

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA  
Plaintiff

v.

CAL DIVE INTERNATIONAL, INC.,  
STOLT OFFSHORE S.A.,  
STOLT OFFSHORE, INC., and  
S&H DIVING, LLC,  
Defendants

\* \* \* \* \*

CASE NO. 1:05CV02041

JUDGE: Emmet G. Sullivan

DECK TYPE: Antitrust

FILED: May \_\_, 2006

**TRUSTEE'S SECOND REPORT PURSUANT TO  
FINAL JUDGMENT**

NOW COMES Louis M. Phillips ("*Trustee*"), appointed pursuant to the Final Judgment entered January 12, 2006 (the "*Judgment*"), who submits the following second report, as of May 17, 2006, pursuant to subsection F. of Article V of the Judgment ("*Second Report*").

1.

Trustee was appointed pursuant to an Order of this honorable Court entered on the docket of this proceeding as docket entry 15, on February 17, 2006.

2.

As mentioned in Trustee's prior report, the M/V Seaway Defender is subject to an Agreement of Purchase and Sale, dated March 17, 2006, which agreement has been amended by an Amendment to Agreement to Purchase and Sale, dated April 20, 2006 (collectively the agreement and amendment thereto are referred to as the "*Purchase Agreement*"). The prospective Acquirer has secured dry dock availability for the purpose of conducting the dry dock inspection described within the Purchase Agreement, and has reserved dry docking space commencing on May 22, 2006. The lack of dry docking availability required the prospective acquirer to request and extension of the deadline set forth within the Purchase Agreement for completion of the dry dock inspection, which had been fixed under the Purchase Agreement as May 15, 2006. Trustee, with consent of Cal Dive, has granted an extension of the deadline for completion of the Dry dock inspection until May 26, 2006.

3.

Trustee has obtained specification information from Cal Dive concerning the M/V Midnight Carrier. Trustee and Cal Dive have begun discussions concerning maintenance and/or repair work that may possibly be performed on that vessel prior to marketing. The M/V Midnight Carrier is not being operated by Cal Dive.

4.

This Second Report, submitted pursuant to subsection F. of Article V of the Judgment is submitted as the report covering the period of time between April 17 and May 17, 2006.

5.

The Trustee has had no contact regarding the M/V Seaway Defender or the M/V Midnight Carrier since the last report, except as related herein concerning the extension described herein.

6.

The Purchase Agreement, even after the described extension, provides an expected closing deadline prior to June 15, 2006.

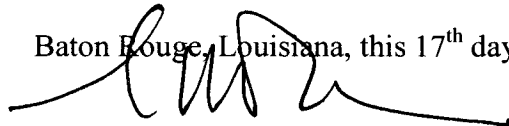
7.

Trustee has maintained all written and e-mail communications concerning efforts to sell the Saturation Diving Assets, and all communications concerning agreements, amendments to agreements and extension of deadlines within agreements.

8.

Prior to submission of this report, Trustee has provided it to the United States and Cal Dive for review.

Baton Rouge, Louisiana, this 17<sup>th</sup> day of May, 2006.

A handwritten signature in black ink, appearing to read 'L. M. Phillips', written over a horizontal line.

Louis M. Phillips, Trustee