TIDEWATER®








# Cowen and Company 4th Annual Ultimate Energy Conference

**Jeffrey M. Platt**
President & CEO

**Joseph M. Bennett**
EVP & Chief IRO

December 3, 2014

## FORWARD-LOOKING STATEMENTS

**In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company notes that certain statements set forth in this presentation provide other than historical information and are forward looking. The actual achievement of any forecasted results, or the unfolding of future economic or business developments in a way anticipated or projected by the Company, involve numerous risks and uncertainties that may cause the Company's actual performance to be materially different from that stated or implied in the forward-looking statement. Among those risks and uncertainties, many of which are beyond the control of the Company, include, without limitation, fluctuations in worldwide energy demand and oil and gas prices; fleet additions by competitors and industry overcapacity; changes in capital spending by customers in the energy industry for offshore exploration, development and production; changing customer demands for different vessel specifications, which may make some of our older vessels technologically obsolete for certain customer projects or in certain markets; uncertainty of global financial market conditions and difficulty accessing credit or capital; acts of terrorism and piracy; significant weather conditions; unsettled political conditions, war, civil unrest and governmental actions, such as expropriation or enforcement of customs or other laws that are not well-developed or consistently enforced, especially in higher political risk countries where we operate; foreign currency fluctuations; labor changes proposed by international conventions; increased regulatory burdens and oversight; and enforcement of laws related to the environment, labor and foreign corrupt practices. Readers should consider all of these risks factors, as well as other information contained in the Company's form 10-K's and 10-Q's.**

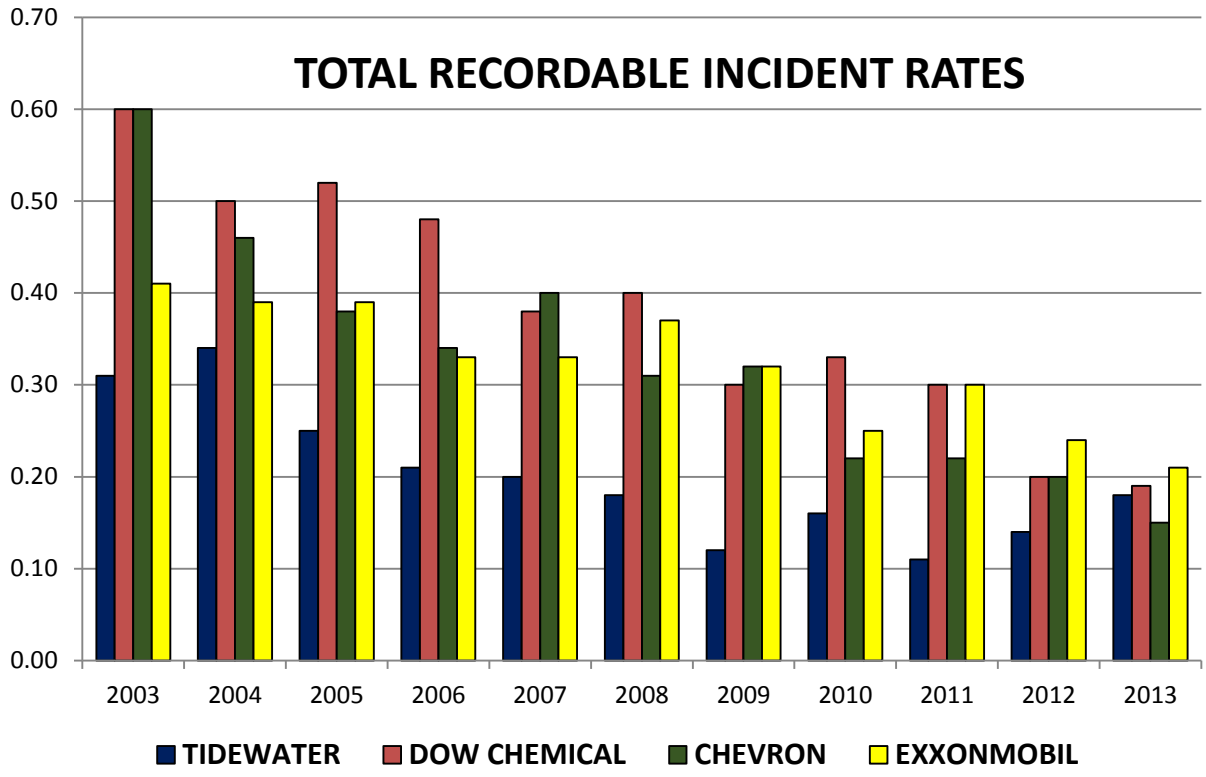
Phone: **504.568.1010 | Fax: 504.566.4580**
Web site address: **www.tdw.com**
Email: **connect@tdw.com**

# Key Tidewater Takeaways

- **Consistent goal of "Best in Class" safety and compliance culture**
- **Largest "NEW" OSV fleet in the industry, operating in over 50 countries with ~9,000 employees worldwide**
- **History of solid earnings and returns on a through-cycle basis**
- **"Offshore" is and will continue to be relevant. International E&P spending expected to be stable to modestly up in 2015**
- **Continued solid financial position, with considerable ready liquidity, a reasonable debt level, minor debt maturities until FY2019 and expected reduced CAPX as major fleet upgrade winds down**

# Safety Record Rivals Leading Companies

- Safe Operations is Priority #1
- Stop Work Obligation
- Safety performance is 25% of mgt. incentive comp

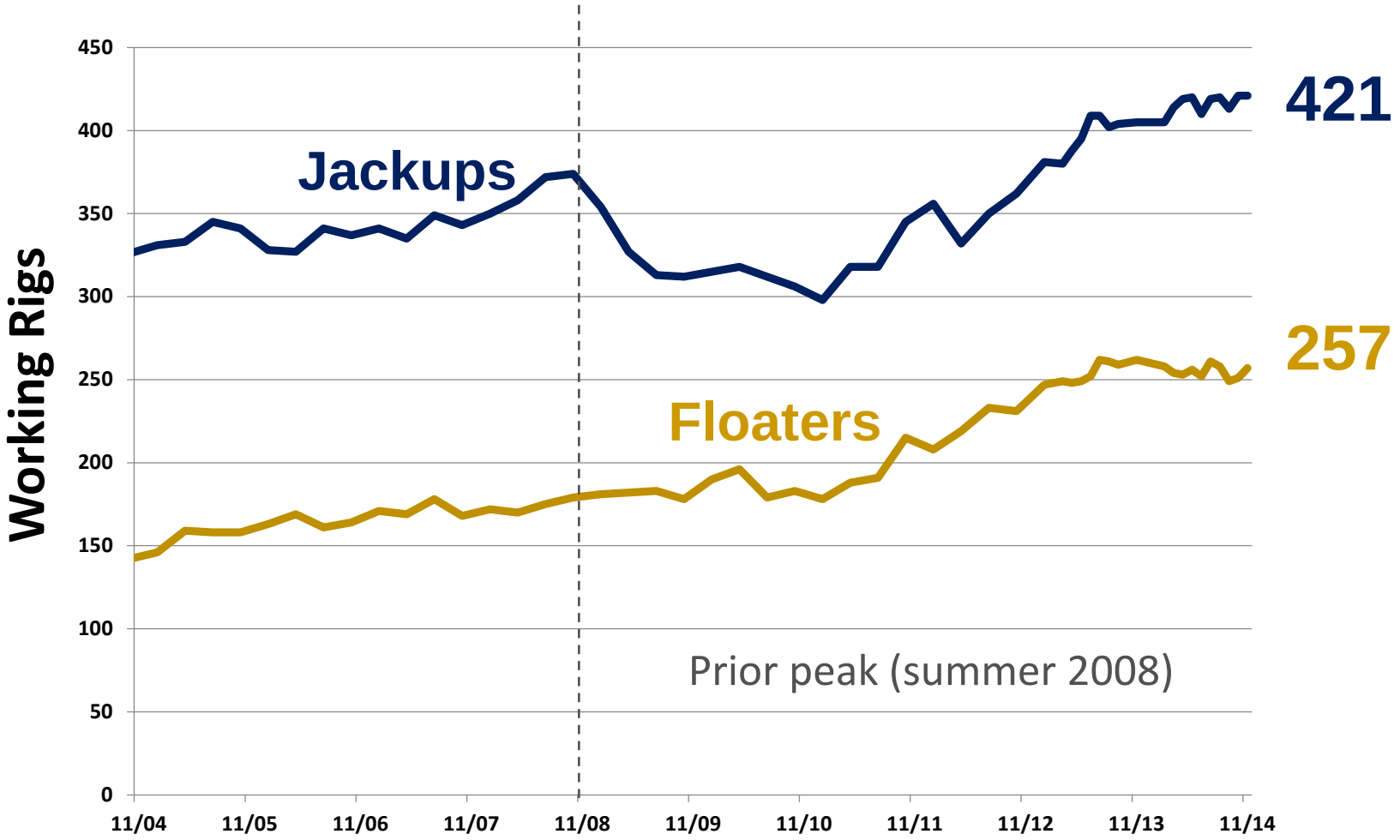



**Operating safely offshore is like holding a snake by its head.**



**It's a task that can't be turned loose not for a microsecond or an accident will strike without pity.**

# Working Offshore Rig Trends




***Source: ODS-Petrodata***

***Note: 42 "Other" rigs, along with the Jackups and Floaters, provide a total working rig count of 720 in November 2014.***

# Drivers of our Business "Peak to Present"

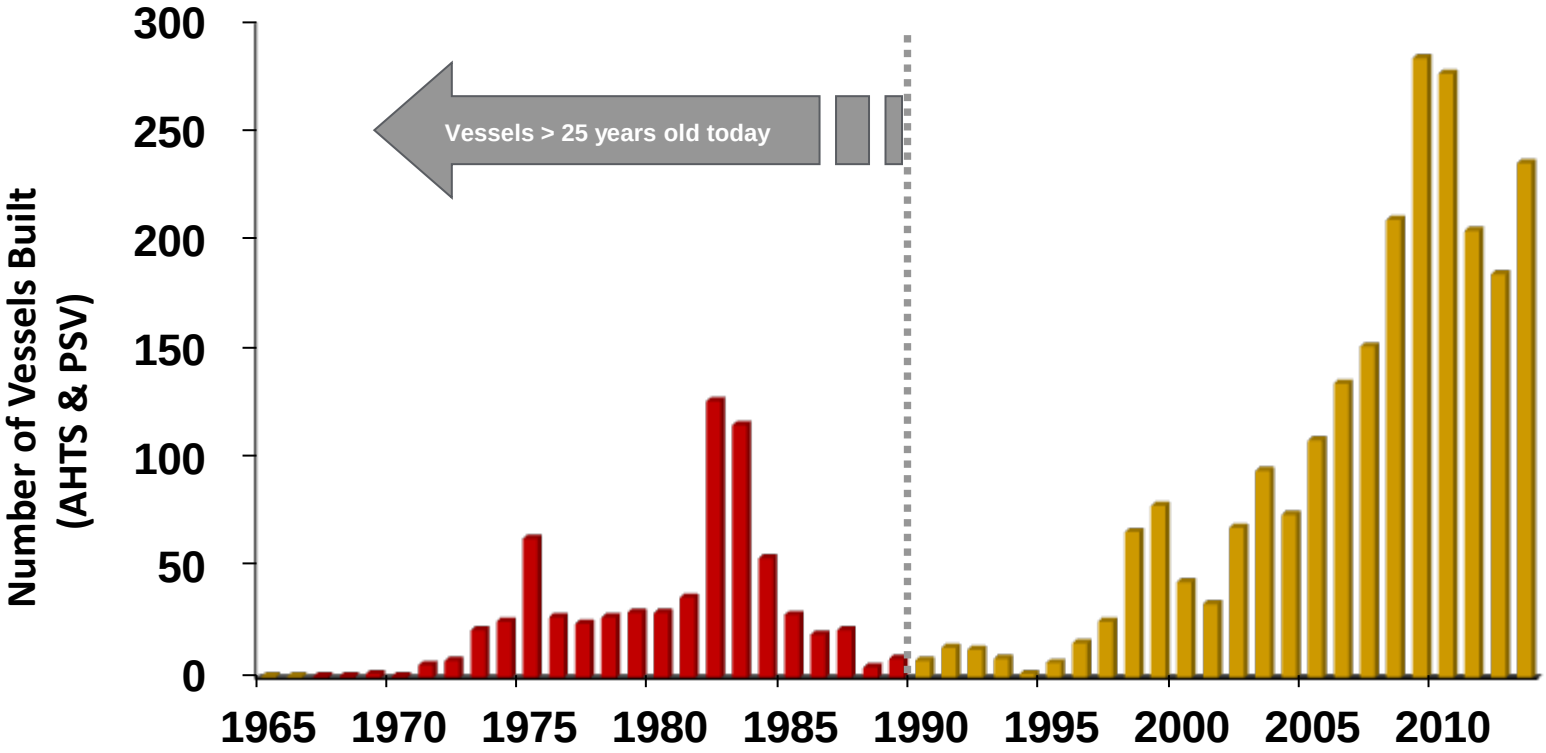
| | July 2008 (Peak) | Jan. 2011 (Trough) | November 2014 | |
|---|---|---|---|---|
| Working Rigs | 603 | 538 | 720 | Working offshore rig count is expected to grow |
| Rigs Under Construction | 186 | 118 | 246 | |
| OSV Global Population | 2,033 | 2,599 | 3,233 | Marketed OSV population should decrease as attrition exceeds newbuild deliveries |
| OSV's Under Construction | 736 | 367 | 470 | |
| OSV/Rig Ratio | 3.37 | 4.83 | 4.49 | OSV/Rig Ratio should remain well balanced |

***Source: ODS-Petrodata and Tidewater***

# The Worldwide OSV Fleet

*(Includes AHTs and PSVs only) Estimated as of November 2014*

**As of November 2014, there are approximately 470 additional AHTS and PSV's (~15% of the global fleet) under construction.**

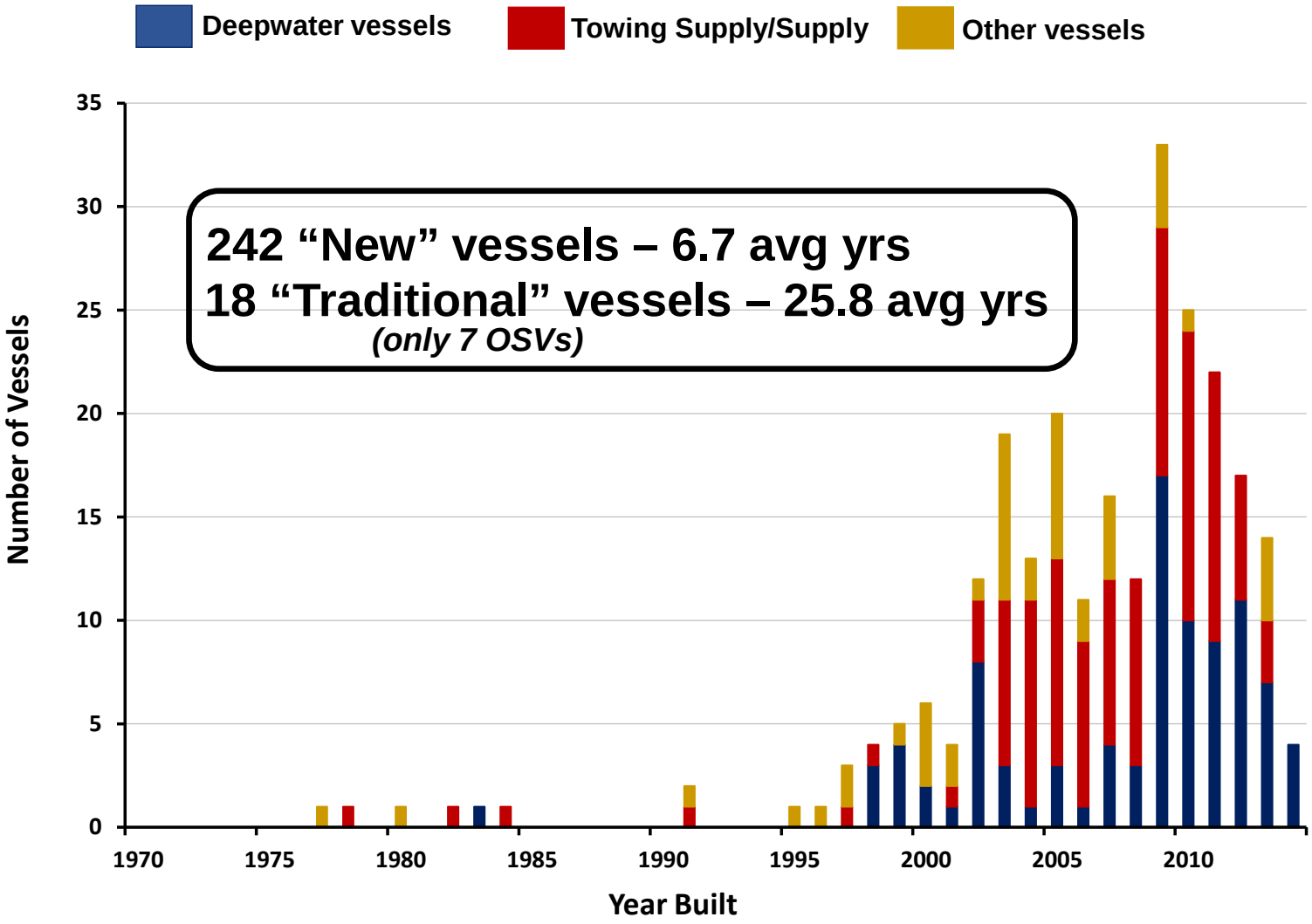



**Global fleet is estimated at 3,233 vessels, including ~700 vessels that are 25+ yrs old (22%).**

***Source: ODS-Petrodata and Tidewater***

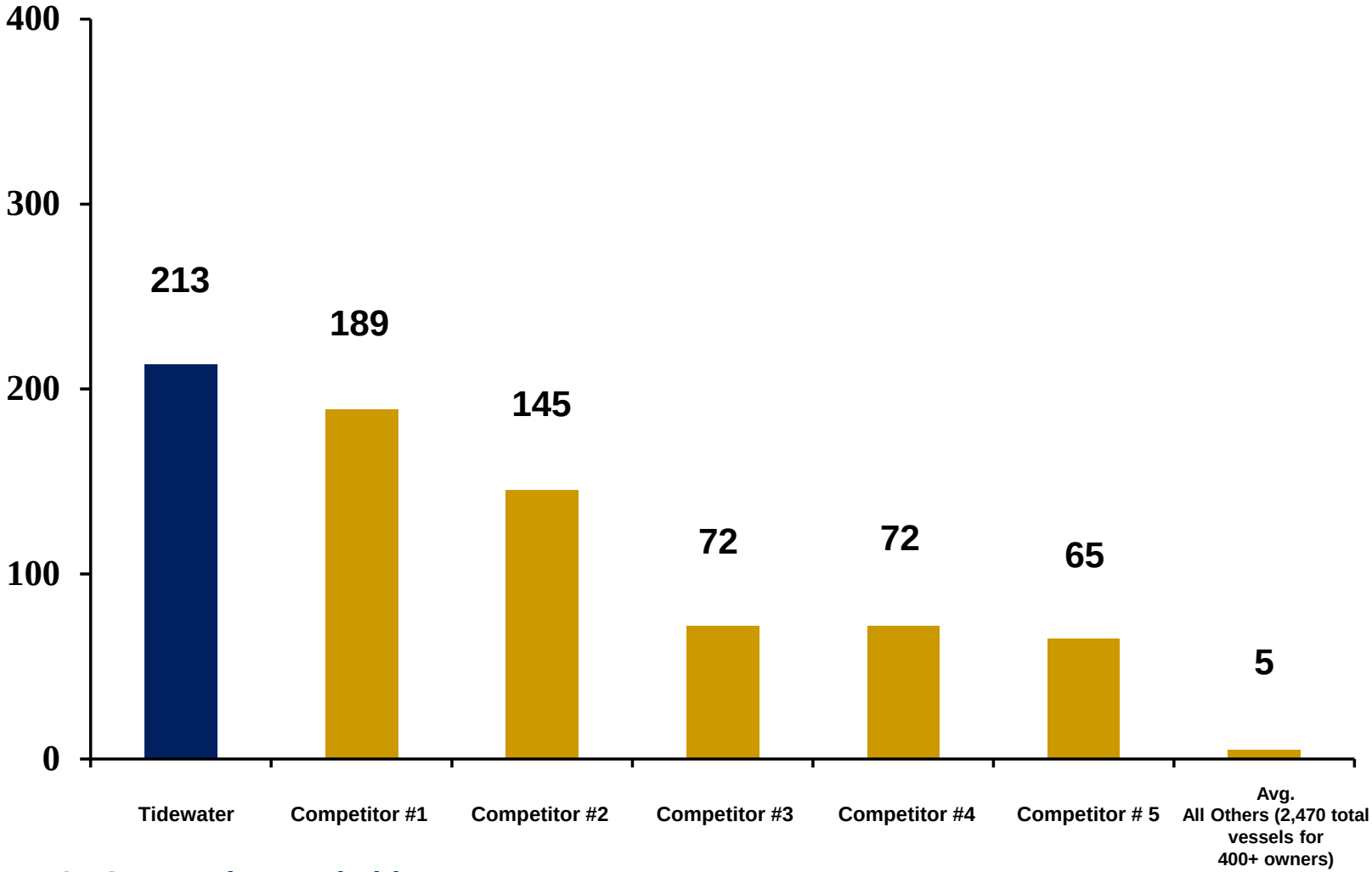
# Tidewater's Active Fleet

## *As of September 30, 2014*



# Vessel Population by Owner

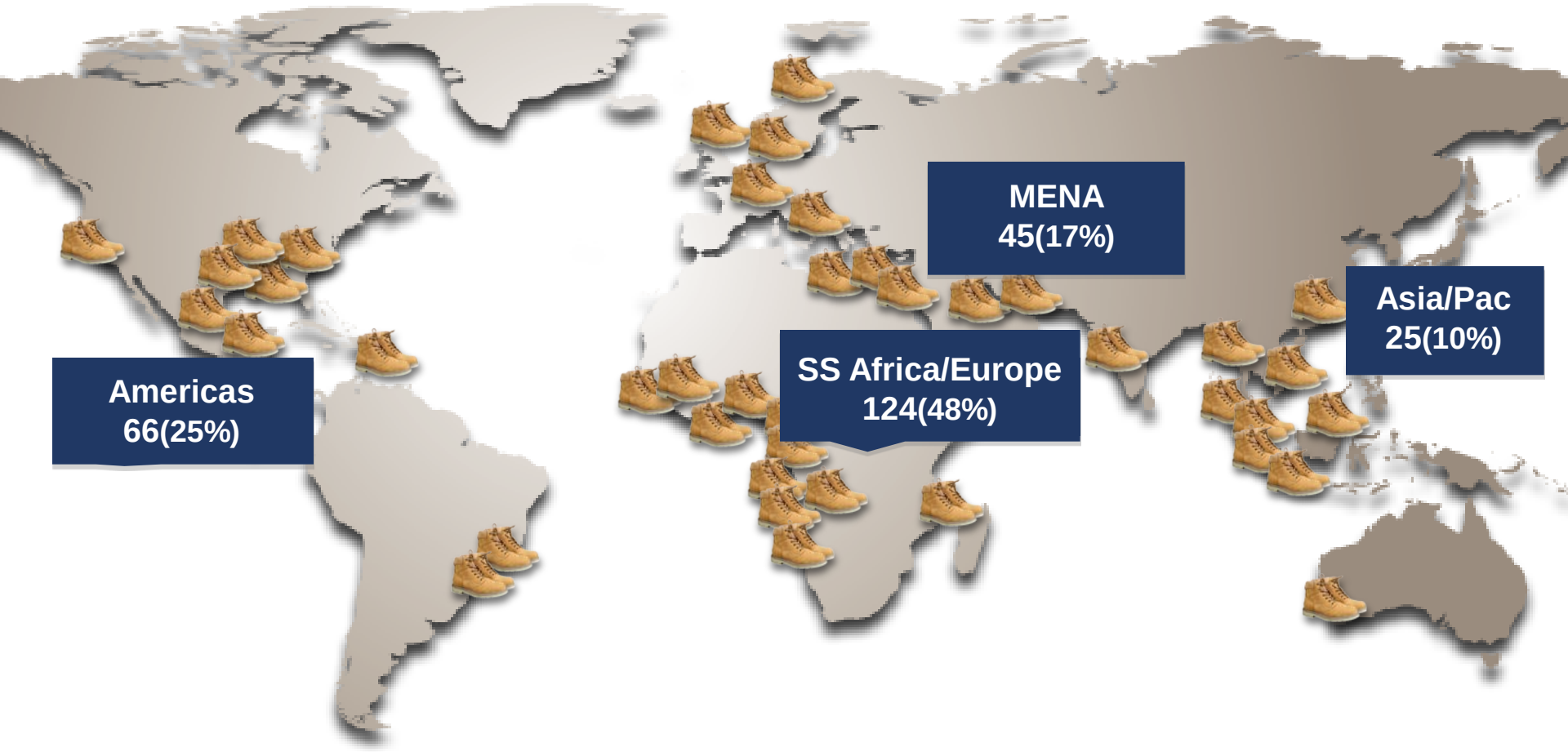
## *(AHTS and PSVs only) Estimated as of November 2014*




***Source: ODS-Petrodata and Tidewater***

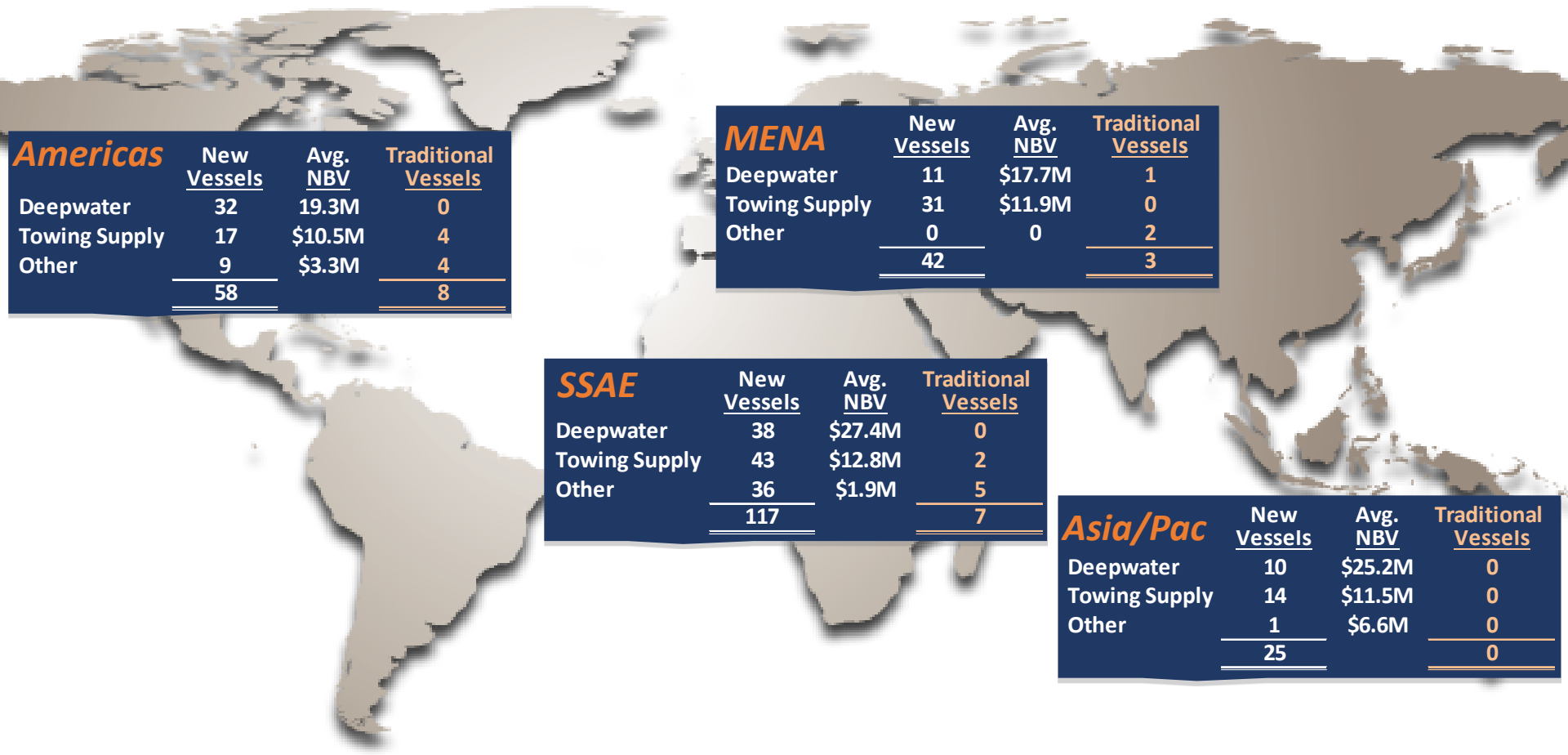
# Our Global Footprint – Vessel Count by Region

*(Excludes stacked vessels – as of 9/30/14)*



# Our Global Footprint – Vessel Class by Region

## *(Excludes stacked vessels – as of 9/30/14)*



| Americas | New Vessels | Avg. NBV | Traditional Vessels |
|---|---|---|---|
| Deepwater | 32 | 19.3M | 0 |
| Towing Supply | 17 | $10.5M | 4 |
| Other | 9 | $3.3M | 4 |
| | 58 | | 8 |

| MENA | New Vessels | Avg. NBV | Traditional Vessels |
|---|---|---|---|
| Deepwater | 11 | $17.7M | 1 |
| Towing Supply | 31 | $11.9M | 0 |
| Other | 0 | 0 | 2 |
| | 42 | | 3 |

| SSAE | New Vessels | Avg. NBV | Traditional Vessels |
|---|---|---|---|
| Deepwater | 38 | $27.4M | 0 |
| Towing Supply | 43 | $12.8M | 2 |
| Other | 36 | $1.9M | 5 |
| | 117 | | 7 |

| Asia/Pac | New Vessels | Avg. NBV | Traditional Vessels |
|---|---|---|---|
| Deepwater | 10 | $25.2M | 0 |
| Towing Supply | 14 | $11.5M | 0 |
| Other | 1 | $6.6M | 0 |
| | 25 | | 0 |

**Vessel count info is as of 9/30/14, and includes leased vessels. Avg NBV excludes the impact of leased vessels which have no NBV. Average NBV of the total 18 Traditional vessels is $0.95M at 9/30/14.**

# The Largest Modern OSV Fleet in the Industry

| *Vessel Commitments Jan. '00 – September '14* | Vessel Count (2) | Total Cost (2) | Average Cost per Vessel |
|---|---|---|---|
| Deepwater PSVs | 102 | $2,900m | $28.4m |
| Deepwater AHTSs | 12 | $387m | $32.3m |
| Towing Supply/Supply | 111 | $1,667m | $15.0m |
| Other | 53 | $227m | $4.3m |
| TOTALS: | 278 | $5,181m(1) | $18.6m |

(1) ~$4.6b (89%) funded through 9/30/14
(2) Vessel count and total cost is net of 26 vessel dispositions ($243M of original cost)

**At 9/30/14, 248 new vessels were in our fleet with ~6.8 year average age**

# …and More to Come

| *Vessels Under Construction** *As of September 30, 2014* | Count |
|---|---|
| Deepwater PSVs | 23 |
| Deepwater AHTSs | - |
| Towing Supply/Supply | 6 |
| Other | 1 |
| Total | 30 |

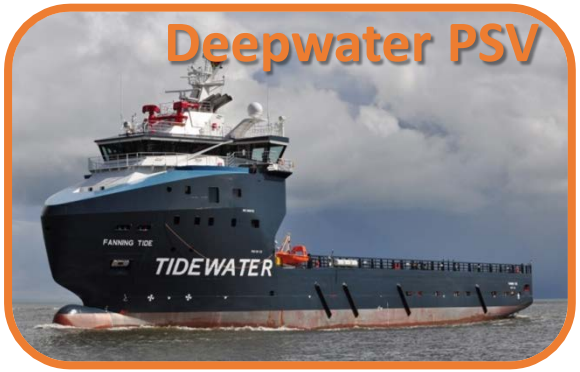
**Estimated delivery schedule – 8 remaining in FY ’15, 19 in FY ‘16 and 3 thereafter.**
**CAPX of $269m remaining in FY ’15, $267m in FY ‘16 and $51m thereafter.**

# The Upgrading of the Tidewater Fleet
## *(A 10 Year Review)*

TIDEWATER

### *3/31/05 Snapshot*

| DWT | New Fleet | Vintage Fleet | Total Fleet |
|---|---|---|---|
| 5,000-6,000 | 0 | 0 | 0 |
| 4,000-4,999 | 4 | 0 | 4 |
| 3,000-3,999 | 12 | 2 | 14 |
| <3,000 | 6 | 4 | 10 |
| | 22 | 6 | 28 |




### *9/30/14 Snapshot*

| DWT | Current New Fleet | CIP | Future Fleet | Vintage Fleet |
|---|---|---|---|---|
| 5,000-6,000 | 16 | 5 | 21 | 0 |
| 4,000-4,999 | 12 | 14 | 26 | 0 |
| 3,000-3,999 | 45 | 4 | 49 | 0 |
| <3,000 | 6 | 0 | 6 | 1 |
| | 79 | 23 | 102 | 1 |

| BHP | New Fleet | Vintage Fleet | Total Fleet |
|---|---|---|---|
| 25,000+ | 1 | 0 | 1 |
| 13,500-16,500 | 6 | 3 | 9 |
| | 7 | 3 | 10 |




| BHP | Current New Fleet | CIP | Future Fleet | Vintage Fleet |
|---|---|---|---|---|
| 25,000+ | 5 | 0 | 5 | 0 |
| 13,500-16,500 | 7 | 0 | 7 | 0 |
| | 12 | 0 | 12 | 0 |

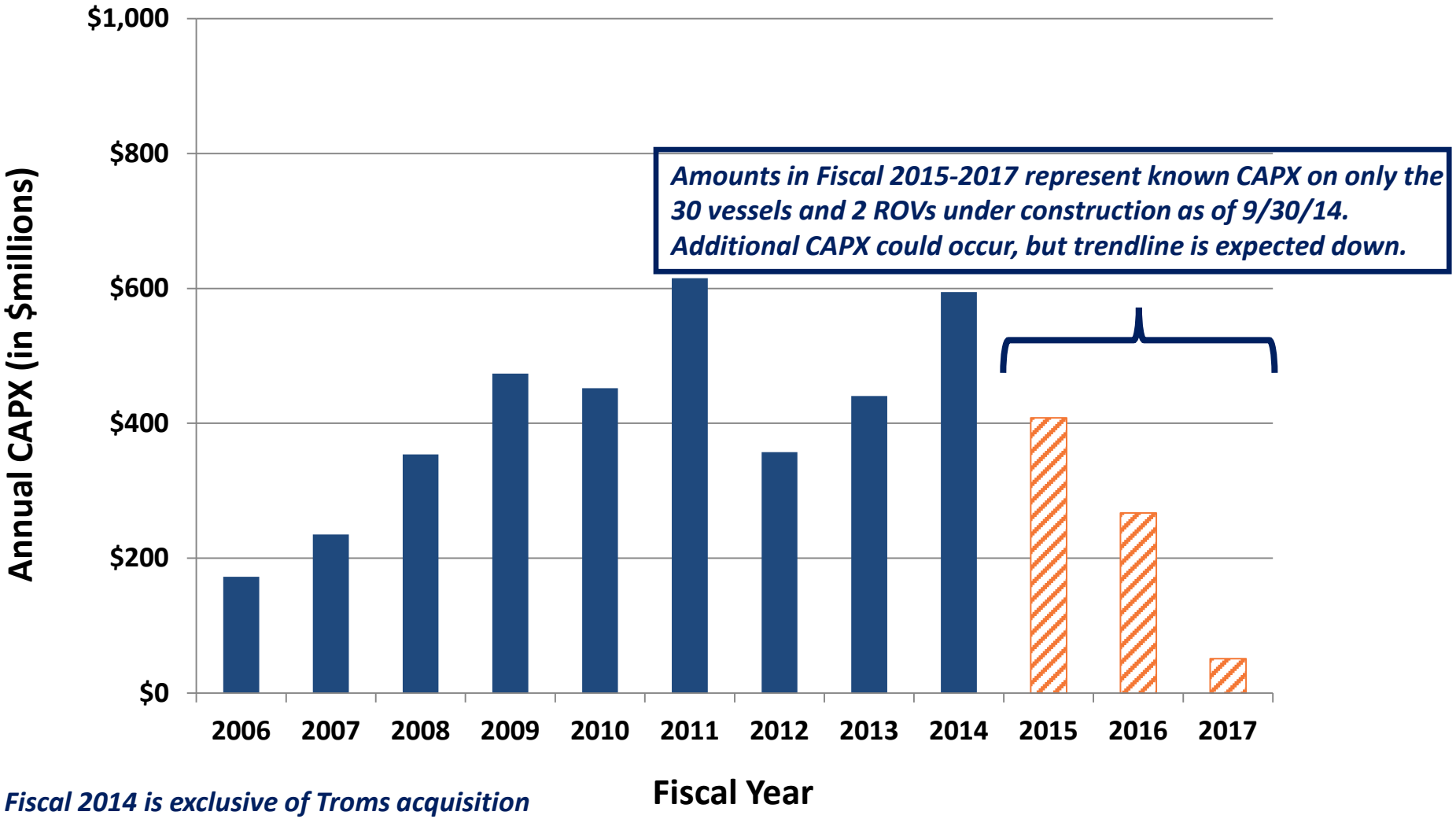
| BHP | New Fleet | Vintage Fleet | Total Fleet |
|---|---|---|---|
| 7,000-10,000 | 5 | 25 | 30 |
| 3,000-6,999 | 23 | 146 | 169 |
| | 28 | 171 | 199 |




| BHP | Current New Fleet | CIP | Future Fleet | Vintage Fleet |
|---|---|---|---|---|
| 7,000-10,000 | 36 | 6 | 42 | 0 |
| 3,000-6,999 | 69 | 0 | 69 | 6 |
| | 105 | 6 | 111 | 6 |

***Fleet information includes active vessels only.***
***CIP=Construction in Process.***
***New Fleet is defined as vessels built or acquired since 2000.***

# CAPX Expected to Decrease from Recent High Levels




*Fiscal 2014 is exclusive of Troms acquisition*

# Strong Financial Position Provides Strategic Optionality

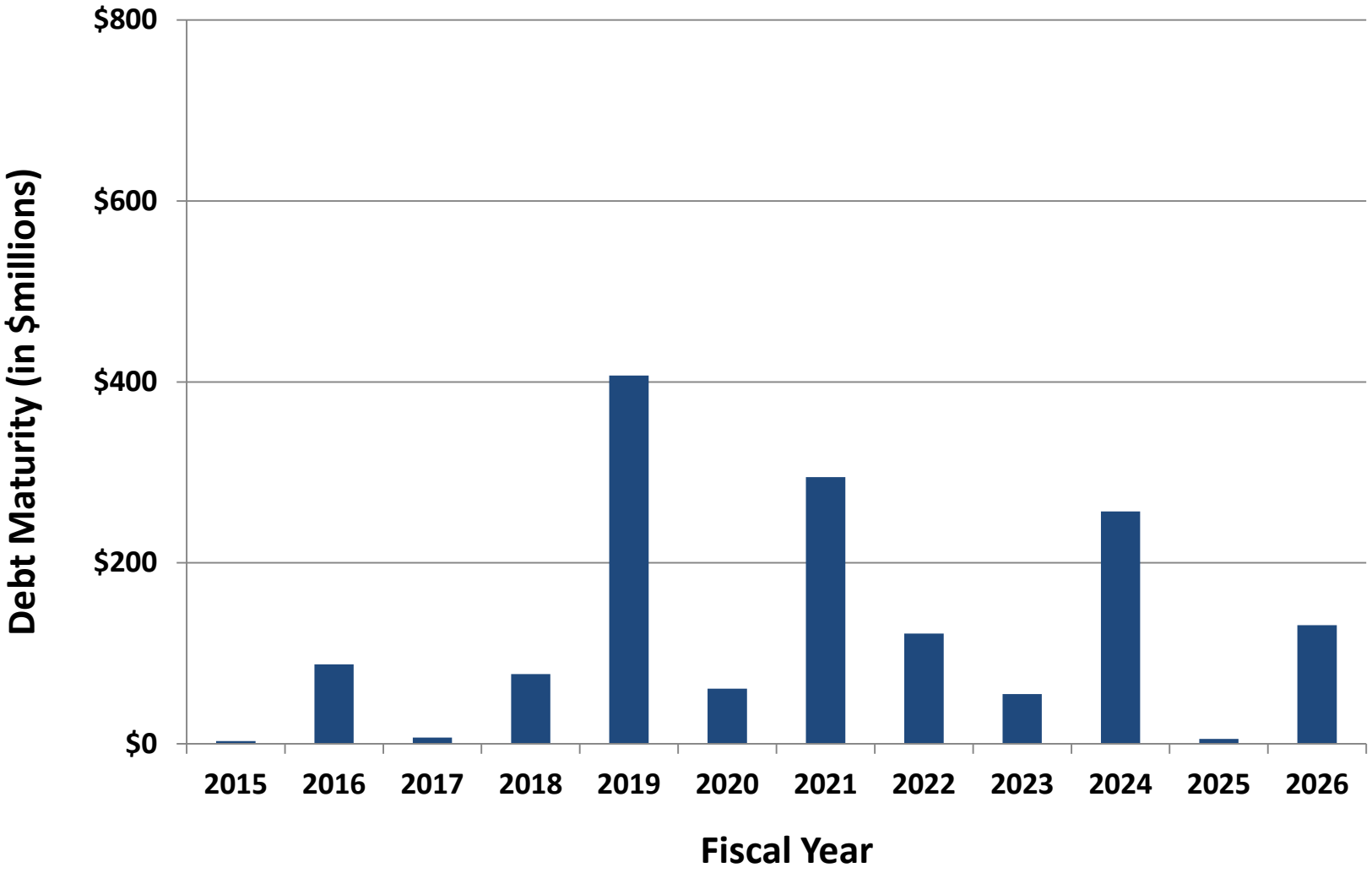
***As of September 30, 2014***

| | |
|---|---|
| Cash & Cash Equivalents | $124 million |
| Total Debt | $1,496 million |
| Shareholders Equity | $2,770 million |
| Net Debt / Net Capitalization | 33% |
| Total Debt / Capitalization | 35% |

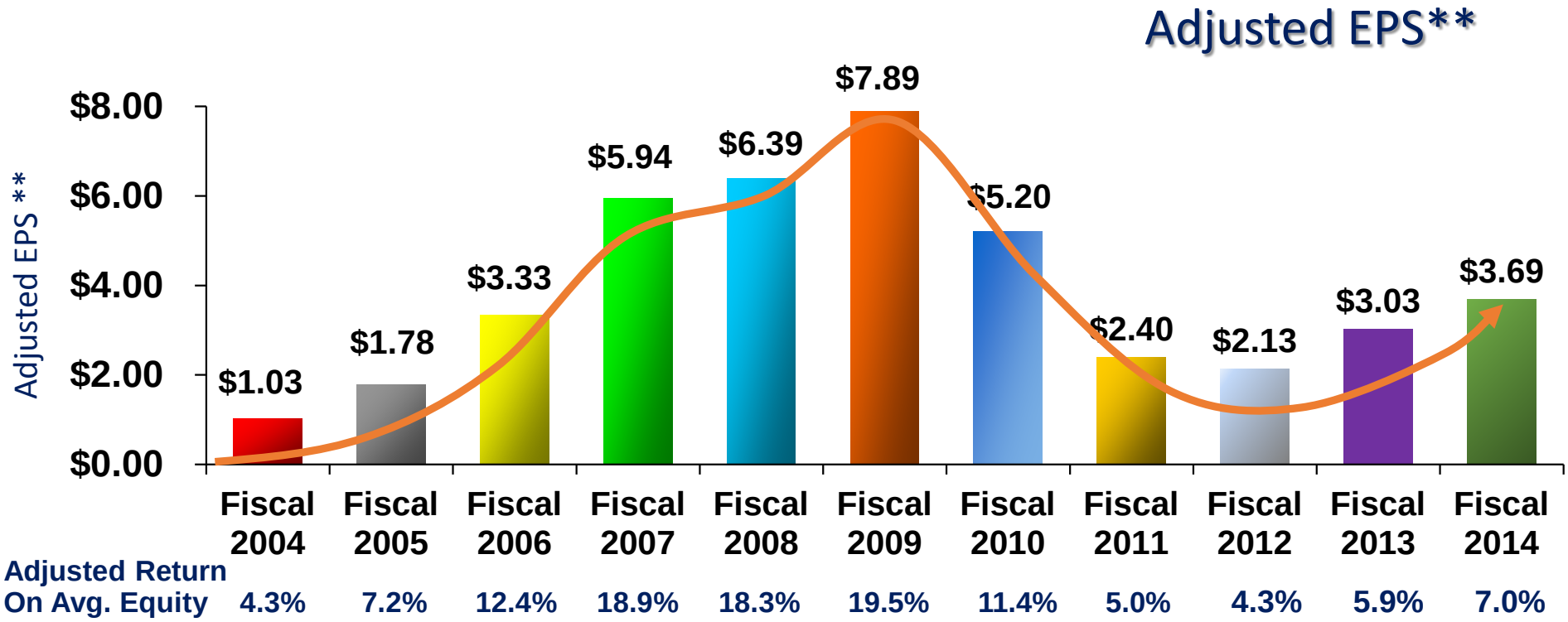
**~$725 million of available liquidity as of 9/30/14, including $600 million of unused capacity under the company's revolving credit facility.**

# Debt Maturities as of 9/30/14

## *Limited for Several Years*

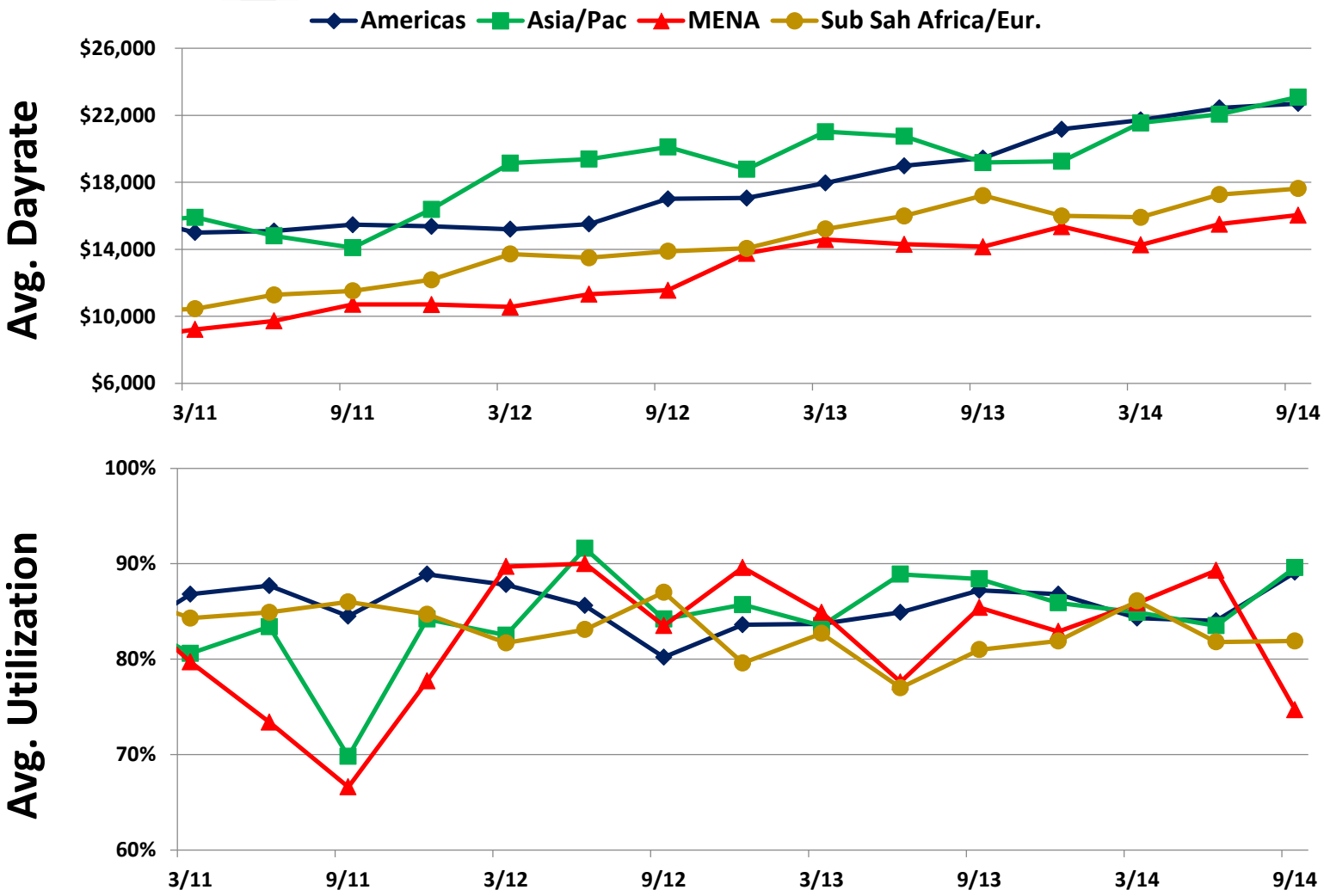


# History of Solid Earnings and Returns on a Through-Cycle Basis




** EPS in Fiscal 2004 is exclusive of the $.30 per share after tax impairment charge. EPS in Fiscal 2006 is exclusive of the $.74 per share after tax gain from the sale of six KMAR vessels. EPS in Fiscal 2007 is exclusive of $.37 per share of after tax gains from the sale of 14 offshore tugs. EPS in Fiscal 2010 is exclusive of $.66 per share Venezuelan provision, a $.70 per share tax benefit related to favorable resolution of tax litigation and a $0.22 per share charge for the proposed settlement with the SEC of the company's FCPA matter. EPS in Fiscal 2011 is exclusive of total $0.21 per share charges for settlements with DOJ and Government of Nigeria for FCPA matters, a $0.08 per share charge related to participation in a multi-company U.K.-based pension plan and a $0.06 per share impairment charge related to certain vessels. EPS in Fiscal 2012 is exclusive of $0.43 per share goodwill impairment charge. EPS in Fiscal 2014 is exclusive of $0.87 per share goodwill impairment charge.

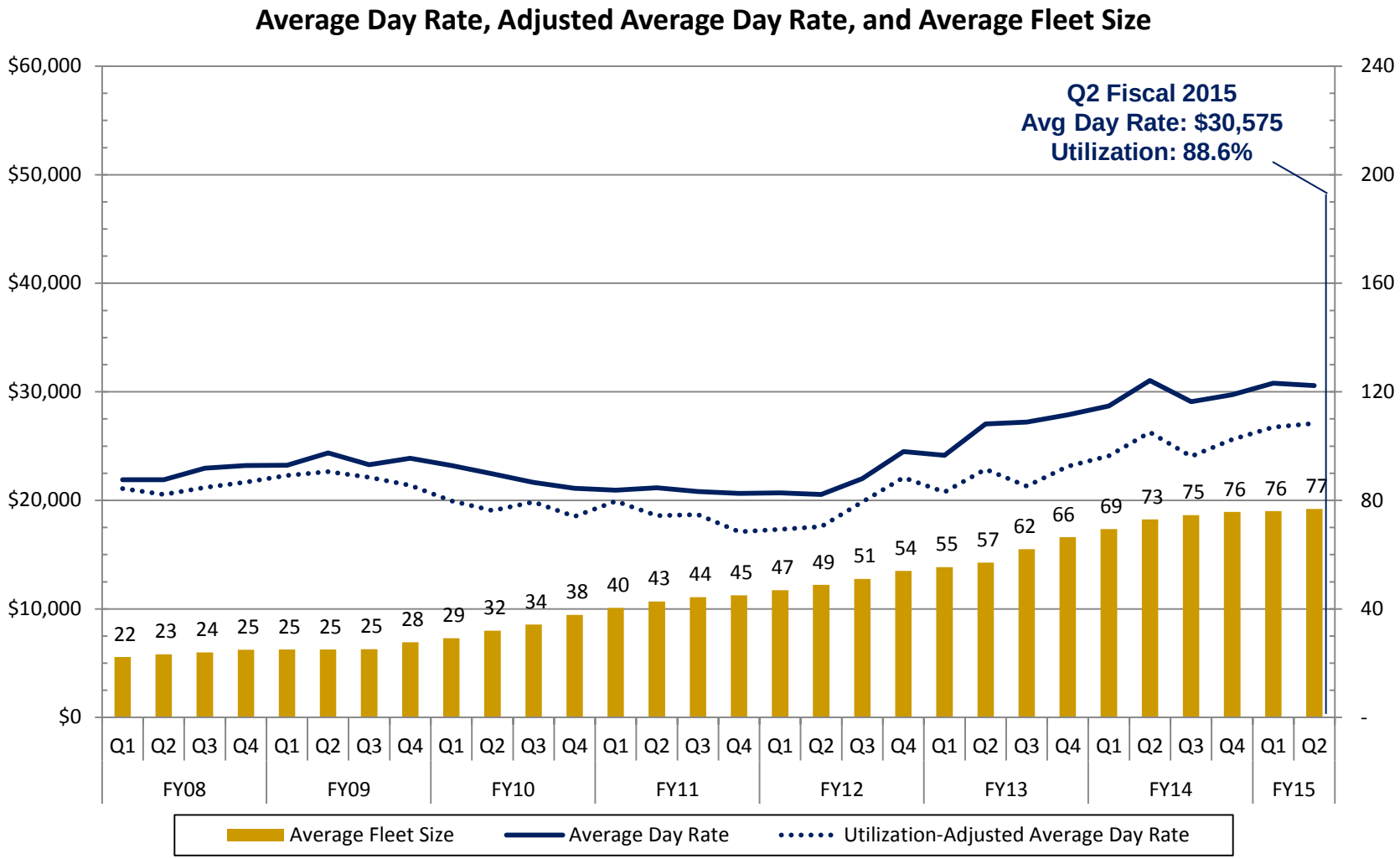
# Active Vessel Dayrates & Utilization by Segment




***Utilization stats exclude stacked vessels.***

# New Vessel Trends by Vessel Type

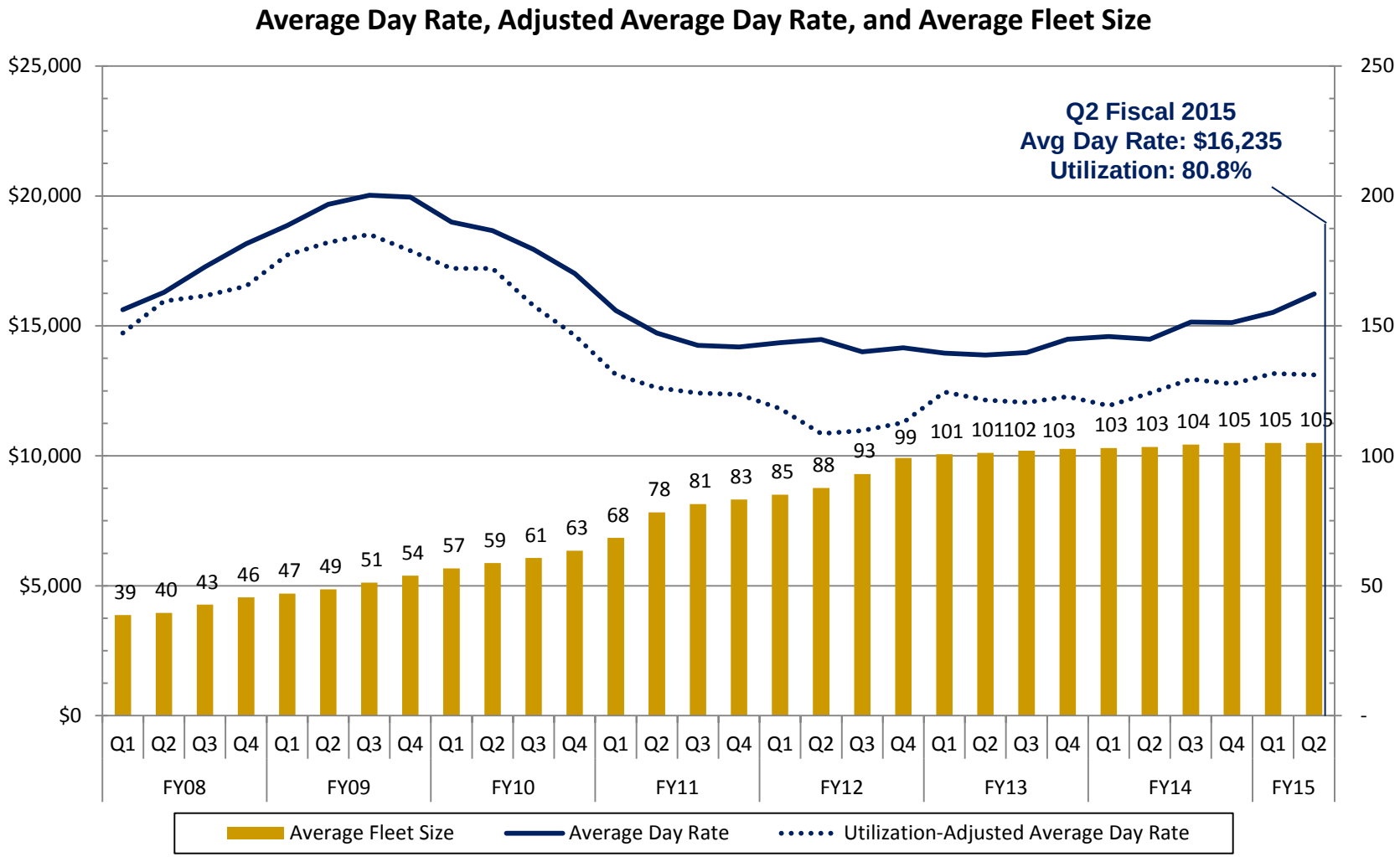
## *Deepwater PSVs*




**$192 million, or 49%, of Vessel Revenue in Q2 Fiscal 2015**

# New Vessel Trends by Vessel Type

## *Towing Supply/Supply Vessels*




**$127 million, or 32%, of Vessel Revenue in Q2 Fiscal 2015**

# Tidewater's New Subsea Business

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SUBSEA




- **Six work-class ROV's in current fleet and two more on order**
- **Commercial operations underway with additional opportunities in Americas, SSAE and Asia/Pac**
- **ROV capabilities generating potential for OSV pull through**

# Tidewater's Future

- **Continue to improve upon stellar safety and compliance programs**
- **Disciplined deployment of cash as we complete our OSV fleet replacement and enhancement and expand our ROV business**
- **Maintain solid balance sheet and financial flexibility to deal with industry uncertainties and seize opportunities when presented**
- **Return capital to shareholders through dividends and opportunistic share repurchases**

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# Appendix



# Financial Strategy Focused on Creating Long-Term Shareholder Value

**Deliver Results**

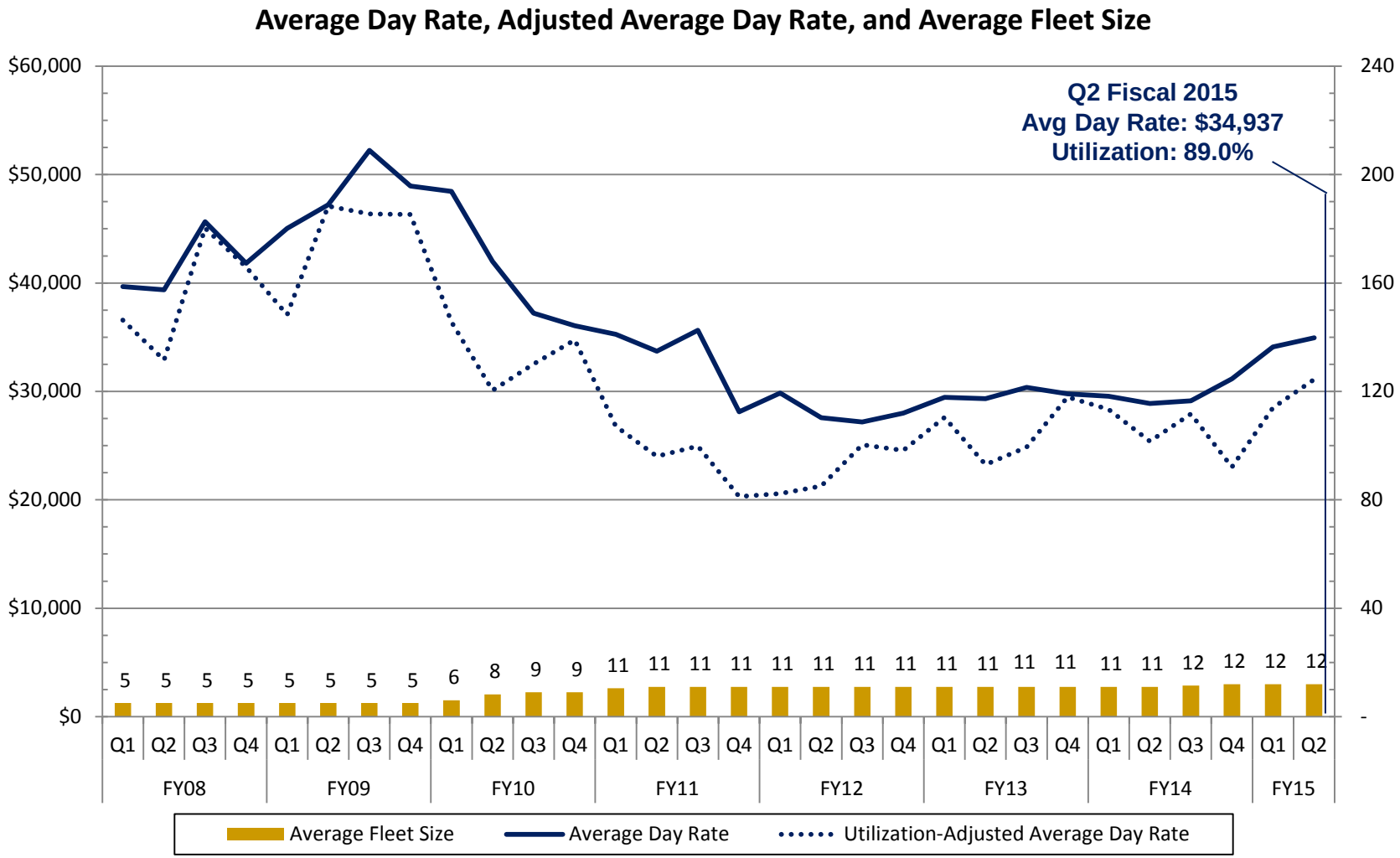


**Maintain Financial Strength**

**EVA-Based Investments On Through-cycle Basis**

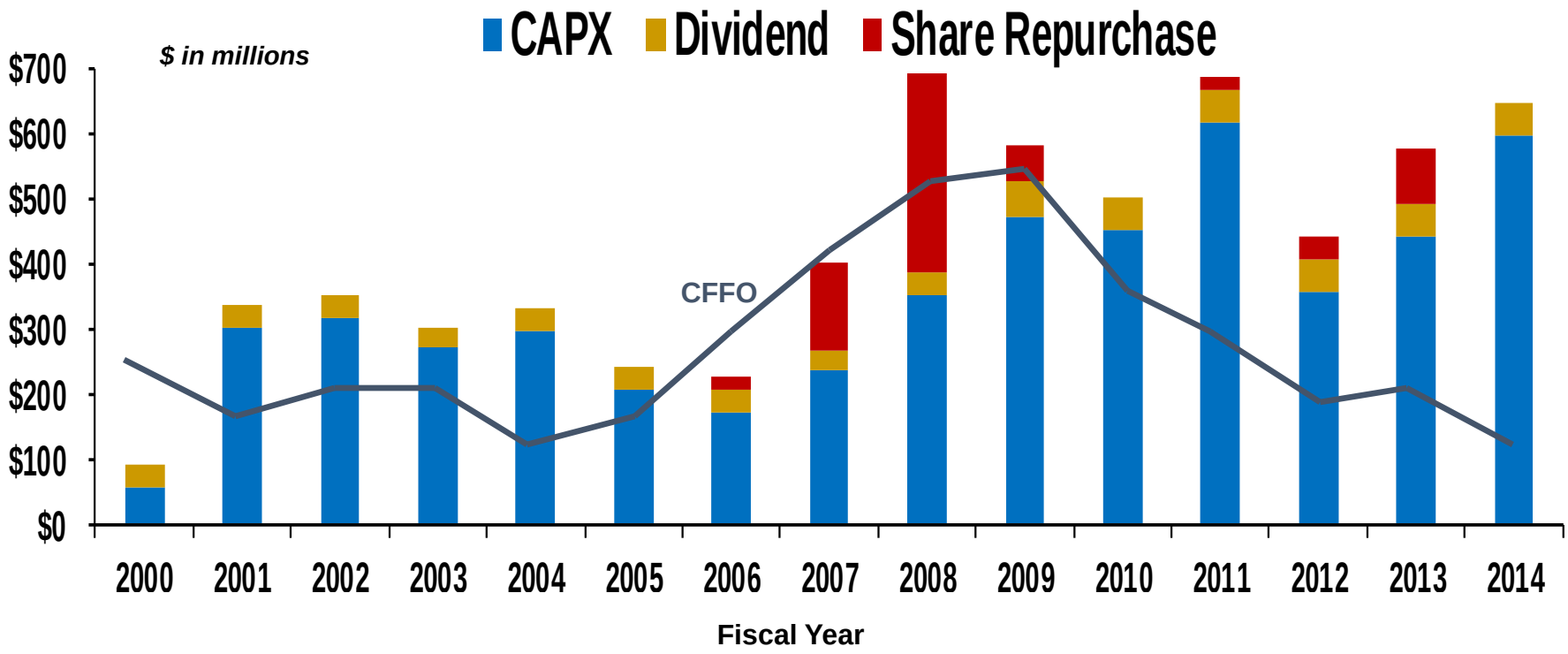
# New Vessel Trends by Vessel Type

## *Deepwater AHTS*




**$34 million, or 9%, of Vessel Revenue in Q2 Fiscal 2015**

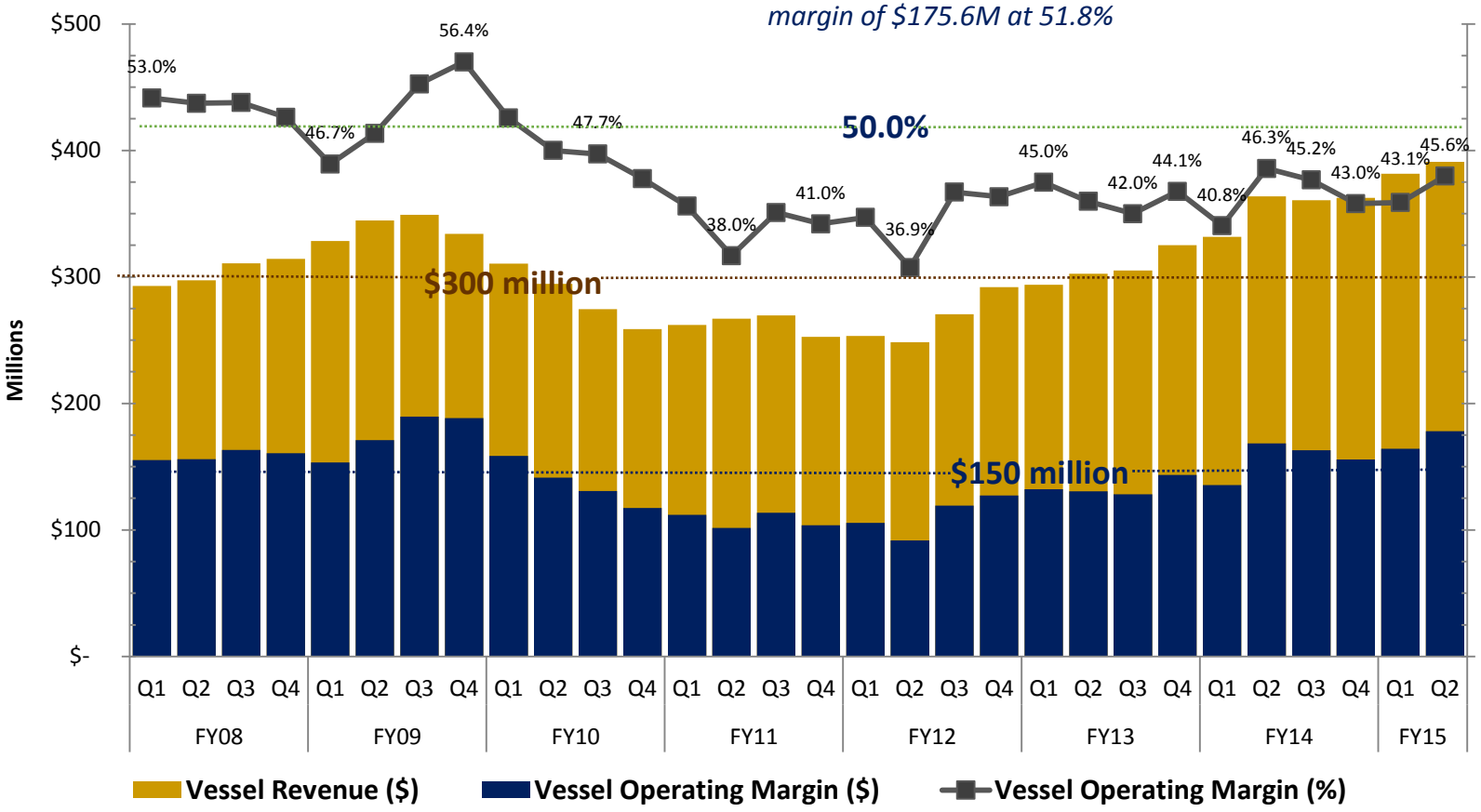
# Fleet Renewal & Expansion Largely Funded by CFFO




**Over a 15-year period, Tidewater has invested ~$5.2 billion in CapEx, and paid out ~$1.3 billion through dividends and share repurchases. Over the same period, CFFO and proceeds from dispositions were ~$3.9 billion and ~$800 million, respectively.**

# Total Revenue and Margin
## *Fiscal 2008-2015*

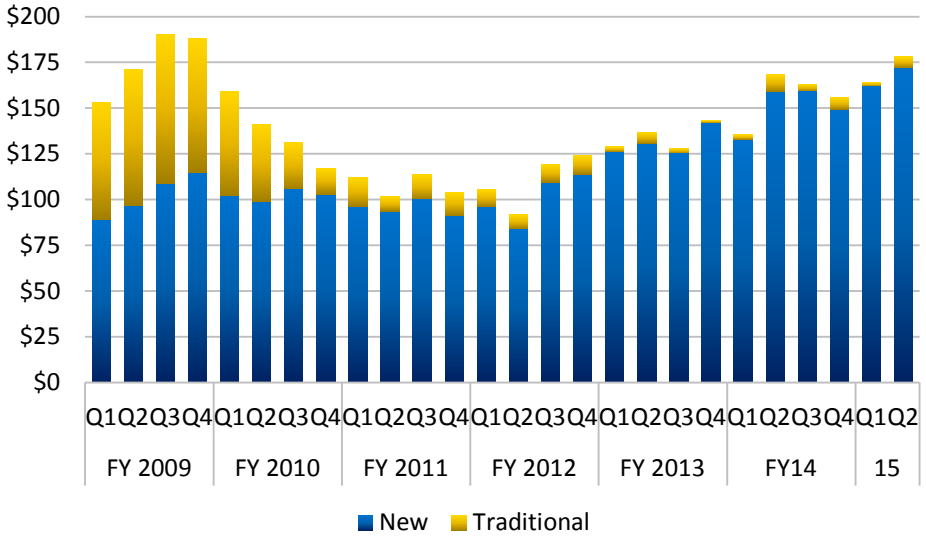
*Prior peak period (FY2009) averaged quarterly revenue of $339M, quarter operating margin of $175.6M at 51.8%*




***Note: Vessel operating margin is defined as vessel revenue less vessel operating expenses***

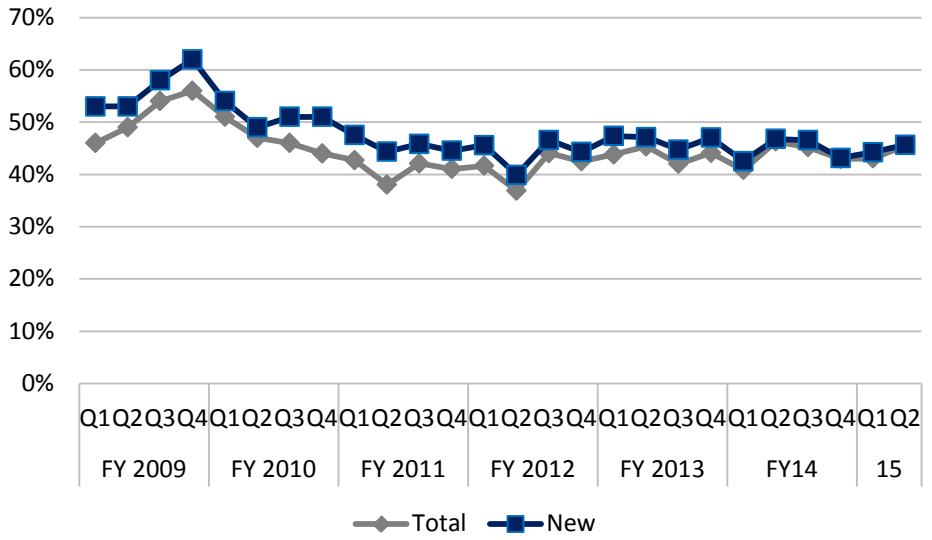
# Cyclical Upturn should Drive Margin Expansion

## Vessel Cash Operating Margin ($)



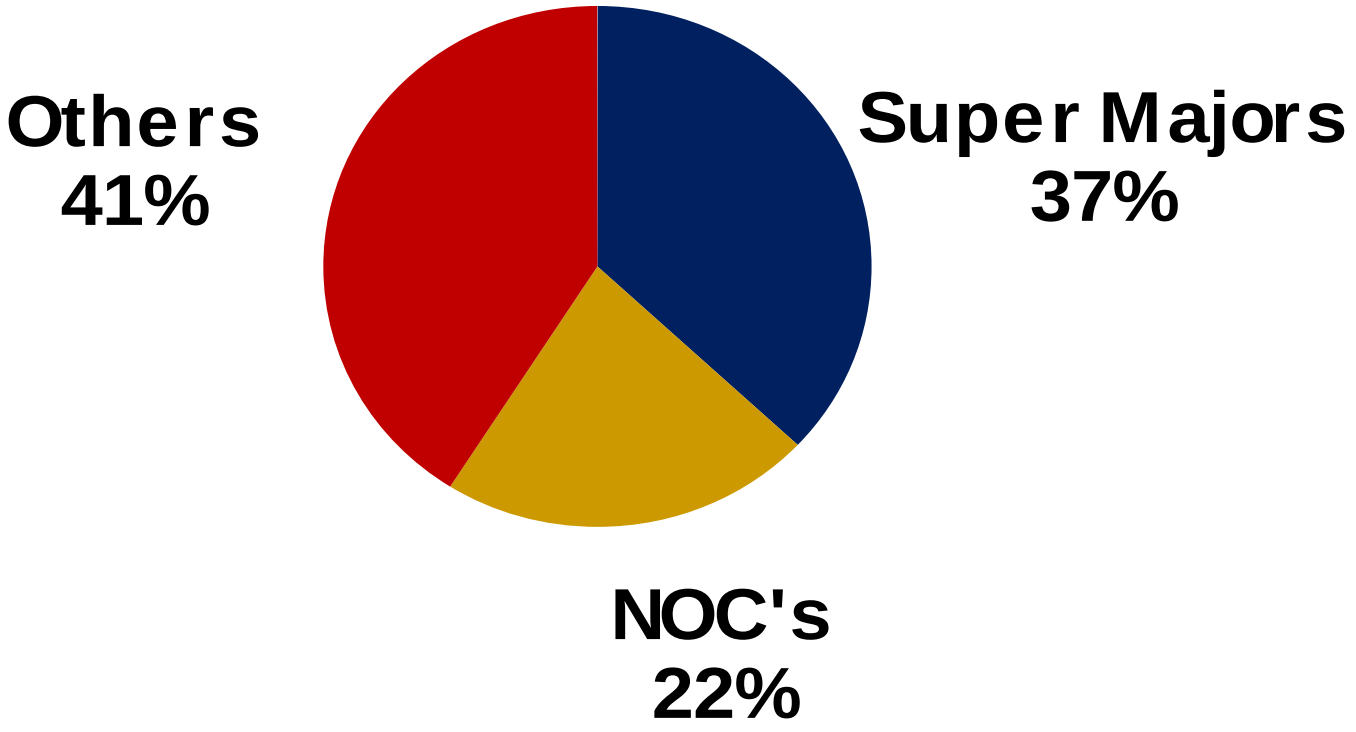

***$178 million Vessel Margin in Q2 FY2015 (97% from New Vessels)***

## Vessel Cash Operating Margin (%)




***Q2 FY2015 Vessel Margin: 46%***

# Current Revenue Mix
## *Quality of Customer Base*




**Our top 10 customers in Fiscal 2014 (4 Super Majors, 4 NOC's, 1 IOC's and 1 independent) accounted for 62% of our revenue**