.A. de C.V., a Mexican corporation ("TMM"), organized a joint venture to serve the Mexican offshore market (the "TMM Joint Venture") that is comprised of two corporations, Maritima Mexicana, S.A., a Mexican corporation, and SEAMEX International Ltd., a Liberian

corporation, in each of which the Company owns a 40% equity interest. The TMM Joint Venture has enabled the Company to expand into a market contiguous to the U.S. Gulf of Mexico and provides greater marketing flexibility for the Company's fleet in the region. At December 31, 2001, the TMM Joint Venture owned 17 vessels and chartered-in an additional 10 vessels, including 6 from the Company and 4 from outside sources.

LOGISTICS JOINT VENTURE. The Company holds a 67% equity interest in Energy Logistics, Inc., a joint venture corporation that provides shorebase, marine transport and other supply chain management services in support of offshore exploration and production operations primarily in the U.S. Gulf of Mexico that was incorporated in 1996. Energy Logistics, Inc. owns Liberty Services, Inc. ("Liberty"), which has provided base services, equipment rental and personnel in support of the offshore energy industry for over 15 years. At December 31, 2001, Energy Logistics, Inc. and Liberty (collectively referred to as "ELI") operated shorebase support facilities in Louisiana and employed eight of the Company's crew and utility vessels in its operations.

PELICAN JOINT VENTURE. In December 2000, the Company entered into a joint venture owned 50% by each of the Company and Penguin Boat International Limited, a Singapore corporation ("Penguin"). The joint venture, Pelican Offshore Services Pte Ltd, also a Singapore corporation ("Pelican"), owns eight newly built Fast Support Intervention Vessels. The Pelican fleet is currently employed in Asia and will also be marketed in the Middle East jointly by Pelican and the Company. Penguin built seven of the eight Pelican vessels. Pelican currently has offices in Jakarta, Indonesia and Singapore.

ULTRAGAS JOINT VENTURE. In 1996, the Company acquired an equity interest in Ultragas Smit Lloyd Ltda ("Ultragas") and certain other entities affiliated with Ultragas that own and operate vessels serving the oil and gas industry in Latin America. In 1997, the Company and a subsidiary of Sociedad Naviera Ultragas Ltda, the Company's joint venture partner in Ultragas and its affiliated companies, formed an additional corporation for the purpose of owning and operating additional vessels. As of December 31, 2001, the Ultragas joint venture owned five vessels that were operating in Chile, Argentina and Brazil. The Company's ownership interests in entities comprising the Ultragas joint venture range from 25.7% to 50%.

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OTHER JOINT VENTURES. At December 31, 2001, the Company participated in 7 additional joint ventures that provide vessel services to the oil and gas industry. Participation in many of the vessel joint ventures resulted from a transaction with SMIT Internationale N.V. ("SMIT") that was consummated in December 1996 (the "SMIT Transaction"), in which the Company acquired, among other things, equity interests in joint ventures that were owned by SMIT and structured a joint venture with SMIT that increased its international market presence. At December 31, 2001, these other joint ventures owned 16 vessels, including 2 remaining to be sold under one of the other joint venture's plan of liquidation, and operated in Trinidad, Asia, the Middle East, the Mediterranean, West Africa, Venezuela and the North Sea.

Since 1995, the Company had been a party to a pooling arrangement with a UK corporation pursuant to which the Company and its pooling partner jointly marketed certain of their standby safety vessels to North Sea customers. Under this arrangement, operating revenues were pooled and allocated to the respective companies pursuant to a formula based on the class of vessels each company contributed to the pool. In 2001, the Company and its partner terminated this pooling arrangement.

An additional joint venture assists with management of the Company's vessels operating off the coast of Nigeria.

#### CUSTOMERS AND CONTRACT ARRANGEMENTS

The Company offers offshore marine services to over 200 customers, including major integrated oil companies and large independent oil and gas exploration and production companies and has enjoyed long standing

relationships with many of them. The percentage of revenue attributable to any individual customer varies from time-to-time, depending on the level of oil and gas exploration undertaken by a particular customer, the suitability of the Company's vessels for the customer's projects and other factors, many of which are beyond the Company's control. For the fiscal year ended December 31, 2001, approximately 11% of the Company's offshore marine segment's operating revenues were earned from services provided to ExxonMobil Corporation.

The majority of the vessels in the Company's fleet are time chartered to customers pursuant to which the customer rents a vessel and the Company provides all necessary support for its safe and efficient operation. Vessel operating expenses are typically the responsibility of the Company except that generally fuel and lubricants are provided by the customer. In return for providing time charter services, the Company is paid a daily rate of hire. The Company also charters-out vessels from its fleet to customers under bareboat charter agreements. Pursuant to these agreements, the Company provides only the vessel to the customer, and the customer assumes responsibility to provide for all of the vessel's operating expenses and generally assumes all risk of operation. The daily rate of hire that the Company charges under a bareboat charter agreement is lower than that under a time charter agreement.

Customers for vessels generally award charters based on suitability and availability of equipment, price and reputation for quality service and duration of employment. Charter terms may vary from several days to several years.

#### RISKS OF FOREIGN OPERATIONS

For the years ended December 31, 1999, 2000 and 2001 approximately 36%, 30% and 42%, respectively, of the Company's offshore marine revenues were derived from its foreign operations. The Company's foreign offshore marine operations are subject to various risks inherent in conducting business in foreign nations. These risks include, among others, political instability, potential vessel seizure, nationalization of assets, fluctuating currency values, hard currency shortages, controls of currency exchange, the repatriation of income or capital, import-export quotas and other forms of public and governmental regulation, all of which are beyond the control of the Company. It is not possible to predict whether any of these conditions or events might develop in the future. The occurrence of any one or more of such conditions or events could have a material adverse effect on the Company's financial condition and results of operations.

#### INDUSTRY CONDITIONS

Exploration and drilling activities, which affect the demand for vessels, are influenced by a number of factors, including the current and anticipated prices of oil and natural gas, the expenditures by oil and gas companies for exploration and development and the availability of drilling rigs. In addition, demand for drilling services remains dependent on a variety of political and economic factors beyond the Company's control, including worldwide demand for oil and natural gas, the ability of the Organization of Petroleum Exporting Countries ("OPEC") to set and maintain production levels and pricing, the level of production of non-OPEC countries and the policies of various governments regarding exploration and development of their oil and natural gas reserves. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" for discussion of current market conditions.

#### COMPETITION

The offshore marine service industry is highly competitive. In addition to price, service and reputation, the principal competitive factors for fleets include the existence of national flag preference, operating conditions and intended use (all of which determine the suitability of vessel types), complexity of maintaining logistical support and the cost of transferring equipment from one market to another.

Although there are many suppliers of offshore marine services,

management believes that only Tidewater Inc. operates in all geographic markets and has a substantial percentage of the domestic and foreign offshore marine market in relation to that of the Company and its other competitors.

#### GOVERNMENT REGULATION

DOMESTIC REGULATION. The Company's operations are subject to significant federal, state and local regulations, as well as international conventions. The Company's domestically registered vessels are subject to the jurisdiction of the United States Coast Guard (the "Coast Guard"), the National Transportation Safety Board, the U.S. Customs Service and the U.S. Maritime Administration, as well as to rules of private industry organizations such as the American Bureau of Shipping. These agencies and organizations establish safety standards and are authorized to investigate vessels and accidents and to recommend improved maritime safety standards. Moreover, to ensure compliance with applicable safety regulations, the Coast Guard is authorized to inspect vessels at will.

The Company is also subject to the Shipping Act, 1916, as amended (the "Shipping Act"), and the Merchant Marine Act of 1920, as amended (the "1920 Act," and together with the Shipping Act, the "Acts"), which govern, among other things, the ownership and operation of vessels used to carry cargo between U.S. ports. The Acts require that vessels engaged in the U.S. coastwise trade be owned by U.S. citizens and built in the United States. For a corporation engaged in the U.S. coastwise trade to be deemed a citizen of the U.S.: (i) the corporation must be organized under the laws of the United States or of a state, territory or possession thereof, (ii) each of the president or other chief executive officer and the chairman of the board of directors of such corporation must be a U.S. citizen, (iii) no more than a minority of the number of directors of such corporation necessary to constitute a quorum for the transaction of business can be non-U.S. citizens and (iv) at least 75% of the interest in such corporation must be owned by U.S. "citizens" (as defined in the Acts). Should the Company fail to comply with the U.S. citizenship requirements of the Acts, it would be prohibited from operating its vessels in the U.S. coastwise trade during the period of such non-compliance.

To facilitate compliance with the Acts, the Company's Restated Certificate of Incorporation: (i) limits the aggregate percentage ownership by non-U.S. citizens of any class of the Company's capital stock (including the Common Stock) to 22.5% of the outstanding shares of each such class to ensure that such foreign ownership will not exceed the maximum percentage permitted by applicable maritime law (presently 25.0%) and authorizes the Board of Directors, under certain circumstances, to increase the foregoing percentage to 24.0%, (ii) requires institution of a dual stock certification system to help determine such ownership and (iii) permits the Board of Directors to make such determinations as reasonably may be necessary to ascertain such ownership and implement such limitations. In addition, the Company's Amended and Restated By-Laws provide that the number of foreign directors shall not exceed a minority of the number necessary to constitute a quorum for the transaction of business and restrict any officer who is not a U.S. citizen from acting in the absence or disability of the Chairman of the Board of Directors and Chief Executive Officer and the President, all of whom must be U.S. citizens.

FOREIGN REGULATION. The Company, through its subsidiaries, joint ventures and pooling arrangements, operates vessels registered in the following foreign jurisdictions: St. Vincent and the Grenadines, Vanuatu, the Cayman Islands, France, Chile, Egypt, the Netherlands, Bahamas, Greece, Panama, Liberia, the Philippines, Argentina, Trinidad and Mexico. The vessels registered in these jurisdictions are subject to the laws of the applicable jurisdiction as to ownership, registration, manning and safety of vessels. In addition, the vessels are subject to the requirements of a number of international conventions to which the jurisdiction of registration of the vessels is a party. Among the more significant of these conventions are: (i) the 1978 Protocol Relating to the International Convention for the Prevention of Pollution from Ships, (ii) the International Convention on the Safety of Life at Sea, 1974 and 1978 Protocols, and (iii) the International Convention on Standards of

Training, Certification and Watchkeeping for Seafarers, 1978. The Company believes that its vessels registered in these foreign jurisdictions are in compliance with all applicable material regulations and have all licenses necessary to conduct their business. In addition, vessels operated as standby safety vessels in the North Sea are subject to the requirements of the Department of Transport of the UK pursuant to the UK Safety Act.

ENVIRONMENTAL REGULATION. The Company's vessels routinely transport diesel fuel to offshore rigs and platforms and carry diesel fuel for their own use; certain bulk chemical materials used in drilling activities; rig-generated wastes to shore for delivery to waste disposal contractors; and liquid mud which contains oil and oil by-products. These operations are subject to a variety of federal and analogous state

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statutes concerning matters of environmental protection. Statutes and regulations that govern the discharge of oil and other pollutants onto navigable waters include the Oil Pollution Act of 1990, as amended ("OPA 90"), and the Clean Water Act of 1972, as amended (the "Clean Water Act"). The Clean Water Act imposes substantial potential liability for the costs of remediating releases of petroleum and other substances in reportable quantities. State laws analogous to the Clean Water Act also specifically address the accidental release of petroleum in reportable quantities.

OPA 90, which amended the Clean Water Act, increased the limits on liability for oil discharges at sea, although such limits do not apply in certain listed circumstances. In addition, some states have enacted legislation providing for unlimited liability under state law for oil spills occurring within their boundaries. Other environmental statutes and regulations governing the Company's offshore marine operations include, among other things, the Resource Conservation and Recovery Act, as amended ("RCRA"), which regulates the generation, transportation, storage and disposal of on-shore hazardous and non-hazardous wastes; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), which imposes strict and joint and several liability for the costs of remediating historical environmental contamination; and the Outer Continental Shelf Lands Act, as amended ("OCSLA"), which regulates oil and gas exploration and production activities on the Outer Continental Shelf.

OCSLA provides the federal government with broad discretion in regulating the leasing of offshore resources for the production of oil and gas. Because the Company's offshore marine operations rely on offshore oil and gas exploration and production, the government's exercise of OCSLA authority to restrict the availability of offshore oil and gas leases could have a material adverse effect on the Company's financial condition and results of operations.

In addition to these federal and state laws, local laws and regulations and certain international treaties to which the U.S. is a signatory, such as MARPOL 73/78, subject the Company to various requirements governing waste disposal and water and air pollution.

## ENVIRONMENTAL SERVICES

### GENERAL

The Company's environmental service business provides contractual oil spill response and other professional services to those who store, transport, produce or handle petroleum and certain non-petroleum oils, as required by OPA 90 and various state regulations. The Company's environmental services are provided primarily through its wholly owned subsidiaries, National Response Corporation ("NRC"), International Response Corporation ("IRC") and ERST/O'Brien's Inc. ("ERST"). These services include training, consulting and supervision for emergency preparedness, response and crisis management associated with oil or hazardous material spills, fires and natural disasters and maintaining specialized equipment for immediate deployment in response to spills and other events. NRC has acted as the principal oil spill response contractor on several of the largest oil spills that have occurred in

the United States since the enactment of OPA 90.

The market for contractual oil spill response and other related training and consulting services grew substantially since 1990, when the United States Congress passed OPA 90 after the Exxon Valdez oil spill in Alaska. OPA 90 requires that all tank vessels operating within the Exclusive Economic Zone of the United States and all facilities and pipelines handling oil that could have a spill affecting the navigable waters of the United States develop a plan to respond to a "worst case" oil spill and ensure by contract or other approved means the ability to respond to such a spill. Today, almost 12 years since OPA 90's enactment, the market for these services has stabilized and has become very competitive for the numerous companies that now provide related services.

#### EQUIPMENT AND SERVICES

OIL SPILL RESPONSE SERVICES. The Company owns and maintains specialized equipment that is positioned in designated areas to comply with regulations promulgated by the Coast Guard and has personnel trained to respond to oil spills as required by customers and regulations. Included in the equipment are 10 oil spill response vessels and 6 oil spill response barges. The Company provides these services on the East, Gulf and West Coasts of the United States as well as in the Caribbean and Hawaii.

When an oil spill occurs, the Company mobilizes specialized oil spill response equipment, using either its own personnel or personnel under contract, to provide emergency response services for both land and marine oil spills. The Company has established a network of approximately 130 independent oil spill response contractors that may assist it with the provisioning of equipment and personnel.

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TRAINING, DRILL AND OTHER PROFESSIONAL SERVICES. The Company has developed customized training programs for industrial companies that educate personnel on the risks associated with the prevention of, and response to, oil spills, handling of hazardous materials, fire fighting and other crisis-related events. The Company also plans for and participates in customer oil spill response drills and other response exercises and drafts vessel response plans. The Company's drill services and training programs are offered both on a stand-alone basis and as part of its base retainer services.

INTERNATIONAL. The Company operates its environmental service business internationally primarily through IRC. Client services of IRC include oil spill response, training, exercise support and special projects in assessing risk of spills, response preparedness, strategies and resource requirements. International response services are currently provided in the Southeast Asia, Indian Ocean, Caribbean and Latin America regions. Joint ventures have been formed with local partners in Thailand, Brazil and Venezuela to provide spill response and other services to multinational oil companies, governments and industries. Oil spill response and related consulting service revenues derived from foreign operations have not been material.

#### CUSTOMERS AND CONTRACT ARRANGEMENTS

The Company offers its retainer services and oil spill response services primarily to the domestic and international shipping community and to owners of facilities such as refineries, pipelines, exploration and production platforms and tank terminals. In addition to its retainer customers, the Company also provides oil spill response services on one-time bases, including, under certain circumstances, the Coast Guard. The Company presently has approximately 750 retainer customers. The Company's arrangements with these customers include both short-term contracts (one year or less) and long-term agreements, in some cases as long as ten years from inception. For the fiscal year ended December 31, 2001, approximately 21% and 14% of the Company's environmental retainer revenue was received from Citgo Petroleum Corporation and El Paso Corporation, respectively.

Retainer services include employing a staff to supervise response to an oil spill emergency and maintaining specialized equipment, including marine equipment, in a ready state for emergency and spill response as contemplated by response plans filed by the Company's customers in accordance with OPA 90 and various state regulations. The Company maintains relationships with numerous environmental sub-contractors to assist with response operations and equipment maintenance and provide trained personnel for deploying equipment in a spill response.

The Company also generates revenue from the supervision of activities in response to oil spill emergencies. The level of spill activity can dramatically impact the Company's environmental service revenue. A single large spill can contribute significantly to overall revenues and to operating income. However, the Company is unable to predict revenue from oil spills. Further, based on recent statistics, it appears as though OPA 90 has had the intended beneficial effect of reducing the number and magnitude of oil spills.

#### COMPETITION

The principal competitive factors in the environmental service business are price, service, reputation, experience and operating capabilities. Management believes that the lack of uniform regulatory development and enforcement on a federal and state level has created a lower barrier to entry in several market segments, which has increased the number of competitors. The Company's oil spill response business faces competition primarily from the Marine Spill Response Corporation, a non-profit corporation funded by major integrated oil companies, other industry cooperatives and also from smaller contractors who target specific market niches. The Company's environmental consulting business faces competition from a number of relatively small privately held spill management companies.

#### GOVERNMENT REGULATION

NRC is classified by the Coast Guard as an Oil Spill Removal Organization ("OSRO"). The OSRO classification process is strictly voluntary and plan holders who utilize classified OSROs are exempt from the requirement to list their response resources in their plans. The classification process represents standard guidelines by which the Coast Guard and plan holders can evaluate an OSRO's potential to respond to and recover oil spills of various types and sizes in different operating environments and geographic locations. NRC holds OSRO classification under the current Coast Guard guidelines for every port in the continental United States, Hawaii and the Caribbean.

In addition to the Coast Guard, the Environmental Protection Agency ("EPA"), the Office of Pipeline Safety, the Minerals Management Service division of the Department of Interior and individual states regulate vessels, facilities and pipelines in accordance with the requirements of OPA 90 or under analogous state law. There is currently little uniformity among the regulations issued by these agencies.

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When responding to third party oil spills, the Company's environmental service business enjoys immunity from imposition of liability under federal law and some state laws for any damages arising from its response efforts, except for deaths, personal injuries or if the Company's environmental service business is found to be grossly negligent or to have engaged in willful misconduct. The Company's environmental service business maintains insurance coverage against such claims arising from its response operations. It considers the limits of liability adequate, although there can be no assurance that such coverage will be sufficient to cover future claims that may arise.

#### OTHER INVESTMENTS

##### INLAND RIVER BUSINESS

The Company's inland river business was established in the third quarter of 2000 upon its acquisition of newly constructed inland river hopper barges ("barges") and was further expanded upon acquiring SCF

Corporation ("SCF"), a company that owned and operated barges, in December 2000. SCF has a history of operating barges, dating back to 1983. The Company's barges service the agriculture and industrial sectors within the United States that are strategically aligned along the Mississippi River and its tributaries. At December 31, 2001, the Company controlled 338 barges, including 101 directly owned, 11 owned by a 50% owned partnership and 226 managed for third parties.

#### INVESTMENT IN CHILES OFFSHORE

Chiles Offshore was formed in 1997 for the purpose of constructing, owning and operating ultra-premium jackup drilling rigs. Chiles Offshore presently operates three of the nine existing ultra-premium jackup drilling rigs in the world. Two of the rigs are currently operating in the U.S. Gulf of Mexico and the third rig is working offshore Trinidad. Chiles Offshore has owned two of its three rigs since 1999 and acquired the third rig in 2001 for an aggregate purchase price of \$111.0 million.

In 2000, Chiles Offshore entered into an agreement with Keppel FELS Limited ("Keppel") to construct two ultra-premium jackup drilling rigs of the KFELS Mod V "B" design at an aggregate construction cost estimated not to exceed \$222.0 million, exclusive of interest and other capitalized costs. One rig was delivered to Chiles Offshore in February 2002 and, after commissioning, is expected to enter service under a long-term contract. The second rig is expected to enter service during the third quarter of 2002. Chiles Offshore also has an option agreement with Keppel to build up to two additional rigs of the design presently under construction. If Chiles Offshore does not exercise an option to construct one of the two additional rigs by April 6, 2002, both construction options will expire.

Chiles Offshore files reports with the Commission and its shares are traded on the American Stock Exchange under the trading symbol "COD."

#### OTHER ACTIVITIES

In 1998, the Company acquired an interest in the predecessor of Globe Wireless, L.L.C. ("Globe Wireless") and now owns, through its ownership of senior convertible preferred units, approximately 38% of the voting units issued by Globe Wireless. Globe Wireless operates a worldwide network of high frequency radio stations. The network of stations is a wireless data network initially targeted at the maritime industry that supports Internet messaging, telex and facsimile communications. Globe Wireless also provides Telex-Over-Radio and Satellite messaging services to the maritime industry.

In addition, the Company, from time-to-time, makes investments in other related businesses.

#### SEGMENT AND GEOGRAPHIC INFORMATION

Financial data for segment and geographic areas is reported in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations" and "Item 8. Consolidated Financial Statements - Note 13. Major Customers and Segment Data" included in Parts II and IV, respectively, of this Annual Report on Form 10-K.

#### EMPLOYEES

As of December 31, 2001, the Company directly or indirectly employed approximately 3,400 individuals. Of those directly employed, approximately 1,425 work aboard vessels and 515 work ashore. The shorebase staff, including administrative, shore support and managerial personnel, approximated 390 in the offshore marine business segment, 100 in the environmental business segment, 8 in the barge business segment and 17 corporate employees.

All indirect employees support vessel operations. In Nigeria, a joint venture company assists with vessel management and, at December 31, 2001, employed approximately 200 shipboard and 70 administrative, shore



Officer of SEACOR and has served as a director of certain of SEACOR's subsidiaries since December 1989. He has been President of SEACOR since October 1992. For more than five years preceding its acquisition by SEACOR in December 2000, Mr. Fabrikant served as Chairman of the Board and Chief Executive Officer of SCF. For more than the past five years, Mr. Fabrikant has been the President of Fabrikant International Corporation ("FIC"), a privately owned corporation engaged in marine operations and investments that may be deemed an affiliate of the Company. Mr. Fabrikant is Chairman of the Board of Chiles Offshore and a director of Globe Wireless. Mr. Fabrikant is a licensed attorney admitted to practice in the State of New York and in the District of Columbia.

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Randall Blank has been Executive Vice President and Chief Financial Officer of SEACOR since December 1989 and has been the Secretary since October 1992. From December 1989 to October 1992, Mr. Blank was Treasurer of SEACOR. In addition, Mr. Blank has been a director of certain of SEACOR's subsidiaries since January 1990. Mr. Blank is a director of Chiles Offshore and Globe Wireless.

Milton Rose has been a Vice President of SEACOR and President and Chief Operating Officer of its Americas Division since January 1993. Mr. Rose also serves as a director of various SEACOR joint ventures. From 1985 to January 1993, Mr. Rose was Vice President-Marine Division for Bay Houston Towing Company, a provider of ship docking and contract towing services.

Rodney Lenthall has been a Vice President of SEACOR and President of its International Division since November 2000. In addition, Mr. Lenthall has been a director of certain SEACOR subsidiaries since May 1998 and of Globe Wireless since 1999. Mr. Lenthall was a director of Ocean Group PLC, a major UK transport company, from 1979 until April 1998 and served as a consultant to the Company from May 1998 until November 2000. He is also a supervisory board director of Viktor Lenac Shipyard, Croatia and a director of Shipowners' P&I Club (Luxembourg).

Lenny Dantin has been Vice President and Chief Accounting Officer of SEACOR since March 1991. From October 1992 to May 2000, Mr. Dantin was Treasurer of SEACOR. In addition, Mr. Dantin has been an officer and director of certain of SEACOR's subsidiaries since January 1990. Since 1994, Mr. Dantin has been a director of the two companies comprising the TMM Joint Venture.

Dick Fagerstal has been Vice President of Finance since August 1997 and has served as its Treasurer since May 2000. Mr. Fagerstal has also served as a director of certain of SEACOR's subsidiaries since August 1997. Mr. Fagerstal has been the Senior Vice President and Chief Financial Officer of Chiles Offshore since August 1997 and has served as its Secretary since February 1998. Mr. Fagerstal has also served as a director of Chiles Offshore since August 1997. From February 1986 to August 1997, Mr. Fagerstal served as a bank officer for the New York office of Den norske Bank ASA.

Alice Gran has been Vice President and General Counsel of SEACOR since July 1998. From 1978 until joining SEACOR, Ms. Gran was a partner in the Washington, D.C. law firm of Fort & Schlefer, L.L.P. Ms. Gran is a licensed attorney admitted to practice in the District of Columbia.

Andrew Strachan has been a Vice President of SEACOR since April 1997 and a director and officer of certain SEACOR subsidiaries since December 1996. From prior to 1996 and until joining SEACOR, Mr. Strachan held various positions with SMIT that included Group Director for SMIT's offshore shipping business.

## PART II

### ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### MARKET FOR THE COMPANY'S COMMON STOCK

SEACOR's Common Stock trades on the New York Stock Exchange (the "NYSE") under the trading symbol "CKH." Set forth in the table below for the periods presented are the high and low sale prices for SEACOR's Common Stock, which have been restated to give effect for the three-for-two stock split effected June 15, 2000.

<TABLE>  
<CAPTION>

	HIGH	LOW
	-----	-----
<S>	<C>	<C>
Fiscal Year Ending December 31, 2000:		
First Quarter.....	41.7500	
29.0417		
Second Quarter.....	44.7083	
36.2500		
Third Quarter.....	46.7500	
38.0000		
Fourth Quarter.....	54.5000	
38.8750		
Fiscal Year Ending December 31, 2001:		
First Quarter.....	54.5000	
44.5000		
Second Quarter.....	49.2800	
43.0000		
Third Quarter.....	48.1500	
34.5100		
Fourth Quarter.....	47.5000	
34.2500		
Fiscal Year Ending December 31, 2002:		
First Quarter (through March 20, 2002).....	49.7000	
40.1000		

</TABLE>

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As of March 20, 2002, there were 152 holders of record of the Common Stock.

SEACOR has not paid any cash dividends in respect of its Common Stock since its inception in December 1989 and has no present intention to pay any dividends in the foreseeable future. Instead, SEACOR intends to retain earnings for working capital and to finance the expansion of its business. Any payment of future dividends will be at the discretion of SEACOR's Board of Directors and will depend upon, among other factors, the Company's earnings, financial condition, capital requirements, level of indebtedness and contractual restrictions, including the provisions of the Company's revolving credit facility.

The payment of future cash dividends, if any, would be made only from assets legally available therefor, and would also depend on the Company's financial condition, results of operations, current and anticipated capital requirements, plans for expansion, restrictions under then existing indebtedness and other factors deemed relevant by the Company's Board of Directors in its sole discretion.

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ITEM 6.           SELECTED FINANCIAL DATA

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table sets forth, for the periods and at the dates

indicated, selected historical and consolidated financial data for the Company, in thousands of dollars, except per share data. Such financial data should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Consolidated Financial Statements" included in Parts II and IV, respectively, of this Annual Report on Form 10-K.

<TABLE>  
<CAPTION>

December 31,			Year Ended		
			1997	1998	1999
2000	2001				
-----			-----	-----	-----
<S>		<C>	<C>	<C>	
<C>	<C>				
INCOME STATEMENT DATA:					
Operating Revenues.....\$			346,948 \$	385,791 \$	
289,425 \$	339,941 \$	434,790			
Costs and Expenses:					
Operating expenses.....			167,493	187,722	
166,786	201,452	234,551			
Administrative and general.....			28,299	36,102	
34,744	39,548	49,980			
Depreciation and amortization.....			36,538	36,449	
41,282	51,189	58,324			
-----			-----	-----	-----
Operating Income.....			114,618	125,518	
46,613	47,752	91,935			
Net interest income (expense).....			(1,412)	2,548	
(1,835)	(10,027)	(8,452)			
Gain from equipment sales or retirements, net.....			61,928	38,338	
1,677	7,628	9,030			
Other income (expense) (1).....			569	6,492	
(2,939)	16,305	11,208			
-----			-----	-----	-----
Income before income taxes, minority interest, Equity in net earnings of 50% or less owned Companies and extraordinary item.....			175,703	172,896	
43,516	61,658	103,721			
Income tax expense.....			61,384	60,293	
15,249	20,580	36,058			
-----			-----	-----	-----
Income before minority interest, equity in Net earnings of 50% or less owned Companies and extraordinary item.....			114,319	112,603	
28,267	41,078	67,663			
Minority interest in (income) loss of subsidiaries....			(301)	(1,612)	
1,148	(3,393)	(372)			
Equity in net earnings of 50% or less owned 330 (3,565) 4,306			5,575	13,627	
companies.....					
-----			-----	-----	-----
Income before extraordinary item.....			119,593	124,618	
29,745	34,120	71,597			
Extraordinary item - gain (loss) on extinguishment of			(439)	1,309	
1,191	-	(896)			
Debt, net of tax.....					
-----			-----	-----	-----
Net income.....\$			119,154 \$	125,927 \$	
30,936 \$	34,120 \$	70,701			
=====			=====	=====	
Income before Extraordinary Item(2) :					
Basic earnings per common share.....\$			5.76 \$	6.32 \$	

1.66 \$	2.02 \$	3.68		
	Diluted earnings per common share.....		5.00	5.45
1.64	1.92	3.47		

STATEMENT OF CASH FLOWS DATA:

Cash provided by operating activities.....	\$	105,548	\$	122,141
47,872	\$	65,251	\$	111,420
Cash provided by (used in) investing activities....		(215,087)		(149,202)
39,779		(31,012)		(76,638)
Cash provided by (used in) financing activities....		135,468		27,308
(82,686)		14,222		(77,455)

OTHER FINANCIAL DATA:

EBITDA(3).....	\$	157,341	\$	174,293
91,977	\$	90,537	\$	156,034

BALANCE SHEET DATA (AT PERIOD END):

Cash and cash equivalents(4).....	\$	175,381	\$	175,267
178,509	\$	224,219	\$	180,394
Total assets.....		1,019,801		1,257,975
1,196,991		1,132,730		1,298,138
Long-term debt.....		358,714		472,799
465,661		377,955		256,675
Stockholders' equity.....		474,014		542,782
508,130		552,552		743,698

</TABLE>

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- (1) In 1999, 2000 and 2001, other income primarily included gains and losses from the sale of marketable securities, derivative transactions and the sale of investments in 50% or less owned companies. In 2000, other income additionally included a gain upon the sale of shares of Chiles Offshore.
  - (2) Computations of basic and diluted income before extraordinary item per common share give effect for SEACOR's June 15, 2000 three-for-two stock split.
  - (3) As used herein, "EBITDA" is operating income plus depreciation and amortization, amortization of deferred mobilization costs, which is included in marine operating expenses, minority interest in (income) loss of subsidiaries and equity in net earnings of 50% or less owned companies, before applicable income taxes. EBITDA should not be considered by an investor as an alternative to net income, as an indicator of the Company's operating performance or as an alternative to cash flows as a better measure of liquidity.
  - (4) Cash and cash equivalents excluded restricted cash in 1997, 1998, 1999, 2000 and 2001 of \$46,983, \$69,234, \$21,985, \$40,759 and \$55,290, respectively, and marketable securities in 1997, 1998, 1999, 2000 and 2001 of \$160,440, \$194,703, \$73,005, \$82,181 and \$22,371, respectively.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Through its subsidiaries and joint venture arrangements, the Company furnishes offshore support services to the oil and gas exploration and production industry and provides contractual oil spill response and professional services to those who store, transport, produce or handle petroleum and certain non-petroleum oils. The Company's offshore support vessels operate principally in the U.S. Gulf of Mexico, the North Sea, Latin America, West Africa and Asia and its oil spill and professional services are primarily provided in the U.S.

The Company's business is primarily comprised of two segments, offshore marine services and environmental services. Upon completion of the September 22, 2000 initial public offering of the common stock of Chiles Offshore, the Company's drilling service business segment, the Company's ownership interest in Chiles Offshore declined below 50% and the Company began accounting for its interest in Chiles Offshore under the equity method. As a result, the Company no longer accounts for its investment in Chiles Offshore as a segment.

OFFSHORE MARINE SERVICE SEGMENT

The Company's offshore marine service segment provides marine transportation, logistics and related services primarily dedicated to supporting oil and gas exploration and production.

The offshore marine service segment's operating revenues are primarily affected by the number of vessels owned and bareboat and time chartered-in, as well as rates per day worked and utilization of the Company's fleet. Overall utilization for any vessel with respect to any period is the ratio of aggregate number of days worked by such vessel to total calendar days available during such period. The rate per day worked for any vessel with respect to any period is the ratio of total time charter revenue of such vessel to the aggregate number of days worked by such vessel for such period.

The Company has expanded its fleet from 83 vessels at January 1, 1995 to 325 vessels at December 31, 2001. During the year ended December 31, 2001, the Company acquired or chartered-in 63 vessels and disposed or terminated the charter-in of 47 vessels. Ten vessels were sold and leased-back in 2001. Since 1997, the Company has deposited proceeds from the sale of certain vessels into restricted cash accounts for purposes of acquiring newly constructed U.S.-flag vessels and qualifying for the Company's temporary deferral of taxable gains realized from the sale of those vessels.

Rates per day worked and utilization of the Company's fleet are a function of demand for and availability of marine vessels, which is closely aligned with the level of exploration and development of offshore areas. The level of exploration and development of offshore areas is affected by both short-term and long-term trends in oil and gas prices which, in turn, are related to the demand for petroleum products and the current availability of oil and gas resources. The table below sets forth rates per day worked and utilization data for the Company's fleet during the periods indicated.

<TABLE>  
<CAPTION>

		Year Ended December 31,	
		-----	
2001	Fleet	1999	2000
		-----	
<S>		<C>	<C>
<C>			
Rates per Day Worked (\$):(1) (2)			
13,548	Anchor Handling Towing Supply.....	11,869	11,410
3,313	Crew.....	2,493	2,645
5,406	Geophysical, Freight and Other.....	5,576	5,341
3,071	Mini-Supply.....	2,094	2,041
5,448	Standby Safety.....	6,045	5,328
7,771	Supply and Towing Supply.....	5,526	5,251
1,895	Utility.....	1,669	1,609
5,040	Overall Fleet.....	3,929	3,865

</TABLE>

<TABLE>  
<CAPTION>

		Year Ended December 31,	
		-----	
2001	Fleet	1999	2000
		-----	

	<C>	<C>
Overall Utilization (%):(1)		
Anchor Handling Towing Supply.....	73.5	70.7
84.6		
Crew.....	83.0	94.3
93.4		
Geophysical, Freight and Other.....	55.7	60.4
51.8		
Mini-Supply.....	81.5	92.9
91.7		
Standby Safety.....	74.1	79.0
87.3		
Supply and Towing Supply.....	69.3	74.1
88.8		
Utility.....	65.2	55.0
56.1		
Overall Fleet.....	73.1	75.7
81.1		

(1) Rates per day worked and overall utilization figures exclude owned vessels that are bareboat chartered-out, vessels owned by corporations that participate in pooling arrangements with the Company, joint venture vessels and managed vessels and include vessels bareboat and time chartered-in by the Company.

(2) Revenues for certain of the Company's vessels, primarily its North Sea fleet, are earned in foreign currencies, primarily Pounds Sterling, and have been converted to U.S. dollars at the weighted average exchange rate for the periods indicated.

The Company earns operating revenues primarily from the time or bareboat charter-out of vessels, which are owned or bareboat or time chartered-in. At December 31, 2001, the Company had 14 vessels bareboat chartered-out, including 5 vessels operated by the Company's joint ventures. At various times, the Company provides management services to other vessel owners. Charter revenues and vessel expenses of those managed vessels are not generally included in operating results, but the Company does recognize a management fee in operating revenues.

The table below sets forth the Company's fleet structure at the dates indicated.

Fleet Structure	At December 31,	
	1999	2000
2001		
Domestic:		
Owned.....	160	148
148		
Bareboat and Time Chartered-in.....	21	18
23		
Managed.....	-	-
-		
Joint Ventures and Pools(1).....	-	-
-		
	181	166
171		
Foreign:		
Owned.....	62	79
90		
Bareboat and Time Chartered-in.....	7	3

2	Managed.....	1	5
12	Joint Ventures and Pools(1).....	43	52
50		-----	-----
		113	139
154		-----	-----
	Total Fleet.....	294	305
325		=====	=====
	=====		

</TABLE>

(1) See "Item 1. Business - Joint Ventures and Pooling Arrangements."

Vessel operating expenses are primarily a function of fleet size and utilization levels. The most significant vessel operating expense items are wages paid to marine personnel, maintenance and repairs and marine insurance. In addition to variable vessel operating expenses, the offshore marine business segment incurs fixed charges related to the depreciation of property and equipment and charter-in hire. Depreciation is a significant operating expense and the amount related to vessels is the most significant component. Most vessels chartered-in by the Company resulted from sale and lease-back transactions.

Drydocking repairs, which are a substantial component of a vessel's maintenance costs, are expensed when incurred. Under applicable maritime regulations, vessels must be drydocked twice in a five-year period for inspection by regulatory authorities. The Company follows an asset management strategy pursuant to which it defers required drydocking of selected vessels and voluntarily removes these vessels from operation during periods of weak market conditions and low rates per day worked. Should the Company undertake a large number of drydockings in a particular fiscal year or put through survey a disproportionate number of older vessels, which typically have higher drydocking costs, comparative results may be affected. For the years ended December 31, 1999, 2000 and 2001, drydocking costs totaled \$5.5 million, \$7.3 million and \$10.1 million, respectively. During those same periods, the Company completed the drydocking of 81, 80 and 99 marine vessels, respectively.

A portion of the Company's revenues and expenses, primarily related to its North Sea operations, are received or paid in foreign currencies. For financial statement reporting purposes, these amounts are translated into U.S. dollars at the weighted average exchange rates during the relevant period.

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The worldwide offshore rig count in 2001 decreased from the previous year due primarily to declining oil and natural gas prices. There were approximately 418 offshore mobile rigs in operation worldwide at year-end 2001, representing a 5% decrease from the count at the prior year-end. U.S. Gulf of Mexico drilling rig utilization fell from approximately 175 offshore mobile rigs at the end of 2000 to approximately 120 offshore mobile rigs at the end of 2001; whereas, utilization of drilling rigs operating internationally actually improved from 265 offshore mobile rigs working at the end of 2000 to 298 offshore mobile rigs in service at the end of 2001.

In response to high oil and gas commodity prices, drilling in the U.S. Gulf of Mexico was very active in the first half of 2001 but began to decline mid-year from the slowdown in the economy, a cool summer, fuel switching and then the tragedy of September 11. The unusually warm winter of 2001-2002 also contributed to the decrease in demand for offshore drilling and consequently the demand for the Company's vessels in the U.S. Gulf of Mexico. Throughout these same periods, international drilling activity remained steady, as did the utilization of the Company's foreign fleet.

Recently, natural gas and oil prices have begun to increase. As a result, demand for the Company's vessels may increase in response to more offshore drilling activity in the U.S. Gulf of Mexico. International activity has remained stable.

#### ENVIRONMENTAL SERVICE SEGMENT

The Company's environmental service segment provides contractual oil spill response and other related training and consulting services. The Company's clients include tank vessel owner/operators, refiners and terminal operators, exploration and production facility operators and pipeline operators. The Company charges a retainer fee to its customers for ensuring by contract the availability (at predetermined rates) of its response services and equipment.

Pursuant to retainer agreements entered into with the Company, certain vessel owners pay in advance to the Company an annual retainer fee based upon the number and size of vessels in each such owner's fleet and in some circumstances pay the Company additional fees based upon the level of each vessel owner's voyage activity in the U.S. The Company recognizes the greater of revenue earned by voyage activity or the portion of the retainer earned in each accounting period. Certain vessel and facility owners pay a fixed fee or a fee based on volume of petroleum product transported for the Company's retainer services and such fee is recognized ratably throughout the year. The Company's retainer agreements with vessel owners generally range from one to three years while retainer arrangements with facility owners are as long as ten years.

Spill response revenue is dependent on the magnitude of any one spill response and the number of spill responses within a given fiscal period. Consequently, spill response revenue can vary greatly between comparable periods and the revenue from any one period is not indicative of a trend or of anticipated results in future periods. Costs of oil spill response activities relate primarily to (i) payments to sub-contractors for labor, equipment and materials, (ii) direct charges to the Company for equipment and materials, (iii) participation interests of others in gross profits from oil spill response and (iv) training and exercises related to spill response preparedness.

The Company charges consulting fees to customers for customized training programs, its planning of and participation in customer oil spill response drill programs and response exercises and other special projects.

The principal components of the Company's operating costs are salaries and related benefits for operating personnel, payments to sub-contractors, equipment maintenance and depreciation. These expenses are primarily a function of regulatory requirements and the level of retainer business.

#### OTHER INVESTMENTS

##### INLAND RIVER OPERATIONS

The Company's inland river business earns operating revenues primarily from voyage affreightments under which customers are charged for a committed space to transport cargo for a specific time from a point of origin to a destination at an established rate per ton. Revenues are also earned while cargo is stored aboard barges and when barges are chartered-out to third parties. Barge operating expenses are typically differentiated between those directly related to voyages and all other barge operating costs. Voyage expenses primarily include towing, switching, fleetling and cleaning costs; whereas, non-voyage related operating expenses include such costs as repairs, insurance and depreciation.

The Company's directly owned barges and certain of those managed for third parties participate in two pooling arrangements. Pursuant to these pooling arrangements, operating revenues and voyage expenses are pooled and the net results are allocated to respective participating barge owners based upon the number of days any one participating owner's

barges bear to the total number of days of all barges participating in the pool.

The Company has contracts or commitments to build 174 barges in 2002.

#### INVESTMENT IN CHILES OFFSHORE

The Company consolidated the reporting of financial information of drill rig operator Chiles Offshore, due to its majority ownership, from its inception in 1997 until its initial public offering of common stock (the "Chiles IPO"). On September 22, 2000, Chiles Offshore completed the Chiles IPO. As a consequence of the Chiles IPO, the Company's ownership interest in Chiles Offshore was reduced from 55.4% to 27.3%, at which point the Company ceased consolidating Chiles Offshore's financial condition, results of operations and cash flows and began accounting for its interest in Chiles Offshore using the equity method. At December 31, 2001, Company's ownership percentage in Chiles Offshore was 23.8%. The decline in the Company's ownership percentage since the Chiles IPO was primarily the consequence of Chiles Offshore's issuance of additional shares upon its acquisition of all the share capital of an entity that owned an ultra-premium jackup drilling rig.

Chiles Offshore derives its revenues primarily from contracts to drill wells for oil and gas operators. In the U.S. Gulf of Mexico, these drilling contracts are typically for terms of 30 to 90 days and provide for base dayrates, which may be subject to adjustments based on performance incentives. In international operations, Chiles Offshore has entered into multi-year drilling contracts.

For the twelve months ended December 31, 2001, Chiles Offshore's rig utilization was 100% and the average dayrate was \$71,609. In calculating average dayrates, Chiles Offshore divides the revenue earned by its rigs during the period by the total number of rig operating days in the period. In addition, Chiles Offshore's average dayrates include any bonuses that may be triggered by achieving performance and safety targets in its drilling contracts.

Both dayrates and utilization are a function of demand for, and availability of, drilling rigs, which are affected by short- and long-term trends in oil and gas prices, which are, in turn, related to the demand for petroleum products, the current availability of oil and gas resources and the general level of worldwide economic activity.

Rig operating expense consists primarily of crew costs, insurance, inspections, repair and maintenance and other related costs. General and administrative expenses consist primarily of corporate and safety management, administration, marketing, financial and legal expenses.

#### OTHER ACTIVITIES

The Company, from time-to-time, makes investments in other related businesses.

#### RESULTS OF OPERATIONS

The following table sets forth operating revenue and operating profit for the Company's various business segments for the periods indicated, in thousands of dollars. The Company evaluates the performance of each operating segment based upon the operating profit of the segment including gains or losses from equipment sales and retirements and the sale of interests in 50% or less owned companies and equity in the net earnings of 50% or less owned companies, but excluding minority interest in income or losses of subsidiaries, interest income and expense, gains or losses from derivative transactions and the sale of marketable securities, gain upon sale of shares of Chiles Offshore, corporate expenses and income taxes. Operating profit is defined as Operating Income as reported in "Item 8. Financial Statements and Supplementary Data - Consolidated Statements of Income" included in Part IV of this Annual Report on Form 10-K excluding corporate expenses and net of certain other income and expense items. The disaggregation of financial results has been prepared using a management approach. Segment assets exclude those which the Company considers to be of a corporate nature, including unrestricted cash, marketable securities, certain other assets

and property and equipment related to corporate activities. Information disclosed in the table presented below may differ from separate financial statements reported by subsidiaries of the Company due to certain elimination entries required in consolidation.

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<TABLE>  
<CAPTION>

Other and 1999 Corporate	Total	Marine	Environmental	Drilling
		-----	-----	-----
<S>		<C>	<C>	<C>
<C>	<C>			
Operating Revenues -				
External Customers.....	\$ 289,425	\$ 258,177	\$ 22,659	\$ 7,651
\$ 938(a)	\$ 289,425			
Intersegment.....		528	161	-
(689)	-			
		-----	-----	-----
Total.....	\$ 289,425	\$ 258,705	\$ 22,820	\$ 7,651
\$ 249	\$ 289,425			
		=====	=====	
Operating Profit (Loss).....	\$ 50,518	\$ 46,158	\$ 4,801	\$ -
(585)	\$ 144			
Gains from Equipment Sales or Retirements, net.....		1,661	16	-
- 1,677				
Loss from Sale of Interest in a 50% or Less Owned Company.....		(72)	-	-
- (72)				
Equity in Net Earnings (Losses) of 50% or Less Owned Companies.....		4,906	814	-
(3,107)	2,613			
Minority Interest in Net Loss of Subsidiaries.....		-	-	-
1,148	1,148			
Interest Income.....		-	-	-
20,495	20,495			
Interest Expense.....		-	-	-
(22,330)	(22,330)			
Derivative Loss, net.....		-	-	-
(1,323)	(1,323)			
Losses from Sale of Marketable Securities, net.....		-	-	-
(279)	(279)			
Corporate Expenses.....		-	-	-
(5,169)	(5,169)			
Income Taxes.....		-	-	-
(17,533)	(17,533)			
		-----	-----	-----
Income (Loss) before Extraordinary Item.....	\$ 29,745	\$ 52,653	\$ 5,631	\$ -
(585)	\$ (27,954)			
		=====	=====	
Investments, at Equity, and Receivables from 50% or Less Owned Companies.....	\$ 77,276	\$ 41,989	\$ 1,288	\$ -
\$ 33,999	\$ 77,276			
Other Segment Assets.....		621,197	27,650	199,294
- 848,141				
		-----	-----	-----
Subtotal Segment Assets.....		663,186	28,938	199,294
33,999	925,417			
Corporate.....		-	-	-
271,574	271,574			
		-----	-----	-----
Total Assets.....	\$ 1,196,991	\$ 663,186	\$ 28,938	\$ 199,294
\$ 305,573	\$ 1,196,991			
		=====	=====	

Depreciation and Amortization.....	\$	34,936	\$	3,815	\$	2,478
\$ 53 \$ 41,282						
=====						
2000						
Operating Revenues -						
External Customers.....	\$	276,473	\$	24,996	\$	37,380
\$ 1,092 (b) \$ 339,941						
Intersegment.....		458		-		-
(458)						
-----						
Total.....	\$	276,931	\$	24,996	\$	37,380
\$ 634 \$ 339,941						
=====						
Operating Profit.....	\$	33,830	\$	3,655	\$	14,615
\$ 200 \$ 52,300						
Gains from Equipment Sales or Retirements, net.....		7,616		13		-
- 7,629						
Equity in Net Earnings (Losses) of 50% or Less						
Owning Companies.....		(396)		619		458
(5,667) (4,986)						
Minority Interest in Net Income of Subsidiaries.....		-		-		-
(3,393) (3,393)						
Interest Income.....		-		-		-
17,423 17,423						
Interest Expense.....		-		-		-
(27,450) (27,450)						
Derivative Income, net.....		-		-		-
6,292 6,292						
Gains from Sale of Marketable Securities, net.....		-		-		-
7,562 7,562						
Gain upon Sale of Shares of Chiles Offshore.....		-		-		-
4,023 4,023						
Corporate Expenses.....		-		-		-
(6,121) (6,121)						
Income Taxes.....		-		-		-
(19,159) (19,159)						
-----						
Income (Loss) before Extraordinary Item.....	\$	41,050	\$	4,287	\$	15,073
\$ (26,290) \$ 34,120						
=====						
Investments, at Equity, and Receivables from 50%						
or Less Owning Companies.....	\$	43,078	\$	432	\$	68,122
\$ 26,062 \$ 137,694						
Other Segment Assets.....		635,208		29,516		-
20,267 684,991						
-----						
Subtotal Segment Assets.....		678,286		29,948		68,122
46,329 822,685						
Corporate.....		-		-		-
310,045 310,045						
-----						
Total Assets.....	\$	678,286	\$	29,948	\$	68,122
\$ 356,374 \$ 1,132,730						
=====						
Depreciation and Amortization.....	\$	41,936	\$	4,005	\$	5,144
\$ 104 \$ 51,189						
=====						

Operating Revenues -				
External Customers.....	\$	398,345	\$	26,847
\$ 9,598 (b) \$ 434,790				\$ -
Intersegment.....		778		-
(778)				-
-----				
Total.....	\$	399,123	\$	26,847
\$ 8,820 \$ 434,790				\$ -
=====				
Operating Profit.....	\$	98,004	\$	2,037
\$ 2,216 \$ 102,257				\$ -
Gains (Losses) from Equipment Sales or Retirements, net.....		9,180		6
(156) 9,030				-
Gain from Sale of Interest in 50% or Less Owned Companies.....		201		-
- 201				-
Equity in Net Earnings (Losses) of 50% or Less Owned Companies.....		5,181		40
(4,739) 6,292				5,810
Minority Interest in Net income of Subsidiaries.....		-		-
(372) (372)				-
Interest Income.....		-		-
13,546 13,546				-
Interest Expense.....		-		-
(21,998) (21,998)				-
Derivative Income, net.....		-		-
4,127 4,127				-
Gains from Sale of Marketable Securities, net.....		-		-
5,689 5,689				-
Corporate Expenses.....		-		-
(9,131) (9,131)				-
Income Taxes.....		-		-
(38,044) (38,044)				-
-----				
Income (Loss) before Extraordinary Item.....	\$	112,566	\$	2,083
\$ (48,862) \$ 71,597				\$ 5,810
=====				
Investments, at Equity, and Receivables from 50% or Less Owned Companies.....	\$	49,618	\$	303
\$ 26,299 \$ 153,827				\$ 77,607
Other Segment Assets.....		875,148		28,412
32,310 935,870				-
-----				
Subtotal Segment Assets.....		924,766		28,715
58,609 1,089,697				77,607
Corporate.....		-		-
208,441 208,441				-
-----				
Total Assets.....	\$	924,766	\$	28,715
\$ 267,050 \$ 1,298,138				\$ 77,607
=====				
Depreciation and Amortization.....	\$	52,926	\$	4,288
\$ 1,110 \$ 58,324				\$ -
=====				

- (a) Revenues attributable to the Company's telecommunications business that was acquired in April 1999 and sold in July 1999.
- (b) Revenues attributable to the Company's inland river business that commenced operation in the third quarter of 2000.

</TABLE>

Revenues attributed to geographic areas were based upon the country of domicile for offshore marine and drilling service segment customers and the country in which the Company provided oil spill protection or other related training and consulting services for environmental service segment customers. The Company considers long-lived assets to be property and equipment and has been distributed to geographical areas based upon the assets' physical location during the applicable period. Certain of the Company's offshore marine service segment's long-lived vessel assets relocate between its geographical areas of operation. The costs of long-lived vessel assets that are relocated have been allocated between geographical areas of operation based upon length of service in the applicable region. The following table is presented in thousands of dollars for the years ending December 31.

<TABLE>  
<CAPTION>

	1999	2000	2001
	-----	-----	-----
<S>	<C>	<C>	<C>
Revenues:			
United States of America.....	\$ 186,673	\$ 236,841	\$ 267,195
United Kingdom.....	24,643	39,565	74,477
Nigeria.....	19,324	15,544	29,425
Other.....	58,785	47,991	63,693
	-----	-----	-----
	\$ 289,425	\$ 339,941	\$ 434,790
	=====	=====	=====
Long-Lived Assets:			
United States of America.....	\$ 550,106	\$ 302,417	\$ 335,648
United Kingdom.....	33,083	47,898	186,686
Nigeria.....	40,486	40,119	39,973
Other.....	91,522	136,644	172,450
	-----	-----	-----
	\$ 715,197	\$ 527,078	\$ 734,757
	=====	=====	=====

</TABLE>

COMPARISON OF FISCAL YEAR 2001 TO FISCAL YEAR 2000

OFFSHORE MARINE SERVICE SEGMENT

OPERATING REVENUES. The Company's offshore marine service segment's operating revenues increased \$122.2 million, or 44%, in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. This increase was due primarily to a growing fleet and higher rates per day worked and utilization.

Operating revenues generated by newly acquired, constructed and chartered-in vessels exceeded the loss of revenues associated with vessel dispositions through sales and charter-in terminations. Fleet growth over the past two years contributed approximately \$80.0 million toward higher operating revenues in 2001 versus 2000. Vessel dispositions and charter-in terminations over the past two years resulted in a decline in operating revenues between years of approximately \$19.0 million.

Rising rates per day worked and utilization resulted in higher operating revenues between years of \$45.0 million and \$15.0 million, respectively. Rates per day worked rose for all vessel classes in all operating regions, excluding domestic geophysical, freight and other vessels. Rates per day worked particularly improved for the Company's worldwide fleet of supply and towing supply vessels, U.S. crew and utility vessels and foreign anchor handling towing supply vessels. Higher utilization of domestic and foreign anchor handling towing supply and supply and towing supply vessels was partially offset by a decline in the use of North Sea standby safety and U.S. utility and crew vessels.

OPERATING PROFIT. The Company's offshore marine business segment's operating profit increased \$64.2 million, or 190%, in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000 due primarily to those factors affecting operating revenues outlined above. These increases were partially offset by higher operating expenses that resulted primarily from an increase in (i) charter-in costs following the sale and leaseback of several vessels, (ii) crew wages paid to seamen working domestically in response to

competition for qualified personnel, (iii) the number of vessels undergoing drydocking, (iv) vessel related insurance claims costs and (v) costs to repair crew vessel engines, which have grown in number and horsepower with the construction of larger vessels over the past several years. General and administrative expenses also rose between years due primarily to higher compensation costs with the addition of staff and an increase in reserves for doubtful accounts receivable associated with the Company's foreign operations.

GAINS (LOSSES) FROM EQUIPMENT SALES OR RETIREMENTS, NET. Net gains from equipment sales or retirements increased \$1.6 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. Apart from sale and leaseback transactions in both years, eleven additional vessels were sold in 2001 versus the prior year.

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EQUITY IN NET EARNINGS (LOSSES) OF 50% OR LESS OWNED COMPANIES. Equity earnings increased \$5.6 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. Profits rose due to improved performance by the TMM Joint Venture, the sale of a vessel by a joint venture that was structured between the Company and SMIT and the commencement of the Pelican Joint Venture.

#### ENVIRONMENTAL SERVICE SEGMENT

OPERATING REVENUES. The environmental service segment's operating revenues increased \$1.9 million, or 7%, in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. This increase resulted primarily from the addition of a retainer client in late 2000 that was formerly a customer of the environmental service segment's dissolved U.S. West Coast joint venture and higher international equipment sales. These revenue improvements were partially offset by a decrease in the severity of managed oil spills.

OPERATING PROFIT. The environmental segment's operating profit decreased \$1.6 million, or 44%, in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. Costs rose with the establishment of operations on the U.S. West Coast upon the dissolution of a joint venture in that region, higher legal and international marketing expenses and increased wages associated with the provisioning of spill management services.

EQUITY IN NET EARNINGS (LOSSES) OF 50% OR LESS OWNED COMPANIES. Equity earnings decreased \$0.6 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. A decline in profits resulting from the dissolution of a U.S. West Coast joint venture was partially offset by higher income earned by two foreign joint ventures.

#### DRILLING SEGMENT

As a consequence of the Chiles IPO on September 22, 2000, the Company's ownership interest in Chiles Offshore declined below 50% and the Company no longer consolidates Chiles Offshore's financial condition, results of operations and cash flows. As of September 22, 2000, the Company began accounting for its interest in Chiles Offshore using the equity method.

#### OTHER AND CORPORATE

EQUITY IN NET EARNINGS (LOSSES) OF 50% OR LESS OWNED COMPANIES. Equity losses decreased \$0.9 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. Losses declined due to a decline in the operating losses of Globe Wireless and a gain realized from the sale of a Handymax Dry-Bulk ship by a bulk carrier joint venture. These improvements were offset by the Company's recognition of a charge for investment impairment and its proportionate share of the net losses of Strategic Software Limited, an entity in which the Company holds an equity interest and whose principal activity is to develop and sell software to the ship brokerage and shipping industry.

MINORITY INTEREST IN NET INCOME OF SUBSIDIARIES. Minority interest in

net income of subsidiaries declined \$3.0 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000 due primarily to the deconsolidation of once majority-owned Chiles Offshore.

INTEREST INCOME AND INTEREST EXPENSE. Net interest expense decreased \$1.6 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. Interest expense declined due primarily to the deconsolidation of Chiles Offshore and SEACOR's redemption in 2001 of \$135.3 million principal amount of its 5 3/8% Convertible Subordinated Notes Due 2006 (the "5 3/8% Notes"). See "Liquidity and Capital Resources - Credit Facilities - 5 3/8% Notes" for additional discussion. Interest income also declined primarily with the use of previously invested cash balances to acquire vessels and barges and to liquidate debt.

DERIVATIVE INCOME (LOSSES), NET. Net gains from derivative transactions decreased \$2.2 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. Gains realized in 2000 upon termination of the Company's swap agreements in respect of Chiles Offshore's 10.0% Senior Notes Due 2008 (the "Chiles 10.0% Notes") that were substantially purchased and redeemed with proceeds from the Chiles IPO did not recur (the "Chiles Swap Transaction"). Net gains from commodity price hedging arrangements on various natural gas and crude oil positions, U.S. treasury note and U.S. treasury bond option and futures contracts and foreign currency forward exchange contracts in 2001 partially offset the decline. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" for additional discussion.

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GAINS FROM SALE OF MARKETABLE SECURITIES, NET. Net gains from the sale of marketable securities decreased \$1.9 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. In both years, the Company realized net gains primarily from the sale of equity securities.

CORPORATE EXPENSES. In the twelve month period ended December 31, 2001 compared to the twelve month period December 31, 2000, corporate expenses increased \$3.0 million. 2001 included underwriting fees and legal and professional expenses relating to unused availability under a standby purchase agreement with Credit Suisse First Boston ("CSFB") in connection with the redemption of certain of the Company's 5 3/8% Notes and higher costs resulting from an increase in the number of filings with the Commission. See "Liquidity and Capital Resources - Credit Facilities - 5 3/8% Notes" for additional discussion. Corporate expenses also increased between comparable periods due to an increase in wage and related benefit costs.

COMPARISON OF FISCAL YEAR 2000 TO FISCAL YEAR 1999

#### OFFSHORE MARINE SERVICE SEGMENT

OPERATING REVENUES. The Company's offshore marine service segment's operating revenues increased \$18.2 million, or 7%, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999. Operating revenues rose between years due primarily to the acquisition, construction and charter-in of vessels and the consolidation of ELI's financial results with those of the Company. A decline in operating revenues resulting from vessel sales and charter-in expirations, an increase in the number of vessels bareboat chartered-out and lower rates per day worked and utilization partially offset this increase.

The acquisition, construction and charter-in of vessels resulted in a \$33.9 million increase in operating revenues. This increase was offset by a \$14.7 million decline in operating revenues due to vessel sales and charter-in expirations and an increase in the number of vessels bareboat chartered-out.

As a result of ELI becoming a majority owned subsidiary in December 1999, the Company began consolidating ELI's financial condition, results of operations and cash flows with its own and operating revenues rose

between years by \$11.9 million. Prior to that date, the Company reported its interest in ELI as an investment in a 50% or less owned company that was accounted for under the equity method.

Lower utilization resulted in an approximate \$4.4 million decline in operating revenues. Demand declined for the Company's U.S. anchor handling towing supply and utility, North Sea standby safety and West African and Other Foreign supply and towing supply vessels. Additionally, three U.S. anchor handling towing supply vessels were removed from service for emergency repairs. These declines were offset by the improvement in utilization of the Company's U.S. crew and supply and towing supply, West African anchor handling towing supply and crew and Other Foreign anchor handling towing supply fleets.

Lower rates per day worked resulted in an approximate \$9.2 million decline in operating revenues. Rates per day worked declined in the Company's U.S. and West African anchor handling towing supply and its North Sea standby safety and supply and towing supply fleets. Revenues additionally declined due to lower rates per day worked in the Company's U.S. utility, West African supply and towing supply and Other Foreign anchor handling towing supply and supply and towing supply fleets. These declines were offset by an improvement in rates per day worked earned by the Company's U.S. crew and supply and towing supply fleets.

OPERATING PROFIT. Operating profit declined \$12.3 million, or 27%, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to those factors adversely affecting operating revenues as outlined above. The decline was also partially attributable to higher operating expenses resulting from (i) emergency repairs performed on three large anchor handling towing supply vessels, (ii) drydocking four laid-up vessels for return to active service, (iii) an increase in personal injury claim costs, (iv) rising per average employee health care costs, (v) enhanced training programs primarily in support of seamen's need to meet the certification requirements pursuant to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers and (vi) a greater number of main engine overhauls.

GAINS FROM EQUIPMENT SALES OR RETIREMENTS, NET. Net gains from equipment sales increased \$6.0 million, or 359%, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to an increase in more valuable vessel sales and a decline in deferred sale profits pursuant to sale-leaseback transactions. In accordance with generally accepted accounting principles, gains realized in sale-leaseback transactions are deferred in certain circumstances and amortized to income as reductions in rental expense over the applicable lease terms.

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EQUITY IN NET EARNINGS (LOSSES) OF 50% OR LESS OWNED COMPANIES. Equity earnings decreased \$5.3 million, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to a decline in the operating results of the TMM Joint Venture and certain other ventures in which the Company acquired an equity interest from SMIT (the "SMIT Joint Ventures"). Reduced profits in the TMM Joint Venture were due primarily to an increase in reserves for doubtful accounts receivable and estimated income tax expenses recorded in prior periods and lower rates per day worked earned by the venture's fleet. Reduced profits in the SMIT Joint Ventures were due primarily to fewer operating vessels, resulting from vessel sales and the charter-in expiration of a vessel.

#### ENVIRONMENTAL SERVICE SEGMENT

OPERATING REVENUES. Operating revenues increased \$2.2 million, or 10%, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to an increase in the number and severity of oil spills managed by the Company, which was partially offset by a decline in retainer revenues.

OPERATING PROFIT. Operating profit decreased \$1.1 million, or 24%, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to higher operating

expenses resulting from the addition of a marine operating base in St. Croix and higher drydocking expenses and the decline in retainer revenues.

EQUITY IN NET EARNINGS (LOSSES) OF 50% OR LESS OWNED COMPANIES. Equity earnings decreased \$0.2 million, or 24%, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to a decrease in the severity of oil spills managed by the environmental service segment's U.S. West Coast joint venture.

#### DRILLING SEGMENT

OPERATING REVENUES. Operating revenues increased \$29.7 million, or 389%, in the period from January 1, 2000 through September 21, 2000, the last date of operation prior to the Company's deconsolidation of Chiles Offshore, compared to the twelve month period ended December 31, 1999 due to the commencement of operation of two newly constructed rigs, the charter-in of one rig and an improvement in rates per day worked.

OPERATING PROFIT. Operating profits increased \$15.2 million in the period from January 1, 2000 through September 21, 2000 due primarily to the factors affecting operating revenue as outlined above.

As a consequence of the Chiles IPO on September 22, 2000, the Company's ownership interest in Chiles Offshore declined below 50% and the Company no longer consolidates Chiles Offshore's financial condition, results of operations and cash flows. As of September 22, 2000, the Company began accounting for its interest in Chiles Offshore using the equity method.

#### OTHER AND CORPORATE

EQUITY IN NET EARNINGS (LOSSES) OF 50% OR LESS OWNED COMPANIES. Equity losses increased \$2.6 million, in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999. Losses in both years resulted primarily from the Company's recognition of its equity interest in the operating losses of Globe Wireless. 2000's losses were partially offset by the Company's equity interest in a gain realized by a bulk carrier joint venture upon its sale of a construction contract for a Handymax Dry-Bulk ship.

MINORITY INTEREST IN NET INCOME OF SUBSIDIARIES. Minority interest in net income of subsidiaries increased \$4.5 million in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to increased profits of majority-owned subsidiary Chiles Offshore.

INTEREST INCOME AND INTEREST EXPENSE. Net interest expense increased \$8.2 million in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999. Interest expense increased due primarily to a decline in interest capitalized after substantial completion of the Company's offshore marine vessel and Chiles Offshore's rig construction programs in 1999 and indebtedness incurred with respect to the purchase of two vessels. This increase was partially offset by lower interest expense resulting primarily from reduced indebtedness following the deconsolidation of Chiles Offshore and the entry into swap agreements. Interest income declined also due to the Chiles Offshore deconsolidation and as a result of the exchange of certain notes receivable for equity holdings in Globe Wireless. During the twelve months of 2000 and 1999, the Company capitalized interest of \$0.6 million and \$9.8 million, respectively, with respect to the construction of rigs for Chiles Offshore and vessels.

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DERIVATIVE INCOME (LOSS), NET. Net derivative income increased \$7.6 million in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to the Chiles Swap Transaction.

GAINS (LOSSES) FROM SALE OF MARKETABLE SECURITIES, NET. Net gains from sales of marketable securities increased \$7.8 million in the twelve month period ended December 31, 2000 compared to the twelve month period

ended December 31, 1999 due primarily to the sale of equity securities during periods when the market values were greater than those at the dates of purchase. These gains were partially offset by losses realized from the sale of interest bearing securities during periods when interest rates exceeded those in effect at the dates of purchase.

**GAIN UPON SALE OF SHARES OF CHILES OFFSHORE.** In 2000, the Company recognized a gain upon the sale of common stock of Chiles Offshore representing the difference between the Company's underlying interest in the net book value of Chiles Offshore immediately following the Chiles IPO and its pre-IPO carrying value.

**CORPORATE EXPENSES.** Corporate expenses increased \$1.0 million in the twelve month period ended December 31, 2000 compared to the twelve month period ended December 31, 1999 due primarily to an increase in wage and related benefit costs.

## LIQUIDITY AND CAPITAL RESOURCES

### GENERAL

The Company's ongoing liquidity requirements arise primarily from its need to service debt, fund working capital, acquire, construct or improve equipment and make other investments. Management believes that cash flow from operations will provide sufficient working capital to fund the Company's operating needs for the foreseeable future. The Company may, from time-to-time, issue shares of Common Stock, preferred stock, debt or a combination thereof, or sell vessels to finance the acquisition of equipment and businesses or make improvements to existing equipment.

The Company's cash flow levels and operating revenues will be determined primarily by the size of the Company's offshore marine fleet, rates per day worked and overall utilization of the Company's offshore marine vessels and retainer, spill response and consulting activities of the Company's environmental service business. The volatility of oil and gas prices, the level of offshore production and exploration activity and other factors beyond the Company's control will directly affect the Company's marine service business.

A decline in U.S. Gulf of Mexico drilling activity during the second half of 2001 has lowered demand and rates per day worked for most classes of vessels in the Company's U.S. fleet. As a result, operating revenues have declined, and at present, the Company has 36 U.S. vessels out of service, including 27 from its utility fleet. Oil and natural gas prices have recently improved, and should these prices remain stable or rise further over the next several months, drilling activities in the U.S. Gulf of Mexico should also increase. These improvements should in turn lead to higher utilization and rates per day worked for the Company's domestic fleet. The Company cannot predict whether, or to what extent, market conditions will improve, remain stable or even deteriorate. As a result, should present demand and rates per day worked for the Company's U.S. vessels remain unchanged or further decline, results of operations and cash flows will be adversely affected.

### CASH AND MARKETABLE SECURITIES

At December 31, 2001, the Company's cash and investments in marketable securities totaled \$258.1 million, including \$180.4 million of unrestricted cash and cash equivalents, \$22.4 million of investments in marketable securities and \$55.3 million of restricted cash. The Company's cash and investments in marketable securities decreased \$89.1 million in the twelve month period ended December 31, 2001 compared to the twelve month period ended December 31, 2000. See "Cash Generation and Deployment" below.

Restricted cash at December 31, 2001 is comprised of joint depository construction reserve fund accounts with the Maritime Administration that were established pursuant to Section 511 of the Merchant Marine Act, 1936, as amended. In accordance with this statute, the Company has been permitted to deposit proceeds from the sale of certain vessels into the joint depository construction reserve fund accounts for purposes of acquiring newly constructed U.S.-flag vessels and qualifying for

temporary deferral of taxable gains realized from the sale of the vessels. From date of deposit, withdrawals from the joint depository construction reserve fund accounts are subject to prior written approval of the Maritime Administration, and the funds on deposit must be committed for expenditure within three years or be released for the Company's general use. Any such gains from vessel sales previously deferred would become immediately taxable upon release to the Company of sale proceeds that were deposited into joint depository construction reserve fund accounts.

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Investments in marketable securities at December 31, 2001 were primarily debt securities issued by U.S. states and their political subdivisions, the government of the United Kingdom, the U.S. Government and its agencies and corporations. Of the investments in debt securities, approximately 78%, or \$15.2 million, have contractual maturities of 10 years or longer.

#### CASH GENERATION AND DEPLOYMENT

Cash flow provided from operating activities during the twelve month period ended December 31, 2001 totaled \$111.4 million and increased \$46.2 million, or 71%, from the prior year due primarily to fleet growth and higher rates per day worked and utilization. This increase was partially offset by unfavorable changes in working capital.

In the twelve month period ended December 31, 2001, the Company generated \$309.7 million from investing and financing activities. Available-for-sale securities were sold for \$145.9 million. The Company borrowed \$65.0 million under its revolving credit facility in connection with the acquisition of Stirling Shipping and the repayment of Stirling Shipping's outstanding indebtedness. Cash proceeds from the sale of vessels totaled \$60.7 million. Pursuant to a standby purchase agreement between CSFB and SEACOR, CSFB purchased 216,170 shares of Common Stock for \$10.0 million. See "Credit Facilities and Notes -- 5 3/8% Notes" for discussion. Additional cash was generated primarily from the receipt of dividends and principal payments on notes from 50% or less owned companies, the sale of the Company's investment in two 50% or less owned offshore marine service segment companies and the settlement of certain derivative transactions.

In the twelve month period ended December 31, 2001, the Company used \$463.8 million in its investing and financing activities. Capital expenditures for property and equipment, primarily related to the acquisition and construction of vessels and barges, totaled \$107.4 million. To acquire corporations that own vessels, the Company paid \$98.2 million, net of cash acquired. Marketable securities were acquired for \$74.8 million. The Company repaid \$124.9 million of certain outstanding indebtedness, primarily including \$71.0 million on the books of Stirling Shipping, \$35.0 million borrowed under the its revolving credit facility and \$17.6 million with respect to two vessels purchased under capital lease arrangements. The Company paid \$38.0 million for the redemption of \$36.1 million principal amount of the 5 3/8% Notes. Restricted cash balances rose by \$14.5 million as deposits into joint depository construction reserve fund accounts exceeded reimbursements to the Company. Investments in and advances to 50% or less owned companies, primarily for the purchase of vessels, totaled \$5.8 million. Additional cash was used primarily for the purchase of Common Stock for treasury.

#### CAPITAL EXPENDITURES

Property and equipment capital expenditures totaled \$140.5 million, \$73.8 million and \$107.4 million in 1999, 2000 and 2001, respectively. Property additions in each of those years included the acquisition, construction and improvement of vessels. Capital expenditures in 1999 included costs to construct rigs for Chiles Offshore and 2000 and 2001 included costs to construct barges.

At December 31, 2001, the Company was committed to the construction of 9 vessels at an approximate aggregate cost of \$85.6 million, of which \$40.6 million had been expended. Following year end, the Company committed to the construction of 2 additional vessels and 174 barges at an approximate aggregate cost of \$60.3 million. The vessels are expected

to enter service during the next two years, and the barges are expected to enter service during 2002. The Company expects a certain number of the barges to be purchased by third parties and managed by the Company.

The Company may make selective acquisitions of vessels or barges, fleets of vessels or barges, oil spill response equipment, or expand the scope and nature of its environmental and logistics services, or invest in businesses related to its existing operations. The Company also may upgrade or enhance its vessels or construct vessels to remain competitive in the marketplace. Management anticipates that such expenditures would be funded through a combination of existing cash balances, cash flow provided by operations, sale of existing equipment and, potentially, through the issuance of additional indebtedness or shares of Common Stock.

#### CREDIT FACILITIES AND NOTES

REVOLVING CREDIT FACILITY. On February 5, 2002, the Company completed the syndication of a \$200.0 million, five year, non-reducing, unsecured revolving credit facility that replaced a \$100.0 million unsecured reducing revolving credit facility, of which \$25.7 million was available for future borrowing upon termination. Advances under the new revolving credit facility are available for general corporate purposes. Interest on advances will be charged at a rate per annum of LIBOR plus an applicable margin of 65 to 150 basis points based upon the Company's credit rating as determined by Standard & Poor's and Moody's. Adjustments to the applicable margin are the only consequence of a

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change in the Company's credit rating. The Company is not required to maintain a credit rating under the terms of the facility agreement, and if the Company does not maintain a credit rating, the applicable margin would be determined by financial ratios. The new revolving credit facility contains various restrictive covenants covering interest coverage, secured debt to total capitalization, funded debt to total capitalization ratios, the maintenance of a minimum level of consolidated net worth, as well as other customary covenants, representations and warranties, funding conditions and events of default. The new revolving credit facility contains no repayment triggers. A letter of credit, in the amount of (pound)15.3 million, or \$21.8 million as of March 20, 2002, has been issued pursuant to the terms of the new revolving credit facility, representing a guarantee on notes issued by the Company in connection with the acquisition of Stirling Shipping. Amounts available for future borrowings under the new revolving credit facility totaled approximately \$148.2 million at March 20, 2002.

7.2% NOTES. At December 31, 2001, the Company had outstanding \$147.5 million aggregate principal amount of its 7.2% Senior Notes Due September 15, 2009 (the "7.2% Notes"). Interest on the 7.2% Notes is payable semi-annually on March 15 and September 15 of each year. The 7.2% Notes may be redeemed at any time at the option of the Company, in whole or from time-to-time in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption plus a Make-Whole Premium, if any, relating to the then prevailing Treasury Yield and the remaining life of the 7.2% Notes. The 7.2% Notes contain covenants including, among others, limitations on liens and sale and leasebacks of certain properties and restrictions on the Company consolidating with or merging into any other Person.

In order to reduce its cost of capital, the Company entered into swap agreements during the fourth quarter of 2001 with a major financial institution with respect to notional amounts equal to a portion of its 7.2% Notes. Pursuant to each such agreement, such financial institution agreed to pay to the Company an amount equal to interest paid on the notional amount of the 7.2% Notes subject to such agreement, and the Company agreed to pay to such financial institution an amount equal to interest currently at the rate of approximately 3.3% per annum on the agreed upon price of such notional amount of the 7.2% Notes as set forth in the applicable swap agreement. At December 31, 2001, \$30.0 million notional principal amount of the 7.2% Notes were covered by such swap

agreements.

Upon termination of each swap agreement, the financial institution agreed to pay to the Company the amount, if any, by which the fair market value of the notional amount of the 7.2% Notes subject to the swap agreement on such date exceeded the agreed upon price of such notional amount as set forth in such swap agreement, and the Company agreed to pay to such financial institution the amount, if any, by which the agreed upon price of such notional amount exceeded the fair market value of such notional amount on such date. The swap agreements terminate during the fourth quarter of 2002 unless extended by mutual consent.

5 3/8% NOTES. In 1996, the Company issued \$187.8 million aggregate principal amount of its 5 3/8% Notes, which are convertible, in whole or part, at the option of the holder at any time prior to the close of business on the business day next preceding November 15, 2006, unless previously redeemed into shares of Common Stock at a conversion price of \$44.00 per share (equivalent to a conversion rate of 22.7272 shares of Common Stock per \$1,000 principal amount of the 5 3/8% Notes), subject to adjustment in certain circumstances. The 5 3/8% Notes are redeemable at the Company's option at any time on or after November 24, 1999 at the redemption prices specified therein, together with accrued and unpaid interest to the date of repurchase.

In 2001, the Company called for the redemption of \$100.0 million of the \$181.6 million aggregate principal amount outstanding of the 5 3/8% Notes. The redemption price was \$1,029.90 per \$1,000 principal amount of notes plus accrued interest to the applicable redemption date. Holders of 5 3/8% Notes being called were able to convert any or all of their notes into 22.7272 shares of Common Stock per \$1,000 principal amount of notes. The call, together with certain privately negotiated transactions, resulted in the conversion of \$99.2 million principal amount of the 5 3/8% Notes into 2,285,878 shares of Common Stock and redemption of \$36.1 million principal amount of the 5 3/8% Notes for approximately \$38.0 million, including accrued interest, and at December 31, 2001, \$46.3 million aggregate principal amount of the 5 3/8% Notes remained outstanding.

Pursuant to an amended and restated standby purchase agreement between CSFB and SEACOR, CSFB was obligated, subject to several conditions, to purchase from SEACOR, at a purchase price of \$46.26 per share, the number of shares of Common Stock necessary to provide SEACOR with the proceeds to pay the aggregate total redemption price of up to \$100.0 million of the 5 3/8% Notes that SEACOR redeemed. During 2001, CSFB purchased 216,170 shares of Common Stock to provide SEACOR with proceeds to redeem \$10.0 million principal amount of its 5 3/8% Notes that were called for redemption but not converted.

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SEACOR also entered into an equity forward transaction with Credit Suisse First Boston International ("CSFBi"), an affiliate of CSFB, with respect to the shares of Common Stock that CSFB did purchase from SEACOR under the standby purchase agreement. At December 31, 2001, the \$10.0 million paid by CSFB for the purchase of 216,170 shares of Common Stock was reported in the consolidated balance sheet as common stock sold with an equity forward transaction. During the first quarter of 2002, SEACOR paid CSFBi a nominal amount to settle the equity forward transaction and the \$10.0 million previously reported as common stock sold with an equity forward transaction was permanently reclassified in the consolidated balance sheet to the common stock and additional paid-in capital accounts.

OTHER NOTES. Outstanding promissory notes issued upon the purchase of vessels aggregated \$67.6 million at December 31, 2001 of which \$33.5 million, \$23.2 million and \$10.9 million are scheduled for repayment in 2002, 2004 and 2005, respectively. Other promissory notes, totaling \$0.8 million, are repayable at various dates through 2010.

#### CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Below is an aggregation of the Company's contractual obligations and commercial commitments as of December 31, 2001, in thousands of dollars.

<TABLE>  
<CAPTION>

Payments Due By Period

After Years	Contractual Obligations	Total	Less than			
			1 Year	1-3 Years	4-5 Years	5
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Long-term Debt.....	\$ 177,685	\$ 292,223	\$ 33,724	\$ 34,456	\$ 46,358	\$ -
Operating Leases.....	4,572	59,283	16,525	33,379	4,807	-
Construction Commitments(1).....	-	45,035	43,259	1,776	-	-
Total Contractual Cash Obligations.....	182,257	\$ 396,541	\$ 93,508	\$ 69,611	\$ 51,165	\$ -

Amount of Commitment Expiration Per Period

Over 5 Years	Other Commercial Commitments	Total Committed	Less than		
			1 Year	1-3 Years	4-5 Years
TMM Joint Venture Guarantee(2).....	\$ -	\$ 2,212	\$ 2,212	\$ -	\$ -
Pelican Joint Venture Guarantee(3).....	-	1,500	-	-	1,500
Letter of Credit (4).....	-	22,213	22,213	-	-
Total Commercial Commitments.....	-	\$ 25,925	\$ 24,425	\$ -	\$ 1,500

</TABLE>

- (1) Following year end, the Company contracted for the construction of 105 barges and 2 vessels and committed to build 69 additional barges. The barges and vessels are expected to be delivered to the Company in 2002 and 2003, respectively. Aggregate construction cost for this equipment approximates \$60.3 million, including \$51.1 million and \$9.2 million expected to be paid in 2002 and 2003, respectively. A certain number of the new construction barges are expected to be purchased by third parties and managed by the Company.
- (2) Guarantee for non-payment of obligations owing under a charter arrangement by the Company's TMM Joint Venture that is expected to terminate during 2002.
- (3) Guarantee of amounts owed by the Pelican Joint Venture under its banking facilities.
- (4) Letter of credit issued pursuant to the terms of the Company's revolving credit facility, representing a guarantee on notes issued by the Company in connection with the acquisition of Stirling Shipping.

GLOBE WIRELESS

Since inception in the early 1990's, Globe Wireless has focused on expanding its network of high frequency radio stations and customers base. To support its continued growth, Globe Wireless completed a private placement offering in 2000 that raised approximately \$57 million. Although Globe Wireless has experienced negative cash flow, the

management of Globe Wireless presently believes the company will closely approximate cash break-even by mid-2003. There can be no assurances that Globe Wireless's future operations will succeed. Should Globe Wireless be unable to meet its funding requirements, SEACOR would be required to commit additional funding or record an impairment charge with respect to its investment. At December 31, 2001, the carrying value of the Company's investment in Globe Wireless was \$20.7 million.

#### CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the consolidated financial statements of the Company, which have been prepared in accordance with accounting principles generally accepted in the U.S. In many cases, the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles; whereas, in other circumstances, the Company is required to make estimates, judgements and assumptions that we believe are reasonable based upon information available. The Company bases its estimates and judgements on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. We believe that of our significant accounting policies, as discussed in our

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footnotes to the consolidated financial statements, the following may involve a higher degree of judgement and complexity.

REVENUE RECOGNITION. Operating revenues are earned primarily from the offshore marine service segment's time and bareboat charter-out of vessels and the environmental service segment's charge for retainer fees. Revenue is recognized when persuasive evidence of an arrangement exists, the service has been delivered, fees are fixed and determinable, collectibility is probable and when other significant obligations have been fulfilled.

PURCHASE ACCOUNTING AND GOODWILL. Purchase accounting requires extensive use of estimates and judgement to allocate the cost of an acquired enterprise to the assets acquired and liabilities assumed. The cost of each acquired operation is allocated to the assets acquired and liabilities assumed based on their estimated fair values. These estimates are revised during an allocation period as necessary when, and if, information becomes available to further define and quantify the value of the assets acquired and liabilities assumed. The allocation period does not exceed beyond one year from the date of the acquisition. To the extent additional information to refine the original allocation becomes available during the allocation period, the allocation of the purchase price is adjusted. Should information become available after the allocation period, those items are included in operating results. The cost of an enterprise acquired in a business combination includes the direct cost of the acquisition. The operating results of entities acquired are included in the Company's consolidated statements of income from the completion date of the applicable transaction.

In recording various business combinations, the Company has assigned the excess of the cost of its acquired enterprises over the sum of the amounts assigned to the identifiable assets acquired less liabilities assumed to goodwill, the balance of which totaled \$36.6 million at December 31, 2001. In 2001 and prior years, the Company amortized goodwill to expense over the expected benefit period, ranging from 10 to 22 years. Effective January 1, 2002, the Company adopted Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets." Among other changes to prior practices, the new standard requires that goodwill be tested for impairment annually or when events or circumstances occur between annual tests indicating that goodwill for a reporting unit might be impaired based on a fair value concept. SFAS 142 requires that impairment testing of the opening goodwill balances be performed within six months from the start of the fiscal year in which the standard is adopted and that any impairment be written off and reported as a cumulative effect of a change in

accounting principle. We have completed an initial review and do not currently expect to record an impairment charge. However, there can be no assurance that at the time the review is completed a material impairment charge will not be recorded. The Company ceased amortization of its remaining goodwill balance effective January 1, 2002.

INVESTMENTS. The Company holds less than majority investments in strategically aligned companies that included a \$77.6 million investment at December 31, 2001 in Chiles Offshore, which is traded publicly. The Company employs the equity method of accounting for investments in common stock when such investments in voting stock gives it the ability to exercise significant influence over operating and financial policies of a company even though it holds 50% or less of the voting stock. Significant influence is generally deemed to exist if the Company owns between 20% and 50% of an entity's voting stock, although the ability to exercise influence may be indicated in several ways even when such investments are below 20%. The Company also holds less significant investments, carried at cost, in private companies over which it does not have the ability to exercise significant influence nor does it own greater than 20% of the entity's voting stock. The Company may record investment impairment charges when it believes an investment has experienced a decline in value that is other than temporary. Future adverse changes in market conditions or poor operating results of underlying investments could result in losses or an inability to recover the carrying value of the investments that may not be reflected in an investment's current carrying value, thereby possibly requiring an impairment charge in the future.

FAIR VALUE OF DERIVATIVE INSTRUMENTS. Derivative instruments are recorded at fair value and except for those transactions that are effective hedges for accounting purposes in accordance with Financial Accounting Standard No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," gains and losses are included in the determination of our net income. The derivative contracts recorded in the Company's consolidated balance sheets are stated at their fair values, which the Company acquired from third parties that regularly conduct business in the derivative contracts, which we have negotiated. Future adverse changes in the market price for the underlying notional amounts of our derivative contracts may result in losses in our statement of income or other comprehensive income, if hedge accounting criteria are met.

CARRYING VALUE OF VESSELS. The Company depreciates its vessels over 20 to 25 years from date of original construction, except for standby safety vessels where it has chosen a useful life of 30 years. In assigning depreciable lives to its vessels, the Company has considered the effects of both physical deterioration largely caused by wear and tear due to operating use and other economic factors that could impact commercial viability. Furthermore, salvage value, an amount typically

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expected to be recovered through sale upon vessel retirement, approximates 10% of cost. To date, the Company's experience confirms that these policies are reasonable, although, there may be events or changes in circumstances in the future that indicate the recoverability of the carrying amount of a vessel might not be possible. Examples of events or changes in circumstances that could indicate that the recoverability of a vessel's carrying amount should be assessed might include (i) a significant decrease in the market value of a vessel, (ii) a significant adverse change in the business climate that could affect the value of a vessel and (iii) current period operating or cash flow losses combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with a vessel. If events or changes in circumstances as set forth above indicate that a vessel's carrying amount may not be recoverable, the Company would then be required to estimate the undiscounted future cash flows expected to result from the use of the vessel and its eventual disposition. If the sum of the expected future cash flows is less than the carrying amount of the vessel, the Company would be required to recognize an impairment loss.

INCOME TAXES. At December 31, 2001, the Company had not provided for

U.S. income taxes with respect to \$30.5 million of undistributed earnings of certain non-U.S. subsidiaries and 50% or less owned companies as it is the Company's intention to indefinitely invest these earnings abroad. Should a remittance of these earnings be expected in the foreseeable future, the Company would then be required to provision for the related U.S. income tax consequences.

#### STOCK AND DEBT REPURCHASE PROGRAM

SEACOR's Board of Directors previously approved a securities repurchase plan, which allows the Company to acquire Common Stock, 5 3/8% Notes and its 7.2% Notes (collectively, the "SEACOR Securities") and, prior to the deconsolidation of Chiles Offshore in 2000, certain of the Chiles 10.0% Notes. In 2001, a total of 5,950 shares of Common Stock were acquired for treasury at an aggregate cost of approximately \$0.2 million. In 2000, 154,400 shares of Common Stock were acquired for treasury at an aggregate cost of approximately \$4.8 million. As of December 31, 2001, the Company had approximately \$36.7 million available for the repurchase of additional SEACOR Securities that may be conducted from time-to-time through open market purchases, privately negotiated transactions or otherwise, depending on market conditions.

#### STOCK INCENTIVE AND PURCHASE PLANS

STOCK INCENTIVE PLANS. On November 22, 1992 and April 18, 1996, SEACOR's stockholders adopted the 1992 Non-Qualified Stock Option Plan (the "Stock Option Plan") and the 1996 Share Incentive Plan (the "Share Incentive Plan"), respectively (collectively, the "Plans"). The Plans provide for the grant of options to purchase shares of Common Stock, and the Share Incentive Plan additionally provides for the grant of stock appreciation rights, restricted stock awards, performance awards and stock units to key officers and employees of the Company. The exercise price per share of options granted cannot be less than 75% and 90% of the fair market value of Common Stock at the date of grant under the Stock Option Plan and Share Incentive Plan, respectively. Options granted under the Plans expire no later than the tenth anniversary of the date of grant. The Plans are administered by the Stock Option and Executive Compensation Committee of the Board of Directors. Seven hundred fifty thousand shares of Common Stock have been reserved for issuance under each of the Stock Option Plan and the Share Incentive Plan. In 2000 and 2001, the Company granted 216,634 and 198,380 shares and/or options to purchase shares of Common Stock, respectively. At December 31, 2001, there were 152,350 shares available for future grant under the Plans.

EMPLOYEE STOCK PURCHASE PLAN. On May 23, 2000, the stockholders of SEACOR approved the 2000 Employee Stock Purchase Plan (the "Stock Purchase Plan") that permits SEACOR to offer Common Stock for purchase by eligible employees at a price equal to 85% of the lesser of (i) the fair market value of the Common Stock on the first day of the offering period or (ii) the fair market value of the Common Stock on the last day of the offering period. Common Stock will be available for purchase under the Stock Purchase Plan for six month offering periods. Three hundred thousand shares of Common Stock are reserved for issuance under the Stock Purchase Plan during the ten years following its adoption. The Stock Purchase Plan is intended to comply with Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"), but is not intended to be subject to Section 401(a) of the Code or the Employee Retirement Income Security Act of 1974. The Board of Directors of SEACOR may amend or terminate the Stock Purchase Plan at any time; however, no increase in the number of shares of Common Stock reserved for issuance under the Stock Purchase Plan may be made without stockholder approval. In 2001, 15,923 shares of Common Stock were issued from treasury pursuant to the Stock Purchase Plan. No shares of Common Stock were issued in 2000.

NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN. On May 23, 2000, the stockholders of SEACOR approved the 2000 Stock Option Plan for Non-Employee Directors (the "Non-Employee Director Plan"). Under the Non-Employee Director Plan, each member of the Board of Directors who is

not an employee of SEACOR or any subsidiary will be granted an option to purchase 3,000 shares of Common Stock on the date of each annual meeting of the stockholders of SEACOR through and including the 2004 Annual Meeting of Stockholders. The exercise price of the options granted under the Non-Employee Director Plan will be equal to 100% of the fair market value per share of Common Stock on the date the options are granted. One hundred fifty thousand shares of Common Stock have been reserved for issuance under the Non-Employee Director Plan. Options granted under the Non-Employee Director Plan will be exercisable at any time following the earlier of the first anniversary of, or the first annual meeting of SEACOR's stockholders after, the date of grant, for a period of up to ten years from date of grant. Subject to the accelerated vesting of options upon a non-employee Director's death or disability, if a non-employee Director's service as a director of SEACOR is terminated, his or her options will terminate with respect to the shares of Common Stock as to which such options are not then exercisable. A non-employee Director's options that are vested but not exercised may, subject to certain exceptions, be exercised within three months after the date of termination of service as a director in the case of termination by reason of voluntary retirement, failure of SEACOR to nominate such director for re-election or failure of such director to be re-elected by stockholders after nomination by SEACOR, or within one year in the case of termination of service as a director by reason of death or disability. In 2000 and 2001, options were granted for the purchase of 21,000 and 24,000 shares of Common Stock, respectively.

#### EFFECTS OF INFLATION

The Company's global operations expose it to the effects of inflation and currency fluctuations. To minimize the financial impact of these items, the Company may, from time-to-time, enter into foreign currency forward exchange contracts with major domestic or international financial institutions aimed at reducing the risk that the U.S. denominated value of anticipated transactions in foreign currencies will be reduced (or the cost of any such obligations increased) as a result of fluctuations in foreign currencies valued against the dollar. Although the Company does not consider inflation a significant business risk in the current and foreseeable future, in the event that inflation becomes a significant factor in the world economy, inflationary pressures may result in increased operating and financing costs.

#### RECENT ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2001, the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The Statement establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair market value. SFAS 133 requires that changes in the derivative's fair market value be recognized in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The cumulative effect of adopting SFAS 133 was not material.

The Company uses derivative financial instruments to hedge against its exposure to changes in foreign currencies, prices of natural gas and crude oil and interest rates. To protect certain of the U.S. dollar value of Pound Sterling denominated net assets of the Company from the effects of volatility in foreign exchange rates that might occur prior to their conversion to U.S. dollars, the Company has entered into forward exchange contracts. The forward exchange contracts enable the Company to sell Pounds Sterling for U.S. dollars in the future at fixed exchange rates to offset the consequences of changes in foreign exchange on the amount of the U.S. dollar cash flows to be derived from net assets. At December 31, 2001, there were no outstanding forward exchange contracts for which hedge accounting criteria were met.

In 2000 and 2001, the Company also entered into forward exchange contracts that are considered speculative with respect to Norwegian Kroners, Pounds Sterling and Euros. The Norwegian Kroner contracts

enabled the Company to buy Norwegian Kroners in the future at fixed exchange rates which could have offset possible consequences of changes in foreign exchange had it decided to conduct business in Norway. The Pound Sterling and Euro contracts enable the Company to buy Pounds Sterling and Euros in the future at fixed exchange rates, which could offset possible consequences of changes in foreign exchange of its business conducted in the United Kingdom and Europe. For the twelve month periods ending December 31, 2000 and 2001, the Company recognized net gains of \$0.6 million and net losses of \$0.2 million, respectively, from these forward exchange contracts. At December 31, 2001, there were no outstanding Norwegian Kroner contracts and the fair market values of its speculative Pound Sterling and Euro contracts totaled \$0.5 million and was reported in the consolidated balance sheet as trade and other receivables.

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Natural gas and crude oil swaps, options and futures contracts are employed by the Company to provide it value should the price of natural gas and crude oil decline, which, if sustained, would lead to a decline in the Company's offshore assets market values and cash flows. U.S. treasury notes and U.S. treasury bonds options and futures contracts, which began in 2001, provide value to the Company should the price of U.S. treasury notes and bonds decline leading to generally higher interest rates which, if sustained over time, might lead to a higher interest cost for the Company. For the twelve month periods ending December 31, 1999, 2000 and 2001, the Company has recognized net losses of \$1.3 million, net losses of \$1.0 million and net gains of \$4.6 million, respectively, from commodity hedging activities, and the fair market value of the Company's positions in commodity contracts at December 31, 2001 totaled \$1.5 million and was reported in the consolidated balance sheet as trade and other receivables. For the twelve month period ending December 31, 2001, the Company has recognized net gains of \$0.2 million from U.S. treasury note and U.S. treasury bond future contracts, and the Company's unrealized loss with respect to its positions in U.S. treasury obligations totaled \$0.3 million and was reported in the consolidated balance sheet as other current liabilities.

Effective January 1, 2002, the Company adopted SFAS 141, "Business Combinations," and SFAS 142, "Goodwill and Other Intangible Assets." Among other changes to prior practices, the new standards require (i) the use of the purchase method of accounting for all business combinations, (ii) that goodwill not be amortized in any circumstance and (iii) that goodwill be tested for impairment annually or when events or circumstances occur between annual tests indicating that goodwill for a reporting unit might be impaired based on a fair value concept. SFAS 142 requires that impairment testing of the opening goodwill balances be performed within six months from the start of the fiscal year in which the standard is adopted and that any impairment be written off and reported as a cumulative effect of a change in accounting principle. We have completed an initial review and do not currently expect to record an impairment charge. However, there can be no assurance that at the time the review is completed a material impairment charge will not be recorded. The Company ceased amortization of its remaining goodwill balance effective January 1, 2002. Goodwill amortization was \$1.2 million in 1999, \$1.4 million in 2000 and \$3.2 million in 2001.

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS 143, "Accounting for Asset Retirement Obligations", which requires recording the fair value of a liability for an asset retirement obligation in the period incurred. The standard is effective for fiscal years beginning after June 15, 2002, with earlier application permitted. Upon adoption of the standard, the Company will be required to use a cumulative effect approach to recognize transition amounts for any existing retirement obligation liabilities, asset retirement costs and accumulated depreciation. The nature of the Company's business and long-lived assets is such that adoption of this new standard should have no significant impact on the Company's financial statements.

In August 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which supercedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." This new statement also supercedes certain aspects of Accounting Principle Board Opinion No. 30 ("APB 30"),

"Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," with regard to reporting the effects of a disposal of a segment of a business and will require expected future operating losses from discontinued operations to be reported in discontinued operations in the period incurred rather than as of the measurement date as presently required by APB 30. Additionally, certain dispositions may now qualify for discontinued operations treatment. The provisions of this statement are required to be applied for fiscal years beginning after December 15, 2001 and interim periods within those fiscal years. The Company expects this statement will not have a material impact on its financial statements.

#### CAUTIONARY STATEMENTS

In addition to the other information contained in this Annual Report, the following factors should be considered carefully.

THE COMPANY'S INDUSTRY IS SUBJECT TO CYCLICALITY AND A SIGNIFICANT OR PROLONGED DECLINE IN OIL AND GAS PRICES WOULD LIKELY REDUCE THE LEVEL OF EXPLORATION AND DEVELOPMENT OF OFFSHORE AREAS, WHICH WOULD REDUCE DEMAND FOR THE COMPANY'S OFFSHORE MARINE SERVICES.

The Company's industry is highly cyclical. Activity in the offshore oil and gas exploration and production industry has a significant impact on the Company's offshore marine operations. The level of exploration and development of offshore areas is affected by both short-term and long-term trends in oil and gas prices. In recent years, oil and gas prices have been extremely volatile and, as a result, the level of offshore exploration and drilling activity also has been extremely volatile. Reductions in oil and gas prices generally result in decreased drilling and production and corresponding decreases in demand for the Company's vessels and logistics services. Decreased demand for these services would reduce the Company's revenue and profitability.

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THE COMPANY RELIES ON SEVERAL CUSTOMERS FOR A SIGNIFICANT SHARE OF OUR REVENUES, THE LOSS OF WHICH COULD ADVERSELY AFFECT THE COMPANY'S BUSINESS AND OPERATING RESULTS.

The Company's customers are primarily the major oil companies, large independent oil and gas exploration and production companies, members of the shipping community and owners of refineries, pipelines and tank terminals. The portion of the Company's revenues attributable to any single customer changes over time, depending on the level of relevant activity by the customer, the Company's ability to meet the customer's needs and other factors, many of which are beyond the Company's control. During 2001, the Company derived approximately 11% of its offshore marine service segment operating revenue from ExxonMobil Corporation. During 2001, the Company's environmental service segment derived approximately 21% of its environmental retainer revenue from Citgo Petroleum Corporation and 14% from El Paso Corporation, its two largest customers.

THE COMPANY MAY INCUR SIGNIFICANT COSTS, LIABILITIES AND PENALTIES IN COMPLYING WITH GOVERNMENT REGULATIONS.

Government regulation, such as international conventions, federal, state and local laws and regulations in jurisdictions where the Company's vessels operate or are registered, have a significant impact on our offshore marine and environmental response businesses. These regulations relate to worker health and safety, the manning, construction and operation of vessels, oil spills and other aspects of environmental protection.

Risks of incurring substantial compliance costs and liabilities and penalties for non-compliance, particularly with respect to environmental laws and regulations, are inherent in the Company's business. The occurrence of any of the foregoing could have a substantial negative impact on the Company's profitability and financial position. The Company cannot predict whether it will incur such costs or penalties in the future.

THE COMPANY FACES INTENSE COMPETITION THAT COULD ADVERSELY AFFECT ITS ABILITY TO INCREASE ITS MARKET SHARE AND REVENUES.

The Company's businesses operate in highly competitive industries. High levels of competition could reduce its revenues, increase its expenses and reduce its profitability. In addition to price, service and reputation, important competitive factors for offshore fleets of vessels include customers' national flag preference, operating conditions and intended use (all of which determine the suitability of available vessels), complexity of logistical support needs and presence of equipment in the appropriate geographical locations.

The primary competitive factors in the environmental service business are price, service, reputation, experience and operating capabilities. In addition, the Company believes that the absence of uniform environmental regulation and enforcement on international, federal, state and local levels has lowered barriers to entry in several market segments and increased the number of competitors. The Company's environmental service business faces competition from the Marine Spill Response Corporation (a non-profit corporation funded by the major integrated oil companies), other industry cooperatives and smaller contractors who target specific market niches.

AN INCREASE IN SUPPLY OF OFFSHORE SUPPORT VESSELS WOULD LIKELY HAVE A NEGATIVE EFFECT ON THE CHARTER RATES EARNED BY THE COMPANY'S OFFSHORE SUPPORT VESSELS, WHICH WOULD REDUCE THE COMPANY'S EARNINGS.

Expansion of the worldwide offshore support vessel fleet would increase competition in the markets where the Company operates. Increased refurbishment of disused or "mothballed" vessels, conversion of vessels from uses other than oil support and related activities or construction of new vessels could all add vessel capacity to current worldwide levels. A significant increase in vessel capacity would lower charter rates and result in a corresponding reduction in revenues and profitability.

MARINE-RELATED RISKS COULD DISRUPT THE COMPANY'S OFFSHORE MARINE SERVICES AND EXPOSE THE COMPANY TO LIABILITY.

The operation of offshore support vessels is subject to various risks, including catastrophic marine disaster, adverse weather and sea conditions, capsizing, grounding, mechanical failure, collision, oil and hazardous substance spills and navigation errors. These risks could endanger the safety of the Company's personnel, vessels, cargo, equipment under tow and other property, as well as the environment. If any of these events were to occur, the Company could be held liable for resulting damages. In addition, the affected vessels could be removed from service and would not be available to generate revenue.

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THE COMPANY'S INSURANCE COVERAGE MAY BE INADEQUATE TO PROTECT THE COMPANY FROM THE LIABILITIES THAT COULD ARISE IN ITS BUSINESSES.

The Company maintains insurance coverage against the risks related to its offshore marine and environmental response services. There can be no assurance, however, that its existing insurance coverage can be renewed at commercially reasonable rates or that available coverage will be adequate to cover future claims. If a loss occurs that is partially or completely uninsured, the Company could be exposed to substantial liability.

THE COMPANY'S SIGNIFICANT GLOBAL OPERATIONS ARE SUBJECT TO CURRENCY EXCHANGE RISKS.

To minimize the financial impact of currency fluctuations and risks arising from fluctuations in currency exchange rates, the Company attempts to contract the majority of its services in U.S. dollars. However, in some of its foreign businesses, the Company collects revenues and pays expenses in local currency. Because the Company conducts substantially all of its operations in U.S. dollars, if the value of foreign currencies decline against the U.S. dollar, the Company's operating revenue in these foreign countries would effectively be reduced. The Company engages in certain currency hedging arrangements

designed to minimize the effect of fluctuation in Pounds Sterling, the currency in the United Kingdom, where most of its currency exchange risk arises. There can be no assurance, however, that the Company will not incur losses in the future as a result of currency exchange rate fluctuations.

BECAUSE A SIGNIFICANT PROPORTION OF THE COMPANY'S OFFSHORE MARINE OPERATIONS ARE CONDUCTED IN FOREIGN COUNTRIES, UNSTABLE POLITICAL, MILITARY AND ECONOMIC CONDITIONS IN THOSE COUNTRIES COULD ADVERSELY AFFECT THE COMPANY'S BUSINESS AND OPERATING RESULTS.

During 2001, approximately 42% of the Company's offshore marine revenues were derived from foreign operations. These operations are subject to risks, among other things, of political instability, potential vessel seizure, nationalization of assets, currency restrictions, import-export quotas and other forms of public and governmental regulation, all of which are beyond the Company's control. Economic sanctions or an oil embargo in Nigeria, for example, could have a significant negative impact on activity in the oil and gas industry in offshore West Africa, a region in which the Company operates vessels. In addition, the Company's offshore support vessel operations in Mexico are significantly affected by Mexican government policy. The Company cannot predict whether any such conditions or events might develop in the future.

THE COMPANY MAY BE UNABLE TO MAINTAIN OR REPLACE ITS VESSELS AS THEY AGE.

As of December 31, 2001, the average age of vessels the Company owned, excluding its standby safety vessels, was approximately 13.7 years. The Company believes that after an offshore support vessel has been in service for approximately 25 years, the expense (which typically increases with age) necessary to satisfy required marine certification standards may not be economically justifiable. There can be no assurance that the Company will be able to maintain its fleet by extending the economic life of existing vessels, or that its financial resources will be sufficient to enable it to make expenditures necessary for these purposes or to acquire or build replacement vessels.

SPILL RESPONSE REVENUE IS DEPENDENT UPON THE MAGNITUDE AND NUMBER OF SPILL RESPONSES.

The Company's environmental service business' spill response revenue can vary greatly between comparable fiscal periods based on the number and magnitude of spill responses in any given period. As a result, the Company's revenue and profitability attributable to this business may vary greatly from period to period.

A RELAXATION OF OIL SPILL REGULATION OR ENFORCEMENT COULD REDUCE DEMAND FOR THE COMPANY'S ENVIRONMENTAL SERVICE.

The Company's environmental service business is dependent upon the enforcement of regulations promulgated under OPA 90 and, to a lesser extent, upon state regulations. Less stringent oil spill regulations or less aggressive enforcement of these regulations would decrease demand for the Company's environmental service segment's services. There can be no assurance that oil spill regulation will not be relaxed or enforcement of existing or future regulation will not become less stringent. If this happens, the demand for the Company's oil spill response services could be reduced, which could have a negative impact on its profitability.

A CHANGE IN, OR REVOCATION OF, NRC'S CLASSIFICATION AS AN "OIL SPILL REMOVAL ORGANIZATION" WOULD RESULT IN A LOSS OF BUSINESS.

NRC is classified as an OSRO. OSRO classification is a voluntary process conducted by the Coast Guard. The Coast Guard classifies OSROs based on their overall ability to respond to various types and sizes of oil spills in different operating environments, such as rivers/canals, inland waters and oceans. Coast Guard classified OSROs have a

of a classified OSRO are exempt from regulations that would otherwise require them to list their oil spill response resources in filings with the Coast Guard. A loss of NRC's classification or changes in the requirements could eliminate or diminish NRC's ability to provide customers with this exemption. If this happens, the Company could lose customers, in which case its revenues and profitability would decline.

THE COMPANY'S ENVIRONMENTAL SERVICE BUSINESS MAY INCUR LIABILITY IN CONNECTION WITH PROVIDING SPILL RESPONSE SERVICES.

Although the Company's environmental service business is generally exempt from liability under the federal Clean Water Act for its own actions and omissions in providing spill response services, this exemption would not apply if it was found to have been grossly negligent or to have engaged in willful misconduct, or if it fails to provide these services consistent with applicable regulations and directives under the Clean Water Act. In addition, the exemption under the federal Clean Water Act would not protect the Company's environmental service business against liability for personal injury or wrongful death, or against prosecution under other federal or state laws. While most of the U.S. states in which the Company's environmental service business provides service have adopted similar exemptions, several states have not. If a court or other applicable authority determines that the Company's environmental service business does not benefit from federal or state exemptions from liability in providing spill response services, the Company's environmental service business could be liable together with the local contractor and the responsible party for any resulting damages, including damages caused by others.

IF THE COMPANY DOES NOT RESTRICT THE AMOUNT OF FOREIGN OWNERSHIP OF ITS COMMON STOCK, THE COMPANY COULD BE PROHIBITED FROM OPERATING ITS VESSELS IN PARTS OF THE U.S., WHICH WOULD ADVERSELY AFFECT ITS BUSINESS AND OPERATING RESULTS.

The Company is subject to the Shipping Act, 1916 and the Merchant Marine Act of 1920. These Acts govern, among other things, the ownership and operation of vessels used to carry cargo between U.S. ports. The Acts require that vessels engaged in the "U.S. coastwise trade" be owned by U.S. citizens and built in the United States. For a corporation engaged in the U.S. coastwise trade to be deemed a citizen of the U.S.: (i) the corporation must be organized under the laws of the U.S. or of a state, territory or possession thereof, (ii) each of the chief executive officer and the chairman of the board of directors must be a U.S. citizen (and no officer who is not a U.S. citizen may act in such person's absence), (iii) no more than a minority of the number of directors of such corporation necessary to constitute a quorum for the transaction of business can be non-U.S. citizens and (iv) at least 75% of the interest in such corporation must be owned by U.S. "citizens" (as defined in the Acts).

The Company would be prohibited from operating its vessels in the U.S. coastwise trade during any period in which the Company did not comply with these regulations. To facilitate compliance, the Company's certificate of incorporation: (i) limits ownership by foreigners of any class of its capital stock (including its Common Stock) to 22.5%, so that foreign ownership will not exceed the 25.0% permitted. Under certain circumstances the Company's Board of Directors may increase this percentage to 24.0%, (ii) requires a stock certification system with two types of certificates to aid tracking of ownership and (iii) permits the Company's Board of Directors to make such determinations to ascertain ownership and implement such limitations as reasonably may be necessary.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has foreign currency exchange risks primarily related to its vessel operations that are conducted from ports located in the United Kingdom where its functional currency is Pounds Sterling. The financial statements of the Company's United Kingdom operations are measured using the Pound Sterling. Changes in the strength of that currency relative to the U.S. dollar and the corresponding adjustment to the net assets of those operations caused by exchange rate fluctuations result in the recognition of currency translation adjustments that are reported in accumulated other comprehensive income in stockholders' equity. The

total net assets of Pound Sterling functional investees as of December 31, 2001 was approximately (pound)68.0 million. A 1% weakening in the exchange rate of the Pound Sterling against the U.S. dollar would result in an after-tax charge of \$0.6 million to other comprehensive income related to these investments. To protect the U.S. dollar value of Pound Sterling denominated net assets of the Company from the effects of volatility in foreign exchange rates that might occur prior to their conversion to U.S. dollars, the Company has entered into forward exchange contracts. The forward exchange contracts enable the Company to sell Pounds Sterling for U.S. dollars in the future at fixed exchange rates to offset the consequences of changes in foreign exchange on the amount of U.S. dollar cash flows to be derived from the net assets. The Company considers these forward exchange contracts as economic hedges of a net investment because the translation adjustments resulting from the forward exchange contracts move in the opposite direction from the

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translation adjustments resulting from the restatement of its United Kingdom subsidiaries' net assets. At December 31, 2001, there were no outstanding forward exchange contracts for which hedge accounting criteria were met.

The Company has also entered into forward exchange contracts that are considered speculative during 2000 and 2001 with respect to Norwegian Kroners, Pounds Sterling, and Euros. The Norwegian Kroner contracts enabled the Company to buy Norwegian Kroners in the future at fixed exchange rates which could have offset possible consequences of changes in foreign currency exchange rates had it decided to conduct business in Norway. The Pound Sterling and Euro contracts enable the Company to buy Pounds Sterling and Euros in the future at fixed exchange rates, which could offset possible consequences of changes in foreign exchange of its business conducted in the United Kingdom and Europe. At December 31, 2001, there were no outstanding Norwegian Kroner contracts and the fair market values of its speculative Pound Sterling and Euro contracts totaled \$0.5 million and was reported in the consolidated balance sheet as trade and other receivables.

Natural gas and crude oil swaps, options, and futures contracts are employed by the Company to provide it value should the price of natural gas and crude oil decline, which, if sustained, would lead to a decline in the Company's offshore assets' market values and cash flows. U.S. treasury notes and U.S. treasury bonds options and futures contracts provide value to the Company should the price of U.S. treasury notes and bonds decline leading to generally higher interest rates which, if sustained over time, might lead to a higher interest cost for the Company. At December 31, 2001, the fair market value of the Company's positions in commodity contracts totaled \$1.5 million and was reported in the consolidated balance sheet as trade and other receivables. Also at December 31, 2001, the Company's unrealized loss with respect to its positions in U.S. treasury obligations totaled \$0.3 million and was reported in the consolidated balance sheet as other current liabilities.

In November 2001, SEACOR advanced its wholly owned subsidiary, Stirling Shipping, a Pound Sterling functional currency investee, \$63.6 million, or (pound)45.0 million, to assist Stirling Shipping with the repayment of indebtedness due a UK bank. SEACOR considers its advance to Stirling Shipping an intercompany loan with payment expected in the foreseeable future. Until repaid, accounting standards require that changes in the exchange rate from the transaction date until the settlement date with respect to this intercompany loan be included in the determination of net income. A 1% weakening in the exchange rate of the Pound Sterling against the U.S. dollar would result in the Company's recognition of \$0.6 million foreign currency transaction loss with respect to this advance.

The Company's debt is primarily in fixed interest rate instruments. While the fair value of these debt instruments will vary with changes in interest rates, the Company has fixed most of its cash flow requirements and operations are not significantly affected by interest rate fluctuations. For a portion of the Company's fixed debt instruments, the 5 3/8% Notes, the fair value is driven by the conversion feature rather than interest rates. As of December 31, 2001, \$46.3 million aggregate

principal amount of the 5 3/8% Notes was outstanding. The Company's only significant variable rate debt instrument is its revolving credit facility, under which the Company had only \$30.0 million outstanding at December 31, 2001. While available for liquidity requirements, the Company has not historically utilized significant portions of the facility for any extended periods of time and thus has not been significantly impacted by fluctuations in interest rates.

In order to reduce its cost of capital, the Company entered into swap agreements during the fourth quarter of 2001 with a major financial institution with respect to notional amounts equal to a portion of its 7.2% Notes. Pursuant to each such agreement, such financial institution agreed to pay to the Company an amount equal to interest paid on the notional amount of the 7.2% Notes subject to such agreement, and the Company agreed to pay to such financial institution an amount equal to interest currently at the rate of approximately 3.3% per annum on the agreed upon price of such notional amount of the 7.2% Notes as set forth in the applicable swap agreement. At December 31, 2001, \$30.0 million notional principal amount of the 7.2% Notes were covered by such swap agreements.

Upon termination of each swap agreement, the financial institution agreed to pay to the Company the amount, if any, by which the fair market value of the notional amount of the 7.2% Notes subject to the swap agreement on such date exceeded the agreed upon price of such notional amount as set forth in such swap agreement, and the Company agreed to pay to such financial institution the amount, if any, by which the agreed upon price of such notional amount exceeded the fair market value of such notional amount on such date. The agreed upon price of such notional amount as set forth in such swap agreement totaled \$30.3 million. At December 31, 2001, there was an unrealized loss, totaling \$0.5 million, which resulted from the agreed upon price exceeding the fair value of the notional amounts set forth in the swap agreements. The swap agreements terminate during the fourth quarter of 2002 unless extended by mutual consent.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements and related notes are included in Part IV of this Form 10-K on pages 43 through 73.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

As permitted by General Instruction G to this Form 10-K, other than information with respect to the Company's executive officers which is set forth in Item 4A of Part I of this Form 10-K, the information required to be disclosed pursuant to this Item 10 is incorporated in its entirety herein by reference to the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the Company's last fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

As permitted by General Instruction G to this Form 10-K, the information required to be disclosed pursuant to this Item 11 is incorporated in its entirety herein by reference to the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the Company's last fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As permitted by General Instruction G to this Form 10-K, the information required to be disclosed pursuant to this Item 12 is incorporated in its entirety herein by reference to the Company's definitive proxy statement

to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the Company's last fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As permitted by General Instruction G to this Form 10-K, the information required to be disclosed pursuant to this Item 13 is incorporated in its entirety herein by reference to the Company's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the Company's last fiscal year.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report:

1. and 2. Financial Statements and Financial Statement Schedules.

See Index to Consolidated Financial Statements and Financial Statement Schedule on page 43 of this Form 10-K.

3. Exhibits:

Exhibit Number -----	Description -----
1.1	* Form of Standby Purchase Agreement between SEACOR SMIT Inc. and Credit Suisse First Boston Corporation (incorporated herein by reference to Exhibit 1.1 to the Company's Registration Statement on Form S-3 (No. 333-53874), filed with the Commission on January 18, 2001).
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1.2	* Form of ISDA Master Agreement between SEACOR SMIT Inc. and Credit Suisse First Boston Corporation, with attached Schedule and Confirmation (incorporated herein by reference to Exhibit 1.2 to the Company's Registration Statement on Form S-3 (No. 333-53874), filed with the Commission on January 18, 2001).
2.1	* Agreement and Plan of Merger, dated as of December 19, 2000, by and between SEACOR SMIT Inc. and SCF Corporation (incorporated by reference to Exhibit 2.1 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
2.2	* Stock Exchange Agreement, dated as of January 9, 2001, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 2.2 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
3.1	* Restated Certificate of Incorporation of SEACOR SMIT Inc. (incorporated herein by reference to Exhibit 3.1(a) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and filed with the Commission on August 14, 1997).
3.2	* Certificate of Amendment to the Restated Certificate of Incorporation of SEACOR SMIT Inc. (incorporated herein by reference to Exhibit 3.1(b) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and filed with the Commission on August 14, 1997).
3.3	* Amended and Restated By-laws of SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 (No. 333-12637) of SEACOR Holdings, Inc. filed with the Commission on September 25, 1996).

- 4.1 \* Indenture, dated as of November 1, 1996, between First Trust National Association, as trustee, and SEACOR Holdings, Inc. (including therein forms of 5-3/8% Convertible Subordinated Notes due November 15, 2006 of SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 4.0 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1996 and filed with the Commission on November 14, 1996).
- 4.2 \* Indenture, dated as of September 22, 1997, between SEACOR SMIT Inc. and First Trust National Association, as trustee (including therein form of Exchange Note 7.20% Senior Notes Due 2009) (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).
- 4.3 \* Investment and Registration Rights Agreement, dated as of March 14, 1995, by and among SEACOR Holdings, Inc., Miller Family Holdings, Inc., Charles Fabrikant, Mark Miller, Donald Toenshoff, Alvin Wood, Granville Conway and Michael Gellert (incorporated herein by reference to Exhibit 4.0 of the Company's Current Report on Form 8-K dated March 14, 1995, as amended).
- 4.4 \* Investment and Registration Rights Agreement, dated as of May 31, 1996, among SEACOR Holdings, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with the Commission on June 7, 1996).
- 4.5 \* Registration Rights Agreement, dated November 5, 1996, between SEACOR Holdings, Inc. and Credit Suisse First Boston Corporation, Salomon Brothers Inc. and Wasserstein Perella Securities, Inc. (incorporated herein by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1996 and filed with the Commission on November 14, 1996).
- 4.6 \* Investment and Registration Rights Agreement, dated as of December 19, 1996, by and between SEACOR Holdings, Inc. and Smit International Overseas B.V. (incorporated herein by reference to Exhibit 4.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 4.7 \* Investment and Registration Rights Agreement, dated as of January 3, 1997, among SEACOR Holdings, Inc., Acadian Offshore Services, Inc., Galaxie Marine Service, Inc., Moonmaid Marine, Inc. and Triangle Marine, Inc. (incorporated herein by reference to Exhibit 4.6 to the Company's Registration Statement on Form S-3 (No. 333-20921) filed with the Commission on January 31, 1997).
- 4.8 \* Investment and Registration Rights Agreement, dated October 27, 1995, by and between SEACOR Holdings, Inc. and Coastal Refining and Marketing, Inc. (incorporated herein by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17, 1995).
- 4.9 \* Investment and Registration Rights Agreement, dated November 14, 1995, by and between SEACOR Holdings, Inc. and Compagnie Nationale de Navigation (incorporated herein by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17, 1995).
- 4.10 \* Registration Agreement, dated as of September 22, 1997, between the Company and the Initial Purchasers (as defined therein) (incorporated herein by reference to Exhibit 4.3 to the

Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).

- 4.11 \* Restated Stockholders' Agreement dated December 16, 1992 (incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).
- 4.12 \* Investment and Registration Rights Agreement, dated as of April 19, 2000, among SEACOR SMIT Inc. and the other parties thereto (incorporated herein by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 (No. 333-37492) filed with the Commission on May 19, 2000).
- 4.13 \* Investment and Registration Rights Agreement, dated as of December 19, 2000, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
- 4.14 \* Investment and Registration Rights Agreement, dated as of January 9, 2001, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
- 4.15 \* SEACOR SMIT Inc. 2000 Employee Stock Purchase Plan, as amended February 14, 2001 (incorporated herein by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (No. 333-56714), filed with the Commission on March 8, 2001).
- 4.16 \* Instrument, dated May 4, 2001, setting forth terms of (pound) 14,668,942 in aggregate principal amount of Fixed Rate Abatable Loan Notes (including form of Loan Note Certificate as a Schedule thereto) (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 4.17 \* Form of Indenture, dated as of January 10, 2001, among SEACOR SMIT Inc. and U.S. Bank Trust National Association as trustee (incorporated herein by reference to Exhibit 4.2 to Amendment No.1 to the Company's Registration Statement on Form S-3/A (No. 333-53326) filed with the Commission on January 18, 2001).
- 4.18 \* Form of Indenture, dated as of January 10, 2001, among SEACOR SMIT Inc. and U.S. Bank Trust National Association as trustee (incorporated herein by reference to Exhibit 4.3 to Amendment No. 1 to the Company's Registration Statement on Form S-3/A (No. 333-53326) filed with the Commission on January 18, 2001).
- 10.1 \* Lease Agreement, dated September 1, 1989, between The Morgan City Fund and NICOR Marine Inc. (SEACOR Marine Inc., as successor lessee) (incorporated herein by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.2 \*+ SEACOR Holdings, Inc. 1992 Non-Qualified Stock Option Plan (incorporated herein by reference to Exhibit 10.45 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.3 \*+ SEACOR Holdings, Inc. 1996 Share Incentive Plan (incorporated herein by reference to SEACOR Holdings, Inc.'s Proxy Statement dated March 18, 1996 relating to the Annual Meeting of Stockholders held on April 18, 1996).
- 10.4 \*+ SEACOR SMIT Inc. 2000 Stock Option Plan for Non-Employee Directors (incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2000 and filed with the Commission on August 14, 2000).

- 10.5 \*+ Benefit Agreement, dated May 1, 1989, between NICOR Marine Inc. and Lenny P. Dantin (assumed by SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 10.51 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.6 \*+ Employment Agreement, dated December 24, 1992, between SEACOR Holdings, Inc. and Milton Rose (incorporated herein by reference to Exhibit 10.61 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).
- 10.7 \* Management and Services Agreement, dated January 1, 1985, between NICOR Marine (Nigeria) Inc. and West Africa Offshore Limited (assumed by SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 10.55 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.8 \* Joint Venture Agreement, dated December 19, 1996, between SEACOR Holdings, Inc. and Smit-Lloyd (Antillen) N.V. (incorporated herein by reference to Exhibit 10.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 10.9 \* Form of Management Agreement (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 10.10 \* License Agreement, dated December 19, 1996, between SEACOR Holdings, Inc., certain subsidiaries of SEACOR Holdings, Inc. and Smit Internationale N.V. (incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 10.11 \* Purchase Agreement, dated as of September 15, 1997, between the Company and Salomon Brothers Inc., individually and as representative of the Initial Purchasers (as defined therein) (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).
- 10.12\*+ Form of Type A Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.35 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).
- 10.13\*+ Form of Type B Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.36 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).
- 10.14\*+ Form of Option Agreement for Officers and Key Employees Pursuant to the SEACOR SMIT Inc. 1996 Share Incentive Plan (incorporated herein by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).
- 10.15 \* Stock Purchase Agreement dated as of January 30, 2001, by and between SEACOR SMIT Inc. and Brian Cheramie (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.16 \* Letter Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of January 30, 2001 by and between SEACOR SMIT Inc. and Brian Cheramie (incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).

- 10.17 \* Stock Purchase Agreement dated as of January 30, 2001 by and among SEACOR SMIT Inc., the persons listed on Exhibit A thereto and Brian Cheramie, as representative of such persons (incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.18 \* Letter Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of January 30, 2001 by and among SEACOR SMIT Inc., the persons listed on Exhibit A thereto and Brian Cheramie, as representative of such persons (incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.19 \* Stock Purchase Agreement, dated as of May 4, 2001, by and between SEACOR SMIT Inc. and the Stirling Vendors (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 10.20 \* Tax Deed, dated as of May 4, 2001, by and between SEACOR SMIT Inc. and the Stirling Vendors (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 10.21 Revolving Credit Facility Agreement, dated as of February 5, 2002 by and among SEACOR SMIT Inc., the banks and financial institutions named therein, Fleet National Bank, Den norske Bank ASA, Nordea and The Governor and Company of the Bank of Scotland as agents.
- 21.1 List of Registrant's Subsidiaries.
- 23.1 Consent of Arthur Andersen LLP.
- 99.1 Letter from SEACOR SMIT Inc. to the Securities Exchange Commission regarding representations by Arthur Andersen LLP.

-----

\* Incorporated herein by reference as indicated.

+ Management contracts or compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 14 (c) of the rules governing the preparation of this report.

(b) Reports on Form 8-K:

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SEACOR SMIT INC.  
(Registrant)

By: /s/ Charles Fabrikant

-----  
Charles Fabrikant,  
Chairman of the Board,

President and Chief Executive Officer

Date: March 29, 2002

Pursuant to the requirements of the Securities and Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<TABLE>

<CAPTION>

Date	Signature	Title
-----	-----	-----
March 29, 2002	/s/ Charles Fabrikant ----- Charles Fabrikant	Chairman of the Board,  President and Chief Executive Officer (Principal Executive Officer)
March 29, 2002	/s/ Randall Blank ----- Randall Blank	Executive Vice President, Chief  Financial Officer and Secretary (Principal Financial Officer)
March 29, 2002	/s/ Lenny P. Dantin ----- Lenny P. Dantin	Vice President  and Chief Accounting Officer (Principal Accounting Officer)
March 29, 2002	/s/ Michael E. Gellert ----- Michael E. Gellert	Director
March 29, 2002	/s/ Stephen Stamas ----- Stephen Stamas	Director
March 29, 2002	/s/ Richard M. Fairbanks III ----- Richard M. Fairbanks III	Director
March 29, 2002	/s/ Pierre de Demandolx ----- Pierre de Demandolx	Director
March 29, 2002	/s/ Andrew R. Morse ----- Andrew R. Morse	Director
March 29, 2002	/s/ John Hadjipateras ----- John Hadjipateras	Director
March 29, 2002	/s/ Oivind Lorentzen ----- Oivind Lorentzen	Director

/s/ James Cowderoy  
March 29, 2002

Director

-----  
James Cowderoy

</TABLE>

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FINANCIAL STATEMENT SCHEDULE

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All Financial Schedules, except those set forth above, have been omitted since the information required is included in the financial statements or notes or have been omitted as not applicable or required.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To SEACOR SMIT Inc.:

We have audited the accompanying consolidated balance sheets of SEACOR SMIT Inc. (a Delaware corporation) and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of income, changes in equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEACOR SMIT Inc. and



Other Assets.....			
40,432		28,009	
-----			
			\$
1,298,138	\$	1,132,730	
=====			
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Current portion of long-term debt.....			\$
33,724	\$	2,553	
Accounts payable and accrued expenses.....			
29,070		25,746	
Accrued wages.....			
8,471		6,940	
Accrued interest.....			
5,384		4,664	
Accrued vessel construction and purchase costs.....			
5,752		11,477	
Accrued liability-short sale of securities.....			
7,485		-	
Accrued acquisition costs.....			
10,162		-	
Other current liabilities.....			
13,661		15,003	
-----			
Total current liabilities.....			
113,709		66,383	
-----			
Long -Term Debt .....			
256,675		377,955	
Deferred Income Taxes.....			
148,430		119,545	
Deferred Gains and Other Liabilities.....			
24,070		14,371	
Minority Interest in Subsidiaries.....			
1,556		1,924	
Common Stock Sold with Equity Forward Transaction.....			
10,000		-	
Stockholders' Equity:			
Common stock, \$.01 par value, 40,000,000 shares authorized; 24,027,003			
and 21,426,969 shares issued in 2001 and 2000, respectively.....			
238		214	
Additional paid-in capital.....			
384,857		278,567	
Retained earnings.....			
472,843		402,142	
Less 3,943,333 and 4,310,505 shares held in treasury in 2001 and			
2000, respectively, at cost.....			
(109,638)		(125,968)	
Unamortized restricted stock.....			
(1,985)		(1,301)	
Accumulated other comprehensive income (loss) -			
Cumulative translation adjustments.....			
(2,474)		(2,014)	
Unrealized gain (loss) on available-for-sale			
securities.....			
(143)		912	
-----			
Total stockholders' equity.....			
743,698		552,552	
-----			
			\$
1,298,138	\$	1,132,730	
=====			

</TABLE>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

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SEACOR SMIT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999  
(IN THOUSANDS, EXCEPT SHARE DATA)

<TABLE>

<CAPTION>

2000	1999	2001
-----	-----	-----
<S>		<C>
<C>	<C>	
Operating Revenues.....		\$ 434,790
339,941 \$	289,425	\$
-----	-----	-----
Costs and Expenses:		
Operating expenses.....		234,551
201,452	166,786	
Administrative and general.....		49,980
39,548	34,744	
Depreciation and amortization.....		58,324
51,189	41,282	
-----	-----	-----
		342,855
292,189	242,812	
-----	-----	-----
Operating Income.....		91,935
47,752	46,613	
-----	-----	-----
Other Income (Expense):		
Interest income.....		13,546
17,423	20,495	
Interest expense.....		(21,998)
(27,450)	(22,330)	
Gain from equipment sales or retirements, net.....		9,030
7,628	1,677	
Gain upon sale of shares of Chiles Offshore Inc.....		-
4,023	-	
Derivative income (loss), net.....		4,127
6,292	(1,323)	
Other, net.....		7,081
5,990	(1,616)	
-----	-----	-----
		11,786
13,906	(3,097)	
-----	-----	-----
Income Before Income Taxes, Minority Interest, Equity in Earnings (Losses) of 50% or Less Owned Companies and Extraordinary Item.....		103,721
61,658	43,516	
-----	-----	-----
Income Tax Expense:		
Current.....		14,838
4,952	358	
Deferred.....		21,220
15,628	14,891	
-----	-----	-----
		36,058

20,580	15,249			
-----				
Income Before Minority Interest, Equity in Earnings (Losses) of 50% or Less Owned Companies and Extraordinary Item.....			67,663	
41,078	28,267			
Minority Interest in Net (Income) Loss of Subsidiaries.....			(372)	
(3,393)	1,148			
Equity in Earnings (Losses) of 50% or Less Owned Companies.....			4,306	
(3,565)	330			
-----				
Income Before Extraordinary Item.....			71,597	
34,120	29,745			
Extraordinary Item - Gain (Loss) on Debt Extinguishment.....			(896)	
-	1,191			
-----				
Net Income.....		\$	70,701	\$
34,120	\$ 30,936			
=====				
Basic Earnings Per Common Share:				
Income before extraordinary item.....		\$	3.68	\$
2.02	\$ 1.66			
Extraordinary item.....			(0.05)	
-	0.07			
-----				
Net income.....		\$	3.63	\$
2.02	\$ 1.73			
=====				
Diluted Earnings Per Common Share:				
Income before extraordinary item.....		\$	3.47	\$
1.92	\$ 1.64			
Extraordinary item.....			(0.04)	
-	0.05			
-----				
Net income.....		\$	3.43	\$
1.92	\$ 1.69			
=====				
Weighted Average Common Shares:				
Basic			19,490,115	
16,887,176	17,867,480			
Diluted.....			21,335,182	
21,234,528	22,252,445			

</TABLE>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

SEACOR SMIT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999  
(IN THOUSANDS)

<TABLE>  
<CAPTION>

Unamortized			Additional	
Treasury	Restricted	Common	Paid-in	Retained
Stock		Stock	Capital	Earnings
				Stock

2001

<S>	<C>	<C>	<C>	<C>
Balance, December 31, 2000.....	\$ 214	\$ 278,567	\$ 402,142	\$
(125,968) \$ (1,301)				
Add/ (Deduct) -				
-Net income for fiscal year 2001.....	-	-	70,701	
-				
-Issuance of common stock:				
ERST/O'Brien's Inc. acquisition, 27,877				
shares.....	-	1,284	-	
-				
Plaisance Marine Inc. acquisition.....	-	-	-	
3,163				
Stirling Shipping Holdings Limited.....	-	-	-	
12,777				
Employee Stock Purchase Plan.....	-	-	-	
624				
Exercise of stock options.....	-	272	-	
-				
Issuance of restricted stock.....	1	3,644	-	
(2,976)				
-Amortization of restricted stock.....	-	-	-	
- 2,272				
-Cancellation of restricted stock, 459 shares.	-	-	-	
(20) 20				
-Net currency translation adjustments.....	-	-	-	
-				
-Change in unrealized gains (losses) on				
available-for-sale securities.....	-	-	-	
-				
-Conversion of 5 3/8% Convertible Subordinated				
Notes due 2006.....	23	98,824	-	
-				
-Change in share of book value of investment				
in Chiles Offshore Inc.....	-	2,395	-	
-				
-Change in value of shares issued in equity				
forward transaction.....	-	(164)	-	
-				
-Change in fair value of derivatives.....	-	-	-	
-				
-Purchase of TMM's minority interest in				
SEACOR Vision LLC.....	-	35	-	
-				
-Purchase of treasury shares.....	-	-	-	
(214) -				

Balance, December 31, 2001.....\$ 238 \$ 384,857 \$ 472,843 \$  
(109,638) \$ (1,985)

2000

Balance, December 31, 1999.....	\$ 214	\$ 274,979	\$ 368,022	\$
(131,183) \$ (1,110)				
Add/ (Deduct) -				
-Net income for fiscal year 2000.....	-	-	34,120	
-				
-Issuance of common stock:				
ERST/O'Brien's Inc. acquisition, 15,254				
shares.....	-	920	-	
-				
Putford Enterprises Ltd. acquisition.....	-	-	-	
4,086				
SCF Corporation acquisition.....	-	-	-	
5,920				
Exercise of stock options.....	-	763	-	
-				

-	Issuance of restricted stock.....	-	1,529	-
-	(1,543)			
-	-Amortization of restricted stock.....	-	-	-
-	1,337			
-	-Cancellation of restricted stock, 623 shares.	-	-	-
(15)	15			
-	-Net currency translation adjustments.....	-	-	-
-	-			
-	-Change in unrealized gains (losses) on	-	-	-
-	available-for-sale securities.....	-	-	-
-	-			
-	-Change in value of investment in Chiles	-	380	-
-	Offshore LLC.....	-		-
-	-			
-	-Cash in lieu of fractional shares in stock	-	(4)	-
-	split.....	-		-
-	-			
-	-Purchase of treasury shares.....	-	-	-
(4,776)	-			
-----				
Balance, December 31, 2000.....\$	214 \$	278,567 \$	402,142 \$	
(125,968) \$ (1,301)				
=====				
1999				
-----				
Balance, December 31, 1998.....\$	212 \$	271,941 \$	337,086 \$	
(65,656) \$ (972)				
Add/(Deduct) -				
-	-Net income for fiscal year 1999.....	-	-	30,936
-	-			
-	-Issuance of common stock:			
-	ERST/O'Brien's Inc. acquisition, 32,001			
-	shares.....	-	1,482	-
-	-			
-	Issuance of restricted stock.....	2	1,593	-
-	(1,653)			
-	-Amortization of restricted stock.....	-	-	-
-	1,508			
-	-Cancellation of restricted stock, 150 shares.	-	-	-
(7)	7			
-	-Net currency translation adjustments.....	-	-	-
-	-			
-	-Change in unrealized gains (losses) on	-	-	-
-	available-for-sale securities.....	-	-	-
-	-			
-	-Debt offering costs.....	-	(37)	-
-	-			
-	-Purchase of treasury shares.....	-	-	-
(65,520)	-			
-----				
Balance, December 31, 1999.....\$	214 \$	274,979 \$	368,022 \$	
(131,183) \$ (1,110)				
=====				

</TABLE>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

\*\* TABLE CONTINUED \*\*

SEACOR SMIT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999  
(IN THOUSANDS)  
(CONTINUED)

<TABLE>

<CAPTION>

Accumulated

	Other Comprehensive Income	Comprehensive Income
<hr/>		
2001		
<hr/>		
<S>	<C>	<C>
Balance, December 31, 2000.....\$	(1,102)	\$ -
Add/(Deduct) -		
-Net income for fiscal year 2001.....	-	70,701
-Issuance of common stock:		
ERST/O'Brien's Inc. acquisition, 27,877		
shares.....	-	-
Plaisance Marine Inc. acquisition.....	-	-
Stirling Shipping Holdings Limited.....	-	-
Employee Stock Purchase Plan.....		
Exercise of stock options.....	-	-
Issuance of restricted stock.....	-	-
-Amortization of restricted stock.....	-	-
-Cancellation of restricted stock, 459 shares.	-	-
-Net currency translation adjustments.....	(545)	(545)
-Change in unrealized gains (losses) on		
available-for-sale securities.....	(1,055)	(1,055)
-Conversion of 5 3/8% Convertible Subordinated		
Notes due 2006.....	-	-
-Change in share of book value of investment		
in Chiles Offshore Inc.....	-	-
-Change in value of shares issued in equity		
forward transaction.....	-	-
-Change in fair value of derivatives.....	85	85
-Purchase of TMM's minority interest in		
SEACOR Vision LLC.....	-	-
-Purchase of treasury shares.....	-	-
	<hr/>	<hr/>
Balance, December 31, 2001.....\$	(2,617)	\$ 69,186
<hr/>		
2000		
<hr/>		
Balance, December 31, 1999.....\$	(2,792)	\$ -
Add/(Deduct) -		
-Net income for fiscal year 2000.....	-	34,120
-Issuance of common stock:		
ERST/O'Brien's Inc. acquisition, 15,254		
shares.....	-	-
Putford Enterprises Ltd. acquisition.....	-	-
SCF Corporation acquisition.....	-	-
Exercise of stock options.....	-	-
Issuance of restricted stock.....	-	-
-Amortization of restricted stock.....	-	-
-Cancellation of restricted stock, 623 shares.	-	-
-Net currency translation adjustments.....	(1,721)	(1,721)
-Change in unrealized gains (losses) on		
available-for-sale securities.....	3,411	3,411
-Change in value of investment in Chiles		
Offshore LLC.....	-	-
-Cash in lieu of fractional shares in stock		
split.....	-	-
-Purchase of treasury shares.....	-	-
	<hr/>	<hr/>
Balance, December 31, 2000.....\$	(1,102)	\$ 35,810
<hr/>		
1999		
<hr/>		
Balance, December 31, 1998.....\$	171	\$ -
Add/(Deduct) -		
-Net income for fiscal year 1999.....	-	30,936
-Issuance of common stock:		
ERST/O'Brien's Inc. acquisition, 32,001		
shares.....	-	-
Issuance of restricted stock.....	-	-
-Amortization of restricted stock.....	-	-
-Cancellation of restricted stock, 150 shares.	-	-

-Net currency translation adjustments.....	(526)	(526)
-Change in unrealized gains (losses) on available-for-sale securities.....	(2,437)	(2,437)
-Debt offering costs.....	-	-
-Purchase of treasury shares.....	-	-
	-----	-----
Balance, December 31, 1999.....\$	(2,792)	\$ 27,973
	=====	=====

</TABLE>

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

47-A

SEACOR SMIT INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999  
(IN THOUSANDS)

<TABLE>

<CAPTION>

2000	1999	2001
		-----
<S>		<C>
<C>	<C>	
Cash Flows from Operating Activities:		
Net income.....		\$ 70,701 \$
34,120 \$	30,936	
Depreciation and amortization.....		58,324
51,189	41,282	
Restricted stock amortization.....		2,272
1,337	1,508	
Debt discount/(premium) amortization, net.....		474
(49)	129	
Bad debt expense.....		947
(235)	(328)	
Deferred income taxes.....		21,220
15,628	14,891	
Equity in net (earnings) losses of 50% or less owned companies.....		(4,306)
3,565	(330)	
Extraordinary (gain) loss, extinguishment of debt.....		896
-	(1,191)	
(Gain) loss from sale of investment in 50% or less owned companies.....		(201)
-	72	
Derivative (income) loss.....		(4,127)
(6,292)	1,323	
(Gain) loss from sale of available-for-sale securities, net.....		(5,689)
(7,562)	279	
Gain upon sale of shares of Chiles Offshore Inc.....		-
(4,023)	-	
Gain from equipment sales or retirements, net.....		(9,030)
(7,628)	(1,677)	
Amortization of deferred gains on sale and leaseback transactions.....		(5,482)
(18,601)	(24,278)	
Minority interest in income (loss) of subsidiaries.....		372
3,393	(1,148)	
Other, net.....		504
1,709	3,382	
Changes in operating assets and liabilities -		
(Increase) decrease in receivables.....		(3,360)
(15,468)	15,139	
(Increase) decrease in prepaid expenses and other assets.....		(4,175)
5,985	(5,692)	
Increase (decrease) in accounts payable, accrued and other liabilities...		(7,920)
8,183	(26,425)	
		-----
Net cash provided by operations.....		111,420
65,251	47,872	-----

-----		
Cash Flows from Investing Activities:		
Purchases of property and equipment.....		(107,445)
(73,750)	(140,470)	
Proceeds from the sale of marine vessels and equipment.....		60,666
56,772	20,889	
Investments in and advances to 50% or less owned companies.....		(5,763)
(7,056)	(21,798)	
Principal payments on notes due from 50% or less owned companies.....		6,040
1,514	8,610	
Proceeds from sale of investment in 50% or less owned companies.....		3,076
-	263	
Net (increase) decrease in restricted cash account.....		(14,531)
(18,774)	47,249	
Proceeds from sale of available-for-sale securities.....		145,920
90,309	134,352	
Purchases of available-for-sale securities.....		(74,771)
(60,650)	(15,745)	
Cash settlements of derivative transactions.....		1,594
(1,454)	3,694	
Dividends received from 50% or less owned companies.....		6,705
9,029	11,450	
Acquisitions, net of cash acquired.....		(98,174)
(13,110)	(6,239)	
Cash of Chiles Offshore LLC, a deconsolidated subsidiary.....		-
(11,691)	-	
Other, net.....		45
(2,151)	(2,476)	
-----		
Net cash provided by (used in) investing activities.....		(76,638)
(31,012)	39,779	
-----		
Cash Flows from Financing Activities:		
Payments of long-term debt and stockholder loans.....		(145,356)
(17,240)	(47,830)	
Proceeds from issuance of long-term debt .....		75,563
482	38,115	
Payments on capital lease obligations.....		(17,580)
(1,675)	(1,587)	
Proceeds from issuance of Common Stock.....		10,000
-	-	
Collateral deposits pursuant to swap agreements.....		-
-	(10,166)	
Proceeds from membership interest offering of Chiles Offshore LLC.....		-
-	4,338	
Distribution of membership interest to minority shareholders of Chiles Offshore LLC.....		-
17,651	-	
Termination of swap agreements.....		-
19,504	-	
Common stock acquired for treasury.....		(214)
(4,776)	(65,520)	
Other, net.....		132
276	(36)	
-----		
Net cash provided by (used in) financing activities.....		(77,455)
14,222	(82,686)	
-----		
Effects of Exchange Rate Changes on Cash and Cash Equivalents.....		(1,152)
(2,751)	(1,723)	
-----		
Net Increase (Decrease) in Cash and Cash Equivalents.....		(43,825)
45,710	3,242	
Cash and Cash Equivalents, beginning of period.....		224,219
178,509	175,267	
-----		
Cash and Cash Equivalents, end of period.....		\$ 180,394 \$

&lt;/TABLE&gt;

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

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SEACOR SMIT INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES:

**NATURE OF OPERATIONS.** SEACOR SMIT Inc. ("SEACOR") and its subsidiaries (the "Company") is a major provider of offshore support vessel services to the oil and gas exploration and production industry and is one of the leading providers of oil spill response services to owners of tank vessels and oil storage, processing and handling facilities. The Company also operates hopper barges in its inland river business and holds a 23.8% equity interest in Chiles Offshore Inc. ("Chiles Offshore"), a company that owns and operates ultra-premium jackup drilling rigs.

**BASIS OF CONSOLIDATION.** The consolidated financial statements include the accounts of SEACOR and all majority owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

**USE OF ESTIMATES.** The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CASH EQUIVALENTS.** Cash equivalents refer to securities with maturities of three months or less when purchased.

**ACCOUNTS RECEIVABLE.** Customers of offshore support vessel services are primarily major and large independent oil and gas exploration and production companies. Oil spill and emergency response services are provided to tank vessel owner/operators, refiners, terminals, exploration and production facilities and pipeline operators. Barge customers are primarily major agricultural and industrial companies based within the United States. All customers are granted credit on a short-term basis and related credit risks are considered minimal.

**PROPERTY AND EQUIPMENT.** Property and equipment, stated at cost, are depreciated over the estimated useful lives of the assets using the straight-line method for financial reporting purposes. Offshore support vessels ("vessels") and related equipment are depreciated over 20 to 30 years, inland river hopper barges ("barges") are depreciated over 20 years and all other property and equipment are depreciated and amortized over two to ten years.

Vessel and barge maintenance and repair and routine drydock inspection costs are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of vessels and major renewals or improvements to other properties are capitalized. Certain interest costs incurred during the construction of equipment was capitalized as part of the assets' carrying values and are being amortized to expense over such assets estimated useful lives. Interest capitalized in 2001, 2000 and 1999 totaled \$760,000, \$639,000 and \$9,836,000, respectively.

**OTHER ASSETS.** Other assets include the following:

(in thousands)	2001	2000
Goodwill.....	\$ 36,629	\$ 23,121

Deferred financing costs.....	4,970	6,567
Net sale-type leases, see Note 12.....	3,774	1,953
Notes receivable.....	4,797	1,543
Common stock investments, carried at cost.....	1,150	1,900
Other.....	659	471
	-----	-----
	51,979	35,555
Less accumulated amortization.....	(11,547)	(7,546)
	-----	-----
Total other assets.....\$	40,432	\$ 28,009
	=====	=====

Goodwill, which represents the excess of purchase price over fair value of net assets acquired, has been amortized through December 31, 2001 on a straight-line basis over the expected benefit period that ranged from 10 to 22 years. Deferred financing costs, incurred in connection with the issuance of debt, is amortized over the life of the related debt, ranging from 5 to 12 years, using the effective interest rate method. Goodwill and deferred financing cost amortization expenses totaled \$3,740,000 in 2001, \$2,296,000 in 2000 and \$2,703,000 in 1999. Effective January 1, 2002, the Company ceased amortization of goodwill. (See "Recent Accounting Pronouncements" for discussion.)

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Common stock investments, carried at cost, are investments in private companies over which the Company does not have the ability to exercise significant influence nor does it own greater than 20% of the investees voting stock. These investments are carried at cost and are adjusted only for other-than-temporary declines in fair value, distributions of earnings and additional investments.

BUSINESS COMBINATIONS. As discussed in Note 4, business combinations completed by the Company have been accounted for under the purchase method of accounting. The cost of each acquired operation is allocated to the assets acquired and liabilities assumed based on their estimated fair values. These estimates are revised during an allocation period as necessary when, and if, information becomes available to further define and quantify the value of the assets acquired and liabilities assumed. The allocation period does not exceed beyond one year from the date of the acquisition. To the extent additional information to refine the original allocation becomes available during the allocation period, the allocation of the purchase price is adjusted. Should information become available after the allocation period, those items are included in operating results. The cost of an enterprise acquired in a business combination includes the direct cost of the acquisition. The operating results of entities acquired are included in the Consolidated Statements of Income from the completion date of the applicable transaction.

INCOME TAXES. Deferred income tax assets and liabilities have been provided in recognition of the income tax effect attributable to the difference between assets and liabilities reported in the tax return and financial statements. Deferred tax assets or liabilities are provided using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized. Deferred taxes are not provided on the undistributed earnings of certain non-U.S. subsidiaries and joint venture corporations because the Company considers those earnings to be indefinitely reinvested abroad.

DEFERRED GAINS. The Company has entered into vessel sale and leaseback transactions and has sold vessels to joint venture corporations in which it holds an equity ownership interest. Certain of the gains realized from these transactions were not immediately recognized in income and have been reported in the Consolidated Balance Sheets as "Deferred Gains and Other Liabilities." In sale and leaseback transactions, gains were deferred to the extent of the present value of minimum lease payments and are being amortized to income as reductions in rental expense over the applicable lease terms. In joint venture sale transactions, gains were deferred to the extent of the Company's ownership interest, with amortization to income over the applicable vessels' depreciable lives, and upon receipt of debt securities and an inadequate down payment, with amortization to income on the installment method.

FOREIGN CURRENCY TRANSLATION. The assets, liabilities and results of operations of certain SEACOR subsidiaries are measured using the currency of the primary foreign economic environment within which they operate, their functional currency. Upon consolidating these subsidiaries with SEACOR, their assets and liabilities are translated to U.S. dollars at currency exchange rates as of the balance sheet date and for revenue and expenses at the weighted average currency exchange rates during the applicable reporting periods. Translation adjustments resulting from the process of translating these subsidiaries' financial statements are reported in the Consolidated Balance Sheets as "Accumulated other comprehensive income (loss)."

Certain SEACOR subsidiaries also enter into transactions denominated in currencies other than their functional currency. Changes in currency exchange rates between the functional currency and the currency in which a transaction is denominated is included in the determination of net income in the period in which the currency exchange rates change. The Company's earnings in 2001 included net foreign currency exchange gains of \$1,247,000; whereas 2000 and 1999 included net foreign currency exchange losses of \$1,573,000 and \$1,288,000, respectively. Gains and losses on foreign currency transactions that are designated as, and effective as, economic hedges of a net investment in a foreign entity (such as debt denominated in a foreign currency or forward exchange contracts) are reported in the Consolidated Balance Sheet as "Accumulated other comprehensive income (loss)." Gains or losses on foreign currency transactions that do not hedge an exposure are included in determining net income in accordance with the requirements for other foreign currency transactions as described above.

From time-to-time, SEACOR may advance funds to wholly owned subsidiaries whose functional currency differs from the U.S. dollar. If settlement of such advances are not planned or anticipated to be paid in the foreseeable future, exchange rate gains and losses relating to the transactions are deferred and included in the Consolidated Balance Sheets as "Accumulated other comprehensive income (loss)." Conversely, if settlement of the advances are expected in the foreseeable future, changes in the exchange rate from the transaction date until the settlement date with respect to such advances are included in the Consolidated Statements of Income as "Other, net."

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REVENUE RECOGNITION. The Company's offshore marine business segment earns revenues primarily from the time and bareboat charter-out of vessels to customers based upon daily rates of hire. A time charter is a lease arrangement under which the Company provides a vessel to a customer and is responsible for all crewing, insurance and other operating expenses. In a bareboat charter, the Company provides only the vessel to the customer, and the customer assumes responsibility to provide for all of the vessel's operating expenses and generally assumes all risk of operation. Vessel charters may range from several days to several years.

Customers of the Company's environmental business segment are charged retainer fees for ensuring by contract the availability (at predetermined rates) of oil spill response services and equipment that are generally recognized ratably throughout the year. Retainer services include employing a staff to supervise response to an oil spill and maintaining specialized equipment. Retainer agreements with vessel owners generally range from one to three years while retainer arrangements with facility owners are as long as ten years. Spill response revenue is dependent on the magnitude of any one spill response and the number of spill responses within a given fiscal year. Consequently, spill response revenue can vary greatly between comparable periods. Consulting fees are also earned from preparation of customized training programs, planning of and participation in customer oil spill response drill programs and response exercises and other special projects.

The Company's inland river business earns revenues primarily from voyage affreightments under which customers are charged for a committed space to transport cargo for a specific time from a point of origin to a

destination at an established rate per ton. The inland river operation also earns revenues while cargo is stored aboard a barge and when a barge is chartered-out by a third party.

OTHER, NET. In 2001, 2000 and 1999, other income and expense primarily included gains and losses from the sale of marketable securities and the exchange of foreign currencies.

EARNINGS PER SHARE. Basic earnings per common share were computed based on the weighted-average number of common shares issued and outstanding for the relevant periods. Diluted earnings per common share were computed based on the weighted-average number of common shares issued and outstanding plus all potentially dilutive common shares that would have been outstanding in the relevant periods assuming the vesting of restricted stock grants and the issuance of common shares for stock options and convertible subordinated notes through the application of the treasury stock and if-converted methods. All computations give effect for the three-for-two stock split effected June 15, 2000. Certain options and share awards, 127,580, 74,140 and 46,601 in 2001, 2000 and 1999, respectively, were excluded from the computation of diluted earnings per share as the effect would have been antidilutive.

<TABLE>  
<CAPTION>

Per (in thousands, except shares and per share data) Share	Income	Shares
-----		
<S>	<C>	<C>
<C>		
FOR THE YEAR ENDED 2001-		
BASIC EARNINGS PER SHARE:		
Income before extraordinary item.....	\$ 71,597	19,490,115
\$ 3.68		
=====		
EFFECT OF DILUTIVE SECURITIES:		
Options and restricted stock.....	-	253,260
Convertible securities.....	2,596	1,591,807
Common stock sold with equity forward contract, see Note 8.....	(164)	-
	-----	
--		
DILUTED EARNINGS PER SHARE:		
Income available to common stockholders plus assumed conversions.....	\$ 74,029	21,335,182
\$ 3.47		
=====		
FOR THE YEAR ENDED 2000-		
BASIC EARNINGS PER SHARE:		
Income before extraordinary item.....	\$ 34,120	16,887,176
\$ 2.02		
=====		
EFFECT OF DILUTIVE SECURITIES:		
Options and restricted stock.....	-	220,082
Convertible securities.....	6,605	4,127,270
	-----	
--		
DILUTED EARNINGS PER SHARE:		
Income available to common stockholders plus assumed conversions.....	\$ 40,725	21,234,528
\$ 1.92		
=====		
FOR THE YEAR ENDED 1999-		
BASIC EARNINGS PER SHARE:		
Income before extraordinary item.....	\$ 29,745	17,867,480
\$ 1.66		

=====

EFFECT OF DILUTIVE SECURITIES:

Options and restricted stock.....	-	185,447
Convertible securities.....	6,714	4,199,518

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DILUTED EARNINGS PER SHARE:

Income available to common stockholders		
plus assumed conversions.....	\$ 36,459	22,252,445

\$ 1.64

=====

</TABLE>

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RECENT ACCOUNTING PRONOUNCEMENTS. Effective January 1, 2002, the Company adopted Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations," and SFAS 142, "Goodwill and Other Intangible Assets." Among other changes to prior practices, the new standards require (i) the use of the purchase method of accounting for all business combinations, (ii) that goodwill not be amortized in any circumstance and (iii) that goodwill be tested for impairment annually or when events or circumstances occur between annual tests indicating that goodwill for a reporting unit might be impaired based on a fair value concept. SFAS 142 requires that impairment testing of the opening goodwill balances be performed within six months from the start of the fiscal year in which the standard is adopted and that any impairment be written off and reported as a cumulative effect of a change in accounting principle. We have completed an initial review and do not currently expect to record an impairment charge. However, there can be no assurance that at the time the review is completed a material impairment charge will not be recorded. The Company has ceased amortization of its remaining goodwill balance effective January 1, 2002.

In July 2001, the Financial Accounting Standards Board ("FASB") issued SFAS 143, "Accounting for Asset Retirement Obligations", which requires recording the fair value of a liability for an asset retirement obligation in the period incurred. The standard is effective for fiscal years beginning after June 15, 2002, with earlier application permitted. Upon adoption of the standard, the Company will be required to use a cumulative effect approach to recognize transition amounts for any existing retirement obligation liabilities, asset retirement costs and accumulated depreciation. The nature of the Company's business and long-lived assets is such that adoption of this new standard should have no significant impact on the Company's financial statements.

In August 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which supercedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". This new statement also supercedes certain aspects of Accounting Principle Board Opinion No. 30 ("APB 30"), "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," with regard to reporting the effects of a disposal of a segment of a business and will require expected future operating losses from discontinued operations to be reported in discontinued operations in the period incurred rather than as of the measurement date as presently required by APB 30. Additionally, certain dispositions may now qualify for discontinued operations treatment. The provisions of this statement are required to be applied for fiscal years beginning after December 15, 2001 and interim periods within those fiscal years. The Company expects this statement will not have a material impact on its financial statements.

COMPREHENSIVE INCOME. Comprehensive income is defined as the total of net income and all other changes in equity of an enterprise that result from transactions and other economic events of a reporting period other than transactions with owners. The Company has chosen to disclose Comprehensive Income in the Consolidated Statements of Changes in Equity. The Company's other comprehensive income or loss was comprised of net currency translation adjustments and unrealized holding gains and losses on available-for-sale securities. Income taxes allocated to each component of other comprehensive income during the years indicated are

as follows:

<TABLE>  
<CAPTION>

(Expense) (in thousands) Benefit	Net-of-Tax Amount	Before-Tax Amount	Tax or
-----		-----	-----
<S>		<S>	<C>
<C>			
2001			
Foreign currency translation adjustments.....	\$	(708)	\$
248	(460)		
Unrealized gains on available-for-sale securities:			
Unrealized holding gains (losses) arising during period.....		4,066	
(1,423)	2,643		
Less - reclassification adjustment for (gains) losses included in net income.....		(5,689)	
1,991	(3,698)		
-----		-----	-----
Other comprehensive income (loss).....	\$	(2,331)	\$
816	(1,515)		
=====			
2000			
Foreign currency translation adjustments.....	\$	(2,648)	\$
927	(1,721)		
Unrealized gains on available-for-sale securities:			
Unrealized holding gains (losses) arising during period.....		12,809	
(4,483)	8,326		
Less - reclassification adjustment for (gains) losses included in net income.....		(7,562)	
2,647	(4,915)		
-----		-----	-----
Other comprehensive income (loss).....	\$	2,599	\$
(909)	1,690		
=====			
1999			
Foreign currency translation adjustments.....	\$	(809)	\$
283	(526)		
Unrealized gains on available-for-sale securities:			
Unrealized holding gains (losses) arising during period.....		(4,030)	
1,412	(2,618)		
Less - reclassification adjustment for (gains) losses included in net income.....		279	
(98)	181		
-----		-----	-----
Other comprehensive income (loss).....	\$	(4,560)	\$
1,597	(2,963)		
=====			

</TABLE>

RECLASSIFICATIONS. Certain reclassifications of prior year information have been made to conform with the current year presentation.

2. FINANCIAL INSTRUMENTS:

The estimated fair values of the Company's financial instruments have been determined using available market information and appropriate valuation methodologies. Considerable judgment was required in developing certain of the estimates of fair value, and accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

<TABLE>  
<CAPTION>

		2001	
2000		Carrying	Estimated
Carrying (in thousands) Amount	Estimated Fair Value	Amount	Fair Value
<S>		<C>	<C>
<C>	<C>		
<b>ASSETS:</b>			
Cash and temporary cash investments.....	\$ 224,219	\$ 180,394	\$ 180,394
Marketable securities.....	82,181	22,371	22,371
Collateral deposits, notes and other receivables.....	6,781	30,787	30,717
Restricted cash.....	40,759	55,290	55,290
Stock investments, carried at cost.....	1,900	1,150	1,150
Derivative instruments.....	709	1,909	1,909
<b>LIABILITIES:</b>			
Long-term debt, including current portion.....	362,928	290,399	295,844
Other current liabilities.....	-	164	164
Derivative instruments.....	21	848	848

</TABLE>

The carrying value of cash and temporary cash investments, restricted cash, collateral deposits and other receivables approximate fair value. The fair values of the Company's notes receivable, long-term debt, marketable securities and derivative instruments were estimated based upon quoted market prices or by discounting the underlying cash flows using market information as to interest rates for receivables and indebtedness of similar terms and maturities.

Effective January 1, 2001, the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities", as amended. The Statement establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair market value. SFAS 133 requires that changes in the derivative's fair market value be recognized in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. The cumulative effect of adopting SFAS 133 was not material.

The Company has foreign currency exchange risks primarily related to its offshore support vessel operations that are conducted from ports located in the United Kingdom, where its functional currency is Pounds Sterling. To protect the U.S. dollar value of certain Pounds Sterling denominated net assets of the Company from the effects of volatility in foreign currency exchange rates that might occur prior to their conversion to U.S. dollars, the Company has entered into forward exchange contracts. The Company considers these forward exchange contracts as economic hedges of its net investment in the United Kingdom and resulting gains or losses from those transactions are charged to Accumulated Other Comprehensive Income in Stockholders' Equity. During the twelve months ended December 31, 2001, the Company settled several Pounds Sterling forward exchange contracts, which resulted in a realized gain of \$131,000. At December 31, 2001, the Company had no outstanding Pounds

Sterling forward exchange contracts for which hedge accounting criteria were met.

The Company has also entered into additional forward exchange contracts that are considered speculative during 2000 and 2001 with respect to Norwegian Kroners, Pounds Sterling and Euros. The Norwegian Kroner contracts enabled the Company to buy Norwegian Kroners in the future at fixed exchange rates which could have offset possible consequences of changes in foreign exchange had the Company decided to conduct business in Norway. The Pound Sterling and Euro contracts enable the Company to buy Pounds Sterling and Euros in the future at fixed exchange rates which could offset possible consequences of changes in foreign exchange of the Company's business conducted in the United Kingdom and Europe. Resulting gains or losses from these transactions are reported in the Consolidated Statements of Income as "Derivative income (loss)" as they do not meet the criteria for hedge accounting. For the twelve month periods ending December 31, 2001 and 2000, the Company recognized net losses of \$153,000 and net gains of \$639,000, respectively, from these forward exchange contracts. At December 31, 2001, the Company had no outstanding Norwegian Kroner contracts and the fair market value of its speculative Pound Sterling and Euro contracts totaled \$451,000 and was reported in the Consolidated Balance Sheets as "Trade and other receivables."

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The Company has entered into and settled various positions in natural gas and crude oil via swaps, options and futures contracts pursuant to which, on each applicable settlement date, the Company receives or pays an amount, if any, by which a contract price for a swap, an option or a futures contract exceeds the settlement price quoted on the New York Mercantile Exchange ("NYMEX") or receives or pays the amount, if any, by which the settlement price quoted on the NYMEX exceeds the contract price. The general purpose of these hedge transactions is to provide value to the Company should the price of natural gas and crude oil decline which over time, if sustained, would lead to a decline in the Company's offshore assets' market values and cash flows. For accounting purposes, the Company records the change in the market value of its commodity contracts at the end of each month and recognizes a related gain or loss. For the twelve month periods ending December 31, 2001, 2000 and 1999, the Company has recognized net gains of \$4,584,000, net losses of \$980,000 and net losses of \$1,323,000, respectively, from commodity hedging activities that were reported in the Consolidated Statements of Income as "Derivative income (loss)." At December 31, 2001, the fair market value of the Company's positions in commodity contracts totaled \$1,458,000 and was reported in the Consolidated Balance Sheets as "Trade and other receivables."

The Company, furthermore, beginning in the fourth quarter of 2001, entered into and settled various positions in U.S. treasury notes and U.S. treasury bonds via options and futures contracts pursuant to which, on each applicable settlement date, the Company receives or pays an amount, if any, by which a contract price for an option or a futures contract exceeds the settlement price quoted on the Chicago Board of Trade ("CBOT") or receives or pays the amount, if any, by which the settlement price quoted on the CBOT exceeds the contract price. The general purpose of these hedge transactions is to provide value to the Company should the price of U.S. treasury notes and bonds decline leading to generally higher interest rates which, if sustained over time, might lead to a higher interest cost for the Company. For accounting purposes, the Company records the change in the market value of its U.S. treasury positions at the end of each month and recognizes a related gain or loss. For the twelve month period ending December 31, 2001, the Company has recognized net gains of \$196,000 from U.S. treasury note and U.S. treasury bond option and future contracts that were reported in the Consolidated Statements of Income as "Derivative income." At December 31, 2001, the Company's unrealized loss with respect to its positions in U.S. treasury obligations totaled \$349,000 and was reported in the Consolidated Balance Sheets as "Other current liabilities."

In order to reduce its cost of capital, the Company entered into swap agreements during the fourth quarter of 2001 with a major financial institution with respect to notional amounts equal to a portion of the

\$147,500,000 aggregate principal amount of the 7.2% Senior Notes Due 2009 (the "7.2 % Notes"). Pursuant to each such agreement, such financial institution agreed to pay to the Company an amount equal to interest paid on the notional amount of the 7.2% Notes subject to such agreement, and the Company agreed to pay to such financial institution an amount equal to interest currently at the rate of approximately 3.3% per annum on the agreed upon price of such notional amount of the 7.2% Notes as set forth in the applicable swap agreement. At December 31, 2001, \$30,000,000 notional principal amount of the 7.2% Notes were covered by such swap agreements.

Upon termination of each swap agreement, the financial institution agreed to pay to the Company the amount, if any, by which the fair market value of the notional amount of the 7.2% Notes subject to the swap agreement on such date exceeded the agreed upon price of such notional amount as set forth in such swap agreement, and the Company agreed to pay to such financial institution the amount, if any, by which the agreed upon price of such notional amount exceeded the fair market value of such notional amount on such date. At December 31, 2001, the unrealized loss, totaling \$499,000, which resulted from the agreed upon price exceeding the fair value of the notional amounts set forth in the swap agreements has been recorded in the Consolidated Statements of Income as a "Derivative loss" as it did not meet hedge accounting criteria and will be subject to periodic revaluation based upon the fair market value of such swaps. The swap agreements terminate during the fourth quarter of 2002 unless extended by mutual consent.

To reduce cost of capital during years when the Company owned a majority equity interest in Chiles Offshore, see Note 5, it entered into swap agreements in 1999 with a major financial institution with respect to notional amounts equal to a portion of Chiles Offshore's \$110,000,000 aggregate principal amount 10.0% Senior Notes Due 2008 (the "Chiles 10.0% Notes"). Pursuant to each such agreement, such financial institution agreed to pay to the Company an amount equal to interest paid by Chiles Offshore on the notional amount of Chiles 10.0% Notes subject to such agreement, and the Company agreed to pay to such financial institution an amount equal to interest at approximately 6.9% per annum on the agreed upon price of such notional amount of Chiles 10.0% Notes as set forth in the applicable swap agreement.

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Upon termination of each swap agreement, the financial institution agreed to pay to the Company the amount, if any, by which the fair market value of the notional amount of Chiles 10.0% Notes subject to the swap agreement on such date exceeded the agreed upon price of such notional amount as set forth in such swap agreement, and the Company agreed to pay to such financial institution the amount, if any, by which the agreed upon price of such notional amount exceeded the fair market value of such notional amount on such date. In September 2000, Chiles Offshore purchased and redeemed substantially all of its then outstanding Chiles 10.0% Notes with proceeds from its initial public offering that resulted in the termination of these swap agreements and the Company recognized derivative income of \$6,634,000.

### 3. MARKETABLE SECURITIES:

Equity securities that have readily determinable fair values and investments in debt securities are classified by the Company as investments in available-for-sale securities. These investments are reported at their fair values with unrealized holding gains and losses included in the Consolidated Balance Sheets as "Accumulated other comprehensive income (loss)." Available-for-sale securities are included in the Consolidated Balance Sheets as "Marketable Securities" if the Company intends to liquidate the investment within one year from the balance sheet date and are included as "Available-for-Sale Securities" if the Company has the intent and ability to hold such investments for over one year from the balance sheet date. The amortized cost and fair value of marketable securities at December 31, 2001 and 2000 were as follows, in thousands of dollars:

<TABLE>  
<CAPTION>

Fair Value	Type of Securities	Amortized Cost	Gross Unrealized Holding		
			Gains	Losses	
<hr/>					
<S>		<C>	<C>	<C>	<C>
2001:					
2,162	U.S. government and agencies.....	\$ 2,471	\$ -	\$ (309)	\$
10,964	U.S. states and political subdivisions.....	11,560	-	(596)	
1,673	Corporate debt securities.....	1,725	32	(84)	
3,762	UK government securities.....	3,759	3	-	
3,810	Equity securities.....	3,076	735	(1)	
<hr/>					
22,371		\$ 22,591	\$ 770	\$ (990)	\$
<hr/>					
2000:					
56,510	U.S. government and agencies.....	\$ 56,530	\$ 422	\$ (442)	\$
4,191	U.S. states and political subdivisions.....	4,050	141	-	
5,714	Corporate debt securities.....	5,794	-	(80)	
3,857	UK government securities.....	3,865	-	(8)	
11,909	Equity securities.....	10,540	1,716	(347)	
<hr/>					
82,181		\$ 80,779	\$ 2,279	\$ (877)	\$
<hr/>					

</TABLE>

The contractual maturities of debt marketable securities at December 31, 2001 were as follows, in thousands of dollars:

Maturities	Amortized Cost	Fair Value
Mature in one year or less.....	\$ -	\$ -
Mature after one year through five years.....	4,320	4,299
Mature after five years through ten years.....	-	-
Mature after ten years.....	15,195	14,262
	<hr/>	<hr/>
	\$ 19,515	\$ 18,561
	<hr/>	<hr/>

During 2001, 2000 and 1999, the sale of available-for-sale securities resulted in gross realized gains of \$9,587,000, \$8,558,000 and \$721,000, respectively, and gross realized losses of \$3,898,000, \$996,000 and \$1,000,000, respectively. The specific identification method was used to determine the cost of available-for-sale securities in computing realized gains and losses. During 2001, the Company transacted various short sales of equity securities and at December 31, 2001 had recorded a liability in the Consolidated Balance Sheet as "Accrued liability-short sale of securities" equal to the fair market value of these equity securities. Gross unrealized gains and losses, totaling \$247,000 and \$623,000, respectively, resulting from these short sales were recorded in the Consolidated Statements of Income as "Other, net."

#### 4. VESSEL ACQUISITIONS AND DISPOSITIONS:

STIRLING TRANSACTION. On May 4, 2001, the Company completed the acquisition of all of the issued and outstanding shares of Stirling Shipping Holdings Limited ("Stirling Shipping"). Aggregate consideration was (pound)54,300,000 (\$77,100,000 based on exchange rates in effect and the price of SEACOR's common stock, par value \$.01 per share ("Common Stock") on the closing date), consisting of (pound)29,900,000, or \$43,000,000, in cash, (pound)14,700,000, or \$21,200,000, in one-year loan notes, and 285,852 shares of Common Stock issued from treasury, valued at \$12,900,000. Stirling Shipping's long term debt at closing was approximately (pound)43,000,000, or \$61,900,000. To fund a portion of the Stirling Shipping acquisition, the Company borrowed \$25,000,000

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under its revolving credit facility, and in the third quarter, repaid this loan. Through its acquisition of Stirling Shipping, the Company acquired 12 vessels primarily working in the North Sea, including 9 supply and 3 anchor handling towing supply vessels, and contracts for the construction of 2 anchor handling towing supply vessels. The new construction vessels, which have now been delivered to the Company, were built in the UK. In November 2001, the Company repaid all of the outstanding indebtedness, totaling (pound)48,316,000 or approximately \$68,250,000, that was included in the Stirling Shipping acquisition. Existing cash balances and borrowings available under the Company's revolving credit facility, totaling \$30,000,000 at December 31, 2001, were used to liquidate this obligation.

CHERAMIE TRANSACTION. In February 2001, the Company completed the acquisition of all of the issued and outstanding shares of Gilbert Cheramie Boats, Inc. and related companies (collectively, "Cheramie"). Purchase consideration was \$62,800,000 in cash. Through its acquisition of Cheramie, the Company acquired 11 mini-supply, 11 utility and 2 offshore supply vessels operating in the U.S. Gulf of Mexico. Pursuant to the terms of the purchase agreement, the Company had an option of making an Internal Revenue Code Section 338(h)(10) election and, in January 2002, it exercised that option. The election entitled the Company to full income tax basis in the assets of the Cheramie companies and the realization of an income tax benefit of the depreciation. In order to induce the prior shareholders of Cheramie to agree to the election, the Company has agreed to make them "whole" for the amount of the increase in their total income tax liability, including the amount of income tax payable by them on the additional purchase price payment. In January 2002, as a result of making this election, the Company paid the prior shareholders of Cheramie an additional \$10,200,000 in order to reimburse them for all of their expected additional income tax obligations, which payment was recorded in the Consolidated Balance Sheet as "Accrued acquisition costs." The original purchase consideration included \$975,000 that was deposited into an escrow account for other incremental tax liabilities that may be incurred by the selling shareholders of Cheramie with respect to the purchase transaction. The January 2002 payment was intended to reimburse the selling shareholders for all of their incremental tax liabilities, and therefore, the Company has recorded an adjustment to the purchase price for the funds presently held in escrow. Goodwill, as adjusted, of approximately \$11,280,000 was recorded in connection with this acquisition.

RINCON TRANSACTION. In February 2001, the Company acquired two U.S. based towing supply vessels from Rincon Marine, Inc., a U.S. based operator ("Rincon"). Aggregate consideration paid Rincon was \$19,700,000, including \$6,100,000 in cash and the assumption of \$13,600,000 of debt due Caterpillar Financial Services Corporation ("Caterpillar"). In February 2002, the Company repaid all of the outstanding indebtedness due Caterpillar from working capital.

PLAISANCE TRANSACTION. In January 2001, the Company acquired all of the issued and outstanding shares of Plaisance Marine, Inc. ("Plaisance") that owns two mini-supply vessels and acquired four additional mini-supply vessels from companies affiliated with Plaisance (collectively the "Plaisance Fleet"). Aggregate consideration paid for the Plaisance Fleet and certain related spares and other assets was

\$20,100,000, including \$16,200,000 paid in cash, the assumption of \$700,000 of debt and the issuance of 71,577 shares of Common Stock from treasury, valued at \$3,200,000 on the closing date. The Plaisance Fleet operates in the U.S. Gulf of Mexico.

SCF TRANSACTION. On December 20, 2000, the Company acquired SCF Corporation ("SCF"), a company that owned and operated barges and that was substantially owned and controlled by certain SEACOR directors. Forty-three barges and a 50% interest in a partnership that owns 11 additional barges acquired in the SCF transaction were valued at \$7,500,000. The SCF acquisition resulted in the Company's issuance of 121,064 shares of Common Stock net of 254,381 shares owned by SCF, which have been returned to treasury, and the payment to SCF's shareholders of \$3,304,000 in cash, representing SCF's working capital. Goodwill of approximately \$1,200,000 was recorded in connection with this acquisition.

PUTFORD TRANSACTION. On April 19, 2000, the Company acquired all of the issued share capital of Putford Enterprises Ltd. and associated companies (collectively, "Boston Putford"). Assets indirectly acquired in the acquisition included Boston Putford's standby safety vessels ("SBSV"), certain joint venture interests and fixed assets for an aggregate purchase price valued at (pound)23,000,000 (\$39,300,000 based on exchange rates in effect and SEACOR's stock price on the closing date). Boston Putford's SBSV fleet, including vessels held in joint ventures, but excluding vessels managed for third parties, consisted of 18 vessels operating primarily in the southern UK sector of the North Sea. The purchase consideration consisted of (pound)14,200,000 in cash (\$22,500,000 based on exchange rates in effect on the closing date), 125,423 shares of Common Stock (after adjustment for the Company's stock split in June 2000), a (pound)5,000,000, five-year, 4.0% fixed coupon note and a (pound)2,500,000, five-year, 4.0% fixed coupon note that is subject to offset if Boston Putford does not meet certain earnings targets. The notes combined had an estimated value of (pound)6,200,000 (\$9,800,000 based on exchange rates in effect on the closing date).

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PURCHASE PRICE ALLOCATION. The following table summarizes the allocation of the purchase price in the Stirling Shipping, Cheramie and Plaisance acquisitions in 2001 and SCF and Putford acquisitions in 2000:

<TABLE>  
<CAPTION>

(in thousands)	For the Year Ended	
	12/31/01	12/31/00
<S>	<C>	<C>
Trade and other receivables .....	\$ 11,092	\$ 13,841
Prepaid expenses and other.....	714	1,458
Investments, at equity.....	-	954
Marketable securities.....	-	177
Property and equipment.....	197,394	35,044
Goodwill.....	11,813	1,179
Accounts payable and accrued liabilities.....	(17,854)	(14,937)
Debt.....	(83,657)	(10,370)
Deferred income taxes.....	(5,386)	(3,203)
Minority interest.....	-	(1,027)
Treasury stock.....	(15,942)	(10,006)
Purchase price(a).....	\$ 98,174	\$ 13,110

</TABLE>

(a) The purchase price is net of cash acquired, totaling \$7,958,000 and \$12,908,000 in 2001 and 2000, respectively, and includes acquisition costs, totaling \$1,435,000 and \$267,000 in 2001 and 2000, respectively.

UNAUDITED PRO FORMA INFORMATION. The following unaudited pro forma information has been prepared as if the acquisition of Stirling Shipping, Cheramie, Plaisance, SCF and Boston Putford had occurred at

the beginning of each of the periods presented. This pro forma information has been prepared for comparative purposes only and is not necessarily indicative of what would have occurred had the acquisition taken place on the dates indicated, nor does it purport to be indicative of the future operating results of the Company.

(in thousands, except per share data)	For the Year Ended (unaudited)	
	12/31/01	12/31/00
Revenue.....\$	453,522	\$ 410,240
Income before extraordinary item.....	73,779	41,523
Net income.....	72,883	41,523
Basic earnings per share.....	3.67	2.37

VESSEL CONSTRUCTION. Since January 1, 1999, the Company completed the construction of 10 crew, 4 anchor handling towing supply, 4 mini-supply, 1 supply and 1 towing supply vessel at an approximate aggregate cost of \$158,338,000 and 75 barges for an approximate aggregate cost of \$18,868,000.

VESSEL DISPOSITIONS. The table below sets forth, during the fiscal years indicated, the number of vessels sold by type of service. At December 31, 2001, 24 of vessels, including 12 crew, 6 supply, 2 towing supply, 2 mini-supply and 2 anchor handling towing supply, were bareboat chartered-in by the Company pursuant to sale-leaseback transactions.

Type of Vessel	2001	2000	1999
Anchor handling towing supply.....	1	1	1
Crew.....	13	1	11
Mini-supply.....	3	-	-
Standby safety.....	6	2	-
Supply.....	-	6	-
Towing supply.....	5	3	-
Utility.....	7	8	2
	35	21	14

#### 5. INVESTMENTS, AT EQUITY, AND RECEIVABLES FROM 50% OR LESS OWNED COMPANIES:

The equity method of accounting for investments in common stock is employed by the Company when such investments in voting stock gives it the ability to exercise significant influence over operating and financial policies of an investee even though the Company holds 50% or less of the voting stock. Significant influence is generally deemed to exist if the Company owns between 20% and 50% of the voting stock of an investee, although the ability to exercise influence may be indicated in several ways even when such investments are below 20%. The Company reports its investment in and advances to equity investees in the Consolidated Balance Sheets as "Investment, at Equity, and Receivables from 50% or Less Owned Companies." The Company reports its share of earnings or losses of equity investees in the Consolidated Statements of Income as "Equity in Earnings (Losses) of 50% or Less Owned Companies."

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Investments, carried at equity, and advances to 50% or less owned companies at December 31, 2001 and 2000 were as follows, in thousands of dollars:

<TABLE>  
<CAPTION>

50% or Less Owned Companies	Ownership Percentage	2001	2000
<S>	<C>	<C>	<C>
Chiles Offshore.....	23.8%	\$ 77,607	\$ 68,122
TMM Joint Venture.....	40.0%	26,305	16,600
Globe Wireless, L.L.C.....	38.0%	20,727	25,478

Pelican Offshore Services Pte Ltd.....	50.0%	8,436	6,114
Ultragas Joint Venture.....	25.7%-50.0%	5,637	6,137
Other.....	33.3%-50.0%	15,115	15,243
		-----	-----
		\$ 153,827	\$ 137,694
		=====	=====

</TABLE>

CHILES OFFSHORE. Chiles Offshore LLC, the predecessor to Chiles Offshore, was formed in 1997 for the purpose of constructing, owning and operating ultra-premium jackup drilling rigs. Two newly constructed rigs were delivered in 1999, both of which are currently employed under drilling contracts in the U.S. Gulf of Mexico. In July 2001, Chiles Offshore completed the acquisition of all of the shares of capital stock of an entity that owned an ultra-premium jackup rig (the "Rig Acquisition"). This rig is presently operating in Trinidad under a long-term contract for a major integrated oil and gas operator.

In 2000, Chiles Offshore entered into an agreement with Keppel FELS Limited ("Keppel") to construct two ultra-premium jackup drilling rigs of the KFELS Mod V "B" design at an aggregate construction cost estimated not to exceed \$222,000,000, exclusive of interest and other capitalized costs. One rig was delivered to Chiles Offshore in February 2002 and, after commissioning, is expected to enter service under a long-term contract. The second rig is expected to enter service during the third quarter of 2002. Chiles Offshore also has an option agreement with Keppel to build up to two additional rigs of the design presently under construction. If Chiles Offshore does not exercise an option to construct one of the two additional rigs by April 6, 2002, both construction options will expire.

The Company consolidated the business activities of Chiles Offshore from its inception and until its initial public offering of common stock (the "Chiles IPO") on September 22, 2000 due to its majority ownership. As a consequence of the Chiles IPO, the Company's ownership interest in Chiles Offshore was reduced from 55.4% to 27.3%. Because its ownership interest has declined below 50%, the Company no longer consolidates Chiles Offshore and its consolidated subsidiaries' financial condition, results of operations and cash flows and, as of September 22, 2000, began accounting for its interest in Chiles Offshore using the equity method. The Company recognized a gain upon Chiles Offshore's sale of common stock in the Chiles IPO of \$4,023,000 representing the difference between the Company's underlying interest in the net book value of Chiles Offshore immediately following the Chiles IPO and its pre-IPO carrying value. At December 31, 2001, the Company held a 23.8% equity interest in Chiles Offshore and owns 4,831,401 shares of its common stock. The decline in the Company's percentage of ownership interest in Chiles Offshore since its September 2000 IPO was primarily the consequence of Chiles Offshore's issuance of additional shares pursuant to the Rig Acquisition.

The following table is unaudited summarized financial information for Chiles Offshore for the periods indicated:

(in thousands)	12/31/01	12/31/00
-----	-----	-----
Current assets..... \$	36,292 \$	62,662
Noncurrent assets.....	456,272	237,393
Current liabilities.....	34,211	23,348
Noncurrent liabilities.....	132,869	28,858

<TABLE>

<CAPTION>

	For the	01/1/00	09/22/00	For the
	Year	to	to	Year
	Ended	09/21/00	12/31/00	Ended
(in thousands)	12/31/01			12/31/99
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Operating revenues.....\$	74,184	\$ 37,380	\$ 18,626	\$ 8,596
Operating income (loss).....	29,688	14,550	6,212	(585)
Income (loss) before extraordinary item	22,546	6,888	(22,791)	(3,475)

Net income (loss).....	22,546	6,888	(24,611)	(3,963)
------------------------	--------	-------	----------	---------

</TABLE>

The Company received approximately \$240,000, \$130,000 and \$117,000 during 2001, 2000 and 1999, respectively, for management and legal services provided Chiles Offshore. Chiles Offshore also paid the Company approximately \$65,000 for services provided by one of its offshore marine vessels in 2001.

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TMM JOINT VENTURE. In 1994, the Company and Transportacion Maritima Mexicana S.A. de C.V., a Mexican corporation ("TMM"), structured a joint venture to serve the Mexican offshore market that is comprised of two corporations, Maritima Mexicana, S.A., a Mexican corporation, and SEAMEX International Ltd., a Liberian corporation. Since 1994, the Company has sold 10 of its vessels to the joint venture at a gain, of which a significant portion has been deferred in the Consolidated Balance Sheets for future income recognition. At December 31, 2001, the joint venture operated 17 vessels that it owned and bareboat and time chartered-in 10 vessels, 6 of which were provided by the Company. The Company guarantees up to 40% of obligations for nonpayment that may arise from the bareboat charter-in of a vessel by the venture. At December 31, 2001, the Company's guarantee was limited to approximately \$2,200,000 and terminates upon completion of the charter, expected to be during 2002.

In connection with the sale of three vessels from the Company to the joint venture in 2001, promissory notes were issued the Company as partial payment. The outstanding and unpaid principal amount of such promissory notes totaled \$13,788,000 as of December 31, 2001; \$12,288,000 payable by April 2002 and the remaining balance payable in equal quarterly installments through November 2003. The promissory notes bear interest ranging from approximately 10% to 11% and are secured by first priority maritime mortgages. Revenues earned by the Company from the charter of vessels and management services provided to the TMM joint venture in 2001, 2000 and 1999 totaled \$4,890,000, \$5,760,000 and \$8,659,000, respectively.

GLOBE WIRELESS L.L.C. Globe Wireless L.L.C. ("Globe Wireless") and its subsidiaries operate a worldwide network of high frequency radio stations. The network of stations is a wireless data network initially targeted at the maritime industry that supports Internet messaging, telex and facsimile communications. Globe Wireless also provides Telex-Over-Radio and Satellite messaging services to the maritime industry. At present, through its ownership of senior convertible preferred units, the Company controls approximately 38% of the voting units issued by Globe Wireless. Prior to 1999, the Company carried its investment in Globe Wireless at cost. Due to an ability to significantly influence the operating activities of Globe Wireless, the Company began recording its proportionate share of the net losses of Globe Wireless during the second quarter of 1999.

Since inception in the early 1990's, Globe Wireless has focused on expanding its network of high frequency radio stations and customers base. To support its continued growth, Globe Wireless completed a private placement offering in 2000 that raised approximately \$57,000,000. Although Globe Wireless has experienced negative cash flow, the management of Globe Wireless presently believes the company will closely approximate cash break-even by mid-2003. There can be no assurances that Globe Wireless' future operations will succeed. Should Globe Wireless be unable to meet its funding requirements, SEACOR would be required to commit additional funding or record an impairment charge with respect to its investment.

Globe Wireless provides the Company's offshore marine business segment a "ship-to-shore" communication network and has provisioned and installed certain computer hardware, software and electronic equipment aboard its vessels. In fiscal 2001, 2000 and 1999, approximately \$2,126,000, \$1,237,000 and \$1,421,000, respectively, was paid to Globe Wireless for services and merchandise provided the Company.

PELICAN OFFSHORE SERVICES PTE LTD. During 2000, the Company entered into

a joint venture owned 50% by each of the Company and Penguin Boat International Limited, a Singapore corporation, ("Penguin"). The joint venture, Pelican Offshore Services Pte Ltd, also a Singapore corporation ("Pelican"), owns 8 newly built Fast Support Intervention Vessels (also known as multipurpose crew vessels) that operate in Asia. At December 31, 2001, the Company had outstanding loans to Pelican totaling approximately \$2,900,000. The Company also presently guarantees up to \$1,500,000 of amounts owed by the Pelican joint venture under its banking facilities that is expected to mature in 2006.

ULTRAGAS JOINT VENTURE. In 1996, the Company acquired an equity interest in Ultragas Smit Lloyd Ltda ("Ultragas") and certain other entities affiliated with Ultragas that own and operate vessels. In 1997, the Company and a subsidiary of Sociedad Naviera Ultragas Ltda, the Company's joint venture partner in Ultragas and its affiliated companies formed an additional corporation for the purpose of owning and operating additional vessels. As of December 31, 2001, this joint venture owned five vessels that were operating in Chile, Argentina and Brazil. One venture vessel was acquired from the Company for a promissory note whose outstanding principal balance totaled \$1,198,000 at December 31, 2001. This note was repaid in 2002.

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OTHER. The Company's other joint ventures are primarily vessel owning corporations servicing the offshore oil and gas exploration and production industries but also include environmental service businesses, an entity whose principal activity is to develop and sell software to the ship brokerage and shipping industry and a corporation that owns a Handymax Dry-Bulk ship. During 2001, the Company sold its interest in two offshore marine service joint ventures for approximately \$3,076,000 and recorded a nominal gain. At December 31, 2001, 16 vessels were owned by offshore marine joint venture corporations and operated in Trinidad, Asia, the Middle East, the Mediterranean, West Africa, Venezuela and the North Sea. At December 31, 2001, the Company had outstanding loans, totaling \$5,293,000, to its other joint ventures.

In 1999, the Board of Directors of one of the other offshore marine joint ventures adopted a plan of liquidation due to its limited opportunities for future investments and growth. Operations are expected to continue until such time as the venture's remaining two vessels can be sold. Prior to 1999, the Company had not accrued for the U.S. income tax consequences related to its interest in this venture's undistributed earnings as they were expected to be permanently invested abroad. With the liquidation plan adoption, it became apparent that the Company's share of prior undistributed earnings of the venture would be paid. Therefore, in 1999, the Company reported a \$3,000,000 cumulative income tax adjustment related to its share of those undistributed earnings in the Consolidated Statement of Income in "Equity in Earnings (Losses) of 50% or Less Owned Companies." In 2001, 2000 and 1999, the Company received liquidating dividends of \$2,000,000, \$5,000,000 and \$10,000,000, respectively.

At December 31, 2001, the amount of consolidated retained earnings that represents undistributed earnings of 50% or less owned companies accounted for by the equity method was \$29,760,000. Deferred taxes have not been recorded with respect to \$15,898,000 of those earnings.

COMBINED CONDENSED FINANCIALS, EXCLUDING CHILES OFFSHORE. The unaudited combined condensed financial position and results of operations of the Company's equity basis affiliates, excluding Chiles Offshore, are summarized below:

(in thousands)	2001	2000
Current assets.....	\$ 67,171	\$ 110,259
Noncurrent assets.....	134,535	152,520
Current liabilities.....	42,327	44,389
Noncurrent liabilities.....	38,808	24,635

<TABLE>

<CAPTION>

(in thousands)	2001	2000	1999
----------------	------	------	------

<S>	<C>	<C>	<C>
Operating revenues.....	\$ 103,990	\$ 86,905	\$ 81,479
Operating income.....	2,697	(5,467)	1
Income (loss) before extraordinary item.....	3,265	1,672	(3,675)
Net income.....	3,265	1,672	(3,675)

</TABLE>

6. RESTRICTED CASH:

Over the past several years, the Company has established, pursuant to Section 511 of the Merchant Marine Act, 1936, as amended, joint depository construction reserve fund accounts with the Maritime Administration. In accordance with this statute, the Company has been permitted to deposit proceeds from the sale of certain vessels into the joint depository construction reserve fund accounts for purposes of acquiring newly constructed U.S.-flag vessels and qualifying for the Company's temporary deferral of taxable gains realized from the sale of the vessels. From date of deposit, withdrawals from the joint depository construction reserve fund accounts are subject to prior written approval of the Maritime Administration, and the funds on deposit must be committed for expenditure within three years or be released for the Company's general use. Such gains from vessel sales previously deferred would become immediately taxable upon release to the Company of sale proceeds that were deposited into joint depository construction reserve fund accounts.

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7. INCOME TAXES:

Income before income taxes, minority interest, equity in net earnings of 50% or less owned companies and extraordinary item derived from the United States and foreign operations for the years ended December 31, are as follows:

(in thousands)	2001	2000	1999
United States.....	\$ 64,474	\$ 56,743	\$ 36,382
Foreign.....	39,247	4,915	7,134
	\$ 103,721	\$ 61,658	\$ 43,516

The Company files a consolidated U.S. federal tax return. Income tax expense (benefit) consisted of the following components for the years ended December 31:

(in thousands)	2001	2000	1999
Current:			
State.....	\$ 790	\$ 741	\$ 666
Federal.....	8,331	(600)	(2,176)
Foreign.....	5,717	4,811	1,868
Deferred:			
Federal.....	21,123	14,351	14,891
Foreign.....	97	1,277	-
	\$ 36,058	\$ 20,580	\$ 15,249

The following table reconciles the difference between the statutory federal income tax rate for the Company to the effective income tax rate:

<TABLE>  
<CAPTION>

	2001	2000	1999
<S>	<C>	<C>	<C>
Statutory rate.....	35.0%	35.0%	35.0%
Foreign and state taxes.....	1.0%	1.2%	1.8%

Other.....	(1.2)%	(2.8)%	(1.8)%
	-----	-----	-----
	34.8%	33.4%	35.0%
	=====	=====	=====

</TABLE>

The components of the net deferred income tax liability were as follows, for the years ended December 31:

<TABLE>

<CAPTION>

(in thousands)

	2001	2000
	-----	-----
<S>	<C>	<C>
Deferred tax assets:		
Net operating loss carryforwards.....	\$ 13,889	\$ 10,809
Foreign tax credit carryforwards.....	7,370	6,968
Subpart F loss.....	3,500	3,644
Nondeductible accruals.....	645	598
Other.....	1,391	1,324
	-----	-----
Total deferred tax assets.....	26,795	23,343
	-----	-----
Deferred tax liabilities:		
Property and equipment.....	149,919	117,853
Investment in subsidiaries.....	24,141	24,466
Other.....	1,058	491
	-----	-----
Total deferred tax liabilities.....	175,118	142,810
	-----	-----
Net deferred tax liabilities.....	\$ 148,323	\$ 119,467
	=====	=====

</TABLE>

The Company has not recognized a deferred tax liability of \$10,684,000 for undistributed earnings of certain non-U.S. subsidiaries and joint venture corporations because it considers those earnings to be indefinitely reinvested abroad. As of December 31, 2001, the undistributed earnings of these subsidiaries and joint venture corporations were \$30,525,000. As of December 31, 2001, the Company has net operating loss carryforwards for income tax purposes totaling approximately \$39,683,000 including \$28,960,000 that expires in 2014 and \$10,723,000 that expires in 2015. As of December 31, 2001, the Company also has foreign tax credit carryforwards for income tax purposes approximating \$7,370,000 that expire from 2004 through 2006. The Company believes that it will be able to utilize the net operating loss and foreign tax credit carryforwards through future earnings or tax strategies of the Company and therefore no valuation allowance on the related deferred tax assets was recorded.

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#### 8. LONG-TERM DEBT:

Long-term debt balances, maturities and interest rates are as follows as of December 31, in thousands of dollars:

<TABLE>

<CAPTION>

2001	2000	
		-----
<S>		<C>
<C>		
7.2% Senior Notes due 2009, interest payable semi-annually.....	\$	\$
147,500	\$ 147,500	
5 3/8% Convertible Subordinated Notes due 2006, interest payable semi-annually.....		
46,320	181,600	
Revolving Credit Facility maturing in November 2004, bearing interest at 2.71% as of		
December 31, 2001 payable quarterly, see Note 4.....		
30,000	-	

5.467% Subordinated Promissory Notes due SMIT in 2004, interest payable quarterly ...	23,200	23,200
Promissory Notes, due prior shareholders of Stirling Shipping, bearing interest at 4.0%, principal and interest due May 2002, see Note 4.....	21,358	-
Promissory Notes, due Caterpillar, interest rates ranging from approximately 7.5% to 8.0%, repaid February 2002, see Note 4 .....	12,132	-
Promissory Notes due the prior shareholders of Putford Enterprises Ltd., bearing Interest at 4%, principal and interest due April 2005, see Note 4 various dates through 2004.....	10,920	11,198
Promissory Notes due various financial institutions, primarily secured by property and equipment, interest rates ranging from approximately 6.75% to 8.9%, principal repayments at various dates through 2010.....	672	1,103
Promissory Note due a bank, payable in equal quarterly installments through 2003, Bearing interest at LIBOR plus 2.5%.....	121	202
Promissory Note due a stockholder, payable in equal annual installments from January 1998 through January 2001, bearing interest at 7.5%.....	-	278
Capital Lease Obligations, see Note 12.....	-	17,580

292,223	382,661
Less - Portion due within one year.....	(33,724)
- Debt premium or (discount), net.....	(1,758)
-----	-----
256,741	\$ 377,955

</TABLE>

Maturities of long-term debt following December 31, 2001 are as follows:

(in thousands)	2002	2003	2004	2005	2006
Amount.....	\$ 33,724	\$ 205	\$ 23,297	\$ 10,954	\$ 46,358
177,685					

7.2% NOTES. On September 15, 1997, the Company completed the sale of \$150,000,000 aggregate principal amount of its 7.2% Notes which will mature on September 15, 2009. The offering was made to qualified institutional buyers and a limited number of institutional accredited investors and in offshore transactions exempt from registration under U.S. federal securities laws. Interest on the 7.2% Notes is payable semi-annually on March 15 and September 15 of each year commencing March 15, 1998. The 7.2% Notes may be redeemed at any time at the option of the Company, in whole or from time-to-time in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption plus a Make-Whole Premium, if any, relating to the then prevailing Treasury Yield and the remaining life of the 7.2% Notes. On December 8, 1997, the Company completed an exchange offer through which it exchanged all of the 7.2% Notes for a series of 7.2% Senior Notes (the "7.2% Exchange Notes") which are identical in all material respects to the 7.2% Notes, except that the 7.2% Exchange Notes are registered under the Securities Act of 1933, as amended. The 7.2% Notes and the 7.2% Exchange Notes were issued under an indenture (the

"1997 Indenture") between the Company and First Trust National Association, as trustee. The 1997 Indenture contains covenants including, among others, limitations on liens and sale and leasebacks of certain Principal Properties, as defined in the 1997 Indenture, and certain restrictions on the Company consolidating with or merging into any other Person, as defined in the 1997 Indenture. The Company incurred \$1,412,500 in costs associated with the sale of the 7.2% Notes including \$1,012,500 of underwriters discount. Debt issue costs are reported in the Consolidated Balance Sheets as "Other Assets." During 1999, the Company purchased \$2,500,000 principal amount of its 7.2% Notes in the open market.

5 3/8% CONVERTIBLE NOTES. On November 5, 1996, the Company completed the private placement of \$172,500,000 aggregate principal amount of its 5 3/8% Convertible Subordinated Notes due November 15, 2006 (the "Convertible Notes"). The Convertible Notes and the SMIT Convertible Notes defined below (collectively the "5 3/8% Notes") were issued under an Indenture dated as of November 1, 1996, (the "1996 Indenture"), between the Company and First Trust National Association, as trustee. The 5 3/8% Notes are convertible, in whole or part, at the option of the holder at any time prior to the close of business on the business day next preceding November 15, 2006, unless previously redeemed into shares of Common Stock at a conversion price of \$44.00 per share (equivalent to a conversion rate of 22.7272 shares of Common Stock per \$1,000 principal amount of the 5 3/8% Notes), subject to adjustment in certain circumstances. The 5 3/8% Notes are redeemable at the Company's option at any time on or after November 24, 1999 at the redemption prices specified therein, together with accrued and unpaid interest to the date of repurchase. The Company incurred \$4,311,000 in costs associated with the sale of the Convertible Notes including \$3,881,000 of underwriter's discount. Debt issue costs are reported in the Consolidated Balance Sheet as "Other Assets." The 5 3/8% Notes are general unsecured

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obligations of the Company, subordinated in right of payment to all "Senior Indebtedness" (as defined in the 1996 Indenture) of the Company and effectively subordinated in right of payment to all indebtedness and other obligations and liabilities and any preferred stock of the Company's subsidiaries. The 5 3/8% Notes will mature on November 15, 2006 and bear interest at a rate of 5 3/8% per annum from November 5, 1996, in the case of the Convertible Notes, and December 19, 1996, in the case of the SMIT Convertible Notes, or in each case, from the most recent interest payment date on which interest has been paid or provided for, payable on May 15 and November 15 of each year, commencing on May 15, 1997 to the holders thereof on May 1 and November 1, respectively, preceding such interest payment date.

On December 19, 1996, the Company acquired substantially all of the vessel assets, vessel spare parts and certain related joint venture interests owned by SMIT Internationale N.V. ("SMIT") and its subsidiaries (the "SMIT Transaction"). Pursuant to the SMIT Transaction, the Company issued \$15,250,000 principal amount of its SMIT Convertible Notes. The SMIT Convertible Notes were issued under the 1996 Indenture discussed above.

In prior years, the Company purchased \$6,150,000 principal amount of its 5 3/8% Notes in the open market. In 2001, the Company called for the redemption of \$100,000,000 of the \$181,600,000 aggregate principal amount outstanding of the 5 3/8% Notes. The redemption price was \$1,029.90 per \$1,000 principal amount of notes plus accrued interest to the applicable redemption date. Holders of 5 3/8% Notes being called were able to convert any or all of their notes into 22.7272 shares of Common Stock per \$1,000 principal amount of notes. The call, together with certain privately negotiated transactions, resulted in the conversion of \$99,166,000 principal amount of the 5 3/8% Notes into 2,285,878 shares of Common Stock and redemption of \$36,114,000 principal amount of the 5 3/8% Notes for approximately \$37,970,000, including accrued interest. The Company recognized an extraordinary after-tax charge of \$896,000, or \$0.04 per diluted share, net of income taxes totaling \$482,000, upon writing-off deferred financing costs related to the 5 3/8% Notes redemption.

Pursuant to an amended and restated standby purchase agreement between Credit Suisse First Boston ("CSFB") and SEACOR, CSFB was obligated, subject to several conditions, to purchase from SEACOR, at a purchase price of \$46.26 per share, the number of shares of Common Stock necessary to provide SEACOR with the proceeds to pay the aggregate total redemption price of up to \$100,000,000 face amount of the 5 3/8% Notes that SEACOR redeemed. During 2001, CSFB purchased 216,170 shares of Common Stock to provide SEACOR with proceeds to redeem \$10,000,000 principal amount of its 5 3/8% Notes that were called but not converted. Related underwriting and legal and professional fees expensed in 2001 totaled \$586,000.

SEACOR entered into an equity forward transaction with Credit Suisse First Boston International ("CSFBi"), an affiliate of CSFB, with respect to the shares of Common Stock that CSFB did purchase from SEACOR under the standby purchase agreement. At December 31, 2001, the \$10,000,000 paid by CSFB for the purchase of 216,170 shares of Common Stock was reported in the Consolidated Balance Sheets as "Common Stock Sold with Equity Forward Transaction." During the first quarter of 2002, SEACOR paid CSFBi a nominal amount to settle the equity forward transaction and the \$10,000,000 previously reported as common stock sold with equity forward transaction was permanently reclassified to the Company's common stock and additional paid-in capital accounts.

REVOLVING CREDIT FACILITY. On February 5, 2002, the Company completed the syndication of a \$200,000,000, five year, non-reducing, unsecured revolving credit facility that replaced a \$100,000,000 unsecured reducing revolving credit facility of which \$25,683,000 was available for future borrowing upon termination. Advances under the new revolving credit facility are available for general corporate purposes. Interest on advances will be charged at a rate per annum of LIBOR plus an applicable margin of 65 to 150 basis points based upon the Company's credit rating as determined by Standard and Poor's and Moody's, equivalent to 2.75% on February 5, 2002. Adjustments to the applicable margin are the only consequence of a change in the Company's credit rating. The Company is not required to maintain a credit rating under the terms of the facility agreement, and if the Company does not maintain a credit rating, the applicable margin would be determined by financial ratios. The new revolving credit facility contains various restrictive covenants covering interest coverage, secured debt to total capitalization, funded debt to total capitalization ratios, the maintenance of a minimum level of consolidated net worth, as well as other customary covenants, representations and warranties, funding conditions and events of default. The new revolving credit facility contains no repayment triggers. A letter of credit, in the amount of (pound)15,256,000, or \$21,794,000 as of March 20, 2002, has been issued pursuant to the terms of the revolving credit facility, representing a guarantee on notes issued by the Company in connection with the acquisition of Stirling Shipping. Amounts available for future borrowings under the new revolving credit facility totaled approximately \$148,206,000 at March 20, 2002.

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5.467% SMIT NOTES. Pursuant to a February 1998 letter agreement between the Company and SMIT, the Company agreed to prepay certain contingent obligations for additional purchase consideration that would otherwise have been payable to SMIT in 1999 pursuant to the SMIT Transaction. The prepayment included cash of \$20,880,000 and the issuance, effective January 1, 1999, of five-year subordinated promissory notes in the aggregate principal amount of \$23,200,000, which notes bear interest at 5.467% per annum payable quarterly in arrears. The amounts prepaid to SMIT have increased the carrying values of vessels and certain joint venture interests that were acquired in the SMIT Transaction.

#### 9. COMMON STOCK:

On May 23, 2000, SEACOR's Board of Directors authorized a three-for-two stock split effected in the form of a stock dividend distributed on June 15, 2000. As a result of this stock split, 7,137,801 shares were distributed. Stockholders' Equity has been restated to give retroactive recognition to the stock split for all periods presented by reclassifying from additional paid-in capital to common stock the par value of the additional shares arising from the split. Additionally,

except as otherwise indicated, share and per share amounts and stock option and convertible securities have been similarly restated.

The Company's Board of Directors have previously approved a securities repurchase plan, which allows the Company to acquire Common Stock, 5 3/8% Notes and its 7.2% Notes (collectively, the "SEACOR Securities") and, prior to the deconsolidation of Chiles Offshore in 2000, certain of the Chiles 10.0% Notes. In 2001, a total of 5,950 shares of Common Stock were acquired for treasury at an aggregate cost of \$214,000. In 2000, 154,400 shares of Common Stock were acquired for treasury at an aggregate cost of \$4,776,000. As of December 31, 2001, the Company had approximately \$36,670,000 available for the repurchase of additional SEACOR Securities that may be conducted from time-to-time through open market purchases, privately negotiated transactions or otherwise, depending on market conditions.

#### 10. BENEFIT PLANS:

SEACOR SAVINGS PLAN. The Company provides a defined contribution plan to its employees. The Company's contribution is limited to 50% of the employee's first 6% of wages invested in the SEACOR Plan and is subject to annual review by the Board of Directors. The Company's contributions to the plan were \$1,088,000, \$977,000 and \$948,000 for the years ended December 31, 2001, 2000 and 1999, respectively.

STOCK PLANS. On November 22, 1992 and April 18, 1996, SEACOR's stockholders adopted the 1992 Non-Qualified Stock Option Plan (the "Stock Option Plan") and the 1996 Share Incentive Plan (the "Share Incentive Plan"), respectively (collectively, the "Plans"). The Plans provide for the grant of options to purchase shares of Common Stock, and the Share Incentive Plan additionally provides for the grant of stock appreciation rights, restricted stock awards, performance awards and stock units to key officers and employees of the Company. The exercise price per share of options granted cannot be less than 75% and 90% of the fair market value of Common Stock at the date of grant under the Stock Option Plan and Share Incentive Plan, respectively. Options granted under the Plans expire no later than the tenth anniversary of the date of grant. The Plans are administered by the Stock Option and Executive Compensation Committee of the Board of Directors (the "Compensation Committee"). Seven hundred fifty thousand shares of Common Stock have been reserved for issuance under each of the Stock Option Plan and the Share Incentive Plan. During 2001 and 2000, 198,380 and 216,634 shares and/or options to purchase shares of Common Stock, respectively, were granted pursuant to the Plans. As of December 31, 2001, there were 152,350 shares available for future grant under the Plans.

On May 23, 2000, the stockholders of SEACOR approved the 2000 Employee Stock Purchase Plan (the "Stock Purchase Plan") that permits SEACOR to offer Common Stock for purchase by eligible employees at a price equal to 85% of the lesser of (i) the fair market value of Common Stock on the first day of the offering period or (ii) the fair market value of Common Stock on the last day of the offering period. Common Stock will be available for purchase under the Stock Purchase Plan for six-month offering periods. Three hundred thousand shares of Common Stock are reserved for issuance under the Stock Purchase Plan during the ten years following its adoption. The Stock Purchase Plan is intended to comply with Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"), but is not intended to be subject to Section 401(a) of the Code or the Employee Retirement Income Security Act of 1974. The Board of Directors of SEACOR may amend or terminate the Stock Purchase Plan at any time; however, no increase in the number of shares of Common Stock reserved for issuance under the Stock Purchase Plan may be made without stockholder approval. During 2001, 15,923 shares of Common Stock were issued from treasury pursuant to the Stock Purchase Plan.

On May 23, 2000, the stockholders of SEACOR also approved the 2000 Stock Option Plan for Non-Employee Directors (the "Non-Employee Director Plan"). Under the Non-Employee Director Plan, each member of the Board of Directors who is not an employee of SEACOR or any subsidiary will be granted an option to purchase 3,000 shares of Common Stock on the date

of each annual meeting of the stockholders of SEACOR through and including the 2004 Annual Meeting of Stockholders. The exercise price of the options granted under the Non-Employee Director Plan will be equal to 100% of the fair market value per share of Common Stock on the date the options are granted. One hundred fifty thousand shares of Common Stock have been reserved under the Non-Employee Director Plan. Options granted under the Non-Employee Director Plan will be exercisable at any time following the earlier of the first anniversary of, or the first annual meeting of SEACOR's stockholders after, the date of grant, for a period of up to ten years from date of grant. Subject to the accelerated vesting of options upon a non-employee Director's death or disability, if a non-employee Director's service as a director of SEACOR is terminated, his or her options will terminate with respect to the shares of Common Stock as to which such options are not then exercisable. A non-employee Director's options that are vested but not exercised may, subject to certain exceptions, be exercised within three months after the date of termination of service as a director in the case of termination by reason of voluntary retirement, failure of SEACOR to nominate such director for re-election or failure of such director to be re-elected by stockholders after nomination by SEACOR, or within one year in the case of termination of service as a director by reason of death or disability. In 2001 and 2000, options were granted for the purchase of 24,000 and 21,000, respectively, shares of Common Stock.

STOCK OPTIONS. In October 1995, Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock Based Compensation," was issued effective in 1996 for the Company. Under SFAS 123, companies could either adopt a "fair valued based method" of accounting for an employee stock option, as defined, or continue to use accounting methods as prescribed by APB Opinion No. 25. The Company has elected to continue accounting for its plan under APB Opinion No 25. Had compensation costs for the plan been determined consistent with SFAS 123, the Company's net income and earnings per share would have been reduced to the following pro forma amounts for the years ended December 31, 2001, 2000 and 1999.

<TABLE>  
<CAPTION>

1999	2001		2000	
	As Reported	Pro forma	As Reported	Pro forma
(in thousands, except share data)				
As Reported				
Pro forma				
<S>	<C>	<C>	<C>	<C>
<C>	<C>			
Net income.....\$	70,701	\$ 68,746	\$ 34,120	\$ 32,211
\$ 30,936	\$ 30,439			
Earnings per common share:				
Basic.....\$	3.63	\$ 3.53	\$ 2.02	\$ 1.91
\$ 1.73	\$ 1.71			
Diluted.....	3.43	3.34	1.92	1.83
1.69	1.67			

</TABLE>

The effects of applying SFAS 123 in this pro forma disclosure are not indicative of future events, and additional awards in the future are anticipated.

SHARE AWARD TRANSACTIONS. The following transactions have occurred in the Plans during the periods ended December 31:

<TABLE>  
<CAPTION>

1999	2001		2000	
	Wt'ed Avg.	Wt'ed	Wt'ed	Wt'ed

Avg. Exercise/ Price	Number of Shares	Wt'ed Avg. Exercise/ Grant Price	Number of Shares	Exercise/ Grant Price	Number of Shares	Grant
<S>			<C>	<C>	<C>	<C>
<C>	<C>					
Stock Option Activities -						
	Outstanding, at beginning of year..		681,212	\$ 20.80	545,871	\$
16.31	443,721	\$ 13.09				
	Granted.....		139,800	\$ 44.73	172,616	\$
32.81	104,775	\$ 29.97				
	Exercised.....		(11,760)	\$ 11.20	(36,750)	\$
10.32	-	\$ -				
	Canceled.....		(1,500)	\$ 40.00	(525)	\$
32.10	(2,625)	\$ 17.71				
-----						
	Outstanding, at end of year.....		807,752	\$ 25.05	681,212	\$
20.80	545,871	\$ 16.31				
=====						
	Options exercisable at year end....		549,113	\$ 18.35	452,511	\$
14.30	421,403	\$ 12.05				
=====						
	Weighted average fair value of					
	Options granted.....	\$	26.21		\$	34.70
\$	18.57					
=====						
	Restricted stock awards granted.....		58,580	\$ 50.80	44,018	\$
35.04	55,500	\$ 29.79				
=====						
	Shares available for future grant.....		152,350		348,771	
563,945						
=====						

</TABLE>

The fair value of each option granted during the periods presented is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: (a) no dividend yield, (b) weighted average expected volatility of 37.37%, 38.09% and 44.07% in the years 2001, 2000 and 1999, respectively, (c) discount rates of 5.31%, 6.21% and 5.01% in the years 2001, 2000 and 1999, respectively, and (d) expected lives of five years.

On date of issue, the market value of restricted shares issued to certain officers and key employees of the Company is recorded in Stockholders' Equity as Unamortized Restricted Stock and then amortized to expense over one and three year vesting periods. During 2001, 2000 and 1999, compensation cost recognized in connection with restricted stock awards totaled \$2,272,000, \$1,337,000 and \$1,508,000, respectively. At December 31, 2001, there were 87,672 shares of unvested

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restricted stock outstanding at a weighted average price of \$48.93. Of the unvested shares outstanding, 53,768, 21,222 and 12,682 shares will vest in 2002, 2003 and 2004, respectively.

The following table summarizes certain information about the options outstanding at December 31, 2001 grouped into three exercise price ranges:

<TABLE>  
<CAPTION>

Price Range		Exercise	
-----		-----	
\$29.67	\$30.71 - \$52.25	\$6.43 - \$16.63	\$20.50 -
-----		-----	
<S>		<C>	<C>
<C>			
Options outstanding at December 31, 2001.....		380,826	
74,778	352,148		
Weighted-average exercise price.....\$		11.81	\$
28.94 \$	38.54		
Weighted-average remaining contractual life (years).....		2.55	
6.33	8.17		
Options exercisable at December 31, 2001.....		380,826	
53,203	115,084		
Weighted average exercise price of exercisable options.....\$		11.81	\$
28.64 \$	35.23		

</TABLE>

#### 11. RELATED PARTY TRANSACTIONS:

On December 20, 2000, the Company acquired SCF, a company that owned and operated barges and that was substantially owned and controlled by certain SEACOR officers and directors, including Messrs. Fabrikant, Blank, Conway and Morse and an entity that is an affiliate of Mr. Gellert. See Note 4 for additional discussion of this transaction.

The terms and conditions of the SCF acquisition were determined based on negotiations between representatives of SCF, members of SEACOR's Board of Directors (none of whom had a financial interest in SCF or were employed by the Company) and an independent financial advisor retained to review this transaction, which financial advisor rendered an opinion to the Board of Directors that the terms thereof were fair to the stockholders of SEACOR from a financial point of view.

#### 12. COMMITMENTS AND CONTINGENCIES:

At December 31, 2001, the Company was committed to the construction of 9 vessels at an approximate aggregate cost of \$85,600,000, of which \$40,600,000 had been expended. Following year end, the Company committed to the construction of 2 additional vessels and 174 barges at an approximate aggregate cost of \$60,300,000. The vessels are expected to enter service during the next two years, and the barges are expected to enter service during 2002. The Company expects a certain number of the barges to be purchased by third parties and managed by the Company.

In the normal course of its business, the Company becomes involved in various litigation matters including, among other things, claims by third parties for alleged property damages, personal injuries and other matters. While the Company believes it has meritorious defenses against these claims, management has used estimates in determining the Company's potential exposure and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company's financial position or results of operations.

The Company leases 25 vessels, resulting primarily from sale-leaseback transactions and certain facilities and equipment. These leasing agreements have been classified as operating leases for financial reporting purposes and related rental fees are charged to expense over the lease term as they become payable. Vessel leases generally contain purchase and lease renewal options at fair market value or rights of first refusal with respect to the sale or lease of the vessels and range in duration from 1 to 7 years. Certain of the gains realized from various sale-leaseback transactions, totaling \$11,447,000, \$1,394,000 and \$6,566,000 in 2001, 2000 and 1999, respectively, have been deferred in the Consolidated Balance Sheets and are being credited to income as reductions in rental expense over the lease terms. The total rental

expense for the Company's operating leases in 2001, 2000 and 1999 totaled \$12,945,000, \$5,107,000 and \$4,994,000, respectively. Future minimum payments under operating leases that have a remaining term in excess of one year at December 31, 2001 are as follows in thousands:

In the Years Ending December 31,	Minimum Payment
2002.....	\$ 16,525
2003.....	13,180
2004.....	10,458
2005.....	9,741
2006.....	4,807
Years subsequent to 2006.....	4,572

The Company has entered into sale-type lease transactions for four vessels that expire in 2004 and contain options that permit the lessee to purchase the vessels at various dates during the lease terms. The minimum lease payments and unguaranteed residual values accruing to the Company under these leases have been recorded as a gross investment in

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the leases. The difference between the gross investment and the sum of the present values of the two components of the gross investment has been recorded as unearned income to be amortized over the lease term using the interest method. The amortization of unearned income in the years ended December 31, 2001, 2000 and 1999, totaled \$595,000, \$492,000 and \$548,000, respectively. The net investment in sale-type leases at December 31, 2001 was comprised of minimum lease payment receivables totaling \$5,125,000, estimated residual values of \$1,200,000 and unearned income of \$1,416,000. Minimum lease payments, totaling \$1,833,000, \$1,833,000 and \$1,459,000, are due in 2002, 2003 and 2004, respectively. As of December 31, 2001, \$1,135,000 and \$3,774,000 of the net investment in the sale-type leases were reported in the Consolidated Balance Sheets as "Prepaid expenses and other" and "Other Assets", respectively.

In 1996, the Company entered into leases for two vessels, which were classified as capital leases for accounting purposes until their purchase in December 2001. Both the acquired values and gross amounts recorded under capital leases, approximating \$24,000,000, have been included in the Consolidated Balance Sheet as "Vessels and equipment." At December 31, 2000, \$1,767,000 and \$15,813,000 in obligations under these capital leases were reported as current and long-term debt, respectively. The acquisition of these vessels resulted in the Company's payment of \$15,341,000 to the prior lessor.

### 13. MAJOR CUSTOMERS AND SEGMENT DATA:

SFAS 131 requires companies to provide certain information about their operating segments. SFAS 131 also established standards for related disclosures about products and services, geographic areas and major customers. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company's business is primarily comprised of two segments, offshore marine services and environmental services. Upon completion of the September 22, 2000 initial public offering of the common stock of Chiles Offshore, the Company's drilling service business segment, the Company's ownership interest in Chiles Offshore declined below 50% and the Company began accounting for its interest in Chiles Offshore under the equity method. As a result, the Company no longer accounts for its investment in Chiles Offshore as a segment.

The marine service segment charters vessels principally to owners and operators of offshore drilling rigs and production platforms both domestically and internationally. Crew vessels transport personnel and small loads of cargo when expedited deliveries are required. Supply and towing supply vessels transport drill pipe, drilling fluids and construction materials and those with deck mounted winches have added

capability to perform general towing duties, buoy setting and limited anchor handling work. Anchor handling towing supply vessels have powerful engines and deck mounted winches and are capable of towing and positioning offshore drilling rigs as well as providing supply vessel services. Utility vessels support offshore production activities by delivering general cargo and facilitating infield transportation of personnel and materials. Mini-supply vessels serve both drilling and production facilities and typically transport deck cargo, liquid mud, methanol and fuel and water. Standby safety vessels, which operate in the North Sea, provide a means of evacuation and rescue for platform and rig personnel in the event of an emergency at an offshore installation. Special service vessels may support well stimulation, seismic data gathering, line handling, freight hauling and oil spill response. Logistic services, including shorebase, marine transport and other supply chain management services, are also provided by the Company in support of offshore oil and gas exploration and production operations through a majority owned subsidiary.

The Company's environmental service business provides contractual oil spill response and other professional services to those who store, transport, produce or handle petroleum and certain non-petroleum oils, as required by the Oil Pollution Act of 1990, as amended and various state regulations. Services include training, consulting and supervision for emergency preparedness, response and crisis management associated with oil or hazardous material spills, fires and natural disasters and maintaining specialized equipment for immediate deployment in response to spills and other events. The Company maintains relationships with numerous environmental sub-contractors to assist with response operations, equipment maintenance and provide trained personnel for deploying equipment in a spill response. When oil spills occur, the Company mobilizes specialized oil spill response equipment, using either its own personnel or personnel under contract, to provide emergency response services for both land and marine oil spills. The Company's clients include tank vessel owner/operators, refiners and terminal operators, exploration and production facility operators and pipeline operators.

The Company's inland river business was established in the third quarter of 2000 upon its acquisition of newly constructed barges and was further expanded upon acquiring SCF Corporation ("SCF"), a company that owned and operated barges, in December 2000. The Company's barges service the

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agriculture and industrial sectors within the United States that are strategically aligned along the Mississippi River and its tributaries. Revenues and other information with respect to this business segment have been included in "Other and Corporate" and not reported separately in the accompanying tables as it has never met any of the quantitative thresholds for determining reportable segments as outlined in SFAS 131.

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The Company evaluates the performance of each operating segment based upon the operating profit of the segment and including gains or losses from the sale of equipment and interest in 50% or less owned companies and equity in the net income of 50% or less owned companies but

excluding minority interest in income or loss of subsidiaries, interest income and expense, net gains or losses from the sale of marketable securities, derivative transactions, and the sale of shares of Chiles, corporate expenses, and income taxes. Operating profit is defined as Operating Income as reported in the Consolidated Statements of Income excluding corporate expenses and net of certain other income and expense items. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that the disaggregation of financial results has been prepared using a management approach. Segment assets exclude those considered by the Company to be of a corporate nature. Corporate assets include SEACOR and its wholly owned subsidiaries' unrestricted cash, marketable securities, certain other assets, and property and equipment related to corporate operations. Information disclosed in the tables presented below may differ from separate financial statements presented by subsidiaries of the Company due to certain elimination entries required in consolidation.

Revenues from services rendered to divisions or subsidiaries of one customer totaled \$42,240,000 in 2001, \$26,777,000 in 2000 and \$26,139,000 in 1999 (10% of revenue in 2001, 8% of revenues in 2000 and 9% of revenues in 1999). Information about profit and loss and assets by business segment is as follows for the years ended December 31, in thousands of dollars:

<TABLE>  
<CAPTION>

Other and 2001 Corporate	Total	Marine	Environmental	Drilling
<hr/>				
<S>		<C>	<C>	<C>
<C>	<C>			
Operating Revenues -				
External Customers.....	\$ 398,345	\$ 26,847	\$ -	-
\$ 9,598(a) \$ 434,790				
Intersegment.....	778	-	-	-
(778)	-			
<hr/>				
Total.....	\$ 399,123	\$ 26,847	\$ -	-
\$ 8,820 \$ 434,790				
<hr/>				
Operating Profit.....	\$ 98,004	\$ 2,037	\$ -	-
\$ 2,216 \$ 102,257				
Gains (Losses) from Equipment Sales or Retirements, (156) 9,030	9,180	6	-	-
net.....				
Gain from Sale of Interest in 50% or Less Owned - 201	201	-	-	-
Companies.....				
Equity in Net Earnings (Losses) of 50% or Less Owned Companies.....	5,181	40	5,810	-
(4,739) 6,292				
Minority Interest in Net income of Subsidiaries.....	-	-	-	-
(372) (372)				
Interest Income.....	-	-	-	-
13,546 13,546				
Interest Expense.....	-	-	-	-
(21,998) (21,998)				
Derivative Income, net.....	-	-	-	-
4,127 4,127				
Gains from Sale of Marketable Securities, net.....	-	-	-	-
5,689 5,689				
Corporate Expenses.....	-	-	-	-
(9,131) (9,131)				
Income Taxes.....	-	-	-	-
(38,044) (38,044)				

--	-----	-----						
	Income (Loss) before Extraordinary Item.....	\$	112,566	\$	2,083	\$	5,810	
	\$ (48,862) \$ 71,597							
	=====		=====		=====			
	-----	-----						
	Investments, at Equity, and Receivables from 50%							
	or Less Owned Companies.....	\$	49,618	\$	303	\$	77,607	
	\$ 26,299 \$ 153,827							
	Other Segment Assets.....		875,148		28,412		-	
	32,310 935,870							
	-----	-----	-----	-----	-----	-----	-----	
	Subtotal Segment Assets.....		924,766		28,715		77,607	
	58,609 1,089,697							
	Corporate.....		-		-		-	
	208,441 208,441							
	-----	-----	-----	-----	-----	-----	-----	
	Total Assets.....	\$	924,766	\$	28,715	\$	77,607	
	\$ 267,050 \$ 1,298,138							
	=====		=====		=====			
	-----	-----						
	Depreciation and Amortization.....	\$	52,926	\$	4,288	\$	-	
	\$ 1,110 \$ 58,324							
	=====		=====		=====			
	-----	-----						
	2000							
	Operating Revenues -							
	External Customers.....	\$	276,473	\$	24,996	\$	37,380	
	\$ 1,092 (a) \$ 339,941							
	Intersegment.....		458		-		-	
	(458) -							
	-----	-----	-----	-----	-----	-----	-----	
	Total.....	\$	276,931	\$	24,996	\$	37,380	
	\$ 634 \$ 339,941							
	=====		=====		=====			
	-----	-----						
	Operating Profit.....	\$	33,830	\$	3,655	\$	14,615	
	\$ 200 \$ 52,300							
	Gains from Equipment Sales or Retirements, net.....		7,616		13		-	
	- 7,629							
	Equity in Net Earnings (Losses) of 50% or Less							
	Owned Companies.....		(396)		619		458	
	(5,667) (4,986)							
	-----	-----	-----	-----	-----	-----	-----	
	Minority Interest in Net Income of Subsidiaries.....		-		-		-	
	(3,393) (3,393)							
	Interest Income.....		-		-		-	
	17,423 17,423							
	Interest Expense.....		-		-		-	
	(27,450) (27,450)							
	Derivative Income, net.....		-		-		-	
	6,292 6,292							
	Gains from Sale of Marketable Securities, net.....		-		-		-	
	7,562 7,562							
	Gain upon Sale of Shares of Chiles.....		-		-		-	
	4,023 4,023							
	Corporate Expenses.....		-		-		-	
	(6,121) (6,121)							
	Income Taxes.....		-		-		-	
	(19,159) (19,159)							
	-----	-----	-----	-----	-----	-----	-----	
	Income (Loss) before Extraordinary Item.....	\$	41,050	\$	4,287	\$	15,073	
	\$ (26,290) \$ 34,120							

Investments, at Equity, and Receivables from 50% or Less Owned Companies.....	\$	43,078	\$	432
\$ 26,062 \$ 137,694				\$ 68,122
Other Segment Assets.....		635,208		29,516
20,267 684,991				-
Subtotal Segment Assets.....		678,286		29,948
46,329 822,685				68,122
Corporate.....		-		-
310,045 310,045				-
Total Assets.....	\$	678,286	\$	29,948
\$ 356,374 \$ 1,132,730				\$ 68,122
Depreciation and Amortization.....	\$	41,936	\$	4,005
\$ 104 \$ 51,189				\$ 5,144

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Other and 1999 Corporate	Total	Marine	Environmental	Drilling
Operating Revenues -				
External Customers.....	\$	258,177	\$	22,659
\$ 938 (b) \$ 289,425				\$ 7,651
Intersegment.....		528		161
(689) -				-
Total.....	\$	258,705	\$	22,820
\$ 249 \$ 289,425				\$ 7,651
Operating Profit (Loss).....	\$	46,158	\$	4,801
(585) \$ 144 \$ 50,518				\$
Gains from Equipment Sales or Retirements, net.....		1,661		16
- 1,677				-
Loss from Sale of Interest in a 50% or Less Owned Company.....		(72)		-
- (72)				-
Equity in Net Earnings (Losses) of 50% or Less Owned Companies.....		4,906		814
(3,107) 2,613				-
Minority Interest in Net Loss of Subsidiaries.....		-		-
1,148 1,148				-
Interest Income.....		-		-
20,495 20,495				-
Interest Expense.....		-		-
(22,330) (22,330)				-
Derivative Losses, net.....		-		-
(1,323) (1,323)				-
Losses from Sale of Marketable Securities, net.....		-		-
(279) (279)				-
Corporate Expenses.....		-		-
(5,169) (5,169)				-
Income Taxes.....		-		-
(17,533) (17,533)				-
Income (Loss) before Extraordinary Item.....	\$	52,653	\$	5,631

(585) \$ (27,954) \$ 29,745

Investments, at Equity, and Receivables from 50% or Less Owned Companies.....	\$	41,989	\$	1,288
\$ 33,999 \$ 77,276				
Other Segment Assets.....		621,197		27,650
- 848,141				199,294
Subtotal Segment Assets.....		663,186		28,938
33,999 925,417				199,294
Corporate.....		-		-
271,574 271,574				
Total Assets.....	\$	663,186	\$	28,938
\$ 305,573 \$ 1,196,991				199,294
Depreciation and Amortization.....	\$	34,936	\$	3,815
\$ 53 \$ 41,282				2,478

</TABLE>

(a) Revenues attributable to the Company's inland river business that commenced operation in the third quarter of 2000.

(b) Revenues attributable to the Company's telecommunications business that was acquired in April 1999 and sold in July 1999.

Revenues attributed to geographic areas were based upon the country of domicile for offshore marine and drilling service segment customers and the country in which the Company provided oil spill protection or other related training and consulting services for environmental service segment customers. The Company considers long-lived assets to be property and equipment that has been distributed to geographical areas based upon the assets' physical location during the applicable period. Certain of the Company's offshore marine service segment's long-lived vessel assets relocate between its geographical areas of operation. The costs of long-lived vessel assets that are relocated have been allocated between geographical areas of operation based upon length of service in the applicable region. The following table is presented for the years ending December 31.

<TABLE>

<CAPTION>

(in thousands)

		2001		2000		1999
Revenues:						
United States of America.....	\$	267,195	\$	236,841	\$	186,673
United Kingdom.....		74,477		39,565		24,643
Nigeria.....		29,425		15,544		19,324
Other.....		63,693		47,991		58,785
	\$	434,790	\$	339,941	\$	289,425
Long-Lived Assets:						
United States of America.....	\$	335,648	\$	302,417	\$	550,106
United Kingdom.....		186,686		47,898		33,083
Nigeria.....		39,973		40,119		40,486
Other.....		172,450		136,644		91,522
	\$	734,757	\$	527,078	\$	715,197

</TABLE>

For the years ended December 31, 2001, 2000 and 1999, approximately 39%, 30% and 36%, respectively, of the Company's operating revenues were derived from its foreign operations. The Company's foreign operations, primarily contained in its offshore marine service segment, are subject

to various risks inherent in conducting business in foreign nations. These risks include, among others, political instability, potential vessel seizure, nationalization of assets, currency restrictions and exchange rate fluctuations, import-export quotas and other forms of public and governmental regulations, all of which are beyond the control of the Company. Although historically the Company's operations have not been affected materially by such conditions or events, it is not possible to predict whether any such conditions or events might develop in the future. The occurrence of any one or more of such conditions or events could have a material adverse effect on the Company's financial condition and results of operations. Oil spill response and related training and consulting service revenues derived from foreign markets have not been material and barge operations are limited to the U.S.

14. EVENTS SUBSEQUENT TO DATE OF AUDITORS' REPORT (UNAUDITED):

On February 28, 2002, the Compensation Committee granted 59,210 restricted shares to certain officers and key employees of the Company with an aggregate market value of \$2,576,000 on that date.

In March 2002, two vessels were sold for \$20,000,000 pursuant to sale-leaseback transactions. Sale gains are expected to be deferred for future income recognition.

15. SUPPLEMENTAL INFORMATION FOR STATEMENTS OF CASH FLOWS:

<TABLE>

<CAPTION>

(in thousands)

2001            2000            1999

	2001	2000	1999	
Cash income taxes paid.....	14,244	\$ 5,539	\$ 5,048	\$
Cash interest paid.....	21,262	28,942	35,875	
Schedule of Non-Cash Investing and Financing Activities:				
Property exchanged for investment in and notes receivable from 50% or less owned company.....	17,688	-	-	
Sale of a subsidiary to Globe Wireless for a note receivable.....	-	-	5,279	
Conversion of loans into convertible preferred units of Globe Wireless.....	-	-	22,000	
Conversion of 5 3/8% Notes into Common Stock.....	98,824	-	-	
Acquisition of ERST/O'Brien's Inc. with - Common Stock.....	1,284	920	1,482	
Acquisition of Boston Putford with - Common Stock.....	-	4,086	-	
- notes, including debt discount.....	-	9,818	-	
Acquisition of SCF with - Common Stock.....	-	5,920	-	
- assumption of debt.....	-	552	-	
Acquisition of Plaisance with - Common Stock.....	3,163	-	-	
- assumption of debt.....	700	-	-	
Acquisition of Rincon vessels with - assumption of debt.....	13,600	-	-	
Acquisition of Stirling Shipping with - Common Stock.....	12,777	-	-	
- assumption of debt.....	61,900	-	-	
- notes, including debt discount.....	21,200	-	-	
Purchase of vessels with - deferred payment obligation.....				

</TABLE>

16. QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

Selected financial information for interim periods are presented below. Earnings per share are computed independently for each of the quarters presented; therefore, the sum of the quarterly earnings per share do not necessarily equal the total for the year.

<TABLE>

<CAPTION>

		Quarter Ended	
		Dec. 31,	Sept. 30,
June 30,	March 31,		
-----		-----	-----
(in thousands, except share data)			
-----		-----	-----
<S>		<C>	<C>
<C>			<C>
2001:			
Revenue.....	\$	109,804	\$ 119,358
112,428	\$ 93,200		
Operating Income.....		22,212	30,195
26,333	13,195		
Income before extraordinary item.....		18,679	22,506
18,278	12,134		
Basic earnings per common share -			
Income before extraordinary item.....		0.93	1.13
0.92	0.67		
Extraordinary item.....		-	-
(0.04)	-		
-----			
Net Income.....	\$	0.93	\$ 1.13
0.88	\$ 0.67		
=====			
Diluted earnings common per share -			
Income before extraordinary item.....	\$	0.93	\$ 0.97
0.88	\$ 0.62		
Extraordinary item.....		-	-
(0.04)	-		
-----			
Net Income.....	\$	0.93	\$ 0.97
0.84	\$ 0.62		
=====			
2000:			
Revenue.....	\$	88,301	\$ 93,552
85,144	\$ 72,944		
Operating Income.....		14,649	12,626
11,402	9,075		
Income before extraordinary item.....		11,109	11,491
5,040	6,480		
Basic earnings per common share -			
Income before extraordinary item.....		0.66	0.68
0.30	0.39		
Extraordinary item.....		-	-
-	-		
-----			
Net Income.....	\$	0.66	\$ 0.68
0.30	\$ 0.39		
=====			
Diluted earnings common per share -			
Income before extraordinary item.....	\$	0.60	\$ 0.62
0.29	\$ 0.39		
Extraordinary item.....		-	-

Net Income.....	\$	0.60	\$	0.62	\$
0.29	\$				
0.39					

</TABLE>

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS  
ON FINANCIAL STATEMENT SCHEDULE

To SEACOR SMIT Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of SEACOR SMIT Inc. and its subsidiaries and have issued our report thereon dated February 21, 2002. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page 73 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

New Orleans, Louisiana  
February 21, 2002

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SEACOR SMIT INC. AND SUBSIDIARIES  
SCHEDULE II  
VALUATION AND QUALIFYING ACCOUNTS  
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999  
(IN THOUSANDS)

<TABLE>  
<CAPTION>

(a)	End Description of Year	Balance		Charges to	
		Beginning of Year		Cost and Expenses	
Year Ended December 31, 2001					
Allowance for doubtful accounts (deducted from accounts receivable).....		\$	1,310	\$	947
622	\$		1,635		

Year Ended December 31, 2000				
	Allowance for doubtful accounts			
	(deducted from accounts receivable).....	\$	1,567	\$ (235) \$
22	\$ 1,310			
=====	=====			
Year Ended December 31, 1999				
	Allowance for doubtful accounts			
	(deducted from accounts receivable).....	\$	1,956	\$ (328) \$
61	\$ 1,567			
=====	=====			

</TABLE>

(a) Accounts receivable amounts deemed uncollectible and removed from accounts receivable and allowance for doubtful accounts.

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INDEX TO EXHIBITS  
ANNUAL REPORT ON FORM 10-K  
FISCAL YEAR END DECEMBER 31, 2001

Exhibit Number -----	Description -----
1.1	* Form of Standby Purchase Agreement between SEACOR SMIT Inc. and Credit Suisse First Boston Corporation (incorporated herein by reference to Exhibit 1.1 to the Company's Registration Statement on Form S-3 (No. 333-53874), filed with the Commission on January 18, 2001).
1.2	* Form of ISDA Master Agreement between SEACOR SMIT Inc. and Credit Suisse First Boston Corporation, with attached Schedule and Confirmation (incorporated herein by reference to Exhibit 1.2 to the Company's Registration Statement on Form S-3 (No. 333-53874), filed with the Commission on January 18, 2001).
2.1	* Agreement and Plan of Merger, dated as of December 19, 2000, by and between SEACOR SMIT Inc. and SCF Corporation (incorporated by reference to Exhibit 2.1 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
2.2	* Stock Exchange Agreement, dated as of January 9, 2001, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 2.2 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
3.1	* Restated Certificate of Incorporation of SEACOR SMIT Inc. (incorporated herein by reference to Exhibit 3.1(a) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and filed with the Commission on August 14, 1997).
3.2	* Certificate of Amendment to the Restated Certificate of Incorporation of SEACOR SMIT Inc. (incorporated herein by reference to Exhibit 3.1(b) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and filed with the Commission on August 14, 1997).
3.3	* Amended and Restated By-laws of SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 (No. 333-12637) of SEACOR Holdings, Inc. filed with the Commission on September 25,

1996).

- 4.1 \* Indenture, dated as of November 1, 1996, between First Trust National Association, as trustee, and SEACOR Holdings, Inc. (including therein forms of 5-3/8% Convertible Subordinated Notes due November 15, 2006 of SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 4.0 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1996 and filed with the Commission on November 14, 1996).
- 4.2 \* Indenture, dated as of September 22, 1997, between SEACOR SMIT Inc. and First Trust National Association, as trustee (including therein form of Exchange Note 7.20% Senior Notes Due 2009) (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).
- 4.3 \* Investment and Registration Rights Agreement, dated as of March 14, 1995, by and among SEACOR Holdings, Inc., Miller Family Holdings, Inc., Charles Fabrikant, Mark Miller, Donald Toenshoff, Alvin Wood, Granville Conway and Michael Gellert (incorporated herein by reference to Exhibit 4.0 of the Company's Current Report on Form 8-K dated March 14, 1995, as amended).
- 4.4 \* Investment and Registration Rights Agreement, dated as of May 31, 1996, among SEACOR Holdings, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with the Commission on June 7, 1996).
- 4.5 \* Registration Rights Agreement, dated November 5, 1996, between SEACOR Holdings, Inc. and Credit Suisse First Boston Corporation, Salomon Brothers Inc. and Wasserstein Perella Securities, Inc. (incorporated herein by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1996 and filed with the Commission on November 14, 1996).

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- 4.6 \* Investment and Registration Rights Agreement, dated as of December 19, 1996, by and between SEACOR Holdings, Inc. and Smit International Overseas B.V. (incorporated herein by reference to Exhibit 4.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 4.7 \* Investment and Registration Rights Agreement, dated as of January 3, 1997, among SEACOR Holdings, Inc., Acadian Offshore Services, Inc., Galaxie Marine Service, Inc., Moonmaid Marine, Inc. and Triangle Marine, Inc. (incorporated herein by reference to Exhibit 4.6 to the Company's Registration Statement on Form S-3 (No. 333-20921) filed with the Commission on January 31, 1997).
- 4.8 \* Investment and Registration Rights Agreement, dated October 27, 1995, by and between SEACOR Holdings, Inc. and Coastal Refining and Marketing, Inc. (incorporated herein by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17, 1995).
- 4.9 \* Investment and Registration Rights Agreement, dated November 14, 1995, by and between SEACOR Holdings, Inc. and Compagnie Nationale de Navigation (incorporated herein by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17, 1995).
- 4.10 \* Registration Agreement, dated as of September 22, 1997, between the Company and the Initial Purchasers (as defined therein) (incorporated herein by reference to Exhibit 4.3 to the

Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).

- 4.11 \* Restated Stockholders' Agreement dated December 16, 1992 (incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).
- 4.12 \* Investment and Registration Rights Agreement, dated as of April 19, 2000, among SEACOR SMIT Inc. and the other parties thereto (incorporated herein by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 (No. 333-37492) filed with the Commission on May 19, 2000).
- 4.13 \* Investment and Registration Rights Agreement, dated as of December 19, 2000, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
- 4.14 \* Investment and Registration Rights Agreement, dated as of January 9, 2001, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).

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- 4.15 \* SEACOR SMIT Inc. 2000 Employee Stock Purchase Plan, as amended February 14, 2001 (incorporated herein by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (No. 333-56714), filed with the Commission on March 8, 2001).
- 4.16 \* Instrument, dated May 4, 2001, setting forth terms of (pound) 14,668,942 in aggregate principal amount of Fixed Rate Abatable Loan Notes (including form of Loan Note Certificate as a Schedule thereto) (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 4.17 \* Form of Indenture, dated as of January 10, 2001, among SEACOR SMIT Inc. and U.S. Bank Trust National Association as trustee (incorporated herein by reference to Exhibit 4.2 to Amendment No.1 to the Company's Registration Statement on Form S-3/A (No. 333-53326) filed with the Commission on January 18, 2001).
- 4.18 \* Form of Indenture, dated as of January 10, 2001, among SEACOR SMIT Inc. and U.S. Bank Trust National Association as trustee (incorporated herein by reference to Exhibit 4.3 to Amendment No. 1 to the Company's Registration Statement on Form S-3/A (No. 333-53326) filed with the Commission on January 18, 2001).
- 10.1 \* Lease Agreement, dated September 1, 1989, between The Morgan City Fund and NICOR Marine Inc. (SEACOR Marine Inc., as successor lessee) (incorporated herein by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.2 \*+ SEACOR Holdings, Inc. 1992 Non-Qualified Stock Option Plan (incorporated herein by reference to Exhibit 10.45 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.3 \*+ SEACOR Holdings, Inc. 1996 Share Incentive Plan (incorporated herein by reference to SEACOR Holdings, Inc.'s Proxy Statement dated March 18, 1996 relating to the Annual Meeting of Stockholders held on April 18, 1996).
- 10.4 \*+ SEACOR SMIT Inc. 2000 Stock Option Plan for Non-Employee Directors (incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2000 and filed with the Commission on August 14, 2000).

10.5 \*\* Benefit Agreement, dated May 1, 1989, between NICOR Marine Inc. and Lenny P. Dantin (assumed by SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 10.51 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).

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10.6 \*\* Employment Agreement, dated December 24, 1992, between SEACOR Holdings, Inc. and Milton Rose (incorporated herein by reference to Exhibit 10.61 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).

10.7 \* Management and Services Agreement, dated January 1, 1985, between NICOR Marine (Nigeria) Inc. and West Africa Offshore Limited (assumed by SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 10.55 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).

10.8 \* Joint Venture Agreement, dated December 19, 1996, between SEACOR Holdings, Inc. and Smit-Lloyd (Antillen) N.V. (incorporated herein by reference to Exhibit 10.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).

10.9 \* Form of Management Agreement (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).

10.10 \* License Agreement, dated December 19, 1996, between SEACOR Holdings, Inc., certain subsidiaries of SEACOR Holdings, Inc. and Smit Internationale N.V. (incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).

10.11 \* Purchase Agreement, dated as of September 15, 1997, between the Company and Salomon Brothers Inc., individually and as representative of the Initial Purchasers (as defined therein) (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).

10.12\*\* Form of Type A Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.35 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).

10.13\*\* Form of Type B Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.36 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).

10.14\*\* Form of Option Agreement for Officers and Key Employees Pursuant to the SEACOR SMIT Inc. 1996 Share Incentive Plan (incorporated herein by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).

10.15 \* Stock Purchase Agreement dated as of January 30, 2001, by and between SEACOR SMIT Inc. and Brian Cheramie (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).

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10.16 \* Letter Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of January 30, 2001 by and

between SEACOR SMIT Inc. and Brian Cheramie (incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).

- 10.17 \* Stock Purchase Agreement dated as of January 30, 2001 by and among SEACOR SMIT Inc., the persons listed on Exhibit A thereto and Brian Cheramie, as representative of such persons (incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.18 \* Letter Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of January 30, 2001 by and among SEACOR SMIT Inc., the persons listed on Exhibit A thereto and Brian Cheramie, as representative of such persons (incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.19 \* Stock Purchase Agreement, dated as of May 4, 2001, by and between SEACOR SMIT Inc. and the Stirling Vendors (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 10.20 \* Tax Deed, dated as of May 4, 2001, by and between SEACOR SMIT Inc. and the Stirling Vendors (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 10.21 Revolving Credit Facility Agreement, dated as of February 5, 2002 by and among SEACOR SMIT Inc., the banks and financial institutions named therein, Fleet National Bank, Den norske Bank ASA, Nordea and The Governor and Company of the Bank of Scotland as agents.
- 21.1 List of Registrant's Subsidiaries.
- 23.1 Consent of Arthur Andersen LLP.
- 99.1 Letter from SEACOR SMIT Inc. to the Securities Exchange Commission regarding representations by Arthur Andersen LLP.

-----  
\* Incorporated herein by reference as indicated.

+ Management contracts or compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 14 (c) of the rules governing the preparation of this report.

(b) Reports on Form 8-K:

None.

AGREEMENT FOR  
A  
U.S. \$200,000,000  
REVOLVING CREDIT FACILITY

TO BE MADE AVAILABLE TO

SEACOR SMIT INC.

BY

DEN NORSKE BANK ASA,  
as Administrative Agent, Joint Lead Arranger and Lender,

FLEET NATIONAL BANK,  
as Syndication Agent, Joint Lead Arranger and Lender,

NORDEA,  
as Documentation Agent, Joint Lead Arranger and Lender,

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND,  
as Co-Agent and Lender

AND

THE FINANCIAL INSTITUTIONS  
IDENTIFIED ON SCHEDULE A,  
as Lenders

February 5, 2002

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REVOLVING CREDIT FACILITY AGREEMENT

THIS REVOLVING CREDIT FACILITY AGREEMENT is made this 5th day of February, 2002, and is by and among (1) SEACOR SMIT INC., a corporation incorporated under the laws of the State of Delaware with offices at 11200 Richmond Avenue, Houston, Texas (hereinafter called the "Borrower"), (2) the banks and financial institutions whose names and addresses are set out in Schedule A hereto (together with any assignee pursuant to Section 11, collectively, the "Lenders", each a "Lender"), (3) FLEET NATIONAL BANK, a national banking association, as syndication agent (the "Syndication Agent"), (4) DEN NORSKE BANK ASA, a bank incorporated under the laws of the Kingdom of

Norway, acting through its New York branch, with offices at 200 Park Avenue, New York, New York, as administrative agent ( the "Administrative Agent"), (5) NORDEA, a Finnish banking corporation, acting through Nordea Bank Finland Plc, New York Branch, as documentation agent (the "Documentation Agent"), and (6) THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND, a bank incorporated under the laws of Scotland, as Co-Agent (the "Co-Agent" and together with the Syndication Agent, the Administrative Agent and the Documentation Agent, the "Agents").

WITNESSETH THAT:

Whereas, at the request of the Borrower, each of the Agents has agreed to act in its respective capacity as set forth herein and the Lenders have agreed to provide to the Borrower a revolving credit facility in the amount of \$200,000,000 on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the premises, the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy whereof are hereby acknowledged, the parties hereto agree as set forth below:

SECTION 1. DEFINITIONS

-----

1.1. Defined Terms. In this Agreement the words and expressions specified below shall, except where the context otherwise requires, have the meanings attributed to them below:

"Acceptable Accounting Firm" means Arthur Anderson & Co., L.L.P. or any other  
- ----- firm of independent certified public or chartered accountants of international reputation selected by the Borrower and acceptable to the Administrative Agent;

"Acquisition Subsidiary" shall mean a direct or indirect Subsidiary of  
- ----- the Borrower formed for the purpose of acquiring New Subsidiaries which Subsidiary shall not be an existing Vessel Owning/Operating Subsidiary at the time of the acquisition of the relevant

New Subsidiaries and into which only those assets necessary to consummate the relevant acquisition shall be transferred;

"Administrative Agent" shall have the meaning ascribed thereto in the  
- ----- preamble;

"Administrative Questionnaire" shall mean, with respect to each Bank, an  
- ----- administrative questionnaire substantially in the form of Exhibit 2 hereto, submitted to the Administrative Agent (with a copy to the Borrowers) duly completed by such Bank;

"Advance" means any Dollar Advance or Foreign Currency  
- ----- Advance;

"Affiliate" shall mean, with respect to any Person, (i) any  
- ----- Person that directly, or indirectly through one or more intermediaries, Controls such Person (a "Controlling Person") or (ii) any Person (other than such Person or a Subsidiary of such Person) which is Controlled by or is under common Control with a Controlling Person;

"Agreement" means this revolving credit facility agreement  
- ----- as the same may be amended, restated, modified or supplemented from time to time;

"Applicable Margin"  
----- shall have the meaning ascribed thereto in Section 6.1;

"Applicable Rate"  
----- means any rate of interest on any Advance from time to time applicable pursuant to Section 6.1;

"Assignment and Assumption Agreement(s)"  
----- shall mean the Assignment and Assumption Agreement(s) executed pursuant to Section 11 substantially in the form of Exhibit 6;

"Banking Day(s)"  
----- means day(s) on which banks are open for the transaction of business of the nature required by this Agreement in the place or places from time to time specified;

"Base Rate"  
----- means the higher of (i) the Letter of Credit Issuer's Prime Rate and (ii) one-half percent (1/2%) above the Federal Funds Effective Rate;

"Basis Point" or the symbol "bp"  
----- means one one-hundredth of one percent (0.01%);

"Change of Control"  
----- means (a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act),

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directly or indirectly, of more than fifty percent (50%) of the total voting power of the Borrower or (b) the Board of Directors of the Borrower ceases to consist of a majority of the existing directors or directors elected by the existing directors; means the Internal Revenue Code of 1986, as amended, and any successor statute

"Code"  
----- and the regulations promulgated thereunder;

"Committed Amount"  
----- means Two Hundred Million Dollars (\$200,000,000), as reduced from time to time pursuant to Section 5.3, being the maximum aggregate principal amount in Dollars of the Advances and Letters of Credit which may be outstanding at any time under the Credit Facility;

"Commitment"  
----- shall mean in relation to a Lender, the amount of the Credit Facility set out opposite its name in Schedule A hereto or, as the case may be, in any relevant Assignment and Assumption Agreement, as the same may be reduced from time to time as provided by Section 5.4;

"Compliance Certificate"  
----- means a certificate of the chief financial officer of the Borrower in the form set out in Exhibit 5 or in such other form as the Administrative Agent may reasonably require;

"Consolidated Net Worth"  
----- for any period, shall mean, for any company, the sum of such company's common and preferred stock (excluding any capital stock subject to mandatory redemption) and additional paid-in-capital, plus retained earnings (minus accumulated deficit) and currency translation adjustments, all as shown on the consolidated

balance sheet of such company and its subsidiaries as determined in accordance with GAAP;

"Consolidated Subsidiary"  
-----  
shall mean a Subsidiary the financial results of which are reflected in the Borrower's consolidated financial statements;

"Consolidated Subsidiary  
-----  
Guaranty"  
-----  
shall mean a guaranty issued by a Consolidated Subsidiary of obligations of the types listed in sub-clauses (i) through (iii) of the definition of Subsidiary Funded Debt of other Consolidated Subsidiaries but excluding, in the case of a Consolidated Subsidiary which is not a Wholly-Owned Subsidiary, that proportion of the amount of such guaranty which represents the minority interest holders' share of such Guaranty;

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"Co-Agent"  
-----  
shall have the meaning ascribed thereto in the preamble;

"Credit Facility"  
-----  
means the sums advanced or to be advanced by the Lenders to the Borrower and the Letters of Credit to be issued by the Letter of Credit Issuer for the account of the Borrower in the maximum principal amount of \$200,000,000, all pursuant to, and subject to the terms of, this Agreement;

"Credit Facility Balance"  
-----  
means the sum of (i) the amount of the Dollar Advances, (ii) the amount of the then Dollar Equivalent of the Foreign Currency Advances and (iii) the amount of the Letter of Credit Outstandings at any relevant time, all as reduced by payments and increased by Advances and Letters of Credit pursuant to the terms of this Agreement;

"Credit Period"  
-----  
means the period from the Drawdown Date of the initial Advance made hereunder to the date upon which the Advances and all other amounts due to the Agents and the Lenders pursuant to this Agreement and the Notes are repaid or prepaid in full and all commitments to extend credit under this Agreement have been terminated;

"Creditors"  
-----  
shall mean, together, the Agents and the Lenders, each, a "Creditor";

"CRN Group"  
-----  
means CRN Holdings, Inc., a corporation organized under the laws of the State of Delaware, and any of its direct and indirect subsidiaries now or hereafter acquired;

"Default Rate"  
-----  
shall have the meaning ascribed thereto in Section 6.1;

"Documentation Agent"  
-----  
shall have the meaning ascribed thereto in the preamble;

"Dollars" and the sign "\$"  
-----  
means the legal currency, at any relevant time hereunder, of the United States of America and, in relation to all payments hereunder, in same day funds settled through the New York Clearing House Interbank Payments System (or such other Dollar funds as may be determined by the Administrative Agent to be customary for the settlement in New York City of banking transactions of the type herein involved);

"Dollar Advance" - -----	means any amount advanced in Dollars to the Borrower on any Drawdown Date;
"Dollar Equivalent" - -----	means any amount of a foreign currency converted to Dollars at the Exchange Rate;
"Drawdown Dates" - -----	means the dates, each being a Banking Day falling prior to the Termination Date, upon which the Borrower has requested that an Advance be made available to the Borrower or an Advance is deemed to have been made due to a drawing under any Letter of Credit;
"Drawdown Notice" -----	shall have the meaning ascribed thereto in Section 3.3;
"EBITDA" -----	means on a consolidated basis, the aggregate, to be measured on a trailing twelve (12) month basis, of (i) operating income (before deductions for interest, taxes, depreciation and amortization), (ii) interest income and (iii) "Equity in Net Earnings of Fifty Percent (50%) or Less Owned Companies" (as such term is used in the Borrower's published financial reports).
"Environmental Affiliate" - -----	means any person or entity the liability of which for Environmental Claims the Borrower may have assumed by contract or operation of law;
"Environmental Claim" - -----	shall have the meaning ascribed thereto in Section 2.1(m);
"ERISA" - -----	means the Employment Retirement Income Security Act of 1974, as amended;
"ERISA Affiliate" - -----	means a trade or business (whether or not incorporated) which is under common control with the Borrower within the meaning of Sections 414(b), (c), (m) or (o) of the Code;
"Euros" and the symbol - ----- "(euro)" - -----	means the legal currency, at any relevant time hereunder, of the member countries of the European Union who have adopted the Euro as legal tender;
"Events of Default" - -----	means any of the events set out in Section 9.1;
"Exchange Act" - -----	shall mean the Securities and Exchange Act of 1934, as amended;
"Exchange Rate" - -----	means the exchange rate offered by the Administrative Agent or Letter of Credit Issuer, as the case may be, of Dollars for a particular foreign currency or vice versa in

accordance with its normal practices on the relevant date, in either case, including any costs associated with the relevant exchange contract or, if it does not then offer such exchange rates in respect of such foreign currency, such exchange rate in respect of such currency as the Administrative Agent or the Letter of Credit Issuer, as the case may be, deems reasonable;

<p>"Existing Credit Facility" -----</p>	<p>the credit facility provided under that certain credit agreement, dated November 17, 1998 as amended by Amendment No. 1 and Amendment No. 2 thereto dated February 4, 1999 and October 1, 1999, respectively, among the Borrower, the financial institutions named therein as Lenders, and Den norske Bank ASA as Agent ;</p>
<p>"Existing Letters of Credit" -----</p>	<p>shall have the meaning ascribed thereto in Section 3.7;</p>
<p>"Extended Letters of Credit" -----</p>	<p>shall have the meaning ascribed thereto in Section 3.7;</p>
<p>"Facing Fee" -----</p>	<p>shall have the meaning ascribed thereto in Section 14.2;</p>
<p>"Federal Funds Effective ----- Rate" -----</p>	<p>means, for any period, a fluctuating interest rate equal for each day during such period to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Banking Day, for the next preceding Banking Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Banking Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three (3) Federal Funds brokers of recognized standing selected by the Administrative Agent;</p>
<p>"Foreign Currency" -----</p>	<p>means any of Pounds Sterling, Euros, Singapore Dollars or any other currency which shall be freely convertible into U.S. Dollars;</p>
<p>"Foreign Currency Advance" -----</p>	<p>means an Advance denominated in a Foreign Currency;</p>
<p>"Funded Debt" -----</p>	<p>shall mean, on a consolidated basis, the sum of (i) indebtedness for borrowed money, all obligations evidenced by bonds, debentures, notes or similar instruments, and purchase money obligations which, in accordance with GAAP, would be shown on the consolidated balance sheet as a liability, (ii) all obligations arising under letters of credit,</p>
	<p>6</p>
	<p>(iii) all obligations as lessee under leases which have been, in accordance with GAAP, recorded as capitalized lease obligations, (iv) guaranties of non-consolidated entity obligations but excluding (v) indebtedness which is consolidated in the Borrower's published financial statements in accordance with GAAP but which represents a minority interest holders' share of such indebtedness unless such minority holders' share has been guaranteed by the Borrower or a Subsidiary;</p>
<p>"GAAP" -----</p>	<p>shall have the meaning ascribed thereto in Section 1.3;</p>
<p>"Indebtedness" -----</p>	<p>of any Person shall mean and include all obligations of such Person which in accordance with GAAP shall be classified upon a balance sheet of such Person as liabilities of such Person;</p>

<p>"Interest Coverage Ratio" -----</p>	<p>means, on a consolidated basis, (a) EBITDA divided by (b) interest payments (including interest attributable to capitalized leases) made during the four (4) fiscal quarters preceding the date on which such ratio is determined;</p>
<p>"Interest Notice" -----</p>	<p>means a notice to the Administrative Agent specifying the duration of the relevant Interest Period;</p>
<p>"Interest Period(s)" -----</p>	<p>means period(s) of one (1), two (2), three (3), six (6), nine (9) or twelve (12) months selected by the Borrower or such longer period(s) as the Lenders may agree;</p>
<p>"Investment" -----</p>	<p>means (i) lending money or credit or making advances to any Person, (ii) purchasing or acquiring any stock, obligations or securities of, or any other interest in, or making capital contributions to any Person or (iii) guaranteeing the debt or obligations of any other Person;</p>
<p>"Investment Grade Rating" -----</p>	<p>means with respect to Moody's a rating of "Baa3" or better, and with respect to S&amp;P a rating of "BBB-" or better;</p>
<p>"Issuing Subsidiary" -----</p>	<p>shall mean, the Subsidiary which is the primary obligor on Subsidiary Funded Debt; provided that in the case of Subsidiary Funded Debt where (i) one or more other Subsidiaries are jointly or jointly and severally liable in respect thereof (other than by way of guaranty) or (ii) no Subsidiary is the primary obligor in respect of a Subsidiary Funded Debt but two or more Subsidiaries have issued Non-Consolidated</p>
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	<p>Entity Guaranties in respect of the same obligation, the Subsidiary liable in respect thereof with the highest book value shall be deemed to be such primary obligor;</p>
<p>"Joint Venture" -----</p>	<p>shall mean at any date any Person (other than a Subsidiary) in which the Borrower or any Subsidiary has an ownership interest or other interests in profits or loss which would be accounted for in the consolidated financial statements of the Borrower and its consolidated Subsidiaries by the equity method if such statements were prepared as of such date;</p>
<p>"L/C Supportable Obligation" -----</p>	<p>means such obligations of the Borrower as are not inconsistent with the issuance policies of the applicable Letter of Credit Issuer;</p>
<p>"Letter of Credit" -----</p>	<p>shall have the meaning ascribed thereto in Section 3.7;</p>
<p>"Letter of Credit Fee" -----</p>	<p>shall have the meaning ascribed thereto in Section 14.2;</p>
<p>"Letter of Credit Issuer" -----</p>	<p>means, with respect to each Letter of Credit, the Lender (being one of the Agents) which, at the request of the Borrower, issues the same;</p>
<p>"Letter of Credit ----- Outstandings"</p>	<p>means, at any time, the aggregate Stated Amount of all outstanding Letters of Credit, less any drawings previously made thereunder;</p>

- -----  
 "Letter of Credit shall have the meaning ascribed thereto in  
 - -----  
 Section 3.10;  
 Participant"  
 - -----

"Letter of Credit means, in relation to a Lender, the percentage  
 - -----  
 of the Credit Facility set out opposite its  
 Participant Percentage" name in Schedule A hereto; provided, however,  
 - -----  
 that in the case of Extended Letters of Credit,  
 the percentage shall be adjusted to include  
 only the Commitments of the Lenders  
 participating in the Extended Letters of  
 Credit;

"Letter of Credit Request" shall have the meaning ascribed thereto in  
 - -----  
 Section 3.8;

"LIBOR" means the rate of interest for deposits, in  
 - -----  
 Dollars or the relevant Foreign Currency, as  
 the case may be, of an amount equivalent to the  
 relevant Advance (or portion thereof), for  
 periods equivalent to the applicable Interest  
 Period, which appear at or about 11:00 A.M.  
 (London Time) on the day falling two (2) LIBOR  
 Reference Days prior to the first day of the

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relevant Interest Period as displayed on page  
 LIBOR01 of the Reuters screen, in the case of  
 Dollars, Pounds Sterling, or Euros, or page  
 SGDF= of the Reuters screen, in the case of  
 Singapore Dollars (or such other page as may  
 replace such page), as the case may be, on such  
 system or on any other system of the  
 information vendor for the time being  
 designated by the British Bankers' Association  
 to calculate the BBA Interest Settlement Rate  
 (as defined in the British Bankers'  
 Association's Recommended Terms and Conditions  
 ("BBAIRS" terms) dated August 1985)), provided,  
 however, that, if on any date of determination  
 of the Applicable Rate, no rate is so displayed  
 for amounts equivalent to the relevant Advance  
 (or portion thereof) and for periods equivalent  
 to the applicable Interest Period, LIBOR shall  
 be equal to the arithmetic mean (rounded upward  
 if necessary to four decimal places) of the  
 rates respectively quoted to the Administrative  
 Agent by each of the Reference Banks as the  
 offered rate for deposits of Dollars or the  
 relevant Foreign Currency, as the case may be,  
 in an amount approximately equal to the amount  
 in relation to which LIBOR is to be determined  
 for a period equivalent to such period to prime  
 banks in the London Interbank Market at or  
 about 11:00 a.m. (London time) on the second  
 LIBOR Reference Day before the first day of  
 such period;

"LIBOR Reference Date" days on which banks in the London interbank  
 - -----  
 market generally will provide quotations for  
 deposits in the relevant currencies;

"Lien" shall mean any interest in property securing an  
 ----  
 obligation owed to, or a claim by, a Person  
 other than the owner of the property, whether  
 such interest is based on the common law,  
 statute or contract, and including but not  
 limited to the security interest lien arising

from a mortgage, encumbrance, pledge, conditional sale, title retention agreement or trust receipt or a lease, consignment or bailment for security purposes or any arrangement having substantially the same legal effect as the foregoing.

"List of Liens"  
-----

shall mean a list of Liens in respect of Secured Debt on Vessels;

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"Majority Lenders"  
-----

shall mean Lenders whose aggregate Commitments exceed fifty percent (50%) of the total Commitments;

"Material Adverse Change"  
-----

shall mean the occurrence of an event or condition which (a) materially impairs the ability of (1) the Borrower to meet any of its obligations with regard to the Credit Facility and the financing arrangements established in connection therewith or (2) the Borrower and the Subsidiaries to meet any of their respective other obligations that are material to the Borrower and the Subsidiaries considered as a whole or (b) have a material adverse effect on the business, assets, operations, property or financial condition of the Borrower and the Subsidiaries considered as a whole;

"Moody's"  
-----

shall mean Moody's Investors Service, Inc., a credit rating agency;

"New Subsidiaries"  
-----

shall mean a group of corporations or other entities of which the Borrower or a Subsidiary acquires legally or beneficially greater than fifty percent (50%) of the issued and outstanding stock or other interest in each corporation or entity in the group and has more than fifty percent (50%) of the total voting power of the voting stock or other interest in such corporations or entities;

"Non-Consolidated Entity"  
-----

shall mean an entity which is not a Consolidated Subsidiary;

"Non-Consolidated Entity  
-----  
Guaranty"  
-----

shall mean a guaranty issued by a Consolidated Subsidiary of obligations of Non-Consolidated Entities of the types listed in sub-clauses (i) through (iii) of the definition of Subsidiary Funded Debt but excluding, in the case of a Consolidated Subsidiary which is not a Wholly-Owned Subsidiary, that proportion of the amount of such Guaranty which represents the minority interest holders' share of such Guaranty;

"Note"  
-----

means a promissory note to be executed by the Borrower in favor of a Lender to evidence the Advances of the Credit Facility made by such Lender substantially in the form of Exhibit 1 or in such other form as the Administrative Agent may agree;

"Operating Accounts"  
-----

shall have the meaning ascribed thereto in Section 8.1;

"Other Subsidiaries"  
- ----- shall mean, as it relates to any Subsidiary  
Funded Debt, those Subsidiaries liable in  
respect thereof other than the Issuing  
Subsidiary;

"Permitted Liens"  
- ----- means any of the liens permitted under Section  
10.1(b)(i);

"Person"  
- ----- shall mean an individual, partnership,  
corporation, limited liability company,  
business trust, bank, trust company, joint  
venture, association, joint stock company,  
trust or other unincorporated organization,  
whether or not a legal entity, or any  
government or agency or political subdivision  
thereof;

"Plan"  
- ----- means any employee benefit plan covered by  
Title IV of ERISA maintained or contributed by  
the Borrower or any Subsidiary or any ERISA  
Affiliate;

"Pounds Sterling" and the  
- ----- sign "(pound)"  
- ----- means the legal currency, at any relevant time  
hereunder, of the United Kingdom;

"Prime Rate"  
- ----- means the rate which the relevant Letter of  
time as its prime lending rate, the Prime Rate  
to change when and as such prime Credit Issuer  
announces from time to time to lending rate changes;

"Reference Banks"  
- ----- means the banks chosen from time to time by the  
British Bankers' Association for the purpose of  
establishing Interest Settlement Rates;

"Regulation T"  
- ----- shall mean Regulation T of the Board of  
Governors of the Federal Reserve System, as in  
effect from time to time;

"Regulation U"  
- ----- shall mean Regulation U of the Board of  
Governors of the Federal Reserve System, as in  
effect from time to time;

"Regulation X"  
- ----- shall mean Regulation X of the Board of  
Governors of the Federal Reserve System, as in  
effect from time to time;

"S&P"  
- ----- shall mean Standard & Poor's Rating Services, a  
credit rating agency;

"Secured Debt"  
- ----- means, for the Borrower, on a consolidated  
basis, the aggregate of any Indebtedness  
secured or collateralized by a Lien;

"Singapore Dollars and  
- ----- the symbol "SGD"  
- ----- means the legal currency, at any relevant time  
hereunder, of Singapore;

"Stated Amount"  
- ----- means with respect to each Letter of Credit the  
maximum amount available to be drawn thereunder  
(regardless of whether any conditions for  
drawing could then be met);

"Subsidiaries"  
- ----- means the corporations or other entities listed  
on Schedule B (including, without limitation,  
the Vessel Owning/Operating Subsidiaries) of  
which the Borrower owns legally or beneficially  
greater than fifty percent (50%) of the issued  
and outstanding stock or other interest in such  
entity and has more than fifty percent (50%) of

the total voting power of the voting stock or other interest in such corporation or other entity, together with any other corporations or other entities now or hereafter in existence of which the Borrower owns legally or beneficially greater than fifty percent (50%) of the issued and outstanding stock or other interest in such entity and has more than fifty percent (50%) of the total voting power of the voting stock or other interest in such corporation or other entity;

"Subsidiary Funded Debt"

-----

shall mean, as to each Subsidiary, the sum of (i) indebtedness for borrowed money, all obligations evidenced by bonds, debentures, notes or similar instruments, and purchase money obligations which, in accordance with GAAP, would be shown on the balance sheet of such Subsidiary as a liability if a balance sheet were actually prepared in accordance with GAAP for such Subsidiary, (ii) all obligations arising under letters of credit in respect of which such Subsidiary is liable, (iii) all obligations as lessee under leases which have been, in accordance with GAAP, recorded as capitalized lease obligations on the consolidated balance sheet of the Borrower and would so appear on such Subsidiary's balance sheet if a balance sheet were prepared in accordance with GAAP for such Subsidiary, (iv) Consolidated Subsidiary Guaranties and Non-Consolidated Entity Guaranties, in each case, up to the maximum amount guaranteed under the terms of any such guaranty but excluding (v) indebtedness which is consolidated in the Borrower's published financial statements in accordance with GAAP and would so appear on such Subsidiary's balance sheet if a balance sheet were prepared in accordance with GAAP for

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such Subsidiary but which represents a minority interest holders' share of such indebtedness unless such minority holders' share has been guaranteed by such Subsidiary;

"Syndication Agent"

-----

shall have the meaning ascribed thereto in the preamble;

"Taxes"

-----

means any present or future income or other taxes, levies, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed, levied, collected, withheld or assessed by any taxing authority whatsoever, except for taxes on or measured by the overall net income of the Lenders imposed by their respective jurisdiction of incorporation or domicile of the lending office making the Advances or issuing any Letter of Credit or any governmental subdivision or taxing authority of any thereof or by any other taxing authority having jurisdiction over any Agent or Lender (unless such jurisdiction is asserted solely by reason of the activities of the Borrower or any Subsidiary);

"Termination Date"

-----

means the day falling five (5) years after the date hereof or, if such day is not a Banking Day, the next following Banking Day, unless such next following Banking Day falls in the following month, in which case the Termination

Date shall be the immediately preceding Banking Day;

"Total Capitalization"  
-----

for any company, means, on a consolidated basis, the aggregate of Funded Debt and Consolidated Net Worth;

"Underlying Subsidiary  
-----  
Funded Debt"  
-----

shall mean the outstanding principal amount of Subsidiary Funded Debt issued or incurred by an Issuing Subsidiary;

"Vessel Owning/Operating  
-----  
Subsidiaries"  
-----

those Subsidiaries designated as Vessel Owning/Operating Subsidiaries on Schedule B, together with any future subsidiaries now or hereafter acquired which either own or operate Vessels, provided, however, that the CRN Group shall not be deemed to be Vessel Owning/Operating Subsidiary;

"Vessels"  
-----

means any vessels now or hereafter more than fifty percent (50%) owned, directly or indirectly, by a Vessel Owning/Operating Subsidiary;

"Wholly Owned Subsidiaries"  
-----

means the Subsidiaries of which the Borrower owns legally or beneficially one hundred percent (100%) of the issued and outstanding

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stock or other interest in such entity and has one hundred percent (100%) of the total voting power of the voting stock or other interest in such corporation or other entity.

1.2. Computation of Time Periods; Other Definitional Provisions. In this Credit Facility Agreement and the Notes, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding"; words importing either gender include the other gender; references to "writing" include printing, typing, lithography and other means of reproducing words in a tangible visible form; the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to articles, sections (or subdivisions of sections), exhibits, annexes or schedules are to this Credit Facility Agreement or the Notes, as applicable; references to agreements and other contractual instruments (including this Credit Facility Agreement and the Notes) shall be deemed to include all subsequent amendments, amendments and restatements, supplements, extensions, replacements and other modifications to such instruments (without, however, limiting any prohibition on any such amendments, extensions and other modifications by the terms of this Credit Facility Agreement or the Notes); references to any matter that is "approved" or requires "approval" of a party shall mean approval given in the sole and absolute discretion of such party unless otherwise specified.

1.3. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles as in effect from time to time in the United States of America consistently applied ("GAAP") and all financial statements submitted pursuant to this Agreement shall be prepared in accordance with, and all financial data submitted pursuant hereto shall be derived from financial statements prepared in accordance with, GAAP.

1.4. Certain Matters Regarding Materiality. To the extent that any representation, warranty, covenant or other undertaking of the Borrower in this Credit Facility Agreement is qualified by reference to those which are not reasonably expected to result in a "Material Adverse Effect" or language of similar implication, no inference shall be drawn therefrom that any Agent or Lender has knowledge or approves of any noncompliance by the Borrower with any governmental rule.

1.5. Forms of Documents. Except as otherwise expressly provided in this Credit Facility Agreement, references to documents or certificates "substantially in the form" of Exhibits to another document shall mean that such documents or certificates are duly completed in the form of the related Exhibits with substantive changes subject to the provisions of Section 18.5 of this Credit Facility Agreement.

1.6. Headings. In this Agreement, section headings are inserted for convenience of reference only and shall not be taken into account in the interpretation hereof.

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## SECTION 2. REPRESENTATIONS AND WARRANTIES

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2.1. In order to induce the Agents and the Lenders to enter into this Agreement and to make the Advances and to issue and/or participate in Letters of Credit as provided for herein, the Borrower hereby represents and warrants to the Agents and the Lenders (which representations and warranties shall survive the execution and delivery of this Agreement and the Notes and the making of the Advances and the issuance of Letters of Credit) that:

(a) Due Organization and Power. The Borrower and each of the Subsidiaries are duly formed and are validly existing in good standing under the laws of their respective jurisdictions of incorporation, have duly qualified and are authorized to do business as a foreign corporation in each jurisdiction wherein the nature of the business transacted thereby makes such qualification necessary, have full power to carry on their respective businesses as now being conducted and, in the case of the Borrower, to enter into and perform the Borrower's obligations under each of this Agreement and the Notes and have complied with all statutory, regulatory and other requirements relative to such businesses and such agreements the noncompliance with which could reasonably be expected to give rise to a Material Adverse Change;

(b) Authorization and Consents. All necessary corporate action has been taken to authorize, and all necessary consents and authorizations have been obtained and remain in full force and effect to permit, the Borrower to enter into and perform its obligations under each of this Agreement and the Notes and to permit the Borrower to borrow, service and repay the Advances and, as of the date of this Agreement, no further consents or authorizations are necessary for the service and repayment of the Advances or any part of any thereof;

(c) Binding Obligations. Each of this Agreement and the Notes constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms, except to the extent that such enforcement may be limited by equitable principles, principles of public policy or applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditors' rights;

(d) No Violation. The execution and delivery of, and the performance of the provisions of, this Agreement and the Notes do not, and will not during the Credit Period, contravene any applicable law or regulation existing at the date hereof or any contractual restriction binding on the Borrower or its certificate of incorporation or by-laws;

(e) Litigation. Except as otherwise disclosed in the 2000 annual report of the Borrower or the 10Q report of the Borrower for the period ending September 30, 2001, no action, suit or proceeding is pending or overtly threatened against the Borrower or any of the Subsidiaries before any court, board of arbitration or administrative agency which could result in any Material Adverse Change;

(f) No Default. Except as otherwise disclosed in writing to the Administrative Agent on or prior to the date hereof, neither the Borrower nor any of the Subsidiaries are in default under any agreement by which any thereof is bound, nor are any thereof in default in respect of any financial

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commitment or obligation, where such default could result in any Material Adverse Change;

(g) Vessel Ownership, Classification, and Insurance. As of the date hereof:

(i) each of the Vessels is owned as listed on Schedule C, free and clear of all liens of record except as otherwise set forth on Schedule D and duly registered in the name of its owner under the flag as listed on Schedule C;

(ii) except as otherwise set forth on Schedule C, each of the Vessels is classed in the highest classification and rating for vessels of the same age and type with the American Bureau of Shipping, Lloyd's Register of Shipping, Det norske Veritas, Bureau Veritas, Germanischer Lloyd or other classification society acceptable to the Administrative Agent without any material outstanding recommendations; and

(iii) each of the Vessels is insured in accordance with standard industry practice, including, without limitation, coverage for hull and machinery, war risk and protection & indemnity (evidence of which shall include, without limitation, cover notes, certificates of entry or such other evidence as shall be reasonably satisfactory to the Administrative Agent);

(h) Citizenship. Each of the Vessel Owning/Operating Subsidiaries which owns a Vessel registered under the laws and flag of the United States of America is eligible to document a United States flag vessel within the meaning of 46 App. U.S.C.ss.12102(a) and, if any such Vessel is operating in the coastwise trade, within the meaning of Section 2 of the United States Shipping Act, 1916, as amended (46 App. U.S.C.ss. 802), the Vessel Owning/Operating Subsidiary owning or operating same is qualified to own and operate vessels in the coastwise trade;

(i) Financial Statements. Except as otherwise disclosed in writing to the Lenders on or prior to the date hereof, all financial statements, information and other data furnished by the Borrower to the Lenders are complete and correct, and such financial statements have been prepared in accordance with GAAP and accurately and fairly present the financial condition of the parties covered thereby as of the respective dates thereof and the results of the operations thereof for the period or respective periods covered by such financial statements. Since such date or dates there has been no Material Adverse Change and neither the Borrower nor any of the Subsidiaries have any contingent obligations, liabilities for taxes or other outstanding financial obligations which on a consolidated basis are material in the aggregate, except as disclosed in such statements, information and data;

(j) Tax Returns and Payments. The Borrower and each of the Subsidiaries have filed all tax returns required to be filed thereby and have paid all taxes payable thereby which have become due, other than those not yet delinquent or the non-payment of which would not give rise to a Material Adverse Change and except for those taxes being contested in good faith and by appropriate proceedings or other acts and for which adequate reserves have been set aside on the books thereof;

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(k) Insurance. Each of the Borrower and the Subsidiaries have insured their respective properties, assets and businesses against such risks and in such amounts as are required by law and as are customary for comparable companies engaged in similar businesses;

(l) Solvency. On the date of the making of the initial Advance and both immediately before and immediately after giving effect to all the transactions contemplated by this Agreement and the other documents referred to herein to occur on the date of the making of the initial Advance and as of the date hereof, (i) the sum of the Borrower's property (on a consolidated basis), at a fair valuation, does and will exceed its liabilities (on a consolidated basis), including contingent liabilities, (ii) the present fair salable value of the Borrower's assets (on a consolidated basis) is not and shall not be less

than the amount that will be required to pay the Borrower's probable liability on its then existing debts (on a consolidated basis), including contingent liability, as they mature, (iii) the Borrower (on a consolidated basis) does not and will not have unreasonably small capital with which to continue its business, and (iv) the Borrower (on a consolidated basis) has not incurred, does not intend to incur and does not believe it will incur debts beyond its ability to pay such debts as they mature;

(m) Environmental Matters. Except as heretofore disclosed in writing to the Lenders (i) the Borrower and each of the Subsidiaries are now and will continue to be, to the extent required, in compliance with all applicable United States federal and state, local, foreign and international laws, regulations, conventions and agreements relating to pollution prevention or protection of human health or the environment (including, without limitation, ambient air, surface water, ground water, navigable waters, waters of the contiguous zone, ocean waters and international waters), including, without limitation, laws, regulations, conventions and agreements relating to (1) emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous materials, oil, hazardous substances, petroleum and petroleum products and by-products ("Materials of Environmental Concern"), or (2) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Materials of Environmental Concern ("Environmental Laws") (except, as to all of the above, where the failure to do so would not be reasonably likely to result in a Material Adverse Change); (ii) the Borrower and each of the Subsidiaries now have and will continue to have, to the extent required, all permits, licenses, approvals, rulings, variances, exemptions, clearances, consents or other authorizations required under applicable Environmental Laws ("Environmental Approvals") and are now and will continue to be, to the extent required, in compliance with all Environmental Approvals required to operate their respective businesses as then being conducted (except where the failure to comply with, obtain or renew such permits, licenses, rulings, variances, exemptions, clearances, consents or other authorizations would not be reasonably likely to result in a Material Adverse Change); and (iii) neither the Borrower nor any of the Subsidiaries have received any notice of any claim, action, cause of action, investigation or demand by any Person, entity, enterprise or government, or any political subdivision, intergovernmental body or agency, department or instrumentality thereof, alleging potential liability which would reasonably be likely to result in a Material Adverse Change, or a requirement to incur, any investigatory costs, cleanup costs, response and/or remedial costs (whether incurred by a governmental entity or otherwise), natural resources, property and/or personal injury damages, attorneys' fees and expenses, or fines or

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penalties, in each case arising out of, based on or resulting from (1) the presence, or release or threat of release into the environment, of any Materials of Environmental Concern at any location, whether or not owned by the Borrower or any of the Subsidiaries, or (2) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Approval ("Environmental Claim") (other than Environmental Claims that have been fully and finally adjudicated or otherwise determined and all fines, penalties and other costs, if any, payable by the Borrower or any of the Subsidiaries in respect thereof have been paid in full or which are fully covered by insurance (including permitted deductibles)), if such costs, damages, fees, expenses, fines and/or penalties on a consolidated basis are material in the aggregate;

(n) Liens. Other than as disclosed on Schedule D, there are no Liens in respect of Secured Debt on any property owned by the Borrower or any Subsidiary of the Borrower;

(o) ERISA. The execution and delivery of this Credit Facility Agreement and the consummation of the transactions hereunder will not involve any prohibited transaction within the meaning of ERISA or Section 4975 of the Code and no condition exists or event or transaction has occurred in connection with any Plan resulting from the failure to comply with ERISA which is reasonably likely to result in the Borrower or any Subsidiary or any ERISA Affiliate incurring any liability, fine or penalty which individually or in the aggregate would have a material adverse effect. Prior to the date hereof, the Borrower has delivered to the Administrative Agent a list of all the employee benefit plans to which the Borrower or any Subsidiary or any ERISA Affiliate is a "party in interest" (within the meaning of Section 3(14) of ERISA) or a

"disqualified person" (within the meaning of Section 4975(e)(2) of the Code); and

(p) Foreign Trade Control Regulations. None of the transactions contemplated herein will violate any of the provisions of the Foreign Assets Control Regulations of the United States of America (Title 31, Code of Federal Regulations, Chapter V, Part 500, as amended), any of the provisions of the Cuban Assets Control Regulations of the United States of America (Title 31, Code of Federal Regulations, Chapter V, Part 515, as amended), any of the provisions of the Libyan Sanctions Regulations of the United States of America (Title 31, Code of Federal Regulations, Chapter V, Part 550, as amended), any of the provisions of the Iranian Transactions Regulations of the United States of America (Title 31, Code of Federal Regulations, Chapter V, Part 560, as amended), any of the provisions of the Iraqi Sanctions Regulations (Title 31, Code of Federal Regulations, Chapter V, Part 575, as amended), any of the provisions of the Federal Republic of Yugoslavia (Serbia and Montenegro) Sanctions Regulations (Title 31, Code of Federal Regulations, Chapter V, Part 585 as amended) or any of the provisions of the Regulations of the United States of America Governing Transactions in Foreign Shipping of Merchandise (Title 31, Code of Federal Regulations, Chapter V, Part 505, as amended).

### SECTION 3. ADVANCES OF THE FACILITY/LETTERS OF CREDIT

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3.1. Advances. Each of the Lenders, relying upon each of the representations and warranties set out in Section 2, hereby agrees with the Borrower that, subject to the terms of this Agreement, it will on the Drawdown Dates make its portion of each Advance (pro rata in proportion to its

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Commitment) in Dollars or a Foreign Currency, as requested by the Borrower, available through the Administrative Agent to the Borrower in an aggregate amount not to exceed at any one time outstanding the then available Committed Amount, provided, however, that no further Advances shall be made one month prior to the Termination Date. The Initial Advance shall be in an amount (in an integral multiple of One Million Dollars (\$1,000,000)) equal to or exceeding Five Million Dollars (\$5,000,000) and each subsequent Dollar Advance shall be in an amount (in an integral multiple of One Million Dollars (\$1,000,000)) equal to or exceeding One Million Dollars (\$1,000,000). Each Foreign Currency Advance shall be in an amount (in an integral multiple of one hundred (100) units of account of the relevant currency) equal to or exceeding the then Dollar Equivalent of One Million Dollars (US\$1,000,000). Each Advance may only be denominated in a single currency. Each Advance shall be repaid in full, as more fully set forth hereinafter, not later than the Termination Date. Not more than fifteen (15) Advances may be made in each consecutive twelve (12) month period. Within the limits of this Section 3.1 and upon the conditions herein provided, the Borrower may from time to time borrow pursuant to this Section 3.1, repay Advances pursuant to Section 5 and reborrow pursuant to this Section 3.1. The obligation of each Lender to advance its respective portion of any Advance shall be several and not joint with the other Lenders. With respect to each Advance, no Lender shall be obliged to advance to the Borrower (a) with respect to each Advance, an amount in excess of such Lender's pro rata share of such Advance and, (b) in the aggregate Credit Facility Balance outstanding at any time, an amount in excess of its Commitment.

3.2. Use of Proceeds. The proceeds of the Advances shall be utilized for general corporate purposes of the Borrower.

3.3. Drawdown Notice. The Borrower shall not less than three (3) Banking Days before each Drawdown Date (other than a Drawdown Date occurring by reason of a drawing under any Letter of Credit) serve a notice (a "Drawdown Notice") on the Administrative Agent (which shall promptly furnish a copy to each Lender), substantially in the form set out in Exhibit 3, which notice shall (a) be in writing addressed to the Administrative Agent, (b) be effective on receipt by the Administrative Agent, provided it is received before 11 a.m. New York time (otherwise it shall be deemed to have been received on the next Banking Day), (c) specify the currency, amount and purpose of the Advance to be drawn, (d) specify the Banking Day on which the Advance is to be drawn and the initial Interest Period, (e) specify the disbursement instructions and (f) be irrevocable.

3.4. Drawdown Notice a Warranty. Each Drawdown Notice shall be deemed to constitute a warranty by the Borrower (a) that the representations and warranties stated in Section 2 (updated mutatis mutandis) are true and correct on the date of such Drawdown Notice and will be true and correct on the Drawdown Date as if made on such date, (b) that after giving effect to the borrowing made pursuant to such Drawdown Notice, the Credit Facility Balance shall not exceed the Committed Amount then available hereunder pursuant to Section 3.1 and (c) that no Event of Default nor any event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default has occurred and is continuing.

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3.5. Notation of Advance on Note. Each Advance, or pro rata portion thereof, made by a Lender to the Borrower may be evidenced by a notation of the same made by such Lender on the grid attached to such Lender's Note, which notation, absent manifest error, shall be prima facie evidence of the amount of the relevant Advance.

3.6. Foreign Currency Advances. The Dollar Equivalent (calculated at the applicable Exchange Rate from time to time prevailing) of the aggregate principal amount of Foreign Currency Advances at any time outstanding under the Credit Facility (together with the Dollar Equivalent of the aggregate Stated Amount of Letters of Credit then outstanding and denominated in currencies other than Dollars) shall not exceed fifty percent (50%) of the then available Committed Amount. To the extent provisions of this Agreement require the calculation of amounts advanced or available under the Credit Facility in Dollars, any such amounts (if denominated in a currency other than Dollars) which are subject to such calculation shall, for purposes of such calculations, be notionally converted to Dollars at the relevant Exchange Rate then prevailing. The calculation of such currency conversion shall be certified by the Administrative Agent or the Letter of Credit Issuer, as the case may be, which certification, absent any manifest error, shall be conclusive and binding on the Borrower and the Lenders. If exchange rate fluctuations (a) cause the Credit Facility Balance to exceed the Committed Amount at any time or (b) cause the Foreign Currency Advances (together with the Dollar Equivalent of the aggregate Stated Amount of Letters of Credit then outstanding and denominated in currencies other than Dollars) to exceed fifty percent (50%) of the then available Committed Amount at any time, then the Borrower shall, within seven (7) days of written demand of the Administrative Agent, repay Advances in an amount equal to the excess of the Credit Facility Balance over the Committed Amount or repay Foreign Currency Advances (together with the Dollar Equivalent of the aggregate Stated Amount of Letters of Credit then outstanding and denominated in currencies other than Dollars) in an amount sufficient to reduce Foreign Currency Advances to not more than fifty percent (50%) of the then available Committed Amount, as the case may be.

3.7. Letters of Credit. (a) Subject to and upon the terms and conditions herein set forth, the Borrower may request that a Letter of Credit Issuer at any time and from time to time prior to the Banking Day immediately preceding the Termination Date issue, for the account of the Borrower and in support of L/C Supportable Obligations, and subject to and upon the terms and conditions herein set forth, such Letter of Credit Issuer agrees to issue from time to time, irrevocable standby letters of credit denominated in Dollars (or in such other currency as the Borrower and the Letter of Credit Issuer may agree) and in such form as may be approved by the Letter of Credit Issuer (singly, a "Letter of Credit" and collectively, the "Letters of Credit"). Schedule F contains a description of all letters of credit issued for the account of the Borrower pursuant to the Existing Credit Agreement which will remain outstanding on the date hereof. Each such letter of credit, including any extension thereof (each an "Existing Letter of Credit"), shall constitute a "Letter of Credit", for all purposes of this Agreement and shall be deemed issued for the purposes of Sections 3.10 and 14.2 on the date hereof.

(b) Notwithstanding the foregoing, (i) no Letter of Credit shall be issued, the Stated Amount of which, (x) when added to the Letter of Credit Outstandings at such time, would exceed fifty percent (50%) of the

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Committed Amount at such time or (y) when added to the Letter of Credit Outstandings at such time plus the aggregate principal amount of all Advances made by Lenders then outstanding would exceed the Committed Amount at such time; and (ii) each Letter of Credit shall have an expiry date occurring not later than the earlier of (x) the date which occurs thirty (30) months after the date of issuance thereof and (y) the Banking Day immediately preceding the Termination Date; provided that the Borrower may request, and the Letter of Credit Issuer, the Administrative Agent and the Lenders may consent, in their respective absolute discretion, to extend the expiry dates of certain Letters of Credit beyond the Termination Date (singly, an "Extended Letter of Credit" and collectively, the "Extended Letters of Credit"). Should one or more Lenders not consent to the requested extension, the Borrower may request and the Letter of Credit Issuer, the Administrative Agent and the remaining Lenders may agree to provide such Extended Letter of Credit. For purposes of determining compliance with limitations set forth in this Agreement, the Dollar Equivalent of the Stated Amount of any Letter Credit denominated in a currency other than Dollars shall be converted at the Issuer's Exchange Rate in effect at the time of determination.

3.8. Request for Issuance of Letter of Credit. (a) Whenever the Borrower wishes that a Letter of Credit be issued, the Borrower shall give the applicable Letter of Credit Issuer written notice (a "Letter of Credit Request"), copied to the Administrative Agent, substantially in the form of Exhibit 4 prior to 11:00 a.m., New York time, at least three (3) Banking Days prior to the proposed date of issuance (which shall be a Banking Day), which Letter of Credit Request shall include any documents that the Letter of Credit Issuer may reasonably require in connection therewith. The Letter of Credit Request shall be irrevocable. The Letter of Credit Issuer shall promptly notify each Lender of each Letter of Credit Request.

(b) The Letter of Credit Issuer shall, on the date of each issuance of a Letter of Credit by it, give each Lender and the Borrower written notice of the issuance of such Letter of Credit.

3.9. Letter of Credit Payments Deemed Advances. (a) The Borrower hereby agrees that any payment or disbursement made by a Letter of Credit Issuer under any Letter of Credit shall be deemed an Advance in Dollars (amounts paid or disbursed in currencies other than Dollars or Foreign Currencies shall be converted to Dollars at the Exchange Rate as of the date of payment or disbursement) or the Foreign Currency in which such Letter of Credit was denominated under this Agreement and shall bear interest for each day from the date of such payment or disbursement at the Base Rate as in effect on each day until the date falling three (3) Banking Days after receipt by the Administrative Agent of an Interest Notice with respect to such Advance and shall thereafter bear interest at the Applicable Rate. The Letter of Credit Issuer shall give prompt notice to the Borrower and the Lenders of each payment or disbursement and the amount thereof in, as applicable, (x) Dollars, (y) the relevant Foreign Currency or (z), if such payment or disbursement was in a currency other than Dollars or a Foreign Currency, the Dollar Equivalent of such payment or disbursement (together with the sum thereof in the relevant foreign currency and the applicable Exchange Rate) under a Letter of Credit.

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(b) (i) The Letter of Credit Issuer shall not concern itself with the regularity or propriety of any demand made under any Letter of Credit beyond the face thereof, provided that such demand strictly complies with the terms of such Letter of Credit and (subject to the above proviso) it shall not be a defense to a claim of the Letter of Credit Issuer that the Letter of Credit Issuer could have resisted the payment in respect of which such claim is made.

(ii) The Borrower's obligation to repay any Advance deemed made under this Section 3.9 (including, in each case, interest thereon) shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against the Letter of Credit Issuer or any Lender, including, without limitation, any defense based upon the failure of any drawing under a Letter of Credit to conform to the terms of the Letter of Credit (other than the failure of the Letter of Credit Issuer to determine that any documents

required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit) or any non-application or misapplication by the beneficiary of the proceeds of such drawing; provided, however, that the Borrower shall not be obligated to reimburse the Letter of Credit Issuer for any wrongful payment made by the Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer.

3.10. Letter of Credit Participation. (a) Immediately upon the issuance by a Letter of Credit Issuer of such Letter of Credit, the Letter of Credit Issuer shall be deemed to have sold and transferred to each Lender, and each Lender (each a "Letter of Credit Participant") shall be deemed irrevocably and unconditionally to have purchased and received from the Letter of Credit Issuer, without recourse or warranty, an undivided interest and participation, to the extent of such Lender's Commitment, in such Letter of Credit, each substitute letter of credit, each drawing made thereunder and the obligation of the Borrower under this Agreement with respect thereto (although the Letter of Credit Fee shall be payable directly to the Administrative Agent for the account of the Letter of Credit Participants as provided in Section 14.2) and any security therefor or guaranty pertaining thereto; provided, however, that for purposes of an Extended Letter of Credit, a Lender that did not consent to an Extended Letter of Credit shall not be deemed to be a Letter of Credit Participant in such Extended Letter of Credit.

(b) In determining whether to pay under any Letter of Credit, the Letter of Credit Issuer shall not have any obligation relative to the respective Letter of Credit Participants other than to determine that any documents required to be delivered under such Letter of Credit have been delivered and that they comply on their face with the requirements of such Letter of Credit. Any action taken or omitted to be taken by the Letter of Credit Issuer under or in connection with any Letter of Credit, if taken or omitted in the absence of gross negligence or willful misconduct, shall not create for the Letter of Credit Issuer any resulting liability to the respective Letter of Credit Participants.

(c) In the event that any Letter of Credit Issuer makes any payment under any Letter of Credit issued thereby, upon receipt of notice thereof as provided in Section 3.9(a), each Letter of Credit Participant shall promptly and unconditionally pay to the Letter of Credit Issuer, the amount of

such Letter of Credit Participant's Percentage of such payment in Dollars (or if the Letter of Credit was (x), issued in a Foreign Currency, the currency of issuance or (y) issued in a currency other than Dollars or the Foreign Currencies, in Dollars, based upon the Dollar Equivalent of the deemed advance as calculated pursuant to Section 3.9(a)) and in same day funds; provided, however, that no Letter of Credit Participant shall be obligated to pay to the Letter of Credit Issuer its percentage of such payment for any wrongful payment made by the Letter of Credit Issuer under a Letter of Credit as a result of acts or omissions constituting willful misconduct or gross negligence on the part of the Letter of Credit Issuer. If the Letter of Credit Issuer so notifies any Letter of Credit Participant required to fund a Drawing under a Letter of Credit prior to 11:00 a.m., New York time, on any Banking Day, such Letter of Credit Participant shall make available to the Letter of Credit Issuer such Letter of Credit Participant's Percentage of the amount of such payment on such Banking Day in same day funds. If and to the extent such Letter of Credit Participant shall not have so made its percentage of the amount of such drawing available to the Letter of Credit Issuer, such Letter of Credit Participant agrees to pay to the Letter of Credit Issuer, forthwith on demand such amount, together with interest thereon, for each day from such date until the date such amount is paid to the Letter of Credit Issuer at the overnight Federal Funds Effective Rate. The failure of any Letter of Credit Participant to make available to the Letter of Credit Issuer its percentage of any drawing under any Letter of Credit shall not relieve any other Letter of Credit Participant of its obligation hereunder to make available to the Letter of Credit Issuer its percentage of any payment under any Letter of Credit on the date required, as specified above, but no Letter of Credit Participant shall be responsible for the failure of any other Letter of Credit Participant to make available to the Letter of Credit Issuer such other Letter of Credit Participant's Percentage of any such payment.

(d) The obligation of the respective Letter of Credit Participants to make payments to the applicable Letter of Credit Issuer with respect to Letters of Credit shall be irrevocable and not subject to counterclaim, set-off or other defense or any other qualification or exception whatsoever (provided that no Letter of Credit Participant shall be required to make payments resulting from the Letter of Credit Issuer's gross negligence or willful misconduct) and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, any of the following circumstances:

(i) any lack of validity or enforceability of this Agreement.

(ii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against a beneficiary named in a Letter of Credit, any transferee of any Letter of Credit (or any person for whom any such transferee may be acting), any Agent or Lender or other person, whether in connection with this Agreement, any Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transaction between the Borrower and the beneficiary named in any such Letter of Credit);

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(iii) any draft, certificate or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect; or

(iv) the occurrence of any Event of Default.

#### SECTION 4. CONDITIONS

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4.1. Conditions Precedent to Drawdown of the Initial Advance under the Credit Facility. The obligation of the Lenders to make the initial Advance available to the Borrower under this Agreement shall be expressly subject to the following conditions precedent:

(a) the Administrative Agent shall have received the following documents in form and substance satisfactory to the Administrative Agent and its legal advisers:

(i) copies, certified as true and complete by an officer of the Borrower of the resolutions of its board of directors evidencing approval of this transaction and authorizing an appropriate officer or officers or attorney-in-fact or attorneys-in-fact to execute this Agreement and the Notes and any other documents required in connection herewith on its behalf;

(ii) copies, certified as true and complete by an officer of the Borrower or other applicable party, of all documents evidencing any other necessary actions (including actions by such parties thereto other than the Borrower as may be required by the Lenders), approvals or consents with respect to this Agreement and the Notes and the transactions contemplated hereby and thereby;

(iii) copies, certified as true and complete by an officer of the Borrower of its certificate of incorporation and by-laws;

(iv) certificate of the Secretary or Assistant Secretary of the Borrower certifying as to (x) the incumbency of the signatories of the Borrower, (y) the present directors of the Borrower and (z) the authorized, issued and outstanding capital stock of each of the Vessel Owning/Operating Subsidiaries legally and beneficially owned by the Borrower; and

(v) good standing certificate of the Borrower;

(b) the Borrower shall have duly executed and delivered:

(i) this Agreement,

(ii) the Notes, and

(iii) the fee letter referred to in Section 14.4;

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(c) the Operating Accounts referred to in Section 8.1 shall have been duly established with the Administrative Agent;

(d) the Administrative Agent shall have received a certificate of the chief financial officer of the Borrower confirming the representations and warranties set forth in Section 2.1(l) and containing conclusions as to the solvency of the Borrower (on a consolidated basis);

(e) the Agents and the Lenders shall have received payment in full of all fees and expenses due to them on the date hereof including, without limitation, all fees and expenses due under Section 14;

(f) the Administrative Agent shall be satisfied that neither the Borrower nor any of the Subsidiaries is subject to any Environmental Claim which could give rise to a Material Adverse Change;

(g) the Administrative Agent shall have received true and complete copies of (i) the 10K report of the Borrower for the year ending December 31, 2000 filed with the United States Securities and Exchange Commission and (ii) all 10Q and 8K reports filed by the Borrower with the United States Securities and Exchange Commission since December 31, 2000;

(h) no Material Adverse Change having occurred since September 30, 2001;

(i) the Administrative Agent having received such evidence as it may require that the Borrower and each of the Subsidiaries have insured their respective properties and other assets with underwriters and agents acceptable to the Administrative Agent in the manner required under Section 2.1(k);

(j) the Administrative Agent shall have received opinions from Seward & Kissel LLP, counsel to the Lenders and the Agents, Alice Gran, Esq., in-house counsel to the Borrower and Weil, Gotshal & Manges, special counsel to the Borrower, in such form as the Administrative Agent may agree, as well as such other legal opinions as the Lenders shall have required as to all or any matters under the laws of the United States of America, the State of New York and the State of Delaware covering the representations and conditions which are the subjects of Sections 2 and 4 or in such other form as the Administrative Agent may agree; and

(k) the Administrative Agent shall have received evidence of the termination, cancellation and prepayment of all amounts outstanding under the Existing Credit Facility.

4.2. Further Conditions Precedent. The obligation of the Lenders to make any Advance (other than an Advance which occurs by reason of a drawing under any Letter of Credit) available to the Borrower shall be expressly and separately from the foregoing conditional upon, on the relevant Drawdown Date:

(a) the Administrative Agent having received a Drawdown Notice in accordance with the terms of Section 3.3;

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(b) the representations stated in Section 2 (updated mutatis mutandis) being true and correct as if made on that date;

(c) no Event of Default having occurred and being continuing and no event having occurred and being continuing which, with the giving of notice or lapse of time, or both, would constitute an Event of Default; and

(d) the Administrative Agent being satisfied that no Event of

Default will arise following the drawdown of the Advance in question by reason of the drawdown of the Advance and that no event or state of affairs exists which constitutes, in the reasonable opinion of the Administrative Agent, a material risk that it will be unlawful or impossible for the Borrower to make any payment or perform any material obligation as required under the terms of this Agreement and the Notes.

4.3. Break Funding Costs. In the event that, on any date specified for the making of an Advance in any Drawdown Notice, the Lenders shall not be obliged under this Agreement to make such Advance available under this Agreement, the Borrower shall indemnify and hold the Lenders or any of them, fully harmless against any losses which they may sustain as a result of borrowing or agreeing to borrow funds to meet the drawdown requirement in respect thereof and the certificate of such Lender, absent manifest error, shall be conclusive and binding on the Borrower as to the extent of any such losses.

4.4. Satisfaction after Drawdown. Without prejudice to any of the other terms and conditions of this Agreement, in the event the Lenders, in their sole discretion, make an Advance prior to the satisfaction of all or any of the conditions referred to elsewhere in Sections 4.1 and 4.2, the Borrower hereby covenants and undertakes to satisfy or procure the satisfaction of such condition or conditions within fourteen (14) days after the relevant Drawdown Date (or such longer period as the Lenders, in their sole discretion, may agree).

#### SECTION 5. REPAYMENT, PREPAYMENT AND REDUCTION

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5.1. Repayment. The Borrower shall repay all outstanding Advances (subject to reductions and prepayments as hereinafter set forth) on the Termination Date and shall also repay outstanding Advances, to the extent required to comply with (a) Section 3.6, (b) a reduction of the Credit Facility pursuant to Section 5.3 or (c) as may be otherwise provided in this Agreement. Each Advance (together with interest accrued thereon and any costs or other sums associated therewith payable by the Borrower hereunder) shall be repaid in the currency in which such Advance was drawn down or, in the case of such costs or sums, the currency in which such cost or sum was incurred or booked by the Agent and the Lenders.

5.2. Prepayment. The Borrower may prepay, upon three (3) days' written notice, any outstanding Advance or any portion thereof, without penalty, provided that such prepayment is made on the last day of the Interest Period covering such Advance. Each prepayment shall be (a) in a minimum amount of: (x) if made in Dollars, One Million Dollars (\$1,000,000) or (y) if made in a Foreign Currency, the then Dollar Equivalent (rounded upward to the nearest multiple of one hundred (100) units of account of the relevant currency) of One Million Dollars (\$1,000,000), (b) in an amount equal to an integral multiple of such

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minimum amount or (c) in the full amount of the Advance. On the date of prepayment all accrued interest to the date of such prepayment shall be paid in full with respect to Advances or portion thereof being prepaid, together with any and all actual costs or expenses incurred by any Agent or Lender in connection with any breaking of funding (as certified by the relevant Lenders, which certification, absent any manifest error, shall be conclusive and binding on the Borrower).

5.3. Permanent Reduction of the Committed Amount of the Credit Facility. (i) The Borrower shall have the right, at any time and from time to time, to request, without penalty, a permanent partial or whole reduction of the Committed Amount, provided that (a) the Administrative Agent receives three (3) Banking Days' prior written notice of such request and (b) if the then outstanding Credit Facility Balance exceeds the Committed Amount as so reduced, such requested reduction occurs on the last day of the applicable Interest Period(s) for Advances (or portions thereof) outstanding under this Agreement at least equal to the excess of the Credit Facility Balance over the reduced Committed Amount. Each such partial permanent reduction shall be equal to or shall exceed One Million Dollars (\$1,000,000) and shall be an integral multiple of One Million Dollars (\$1,000,000).

5.4. Reduction of Commitment. Simultaneously with each reduction of the

Committed Amount (whether pursuant to Section 5.3 or otherwise), each Lender's Commitment in respect of the Credit Facility shall be reduced pro rata in proportion to their respective interests in the Credit Facility.

SECTION 6. INTEREST AND RATE  
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6.1. Applicable Rate. Except as otherwise provided in Section 3.9, each Advance shall bear interest at a rate per annum (the "Applicable Rate") equal to the aggregate of (a) LIBOR for the applicable Interest Period, plus (b) the then applicable margin (the "Applicable Margin") determined in accordance with Section 6.2 plus (c) any applicable margin or eurocurrency liability reserve requirement imposed on any Lender as a result of the operation of Regulation D (Title 12, Code of Federal Regulations, Chapter II, Part 204), or any successor thereto, or similar reserve requirement imposed upon a Lender by the jurisdiction of incorporation of such Lender or the domicile of its Lending Office, as in effect from time to time constituting a sum payable by the Borrower under Section 12.2. Upon the occurrence of an Event of Default or an event or condition which, with the giving of notice or passage of time or both, would constitute an Event of Default, the Credit Facility Balance or any other amount payable hereunder or under the Notes shall bear interest thereafter at a rate (the "Default Rate") of two hundred basis points (200 bp) over the Applicable Rate then in effect.

6.2. The Applicable Margin. The Applicable Margin, as determined from time to time by the Administrative Agent as provided herein, shall vary based upon (a) the Borrower's credit rating as determined by S&P and Moody's, or (b) if the Borrower is no longer rated, the ratio of the Borrower's consolidated Funded Debt to the consolidated EBITDA for the Borrower, as follows:

<TABLE>  
<CAPTION>

Applicable Margin Funded Debt/EBITDA	Credit Rating
65 bp Less than or equal to 0.75	A-/A3
75 bp Greater than 0.75, but less than or equal to 1.50	BBB+/Baa1
85 bp Greater than 1.50, but less than or equal to 2.25	BBB/Baa2
100 bp Greater than 2.25, but less than or equal to 3.0	BBB-/Baa3
125 bp Greater than 3.0, but less than or equal to 4.0	BB+/Ba1
150 bp	Less than BB+/Ba1

Greater than 4.0

</TABLE>

For purposes of determining the Applicable Margin, in the case of a split rating in the respective credit ratings of the Borrower by Moody's and S&P the higher of the two ratings shall apply. In the event of a split rating of more than one level, the rating which is one level above the lower rating shall apply. The Applicable Margin shall be determined by the Administrative Agent quarterly (based upon the latest 10Q or 10K report and Compliance Certificate delivered by the Borrower to the Administrative Agent from time to time pursuant to this Agreement). The newly determined Applicable Margin shall be effective on the last day of the month following the month during which such report and certificate were delivered to the Administrative Agent.

6.3. LIBOR; Interest Periods. With respect to each Advance, the Borrower may select Interest Periods of one (1), two (2), three (3), six (6), nine (9) or twelve (12) months (or such longer period as the Lenders may, in their sole discretion, agree), provided however, that in no event may the Borrower select an Interest Period of one (1) month more than six (6) times in any calendar year. The Borrower shall give an Interest Notice to the Administrative Agent (which shall promptly forward same to the Lenders) at least three (3) Banking Days prior to the end of any then existing Interest Period, which Interest Notice shall set forth the Interest Period selected. If at the end of any then existing Interest Period, the Borrower fails to give an Interest Notice as provided herein, the following Interest Period shall have a duration of three (3) months. LIBOR and the Applicable Rate shall be determined by the Administrative Agent two (2) Banking Days prior to the first day of the relevant Interest Period and shall be promptly notified in writing to the Borrower. The Borrower's right to select an Interest Period shall be further subject to the restriction that no selection of an Interest Period shall be effective unless the Lenders are satisfied that the necessary funds will be available to the Lenders for such period and the Administrative Agent is satisfied that no Event of Default or event which with notice or the passage of time, or both, would constitute an Event of Default shall have occurred. No Interest Period may extend beyond the Termination Date.

6.4. Interest Payments. Interest on each Advance or portion thereof, shall be payable quarterly in arrears and on the last day of each Interest Period.

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6.5. Interest Due Only on Banking Day. If interest would, under Section 6.4, be payable on a day which is not a Banking Day, it shall then be payable on the next following Banking Day, unless such next following Banking Day falls in the following month in which case it shall be payable on the Banking Day immediately preceding the day on which such interest would otherwise be payable.

6.6. Calculation of Interest. All interest shall accrue from day to day and be calculated on the actual number of days elapsed and on the basis of a three hundred sixty (360) day year.

## SECTION 7. PAYMENTS

7.1. Place of Payments, No Set Off. All payments to be made hereunder by the Borrower shall be made on the due dates of such payments to the Administrative Agent at its office located at 200 Park Avenue, New York, New York or to such other branch of the Administrative Agent as the Administrative Agent may direct, without set-off or counterclaim and free from, clear of and without deduction for, any Taxes, provided, however, that if the Borrower shall at any time be compelled by law to withhold or deduct any Taxes from any amounts payable to the Agents and the Lenders hereunder, then, subject to Section 7.2, the Borrower shall pay such additional amounts in Dollars as may be necessary in order that the net amounts received after withholding or deduction shall equal the amounts which would have been received if such withholding or deduction were not required and, in the event any withholding or deduction is made, whether for Taxes or otherwise, the Borrower shall promptly send to the Administrative Agent such documentary evidence with respect to such withholding or deduction as may be required from time to time by the Agents and the Lenders or any thereof.

7.2. Proof of no Withholding. Each Lender and any transferee, assignee or participation holder (a "Transferee") that is not incorporated under the laws of the United States of America or a State thereof agrees that, on the initial Drawdown Date and prior to the first date on which any payment is due to such Lender or Transferee hereunder, the Lender or Transferee shall deliver to the Borrower a duly completed United States Internal Revenue Service Form W-8 BEN or Form W-8 ECI (or applicable successor form) indicating that such Lender is exempt from United States withholding tax. Each Lender or Transferee that is incorporated under the laws of the United States or a State thereof shall, on the initial Drawdown Date and prior to the first date on which any payment is due to such Lender or Transferee hereunder, deliver to the Borrower a United States Internal Revenue Service Form W-9 (or applicable successor form). A Lender or Transferee subject to the provisions of this Section 7.2 further undertakes to deliver to the Borrower another copy of any of the foregoing forms on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered thereby to the Borrower, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender or Transferee from duly completing and delivering any such form with respect to it, and such Lender or Transferee has advised the Borrower that it is no longer exempt from United States withholding tax or exempt from United States backup withholding tax, as the case may be. The Borrower shall not be required to pay any additional amounts described in Section 7.1 hereof to the extent that

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the underlying Taxes arise as a result of (i) a Lender's or a Transferee's failure to provide any applicable IRS form referred to in this Section 7.2 within sixty (60) days after the Borrower has made a written request for such form, or (ii) the IRS determining upon audit of the Borrower that such IRS form submitted by the Lender or a Transferee is incorrect or invalid.

7.3. Federal Income Tax Credits. In connection with the foregoing, each Lender may consult with its legal advisers, all fees and expenses of which shall be for the account of the Borrower. If a Lender obtains the benefit of a credit against its liability for federal income taxes imposed by the United States of America for all or part of the Taxes as to which the Borrower has paid additional amounts as aforesaid then such Lender shall reimburse the Borrower for the amount of the credit so obtained.

## SECTION 8. ACCOUNTS

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8.1. The Operating Accounts. Except as otherwise agreed by the Administrative Agent, the Borrower and the Vessel Owning/Operating Subsidiaries shall maintain with the Administrative Agent at the office of the Administrative Agent located at 200 Park Avenue, New York, New York or at other branches of the Administrative Agent the principal operating accounts of the Borrower and the Vessel Owning/Operating Subsidiaries if the Administrative Agent has full commercial banking capability as of the date of this Agreement in the geographic areas in which the Borrower or any of the Vessel Owning/Operating Subsidiaries operate. The Lenders expressly acknowledge that such operating accounts are not pledged or otherwise hypothecated to the Lenders in connection with the Credit Facility. The Lenders further acknowledge that any moneys deposited in such accounts may be utilized for any business purpose whatsoever consistent with the terms of this Agreement. Amounts accumulated in each Operating Account shall bear interest for the account of the party maintaining such account in accordance with the Administrative Agent's normal practice.

## SECTION 9. EVENTS OF DEFAULT

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9.1. In the event that any of the following events shall occur and be continuing:

(a) Principal and Interest Payments. Any payment of principal due on the Termination Date or otherwise due hereunder or under the Notes or under any of them or any Interest on any of the Advances, is not paid on the due date; or

(b) Other Payments. Any amount (other than principal and interest) becoming payable under this Agreement or under the Notes or under any of them, is not paid on the due date or date of demand (as the case may be), and such default continues unremedied for a period of three (3) Banking Days; or

(c) Representations, etc. Any representation, warranty or other statement made by the Borrower in this Agreement or in any other instrument, document or other agreement delivered in connection herewith or therewith proves to have been untrue or misleading in any material respect as at the date as of which made or affirmed; or

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(d) Impossibility, Illegality. It becomes impossible or unlawful for the Borrower to fulfill any of the covenants and obligations contained herein or in the Notes or for any of the Lenders to exercise any of the rights vested in them hereunder or under the Notes and such impossibility or illegality in the reasonable opinion of the Majority Lenders will give rise to a Material Adverse Change; or

(e) Citizenship. The Borrower or any of the Subsidiaries owning Vessels registered under the laws and flag of the United States of America breaches Section 10.1(a) (vi) and, provided such default does not render any such Vessel liable to forfeiture, such default is not cured within thirty (30) days of its occurrence; or

(f) Covenants. (I) The Borrower defaults in the performance of Sections 10.1 (a) (iii), (v) or (xxi) or Sections 10.1(b) (i), (iii), (iv), (v), (vi), (xi) or (xii) or (II) the Borrower defaults in the performance of Sections 10.1(a) (xv), (xvi), (xvii) or (xviii) and such default is not cured within twenty (20) days; or

(g) Other Covenants. The Borrower defaults in the performance of any other term, covenant or agreement contained in this Agreement, in the Notes or in any other instrument, document or other agreement delivered in connection herewith or therewith, or there occurs any other event which constitutes a default under this Agreement or under the Notes, in each case other than an Event of Default referred to elsewhere in this Section 9.1 and such default continues unremedied for a period of thirty (30) days following notice thereof by the Administrative Agent; or

(h) Indebtedness. The Borrower or any of the Subsidiaries shall (a) default in the payment when due (subject to any applicable grace period), whether by acceleration or otherwise, of any Funded Debt in excess of Ten Million Dollars (\$10,000,000), (b) default in the observance or performance of any agreement or condition relating to any such Funded Debt or any other event shall occur or condition exist, the effect of which default or other event or condition would entitle the holder or holders of such Funded Debt to declare any such Funded Debt to become due prior to its stated maturity or (c) default in the observance or performance of any agreement or condition relating to Indebtedness (other than Funded Debt) exceeding, in the aggregate, Ten Million Dollars (\$10,000,000) and in connection with such default or in connection with any non-payment default in respect of such Indebtedness referred to in this sub-clause (c), any party becomes entitled to (x) enforce the security for any such Indebtedness and such party shall take steps to enforce the same, or (y) any party becomes entitled to accelerate and accelerates such Indebtedness, unless such default, acceleration or enforcement is being contested in good faith and by appropriate proceedings or other acts and the Borrower and/or such Subsidiary or Subsidiaries, as the case may be, shall set aside on its books adequate reserves with respect thereto; or

(i) Bankruptcy. The Borrower or any of the Subsidiaries commences any proceedings relating to any portion of its property under any reorganization, arrangement or readjustment of debt, dissolution, winding up, adjustment, composition, bankruptcy or liquidation law or statute of any jurisdiction (other than with respect to a corporate re-organization unrelated

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to a company's insolvency), whether now or hereafter in effect ("Proceeding"), or there is commenced against any thereof any Proceeding which Proceeding remains undismissed or unstayed for a period of thirty (30) days; or any receiver, trustee, liquidator or sequestrator of, or for, any thereof or any substantial portion of the property of any thereof is appointed and is not discharged within a period of thirty (30) days; or any thereof by any act indicates consent to or approval of or acquiescence in any Proceeding or to the appointment of any receiver, trustee, liquidator or sequestrator of, or for, itself or any substantial portion of its property; or

(j) Judgments. Any judgment or order is made the effect whereof would be to render ineffective or invalid this Agreement, the Notes or any thereof; or

(k) Inability to Pay Debts. The Borrower or any of the Subsidiaries is unable to pay or admits its inability to pay its debts as they fall due or if a moratorium shall be declared in respect of any Funded Debt of the Borrower or any of the Subsidiaries; or

(l) Change of Control of the Borrower. The Borrower shall have suffered a Change of Control;

then the Lenders' obligation to make the Credit Facility available shall cease and the Administrative Agent, on behalf of the Lenders, may (with the consent of the Majority Lenders) and shall (upon the Majority Lenders' instruction) by notice to the Borrower, (i) declare the entire balance of the then outstanding Advances, accrued interest and any other sums payable by the Borrower hereunder and under the Notes due and payable whereupon the same shall forthwith be due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived (provided that upon the happening of an event specified in subsections (i) or (k) of this Section 9.1, the Notes shall be immediately due and payable without declaration or other notice to the Borrower), (ii) terminate any Letter of Credit which may be terminated in accordance with its terms and (iii) direct the Borrower to pay (and the Borrower hereby agrees upon receipt of such notice, or upon the occurrence of an Event of Default specified in subsection (i) or (k) of this Section 9.1, it will pay) to the Administrative Agent at the office set forth in Section 7.1 such additional amounts, to be held as security in respect of Letters of Credit then outstanding (if any), equal to the aggregate of the then Letter of Credit Outstandings, such amounts to be repaid to the Borrower to the extent not utilized to cover Letter of Credit drawings. In such event, the Administrative Agent and the Lenders may proceed to protect and enforce their rights by action at law, suit in equity or in admiralty or other appropriate proceeding, whether for specific performance of any covenant contained in this Agreement or in the Notes or in aid of the exercise of any power granted herein or therein, or the Administrative Agent and the Lenders may proceed to enforce the payment of the Notes when due or to enforce any other legal or equitable right of the Lenders, or proceed to take any action authorized or permitted by applicable laws for the collection of all sums due, or so declared due, on the Notes, including, without limitation, the right to appropriate and hold or apply (directly, by way of set-off or otherwise) to the payment of the obligations of the Borrower hereunder and/or under the Notes (whether or not then due) all moneys and other amounts of the Borrower, then or thereafter in possession of the Lenders, the balance of any deposit account (demand or time, matured or unmatured) of the Borrower then or

thereafter with the Lenders and every other claim of the Borrower then or thereafter against the Lenders.

9.2. Indemnification. The Borrower agrees to, and shall, indemnify and hold each of the Agents and the Lenders harmless against any loss or reasonable costs or expenses (including legal fees and expenses) which any of the Agents and the Lenders sustains or incurs as a consequence of any default in payment of the principal amount of any Advance or interest accrued thereon or any other amount payable hereunder or under the Notes including, but not limited to, all actual losses incurred in liquidating or re-employing fixed deposits made by third parties or funds acquired to effect or maintain the Credit Facility or any part thereof and any costs incurred by any of the Agents and the Lenders in connection with the unwinding of any interest rate swap or other hedging arrangements. The Borrower also agrees to reimburse and indemnify the Letter of Credit Issuer for and against any and all losses, costs or expenses of whatever

nature which may be incurred by the Letter of Credit Issuer in performing its respective duties in any way relating to or arising out of its issuance of Letters of Credit; provided that the Borrower shall not be liable for the portion of such losses, costs or expenses resulting from the Letter of Credit Issuer's gross negligence or willful misconduct. To the extent the Letter of Credit Issuer is not so indemnified by the Borrower, the Letter of Credit Participants will reimburse and indemnify the Letter of Credit Issuer in proportion to its Letter of Credit Participant Percentage. An Agent or Lender's certification of such loss, costs and expenses absent any manifest error, shall be conclusive and binding on the Borrower.

9.3. Application of Moneys. All moneys received by any of the Lenders under or pursuant to this Agreement or the Notes after the happening of any Event of Default shall be applied by the Administrative Agent in the following manner:

(i) first, in or towards the payment or reimbursement of any expenses or liabilities incurred by the Agents and the Lenders in connection with the ascertainment, protection or enforcement of the Agents and the Lenders' rights and remedies hereunder and under the Notes,

(ii) secondly, in or towards payment of any interest owing in respect of the Advances,

(iii) thirdly, in or towards repayment of the Advances,

(iv) fourthly, as security in respect of Letters of Credit then outstanding, in the aggregate amount of the then Letter of Credit Outstandings,

(v) fifthly, in or towards payment of all other sums which may be owing to the Agents and the Lenders under this Agreement or under the Notes, and

(vi) sixthly, the surplus (if any), as well as any moneys held as security for Letters of Credit to the extent not utilized to cover Letters of Credit, shall be paid to the Borrower or to whomsoever else may be entitled thereto.

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SECTION 10. COVENANTS  
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10.1. The Borrower hereby covenants and undertakes with the Agents and the Lenders that, from the date hereof and so long as (x) any commitments to advance credit hereunder remain in effect or (y) any principal, interest or other moneys are owing in respect of the Credit Facility or otherwise owing under this Agreement or under the Notes:

(a) The Borrower will:

(i) Performance of Agreements. Duly perform and observe the terms of this Agreement and the Notes;

(ii) Compliance with Covenants. Comply with each of its covenants set forth in this Agreement;

(iii) Notice of Default. Promptly inform the Administrative Agent of the occurrence of (a) any Event of Default or of any event which with the giving of notice or lapse of time, or both, would constitute an Event of Default, (b) any litigation or governmental proceeding pending or overtly threatened against it or against any of the Subsidiaries which could reasonably be expected to give rise to a Material Adverse Change and (c) any other event or condition of which it becomes aware which is reasonably likely to give rise to a Material Adverse Change;

(iv) Obtain Consents. Without prejudice to Section 2.1 and this Section 10.1, obtain every consent and do all other acts and

things which may from time to time be necessary or advisable for the continued due performance of all its obligations under this Agreement and under the Notes;

(v) Financial Statements and Other Information. Deliver to the Administrative Agent (in sufficient number of copies to provide one to each Lender):

(a) as soon as available but not later than ninety (90) days after the end of each fiscal year of the Borrower, a complete copy of the 10K report (or equivalent) of the Borrower filed with the United States Securities and Exchange Commission (including audited annual consolidated financial statements of the Borrower, in each case setting forth comparative consolidated figures for the preceding fiscal year, together with a report thereon by an Acceptable Accounting Firm whose opinion shall not be qualified as to the scope of audit and as to the status of the Borrower and its subsidiaries as a going concern), which shall be prepared by the Borrower and certified by the chief financial officer of the Borrower, together with a Compliance Certificate from such chief financial officer;

(b) as soon as available but not later than sixty (60) days after the end of each quarter of each fiscal year of the Borrower, a copy of the 10Q report (or equivalent) of the Borrower filed with the United States Securities and Exchange Commission which shall be

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prepared by the Borrower and certified by the chief financial officer of the Borrower, together, in each instance, with a Compliance Certificate from such chief financial officer;

(c) within ten (10) days of filing, notice of the filing of all 8K reports (or equivalent) filed by the Borrower with the United States Securities and Exchange Commission (or any similar governmental authority) and deliver to the Administrative Agent, promptly on its request therefor, copies of such filings;

(d) promptly upon the mailing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so mailed;

(e) within ten (10) days of filing, notice of the filing of all registration statements (other than the exhibits thereto and any registration statements on Form S-8 or its equivalent) which the Borrower shall have filed with the United States Securities and Exchange Commission (or similar governmental authority) and deliver to the Administrative Agent, promptly on its request therefor, copies of such filings;

(f) such other statement or statements, lists of property and accounts, budgets, forecasts, reports and financial information (including a listing of all outstanding indebtedness of the Borrower and the Subsidiaries for borrowed monies) with respect to the business, operations and management of the Borrower and the Subsidiaries and the employment of the assets owned or operated directly or indirectly by the Borrower or any of the Subsidiaries as the Administrative Agent may from time to time reasonably request in writing and any material reports received by any thereof from their independent certified accountants; and

(g) include in each Compliance Certificate a List of Liens, current as of the date of such Certificate;

(vi) Qualification to Own U.S. Flag Vessels. Throughout the Credit Period, if the Borrower or a Subsidiary owns a United States

flag vessel (a) the Borrower shall remain eligible, and shall cause such Subsidiary to continue to be eligible, to document such United States flag vessel within the meaning of 46 App. U.S.C. ss.12102(a) and (b) if such United States flag vessel is operated in the coastwise trade, remain qualified, and cause such Subsidiary to continue to be qualified, to own and operate vessels in the coastwise trade, within the meaning of Section 2 of the Shipping Act, 1916, as amended;

(vii) Corporate Existence. Do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, as well as the corporate existence of its Subsidiaries, and all licenses, franchises, permits and assets necessary to the conduct of its business and the business of its Subsidiaries;

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(viii) Books, Records, etc. Keep, and cause each of the Subsidiaries to keep, proper books of record and account into which full and correct entries shall be made, in accordance with GAAP throughout the Credit Period;

(ix) Inspection. Allow any representative or representatives designated by the Administrative Agent, subject to applicable laws and regulations, to visit and inspect any of its or any of the Subsidiaries' properties, and, on request, to examine its or any of the Subsidiaries' books of account, records, reports and other papers (and to make copies thereof and to take extracts therefrom) and to discuss the affairs, finances and accounts of any thereof with its officers and executive employees all at such reasonable times and as often as the Administrative Agent reasonably requests;

(x) Taxes. Pay and discharge, and cause each of the Subsidiaries to pay and discharge, all taxes, assessments and governmental charges or levies imposed upon it or upon its income or property prior to the date upon which penalties attach thereof; provided, however, that neither it nor any such Subsidiary shall be required to pay and discharge any such tax, assessment, charge or levy which are being contested in good faith and by appropriate proceedings or other acts and so long as it or such Subsidiary shall set aside on its books adequate reserves with respect thereto;

(xi) Compliance with Statutes, etc. Do, or cause to be done, all things necessary to comply with all material laws, and the rules and regulations thereunder, applicable to itself or to any of the Subsidiaries including, without limitation, those laws, rules and regulations relating to employee benefit plans and environmental matters;

(xii) Environmental Matters. Promptly upon the occurrence of any of the following conditions, provide to the Administrative Agent a certificate of a chief executive officer thereof, specifying in detail the nature of such condition and its proposed response or the response of its Environmental Affiliate: (a) its receipt or the receipt by any Subsidiary or any of their Environmental Affiliates of any communication whatsoever that alleges that such person is not in compliance with any applicable environmental law or environmental approval, if such noncompliance could reasonably be expected to give rise to a Material Adverse Change, (b) knowledge by it, any Subsidiary or any of their Environmental Affiliates that there exists any Environmental Claim pending or threatened against any such person, which could reasonably be expected to give rise to a Material Adverse Change, or (c) any release, emission, discharge or disposal of any material that could form the basis of any Environmental Claim against it, any Subsidiary or any of their Environmental Affiliates if such Environmental Claim could reasonably be expected to give rise to a Material Adverse Change. Upon the written request by the Administrative Agent, it will submit to the Administrative Agent at reasonable intervals, a report providing an update of the status of any issue or claim identified in any notice or certificate required pursuant to this subsection;

(xiii) Evidence of Insurance. Shall, and shall procure that each of the Subsidiaries shall, maintain the insurances on its properties as provided under Section 2.1(g) (iii) and 2.1(k), with underwriters, brokers and protection and indemnity clubs acceptable to the Administrative Agent, and the Borrower shall provide the Administrative Agent with such documentation as the Administrative Agent should reasonably require evidencing the same;

(xiv) Maintenance of Assets. Maintain and keep, and cause the Subsidiaries to maintain and keep, all properties used or useful in the conduct of their business in good condition, repair and working order and supplied with all necessary equipment and will make, or cause to be made, all necessary repairs, renewals and replacements thereof so that the business carried on in connection therewith and every portion thereof may be properly and advantageously conducted at all times;

(xv) Funded Debt/Total Capitalization. Procure that, on a consolidated basis, the Funded Debt of the Borrower shall not exceed fifty percent (50%) of its Total Capitalization;

(xvi) Secured Debt/Total Capitalization. Procure that, on a consolidated basis, the Secured Debt of the Borrower shall not exceed twenty percent (20%) of its Total Capitalization;

(xvii) Interest Coverage Ratio. Maintain, on a consolidated basis, an Interest Coverage Ratio of not less than 3.0 to 1.0, determined as at the end of each fiscal quarter

(xviii) Consolidated Net Worth. At all times maintain a Consolidated Net Worth no less than (a) during the calendar year 2002, an amount equal to Six Hundred Million Dollars (\$600,000,000) and (b) during each calendar year thereafter, an amount equal to the sum of Six Hundred Million Dollars (\$600,000,000) and fifty percent (50%) of the Borrower's cumulative consolidated annual net income (to the extent positive) , for each calendar year commencing with 2002, as reported from time to time, in the Borrower's published financial reports;

(xix) ERISA Matters. Forthwith upon learning of the occurrence of any material liability of the Borrower, any of the Subsidiaries or any ERISA Affiliate pursuant to ERISA in connection with the termination of any Plan or withdrawal or partial withdrawal from any multiemployer plan (as defined in ERISA) or of a failure to certify the minimum funding standard of Section 412 of the Code or Part 3 of Title I of ERISA by any Plan for which the Borrower, any of the Subsidiaries or any ERISA Affiliate is plan administrator (as defined in ERISA), furnish or cause to be furnished to the Administrative Agent written notice thereof;

(xx) Notice of Change in Credit Rating. Promptly upon the occurrence of any of the following conditions, and in any event within ten (10) days after the Borrower obtains knowledge thereof, inform the Administrative Agent of any change in (a) the credit rating assigned by

S&P or Moody's to any debt of the Borrower or (b) the stated implied senior debt rating assigned by S&P or Moody's with respect to the Borrower; and

(xxi) End of Fiscal Year. Cause, for financial reporting purposes, (a) each of its fiscal years to end on December 31 of each year and (b) each of its fiscal quarters to end on March 31, June 30, September 30 and December 31.

(b) The Borrower will not, without the prior written consent of the Lenders:

(i) Liens. Create, assume or permit to exist, or permit any of

its Subsidiaries to create, assume or permit to exist, any Lien, upon any of the properties or other assets of any thereof, except:

(a) liens for taxes not yet payable for which adequate reserves have been maintained;

(b) pledges or deposits to secure obligations under workmen's compensation laws or similar legislation, deposits to secure public or statutory obligations, warehousemen's or other like liens, or deposits to obtain the release of such liens and deposits to secure surety, appeal or customs bonds on which it or any Subsidiary is the principal, as to all of the foregoing, only to the extent arising and continuing in the ordinary course of business;

(c) liens, charges and other encumbrances over such property or other assets (other than Vessels) of the Borrower or any of the Vessel Owning/Operating Subsidiaries, unless otherwise prohibited by Section 10.1(b)(xii);

(d) with respect to Vessels, liens for crew's wages remaining unpaid in accordance with reasonable commercial practices or for collision or salvage, liens in favor of suppliers of necessities or other similar liens arising in the ordinary course of the vessel-owning company's business so long as the suppliers thereof have not evidenced an intention to enforce any such lien or liens for loss, damage or expense, which are fully covered by insurance or, in respect of which, a bond or other security has been posted by the company owning such Vessel with the appropriate court or other tribunal to prevent the arrest or secure the release of any vessel from arrest on account of such claim or lien; and

(e) liens securing Secured Debt existing on the Closing Date as set forth on Schedule D and Liens on Vessels owned by the Borrower or its Subsidiaries or the earnings of, insurances covering or requisition compensation in respect of such Vessels, provided that the net book value of such Vessels does not exceed twenty percent (20%) of the net book value of all Vessels owned by the Borrower and its Subsidiaries, unless (i) in connection with the acquisition of additional Vessels whether through a corporate acquisition or otherwise, the Vessels being so acquired (or their earnings, insurances or

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requisition compensation) are pledged as security for existing financing arrangements and are acquired subject to those arrangements, and (ii) after giving effect to such acquisition the aggregate of the net book value of the Vessels pledged prior to such acquisition together with the net book value of the Vessels so acquired exceeds twenty percent (20%) of the net book value of all Vessels owned by the Borrower and its Subsidiaries after giving effect to the acquisition, then the net book value of such additional vessels so pledged shall be excluded in determining compliance with this covenant until the earlier of (x) the date such additional vessels and any assignment, pledge or encumbrance on their earnings, insurance or requisition compensation are released and (y) six (6) months following the date of acquisition;

(ii) Sale of Assets. Cease, or threaten to cease, its operations or viewed on a consolidated basis with its Subsidiaries, sell or otherwise dispose of, or threaten to sell or otherwise dispose of, all or substantially all of the assets thereof, or all or substantially all of such assets are seized or otherwise appropriated except for requisition for hire;

(iii) Dividends. Declare or make any distributions to its shareholders, by dividend or otherwise, or otherwise dispose of any assets to its shareholders in cash or in any other manner unless the Borrower and the Subsidiaries are in full compliance with the covenants

contained in this Agreement and no Event of Default has occurred and is continuing or will occur after giving effect to any declaration or distributions to shareholders;

(iv) Limitations on Ability to Make Distributions. Create or otherwise cause to permit to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to (a) pay dividends or make any other distributions on its capital stock or limited liability company interests, as the case may be, to the Borrower or any Subsidiary or pay any Indebtedness owed to the Borrower, (b) make any loans or advances to the Borrower, or (c) transfer any of its property or assets to the Borrower other than any such encumbrance or restriction agreed to by (i) any Vessel Owning/Operating Subsidiary incurring Secured Debt permitted hereunder to the extent such Secured Debt is incurred in connection with the acquisition or refinancing of its Vessels or (ii) any Subsidiary party to any Joint Venture in respect of a restriction referred to in sub-clause (c) above or (iii) any Subsidiary party to any Joint Venture to the extent such Joint Venture incurs Indebtedness, but only to the extent the parties to such Joint Venture are required to agree to any such restrictions;

(v) Changes in Business. Change or permit any of the Subsidiaries to change, the nature of its business or commence any other business not reasonably related to the maritime services, environmental services, energy services or related businesses;

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(vi) Consolidation, Merger. Consolidate with, or merge into, or agree to merge or become consolidated with, or merge into any corporation (it being understood that the Borrower can merge into, or agree to merge or become consolidated with any corporation so long as the Borrower is the surviving entity, any Subsidiary can merge into, or agree to merge or consolidate with any other Subsidiary and any Subsidiary can merge into, or agree to merge or become consolidated with the Borrower);

(vii) Use of Proceeds. Use the proceeds of the Credit Facility in violation of Regulation G, T, U or X of the Board of Governors of the Federal Reserve System, as in effect from time to time;

(viii) Redemption/Repurchase of Securities. Redeem or repurchase any of its outstanding convertible subordinated bonds or any class of its capital stock now or hereafter outstanding, unless after giving effect to any such redemption or repurchase it is in compliance with its covenants hereunder and no Event of Default shall have occurred and be continuing and notification of any such redemption or repurchase shall be included in the next quarterly Compliance Certificate delivered to the Agent;

(ix) No Money Laundering. In connection with this Agreement, contravene any law, official requirement or other regulatory measure or procedure implemented to combat "money laundering" (as defined in Article 1 of the Directive (91/308/EEC) of the Council of European Communities);

(x) Limitation on Investments in Joint Ventures. Make, and will not permit any Subsidiary to make, any Investment in any Joint Venture except, in the absence of an Event of Default, the Borrower and any Subsidiary may make any Investment in any Joint Venture on any date, if, immediately after giving effect to such Investment, the aggregate book value of all Investments made by the Borrower and its Subsidiaries would not exceed thirty percent (30%) of the Borrower's Total Capitalization based on the most recent financial statements of the Borrower required to be provided pursuant to Section 10.1(a) (v) ; provided however that at the time of such Investment and immediately after giving effect thereto the Borrower shall be in compliance with Sections 10.1(a) (xv), (xvi), (xvii) and (xviii); and provided further, that there shall be excluded from the computation of "Investments" hereunder any investment in securities of any type which are, at the

time of the determination being made hereunder, fully listed and registered on (a) an exchange registered with the Securities and Exchange Commission as a national securities exchange or (b) an equivalent recognized national securities exchanges in any of the member countries of the European Union, Mexico, Japan, Norway or Singapore or such other national securities exchange approved by the Majority Banks;

(xi) Limitation on Indebtedness. Incur, and shall procure that the Subsidiaries will not incur, any Indebtedness, except:

(a) Indebtedness under this Credit Facility Agreement;

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(b) Existing Indebtedness as set forth in Schedule E attached hereto, and the renewals of such Indebtedness as long as there is no resulting increase in Indebtedness;

(c) Indebtedness under interest rate, foreign exchange or derivatives transactions entered into in the ordinary course of business;

(d) Indebtedness under performance guarantees and standby letters of credit entered into in the ordinary course of business; and

(e) Indebtedness of the Borrower and the Subsidiaries that may be incurred so long as immediately after giving effect to the incurrence of such Indebtedness the Borrower shall be in compliance with Sections 10.1(a) (xv), (xvi), (xvii) and (xviii); provided that the aggregate of Subsidiary Funded Debt of each of the Subsidiaries, when added together, shall not exceed thirty percent (30%) of the Total Capitalization of the Borrower on a consolidated basis; provided, further, that when aggregating any Subsidiary Funded Debt where more than one Subsidiary is liable in respect thereof, the aggregate of such Subsidiary Funded Debt shall not exceed the lesser of (A) two times the amount of the outstanding Underlying Subsidiary Funded Debt and (B) the aggregate of the Underlying Subsidiary Funded Debt and the book value of each of the Other Subsidiaries (excluding in the case of each of the other Subsidiaries which is not a Wholly-Owned Subsidiary, that portion of the book value of such Other Subsidiary which represents the minority interest holders' share of such book value); and provided further that when aggregating any Subsidiary Funded Debt (i) Subsidiary Funded Debt outstanding on the date hereof, and any refinancing thereof with the same Subsidiaries, shall be counted only once, (ii) any Subsidiary Funded Debt of New Subsidiaries and an Acquisition Subsidiary, if any, incurred or assumed in connection with an acquisition of New Subsidiaries shall be counted only once (including any refinancing thereof with the same Subsidiaries), (iii) any Subsidiary Funded Debt incurred or assumed by one or more Subsidiaries as a result of the acquisition (including new construction) of additional vessels or other assets by such Subsidiaries where such Subsidiaries' Funded Debt is cross-collateralized shall be counted only once in respect of such Subsidiaries and (iv) any Subsidiary Funded Debt as to which a Subsidiary is not actually liable shall not be included; and

(xii) Negative Pledge. Sell, encumber or otherwise transfer, or permit any Subsidiary to sell, encumber or otherwise transfer, any of its Vessels or any of the right, title or interest of any thereof therein, assign, pledge or otherwise encumber any earnings of, insurances covering or requisition compensation in respect of, any of its Vessels or sell, assign, pledge or otherwise transfer or encumber

any of the shares of stock of any of the Subsidiaries directly or indirectly legally or beneficially owned by the Borrower, unless after giving effect to any such sale, assignment, pledge, transfer or other encumbrance, the Borrower is in compliance with Section 10.1(a) (xvi) and its other covenants and no Event of Default shall have occurred and be continuing.

SECTION 11. ASSIGNMENT AND PARTICIPATIONS  
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This Agreement shall be binding upon, and inure to the benefit of, the Borrower, each of the Agents and the Lenders and their respective successors and assigns, except that the Borrower may not assign any of its rights or obligations hereunder without the prior written consent of the Lenders. In giving any consent as aforesaid to any assignment by the Borrower, the Lenders shall be entitled to impose such conditions as they shall deem advisable. Any Lender shall be entitled to assign the whole or any part of its rights or obligations under this Agreement or grant participation(s) in the Credit Facility to any subsidiary or holding company of such Lender, to any subsidiary company of any thereof or, in the absence of an Event of Default, with the consent of the Borrower and the Administrative Agent (in each case not to be unreasonably withheld) to any other bank or financial institution regularly engaged in commercial lending and such Lender shall forthwith give notice of any such assignment or participation to the Administrative Agent and the Borrower, provided, however, that any such assignment or participation shall be in a minimum amount of Ten Million Dollars (\$10,000,000), (a) any such assignment to a Lender is to be made pursuant to an Assignment and Assumption Agreement substantially in the form of Exhibit 6 hereto, and (b) except as provided in Sections 14.3, no such assignment or participation will result in any additional costs to, or additional material requirements on, the Borrower. The Borrower will take all reasonable actions requested by the Lenders to effect such assignment, including, without limitation, the execution of a written consent to such Assignment and Assumption Agreement. Anything contained in this Section 11 to the contrary notwithstanding, any Lender may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of any Notes) to any of the twelve Federal Reserve Banks organized under ss.4 of the Federal Reserve Act, 12 U.S.C. ss.341. No such pledge or the enforcement thereof shall release the pledgor Lender from its obligations hereunder.

SECTION 12. ILLEGALITY, INCREASED COST, NON-AVAILABILITY, ETC.  
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12.1. Illegality. In the event that by reason of any change in any applicable law, regulation or regulatory requirement or in the interpretation thereof a Lender has a reasonable basis to conclude that it has become unlawful for such Lender to maintain or give effect to its obligations as contemplated by this Agreement, the Lender shall inform the Borrower and the Administrative Agent to that effect, whereafter the liability of such Lender to make its Commitment available shall forthwith cease and the Borrower shall be required either to prepay to such Lender any portion of the then outstanding Advances owing to such Lender immediately or, if such Lender so agrees, to prepay such portion of the outstanding Advances to such Lender on the last day of the then current Interest Period or Periods, in accordance with and subject to the provisions of Section 12.6 and to pay to the Administrative Agent sufficient amounts of cash to fund any possible drawings under Letters of Credit then in

existence, such amounts to be repaid to the Borrower to the extent not utilized to cover Letter of Credit drawings. In any such event, but without prejudice to the aforesaid obligations of the Borrower to prepay the outstanding Advances or part thereof and fund any possible drawings under Letters of Credit then in existence, the Borrower and such Lender shall negotiate in good faith with a view to agreeing on terms for making the Commitment available from another jurisdiction or otherwise restructuring the Commitment on a basis which is not unlawful.

12.2. Increased Cost. If any change in applicable law, regulation or

regulatory requirement or in the interpretation or application thereof by any governmental or other authority, shall:

- (i) subject a Lender to any Taxes with respect to its income from the Credit Facility or any part thereof, or
- (ii) change the basis of taxation to a Lender of payments of principal or interest or any other payment due or to become due pursuant to this Agreement (other than a change in the basis effected by the jurisdiction of incorporation of such Lender or the domicile of the Lender's office through which the Lender's Commitment is made or any governmental subdivision or other taxing authority having jurisdiction over such Lender (unless such jurisdiction is asserted solely by reason of the activities of the Borrower or any of the Subsidiaries) or such other jurisdiction where the Credit Facility may be payable), or
- (iii) impose, modify or deem applicable any reserve requirements or require the making of any special deposits against or in respect of any assets or liabilities of, deposits with or for the account of, or loans by, any Lender, or
- (iv) impose on any Lender any other condition affecting the Commitment or any portion of any Advance thereunder, and the result of the foregoing is either to increase the cost to such Lender of making available or maintaining its Commitment or to reduce the amount of any payment received by such Lender

then and in any such case if such increase or reduction in the opinion of such Lender materially affects the interests of such Lender under or in connection with this Agreement:

(a) such Lender shall notify the Borrower and the Administrative Agent of the happening of such event,

(b) the Borrower agrees forthwith upon demand to pay to such Lender such amount as such Lender certifies to be necessary to compensate such Lender for such additional cost or such reduction, and

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(c) any such demand as is referred to in sub-section (b) of this Section 12.2 may be made by such Lender at any time before or after any repayment of the Advances.

12.3. Replacement of Lender or Participant. If the obligation of any Lender to make its pro rata share of any Advance has been suspended or terminated pursuant to Section 11, or if any Lender shall notify the Borrower of the happening of any event leading to increased costs as described in Section 12.2, the Borrower shall have the right, upon twenty (20) Banking Days' prior written notice to such Lender, to cause one or more banks (a "Replacement Lender (s)") (which may be one or more of the Lender), each such Replacement Lender to be satisfactory to the Majority Lenders (determined for this purpose as if such transferor Lender had no Commitment and held no interest in the Note issued to it hereunder) and, in each case, with the written acknowledgment of the Administrative Agent, to purchase such Lender's pro rata share of the Advances and assume the Commitment of such Lender pursuant to an Assignment and Assumption Agreement. If one or more such banks are identified by the Borrower and approved as being reasonably satisfactory to the Majority Lenders

(determined as provided above), the transferor Lender shall consent to such sale and assumption by executing and delivering an Assignment and Assumption Agreement. Upon execution and delivery of an Assignment and Assumption Agreement by the Borrower, the transferor Lender, the Replacement Lender and the Administrative Agent, and payment by the Replacement Lender to the transferor Lender of an amount equal to the purchase price agreed between such transferor Lender and such Replacement Lender, such Replacement Lender shall become a Lender party to this Agreement (if it is not already a party hereto as applicable) and shall have all the rights and obligations of a Lender with a Commitment (which, if such Replacement Lender is already a party hereto, shall take into account such Replacement Lender's then existing Commitment hereunder) as set forth in such Assignment and Assumption Agreement and the transferor Lender shall be released from its obligations hereunder and no further consent or action by any other Person shall be required. In the event no Replacement Lender is found or is satisfactory to the Majority Lenders, the Borrower shall have the right to request a permanent reduction of the Committed Amount by reducing the whole of such Lender's commitment, provided that (a) the Administrative Agent and the Lender's whose Commitment the Borrower seeks to reduce receive ten (10) Banking Days prior written notice of such request and (b) such reduction occurs on the last day of the applicable Interest Period(s) for Advances (or portions thereof) outstanding under this Agreement. Upon such reduction, the reduced Lender shall be released from its obligations hereunder and no further action by any Person shall be required and the new participation percentages (as designated in Schedule A hereto) shall be assigned to the remaining Lenders on a pro rata basis based on their respective Commitments. In the event that the Administrative Agent, in its capacity as a Lender, is required to sell its pro rata share of the Advances and its Commitment hereunder pursuant to this Section 12.3, the Administrative Agent shall, promptly upon the consummation of any assignment pursuant to this Section 12.3, resign as Administrative Agent hereunder and the Borrowers shall (subject to the consent of the Majority Lenders) have the right to appoint another Agent as successor Administrative Agent, all in accordance with Section 16.12.

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12.4. Non-availability of Funds. If the Administrative Agent shall determine that, by reason of circumstances affecting the London Interbank Market generally, adequate and reasonable means do not or will not exist for ascertaining the Applicable Rate for any Interest Period, the Administrative Agent shall give notice of such determination to the Borrower. The Borrower and the Lenders shall then negotiate in good faith in order to agree upon a mutually agreeable basis for funding the Advance or Advances in question, and/or for determining the interest rate and/or Interest Period(s) to be substituted for those which would otherwise have applied under this Agreement. If the Borrower and the Lenders are unable to agree upon such a substituted funding base, interest rate and/or Interest Period(s) within thirty (30) days of the giving of such notice, the Borrower shall repay the Credit Facility, or the relevant portion thereof, as the case may be, to the Lenders immediately; provided, however, that if the Borrower fails to make such repayment, the Lenders shall determine a funding basis, set an interest rate and/or set an Interest Period(s), as the case may be, all to take effect from the expiration of the relevant Interest Period(s) in effect at the date of said determination notice, which rate shall be equal to the aggregate of the Margin and the cost to the Lenders of funding the relevant Advance or Advances.

12.5. Determination of Losses. A certificate or determination notice of the Agents and the Lenders as to any of the matters referred to in this Section 12, absent manifest error, shall be conclusive and binding on the Borrower.

12.6. Compensation for Losses. Where the Advances are to be prepaid by the Borrower pursuant to Section 12.1 the Borrower agrees simultaneously with such prepayment to pay to the relevant Lender all accrued interest to the date of actual payment and all other sums payable by the Borrower to such Lender pursuant to this Agreement, together with such amounts as may be certified by such Lender to be necessary to compensate such Lender for any actual loss, premium or penalties incurred or to be incurred by it on account of funds borrowed to make, fund or maintain its Commitment for the remainder (if any) of the then current Interest Period or Periods, if any, but otherwise without penalty or premium.

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13.1. Currency Conversion. If for the purpose of obtaining or enforcing a judgment in any court in any country it becomes necessary to convert into any other currency (the "judgment currency") an amount due in Dollars or a particular Foreign Currency, as the case may be, under this Agreement or under the Notes, then the conversion shall be made, in the discretion of the Administrative Agent, at the rate of exchange prevailing either on the date of default or on the day before the day on which the judgment is given or the order for enforcement is made, as the case may be (the "conversion date"), provided that the Administrative Agent shall not be entitled to recover under this section any amount in the judgment currency which exceeds at the conversion date the amount in Dollars or the relevant Foreign Currency, as the case may be, due under this Agreement and/or under the Notes.

13.2. Change in Exchange Rate. If there is a change in the rate of exchange prevailing between the conversion date and the date of actual payment of the amount due, the Borrower shall pay such additional amounts (if any, but

in any event not a lesser amount) as may be necessary to ensure that the amount paid in the judgment currency when converted at the rate of exchange prevailing on the date of payment will produce the amount then due under this Agreement and/or under the Notes in Dollars or the relevant Foreign Currency; any excess over the amount due received or collected by the Lenders shall be remitted to the Borrower.

13.3. Additional Debt Due. Any amount due from the Borrower under Section 13.2 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement and/or under or in respect of the Notes.

13.4. Rate of Exchange. The term "rate of exchange" in this Section 13 means the rate at which the Administrative Agent in accordance with its normal practices is able on the relevant date to purchase Dollars or the relevant Foreign Currency with the judgment currency and includes any premium and costs of exchange payable in connection with such purchase.

SECTION 14. FEES AND EXPENSES

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14.1. Commitment Fee. (a) The Borrower shall pay to the Administrative Agent, for distribution to the Lenders, a commitment fee in Dollars, payable quarterly in arrears, computed at the relevant rates per annum applicable pursuant to this Section 14.1 (the "Commitment Fee Rate(s)") on the average unfunded portion of the Committed Amount (valued in Dollars) during such quarter. The commitment fee shall accrue from the date hereof and shall terminate on the Termination Date. Said fee shall be payable quarterly in arrears at the end of each calendar quarter. Such commitment fee shall be calculated on the basis of actual days elapsed over a 360 day year.

(b) The Commitment Fee Rates, as determined from time to time by the Administrative Agent as provided herein, shall vary based upon (a) the Borrower's credit rating as determined by S&P and Moody's, or (b) if the Borrower is no longer rated, the ratio of the Borrower's consolidated Funded Debt to the consolidated EBITDA for the Borrower, as follows:

<TABLE>  
<CAPTION>

Commitment Fee Rate	Credit Rating	
Funded Debt/EBITDA		
<S>	<C>	<C>
17.5 bp	A-/A3	Less
than or equal to 0.75		
20.0 bp	BBB+/Baa1	
greater than 0.75, but		

than or equal to 1.50		less
-----		
greater than 1.50, but	25.0 bp	BBB/Baa2
-----		
than or equal to 2.25		less
-----		
greater than 2.25, but	32.5 bp	BBB-/Baa3
-----		
less than or equal to 3.0		
-----		
greater than 3.0, but	40.0 bp	BB+/Ba1
-----		
less than or equal to 4.0		
-----		
greater than 4.0	65.0 bp	Less than BB+/Ba1
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</TABLE>

For purposes of determining the applicable Commitment Fee Rate(s), in the case of a split rating in the respective credit ratings of the Borrower by Moody's and S&P the higher of the two ratings shall apply. In the event of a split rating of more than one level, the rating which is one level above the lower rating shall apply. The applicable Commitment Fee Rate(s) shall be determined by the Administrative Agent quarterly (based upon the latest 10Q report or 10K report and Compliance Certificate delivered by the Borrower to the Administrative Agent from time to time pursuant to this Agreement). The newly determined Commitment Fee Rate(s) shall be effective on the on the last day of the month following the month during which such report was delivered to the Administrative Agent.

14.2. Letter of Credit and Facing Fees and Related Charges. In addition, the Borrower shall pay to the Administrative Agent, for distribution to the Lenders, a fee in Dollars in respect of each Letter of Credit (the "Letter of Credit Fee") computed at a rate per annum equal to the Applicable Margin in effect from time to time on the daily Stated Amount of such Letter of Credit as reduced by any drawings thereunder. The Borrower further agrees to pay to each Letter of Credit Issuer, commencing at such time, a fee in Dollars in respect of each Letter of Credit (the "Facing Fee") computed at a rate per annum equal to one-eighth of one percent (1/8%) on the daily Stated Amount of such Letter of Credit as reduced by any drawings thereunder. Accrued Letter of Credit and Facing Fees shall be calculated on the basis of actual days elapsed over a 360 day year and shall be due and payable quarterly in arrears on the first day of each October, January, April and July of each year the Credit Facility remains outstanding and on the Termination Date. The Borrower also agrees to pay to the Letter of Credit Issuer all customary issuing and handling fees of the Letter of Credit Issuer in connection with its issuance of Letters of Credit.

14.3. Administrative Fee. The Borrower shall also pay to the Administrative Agent an annual agency fee of Five Thousand Dollars (\$5,000) for each additional Lender other than the Agents which acquires a participation or syndicated interest in the Credit Facility up to a maximum of Fifty Thousand Dollars (\$50,000) payable in advance, commencing upon the date on which each such additional Lender acquires such participation or syndicated interest in the Credit Facility and annually beginning from the date hereof.

14.4. Agents' Other Fees. The Borrower shall pay to the Agents, for their own account, such fees as shall have been agreed in accordance with the letter agreement dated October 26, 2001 between the Borrower and the Agents.

14.5. Costs, Charges and Expenses. The Borrower agrees to pay the

Agents and the Lenders upon demand (whether or not the Credit Facility or any part thereof is made available hereunder) all reasonable costs, charges and expenses (including legal fees, limited to those of Seward & Kissel LLP, and expenses, as well as travel expenses of the Agents and the Lenders) incurred by the Agents and the Lenders in connection with the negotiation, preparation, syndication, execution and enforcement or attempted enforcement of this Agreement, the Notes or otherwise in connection with the Credit Facility, as

well as in connection with any supplements, amendments, assignments, waivers or consents relating thereto.

14.6. Indemnification. Neither any Agent nor any Lender nor any director, officer, agent or employee of any thereof shall be liable to the Borrower for any action taken or not taken by it in connection herewith in the absence of its own gross negligence or willful misconduct. The Borrower hereby agrees to indemnify each of the Agents and the Lenders, their respective affiliates and the respective directors, officers, agents and employees of the foregoing (each an "Indemnitee") and hold each Indemnitee harmless from and against any and all liabilities, losses, damages, costs and expenses of any kind, including, without limitation, the reasonable fees and disbursements of counsel, which may be imposed on, incurred by or asserted against, any Indemnitee in any way relating to or arising out of this Agreement and the Notes or any action taken or omitted by any Indemnitee hereunder or thereunder provided that (i) no Indemnitee shall have the right to be indemnified hereunder for such Indemnitee's own gross negligence or willful misconduct and (ii) to the extent permitted by law, the Indemnitee shall provide the Borrower with prompt notice, but not later than sixty (60) days after it becomes aware, of any claim giving rise to any such indemnified liability.

SECTION 15.                   APPLICABLE LAW, JURISDICTION AND WAIVER  
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15.1. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

15.2. Jurisdiction. The Borrower hereby irrevocably submits to the jurisdiction of the courts of the State of New York and of the United States District Court for the Southern District of New York in any action or proceeding brought against it by the Agents and the Lenders under this Agreement or under any document delivered hereunder and the Borrower hereby irrevocably appoints SEACOR Management Services Inc. with an office at 1370 Avenue of the Americas, New York, New York, its attorney-in-fact and agent for service of summons or other legal process thereon, which service may be made by serving a copy of any summons or other legal process in any such action or proceeding on such agent and such agent is hereby authorized and directed to accept by and on behalf of the Borrower service of summons and other legal process of any such action or proceeding against the Borrower. The service, as herein provided, of such summons or other legal process in any such action or proceeding shall be deemed personal service and accepted by the Borrower as such, and shall be legal and binding upon the Borrower for all the purposes of any such action or proceeding. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of a Borrower to any Agent or Lender) against the Borrower in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. The Borrower will advise the Administrative Agent promptly of any change of address of the foregoing agent or of the substitution of another agent therefor. In the event that the foregoing agent or any other agent appointed by the Borrower shall not be conveniently available for such service or if the Borrower fails to maintain an agent as provided herein, the Borrower hereby irrevocably appoints the person who then is the Secretary of State of the State of New York as such attorney-in-fact and agent. The Borrower will advise the foregoing agent of the appointment made hereby, but failure to so advise shall

not affect the appointment made hereby. Notwithstanding anything herein to the contrary, the Agents and the Lenders may bring any legal action or proceeding in any other appropriate jurisdiction.

15.3. Waiver of Jury Trial. IT IS MUTUALLY AGREED BY AND AMONG THE BORROWER, AND THE AGENTS AND THE LENDERS THAT EACH OF THEM HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY HERETO AGAINST ANY OTHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE NOTES.

SECTION 16. THE AGENTS  
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16.1. Appointment of Agents. Each of the Lenders hereby irrevocably appoints and authorizes each Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and under the Notes as are delegated to such Agent by the terms hereof and thereof. Neither the Agents nor any of their respective directors, officers, employees or agents shall be liable for any action taken or omitted to be taken by it or them under this Agreement and under the Notes or in connection therewith, except for its or their own gross negligence or willful misconduct.

16.2. Distribution of Payments. Whenever any payment is received by the Administrative Agent from the Borrower for the account of the Lenders, or any of them, whether of principal or interest on the Notes, commissions, commitment fees under Section 14.1, or otherwise, it will thereafter cause like funds relating to such payment to be promptly distributed ratably to the Lenders according to their respective Commitments, in each case to be applied according to the terms of this Agreement.

16.3. Holder of Interest in Notes. The Administrative Agent may treat each Lender as the holder of all of the interest of such Lender in its Notes unless and until the Administrative Agent has received a copy of an Assignment and Assumption Agreement evidencing the transfer of all or any part of such Lender's interest in the Credit Facility.

16.4. No Duty to Examine, Etc. The Agents shall not be under a duty to examine or pass upon the validity, effectiveness or genuineness of this Agreement, the Notes or any instrument, document or communication furnished pursuant to this Agreement or the Notes or in connection with any thereof and the Agents shall be entitled to assume that the same are valid, effective and genuine, have been signed or sent by the proper parties and are what they purport to be.

16.5. Agents as Lenders. With respect to that portion of the Credit Facility made available by it, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not an Agent, and the term "Lender" or "Lenders" shall include the Agents in their capacity as Lenders. Each Agent and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with, the Borrower as if it were not an Agent.

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16.6. (a) Obligations of Agents. The obligations of each Agent under this Agreement and under the Notes are only those expressly set forth herein and therein.

(b) No Duty to Investigate. No Agent shall at any time be under any duty to investigate whether an Event of Default, or an event which with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred or to investigate the performance of this Agreement and the Notes by the Borrower.

(c) Reports and Notices. Promptly upon receipt thereof by the Administrative Agent, the Administrative Agent shall furnish each Lender with a copy of all financial reports and notices delivered to it by the Borrower hereunder.

16.7. (a) Discretion of Agents. Each Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights which may be vested in it by, and with respect to taking or refraining from taking any action or actions which it may be able to take under or in respect of, this Agreement and the Notes, unless such Agent shall have been instructed by the Majority Lenders to exercise such rights or to take or refrain from

taking such action; provided, however, that such Agent shall not be required to take any action which exposes such Agent to personal liability or which is contrary to this Agreement or applicable law.

(b) Instructions of Majority Lenders. Each Agent shall in all cases be fully protected in acting or refraining from acting under this Agreement and under the Notes in accordance with the instructions of the Majority Lenders (or, where expressly required hereby, all the Lenders), and any action taken or failure to act pursuant to such instructions shall be binding on all of the Lenders.

16.8. Assumption re Event of Default. Except as otherwise provided in Section 16.4, the Administrative Agent shall be entitled to assume that no Event of Default, or event which with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred and is continuing, unless the Administrative Agent has been notified by the Borrower of such fact or has been notified by a Lender that such Lender considers that an Event of Default or such an event (specifying in detail the nature thereof) has occurred and is continuing. In the event that the Administrative Agent shall have been notified by any party in the manner set forth in the preceding sentence of any Event of Default or of an event which with the giving of notice or lapse of time, or both, would constitute an Event of Default, the Administrative Agent shall notify the Lenders and shall take action and assert such rights under this Agreement or the Notes as the Majority Lenders shall request in writing.

16.9. No Liability of Agents and the Lenders. No Agent or Lender shall be under any liability or responsibility whatsoever:

(a) to the Borrower or any other person or entity as a consequence of any failure or delay in performance by, or any breach by, any other Lender or any other person of any of its or their obligations under this Agreement or under the Notes;

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(b) to any Lender or Lenders as a consequence of any failure or delay in performance by, or any breach by the Borrower of any of its obligations under this Agreement or under the Notes; or

(c) to any Lender or Lenders for any statements, representations or warranties contained in this Agreement or in the Notes or in any document or instrument delivered in connection with the transaction hereby contemplated; or for the validity, effectiveness, enforceability or sufficiency of this Agreement and the Notes or any document or instrument delivered in connection with the transactions hereby contemplated.

16.10. Indemnification of Agents. The Lenders agree to indemnify each Agent (to the extent not reimbursed by the Borrower), pro rata according to the respective amounts of their Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including reasonable legal fees and expenses incurred in investigating claims and defending itself against such liabilities) which may be imposed on, incurred by or asserted against, such Agent in any way relating to or arising out of this Agreement and the Notes, any action taken or omitted by such Agent hereunder or thereunder or the preparation, administration, amendment or enforcement of, or waiver of any provision of, this Agreement and the Notes, except that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct.

16.11. Consultation with Counsel. Each Agent may consult with legal counsel selected by such Agent and shall not be liable for any action taken, permitted or omitted by it in good faith in accordance with the advice or opinion of such counsel.

16.12. Resignation. Each Agent may resign at any time by giving sixty (60) days' written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Lenders and shall have accepted such appointment within sixty (60) days after the retiring Agent's giving notice of resignation, then the retiring Agent may, on behalf of the

Lenders, appoint a successor Agent which shall be a bank or trust company of recognized standing. The appointment of any successor Agent shall (unless an Event of Default has occurred and is continuing) be subject to the prior written consent of the Borrower, such consent not to be unreasonably withheld. After any retiring Agent's resignation as Agent hereunder, the provisions of this Section 16 shall continue in effect for its benefit with respect to any actions taken or omitted by it while acting as Agent.

16.13. Representations of Lenders. Each Lender represents and warrants to each other Lender and each Agent that:

- (i) in making its decision to enter into this Agreement and to make its Commitment available hereunder, it has independently taken whatever steps it considers necessary to evaluate the financial condition and affairs of the Borrower, that it has made an

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independent credit judgment and that it has not relied upon any statement, representation or warranty by any other Lender or any Agent; and

- (ii) So long as any portion of its Commitment remains outstanding, it will continue to make its own independent evaluation of the financial condition and affairs of the Borrower.

16.14. Notification of Event of Default. The Administrative Agent hereby undertakes promptly to notify the Lenders, and each of the Lenders hereby undertakes promptly to notify the Administrative Agent and the other Lenders, of the existence of any Event of Default which shall have occurred and be continuing of which the Administrative Agent or such Lender has actual knowledge.

#### SECTION 17. NOTICES AND DEMANDS

17.1. Notices in Writing. Every notice or demand under this Agreement shall be in writing and may be given or made by telecopy.

17.2. Addresses for Notice. Every notice or demand shall be sent, if to the Borrower or the Administrative Agent, at the address set forth below and, if to the Lenders at their address and telecopy numbers set forth in Schedule A or at such other address or telecopy numbers as such party may hereafter specify for the purpose by notice to each other party hereto.

Any notices addressed to the Borrower shall be sent as follows:

c/o SEACOR Management Services Inc.  
1370 Avenue of the Americas, 25th floor  
New York, New York 10019  
Telecopy No.: (212) 582-8522

Any notices addressed to the Administrative Agent shall be sent as follows:

200 PARK AVENUE  
New York, New York 10166-0396  
Telecopy No.: (212) 681-3900

Any notice sent by telecopy shall be confirmed by letter dispatched as soon as practicable thereafter.

17.3. Notices Deemed Received. Every notice or demand shall, except so far as otherwise expressly provided by this Agreement, be deemed to have been received (provided that it is received prior to 2 p.m. New York time; otherwise it shall be deemed to have been received on the next following Banking Day), in the case of a telecopy at the time of dispatch thereof (provided further that if the date of dispatch is not a Banking Day in the locality of the party to whom

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such notice or demand is sent it shall be deemed to have been received on the next following Banking Day in such locality) and, in the case of a letter, at the time of receipt thereof.

SECTION 18. MISCELLANEOUS

18.1. Time of Essence. Time is of the essence of this Agreement but no failure or delay on the part of the Agents and the Lenders to exercise any power or right under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by the Agents and the Lenders of any power or right hereunder preclude any other or further exercise thereof or the exercise of any other power or right. The remedies provided herein are cumulative and are not exclusive of any remedies provided by law.

18.2. Unenforceable, etc.; Provisions - Effect. In case any one or more of the provisions contained in this Agreement or in the Notes would, if given effect, (i) cause such of the Borrower or any of the Subsidiaries, as the case may be, which owns United States flag vessels to cease to be a citizen of the United States within the meaning of Section 2 of the United States Shipping Act 1916, as amended, or cause a transfer of any of the Vessels registered under the laws and flag of the United States of America in violation of Section 9 of said Act or (ii) be otherwise invalid, illegal or unenforceable in any respect under any law applicable in any relevant jurisdiction, said provision shall not be enforceable against the Borrower or any of the Subsidiaries, as the case may be, but the validity, legality and enforceability of the remaining provisions herein or therein contained shall not in any way be affected or impaired thereby.

18.3. References. References herein to Sections and Schedules are to be construed as references to sections of, and schedules to, this Agreement.

18.4. Further Assurances. The Borrower agrees that if this Agreement or the Notes shall at any time be deemed by the Administrative Agent for any reason insufficient in whole or in part to carry out the true intent and spirit hereof or thereof, it will execute or cause to be executed such other and further assurances and documents as in the opinion of the Administrative Agent may be required in order more effectively to accomplish the purposes of this Agreement and the Notes.

18.5. Entire Agreement; Amendments. This Agreement, the Notes and the letter agreement referred to in Section 14.4 constitute the entire agreement of the parties hereto, including all parties added hereto pursuant to an Assignment and Assumption Agreement. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute one and the same instrument. Any provision of this Agreement or the Notes may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the Borrower and the Majority Lenders (and, if the rights or duties of the Administrative Agent are affected thereby, by the Administrative Agent); provided that no amendment or waiver shall, unless signed by all the Lenders, (i) increase or decrease the Commitment of any Lender or subject any Lender to any additional obligation other than those set forth herein, (ii) reduce the principal of or rate of interest on the Credit Facility or any fees hereunder, (iii) postpone the date fixed for any payment of principal of or interest on the Loan or any fees hereunder, (iv) amend Section 11, (v) waive any condition precedent to the

availability of the Credit Facility or any Advance thereunder, (vi) amend or modify this Section 18.5 or (vii) change the definition of "Majority Lenders".

18.6. Adjustments. If any Lender (a "Benefitted Lender") shall at any time receive any payment of all or any part of the Advances made by such Lender, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 9.1(i) or (k), or otherwise) in a greater proportion than any such payment to and collateral received by any other Lender in respect of such other Lender's Advances, or interest thereon, such Benefitted Lender shall purchase for cash from each of the other Lenders such portion of each such other Lender's Advances, and shall provide each of such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders,

provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The Borrower agrees that each Lender so purchasing a portion of another Lender's Borrowings may exercise all rights of payment (including, without limitation, rights of set-off, to the extent not prohibited by law) with respect to such portion as fully as if such Lender were the direct holder of such portion.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed by their duly authorized representative as of the day and year first above written.

<TABLE>

<S>  
SEACOR SMIT INC.,  
as Borrower  
Lead Arranger

<C>  
FLEET NATIONAL BANK,  
as Syndication Agent, Joint  
and Lender

By \_\_\_\_\_  
By \_\_\_\_\_  
Name :  
Title:

Name :  
Title:

DEN NORSKE BANK ASA,  
Bank Finland Plc, New York Branch  
as Administrative Agent, Joint Lead Arranger  
Lead Arranger  
and Lender

NORDEA, acting through Nordea  
as Documentation Agent, Joint  
and Lender

By \_\_\_\_\_  
By \_\_\_\_\_  
Name :  
Title:

Name :  
Title:

By \_\_\_\_\_  
By \_\_\_\_\_  
Name :  
Title:

Name :  
Title:

THE GOVERNOR AND COMPANY OF THE BANK OF SCOTLAND  
as Co-Agent and Lender

BANK ONE, NA  
as Lender

By \_\_\_\_\_  
Name :  
By \_\_\_\_\_  
Title:

Name :  
Title:

HAMBURGISCHE LANDESBANK  
as Lender

-GIROZENTRALE-

WHITNEY NATIONAL BANK  
as Lender

By \_\_\_\_\_  
Name :

By \_\_\_\_\_  
Title:

Name :  
Title:

By \_\_\_\_\_  
Name :  
Title:

</TABLE>

SCHEDULE A

PARTICULARS OF LENDERS

<TABLE>  
<CAPTION>

Participation Name and Address Percentage ----- -----	Commitment -----
---	---------------------

<S> <C> Den norske Bank ASA 21.5625% 200 Park Avenue New York, NY 10166-0396 U.S.A	<C> \$43,125,000
--	---------------------

Fleet National Bank 21.5625% Transportation Division MA DE 10008D 100 Federal Street Boston, MA 02110 U.S.A.	\$43,125,000
---	--------------

Nordea , acting through 15.0000% Nordea Bank Finland Plc, New York Branch 11 West 42nd Street, 7th Floor New York, N.Y. 10036 U.S.A.	\$30,000,000
--	--------------

The Governor and Company 14.3750% of the Bank of Scotland New Uberior House 11 Earl Grey Street, 2nd Floor Edinburgh EH3 9BN Scotland	\$28,750,000
---	--------------

Participation Name and Address Percentage ----- -----	Commitment -----
---	---------------------

Hamburgische Landesbank 12.5000% - -Girozentrale- Gerhart-Hauptmann Platz 50 D-20095 Hamburg Federal Republic of Germany	\$25,000,000
---	--------------

Bank One, NA 7.5000% 201 St. Charles Ave. Mail Code LA3-5268 New Orleans, LA 70170	\$15,000,000
--	--------------

Whitney National Bank  
7.5000%  
228 St. Charles Ave.  
New Orleans, LA 70130

\$15,000,000

</TABLE>

SCHEDULE B  
-----

VESSEL OWNING/OPERATING SUBSIDIARIES AND OTHER SUBSIDIARIES  
-----

(as of January 31, 2002)

(Vessel Owning/Operating Subsidiaries are indicated by the symbol "O")

<TABLE>

<S>

<C>

SEACOR SMIT Inc.

Acadian Supply Ships Inc. (100% interest)o  
Anna Offshore Inc. (100% interest)o  
C&C Boat Rentals (100% interest)  
CRN Holdings Inc. (100% interest)  
    International Response Corporation (100% interest)  
        Venezuelan Response Corporation, C.A.  
        (100% interest)  
    National Response Corporation (100% interest)  
        National Response Corporation of Puerto  
        Rico (100% interest)  
        OSRV Holdings, Inc. (100% interest)  
    NRC Services, Inc. (100% interest)  
Energy Logistics, Inc. (66% interest)  
    Liberty Services, Inc. (100% interest)  
ERST/O'Brien's, Inc. (100% interest)  
    ERST, Inc. (100% interest)  
    O'Brien's Oil Pollution Services, Inc.  
    interest)  
F2B Investments Inc. (100% interest)  
G & B Marine Transportation, Inc. (100% interest)  
Galaxie Offshore Inc. (100% interest)o  
Gilbert Cheramie Boats, Inc. (100% interest)  
Gilco Supply Boats Inc. (100% interest)  
Graham Boats Inc. (100% interest)o  
Graham Marine Inc. (100% interest)  
Graham Offshore Inc. (100% interest)o  
Hampton Barge Line, Inc. (100% interest)  
    Weston Barge Line, Inc. (100% interest)  
Inland River Towing (100% interest)  
McCall Enterprises, Inc. (100% interest)  
    Cameron Boat Rentals, Inc. (100% interest)o  
    Gladys McCall, Inc. (100% interest)o  
    Cameron Crews, Inc. (100% interest)  
    Carroll McCall, Inc. (100% interest)o  
  
    Gulf Marine Transportation Inc. (100% interest)o  
    McCall's Boat Rentals, Inc. (100% interest)o  
    McCall Crewboats, L.L.C. (50% interest)  
    McCall Marine Services, Inc. (100% interest)o  
    Philip Allan McCall, Inc. (100% interest)o  
    McCall Support Vessels, Inc. (100% interest)  
    McCall Crewboats, L.L.C. (50% interest)  
    SEAMAC Offshore L.L.C. (50% interest)  
Offshore Aviation Inc. (100% interest)  
N.F. McCall Crews, Inc. (100% interest)  
Plaisance Marine Inc. (100% interest)  
SCF Barge Line II (100% interest)

(100%

SCF Management Services Inc. (100% interest)  
 SCF Marine Inc. (100% interest)  
 SCF Transportation, Inc. (100% interest)  
 SCF Towing Corporation (100% interest)  
 SEACOR Bulk Carriers Inc. (100% interest)  
 SEACOR Capital (Singapore) Pte. (100% interest)  
 SEACOR Capital (UK) Ltd. (100% interest)  
     Boston Putford Offshore Safety Ltd. (100% interest)  
         Putford Ltd. (100% interest)  
         Southern Crewing Services Ltd. (100%  
         interest)  
         Warbler Shipping Ltd. (100% interest)  
 SEACOR Capital Corporation (100% interest)  
 SEACOR Capital Two Ltd. (100% interest)  
 SEACOR Communications Inc.  
 SEACOR International Chartering Ltd. (100% interest)  
 SEACOR International Ltd. (100% interest)  
 SEACOR Management Services Inc. (100% interest)  
 SEACOR Marine (Asia) Pte. Ltd. (100% interest)  
 SEACOR Marine (Bahamas) Inc. (100% interest)  
 SEACOR Marine (Nigeria) Inc. (100% interest)o  
     West Africa Offshore Ltd. (40% interest)  
 SEACOR Marine (IOM) Ltd. (100% interest)  
 SEACOR Marine (West Africa) SAS (100% interest)  
 SEACOR Marine Inc. (100% interest)o  
     Arthur Levy Enterprises, Inc. (100% interest)o  
     SEACOR Deepwater 1, Inc. (49.71%  
     interest)o  
 SEACOR Marine (Europe) B.V. (100% interest) o  
     SEAMAC Offshore L.L.C. (50% interest)  
 SEACOR Marine International Inc. (100% interest)o  
     SEACOR Marine (Mexico) Inc. (100% interest)  
     SEACOR Ocean Support Services Inc. (100% interest)o  
     SEACOR Ocean Lines Inc. (100% interest)o  
  
 SEACOR Marine Management Ltd. (100% interest)  
 SEACOR Ocean Boats Inc. (100% interest)  
 SEACOR Offshore Inc. (100% interest)o  
     SEACOR Deepwater 1, Inc. (50.29% interest)o  
     SEACOR Deepwater 2, Inc. (100% interest)o  
     SEACOR Deepwater 3, Inc. (100% interest)o  
 SEACOR Offshore Rigs Inc. (100% interest)  
 SEACOR Supply Ships Associates Inc. (100% interest)o  
 SEACOR Worldwide Inc. (100% interest)o  
     Coseamar Inc. (100% interest)  
         SEACOR-SMIT Holdings B.V. (80% interest)  
     SEACOR Offshore Supplyships One Ltd. (100%  
     interest)  
     SEACOR Offshore Supplyships Two Ltd. (100%     interest) (in  
 liquidation)  
     SEACOR-SMIT Offshore I B.V. (100% interest) (in  
 liquidation)  
     SEACOR-SMIT Offshore II B.V. (100% interest) (in  
 liquidation)  
  
 SEACOR-SMIT Offshore (International) Inc. (100% interest)  
     SEACOR-SMIT Holdings B.V. (10% interest)  
 SEACOR-SMIT Offshore (International) Ltd. (100% interest)o  
 SEACOR-SMIT Offshore (Worldwide) Ltd. (100% interest)o  
 SEACOR-SMIT Offshore I Inc. (100% interest)  
     SEACOR-SMIT Holdings B.V. (10% interest)  
     SMIT Holdings Inc. (100% interest)  
 Stirling Shipping Holdings Ltd. (100% interest)  
     Stirling Shipping Company Ltd. (100% interest)  
     Stirling Marine Ltd. (100% interest)  
     Stirling Offshore Ltd. (100% interest)  
     Stirling Shipmanagement (100% interest)  
     Bruce Marine Ltd. (100% interest)  
 Suffolk Barge Line Inc. (100% interest)  
 VEESEA Holdings Inc. (98.9% interest)  
     Gem Shipping Inc. (100% interest)  
     Gem Shipping Ltd. (100% interest)o  
     Storm Shipping Inc. (100% interest)  
     Vector-Seacor Ltd. (100% interest)

</TABLE>

SCHEDULE C

THE VESSELS

VESSELS BY CLASS  
 AS OF 12/31/2001

<TABLE>

<CAPTION>

VSL/DEPT NAME	CLASS	LENGTH
HP	RIGHTS	
YR. BUILT		
<S>	<C>	<C>
<C>	<C>	<C>
Merou	AHTS	195
8,000	Owned	
Tiger Fish	AHTS	195
8,000	Owned	
Jade Fish	AHTS	196
8,000	Owned	
Isla Ballena	AHTS	197
6,200	JV	
1984		
Shin Niche Maru	AHTS	198
4,000	JV	
1997		
Isla de Cedros	AHTS	198
6,140	JV	
1982		
Smit-Lloyd 74	AHTS	198
6,000	Owned	
1982		
Smit-Lloyd 120	AHTS	208
10,000	Owned	
1983		
Smit-Lloyd 121	AHTS	208
10,000	Owned	
1983		
Smit Curacao	AHTS	210
8,000	JV	
1974		
Smit-Lloyd 110	AHTS	210
8,000	JV	
1975		
Seacor Lenga (ex Smit Lenga)	AHTS	210
6,000	JV	
1982		
Seacor Lilen	AHTS	212
9,000	JV	
1985		
Smit-Lloyd 90	AHTS	212
9,000	Owned	
1985		
Stirling Sirius	AHTS	213
9,180	Owned	
1985		
Stirling Spica	AHTS	213
9,180	Owned	
1985		
Seacor Energy	AHTS	216
6,140	Owned	
1985		
Seacor Force	AHTS	216
6,140	Owned	
1985		
Seacor Star (ex Sea-Aker Star)	AHTS	216
7,200	Owned	
1978		
Seacor Valiant	AHTS	220
8,000	Owned	
1999		
Seacor Valor	AHTS	220
8,000	Owned	
1999		
Seacor Venture	AHTS	220
8,000	Owned	
2000		
Seacor Voyager	AHTS	220
8,000	Owned	
1999		
Seacor Vantage	AHTS	221
12,280	Owned	
1998		
Smit-Lloyd Sound	AHTS	222
7,885	Owned	
1983		
Smit-Lloyd Safe	AHTS	222
9,280	Owned	
1983		
Seacor Vision	AHTS	225

12,280	1997	BB-in		
Smit-Lloyd 72			AHTS	238
6,000	1981	Owned		
Stirling Iona			AHTS	242
15,000	2000	Owned		
Gerard Jordan			AHTS	255
14,000	1998	Owned		
Seacor Vanguard			AHTS	255
14,400	1998	BB-in		
TOTAL AHTS			31	

Albert McCall			Crew	110
2,100	1980	Owned		
Carroll McCall			Crew	110
2,100	1979	Owned		
Henry McCall			Crew	110
2,100	1979	Owned		
Joseph McCall			Crew	110
2,100	1978	Owned		
Katherine McCall			Crew	110
2,100	1980	Owned		
Pete McCall			Crew	110
2,100	1979	JV		
Phyllis McCall			Crew	110
2,100	1976	Owned		
Sybil McCall			Crew	110
2,100	1982	Owned		

Kelly McCall			Crew	110
2,400	1981	Owned		
William R. McCall			Crew	110
2,720	1980	Owned		
Miss Mona			Crew	120
2,040	1987	BB-in		
Joyce McCall II			Crew	125
3,000	1981	Owned		
Miss Adrian			Crew	130
2,040	1990	BB-in		
Miss Allie			Crew	130
2,040	1989	Owned		
Miss Allison			Crew	130
2,040	1990	Owned		
Miss Angela			Crew	130
2,040	1991	BB-in		
Miss Anita			Crew	130
2,040	1989	Owned		
Miss Anna			Crew	130
2,040	1989	Owned		
Miss Beth			Crew	130
2,040	1990	BB-in		
Miss Carissa			Crew	130
2,040	1989	BB-in		
Miss Diane			Crew	130
2,040	1988	BB-in		
Miss Ellen			Crew	130
2,040	1989	Owned		
Miss Faye			Crew	130
2,040	1991	BB-in		
Miss Freida			Crew	130
2,040	1990	Owned		
Miss Gayla			Crew	130
2,040	1988	Owned		
Miss Ina			Crew	130
2,040	1990	Owned		
Miss Janice			Crew	130
2,040	1991	Owned		
Miss Kathy			Crew	130
2,040	1991	Owned		
Miss Margaret			Crew	130
2,040	1990	Owned		
Miss Mary Ann			Crew	130
2,040	1991	Owned		

Miss Maureen			Crew	130
2,040	1988	BB-in		
Miss Melissa			Crew	130
2,040	1990	Owned		
Miss Pam			Crew	130
2,040	1990	Owned		
Miss Peggy Ann			Crew	130
2,040	1989	Owned		
Miss Ramona			Crew	130
2,040	1990	Owned		
Miss Susan			Crew	130
2,040	1989	Owned		
Miss Sybil			Crew	130
2,040	1988	JV		
Miss Velma			Crew	130
2,040	1988	JV		
Stephanie McCall			Crew	130
2,720	1991	Owned		
Sylvia F			Crew	130
2,800	1990	Owned		
Madeleine McCall			Crew	130
2,880	1990	Owned		
Beverly F			Crew	135
2,700	1993	Owned		
Kevin McCall			Crew	135
2,800	1994	Owned		
Phyllis McCall II			Crew	135
2,800	1995	Owned		
Miss Kathryn			Crew	135
3,160	1993	Owned		
Miss Pamela			Crew	135
3,160	1994	BB-in		
Miss Pearl			Crew	135
3,160	1993	Owned		
Miss Pearl Louise			Crew	135
3,160	1994	BB-in		
Miss Amanda			Crew	135
3,260	1995	Owned		
Green Ocean			Crew	136
4,000	1993	JV		
Jill McCall			Crew	143
3,200	1996	Owned		
Marilyn McCall			Crew	143
3,200	1997	Owned		
Caleb McCall			Crew	145
3,250	1985	Owned		
Paula McCall			Crew	145
3,250	1984	Owned		
Tim McCall			Crew	145
3,400	1991	Owned		
Adam McCall			Crew	145
3,500	1994	Owned		
Carol Ann McCall			Crew	145
3,500	1997	Owned		
Freda McCall			Crew	145
3,500	1996	Owned		
Susan F McCall			Crew	145
3,500	1999	Owned		
Jan F			Crew	147
3,500	1995	Owned		
Sharon F			Crew	148
3,500	1996	Owned		
Miss Darlene			Crew	150
3,500	1998	BB-in		
Miss Vickie			Crew	150
3,500	1998	Owned		
Pelican Glory			Crew	151
4,400	1998	JV		
Pelican Pride			Crew	151
5,600	1999	JV		
Pelican Venture			Crew	151

5,600	1999	JV		
Pelican Vision			Crew	151
6,120	1999	JV		
Blair McCall			Crew	155
3,250	1987	Owned		
Pelican Challenge			Crew	155
4,000	1998	JV		
Aaron McCall			Crew	155
4,080	1988	Owned		
Linda F.			Crew	155
6,750	2001	Owned		
Annabeth McCall			Crew	160
4,080	1989	Owned		
Ashley Alyse McCall			Crew	160
4,080	1991	Owned		
Billy McCall			Crew	160
4,080	1990	Owned		
Deanne McCall			Crew	160
4,080	1991	Owned		
Hilda McCall			Crew	160
4,080	1997	BB-in		
Jered McCall			Crew	160
4,080	1990	Owned		
Norman McCall			Crew	160
4,080	1989	Owned		
Sam McCall			Crew	160
4,080	1991	Owned		
Jason K. McCall			Crew	160
6,750	2001	Owned		
Victor O. McCall			Crew	160
6,750	2000	Owned		
Pelican Pursuer			Crew	164
9,600	2001	JV		
Christine McCall			Crew	165
5,400	1998	Owned		
Keith G. McCall			Crew	165
7,200	2001	JV		
Milton R. McCall			Crew	165
7,200	2001	Owned		
Pelican Champion			Crew	165
9,496	2000	JV		
Charles F. McCall			Crew	170
6,750	2000	Owned		
Sara F. McCall			Crew	170
6,750	1999	Owned		
Doreen McCall			Crew	180
8,100	1999	Owned		
John B.Martin McCall			Crew	180
8,100	1998	Owned		
Phillip Alan McCall			Crew	180
8,100	1999	Owned		
TOTAL CREW			91	
Autry G			Mini-Supply	126
1,200	1991	Owned		
Janson G			Mini-Supply	126
1,200	1991	BB-In		
John Michael G			Mini-Supply	126
1,200	1991	Owned		
Jim G			Mini-Supply	126
1,440	1999	Owned		
Lloyd G			Mini-Supply	126
1,440	1999	JV		
Louis G. (ex Harry Allen G.)			Mini-Supply	130
1,350	1985	JV		
Mr. Benny			Mini-Supply	135
1,200	1981	Owned		
Oaklawn			Mini-Supply	135
1,200	1991	BB-in		
Joyce			Mini-Supply	145
1,200	1995	Owned		
Erika Lynn			Mini-Supply	145
1,520	1985	Owned		

Linda			Mini-Supply	145
1,520	1991	Owned		
Mickey Gilbert			Mini-Supply	145
1,520	1994	Owned		
Sea Horse I			Mini-Supply	150
1,500	1997	Owned		
Sea Horse II			Mini-Supply	150
1,500	1997	Owned		
Sea Horse III			Mini-Supply	150
1,500	1998	Owned		
Sea Horse IV			Mini-Supply	150
1,500	1998	Owned		
Sea Horse V			Mini-Supply	150
1,500	1998	Owned		
Sea Horse VI			Mini-Supply	150
1,500	2000	Owned		
Seacor Eagle			Mini-Supply	150
1,500	2001	Owned		
Seacor Hawk			Mini-Supply	150
1,500	2001	Owned		
Celeste Elizabeth			Mini-Supply	150
1,520	1997	Owned		
Dean Andrew			Mini-Supply	150
1,520	1998	Owned		
Emelie Ann			Mini-Supply	150
1,520	1999	Owned		
Gary John			Mini-Supply	150
1,520	1999	Owned		
Harry Joseph			Mini-Supply	150
1,520	1999	Owned		
Hilton Joseph			Mini-Supply	150
1,520	1997	Owned		
TOTAL MINI-SUPPLY			26	
Ocean Shield			Project	189
2,600	1981	JV		
Seacor Clipper			Project-Freight	254
2,700	1983	Owned		
Seacor Surf			Project-Geo	150
1,750	1982	Owned		
TOTAL OTHER			3	
Britannia Harvester			Standby	117
2,000	1971	Man-In		
Britannia Conquest			Standby	117
2,000	1974	Man-In		
Britannia Monarch			Standby	117
2,000	1973	Man-In		
Britannia Warrior			Standby	118
2,000	1971	Man-In		
Black Watch			Standby	118
1,222	1976	Man-In		
Putford Sky			Standby	120
1,045	1967	Owned		
Putford Puffin			Standby	134
1,439	1969	Owned		
Toisa Teal			Standby	139
1,700	1980	Pool		
Toisa Widgeon			Standby	139
1,700	1981	Pool/Man		
Putford Shore			Standby	151
1,577	1967	Owned		
Putford Guardian			Standby	152
1,971	1967	Owned		
Nova			Standby	157
2,365	1969	Owned		
Putford Achates			Standby	163
2,365	1976	Owned		
Putford Ajax			Standby	163
2,365	1976	Owned		
Putford Sea Mussel			Standby	167

2,465	1974	Owned		
Putford Apollo			Standby	168
2,309	1975	Owned		
Putford Acasta			Standby	171
3,351	1972	Owned		
Putford Athena			Standby	176
6,077	1975	Owned		
Putford Artemis			Standby	177
3,520	1975	Owned		
Putford Achilles			Standby	178
4,140	1972	Owned		
Typhoon			Standby	180
2,250	1976	Owned		
Toisa Petrel			Standby	180
2,250	1977	Pool/Man		
Toisa Puffin			Standby	180
2,260	1979	Pool/Man		
Putford Viking			Standby	183
4,733	1976	JV		
Toisa Plover			Standby	185
2,250	1983	Pool/Man		
Putford Trader			Standby	189
4,000	1976	Owned		
Putford Rover			Standby	191
7,655	1981	Owned		
Putford Worker			Standby	200
3,158	1975	Owned		
Putford Aries			Standby	202
4,800	1977	Owned		
Pearl			Standby	215
6,166	1985	Owned		
TOTAL SBSV			30	
Cameron			Supply	166
1,800	1981	Owned		
Isla Clarion			Supply	166
1,800	1982	JV		
Isla de Lobos			Supply	166
1,800	1978	JV		
Seacor Anna			Supply	166
1,800	1980	Owned		
Marmex I			Supply	166
2,120	1979	JV		
Marmex III			Supply	166
2,120	1980	JV		
Clay Ella			Supply	167
2,400	2001	Owned		
Jean Gilbert			Supply	167
2,400	2000	Owned		
Golfo de Mexico			Supply	178
n.a.	1971	JV		
Dorado			Supply	180
1,860	1982	Owned		
Smit-Lloyd 55			Supply	186
5,331	1988	Owned		
Astro Badejo			Supply	187
2,400	1989	JV		
Seacor Sabre			Supply	194
2,500	1998	BB-in		
Seacor Spirit			Supply	197
3,900	1998	Owned		
Seacor Conquest			Supply	204
4,200	1999	Owned		
Stirling Dee			Supply	212
5,600	1985	Owned		
Stirling Esk			Supply	214
5,600	1986	Owned		
Seacor Fortitude (ex BO30)			Supply	217
3,600	1979	Owned		
Seacor Freedom (ex BO29)			Supply	217
3,600	1980	Owned		

Discovery Island			Supply	220
3,000	1991	BB-In		
Sun Island (ex BO26)			Supply	220
3,000	1990	BB-in		
Avery Island			Supply	220
3,900	1991	BB-in		
Galaxie			Supply	220
3,900	1997	BB-in		
Seacor Alcina			Supply	220
3,900	1998	Owned		
Stirling Vega			Supply	223
5,080	1983	Owned		
Stirling Altair			Supply	224
5,000	1985	Owned		
Stirling Capella			Supply	226
5,080	1983	Owned		
Stirling Pegasus			Supply	226
6,610	1992	Owned		
Smit-Lloyd Fame			Supply	235
5,440	1995	Owned		
Smit-Lloyd Fortune			Supply	235
5,440	1995	Owned		
Seacor Frontier			Supply	248
3,600	1981	BB-in		
Seacor Glory			Supply	251
5,000	1999	Owned		
Stirling Aquarius			Supply	269
6,600	1991	Owned		
Stirling Spey			Supply	272
6,596	1999	Owned		
Stirling Tay			Supply	272
6,596	1998	Owned		
Stirling Clyde			Supply	272
6,600	1996	Man-In		
Stirling Forth			Supply	272
6,600	1996	Man-In		
TOTAL SUPPLY			37	

Marmex VII			Towing	125
4,460	1977	JV		
Coral Fish			Towing	149
3,200	1981	Owned		
Laurel			Towing	180
4,000	1974	JV		
Lingue			Towing	180
4,000	1974	JV		
Luma			Towing	180
4,000	1974	JV		
Ocean Suez			Towing	180
3,600	1975	JV		
Isla Cozumel			Towing	185
3,000	1978	JV		
Isla del Carmen			Towing	185
3,000	1978	JV		
Isla Tiburon			Towing	185
3,000	1978	JV		
Long Island			Towing	185
3,000	1978	JV		
Isla Coronado			Towing	185
3,900	1982	JV		
Isla Montague (ex Orca)			Towing	185
3,900	1982	JV		
Narwhal			Towing	185
3,900	1982	Owned		
Beryl Fish			Towing	187
4,350	1983	Owned		
Pearl Fish			Towing	187
4,350	1984	Owned		
Ocean Aswan			Towing	188
4,500	1982	JV		
Ocean Luxor			Towing	188
4,500	1983	JV		
Mako (ex SL 26)			Towing	188

4,500	1982	Owned		
Moray (ex SL 31)			Towing	188
4,500	1983	Owned		
Smit-Lloyd 25			Towing	188
4,500	1982	Owned		
Smit-Lloyd 27			Towing	188
4,500	1982	Owned		
Smit-Lloyd 28			Towing	188
4,500	1983	Owned		
Smit-Lloyd 32			Towing	188
4,500	1983	Owned		
Smit-Lloyd 33			Towing	188
4,500	1984	Owned		
Ocean Dirk			Towing	189
4,200	1981	JV		
Ocean Drum			Towing	189
4,200	1982	JV		
San Miguel			Towing	190
4,400	1999	Owned		
Santa Cruz			Towing	190
4,400	1999	Owned		
Smit-Lloyd 57			Towing	190
5,331	1987	Owned		
Isla Pelicano (ex Seacor Louisiana)			Towing	195
6,140	1984	JV		
Seacor Texas			Towing	195
6,140	1984	Owned		
Smit-Lloyd Matsas 1			Towing	196
3,000	1965	JV		
Smit-Lloyd Matsas 2			Towing	196
3,000	1966	JV		
Seacor Rebel			Towing	198
3,900	1983	BB-in		
Parrot Fish			Towing	199
5,300	1983	Owned		
Maria Corina			Towing	200
5,226	1998	Owned		
Isla Guadalupe (ex Cynthia Marie)			Towing	200
5,300	1998	JV		
Seacor Explorer			Towing	200
5,300	2001	BB-in		
Seacor Navigator			Towing	200
5,300	2001	Owned		
Seacor Argosy			Towing	200
5,300	1998	Owned		
Seacor Power			Towing	214
6,140	1983	Owned		
Seacor Yankee			Towing	227
3,900	1982	BB-in		
TOTAL TOWING			42	
Edison G			Utility	96
680	1982	Owned		
Jimmie G			Utility	96
680	1982	Owned		
Laurie G			Utility	96
680	1979	Owned		
Adeline			Utility	96
900	1982	Owned		
Sterling			Utility	96
900	1982	Owned		
Mary Diane McCall			Utility	110
800	1981	Owned		
Sallie McCall			Utility	110
800	1981	Owned		
Davenport			Utility	110
1,000	1980	Owned		
Lockhart			Utility	110
1,000	1981	Owned		
Luckland			Utility	110
1,000	1977	Owned		

Gladys McCall			Utility	110
1,100	1974	Owned		
Alex G			Utility	110
1,200	1979	Owned		
Allie G			Utility	110
1,200	1978	Owned		
Angela G			Utility	110
1,200	1981	Owned		
Anna G			Utility	110
1,200	1978	Owned		
Annette G			Utility	110
1,200	1980	Owned		
Austin G			Utility	110
1,200	1979	Owned		
Avalon			Utility	110
1,200	1979	Owned		
Avoca			Utility	110
1,200	1981	Owned		
Bernie G			Utility	110
1,200	1981	Owned		
Betty G			Utility	110
1,200	1979	Owned		
Boy Blue			Utility	110
1,200	1980	Owned		
Celestine G			Utility	110
1,200	1981	Owned		
Columbia G			Utility	110
1,200	1979	Owned		
Dixie			Utility	110
1,200	1980	Owned		
Edith G			Utility	110
1,200	1980	Owned		
Eric G			Utility	110
1,200	1979	Owned		
Glenda G			Utility	110
1,200	1982	Owned		
Jackie G			Utility	110
1,200	1979	Owned		
Jeremy G			Utility	110
1,200	1981	Owned		
Jerry G			Utility	110
1,200	1979	Owned		
Joseph G			Utility	110
1,200	1978	Owned		
Keith G			Utility	110
1,200	1977	Owned		
Levert G			Utility	110
1,200	1978	Owned		
Lynda G			Utility	110
1,200	1979	Owned		
Margaret G			Utility	110
1,200	1978	Owned		
Mark G			Utility	110
1,200	1978	Owned		
Merttie G			Utility	110
1,200	1978	Owned		
Miriam G			Utility	110
1,200	1979	Owned		
Mr. Lin			Utility	110
1,200	1981	Owned		
Myrtle Ann G			Utility	110
1,200	1982	Owned		
Ramona G			Utility	110
1,200	1983	Owned		
Ron Paul			Utility	110
1,200	1981	Owned		
Sean G			Utility	110
1,200	1980	Owned		
Shelley G			Utility	110
1,200	1980	Owned		
Shirley G			Utility	110

1,200	1980	Owned		
Sorolta Marie			Utility	110
1,200	1981	Owned		
Tami G			Utility	110
1,200	1982	Owned		
Warren G			Utility	110
1,200	1977	Owned		
Weston G			Utility	110
1,200	1981	Owned		
Tom McCall			Utility	110
1,400	1981	Owned		
Adam J.			Utility	118
1,200	1981	Owned		
Artamay			Utility	118
1,200	1981	Owned		
Idlewild			Utility	120
1,200	1978	Owned		
Marianne V (ex Lagonda)			Utility	120
1,200	1978	JV		
Mister Gil			Utility	120
1,200	1978	Owned		
Mr. Thomas			Utility	120
1,200	1978	Owned		
Philocles			Utility	120
1,200	1982	Owned		
Union Explorer			Utility	120
1,300	1982	Owned		
Deborah McCall			Utility	120
1,400	1981	Owned		
Joyce McCall			Utility	120
1,400	1977	Owned		
Brian Paul			Utility	125
1,200	1979	Owned		
Cecelia C			Utility	125
1,200	1979	Owned		
Marmex IV			Utility	125
1,200	1981	JV		
Mr. David			Utility	125
1,200	1981	Owned		
TOTAL UTILITY				65

TOTAL OF ALL VESSELS (INCLUDING JVS & BAREBOATS): 325

</TABLE>

SCHEDULE D

EXISTING LIENS

<TABLE>

<CAPTION>

SECURED OBLIGATIONS

COLLATERAL

<S>

<C>

GBP 15,255,700 Ex-Stirling Stockholders due  
May 4, 2002

Standby L/C GBP 15,255,700

\$12,131,883 Caterpillar Financial - debt assumed in  
acquisition of Rincon vessels

M/V San Miguel  
M/V Sant Cruz

\$120,936 Southwest Bank - debt assumed in SCF  
acquisition

1st Preferred Ship Mortgage  
covering 11 barges

\$209,455 Liberty: Concord

Various Equipment

\$116,039 Liberty: Hibernia Collateral Loans

All Accounts & General  
Intangibles

</TABLE>

SCHEDULE E

EXISTING INDEBTEDNESS (1)

<TABLE>

<CAPTION>

SECURED DEBT

12/31/2001

- -----

-----

<S>

<C>

Ex-Stirling Stockholders due 5/14/02 (2)

21,357,980

Caterpillar Financial - debt assumed in acquisition of Rincon vessels

12,131,883

Southwest Bank - debt assumed in SCF acquisition

120,936

Liberty: Concord

209,455

Liberty: Hibernia Collateral Loans

116,039

- -----

-----

SECURED DEBT

33,936,293

TOTAL

UNSECURED DEBT

- -----

5 3/8% Convertible Subordinated Notes due 2006, interest

payable semi-annually commencing 1997

46,320,000

7.2% Senior Notes Due 2009, interest payable semi-annually

147,500,000

5.467% Subordinated Promissory Notes due SMIT in 2004,

interest payable quarterly commencing March 1999

23,200,000

Ex-Putford Stockholders

10,920,000

DnB Credit Facility

30,000,000

Liberty: Hibernia

346,832

- -----

-----

UNSECURED DEBT

258,286,832

TOTAL

Less:

Debt discount, 7.2% Senior Notes Due 2009

(398,489)

Debt discount, Putford

(1,359,693)

Debt discount, Stirling

(66,005)

TOTAL DEBT 290,398,938

Less: (Portion Due Within One Year)

Caterpillar Financial - debt assumed in acquisition of Rincon vessels  
(12,131,883)

Ex-Stirling Stockholders  
(21,357,980)

Liberty: Hibernia  
(28,579)

Liberty: Concord  
(75,639)

Liberty: Hibernia Collateral Loans  
(48,971)

Southwest Bank - debt assumed in SCF acquisition  
(80,624)

Debt discount, Stirling  
66,005

CURRENT PORTION OF LONG-TERM DEBT

(33,657,671)

TOTAL LONG-TERM DEBT

256,741,267

</TABLE>

(1) Preliminary not Audited Numbers

(2) This debt is secured with a standby letter of credit issued under the existing credit facility due 6/14/02

SCHEDULE F

EXISTING LETTERS OF CREDIT

LETTERS OF CREDIT

12/31/2001

DEN NORSKE BANK ASA

GBP 15,255,700

Used in the acquisition of Stirling Shipping,  
expires on 6/14/02

EXHIBIT 1

PROMISSORY NOTE

\_\_\_\_\_, 2002

New York, New York

FOR VALUE RECEIVED, the undersigned SEACOR SMIT INC., a corporation incorporated under the laws of the State of Delaware (the "Borrower"), hereby promises to pay to the order of [INSERT NAME OF LENDER], [INSERT JURISDICTION OF ORGANIZATION OF LENDER AND TYPE OF ENTITY] ("\_\_\_\_\_"), with offices at [INSERT ADDRESS OF LENDER], the principal sum of [INSERT AMOUNT OF COMMITMENT OF LENDER] United States Dollars or the equivalent thereof where a portion of the Credit Facility is in a Foreign Currency or Currencies (as the same may be reduced from time to time pursuant to Sections 5.3 of the Credit Agreement hereinafter defined) or, if less, the aggregate unpaid principal amount of the Advances from time to time outstanding made by \_\_\_\_\_ to the Borrower pursuant to the Credit Agreement dated February 5, 2002, by and among, the Borrower, the Banks and Financial Institutions set out in Schedule A thereto, Fleet National Bank, as syndication agent, Den norske Bank ASA as Administrative agent, Nordea, acting through Nordea Bank Finland Plc, New York Branch, as documentation agent, and The Governor and Company of the Bank of Scotland, as co-agent (as amended, restated, modified or supplemented from time to time, the "Credit Agreement"). The Borrower shall repay all outstanding Advances on the Termination Date. This promissory note may be prepaid on such terms as provided in the Credit Agreement. The Borrower shall repay or prepay each Advance (or portion thereof), together with interest accrued thereon, in the same currency as that in which such Advance was denominated when it was originally advanced by the Lenders.

Words and expressions used herein and defined in the Credit Agreement shall have the same meanings herein as therein defined.

The Advances shall bear interest for the period(s) of one (1), two (2), three (3), six (6), nine (9) or twelve (12) months (or such longer period as may be agreed by the Lenders), as selected by the Borrower pursuant to Section 6.3 of the Credit Agreement, at the rate per annum which is equal to the aggregate of, (a) LIBOR plus (b) the Margin, as provided in Section 6.1 of the Credit Agreement. Any payments under the Credit Agreement or hereunder not paid when due, whether by acceleration or otherwise, shall bear interest thereafter at a rate per annum equal to two hundred (200) basis points over the Applicable Rate then in effect with respect thereto at the time of such default.

All payments of principal and interest hereunder are payable in lawful money of the United States of America, the United Kingdom, The Netherlands, France, or Singapore, the Euro or any other currency freely

convertible into U.S. Dollars, as the case may be, to the Administrative Agent at its offices located at 200 Park Avenue, New York, New York or to such other branch of the Administrative Agent as the Administrative Agent may direct, in immediately available same day funds.

The Administrative Agent may endorse the amount, currency and the date of the making of each Advance and any payment or prepayment thereof on the grid annexed hereto and made a part hereof, which endorsement shall constitute prima facie evidence of the accuracy of the information so endorsed; provided, however, that any failure to endorse such information on such grid shall not in any manner affect the obligation of the Borrower to make payment of principal and interest in accordance with the terms of this promissory note.

If this promissory note or any payment required hereunder becomes due and payable on a day which is not a Banking Day the due date thereof shall be extended until the next following Banking Day unless such next following Banking Day falls in the following calendar month, in which case, this promissory note or any payment required hereunder shall be due on the immediately preceding Banking Day. Any interest shall be payable during any such extension at the rate applicable immediately prior thereto.

This promissory note is one of the Notes referred to in, and is entitled to the security and benefits of, the Credit Agreement. Upon the occurrence of any Event of Default under the Credit Agreement, the principal hereof and accrued interest hereon may be declared to be and shall thereupon become, forthwith, due and payable.

Presentment, demand, protest and notice of dishonor of this

promissory note or any other notice of any kind are hereby expressly waived.

THE UNDERSIGNED HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS PROMISSORY NOTE.

THIS PROMISSORY NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Promissory Note on the date and year first above written.

SEACOR SMIT INC.

By: \_\_\_\_\_  
Name:  
Title:

ADVANCES AND PAYMENTS OF PRINCIPAL

<TABLE>  
<CAPTION>

<S> <C>	<C>	<C>	<C>
Outstanding	Amount and Currency of Notation	Amount of Principal	Balance
Date Made By	Each Advance	Paid or Repaid	

</TABLE>

EXHIBIT 2

FORM OF ADMINISTRATIVE QUESTIONNAIRE

LENDER ADMINISTRATIVE QUESTIONNAIRE

At closing, \_\_\_\_\_ will assume the duties and functions of Administrative Agent for the Facility. This questionnaire should be completed in order to facilitate closing and ongoing communication.

FAX ALONG WITH COMMITMENT LETTER TO:

<TABLE>  
<CAPTION>

BORROWER INFORMATION	
<S> BORROWER NAME:	<C> SEACOR SMIT Inc.
AMOUNT AND FACILITY:	\$200,000,000 Revolving Credit Facility
BORROWER TAX ID (S) #:	13-3542736

PARTICIPANT INFORMATION

LEGAL NAME OF LENDER FOR SIGNATURE PAGE:

NAME OF LENDER FOR ANY EVENTUAL TOMBSTONE:

INSTITUTION TAX ID#:

GENERAL INFORMATION DOMESTIC LENDING OFFICE:

EURODOLLAR LENDING OFFICE:

Institution Name:

Street Address:

City/State/Zip:

Country:

</TABLE>

<TABLE>

<CAPTION>

CREDIT CONTACT

OPERATIONS CONTACT

Legal Counsel

<S>

<C>

<C>

<C>

PRIMARY CONTACT:

TITLE:

STREET ADDRESS:

CITY/STATE/ZIP:

COUNTRY:

TELEPHONE #:

FAX #:

EMAIL ADDRESS:

SECONDARY CONTACT:

TITLE:

STREET ADDRESS:

CITY/STATE/ZIP:



-----  
FAX #:

-----  
EMAIL ADDRESS:  
-----

-----  
TAX WITHHOLDING  
-----

-----  
Non-Resident Alien: YES, FORM [W-8 BEN/W--8 ECI] ATTACHED.  
-----

-----  
Tax ID Number: FORM W9 ATTACHED.  
-----

-----  
ADMINISTRATIVE AGENT INFORMATION  
-----

-----  
CREDIT CONTACT  
-----

CUSTOMER SERVICE (LOAN ADMINISTRATION)  
-----

-----  
NAME:

Title:

STREET ADDRESS:

CITY/STATE/ZIP:

COUNTRY:

TELEPHONE #:

FAX #:

EMAIL ADDRESS:  
-----

-----  
ADMINISTRATIVE AGENT WIRE INSTRUCTIONS  
-----

-----  
Bank:

-----  
ABA Number:

-----  
F/O:

-----  
Account #:

-----  
Reference:

-----  
Attn:  
-----

</TABLE>

Completed By

-----  
Signature

EXHIBIT 3

FORM OF  
DRAWDOWN NOTICE

[Date]

Den norske Bank ASA  
200 Park Avenue  
New York, New York 10016

Drawdown Notice  
-----

Pursuant to Section 3.3 of the Revolving Credit Facility Agreement dated as of February 5, 2002 (the "Credit Agreement") made by and among (1) ourselves as the "Borrower", (2) the banks and financial institutions whose names and addresses are set out in Schedule A thereto (together with any assignee pursuant to Section 11 of the Credit Agreement) (collectively the "Lenders"), (3) Fleet National Bank, as syndication agent, (4) Nordea, acting through Nordea Bank Finland Plc, New York Branch, as documentation agent, (5) The Governor and Company of the Bank of Scotland, as co-agent and (6) Den norske Bank ASA, as administrative agent (the "Administrative Agent"), the undersigned hereby gives the Administrative Agent notice of a drawdown of an Advance. All terms used herein, shall have the meanings given thereto in the Credit Agreement.

Drawdown Date:  
Amount:  
Currency:  
Purpose:  
Initial Interest Period(s):  
Disbursement Instructions:

The undersigned hereby represents and warrants that (a) the representations and warranties stated in Section 2 of the Credit Agreement (updated mutatis mutandis) are true and correct on the date hereof and will be true and correct on the Drawdown Date specified above as if made on such date, except for changes in (i) the Vessels owned, (ii) recorded liens relating thereto or (iii) Liens in respect of Secured Debt, and (b) no Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, and no event has occurred or is continuing which, with the giving of notice or lapse of time, or both, would constitute an Event of Default.

In the event that the Lenders shall not be obliged under the terms of the Credit Agreement to make the above requested Advance (including, without limitation any such failure resulting from the failure of the Borrower to satisfy a condition precedent set forth in Section 4 of the

Credit Agreement)1, the Borrower shall indemnify and hold fully harmless the Lenders or any of them, against any losses which the Lenders or any of them, may sustain as a result of borrowing or agreeing to borrow funds to meet the requested drawdown and the certificate of the relevant Lender shall, absent manifest error, be conclusive and binding on the Borrower as to the extent of any such losses.

This Drawdown Notice is effective upon receipt by you and shall be irrevocable.

SEACOR SMIT INC.

By: \_\_\_\_\_

Name:  
Title:

-----

1 Insert the following in the initial Drawdown Notice -- "or the failure of the Credit Agreement to become effective"

EXHIBIT 4

FORM OF  
LETTER OF CREDIT REQUEST

No. 2  
-----

Dated: [Date]

Den norske Bank ASA  
New York Branch  
200 Park Avenue  
New York, NY 10016-0396

Attn.:  
-----

Ladies and Gentlemen.

The undersigned, SEACOR SMIT Inc., refers to the Revolving Credit Facility Agreement, dated February 5, 2002 (as amended, modified or supplemented from time to time, the "Credit Agreement", the capitalized terms defined therein being used herein as therein defined), made by and among (1) the undersigned, as the "Borrower", (2) the banks and financial institutions whose names and addresses are set out in Schedule A thereto (together with any assignee pursuant to Section 11 of the Credit Agreement) (collectively the "Lenders"), (3) Fleet National Bank, as syndication agent, (4) Den norske Bank ASA, as administrative agent, (5) Nordea, acting through Nordea Bank Finland Plc, New York Branch, as documentation agent and (6) The Governor and Company of the Bank of Scotland, as co-agent.

The undersigned hereby requests that the Letter of Credit Issuer issue on behalf and for the account of the undersigned a Letter of Credit on \_\_\_\_\_, \_\_\_\_ (the "Date of Issuance") in the aggregate amount of \_\_\_\_\_. The requested Letter of Credit shall be denominated in \_\_\_\_\_.

The beneficiary of the requested Letter of Credit will be \_\_\_\_\_ and such Letter of Credit will be in support of \_\_\_\_\_<sup>3</sup> and will have a stated termination date of \_\_\_\_\_, \_\_\_\_.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be on the Date of Issuance:

- (a) the representations and warranties contained in Section 2 of the Credit Agreement are and will be true and correct in all material respects, before and after giving effect to the issuance of the Letter of Credit requested hereby, as though made on the Date of

-----

2 Letter of Credit Request Number.

3 Insert description of the L/C Supportable Obligations to which this letter of Credit Request relates.

Issuance, unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, except for changes in (i) the Vessels owned, (ii) recorded liens relating thereto or (iii) Liens in respect of Secured Debt; and

- (b) no Event of Default has occurred and is continuing, or would result after giving effect to the issuance of the Letter of Credit requested hereby.

Copies of all documentation, if any, with respect to the supported transaction are attached hereto.

SEACOR SMIT Inc.

By:

-----  
Name:  
Title:

2

EXHIBIT 5

FORM OF COMPLIANCE CERTIFICATE

[Date]

Den norske Bank ASA, NY Branch  
200 Park Avenue, 31st Floor  
New York, NY 10166

Enclosed, please find the Compliance Certificate required to be delivered under the Credit Facility Agreement, dated February \_\_\_\_\_, 2002 relating to our \$200,000,000 credit facility. The following information has been assembled from the attached financial statements, dated [DATE]. The brief section descriptions outlined below serves to summarize the full text and should there be any conflict in the interpretation of the text used herein and in the Credit Facility Agreement, the latter shall govern ('000' have been omitted in all dollar amounts below).

Definition: EBITDA:

Means on a consolidated basis, the aggregate, to be measured on a trailing twelve (12) month basis, of: (i) operating income (before deductions for interest, taxes, depreciation and amortization), (ii) interest income and (iii) "Equity in Net Earnings of Fifty Percent (50%) or Less Owned Companies" (as such term is used in the Borrower's published financial reports)

<TABLE>

<CAPTION>

Last qtr	Last 12 mos.	4th last qtr.	3rd last qtr	2nd last qtr
<S>	<C>	<C>	<C>	<C>
Operating Income (as defined above)		\$ o	\$ o	\$ o
\$ o	\$ o			
plus interest income		o	o	o
o	o			
plus Equity in Net Earnings of		o	o	o
o	o			
50% or Less Owned Companies.		o	o	o
o	o			
o	o	o	o	o
o	o			
-----				
EBITDA		\$ o	o	\$ o
\$ o	\$ o			

</TABLE>

Definition: Funded Debt:

Means on a consolidated basis, the sum of (i) indebtedness for borrowed money, all obligations evidenced by bonds, debentures, notes, or similar instruments, and purchase money obligations which, in accordance with GAAP, would be shown on

the consolidated balance sheet as a liability, (ii) all obligations arising under letters of credit, (iii) all obligations as lessee under leases, which have been, in accordance with GAAP, recorded as capitalized lease obligations, (iv) guarantees of non-consolidated entity obligations but excluding (v) indebtedness which is consolidated in the Borrower's published financial statements in accordance with GAAP but which represents a minority interest holders' share of such indebtedness unless such minority interest holders' share has been guaranteed by the Borrower or a Subsidiary.

<TABLE>

<CAPTION>

	Committed Amount	Outstanding Amount
<S>	<C>	<C>
US\$200 MM Revolving Credit Facility	o	o
Capitalized Leases	o	o
Smit Note	o	o
Other Debt	o	o
L/C obligations (other than DnB)	o	o
Guarantee obligations	o	o
Long-Term Bonds (12 yrs.)	o	o
Subordinated Convertible Debt	o	o
Less Debt Discount	o	o
Less Minority Related Debt	o	o
		-----
FUNDED DEBT		\$ o
		-----

</TABLE>

2

Section 6.2 The Applicable Margin:

-----  
 Shall vary based upon (a) the Borrower's credit rating as determined by S & P and Moody's, or (b) if the Borrower is no longer rated, the ratio of the Borrower's consolidated Funded Debt to the consolidated EBITDA for the Borrower, as follows:

<TABLE>

<CAPTION>

Funded Debt (1) / EBITDA (2)	Credit Rating	Applicable Margin
-----	-----	-----
<S>	<C>	<C>
less than or equal to 0.75	A-/A3	65 bp
greater than 0.75, less than or equal to 1.5	BBB+/Baa1	75 bp
greater than 1.50, less than or equal to 2.25	BBB/Baa2	85 bp
greater than 2.25, less than or equal to 3.0	BBB-/Baa3	100 bp
greater than 3.0, less than or equal to 4.0	BB+/Ba1	125 bp
Greater than 4.0	>BB+/Ba1	150 bp

</TABLE>

For purposes of determining the Applicable Margin, in the case of a split rating in the respective credit ratings of the Borrower by Moody's and S&P the higher of the two ratings shall apply. In the event of a split rating of more than one level, the rating which is one level above the lower rating shall apply. The Applicable Margin shall be determined by the Administrative Agent quarterly (based upon the latest 10Q or 10K report and this Compliance Certificate). The newly determined Applicable Margin shall be effective on the last day of the month following the month during which such report and certificate were delivered to the Administrative Agent.

Nota Bene: (1) Does not include Subordinated Debt, (2) last 12 months

Applicable Funded Debt: \$ o [A]

-----

Applicable EBITDA: o [B]

-----

Applicable Ratio: o [A/B]

-----

Applicable Rating: o  
 -----  
 (a) S&P rating  
 (b) Moody's rating

Applicable Margin (1) : o  
 -----

Current Margin: o  
 -----

Nota Bene: (1) The new margin shall be effective as of the last day of the month following the month of this compliance certificate.

3

Section 14.1 Commitment Fee:

-----  
 Shall vary based upon (a) the Borrower's credit rating as determined by S&P and Moody's, or (b) if the Borrower is no longer rated, the ratio of the Borrower's consolidated Fund Debt to the Consolidated EBITDA for the Borrower, as follows:

<TABLE>

<CAPTION>

Funded Debt (1) / EBITDA (2) Rate	Credit Rating	Commitment Fee
-----	-----	-----
<S>	<C>	<C>
less than or equal to 0.75	A-/A3	17.5 bp
greater than 0.75, less than or equal to 1.5	BBB+/Ba1	20.0 bp
greater than 1.50, less than or equal to 2.25	BBB/Baa2	25.0 bp
greater than 2.25, less than or equal to 3.0	BBB-/Baa3	32.5 bp
greater than 3.0, less than or equal to 4.0	BB+/Ba1	40.0 bp
Greater than 4.0	>BB+/Ba1	65.0 bp

</TABLE>

For purposes of determining the applicable Commitment Fee Rate(s), in the case of a split rating in the respective credit ratings of the Borrower by Moody's and S&P the higher of the two ratings shall apply. In the event of a split rating of more than one level, the rating which is one level above the lower rating shall apply. The applicable Commitment Fee Rate(s) shall be determined by the Administrative Agent quarterly (based upon the latest 10Q report or 10K report and this Compliance Certificate). The newly determined Commitment Fee Rate(s) shall be effective on the on the last day of the month following the month during which such report was delivered to the Administrative. Agent.

Nota Bene: (1) Does not include Subordinated Debt, (2) last 12 months.

Applicable Ratio: o [A/B above in 6.2]  
 -----

Applicable Rating: o  
 -----  
 (a) S&P rating  
 (b) Moody's rating

Previous Commitment Rate: o bp  
 -----

New Commitment Rate: o  
 -----

Nota Bene: The new margin shall be effective as of the last day of the month following the month of this compliance certificate.

4

Section 3.6 Foreign Currency Advances - Max. 50% of Amount: COMPLIANCE  
(YES/NO/N.A.)

-----

British Pound Advances:  [GBP]

-----

[\$ exchange rate]

[\$ equivalent]

EuroAdvances:  [(euro)]

-----

[\$ exchange rate]

[\$ equivalent]

Singapore Dollar Advances:  [SGD]

-----

[\$ exchange rate]

[\$ equivalent]

Total Foreign Currency Advances (in \$ terms):  [A]

Maximum Foreign Currency Advances Allowed \$  [B] [50% of Facility]

Repayment required: None [A - B]

Section 4.1(a) (iv) Board of Directors and Section 9.1(1)

-----

Change of Control of SEACOR SMIT Inc.:

-----

SEACOR SMIT may not suffer any change of control, as defined.

The current members of the Board of Directors are (any change from previous list to be noted):

5

<TABLE>

	COMPLIANCE (YES/NO/N.A.)
	-----
<S>	<C>
Section 10.1 (a) (v) (a) Annual Financial Statements	
-----	
As soon as available but no later than 90 days after the end of each fiscal year as audited by an Acceptable Accounting Firm. Together with a Compliance Certificate.	<input type="radio"/>
Section 10.1 (a) (v) (b) Quarterly Financial Statements	
-----	
As soon as available but no later than 60 days of the end of each fiscal quarter. Together with a Compliance Certificate.	<input type="radio"/>
Section 10.1 (a) (xv) Funded Debt / Total Capitalization:	
-----	
Maximum of 50%. Total Capitalization includes Funded Debt and Consolidated Net Worth.	<input type="radio"/>
Funded Debt:	\$ <input type="radio"/> [A]
CONSOLIDATED NET WORTH:	\$ <input type="radio"/> [B]

Total Capitalization:	\$	o	[A+B]	
Ratio:			[A/A+B]	
Section 10.1 (a) (xvi) Secure Debt / Total Capitalization: <span style="float: right;">o</span>				
-----				
Secured Debt: on a consolidated basis, the aggregate of any Indebtedness secured or collateralized by a Lien				
Maximum 20%.				
Senior Debt:	\$	o	[A]	
Total Capitalization:	\$	o	[B]	
Ratio:			[A/B]	

6

COMPLIANCE

(YES/NO/N.A.)

-----  
<S>  
<C>

Section 10.1 (a) (xvii) Interest Coverage Ratio:

-----  
Maintain on a consolidated basis (a) EBITDA ? divided by (b) interest payments  
(including interest attributable to capitalized leases) made during the four (4)  
fiscal quarters preceding the date on which such ratio is determined at ratio of  
not less than 3.0 to 1.0.

EBITDA (LAST 12 MONTHS)	\$	o	[A]	
INTEREST PAYMENTS (LAST 4 QUARTERS)	\$	o	[B]	
INTEREST COVERAGE RATIO:			[A/B]	

Section 10.1 (a) (xviii) Consolidated Net Worth:

o  
-----  
Must be equal to (a) \$600MM during 2002, and  
(b) thereafter \$600MM plus 50% of the cumulative  
net income starting with net income for 2002

Section 10.1 (b) (x) Limitations on Investments in Joint Venture

o  
-----  
Will not make, and will not permit any Subsidiary to make, any Investment in any  
Joint Venture except if such Investment does not exceed 30% of the Total  
Capitalization, and except as otherwise provided in Section 10.1 (b) (a) (xviii)

INVESTMENT	\$	o	[A]	
TOTAL CAPITALIZATION	\$	o	[B]	
PERCENTAGE OF INVESTMENT TO TOTAL CAPITALIZATION			[ (A/B) * 100 ]	

7

COMPLIANCE

(YES/NO/N.A.)

-----

<S>

<C>

Section 10.1(b)(xi) Limitations on Indebtedness

-----  
Will not incur, and shall procure that the Subsidiaries will not incur, any Indebtedness, except as otherwise provided in Section

o  
10.1(b)(xi), and except Indebtedness may be incurred so long as Seacor is in compliance with Sections 10.1(a)(xv), (xvi), (xvii) and (xviii); and provided that the aggregate of Subsidiary Funded Debt of each of the Subsidiaries, when added together, shall not exceed 30% of the Total Capitalization of the Borrower on a consolidated basis; provided, further, that when aggregating any Subsidiary Funded Debt, it is done as provided in Section 10.1(b)(xi)(e)

AGGREGATE SUBSIDIARY FUNDED DEBT	\$	o	[A]
TOTAL CAPITALIZATION	\$	o	[B]
PERCENTAGE OF AGGREGATE SUBSIDIARY FUNDED DEBT TO TOTAL CAPITALIZATION		o	[(A/B) * 100]

To the best of my knowledge there are currently no outstanding defaults under the Loan Agreement and the related documentation excerpt as expressly outlined below:

Very truly yours,  
  
SEACOR SMIT Inc.

By: \_\_\_\_\_

Name:

Title:

</TABLE>

FORM OF  
ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), dated as of \_\_\_\_\_, \_\_\_\_\_ between [NAME OF ASSIGNOR], a [BANK/CORPORATION] organized under the laws of [JURISDICTION OF INCORPORATION OF ASSIGNOR] (the "Assignor"), and [NAME OF ASSIGNEE], a [BANK/CORPORATION] organized under the laws of [JURISDICTION OF INCORPORATION OF ASSIGNEE] (the "Assignee"), supplemental to:

(A) that certain Revolving Credit Facility Agreement, dated as of February 5, 2002 (as amended, restated, modified or supplemented from time to time, together the "Credit Agreement"), made by and among (a) the Borrower, (b) the banks and financial institutions whose names and addresses are set out in Schedule A thereto (together with their permitted successors and assigns, the "Lenders"), (c) Fleet National Bank, as syndication agent, (d) Den norske Bank ASA, as administrative agent, (e) Nordea, acting through Nordea Bank Finland Plc, New York Branch, as documentation agent, and (f) The Governor and Company of the Bank of Scotland, as co-agent, pursuant to which the Lenders agreed to make available to the Borrower a reducing revolving

credit facility (the "Credit Facility") in the maximum principal amount which may be outstanding at any time (in Advances and/or Letters of Credit) of Two Hundred Million United States Dollars (US\$200,000,000) or the equivalent in Pounds Sterling, Euros, Singapore Dollars or any combination thereof; provided, however, that at no time may Letters of Credit be outstanding in excess of 50% of the Credit Facility; and

(B) each promissory note made by the Borrower payable to the order of each Bank dated February 5, 2002 (collectively, the "Notes") evidencing the Advances under the Credit Agreement.

Except as otherwise defined herein, terms defined in the Credit Agreement have the same meaning when used herein.

In consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Assignor hereby sells, transfers and assigns to the Assignee 0% of the Assignor's right, title and interest in, to and under the: (a) the Credit Agreement, (b) the Notes (including, without limitation, its interest in the indebtedness evidenced by the Notes) and (c) the Letters of Credit. Simultaneously herewith, the Assignee shall pay to the Assignor an amount equal to the purchase price agreed between them in a separate writing.

2. The Assignee hereby assumes 0% of the obligations of the Assignor under the Credit Agreement and shall hereafter be a "Lender" for all purposes of the Credit Agreement and the Notes and a "Letter of Credit Participant" for purposes of the Letters of Credit, the Assignee's Commitment thereunder being \$0 in respect of the Credit Facility.

3. The [Assignor] [Assignee] shall pay an administrative fee of Five Thousand Dollars (\$5,000) to the Administrative Agent to reimburse the Administrative Agent for its cost in processing the assignment and assumption herein contained.

4. If it is not a U.S. person, the Assignee shall, on or prior to the date hereof and from time to time thereafter when required by applicable provisions of the United States Internal Revenue Code, provide the Borrower with two duly completed copies of Internal Revenue Service Form W-8BEN or W-8ECI, as appropriate, or any successor form prescribed by the Internal Revenue Service, certifying that the Assignee is entitled to benefits under an income tax treaty to which the United States is a party that exempts withholding tax on payments under the Credit Agreement and the Notes or certifying that the income receivable pursuant to the Credit Agreement or the Notes is effectively connected with the conduct of a trade or business in the United States.

5. The Assignee irrevocably designates and appoints the Agent as its agent, and irrevocably authorizes the Agent, to take such action on its behalf and to exercise such powers on its behalf under the Credit Agreement and under the Notes, each as supplemented hereby, as are delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto all as provided in Section 16 of the Credit Agreement.

6. The Assignor makes no representation or warranty in connection with, and shall have no responsibility with respect to, the solvency, financial condition or statements of the Borrower, or the validity and enforceability of the obligations of the Borrower in respect of the Credit Agreement or the Notes. The Assignee acknowledges that it has, independently and without reliance on the Assignor or the Agent, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the business, affairs and financial condition of the Borrower.

7. Every notice or demand under this Agreement shall be in writing and may be given by telecopy and shall be sent (with a copy to the Agent) as follows:

If to the Assignor:

[NAME OF ASSIGNOR]  
[ADDRESS]  
Telecopy No.:  
Attention:

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If to the Assignee

[NAME OF ASSIGNEE]  
[ADDRESS]  
Telecopy No.:  
Attention:

If to the Administrative Agent:

200 Park Avenue  
New York, New York 10166-0396  
Telecopy No. 212-681-3900  
Attention: Nikolai Nachamkin

Any notice sent by telecopy shall be confirmed by letter dispatched as soon as possible thereafter. The Assignee designates its address given above as its address for notices pursuant to Section 17.2 of the Credit Agreement.

8. EACH OF THE ASSIGNOR AND THE ASSIGNEE HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

9. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

10. This Agreement may be executed in several counterparts with the same effect as if the parties executing such counterparts executed one agreement as of the date hereof and each counterpart when executed and delivered shall be deemed to be an original and all of such counterparts together shall constitute this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

[NAME OF ASSIGNOR]

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

Consented and Agreed this  
\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_:

SEACOR SMIT INC.

By \_\_\_\_\_  
Name:

Title:

DEN NORSKE BANK, ASA,  
as Administrative Agent

By \_\_\_\_\_

Name:  
Title:

By \_\_\_\_\_

Name:  
Title:

EXHIBIT 21.1  
SEACOR SMIT INC.  
REGISTRANT'S MAJORITY OWNED SUBSIDIARIES  
AT DECEMBER 31, 2001

	Jurisdiction of Incorporation
Arthur Levy Enterprises, Inc.	Louisiana
Cameron Boat Rentals, Inc.	Louisiana
Glady's McCall, Inc.	Louisiana
Gulf Marine Transportation, Inc.	Louisiana
McCall Marine Services, Inc.	Louisiana
Cameron Crews, Inc.	Louisiana
Philip A. McCall, Inc.	Louisiana
McCall Boat Rentals, Inc.	Louisiana
Carroll McCall, Inc.	Louisiana
McCall Crewboats, L.L.C.	Louisiana
McCall Enterprises, Inc.	Louisiana
SEACOR Marine (Nigeria) Inc.	Louisiana
SEAMAC Offshore L.L.C.	Louisiana
McCall Support Vessels, Inc.	Louisiana
O'Brien's Oil Pollution Services, Inc.	Louisiana
SEACOR Marine (Mexico) Inc.	Louisiana
SEACOR Ocean Support Services Inc.	Louisiana
SEACOR Ocean Lines Inc.	Louisiana
Galaxie Offshore Inc.	Louisiana
SEACOR Supply Ships Associates Inc.	Louisiana
N.F. McCall Crews, Inc.	Louisiana
Liberty Services, Inc.	Louisiana
Plaisance Marine, Inc.	Louisiana
Gilbert Cheramine Boats, Inc.	Louisiana
G&B Marine Transportation, Inc.	Louisiana
Gilco Supply Boats, Inc.	Louisiana
C&C Boat Rentals, Inc.	Louisiana
SEACOR Marine International Inc.	Delaware
SEACOR Capital Corporation	Delaware
SEACOR Deepwater 1, Inc.	Delaware
SEACOR Deepwater 2, Inc.	Delaware
SEACOR Deepwater 3, Inc.	Delaware
VEESEA Holdings Inc.	Delaware
Storm Shipping Inc.	Delaware
Gem Shipping Inc.	Delaware
SEACOR-SMIT Offshore (International) Inc.	Delaware
SEACOR-SMIT Offshore I Inc.	Delaware
National Response Corporation	Delaware
National Response Corporation of Puerto Rico	Delaware
NRC Services, Inc.	Delaware
CRN Holdings Inc.	Delaware
International Response Corporation	Delaware
OSRV Holdings, Inc.	Delaware
Vision Offshore Inc.	Delaware
SEACOR Vision LLC	Delaware
ERST/O'Brien's, Inc.	Delaware
ERST, Inc.	Delaware
SEACOR Offshore Rigs Inc.	Delaware
SEACOR Management Services Inc.	Delaware
SEACOR Offshore Inc.	Delaware

EXHIBIT 21.1  
SEACOR SMIT INC.  
REGISTRANT'S MAJORITY OWNED SUBSIDIARIES  
AT DECEMBER 31, 2001  
(CONTINUED)

	Jurisdiction of Incorporation
Acadian Supply Ships Inc.	Delaware
SEACOR Worldwide Inc.	Delaware
SMIT Holdings Inc.	Delaware
Graham Marine Inc.	Delaware

Graham Offshore Inc.	Delaware
Graham Boats Inc.	Delaware
SEACOR Marine Inc.	Delaware
SEACOR Ocean Boats Inc.	Delaware
Energy Logistics, Inc.	Delaware
Offshore Aviation Inc.	Delaware
SEACOR International Chartering Inc.	Delaware
SEACOR Communications Inc.	Delaware
F2B Investments, Inc.	Delaware
Suffolk Barge Line Inc.	Delaware
SCF Towing Corp.	New York
SCF Transportation Corp.	Delaware
SCF Barge Line II, Inc.	Delaware
Hampton Barge Line, Inc.	Delaware
Weston Barge Line, Inc.	Delaware
SCF Management Services, Inc.	New York
Inland River Towing, Inc.	Delaware
SCF Marine, Inc.	Delaware
Anna Offshore Inc.	Alabama
SEACOR Marine (Bahamas) Inc.	Bahamas
SEACOR-SMIT Offshore (Worldwide) Ltd.	Bahamas
SEACOR-SMIT Offshore (International) Ltd.	Bahamas
SEACOR Offshore Supplyships One Ltd.	Bahamas
SEACOR Offshore Supplyships Two Ltd.	Bahamas
SEACOR Bulk Carriers Inc.	Marshall Islands
SEACOR Marine (Europe) B.V.	Netherlands
SEACOR-SMIT Offshore I B.V.	Netherlands
SEACOR-SMIT Offshore II B.V.	Netherlands
SEACOR-SMIT Holdings B.V.	Netherlands
SEACOR Marine (Asia) Pte. Ltd.	Singapore
SEACOR Capital (Singapore) Pte. Ltd.	Singapore
Gem Shipping Ltd.	Cayman Islands
SEACOR International Ltd.	United Kingdom
Vector-Seacor Ltd.	United Kingdom
SEACOR Capital (UK) Ltd.	United Kingdom
Putford Limited	United Kingdom
Boston Putford Offshore Safety, Ltd.	United Kingdom
Southern Crewing Services, Ltd.	United Kingdom
Warbler Shipping Ltd.	United Kingdom
SEACOR Capital Two Limited	United Kingdom
SEACOR Marine (Management) Ltd.	United Kingdom
SEACOR Marine (West Africa) SAS	France
SEACOR Marine (Isle of Man) Ltd.	Isle of Man
SEACOR Marine (Middle East) FZE	United Arab Emirates
Venezuelan Response Corporation, S.A.	Venezuela
Cosemar	Republic of the Congo

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EXHIBIT 21.1

SEACOR SMIT INC.

REGISTRANT'S MAJORITY OWNED SUBSIDIARIES

AT DECEMBER 31, 2001

(CONTINUED)

	Jurisdiction of Incorporation
	-----
Stirling Shipping Holdings Limited	Scotland
Stirling Shipping Company Limited	Scotland
Stirling Offshore Limited	Scotland
Stirling Marine Limited	Scotland
Stirling Shipmanagement Limited	Scotland
Bruce Marine Limited	Scotland

3  
EXHIBIT 21.1  
SEACOR SMIT INC.  
REGISTRANT'S 50% OR LESS OWNED SUBSIDIARIES  
AT DECEMBER 31, 2001  
(CONTINUED)

	Jurisdiction of Incorporation
West Africa Offshore Ltd.	Nigeria
Maritima Mexicana, S.A. de C.V.	Mexico
Seamex International Ltd.	Liberia
Minvest S.A.	Argentina
Smit-Lloyd Mainport (Ireland) Ltd.	Ireland
South Atlantic Offshore Services S.A.	Panama
Red Dragon Marine Services Ltd.	China
Ocean Marine Services (Egypt) Ltd.	Egypt
Smit Lloyd Matsas (Hellas) Shipping Company S.A.	Greece
Seacor-Smit (Aquitaine) Ltd.	Bahamas
Ultragas Seacor Ltda.	Chile
Patagonia Offshore Services SA	Argentina
Vensea Offshore Ltd.	Bahamas
Delwave Ltd.	Trinidad & Tobago
Sea Treasure Shipping Ltd.	Liberia
Marine Environmental Services (Thailand) Ltd.	Thailand
Vensea Marine S.R.L.	Venezuela
Globe Wireless, LLC	Delaware
Chiles Offshore Inc.	Delaware
Yarnell Marine LLC	Washington
Pelican Offshore Services Pte Ltd	Singapore
West Coast Standby Ltd.	United Kingdom
IRC do Brasil Ltda.	Brazil
Strategic Software Limited	United Kingdom

EXHIBIT 23.1  
CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated February 21, 2002, included in this Form 10-K for the year ended December 31, 2001, into the Company's previously filed Registration Statements File Nos. 333-56842, 333-53326, 333-53874, 333-03534, 333-11705, 333-12637, 333-22249, 333-56842, 333-56714, 333-37492, and 333-53320. It should be noted that we have not audited any financial statements of the company subsequent to December 31, 2001 or performed any audit procedures subsequent to the date of our report.

/s/ Arthur Andersen LLP  
New Orleans, Louisiana  
April 1, 2002

SEACOR SMIT Inc.  
11200 Richmond Avenue  
Suite 400  
Houston, Texas 77082

April 1, 2002

United States Securities and Exchange Commission  
450 Fifth Street, N.W.  
Judiciary Plaza  
Washington, D.C. 20549

Ladies and Gentlemen:

We have received, on the date hereof, representation from Arthur Andersen LLP that their audit of the financial statements contained in SEACOR SMIT Inc.'s Annual Report on Form 10-K for the year ended December 31, 2001, of which this Exhibit 99.1 is a part, was subject to their quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards, and that there was appropriate continuity of Arthur Andersen personnel working on the audit and availability of national office consultation to conduct the relevant portions of the audit.

Sincerely,

SEACOR SMIT INC.

/s/ Randall Blank

-----  
Randall Blank  
Executive Vice President, Chief  
Financial Officer and Secretary