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

For the fiscal year ended December 31, 1997

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 Westheimer, Suite 850, Houston, Texas	77042
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (713) 782-5990

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}

The aggregate market value of the voting stock of the registrant held by non-affiliates as of March 25, 1998, was approximately $743,124,000. The total number of shares of Common Stock issued and outstanding as of March 25, 1998, was 13,206,143.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's definitive proxy statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the Registrant's last fiscal year is incorporated by reference into Items

10 through 13, Part III of this Annual Report on Form 10-K.

SEACOR SMIT INC.
FORM 10-K
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PART I

When included in this Annual Report on Form 10-K or in documents incorporated herein by reference, the words "expects," "intends," "anticipates," "believes," "estimates," and analogous expressions are intended to identify forward-looking statements. Such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risk and uncertainties include, among others, general economic and business conditions, industry fleet capacity, changes in foreign and domestic oil and gas exploration and production activity, competition, changes in foreign political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, customer preferences and various other matters, many of which are beyond the Company's control. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K. The Company expressly disclaims any obligation or undertaking to release publicly any updates or any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

ITEM 1. BUSINESS

GENERAL

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 operates a diversified fleet of vessels, 316 as of March 1, 1998, primarily dedicated to servicing offshore oil and gas exploration and production facilities primarily in the U.S. Gulf of Mexico, offshore West Africa, the North Sea, the Far East, Latin America and the Mediterranean. The Company's offshore service 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. The Company also furnishes vessels for special projects such as well stimulation, seismic data gathering, salvage, freight hauling, and line handling. In connection with its offshore marine services, the Company also offers logistics services for the offshore industry including the coordination and provision of marine, air and land transportation, materials handling and storage, inventory control and "just-in-time" procurement.

The Company's environmental services 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 ("OPA 90"), and various state regulations. The Company's services, provided primarily through its wholly owned subsidiaries, National Response Corporation ("NRC") and ERST/O'Brien's Inc. ("ERST"), include training, consulting and supervision for emergency preparedness, response and crisis management associated with oil or hazardous material spills, fires, and natural disasters, and the maintenance of 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.

SEACOR was incorporated in Delaware in December 1989 and conducts its business principally through wholly owned subsidiaries, many of which have been organized to facilitate vessel acquisitions and various financing transactions in connection therewith and to satisfy foreign and domestic vessel certification requirements. SEACOR's principal executive offices are located at 11200 Westheimer, Suite 850, Houston, Texas 77042, where its telephone number is (713) 782-5990.

Unless the context indicates otherwise, any reference in this Annual Report on Form 10-K, to the "Company" refers to SEACOR SMIT Inc. and its consolidated subsidiaries, "SEACOR" refers to SEACOR SMIT Inc., and "Common Stock" refers to par value $.01 per share common stock of SEACOR SMIT Inc. Certain industry terms used in the description of the Company's business are defined or described under "Glossary of Selected Offshore Marine Industry Terms" appearing at the end of this Item 1.

Financial information with regard to the Company's revenues, operating profits or losses, and identifiable assets for each business segment and respective geographical area of operation is set forth in Note 18 to the Consolidated Financial Statements of the Company.

RECENT DEVELOPMENTS

On January 3, 1997, the Company acquired substantially all of the offshore marine assets, including vessels, owned by Galaxie Marine Service, Inc., Moonmaid Marine, Inc., Waveland Marine Service, Inc. and Triangle Marine, Inc. (collectively, "Galaxie"), for an aggregate consideration of approximately $23.4 million, consisting of approximately $20.6 million in cash and 50,000 shares of SEACOR's Common Stock. The primary assets acquired were 24 vessels dedicated to serving the oil and gas industry in the U.S. Gulf of Mexico.

At the annual meeting of stockholders on April 17, 1997, the holders of SEACOR's Common Stock approved an amendment to SEACOR's Restated Certificate of Incorporation changing SEACOR's corporate name from "SEACOR Holdings, Inc." to "SEACOR SMIT Inc." The name change became effective on May 1, 1997.

On June 30, 1997, the Company entered into an agreement for an unsecured reducing revolving credit facility (the "Credit Facility") with Den norske Bank ASA ("DnB") as agent for itself and other lenders named therein. This facility replaced the prior revolving credit facility with DnB. Under the terms of the Credit Facility, the Company may borrow up to $100.0 million aggregate principal amount.

In August 1997, SEACOR Offshore Rigs Inc. ("SEACOR Rigs"), a wholly owned subsidiary of SEACOR, invested $8.85 million in exchange for a 50% membership interest in Chiles Offshore LLC ("Chiles"), a joint venture and strategic alliance created to construct, own, and operate premium jackup drilling rigs. SEACOR Rigs subsequently made several interest bearing (at 10% per annum) bridge loans to Chiles and, on December 16, 1997, in connection with the sale by Chiles of $20.0 million of membership interests to third parties, contributed the aggregate amount outstanding under such bridge loans of approximately $14.0 million and approximately $12.2 million in cash to Chiles as capital. Through the foregoing transactions, SEACOR Rigs invested an aggregate of $35.0 million in Chiles and, as a result, owns an approximate 55.4% membership interest in Chiles. Chiles has contracted for the construction of two premium jackup drilling rigs for aggregate expected costs of approximately $178.0 million. The equity raised by Chiles is intended to fund a portion of such construction costs and serve as working capital, and it is anticipated that the balance of such construction costs and other working capital needs will be funded through debt financing. Chiles has also obtained options from a U.S. shipyard to construct additional premium jackup drilling rigs. Any such additional rig construction projects are contingent upon the preparation, negotiation, and execution of definitive documentation with the shipyard and Chiles obtaining financing therefor. SEACOR does not presently intend to fund any additional portion of Chiles' rig construction costs.

On September 22, 1997, the Company completed the sale of $150.0 million aggregate principal amount of its 7.2% Senior Notes Due 2009 (the "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.

In 1997, SEACOR's Board of Directors approved the repurchase, from time to time, of up to $50.0 million of its Common Stock. During February 1998, SEACOR's Board of Directors increased its authorization to repurchase, from time to time, up to $40.0 million of SEACOR's Common Stock or 5 3/8% Convertible Subordinated Notes due November 15, 2006 (the "5 3/8% Notes"). The repurchase of either the Common Stock or the 5 3/8% Notes will be conducted through open market purchases or privately negotiated transactions and, subject to applicable law, will be conducted at such times for such amounts and at such prices determined to be appropriate under the circumstances.

On March 3, 1998, the Company repurchased from SMIT International Overseas B.V. ("SMIT Overseas"), a subsidiary of SMIT Internationale N.V. ("SMIT"), 712,000 shares of SEACOR's Common Stock for approximately $37.0 million. The Common Stock was issued to SMIT Overseas as part of the purchase consideration paid for the Company's acquisition of SMIT's offshore supply vessel fleet in December 1996. The Company also satisfied its obligation to pay up to an additional $47.2 million of purchase consideration that would otherwise be payable to SMIT in 1999 through the payment to SMIT of $20.88 million in cash and, through the commitment to issue in January 1999, $23.2 million principal amount of five-year unsecured promissory notes that will bear interest at 90 basis points above the comparable rate for five year U.S. Treasury Notes. As part of this transaction, the Company and SMIT also have agreed to extend the three year term of the salvage and maritime contracting and non-compete agreements first established in December 1996 through December 2001.

OFFSHORE MARINE SERVICES

GEOGRAPHIC MARKETS SERVED

The operations of the Company's offshore marine services business are concentrated in five geographic regions of the world. The table below sets forth, at the dates indicated, the number of vessels operated directly by the Company or through its joint ventures and pooling arrangements in each of those regions.

<TABLE>
<CAPTION>

	At December 31,			At March 1,
Geographic Market	1995	1996	1997	1998

<S>	<C>	<C>	<C>	<C>
Domestic, principally the U.S. Gulf of Mexico	194	175	195	192
Foreign:				
Offshore West Africa	27	34	31	36
North Sea	15	34	31	29
Far East	-	19	17	16
Latin America	10	12	20	21
Other	3	12	12	11
Total Foreign	55	111	111	113
Total Fleet(1)	249	286	306	305

(1) Excludes oil spill response vessels.

DOMESTIC. The Company is a major provider of offshore marine services to the oil and gas exploration and production industry that operates primarily in the U.S. Gulf of Mexico. Exploration activity, which has expanded into deeper water regions of the U.S. Gulf of Mexico, is generally supported by larger supply, towing supply and anchor handling towing supply vessels. At December 31, 1997, the Company operated 33 of approximately 300 of these larger vessels currently in the U.S. Gulf of Mexico. Production activity is supported by similar vessels as well as smaller crew and utility vessels. At December 31, 1997, the Company operated 156 of approximately 400 estimated crew and utility vessels in the U.S. Gulf of Mexico. The Company also operated or bareboat chartered-out 6 specially equipped vessels that provide well stimulation, seismic data gathering, oil spill response, and freight services from shore bases primarily in the U.S. Gulf of Mexico region.

Exploration and drilling activity in the U.S. Gulf of Mexico, which affects the demand for vessels, is largely a function of the short-term and long-term trends in the levels of oil and gas prices. Demand for vessels in the U.S. Gulf of Mexico has increased due to greater drilling activity associated with natural gas exploration and production, deepwater drilling, offshore construction, and rig workover projects. There can be no assurance that this trend will continue.

OFFSHORE WEST AFRICA. The Company is one of the largest operators serving the West African coast. At December 31, 1997, the Company and its joint venture partners operated 31 vessels of the approximately 215 offshore support vessels working in this market. The number of operators is more concentrated in this market as compared to the U.S. Gulf of Mexico in that 4 companies operate almost 90% of the vessels currently active in the region. The need for offshore support vessels in this market is primarily dependent upon multi-year offshore oil and gas exploration and development projects and production support. The demand for vessels offshore West Africa has increased over the past year.

NORTH SEA. The Company provides standby safety, supply, towing supply and anchor handling towing supply services to customers in the North Sea. At December 31, 1997, there were approximately 155 vessels certified to provide standby safety services in the North Sea and the Company owns and operates 10 of these vessels. Twelve additional standby safety vessels are marketed by the Company or its managing agent under pooling arrangements with U.K. companies. See "Joint Ventures and Pooling Arrangements." Demand in this market for standby safety service developed in 1992 after the United Kingdom promulgated increased safety legislation requiring offshore operations to maintain higher specification standby

safety vessels. The legislation generally 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 its existing vessels for use as standby safety service vessels. Demand for standby safety vessels in the North Sea declined steadily in 1994 and early 1995 as drilling activity was scaled back due to a decline in oil prices, tax law changes, and a surplus of certified vessels. Since mid-1995, however, demand improved with increased exploration activity, stimulated in part by updated exploration technology and the development of new drilling areas west of the Shetland Islands. Also, at December 31, 1997, 9 of the approximately 201 offshore support vessels working in the North Sea were owned by the Company. Five vessels were working on the

Netherlands' Continental Shelf and 4 were operating in the U.K. sector. In 1998, drilling activity in the North Sea is forecasted to increase and 85 mobile drilling rigs are projected to be operating. Presently, there are estimated to be 58 offshore support vessels under construction in the region that are expected to add significant vessel capacity to the North Sea market in 1999. It is not certain if these new vessels will negatively affect existing rates per day worked and utilization in the North Sea or possibly stimulate the migration of older offshore support vessels to other regions.

FAR EAST. At December 31, 1997, 11 vessels owned by the Company and 6 vessels owned by a joint venture corporation in which the Company has an equity interest (14 anchor handling towing supply and 3 towing supply vessels) operated in this region. See "Joint Ventures and Pooling Arrangements." At December 31, 1997, there were approximately 280 offshore support vessels owned by 10 companies supporting exploration, production, and construction activities in approximately 16 countries in the Far East. Exploration activity has increased in deep water areas of the region increasing demand and rates per day worked for the more powerful towing and anchor handling towing supply type vessels.

LATIN AMERICA. The Company provides offshore marine services in Latin America for both exploration and production activities. At December 31, 1997, 13 of the Company's 20 vessels operating in this region were based in Mexican ports, and the remaining 7 vessels were based in ports in Chile, Venezuela, and Argentina. Nineteen of the Company's vessels working in Latin America were operated by joint ventures. See "Joint Ventures and Pooling Arrangements."

A significant portion of the Company's Latin American fleet is operating in Mexico. While operating conditions in Mexico are, in many respects, similar to those in the U.S. Gulf of Mexico, demand for offshore support vessels in Mexico historically has been affected to a significant degree by Mexican government policies, particularly those relating to Petroleos Mexicanos ("PEMEX"), the Mexican national oil company. Offshore exploration and production activity increased in 1997 as a result of steady oil prices and a more stable political climate. PEMEX undertook several large infrastructure projects during 1997 that had been previously deferred due to currency and political problems. At December 31, 1997, there were approximately 90 offshore support vessels operating in the Mexican offshore market.

FLEET

The offshore marine service industry supplies vessels to owners and operators of offshore drilling rigs and production platforms. Two of the largest groups of offshore support vessels which the Company operates are crew boats, which transport personnel and small loads of cargo when expedited deliveries are required, and utility boats, which support offshore production by delivering general cargo and facilitating infield transportation of personnel and materials. Two other significant classes of vessels operated by the Company are towing supply and anchor handling towing supply vessels. These vessels have more powerful engines, a deck mounted winch and are capable of towing and positioning offshore drilling rigs as well as providing supply vessel services. The Company also operates supply vessels, which transport drill pipe, drilling fluids and construction materials, and special service vessels which include well stimulation, seismic data gathering, line handling, freight, oil spill response, salvage, and standby safety vessels. As of December 31, 1997, the average age of the Company's owned offshore marine fleet was approximately 14.6 years.

The following table sets forth, at the dates indicated, certain summary fleet information for the Company. For a description of these types of vessels, see "Glossary of Selected Offshore Marine Industry Terms" at the end of this Item 1.

<TABLE>
<CAPTION>

Type of Vessels	At December 31, 1995	1996	1997	At March 1, 1998
<S>	<C>	<C>	<C>	<C>
Crew	77	77	83	84
Utility and Line Handling	86	70	86	84
Supply and Towing Supply	52	70	75	77
Anchor Handling Towing Supply	10	37	37	35
Standby Safety	15	22	22	22
Geophysical, Freight and Other	9	10	3	3
Total Fleet	249	286	306	305(1)

</TABLE>

(1) Excludes 11 oil spill response but includes 245 offshore marine service vessels owned by the Company and 60 offshore marine service vessels that are not owned by the Company. Of the 60 offshore marine service vessels that are not Company owned, 31 are owned joint venture corporations in which the Company has an equity interest, 12 are operated under pooling arrangements with Company owned vessels, 14 are chartered-in or managed by the Company, and 3 are chartered-in by the TMM Joint Venture, as hereinafter defined, for use in their operations.

Since 1994, vessel acquisition transactions and investments in joint ventures that have significantly increased the size of the Company's fleet include (i) 127 utility, crew, and supply vessels acquired in a 1995 transaction (the "Graham Transaction") with John E. Graham & Sons and certain of its affiliated companies (collectively "Graham"), (ii) 11 towing and anchor handling towing supply vessels acquired pursuant to transactions in 1995 and 1996 (the "1995 and 1996 CNN Transactions") with Compagnie Nationale de Navigation ("CNN"), a French corporation, (iii) 41 crew and utility vessels acquired in a 1996 transaction (the "McCall Transaction") with McCall Enterprises, Inc. and its affiliated companies (the "McCall Companies"), (iv) 28 anchor handling towing supply, supply, and towing supply vessels acquired and equity investments in joint ventures that owned 21 anchor handling towing supply and towing supply vessels pursuant to a 1996 transaction (the "SMIT Transaction") with SMIT, and (v) 24 utility, crew, and supply vessels acquired in a 1997 transaction (the "Galaxie Transaction") with Galaxie. The vessels acquired in the Graham Transaction, the McCall Transaction, and the Galaxie Transaction primarily support the oil and gas exploration and production industry in the U.S. Gulf of Mexico, whereas, vessels acquired in the 1995 and 1996 CNN Transactions and the SMIT Transaction are employed in foreign offshore support markets.

The Company actively monitors opportunities to buy and sell vessels that will maximize the overall utility and flexibility of its fleet. Since 1994, the Company has sold 65 vessels that include (i) 6 utility, 4 supply, 1 crew, and 1 anchor handling towing supply in 1995, (ii) 16 utility in 1996, and (iii) 15 supply (7 of which have been bareboat chartered-in by the Company), 7 utility, 6 towing supply, 5 anchor handling towing supply (1 of which has been bareboat chartered-in by the Company), 2 crew, 1 freight, and 1 seismic in 1997. Furthermore, during the fourth quarter of 1997 and the first quarter of 1998, the Company entered into Memoranda of Agreement for the sale and leaseback in 1998 of 10 vessels.

The Company is also committed to the construction of 21 vessels over the next two years that include 7 crew, 7 anchor handling towing supply, 5 supply, and 2 utility vessels.

JOINT VENTURES AND POOLING ARRANGEMENTS

The Company has formed or acquired interests in 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 allow the Company to expand its fleet and minimize the risks and capital outlays associated with independent fleet expansion. The principal joint venture and pooling arrangements in which the Company participates are described below:

VEESEA JOINT VENTURE. Standby safety vessels operated by the Company in the North Sea are owned by a subsidiary of the Company, VEESEA Holdings, Inc. ("VEESEA Holdings") and its subsidiaries (collectively, "VEESEA"). All standby safety vessels operated by the Company in the North Sea are managed under an arrangement with Vector Offshore Limited, a U.K. company ("Vector"), which owns a 9% interest in VEESEA Holdings (the "Veesea Joint Venture"). The Veesea Joint Venture enabled the Company, beginning in 1991, to enter a niche market using local management and an existing infrastructure. At December 31, 1997, ten vessels owned by the Company were operating in standby safety service pursuant to the Veesea Joint Venture.

SEAVEC POOL. In January 1995, the Company entered into a pooling arrangement with Toisa Ltd., a U.K. offshore marine transportation and services company ("Toisa"). Under this pooling arrangement (the "SEAVEC Pool"), the Company and Toisa jointly market their standby safety vessels in the North Sea market, with operating revenues pooled and allocated to the respective companies pursuant to a formula based on the class of vessels each company contributes to the pool. At December 31, 1997, the SEAVEC Pool was comprised of 15 vessels of which 5 were owned by Toisa.

SAINT FLEET POOL. In November 1996, Vector entered into bareboat charters for seven standby safety vessels which provide for VEESEA Holdings, Toisa, and the owners of the vessels to share in net operating profits after certain adjustments for maintenance and management expenses (the "Saint Fleet Pool"). Vector assumed management control of these vessels in December 1996 and markets the vessels in coordination with the SEAVEC Pool.

TMM JOINT VENTURE. During 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"). The TMM Joint Venture is comprised of two corporations, Maritima Mexicana, S.A. and SEAMEX International, Ltd., in each of which the Company owns a 40% equity interest. The TMM Joint Venture 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, 1997, the TMM Joint Venture owned and operated 13 vessels.

SMIT JOINT VENTURES. Pursuant to the SMIT Transaction, the Company acquired certain joint venture interests owned by SMIT (the "SMIT Joint Ventures") which increased the Company's presence in international markets. At December 31, 1997, 20 vessels operating in the Far East, Latin America, the Middle East, the Mediterranean and offshore West Africa were owned by the SMIT Joint Ventures.

CUSTOMERS

The Company offers offshore marine services to over 150 customers who are primarily major integrated oil companies and large independent oil and gas exploration and production companies. The Company has enjoyed long-standing relationships with several of its customers with whom the Company has sought to establish alliances. The percentage of revenues attributable to an 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, 1997, approximately 13% of the Company's marine operating revenue was received from Mobil Oil Corporation.

CHARTER TERMS

Customers for offshore 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.

COMPETITION

The offshore marine services industry is highly competitive. In addition to price, service, and reputation, the principal competitive factors for offshore supply 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 marine offshore services, management believes there is only one company, Tidewater, Inc., which 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 subject to rules of private industry organizations such as the American Bureau of Shipping. These agencies and organizations establish safety standards, 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., (a) the corporation must be organized under the laws of the U.S. or of a state, territory or possession thereof, (b) each of the president or other chief executive officer and the chairman of the board of directors of such corporation must be U.S. citizens, (c) 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 (d) 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) contains provisions limiting the aggregate percentage ownership by Foreigners 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, and Mexico. The Company's 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 U.K. pursuant to the U.K. 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, transport certain bulk chemical materials used in drilling activities, transport rig-generated wastes to shore for delivery to waste disposal contractors, and transport liquid mud which contains oil and oil by-products. These operations are subject to a variety of federal and analogous state statutes concerning matters of environmental protection. Statutes and regulations that govern the discharge of oil and other pollutants onto navigable waters include 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.

Although OPA 90, which amended the Clean Water Act, increased the limits on liability for oil discharges at sea, 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 Company operations include, among other things, the Resource Conservation and Recovery Act, as amended, which regulates the generation, transportation, storage and disposal of on-shore hazardous and non-hazardous wastes; the Comprehensive Environmental Response, Compensation and Liability Act, as amended, which imposes strict, 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 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, state and 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

MARKET

The Company's environmental services business is operated primarily through NRC and ERST and provides contractual oil spill response and other related training and consulting services. The market for these services has grown substantially since 1990 when the United States Congress passed OPA 90 after the Exxon Valdez 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 impacting 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.

EQUIPMENT AND SERVICES

OIL SPILL RESPONSE SERVICES. The Company owns and maintains specialized equipment which is positioned in designated areas to comply with regulations promulgated by the Coast Guard, and also has personnel trained to respond to oil spills as required by customers and regulations. The Company provides these services on the East, Gulf, and

West Coasts of the United States as well as parts of the Caribbean. West Coast coverage is provided through Clean Pacific Alliance ("CPA"), a joint venture between NRC and Crowley Marine Services.

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 50 independent oil spill response contractors that may assist it with the provisioning of equipment and personnel. NRC has acted as the principal contractor on several of the largest oil spills that have occurred in the United States after the enactment of OPA 90.

TRAINING, DRILL AND OTHER PROFESSIONAL SERVICES. The Company has developed customized training programs for industrial companies which educate personnel on the risks associated with and 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 drill programs, vessel response plans, and response exercises. 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 has also established International Response Corporation ("IRC"), a wholly owned subsidiary, to evaluate international opportunities with respect to its environmental services business. IRC is currently providing consulting services in connection with oil spill response, pollution control, and the evaluation of the feasibility of constructing waste oil, waste water and sludge reception facilities.

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 to others, including, under certain circumstances, the Coast Guard. The Company presently has approximately 325 customers. The Company's retainer arrangements with these customers include both short-term contracts (one year or less) and long-term agreements, in some cases as long as seven years from inception. For the fiscal year ended December 31, 1997, approximately 28% of the Company's environmental retainer revenue was received from Coastal Refining and Marketing, Inc.

The Company also generates revenue from the supervision of activities in response to oil spill emergencies. The Company's environmental services revenue can be dramatically impacted by the level of spill activity. A single large spill can contribute significantly to overall revenues and to operating income. However, the Company is unable to predict revenues from oil spills.

COMPETITION

The principal competitive factors in the environmental services 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 the 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 and CPA, in combination, hold OSRO classification under the current Coast Guard guidelines for every

port in the continental United States and Hawaii and Puerto Rico.

In addition to the Coast Guard, the Environmental Protection Agency, 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.

When responding to third-party oil spills, the Company enjoys immunity from imposition of liability under federal law and some state laws for any spills arising from the Company's response efforts, except if the Company is found to be grossly negligent or to have engaged in willful misconduct. The Company 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.

EMPLOYEES

As of December 31, 1997, the Company directly employed 1,890 persons, which included 1,620 operating personnel that primarily crew vessels, and 270 administrative and managerial personnel. West Africa Offshore, Ltd., a Nigerian corporation in which the Company owns a 40% equity interest, assists with the management of the Company's vessels operating in Nigeria and employs approximately 300 crew and shore based support personnel. The Company has, on occasion, experienced work stoppages at its facilities in Nigeria. Although there can be no assurance that such stoppages will not recur, the Company does not presently anticipate recurrences and, should they recur, there can be no assurance that the effect would not have a material adverse effect on the Company's financial condition and results of operations. The shipboard personnel for the Company's North Sea standby safety vessels, approximately 258 at December 31, 1997, were provided by Celtic Pacific Ship Management Overseas, Ltd. ("Celtic"). At December 31, 1997, shipboard personnel provided to the Company pursuant to an agreement with SMIT approximated 360.

GLOSSARY OF SELECTED OFFSHORE MARINE INDUSTRY TERMS

ANCHOR HANDLING TOWING SUPPLY VESSELS. Anchor handling towing supply vessels are equipped with winches capable of towing drilling rigs and lifting and positioning their anchors and other marine equipment. They range in size and capacity and are usually characterized in terms of horsepower and towing capacity. For Gulf of Mexico service, anchor handling towing supply vessels typically require 6,000 horsepower or more to position and service semi-submersible rigs drilling in deep water areas.

BAREBOAT CHARTER. This is a lease arrangement under which the lessee (charterer) is responsible for all crewing, insurance and other operating expenses, as well as the payment of bareboat charter hire to the vessel owner.

CREW BOATS. Crew boats transport personnel and cargo to and from production platforms and rigs. Older crew boats, early 1980's built, are generally 100 to 110 ft. in length and are generally designed for speed to transport personnel. Newer crew boat designs are generally larger, 130 to 180 ft. in length, and have greater cargo carrying capacities. They are used primarily to transport cargo on a time sensitive basis.

FREIGHT VESSELS. Freight vessels have a substantial amount of clear deck space for cargo and adequate stability to handle tiers of containers or overdimensional cargo. Speed and fuel consumption are also important factors in this vessel category.

LINE HANDLING VESSELS. Line handling vessels are outfitted with special equipment to assist tankers while they are loading at single buoy moorings. They have a high degree of maneuverability, are well fendered and include pollution dispersal capability.

OIL SPILL RESPONSE VESSELS. Oil spill response vessels are specially equipped to respond to oil spill emergencies and are certified as such by the U.S. Coast Guard.

OVERALL UTILIZATION. For any vessel with respect to any period, the ratio of aggregate number of days worked by such vessel to total calendar days available during such period.

PROJECT AND GEOPHYSICAL VESSELS. These vessels generally have special features to meet the requirements of specific jobs. The special features

include large deck spaces, high electrical generating capacities, slow controlled speed and unique thrusters, extra berthing facilities and long range capabilities. These vessels are primarily used for well stimulation and for the deployment of seismic data gathering equipment.

RATE PER DAY WORKED. For any vessel with respect to any period, the ratio of total charter revenue of such vessel to the aggregate number of days worked of such vessel for such period.

STANDBY SAFETY VESSELS. Standby safety vessels operate in the U.K. 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, also function as supply vessels.

SUPPLY VESSELS. Supply vessels serve drilling and production facilities and support offshore construction and maintenance work. They are differentiated from other vessels by cargo flexibility and capacity. The size of a vessel typically determines deck capacity, although vessels constructed after 1979 with exhaust stacks forward have better configurations for cargo stowage and handling. In addition to deck cargo, such as pipe or drummed materials on pallets, supply vessels transport liquid mud, potable and drill water, diesel fuel and dry bulk cement. Generally, customers prefer vessels with large liquid mud and bulk cement capacity and large areas of clear deck space. For certain jobs, other characteristics such as maneuverability, fuel efficiency or firefighting capability may also be important.

TOWING SUPPLY VESSELS. These vessels perform the same functions as supply vessels but are equipped with more powerful engines (3,000 to 5,000 horsepower) and a deck mounted winch, 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 VESSELS. These vessels provide service to offshore production facilities and also support offshore maintenance and construction work. Their capabilities include the transportation of fuel, water, deck cargo and personnel. They range in length from 96 feet to 135 feet and can, depending on the vessel design, have enhanced features such as firefighting and pollution response capabilities.

ITEM 2. PROPERTIES

The Company's primary facilities are located in Texas, Louisiana and New York. Executive offices, approximating 5,000 square feet, are rented in Houston, Texas, pursuant to a five year lease expiring in 2000. Morgan City, Louisiana is the largest base for the Company's offshore marine service business that includes administrative offices and warehouse facilities, aggregating 15,000 square feet, and a waterfront site for vessel dockage. This facility is rented pursuant to a ten-year lease that contains renewal options. Calverton, New York is the largest facility for the Company's environmental service business that includes executive and administrative offices that approximate 9,000 square feet. This facility is rented pursuant to a five year lease that also contains renewal options.

The Company also maintains other facilities in support of its offshore marine and environmental service operations. Domestically, offshore marine service operation sites are located primarily in Louisiana cities that both serve as ports-of-call for many customers and represent strategically disbursed operating bases along the U.S. Gulf of Mexico. The Company's offshore marine service operation also maintains offices in Rotterdam, the Netherlands, Paris, France, Great Yarmouth and Aberdeen, United Kingdom, Dubai, United Arab Emirates, and Singapore in support of its widely disbursed international fleet and many of these offices arose pursuant to the SMIT Transaction. The environmental service business maintains small marketing offices in Florida, Texas, Tennessee, California, Louisiana, New Jersey, and Puerto Rico.

The Company believes that its facilities, including waterfront locations that provide for vessel dockage to allow the undertaking of certain vessel repair work, provide an adequate base of operations for the foreseeable future. Information regarding the Company's fleet is included in Item 1 of this Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

The Company is involved in various legal and other proceedings which are incidental to the conduct of its business. The Company believes that none

of these proceedings, if adversely determined, would have a material adverse effect on its financial condition or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1997.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The name, age, and offices held by each of the executive officers of the Company at December 31, 1997 were as follows:

<TABLE>
<CAPTION>

NAME	AGE	POSITION
<S>	<C>	<C>
Charles Fabrikant	53	Chairman of the Board of Directors, President and Chief Executive Officer
Randall Blank	47	Executive Vice President, Chief Financial Officer and Secretary
Milton Rose	53	Vice President
Mark Miller	36	Vice President
Andrew Strachan	50	Vice President
Lenny P. Dantin	45	Vice President and Treasurer

</TABLE>

Charles Fabrikant has been Chairman of the Board and Chief Executive Officer of SEACOR since December 1989, and has served as a director of SEACOR's subsidiaries since December 1989. He has been President of SEACOR since October 1992. For more than the past five years, Mr. Fabrikant has been the Chairman of the Board and Chief Executive Officer of SCF Corporation ("SCF") and President of Fabrikant International Corporation ("FIC"), each a privately owned corporation engaged in marine operations and investments. Since January 1992, Mr. Fabrikant has been Chairman of the Board of NRC. Each of SCF and FIC may be deemed to be an affiliate of the Company. Mr. Fabrikant is a licensed attorney admitted to practice in the State of New York and in the District of Columbia.

Randall Blank has been Executive Vice President and Chief Financial Officer of SEACOR since December 1989 and has been the Secretary since October 1992. Since June 1994, Mr. Blank has been Chief Financial Officer and Vice President of NRC. 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. Since 1986, Mr. Blank has served as President and Chief Operating Officer of SCF.

Milton Rose has been Vice President of SEACOR and President and Chief Operating Officer of SEACOR Marine, Inc. since January 1993. In addition, since January 1993, Mr. Rose has been a director of certain of SEACOR's subsidiaries. Since 1994, he has been a director of one of the companies comprising the TMM Joint Venture. From 1985 to January 1993, Mr. Rose was Vice President-Marine Division for Bay Houston Towing Company.

Mark Miller has been Vice President of SEACOR since November 1995, and President and Chief Operating Officer of NRC since November 1992. Since 1992, Mr. Miller has been a director of certain of NRC's subsidiaries, and since 1996, he has been a director of CPA.

Andrew Strachan has been a Vice President of SEACOR since April 1997 and a director of certain SEACOR subsidiaries since December 1996. Prior to joining SEACOR, Mr. Strachan held various positions at SMIT from 1967 through 1996, and most recently, Mr. Strachan served as Group Director for SMIT's offshore shipping business.

Lenny P. Dantin has been Vice President of SEACOR since March 1991, Treasurer since October 1992, and has been Vice President and the Secretary, Treasurer and a director of certain of SEACOR's subsidiaries since January 1990. Also, since 1994, Mr. Dantin has been a director of one of the companies comprising the TMM Joint Venture.

PART II

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

On October 23, 1996, SEACOR's Common Stock, commenced trading on the New York Stock Exchange, Inc. (the "NYSE") under the trading symbol "CKH." Prior to October 23, 1996, SEACOR's Common Stock was traded on the Nasdaq Stock Market's National Market under the trading symbol "CKOR." Set forth in the tables below for the periods presented are the high and low sale prices for SEACOR's Common Stock as reported on the Nasdaq Stock Market's National Market through and including October 22, 1996 and as reported on the NYSE Composite Tape for the period commencing October 23, 1996 through and including March 25, 1998:

<TABLE>
<CAPTION>

	HIGH	LOW
NASDAQ STOCK MARKET'S NATIONAL MARKET (1)		
Fiscal 1996 (ending December 31, 1996):		
First Quarter	37 1/4	26 3/8
Second Quarter	51	36 1/4
Third Quarter	54 1/8	40 1/2
Fourth Quarter (through October 22, 1996)	59 1/4	49
NEW YORK STOCK EXCHANGE		
Fiscal 1996 (ending December 31, 1996)		
Fourth Quarter (October 23, 1996 through December 31, 1996).	66 3/8	52 1/8
Fiscal 1997 (ending December 31, 1997):		
First Quarter	67 1/4	44 3/4
Second Quarter	66 3/4	51 7/8
Third Quarter	58 1/2	39 5/8
Fourth Quarter	73 5/8	53 7/8
Fiscal 1998 (ending December 31, 1998):		
First Quarter (through March 25, 1998)	61 1/8	50 1/4

</TABLE>

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(1) Prices reflect inter-dealer prices, without any retail mark-ups, mark-downs or commissions and may not necessarily represent actual sale transactions.

The closing sale price of SEACOR's Common Stock, as reported on the NYSE Composite Tape on March 25, 1998, was $ 59 1/8 per share. As of March 25 1998, there were approximately 283 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 such dividends in the foreseeable future. Instead, SEACOR intends to retain earnings for working capital and to finance the expansion of its business. Pursuant to the terms of the Company's Credit Facility with DnB, SEACOR may declare and pay dividends if it is in full compliance with the covenants contained in the DnB Facility and no Events of Default, as defined, have occurred and are continuing or will occur after giving effect to any declaration or distribution to shareholders. In addition to any contractual restrictions, as a holding company, SEACOR's ability to pay any cash dividends is dependent on the earnings and cash flows of its operating subsidiaries and their ability to make funds available to SEACOR. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

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.

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. Such financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements of the Company included in Parts II and IV, respectively, of this Annual Report on Form 10-K.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,				
	1993	1994	1995	1996	1997
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:					
Operating revenue:					
Marine	$ 92,168	$ 93,985	$ 104,894	$ 193,557	$ 325,009
Oil spill and emergency response	-	-	8,927	12,466	4,763
Environmentral retainer and other service	-	-	12,838	18,421	17,176
	92,168	93,985	126,659	224,444	346,948
Costs and Expenses:					
Costs of oil spill and emergency response	-	-	7,643	10,398	3,916
Operating expenses -					
Marine	53,958	55,860	66,205	108,043	158,175
Environmental	-	-	4,580	6,227	5,402
Administrative and general	7,187	7,278	13,953	22,304	28,299
Depreciation and amortization	12,107	14,108	18,842	24,967	36,538
Operating Income	18,916	16,739	15,436	52,505	114,618
Net interest expense	3,719	3,548	4,098	2,155	1,412
(Gain)/loss from equipment sales or requirements	8	388	(4,076)	(2,264)	(61,928)
Other (income) expense	(122)	267	(228)	104	(569)
McCall acquisition costs	-	-	-	542	-
Income before income taxes, minority interest, equity in net earnings of 50% or less owned companies, and extraordinary item	15,311	12,536	15,642	51,968	175,703
Income tax expense	5,339	4,368	5,510	18,535	61,384
Income before minority interest, equity in					

net earnings of 50% or less owned companies, and extraordinary item.....	9,972	8,168	10,132	33,433	114,319
Minority interest in (income) loss of subsidiaries	(51)	184	321	244	(301)
Equity in net earnings of 50% or less owned companies.....	287	975	872	1,283	5,575
Income before extraordinary item.....	10,208	9,327	11,325	34,960	119,593
Extraordinary item - loss on extinguishment of debt, net (less applicable income taxes)....	1,093	-	-	807	439
Net income.....$	9,115 $	9,327 $	11,325 $	34,153 $	119,154
Net income per common share:(1)					
Basic earnings per common share.....$	1.28 $	1.31 $	1.50 $	2.97 $	8.61
Diluted earnings per common share.....	1.23	1.22	1.37	2.74	7.47
STATEMENT OF CASH FLOWS DATA:					
Cash provided by operating activities.....$	23,416 $	21,150 $	9,939 $	58,737 $	102,548
Cash provided by (used in) investing actvities	(24,251)	(4,855)	(78,695)	(100,120)	(212,087)
Cash provided by (used in) financing activities	17,657	(7,714)	53,291	161,482	135,468
OTHER FINANCIAL DATA:					
EBITDA (2).....$	32,366 $	32,923 $	35,964 $	79,730 $	157,341
BALANCE SHEET DATA (AT PERIOD END):					
Cash and temporary investments.....$	36,008 $	44,637 $	28,786 $	149,053 $	175,381
Total assets.....	233,511	238,145	350,883	636,455	1,019,801
Total long-term debt, including current portion	87,959	79,517	111,095	220,452	360,639
Stockholders' equity.....	100,532	111,482	183,464	351,071	474,014

</TABLE>

(1) In 1997, the Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share" effective December 15, 1997, and all prior periods earnings per share data have been restated to conform with the provisions of that statement.

(2) 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.

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

OFFSHORE MARINE SERVICES

The Company provides marine transportation and related services largely dedicated to supporting offshore oil and gas exploration and production through the operation, domestically and internationally, of offshore support vessels. The Company's vessels deliver cargo and personnel to offshore installations, tow and handle the anchors of drilling rigs and other marine equipment, support offshore construction and maintenance

work and provide standby safety support. The Company's vessels also are used for special projects, such as well stimulation, seismic data gathering, freight hauling, line handling, salvage, and oil spill emergencies.

Operating revenues are affected primarily by the number of vessels owned, average rates per day worked and utilization of the Company's fleet, and the number of vessels bareboat and time chartered-in.

Since 1994, acquisition transactions and investments in joint ventures that have significantly increased the size of the Company's fleet include (i) 127 utility, crew, and supply vessels acquired in the 1995 Graham Transaction, (ii) 11 towing and anchor handling towing supply vessels acquired in the 1995 and 1996 CNN Transactions, (iii) 41 crew and utility vessels acquired in the 1996 McCall Transaction, (iv) 28 anchor handling towing supply, supply, and towing supply vessels acquired and equity investments in joint ventures that owned 21 anchor handling towing supply and towing supply vessels pursuant to the 1996 SMIT Transaction, and (v) 24 utility, crew, and supply vessels acquired in the 1997 Galaxie Transaction. The vessels acquired in the Graham Transaction, the McCall Transaction, and the Galaxie Transaction primarily support the oil and gas exploration and production industry in the U.S. Gulf of Mexico, whereas, vessels acquired in the 1995 and 1996 CNN Transactions and the SMIT Transaction are employed in foreign offshore support markets. The Company also actively monitors opportunities to buy and sell vessels that will maximize the overall utility and flexibility of its fleet. Since 1994, the Company has sold 65 vessels: (i) 29 utility, (ii) 19 supply, (iii) 6 towing, (iv) 6 anchor handling towing supply, (v) 3 crew, (vi) 1 freight, and (vii) 1 seismic. Eight of the vessels sold have been bareboat chartered-in by the Company.

The Company is also committed to the construction of 21 vessels over the next two years that include 7 crew, 7 anchor handling towing supply, 5 supply, and 2 utility vessels.

Rates per day worked and utilization of the Company's fleet are a function of demand for and availability of marine vessels that 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 during the periods indicated.

	Year Ended December 31,		
	1995	1996	1997
Rates per Day Worked ($):(1)(2)			
Supply/Towing supply	3,198	4,479	6,283
Anchor handling towing supply	4,960	6,482	10,176
Crew	1,529	1,726	2,291
Standby safety	4,378	4,884	6,033
Utility/Line handling	1,126	1,152	1,381
Geophysical, Freight and Other	4,010	4,289	4,586
Overall fleet	2,376	2,565	3,598
Overall Utilization (%):(1)			
Supply/Towing supply	83.9	94.5	92.3
Anchor handling towing supply	80.1	93.1	84.4
Crew	96.9	97.8	97.5
Standby safety	82.1	85.8	94.0
Utility/Line handling	73.0	81.4	97.9
Geophysical, Freight and Other	89.2	99.1	97.7
Overall fleet	86.1	90.8	95.2

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(1) Rates per day worked is the ratio of total charter revenue to the total number of vessel days worked. 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/operated vessels and include vessels bareboat and time chartered-in by the Company.

(2) Revenues for certain of the Company's vessels, primarily its standby safety vessels, are earned in foreign currencies, primarily British pounds sterling, and have been converted to U.S. dollars at the weighted average exchange rate for the periods indicated.

From time-to-time, the Company bareboat or time charters-in vessels. A bareboat charter is a vessel lease under which the lessee ("charterer") is responsible for all crewing, insurance, and other operating expenses, as well as the payment of bareboat charter hire to the providing entity. A time charter is a lease under which the entity providing the vessel is responsible for all crewing, insurance, and other operating expenses and the charterer only pays a time charter hire fee to the providing entity. Operating revenues for vessels owned and bareboat or time chartered-in are incurred at similar rates. However, operating expenses associated with vessels bareboat and time chartered-in include charter hire expenses that, in turn, are included in vessel expenses, but exclude depreciation expense.

The Company also bareboat charters-out vessels. Operating revenues for these vessels are lower than for vessels owned and operated or bareboat chartered-in by the Company, because vessel expenses, normally recovered through charter revenue, are the burden of the charterer. Operating expenses include depreciation expense if the vessels which are chartered-out are owned. At December 31, 1997, the Company had six vessels bareboat chartered-out.

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

	At December 31,		
Fleet Structure	1995	1996	1997
Owned	232	242	248
Bareboat and Time Chartered-in	2	2	11
Managed	-	-	1
Joint venture vessels(1)	10	30	34
Pool vessels(2)	5	12	12
Overall Fleet	249	286	306

(1) 1995, 1996, and 1997 include 10, 9, and 13 vessels, respectively, operated by the TMM Joint Venture and 1996 and 1997 additionally include 21 vessels operated by the SMIT Joint Ventures. See "Business - Joint Ventures and Pooling Arrangements."

(2) 1995, 1996, and 1997 include 5 SEAVEC Pool vessels and 1996 and 1997 additionally include 7 Saint Fleet Pool vessels. See "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 segment also incurs fixed charges related to the depreciation of property and equipment. Depreciation is a significant operating cost, and the amount related to vessels is the most significant component.

A portion of the Company's revenues and expenses are 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. The foregoing applies primarily to the Company's North Sea operations. Overall, the percentage of the Company's offshore marine revenues derived from foreign operations, whether in U.S. dollars or foreign currencies, approximated 40% for the fiscal year ended December 31, 1997.

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, currency restrictions and exchange rate fluctuations, import-export quotas and other forms of public and governmental regulation, 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.

Regulatory drydockings, which are a substantial component of marine maintenance and repair costs, are expensed when incurred. Under applicable maritime regulations, vessels must be drydocked twice in a

five-year period for inspection and routine maintenance and repair. The Company follows an asset management strategy pursuant to which it defers required drydocking of selected marine vessels and voluntarily removes these marine 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 quarter or 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 year ended December 31, 1997, the Company completed the drydocking of 109 marine vessels at an aggregate cost of $11.6 million as compared with 108 marine vessels drydocked at an aggregate cost of $8.5 million in 1996 and 51 marine vessels drydocked at an aggregate cost of

$3.3 million in 1995. Drydock activity in 1995 reflects a low number of vessels repaired in direct response to weak market conditions and low rates per day worked in the U.S. Gulf of Mexico.

As of December 31, 1997, the average age of the Company's owned offshore marine service fleet was approximately 14.6 years. The Company believes that after offshore marine service vessels have been in service for approximately 25 years, the amount 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.

Operating results are also affected by the Company's participation in the following joint ventures: (i) the Veesea Joint Venture which operated ten standby safety vessels in the North Sea at December 31, 1997; (ii) the SEAVEC and Saint Fleet Pools which coordinate the marketing of 22 standby safety vessels in the North Sea, of which 10 are owned by the Veesea Joint Venture; (iii) the TMM Joint Venture which operated 13 vessels in Mexico at December 31, 1997; and (iv) the SMIT Joint Ventures which operated 20 vessels in the Far East, Latin America, the Middle East, the Mediterranean and offshore West Africa at December 31, 1997. See "Business - Joint Ventures and Pooling Arrangements."

To date, the recent instability in Asian financial markets has had no material effect on the Company's operations in this region.

ENVIRONMENTAL SERVICES

The Company's environmental services business 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. 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, equipment maintenance, and provide trained personnel for deploying equipment in a spill response.

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 seven 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 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. Operating results are also affected by NRC's participation in CPA on the West Coast of the United States.

RESULTS OF OPERATIONS

The following table sets forth operating revenue and operating profit by segment for the periods indicated. The offshore marine services segment data is provided by geographic area of operation. The environmental business segment's principal operations are in the United States.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
OPERATING REVENUE:			
Marine:			
United States	$ 195,266	$ 134,106	$ 72,964
North Sea	53,415	14,173	13,523
West Africa	44,194	37,312	14,637
Other Foreign	32,134	7,966	3,770
	325,009	193,557	104,894
Environmental	21,939	30,887	21,765
	346,948	224,444	126,659
OPERATING PROFIT:			
Marine:			
United States	125,650	43,640	17,529
North Sea	16,047	(2,545)	(2,952)
West Africa	18,054	8,317	3,840
Other Foreign	17,384	3,616	1,630
	177,135	53,028	20,047
Environmental	3,285	5,009	1,626
	180,420	58,037	21,673
Other income (expense)(1)	(27)	(548)	190
General corporate administration	(3,278)	(3,366)	(2,123)
Net interest expense	(1,412)	(2,155)	

(4,098)			
Minority interest in (income) loss of subsidiaries.	(301)	244	
321			
Equity in earnings of 50% or less owned companies, net of tax.....	5,575	1,283	
872			
Income tax expense.....	(61,384)	(18,535)	
(5,510)			
	==========	==========	
==========			
Income before extraordinary item.....	$ 119,593	$ 34,960	$
11,325			
	==========	==========	
==========			

</TABLE>

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(1) Excludes gain/(loss) from equipment sales or retirement of property and certain other expenses that were reclassified to operating profit in geographical areas of the Marine segment.

COMPARISON OF YEAR END 1997 TO YEAR END 1996

The marine business segment's operating revenue increased $131.5 million in the twelve month period ended December 31, 1997, compared to the twelve month period ended December 31, 1996 due primarily to a net increase in the number of owned vessels and a significant improvement in rates per day worked for the Company's offshore vessels operating in the U.S. Gulf of Mexico. Significant offshore vessel acquisitions included 24 vessels purchased from SMIT during December 1996 that operate in the North Sea, offshore West Africa, and in Other Foreign regions and 24 vessels purchased from Galaxie during January 1997 that operate in the U.S. Gulf of Mexico. Anchor handling towing supply, towing, and supply vessels were acquired from SMIT, and utility, crew and supply vessels were acquired from Galaxie. Strong demand in the U.S. Gulf of Mexico resulted in rates per day worked increasing between comparable periods for all offshore vessels owned by the Company. Additionally, rates per day worked for the Company's vessels operating in the North Sea, offshore West Africa, and in Other Foreign regions also increased between comparable periods.

The environmental business segment's operating revenue decreased $8.9 million in the twelve month period ended December 31, 1997, compared to the twelve month period ended December 31, 1996 due primarily to a decline in the severity of oil spills managed by the Company. Retainer fees and other service revenues also declined between comparable periods due primarily to a decline in voyage and other service activities.

The marine business segment's operating profit increased $124.1 million in the twelve month period ended December 31, 1997, compared to the twelve month period ended December 31, 1996. The increase was due primarily to significant increases in gains from the sale of equipment, mainly vessels, and factors affecting operating revenue as outlined above. During the twelve months ended December 31, 1997, gains from the sale of equipment aggregated $61.9 million, primarily from the sale of 37 vessels: 14 U.S. Gulf of Mexico (7 of which were bareboat chartered-in by the Company) and 1 North Sea supply, 4 U.S. Gulf of Mexico and 2 West

African towing supply, 3 West African, 1 North Sea, and 1 U.S. Gulf of Mexico (bareboat chartered-in by the Company) anchor handling towing supply, 7 U.S. Gulf of Mexico utility, 2 U.S. Gulf of Mexico crew, 1 U.S. freight, and 1 Far East seismic. These increases in operating profit were partially offset by higher wage, repair, insurance, charter, food provision, and administrative costs (see discussion below). Wage costs increased for seaman working in the U.S. Gulf of Mexico region in response to strong demand for personnel resulting from very active market conditions. Repair costs increased for the Company's fleet operating in the U.S. Gulf of Mexico due primarily to an increase in (i) the number of scheduled engine overhauls, (ii) other engine maintenance resulting from greater running time by the Company`s smaller vessels, and (iii) drydock expenses that resulted from rising shipyard costs and more stringent regulatory inspections. Health insurance costs in the United States increased due to higher per average employee claim costs. Charter cost increased due to the sale and leaseback of eight vessels during 1997. The food provision per diem for vessels operating domestically was increased in 1997.

The environmental business segment's operating profit declined $1.7 million in the twelve month period ended December 31, 1997 compared to the twelve month period ended December 31, 1996 due primarily to the

factors affecting operating revenue as outlined above. These declines in operating profit were partially offset by decreases in both operating and general and administrative expenses.

The Company's overall administrative and general expenses, relating primarily to operating activities, increased $6.0 million in the twelve month period ended December 31, 1997 compared to the twelve month period ended December 31, 1996, and related primarily to an increase in managerial staff and other administrative costs necessary to support fleet growth that includes the recent vessel acquisitions from SMIT and Galaxie. Also during 1997, the Company's marine services business increased its reserve for doubtful foreign trade accounts receivable. The environmental business segment's administrative and general expenses decreased in response to reduced voyage and other service activities. Administrative and general expenses primarily include costs associated with personnel, professional services, travel, communications, facility rental and maintenance, general insurance, and franchise taxes.

The Company's overall depreciation and amortization expense, which related primarily to operating activities, increased $11.6 million in the twelve month period ended December 31, 1997 compared to the twelve month period ended December 31, 1996. This increase was due primarily to a net increase in the number of owned offshore marine vessels that were acquired from SMIT and Galaxie.

Net interest expense decreased $0.7 million in the twelve month period ended December 31, 1997 compared to the twelve month period ended December 31, 1996. Interest income rose due primarily to greater invested cash balances that resulted from improved operating results and the sale of the Company's 5 3/8% Notes and 7.2% Notes. Interest expense also increased between comparable periods due to an increase in the Company's outstanding indebtedness but was partially offset by the capitalization in 1997 of certain interest costs associated with the construction of vessels.

In the twelve month period ended December 31, 1997, equity in the earnings of 50% or less owned companies, net of applicable income taxes, resulted primarily from the Company's investment in the SMIT Joint Ventures, the TMM Joint Venture, and CPA. In the comparable period of 1996, equity earnings were realized from the Company's participation in the TMM Joint Venture and CPA.

COMPARISON OF YEAR ENDED 1996 TO YEAR ENDED 1995

The marine business segment's operating revenue increased $88.7 million in the twelve month period ended December 31, 1996, compared to the twelve month period ended December 31, 1995, due primarily to a net increase in the number of owned vessels, higher rates per day worked and greater utilization, the termination of bareboat charter-out arrangements for nine Company owned vessels and the charter-in of two additional vessels. Operating revenue earned by 162 vessels acquired in the fourth quarter of 1995 and in 1996 and two newly constructed vessels accounted for $50.8 million or 57% of the increase. Improved rates per day worked and greater utilization of the Company's vessels accounted for an additional $24.8 million or 28% of the increase due primarily to improved market conditions in the U.S. Gulf of Mexico and North Sea. The remaining increase in operating revenue between comparable years was due primarily to the Company's termination of bareboat charter-out arrangements in the fourth quarter of 1995 of nine Company owned vessels operating offshore West Africa and the charter-in of two additional vessels that also operated offshore West Africa in 1996.

The environmental business segment's operating revenue increased $9.1 million in the twelve month period ended December 31, 1996 compared to the twelve month period ended December 31, 1995, due primarily to the consolidation of the financial results of the environmental subsidiaries and higher oil spill response and retainer revenue. The Company's environmental subsidiaries became wholly owned on March 14, 1995; whereas, prior to that date, they were reported in the financial statements under the equity method of accounting. Oil spill response revenue increased due to higher response activity. Retainer revenue increased due to the addition of two significant customers and greater voyage activity.

The marine business segment's operating profit increased $33.0 million in the twelve month period ended December 31, 1996, compared to the twelve month period ended December 31, 1995. The increase was due primarily to the factors affecting operating revenue as outlined in the preceding paragraph; however, operating and administrative expenses also increased.

Operating expenses increased primarily due to an increase in (i) the number of vessels drydocked and repaired, (ii) crew wage and related benefit costs in the U.S., and (iii) engine repairs. Administrative expenses increased primarily due to an increase in (i) wage and related benefit costs, (ii) bad debt provisions for trade accounts receivable, (iii) cost resulting from the consolidation of certain U.S. operations, and (iv) commitment fees paid a bank under a revolving credit loan facility established in late 1995. Gains from the sale of vessels declined as the Company sold less marketable equipment in the current year. Four supply, six utility, one crew, and one anchor handling towing supply vessels were sold in the U.S. in 1995; whereas, during 1996, sixteen utility vessels were sold in the U.S.

The environmental business segment's operating profit increased $3.4 million in the twelve month period ended December 31, 1996 compared to the twelve-month period ended December 31, 1995, due primarily to the factors affecting operating revenue mentioned in the discussion above.

In the twelve month period ended December 31, 1996, other expense includes $0.5 million of cost to complete the McCall Transaction. In the twelve month period ended December 31, 1995, other income related primarily to a $0.2 million gain recognized in conjunction with the Company's purchase of $2.3 million principal amount of its outstanding 6.0% Convertible Subordinated Notes Due July 1, 2003 (the "6.0% Notes"). The gain represented the difference between the amount paid to acquire the 6.0% Notes and their carrying amount, net after giving effect to a write-off of certain unamortized deferred financing costs associated with the original sale of such securities.

Overall administrative and general expenses, related primarily to operating activities, but including corporate expenses, increased $8.4 million in the twelve month period ended December 31, 1996, compared to the twelve month period ended December 31, 1995. The marine business segment accounted for $7.5 million of the increase between comparable years and related primarily to an increase in managerial staff and other administrative costs necessary to support fleet growth and other factors as mentioned in the discussion above of the marine business segment's operating profit. Corporate administrative and general expenses increased $1.2 million between comparable years due primarily to greater salary expense and costs associated with listing the Common Stock on the NYSE. The environmental business segment's administrative costs increased between comparable years due primarily to the consolidation of the financial results of the environmental subsidiaries. The Company's administrative and general expenses primarily include costs associated with personnel, professional services, travel, communications, facility rental and maintenance, general insurance and franchise taxes.

Overall depreciation and amortization expense, which related primarily to operating activities, increased $6.1 million in the twelve month period ended December 31, 1996, compared to the twelve month period ended December 31, 1995. The marine business segment accounted for $5.6 million of this increase between comparable periods and related primarily to fleet growth. The remainder of the increase between comparable periods was due primarily to the consolidation of the financial results of the environmental subsidiaries.

Net interest expense decreased $1.9 million between comparable years. Interest expense decreased primarily due to a decrease in outstanding indebtedness that was caused primarily by the conversion in July 1996 of all of the then outstanding $55.25 million principal amount of the Company's 6.0% Notes and normal and accelerated principal repayments. This decrease was partially offset by additional interest expense related primarily to borrowings in November 5, 1996 under the Company's 5 3/8% Notes and borrowings under a revolving credit facility with DnB that was established in September 1995 in connection with the Graham Transaction. Interest income increased between comparable years due primarily to greater invested cash balances resulting from improved operating results and net proceeds received from the issuance of the 5 3/8% Notes.

In the twelve month period ended December 31, 1996, equity in the earnings of 50% or less owned companies, net of applicable income taxes, resulted from the Company's investment in the TMM Joint Venture, FISH, and CPA. In the comparable periods of 1995, equity earnings were realized exclusively from the Company's participation in the TMM Joint Venture.

LIQUIDITY AND CAPITAL RESOURCES

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. The Company may, from time to time, issue shares of Common 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 are determined primarily by the size of the Company's fleet, vessels' rates per day worked, overall vessel utilization, and the level of spill response activity. Factors relating to the marine service business are affected directly by the volatility of oil and gas prices, the level of offshore production and exploration activity and other factors beyond the Company's control.

Operating results for 1997 generated $102.5 million in cash that reflect a significant improvement over the prior year primarily due to a net increase in the number of owned offshore marine service vessels and substantially higher rates per day earned by the Company's worldwide marine fleet. Trade accounts receivable and payable have also increased significantly from 1996 to 1997 due primarily to the same factors affecting operating results.

During 1997, the Company had a net use of cash in investing activities resulting primarily from (i) $62.6 million expended for 16 vessels under construction, (ii) the acquisition of 35 vessels for aggregate consideration of $40.1 million that included the Galaxie Transaction, the acquisition of 4 vessels pursuant to a letter of intent initiated during the SMIT Transaction, and various other purchase transactions, (iii) the new construction of 5 vessels and capital improvements to another vessel for $29.4 million, (iv) the purchase of investment securities for $160.5 million, and (v) $47.0 million being set aside in escrow as restricted cash. In connection with certain vessel sales during 1997, the Company has directed the sale proceeds to be deposited into escrow accounts pursuant to certain exchange and escrow agreements. Under the terms of those agreements, for a period of six months, the funds held in escrow are restricted to be used toward the purchase of replacement vessels. Should replacement vessels not be delivered prior to expiration of their applicable six month escrow period, funds then remaining in the escrow accounts will be released to the Company for general use. The use of cash in investing activities during 1997 was offset principally by cash generated from the sale of 37 vessels and other equipment aggregating $139.8 million. Eight of the vessels sold were pursuant to sale and leaseback transactions, and an additional 3 vessels sold were to equity investees. Certain of the gains realized from these transactions have been deferred and will be amortized to income over the lease term or depreciable lives of the applicable vessel. Furthermore, during the fourth quarter of 1997 and the first quarter of 1998, the Company entered into Memoranda of Agreement for the sale and leaseback in 1998 of an additional 10 vessels at an aggregate sale price of $73.65 million.

The Company generated cash from financing activities during 1997 primarily from the sale of its 7.2% Notes for net proceeds of $148.0 million. This increase was offset primarily by the repayment of $8.4 million of indebtedness outstanding under the Credit Facility with DnB, the repayment of other indebtedness, and the repurchase of 110,200 shares of Common Stock for $4.7 million.

Under the terms of the 1997 Credit Facility with DnB, the Company may borrow up to $100.0 million which amount decreases semi-annually by 6 1/4% and a commitment fee is payable on a quarterly basis at rates ranging from 0.15 to 0.45 percent per annum on the average unfunded portion of the Credit Facility. The commitment fee rate varies based upon the percentage the Company's funded debt bears to earnings before interest, taxes, depreciation, and amortization ("EBITDA"). The aggregate principal amount (the "Maximum Committed Amount") of unsecured reducing revolving credit loans mature on June 29, 2002. The Maximum Committed Amount will automatically decrease semiannually by 6 1/4% beginning June 30, 1998, with the balance payable at maturity. Outstanding borrowings will bear interest at annual rates ranging from 70 to 160 basis points (the "Margin") above LIBOR. The Margin is determined quarterly and varies based upon the percentage the Company's funded debt bears to EBITDA, as defined. The Credit Facility requires the Company, on a consolidated basis, to maintain a minimum ratio of indebtedness to vessel value, as

defined, a minimum cash and cash equivalent level, a specified interest coverage ratio, specified debt to capitalization ratios and a minimum net worth. The Credit Facility limits the amount of secured indebtedness

which the Company and its subsidiaries may incur, provides for a negative pledge with respect to the Company's and its subsidiaries' assets, and restricts the payment of dividends. There were no borrowings outstanding under the Credit Facility at December 31, 1997.

The 7.2% Notes sold in 1997 require interest payments semiannually 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.

At December 31, 1997, the Company had outstanding $186.75 million aggregate principal amount of its 5 3/8% Notes that were issued pursuant to a private placement and the SMIT Transaction in 1996. 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 $66.00 per share (equivalent to a conversion rate of 15.1515 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 5 3/8% Notes are general unsecured 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. Also, pursuant to the SMIT Transaction, the Company entered into certain lease purchase agreements which obligate the Company to purchase two vessels from SMIT with cash and $6.75 million principal amount of the 5 3/8% Notes in 2001.

During 1997, minority interest in subsidiaries of the Company increased significantly, resulting primarily from the establishment of two new joint ventures. Pursuant to the sale by Chiles in December 1997 of membership interests to third parties, the Company made certain additional capital contributions to Chiles that resulted in an aggregate investment of $35.0 million and ownership of a 55.4% membership interest. Also during 1997, the Company completed the structuring of a limited liability company (the "LLC"), pursuant to a Memorandum of Agreement dated September 25, 1996, with a wholly owned subsidiary of TMM. This LLC, which owns and operates a newly constructed anchor handling towing supply vessel, is 25% owned by the TMM subsidiary and 75% owned by the Company.

The Company issued 136,578 shares of Common Stock during 1997 for aggregate value of approximately $8.0 million pursuant the Galaxie Transaction, the SMIT Transaction, and the acquisition of ERST. Additionally in 1997, in recognition of a commitment to the continued growth and financial success of the Company, the Executive Compensation and Stock Option Committee of the Board of Directors granted 24 officers and key employees 18,510 restricted shares at a market value on date of issue of approximately $1.1 million.

In February 1997, the Board of Directors authorized the repurchase, from time to time, of up to $50.0 million of the Company's Common Stock or its 5 3/8% Notes. In February 1998, the Board of Directors increased its authorization to repurchase, from time to time, up to an additional $40.0 million of the Company's Common Stock or its 5 3/8% Notes. The repurchase of the Common Stock or 5 3/8% Notes will be conducted through open market purchases or privately negotiated transactions and, subject to applicable law, will be conducted at such times for such amounts and at such prices determined to be appropriate under the circumstances. During 1997, SEACOR repurchased 110,200 of its shares for approximate aggregate cost of $4.7

million. In the first quarter of 1998, SEACOR repurchased an additional 737,500 of its shares for approximate aggregate cost of $38.4 million.

On March 3, 1998, the Company repurchased from SMIT Overseas 712,000 shares of SEACOR's Common Stock for $37.024 million. The Common Stock was issued to SMIT Overseas, as part of the purchase consideration paid for the Company's acquisition of SMIT's offshore supply vessel fleet in December 1996. The Company also satisfied its obligation to pay up to an additional $47.2 million of purchase consideration that would otherwise be payable to SMIT in 1999 through the payment to SMIT of $20.88 million in cash and, through the commitment to issue in January 1999, $23.2 million principal amount of five-year unsecured promissory notes that will bear interest at 90 basis points above the rate for comparable five-year U.S. Treasury Notes. As part of this transaction, the Company and SMIT also have agreed to extend the three-year term of the salvage and maritime contracting and non-compete agreements first established in December 1996 through December 2001.

During 1997, the Company entered into forward exchange contracts to manage certain foreign exchange risks associated with its net investment in a foreign subsidiary using pounds sterling as its functional currency. The total notional value of those forward exchange contracts at December 31, 1997 was approximately $7.5 million, all of which expire at various dates through January 1999.

The Company is currently in the process of evaluating its information technology infrastructure for Year 2000 compliance. The Company does not expect the costs to modify its information technology infrastructure to be Year 2000 compliant will be material to its financial condition or results of operations. The Company does not anticipate any material disruption in its operations as a result of any failure by the Company to be in compliance. At present, the Company does not have but expects to solicit information concerning the Year 2000 compliance status of its suppliers and customers. In the event that any of the Company's significant suppliers or customers does not successfully and timely achieve Year 2000 compliance, the Company's business or operations could be adversely affected.

CAPITAL EXPENDITURES

The Company may make selective acquisitions of marine vessels or fleets of marine vessels and oil spill response equipment or expand the scope and nature of its environmental services. The Company also may upgrade or enhance its marine vessels or construct marine 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.

As of March 1, 1998, the Company has commitments to build 21 marine offshore service vessels at an approximate aggregate cost of $238.0 million of which $71.0 million has been funded, and its majority owned subsidiary, Chiles, has commitments to build 2 premium jackup drilling rigs for an approximate aggregate cost of $178.0 million of which $36.5 million has been funded. These construction projects are expected to be completed over the next two years. Pursuant to Memoranda of Agreement between the Company and TMM, two joint venture corporations will be structured to each own an offshore marine service vessel currently being constructed by the Company. TMM is expected to make an approximate $6.0 million aggregate capital contribution for a 12.5% equity interest in each joint venture, and the Company will own all remaining equity interests in these joint venture corporations. Expenditures for environmental compliance to modify marine segment vessels have not been a significant component of the Company's capital budget.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board issued Statement No. 130 ("SFAS 130"), "Reporting Comprehensive Income" and Statement No. 131 ("SFAS 131"), "Disclosures About Segments of an Enterprise and Related Information." SFAS 130 establishes standards for reporting comprehensive income (defined as net income and all other non-owner changes in equity) in the financial statements. SFAS 131 requires companies to disclose segment data based on how management makes decisions about allocating resources to segments and measuring their performance. In February 1998, the Financial Accounting Standards Board issued Statement No. 132 ("SFAS 132"), "Employers' Disclosures about

Pensions and Other Postretirement Benefits." SFAS 130, 131, and 132 are effective for 1998. Adoption of SFAS 130 and 131 is expected to result in additional disclosure by the Company but will not have any effect on its reported financial position or results of operations. SFAS 132 is not expected to have any impact on the Company's financial statements.

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 28 through 50.

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 Schedules on page 28 of this Form 10-K.

3. Exhibits:

See Index to Exhibits on pages 53 - 59 of this Form 10-K.

(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 31, 1998

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>

Signature	Title	Date
/s/ Charles Fabrikant --- Charles Fabrikant	Chairman of the Board, President President and Chief Executive Officer (Principal Executive Officer)	March 31, 1998
/s/ Randall Blank --- Randall Blank	Executive Vice President, Chief Financial Officer and Secretary (Principal Financial Officer)	March 31, 1998
/s/ Lenny P. Dantin --- Lenny P. Dantin	Vice President and Treasurer (Principal Accounting Officer and Controller)	March 31, 1998
/s/ Granville E. Conway --- Granville E. Conway	Director	March 31, 1998
/s/ Michael E. Gellert --- Michael E. Gellert	Director	March 31, 1998
/s/ Antoon Kienhuis --- Antoon Kienhuis	Director	March 31, 1998
/s/ Stephen Stamas --- Stephen Stamas	Director	March 31, 1998
/s/ Richard M. Fairbanks ---	Director	March 31, 1998

Richard M. Fairbanks III

/s/ Pierre de Demandolx Director March 31, 1998

Pierre de Demandolx

</TABLE>

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

Financial Statements:

Financial Schedules:

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.

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, 1997 and 1996 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, 1997. 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 did not audit the 1995 financial statements of CRN Holdings Inc. and subsidiaries, which statements reflect total assets and total revenues of 9 percent and 17 percent, respectively, in 1995 of the consolidated totals. Those statements were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for those entities, is based solely on the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. 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 and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of SEACOR SMIT Inc. and subsidiaries as of December 31, 1997 and 1996 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

New Orleans, Louisiana
February 11, 1998
(except with respect to the matters
discussed in Notes 19 and 20, as
to which the date is March 3, 1998)

SEACOR SMIT INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1997 AND 1996
(IN THOUSANDS, EXCEPT SHARE DATA)

<TABLE>
<CAPTION>

ASSETS	1997	1996
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$ 175,381	$ 149,053
Held-to-maturity securities	33,020	311
Trade and other receivables, net of allowance for doubtful accounts of $1,626 and $475, respectively	84,087	48,693
Inventories	2,149	1,559
Prepaid expenses and other	1,422	1,865
Total current assets	296,059	201,481
Investments, at Equity and Receivables from 50% or Less Owned Companies	38,370	21,316
Available-for-Sale Securities	127,420	-
Property and Equipment:		
Vessels and equipment	447,620	475,566
Vessels and rigs under construction	108,592	13,081
Other	36,671	10,252
	592,883	498,899
Less-accumulated depreciation	109,949	101,123
	482,934	397,776
Restricted Cash	46,983	-

Other Assets	28,035	15,882
	$ 1,019,801	$ 636,455
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 1,925	$ 1,793
Accounts payable and accrued expenses	34,304	15,424
Accrued interest	4,616	1,450
Accrued wages	3,658	3,377
Accrued income taxes	8,739	2,182
Other current liabilities	6,279	5,057
Total current liabilities	59,521	29,283
Long-Term Debt	358,714	218,659
Deferred Income Taxes	59,681	33,749
Deferred Gain and Other Liabilities	34,168	2,719
Minority Interest in Subsidiaries	33,703	974
Stockholders' Equity:		
Common stock, $.01 par value, 40,000,000 shares authorized; 14,064,221 and 13,888,133 shares issued in 1997 and 1996, respectively	140	139
Additional paid-in capital	268,728	258,904
Retained earnings	211,159	92,005
Less 166,968 and 56,768 shares held in treasury in 1997 and 1996, respectively, at cost	(5,365)	(622)
Unamortized restricted stock	(986)	(279)
Net unrealized gain (loss) on available-for-sale securities, net of tax	(16)	-
Currency translation adjustments	354	924
Total stockholders' equity	474,014	351,071
	$ 1,019,801	$ 636,455

</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 INCOME
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996, AND 1995
(IN THOUSANDS, EXCEPT SHARE DATA)

<TABLE>
<CAPTION>

	1997	1996	1995

<S>	<C>	<C>	<C>	<C>
Operating Revenue:				
Marine	$ 325,009	$ 193,557	$ 104,894	
Environmental -				
Oil spill and emergency response	4,763	12,466	8,927	
Retainer and other services	17,176	18,421	12,838	
	346,948	224,444	126,659	
Costs and Expenses:				
Cost of spill and emergency response	3,916	10,398	7,643	
Operating expenses -				
Marine	158,175	108,043	66,205	
Environmental	5,402	6,227	4,580	
Administrative and general	28,299	22,304	13,953	
Depreciation and amortization	36,538	24,967	18,842	
	232,330	171,939	111,223	
Operating Income	114,618	52,505	15,436	
Other Income (Expense):				
Interest income	12,756	3,558	2,583	
Other	569	(104)	228	
Gain/(loss) from equipment sales or retirements	61,928	2,264	4,076	
McCall acquisition costs	-	(542)	-	
Interest expense	(14,168)	(5,713)	(6,681)	
	61,085	(537)	206	
Income Before Income Taxes, Minority Interest, Equity in Earnings Extraordinary Item of 50% or Less Owned Companies, and Extraordinary Item	175,703	51,968	15,642	
Income Tax Expense:				
Current	36,317	15,215	5,175	
Deferred	25,067	3,320	335	
	61,384	18,535	5,510	
Income Before Minority Interest, Equity in Earnings of 50% or Less Owned Companies and Extraordinary Item	114,319	33,433	10,132	
Minority Interest in (Income) Loss of Subsidiaries	(301)	244	321	
Equity in Net Earnings of 50% or Less Owned Companies	5,575			

1,283 872

Income Before Extraordinary Item				119,593	
34,960	11,325				
Extraordinary Item - Loss on Extinguishment of Debt, net of tax..				439	
807	-				
Net Income			$	119,154	$
34,153	$ 11,325				
Basic Earnings Per Common Share:					
Income before extraordinary item			$	8.64	$
3.04	$ 1.50				
Extraordinary item				(0.03)	
(0.07)	-				
Net income			$	8.61	$
2.97	$ 1.50				
Diluted Earnings Per Common Share:					
Income before extraordinary item			$	7.50	$
2.80	$ 1.37				
Extraordinary item				(0.03)	
(0.06)	-				
Net income			$	7.47	$
2.74	$ 1.37				
Weighted Average Common Shares:					
Basic				13,840,205	
11,480,929	7,547,330				
Diluted				16,845,001	
13,256,291	9,955,040				

</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, 1997, 1996, AND 1995
(IN THOUSANDS)

<TABLE>
<CAPTION>

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Net Unrealized Gains(Losses) on Available for Sale Securities	Currency Translation Adjustments	Unamortized Restricted Stock	Net of Tax
1997								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1996	$ 139	$ 258,904	$ 92,005	$ (622)	$ (279)	$ -	$ 924	
Add - Net income for the year Ended December 31, 1997	-	-	119,154	-	-	-	-	
- Issuance of common stock:								-

	Galaxie transaction	1	2,787	-	-	-	-	-	-	-	-
	SMIT transaction	-	1,554	-	-	-	-	-	-	-	-
	ERST/O'Brien's Inc acquisition	-	3,614	-	-	-	-	-	-	-	-
	Exercise of stock options	-	656	-	-	-	-	-	-	-	-
	Issuance of restricted stock	-	1,213	-	-	(1,146)	-	-			
-	Amortization of restricted stock	-	-	-	-	439	-	-			
-	Net currency translation adjustments	-	-	-	-	-	-	(570)			
Deduct -	Change in unrealized gains (losses) on Available-for-Sale Securities	-	-	-	-	-	(16)	-			
-	Purchase of Treasury shares	-	-	-	(4,743)	-	-	-			
Balance, December 31, 1997		$ 140	$ 268,728	$ 211,159	$ (5,365)	$ (986)	$ (16)	$ 354			
1996											
Balance, December 31, 1995		$ 99	$ 127,317	$ 57,852	$ (576)	$ (159)	$ -	$ (1,069)			
Add -	Net income for the year Ended December 31, 1996	-	-	34,153	-	-	-	-			
-	Issuance of common stock: Public offering	9	37,670	-	-	-	-	-			
	2 5% note conversion	2	3,939	-	-	-	-	-			
	6% note conversion	21	53,764	-	-	-	-	-			
	SMIT transaction	7	33,635	-	-	-	-	-			
	Exercise of stock options	1	2,452	-	-	-	-	-			
	Issuance of restricted stock	-	575	-	-	(575)	-	-			
-	Cancellation of restricted stock	-	-	-	(46)	46	-	-			
-	Amortization of restricted stock	-	-	-	-	409	-	-			
-	Net currency translation adjustments	-	-	-	-	-	-	1,993			
Deduct -	Public offering costs	-	(448)	-	-	-	-	-			
Balance, December 31, 1996		$ 139	$ 258,904	$ 92,005	$ (622)	$ (279)	$ -	$ 924			
1995											
Balance, December 31, 1994		$ 72	$ 66,319	$ 46,528	$ (576)	$ -	$ -	$ (861)			
Add -	Net income for the year Ended December 31,1995	-	-	11,325	-	-	-	-			
-	Issuance of common stock: NRC merger	3	5,704	-	-	-	-	-			
	CNN acquisition	5	11,295	-	-	-	-	-			
	Public offering	16	36,926	-	-	-	-	-			
	Coastal/Phibro transaction	3	7,497	-	-	-	-	-			
	Other	-	4	-	-	-	-	-			

```
-           -
          - Issuance of restricted stock          -          216          -         -
(216)            -           -
          - Amortization of restricted stock      -            -          -         -         57
-           -
  Deduct  - Public offering costs                 -         (644)         -         -          -
-           -
          - Dividends paid                        -            -         (1)        -          -
-           -
          - Net currency translation
              adjustments                         -            -          -         -          -
-        (208)
                                                 ======== ============ ====================
======================= ============
 Balance, December 31, 1995               $     99 $    127,317 $   57,852  $   (576)$
(159) $          - $    (1,069)

================================================================================
</TABLE>
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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 CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996, AND 1995
(IN THOUSANDS)

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>
Cash Flows from Operating Activities:			
Net Income	$119,154	$ 34,153	$ 11,325
Depreciation and amortization	36,538	24,967	18,842
Restricted stock amortization	439	409	57
Bad debt expense	1,155	238	100
Deferred income taxes	25,067	3,320	335
Equity in net earnings of 50% or less owned companies	(5,575)	(1,283)	(872)
Extraordinary loss, extinguishment of debt	439	807	-
(Gain)/loss from equipment sales or retirements	(60,674)	(2,264)	(4,076)
Minority interest in income (loss) of subsidiaries	301	(244)	(321)
Other, net	204	416	379
Changes in operating assets and liabilities -			
Decrease in restricted cash	-	-	308
(Increase) in receivables	(35,976)	(14,819)	(14,807)
(Increase) decrease in inventories	(602)	69	(79)
(Increase) decrease in prepaid expenses and other assets	(3,998)	609	(1,620)
Increase in accounts payable, accrued and other liabilities	26,076	12,359	368
Net cash provided by operations	102,548	58,737	9,939
Cash Flows from Investing Activities:			
Purchases of property and equipment	(136,097)	(50,794)	(87,997)

Proceeds from the sale of marine vessels and equipment	139,828	3,441	7,522
Investments in and advances to 50% or less owned companies	(7,075)	(65)	(916)
Principal payments on notes due from 50% or less owned companies	723	942	431
Deposits into restricted cash accounts	(46,983)	-	-
Purchase of investment securities	(160,486)	(330)	(28)
Proceeds from maturity of investment securities	311	642	-
Acquisition of vessels and joint venture interests from SMIT Internationale N V	--	(54,427)	-
Other, net	(2,308)	471	2,293
Net cash (used in) investing activities	(212,087)	(100,120)	(78,695)
Cash Flows from Financing Activities:			
Payments of long-term debt and stockholder loans	(10,383)	(52,743)	(66,609)
Proceeds from issuance of long-term debt and stockholder loans	1,125	7,711	87,283
Net proceeds from sale of common stock and capital contribution	-	37,231	36,302
Payments on capital lease obligations	(1,844)	(172)	(1,037)
Net proceeds from sale of 5 3/8% Convertible Subordinated Notes	-	168,189	-
Net proceeds from sale of 7 2% Subordinated Notes	148,049	-	-
Proceeds from sale of minority interest	4,096	-	-
Common stock acquired for Treasury	(4,743)	-	-
Other, net	(832)	1,266	(2,648)
Net cash provided by financing activities	135,468	161,482	53,291
Effects of Exchange Rate Changes on Cash and Cash Equivalents	399	168	(81)
Net Increase (Decrease) in Cash and Cash Equivalents	26,328	120,267	(15,546)
Cash and Cash Equivalents, beginning of period	149,053	28,786	44,332
Cash and Cash Equivalents, end of period	$ 175,381	$ 149,053	$ 28,786

</TABLE>

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

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") furnish vessel support to the offshore oil and gas exploration and production industry and provide contractual oil spill response and related training and consulting services to companies who

store, transport, produce, or handle petroleum and certain non-petroleum oils as required by the Oil Pollution Act of 1990 ("OPA 90"). The Company operates principally in the United States, offshore West Africa, the North Sea, the Far East, and Latin America.

BASIS OF CONSOLIDATION. The consolidated financial statements include the accounts of SEACOR and all majority-owned subsidiaries. Intercompany balances and transactions have been eliminated. The equity method of accounting is used by the Company when it has a 20% to 50% ownership interest in other entities and the ability to exercise significant influence over their operating and financial policies.

USE OF ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles 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 AND CASH EQUIVALENTS. Cash equivalents refer to securities with original maturities of three months or less.

ACCOUNTS RECEIVABLE. Customers of vessel support services are primarily major and large independent oil and gas exploration and production companies; whereas, customers of oil spill and emergency response services include tank vessel owner/operators, refiners, terminals, exploration and production facilities and pipeline operators. The Company's customers are granted credit on a short-term basis and related credit risks are considered minimal.

INVENTORIES. Inventories consist of vessel spare parts, fuel, and supplies that are recorded at cost and charged to vessel expenses as consumed.

PROPERTY AND EQUIPMENT. Property and equipment are recorded at historical cost and depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight line method for financial reporting purposes. Maintenance and repair costs, including routine drydock inspections on vessels in accordance with maritime regulations, 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.

Vessels and related equipment are depreciated over 20-25 years; all other property and equipment are depreciated and amortized over two to ten years.

Interest cost incurred during the construction of vessels is capitalized as part of the carrying value of the assets and amortized to expense over their estimated useful lives. In 1997, $1,516,000 of interest was capitalized, and in 1996 and 1995, no interest was capitalized.

OTHER ASSETS. Other assets consist primarily of goodwill, a net investment in a sale-type lease, debt issue costs, and costs relating to non-compete agreements. These intangible assets, carried at cost less accumulated amortization, are amortized to operations primarily on a straight line basis over their estimated period of benefit, ranging from three to twenty years. Amortization expense for the years ended December 31, 1997, 1996, and 1995 was $947,000, $1,369,000, and $729,000, respectively. Accumulated amortization was $3,907,000 and $1,536,000 as of December 31, 1997 and 1996, respectively.

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 GAIN. The Company has entered into vessel sale and leaseback transactions and other vessel sale transactions with joint venture corporations in which the Company has a 50% or less ownership interest. Certain gains realized from these transactions were not immediately recognized in income but were deferred in the consolidated balance sheet of the Company. For the 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. For other sale transactions with joint venture corporations, gains were deferred to the extent of the Company's ownership interest and are being amortized to income over the applicable vessels' depreciable lives.

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. For purpose of consolidating these subsidiaries with SEACOR, the assets and liabilities of these foreign operations 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 included in stockholders' equity.

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. Foreign currency exchange gains or losses included in determining net income have not been material. 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 not included in determining net income but are included in stockholders' equity as translation adjustments. 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.

REVENUE RECOGNITION. The Company's marine transportation business earns revenue primarily from time or bareboat charter of vessels to customers based upon daily rates of hire. Rates of hire earned under time and bareboat charters vary substantially in direct proportion to the operating expenses incurred in conjunction with each type of charter. Typically, under time charter arrangements, the vessels' operating expenses are the responsibility of the Company; whereas, under bareboat charters, the vessels' operating expenses are paid by the charterer. Vessel charters may range from several days to several years.

Environmental customers are charged retainer fees for ensuring by contract the availability (at predetermined rates) of the Company's response services and equipment. 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 other emergency and spill response as contemplated by response plans filed by the Company's customers. Certain vessel owners pay in advance a minimum 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 other vessel owners pay a fixed fee for the Company's retainer service and such fee is recognized ratably throughout the year. Facility owners generally pay a quarterly fee based on a formula that defines and measures petroleum products transported to or processed at the facility. Some facility owners pay an annual fixed fee and such fee is recognized ratably throughout the year. Retainer agreements with vessel owners generally range from one to three years while retainer arrangements with facility owners are as long as seven 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.

EARNINGS PER SHARE. In the fourth quarter of 1997, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share," effective December 15, 1997, and all prior period earnings per share data have been restated to conform with the provisions of that Statement. Basic earnings per common share were computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the relevant periods. Diluted earnings per common share further gives effect for all potentially dilutive common shares that would have been outstanding in the relevant periods assuming the removal of certain stock restrictions and the issuance of common shares for stock options and convertible subordinated notes through the

application of the treasury stock and if-converted methods.

<TABLE>
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	Income	Shares	Per Share
<S>	<C>	<C>	<C>
FOR THE YEAR ENDED 1997-			
BASIC EARNINGS PER SHARE:			
Income Before Extraordinary Item.....	$ 119,593,000	13,840,205	$ 8.64
EFFECT OF DILUTIVE SECURITIES:			
Options and Restricted Stock.....	-	163,930	
Convertible Securities.....	6,787,000	2,840,866	
DILUTED EARNINGS PER SHARE:			
Income Available to Common Stockholders Plus Assumed Conversions.....	$ 126,380,000	16,845,001	$ 7.50
FOR THE YEAR ENDED 1996-			
BASIC EARNINGS PER SHARE:			
Income Before Extraordinary Item.....	$ 34,960,000	11,480,929	$ 3.04
EFFECT OF DILUTIVE SECURITIES:			
Options and Restricted Stock.....	-	177,529	
Convertible Securities.....	2,122,000	1,597,833	
DILUTED EARNINGS PER SHARE:			
Income Available to Common Stockholders Plus Assumed Conversions.....	$ 37,082,000	13,256,291	$ 2.80
FOR THE YEAR ENDED 1995-			
BASIC EARNINGS PER SHARE:			
Income Before Extraordinary Item.....	$ 11,325,000	7,547,330	$ 1.50
EFFECT OF DILUTIVE SECURITIES:			
Options and Restricted Stock.....	-	84,008	
Convertible Securities.....	2,348,000	2,323,702	
DILUTED EARNINGS PER SHARE:			
Income Available to Common Stockholders Plus Assumed Conversions.....	$ 13,673,000	9,955,040	$ 1.37

</TABLE>

The effect of adopting the accounting change as required by SFAS No. 128 on previously reported earnings per share data was as follows:

	1996	1995
Earnings Per Share - Assuming No Dilution	$ 3.03	$ 1.50
Effect of SFAS No. 128	0.01	-
Basic Earnings Per Share, as restated	$ 3.04	$ 1.50
Earnings Per Share - Assuming Full Dilution	$ 2.73	$ 1.36
Effect of SFAS No. 128	0.07	0.01
Diluted Earnings Per Share, as restated	$ 2.80	$ 1.37

RELIANCE ON FOREIGN OPERATIONS. For the years ended December 31, 1997, 1996, and 1995, approximately 40%, 31%, and 30%, respectively, of the Company's offshore marine revenues were derived from foreign operations, and results in 1997 increased in comparison to prior periods due primarily to the SMIT Transaction (see Note 5). The Company's foreign 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, 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.

RECENT ACCOUNTING PRONOUNCEMENTS. In June 1997, the Financial Accounting Standards Board issued Statement No. 130 ("SFAS 130"), "Reporting Comprehensive Income" and Statement No. 131 ("SFAS 131"), "Disclosures About Segments of an Enterprise and Related Information." SFAS 130 establishes standards for reporting comprehensive income (defined as net income and all other non-owner changes in equity) in the financial statements. SFAS 131 requires companies to disclose segment data based on how management makes decisions about allocating resources to segments and measuring their performance. In February 1998, the Financial Accounting Standards Board issued Statement No. 132 ("SFAS 132"), "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS 130, 131, and 132 are effective for 1998. Adoption of SFAS 130 and 131 is expected to result in additional disclosure by the Company but will not have any effect on its reported financial position or results of operations. SFAS 132 is not expected to have any impact on the Company's financial statements.

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

2. FINANCIAL INSTRUMENTS:
The estimated fair value amounts of the Company's financial instruments have been determined using available market information and appropriate valuation methodologies. Considerable judgment was required in developing the estimates of fair value, and accordingly, the estimates presented herein, in thousands of dollars, are not necessarily indicative of the amounts realizable in a current market exchange.

<TABLE>
<CAPTION>

	1997		1996	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<S>	<C>	<C>	<C>	<C>
ASSETS:				
Cash and temporary cash investments	$ 175,381	$ 175,381	$ 149,053	$ 149,053
Marketable securities	160,465	158,921	311	311
Notes receivable, primarily from equity investees	9,312	9,312	2,021	2,021
Restricted cash	46,983	46,983	-	-
LIABILITIES:				
Long-term debt, including current portion	360,639	388,157	220,452	249,553
Indebtedness to a minority shareholder of a subsidiary	1,175	1,169	1,093	1,230
Foreign currency forward contracts	7,319	7,481	-	-

</TABLE>

The carrying value of cash and temporary cash investments and restricted cash approximated fair values due to the short-term maturities of these instruments. Marketable securities were estimated using quoted market prices. Notes receivable approximated fair value since they bear interest at current market rates. The fair market value of long-term debt, indebtedness to a minority stockholder, and forward contracts was determined based upon quoted market prices or by discounting the future cash flows using market information as to borrowing rates for debt of similar terms and maturity.

During 1997, the Company entered into forward exchange contracts to manage certain foreign exchange risks associated with its net investment

in a foreign subsidiary using pounds sterling as its functional currency. The forward exchange contracts expire at various dates through January 1999.

3. MARKETABLE SECURITIES:
The Company's marketable securities are categorized as held-to-maturity or available-for-sale, as defined by the Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Held-to-maturity securities are measured at amortized cost, and available-for-sale securities are measured at fair values with unrealized holding gains and losses excluded from earnings and reported as a net amount in a separate component of stockholders' equity.

The amortized cost and fair value of marketable securities at December 31, 1997 were as follows, in thousands:

Type of Securities	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
1997				
HELD-TO-MATURITY:				
Corporate Debt Securities.....	$ 33,020	$ -	$ (1,519)	$ 31,501
AVAILABLE-FOR-SALE:				
U.S. Government and Agencies ..	122,444	48	(72)	122,420
Corporate Debt Securities.....	5,001	-	(1)	5,000
	$ 160,465	$ 48	$ (1,592)	$ 158,921
1996				
HELD-TO-MATURITY				
U.S. Government and Agencies...	$ 311	$ -	$ -	$ 311

The contractual maturities of marketable securities at December 31, 1997 were as follows, in thousands:

Type and Maturity	Amortized Cost	Fair Value
HELD-TO-MATURITY:		
Mature in One Year or Less.....	$ 33,020	$ 31,501
AVAILABLE-FOR-SALE:		
Mature in One Year or Less.....	-	-
Mature After One Year Through Five Years....	127,445	127,420
	$ 160,465	$ 158,921

There were no available-for-sale securities sold during 1997.

4. NRC MERGER:

On March 14, 1995, SEACOR acquired the remaining 57.1% of the outstanding common stock of NRC Holdings that it did not already own through a merger (the "NRC Merger") of NRC Holdings with and into CRN Holdings Inc. ("CRN"), a wholly owned subsidiary of SEACOR. Following the NRC Merger, the financial condition, results of operations, and cash flows of these acquired environmental subsidiaries, primarily operating through the National Response Corporation ("NRC"), were reflected in the Company's consolidated financial statements. Prior to March 14, 1995, the Company reported its equity interest in NRC Holdings as an investment in 50% or

less owned company that was accounted for by the equity method.

CRN, the surviving corporation of the NRC Merger, primarily through its wholly owned subsidiary, NRC, is engaged in the business of responding to marine oil spills and planning for environmental emergencies. SEACOR issued 292,965 shares of its common stock pursuant to the transaction that were valued at $5,707,000. The Company already owned 42.9% of NRC Holdings which was carried on the Company's books at a value net of deferred taxes of $995,000. The purchase method was used to account for this business combination. The excess of cost over estimated fair value of the net assets acquired, including $138,000 in direct costs incurred in conjunction with the transaction, of $3,447,000 will be amortized to expense over 20 years using the straight line method. The estimated fair values of assets and liabilities of NRC Holdings at the date of the NRC Merger are as follows, in thousands of dollars:

Caption	Amount
Current Assets	$ 6,008
Property and Equipment	21,219
Capitalized Lease	1,807
Other Assets	100
Goodwill	3,447
Deferred Income Taxes	404
Current Liabilities	(5,741)
Capital Lease Obligations	(1,577)
Bank Loan Payable	(12,500)
Deferred Revenue	(6,327)
	$ 6,840

The following unaudited pro forma information has been prepared as if the merger had occurred at the beginning of December 31, 1995, in thousands of dollars, except per share data. This pro forma information has been prepared for comparative purposes only and is not necessarily indicative of what would have occurred had the merger taken place on the dates indicated, nor does it purport to be indicative of the future operating results of the Company.

Caption	1995
Revenues	$ 130,735
Net Income	11,477
Basic Earnings Per Common Share	1.52

5. VESSEL ACQUISITIONS AND DISPOSITIONS:

GRAHAM ACQUISITION. On September 15, 1995, the Company acquired substantially all the assets of John E. Graham & Sons and certain of its affiliated companies (collectively, "Graham") for $72,854,000 in cash (the "Graham Acquisition"). The purchased assets included 127 marine vessels used to support the offshore oil and gas exploration and production industry in the U.S. Gulf of Mexico, real estate, capital equipment and inventory associated with the operation of these vessels. The acquisition was financed with $74,000,000 of borrowings under a revolving credit facility (the "DnB Facility") entered into with Den norske Bank ASA ("DnB"). The difference between the amount borrowed and paid to Graham to acquire the assets was used to defray debt issue and acquisition costs, totaling $1,208,000.

1995 CNN ACQUISITION. On November 14, 1995, the Company acquired three towing supply vessels from CNN and entered into an agreement to acquire two anchor handling towing supply vessels and certain other vessel related assets for aggregate consideration of $21,550,000. Of such consideration, $11,300,000 was paid for by issuing 459,948 shares of SEACOR's common stock to CNN and $10,250,000 was paid for in cash on December 14, 1995 when the two anchor handling towing supply vessels were delivered to the Company (the "1995 CNN Acquisition"). The Company borrowed $11,000,000 from the DnB Facility to finance the cash portion of the consideration and pay acquisition costs. Pursuant to the 1995 CNN Acquisition, the Company and CNN agreed to (i) terminate CNN's bareboat charters covering ten vessels owned by the Company, effective October 1, 1995, (ii) terminate the SEAFISH Pooling arrangement, effective October 1, 1995, (iii) bareboat charter to the Company, effective October 1, 1995, one vessel owned by CNN with an option to purchase, (iv) provide the Company a right of first refusal until December 31, 1999, under which terms CNN shall not sell or transfer all or part of its interest in any of three additional vessels owned by CNN, (v) permit SEACOR to acquire

50% of the outstanding shares of Feronia International Shipping S.A. ("FISH"), a French corporation owned by CNN, for a cost of $60,000, effective January 1, 1996, (vi) allow CNN to sell to SEACOR all of CNN's right, title, and interest in and to all of the shares owned by CNN in SEAFISH Ltd. for a purchase price of $5,000, effective January 1, 1996, (vii) reimburse CNN for certain costs associated with CNN's early termination of employment contracts for officers and crews that worked aboard seven of the Company's vessels which were previously bareboat chartered to CNN (at December 31, 1995, the Company recorded a liability of $700,000 regarding these contract termination costs and has included such cost in the purchase price of the five vessels acquired), and (viii) designate FISH as manager, for a fee, of the Company's vessels operating offshore West Africa and in the Arabian Gulf and certain other additional vessels owned by CNN. During 1997, the Company acquired the remaining 50% of the outstanding common stock of FISH that it did not already own.

MCCALL ACQUISITION. During May 1996, the Company acquired McCall Enterprises, Inc. ("McCall") and affiliated companies (collectively, the "McCall Companies") which operated 36 crew boats and 5 utility boats dedicated to serving the oil and gas industry primarily in the U.S. Gulf of Mexico. In consideration for such acquisition (the "McCall Acquisition"), which was accomplished pursuant to a series of merger and share exchange agreements involving the Company, certain subsidiaries of the Company, the McCall Companies and the former stockholders of the McCall Companies, the former stockholders of the McCall Companies received an aggregate of 1,306,550 shares of SEACOR's common stock. The McCall Acquisition was accounted for as a pooling of interests, and all costs related to effecting this business combination were expensed.

1996 CNN TRANSACTION. Pursuant to an agreement entered into by the Company and CNN in June 1996 (the "1996 CNN Agreement"), the Company consummated a transaction providing for the acquisition from CNN of six vessels for $22,650,000 in cash (the "1996 CNN Transaction"). At closing, the Company prepaid $9,600,000 aggregate principal amount of the indebtedness outstanding under promissory notes previously issued to CNN by the Company. In addition, CNN converted $4,750,000 principal amount of the Company's 2.5% Notes into 156,650 shares of SEACOR's common stock (in

accordance with the terms of the 2.5% Notes), and subsequently sold all 616,598 shares of SEACOR's common stock then owned by it (including the shares of SEACOR's common stock received by CNN upon such conversion) in the Company's July 3, 1996 underwritten public offering.

SEACOR's common stock issued in July 1996 upon conversion of the 2.5% Notes was recorded at $3,941,000, the net carrying value of the 2.5% Notes that includes $4,750,000 of the then outstanding principal amount and $809,000 of related debt discount. The difference between the $9,600,000 paid to extinguish certain promissory notes due CNN and their $8,358,000 net carrying value was recorded as an $807,000 extraordinary loss (net of income taxes).

SMIT TRANSACTION. On December 19, 1996, the Company acquired substantially all of the offshore vessel assets, vessel spare parts, and certain related joint venture interests owned by SMIT Internationale N.V. ("SMIT") and its subsidiaries (the "SMIT Transaction"). The aggregate consideration, including amounts payable under certain lease purchase agreements for two vessels, consisted of: (i) approximately $71,449,000 in cash (including approximately $357,000 for certain vessel spare parts), (ii) 712,000 shares of SEACOR's common stock of which 31,517 shares were issued subsequent to December 31, 1996, and (iii) up to $22,000,000 principal amount of the Company's Series A 5 3/8% Convertible Subordinated Notes Due November 15, 2006 (the "SMIT Convertible Notes") of which $15,250,000 principal amount were issued at close. In addition, the definitive agreements for the SMIT Transaction provide for the payment by the Company, in combination of cash and non-convertible notes, of up to $47,200,000 of additional consideration based upon the earnings performance during 1997 and 1998 by certain of the assets acquired from SMIT (see Note 20). The acquired assets included a 100% interest in 24 vessels, a 50% interest in nine vessels sold by SMIT directly, and SMIT's interest in joint ventures that own and operate 12 vessels.

Pursuant to a letter of intent dated December 19, 1996, between the Company and SMIT that provided for the Company to acquire an additional four vessels (the "Malaysian Purchase") that were owned by a Malaysian joint venture in which SMIT had an interest, the Company completed the Malaysian Purchase for aggregate consideration of $12,909,000 in 1997.

GALAXIE TRANSACTION. On January 3, 1997, the Company acquired

substantially all of the offshore marine assets, including vessels, owned by Galaxie Marine Service, Inc., Moonmaid Marine, Inc., Waveland Marine Service, Inc. and Triangle Marine, Inc. (collectively, "Galaxie"), for aggregate consideration of $23,354,000, consisting of $20,567,000 in cash and 50,000 shares of SEACOR's common stock. The primary assets acquired were 24 vessels. At the date of acquisition, the Galaxie vessels were dedicated to serving the oil and gas industry in the U.S. Gulf of Mexico.

VESSEL DISPOSITIONS. In 1995, the gain from equipment sales resulted primarily from the Company's sale of 4 supply, 6 utility, 1 crew and 1 anchor handling towing supply vessels. This gain was offset by a loss from the retirement of certain previously capitalized costs that also related to a vessel which was withdrawn from standby safety service in the North Sea and relocated to the U.S. Gulf of Mexico for well stimulation service. During 1996, 16 utility vessels were sold, and during 1997, 15 supply, 7 utility, 6 towing supply, 5 anchor handling towing supply, 2 crew, 1 freight and 1 seismic vessels were sold.

6. INVESTMENTS IN AND RECEIVABLES FROM 50% OR LESS OWNED COMPANIES:

Investments, carried at equity, and advances to 50% or less owned companies at December 31, 1997 and 1996 were as follows, in thousands:

50% or Less Owned Entities	Percentage Ownership	1997	1996
SEACOR-Smit (Aquitaine) Ltd.	50.0%	$ 10,385	$ 7,186
SEAMEX International, Ltd.	40.0%	9,499	5,104
Smit Swire Shilbaya Egypt Ltd.	33.3%	6,197	5,360
Patagonia Offshore Services S.A.	50.0%	4,874	-
Ultragas Smit Lloyd Ltda.	49.0%	2,014	-
Maritima Mexicana, S.A.	40.0%	1,739	1,682
Clean Pacific Alliance, L.L.C.	50.0%	1,219	415
Others	25.7%-50.0%	2,443	1,569
		$ 38,370	$ 21,316

Pursuant to the SMIT Transaction, the Company acquired joint venture interests of SMIT in Smit Swire Shilbaya Egypt Ltd. ("SSS"), an Egyptian corporation, and Ultragas Smit Lloyd Ltda. ("Ultragas-Smit"), a Chilean corporation, and structured another joint venture, SEACOR-Smit (Aquitaine) Ltd. ("Aquitaine"), a Bahamian corporation. At December 31, 1997, SSS owned six vessels that were operating offshore Egypt; Ultragas-Smit owned four vessels that were operating offshore Chile; and Aquitaine owned seven vessels that were operating in the Far East, Latin America and offshore West Africa.

During 1997, the Company and a subsidiary of Sociedad Naviera Ultragas Ltda., the Company's joint venture partner in Ultragas-Smit, formed Patagonia Offshore Services S.A. ("Patagonia"), a Panamanian corporation, to operate vessels in support of the Argentine and adjacent offshore markets. At December 31, 1997, Patagonia owned one vessel that was acquired from the Company. The Company realized a gain from the vessel sale that has been deferred to the extent of its ownership interest in Patagonia and is being amortized to income over the vessel's depreciable life. At December 31, 1997, the Company's advances to Patagonia totaled $3,400,000.

During 1994, the Company and Transportacion Maritima Mexicana S.A. de C.V. ("TMM"), a Mexican corporation, structured a joint venture to serve the Mexican offshore market (the "TMM Joint Venture") that is comprised of two corporations, Maritima Mexicana, S.A. and SEAMEX International, Ltd. Since 1994, the Company has sold five vessels to the TMM Joint Venture. The Company realized gains from the vessel sales that have been deferred to the extent of the Company's ownership interest in the TMM Joint Venture and are being amortized to income over the vessels' depreciable lives. The Company has also entered into a sale-type lease for one of its vessels with the TMM Joint Venture that expires in 2002 and contains options to purchase the vessel at various dates during the lease term. At December 31, 1997, the TMM Joint Venture owed the Company $ 5,138,000 related primarily to advances for the purchase of vessels.

In 1996, NRC expanded its spill response coverage to include the West Coast of the United States through Clean Pacific Alliance, L.L.C. ("CPA"), a joint venture between NRC and Crowley Marine Services Inc. CPA has established dedicated oil spill response capabilities including two response vessels, response depots, a contractually available Marine Response Network, and a client service center.

The amount of consolidated retained earnings that represents undistributed earnings of 50% or less owned companies accounted for by the equity method was $8,119,000 at December 31, 1997 of which $3,994,000 represented earnings for which deferred taxes have not been provided.

7. RESTRICTED CASH:

In connection with certain vessel sales during 1997, the Company has directed the sale proceeds to be deposited into escrow accounts pursuant to certain exchange and escrow agreements. Under the terms of those agreements, for a period of six months, the funds held in escrow are restricted to be used toward the purchase of replacement vessels that have been identified. Should replacement vessels not be delivered prior to expiration of their applicable six month escrow period, funds then remaining in the escrow accounts will be released to the Company for general use.

8. COASTAL AND PHIBRO AGREEMENT:

On October 27, 1995, SEACOR and its primary environmental subsidiary, NRC, amended certain existing agreements with two of its customers, Coastal Refining and Marketing, Inc. ("Coastal") and Phibro Energy USA, Inc. ("Phibro"). Those agreements provided, among other things, for a reduction in, and subsequent elimination of, Coastal and Phibro's participating interest in certain operating results, a reduction in their retainer fees, and an elimination of certain options held by each of those customers to purchase up to 20% of the fully diluted common stock of NRC. NRC will continue to provide one customer through December 31, 2001 and the other customer through December 31, 1998 various oil spill response services mandated by the OPA 90. In addition, Coastal's agreements, among other things, called for SEACOR to issue them 311,357 shares of its Common Stock (having a value at time of issuance of $7,500,000) in exchange for the cancellation of their stock options in NRC. Phibro also agreed to cancel a similar option in return for amendments to its agreement which related primarily to the reduction of its retainer payments for OPA 90 services. SEACOR has accounted for its share issuance as a repurchase of a minority interest. The difference between the value of the Common Stock issued and the previously recorded carrying value of certain deferred revenue, net of income tax effect, which approximated 40% of NRC's net book value, totaled $4,558,000 and was recorded as goodwill.

9. INCOME TAXES:

Income (loss) 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 of dollars:

	1997	1996	1995
United States.....	$ 141,979	$ 53,952	$ 18,318
Foreign.....	33,724	(1,984)	(2,676)
	$ 175,703	$ 51,968	$ 15,642

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 of dollars:

	1997	1996	1995
Current:			
State.....	$ 295	$ 316	$ 111
Federal.....	33,303	12,648	4,622
Foreign.....	2,719	2,251	442
Deferred:			
Federal.....	25,067	3,574	859
Foreign.....	-	(254)	(524)
	$ 61,384	$ 18,535	$ 5,510

The following table reconciles the difference between the statutory federal

income tax rate for the Company to the effective income tax rate:

	1997	1996	1995
Statutory Rate.....	35.0%	35.0%	34.0 %
Foreign and State Taxes.....	0.2%	0.7%	1.2%
Other.....	(0.3)%	-	-
	34.9 %	35.7%	35.2%

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

	1997	1996
Deferred tax assets:		
Foreign Tax Credit Carryforwards.....	$ -	$ 1,414
Alternative Minimum Tax Credit Carryforwards.....	71	317
Subpart F Loss.....	2,064	2,696
Nondeductible Accruals.....	614	278
Other.....	94	126
Total deferred tax assets.....	2,843	4,831
Deferred tax liabilities:		
Property and equipment.....	60,214	37,451
Investment in Subsidiaries.....	1,787	1,129
Other.....	278	-
Total deferred tax liabilities....	62,279	38,580
Net deferred tax liabilities.	$ 59,436	$ 33,749

The Company has not recognized a deferred tax liability of $2,472,000 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, 1997, the undistributed earnings of these subsidiaries and joint venture corporations were $7,062,000.

10. MINORITY INTEREST:

In December 1991, the managing agent of the Company's vessels operating in the North Sea invested approximately $1,278,000 of cash in VEESEA Holdings, Inc. and its subsidiaries (collectively "VEESEA"). In return for this investment and for services rendered to VEESEA, the agent received 9% of the equity of VEESEA, and SEACOR, through another subsidiary, assigned to the agent a $679,000 participation in debt due to the SEACOR subsidiary from VEESEA. A fee is paid the minority stockholder for managing the Company's vessels in the North Sea. The U.S. dollar equivalent of fees paid in pounds sterling under this arrangement approximated $1,015,000 in the year ended December 31, 1997 and $960,000 in each of the years ended December 31, 1996 and 1995.

In August 1997, SEACOR Offshore Rigs Inc. ("SEACOR Rigs"), a wholly owned subsidiary of SEACOR, invested $8,850,000 in exchange for a 50% membership interest in Chiles Offshore LLC ("Chiles"), a joint venture and strategic alliance created to construct, own, and operate premium jackup drilling rigs. SEACOR Rigs subsequently made several interest bearing (at 10% per annum) bridge loans to Chiles and, on December 16, 1997, in connection with the sale by Chiles of $20,000,000 of membership interests to third parties, contributed the aggregate amount outstanding under such bridge loans of $13,990,000 and $12,160,000 in cash to Chiles as capital. Through the foregoing transactions, SEACOR Rigs invested an aggregate of $35,000,000 in Chiles and, as a result, owns an approximate 55.4% membership interest in Chiles. Prior to December 16, 1997, the Company did not own a controlling interest in Chiles and therefore accounted for the investment under the equity method. Beginning December 16, 1997, the financial position and results of operations of Chiles are included in the consolidated financial statements of the Company. Chiles has contracted for the construction of two premium jackup drilling rigs for aggregate expected costs of approximately $178,000,000. The equity raised by Chiles is intended to fund a portion of such construction costs and serve as working capital, and it is anticipated that the balance of such construction costs and other working capital needs will be funded through debt financing. Chiles has also obtained options from a U.S. shipyard to construct additional premium jackup drilling rigs. Any such additional rig construction projects are contingent upon the preparation,

negotiation, and execution of definitive documentation with the shipyard and Chiles obtaining financing therefor. SEACOR does not presently intend to fund any additional portion of Chiles' rig construction costs.

Also during 1997, the Company completed the structuring of a limited liability company (the "LLC"), pursuant to a Memorandum of Agreement dated September 25, 1996, with a wholly owned subsidiary of TMM. The TMM subsidiary contributed approximately $4,000,000 to the LLC which owns and operates a recently constructed anchor handling towing supply vessel for a 25% membership interest, and the Company owns all of the remaining membership interest in the LLC.

11. LONG-TERM DEBT:

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

<TABLE>
<CAPTION>

	1997	1996
<S>	<C>	<C>
5 3/8% Convertible Subordinated Notes due 2006, interest payable semi-annually commencing 1997	$ 186,750	$187,750
DnB Revolving Credit Facility, U.S. dollar equivalent of pounds sterling 5,000,000, interest payable based upon an interest option period at LIBOR plus 1.25%(7.625% at December 31, 1996)	-	8,563
7.2% Senior Notes Due 2009, interest payable semiannually	150,000	-
Capital Lease Obligations (see Note 12)	22,296	24,139
Promissory Note due a vessel charterer, payable in equal monthly installments from from February 1998 through June 2002, bearing interest at 10%, secured by mortgage on a vessel with book value of $1,735,000 at December 31, 1997	1,125	-
Promissory Note due a stockholder, payable in equal annual installments from January 1998 through January 2001, bearing interest at 7.5%	1,000	-
	361,171	220,452
Less - Portion due within one year	(1,925)	(1,793)
- Debt discount, 7.2% Senior Notes Due 2009	(532)	-
	$ 358,714	$ 218,659

</TABLE>

Annual maturities of long-term debt for the five years following December 31, 1997, are as follows, in thousands of dollars.

Year	1998	1999	2000	2001	2002
Amount	$ 1,925	$ 2,061	$ 2,190	$ 18,091(1)	$ 154

(1) Six million seven hundred and fifty thousand dollars of the debt maturing in 2001 is payable in convertible subordinated notes in accordance with the terms of a lease between the Company and SMIT, see Note 12.

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 (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 SEACOR's common stock at a conversion price of $66.00 per share (equivalent to a conversion rate of 15.1515 shares of SEACOR's 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 underwriters discount. The debt issue costs are reported in other assets and are being amortized to expense over ten

years. The 5 3/8% Notes are general unsecured 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, 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. Also, pursuant to the SMIT Transaction, the Company entered into certain lease purchase agreements which obligate the Company to purchase two vessels from SMIT with cash and $6,750,000 principal amount of additional SMIT Convertible Notes.

During October 1997, the Company purchased $1,000,000 of the then outstanding $187,500,000 principal amount of its Convertible Notes in the open market. The write-off of certain deferred financing costs associated with the Convertible Notes acquired and the difference between the amount paid to acquire the Convertible Notes and their carrying value resulted in the Company recognizing an extraordinary loss of $114,000 or $.01 per share.

On June 30, 1997, the Company entered into an agreement for an unsecured reducing revolving credit facility (the "Credit Facility") with DnB as agent for itself and other lenders named therein. This facility replaced the prior revolving credit facility with DnB. Until termination of the Credit Facility, a commitment fee is payable on a quarterly basis, at rates ranging from 0.15 to 0.45 percent per annum on the average unfunded portion of the Credit Facility. The commitment fee rate varies based upon the percentage the Company's funded debt bears to earnings before interest, taxes, depreciation, and amortization ("EBITDA"), as defined.

An extraordinary loss of $325,000 or $0.02 per share was recognized in connection with the termination of the prior revolving credit facility with DnB that resulted from the write-off of unamortized debt issue costs.

Under the terms of the Credit Facility, the Company may borrow up to $100,000,000 aggregate principal amount (the "Maximum Committed Amount") of unsecured reducing revolving credit loans maturing on June 29, 2002. The Maximum Committed Amount will automatically decrease semiannually by 6 1/4% beginning June 30, 1998, with the balance payable at maturity. Outstanding borrowings will bear interest at annual rates ranging from 70 to 160 basis points (the "Margin") above LIBOR. The Margin is determined quarterly and varies based upon the percentage the Company's funded debt bears to EBITDA, as defined.

The Credit Facility requires the Company, on a consolidated basis, to maintain a minimum ratio of indebtedness to vessel value, as defined, a minimum cash and cash equivalent level, a specified interest coverage ratio, specified debt to capitalization ratios and a minimum net worth. The Credit Facility limits the amount of secured indebtedness which the Company and its subsidiaries may incur, provides for a negative pledge with respect to the Company's and its subsidiaries' assets and restricts the payment of dividends.

On September 22, 1997, the Company completed the sale of $150,000,000 aggregate principal amount of its 7.2% Senior Notes Due 2009 (the "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 semiannually 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 approximately $1,412,500 in costs associated with the sale of the 7.2% Notes including $1,012,500 of underwriters discount. The debt issue costs are reported in other assets of the condensed consolidated balance sheet and will be amortized to expense over the life of the 7.2% Notes.

12. LEASES:

From December 1993 through September 30, 1995, the Company was the lessor of ten offshore towing supply vessels under bareboat charter agreements with CNN. Pursuant to the CNN Acquisition, the Company and CNN agreed to terminate CNN's bareboat charter of these vessels. Operating revenue earned from the bareboat charter of these vessels totaled $3,795,000 in the year ended December 31, 1995.

During 1995, the Company entered into a sale-type lease with the TMM Joint Venture for one anchor handling towing supply vessel. The lease expires in 2002 and contains options which permit the TMM Joint Venture to purchase the vessel at various dates during the term of the lease. The amortization of unearned income in the years ended December 31, 1997, 1996, and 1995, totaled $448,000, $485,000, and $387,000, respectively. The net investment in the sale-type lease at December 31, 1997 is comprised of minimum lease payment receivables, totaling $2,827,000, an estimated residual value of $781,000, and unearned income of $1,283,000. As of December 31, 1997, $263,000 and $2,062,000 of the net investment in the sale-type lease was reported in current and noncurrent other assets, respectively. Minimum rental receivables due from the sale-type lease are $667,000 in each of the fiscal years ended December 31, 1998 through 2001 and $159,000 due in 2002.

In December 1996, pursuant to the SMIT Transaction, the Company leased two vessels under capital leases with gross costs of $21,239,000 that are being depreciated over an estimated useful life of 23 years. At December 31, 1997 and 1996, accumulated depreciation totaled $867,000 and $31,000, respectively. At December 31, 1997, $1,507,000 and $20,789,000 in obligations under these capital leases are reported as current and long-term debt, respectively. Minimum lease payments of $2,667,000 are due in 1998 and 1999, $2,675,000 in 2000, and $18,385,000 in 2001. The amount to be paid in 2001 will include cash and the issuance of $6,750,000 in 5 3/8% Notes. Minimum lease payments include interest of $4,098,000.

During 1997, the Company completed transactions for the sale and leaseback of eight vessels, and the leases have been classified as operating leases in accordance with SFAS No. 13 "Accounting for Leases." The leases 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 two to three years. Net book value of the eight vessels sold totaled $15,261,000, and gains realized from those sales, totaling $26,986,000, have been deferred and are being credited to income as reductions in rental expense over the lease terms. Rental expense in 1997 totaled $504,000. Future minimum lease payments are $9,691,000 in 1998, $8,466,000 in 1999, and $10,583,000 in 2000.

13. COMMON STOCK:

In December 1995, SEACOR sold in an underwritten public offering 1,612,500 shares of its common stock at $24.25 per share. The proceeds received from this sale, net of underwriting discount, totaled $36,942,000. SEACOR incurred $644,000 in expenses associated with this stock offering (other than underwriting discount) which was charged against additional paid-in capital arising from the sale. The public offering also included 1,550,000 shares of SEACOR's common stock sold by certain of SEACOR's stockholders.

In July 1996, SEACOR sold in an underwritten public offering 909,235 shares of its common stock at $43.50 per share. The proceeds received from this sale, net of underwriting discount, totaled $37,679,000. SEACOR incurred $448,000 in expenses associated with this stock offering (other than underwriting discount) which was charged against additional paid-in capital arising from the sale. The public offering also included 842,355 shares of SEACOR's common stock sold by certain of SEACOR's stockholders.

On February 24, 1997, SEACOR's Board of Directors authorized the

repurchase, from time to time, of up to $50,000,000 of SEACOR's common stock or 5 3/8% Notes. During 1997, SEACOR repurchased 110,200 shares of its common stock at an aggregate cost of $4,743,000. Also during 1997, SEACOR issued 136,578 shares of its common stock for aggregate value of $7,956,000 pursuant to the Galaxie Transaction, the SMIT Transaction, and the acquisition of ERST/O'Brien's Inc. During February 1998, SEACOR's Board of Directors increased its authorization to repurchase up to an additional $40,000,000 of SEACOR's common stock or 5 3/8% Notes.

14. BENEFIT PLANS:

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 SEACOR's 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 Plans are administered by the Stock Option and Executive Compensation Committee of the Board of Directors (the "Compensation Committee"). Five hundred thousand shares of SEACOR's common stock have been reserved for issuance under each of the Stock Option Plan and the Share Incentive Plan.

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 may 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, 1997, 1996, and 1995.

<TABLE>
<CAPTION>

	1997		1996		1995	
	As Reported	Pro forma	As Reported	Pro forma	As Reported	Pro forma
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net Income	$ 119,154	$ 119,051	$ 34,153	$ 33,844	$ 11,325	$ 11,110
Earnings per common share:						
Basic	$ 8.61	$ 8.60	$ 2.97	$ 2.95	$ 1.50	$ 1.47
Diluted	7.47	7.47	2.74	2.71	1.37	1.35

</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.

The following transactions have occurred in the Stock Option Plan during the periods ended December 31:

<TABLE>
<CAPTION>

	1997		1996		1995	
	Number of Options	Wt'ed Avg. Exer. Price	Number of Options	Wt'ed Avg. Exer. Price	Number of Options	Wt'ed Avg. Exer. Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>

</TABLE>

Outstanding, at beginning of year	346,112	$	16.92	425,197	$	16.28	309,250	$ 15.83
Granted	-		-	7,300		30.75	117,747	17.55
Exercised	(21,000)		15.05	(85,039)		14.90	-	-
Canceled	-		-	(1,346)		18.75	(1,800)	21.00
Outstanding, at end of year	325,112		17.04	346,112		16.92	425,197	16.28
Options exercisable at year end	317,812		16.72	222,411		16.14	264,950	14.93
Options available for future grant	68,849			68,849			74,803	
Weighted average fair value of Options granted	$ -			$ 18.86			$ 11.54	

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 25.38% and 25.99% in the years 1996 and 1995, respectively, (c) risk-free interest rates of 6.21% and 5.38% in the years 1996 and 1995, respectively, and (d) expected lives of five years.

The following table summarizes information about the options outstanding at December 31, 1997 grouped into three exercise price ranges:

	Exercise Price Range		
	$9.64 - $14.75	$18.75 - $21.25	$30.75
Options outstanding at December 31, 1997	170,066	147,746	7,300
Weighted-average exercise price	$ 14.28	$ 19.54	$ 30.75
Weighted-average remaining contractual life	5.2 years	6.8 years	8.1 years
Options exercisable at December 31, 1997	170,066	147,746	-
Weighted average exercise price of exercisable options	$ 14.28	$ 19.54	$ -

On March 14, 1995, the Compensation Committee granted two officers of SEACOR and three key employees of NRC options to purchase a total of 102,192 shares of SEACOR's common stock at an exercise price of $18.75 per share. Furthermore, as part of the NRC Merger, the Company assumed the obligations of the NRC Holdings 1994 Non-Qualified Stock Option Plan. As a result, the Company converted existing options for shares of NRC Holdings into options for 15,555 shares of SEACOR's common stock at an exercise price of $9.64 per share. During February 1996 and January 1998, the Compensation Committee granted certain officers and employees options to purchase a total of 7,300 and 18,150 shares, respectively. Under the Plans, the exercise price per share of options granted under the Plans cannot be less than 75% or greater than 100% of the "Fair Market Value," as defined in the Plans. Options granted under the Plans expire no later than the tenth anniversary of the date of grant.

EMPLOYEE RESTRICTED STOCK AWARDS. In 1997, 1996, and 1995, in recognition of a commitment to the continued growth and financial success of the Company, the Compensation Committee granted certain officers and key employees 18,510, 14,250, and 11,500 restricted shares, respectively, of SEACOR's common stock pursuant to the Share Incentive Plan. The market value of the restricted shares in 1997, 1996, and 1995, amounting to $1,146,000, $575,000 and $216,000, respectively, was recorded as unamortized restricted stock in a separate component of stockholders' equity and is being amortized to expense over three year vesting periods. On January 23, 1998, an additional 22,290 restricted shares with a market value of $1,188,000 were granted by the Compensation Committee to certain officers and key employees and 11,468 of these shares vest in one year

and 10,822 of these shares vest over a three year period.

SEACOR SAVINGS PLAN. SEACOR, through a wholly owned subsidiary, introduced a defined contribution plan (the "SEACOR Plan"), effective July 1, 1994. Furthermore, in connection with the NRC Merger and McCall Acquisition, the Company assumed the obligations of certain deferred benefit plans that were implemented by those companies in 1993 and 1995, respectively. Effective January 1, 1998, the Company merged the defined contribution plans previously assumed in the NRC Merger and the McCall Acquisition into the SEACOR Plan. Requirements for eligibility in the SEACOR Plan include, (i) one year of full time employment, (ii) attainment of 21 years of age, and (iii) residency in the United States. Participants may contribute up to 15% of their pre-tax annual compensation, and contributions are funded monthly. Participants are fully vested in the Company's contribution upon (i) attaining the age of 65, (ii) death, (iii) becoming disabled, or (iv) completing five years of employment service. Contribution forfeitures for non-vested terminated employees are used to reduce future contributions of the Company or pay administrative expenses. 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 plans were $614,000, $599,000, and $215,000 for the years ended December 31, 1997, 1996, and 1995, respectively.

15. RELATED PARTY TRANSACTIONS:

Miller Environmental Group ("MEG"), an environmental contractor based in Calverton, New York, maintains and stores spill response equipment owned by NRC and provides labor, equipment and materials to assist in spill response activities, and provides other services to NRC. In fiscal 1997, 1996, and 1995, NRC paid approximately $446,000, $2,379,000 and $1,750,000, respectively, to MEG for these services. The father of a SEACOR corporate officer is Vice President, Secretary and Treasurer of MEG.

NRC also contracts with James Miller Marine Services ("JMMS"), an environmental contractor based in Staten Island, New York, for services similar to those provided by MEG. In fiscal 1997, 1996, and 1995, NRC paid approximately $612,000, $591,000 and $600,000, respectively, to JMMS for these services. The brother of a SEACOR corporate officer is Vice President of JMMS.

16. SUPPLEMENTAL INFORMATION FOR STATEMENTS OF CASH FLOWS:

<TABLE>
<CAPTION>

	1997	1996	1995
			(in thousands)
<S>	<C>	<C>	<C>
Cash income taxes paid	$ 29,160	$ 12,043	$ 4,942
Cash interest paid	12,022	4,037	6,132
Schedule of Non-Cash Investing and Financing Activities:			
Property exchanged for investment in and notes receivable from 50% or less owned company	2,240	-	-
Common stock issued in exchange for stock options in NRC	-	-	7,500
Conversion of 6% Notes to SEACOR's common stock	-	53,785	-
Conversion of 2.5% Notes, net of discount, to SEACOR's common stock	-	3,941	-
Acquisition of ERST/O'Brien's Inc. with SEACOR's common stock	3,614		
Purchase of vessels with - SEACOR's common stock	4,342	33,642	11,300
- 5 3/8% Notes	-	15,250	-
- capital lease obligations	-	23,771	-

</TABLE>

17. QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

Selected financial information for interim periods are presented below. Earnings per share is 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. During the fourth quarter ended December 31, 1997, the Company adopted SFAS No. 128, "Earnings per Share," and all prior period earnings per share data have been restated to conform with the provisions of that Statement.

<TABLE>
<CAPTION>

	Quarter Ended			
	Dec. 31,	Sept. 30,	June 30,	March 31,
	(in thousands, except per share data)			
1997:				
<S>	<C>	<C>	<C>	<C>
Revenue	$ 94,262	$ 88,259	$ 85,248	$ 79,179
Gross profit	40,371	34,719	33,359	34,468
Income before extraordinary item	24,954	27,453	38,424	28,762
Basic earnings per common share -				
Income before extraordinary item	1.80	1.99	2.78	2.07
Extraordinary item	(0.01)	-	(0.02)	-
Net Income	$ 1.79	$ 1.99	$ 2.76	$ 2.07
Diluted earnings common per share -				
Income before extraordinary item	1.58	1.74	2.38	1.80
Extraordinary item	-	-	(0.02)	-
Net Income	$ 1.58	$ 1.74	$ 2.36	$ 1.80
1996:				
Revenue	$ 64,151	$ 57,545	$ 52,653	$ 50,095
Gross profit	21,610	20,176	17,345	15,678
Income before extraordinary items	11,466	10,255	6,916	6,323
Basic earnings per common share -				
Income before extraordinary item	0.87	0.79	0.70	0.64
Extraordinary item	-	(0.06)	-	-
Net Income	$ 0.87	$ 0.73	$ 0.70	$ 0.64
Diluted earnings per common share -				
Income before extraordinary item	0.82	0.77	0.61	0.56
Extraordinary item	-	(0.06)	-	-

Net Income	$ 0.82	$ 0.71	$ 0.61
$ 0.56			

</TABLE>

18. MAJOR CUSTOMERS AND SEGMENT DATA:

One customer accounted for approximately 12% of revenues in each of the years ended December 31, 1997 and 1996, and two customers accounted for approximately 16% and 10%, respectively, of revenues in the year ended December 31, 1995.

Operations are conducted through two business segments, offshore vessel and environmental services. The Company's offshore service vessel segment operates in different geographical areas; whereas, the environmental segment's primary operations are in the United States. Information by business segment and geographical area is as follows for the years ended December 31, in thousands of dollars:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>
OPERATING REVENUE:			
MARINE			
United States	$ 195,266	$ 134,106	$ 72,964
West Africa	44,194	37,312	14,637
North Sea	53,415	14,173	13,523
Other Foreign	32,134	7,966	3,770
	325,009	193,557	104,894
ENVIRONMENTAL	21,939	30,887	21,765
	$ 346,948	$ 224,444	$ 126,659
OPERATING PROFIT:			
MARINE-(A)			
United States	$ 125,650	$ 43,640	$ 17,529
West Africa	18,054	8,317	3,840
North Sea	16,047	(2,545)	(2,952)
Other Foreign	17,384	3,616	1,630
	177,135	53,028	20,047
ENVIRONMENTAL	3,285	5,009	1,626
	180,420	58,037	21,673
Other income (expense)(a)	(27)	(548)	190
General corporate administration	(3,278)	(3,366)	(2,123)
Net interest expense	(1,412)	(2,155)	(4,098)

Minority interest in (income) loss of subsidiaries	(301)	244	321
Equity in earnings of 50% or less owned companies	5,575	1,283	872
Income tax expense	(61,384)	(18,535)	(5,510)
Income before extraordinary item	$ 119,593	$ 34,960	$ 11,325
IDENTIFIABLE ASSETS:			
MARINE-			
United States	$ 666,656	$ 333,748	$ 208,424
West Africa	104,168	91,353	68,720
North Sea	115,792	113,538	24,105
Other Foreign	61,378	52,443	9,850
	947,994	591,082	311,099
ENVIRONMENTAL	33,436	23,489	32,652
CORPORATE(b)	38,371	21,884	7,132
	$ 1,019,801	$ 636,455	$ 350,883
PROVISION FOR DEPRECIATION AND AMORTIZATION:			
MARINE-			
United States	$ 14,498	$ 12,340	$ 8,623
West Africa	5,775	4,393	2,931
North Sea	7,880	3,258	3,621
Other Foreign	4,767	1,451	664
	32,920	21,442	15,839
ENVIRONMENTAL	3,563	3,379	2,875
CORPORATE	55	146	128
	$ 36,538	$ 24,967	$ 18,842
CAPITAL EXPENDITURES:			
MARINE-			
United States	$ 144,535	$ 24,400	$ 75,782
West Africa	6,388	9,066	21,722
North Sea	6,022	4,104	45
Other Foreign	13,460	119,529	38
	170,405	157,099	97,587
ENVIRONMENTAL	838	707	688
CORPORATE	46	50	75
	$ 171,289	$ 157,856	$

98,350

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</TABLE>

(a) Other income (expense) excludes gain/(loss) from equipment sales or retirements of property and certain other expenses that were reclassified to operating profit in geographical areas of the Marine segment. Other expense in 1996 includes $542,000 of McCall Acquisition costs.
(b) The Company's corporate assets include investments in 50% or less owned companies.

19. COMMITMENT AND CONTINGENCY:

As of March 1, 1998, the Company has commitments to build 21 marine offshore service vessels at an approximate aggregate cost of $238,000,000 of which $71,000,000 has been funded, and its majority owned subsidiary, Chiles, has commitments to build 2 premium jackup drilling rigs for $178,000,000 of which $36,500,000 has been funded. These construction projects are expected to be completed over the next two years. Pursuant to Memoranda of Agreement between the Company and TMM, two joint venture corporations will be structured to each own an offshore marine service vessel currently being constructed by the Company. TMM is expected to make an approximate $6,000,000 aggregate capital contribution for a 12.5% equity interest in each joint venture and the Company will own all remaining equity interests in these joint venture corporations.

During the fourth quarter of 1997 and first quarter of 1998, the Company entered into Memoranda of Agreement for the sale and leaseback in 1998 of 10 vessels at an aggregate sale price of $73,650,000.

20. SUBSEQUENT EVENTS:

On March 3, 1998, the Company repurchased from SMIT International Overseas B.V. ("SMIT Overseas"), a subsidiary of SMIT, 712,000 shares of SEACOR's common stock for $37,024,000. This stock was issued to SMIT Overseas as part of the purchase consideration paid for the Company's acquisition of SMIT's offshore supply vessel fleet in December 1996. The Company also satisfied its obligation to pay up to an additional $47,200,000 of purchase consideration that would otherwise be payable to SMIT in 1999 through the payment to SMIT of $20,880,000 in cash and, through the commitment to issue in January 1999, $23,200,000 principal amount of five-year unsecured promissory notes that will bear interest at 90 basis points above the comparable rate for five year U.S. Treasury Notes. As part of this transaction, the Company and SMIT also have agreed to extend the three year term of the salvage and maritime contracting and non-compete agreements first established in December 1996 through December 2001.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To SEACOR SMIT Inc.:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements of SEACOR SMIT Inc. and its subsidiaries and have issued our report thereon dated February 11, 1998 (except with respect to the matters discussed in Notes 19 and 20, as to which the date is March 3, 1998). Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the index above 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.

Arthur Andersen LLP

New Orleans, Louisiana

SEACOR SMIT INC. AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996, AND 1995
(IN THOUSANDS)

<TABLE>
<CAPTION>

Description	Balance Beginning of Year	Charged to Cost and Expenses	(a) NRC Merger	(b) Deductions	Balance End of Year
<S>	<C>	<C>	<C>	<C>	
Year Ended December 31, 1997					
Allowance for doubtful accounts (deducted from accounts receivable)	$ 475	$ 1,155	$ -	$ 4	$ 1,626
Year Ended December 31, 1996					
Allowance for doubtful accounts (deducted from accounts receivable)	$ 380	$ 238	$ -	$ 143	$ 475
Year Ended December 31, 1995					
Allowance for doubtful accounts (deducted from accounts receivable)	$ 108	$ 100	$ 469	$ 297	$ 380

</TABLE>

(a) Increase in allowance for doubtful accounts resulting from the NRC Merger.

(b) Recovery of accounts receivable which had been previously reserved as uncollectible or accounts receivable amounts deemed uncollectible and removed from accounts receivable and allowance for doubtful accounts.

INDEX TO EXHIBITS

Exhibit Number	Description
2.1*	Asset Purchase Agreement, dated as of December 19, 1996, by and among SEACOR Holdings, Inc. and certain of its subsidiaries, and Smit Internationale N.V. and certain of its subsidiaries (incorporated herein by reference to Exhibit 2.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
2.2*	Purchase Agreement, dated as of December 3, 1996, among SEACOR Holdings, Inc., Acadian Offshore Services, Inc., Galaxie Marine Service, Inc., Moonmaid Marine, Inc., Triangle Marine, Inc., F.C. Felterman, Ernest Felterman, D. Lee Felterman and Daniel C. Felterman (incorporated herein by reference to

	Exhibit 2.1 to the Company's Registration Statement on Form S-3 (No. 333-20921) filed with the Commission on January 31, 1997).
2.3*	Purchase Agreement, dated as of December 3, 1996, among SEACOR Holdings, Inc., Waveland Marine Service, Inc., F.C. Felterman, Ernest Felterman, D. Lee Felterman and Daniel C. Felterman (incorporated herein, by reference to Exhibit 2.2 to the Company's Registration Statement on Form S-3 (No. 333-20921) filed with the Commission on January 31, 1997).
2.4*	Definitive Purchase Agreement, dated September 5, 1995, by and among Graham Marine Inc., Edgar L. Graham, J. Clark Graham, and Glenn A. Graham (incorporated herein by reference to Exhibit 2.0 to the Company's Current Report on Form 8-K dated September 15, 1995).
2.5*	Global Agreement, dated as of November 14, 1995, by and among Compagnie Nationale de Navigation and Feronia International Shipping, SA and SEACOR Holdings, Inc. and the subsidiaries listed in said agreement (incorporated herein by reference to Exhibit 2.2 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17, 1995).
2.6*	Agreement and Plan of Merger, dated as of May 31, 1996, by and among SEACOR Holdings, Inc., SEACOR Enterprises, Inc. and McCall Enterprises, Inc. (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).
2.7*	Agreement and Plan of Merger, dated as of May 31, 1996, by and among SEACOR Holdings, Inc., SEACOR Support Services, Inc. and McCall Support Vessels, Inc. (incorporated herein by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).
2.8*	Agreement and Plan of Merger, dated as of May 31, 1996, by and among SEACOR Holdings, Inc., SEACOR N.F., Inc. and N.F. McCall Crews, Inc. (incorporated herein by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).
2.9*	Exchange Agreement relating to McCall Crewboats, L.L.C., dated as of May 31, 1996, by and among SEACOR Holdings, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 2.4 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).
2.10*	Share Exchange Agreement and Plan of Reorganization relating to Cameron Boat Rentals, Inc., dated as of May 31, 1996, by and among SEACOR Holdings, Inc., McCall Enterprises, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 2.5 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

2.11*	Share Exchange Agreement and Plan of Reorganization relating to Philip A. McCall, Inc., dated as of May 31, 1996, by and among SEACOR Holdings, Inc., McCall Enterprises, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 2.6 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).
2.12*	Share Exchange Agreement and Plan of Reorganization relating to Cameron Crews, Inc., dated as of May 31, 1996, by and among SEACOR Holdings, Inc., McCall Enterprises, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 2.7 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).
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).

10.1* Indemnification Agreement, dated as of May 31, 1996, among all of the stockholders of McCall Enterprises, Inc., Norman McCall, as representative of such stockholders, and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.2* Indemnification Agreement, dated as of May 31, 1996, among all of the stockholders of McCall Support Vessels, Inc., Norman McCall, as representative of such stockholders, and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.3* Indemnification Agreement, dated as of May 31, 1996, among all of the stockholders of N.F. McCall Crews, Inc., Norman McCall, as representative of such stockholders, and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.4* Indemnification Agreement, dated as of May 31, 1996, among all of the members of McCall Crewboats, L.L.C., Norman McCall, as representative of such members, and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.5* Indemnification Agreement, dated as of May 31, 1996, among all of the stockholders of Cameron Boat Rentals, Inc., Norman McCall, as representative of such stockholders, and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.6* Indemnification Agreement, dated as of May 31, 1996, among all of the stockholders of Philip A. McCall, Inc. and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.7* Indemnification Agreement, dated as of May 31, 1996, among all of the stockholders of Cameron Crews, Inc., Norman McCall, as representative of such stockholders, and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with Commission on June 7, 1996).

10.8* The Master Agreement, dated as of June 6, 1996, by and among Compagnie Nationale de Navigation, SEACOR Holdings, Inc. and SEACOR Worldwide Inc. (incorporated herein by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1996).

10.9* Management and Administrative Services Agreement, dated January 1, 1990, between SCF Corporation and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.32 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).

10.10* Amendment No. 1 to the Management and Services Agreement, dated as of January 1, 1993, between SCF Corporation and SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 10.34 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).

10.11* 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).

10.12*,** 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).

10.13*,** 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).

10.14*,** Stock Option Grant Agreement, dated as of January 5, 1993, between SEACOR Holdings, Inc. and Charles Fabrikant (incorporated herein by reference to Exhibit 10.48 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).

10.15*,** Stock Option Grant Agreement, dated as of January 5, 1993, between SEACOR Holdings, Inc. and Randall Blank (incorporated herein by reference to Exhibit 10.49 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).

10.16*,** Stock Option Grant Agreement, dated as of January 5, 1993, between SEACOR Holdings, Inc. and Milton Rose (incorporated herein by reference to Exhibit 10.50 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).

10.17*,** 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).

10.18*,** 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).

10.19* 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).

10.20* Bareboat Charter Agreement, dated December 19, 1996, between SEACOR-SMIT Offshore (International) B.V. and Smit-Lloyd B.V. (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).

10.21* Bareboat Charter Agreement, dated December 19, 1996, between SEACOR-SMIT Offshore (International) B.V. and Smit-Lloyd B.V. (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).

10.22* 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).

10.23* 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).

10.24* Malaysian Side Letter, dated December 19, 1996, between SEACOR Holdings, Inc. and Smit Internationale N.V. (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).

10.25* Salvage and Maritime Contracting Agreement, dated December 19,

	1996, between SEACOR Holdings, Inc. and Smit Internationale N.V. (incorporated herein by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
10.26*	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).
10.27	Amended and Restated Operating Agreement of Chiles Offshore LLC, dated as of December 16, 1997, between SEACOR Offshore Rigs Inc., COI, LLC and the other Members identified therein.
10.28*	Letter Agreement, dated February 26, 1998, between SEACOR SMIT Inc. and certain of its subsidiaries and SMIT International N.V. and certain of its subsidiaries (incorporated herein by reference to Exhibit 99.1 of the Company's Current Report on Form 8-K filed with the Commission of March 11, 1998).
10.29*	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).
10.28*,**	Restricted Stock Grant Agreement, dated as of March 14, 1995, between SEACOR Holdings, Inc. and Charles Fabrikant (incorporated herein by reference to Exhibit 10.0 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1995)
10.29*,**	Restricted Stock Grant Agreement, dated as of May 7, 1996, between SEACOR Holdings, Inc. and Charles Fabrikant (incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1996).
10.30*,**	Restricted Stock Grant Agreement, dated as of May 7, 1996, between SEACOR Holdings, Inc. and Randall Blank (incorporated herein by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1996).

10.31*,**	Restricted Stock Grant Agreement, dated as of May 7, 1996, between SEACOR Holdings, Inc. and Milton Rose (incorporated herein by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1996).
10.32*,**	Restricted Stock Grant Agreement, dated as of May 7, 1996, between SEACOR Holdings, Inc. and Mark Miller (incorporated herein by reference to Exhibit 10.4 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1996).
10.33*,**	Restricted Stock Grant Agreement, dated as of May 7, 1996, between SEACOR Holdings, Inc. and Timothy McKeand (incorporated herein by reference to Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1996).
10.34*,**	Restricted Stock Grant Agreement, dated as of January 27, 1997, between SEACOR Holdings, Inc. and Charles Fabrikant. (incorporated herein by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996).
10.35*,**	Restricted Stock Grant Agreement, dated as of January 27, 1997, between SEACOR Holdings, Inc. and Randall Blank. (incorporated herein by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996).
10.36*,**	Restricted Stock Grant Agreement, dated as of January 27, 1997, between SEACOR Holdings, Inc. and Milton Rose.

(incorporated herein by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996).

10.37*,** Restricted Stock Grant Agreement, dated as of January 27, 1997, between SEACOR Holdings, Inc. and Mark Miller. (incorporated herein by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996).

10.38*,** Restricted Stock Grant Agreement, dated as of January 27, 1997, between SEACOR Holdings, Inc. and Timothy McKeand. (incorporated herein by reference to Exhibit 10.40 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996).

10.39** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Charles Fabrikant.

10.40** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Charles Fabrikant.

10.41** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Randall Blank.

10.42** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Randall Blank.

10.43** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Milton Rose.

10.44** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Milton Rose.

10.45** Restricted Stock Grant Agreement, dated February 5, 1998, between SEACOR SMIT Inc. and Andrew Strachan.

10.46* Revolving Credit Facility Agreement dated as of June 30, 1997 among SEACOR SMIT Inc., Den norske Bank ASA, as agent, and the other banks and financial institutions named therein (incorporated herein by reference to Exhibit 10.1 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).

10.47* Agreement, dated October 27, 1995, by and among SEACOR Holdings, Inc., NRC Holdings, Inc., Coastal Refining and Marketing, Inc., and Phibro Energy USA, Inc. (incorporated herein by reference to Exhibit 10.1 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 15, 1995).

10.48*,** Employment Agreement, dated March 14, 1995, by and between National Response Corporation and Mark Miller (incorporated herein by reference to Exhibit 10.3 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 15, 1995).

10.49*, ** Employment Agreement, dated March 14, 1995, by and between National Response Corporation and James Miller (incorporated herein by reference to Exhibit 10.4 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 15, 1995).

10.50*,** Stock Option Grant Agreement dated as of February 8, 1994 between SEACOR Holdings, Inc. and Charles Fabrikant (incorporated herein by reference to Exhibit 10.100 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1995).

10.51*,** Stock Option Grant Agreement dated as of February 8, 1994 between SEACOR Holdings, Inc. and Randall Blank (incorporated herein by reference to Exhibit 10.101 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1995).

10.52*,** Stock Option Grant Agreement dated as of March 14, 1995 between SEACOR Holdings, Inc. and Charles Fabrikant (incorporated herein by reference to Exhibit 10.102 of the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the

	fiscal year ended December 31, 1995).
10.53*,**	Stock Option Grant Agreement dated as of March 14, 1995 between SEACOR Holdings, Inc. and Randall Blank (incorporated herein by reference to Exhibit 10.103 of the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1995).
21.1	List of Registrant's Subsidiaries.
23.1	Consent of Arthur Andersen LLP.
27.1	Financial Data Schedule.

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* 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.

Exhibit 10.27

CONFORMED COPY

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AMENDED AND RESTATED OPERATING AGREEMENT

OF

CHILES OFFSHORE LLC

DATED AS OF DECEMBER 16, 1997

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AMENDED AND RESTATED OPERATING AGREEMENT OF CHILES OFFSHORE LLC

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "AGREEMENT") of CHILES OFFSHORE LLC (the "COMPANY"), is made and entered into as of the 16th day of December, 1997 by and among the Persons executing this Agreement on the signature pages hereto as a member (together with such other Persons that may hereafter become members as provided herein, referred to collectively as the "MEMBERS" or, individually, as a "MEMBER").

WHEREAS, the Company was formed as a limited liability company under the Delaware Limited Liability Company Act (the "ACT") by the filing on August 1, 1997 of a certificate of formation of the Company with the Delaware Secretary of State and, thereafter, on August 5, 1997, SEACOR Offshore Rigs Inc., a Delaware corporation ("SEACOR"), as the Group A Member, and COI, LLC, a Delaware limited liability company ("COI"), as the Group B Member, adopted an Operating Agreement of Chiles Offshore LLC (the "ORIGINAL OPERATING AGREEMENT") as the limited liability company agreement of the Company pursuant to Section 18-201(d) of the Act effective as of such date; and

WHEREAS, as the date hereof, each of the Members (other than SEACOR and COI) are parties to a Subscription Agreement dated as of December 11, 1997 (the "SUBSCRIPTION AGREEMENT") among the Company and such Members pursuant to which each such Member has subscribed for and agreed to purchase certain membership interests in the Company in exchange for the making by such Member of certain cash capital contributions to the Company; and

WHEREAS, effective as of the date hereof, SEACOR, COI and the other Members desire to adopt this Agreement as the amended and restated limited liability company agreement of the Company in order to provide for (i) the waiver by SEACOR and COI of certain of their rights under the Original Operating Agreement relating to the sale of additional membership interests by the Company

pursuant to the Subscription Agreement, (ii) the making of certain additional contributions by SEACOR to the Company, (iii) the admission of the Members (other than SEACOR and COI) upon the making of certain capital contributions, and (iv) the restatement and amendment of the Original Operating

Agreement in its entirety, all subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

WAIVER; AMENDMENT AND RESTATEMENT. Each of SEACOR and COI hereby expressly waive any and all rights it may have under the Original Operating Agreement relating to, or arising out of, the admission of the other Members and the sale of Membership Interests to such Members pursuant to the Subscription Agreement, including, without limitation, any rights under Section 3.7 of the Original Operating Agreement. SEACOR and COI hereby agree to amend and restate the Original Operating Agreement in its entirety and adopt this Agreement, and the other Members hereby agree to adopt this Agreement, as the limited liability company agreement of the Company, which Agreement will henceforth be substituted in its entirety for the Original Operating Agreement by deleting in its entirety the Original Operating Agreement and substituting therefor the above preambles and the following:

"ARTICLE 1
DEFINITIONS

As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"ACT" means the Delaware Limited Liability Company Act, 6 Del. L. ss. 18-101, et seq., as amended from time to time.

"ADJUSTED CAPITAL ACCOUNT DEFICIT" means, with respect to a Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Taxable Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulation Sections 1.704- 2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulation Sections

1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"AFFILIATE" of a specified Person means any Person who directly or indirectly controls, is controlled by, or is under common control with, such Person.

"AGREEMENT" means this Amended and Restated Operating Agreement, which shall constitute the limited liability company agreement of the Company for purposes of the Act, as amended from time to time.

"BUSINESS DAY" means any day (other than a day which is a Saturday, Sunday or legal holiday in the state of New York) on which banks are open for business in New York City.

"CAPITAL ACCOUNT" means, with respect to any Member, a separate account established by the Company and maintained for each Member in accordance with Section 3.4 hereof.

"CAPITAL CONTRIBUTION" means, with respect to any Member, the amount of

money and the initial Gross Asset Value of any Property (other than money) contributed to the Company with respect to the interests purchased by such Member pursuant to the terms of this Agreement, in return for which the Member contributing such capital shall receive a Membership Interest.

"CERTIFICATE" means the Certificate of Formation of the Company as filed on August 1, 1997 with the Secretary of State of Delaware, as amended or restated from time to time.

"CODE" means the United States Internal Revenue Code of 1986, as amended.

"COI" means COI, LLC, a Delaware limited liability company.

"COMPANY" means Chiles Offshore LLC.

"COMPANY AFFILIATE" shall have the meaning set forth in Section 8.2.

"COMPANY MINIMUM GAIN" shall have the meaning set forth for "partnership minimum gain" in Regulation Section 1.704- 2(b)(2) and shall be determined in accordance with the provisions of Regulation Section 1.704-2(d).

"DEPRECIATION" means, for each Taxable Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Taxable Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Taxable Year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Taxable Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Taxable Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Management Committee.

"GROSS ASSET VALUE" means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows and as otherwise provided in clause (ii) of Section 3.2(b):

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as reasonably determined by the Management Committee; provided, however, that the initial Gross Asset Values of the assets contributed to the Company pursuant to, or as described in, Section 3.1 hereof shall be as set forth in such section or the schedule referred to therein;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values (taking Code Section 7701(g) into account), as reasonably determined by the Management Committee as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; and (iii) the liquidation of the Company within the

meaning of Regulation Section 1.704-1(b)(2)(ii)(g); provided, however, that an adjustment described in clauses (i) and (ii) of this paragraph shall be made only if the Management Committee reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company; and

(c) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Code Section 7701(g) into account) of such asset on the date of distribution as reasonably determined by the Management Committee.

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (b), such Gross Asset Value shall thereafter be adjusted by the

Depreciation taken into account with respect to such asset, for purposes of computing Profits and Losses.

"GROUP A MEMBERS" means the Persons listed on Schedule 1 as Group A members and their respective permitted successors or assigns.

"GROUP B MEMBERS" means, the Persons listed on Schedule 1 as Group B members and their respective permitted successors or assigns.

"GROUP C MEMBERS" means, the Persons listed on Schedule 1 as Group C members and their respective permitted successors or assigns.

"IMMEDIATE FAMILY MEMBER" shall mean with respect to any Member that is a natural Person, such Member's spouse, mother, father, brother, sister or child, a trust established solely for the benefit of one or more Immediate Family Members or the estate or personal representative of a deceased Member.

"INITIAL TAG-ALONG NOTICE" shall have the meaning set forth in Section 9.9(a).

"LOSSES" has the meaning set forth in the definition of "Profits" and "Losses".

"MAJORITY IN INTEREST" means, with respect to the Members or to any specified group or class of Members, Members owning more than fifty percent (50%) of the total

Percentage Interests held by all Members or such specified group or class of Members, as applicable.

"MANAGEMENT COMMITTEE" means the management committee of the Company established pursuant to Section 7.1.

"MANAGERS" means, collectively, the Persons designated and serving in accordance with Article 7 as members of the Management Committee.

"MEMBER" or "MEMBERS" shall have the meaning set forth in the preamble hereof.

"MEMBER NONRECOURSE DEBT" has the meaning set forth for "partner nonrecourse debt" in Regulation Section 1.704- 2(i)(4).

"MEMBER NONRECOURSE DEBT MINIMUM GAIN" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulation Section 1.704- 2(i)(3).

"MEMBER NONRECOURSE DEDUCTIONS" has the meaning set forth for "partner nonrecourse deductions" in Regulation Sections 1.704-2(i)(1) and 1.704-2(i)(2).

"MEMBERSHIP INTEREST" means a Member's limited liability company interest in the Company which refers to all of a Member's rights and interests in the Company in such Member's capacity as a Member, all as provided in this Agreement and the Act.

"NET CASH FLOW" shall mean the gross cash proceeds from the Company's operations and any distributions received from its subsidiaries (excluding the proceeds of Company borrowings and capital contributions) and from all sales and other dispositions of the Company's Property and any amount released by the Management Committee from Reserves, less the portion of gross proceeds (other than the proceeds of the Company's borrowings and capital contributions) used to pay or establish Reserves for all the Company's expenses, debt payments (including principal, interest and required redemption payments), capital improvements, replacements and contingencies, all as reasonably determined by the Management Committee. Net Cash Flow shall not be reduced by Depreciation or similar allowances and shall include the net cash proceeds of all principal and interest payments

actually received by the Company with respect to any promissory note or other

deferred payment obligation held by the Company in connection with sales and other dispositions of the Company's Property.

"NONRECOURSE DEDUCTIONS" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"NONRECOURSE LIABILITY" has the meaning set forth in Regulation Section 1.704-2(b)(3).

"NOTICE" means a writing, containing the information required by this Agreement to be communicated to a party, and shall be deemed to have been received (a) when personally delivered or sent by telecopy, (b) one day following delivery by overnight delivery courier, with all delivery charges pre-paid, or (c) on the third Business Day following the date on which it was sent by United States mail, postage prepaid, to such party at the address or fax number, as the case may be, of such party as shown on the records of the Company.

"PERCENTAGE INTEREST" of a Member means the aggregate limited liability company percentage interest set forth on Schedule 1 hereto, as the same may be modified from time to time as provided herein.

"PERMITTED TRANSFEREE" means a Person who becomes a transferee in accordance with Section 9.2.

"PERSON" means any individual, partnership, limited liability company, corporation, cooperative, trust, estate or other entity.

"PROFITS" and "LOSSES" means, for each Taxable Year, an amount equal to the Company's taxable income or loss for a taxable year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or

treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraphs (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the Gross Asset Value of the asset) or an item of loss (if the adjustment decreases the Gross Asset Value of the asset) from the disposition of such asset and shall be taken into account for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the Property disposed of, notwithstanding that the adjusted tax basis of such Property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Taxable Year, computed in accordance with the definition of Depreciation; and

(f) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 5.3 or Section 5.4 hereof shall not be taken into account in computing Profits or Losses. The amounts of the items of the Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 5.3

and 5.4 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (e) above.

"PROPERTY" means all assets, real or intangible, that the Company may own or otherwise have an interest in from time to time.

"REGULATIONS" means the regulations, including temporary regulations, promulgated by the United States Department of

Treasury with respect to the Code, as such regulations are amended from time to time, or corresponding provisions of future regulations.

"RESERVES" means the cash reserves established by the Management Committee to provide for working capital, future investments, debt service and such other purposes as may be deemed reasonably necessary or advisable by the Management Committee.

"SEACOR" means SEACOR Offshore Rigs Inc., a Delaware corporation.

"SEACOR GROUP" shall have the meaning set forth in Section 3.7(a).

"SEACOR SMIT" means SEACOR SMIT Inc., a Delaware corporation and, as of the date hereof, the parent of SEACOR.

"SEC" means the Securities and Exchange Commission.

"SECRETARY" shall mean the Secretary of the Treasury or his/her delegate or the Internal Revenue Service.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended.

"SECTION 9.8 OFFEREE" shall have the meaning set forth in Section 9.8(a).

"SECTION 9.8 PROPOSED PURCHASER" shall have the meaning set forth in Section 9.8(a).

"SECTION 9.8 SELLING MEMBER" shall have the meaning set forth in Section 9.8(a).

"SECTION 9.9 PARTICIPATING TAGGED MEMBERS" shall have the meaning set forth in Section 9.9(a).

"SECTION 9.9 PROPOSED PURCHASER" shall have the meaning set forth in Section 9.9(a).

"SECTION 9.9 TAG-ALONG MEMBERSHIP INTEREST" shall have the meaning set forth in Section 9.9(a).

"SECTION 9.9 TAGGED MEMBERS" shall have the meaning set forth in Section 9.9(a).

"SECTION 9.10 DRAG-ALONG MEMBERSHIP INTEREST" shall have the meaning set forth in Section 9.10(a).

"SECTION 9.10 DRAGGED MEMBERS" shall have the meaning set forth in Section 9.10(a).

"SECTION 9.10 PROPOSED PURCHASER" shall have the meaning set forth in Section 9.10(a).

"SECTION 9.10 SELLING MEMBER" shall have the meaning set forth in Section 9.10(a).

"TAG-ALONG RIGHT" shall have the meaning set forth in Section 9.9(a).

"TAG-ALONG NOTICE" shall have the meaning set forth in Section 9.9(a).

"TAXABLE YEAR" shall mean the taxable year of the Company in accordance with the provisions of Section 706 of the Code.

"TAX DISTRIBUTION" means an amount equal (i) to the taxable income of the Company allocated to the Members for a Taxable Year multiplied by the sum of (x) the highest federal income tax rate applicable to individuals for such Taxable Year and (y) 6%, divided by (ii) the lowest aggregate Percentage Interests held by the Group B Members during such Taxable Year. Cash Distributions in respect of the Tax Distribution shall be made quarterly as provided in Section 4.1 hereof, based on a reasonable estimate of the amount of Tax Distribution for such Taxable Year. The amount of Tax Distribution shall be computed by the Company's regular independent public accounting firm.

"TAX MATTERS MEMBER" shall have the meaning set forth in Article 11.

"TRANSFER" or "TRANSFERRED" means (a) when used as a verb, to give, sell, exchange, assign, transfer, pledge, hypothecate, bequeath, devise or otherwise dispose of or encumber, and (b) when used as a noun, the nouns corresponding to such verbs, in either case voluntarily or involuntarily, by operation of law or otherwise. When referring to a Membership Interest, "TRANSFER" shall mean the Transfer of such Membership Interest whether of record, beneficially, by participation or otherwise.

"UNAFFILIATED MEMBERS" shall have the meaning set forth in Section 3.2.

ARTICLE 2
FORMATION AND OFFICES

2.1 FORMATION. Pursuant to the Act, the Company has been formed as a Delaware limited liability company effective upon the filing of the Certificate of the Company with the Secretary of State of Delaware. To the extent that the rights or obligations of any Member are different by reason of any provision of this Agreement than they would be in the absence of such provision, to the extent permitted by the Act, this Agreement shall control.

2.2 PRINCIPAL OFFICE. The principal office of the Company shall be located at 11200 Westheimer, Suite 410, Houston, Texas 77042-3227 or at such other place(s) as the Management Committee may determine from time to time.

2.3 REGISTERED OFFICE AND REGISTERED AGENT. The location of the registered office and the name of the registered agent of the Company in the State of Delaware shall be as stated in the Certificate, as determined from time to time by the Management Committee.

2.4 PURPOSE OF COMPANY. The Company's purposes, and the nature of the business to be conducted and promoted by the Company are (a) to manage and supervise either directly or through one or more other Persons owned and controlled directly or indirectly by the Company, all aspects of the construction of premium jackup rigs, and, upon their completion, manage all aspects of their operation and receive therefor certain construction supervision fees and management fees, (b) to form and act as managing general partner of any such Person that is a partnership, (c) to engage in any other lawful act or activity for which limited liability companies may be formed under the Act, and (d) to engage in any and all activities necessary, advisable, convenient or incidental to the foregoing.

2.5 DATE OF DISSOLUTION. The term of the Company shall continue until the close of business on August 1, 2032 or until the earlier dissolution under Article 10 hereof. The existence of the Company as a separate legal entity shall continue until cancellation of the Certificate in the manner required by the Act.

2.6 QUALIFICATION. The execution, delivery and filing of the Certificate on August 1, 1997 by David E. Zeltner, in his capacity as an authorized person, within the meaning of the Act, is hereby ratified, approved and confirmed in all respects. The President and Chief Executive Officer, any Vice President, the Secretary and any Assistant Secretary of the Company are hereby authorized to qualify the Company to do business as a foreign limited liability company in any state or territory in the United States in which the Company may wish to conduct business and each is hereby designated as an authorized person, within the

meaning of the Act, to execute, deliver and file any amendments or restatements of the Certificate and any other certificates and any amendments or restatements thereof necessary for the Company to so qualify to do business in any such state or territory.

ARTICLE 3
CAPITALIZATION OF THE COMPANY

3.1 CERTAIN ADDITIONAL AND INITIAL CAPITAL CONTRIBUTIONS. Each of the Members hereby acknowledges that each of SEACOR and COI made certain Capital Contributions to the Company on August 5, 1997 as specified and as set forth opposite its respective name on Schedule 1. On the date hereof, (i) SEACOR shall make additional Capital Contributions to the capital of the Company consisting of cash or the contribution of certain indebtedness as set forth on Schedule 1, (ii) each Member (other than SEACOR and COI) shall make initial Capital Contributions to the capital of the Company consisting of cash, all as specified and as set forth opposite such Member's name (including SEACOR) on Schedule 1 hereto. The Percentage Interest of each Member following such Capital Contributions on the date hereof, is likewise set forth on Schedule 1.

3.2 ADDITIONAL CAPITAL CONTRIBUTIONS.

(a) Except as otherwise expressly provided in this Agreement, no Member shall be required to make any additional Capital Contribution. No Member shall be permitted to make any additional Capital Contribution without the approval of the Management Committee.

(b) Subject to the rights of each Member to purchase its proportionate share of additional Membership Interests issued by the Company in accordance with Section 3.6, the Company may offer additional Membership Interests to:

(i) any Person that is not an Affiliate or Immediate Family Member of a Member, as the case may be, with the approval of the Management Committee; or

(ii) any Person that is a Member or is an Affiliate of a Member or Immediate Family Member of a Member, as the case may be, with the approval of (A) the Management Committee, and (B) a Majority in Interest of the Members other than (1) any Member purchasing such additional Membership Interests and (2) any Member whose Affiliate(s) or Immediate Family Member(s) is purchasing such additional Membership Interests (such Members, other than those referred to in clauses (1) and (2) above being referred to as the "UNAFFILIATED MEMBERS"), it being expressly understood that such approval of the Members shall also include their approval of any related valuations of Gross Asset Value by the Management Committee and, if such Members approve the Transfer without approving said valuation, Gross Asset Value shall be determined by a third Person familiar with the valuation of such transactions selected jointly by the Management Committee and a Majority in Interest of the Unaffiliated Members not later than ten (10) days after their approval of the Transfer or, if the Management Committee and such Members fail to so select a third Person, then such third Person will be selected in accordance with the rules and procedures of the American Arbitration Association in New York, New York.

If after the date hereof, any additional Capital Contributions are made by Members but not in proportion to their respective Percentage Interests, the Percentage Interest of each Member shall be adjusted such that each Member's revised Percentage Interest determined immediately following the additional Capital Contributions shall be equal to a fraction (1) the numerator of which is the sum of (a) the positive Capital Account balance of the Member determined immediately preceding the date the additional Capital Contribution is made (such Capital Account to be computed by adjusting the book value for Capital Account purposes of each Company asset to equal its Gross Asset Value as of such date, as provided in subparagraph (b) of the definition herein of "Gross Asset Value"), and (b) the additional Capital Contribution, if any, made by such Member, and (2) the denominator of which is the sum of the positive Capital Account balances and additional Capital Contributions of all Members, including any new Members (in each case calculated as provided in Section 3.2(b)(ii)(l)). The names, addresses and Capital Contributions of the

Members shall be reflected in the books and records of the Company.

3.3 LOANS. (a) No Member shall be obligated to loan funds to the Company. Loans by a Member to the Company shall not be considered Capital Contributions. The amount of any such loans shall be a debt of the Company owed to such Member in accordance with the terms and conditions upon which such loans are made.

(b) A Member may (but shall not be obligated to) guarantee a loan made to the Company. If a Member guarantees a loan made to the Company and is required to make payment pursuant to such guarantee to the maker of the loan, then the amounts so paid to the maker of the loan shall be treated as a loan by such Member to the Company and not as an additional capital contribution.

3.4 MAINTENANCE OF CAPITAL ACCOUNTS.

(a) The Company shall maintain for each Member, a separate Capital Account with respect to the Membership Interest owned by such Member in accordance with the following provisions:

(i) To each Member's Capital Account there shall be credited (A) such Member's Capital Contributions, (B) such Member's distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 5.3 or Section 5.4 hereof, and (C) the amount of any Company liabilities assumed by such Member or which are secured by any Property distributed to such Member. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Member related to the maker of the note within the meaning of Regulation Section 1.704-1(b)(2)(ii)(c)) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and only to the extent) principal payments are made on the note, all in accordance with Regulation Section 1.704-1(b)(2)(iv)(d)(2);

(ii) To each Member's Capital Account there shall be debited (A) the amount of money and the Gross Asset Value of any Property distributed or treated as an advance distribution to such Member pursuant to any

provision of this Agreement (including without limitation any distributions pursuant to Section 4.1(a)), (B) such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 5.3 or Section 5.4 hereof, and (C) the amount of any liabilities of such Member assumed by the Company or which are secured by any Property contributed by such Member to the Company;

(iii) In the event Membership Interests are Transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the Transferred Membership Interests; and

(iv) In determining the amount of any liability for purposes of Sections 3.4(a)(i) and 3.4(a)(ii) there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

(b) The foregoing Section 3.4(a) and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulation Section 1.704-1(b) and, to the greatest extent practicable, shall be interpreted and applied in a manner consistent with such Regulation. The Management Committee in its discretion and to the extent otherwise consistent with this Agreement shall (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Regulation Section 1.704- 1(b)(2)(iv)(q), and (ii) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Regulation Section 1.704-1(b).

3.5 CAPITAL WITHDRAWAL RIGHTS, INTEREST AND PRIORITY. Except as expressly provided in this Agreement, no Member shall be entitled (a) to withdraw or reduce such Member's Capital Contribution or to receive any distributions from the Company, or (b) to receive or be credited with any interest on the balance of such Member's Capital Contribution at any time.

3.6 PREEMPTIVE RIGHTS. Subject to Section 3.2, if the Company elects to offer and sell Membership Interests other than the Membership Interests set forth on Schedule 1 and

Excluded Sales (as hereinafter defined), such additional Membership Interests shall be in the form of Membership Interests having such Percentage Interest, designations and such rights and provisions, including, but not limited to, provisions relating to distributions and allocations of Profits and Losses, as shall be reasonably determined by the Management Committee to be in the best interest of the Company; provided, however, that the Company may not offer and sell any Membership Interests having preferences to the rights of the Members with respect to distributions, allocations or rights upon liquidation, without the prior written consent of Members owning more than two-thirds of the total percentage interest held by all Members (it being understood that no such consent shall be required for the offering or sale of Membership Interests that are entitled to distributions, allocations and rights upon liquidation that are pari passu to the rights of the existing Members). Prior to the consummation of any sale of additional Membership Interests (other than Excluded Sales), the Company shall offer the additional Membership Interests to the Members, on the terms and conditions set forth below:

(a) The Company shall give Notice to each Member, setting forth the price, terms and conditions of the proposed sale of the additional Membership Interests.

(b) Each Member shall have the option to acquire all or a portion of such Member's pro rata portion (which shall be in proportion to the Percentage Interest of all the Members) at the time of the offering of the additional Membership Interests proposed to be sold, on the same terms and conditions as are set forth in the Notice. The option of Members to purchase all or a portion of their pro rata portions of the additional Membership Interests shall be exercised by delivery of a Notice to the Company of exercise within ten (10) Business Days following receipt of the Company's Notice of the price, terms and conditions of the sale of the additional Membership Interests. If less than all the Membership Interests to be sold by the Company are purchased by the Members, the Company may within sixty (60) calendar days from the expiration of said option, sell such Membership Interests as shall not have been purchased by the Members upon terms and conditions no less favorable to the Company than those set forth in the Notice.

(c) The sale of additional Membership Interests to Members who exercise their options to purchase additional Membership Interests shall occur on the date set forth in a Notice from the Company to such Members, which date shall not be earlier than thirty (30) days after the date of expiration of the offer to Members under Section 3.6(b).

(d) For purposes of this Section 3.6, the term "Excluded Sales" shall mean (i) any shares of the capital stock of the Company issued upon conversion of the Company into a corporation, (ii) following any such conversion, any shares of the capital stock of the Company issued pursuant to a public offering and sale of equity securities of the Company pursuant to an effective registration statement under the Securities Act, (iii) membership interests issued pursuant to the acquisition of another Person by the Company, by merger, purchase of all or substantially all of such other Person's securities or assets or otherwise pursuant to which the Company shall become the owner of more than fifty percent (50%) of the voting power of such other Person, and (iv) Membership Interests Transferred to or options to purchase Membership Interest granted to, employees, directors, advisors or consultants to the Company under a Company membership interest option or similar equity incentive plan; provided however, that the Company will not Transfer Membership Interests, or grant options, under any such plan, aggregating more than five percent (5%) of the Membership Interests of the Company on a fully diluted basis (assuming the exercise of such options); and, provided further, the exercise price for Membership Interests under each such option shall not be less than the price for an equivalent percentage Membership Interest acquired on the date hereof by the Group C Members.

3.7 CERTAIN SEACOR TRANSACTIONS.

(a) Except as otherwise provided in Section 3.7(b), in the event SEACOR or its parent SEACOR SMIT, or any other consolidated subsidiary of SEACOR SMIT (collectively, the "SEACOR GROUP") provides management, administrative, financial or investment-banking type services to the Company or any of its subsidiaries with the respect to any rig transactions or otherwise, such member of the SEACOR Group shall be entitled to receive reasonable fees and reimbursement for expenses incurred

in connection with the provision of such services so long as such fees are not in excess of fees charged by unrelated Persons for comparable services.

(b) The Company shall pay SEACOR SMIT a management fee for financial and other services provided to the Company and its subsidiaries by Dick H. Fagerstal, Vice President, Finance of SEACOR SMIT. Such management fee to be determined based on the value of the services provided by Mr. Fagerstal to the Company and its subsidiaries, including reimbursement of any related out-of-pocket expenses incurred by SEACOR SMIT, after taking into account the compensation typically paid for such services and the percentage of Mr. Fagerstal's time allocated to activities relating to the Company and its subsidiaries.

ARTICLE 4
DISTRIBUTIONS

4.1 DISTRIBUTIONS OF NET CASH FLOW. Distributions of Net Cash Flow to the Members shall be made as follows:

(a) quarterly, to the Members in proportion to and to the extent of their relative Percentage Interests, an amount not in excess of the Tax Distribution for the Taxable Year; provided, however, that distributions under this Section 4.1(a) shall be treated as advance distributions under Section 4.1(b), with the result that distributions otherwise made under Section 4.1(b) to such Member shall be reduced by the amount of advances made pursuant to this Section 4.1(a); and

(b) upon the approval of and in the amount so approved by the Management Committee acting in its sole discretion, to the Members in proportion to their relative Percentage Interests.

4.2 PERSONS ENTITLED TO DISTRIBUTIONS. All distributions of Net Cash Flow to the Members under this Article 4 shall be made to the Persons shown on the records of the Company to be entitled thereto as of the last day of the fiscal period prior to the time for which such distribution is to be made, unless the transferor and transferee of any Membership Interest otherwise agree in writing to a different distribution and such distribution is consented to in writing by the Management Committee.

4.3 LIMITATIONS ON DISTRIBUTIONS. Notwithstanding anything to the contrary herein provided, no distribution hereunder shall be permitted to the extent prohibited by Section 18-607 of the Act.

ARTICLE 5
ALLOCATIONS

5.1 PROFITS. After giving effect to the special allocations set forth in Sections 5.3 and 5.4 hereof and subject to Section 5.7 hereof, Profits for any Taxable Year shall be allocated to the Members in proportion to their Percentage Interests.

5.2 LOSSES. After giving effect to the special allocations set forth in Sections 5.3 and 5.4, subject to the limitation in Section 5.5 hereof and subject to Section 5.7 hereof, Losses for any Taxable Year shall be allocated to the Members in proportion to their Percentage Interests.

5.3 SPECIAL ALLOCATIONS. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this

Article 5, if there is a net decrease in Company Minimum Gain during any Taxable Year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to each Member's share of the net decrease in Company Minimum Gain during such taxable year as determined in accordance with the provisions of Regulation Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f) (6) and 1.704-2(j) (2) of the Regulations. This Section 5.3(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i) (4) of the Regulations, notwithstanding any other provision of

this Section 5, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Taxable Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i) (5) of the Regulations, shall be specially allocated items of Company income and gain for such Taxable Year (and, if necessary, subsequent Taxable Years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt, determined in accordance with Regulation Section 1.704-2(i) (4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i) (4) and 1.704-2(j) (2) of the Regulations. This Section 5.3(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i) (4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Member as quickly as possible, provided that an allocation pursuant to this Section 5.3(c) shall be made only if and to the extent that the Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Section 5 have been tentatively made.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Taxable Year which is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement and (ii) the amount such Member is obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible; provided, however, that an allocation pursuant to this

Section 5.3(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 5 have been made other than those allocations pursuant to Section 5.3(c) and this Section 5.3(d).

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Taxable Year shall be specially allocated to the Members in proportion to their respective Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any Taxable Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulation Section 1.704-2(i) (1).

5.4 CURATIVE ALLOCATIONS. The allocations set forth in Sections 5.3(a), 5.3(b), 5.3(c), 5.3(d), 5.3(e), 5.3(f) and 5.5 (the "REGULATORY ALLOCATIONS")

are intended to comply with certain requirements of the Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 5.4. Therefore, notwithstanding any other provision of this Section 5 (other than the Regulatory Allocations), following any Regulatory Allocation, the Management Committee shall use its best efforts to make such offsetting special allocations of Company income, gain, loss or deduction in whatever reasonable manner it determines so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations had not been made and all Company items were allocated pursuant to Sections 5.1 and 5.2.

5.5 LOSS LIMITATION. Losses allocated pursuant to Section 5.2 hereof shall not exceed the maximum amount of Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Taxable Year. In the event some but not all the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 5.2 hereof, the limitation set forth in this Section 5.5

shall be applied on a Member by Member basis and Losses not allocable to any Member as a result of such limitation shall be allocated to the other Members pro rata in accordance with the positive balances in such Members' Capital Accounts so as to allocate the maximum permissible Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Regulations.

5.6 TAX ALLOCATIONS: CODE SECTION 704(C).

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any Property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition of Gross Asset Value).

(b) In the event the Gross Asset Value of any Company asset is adjusted pursuant to subparagraph (b) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

(c) Any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this Agreement; provided, that the Company, in the discretion of the Management Committee, may make, or not make, "curative" or "remedial" allocations (within the meaning of the Regulations under Code Section 704(c)) including, but not limited to, "curative" allocations which offset the effect of the "ceiling rule" for a prior Taxable Year (within the meaning of Regulation Section 1.704- 3(c)(3)(ii) and "curative" allocations from disposition of contributed property (within the meaning of Regulation Section 1.704-3(c)(3)(iii)(B). Allocations pursuant to this Section 5.6 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions (other than Tax Distributions) pursuant to any provision of this Agreement.

5.7 CHANGE IN PERCENTAGE INTERESTS. In the event that the Members' Percentage Interests change during a Taxable Year, Profits and Losses shall be allocated taking into account the Members' varying Percentage Interests for such Taxable Year, determined on a daily, monthly or other basis as determined by the Management Committee, using any permissible method under Code Section 706 and the Regulations thereunder.

5.8 WITHHOLDING. Each Member hereby authorizes the Company to withhold and to pay over any taxes payable by the Company or any of its Affiliates as a result of such Member's participation in the Company; if and to the extent that the

Company shall be required to withhold any such taxes, such Member shall be deemed for all purposes of this Agreement to have received a payment from the Membership as of the time such withholding is required to be paid, which payment shall be deemed to be a distribution to such Member to the extent that the Member is then entitled to receive a distribution. To the extent that the aggregate of such payments in respect of a Member for any period exceeds the distributions to which such Member is entitled for such period, the amount of such excess shall be considered a demand loan from the Company to such Member, with interest at 8% per annum, which interest shall be treated as an item of Company income, until discharged by such Member by repayment, which may be made in the sole discretion of the Management Committee out of distributions to which such Member would otherwise be subsequently entitled. The withholdings referred to in this Section 5.8 shall be made at the maximum applicable statutory rate under the applicable tax law unless the Management Committee shall have received an opinion of counsel or other evidence, satisfactory to the Management Committee, to the effect that a lower rate is applicable, or that no withholding is applicable.

ARTICLE 6
MEMBERS' MEETINGS

6.1 MEETINGS OF MEMBERS; PLACE OF MEETINGS. Regular meetings of the Members may be held on an annual basis or more frequently as determined by a Majority in Interest of the Members. All meetings of the Members shall be held in New York, New York or Houston, Texas as designated from time to time by the Management Committee and stated in the Notice of the meeting or in a duly executed waiver of the Notice thereof. Special meetings of the Members may be held for

any purpose or purposes, unless otherwise prohibited by law, and may be called by the Management Committee or by Members owning not less than twenty-five percent (25%) of the Percentage Interests. Members may participate in a meeting of the Members by means of conference telephone or other similar communication equipment whereby all Members participating in the meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person at the meeting.

6.2 QUORUM; VOTING REQUIREMENT. The presence, in person, by telephone or by proxy, of a Majority in Interest of the Members shall constitute a quorum for the transaction of business by the Members. The affirmative vote of a Majority in Interest of the Members present, in person, by telephone or by proxy, at any meeting shall constitute a valid decision of the Members, except where a larger vote is required by the Act.

6.3 PROXIES. At any meeting of the Members, every Member having the right to vote thereat shall be entitled to vote in person or by proxy appointed by an instrument in writing signed by such Member and bearing a date not more than one year prior to such meeting.

6.4 ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of Members of the Company may be taken without a meeting, without prior notice and without a vote if a consent in writing setting forth the action so taken is signed by Members having not less than the minimum Percentage Interests that would be necessary to authorize or take such action at a meeting of the Members. Prompt Notice of the taking of any action taken pursuant to this Section 6.4 by less than the unanimous written consent of the Members shall be given to those Members who have not consented in writing.

6.5 NOTICE. Notice stating the place, day and hour of the meeting and the purpose for which the meeting is called shall be delivered personally or sent by mail or by telecopier not less than five (5) days nor more than sixty (60) days before the date of the meeting by or at the direction of the Management Committee or other persons calling the meeting, to each Member entitled to vote at such meeting.

6.6 WAIVER OF NOTICE. When any Notice is required to be given to any Member hereunder, a waiver thereof in writing signed by the Member, whether before, at or after

the time stated therein, shall be equivalent to the giving of such Notice.

6.7 NO AUTHORITY. Unless expressly authorized herein or by action of the Members or the Management Committee in accordance herewith and the Act, no Member shall have any authority to act on behalf of the Company or bind the Company in any manner whatsoever, including, without limitation, entering into any agreement on behalf of the Company.

ARTICLE 7
MANAGEMENT AND CONTROL

7.1 MANAGEMENT COMMITTEE; MANAGERS.

(a) Except as otherwise provided hereunder, the business and affairs of the Company shall be managed by a Management Committee comprised of up to a total of up to seven (7) Managers, (i) up to four (4) of whom shall be designated in writing by a Majority in Interest of the Group A Members (the four individuals designated pursuant to this clause (i) being referred to herein collectively as the "GROUP A MANAGERS" and, individually, as a "GROUP A MANAGER", (ii) up to two (2) individuals designated in writing by a Majority in Interest of the GROUP B MEMBERS (the two individuals designated pursuant to this clause (ii) being referred to herein collectively as the "GROUP B MANAGERS" and individually as a "GROUP B MANAGER, and (iii) one (1) individual designated in writing by a Majority in Interest of the Group C Members (the one individual designated by a Majority in Interest of the Group C Members pursuant to this clause (iii) being referred to as a "GROUP C MANAGER"). As of the date hereof, (i) the Group A Managers designated by the Group A Member are Charles Fabrikant, Randall Bank, Dick H. Fagerstal and Timothy J. McKeand, (ii) the Group B Managers designated by the Group B Member are William E. Chiles and Jonathan B. Fairbanks and (iii) the Group C Manager designated by the Group C Members is Robert Pierot, Jr. Anything herein to the contrary notwithstanding, so long as William E. Chiles continues to be employed as the Chief Executive Officer of the Company, one of the Managers designated by the Group B Members as provided in clause (ii) of the first sentence of this Section 7.1(a) shall be deemed to be William E. Chiles.

(b) After the date hereof, (i) a Majority in Interest of the Group A Members shall be entitled at any time, with

or without cause, to designate any Group A Manager for removal as a Manager, (ii) a Majority in Interest of the Group B Members shall be entitled at any time with or without cause to designate any Group B Manager for removal as a Manager except that if William E. Chiles is serving as Chief Executive Officer of the Company, the Group B Members shall only be entitled at any time with or without cause to designate the other Group B Manager for removal as a Manager, and (iii) a Majority in Interest of the Group C Members shall be entitled at any time, with or without cause to designate the Group C Manager as removal as a Manager. Any Manager designated for removal pursuant to this Section 7.1(b) shall be deemed removed as a Manager upon receipt by the Company of the Notice from the appropriate Member or Members designating said Manager for removal.

(c) If at any time a vacancy is created on the Management Committee by reason of the death, removal or resignation of any Manager, the person to fill such vacancy, shall be designated as a Manager (i) by a Majority in Interest of the Group A Members, if the person who has ceased to be a Manager was a Group A Manager, (ii) by a Majority in Interest of the Group B Members, if the person who has ceased to be a Manager was a Group B Manager or (iii) by a Majority in Interest of the Group C Managers, if the person who has ceased to be a Manager was the Group C Manager.

(d) Except as otherwise expressly provided herein, the power and authority granted to the Management Committee hereunder shall include all those necessary or convenient for the furtherance of the purposes of the Company and shall include the power to make all decisions with regard to the management, operations, assets, financing and capitalization of the Company.

(e) Anything to the contrary herein notwithstanding, no Manager shall have any authority to bind the Company or the Management Committee in his individual capacity in any manner whatsoever, except for such authority as shall be expressly delegated to a Manager in this Agreement or by the Management Committee.

(f) The board of directors (or similar governing body) of any subsidiary of the Company shall be comprised of such members as may be approved by the Management Committee of the Company.

7.2 MANAGEMENT COMMITTEE MEETINGS; QUORUM; PROXIES.

(a) The Management Committee will establish a regular meeting schedule, and will use its reasonable best efforts to meet at least once every quarter. Unless otherwise agreed by a majority of the Managers, meetings of the Management Committee shall be held in New York, New York or Houston, Texas. Meetings may be conducted in person, by telephone or in any other manner agreed to by the Management Committee. Any two (2) Managers may call a meeting of the Management Committee upon delivery of written or telephonic Notice at least three (3) Business Days prior to the date of such meeting, which Notice shall be accompanied by a proposed agenda or statement of purpose and by copies of all documents, agreements and information to be considered at such meeting; provided, however, at any such meeting, the Managers may address any and all business matters which may come before it, whether or not such items were provided for in the proposed agenda.

(b) A quorum shall exist when at least four (4) of the Managers are present in person, by telephone or by proxy. Each Manager is entitled to vote at any meeting of the Management Committee. The vote of a majority of the Managers present in person, by telephone or by proxy at any meeting of the Management Committee shall be required for action by the Management Committee.

(c) At each meeting of the Management Committee, every Manager shall be entitled to vote in person, by telephone or by proxy appointed by instrument in writing, subscribed by such Manager.

7.3 MANAGEMENT COMMITTEE'S AUTHORITY; CERTAIN LIMITATIONS. (a) Except as expressly set forth herein, the Management Committee shall have the maximum power and authority with respect to the business and operations of the Company permitted by law, including, without limitation, the right to cause the Company to merge or consolidate with, or sell all, or substantially all, of its asset to any Person.

(b) Notwithstanding the grant of authority to the Management Committee pursuant to Section 7.3(a) and except as otherwise contemplated in Sections 10.1(a), (b) and (c), the Management Committee shall not authorize the Company to merge or consolidate with, or sell all, or substantially all, of its assets to, a Member or an Affiliate or Immediate Family Member of a Member without the prior written consent of a Majority in Interest of the Members other than the Member or the Member whose Affiliate(s) or Immediate Family Member(s) is a party to such transaction.

7.4 OFFICERS; AGENTS. The Management Committee shall have the power to appoint any Person or Persons as agents (who may be referred to as officers) to act for the Company with such titles, if any, as the Management Committee deems appropriate and to delegate to such officers or agents such of the powers as are granted to the Management Committee hereunder, provided, however, that without the express approval of the Management Committee, no officer or agent shall have the authority to take any action (i) outside the ordinary course of business of the Company or (ii) material to the Company and its subsidiaries taken as a whole. Any decision or act of an officer appointed under this Section 7.4 within the scope of the officer's designated or delegated authority shall control and shall bind the Company. The officers or agents so appointed may have such titles as the Management Committee shall deem appropriate, which may include (but need not be limited to) President and Chief Executive Officer, Senior Vice President, Vice President, Chief Operating Officer, Chief Financial Officer, Treasurer, Controller or Secretary. The officers of the Company as of the date hereof are set forth on Schedule 7.4. Unless the authority of the agent designated as the officer in question is limited by the Management Committee, any officer so appointed shall have the same authority to act for the Company as a corresponding officer of a Delaware corporation would have to act for a Delaware corporation in the absence of a specific delegation of authority; provided, however, that without the express approval of the Management Committee, no officer or agent shall have the authority to take any action (i) outside the ordinary course of business of the Company or (ii) material to the Company and its subsidiaries taken as a whole. The Management Committee, in its sole discretion, may by vote, resolution or otherwise ratify any act previously taken

by an officer or agent acting on behalf of the Company.

7.5 RESIGNATION OF A MANAGER. A Manager may resign from such position at any time upon giving Notice to the Management Committee.

7.6 COMPENSATION Except as otherwise provided herein, each Manager shall be entitled to reimbursement from the Company for all reasonable direct out-of-pocket expenses incurred on behalf of the Company, including reimbursement for such expenses incurred by such Manager in connection with attending meetings of the Management Committee, and shall not be entitled to further compensation except as may be approved by the Management Committee.

ARTICLE 8
LIABILITY AND INDEMNIFICATION

8.1 LIABILITY OF MEMBERS. A Member shall only be liable to make the payment of its Capital Contribution. No Member, except as otherwise specifically provided in the Act, shall be obligated to pay any distribution to or for the account of the Company or any creditor of the Company.

8.2 INDEMNIFICATION.

(a) The Company shall indemnify and hold harmless each Manager and Member and their respective Affiliates and all officers, directors, members, partners, stockholders, managers and employees thereof, and each officer of the Company and any Person serving in any similar capacity for another Person affiliated with the Company at the request of the Company (solely for purposes of this Section 8.2, each such Person being referred to as, a "COMPANY AFFILIATE"), from and against any and all losses, claims, demands, costs, damages, liabilities, expenses of any nature (including reasonable attorneys' fees and disbursements), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which a Company Affiliate may be involved, or threatened to be involved, as a party or otherwise, arising out of or incidental to the business of the Company, including, without limitation, liabilities under the Federal and state securities laws, regardless of whether a Company Affiliate continues to be a Company Affiliate, at the time any such liability or expense is paid or incurred, if (i) the Company Affiliate acted in good faith and in a manner it or he reasonably believed to be in, or not opposed to, the interests of the Company and, with respect to any criminal proceeding, had no reason to believe its or his conduct was unlawful, and (ii) the Company Affiliate's conduct did not constitute actual fraud, gross negligence or willful or wanton misconduct. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere, or its equivalent, shall not, in and of itself, create a presumption or otherwise constitute evidence that the Company Affiliate acted in a manner contrary to that specified in (i) or (ii) above.

(b) Expenses (including reasonable legal fees and expenses) incurred in defending any proceeding subject to subsection (a) of this Section 8.2 shall be paid by the Company in advance of the final disposition of such

proceeding upon receipt of a written affirmation by the Company Affiliate of his or its good faith belief that he or it has met the standard of conduct necessary for indemnification under this Section 8.2 and a written undertaking (which need not be secured) by or on behalf of the Company Affiliate to repay such amount if it shall ultimately be determined, by a court of competent jurisdiction or otherwise, that the Company Affiliate is not entitled to be indemnified by the Company as authorized hereunder.

(c) The indemnification provided by this Section 8.2 shall be in addition to any other rights to which each Company Affiliate may be entitled under any agreement or vote of the Management Committee by the vote of Managers that are disinterested and unaffiliated with such Company Affiliate, as a matter of law or otherwise, both as to action in the Company Affiliate's capacity as a Company Affiliate or as a Person serving at the request of the Company and shall continue as to a Company Affiliate who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns, administrators and personal representatives of such Company Affiliate.

(d) The Company may purchase and maintain directors and officers insurance or, similar coverage, for its Managers and its officers in such amounts and with such deductibles or self-insured retentions as are customary for Persons engaged in businesses similar in size and type to those engaged in by the Company.

(e) Except as provided in Section 3.4, any indemnification hereunder shall be satisfied only out of the assets of the Company and the Members shall not be subject to personal liability by reason of these indemnification provisions. To the extent the Company does not have adequate cash available to satisfy its obligations under this Article 8, the Company shall pay its obligations under this Article 8 out of Net Cash Flow prior to making any distributions (other than distributions under Section 4.1(a) hereof) to the Members.

(f) A Company Affiliate shall not be denied indemnification in whole or in part under this Section 8.2 because the Company Affiliate had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement and all material facts relating to such indemnitee's interest were adequately disclosed to the

Management Committee at the time the transaction was consummated.

(g) The provisions of this Section 8.2 are for the benefit of the Company Affiliates and the heirs, successors, assigns, administrators and personal representatives of the Company Affiliates and shall not be deemed to create any rights for the benefit of any other Persons.

(h) Any repeal or amendment of any provisions of this Section 8.2 shall be prospective only and shall not adversely affect any Company Affiliates's right existing at the time of such repeal or amendment.

ARTICLE 9
TRANSFERS OF MEMBERSHIP INTERESTS

9.1 GENERAL RESTRICTIONS.

(a) No Member may Transfer all or any part of such Member's Membership Interest, except as provided in this Agreement. Any purported Transfer or purported purchase of a Membership Interest or a portion thereof in violation of the terms of this Agreement shall be null and void and of no effect. A permitted Transfer shall be effective as of the date specified in the instruments relating thereto. Any transferee desiring to make a further Transfer shall become subject to all the provisions of this Article 9 to the same extent and in the same manner as any Member desiring to make any Transfer. No Member shall have the right to withdraw as a Member of the Company.

(b) In the event that the Membership Interests (or securities issued in exchange for Membership Interests upon conversion of the Company into a corporation) are registered under the Securities Act, the Transfer restrictions set forth in this Article 9 shall terminate.

9.2 PERMITTED TRANSFEREES.

(a) Notwithstanding the provisions of Section 9.8 and 9.9, each Member that is a natural person shall have the right to Transfer (but not to substitute the transferee as a substitute Member in such Member's place, except in accordance with Section 9.3), by a written instrument, all or any part of such Member's Membership Interest, to an Immediate Family Member; it being understood that any such Permitted Transferee shall be deemed to be an additional or substitute Member as of the date of such Transfer and each Member agrees to take such action and execute such documents as such transferee may deem reasonably necessary and appropriate for such transferee to become a substitute or additional Member.

(b) Notwithstanding the provisions of Sections 9.8 and 9.9, each Member that is not a natural Person (other than COI) shall have the right to Transfer (but not to substitute the transferee as a substitute Member in such Member's place, except in accordance with Section 9.3), by a written instrument, all or any part of a Member's Membership Interest, to any of its Affiliates; it being understood

that any such Permitted Transferee shall be deemed to be an additional or substitute Member as of the date of such Transfer and each Member agrees to take such action and execute such documents as such transferee may deem reasonably necessary and appropriate for such transferee to become a substitute or additional Member.

(c) Notwithstanding the provisions of Sections 9.8 and 9.9, COI shall have the right to Transfer (but not to substitute the transferee as a substitute Member in COI's place, except in accordance with Section 9.3), by a written instrument, all of its Membership Interest, to its members pro rata in accordance with their percentages of membership interests set forth on Schedule 2; it being understood that each such Permitted Transferee shall be deemed an additional or substitute Member as of the date of such Transfer and each Member agrees to take such action and execute such documents as such transferee may deem reasonably necessary and appropriate for such transferee to become a substitute or additional Member.

(d) Notwithstanding the provisions of Sections 9.8 and 9.9, a Member shall have the right to pledge such Member's Membership Interest, in whole or in part, to a financial institution as collateral security for a loan to such Member by such financial institution so long as the Management

Committee has given its prior written consent to said pledge, which consent shall not be unreasonably withheld; provided, however, that no such pledge shall be made for the purpose of effecting a disguised sale to the pledgee and; provided further, that any such pledgee or a transferee of such pledgee, as appropriate, shall agree in a writing delivered to the Company to be bound by all of the terms and conditions of this Agreement.

(e) Unless and until admitted as a substitute Member pursuant to Section 9.3, a transferee of a Member's Membership Interest in whole or in part shall be an assignee with respect to such Transferred Membership Interest and shall not be entitled to participate in the management of the business and affairs of the Company or to become or to exercise the rights of a Member, including the right to vote, the right to require any information or accounting of the Company's business or the right to inspect the Company's books and records. Such transferee shall only be entitled to receive, to the extent of the Membership Interest transferred to such transferee, the share of distributions and profits, including distributions representing the return of Capital Contributions, to which the transferor would otherwise be entitled with respect to the Transferred Interest. The transferror shall have the right to vote such Transferred Interest until the transferee is admitted to the Company as a substituted Member with respect to the Transferred Interest.

9.3 SUBSTITUTE MEMBERS. No transferee of all or part of a Member's Membership Interest shall become a substitute Member in place of the transferor unless and until:

(a) the transferee has executed an instrument in form and substance reasonably satisfactory to the Management Committee accepting and adopting the terms and provisions of the Certificate and this Agreement; and

(b) the transferee has caused to be paid all reasonable expenses of the Company in connection with the admission of the transferee as a substitute Member.

Upon satisfaction of all the foregoing conditions with respect to a particular transferee, the President and Chief Executive Officer shall cause the books and records of the Company to reflect the admission of the transferee as a substitute Member to the extent of the Transferred Interest held by the transferee.

9.4 EFFECT OF ADMISSION AS A SUBSTITUTE MEMBER. A transferee who has become a substitute Member has, to the extent of the transferred Membership Interest, all the rights, powers and benefits of, and is subject to the restrictions and liabilities of a Member under the Certificate, this Agreement and the Act. Upon admission of a transferee as a substitute Member, the transferor of the Membership Interest so held by the substitute Member shall cease to be a Member of the Company to the extent of such transferred Membership Interest.

9.5 CONSENT. Each Member hereby agrees that upon satisfaction of the terms and conditions of this Article 9 with respect to any proposed Transfer, the Person proposed to be such transferee may be admitted as a Member.

9.6 NO DISSOLUTION. If a Member transfers all of its Membership Interest pursuant to this Article 9 and the transferee of such Membership Interest is admitted as a Member pursuant to Section 9.3, such Person shall be admitted to the Company as a Member effective on the effective date of the Transfer or such other date as may be specified when the Member is admitted. In such event, the Company shall not dissolve if the business of the Company is continued without dissolution in accordance with clause (c) of Section 10.1 hereof.

9.7 ADDITIONAL MEMBERS; CERTAIN REPRESENTATIONS OF MEMBERS. Subject to Section 3.6, from and after the date hereof, any Person acceptable to the Management Committee may become an additional Member of the Company for such consideration as the Management Committee shall determine, provided that such additional Member complies with all the requirements of a transferee under Sections 9.3(a) and (b).

9.8 RIGHT OF FIRST OFFER.

(a) If at any time any Member (hereinafter for purposes of this Section 9.8, the "SECTION 9.8 SELLING MEMBERS") proposes to Transfer to any Person other than a Permitted Transferee (hereinafter for purposes of this Section 9.8, the "SECTION 9.8 PROPOSED PURCHASER") its Membership Interest (or any portion thereof), such Section 9.8 Selling Member shall provide Notice of the proposed Transfer to the other Members (hereinafter for purposes of Section 9.8, the "SECTION 9.8 OFFEREES") setting forth the price, terms and conditions of the proposed sale of the Membership Interest. Each of the Section 9.8 Offerees shall have the option to acquire such Member's pro rata portion (which shall be in

proportion to the Percentage Interests of all Section 9.8 Offerees) at the time of such Notice on the terms and conditions set forth in such Notice. The option of Section 9.8 Offerees to purchase their pro rata portions of the Membership Interest shall be exercised by delivery of a Notice to the Section 9.8 Selling Member and the Company of exercise within twenty (20) days following receipt of the Section 9.8 Selling Member's Notice of the price, terms and conditions of the sale. A Section 9.8 Offeree may exercise such Member's option to purchase such Membership Interest only as to the entire portion thereof that such Member is entitled to purchase. If any Section 9.8 Offeree fails or declines to purchase such Member's pro rata portion of such Membership Interest, then such Member's portion of such Membership Interest shall be offered to the Section 9.8 Offerees who have exercised their options to purchase their pro rata portions. This procedure shall continue until such time as the entire Membership Interest offered hereby has been purchased by such Section 9.8 Offerees or until no such Member desires to purchase any additional Membership Interest hereunder. Each Section 9.8 Offeree shall have the right to offer to acquire such Membership Interest by delivering to the Section 9.8 Selling Member and the Company such Member's Notice of acceptance within five (5) Business Days following receipt of the Company's Notice that additional portions are available. If less than the entire Membership Interest to be sold by the Section 9.8 Selling Member is to be purchased by the Section 9.8 Offerees, the Section 9.8 Selling Member may sell the entire Membership Interest to be sold within sixty (60) days from the Notice referred in the preceding sentence, upon terms and conditions no less favorable to the Section 9.8 Selling Member than were set forth in the initial Notice (it being understood that such terms may include the receipt by the Selling Member of consideration consisting of only cash and/or securities with a readily ascertainable market value).

(b) The sale of any Membership Interest to Section 9.8 Offerees who exercise their options to purchase any Membership Interest shall occur twenty-one (21) days after the expiration of the last option to expire under Section 9.8(a) above. At the closing, each of the Section 9.8 Offerees shall deliver a certified or bank cashier's check in, or wire transfer immediately available funds in the appropriate amount to the Section 9.8 Selling Member against the simultaneous delivery of an assignment in form and substance reasonably satisfactory to each Section 9.8 Offeree of the Member Interest (or portion thereof) being

transferred to such Section 9.8 Offeree, such assignment shall be made free and clear of all liens, claims and encumbrances, except as provided by this Agreement or as otherwise agreed to by such Section 9.8 Offeree; provided, however, that each such Section 9.8 Selling Member shall not be required to make any other representations or warranties in connection with such sale except that it has the authority to sell its Membership Interest, is the sole owner of such Membership Interest and has good and valid title to such Membership Interest and that the sale of its Membership Interest does not violate any agreement to which it is a party or by which it is bound.

9.9 TAG-ALONG RIGHTS. (a) In the event of any proposed Transfer in any one transaction or in a series of related transactions by any Member or Members (hereinafter for purposes of this Section 9.9, collectively, the "SECTION 9.9 SELLING MEMBER") of its or their Membership Interests constituting in the aggregate twenty percent (20%) or more of all the Membership Interests to any Person (such Person being hereinafter referred to as the "SECTION 9.9 PROPOSED PURCHASER"), other than to a Permitted Transferee or in a bona fide public distribution pursuant to an effective Registration Statement under the Securities Act, each of the other Members (hereinafter for purposes of this Section 9.9, the "SECTION 9.9 TAGGED MEMBERS") shall have the irrevocable and exclusive right, but not the obligation (the "TAG-ALONG RIGHT"), to require the Section 9.9 Proposed Purchaser to purchase from each of them such Section 9.9 Tagged Member's pro rata portion (i.e., such Tagged Member's Percentage Interest) of the Membership Interests proposed to be sold by the Section 9.9 Selling Members to the Section 9.9 Proposed Purchaser (collectively, the "SECTION 9.9 TAG-ALONG MEMBERSHIP INTEREST"). The Section 9.9 Selling Members shall give Notice (the "INITIAL TAG-ALONG NOTICE") to the Section 9.9 Tagged Members at least thirty (30) days prior to the date of the proposed Transfer and at least three (3) Business Days after the expiration of the last option to expire under Section 9.8(a) above, stating:

(i) the name and address of the Section 9.9 Proposed Purchaser;

(ii) the proposed amount of consideration and terms and conditions of payment offered by such Section 9.9 Proposed Purchaser (if the proposed consideration is not cash, the Notice shall describe the terms of the proposed consideration) and any other material terms and conditions of the Section 9.9 Proposed Purchaser's offer;

(iii) the Membership Interest proposed to be transferred; and

(iv) that the Section 9.9 Proposed Purchaser has been informed of the Tag-Along Right and has agreed to purchase Membership Interests in accordance with the terms hereof.

The Tag-Along Right shall be exercised by any or all of the Section 9.9 Tagged Members by giving Notice to the Company ("TAG-ALONG NOTICE") with a copy to each Section 9.9 Selling Member, within five (5) days following receipt of the Initial Tag-Along Notice, indicating its election to exercise the Tag-Along Right (hereinafter referred to for purposes of this Section 9.9, the "SECTION 9.9 PARTICIPATING TAGGED MEMBERS"). The Tag-Along Notice shall state the amount of Membership Interests that such Section 9.9 Participating Tagged Member proposes to include in such transfer to the Section 9.9 Proposed Purchaser. Failure by any Section 9.9 Tagged Member to give such Tag-Along Notice within such 5 day period shall be deemed an election by such Section 9.9 Tagged Member not to sell its Membership Interests pursuant to the Initial Tag-Along Notice. The closing with respect to any sale to a Section 9.9 Proposed Purchaser pursuant to this Section shall be held at the time and place specified in the Initial Tag-Along Notice but in any event within sixty (60) days of the date the Initial Tag-Along Notice is given. Consummation of the sale of Membership Interests by any Section 9.9 Selling Member to a Section 9.9 Proposed Purchaser shall be conditioned upon consummation of the sale by each Section 9.9 Participating Tagged Member to such Section 9.9 Proposed Purchaser of the Section 9.9 Tag-Along Membership Interest, if any.

(b) In the event that the Section 9.9 Proposed Purchaser does not purchase the Section 9.9 Tag-Along Membership Interest from the Section 9.9 Participating Tagged Members on the same terms and conditions as purchased from the Section 9.9 Selling Member, then the Section 9.9 Selling Member making such Transfer

shall purchase on such terms and conditions such Section 9.9 Tag-Along Membership Interest if the Transfer occurs.

(c) The Section 9.9 Selling Members who are parties to a sale to a Section 9.9 Proposed Purchaser shall arrange for payment (by bank cashier's check or certified check or by wire transfer of immediately available funds) directly by the Section 9.9 Proposed Purchaser to each Section 9.9 Participating Tagged Member, upon delivery of an appropriate

assignment in form and substance reasonably satisfactory to the Section 9.9 Proposed Purchaser, which assignment shall be made free and clear of all liens, claims and encumbrances except as provided by this Agreement or as otherwise agreed to by such Section 9.9 Proposed Purchaser; provided, however, that each such Section 9.9 Participating Tagged Member shall not be required to make any other representations or warranties in connection with such sale except that it has the authority to sell its Membership Interest, is the sole owner of such Membership Interest and has good and valid title to such Membership Interest and that the sale of its Membership Interest does not violate any agreement to which it is a party or by which it is bound.

(d) If at the end of 60 days following the date on which an Initial Tag-Along Notice was given, the sale of Membership Interests by the Section 9.9 Selling Members and the sale of the Section 9.9 Tag-Along Membership Interests have not been completed in accordance with the terms of the Section 9.9 Proposed Purchaser's offer, all the restrictions on sale, transfer or assignment contained in this Agreement with respect to Membership Interests owned by the Members shall again be in effect.

9.10 DRAG-ALONG RIGHTS.

(a) In the event of any proposed Transfer of Membership Interest constituting a majority of all Membership Interests by any Member or Members (hereinafter for purposes of this Section 9.10, collectively a "SECTION 9.10 SELLING MEMBERS") of all of its or their Membership Interest to a Person (such Person being hereinafter referred to as the "SECTION 9.10 PROPOSED PURCHASER"), other than a Permitted Transferee or in a bona fide public distribution pursuant to an effective Registration Statement under the Securities Act, such Section 9.10 Selling Members shall have the right (the "DRAG-ALONG RIGHT"), to require each other Member (hereinafter for purposes of this Section 9.10, the "SECTION 9.10 DRAGGED MEMBERS") to Transfer to the Section 9.10 Proposed Purchaser each such Section 9.10 Dragged Member's entire Membership Interest (such Membership Interests as may be required to be so Transferred being hereinafter referred to as the "SECTION 9.10 DRAG-ALONG MEMBERSHIP INTERESTS"). The Section 9.10 Selling Members shall exercise their Drag-Along Right by giving Notice (the "DRAG-ALONG NOTICE") to each Section 9.10 Dragged Member at least twenty (20) days prior to the date of the proposed Transfer and at least

three (3) Business Days after the expiration of the last option to expire under Section 9.8(a) above, stating:

(i) the name and address of the Section 9.10 Proposed Purchaser;

(ii) the proposed amount of consideration and terms and conditions of payment offered by such Section 9.10 Proposed Purchaser (if the proposed consideration is not cash, the notice shall describe the terms of the proposed consideration);

(iii) the Membership Interests proposed to be transferred; and

(iv) that the Section 9.10 Proposed Purchaser has been informed of the Drag-Along Right and has agreed to purchase Membership Interests in accordance with the terms hereof.

The closing with respect to any sale to a Section 9.10 Proposed Purchaser pursuant to this Section shall be held at the time and place specified in the Drag-Along Notice but in any event within sixty (60) days of the date the Drag-Along Notice is given. Consummation of the sale of Membership Interests by

any Member to a Section 9.10 Proposed Purchaser shall be conditioned upon consummation of the sale by each Section 9.10 Selling Member to such Section 9.10 Proposed Purchaser of the Membership Interests proposed to be sold by the Section 9.10 Selling Members.

(b) In the event that the Section 9.10 Proposed Purchaser does not purchase the Section 9.10 Drag-Along Membership Interests from the Section 9.10 Dragged Members on the same terms and conditions as purchased from the Section 9.10 Selling Members, then such Section 9.10 Dragged Members shall have the right to require the Company to cause the Section 9.10 Selling Members making such Transfer to purchase on such terms and conditions such Section 9.10 Drag-Along Membership Interests if the Transfer occurs.

(c) The Section 9.10 Selling Members who are parties to a sale to a Section 9.10 Proposed Purchaser shall arrange for payment directly by the Section 9.10 Proposed Purchaser to each Section 9.10 Dragged Member, upon delivery of the an appropriate assignment in form and substance reasonably satisfactory to the Section 9.10 Proposed Purchaser, which assignment shall be made free and clear of all liens, claims and encumbrances, except as provided by this Agreement or as

otherwise agreed to by such Section 9.10 Proposed Purchaser; provided, however, that each such Dragged Stockholder shall not be required to make any other representations or warranties in connection with such sale except that it has the authority to sell its Membership Interest, is the sole owner of such Shares and has good and valid title to such Membership Interest, and that the sale of such Membership Interest does not violate any agreement to which it is a party or by which it is bound.

(d) If at the end of 60 days following the date on which a Drag-Along Notice was given, the sale of Membership Interests by the Section 9.10 Selling Members and the sale of the Section 9.10 Drag-Along Membership Interests have not been completed in accordance with the terms of the Drag-Along Notice, all the restrictions on sale, transfer or assignment contained in this Agreement with respect to Membership Interests owned by the Section 9.10 Selling Members shall again be in effect.

9.11 PIGGYBACK REGISTRATION.

(a) For the purposes of this Section 9.11, the following capitalized terms shall have the following meanings:

(i) "COMMON STOCK" shall mean the common stock of the Company issued upon conversion of the Company to a corporation;

(ii) "OTHER SHARES" shall mean at any time those shares of Common Stock or other securities of the Company which do not constitute Primary Shares or Registrable Shares;

(iii) "PRIMARY SHARES" shall mean at any time authorized but unissued shares of Common Stock or shares of Common Stock held by the Company in its treasury;

(iv) "REGISTRABLE SHARES" shall mean the shares of Common Stock held by the Members in the Company which constitute Restricted Shares and which are not then eligible for sale to the public pursuant to Rule 144 (other than Rule 144(k)) in a single transaction (and including Membership Interests held by Members prior to the conversion of the Company to a corporation).

(v) "RESTRICTED SHARES" shall mean any Membership Interests, shares of Common Stock or other securities

received in respect thereof held or which may be acquired from the Company by the Members as of the applicable date, and which theretofore have not been sold to the public pursuant to a registration statement under the Securities Act or pursuant to Rule 144; and

(vi) "RULE 144" shall mean Rule 144 promulgated under the Securities

Act or any successor rule thereto or any complementary rule thereto (such as Rule 144A).

(b) If the Company at any time proposes for any reason to register Primary Shares or Other Shares under the Securities Act (other than on Form S-4 or Form S-8 promulgated under the Securities Act or any successor forms thereto), it shall promptly give Notice to the Members of its intention so to register the Primary Shares or Other Shares and, upon the written request, given within 30 days after delivery of any such Notice by the Company, of the Members to include in such registration Registrable Shares (which request shall specify the number of Registrable Shares proposed to be included in such registration), the Company shall use its best efforts to cause all such Registrable Shares to be included in such registration on the same terms and conditions as the securities otherwise being sold in such registration; provided, however, that if the managing underwriter advises the Company that the inclusion of all Registrable Shares or Other Shares proposed to be included in such registration would interfere with the successful marketing (including pricing) of Primary Shares proposed to be registered by the Company, then the number of Primary Shares, Registrable Shares and Other Shares proposed to be included in such registration shall be included in the following order:

(i) first, the Primary Shares; and

(ii) second, the Registrable Shares and Other Shares requested to be included in such registration pro rata, based upon the respective numbers of Restricted Shares owned at the time by each Member and the respective numbers of Other Shares owned at the time by each holder of Other Shares.

(c) If at any time after giving Notice pursuant to this Section 9.11 of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason either not to register or to delay registration of such

securities, the Company may, at its election, give Notice of such determination to the Members and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registerable Securities, for the same period as the delay in registering such other securities.

(d) If a registration under this Section 9.11 involves an underwritten offering, the underwriter or underwriters and any additional investment bankers and managers to be used in connection with such registration shall be selected by the Company, and any Member desiring to have Registrable Shares included in such registration, and any such Investor shall be required to sign an underwriting agreement in customary form with such underwriter or underwriters.

9.12 ADDITIONAL MEMBERS; CERTAIN REPRESENTATIONS OF MEMBERS.

(a) Subject to Section 3.6, any Person acceptable to the Management Committee may become an additional Member of the Company for such consideration as the Management Committee shall determine, provided that such additional Member complies with all the requirements of a transferee under Section 9.3.

(b) Each of COI and SEACOR hereby represents to the Company that, as of the date hereof, its outstanding membership interests or issued and outstanding shares of capital stock, as the case may be, are as set forth on Schedule 2 and such membership interests or shares, as the case may be, are owned beneficially and of record by the Persons identified on such Schedule.

(c) In order to prevent any direct transfer of interests in the Company, each of COI and SEACOR acknowledge and confirms that each of its members or stockholders, as the case may be, agreed to certain transfer restrictions with respect to the transfer of such Person's membership interests or shares of COI or SEACOR, as the case may be, by executing and delivering to the Company a letter agreement dated August 5, 1997.

ARTICLE 10
DISSOLUTION AND TERMINATION

10.1 EVENTS CAUSING DISSOLUTION. The Company shall be dissolved and its affairs wound up upon the first to occur of the following events:

(a) The vote to dissolve Members holding not less than ninety percent (90%) of the Membership Interests;

(b) The sale, Transfer or other disposition of substantially all of the assets of the Company and the receipt and distribution of all the proceeds therefrom;

(c) The death, retirement, resignation, insanity, expulsion, bankruptcy or dissolution of a Member, or any other event which terminates the continued membership of a Member in the Company, unless there is at least one remaining Member;

(d) The entry of a decree of judicial dissolution pursuant to Section 18-802 of the Act; or

(e) The expiration of the term of the Company as provided in Section 2.5.

10.2 NOTICES TO SECRETARY OF STATE. When all the remaining property and assets of the Company have been distributed, the Certificate shall be cancelled by filing a certificate of cancellation with the Secretary of State of Delaware.

10.3 CASH DISTRIBUTIONS UPON DISSOLUTION. Upon the dissolution of the Company as a result of the occurrence of any of the events set forth in Section 10.1, the Management Committee shall proceed to wind up the affairs of and liquidate the Company and any cash and proceeds therefrom shall be applied and distributed in the following order of priority:

(a) First, to the payment (or the making of reasonable provision for payment) of debts and liabilities of the Company in the order of priority as provided by law (including any loans or advances that may have been made by any of the Members to the Company) and the expenses of

liquidation including the establishment of any Reserves which the Management Committee may reasonably deem necessary for any contingent, conditional or unasserted claims or obligations of the Company. Such Reserves may be paid over by the Company to an escrow agent to be held for disbursement in payment of any of the aforementioned liabilities and, at the expiration of such period as shall be reasonably deemed advisable by the Management Committee, for distribution of the balance in the manner provided in this Article 10;

(b) Finally, the remaining balance, if any, to the Members in proportion to their respective positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods, in accordance with the requirements of Regulation Section 1.704-1(b)(2)(ii)(b)(2).

10.4 IN-KIND. Notwithstanding the foregoing but subject to Section 18-804(a)(1) of the Act, in the event the Management Committee shall determine that an immediate sale of part of or all the Property would cause undue loss to the Members, or the Management Committee determines that it would be in the best interest of the Members to distribute the Property to the Members in-kind (which distributions do not, as to the in-kind portions, have to be in the same proportions as they would be if cash were distributed, but all such in-kind distributions shall be equalized, to the extent necessary, with cash), then the Management Committee may either defer liquidation of, and withhold from distribution for a reasonable time, any of the Property except that necessary to satisfy the Company's debts and obligations, or distribute the Property to the Members in-kind.

10.5 NO ACTION FOR DISSOLUTION. The Members acknowledge that irreparable damage would be done to the goodwill and reputation of the Company if any Member

should bring an action in court to dissolve the Company under circumstances where dissolution is not required by Section 10.1. Accordingly, except where the Managers have failed to liquidate the Company as required by Section 10.1 and except as specifically provided in Section 18-802 and Section 18-803(a) of the Act, each Member hereby to the fullest extent permitted by law waives and renounces his right to initiate legal action to seek dissolution of the Company or

to seek the appointment of a receiver or trustee to wind up the affairs of the Company, except in the cases of fraud, violation of law, bad faith, gross negligence, willful misconduct or willful violation of this Agreement.

ARTICLE 11
TAX MATTERS MEMBER

11.1 TAX MATTERS MEMBER. SEACOR shall be the initial Tax Matters Member of the Company as provided in the Regulations under Section 6231 of the Code and analogous provisions of state law. The Management Committee shall have the authority to remove or replace (following death or resignation) the Tax Matters Member of the Company and designate its successor.

11.2 CERTAIN AUTHORIZATIONS. The Tax Matters Member shall represent the Company, at the Company's expense, in connection with all examinations of the Company's affairs by tax authorities including any resulting administrative or judicial proceedings. Without limiting the generality of the foregoing, and subject to the restrictions set forth herein, the Tax Matters Member, but only with the consent or approval or at the director of the Management Committee, is hereby authorized:

(a) to enter into any settlement with the Secretary with respect to any tax audit or judicial review, in which agreement the Tax Matters Member may expressly state that such agreement shall bind the other Members except that such settlement agreement shall not bind any Member that has not approved such settlement agreement in writing;

(b) if a notice of a final administrative adjustment at the Company level of any item required to be taken into account by a Member for tax purposes is mailed to the Tax Matters Member, to seek judicial review of such final adjustment, including the filing of a petition for readjustment with the Tax Court, the District Court of the United States for the district in which the Company's principal place of business is located, or elsewhere as allowed by law, or the United States Claims Court;

(c) to intervene in any action brought by any other Member for judicial review of a final adjustment;

(d) to file a request for an administrative adjustment with the Secretary at any time and, if any part of such request is not allowed by the Secretary, to file a petition for judicial review with respect to such request;

(e) to enter into an agreement with the Internal Revenue Service to extend the period for assessing any tax that is attributable to any item required to be taken into account by a Member for tax purposes, or an item affected by such item; and

(f) to take any other action on behalf of the Members (with respect to the Company) or the Company in connection with any administrative or judicial tax proceeding to the extent permitted by applicable law or the Regulations.

Each Member shall have the right to participate in any such actions and proceedings to the extent provided for under the Code and Regulations.

11.3 INDEMNITY OF TAX MATTERS MEMBER. To the maximum extent permitted by applicable law and without limiting Article 8, the Company shall indemnify and reimburse the Tax Matters Member for all expenses (including reasonable legal

and accounting fees) incurred as Tax Matters Member pursuant to this Article 11 in connection with any administrative or judicial proceeding with respect to the tax liability of the Members as long as the Tax Matters Member has determined in good faith that the Tax Matters Member's course of conduct was in, or not opposed to, the best interest of the Company. The taking of any action and the incurring of any expense by the Tax Matters Member in connection with any such proceeding, except to the extent provided herein or required by law, is a matter in the sole discretion of the Tax Matters Member.

11.4 INFORMATION FURNISHED. To the extent and in the manner provided by applicable law and Regulations, the Tax Matters Member shall furnish the name, address, profits and loss interest, and taxpayer identification number of each Member to the Internal Revenue Service.

11.5 NOTICE OF PROCEEDINGS, ETC. The Tax Matters Member shall use best efforts to keep each Member informed of any administrative and judicial proceedings for the adjustment at the Company level of any item required to be taken into account by a Member for income tax purposes or any extension of the period of limitations for making assessments of any tax against a Member with respect to any Company item, or of any agreement with the Internal Revenue Service that would result in any material change either in Income or Loss as previously reported.

11.6 NOTICES TO TAX MATTERS MEMBER. Any Member that receives a notice of an administrative proceeding under Section 6233 of the Code relating to the Company shall promptly provide Notice to the Tax Matters Member of the treatment of any Company item on such Member's Federal income tax return that is or may be inconsistent with the treatment of that item on the Company's return. Any Member that enters into a settlement agreement with the Internal Revenue Service or any other government agency or official with respect to any Company item shall provide Notice to the Tax Matters Member of such agreement and its terms within sixty (60) days after its date.

11.7 PREPARATION OF TAX RETURNS. The Tax Matters Member shall arrange for the preparation and timely filing of all returns of Company income, gains, deductions, losses and other items necessary for Federal, state and local income tax purposes and shall use all reasonable efforts to furnish to the Members within ninety (90) days of the close of the taxable year a Schedule K-1 and such other tax information reasonably required for Federal, state and local income tax reporting purposes. The classification, realization and recognition of income, gain, losses and deductions and other items shall be on the cash or accrual method of accounting for Federal income tax purposes, as the Management Committee shall determine in its sole discretion in accordance with applicable law.

11.8 TAX ELECTIONS. The Management Committee shall, in its sole discretion, determine whether to make any available election.

11.9 TAXATION AS A PARTNERSHIP. The Members hereby agree that the Company shall be treated as a partnership for tax purposes under United States federal, state and local income tax laws or other laws, and further agree not to take any position or take any action inconsistent therewith, in a tax return or otherwise. No

election shall be made by the Company or any Member for the Company to be excluded from the application of any of the provisions of Subchapter K, Chapter I of Subtitle A of the Code or from any similar provisions of any state tax laws or to be treated as a corporation for federal tax purposes.

ARTICLE 12
ACCOUNTING AND BANK ACCOUNTS

12.1 FISCAL YEAR AND ACCOUNTING METHOD. The fiscal year and taxable year of the Company shall be as designated by the Management Committee in accordance with the Code. The Company shall use an accrual method of accounting.

12.2 BOOKS AND RECORDS. The Company shall maintain at its principal

office, or such other office as may be determined by the Management Committee, all the following:

(a) A current list of the full name and last known business or residence address of each Member together with information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each Member became a Member of the Company;

(b) A copy of the Certificate and this Agreement, including any and all amendments to either thereof, together with executed copies of any powers of attorney pursuant to which the Certificate, this Agreement, or any amendments have been executed;

(c) Copies of the Company's Federal, state, and local income tax or information returns and reports, if any, which shall be retained for at least six fiscal years;

(d) The financial statements of the Company, which shall be retained for at least six fiscal years; and

(e) The Company's books and records, which shall be retained for at least six fiscal years.

12.3 DELIVERY TO MEMBERS; INSPECTION. Upon the request of any Member, for any purpose reasonably related to such Member's interest as a member of the Company, the Management Committee shall cause to be made available to the requesting Member the information required to be maintained by clauses (a) through (d) of Section 12.2 and such other information regarding the business and affairs of the Company as any Member may reasonably request. Upon the giving of ten (10) days' prior Notice to the Company, any Member or its authorized representatives and advisors shall have the right to inspect the books and records of the Company at the offices of the Company during normal business hours.

12.4 FINANCIAL STATEMENTS. The Management Committee shall cause to be prepared for the Members at least annually, at the Company's expense, financial statements of the Company, and its subsidiaries, prepared in accordance with generally accepted accounting principles and audited by Arthur Andersen & Co., LLP, or another nationally recognized accounting firm. The financial statements so furnished shall include a balance sheet, statement of income or loss, statement of cash flows, and statement of Members' equity. In addition, the Management Committee shall provide on a timely basis to the Members quarterly financials, statements of cash flow, any available internal budgets or forecast or other available financial reports, as well as any reports or notices as are provided by the Company, or any of its subsidiaries to any financial institution.

12.5 FILINGS. At the Company's expense, the Management Committee shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities and to have prepared and to furnish to each Member such information with respect to the Company as is necessary (or as may be reasonably requested by a Member) to enable the Members to prepare their Federal, state and local income tax returns. The Management Committee, at the Company's expense, shall also cause to be prepared and timely filed, with appropriate Federal, state and local regulatory and administrative bodies, all reports required to be filed by the Company with those entities under then current applicable laws, rules, and regulations. The reports shall be prepared on the accounting or reporting basis required by the regulatory bodies.

12.6 NON-DISCLOSURE. Each Member agrees that, except as otherwise consented to by the Management Committee in writing, all non-public and confidential information furnished to it pursuant to this Agreement will be kept confidential and will not be disclosed by such Member, or by any of its agents, representatives, or employees, in any manner whatsoever, in whole or in part, except that (a) each Member shall be permitted to disclose such information to those of its agents, representatives, and employees who need to be familiar with

such information in connection with such Member's investment in the Company, so long as such agents, representatives and employees agree to keep such information confidential on the terms set forth herein, (b) each Member shall be permitted to disclose such information to its partners, stockholders and affiliates so long as they agree to keep such information confidential on the terms set forth herein, (c) each Member shall be permitted to disclose information to the extent required by law, legal process or regulatory requirements, so long as such Member shall have used its reasonable efforts to first afford the Company with a reasonable opportunity to contest the necessity of disclosing such information, (d) each Member shall be permitted to disclose such information to possible purchasers of all or a portion of the Member's Interest, provided that such prospective purchaser shall execute a suitable confidentiality agreement containing terms not less restrictive than the terms set forth herein, and (e) each Member shall be permitted to disclose information to the extent necessary for the enforcement of any right of such Member arising under this Agreement.

12.7 BANK ACCOUNTS. All funds of the Company shall be deposited in a separate bank, money market or similar account(s) approved by the Management Committee and in the Company's name. Withdrawals therefrom shall be made only by Persons authorized to do so by the Management Committee.

ARTICLE 13
MISCELLANEOUS

13.1 TITLE TO PROPERTY. Title to the Property shall be held in the name of the Company. No Member shall individually have any ownership interest or rights in the Property except indirectly by virtue of such Member's ownership of a Membership Interest.

13.2 WAIVER OF DEFAULT. No consent or waiver, express or implied, by the Company or a Member with respect to any breach or default by the Company or a Member hereunder shall be deemed or construed to be a consent or waiver with respect to any other breach or default by any party of the same provision or any other provision of this Agreement. Failure on the part of the Company or a Member to complain of any act or failure to act of the Company or a Member or to declare such party in default shall not be deemed or constitute a waiver by the Company or the Member of any rights hereunder.

13.3 AMENDMENT.

(a) Except as otherwise expressly provided elsewhere in this Agreement, this Agreement shall not be altered, modified or changed except by an amendment approved by Members holding not less than ninety percent (90%) of the Membership Interests.

(b) In addition to any amendments otherwise authorized herein, the Manager or Management Committee may make any amendments to any of the Schedules to this Agreement from time to time to reflect transfers of Membership Interests and issuances of additional Membership Interests. Copies of such amendments shall be delivered to the Members upon execution thereof.

(c) The Managers shall cause to be prepared and filed any amendment to the Certificate that may be required to be filed under the Act as a consequence of any amendment to this Agreement.

(d) Any modification or amendment to this Agreement or the Certificate made in accordance with this Section 13.3 shall be binding on all Members and the Managers.

13.4 NO THIRD PARTY RIGHTS. Except as provided in Article 8, none of the provisions contained in this Agreement shall be for the benefit of or enforceable by any third parties, including creditors of the Company. Subject to Article 8, the parties to this Agreement expressly retain any and all rights to amend this Agreement as herein provided, notwithstanding any interest in this Agreement or in any party to this Agreement held by any other Person.

13.5 SEVERABILITY. In the event any provision of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and

enforceability of the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect and shall be enforced to the greatest extent permitted by law.

13.6 NATURE OF INTEREST IN THE COMPANY. A Member's Membership Interest shall be personal property for all purposes.

13.7 BINDING AGREEMENT. Subject to the restrictions on the disposition of Membership Interests herein contained, the provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

13.8 HEADINGS. The headings of the Certificate and sections of this Agreement are for convenience only and shall not be considered in construing or interpreting any of the terms or provisions hereof.

13.9 WORD MEANINGS. The words such as "herein", "hereinafter", "hereof", and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural, and vice versa, unless the context otherwise requires.

13.10 COUNTERPARTS. This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the same counterpart.

13.11 ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties hereto and thereto and supersedes all prior writings or agreements with respect to the subject matter hereof.

13.12 PARTITION. The Members agree that the Property is not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives any and all right such Member may have to maintain any action for partition of any of the Property. No Member shall have any right to any specific assets of the Company upon the liquidation of, or any distribution from, the Company.

13.13 GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE. This Agreement shall be construed according to and governed by the laws of the State of Delaware without regard to principles of conflict of laws. The parties hereby submit to the exclusive jurisdiction and venue of the state courts of New York County, New York or to the Court of Chancery of the State of Delaware and the United States District Court for the Southern District of New York and of the United States District Court for the District of Delaware, as the case may be, and agree that the Company or Members may, at their option, enforce their rights hereunder in such courts.

13.14 DISCRETION. Whenever a Manager shall have discretion to act hereunder, such Person agrees to act in a reasonable manner on behalf of the Company and its Affiliates."

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[SIGNATURE PAGE TO OPERATING AGREEMENT OF CHILES OFFSHORE LLC]

GROUP A MEMBERS

SEACOR OFFSHORE RIGS INC.

By: /s/RANDALL BLANK

Name: Randall Blank
Title: Vice-President

GROUP B MEMBERS

COI, LLC

By: /s/WILLIAM E. CHILES

Name: William E. Chiles
Title: President

GROUP C MEMBERS

/s/IRA ALPERT

Name: Ira Alpert

ASHTON GROUP INC.

By:/s/GEORGE ASCH

Name: George Asch
Title: President

/s/ALLEN J. BECKER

Name: Allen J. Becker

/s/JACK BENJAMIN/EMILY S. BENJAMIN

Name: Jack and Emily S. Benjamin,
as tenants in common

/s/JOHN U. BEUSCH

Name: John U. Beusch

/s/GAY BLOCK

Name: Gay Block

/s/ALLEN H. BRILL

Name: Allen H. Brill

/s/JESSE BRILL/LAREN BRILL

Name: Jesse and Laren Brill, as tenants in common

/s/JOHN L. COLTON

Name: John L. Colton

/s/ROBERT E. ETTLE/MARY VANDERGRIFT ETTLE

Name: Robert E. and Mary Vandergrift Ettle, as joint tenants with rights of survivorship

/s/CHARLES FABRIKANT

Name: Charles Fabrikant

/s/MARY FACCIO

Name: Mary Faccio

/s/MARTHA M. FARKOUH

Name: Martha M. Farkouh

/s/BROOKE FINGERHUT

Name: Brooke Fingerhut

/s/ANDREW FINGERHUT

Name: Andrew Fingerhut

/s/KAREN FLEISS

Name: Karen Fleiss

/s/CHARLENE FURMAN

Name: Charlene Furman

/s/GORDON T. HALL

Name: Gordon T. Hall

/s/JOHN M. HENNESSEY

Name: John M. Hennessey

/s/BARRY LEWIS

Name: Barry Lewis

/s/SETH A. LIEBER

Name: Seth A. Lieber

/s/IRWIN LIEBER

Name: Irwin Lieber

/s/JONATHAN C. LIEBER

Name: Jonathan C. Lieber

/s/JAN LOEB

Name: Jan Loeb

/s/NORMAN McCALL

Name: Norman McCall

/s/ITZHAK PERLMAN

Name: Itzhak Perlman

/s/TOBY PERLMAN

Name: Toby Perlman

/s/ALBERT SIBONY/JENNIFER SIBONY

Name: Albert and Jennifer Sibony,
as joint tenants with rights
of survivorship

/s/JOSEPH STEIN, JR.

Name: Joseph Stein, Jr.

/s/JAY STEIN

Name: Jay Stein

/s/WALTER WEADOCK

Name: Walter Weadock

A.R.E. INVESTMENT PARTNERSHIP

By:/s/LARRY ROCHLIN

Name: Larry Rochlin
Title: Partner

ABRAHAM ROCHLIN ENTERPRISES

By:/s/LARRY ROCHLIN

Name: Larry Rochlin
Title: President

/s/BARRY K. FINGERHUT

Name: Barry K. Fingerhut

[SIGNATURE PAGE TO OPERATING AGREEMENT OF CHILES OFFSHORE LLC]

BARRY K. FINGERHUT FOR JOINT ACCOUNT OF BARRY K. FINGERHUT/ MIKE MAROCCO AND ANDREW SENCHAK

By:/s/BARRY K. FINGERHUT

Name: Barry K. Fingerhut
Title: Authorized Signatory

BASSOE RIG PARTNERS, LTD.

By:/s/JONATHAN B. FAIRBANKS

Name: Jonathan B. Fairbanks
Title: Vice President

/s/RICHARD FAIRBANKS III/SHANNON FAIRBANKS

Name: Richard and Shannon Fairbanks III, as joint tenants with rights of survivorship

/s/ALAN N. LOCKER

Name: Alan N. Locker

BOSCHWITZ FAMILTY TRUST

By:/s/FRANZ L. BOSCHWITZ

Name: Franz L. Boschwitz
Title: Trustee

/s/ROME ARNOLD

Name: Rome Arnold

BOVA TRADING, INC.

By:/s/CHARLES H. BAUDOIN

Name: Charles H. Baudoin
Title: President

/s/NORMAN BENZAQUEN

Name: Norman Benzaquen

/s/MARTIN R. GOLD

Name: Martin R. Gold

/s/SUSAN W. COHEN

Name: Susan W. Cohen

LARRY ROCHLIN REVOCABLE TRUST,
DATED 11/3/89

By:/s/LARRY ROCHLIN

Name: Larry Rochlin
Title: Trustee

[SIGNATURE PAGE TO OPERATING AGREEMENT OF
CHILES OFFSHORE LLC]

OPPENHEIMER-CLOSE INVESTMENT
PARTNERSHIP, LP

By:/s/PHILIP V. OPPENHEIMER

Name: Philip V. Oppenheimer
Title: Managing Member

P. OPPENHEIMER INVESTMENT
PARTNERSHIP, L.P.

By:/s/PHILIP V. OPPENHEIMER

Name: Philip V. Oppenheimer
Title: Managing Member

PIEROT ENTERPRISES, INC.

By:/s/ROBERT J. PIEROT, JR.

Name: Robert J. Pierot, Jr.
Title: President

RUBENSTEIN FAMILY LTD. PARTNERSHIP

By:/s/BARRY RUBENSTEIN

Name: Barry Rubenstein
Title: General Partner

[SIGNATURE PAGE TO OPERATING AGREEMENT OF CHILES OFFSHORE LLC]

/s/ANTHONY R. JONES/SUSAN F. JONES

Name: Anthony R and Susan F. Jones,
as joint tenants with rights
of survivorship

/s/TIMOTHY J. McKEAND/FREDA B. McKEAND

Name: Timothy J. and Freda B. McKeand,
as tenants in common

/s/ANDREW H. RICHARDS

Name: Andrew H. Richards

/s/MILTON R. ROSE/JILL O. ROSE

Name: Milton R. and Jill O. Rose,
as tenants in common

/s/ANDREW STRACHAN

Name: Andrew Strachan

/s/RANDALL BLANK

Name: Randall Blank

/s/CHRISTINE BLANK

Name: Christine Blank

SOUTH STREET CAPITAL, L.P.

By SOUTH STREET INVESTMENTS, INC.,
as General Partner

By:/s/CHRISTINE W. JENKINS

Name: Christine W. Jenkins
Title: Secretary

/s/MATTHEW WEBER

Name: Matthew Weber

WHEATLEY FOREIGN PARTNERS L.P.

By WHEATLEY PARTNERS, LLC, as
General Partner

By:/s/BARRY K. FINGERHUT

Name: Barry K. Fingerhut
Title: Executive Vice President

WHEATLEY PARTNERS L.P.

By WHEATLEY PARTNERS, LLC, as
General Partner

By:/s/BARRY K. FINGERHUT

Name: Barry K. Fingerhut
Title: Executive Vice President

WINDCREST PARTNERS

By:/s/ROBERT J. GELLERT

Name: Robert J. Gellert
Title: General Partner

WOODLAND PARTNERS

By:/s/BARRY RUBENSTEIN

Name: Barry Rubenstein
Title: General Partner

/s/LEO ARNABOLDI JR.

Name: Leo Arnaboldi, by Leo Arnaboldi Jr. as Attorney-in-fact

Exhibit 10.39

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Charles Fabrikant, residing at 40 East 78th Street Apt. # 4-H New York, NY 10021 (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 3,510 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Charles Fabrikant and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest in the Grantee as follows:

Date	Number of shares
January 31, 1999	1,170
January 31, 2000	1,170
January 31, 2001	1,170

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the

Company or any of its subsidiaries without "Cause" (as hereinafter defined); and

(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to perform substantially all of his duties and responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole);

or (E) the Board shall approve any merger,

consolidation, or like business combination transaction or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Randall Blank

Name: Randall Blank
Title: Executive Vice President

GRANTEE

/s/ Charles Fabrikant

Charles Fabrikant

Exhibit 10.40

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day, February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Charles Fabrikant, residing at 40 East 78th Street Apt. # 4-H New York, NY 10021 (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 2,193 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Charles Fabrikant and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest on January 31, 1999.

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the Company or any of its subsidiaries without "Cause" (as hereinafter defined); and
(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to

perform substantially all of his duties and responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole); or (E) the Board shall approve any merger, consolidation, or like business combination transaction or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not

be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which

shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Randall Blank

Name: Randall Blank
Title: Executive Vice President

GRANTEE

/s/ Charles Fabrikant

Charles Fabrikant

Exhibit 10.41

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Randall Blank, residing at 400 Pelham Manor Road Pelham Manor, NY 10803 (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 1,755 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Randall Blank and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest in the Grantee as follows:

Date	Number of shares
January 31, 1999	585
January 31, 2000	585
January 31, 2001	585

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the Company or any of its subsidiaries without "Cause"

(as hereinafter defined); and

(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to perform substantially all of his duties and responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole); or (E) the Board shall approve any merger, consolidation, or like business combination transaction or reorganization of the Company, the

consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not

be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any

time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Charles Fabrikant

Name: Charles Fabrikant
Title: President

GRANTEE

/s/ Randall Blank

Randall Blank

Exhibit 10.42

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day, February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Randall Blank, residing at 400 Pelham Manor Road Pelham Manor, NY 10803 (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 1,425 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Randall Blank and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest on January 31, 1999.

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the Company or any of its subsidiaries without "Cause" (as hereinafter defined); and
(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to perform substantially all of his duties and

responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole); or (E) the Board shall approve any merger, consolidation, or like business combination transaction or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not

be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute

but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Charles Fabrikant

Name: Charles Fabrikant
Title: President

GRANTEE

/s/ Randall Blank

Randall Blank

Exhibit 10.43

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Milt Rose, residing at 12722 Pebblebrook Houston, TX 77024 (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 423 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Milt Rose and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest in the Grantee as follows:

Date	Number of shares
January 31, 1999	141
January 31, 2000	141
January 31, 2001	141

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the Company or any of its subsidiaries without "Cause" (as hereinafter defined); and

(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to perform substantially all of his duties and responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole); or (E) the Board shall approve any merger, consolidation, or like business combination

transaction or reorganization of the Company, the

consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a

waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Randall Blank

Name: Randall Blank
Title: Executive Vice President

GRANTEE

/s/ Milt Rose

Milt Rose

Exhibit 10.44

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day, February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Milt Rose, residing at 12722 Pebblebrook Houston, TX 77024 (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 1,000 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Milt Rose and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest on January 31, 1999.

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the Company or any of its subsidiaries without "Cause" (as hereinafter defined); and
(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to perform substantially all of his duties and

responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole); or (E) the Board shall approve any merger, consolidation, or like business combination transaction or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not be assignable by operation of law and shall not be subject to execution,

attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Randall Blank

Name: Randall Blank
Title: Executive Vice President

GRANTEE

/s/Milt Rose

Milt Rose

Exhibit 10.45

SEACOR SMIT INC.
RESTRICTED STOCK GRANT AGREEMENT

RESTRICTED STOCK GRANT AGREEMENT (the "Agreement"), dated this day February 5, 1998 between SEACOR SMIT Inc., a Delaware corporation (the "Company"), and Andrew Strachan, residing at Brugestraat 95 Den Haag 258 7XR The Netherlands (the "Grantee").

W I T N E S S E T H :

WHEREAS, Grantee is an officer or key employee of the Company; and

WHEREAS, the Company desires to issue and grant to the Grantee, and the Grantee desires to accept, shares of the Company's Common Stock, $0.01 par value ("Common Shares"), upon the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Grant of Restricted Stock. In recognition of the Grantee's commitment to the continued growth and financial success of the Company, the Company hereby grants to the Grantee 228 (restricted) Common Shares (the "Restricted Stock"). Simultaneously with the execution and delivery of this Agreement by the parties hereto, the Company shall deliver to the Grantee a stock certificate (or certificates) representing the shares of the Restricted Stock, which certificate(s) shall (a) be registered on the Company's stock transfer books in the name of the Grantee and (b) bear (in addition to any other legends required by applicable law) the following legend (or a legend substantially similar thereto):

> "This certificate and the shares represented hereby are subject to, and shall be transferable only in accordance with, the provisions of a certain Restricted Stock Grant Agreement dated February 5, 1998 between Andrew Strachan and SEACOR SMIT Inc."

2. Removal of Restricted Stock Legend. Promptly after shares of the Restricted Stock issued to the Grantee hereunder have become vested, the Company shall cause the transfer agent for the Common Shares to issue separate Certificates representing a) the Common Shares which are free of restrictions and without the legend referred to above and b) the remaining unvested Common Shares bearing the legend referred to above.

3. Vesting.

(a) Beneficial ownership of the restricted stock shall vest in the Grantee as follows:

Date	Number of shares
January 31, 1999	76
January 31, 2000	76
January 31, 2001	76

Notwithstanding the foregoing, 100% beneficial ownership of the aforementioned shares of Restricted Stock shall vest immediately, without any action on the part of the Company (or its successor as applicable) or the Grantee, if any of the following events occur:

(i) the death of the Grantee;
(ii) the "Disability" (as hereinafter defined) of the Grantee;
(iii) the termination of the Grantee's employment with the Company or any of its subsidiaries without "Cause"

(as hereinafter defined); and

(iv) the occurrence of a "Change-in-Control" of the Company (as hereinafter defined).

(b) For all purposes of this Agreement, the following terms shall have the following respective meanings:

(i) "Disability" shall mean the Grantee's inability to perform substantially all of his duties and responsibilities to the Company and/or any of its subsidiaries by reason of a physical or mental disability or infirmity (A) for a continuous period of six (6) months or (B) at such earlier time as the Grantee submits medical evidence satisfactory to the Company that the Grantee has a physical or mental disability or infirmity that will likely prevent the Grantee from substantially performing his duties and responsibilities for six (6) months or longer;

(ii) "Cause" shall mean (A) the Grantee shall have willfully failed to perform any of his material obligations or duties required to be performed by him pursuant to the terms of his employment as an officer or key employee of the Company; or (B) the Grantee shall have committed an act of fraud, theft or dishonesty which is reasonably likely to result in financial harm to the Company and/or any of its subsidiaries; or (C) the Grantee shall be convicted of (or plead nolo contendere to) any felony or misdemeanor involving moral turpitude, which misdemeanor might, in the reasonable judgment of a majority of the Board of Directors of the Company, cause embarrassment to the Company; provided, however, that the Grantee shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by a majority of the Board of Directors of the Company at a meeting of such Board of Directors duly called and held for the purpose of determining whether, in the good faith judgment of a majority of the Board of Directors of the Company, the Company has "cause" to terminate the Grantee's employment pursuant to these provisions; and

(iii) "Change-in-Control" of the Company shall be deemed to have occurred if (A) a change in control of the direction and administration of the Company's businesses of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or any successor rule or regulation) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (B) any "person", (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act (but excluding any employee benefit plan of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's outstanding securities then entitled ordinarily (and apart from rights accruing under special circumstances) to vote generally for the election of directors; (C) during any period of two consecutive years, the individuals who at the beginning of such period constitute the Board of Directors (the "Board") cease for any reason to constitute at least a majority thereof; (D) the Board shall approve a sale of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole);

or (E) the Board shall approve any merger, consolidation, or like business combination

transaction or reorganization of the Company, the consummation of which would result in the occurrence of any event described in clauses (A) through (D) above.

4. Non-Transferability of Restricted Stock. Except as expressly provided in Section 3 hereof, prior to the applicable Vesting Dates, none of the then unvested shares of the Restricted Stock (nor any interest therein) may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of, shall not be assignable by operation of law and shall not be subject to execution, attachment or similar process. Any attempted sale, assignment, transfer, pledge, hypothecation or other disposition of any unvested shares of the Restricted Stock contrary to the provisions hereof shall be null and void and without effect.

5. Forfeiture.

(a) Upon the Grantee's voluntary termination of his employment with the Company or any of its subsidiaries, or upon the termination of the Grantee's employment with the Company or any of its subsidiaries for Cause, which event occurs, in either case, on a date prior to the Vesting Dates, beneficial ownership of the remaining unvested shares of the Restricted Stock shall not vest in the Grantee and all such unvested shares of the Restricted Stock shall be deemed to have been forfeited by the Grantee to the Company (a "Forfeiture") without any consideration therefor. A termination of employment shall not be deemed to occur by reason of the transfer of an employee from employment by the Company to employment by a subsidiary thereof (or a transfer of employment from one subsidiary of the Company to another subsidiary of the Company), or the relocation of the Grantee's employment with the Company (or a subsidiary of the Company) to a location which is more than 50 miles from the Grantee's current residence.

(b) Upon the occurrence of a Forfeiture, the Grantee shall, within ten (10) business days thereafter, transfer and deliver to the Company all stock certificates representing all shares of the Restricted Stock, together with stock powers duly executed in blank by the Grantee. From and after the occurrence of such Forfeiture, the Grantee shall have no rights to or interests in any shares of the forfeited Restricted Stock or under this Agreement (other than the obligation to transfer and deliver all stock certificates representing all shares of the Restricted Stock pursuant to this Section 5(b)).

6. Representations and Warranties of Grantee. The Grantee hereby represents and warrants to the Company as follows:

(a) The Grantee has the legal right and capacity to enter into this Agreement and he fully understands the terms and conditions of this Agreement.

(b) The Grantee is acquiring the Restricted Stock for investment purposes only and not with a view to, or in connection with, the public distribution thereof in violation of the Securities Act.

(c) The Grantee understands that none of the shares of the Restricted Stock has been registered under the Securities Act and agrees that none of the shares of the Restricted Stock may be offered, sold, assigned, transferred, pledged, hypothecated or otherwise disposed of except in compliance with this Agreement and the Securities Act or an applicable exemption from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws; and he understands that the Company has no obligation to cause or to refrain from causing any of the shares of the Restricted Stock or any other shares of its capital stock to be registered under the Securities Act or to comply with any exemption under the Securities Act which would permit the shares of the Restricted Stock to be sold or otherwise transferred by the Grantee.

7. Notices. Any notice required or permitted hereunder shall be deemed given only when delivered personally or when deposited in a United States Post Office as certified mail, postage prepaid, addressed, as appropriate, if to the Grantee, at his address set forth above or such other address as he may designate in writing to the Company, and, if to the Company, at 11200 Westheimer, Suite 850, Houston, Texas 77042 or such other address as the Company may designate in writing to the Grantee.

8. Failure to Enforce Not a Waiver. The failure of the Company to enforce at any

time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.

9. Amendment: Termination. This Agreement may not be amended or terminated unless such amendment or termination is in writing and duly executed by each of the parties hereto.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

11. Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns, and the Grantee, his executors, administrators, personal representatives and heirs. In the event that any part of this Agreement shall be held to be invalid or unenforceable, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

12. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, discussions and understandings with respect to such subject matter.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to principles and provisions thereof relating to conflict or choice of laws.

IN WITNESS WHEREOF, each of the parties hereto have duly executed this Agreement on the date and year first above written.

SEACOR SMIT INC.

By: /s/ Randall Blank

Name: Randall Blank
Title: Executive Vice President

GRANTEE

/s/ Andrew Strachan

Andrew Strachan

Exhibit 21.1

SEACOR SMIT INC.
LIST OF SUBSIDIARIES AT DECEMBER 31, 1997

	Jurisdiction of Incorporation
Sea-Aker L.L.C.	Louisiana
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
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 L.L.C.	Delaware
ERST/O'Brien's, Inc.	Delaware
ERST, Inc.	Delaware
SEACOR Offshore Rigs Inc.	Delaware
Chiles Offshore L.L.C.	Delaware
SEACOR Management Services Inc.	Delaware
SEACOR Offshore Inc.	Delaware
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
Anna Offshore Inc.	Alabama
SEACOR Marine (Bahamas) Inc.	Bahamas
SEAFISH Ltd.	Bahamas
SEACOR-SMIT Offshore (Worldwide) Ltd.	Bahamas
SEACOR-SMIT Offshore (International) Ltd.	Bahamas
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
Gem Shipping Ltd.	Cayman Islands
SEACOR Marine (UK) Ltd.	United Kingdom
Vector-Seacor Ltd.	United Kingdom
Feronia International Shipping S.A.	France
SEACOR Marine (Isle of Man)	Isle of Man
SEACOR Marine (Middle East)	United Arab Emirates
SEACOR Offshore Investments Ltd.	Bahamas

SEACOR SMIT INC.
50% OR LESS COMPANIES AT DECEMBER 31, 1997

	Jurisdiction of Incorporation
West Africa Offshore LTD.	Nigeria
Maritime Mexicana, S.A. de C.V.	Mexico
Seamex International Ltd.	Liberia
Energy Logistics, Inc.	Delaware
Clean Pacific Alliance, L.L.C.	Nevada
Supplylink UK Ltd.	United Kingdom
Supplylink International B.V.	Netherlands
Minvest S.A.	Argentina
Smit-Lloyd Mainport Ltd.	Ireland
South Atlantic Offshore Services S.A.	Panama
Red Dragon Marine Services Ltd.	China
SMIT Swire Shilbaya Egypt Ltd.	Egypt
Smit Lloyd Matsas (Hellas)	Greece
Seacor-Smit (Aquitaine) Ltd.	Bahamas
Ultragas Smit-Lloyd Ltda.	Chile
Patagonia Offshore Services SA	Argentina
Octo Marine Limited	Isle of Man
Sarost S.A.	Tunisia

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports dated February 11, 1998 (except with respect to the matters discussed in Notes 19 and 20, as to which the date is March 3, 1998), included in this Form 10-K for the year ended December 31, 1997, into the Company's previously filed Registration Statements File Nos. 333-03534, 333-11705, 333-12637, 333-22249, and 333-20921.

ARTHUR ANDERSEN LLP
New Orleans, Louisiana
March 30, 1998

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
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