



U. S. Department of Justice

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**JUSTICE DEPARTMENT APPROVES RESTRUCTURED OFFSHORE OIL  
FIELD SERVICES DEAL IN THE GULF OF MEXICO**

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division today approved a restructured merger between two marine construction companies to benefit customers and preserve competition for offshore oil field services in the United States Gulf of Mexico.

McDermott International Inc. and Offshore Pipelines Inc., the two largest marine construction companies in the Gulf of Mexico, proposed merging their domestic and international marine construction operations. The Department indicated to the parties that the proposal raised serious antitrust concerns in furnishing barge services to lay pipe and providing derrick barge services in the United States Gulf of Mexico, a \$50 million a year business. Because of the Department's concerns, OPI will sell a barge for laying pipe and a derrick barge to independent competitors in the United States Gulf of Mexico, to preserve competition.

Barge services are critical to laying the pipeline and

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erecting drilling structures for offshore oil and gas exploration and production.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "The divestiture by OPI of the pipelay barge and the derrick barge will preserve the competition that would have been lost if the merger had taken place as originally structured. The independent oil companies, major oil companies, and other customers of pipelay and derrick barge services will benefit from the competition that the independent competitors will provide to the merged company."

McDermott and OPI are two of only a few providers of pipelay and derrick barge services for certain water depths, pipe diameters, and tonnage lift capacities. OPI will sell the pipelay barge to Sub Sea International Inc., and the derrick barge to Global Industries Ltd.

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