SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED] - For the Fiscal Year Ended MARCH 31, 1996

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] - 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 No.)
1440 CANAL STREET, NEW ORLEANS, LOUISIANA	70112
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (504) 568-1010

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 $0.10	New York Stock Exchange, Pacific Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange, Pacific Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

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 for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days. Yes X 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.

As of May 2, 1996, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately $2,360,936,025.

61,919,754 shares of Tidewater Inc. common stock $0.10 par value per share were outstanding on May 2, 1996. Registrant has no other class of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for Registrant's 1996 Annual Meeting of Stockholders are incorporated into Part III of this report.

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PART III

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PART I

ITEMS 1 AND 2. BUSINESS AND PROPERTIES

GENERAL

Tidewater Inc. (the "company") was incorporated in Delaware in 1956. The company's principal executive offices are located at 1440 Canal Street, New Orleans, Louisiana 70112, and its telephone number is (504) 568-1010. Unless otherwise required by the context, the term "company" as used herein refers to Tidewater Inc. and its consolidated subsidiaries.

The company's two principal divisions are Tidewater Marine and Tidewater Compression. Tidewater Marine provides support services to the international offshore petroleum industry. Tidewater Compression provides natural gas and air compression equipment and services, primarily to the energy industry.

Information concerning revenues, operating profits and assets for each of the company's divisions and the geographic distribution of its operations is set forth in Item 7 of this report.

TIDEWATER MARINE

Tidewater Marine is the world's largest provider of offshore supply vessels and marine support services. With a fleet of approximately 650 vessels, Tidewater Marine operates, and has a leading market share, in most of the world's significant oil and gas exploration and production markets. Tidewater Marine provides services supporting all phases of offshore exploration, development and production, including: towing of and anchor-handling of mobile drilling rigs and equipment; transporting supplies and personnel necessary to sustain drilling, workover and production activities; and supporting pipelaying and other offshore construction activities.

The company's fleet is deployed in the major offshore oil and gas areas of the world. The principal areas of the company's operations include the U.S. Gulf of Mexico, areas offshore Australia, Brazil, Egypt, India, Indonesia, Malaysia, Mexico, Trinidad, Venezuela and West Africa and in the North Sea and the Persian Gulf. The company conducts its operations through wholly-owned subsidiaries and joint ventures. For information concerning revenues derived from domestic and international marine operations, see "Marine Division" in Item 7 of this report.

MARINE SERVICES EQUIPMENT. The company's vessels regularly and routinely move from one operating area to another, often to and from offshore operating areas of different continents. Tables comparing the average number of vessels in the company's marine fleet by class and geographic distribution appear under "Marine Division" in Item 7 of this report.

The company's largest class of vessels consists of towing-supply and supply vessels that are chartered to customers for use in transporting supplies and equipment from shore bases to offshore drilling rigs, platforms and other installations. In addition, vessels of the towing-supply class are equipped for and are capable of towing drilling rigs and other marine equipment and setting anchors for positioning and mooring drilling rigs.

The company's other classes of vessels include crew and utility vessels that are chartered to customers for use in transporting supplies and personnel from shore bases to offshore drilling rigs, platforms and other installations, and offshore tugs that tow floating drilling rigs, dock tankers, tow barges, assist pipelaying and construction barges and are used in a variety of other commercial towing operations, including towing barges carrying a variety of bulk cargoes and containerized cargo.

The company's vessels also include inshore tugs and both inshore and offshore barges, production, line-handling and various special purpose vessels. Inshore tugs, which are operated principally within inland waters, tow drilling rigs to and from their locations, and tow barges carrying equipment and materials for use principally in inland water drilling and production operations. Barges are either used in conjunction with company tugs or are bareboat chartered to others.

Information concerning the average age of the company's Marine vessel fleet is set forth in Item 7 of this report.

In March 1996 the company acquired a fleet of 61 vessels owned and operated by Hornbeck Offshore Services, Inc. ("Hornbeck") and it also acquired Hornbeck's 49.9% interest in 29 safety/standby vessels operating in the North Sea. In fiscal 1996 the company also acquired 28 used vessels, consisting of eight towing-supply and supply vessels, eight offshore tugs, 11 crewboats and one utility vessel. Information concerning the Hornbeck acquisition appears in Note 2 of Notes to Consolidated Financial Statements included in this report.

CONTRIBUTIONS OF MAIN CLASSES OF VESSELS. Of the company's revenues from marine vessel equipment operations, the following percentages were contributed by the main classes of vessels:

	YEAR ENDED MARCH 31,		
	1996	1995	1994
Towing-supply/Supply	72.8%	70.9%	70.2%
Offshore Tugs	16.6%	17.0%	17.8%
Crew/Utility	7.8%	8.6%	8.2%
Other	2.8%	3.5%	3.8%

SHIPYARDS. Quality Shipyards, Inc., a wholly-owned subsidiary of the company, operates two shipyards in Houma, Louisiana, which build, repair, modify and drydock vessels. Approximately 62% of the shipyards' business for the year ended March 31, 1996 related to repairs, modifications and drydockings of the company's vessels.

RISKS OF OPERATION AND INSURANCE. The operation of any marine equipment involves an inherent risk of catastrophic marine disaster, adverse weather conditions, mechanical failure, collisions, property losses to the vessel and business interruption due to political action in countries other than the United States. Any such event may result in a reduction in revenues or increased costs. The company's vessels are insured for their estimated market value against damage or loss, including war and pollution risks. The company also carries workers compensation, maritime employer's liability, general liability (including third party pollution) and other insurance customary in the industry.

The company's international marine equipment operations are subject to the usual risks inherent in doing business in countries other than the United States. Such risks include political changes, possible vessel seizure, company nationalization or other governmental actions, currency restrictions and revaluations, and import/export restrictions, all of which are beyond the control of the company. Although it is impossible to predict the likelihood of such occurrences or their effect on the company, the company believes these risks to be within acceptable limits and, in view of the mobile nature of the company's principal revenue producing assets, does not consider them to constitute a factor materially adverse to the conduct of its international marine equipment operations as a whole.

INDUSTRY CONDITIONS AND COMPETITION. Tidewater Marine's operations are materially dependent upon the levels of activity in offshore oil and natural gas exploration, development and production throughout the world. Such activity levels are affected both by short-term and long-term trends in world oil and natural gas prices. In recent years, oil and natural gas prices and, therefore, the level of offshore drilling and

exploration activity, have been extremely volatile. A discussion of current market conditions appears under "Marine Division" in Item 7 of this report.

COMPETITION AND CUSTOMERS. The principal competitive factors for the offshore vessel service industry are suitability and availability of equipment, price and service. The company has numerous competitors in virtually all areas in which it operates. Certain customers of the company own and operate vessels to service certain of their offshore activities.

Tidewater Marine's diverse, mobile asset base and geographic distribution allow it to respond quickly to market conditions and provide a full range of vessel services to its customers throughout the world. Management believes that the company has a significant competitive advantage because of the size, diversity and geographic distribution of its fleet, the company's financial strength and economies of scale.

Although one customer accounted for 12% and the five largest customers accounted for approximately 32% of its marine revenues during the year ended March 31, 1996, the company does not consider its marine operations dependent on any single customer.

GOVERNMENT REGULATIONS. The company's vessels are subject to various statutes and regulations governing their operation and maintenance.

Under the Merchant Marine Act of 1936 and the Shipping Act, 1916, the company would lose the privilege of engaging in U.S. coastwise trades if more than 25% of the company's outstanding stock was owned by non-U.S. citizens. The company has a dual stock certificate system to prevent non-U.S. citizens from owning more than 25% of its common stock. In addition, the company's charter permits the company certain remedies with respect to any transfer or purported transfer of shares of the company's common stock that would result in the ownership by non-U.S. citizens of more than 24% of its common stock. Based on information supplied to the company by its transfer agent, approximately 5.6% of the company's outstanding common stock was owned by non-citizens as of March 31, 1996.

At March 31, 1996, 194 vessels wholly owned by the company were registered under flags other than the United States. In addition, all of the company's 76 joint venture owned vessels were registered under non-U.S. flags at March 31, 1996. The laws of the United States provide that once a vessel is registered under a flag other than the United States, it cannot thereafter engage in U.S. coastwise trade. Therefore, the company's non-U.S. flag vessels must continue to be operated abroad, and if the company were not able to secure charters abroad for them, and work would otherwise have been available for them in the United States, its operations would be adversely affected.

All of the company's offshore vessels are subject to international safety and classification standards. U.S. flag towing-supply and supply vessels are required to undergo periodic inspections and to be recertified under drydock examination at least twice every five years. Non-U.S. flag vessels are also subject to various similar regulations.

TIDEWATER COMPRESSION

Tidewater Compression provides natural gas and air compression equipment and services to the energy industry, primarily in the United States.

GAS COMPRESSION RENTALS. The company rents natural gas compressors to oil and gas producers and processors. With a fleet of approximately 2,800 compressors, Tidewater Compression operates one of the largest rental fleets of gas compressors in the United States. The compressors are used primarily to boost the pressure of natural gas from the wellhead into gas gathering systems, into nearby gas processing plants, or into high pressure pipelines. Gas compression equipment and services offered by

the company also are used in the production of coalbed methane and in enhanced recovery projects such as fire-flooding, gas lift, or gas injection, with the objective of increasing the amount of oil or condensate that can be recovered from a reservoir. Customers often rent compressors rather than purchase them because the required compressor horsepower and stage configuration can change several times in the lifetime of a project. The primary market served is natural gas production activities in the United States, although the company has modest operations in Argentina, Venezuela and Canada. A table setting forth utilization, rental rates and fleet size of the Tidewater Compression gas rental fleet appears in "Compression Division" in Item 7 of this report.

EQUIPMENT AND PARTS SALES. Tidewater Compression's Tide Air & Gas division sells air and natural gas compressor packages and other related equipment to domestic and international engineering contractors, oil and gas producers and to manufacturers and other concerns. The equipment consists of skid mounted compressors designed to meet complex specifications for specialized applications. The gas compression equipment is used to facilitate the production, transportation and storage of natural gas as well as boosting fuel gas pressure for electrical power generation. The air compression equipment is used to operate machinery, for instrumentation and in manufacturing processes. The company's compression operations include an engineering and fabrication facility at which the company designs and constructs air and gas compression packages.

DISTRIBUTORSHIPS. The company holds distributorships for various manufacturers of air and gas compressors, related equipment and a wide range of accessories. These manufacturers are the source for equipment and accessories sold by the company.

INDUSTRY CONDITIONS. In addition to well age and natural gas consumption, a structural shift in U.S. oil and gas industry operations is affecting demand for natural gas compression package rentals. Many of the major oil companies have directed their focus toward international operations and away from domestic natural gas reserves. Accordingly, these companies recently have been selling their domestic natural gas reserves and minimizing staff in domestic operations. As a result, demand for rental packages of natural gas compressors is expected to increase as buyers of natural gas reserves or producers with reduced staffs are less likely to own and operate natural gas compressor packages and more likely to rent natural gas compressor packages to meet their natural gas compression needs.

COMPETITION AND CUSTOMERS. The compression equipment market is highly competitive, with the principal competitive factors being price, service and availability. The company competes with a large number of companies in each area in which it operates.

Although one customer accounted for 5% and the five largest customers accounted for approximately 20% of its compression revenues during the year ended March 31, 1996, the company does not consider itself dependent on any one customer.

INTERNATIONAL OPERATIONS. While most of Tidewater Compression's operations are domestic, the company sells and rents natural gas compressor packages and parts in Canada and rents natural gas compressors in Argentina and Venezuela. The Tide Air & Gas division's air and gas compression packages are sold to customers throughout the world.

SEASONALITY

Tidewater Marine generally has its highest utilization rates in the warmer temperature months when the weather is more favorable for offshore exploration, development and construction work. Tidewater Compression generally has its best results in the winter months when natural gas is in greater demand. However, business volume for both Tidewater Marine and Tidewater Compression is more dependent on

oil and gas prices and the global supply and demand conditions for the company's services than any seasonal variation.

ENVIRONMENTAL COMPLIANCE

Compliance with existing governmental regulations which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, does not have, nor is expected to have, a material effect on the company.

EMPLOYEES

As of March 31, 1996, the company had approximately 7,300 employees. The company considers relations with employees to be satisfactory. The company is not a party to any union contract in the United States but through several subsidiaries is a party to union agreements covering local nationals in several countries other than the United States.

ITEM 3. LEGAL PROCEEDINGS

The company is not a party to any litigation which, in the opinion of management, is likely to have a material adverse effect on the company's financial position or results of operations.

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

There were no matters submitted to a vote of security holders during the fourth quarter of fiscal 1996.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the company are as follows:

NAME	AGE	POSITION
William C. O'Malley ..	59	Chairman, President and Chief Executive Officer since October, 1994. Chairman of the Board from 1987 to 1994 and Chief Executive Officer from 1990 to 1994 of Sonat Offshore Drilling, Inc. Employed 1994.
Richard M. Currence ..	57	Executive Vice President since 1992. Senior Vice President from 1986 to 1992. Employed 1966 with a break in service from 1973 to 1985.
Ken C. Tamblyn	52	Executive Vice President since 1992. Senior Vice President from 1986 to 1992. Employed 1986.
Cliffe F. Laborde	44	Senior Vice President and General Counsel since 1992. Employed 1992. Shareholder in Gelpi, Sullivan, Carroll & Laborde, a professional law corporation, from 1979 to 1992.
Stephen A. Snider	48	Senior Vice President since 1991. Employed 1975 with a break in service from 1983 to 1991 during which Mr. Snider owned and operated Learning Associates, Inc.

There are no family relationships between the officers of the company. The company's officers are elected annually by the Board of Directors and serve for one-year terms or until their successors are elected.

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

The company's common stock is traded on the New York Stock Exchange and the Pacific Stock Exchange under the symbol TDW. At March 31, 1996, there were approximately 2,324 record holders of the company's common stock, based upon the record holder list maintained by the company's stock transfer agent. The following table sets forth the high and low closing sales price of the company's common stock as reported on the New York Stock Exchange Composite Tape and the amount of cash dividends per share declared on the Tidewater common stock, excluding common shares issued as a result of the Hornbeck merger for the periods indicated.

FISCAL YEAR	QUARTER	HIGH	LOW	DIVIDEND
1996	First	$26-1/4	$19-3/4	$0.10
	Second	29-1/2	23-1/4	0.125
	Third	31-5/8	24-5/8	0.125
	Fourth	39-3/8	29-3/8	0.125
1995	First	23-1/4	19-1/4	0.10
	Second	24-7/8	21-1/4	0.10
	Third	23-3/8	18-1/4	0.10
	Fourth	20-3/8	16-3/4	0.10

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth a summary of selected financial data for each of the last five fiscal years. This information has been restated as a result of the merger with Hornbeck Offshore Services, Inc., which has been accounted for as a pooling-of-interests, and 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 this report.

Years Ended March 31
(in thousands, except ratio and per share amounts)

	1996(6)	1995(5)	1994	1993	1992
Revenues:					
Marine operations	$532,202	501,118	513,892	431,874	451,100
Compression operations	111,245	83,490	55,471	62,099	54,561
	$643,447	584,608	569,363	493,973	505,661
Earnings from continuing operations	$ 76,177	51,187	44,660	27,890	27,821
Discontinued operations (1)	--	--	--	3,099	357
Extraordinary loss on early debt retirement (2)	--	--	(12,250)	--	--
Accounting change (3)	--	--	--	(6,640)	--
Net earnings	$ 76,177	51,187	32,410	24,349	28,178
Per common share:					
Earnings from continuing operations	$1.23	.83	.73	.48	.47
Discontinued operations (1)	--	--	--	.05	.01
Extraordinary loss on early debt retirement (2)	--	--	(.20)	--	--
Accounting change (3)	--	--	--	(.11)	--
Net earnings	$ 1.23	.83	.53	.42	.48
Total assets	$978,200	1,045,658	929,324	910,341	928,765
Long-term debt	$ --	121,023	7,833	110,381	137,559
Working capital	$123,256	114,440	197,113	208,006	181,366
Current ratio	2.44	2.05	2.44	3.08	2.46
Cash dividends declared per common share (4)	$ .475	.40	.30	.325	--

(1) In fiscal 1993 the company disposed of its interest in a container shipping business acquired in fiscal 1992 through the merger with Zapata Gulf Marine Corporation.

(2) Fiscal 1994 charge results from the early retirement of notes and debentures totaling $103,800,000.

(3) Fiscal 1993 charge results from the adoption of Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions."

(4) Cash dividends declared per common share reflect Tidewater cash dividends, excluding the common shares issued as a result of the Hornbeck merger. As a result of the timing of the fiscal 1994 Board of Directors meetings, only three quarterly dividends of $.10 per common share each were declared during fiscal 1994.

(5) See Note 11 of Notes to Consolidated Financial Statements for further information concerning a $5.9 million pre-tax charge to earnings for the cost of a restructuring program during fiscal 1995.

(6) See Notes 2 and 8 of Notes to Consolidated Financial Statements for further information concerning pre-tax merger expenses of $9.6 million and a $3.0 million pre-tax charge for curtailment of the company's pension plan.

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

BUSINESS OVERVIEW

On March 13, 1996 Tidewater Inc. broadened its base of operations and its ability to serve its customers by merging with Hornbeck Offshore Services, Inc. (Hornbeck). Prior to the merger Hornbeck's fleet consisted of 61 supply and towing-supply vessels operating in the U.S. Gulf of Mexico and a 49.9% interest in 29 safety/standby vessels operating in the North Sea. The merger was accounted for as a pooling-of-interests and, accordingly, the consolidated financial statements and the related disclosures and the selected financial data have been restated for all periods to include the accounts and results of operations of Hornbeck. After-tax merger costs of $7.8 million, or $.12 per common share, reduced fiscal 1996 net earnings and consisted of legal, accounting and investment banking fees, payments under severance and employment agreements, and a provision for certain other costs related to the business combination.

Fiscal 1996 operating performance was significantly better than in prior years due to more favorable market conditions for offshore marine services and a full years' impact of an expanded natural gas compressor rental fleet. Net earnings grew 49% above the prior year level after allowing for unusual items in both fiscal 1996 and fiscal 1995. Fiscal 1996 unusual items consisted of after-tax merger costs of $7.8 million discussed above, and an after-tax charge of $2.0 million, or $.03 per common share, for the curtailment of the company's pension plan. Fiscal 1995 unusual items consisted of an after-tax restructuring charge of $3.7 million, or $.06 per common share, and an after-tax charge of $1.6 million, or $.02 per common share, for reserves to cover possible losses due to the potential insolvency of certain of the company's insurers. Demand for the services provided by the company's marine division remains strong and recent improvements in the pricing of natural gas should have a positive impact on the company's natural gas compression operations.

LIQUIDITY AND CAPITAL RESOURCES

Cash from operations continued to grow as the $174.2 million generated in fiscal 1996 surpassed the amounts for the two prior fiscal years. The amount of cash generated from operations is dependent upon utilization and day rate levels of the company's marine vessel fleet and natural gas compressor rental fleet.

The amount of cash consumed in investing activities for any given period is principally determined by additions to properties and equipment and proceeds from the sales of assets. The following tables provide a breakdown by division of these two items for the years ended March 31:

	(in thousands) 1996	1995	1994
ADDITIONS TO PROPERTIES AND EQUIPMENT:			
Marine	$40,994	99,893	35,778
Compression	5,108	254,505	20,545
General corporate	14	327	380
	$46,116	354,725	56,703
PROCEEDS FROM SALES OF ASSETS:			
Marine	$12,435	22,152	9,407
Compression	5,609	4,358	3,376

	$18,044	26,510	12,783

In fiscal 1996 the marine division acquired 28 used vessels for $28.7 million consisting of eight towing-supply and supply vessels, eight offshore tugs, 11 crewboats and a utility vessel. Fiscal 1995 marine additions include the purchase of 23 offshore supply vessels, two offshore tugs and a crewboat

for $64.3 million. Nineteen and ten of the vessels purchased in fiscal 1996 and fiscal 1995, respectively, were previously operated by the company under various long-term lease agreements. The remainder of marine additions for these two fiscal years were for modifications to the existing vessel fleet. Fiscal 1995 compression additions include the acquisition of the natural gas compression assets of Halliburton Company for $205 million and the assets of Brazos Gas Compressing Company for $35 million. The remainder of compression additions in fiscal 1995 and for fiscal 1996 were for modifications to the existing natural gas compressor rental fleet.

Cash consumed in fiscal 1996 financing activities was primarily for the repayment of the March 31, 1995 debt balance of $112 million remaining, from the $150 million borrowed during fiscal 1995, to finance the Halliburton Compression acquisition. Temporary borrowings of $13.4 million to finance the purchase of several vessels previously leased to the company was also repaid in fiscal 1996. Fiscal 1995 principal payments on long-term debt include $38 million of payments on the Halliburton Compression acquisition debt and $46.0 million to retire early the 7% convertible subordinated debentures.

During the fourth quarter of fiscal 1996 the company recorded as "other expense" a $3.0 million pre-tax charge as a result of the removal of Marine fleet and Compression field service personnel from the company's U.S. defined benefit pension plan. Beginning April 1, 1996 these Marine and Compression employees, along with all new employees of the company who are eligible for pension plan membership, will be enrolled in a new defined contribution retirement plan.

The Financial Accounting Standards Board (the FASB) issued Statement of Financial Accounting Standards (SFAS) No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". This statement is effective for fiscal years beginning after December 15, 1995. Management does not believe that this pronouncement will have a material impact on its fiscal 1997 consolidated financial statements.

The FASB also issued SFAS No. 123 "Accounting for Stock-Based Compensation" effective also for fiscal years beginning after December 15, 1995. SFAS No. 123 encourages, but does not require, companies to measure stock-based compensation cost using a fair value method, rather than the intrinsic value method prescribed by Accounting Principles Board (APB) Opinion No. 25. Companies choosing to continue to measure stock-based compensation using the intrinsic value method must disclose on a pro forma basis net earnings and net earnings per share as if the fair value method were used. Management is currently evaluating the requirements of SFAS No. 123.

RESULTS OF OPERATIONS

Revenues, operating profits and certain other information by division for the years ended March 31 are:

(in thousands)

	1996	1995	1994
Revenue (A):			
Marine (B)	$532,202	501,118	513,892
Compression	111,245	83,490	55,471
	$643,447	584,608	569,363
Operating profit:			
Marine (B)	$118,909	83,683	78,048
Compression	14,565	14,436	6,895
Other income	5,436	5,589	4,538
Other expense	(12,600)	(8,350)	---
General corporate expenses	(9.541)	(10,285)	(10,806)
Interest expense	(5,882)	(5,608)	(9,262)
Earnings before income taxes	$110,887	79,465	69,413
Identifiable assets:			
Marine:			
United States	$349,554	356,593	375,255
International (B)	269,704	314,532	327,975
	619,258	671,125	703,230

Compression	275,454	308,339	68,285
Total operating divisions	894,712	979,464	771,515
Investments in and advances to unconsolidated Marine companies	35,861	38,378	37,066
Corporate	47,627	27,816	120,743
Total	$978,200	1,045,658	929,324
Depreciation (C):			
Marine	$54,961	77,003	79,627
Compression	27,069	15,472	9,144
Total operating divisions	82,030	92,475	88,771
Corporate	400	390	165
Total	$82,430	92,865	88,936

(A) For fiscal 1996 and fiscal 1995 one Marine customer accounted for approximately 10% of consolidated revenues.

(B) Marine equipment operations are conducted worldwide with assets that are highly mobile. Revenues and identifiable assets attributable to these operations in any one country are not "significant" as that term is defined by SFAS No. 14. Further, most identifiable assets in each country are comprised of offshore service vessels, which regularly and routinely move from one operating area to another, often to and from offshore operating areas of different continents. Equity in net assets of non-U.S. subsidiaries is $148,045,000, $164,175,000 and $192,038,000 at March 31, 1996, 1995 and 1994, respectively. Other international identifiable assets include accounts receivable and other balances denominated in currencies other than the U.S. dollar which aggregate approximately $8,520,000, 7,062,000 and $7,295,000 at March 31, 1996, 1995 and 1994, respectively. These amounts are subject to the usual risks of fluctuating exchange rates and government-imposed exchange controls.

(C) See Note 1 of Notes to Consolidated Financial Statements for a discussion of depreciation policy changes affecting fiscal 1995 and 1996.

Fiscal 1996 pre-tax earnings rose 40% above prior year levels due to higher Marine operating profits partially offset by higher other expense. Fiscal 1996 other expense of $12.6 million consisted of $9.6 million of costs resulting from the merger with Hornbeck Offshore Services, Inc. and a $3.0 million charge for the curtailment of the company's defined benefit pension plan. Fiscal 1995 other expense of $8.4 million consisted of a $5.9 million restructuring charge and a $2.5 million charge for possible insurance losses. Please see Notes 2, 8 and 11 of Notes to Consolidated Financial Statements for further discussion of these items. Increased Marine operating profits are the result of higher utilization and day rates for the vessel fleet compared to fiscal 1995, the net positive effect of lower depreciation expense due to the increase in vessel useful lives effective April 1, 1995 and lower general and administrative expense resulting from the fiscal 1995 fourth quarter restructuring of worldwide Marine operations. Please see Note 1 of Notes to Consolidated Financial Statements for further discussion of the change in vessel useful lives.

Higher Compression revenues and operating profits resulting from the substantial expansion of the natural gas compressor rental fleet during the second half of fiscal 1995 and higher Marine operating profits were the principal factors which were responsible for the growth in fiscal 1995 consolidated revenues and pre-tax earnings above fiscal 1994 levels. Higher Marine operating profits in fiscal 1995 were the result of higher gains on sales of assets and shipyard profits partially offset by lower operating profits for a smaller international-based vessel fleet. Shipyard profits rose substantially above fiscal 1994 levels due to the construction of vessels for third-parties. Fiscal 1995 pre-tax earnings were reduced by $8.4 million of other expense which consisted of a $5.9 million charge resulting from the restructuring of worldwide marine operations and the company's headquarters office and a $2.5 million provision for possible losses due to the potential insolvency of certain of the company's insurers. During fiscal 1995, the estimated salvage value used to determine depreciation expense for natural gas compressors was increased. Please see Note 1 of Notes to Consolidated Financial Statements for further discussion of this matter.

Fiscal 1994 consolidated revenues and pre-tax earnings rose above prior year levels because of higher utilization and substantially higher average vessel day rates for the domestic-based vessel fleet. Fiscal 1994 Marine and Compression operating profits were negatively affected by $.3 million and $1.0 million, respectively, of severance costs associated with the early retirement of several employees.

Consolidated general and administrative expenses for the years ended March 31 consist of the following components:

(in thousands)

	1996	1995	1994
Personnel	$ 34,463	38,298	39,251
Office and property	9,929	10,149	10,833
Sales and marketing	3,407	4,201	4,396
Professional services	4,545	3,683	4,786
Other	7,004	7,588	6,768
	$ 59,348	63,919	66,034

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 principally consist 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 dictated by regulatory agencies. Whenever possible, vessel drydockings are done during seasonally slow periods to minimize any impact on vessel operations and are only done when 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 and provide a breakdown of operating profit for the years ended March 31:

	(in thousands)		
	1996	1995	1994
Revenues:			
Owned and operated vessels:			
United States	$ 241,436	222,784	225,913
International	264,744	246,967	269,169
	506,180	469,751	495,082
Brokered vessels, shipyard sales and other	26,022	31,367	18,810
	532,202	501,118	513,892
Operating expenses:			
Owned and operated vessels:			
Crew costs	145,018	139,058	145,988
Repair and maintenance	84,567	69,669	78,355
Insurance	33,999	36,040	28,690
Fuel, lube and supplies	24,422	21,645	23,314
Other	19,909	18,640	21,486
	307,915	285,052	297,833
Brokered vessels, shipyard sales and other	20,391	26,897	17,516
	328,306	311,949	315,349
Operating margin	$203,896	189,169	198,543
FOR OWNED AND OPERATED VESSELS:			
Operating margins as a percent of revenues	39.2%	39.3%	39.8%
Percentage rise (drop) in operating costs compared to prior fiscal year	8.0%	(4.3%)	11.3%
Marine operating profit:			
Owned and operated vessels:			
United States	$46,839	41,427	43,145
International	60,291	24,947	30,765
	107,130	66,374	73,910
Gains on sales of assets	6,930	13,098	3,268
Brokered vessels, shipyard sales and other	4,849	4,211	870
	$118,909	83,683	78,048

Fiscal 1996 operating margins rose above the prior year level due to higher utilization and average day rates for the worldwide vessel fleet. The rise in fiscal 1996 operating margins was adversely affected by a significant increase in the amount of repair and maintenance expense which primarily affected the domestic-based vessel fleet. Approximately 68% of the increase in repair and maintenance expense in fiscal 1996 is attributable to the changes in estimated useful lives of the marine vessels whereby costs which would have been capitalized under the previous life estimates were expensed. Fiscal 1995 operating margins fell below the prior year level as increases in average day rates for the worldwide vessel fleet did not offset the adverse effect of lower utilization of the worldwide vessel fleet and a sizeable reduction in the size of the international-based vessel fleet.

Marine fleet utilization is determined primarily by market conditions and to a lesser extent by drydockings to satisfy safety and inspection requirements. Utilization of the domestic-based vessel fleet over the past three years has been primarily influenced by offshore activity related to the exploration and production of natural gas in the U.S. Gulf of Mexico, whereas, utilization of the international-based vessel fleet is primarily influenced by offshore activity related to the exploration 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 vessels. Suitability of equipment and the degree of service provided also influence vessel day rates.

The following two sets of tables compare day-based Marine fleet utilization percentages and average day rates by vessel class and in total for each of the quarters in the years ended March 31:

UTILIZATION:

1996	FIRST	SECOND	THIRD	FOURTH	YEAR
DOMESTIC-BASED FLEET:					
Towing-supply/Supply	86.8%	85.6	89.9	91.1	88.3
Crew/Utility	81.7	79.5	83.7	80.1	81.2
Offshore Tugs	47.9	64.8	67.5	58.4	59.5
Other	44.9	64.8	51.3	43.3	50.9
Total	77.0%	79.9	83.1	81.0	80.2
INTERNATIONAL-BASED FLEET:					
Towing-supply/Supply	86.7%	87.9	85.6	85.3	86.4
Crew/Utility	86.6	85.0	81.5	86.6	84.9
Offshore Tugs	72.2	71.2	77.4	76.1	74.4
Other	37.3	48.3	56.8	77.5	54.7
Total	76.1%	78.2	79.1	82.6	79.0
WORLDWIDE FLEET:					
Towing-supply/Supply	86.8%	86.9	87.6	87.9	87.3
Crew/Utility	83.6	81.7	82.8	82.8	82.7
Offshore Tugs	60.6	68.4	73.4	69.0	67.9
Other	38.9	51.6	55.7	69.9	53.9
Total	76.5%	79.0	80.9	81.9	79.6

1995	FIRST	SECOND	THIRD	FOURTH	YEAR
DOMESTIC-BASED FLEET:					
Towing-supply/Supply	81.0%	80.1	85.1	87.2	83.4
Crew/Utility	90.3	92.9	89.0	85.0	89.3
Offshore Tugs	66.0	63.9	58.5	40.5	57.5
Other	51.6	50.9	58.9	26.2	47.2
Total	78.6%	77.8	79.3	75.2	77.7
INTERNATIONAL-BASED FLEET:					
Towing-supply/Supply	82.2%	81.7	78.2	81.4	80.8
Crew/Utility	73.5	74.5	81.9	85.1	78.5
Offshore Tugs	80.4	71.3	72.7	80.8	76.4
Other	55.7	42.0	43.0	44.0	46.4
Total	75.9%	72.2	71.5	75.5	73.8
WORLDWIDE FLEET:					
Towing-supply/Supply	81.6%	81.0	81.2	84.1	82.0
Crew/Utility	82.6	84.9	86.0	85.1	84.6
Offshore Tugs	73.5	67.5	65.4	61.2	66.9
Other	55.0	43.8	46.3	40.2	46.5
Total	77.0%	74.7	75.0	75.4	75.5

1994	FIRST	SECOND	THIRD	FOURTH	YEAR
DOMESTIC-BASED FLEET:					
Towing-supply/Supply	86.8%	89.5	91.5	85.2	88.2
Crew/Utility	90.3	95.2	92.6	89.9	92.0
Offshore Tugs	64.8	66.7	68.8	57.2	64.4
Other	76.8	69.0	72.5	44.5	67.4
Total	82.5%	84.3	85.7	78.3	82.7
INTERNATIONAL-BASED FLEET:					
Towing-supply/Supply	80.7%	77.4	76.2	76.1	77.7
Crew/Utility	77.6	67.9	73.7	71.4	72.6
Offshore Tugs	81.6	79.0	76.4	77.4	78.7
Other	70.9	75.1	72.9	69.9	72.2
Total	78.7%	76.0	75.3	74.6	76.2

WORLDWIDE FLEET:					
Towing-supply/Supply	83.1%	82.3	82.6	80.2	82.0
Crew/Utility	84.0	81.8	83.7	81.2	82.7
Offshore Tugs	73.8	72.9	72.6	67.2	71.6
Other	72.5	73.4	72.8	64.3	71.0
Total	80.2%	79.5	79.8	76.2	78.9

AVERAGE DAY RATES:

1996	FIRST	SECOND	THIRD	FOURTH	YEAR
DOMESTIC-BASED FLEET:					
Towing-supply/Supply	$3,351	3,495	3,610	3,880	3,585
Crew/Utility	1,343	1,354	1,344	1,357	1,349
Offshore Tugs	5,220	4,584	4,909	5,162	4,943
Other	3,118	2,868	3,155	2,762	2,970
Total	$3,115	3,178	3,309	3,492	3,273
INTERNATIONAL-BASED FLEET:					
Towing-supply/Supply	$3,644	3,670	3,651	3,713	3,670
Crew/Utility	1,884	1,767	1,646	1,712	1,752
Offshore Tugs	2,635	2,705	2,710	2,906	2,746
Other	726	727	674	631	680
Total	$3,025	2,987	2,909	2,895	2,952
WORLDWIDE FLEET:					
Towing-supply/Supply	$3,507	3,590	3,632	3,791	3,630
Crew/Utility	1,567	1,526	1,470	1,514	1,519
Offshore Tugs	3,609	3,498	3,538	3,674	3,578
Other	1,298	1,265	1,138	923	1,130
Total	$3,067	3,075	3,090	3,153	3,097

1995	FIRST	SECOND	THIRD	FOURTH	YEAR
DOMESTIC-BASED FLEET:					
Towing-supply/Supply	$3,710	3,364	3,270	3,466	3,451
Crew/Utility	1,270	1,251	1,294	1,288	1,276
Offshore Tugs	4,126	4,487	5,013	4,935	4,601
Other	2,917	2,970	2,884	3,839	3,045
Total	$3,190	3,019	3,042	3,116	3,091
INTERNATIONAL-BASED FLEET:					
Towing-supply/Supply	$3,606	3,616	3,556	3,494	3,569
Crew/Utility	1,752	1,752	1,716	1,675	1,723
Offshore Tugs	2,765	2,416	2,432	2,702	2,591
Other	701	789	896	1,479	932
Total	$2,843	2,917	2,852	2,916	2,882
WORLDWIDE FLEET:					
Towing-supply/Supply	$3,652	3,506	3,424	3,480	3,516
Crew/Utility	1,467	1,441	1,462	1,451	1,455
Offshore Tugs	3,352	3,421	3,617	3,422	3,451
Other	1,071	1,313	1,420	1,808	1,363
Total	$2,996	2,964	2,942	3,006	2,977

1994	FIRST	SECOND	THIRD	FOURTH	YEAR
DOMESTIC-BASED FLEET:					
Towing-supply/Supply	$3,075	3,288	3,565	3,752	3,430
Crew/Utility	1,189	1,233	1,257	1,269	1,237
Offshore Tugs	4,379	4,146	4,222	4,308	4,259
Other	1,721	1,698	1,867	2,266	1,826
Total	$2,742	2,852	3,051	3,232	2,969
INTERNATIONAL-BASED FLEET:					
Towing-supply/Supply	$3,622	3,714	3,696	3,604	3,660
Crew/Utility	1,794	1,677	1,677	1,753	1,727
Offshore Tugs	2,992	3,123	2,827	2,728	2,923
Other	551	551	540	633	567
Total	$2,817	2,839	2,768	2,743	2,793
WORLDWIDE FLEET:					
Towing-supply/Supply	$3,400	3,527	3,635	3,674	3,558
Crew/Utility	1,462	1,413	1,432	1,470	1,444
Offshore Tugs	3,561	3,585	3,494	3,412	3,516
Other	876	843	903	882	876
Total	$2,786	2,845	2,898	2,964	2,871

The following table compares the average number of vessels by class and geographic distribution during the years ended March 31:

	1996	1995	1994
DOMESTIC-BASED FLEET:			
Towing-supply/Supply	147	142	135
Crew/Utility	51	51	49
Offshore Tugs	41	47	47
Other	13	14	21
TOTAL	252	254	252
INTERNATIONAL-BASED FLEET:			
Towing-supply/Supply	171	175	191
Crew/Utility	35	39	45
Offshore Tugs	54	47	49
Other	50	57	61
TOTAL	310	318	346
Owned or chartered vessels included in marine revenues	562	572	598
Vessels withdrawn from active service	18	18	15
Joint venture owned vessels	74	72	72
Total	654	662	685
WORLDWIDE FLEET:			
Towing-supply/Supply	384	384	389
Crew/Utility	95	96	101
Offshore Tugs	98	98	98
Other	77	84	97
Total	654	662	685

The drop in average size of the international-based vessel fleet from 346 for fiscal 1994 to 318 for fiscal 1995 to 310 for fiscal 1996 is due to several vessels being withdrawn from active service due to age and anticipated high repair and maintenance costs, the transfer of vessels to the domestic-based vessel fleet and the return of leased vessels to their owners. The average age of the Marine vessel fleet is approximately 18 years, and in the future as vessels become uneconomical to operate they may be withdrawn from active service.

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 mostly influenced 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 year-to-year 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 vary due to increased fleet size and general inflationary factors. Compression 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 years ended March 31:

		(in thousands)	
	1996	1995	1994
Revenues:			
Rentals	$72,765	49,235	30,868
Repair service and other	6,161	6,335	6,218
	78,926	55,570	37,086
Operating expenses:			
Wages and benefits	11,654	8,702	6,209
Repair and maintenance	13,348	8,124	6,043
Other	8,189	5,165	3,109
	33,191	21,991	15,361
Operating margin	$45,735	33,579	21,725

Operating margins as a percent

of revenues	57.9%	60.4%	58.6%
Horsepower based statistics:			
Utilization	74%	82%	86%
Average monthly rental rate	$17.45	17.41	16.74
Average fleet size	470,444	286,352	179,725
Actual fleet size at March 31 in horsepower	473,282	479,740	185,036

Higher fiscal 1996 revenues and operating margins are primarily the result of a full year's impact of the expansion of the natural gas compressor rental fleet which occurred in the third quarter of fiscal 1995. Fiscal 1996 utilization fell below the prior year level due to lower demand for natural gas compression services.

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 operating margins for equipment and parts sales for the years ended March 31:

	(in thousands)		
	1996	1995	1994
Revenues	$32,319	27,920	18,385
COSTS OF SALES	26,345	23,895	14,977
	$5,974	4,025	3,408
Operating margins as a percent of revenues	18.5%	14.4%	18.5%

Fluctuations in the level of equipment and parts sales are due to the timing of sales of engineered products. Fluctuations in operating 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.

Gains on sales of equipment have contributed $.4 million, $1.1 million and $1.3 million for the fiscal years ended March 31, 1996, 1995 and 1994, respectively.

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 generally are 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 and development 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 related environmental damage. Compliance with existing governmental regulations which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, does not have, nor is expected to have, a material effect on the company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is included in Part IV of this report.

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

Information concerning directors of the company is incorporated by reference from the company's definitive proxy statement to be filed on or before July 29, 1996. For information regarding executive officers of the company, see Item 4A of this report.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation is incorporated by reference from the proxy statement described in Item 10 of this report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information concerning security ownership of certain beneficial owners and management is incorporated by reference from the proxy statement described in Item 10 of this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions is incorporated by reference from the proxy statement described in Item 10 of this report.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

A. Financial Statements and Schedules

The Consolidated Financial Statements and Schedule of the company listed on the accompanying Index to Financial Statements and Schedule (see page F-1) are filed as part of this report.

B. Reports on Form 8-K

The company's report on Form 8-K for March 13, 1996 reported that the company acquired all of the outstanding common stock of Hornbeck Offshore Services, Inc.

C. Exhibits

The index below describes each exhibit filed as a part of this report. Exhibits not incorporated by reference to a prior filing are designated by an asterisk; all exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

3(a) -Restated Certificate of Incorporation of Tidewater Inc. (filed with the Commission as Exhibit 3(a) to the company's quarterly report on Form 10-Q for the quarter ended September 30, 1993).

3(b) -Tidewater Inc. Bylaws (filed with the Commission as Exhibit 3(b) to the company's quarterly report on Form 10-Q for the quarter ended September 30, 1993).

4(a) -Restated Rights Agreement dated as of December 17, 1993 between Tidewater Inc. and The First National Bank of Boston (filed with the Commission as Exhibit 4 to the company's quarterly report on Form 10-Q for the quarter ended December 31, 1993).

10(a) -$130,000,000 Revolving Credit and Term Loan Agreement dated December 29, 1995 (filed with the Commission as Exhibit 10.1 to a Registration Statement on February 6, 1996, Registration No. 333-00221).

10(b) -Tidewater Inc. 1975 Incentive Program Stock Option Plan, as amended in 1990 (filed with the Commission as Exhibit 10(c) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1991).

10(c) -Tidewater Inc. 1992 Stock Option and Restricted Stock Plan (filed with the Commission as Exhibit 10(f) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(d) -Tidewater Inc. Amended and Restated Supplemental Executive Retirement Plan (filed with the Commission as Exhibit 10(g) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(e) -Tidewater Inc. Amended and Restated Employees' Supplemental Savings Plan (filed with the Commission as Exhibit 10(h) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(f) -Supplemental Health Plan for Executive Officers of Tidewater Inc. (filed with the Commission as Exhibit 10(i) to a Registration Statement on September 12, 1989, Registration No. 33-31016).

10(g) -Tidewater Inc. Deferred Compensation Plan for Directors (filed with the Commission as Exhibit 10(h) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1994).

10(h) -Tidewater Inc. Retirement Plan for Directors as adopted on March 22, 1990 (filed with the Commission as Exhibit 10(k) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1990).

10(i) -Employment and Consulting Agreement dated as of March 31, 1993 between Tidewater Inc. and John P. Laborde as amended (filed with the Commission as Exhibit 10(l) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

*10(j) -Consulting Agreement dated as of March 13, 1996 between Tidewater Inc. and Larry D. Hornbeck.

10(k) -Form of Severance Agreement entered into as of August 1, 1985 with eleven executive officers and key employees, as amended (filed with the Commission as Exhibit 10(j) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1992).

10(l) -Form of Severance Agreement entered into as of February 18, 1992 with three executive officers, as amended (filed with the Commission as Exhibit 10(k) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1992).

10(m) -Standstill Agreement dated as of November 11, 1992 between Tidewater Inc. and Zapata Corporation (filed with the Commission as Exhibit 10(o) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(n) -First Amendment to Standstill Agreement dated January 24, 1994 between Tidewater Inc. and Zapata Corporation (filed with the Commission as Exhibit 10(n) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1994).

10(o) -Agreement, dated August 11, 1989, by and among the company and Irwin L. Jacobs, Daniel T. Lindsay, Gerald A. Schwalbach, TR Holdings, Inc. and Minstar, Inc. (filed with the Commission as Exhibit 1 to the company's report on Form 8-K for August 11, 1989).

10(p) -Tidewater Inc. 1995 Annual Incentive Plan (filed with the Commission as Exhibit 10(q) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1995).

10(q) -Employment Agreement dated June 13, 1995 between Tidewater Inc. and William C. O'Malley (filed with the Commission as Exhibit 10 to the company's report on Form 8-K for June 13, 1995).

*11 -Earnings per share Computation Information.

*21 -Subsidiaries of the company.

*24 -Consent of Independent Accountants.

*27 - Financial Data Schedule.

Certain instruments respecting long-term debt of Tidewater have been omitted pursuant to Regulation S-K, Item 601. Tidewater hereby agrees to furnish a copy of any such instrument to the Commission upon request.

SIGNATURES OF REGISTRANT

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 on May 9, 1996.

TIDEWATER INC.
(Registrant)

By: /s/ WILLIAM C. O'MALLEY
William C. O'Malley
Chairman of the Board of Directors, President, and Chief Executive Officer

By: /s/ KEN C. TAMBLYN
Ken C. Tamblyn
Executive Vice President and Chief Financial Officer

SIGNATURES OF DIRECTORS

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on May 2, 1996.

/s/ ROBERT H. BOH Robert H. Boh	/s/ LARRY D. HORNBECK Larry D. Hornbeck
/s/ ____________________ Donald T. Bollinger	/s/ PAUL W. MURRILL Paul W. Murrill
/s/ ARTHUR R. CARLSON Arthur R. Carlson	/s/ WILLIAM C. O'MALLEY William C. O'Malley
/s/ HUGH J. KELLY Hugh J. Kelly	/s/ LESTER POLLACK Lester Pollack
/s/ JOHN P. LABORDE John P. Laborde	/s/ J. HUGH ROFF, JR. J. Hugh Roff, Jr.

TIDEWATER INC.

ANNUAL REPORT ON FORM 10-K
ITEMS 8, 14(A), AND 14(D)

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

FINANCIAL STATEMENTS PAGE

FINANCIAL STATEMENT SCHEDULE

All other schedules are omitted as the required information is inapplicable or the information is presented in the financial statements or the related notes.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of Tidewater Inc.:

We have audited the accompanying consolidated financial statements of Tidewater Inc. and subsidiaries as listed in the accompanying index. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule as listed in the accompanying index. These consolidated financial statements and financial statement schedule are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

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 provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tidewater Inc. and subsidiaries as of March 31, 1996 and 1995, and the results of their operations and their cash flows for each of the years in the three-year period ended March

31, 1996, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG PEAT MARWICK LLP

New Orleans, Louisiana
April 29, 1996

CONSOLIDATED BALANCE SHEETS
March 31, 1996 and 1995
(in thousands)

ASSETS	1996	1995
Current assets:		
Cash, including temporary cash investments	$ 28,768	23,274
Trade and other receivables, less allowance for doubtful accounts of $8,376 in 1996 and $9,636 in 1995	144,472	157,552
Inventories	31,346	36,311
Other current assets	4,350	6,356
Total current assets	208,936	223,493
Investments in, at equity, and advances to unconsolidated companies	35,861	38,378
Properties and equipment:		
Marine equipment	1,210,876	1,212,577
Compression equipment	324,069	326,300
Other	41,240	46,646
	1,576,185	1,585,523
Less accumulated depreciation	916,412	878,061
Net properties and equipment	659,773	707,462
Other assets	73,630	76,325
	$ 978,200	1,045,658

LIABILITIES AND STOCKHOLDERS' EQUITY	1996	1995
Current liabilities:		
Current maturities of long-term debt	2,934	15,467
Accounts payable and accrued expenses	70,546	72,124
Accrued property and liability losses	10,844	11,533
Income taxes	1,356	9,929
Total current liabilities	85,680	109,053
Deferred income taxes	76,579	60,346
Long-term debt	---	121,023
Accrued property and liability losses	34,206	28,921
Other liabilities and deferred credits	42,985	42,056
Stockholders' equity:		
Common stock, par value $.10, issued 61,882,695 shares in 1996 and 61,552,997 shares in 1995	6,188	6,155
Additional paid-in capital	421,655	418,941
Retained earnings	322,736	271,452
	750,579	696,548
Less:		
Cumulative foreign currency translation adjustment	10,771	10,745
Deferred compensation - restricted stock	1,058	1,544
Total stockholders' equity	738,750	684,259
Commitments and other matters		
	$ 978,200	1,045,658

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EARNINGS
Years Ended March 31, 1996, 1995 and 1994
(in thousands, except share and per share data)

	1996	1995	1994

Revenues:			
Marine operations	$ 532,202	501,118	513,892
Compression operations	111,245	83,490	55,471
	643,447	584,608	569,363
Costs and expenses:			
Marine operations	328,306	311,949	315,349
Compression operations	59,536	45,886	30,338
Depreciation	82,430	92,865	88,936
General and administrative	59,348	63,919	66,034
	529,620	514,619	500,657
	113,827	69,989	68,706
Other income (expenses):			
Foreign exchange loss	(479)	(611)	(557)
Gain on sales of assets	7,264	14,207	4,588
Equity in net earnings of unconsolidated companies	5,901	4,555	3,504
Minority interests	(1,385)	(1,488)	(2,022)
Interest and miscellaneous income	4,241	6,920	6,908
Other expense	(12,600)	(8,499)	(2,452)
Interest expense	(5,882)	(5,608)	(9,262)
	(2,940)	9,476	707
Earnings before income taxes	110,887	79,465	69,413
Income taxes	34,710	28,278	24,753
Earnings before extraordinary item	76,177	51,187	44,660
Extraordinary loss on early debt retirement	---	---	(12,250)
Net earnings	$ 76,177	51,187	32,410
Primary and fully-diluted earnings per common share:			
Earnings before extraordinary item	$ 1.23	.83	.73
Extraordinary loss on early debt retirement	---	---	(.20)
Net earnings	$ 1.23	.83	.53
Weighted average common shares and equivalents	62,160,978	61,858,894	60,791,329
Cash dividends declared per common share	$ .475	.40	.30

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended March 31, 1996, 1995 and 1994
(in thousands)

	Common stock	Additional paid-in capital	Retained earnings	Cumulative foreign currency translation adjustment	Deferred compensation-restricted stock	Treasury stock	Total
1996							
Amount at March 31, 1995	$ 6,155	418,941	271,452	(10,745)	(1,544)	---	684,259
Net earnings	---	---	76,177	---	---	---	76,177
Exercise of stock options	33	2,950	---	---	---	---	2,983
Cash dividends declared	---	---	(25,327)	---	---	---	(25,327)
Other	---	(236)	434	(26)	486	---	658
Amount at March 31, 1996	$ 6,188	421,655	322,736	(10,771)	(1,058)	---	738,750
1995							
Amount at March 31, 1994	$ 6,102	416,559	241,520	(11,032)	---	---	653,149
Net earnings	---	---	51,187	---	---	---	51,187
Issuance of restricted stock	7	1,629	---	---	(1,636)	---	---
Exercise of stock options	12	876	---	---	---	---	888
Cash dividends declared	---	---	(21,255)	---	---	---	(21,255)
Other	34	(123)	---	287	92	---	290
Amount at March 31, 1995	$ 6,155	418,941	271,452	(10,745)	(1,544)	---	684,259

1994

Amount at March 31, 1993	$ 5,978	383,730	224,999	(11,112)	---	(10,844)	592,751
Net earnings	---	---	32,410	---	---	---	32,410
Treasury stock changes	(63)	(10,781)	---	---	---	10,844	---
Exercise of stock options	23	1,408	---	---	---	---	1,431
Issuance of common stock	266	42,245	---	---	---	---	42,511
Cash dividends declared	---	---	(15,889)	---	---	---	(15,889)
Other	(102)	(43)	---	80	---	---	(65)
Amount at March 31, 1994	$ 6,102	416,559	241,520	(11,032)	---	---	653,149

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended March 31, 1996, 1995 and 1994
(in thousands)

	1996	1995	1994
Cash flows from operating activities:			
Net earnings	$ 76,177	51,187	32,410
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Extraordinary loss on early debt retirement	---	---	12,250
Depreciation	82,430	92,865	88,936
Provision for deferred income taxes	16,233	6,523	2,310
Gain on sales of assets	(7,264)	(14,207)	(4,588)
Equity in net earnings of unconsolidated companies	(5,901)	(4,555)	(3,504)
Minority interests	1,385	1,488	2,022
Compensation expense - restricted stock	595	92	---
Decrease (increase) in trade and other receivables	11,780	(183)	5,233
Decrease (increase) in inventories	4,572	4,977	(238)
Decrease (increase) in other current assets	20	(944)	(2,251)
Increase (decrease) in accounts payable and accrued expenses	(3,913)	10,203	(102)
Increase (decrease) in accrued property and liability losses	(689)	3,776	(880)
Increase (decrease) in income taxes	(7,763)	(741)	7,322
Other, net	6,548	5,001	7,154
Net cash provided by operating activities	174,210	155,482	146,074
Cash flows from investing activities:			
Proceeds from sales of assets	18,044	26,510	12,783
Additions to properties and equipment	(46,116)	(354,725)	(56,703)
Sale (purchase) of marketable securities	---	27,310	(23,507)
Investments in unconsolidated companies, net of dividends received	9,102	(3,059)	(14,771)
Investment from minority interests, net of dividends paid	(1,064)	3,550	(877)
OTHER	(592)	(863)	(767)
Net cash used in investing activities	(20,626)	(301,277)	(83,842)
Cash flows from financing activities:			
Principal payments on long-term debt	(145,395)	(96,272)	(71,245)
Prepayment penalties on early debt retirement	---	---	(6,473)
Proceeds from the issuance of long-term debt	13,400	173,000	---
Proceeds from issuance of common stock	4,212	742	40,894
Cash dividends	(25,327)	(21,255)	(21,178)
OTHER	40	(947)	---
Net cash provided by (used in) financing activities	(153,070)	55,268	(58,002)
Net increase in cash for Hornbeck Offshore Services, Inc. for the quarter ended March 31, 1995 (Note 2)	4,980	---	---
Net increase (decrease) in cash, Including temporary cash investments	514	(90,527)	4,230
Cash, including temporary cash investments at beginning of year	23,274	113,801	109,571
Cash, including temporary cash investments at end of year	$ 28,768	23,274	113,801
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	$ 5,944	5,377	9,560
Income taxes	$ 27,721	23,078	17,626

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1996, 1995 and 1994

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

The company provides services and equipment to the international energy industry through its marine and compression divisions. The marine division owns and operates the world's largest fleet of offshore service vessels and the compression division owns and operates one of the largest rental fleets of natural gas compressors in the United States. Activity levels for the marine vessel fleet and 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.

USE OF ESTIMATES

In preparing the company's financial statements management makes informed estimates and assumptions that affect the amounts reported in the financial statements and related disclosures. Actual results may differ from these estimates.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of Tidewater Inc. and its subsidiaries. Significant intercompany balances and transactions are eliminated in consolidation.

INVENTORIES

Inventories are stated at average cost for operating supplies and at the lower of cost (FIFO) or market (net realizable value) for merchandise held for resale.

PROPERTIES AND EQUIPMENT

Properties and equipment are carried at cost. Depreciation for financial reporting purposes is computed primarily on the straight-line basis beginning with the first charter/rental, with salvage values of 5%-10% for marine equipment and 30% for compression equipment, using estimated useful lives of:

	YEARS
Marine equipment (from date of construction)	15 - 25
Compression equipment	8 - 12
Other properties and equipment	3 - 30

Used equipment is depreciated in accordance with the above schedule; however, no life less than six years is used for marine equipment regardless of the date constructed.

Maintenance and repairs are charged to operations as incurred during the asset's original estimated useful life. Major repair costs incurred after the original estimated useful life that also have the effect of extending the useful life of the asset are capitalized and amortized over three years. Major modifications to equipment are capitalized and amortized over the remaining life of the equipment.

Effective April 1, 1995 the estimated useful lives of the company's marine vessels were increased from 10-20 years to 15-25 years. The increase in useful lives was made in order to provide a better matching of revenues and depreciation expense over a vessel's economic useful life. This change in accounting estimate lowered fiscal 1996 depreciation expense by approximately $25.2 million. Concurrent with this change approximately $10.2 million of repair and maintenance costs that would have been capitalized in fiscal 1996 had the previous estimated useful lives been used, was expensed. The change increased fiscal 1996 net earnings by $10.0 million, or $.16 per common share.

In fiscal 1995 the company increased from 12-1/2% to 30% the estimated salvage value used to calculate depreciation expense for its fleet of natural gas compressors. The increase in salvage value was made in order to better reflect the estimated value of this equipment at the end of its service life and resulted from an internal review following the acquisition of a substantial number of natural gas

compressors during the third quarter of fiscal 1995. This change in accounting estimate reduced depreciation expense by approximately $3 million and increased net earnings by $1.9 million or $.03 per common share, for fiscal 1995.

ACCRUED PROPERTY AND LIABILITY LOSSES

The company's insurance subsidiary establishes case based reserves for estimates of reported losses on direct business written, estimates received from ceding reinsurers, and reserves based on past experience of unreported losses. Such losses principally relate to the company's marine operations and are included as a component of costs of marine operations in the Consolidated Statements of Earnings. The liability for such losses and the related reimbursement receivable from reinsurance companies are classified in the

Consolidated Balance Sheet into current and noncurrent amounts based upon estimates of when the liabilities will be settled and when the receivables will be collected.

PENSION AND OTHER POSTRETIREMENT BENEFITS

Pension costs are accounted for in accordance with the provisions of Statement of Financial Accounting Standards No. 87 and are funded as required by law. Prior service costs are amortized on the straight-line basis over the average remaining service period of employees expected to receive pension benefits. Postretirement benefits other than pensions are accounted for in accordance with Statement of Financial Accounting Standards No. 106. The estimated cost of postretirement benefits other than pensions are accrued during the employees' active service period. Postemployment and postretirement benefits other than pensions are funded as claims are submitted.

INCOME TAXES

Income taxes are accounted for in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

EARNINGS PER SHARE

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

FOREIGN CURRENCY TRANSLATION

The functional currency for certain non-U.S. subsidiaries and unconsolidated companies is the applicable local currency. The translation of the applicable local currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using weighted average exchange rates during the period. The gains and losses resulting from the balance sheet account translations, net of deferred income taxes, are included in stockholders' equity.

Some transactions of the company and its subsidiaries are made in currencies different from their own. Gains and losses from these transactions are included in the Consolidated Statements of Earnings as they occur and relate primarily to the revenue generating and purchasing activities in Brazil, Venezuela, Mexico, United Kingdom, Singapore, Trinidad and Nigeria.

CASH FLOWS

For purposes of the Consolidated Statements of Cash Flows, all highly liquid investments purchased with original maturities of approximately three months or less are considered to be cash equivalents. Some items of compression equipment are acquired and placed in inventories for subsequent sale or rent to others. Acquisitions of these assets are considered operating activities in the Consolidated Statements of Cash Flows, although they later may be transferred to the compression equipment rental fleet.

NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (the FASB) issued Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." This statement is effective for fiscal years beginning after December 15, 1995. Management does not believe that this pronouncement will have a material impact on its fiscal 1997 consolidated financial statements.

The FASB also issued SFAS No. 123, "Accounting for Stock Based Compensation," effective also for fiscal years beginning after December 15, 1995. The new statement encourages, but does not require, companies to measure stock-based compensation cost using a fair value method, rather than the intrinsic value method prescribed by Accounting Principles Board (APB) Opinion No. 25. Companies choosing to continue to measure stock-based compensation using the intrinsic value method must disclose on a pro forma basis net earnings and net earnings per share as if the fair value method were used. Management is currently evaluating the requirements of SFAS No. 123.

(2) BUSINESS COMBINATION

On March 13, 1996 Tidewater Inc. issued 8,475,214 shares of its common stock in exchange for all of the outstanding common stock of Hornbeck Offshore Services, Inc. (Hornbeck). Hornbeck owned and operated a fleet of 61 marine service vessels operating in the U.S. Gulf of Mexico and had a 49.9% interest in 29 safety/standby vessels operating in the North Sea. This business combination has been accounted for as a pooling-of-interests and, accordingly, the consolidated financial statements for periods prior to the combination have been restated to include the accounts and results of operations of Hornbeck. Operating results prior to the combination of the separate companies and the combined amounts presented in the consolidated financial statements are summarized below:

(in thousands of dollars)

	Nine Months Ended December 31, 1995	Year Ended March 31, 1995	Year Ended March 31, 1994
	(unaudited)		
Revenues:			
Tidewater	$435,939	538,774	522,072
Hornbeck	46,341	45,834	47,291
Combined	$482,280	584,608	569,363
Net earnings:			
Tidewater	$59,262	42,628	24,160
Hornbeck	4,783	8,559	8,250
Combined	$64,045	51,187	32,410

Adjustments to conform Hornbeck's accounting policies to those of Tidewater and to apply pooling-of-interests accounting reduced (increased) net earnings of the combined entity for the above periods by $2,359,000, ($536,000) and $2,415,000, respectively. The adjustments to conform accounting policies relate to Hornbeck's capitalizing and amortizing the cost of vessel drydockings and major overhauls rather than expensing such costs as incurred.

Prior to the combination Hornbeck's fiscal year end was December 31. Tidewater's fiscal year end is March 31. In applying pooling-of-interests accounting, the March 31, 1995 and 1994 Tidewater statements of earnings were combined with the Hornbeck statements of earnings for the years ended December 31, 1994 and 1993, respectively. Unaudited amounts for the nine-month period ended December 31, 1995 include results of each entity for the nine-month period ended December 31, 1995. Retained earnings of the combined entities were adjusted by $434,000 as of the beginning of Tidewater's fiscal 1996 year to include the unaudited net earnings of Hornbeck, including adjustments to conform accounting policies to those of Tidewater, for the period January 1, 1995 to March 31, 1995. During this period Hornbeck's revenues were $12,671,000. Additionally, the consolidated statement of cash flows for the year ended

March 31, 1996 was adjusted by $4,980,000 to reflect the net increase in cash of Hornbeck for the three months ended March 31, 1995.

Merger expenses of $9.6 million include legal, investment banking and accounting fees related to the business combination. Also included in merger expenses are payments under severance and employment agreements and a provision for certain other related costs. Merger expenses are classified as "other expense" in the Consolidated Statements of Earnings.

(3) ACQUISITION OF COMPRESSION ASSETS

On September 30, 1994, the company purchased for $35 million in cash the assets of Brazos Gas Compressing Company, a subsidiary of Mitchell Energy & Development Corporation. On November 30, 1994, the company purchased the natural gas compression assets of Halliburton Company using $55 million of available cash and borrowings of $150 million. The costs of these acquisitions were allocated under the purchase method of accounting based on the fair value of the assets acquired. In connection with the purchase of the natural gas compression assets of Halliburton Company, goodwill of approximately $25 million was recorded as other assets in the Consolidated Balance Sheet and is being amortized in equal charges to earnings over a 15-year period.

The results of Brazos' and Halliburton's operations have been consolidated with the company's effective October 1, 1994, and December 1, 1994, respectively. Unaudited pro forma combined results of operations of the company and of Brazos and Halliburton, including appropriate purchase accounting adjustments for the year ended March 31, 1995 as though the acquisition had taken place on April 1, 1994, are as follows:

(in thousands, except per share data)

	1995
Revenues	$579,943
Earnings before extraordinary item	35,947
Net earnings	35,947

Primary and fully diluted earnings per common share	.67

(4) INVENTORIES

A summary of inventories at March 31 follows:

	(in thousands) 1996	1995
Marine operating supplies	$23,428	25,764
Compression supplies and merchandise held for sale	7,918	10,547
	$31,346	36,311

(5) UNCONSOLIDATED COMPANIES

Investments in, at equity, and advances to unconsolidated marine joint-venture companies at March 31 were as follows:

	Percentage ownership	(in thousands) 1996	1995
Ravensworth Investments Ltd. (United Kingdom)	50%	$14,505	16,697
National Marine Service (Abu Dhabi-UAE)	40%	11,557	10,886
Tidewater Port Jackson (Australia)	50%	4,682	6,972
Provident Marine, Ltd. (Mexico)	50%	2,126	2,322
Lamnalco (UAE)	50%	1,613	---
Others	20%-50%	1,378	1,501
		$35,861	38,378

The aggregate amount of undistributed earnings of all unconsolidated joint-venture companies included in consolidated stockholders' equity at March 31, 1996 is approximately $13,854,000.

(6) INCOME TAXES

Earnings from continuing operations before income taxes derived from United States and international operations for the years ended March 31 are as follows:

	1996	(in thousands) 1995	1994
United States	$ 43,854	54,738	37,843
International	67,033	24,727	31,570
	$110,887	79,465	69,413

Total income tax expense for the years ended March 31 was allocated as follows:

	1996	(in thousands) 1995	1994
Income from continuing operations	$ 34,710	28,278	24,753
Extraordinary loss on early debt retirement	---	---	(6,615)
	$ 34,710	28,278	18,138

Income tax expense attributable to income from continuing operations for the years ended March 31 consists of the following:

	(in thousands) U.S. Federal	State	International	Total
1996				
Current	$ 8,877	(629)	10,229	18,477
Deferred	16,233	---	---	16,233
	$25,110	(629)	10,229	34,710

1995

Current	$13,977	797	6,981	21,755
Deferred	6,523	---	---	6,523
	$20,500	797	6,981	28,278
1994				
Current	$13,907	1,352	7,184	22,443
Deferred	2,310	---	---	2,310
	$16,217	1,352	7,184	24,753

The actual income tax expense attributable to earnings from continuing operations for the years ended March 31, 1996, 1995 and 1994 differs from the amounts computed by applying the U.S. federal tax rate of 35% to pre-tax earnings from continuing operations as a result of the following:

	(in thousands)		
	1996	1995	1994
Computed "expected" tax expense	$ 38,810	27,813	24,295
Increase (reduction) resulting from:			
Effect of 1993 tax law change	---	---	1,921
Foreign (earnings) losses not includable in U.S. tax return	482	(2,803)	(310)
Foreign taxes not creditable against U.S. taxes	---	1,039	---
Foreign tax credits not previously recognized	(7,440)	---	---
Utilization of net operating loss carryforwards	(2,181)	---	(183)
Expenses which are not deductible for tax purposes	1,496	177	248
Other, net	3,543	2,052	(1,218)
	$ 34,710	28,278	24,753

The significant components of deferred income tax expense for the years ended March 31 are as follows:

	(in thousands)		
	1996	1995	1994
Deferred income tax expense (benefit) (exclusive of the effects of other components listed below)	$ 7,478	218	(3,208)
Application of net operating loss carryforwards	---	---	2,723
Investment, foreign and minimum tax credits	8,755	6,305	874
Effect of 1993 tax law change	---	---	1,921
Subtotal	16,233	6,523	2,310
Extraordinary loss on early debt retirement	---	---	(3,747)
	$ 16,233	6,523	(1,437)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 1996 and 1995 are as follows:

	(in thousands)	
	1996	1995
Deferred tax assets:		
Financial provisions not deducted for tax purposes	$ 15,755	13,375
Unrepatriated international earnings	9,233	5,220
International net operating loss carryforwards	5,079	7,187
International tax credit carryforwards	3,851	2,996
Investment tax credit carryforwards	---	6,848
Alternative minimum tax credit carryforwards	1,968	4,730
Other	1,068	1,616
Gross deferred tax assets	36,954	41,972
Less valuation allowance	5,079	7,187
	31,875	34,785
Deferred tax liabilities:		
Depreciation differences on properties and equipment	(108,454)	(94,570)
Undistributed income of unconsolidated joint-venture companies	---	(561)

Gross deferred tax liabilities	(108,454)	(95,131)
Net deferred tax liability	$(76,579)	(60,346)

The net changes in the valuation allowance for the years ended March 31, 1996 and 1995 were a decrease of $2,108,000 and an increase of $3,016,000, respectively. These changes were made to provide for uncertainties surrounding the realization of certain international net operating loss carryforwards. The remaining balance of the deferred tax assets are expected to be realized through future operating results and the reversal of taxable temporary differences.

At March 31, 1996, the company had alternative minimum tax credit carryforwards of approximately $1,968,000, which are available to reduce future federal regular income taxes over an indefinite period.

The company has not recognized a deferred tax liability of approximately $31,500,000 for the undistributed earnings of certain non-U.S. subsidiaries that arose in prior years because the company currently does not expect those unremitted earnings to reverse and become taxable to the company in the foreseeable future. A deferred tax liability will be recognized when the company expects that it will realize those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of investments. As of March 31, 1996 the undistributed earnings of these subsidiaries were approximately $90,000,000.

(7) LONG-TERM DEBT

A summary of long-term debt at March 31 follows:

	(in thousands) 1996	1995
Variable rate revolving credit and term loan agreement with banks	$ ---	112,000
Note payable	---	20,000
Other	2,934	4,490
Total long-term debt	2,934	136,490
Less current maturities of long-term debt	2,934	15,467
Net long-term debt	$ ---	121,023

The company's revolving credit and term loan agreement (the "agreement") consists of a $130 million revolving credit facility. At March 31, 1996 there were no borrowings outstanding under the revolving credit facility. The agreement bears interest, at the company's option, at prime rates or LIBO rates plus .625% (6.125% at March 31, 1996) as long as the company maintains an investment grade senior debt rating from Moody's Investor Services, Inc. and Standard & Poor's.

The revolving credit commitment of $130 million expires on September 30, 1998, at which time the then outstanding balance may be converted to a term loan repayable in 16 quarterly installments beginning December 31, 1998. All of the borrowings under the agreement are unsecured and the company pays an annual fee of from .250% to .375% on the unused portion of the revolving credit facility.

Under the terms of the agreement, the company has agreed to certain requirements and limitations, including: limitations on investments and aggregate indebtedness; a minimum level of tangible net worth of $400 million plus 50% of cumulative net earnings, as defined, after September 30, 1995 (total $505,116,000 at March 31, 1996). The agreement also prohibits the company from encumbering its assets, other than assets already encumbered at December 29, 1995, for the benefit of others.

Based on current interest rates offered to the company for borrowings with maturities similar to the remainder of its long-term debt, total long-term debt at March 31, 1996 approximates the fair value of the debt.

(8) BENEFIT PLANS

Upon meeting various citizenship, age and service requirements, employees are eligible to participate in a defined contribution savings plan. The plan held 522,216 shares and 536,804 shares of the company's common stock at March 31, 1996 and 1995, respectively. Amounts charged to expense for the plan for 1996, 1995 and 1994 were $1,035,000, $951,000, and $1,282,000, respectively.

A defined benefit pension plan covers certain U.S. citizen employees and employees who are permanent residents of the United States. Benefits are based on years of service and employee compensation. The company also has a supplemental retirement plan (Supplemental Plan) that provides pension benefits to certain employees in excess of those allowed under the company's tax qualified

pension plan. Certain benefits programs are maintained in several other countries which provide retirement income for covered employees.

During the fourth quarter of fiscal 1996 the company recorded as "other expense" a $3.0 million charge as a result of the removal of Marine fleet and Compression field service personnel from the company's U.S. defined benefit pension plan. Beginning April 1, 1996 these Marine and Compression employees, along with all new employees of the company who are eligible for pension plan membership, will be enrolled in a new defined contribution retirement plan.

Net periodic pension cost for the U.S. defined benefit pension plan and the Supplemental Retirement Plan for 1996, 1995 and 1994 include the following components:

	(in thousands)		
	1996	1995	1994
Service cost-benefit earned during the period	$ 1,843	1,962	2,118
Interest cost on projected benefit obligation	2,208	1,954	1,715
Actual return on assets	(4,700)	503	(1,398)
Net amortization and deferral	3,530	(1,463)	590
Net periodic pension cost	$ 2,881	2,956	3,025
Assumptions used in the accounting are:			
Discount rates	7.5%	8.5%	7.25%
Rates of annual increase in compensation levels	5.2%	5.0%	5.0%
Expected long-term rate of return on assets	9.5%	9.5%	9.5%

The following table sets forth the assets and liabilities of the U.S. defined benefit pension plan and the Supplemental Plan and the amount of the net pension liability in the Consolidated Balance Sheets at March 31:

	(in thousands)			
	U.S. Defined Benefit Pension Plan		Supplemental Retirement Plan	
	1996	1995	1996	1995
Actuarial present value of vested benefit obligation	$27,606	14,971	2,423	1,724
Accumulated benefit obligation	$27,831	16,615	2,467	1,815
Projected benefit obligation	$30,698	23,635	3,192	2,817
Plan assets at fair value, primarily bonds and common stock	23,935	18,691	---	---
Projected benefit obligation in excess of plan assets	6,763	4,944	3,192	2,817
Unrecognized net transitional obligation amortized over 15 years	(112)	(615)	---	---
Unrecognized actuarial gain (loss)	(1,856)	(2,089)	(1,272)	(1,228)
Unrecognized prior service cost	(425)	(2,165)	(394)	(1,104)
Adjustment required to recognize minimum liability	---	---	941	1,330
Net accrued pension liability	$ 4,370	75	2,467	1,815

Qualified retired employees currently are covered by a program which provides limited health care and life insurance benefits. Costs of the program are based on actuarially determined amounts and are accrued over the period from the date of hire to the full eligibility date of employees who are expected to qualify for these benefits.

Net periodic postretirement health care and life insurance costs for 1996, 1995 and 1994 include the following components:

	(in thousands)		
	1996	1995	1994
Service cost - benefit earned during the period	$ 743	924	801
Interest cost on accumulated postretirement benefit obligation	798	732	964
Other amortization and deferral	(296)	(129)	(28)

Net periodic postretirement benefit cost	$1,245	1,527	1,737

The unfunded actuarially-determined liabilities for postretirement benefits at March 31 are as follows:

	(in thousands) 1996	1995
Actuarial present value of accumulated postretirement benefit obligation:		
Current retirees	$ 4,390	2,573
Current employees eligible for benefits	1,039	930
Current employees not yet eligible for benefits	6,431	6,016
Total accumulated postretirement benefit obligation	11,860	9,519
Unrecognized prior service cost	1,382	1,523
Unrecognized net gain	2,069	3,288
Accrued postretirement benefit cost	$15,311	14,330

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation will be 9.5% in 1997, gradually declining to 7% in the year 2002 and thereafter. A 1% change in the assumed health care cost trend rates for each year would change the accumulated postretirement benefit obligation by approximately $1,760,000 at March 31, 1996 and change the cost for the year ended March 31, 1996 by $290,000. The assumed discount rates used in determining the accumulated postretirement benefit obligation were 7.5% in 1996 and 8.5% in 1995.

(9) OTHER ASSETS, OTHER LIABILITIES AND DEFERRED CREDITS

A summary of other assets at March 31 follows:

	(in thousands) 1996	1995
Recoverable insurance losses	$ 34,206	28,921
Goodwill	23,068	24,958
Assets held for sale	7,155	9,582
Other	9,201	12,864
	$ 73,630	76,325

A summary of other liabilities and deferred credits at March 31 follows:

	(in thousands) 1996	1995
Postretirement benefit liability	$ 15,311	14,330
Minority interests in net assets of subsidiaries	6,991	8,628
Noncurrent international and domestic taxes	6,957	6,957
Other	13,726	12,141
	$ 42,985	42,056

(10) CAPITAL STOCK

Under the company's stock option and restricted stock plans, the Compensation Committee of the Board of Directors has authority to grant stock options and restricted shares of the company's stock to officers and other key employees. At March 31, 1996, 2,547,819 shares of common stock are reserved for issuance under the plans. The stock option price and exercise period are set by the grant, with the price equal to the market price of the stock on the date of grant.

Transactions in the stock option plans during 1996, 1995 and 1994 were as follows:

	Price range per share	Shares
Outstanding March 31, 1993	$ 4.38 - 21.50	892,989
Options granted	19.63 - 20.13	198,900
Options exercised	4.38 - 15.00	(160,323)
Options expired or cancelled	4.38 - 19.63	(35,830)

Outstanding March 31, 1994	4.38 - 21.50	895,736
Options granted	19.00 - 23.38	901,875
Options exercised	4.38 - 20.13	(131,783)
Options expired or cancelled	4.38 - 22.25	(72,530)
Outstanding March 31, 1995	4.38 - 23.38	1,593,298
Options granted	25.13 - 39.00	284,000
Options exercised	4.38 - 23.38	(182,967)
Options expired or cancelled	4.38 - 22.25	(27,826)
Outstanding March 31, 1996	$ 4.38 - 39.00	1,666,505

At March 31, 1996 and 1995, 771,125 shares and 531,403 shares, respectively, were exercisable under the stock option plans.

The restricted stock plan permits the grant of company shares restricted as to transferability and subject to a substantial risk of forfeiture. The vesting restrictions and period during which the transferability restrictions are applicable are determined on a case-by-case basis. During the restricted period, the restricted shares may not be transferred or encumbered but the recipient has the right to vote and receive dividends on the restricted shares. At March 31, 1996, contingent awards totalling 33,250 restricted company shares were outstanding, to be issued in conjunction with and as a result of the exercise of certain stock options. All restrictions are removed from the restricted shares six months after issuance.

In accordance with an employment agreement with the company's chairman of the board, 70,000 shares of restricted common stock of the company were granted to him on October 20, 1994. These restricted shares vest at varying intervals when the average sales price of the common stock reaches certain predetermined levels. During the year ended March 31, 1996, 25,000 shares vested due to the attainment of the first average sales price level applicable to those shares. The fair market value of the stock at the time of the grant was classified in stockholders' equity as deferred compensation-restricted stock and is being amortized by equal monthly charges to earnings over approximately seven years, adjusted for vestings during the seven year period.

During fiscal 1994, all then-existing treasury shares were cancelled and, accordingly, the amount of treasury shares were reclassified to common stock and additional paid-in capital.

At March 31, 1996 and 1995, 3,000,000 shares of no par value preferred stock were authorized and unissued.

Under a Shareholder Rights Plan, one preferred stock purchase right has been distributed as a dividend for each outstanding common share. Each right entitles the holder to purchase, under certain conditions, one two-hundredth of a share of Series A Participating Preferred Stock at an exercise price of $50, subject to adjustment. The rights will not be exercisable unless a person (as defined in the plan) acquires beneficial ownership of 16% or more of the outstanding common shares, or a person commences a tender offer or exchange offer, which upon its consummation such person would beneficially own 16% or more of the outstanding common shares.

If after the rights become exercisable a person becomes the beneficial owner of 16% or more of the outstanding common shares (except pursuant to an offer for all shares approved by the Board of

Directors), each holder (other than the acquirer) will be entitled to receive, upon exercise, common shares having a market value of twice the exercise price. In addition, if the company is involved in a merger (other than a merger which follows an offer for all shares approved by the Board of Directors), major sale of assets or other business combination, each holder of a right (other than the acquirer) will be entitled to receive, upon exercise, common stock of the acquiring company having a market value of twice the exercise price.

The rights may be redeemed for $.01 per right at any time prior to ten days following the acquisition by a person of 16% or more of the outstanding common shares. The rights expire on May 1, 2000.

(11) COMMITMENTS AND OTHER MATTERS

An employment agreement exists with the company's chairman of the board, president and chief executive officer whereby he will serve in such capacity through December 31, 1997. The terms of the employment agreement provide for an annual base salary and certain other benefits. Compensation continuation agreements exist with all other officers and certain other key employees of Tidewater Inc. whereby each receives compensation and benefits in the event that his or her employment is terminated following certain events relating to a change in control of the company. The maximum amount of compensation that could be paid under the agreements, based on present salary levels, is approximately $4,200,000. The amount that could be paid for certain benefits is not presently determinable.

During the fourth quarter of fiscal 1995, the company recorded as "other expense" $5.9 million ($3.7 million after tax, or $.06 per common share) for the cost of a restructuring program of its corporate headquarters and worldwide marine operations which was designed to reduce costs and improve operating efficiencies. Substantially all of the costs associated with the restructuring program were paid before March 31, 1995. The restructuring resulted in the elimination of approximately 150 positions, realignment of duties and responsibilities and streamlining of administrative functions. The charge reflects the costs associated with staff reductions, relocations and related transition expenses.

During the third quarter of fiscal 1995, the company recorded as "other expense" a charge of $2.5 million ($1.6 million after tax, or $.02 per common share) for reserves to cover possible losses due to the potential insolvency of certain of the company's insurers.

Various legal proceedings and claims are outstanding which arose in the ordinary course of business. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions will not have a materially adverse effect on the company's financial position.

(12) DIVISIONS AND GEOGRAPHIC DISTRIBUTION OF OPERATIONS

The company operates principally in two divisions. Tidewater Marine provides support services to the offshore oil and gas industry, and Tidewater Compression provides the energy industry with engineered products and services used primarily in oil and gas production, enhanced recovery, natural gas transmission and natural gas processing. Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for disclosures of additions to properties and equipment, identifiable assets, revenues, operating profit and depreciation for each division.

(13) SUPPLEMENTARY INFORMATION--QUARTERLY FINANCIAL DATA (UNAUDITED)

Years Ended March 31, 1996 and 1995
(in thousands, except per share data)

1996	First	Second	Third	Fourth
Revenues:				
Marine operations	$ 128,054	132,726	135,891	135,531
Compression operations	27,039	28,034	30,536	25,636
	$ 155,093	160,760	166,427	161,167
Operating profit:				
Marine operations	$ 25,807	31,483	33,489	28,130
Compression operations	4,077	3,990	4,359	2,139
	$ 29,884	35,473	37,848	30,269
Net earnings	$ 17,427	22,431	24,187	12,132
Primary and fully diluted earnings per common share	$ .28	.36	.39	.20

1995	First	Second	Third	Fourth
Revenues:				
Marine operations	$ 129,924	125,455	124,800	120,939
Compression operations	14,913	15,599	21,559	31,419
	$ 144,837	141,054	146,359	152,358
Operating profit:				
Marine operations	$ 24,566	19,123	22,537	17,457
Compression operations	1,782	2,657	4,207	5,790
	$ 26,348	21,780	26,744	23,247
Net earnings	$ 15,772	13,459	13,676	8,280
Primary and fully diluted earnings per common share	$ .25	.22	.23	.13

Operating profit consists of revenues less operating costs and expenses, depreciation, general and administrative expenses and other income and expenses of the Marine and Compression divisions.

See notes 1, 3, 8 and 11 for detailed information regarding transactions which affect fiscal 1996 and 1995 quarterly amounts.

TIDEWATER INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED MARCH 31, 1996, 1995, AND 1994
(IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D		COLUMN E
Description	Balance at Beginning of period	Additions at cost	Deductions		Balance at End of Period
1996					
Deducted in balance sheet from trade accounts receivables: Allowance for doubtful accounts	$ 9,636	121	1,381	(A)	8,376
Deducted in balance sheet from other assets: Amortization of goodwill and debt issuance costs	$ 2,136	2,374	---		4,510
1995					
Deducted in balance sheet from trade accounts receivables: Allowance for doubtful accounts	$ 6,842	3,877	1,083	(A)	9,636
Deducted in balance sheet from other assets: Amortization of goodwill and debt issuance costs	$ 940	1,196	---		2,136
1994					
Deducted in balance sheet from trade accounts receivable: Allowance for doubtful accounts	$ 6,345	1,712	1,215	(A)	6,842
Deducted in balance sheet from other assets: Amortization of goodwill and debt issuance costs	$ 1,479	321	860	(B)	940

(A) Accounts receivable amounts considered uncollectible and removed from accounts receivable by reducing allowance for doubtful accounts.
(B) Write-off of patent, deferred debt costs and underwriting commissions.

The index below describes each exhibit filed as a part of this report. Exhibits not incorporated by reference to a prior filing are designated by an asterisk; all exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

3(a) -Restated Certificate of Incorporation of Tidewater Inc. (filed with the Commission as Exhibit 3(a) to the company's quarterly report on Form 10-Q for the quarter ended September 30, 1993).

3(b) -Tidewater Inc. Bylaws (filed with the Commission as Exhibit 3(b) to the company's quarterly report on Form 10-Q for the quarter ended September 30, 1993).

4(a) -Restated Rights Agreement dated as of December 17, 1993 between Tidewater Inc. and The First National Bank of Boston (filed with the Commission as Exhibit 4 to the company's quarterly report on Form 10-Q for the quarter ended December 31, 1993).

10(a) -$130,000,000 Revolving Credit and Term Loan Agreement dated December

29, 1995 (filed with the Commission as Exhibit 10.1 to a Registration Statement on February 6, 1996, Registration No. 333-00221).

10(b) -Tidewater Inc. 1975 Incentive Program Stock Option Plan, as amended in 1990 (filed with the Commission as Exhibit 10(c) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1991).

10(c) -Tidewater Inc. 1992 Stock Option and Restricted Stock Plan (filed with the Commission as Exhibit 10(f) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(d) -Tidewater Inc. Amended and Restated Supplemental Executive Retirement Plan (filed with the Commission as Exhibit 10(g) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(e) -Tidewater Inc. Amended and Restated Employees' Supplemental Savings Plan (filed with the Commission as Exhibit 10(h) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(f) -Supplemental Health Plan for Executive Officers of Tidewater Inc. (filed with the Commission as Exhibit 10(i) to a Registration Statement on September 12, 1989, Registration No. 33-31016).

10(g) -Tidewater Inc. Deferred Compensation Plan for Directors (filed with the Commission as Exhibit 10(h) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1994).

10(h) -Tidewater Inc. Retirement Plan for Directors as adopted on March 22, 1990 (filed with the Commission as Exhibit 10(k) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1990).

10(i) -Employment and Consulting Agreement dated as of March 31, 1993 between Tidewater Inc. and John P. Laborde as amended (filed with the Commission as Exhibit 10(l) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

*10(j) -Consulting Agreement dated as of March 13, 1996 between Tidewater Inc. and Larry D. Hornbeck.

10(k) -Form of Severance Agreement entered into as of August 1, 1985 with eleven executive officers and key employees, as amended (filed with the Commission as Exhibit 10(j) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1992).

10(l) -Form of Severance Agreement entered into as of February 18, 1992 with three executive officers, as amended (filed with the Commission as Exhibit 10(k) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1992).

10(m) -Standstill Agreement dated as of November 11, 1992 between Tidewater Inc. and Zapata Corporation (filed with the Commission as Exhibit 10(o) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1993).

10(n) -First Amendment to Standstill Agreement dated January 24, 1994 between Tidewater Inc. and Zapata Corporation (filed with the Commission as Exhibit 10(n) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1994).

10(o) -Agreement, dated August 11, 1989, by and among the company and Irwin L. Jacobs, Daniel T. Lindsay, Gerald A. Schwalbach, TR Holdings, Inc. and Minstar, Inc. (filed with the Commission as Exhibit 1 to the company's report on Form 8-K for August 11, 1989).

10(p) -Tidewater Inc. 1995 Annual Incentive Plan (filed with the Commission as Exhibit 10(q) to the company's annual report on Form 10-K for the fiscal year ended March 31, 1995).

10(q) -Employment Agreement dated June 13, 1995 between Tidewater Inc. and William C. O'Malley (filed with the Commission as Exhibit 10 to the company's report on Form 8-K for June 13, 1995).

*11 -Earnings per share Computation Information.

*21 -Subsidiaries of the company.

*24 -Consent of Independent Accountants.

*27 - Financial Data Schedule.

Certain instruments respecting long-term debt of Tidewater have been omitted pursuant to Regulation S-K, Item 601. Tidewater hereby agrees to furnish a copy of any such instrument to the Commission upon request.

EXHIBIT 10(j)

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") dated as of March 13, 1996, is by and between Tidewater Inc., a Delaware corporation (the "Company") and Larry D. Hornbeck ("Hornbeck").

WITNESSETH:

WHEREAS, Hornbeck is currently a shareholder, director and officer of Hornbeck Offshore Services, Inc. ("HOSS");

WHEREAS, pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement"), dated as of December __, 1995, between, among others, the Company and HOSS, all shares of common stock, $.10 par value per share, of HOSS, including the shares held by Hornbeck, have been converted into the right to receive the Merger Consideration (as defined in the Merger Agreement), and HOSS has been acquired by merger by the Company (the "Merger");

WHEREAS, in order to preserve the goodwill of HOSS being transferred to the Company in connection with the Merger, Hornbeck has agreed, pursuant to the Merger Agreement, to execute and deliver this Agreement; and

WHEREAS, in order to induce the Company to consummate the Merger and in exchange for the payments specified herein, Hornbeck is willing to enter into this Agreement.

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

1. DEFINITIONS. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Affiliate" - the meaning specified in Rule 12b-2 under the Securities Exchange Act of 1934, as amended.

(b) "Associate" - the meaning specified in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended.

(c) "Confidential Information" - information of any nature and in any form which at the time or times concerned is not generally known to those persons engaged in business similar to that or contemplated by the Company (other than by the act or acts of an employee not authorized by the Company to disclose such information).

(d) "Person" - any natural person, corporation, partnership, limited liability company, trust or any other entity, organization, or enterprise of any kind, including governmental or political subdivisions, agencies or instrumentalities thereof.

2. PERSONAL SERVICES TO BE PERFORMED.

(a) In addition to serving on the Board of Directors of the Company pursuant to Section 7.3(l) of the Merger Agreement, the Company hereby engages Hornbeck to serve as its consultant and

Hornbeck agrees to so serve for the period specified in Section 6 hereof commencing as of the date hereof, unless sooner terminated as provided therein.

(b) During the three-month period commencing on the date hereof, Hornbeck shall devote an average of up to thirty-six hours per week to the performance of his duties as consultant subject to the instruction and direction of the President of the Company.

(c) During each of the next six months of this Agreement following the period in 2(b) above, Hornbeck shall devote an average of up to eighteen hours per week to the performance of such services as may be necessary or desirable to render the prompt and effective performance of his duties hereunder.

(d) During each of the next fifteen months of this Agreement, following the period in 2(c) above, Hornbeck shall devote an average of up to nine hours per week to the performance of such services as may be necessary or desirable to render the prompt and effective performance of his duties hereunder.

(e) Hornbeck shall not be precluded from pursuing other employment or occupational or vocational activities, provided that he (i) complies with the covenants contained in Sections 2 and 4 hereof, (ii) remains able to devote sufficient time, skill, labor and attention to the performance of his services hereunder in an effective manner, and (iii) does not engage in any activity during the term of this Agreement that would be deemed to be a breach of his duty of loyalty to the Company. Notwithstanding the preceding, Hornbeck shall be entitled to remain on the board of Coastal Towing, Inc.

(f) For purposes of complying with the requirements of this Section 2, the following provisions shall apply: Hornbeck's services hereunder shall be provided Monday through Friday during the Company's normal operating hours. Any international travel time required of Hornbeck shall be included as service hereunder; provided, however, that Hornbeck's duties hereunder shall not require an unreasonable amount of travel which shall average no more than five days per month.

3. COMPENSATION AND BENEFITS.

(a) In exchange for the services to be provided by Hornbeck pursuant to Section 2 hereof, the Company will pay Hornbeck monthly Ii) $33,333.33 per month during the three-month period commencing on the date hereof, (ii) $16,666.67 per month during each of the next nine months following the period in 3(a)(i), and (iii) $8,333.33 per month during each of the next 12 months following the period in 3(a)(i). the amounts payable hereunder will be paid regardless of whether the Company calls upon Hornbeck to consult, and 100% of the balance owed hereunder will be paid upon Hornbeck's death or disability. The Company will treat Hornbeck as an independent contractor for withholding and other employment tax purposes. Furthermore, any additional services provided by Hornbeck in excess of that required under Section 2 shall entitle Hornbeck to additional compensation which shall be mutually agreed to by Hornbeck and the Company. Hornbeck shall be entitled to 100% of the balance owed hereunder if the Company shall terminate this Agreement for any reason which is not permitted under Section 6 hereunder. (b) During the term of this Agreement, the Company will also reimburse Hornbeck for all travel (including business class air travel and $.40 per mile for auto) and other out-of-pocket expenses reasonably incurred by him in the performance of his duties hereunder, subject to his observance of any policies of general application with respect thereto maintained by the Company. Such reimbursements shall be promptly paid after the Company's receipt of Hornbeck's written expense voucher (with copies of bills attached) indicating the amount, nature and purpose of the expenses incurred, all of which shall be in such form and detail as to enable the Company to substantiate its federal income tax deductions for such expenses.

(c) During the term of Hornbeck's Board membership, Hornbeck will receive all compensation and benefits paid to the Company's other non-employee board members for his membership on, attendance at, and participation in Board meetings and any committees thereof of which eh is a member. Hornbeck shall be appointed to Board Membership two days after consummation of the merger pursuant to the Merger Agreement and, in addition, shall be recommended at the Company's next annual shareholders' meeting for Board Membership in the class of directors elected for a three-year term. Notwithstanding another agreements to the contrary, if Hornbeck is not recommended to the Company's shareholders and elected for Board Membership for a minimum aggregate period of three years (or placed in a class of directors serving for such period), then this Agreement will terminate, and Hornbeck will be entitled to the remaining balance owed hereunder.

4. CONFIDENTIAL INFORMATION; NON-COMPETITION.

(a) Hornbeck acknowledges that the Company has and will acquire through its business activities various types of Confidential Information that may be known by or disclosed to Hornbeck and that unauthorized disclosure of such information by Hornbeck to third parties may be damaging to the Company. Hornbeck hereby agrees that he will not, and will cause his Affiliates and Associates not to, at any time during or after the term of this Agreement, divulge or reveal, directly or indirectly, or use for his own benefit or the benefit of any person or entity other than the Company, any Confidential Information relating to the Company, its subsidiaries or affiliates, or any of the businesses operated by them. Hornbeck will return all tangible evidence of any such Confidential Information at the termination of his consulting services.

(b) Hornbeck agrees that during the term of this Agreement, he will not engage, directly or indirectly (including without limitation, through the ownership of more than a 5% interest in any entity), in any business activity that competes with the Company in any line of business in which the Company is engaged during the term of this Agreement.

5. STATUS OF CONSULTANT.

(a) The Company and Hornbeck understand and agree that Hornbeck is an independent contractor and is not an employee of the Company. Accordingly, Hornbeck acknowledges and agrees that (i) except as provided in Section 12(g) of this Agreement, he will not be eligible or entitled to participate in any employee benefit plans, arrangements, distributions, insurance or other similar benefits that may be provided by the Company to its employees, (ii) he will not be treated as an employee for purposes of any federal or state law regarding income tax withholding or for purposes of contributions required by any unemployment, insurance or compensatory program, and (iii) he will be solely responsible for the payment of any taxes or assessments imposed on account of the payment of compensation to, or the performance of consulting services by, him pursuant to this Agreement.

(b) Hornbeck will not, and has no authority to, represent to others that he is an employee of the Company. Except as expressly authorized in writing by the Company and except with respect to his membership on the Company's Board of Directors, Hornbeck has no authority to bind or obligate the Company, to use the name of the Company or any of its affiliates in any manner whatsoever, or to represent to others that he has any such authority.

6. TERM; TERMINATION.

(a) Unless earlier terminated pursuant to the provisions of subsection (b) hereof, the terms and provisions of this Agreement shall terminate on the second anniversary of this Agreement.

(b) This Agreement may be terminated:

(i) by either party hereto in the event of a material breach by the other of them of any covenant or agreement contained in this Agreement, which cannot be cured within five days after written notice of such breach is given to the party committing such breach;

(ii)by the Company, upon the death, incapacitation or gross misconduct involving moral turpitude of Hornbeck; or

(iii) by the mutual written consent of both parties hereto in whole or in part at any time.

(c) Except as otherwise provided herein, upon termination of this Agreement under this Section 6, all obligations of the Company and of Hornbeck hereunder shall cease. Notwithstanding the foregoing, in the event this Agreement is terminated by Hornbeck pursuant to subsection (b)(i) above, all amounts owed to him for the unexpired term of this Agreement pursuant to Section 3 hereof shall become immediately due and payable in full to Hornbeck within 30 days of such termination.

(d) If as a result of untenable work conditions Hornbeck elects to terminate this Agreement prior to its expiration, the Company will be obligated to pay him the following:

i. 0% of the balance owed hereunder if such termination within the first months of this Agreement;

ii. 50% of the remaining balance owed hereunder if such termination occurs between the fourth and twelfth month of this Agreement;

iii. 85% of the remaining balance owed hereunder if such termination occurs between the thirteenth and twenty-fourth month of this Agreement.

7. NOTICES. Any notice, communication, request, reply, consent, advice or disclosure notice ("Notice") required or permitted to be given or made by any party to another in connection with this Agreement must be in writing and may be given or served by (i) depositing such Notice in the United States mail, postage prepaid and registered or certified with return receipt requested, (ii) by hand delivering such Notice, (iii) by sending such Notice by an express air mail courier service for next business day delivery, or (iv) sending such Notice by telex or telecopy, the receipt of which is confirmed in writing by the named recipient. Notice deposited in the mail in the manner described above shall be effective 72 hours after such deposit, and Notice hand delivered in person or delivered by telex, telecopy or express courier service shall be effective at the time of delivery. For purposes of delivering any Notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

(a) If to the Company:

Tidewater Inc.
1440 Canal Street
New Orleans, Louisiana 70112
Attention: William C. O'Malley

(b) If to Hornbeck:

Larry D. Hornbeck
P.O. Box 191
Port Bolivar, TX 77650

or such other address as either party shall specify by notice in writing to the other party.

8. COMPLETE AGREEMENT; NO AMENDMENT. This Agreement constitutes the entire understanding between the Company and Hornbeck with respect to the matters provided for herein, and all prior discussions, negotiations, commitments, writings and understandings related hereto are hereby superseded. This Agreement shall not be amended or modified except by the written agreement of the parties hereto.

9. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns. Hornbeck may not assign either his rights or obligations hereunder without the prior written consent of the Company.

10. GOVERNING LAW. The construction and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of [Louisiana].

11. WAIVERS. The Company will not be deemed as a consequence of any act, delay, failure, omission, forbearance or other indulgence granted by it from time to time or for any other reason: (a) to have waived, or to be estopped from exercising, any of its rights or remedies under this Agreement or (b) to have modified, changed, amended, terminated, rescinded, or superseded any of the terms of this Agreement, unless such waiver, modification, amendment, change, termination, rescission, or supersession is express, in writing and signed by a duly authorized officer of the Company. No single or partial exercise by the Company of any right or remedy will preclude other or further exercise thereof or preclude the exercise of any other right or remedy, and a waiver expressly made in writing on one occasion will be effective only in that specific instance and only for the precise purpose for which given, and will not be construed as a consent to or a waiver of any right or remedy on any future occasion. No notice to or demand on Hornbeck will entitle Hornbeck to any other or future notice or demand in similar or other circumstances.

12. MISCELLANEOUS.

(a) This Agreement does not in any modify Hornbeck's or HOSS' rights or obligations pursuant to the Change in Control Agreement between Hornbeck and HOSS dated June 20, 1995.

(b) HOSS and the Company hereby assign to Hornbeck all rights to the "Hornbeck" name and any abbreviation thereof, and the Hornbeck "horsehead" logo.

(c) Hornbeck shall be entitled to the memorabilia and personal furnishings and effects in the HOSS offices.

(d) Hornbeck's base of operations will be in the Galveston/Port Bolivar, Texas area. Furthermore, as long as the Company keeps the Galveston office open, the Company will provide Hornbeck with the right to remain in his current office there, with appropriate secretarial and support services and facilities necessary to carry out the services required under this Agreement or requested by the Company. If and when that office is closed, he shall operate from his home office or the Company's Houston facility with appropriate support necessary to carry out the services required under this Agreement or requested by the Company.

(e) If Hornbeck is remove from the Board for any reason, any noncompete applicable to Hornbeck will terminate.

(f) The Company will indemnify Hornbeck for any labilities (including attorney's fees and expenses) in connection with his providing of consulting services hereunder.

(g) Subject to Hornbeck being employed on a full-time basis by another employer which provides comparable insurance to Hornbeck, Hornbeck and his spouse shall be entitled for the remainder of his and his spouses's life, at the Company's expense, to group Retiree health insurance benefits. Hornbeck shall, if requested by the Company, be required to reimburse the Company for the cost of providing such benefits after he attains age 68. Furthermore, after age 65, any health insurance benefits provided to Hornbeck hereunder shall be coordinated with medicare coverage that is available.

IN WITNESS WHEREOF, the parties hereto have duly authorized, executed and delivered this Agreement as of the date first above written.

TIDEWATER INC.

By: S/WILLIAM C. O'MALLEY
William C. O'Malley
Chairman, President and

Chief Executive Officer

S/LARRY D. HORNBECK
Larry D. Hornbeck

Acknowledged and agreed to:

HORNBECK OFFSHORE SERVICES, INC.

By: S/KEN C. TAMBLYN
Name: KEN C. TAMBLYN
Title: VICE PRESIDENT

EXHIBIT 11

TIDEWATER INC.
EARNINGS PER SHARE COMPUTATION INFORMATION
YEARS ENDED MARCH 31, 1996, 1995 AND 1994

(in thousands, except share and per share data)

		1996	1995	1994
Earnings before extraordinary item	$	76,177	51,187	44,660
Extraordinary loss on early debt retirement		---	---	(12,250)
Net earnings	$	76,177	51,187	32,410

Issued shares: 61,882,695

		1996	1995	1994
Weighted average common shares outstanding		61,675,360	61,586,175	60,419,859
Incremental shares applicable to stock options		485,618	272,719	371,470
Weighted average common shares and equivalents		62,160,978	61,858,894	60,791,329
Primary and fully-diluted earnings per common share:				
Earnings before extraordinary item	$	1.23	.83	.73
Extraordinary loss on early debt retirement		---	---	(.20)
Net earnings	$	1.23	.83	.53

The above earnings per share (EPS) calculations are submitted in accordance with APB Opinion No. 15. An EPS calculation in accordance with Regulation S-K item 601(b)(11) is not shown above because it produces an anti-dilutive result. The following information is disclosed for purposes of calculating the anti-dilutive EPS for fiscal year 1994:

		1996	1995	1994
Shares attributable to assumed conversion of convertible subordinated debentures		---	---	1,840,880
Interest expense (in thousands) applicable to convertible subordinated debentures, net of income taxes	$	---	---	2,377

EXHIBIT 21

LIST OF SUBSIDIARIES

NAME	STATE OR JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING SECURITIES OWNED
Al Wasl Marine Limitee	Dubai	49%
Antilles Marine Service Limited	Trinidad & Tobago	50%
Asie Zapata Marine Service Sdn. Bhd	Malaysia	49%
Compania Maritima de Magallanes Limitada. .	Chile	100%
Equipo Mara, C.A.	Venezuela	19.9%
Equipo Zulia, C.A.	Venezuela	100%
Gulf Fleet Abu Dhabi	Abu Dhabi	49%
Gulf Fleet Middle East, Inc..	Panama	100%
Gulf Fleet N.V.	Netherlands Antilles	100%
Gulf Fleet Supply Vessels, Inc.	Louisiana	100%
Hilliard Oil & Gas, Inc..	Nevada	100%
Hornbeck Shipping Limited	Isle of Man	49%
Hornbeck Support Ships Limited.	Isle of Man	49%
Jackson Marine Corporation	Delaware	100%
Jackson Marine, S.A.	Panama	100%
Jackson Marine Shipping Limited	United Kingdom	100%
Java Boat Corporation	Louisiana	100%
Lamalco-Tidewater Marine Service Limited .	Vanuatu	50%
Marine Transportation Services Sea-Barge Group, Inc.	Delaware	60%
Maritide Offshore Oil Services Company S.A.E.	Egypt	49%
Mashhor Marine Sdn. Bhd..	Brunei	70%
Nelson Navigation Limited	Isle of Man	49.9%
Nuigini Energy Services (unincorporated). .	New Guinea	50%
Offshore Fleet International Incorporated .	Panama	100%
Offshore Marine Limited	United Kingdom	100%
Pacific Tidewater Pty. Ltd.	Australia	100%
Pan-Marine do Brasil Transportes Ltda . . .	Brazil	100%
Pan-Marine International, Inc..	Cayman Islands	100%
Pental Insurance Co. Ltd.	Bermuda	100%
Point Marine, Inc.	Louisiana	100%
Provident Marine Ltd.	Turks &Caicos Is.	50%
Quality Shipyards, Inc.	Louisiana	100%
Ravensworth Investments Limited	Isle of Man	49.9%
Remolcadores y Gabarras Remigasa, S.A. . .	Venezuela	19.9%
Seaboard Coral Limited	Scotland	49.9%
Seaboard Holdings Limited	Isle of Man	49.9%
Seaboard Offshore Group Limited	Scotland	49.9%
Seaboard Offshore Limited	Scotland	49.9%
Scott Navigation Limited	Isle of Man	49.9%
Seafarer Boat Corporation	Louisiana	100%
Servicios de Abastecimientos Mexicanos, S. de R.L. de C.V.	Mexico	100%
Servicios Maritimos del Carmen, S.A. de C.V	Mexico	100%
Servicios Maritimos Ves, S.A. de R.L. . . .	Mexico	100%
Servicios y Representaciones Maritimas Mexicanas, S.A. de C. V.	Mexico	100%
Shanghai Zapata Houlder Marine Service Corp. Ltd..	Peoples Republic of China	50%
Sin-Hai Offshore Co. Pte. Ltd..	Singapore	97.5%
S.O.P., Inc..	Louisiana	100%
Southern Ocean Services Pte. Ltd.	Singapore	100%
Sunset Personnel Services Limited	Cyprus	49.9%
Sylcon Personnel Services Limited	Cyprus	49.9%
T. Benetee Corporation.	Delaware	100%
The National Marine Services Company . . .	Abu Dhabi	40%
Tidewater Caribe, C.A.	Venezuela	100%
Tidewater Chartering Pty. Ltd.	Australia	50%
Tidewater Compression Service, Inc.	Texas	100%
Tidewater Crewing Limited	Cayman Islands	100%
Tidewater Foreign Sales Corporation	Barbados	100%
Tidewater International, Inc.	Panama	100%
Tidewater (IOM) Limited	Isle of Man	100%
Tidewater Marine Alaska, Inc.	Alaska	100%
Tidewater Marine Atlantic, Inc.	Delaware	100%
Tidewater Marine, Inc..	Louisiana	100%
Tidewater Marine International Pte. Ltd. .	Singapore	100%
Tidewater Marine (Malaysia) Sdn. Bhd. . . .	Malaysia	100%
Tidewater Marine Service, C.A.	Venezuela	100%
Tidewater Offshore Services, Inc.	Delaware	100%
Tidewater Offshore (GP-1984), Inc..	Delaware	100%
Tidewater North Sea Safety, Inc.	Delaware	100%
Tidewater Marine Service, Inc..	Louisiana	100%
Tidewater Marine (UK) Limited	United Kingdom	100%

Tidewater Marine West Indies Limited. . . .	Bahama Islands	100%
Tidewater Marine Western, Inc.	Texas	100%
Tidewater Port Jackson Marine Pty. Ltd. . .	Australia	50%
Tidewater Nautico, Inc.	Panama	100%
Tidewater Services, Inc..	Louisiana	100%
Tidewater Venezuela, C.A.	Venezuela	100%
Tidex (Malaysia) Sdn. Bhd	Malaysia	100%
Tidex Nigeria Limited	Nigeria	60%
Tidex/OTS Nigeria Limited (unincorporated).	Nigeria	50%
Torrens Ship Builders Pty. Ltd.	Australia	50%
TPJM Nominees Limited	Vanuatu	50%
TT Boat Corporation	Louisiana	100%
Twenty Grand Marine Service, Inc.	Louisiana	100%
Twenty Grand Offshore, Inc.	Louisiana	100%
Zapata Gulf Crews, Inc.	Panama	100%
Zapata Gulf Indonesia Limited	Vanuatu	80%
Zapata Gulf Marine Corporation.	Delaware	100%
Zapata Gulf Marine International Limited. .	Vanuatu	100%
Zapata Gulf Marine Operators, Inc.	Delaware	100%
Zapata Gulf Pacific, Inc.	Delaware	100%
Zapata Marine Service (Nigeria) Limited . .	Nigeria	100%
Zapata Offshore Marine Service Inc.	Liberia	50%
Zapata Services (U.K.) Limited	United Kingdom	100%
Zapata Servicos Maritimos Ltda.	Brazil	100%*
Zhong Chang Offshore Marine Service Co. Ltd.	People's Republic of China	50%

* Includes Zapata Gulf Marine Corporation's ownership of 15% of the capital stock and Gulf Fleet Supply Vessels, Inc.'s ownership of 3% of the capital stock.

EXHIBIT 24

ACCOUNTANT'S CONSENT

The Board of Directors and Stockholders of Tidewater Inc.:

We consent to incorporation by reference in the Registration Statements 2-69356 and 33-38240 on Form S-8 of Tidewater Inc. of our report dated April 29, 1996 relating to the consolidated balance sheets of Tidewater Inc. and subsidiaries as of March 31, 1996 and 1995 and the related consolidated statements of earnings, stockholders' equity and cash flows and related schedule for each of the years in the three-year period ended March 31, 1996, which report appears in the March 31, 1996 annual report on Form 10-K of Tidewater Inc.

KPMG PEAT MARWICK LLP

New Orleans, Louisiana
April 29, 1996

This schedule contains summary financial information extracted from the Consolidated Balance Sheets and the 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.

12-MOS
MAR-31-1996
APR-01-1995
MAR-31-1996
28,768
0
152,848
8,376
31,346
208,936
1,576,185
916,412
978,200
85,680
0
0
0
6,188
732,562
978,200
643,447
643,447
529,620
529,620
2,940
0
5,882
110,887
34,710
76,177
0
0
0
76,177
1.23
1.23