SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 - For the Quarterly Period Ended December 31, 1996

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 1-6311

TIDEWATER INC.

(Exact name of registrant as specified in its charter)

DELAWARE	72-0487776
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1440 Canal Street, Suite 2100, New Orleans, Louisiana	70112
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (504) 568-1010

NOT APPLICABLE

Former name, former address and former fiscal year, if changed since last report.

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 of 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.

YES X NO ______

60,578,695 shares of Tidewater Inc. common stock $.10 par value per share were outstanding on January 21, 1997. Registrant has no other class of common stock outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements
TIDEWATER INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

ASSETS	December 31, 1996	March 31, 1996
Current assets:		
Cash, including temporary cash investments	$ 11,286	28,768
Marketable securities	41,687	---
Trade and other receivables	182,958	144,472
Inventories	34,250	31,346
Other current assets	3,430	4,350
Total current assets	273,611	208,936
Investments in, at equity, and advances to unconsolidated companies	20,668	35,861
Properties and equipment:		
Marine equipment	1,269,836	1,210,876
Compression equipment	321,466	324,069
Other	40,455	41,240
	1,631,757	1,576,185
Less accumulated depreciation	939,972	916,412
Net properties and equipment	691,785	659,773
Other assets	71,326	73,630
	$1,057,390	978,200
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	---	2,934
Accounts payable and accrued expenses	82,229	70,546
Accrued property and liability losses	13,168	10,844
Income taxes	3,995	1,356
Total current liabilities	99,392	85,680
Deferred income taxes	91,100	76,579
Accrued property and liability losses	29,306	34,206
Other liabilities and deferred credits	50,727	42,985
Stockholders' equity:		
Common stock of $.10 par value; issued 61,400,819 shares at December and 61,882,695 shares at March	6,140	6,188
Additional paid-in capital	395,119	421,655
Retained earnings	396,876	322,736
	798,135	750,579
Less:		
Cumulative foreign currency translation adjustment	10,312	10,771
Deferred compensation - restricted stock	925	1,058
Unrealized investment loss	33	---
Total stockholders' equity	786,865	738,750
	$1,057,390	978,200

See Notes to Unaudited Condensed Consolidated Financial Statements.

TIDEWATER INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except share and per share data)

	Quarter Ended December 31,		Nine Months Ended December 31,	
	1996	1995	1996	1995
Revenues:				
Marine operations	$ 184,133	135,891	498,463	396,671
Compression operations	28,296	30,536	83,732	85,609
	212,429	166,427	582,195	482,280
Costs and expenses:				
Marine operations	98,290	81,662	286,085	243,480
Compression operations	16,039	16,826	47,552	45,603
Depreciation	20,583	20,247	61,416	61,626
General and administrative	16,313	14,997	47,211	43,752
	151,225	133,732	442,264	394,461
	61,204	32,695	139,931	87,819
Other income (expenses):				
Foreign exchange gain (loss)	71	(374)	(183)	(584)
Gains on sales of assets	961	2,060	2,956	6,612
Equity in net earnings of unconsolidated companies	1,288	1,563	3,707	4,599
Minority interests	(200)	(160)	(540)	(925)
Interest and miscellaneous income	1,410	1,237	3,666	3,119
Interest and other debt costs	(126)	(1,220)	(660)	(5,464)
	3,404	3,106	8,946	7,357
Earnings before income taxes	64,608	35,801	148,877	95,176
Income taxes	21,438	11,614	48,385	31,131
Net earnings	$ 43,170	24,187	100,492	64,045
Primary and fully-diluted earnings per common share:	$ .68	.39	1.60	1.03
Weighted average common shares and equivalents	62,666,040	62,206,632	62,640,730	62,067,291
Cash dividends declared per common share	$ .15	.125	.425	.35

See Notes to Unaudited Condensed Consolidated Financial Statements.

TIDEWATER INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Quarter Ended December 31,		Nine Months Ended December 31,	
	1996	1995	1996	1995
Net cash provided by operating activities	$ 65,498	51,226	154,274	134,861
Cash flows from investing activities:				
Proceeds from sales of assets	3,890	4,154	11,317	15,691
Additions to properties and equipment	(13,085)	(13,022)	(45,536)	(29,513)
Purchases of marketable securities	(35,660)	---	(41,720)	---
Acquisition of joint-venture interest, net of cash acquired	---	---	(3,435)	---
Dividends received from unconsolidated companies, net of additional investments	485	4,428	4,315	8,146
Dividends paid to minority interests	(19)	(99)	(743)	(998)
Other	---	8	---	(377)
Net cash used in investing activities	(44,389)	(4,531)	(75,802)	(7,051)
Cash flows from financing activities:				
Principal payments on long-term debt	---	(49,597)	(43,018)	(114,652)
Purchases of common stock	(28,667)	---	(28,667)	---
Cash dividends paid	(9,306)	(6,667)	(26,352)	(18,654)
Proceeds from issuance of common stock	36	362	2,083	1,380
Other	---	---	---	41
Net cash used in financing activities	(37,937)	(55,902)	(95,954)	(131,885)
Net increase (decrease) in cash, including temporary cash investments	(16,828)	(9,207)	(17,482)	(4,075)
Net increase in cash for Hornbeck Offshore Services for the quarter ended 3/31/95	---	---	---	4,980
Cash, including temporary cash investments at beginning of period	28,114	33,386	28,768	23,274
Cash, including temporary cash investments at end of period	$ 11,286	24,179	11,286	24,179
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Interest	$ 180	1,184	520	5,488
Income taxes	$ 13,470	8,918	30,060	19,795
Supplemental noncash investing activity:				
Joint-venture interest acquired:				
Fair value of assets acquired	$ ---	---	51,305	---
Fair value of liabilities assumed	---	---	(47,870)	---
Net cash payment	$ ---	---	3,435	---

See Notes to Unaudited Condensed Consolidated Financial Statements.

(1) Interim Financial Statements

The consolidated financial information for the interim periods presented herein has not been audited by independent accountants, but in the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the condensed consolidated balance sheets and the condensed consolidated statements of earnings and cash flows at the dates and for the periods indicated have been made. Results of operations for interim periods are not necessarily indicative of results of operations for the respective full years.

(2) Earnings per Share Data

Primary and fully diluted earnings per share data are computed on the weighted average number of shares and dilutive equivalent shares of common stock (stock options and restricted stock grants) outstanding during each period using the treasury stock method.

(3) Income Taxes

Income tax expense for interim periods is based on estimates of the effective tax rate for the entire fiscal year. The effective tax rates were 33% and 32% for the quarter and nine-month period ended December 31, 1996, respectively. For the quarter and nine-month period ended December 31, 1995 the effective tax rates were 32% and 33%, respectively.

(4) Acquisition of Marine Joint-Venture

During fiscal 1997's first quarter the company acquired the remaining 50.1% equity interest in 22 of 29 safety/standby vessels previously owned and operated by joint-venture companies in the North Sea. The acquisition was accounted for as a purchase and accordingly, the fair value of the assets acquired and liabilities assumed and results of operations have been included in the condensed consolidated financial statements effective June 1, 1996.

(5) Share Repurchase Program

During the current quarter the Board of Directors authorized a share repurchase program whereby the company could purchase in the open market or through privately negotiated transactions up to $200 million of company common stock. The program expires when all authorized funds have been expended or on March 31, 1998, whichever occurs earlier. As of December 31, 1996 the company had expended $28.7 million of available cash on the purchase of 641,500 common shares at an average cost, including broker commissions and fees, of $44.74 per share. All common shares purchased as of December 31, 1996 have been canceled.

(6) Contingencies

The Internal Revenue Service has notified the company of proposed deficiencies aggregating approximately $20 million of additional income taxes resulting from audits of the company's 1992 and 1993 tax returns.

The company is the defendant to several alleged labor-law pay violations claimed by certain current and former employees in various areas of the world where its marine vessel operations are conducted. While the amount, if any, of such claims for which the company ultimately may be held liable is not presently determinable, if the claimants and all similarly situated employees and former employees who might file claims were successful, the aggregate amount of the company's liability could approximate $25 million.

The company is in the process of defending against these claims and assessments and, in management's opinion, the ultimate outcome of these matters will not have a material adverse effect on the company's financial position or the results of its ongoing operations.

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders of Tidewater Inc.:

We have reviewed the condensed consolidated balance sheet of Tidewater Inc. and subsidiaries as of December 31, 1996 and the related condensed consolidated statements of earnings and cash flows for the three-month and nine-month periods ended December 31, 1996 and 1995. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Tidewater Inc. and subsidiaries as of March 31, 1996, and the related consolidated statements of earnings, stockholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated April 29, 1996 we expressed an unqualified opinion on those consolidated financial statements. In our opinion the information set forth in the accompanying condensed consolidated balance sheet as of March 31, 1996 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived .

KPMG Peat Marwick LLP

New Orleans, Louisiana
January 20, 1997

MANAGEMENT'S DISCUSSION AND ANALYSIS

The company provides services and equipment to the international energy industry through its marine and compression divisions. Company revenues, net earnings and cash flows from operations are dependent upon activity levels of the marine vessel fleet and the natural gas compression rental fleet. Activity levels for the marine vessel fleet and the natural gas compression rental fleet are ultimately dependent upon oil and natural gas prices which, in turn, are determined by the supply/demand relationship for oil and natural gas. The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and related disclosures.

MARINE DIVISION

The Marine division provides a diverse range of services and equipment to the offshore oil and gas industry. Fleet size, utilization and vessel day rates primarily determine the amount of revenues and operating profit because operating costs and depreciation do not change proportionally with changes in revenues. Operating costs consist primarily of crew costs, repair and maintenance, insurance, fuel, lube and supplies. Fleet size and utilization are the major factors which affect crew costs. The timing and amount of repair and maintenance costs are influenced by vessel age and scheduled drydockings to satisfy safety and inspection requirements mandated by regulatory agencies. Whenever possible, vessel drydockings are done during seasonally slow periods to minimize any impact on vessel operations and are only done if economically justified, given the vessel's age and physical condition. The following tables compare revenues, operating expenses (excluding general and administrative expense and depreciation expense) and operating margins of the Marine division's owned and operated vessel fleet for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996:

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
(in thousands)	1996	1995	1996	1995	1996
Revenues:					
United States	$91,602	62,622	239,025	178,573	79,227
International	84,720	66,600	234,199	196,337	79,126
	176,322	129,222	473,224	374,910	158,353
Expenses:					
Crew costs	46,755	36,512	128,692	108,169	44,053
Repair and maintenance	22,455	19,534	71,916	60,789	22,803
Insurance	8,138	8,552	24,452	25,118	8,383
Fuel, lube and supplies	8,256	6,509	22,989	18,160	7,552
Other	6,144	5,064	16,906	14,251	5,975
	91,748	76,171	264,955	226,487	88,766
Operating margins	$84,574	53,051	208,269	148,423	69,587
Operating margin percentages	48.0%	41.1%	44.0%	39.6%	43.9%

Current quarter and nine-month operating margins grew 59% and 40% above the respective fiscal 1996 amounts. Current quarter operating margins also rose 22% above the preceding quarter's amount. The substantial growth in operating margins in the current quarter and nine-month period compared with the respective fiscal 1996 periods was the result of higher utilization of a larger international-based fleet and significantly higher day rates for the worldwide fleet partially offset by higher operating costs. The growth in operating margins from the preceding quarter to the current quarter resulted from higher utilization of the international-based fleet and higher day rates for the worldwide fleet partially offset by higher crew costs. A larger international-based fleet is due to fiscal 1997's first quarter acquisition of the remaining 50.1% equity interest in several safety/standby vessels previously operated by joint-venture companies in the North Sea. Higher utilization of the international-based fleet in the current quarter and nine-month period compared with the corresponding fiscal 1996 periods and for the current quarter compared with the preceding quarter is due to greater demand for offshore marine services in certain international locations. Higher day rates for the worldwide vessel fleet in the current quarter and nine-month period compared with the corresponding periods of fiscal 1996 and for the current quarter compared with the preceding quarter is the result of a much more favorable supply/demand relationship for offshore marine services. Current quarter and nine-month operating costs were 20% and 17% higher than the respective fiscal 1996 periods and resulted from the expansion of the North Sea fleet, increased costs associated with retaining qualified vessel personnel and attracting and training new vessel personnel and a greater number of vessel drydockings. Crew costs for the current quarter rose above the prior quarter amount due to higher international fleet utilization and higher costs associated with retaining qualified vessel personnel.

Revenues, operating expenses (excluding general and administrative expense and depreciation expense) and operating margins of brokered vessels, shipyard and other activities for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996 were:

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
(In thousands)	1996	1995	1996	1995	1996
Revenues	$ 7,811	6,669	25,239	21,761	9,338
Expenses	6,542	5,491	21,130	16,993	7,813
Margins	$ 1,269	1,178	4,109	4,768	1,525

Marine division operating profit for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996 consist of the following:

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
(In thousands)	1996	1995	1996	1995	1996
Owned and operated vessels:					
United States	$34,943	13,166	77,009	34,460	26,204
International	25,589	17,204	60,633	45,794	18,695
	60,532	30,370	137,642	80,254	44,899
Gains from asset sales	682	2,079	1,559	6,305	161
Brokered vessels, shipyard and other	1,098	1,040	3,494	4,220	1,278
Operating profit	$62,312	33,489	142,695	90,779	46,338

Marine fleet utilization is determined primarily by market conditions and to a lesser extent by drydocking requirements. Utilization of the domestic-based fleet, which operates in U.S. waters, is primarily influenced by offshore activity related to the exploration, development and production of natural gas in the U.S. Gulf of Mexico; whereas, utilization of the international-based fleet, which operates in waters other than the United States, is primarily influenced by offshore activity related to the exploration, development and production of oil.

Marine vessel day rates are determined by the demand created through the level of offshore exploration, development and production spending by energy exploration and production companies relative to the supply of offshore service vessels. Suitability of equipment and the degree of service provided also influence vessel day rates. The following two tables compare day-based Marine fleet utilization percentages and average day rates by vessel class and in total for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996:

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
	1996	1995	1996	1995	1996
UTILIZATION:					
Domestic-based fleet					
Towing-supply/supply	90.0%	89.9	90.5	87.4	90.2
Crew/utility	88.6	83.7	91.2	81.6	94.1
Offshore tugs	62.9	67.5	64.1	59.8	67.0
Other	50.2	51.3	53.4	53.6	61.9
Total	82.4%	83.1	83.7	80.0	85.1
International-based fleet					
Towing-supply/supply	90.9%	85.6	88.8	86.7	88.1
Crew/utility	80.9	81.5	85.4	84.3	85.4
Offshore tugs	79.3	77.4	75.0	73.8	70.3
Safety/standby	83.9	---	81.3	---	78.2
Other	84.4	56.8	78.2	47.5	74.4
Total	86.4%	79.1	84.1	77.8	82.1
Worldwide fleet					
Towing-supply/supply	90.5%	87.6	89.6	87.1	89.1
Crew/utility	85.0	82.8	88.5	82.7	90.1
Offshore tugs	71.8	73.4	70.1	67.6	68.8
Safety/standby	83.9	---	81.3	---	78.2
Other	75.9	55.7	72.4	48.7	71.7
Total	84.7%	80.9	83.9	78.8	83.3
AVERAGE VESSEL DAY RATES:					
Domestic-based fleet					
Towing-supply/supply	$ 5,842	3,610	5,062	3,486	5,049
Crew/utility	1,664	1,344	1,532	1,347	1,512
Offshore tugs	5,651	4,909	5,343	4,878	5,355
Other	3,505	3,155	3,233	3,030	3,050
Total	$ 4,948	3,309	4,351	3,202	4,317
International-based fleet					
Towing-supply/supply	$ 3,965	3,651	3,836	3,655	3,838
Crew/utility	1,916	1,646	1,792	1,766	1,735
Offshore tugs	3,290	2,710	2,977	2,686	2,916
Safety/standby	5,290	---	5,135	---	4,907
Other	705	674	695	706	662
Total	$ 3,296	2,909	3,130	2,972	3,144
Worldwide fleet					
Towing-supply/supply	$ 4,833	3,632	4,400	3,576	4,387
Crew/utility	1,776	1,470	1,648	1,521	1,610
Offshore tugs	4,237	3,538	3,943	3,545	3,971
Safety/standby	5,290	---	5,135	---	4,907
Other	1,168	1,138	1,133	1,226	1,109
Total	$ 3,988	3,090	3,647	3,078	3,639

Additional investment in the vessel fleet for the current nine-month period totaled $32.2 million. Two supply vessels, two offshore tugs, two crewboats and a specialty vessel were added for $16.4 million. The remainder of additions for the current nine-month period of $15.8 million were for additions to and/or modifications of the existing vessel fleet. In fiscal 1997's first quarter the remaining 50.1% equity interest in 22 of 29 safety/standby vessels, previously operated by joint-venture companies in the North Sea, was acquired and increased the size of the international-based fleet. In prior periods these vessels were classified as joint-venture owned. The average size of the domestic-based fleet fell from December 1995 to December 1996 due to vessel sales, the return of previously leased vessels to their owners and the withdrawal of several vessels from active service in fiscal 1997's first quarter because of age and anticipated higher repair and maintenance costs. The following table compares the average number of vessels by class and geographic distribution for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996:

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
	1996	1995	1996	1995	1996
Domestic-based fleet:					
Towing-supply/supply	143	146	140	148	137
Crew/utility	42	49	42	51	42
Offshore tugs	44	40	43	42	43
Other	15	13	14	13	13
Total	244	248	239	254	235
International-based fleet:					
Towing-supply/supply	164	172	167	171	169
Crew/utility	38	36	36	35	36
Offshore tugs	52	57	53	53	53
Safety/standby*	24	---	20	---	26
Other	45	49	47	50	49
Total	323	314	323	309	333
Owned or chartered vessels included in marine revenues	567	562	562	563	568
Vessels withdrawn from active service	21	16	22	16	22
Joint-venture owned vessels	47	76	53	76	47
Total	635	654	637	655	637
Worldwide fleet:					
Towing-supply/supply	350	356	351	357	345
Crew/utility	88	94	88	95	89
Offshore tugs	100	100	102	98	102
Safety/standby*	25	29	25	29	26
Other	72	75	71	76	75
Total	635	654	637	655	637

* Change in number of vessels is the result of the company's acquisition of the remaining 50.1% interest in a North Sea joint venture effective June 1, 1996.

COMPRESSION DIVISION

The Compression division provides natural gas compression services and equipment for a variety of applications primarily in the energy industry. Rental revenues are determined, for the most part, by utilization and fleet size. Utilization is affected by natural gas storage levels and by the number and age of producing oil and natural gas wells which, in turn, are dependent upon the price levels of oil and natural gas. Quality of service, availability and rental rates for equipment are also major

factors which affect utilization. Operating expenses are generally consistent from period-to-period and usually vary in the short-term due to fluctuations in the amount of repair and maintenance expense. Long-term growth in operating expenses will occur primarily as a result of increased fleet size and general inflationary factors. Compression division operating profit is primarily determined by operating margins from rental gas compression operations. The following tables compare revenues, operating expenses (excluding general and administrative expense and depreciation expense), operating margins and related statistics for gas compression operations for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996.

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
(In thousands, except statistics)	1996	1995	1996	1995	1996
Revenues:					
Rentals	$ 18,181	17,756	53,978	54,441	17,995
Repair, service and other	626	1,985	2,601	5,190	677
	18,807	19,741	56,579	59,631	18,672
Expenses:					
Wages and benefits	2,989	2,567	8,962	8,662	3,054
Repairs and maintenance	3,616	3,196	10,099	9,587	3,243
Other	1,804	1,971	5,760	6,101	1,953
	8,409	7,734	24,821	24,350	8,250
Operating margins	$ 10,398	12,007	31,758	35,281	10,422
Operating margin percentages	55.3%	60.8%	56.1%	59.2%	55.8%
Horsepower based statistics:					
Utilization	77.6%	74.3%	76.5%	73.5%	76.3%
Average monthly rental rate	$ 16.73	17.30	16.69	17.67	16.75
Average fleet size	466,084	467,152	468,880	470,581	468,449

Compared to the corresponding quarter and nine-month period of fiscal 1996, fiscal 1997 third quarter and nine-month operating margins fell because the positive effect of higher utilization was entirely offset by lower rental rates and higher repair and maintenance costs. Lower rental rates in the current quarter and nine-month period dropped below the respective prior year levels due to increased competition. Higher repair and maintenance costs in the current quarter and nine-month period compared with the respective fiscal 1996 periods resulted from a greater number of compressor overhauls.

The Compression division also designs, fabricates and installs engineered compressor systems and sells related parts and equipment. The following table compares revenues, costs of sales and sales margins for equipment and parts sales for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996:

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
(In thousands)	1996	1995	1996	1995	1996
Revenues	$ 9,489	10,795	27,153	25,978	7,509
Costs of sales	7,630	9,092	22,731	21,253	6,375
Gross profit margins	$ 1,859	1,703	4,422	4,725	1,134
Gross profit margin percentages	19.6%	15.8%	16.3%	18.2%	15.1%

Fluctuations in the level of equipment and parts sales for the periods presented are due to the timing of sales of engineered products. Fluctuations in gross profit margin percentages are the result of competitive market forces. Costs of sales consist primarily of wages and benefits and material costs associated with the design, fabrication and installation of packaged compressor systems.

Additional investment in the natural gas compression rental fleet for the current year-to-date period was $13.3 million and was primarily for modifications of existing equipment to meet customer requirements. During the first quarter of fiscal 1997 the Compression division disposed of all of its air rental equipment which generated proceeds of $3.5 million and a gain of $.5 million. Revenues from the rental of air equipment for the nine-month period ended December 31, 1996 were $.7 million. Gains from sales of assets for the current quarter were $.3 million. Excluding the sale of air rental equipment gains from sales of assets for the nine-month period ended December 31, 1996 were $.9 million. Gains from sales of assets for the corresponding quarter and nine-month period of fiscal 1996 contributed nominally to division operating profits.

CORPORATE

Financing activities for the current quarter and nine-month period consumed less cash than the corresponding fiscal 1996 periods due to lower principal payments on long-term debt. Principal payments on long-term debt for the nine months ended December 31, 1996 were primarily for the prepayment of the debt assumed in connection with purchase of the remaining equity in certain North Sea joint-venture companies. Lower interest expense in the current quarter and nine-month period compared with the respective fiscal 1996 periods resulted from the fiscal 1996 fourth quarter prepayments of debt assumed in connection with the fiscal 1996 fourth quarter merger with Hornbeck Offshore Services, Inc. During the current quarter the Board of Directors authorized a share repurchase program whereby the company could purchase in the open market or through privately negotiated transactions up to $200 million of company common stock. The program expires when all authorized funds have been expended or on March 31, 1998, whichever occurs earlier. As of December 31, 1996, the company had expended $28.7 million of available cash on the purchase of 641,500 common shares at an average cost, including broker commissions and fees, of $44.74 per share. All common shares purchased as of December 31, 1996 has been canceled.

	Quarter Ended December 31,		Nine Months Ended December 31,		Quarter Ended Sept 30,
(In thousands)	1996	1995	1996	1995	1996
Personnel	$ 9,534	8,464	27,719	25,165	9,384
Office and property	2,830	2,450	8,338	7,290	2,867
Sales and marketing	1,164	918	3,163	2,470	1,066
Professional services	1,305	1,120	3,930	3,182	1,357
Other	1,480	2,045	4,061	5,645	1,149
	$16,313	14,997	47,211	43,752	15,823

The Internal Revenue Service has notified the company of proposed deficiencies aggregating approximately $20 million of additional income taxes resulting from audits of the company's tax returns.

The company is the defendant to several alleged labor-law pay violations claimed by certain current and former employees in various areas of the world where its marine vessel operations are conducted. While the amount, if any, of such claims for which the company ultimately may be held liable is not presently determinable, if the claimants and all similarly situated employees and former employees who might file claims were successful, the aggregate amount of the company's liability could approximate $25 million.

The company is in the process of defending against these claims and assessments and, in management's opinion, the ultimate outcome of these matters will not have a material adverse effect on the company's financial position or the results of its ongoing operations.

General and administrative expenses for the quarters and nine-month periods ended December 31 and for the quarter ended September 30, 1996 consist of the following:

CURRENCY FLUCTUATIONS AND INFLATION

Because of its significant international operations, the company is exposed to currency fluctuations and exchange risks. To minimize the financial impact of these items the company attempts to contract a majority of its services in United States dollars.

Day-to-day operating costs are generally affected by inflation. However, because the energy services industry requires specialized goods and services, general economic inflationary trends may not affect the company's operating costs. The major impact on operating costs is the level of offshore exploration, development and production spending by energy exploration and production companies. As this spending increases, prices of goods and services used by the oil and gas industry and the energy services industry will increase. Future improvements in vessel day rates and compressor rental rates may buffer the company from the inflationary effects on operating costs.

ENVIRONMENTAL MATTERS

During the ordinary course of business the company's operations are subject to a wide variety of environmental laws and regulations. The company attempts to comply with these laws and regulations in order to avoid costly accidents and any related environmental damage.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

A. At page 16 of this report is the index for those exhibits required to be filed as a part of this report.

B. The Company did not file any reports on Form 8-K during the quarter for which this report is filed.

EXHIBIT INDEX

Exhibit Number	
10	Second Amendment to Amended and Restated Revolving Credit and Term Loan Agreement
11	Statement - Computation of Per Share Earnings
27	Financial Data Schedule

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TIDEWATER INC.

(Registrant)

Date: January 21, 1997

/s/ William C. O'Malley

William C. O'Malley
Chairman of the Board, President and
Chief Executive Officer

Date: January 21, 1997

/s/ Ken C. Tamblyn

Ken C. Tamblyn
Executive Vice President and
Chief Financial Officer

EXHIBIT 10

SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT, dated as of December 19, 1996 (this "Amendment"), by and among Tidewater Inc., a Delaware corporation (the "Company"), the Domestic Subsidiaries (as defined in the Credit Agreement) of the Company named on Exhibit "A" attached hereto and made a part hereof, which Domestic Subsidiaries constitute all of the Domestic Subsidiaries of the Company (herein together with the Company called the "Companies"), and First National Bank of Commerce, as administrative agent ("Administrative Agent"), First National Bank of Commerce, The First National Bank of Boston and Texas Commerce Bank National Association, as agents ("Agents"), and First National Bank of Commerce, The First National Bank of Boston, Texas Commerce Bank National Association, AmSouth Bank of Alabama, Whitney National Bank, Hibernia National Bank and Bank One, Louisiana, N.A. (formerly Premier Bank National Association), as lenders (the "Lenders").

RECITALS

A. The Company, the Domestic Subsidiaries, the Administrative Agent, the Agents and the Lenders have executed a Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 29, 1995 (as amended, the "Credit Agreement") relating to a $130,000,000 line of credit expiring on September 30, 1998, after which the line of credit converts to a four-year term loan.

B. The Companies and the Lenders have agreed (i) to increase the line of credit to $162,500,000 and (ii) to modify the basis for determining the Applicable LIBO Rate Margin and Applicable Facility Fee Rate.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and undertakings herein contained, the Companies and Lenders hereby agree as follows:

1. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed hereto in the Credit Agreement.

2. Section 1 (Commitment of Lenders) of the Credit Agreement is hereby amended to read as follows:

> Section 1. Commitment of Lenders. Subject to the terms and conditions hereof, each Lender severally agrees to make a loan to the Companies, on the terms and conditions set forth in this Agreement, in the following aggregate principal amount (the "Commitments"):

Lender	Line of Credit Maximum Commitment
First National Bank of Commerce	$ 29,250,000

The First National Bank of Boston	$ 29,250,000
Texas Commerce Bank National Association	29,250,000
AmSouth Bank of Alabama	22,750,000
Whitney National Bank	19,500,000
Hibernia National Bank	16,250,000
Bank One, Louisiana, N.A.	16,250,000
Total	$162,500,000

3. Section 11.1 (Definitions) of the Credit Agreement is hereby amended (i) to delete the definitions of Credit Rating, (ii) to amend the definitions of Applicable Facility Fee Rate and Applicable LIBO Rate Margin, and (iii) to add definition of Debt to Total Capitalization, as follows:

* * *

"Applicable Facility Fee Rate" shall mean the following per annum facility fee interest rate applicable to the Available Credit from time to time depending on the Debt to Total Capitalization Ratio of the Company:

Level	Applicable Facility Fee Rate
Level I	0.250%
Level II	0.250%
Level III	0.250%
Level IV	0.250%

The Applicable Facility Fee Rate for any fiscal quarter shall be determined by reference to the Debt to Total Capitalization Ratio as of the last day of the second fiscal quarter prior to the quarter for which the Applicable Facility Fee Rate is determined. For example, the Applicable Facility Fee Rate for the fiscal quarter beginning January 1, 1997 shall be determined on the basis of the Debt to Total Capitalization Ratio of the Company as of September 30, 1996.

"Applicable LIBO Rate Margin" shall mean the following per annum interest rate applicable to LIBO Rate Advances from time to time depending on the Debt to Total Capitalization Ratio of the Company:

Level	Applicable LIBO Rate Margin
Level I	0.500%
Level II	0.625%
Level III	0.875%
Level IV	1.125%

The Applicable LIBO Rate Margin for any fiscal quarter shall be determined by reference to the Debt to Total Capitalization Ratio as of the last day of the second fiscal quarter prior to the quarter for which the Applicable LIBO Rate Margin is determined. For example, the Applicable LIBO Rate Margin for the fiscal quarter beginning January 1, 1997 shall be determined on the basis of the Debt to Total Capitalization Ratio of the Company as of September 30, 1996.

*   *   *

"Debt to Total Capitalization Ratio" shall mean the following ratio of (i) Consolidated Debt (defined for these purposes as Current Debt plus Funded Debt and including the face amount of all letters of credit issued for the account of all Companies on a consolidated basis) to (ii) the sum of Consolidated Debt (as defined in clause (i) hereof) plus Consolidated Total Stockholders' Equity (defined for these purposes as to total stockholders' equity of the Company, on a consolidated basis, as shown on the Company's financial statements prepared in accordance with generally accepted accounting principles) determined as of the last day of each fiscal quarter:

Level	Debt to Total Capitalization Ratio
I	Less than 25%
II	25% through 32.49%
III	32.5% through 39.99%
IV	40% and greater

4. Section 6.10 (Investments) of the Credit Agreement is hereby amended to substitute "two years" for "one year" wherever such terms appear therein.

5. The Company certifies and acknowledges to the Lenders as of the date of this Amendment, as follows: (i) all of the representations and warranties contained in Section 5 of the Credit Agreement are true and correct as of the date hereof; (ii) the Companies are in compliance with all the covenants, terms and conditions of the Credit Agreement; and (iii) no Default or Event of Default has occurred or is continuing.

6. Except as otherwise specifically amended hereby, all of the covenants, terms and conditions of the Credit Agreement shall remain in full force and effect.

7. This Amendment may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained in any one counterpart hereof; each counterpart shall be deemed an original, but all of such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

TIDEWATER INC.

By:____
Name: Ken C. Tamblyn
Title: Executive Vice President and Chief Financial Officer

GULF FLEET SUPPLY VESSELS, INC.
HILLIARD OIL & GAS, INC.
JACKSON MARINE CORPORATION
JAVA BOAT CORPORATION
QUALITY SHIPYARDS, INC.
S.O.P., INC.
SEAFARER BOAT CORPORATION
TIDEWATER COMPRESSION SERVICE, INC.
POINT MARINE, INC.
T. BENETEE CORPORATION
TIDEWATER NORTH SEA SAFETY, INC.
TIDEWATER OFFSHORE (GP-1984), INC.
TIDEWATER OFFSHORE SERVICES, INC.
TIDEWATER MARINE, INC.
TIDEWATER MARINE ALASKA, INC.
TIDEWATER MARINE ATLANTIC, INC.
TIDEWATER MARINE SERVICE, INC.
TIDEWATER MARINE WESTERN, INC.
TIDEWATER SERVICES, INC.
TT BOAT CORPORATION
TWENTY GRAND MARINE SERVICE, INC.
TWENTY GRAND OFFSHORE, INC.
ZAPATA GULF MARINE CORPORATION
ZAPATA GULF MARINE OPERATORS, INC.
ZAPATA GULF PACIFIC, INC.

By:____
Name: Ken C. Tamblyn
Title: Authorized Officer

FIRST NATIONAL BANK OF COMMERCE,
as Administrative Agent, Agent and Lender

By:____
Name: J. Charles Freel, Jr.
Title: Vice President

THE FIRST NATIONAL BANK OF BOSTON,
as Agent and Lender

By:____
Name: Daniel O'Connor
Title: Director

TEXAS COMMERCE BANK NATIONAL
ASSOCIATION, as Agent and Lender

By:____
Name: Mona Foch
Title: Vice President

AMSOUTH BANK OF ALABAMA, as Lender

By:____
Name: Andrew W. Braswell
Title: Assistant Vice President

WHITNEY NATIONAL BANK, as Lender

By:____
Name: Donald J. Zornman
Title: Vice President

HIBERNIA NATIONAL BANK, as Lender

By:____
Name: Bruce L. Ross
Title: Vice President

BANK ONE, LOUISIANA, N.A.,
as Lender

By:____
Name: Emile J. Dumesnil
Title: Vice President

EXHIBIT A

LIST OF DOMESTIC SUBSIDIARIES

Name	State of Incorporation
Gulf Fleet Supply Vessels, Inc.	Louisiana
Hilliard Oil & Gas, Inc.	Nevada
Jackson Marine Corporation	Delaware
Java Boat Corporation	Louisiana
Quality Shipyards, Inc.	Louisiana
S.O.P., Inc.	Louisiana
Seafarer Boat Corporation	Louisiana
Tidewater Compression Service, Inc.	Texas
Point Marine, Inc.	Louisiana
T. Benetee Corporation	Delaware
Tidewater North Sea Safety, Inc.	Delaware
Tidewater Offshore (GP-1984), Inc.	Delaware
Tidewater Offshore Services, Inc.	Delaware
Tidewater Marine, Inc.	Louisiana
Tidewater Marine Alaska, Inc.	Alaska
Tidewater Marine Atlantic, Inc.	Delaware
Tidewater Marine Service, Inc.	Louisiana
Tidewater Marine Western, Inc.	Texas
Tidewater Services, Inc.	Louisiana
TT Boat Corporation	Louisiana
Twenty Grand Marine Service, Inc.	Louisiana
Twenty Grand Offshore, Inc.	Louisiana
Zapata Gulf Marine Corporation	Delaware
Zapata Gulf Marine Operators, Inc.	Delaware
Zapata Gulf Pacific, Inc.	Delaware

TIDEWATER INC.
COMPUTATION OF EARNINGS AND SHARES USED IN ARRIVING AT
PRIMARY AND FULLY-DILUTED EARNINGS PER SHARE FOR THE
QUARTER AND NINE-MONTH PERIOD ENDED DECEMBER 31, 1996

	Quarter Ended December 31, 1996	Nine Months Ended December 31, 1996
Net earnings (in thousands)	$ 43,170	$ 100,492
Computation of weighted average number of shares outstanding:		
Issued: 61,400,819		
Weighted average shares outstanding	61,951,401	61,970,101
Plus incremental shares applicable to stock options	714,639	670,629
Weighted average common shares and equivalents	62,666,040	62,640,730
Primary and fully diluted earnings per common share	$ .68	$ 1.60

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONDENSED CONSOLIDATED BALANCE SHEET AND THE CONDENSED CONSOLIDATED STATEMENTS
OF EARNINGS AT THE DATE AND FOR THE PERIOD INDICATED AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS. ALL AMOUNTS SHOWN ARE IN
THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA.

1,000

9-MOS
MAR-31-1997
APR-01-1996
DEC-31-1996
11,286
41,687
190,808
7,850
34,250
273,611
1,631,757
939,972
1,057,390
99,392
0
6,140
0
0
780,725
1,057,390
582,195
582,195
442,264
442,264
0
0
660
148,877
48,385
100,492
0
0
0
100,492
1.60
1.60