GLOBAL INDUSTRIES LTD
Form 10-K
March 19, 2002

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

For the fiscal year ended December 31, 2001

[ ] Transition Report Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

For the Transition period from _____ to _____

Commission File Number 2-56600

Global Industries, Ltd.
(Exact Name of Registrant as Specified in Its Charter)

LOUISIANA	72-1212563
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
8000 Global Drive Carlyss, Louisiana	70665
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (337) 583-5000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock ($0.01 par value)
(Title of Class)

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 such 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. [ ]

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 4, 2002 was $612,534,649 based on the last reported sales price of the Common Stock on March 4, 2002 on the NASDAQ\NMS.

The number of shares of the registrant's Common Stock outstanding as of March 4, 2002, was 93,075,228.

DOCUMENTS INCORPORATED BY REFERENCE

None.

GLOBAL INDUSTRIES, LTD.
INDEX - FORM 10-K

PART I

Item 1.	Business	3
Item 2.	Properties	14
Item 3.	Legal Proceedings	17
Item 4.	Submission of Matters to a Vote of Security Holders	17

PART II

Item 5.	Market for the Registrant's Common Equity and Related Shareholder Matters	18
Item 6.	Selected Financial Data	19
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	30
Item 8.	Financial Statements and Supplementary Data	
	Independent Auditors' Report	31
	Consolidated Balance Sheets - December 31, 2001 and 2000	32
	Consolidated Statements of Operations - Years Ended December 31, 2001, 2000, and 1999	33
	Consolidated Statements of Shareholders' Equity - Years Ended December 31, 2001, 2000, and 1999	34
	Consolidated Statements of Cash Flows - Years Ended December 31, 2001, 2000, and 1999	35
	Consolidated Statements of Comprehensive Income (Loss) - Years Ended December 31, 2001, 2000, and 1999	36
	Notes to Consolidated Financial Statements	37

Item 9.	Changes In and Disagreements With Accountants on Accounting and Financial Disclosure	58
	PART III	
Item 10.	Directors and Executive Officers of the Registrant	59
Item 11.	Executive Compensation	62
Item 12.	Security Ownership of Certain Beneficial Owners and Management	65
Item 13.	Certain Relationships and Related Transactions	66
	PART IV	
Item 14.	Exhibits, Financial Statement Schedules, and Reports on Form 8-K	67
	Signatures	72

PART I

ITEM 1. BUSINESS

Global Industries, Ltd. provides construction services including, pipeline construction, platform installation and removal, diving services, and construction support to the offshore oil and gas industry in the United States Gulf of Mexico (the "Gulf of Mexico") and in selected international areas. Unless the context indicates otherwise, all references to the "Company" or "Global" refer to Global Industries, Ltd. and its subsidiaries.

The Company began as a provider of diving services to the offshore oil and gas industry almost thirty years ago and has used selective acquisitions, new construction, and upgrades to expand its operations and assets. The Company has the largest number of offshore construction vessels currently available in the Gulf of Mexico and its worldwide fleet includes twenty-four barges that have various combinations of pipelay, pipebury, and derrick capabilities. The Company's fleet includes seventy-three manned vessels that were available for service during 2001. At December 31, 2001, the Company's fleet consisted of seventy-eight vessels.

DESCRIPTION OF OPERATIONS

The Company is a leading offshore construction company offering a comprehensive and integrated range of marine construction and support services in the Gulf of Mexico, West Africa, Asia Pacific, Latin America, and the Middle East. These services include pipeline construction, platform installation and removal, subsea construction, and diving services.

The Company is equipped to provide services from shallow water to water depths of over 10,000 feet. As exploration companies have made considerable commitments and expenditures for production in water depths over 1,000 feet, the Company has invested in vessels, equipment, technology, and skills to increase its abilities to provide services in the growing deepwater market.

For financial information regarding the Company's operating segments and the geographic areas in which they operate, see Note 8 of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report.

Offshore Construction

Offshore construction services performed by the Company include pipelay, derrick, and related services. The Company is capable of installing steel pipe by either the conventional or the reel method of pipelaying using either manual or automatic welding processes. With the conventional method, 40-foot segments of up to 60-inch diameter pipe are welded together, coated, and tested on the deck of the pipelay barge. Each segment is connected to the prior segment and then submerged in the water as the barge is moved forward forty feet by its anchor winches, or in some instances on-board thrusters; the process is then repeated. Dynamic positioning technology uses on-board thrusters in conjunction with global positioning system technology which enables a vessel to remain on station or move with precision without the use of anchors. Using the conventional pipelay method, the Company's barges can install approximately 400 feet per hour of small diameter pipe in shallow water under good weather conditions. Larger diameter pipe, deeper water, and less favorable weather conditions all reduce the speed of pipeline installation. The Company has vessels located in each of the regions in which it currently operates that are capable of installing pipe using the conventional method.

With the reel method of pipelaying, the Company performs the welding, testing, and corrosion coating onshore, and then spools the pipe onto a pipe reel in one continuous length. Once the reel barge is in position, the pipe is unspooled onto the ocean floor as the barge is moved forward. The Companys dedicated reel pipelay barge, the Chickasaw, a 275-foot dynamically positioned pipelay/derrick barge, is capable of spooling as much as forty-five miles of 4.5-inch diameter pipe, nineteen miles of 6.625-inch diameter pipe, or four miles of 12.75-inch diameter pipe in one continuous length. Concrete coated pipe or pipe with a diameter greater than 12.75 inches cannot be installed using the Chickasaw's reel. Global has successfully operated the Chickasaw since 1987. The Company believes that its reel method pipelay capability often provides it with a competitive advantage because of its faster installation rates and reduced labor expense when compared to the conventional pipelay method. The Chickasaw can install small diameter pipe in shallow water at rates averaging 3,000 feet per hour. The Chickasaw's faster lay rate is even more significant during the winter months, when pipelay operations frequently must be suspended because of adverse weather conditions. The Chickasaw's faster installation rate allows much more progress, or even completion of a project, with fewer costly weather delays. The reel method of pipelaying also reduces labor costs by permitting much of the welding, x-raying, corrosion coating, and testing to be accomplished onshore where labor costs are generally lower than comparable labor costs offshore. This method also enables the Company to perform a substantial portion of its work onshore, a more stable and safer work environment.

The Hercules, a 444-foot dynamically positioned pipelay/heavy-lift barge, is also equipped with a reel system similar in design to the Chickasaw's but with a much greater capacity. The Hercules reel is capable of spooling eighty-four miles of 6.625-inch diameter pipe, twenty-two miles of 12.75-inch diameter pipe, or ten miles of 18-inch diameter pipe. The Hercules can install small diameter pipe at rates averaging 3,000 feet per hour. The Hercules is capable of providing conventional and spooled pipelay services in water depths up to 10,000 feet.

Global's Pioneer is a dynamically positioned SWATH (Small Waterplane Area Twin Hull) vessel that provides support services in water depths to 8,000 feet. Use of the Pioneer design reduces weather sensitivity, allowing the vessel to continue operating in up to 12-foot seas and remain on site in up to 20-foot seas. The vessel is able to install, maintain, and service subsea completions, has saturation diving capabilities, and is equipped for abandonment operations, pipeline installation support, and other services beyond the capabilities of conventional dive support vessels ("DSV"s). The Pioneer's current base of operations is the Gulf of Mexico.

For the Gulf of Mexico, The United States Department of Interior Minerals Management Service ("MMS") requires the burial of all offshore oil and gas pipelines that are greater than 8.75-inches in diameter and located in water depths of 200 feet or less. The Company believes it has the equipment and expertise necessary for its customers to comply with MMS regulations. In 1997, the Company obtained the Mudbug technology and certain ownership interest in related patents. The Mudbug is used to simultaneously lay and bury pipelines providing a significant competitive advantage over the conventional method, which requires a second trip over the pipeline with the barge to bury the pipe. Regulations also require that these pipelines be periodically inspected, repaired, and, if necessary, reburied. Inspection requires extensive diving or ROV services, and rebury requires either hand-jetting by divers or use of one of the Company's large jet sleds and a bury barge.

All twenty-four of the Company's barges are equipped with cranes designed to lift and place platforms, structures, or equipment into position for installation. In addition, they can be used to disassemble and remove platforms and prepare them for salvage or refurbishment. The Hercules is equipped to perform lifts up to 2,000 tons. The Company expects demand for Gulf of Mexico abandonment services to increase as more platforms are removed due to MMS regulations relating to the abandonment of wells and removal of platforms. MMS regulations require platforms to be removed within eighteen months after production ceases and that the site be restored to meet stringent standards. According to MMS, in March 2002 there were 4,269 platforms in U.S. waters of the Gulf of Mexico.

Diving and Other Underwater Services

The Company performs diving operations in the Gulf of Mexico, West Africa, Asia Pacific, Latin America, and the Middle East. Demand for diving services covers the full life of an offshore oil and gas property, including supporting exploration, installing pipelines for production and transportation, periodic inspection, repair and maintenance of fixed platforms and pipelines and, ultimately, salvage and site clearance. The Company's pipelay and derrick operations create captive demand for saturation diving services, for which divers are more highly compensated, and which enables the Company to attract and retain qualified and experienced divers. To support its diving operations, the Company operates a fleet of seven DSVs domestically and eleven DSVs internationally.

For the Gulf of Mexico, the MMS requires that all offshore structures have extensive and detailed inspections for corrosion, metal thickness, and structural damage every five years. As the age of the offshore infrastructure increases, the Company anticipates that demand for inspections, repairs, and wet welding technology will increase.

For diving projects involving long-duration deepwater dives to 1,500 feet, the Company uses saturation diving systems that maintain an environment for the divers at the subsea water pressure at which they are working until the job is completed. Saturation diving permits divers to make repeated dives without decompressing, which reduces the time necessary to complete the job and reduces the diver exposure to the risks associated with frequent decompression. Two of the Company's largest saturation diving systems are capable of maintaining an environment simulating subsea water pressures to 1,500 feet. The Company has recorded the deepest wet working dive in the Gulf of Mexico at 1,075 feet.

The Company has been at the forefront in the development of many underwater welding techniques and has more qualified diver/welders in the Gulf of Mexico than any of its competitors. Welded repairs are made by two methods: dry hyperbaric welding and wet welding. In dry hyperbaric welding, a customized, watertight enclosure is engineered and fabricated to fit the specific requirements of the structural joint or pipeline requiring repairs. The enclosure is lowered into the water, attached to the structure, and then the water is evacuated, allowing divers to enter the chamber and to perform dry welding repairs. Wet welding is accomplished while divers are in the water, using specialized welding rods. Wet welding is less costly because it eliminates the need to construct an expensive, customized, single-use enclosure, but historically often resulted in repairs of unacceptable quality. The Company believes it has been a leader in improving wet welding techniques and it has satisfied the technical specifications for customers' wet welded repairs in water depths to 325 feet. The Company's Research and Development Center is an important part of a research and development consortium led by the Company and the Colorado School of Mines that conducts research on underwater welding techniques for major offshore oil and gas operators. The Research and Development Center includes a hyperbaric facility capable of simulating wet or dry welding environments for water depths of up to 1,200 feet so that welds can be performed and tested to assure compliance with the customer's technical specifications.

Liftboats and other Offshore Support Vessels

Liftboats, also called "jackup boats", are self-propelled, self-elevating work platforms complete with legs, cranes, and living accommodations. Once on location, a liftboat hydraulically lowers its legs until they are seated on the ocean floor and then "jacks up" until the work platform is elevated above the wave action. Once positioned, the stability, open deck area, crane capacity, and relatively low costs of operation make liftboats ideal work platforms for a wide range of offshore support services. In addition, the capability to reposition at a work site, or to move to another location within a short time adds to their versatility. While the Company continues to time charter its liftboats to the offshore service industry, it is also using the liftboats in its pipeline and platform repair, inspection, maintenance, removal, and diving services. Currently, the Company operates twenty-two liftboats in the U.S. Gulf of Mexico.

The Company also operates other offshore support vessels ("OSVs") internationally to support its offshore construction services and also time charters them to the offshore service industry.

Customers

The Company's customers are primarily oil and gas producers and pipeline companies. During the year ended December 31, 2001, the Company provided offshore marine construction services to over 100 customers. The Company's revenues are not dependent on any one customer. Its largest single customer in any one of the last three years accounted for 18% of consolidated revenues. Sales to Petroleos Mexicanos (PEMEX) were greater than 10% of consolidated revenues in 2001 and 2000. The loss of these revenues could have a material adverse effect on the Company's Latin American segment. The level of construction services required by any particular customer depends on the size of that customer's capital expenditure budget devoted to construction plans in a particular year. Consequently, customers that account for a significant portion of revenues in one fiscal year may represent an immaterial portion of revenues in subsequent fiscal years. The Company's traditional contracts are typically of short duration, being completed in one to five months. Engineering, Procurement, Installation and Commissioning contracts (EPIC) and turnkey contracts can be for longer durations of up to one or two years.

Contracts for work in the Gulf of Mexico are typically awarded on a competitive bid basis with customers usually requesting bids on projects one to three months prior to commencement. However, for projects in water depths greater than 1,000 feet, particularly subsea development projects and "turnkey" projects (where the Company is responsible for the project from engineering through hook-up), and for projects in international areas, the elapsed time from bid request to commencement of work may exceed one year. The Company's marketing staff contacts offshore operators known to have projects scheduled to ensure that the Company has an opportunity to bid for the projects. Most contracts are awarded on a fixed-price basis, but the Company also performs work on a cost-plus or day-rate basis, or on a combination of such bases. The Company attempts to qualify its contracts so it can recover the costs of certain unexpected difficulties and the costs of weather related delays during the winter months. Although customers' contract terms relating to risk allocation are becoming more onerous to the contractor, there are more innovative risk and reward contracts being offered.

Competition

In each region of the world that the Company operates, the offshore marine construction industry is highly competitive with many different competitors. Price competition and contract terms are the primary factors in determining which qualified contractor is awarded a job. However, the ability to deploy improved equipment and techniques, to attract and retain skilled personnel, and to demonstrate a good safety record have also been important competitive factors.

Domestic competition for deepwater and ultra-deep water projects in the Gulf of Mexico is limited primarily to the Company, J. Ray McDermott and Cal Dive International. With increasing frequency, international competitors such as Technip-Coflexip S.A., Heerema S.A., Stolt Offshore S.A., Allseas Marine Contractors S.A., and Saipem S.p.a. bid and compete for projects in the Gulf of Mexico. The Company's competitors for domestic shallow water projects include many smaller companies including Horizon Offshore, Inc., Offshore Specialities Fabricators, Inc., and Torch, Inc. Many shallow water competitors compete primarily based on price.

Backlog

As of January 31, 2002, the Company's backlog of construction contracts supported by written agreements, the highest in its history, amounted to approximately $361.2 million ($73.0 million for the U.S. Gulf of Mexico and $288.2 million for international operations), compared to the Company's backlog at January 31, 2001, of $58.0 million ($19.4 million for the U.S. Gulf of Mexico and $38.6 million for international operations). Management expects approximately 58% of the Company's backlog to be performed in 2002. The Company does not consider its backlog amounts to be a reliable indicator of future earnings.

Patents

The Company owns or is the licensee of a number of patents in the United States and Great Britain. The Company relies on a combination of patents and trade secrets to protect its proprietary technologies. Patents under which the Company is a non-exclusive licensee protect certain features of the Chickasaw and the Company's portable reels. In the fiscal 1997 acquisition of Norman Offshore Pipelines, Inc., the Company acquired certain ownership interest in patents to certain pipe burying technology, called the Mudbug, which permits pipelay and bury completion in a single pass. The licenses continue until the expiration of the underlying patents, which will occur at various times to 2007. In addition, the Company has developed certain proprietary underwater welding techniques and materials.

The Company's business is not materially dependent on any one or more of its licenses or patents, although the loss of license or patent protection for the Company's reel barge, or its pipeburying technology could have an adverse effect on the Company's competitive position.

Employees

The Company's work force varies based on the Company's workload at any particular time. During 2001, the number of Company employees ranged from a low of 1,739 to a high of 2,132, and as of January 31, 2002, the Company had 2,159 employees. None of the Company's employees are covered by a collective bargaining agreement. The Company believes that its relationship with its employees is satisfactory.

Seasonality

Each of the geographic areas in which the Company operates has seasonal patterns that affect the Company's operating patterns. The seasonal patterns are the results of weather conditions and the timing of capital expenditures by oil and gas companies. In the Gulf of Mexico, where the Company derived over 47% of its revenues in 2001, a disproportionate amount of the Company's revenues, gross profit, and net income is earned in the interim periods that include July through December.

Government Regulation and Environmental Matters

Many aspects of the offshore marine construction industry are subject to extensive governmental regulation. In the United States, the Company is subject to the jurisdiction of the United States Coast Guard, the National Transportation Safety Board and the Customs Service, as well as private industry organizations such as the American Bureau of Shipping. The Coast Guard and the National Transportation Safety Board set safety standards and are authorized to investigate vessel accidents and recommend improved safety standards, and the Customs Service is authorized to inspect vessels at will.

The Company is required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, and certificates with respect to its operations. The kinds of permits, licenses, and certificates required in the operations of the Company depend upon a number of factors. The Company believes that it has obtained or can obtain all permits, licenses, and certificates necessary to conduct its business.

In addition, the Company depends on the demand for its services from the oil and gas industry and, therefore, laws and regulations, as well as changing taxes and policies relating to the oil and gas industry affect the Company's business. In particular, the exploration and development of oil and gas properties located on the Outer Continental Shelf of the United States is regulated primarily by the MMS.

The operations of the Company also are affected by numerous federal, state, and local laws and regulations relating to protection of the environment including, in the United States, the Outer Continental Shelf Lands Act, the Federal Water Pollution Control Act of 1972, and the Oil Pollution Act of 1990. The technical requirements of these laws and regulations are becoming increasingly complex and stringent, and compliance is becoming increasingly difficult and expensive. However, the Company believes that compliance with current environmental laws and regulations is not likely to have a material adverse effect on the Company's business or financial statements. Certain environmental laws provide for "strict liability" for remediation of spills and releases of hazardous substances and some provide liability for damages to natural resources or threats to public health and safety. Sanctions for noncompliance may include revocation of permits, corrective action orders, administrative or civil penalties, and criminal prosecution. The Company's compliance with these laws and regulations has entailed certain changes in operating procedures and approximately $0.2 million in expenditures during the year ended December 31, 2001. It is possible that changes in the environmental laws and enforcement policies thereunder, or claims for damages to persons, property, natural resources, or the environment could result in substantial costs and liabilities to the Company. The Company's insurance policies provide liability coverage for sudden and accidental occurrences of pollution and/or clean up and containment of the foregoing in amounts which the Company believes are comparable to policy limits carried in the marine construction industry.

Because the Company engages in certain activities that may constitute "coastwise trade" within the meaning of federal maritime regulations, it is also subject to regulation by the United States Maritime Administration (MarAd), Coast Guard, and Customs Services. Under these regulations, only vessels owned by United States citizens that are built and registered under the laws of the United States may engage in "coastwise trade." Furthermore, the foregoing citizenship requirements must be met in order for the Company to continue to qualify for financing guaranteed by MarAd, which currently exists with respect to certain of its vessels. Certain provisions of the Company's Articles of Incorporation are intended to aid in compliance with the foregoing requirements regarding ownership by persons other than United States citizens.

RISK FACTORS

The following risks and uncertainties are associated with the Company's business:

The Company's debt instruments contain covenants that limit its operating and financial flexibility.

Under the terms of the Company's syndicated bank credit facility, it must maintain minimum levels of tangible net worth, not exceed levels of debt specified in the agreement, and comply with, among other things, a fixed coverage ratio and a leverage ratio. The Company amended this credit facility effective November 30, 2001. This amendment (i) reduced the requirements of the leverage ratio covenant for the quarters ending December 31, 2001 and March 31, 2002 and the fixed charge coverage ratio covenant for the quarter ended December 31, 2001; (ii) extended the requirement of the consolidated net worth covenant of $510.0 million to June 30, 2002; and (iii) reduced the permitted capital expenditures to $35.0 million in 2002. In March 2002, the Company amended further this credit facility. This amendment reduced the requirement of the consolidated net worth covenant to $440.0 million for the quarter ending June 30, 2002 and thereafter. For a more detailed discussion of amendments to the Company's syndicated bank credit facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources".

The Company's ability to meet the financial ratios and tests under its credit facility can be affected by events beyond its control, and it may not be able to satisfy these ratios and tests. If the Company fails to comply with those ratios and tests, and is unable to obtain a waiver, its lenders will be entitled to, among other things, accelerate the debt outstanding under the credit facility so that it is immediately due and payable, and no further borrowings would be available under the revolving credit facility. Any acceleration of the debt outstanding under the credit facility would have a material adverse effect on the Company's financial condition.

The Company's ability to incur debt and issue letters of credit is limited, which could limit the number and size of contracts it can obtain and/or perform.

The Company's current syndicated revolving loan facility is limited to $100.0 million. The Company currently has a binding commitment from a group of lenders, all of whom participate in our existing syndicated loan facility, to provide a $30.0 million up to a $45.0 million 364-day syndicated revolving bank credit facility upon consummation of this offering. To the extent that certain contracts require substantial amounts of working capital and/or performance letters of credit, the Company may be limited in the number and size of contracts it can perform.

The Company business is substantially dependent on the level of capital expenditures in the oil and gas industry and volatility in oil and natural gas prices could adversely affect its results of operations.

The demand for the Company's services depends on the condition of the oil and gas industry and, in particular, on the capital expenditures of companies engaged in the offshore exploration, development and production of oil and natural gas. Capital expenditures by these companies are primarily influenced by prevailing oil and natural gas prices and expectations about future prices. Historically, prices of oil and natural gas and offshore exploration, development and production have fluctuated substantially. In the current period of decreased oil and natural gas prices, oil and gas companies have moderated capital expenditures in economically marginal production areas. This has decreased demand for offshore construction and related services in certain segments in which the Company participates, and has resulted in increased competition in certain segments for available projects, which could result in lower profit margins. A sustained period of substantially reduced capital expenditures by oil and gas companies such as existed in 1999 and 2000, whether as a result of volatility of oil and natural gas prices or significant or prolonged reduction in oil and natural gas prices would likely result in continued decreased demand for the Company's services, low margins and net losses.

The Company's international operations expose it to additional risks inherent in doing business abroad.

A significant portion of the Company's revenue is derived from operations outside the United States. The scope and extent of its operations outside of the Gulf of Mexico means the Company is exposed to the risks inherent in doing business abroad. These risks include:

currency exchange rate fluctuations, devaluations and restrictions on currency repatriation;

unfavorable taxes, tax increases and retroactive tax claims;

the disruption of operations from labor and political disturbances;

insurrection or war that may disrupt or limit markets;

expropriation or seizure of our property;

nullification, modification or renegotiation of existing contracts;

regional economic downturns;

import-export quotas and other forms of public and governmental regulation; and

the social and political environment in countries that may be affected by the September 11, 2001 terrorist attacks.

The Company cannot predict the nature of foreign governmental regulations applicable to its operations that may be enacted in the future. In many cases, the Company's direct or indirect customer will be a foreign government, which can increase our exposure to these risks. U.S. government-imposed export restrictions or trade sanctions, under the Export Administration Act, the Trading with the Enemy Act or similar legislation or regulation may also impede our ability, or the ability of our customers, to operate or continue to operate in specific countries. These factors could have a material adverse effect on the Company's financial condition and results of operation.

The Company's is exposed to the substantial hazards and risks inherent in marine construction and its insurance coverage is limited.

The Company's business involves a high degree of operational risks. Hazards and risks that are inherent in marine operations include capsizing, grounding, colliding and sustaining damage from severe weather conditions. In addition, its construction work can disrupt existing pipelines, platforms and other offshore structures. Any of these could cause damage to or destruction of vessels, property or equipment, personal injury or loss of life, suspension of production operations or environmental damage. The failure of offshore pipelines or structural components during or after installation by us could also result in similar injuries or damages. Any of these events could result in interruption of our business or significant liability.

The Company cannot always obtain insurance for our operating risks, and it is not practical to insure against all risks in all geographic areas. Uninsured liabilities resulting from The Company's operations may adversely effect its business and results of operations. The Company cannot predict the impact of the September 11, 2001 terrorist attacks on the insurance industry or its ability to obtain insurance at reasonable rates in the future.

The Company depends on significant customers.

Some of the Company's industry segments derive a significant amount of their revenues from a small number of customers. For example, sales to PEMEX represented more than 10% of the Company's consolidated revenue and a majority of its Latin American revenue in 2001 and 2000. The inability of these segments to continue to perform services for a number of their large existing customers, if not offset by contracts with new or other existing customers, could have a material adverse effect on our business and operations.

The Company utilizes percentage-of-completion accounting.

Since the Company's contract revenues are recognized on a percentage-of-completion basis, it periodically reviews contract revenue and cost estimates as the work progresses. Accordingly, adjustments are reflected in income in the period when any revisions are determined. To the extent that these adjustments result in a reduction of previously reported profits, the Company would recognize a charge against current earnings that may be significant depending on the size of the adjustment.

The Company may not complete its fixed-price contracts within its original estimates of costs which will adversely effect our results.

Because of the nature of the offshore construction industry, most of the Company's projects are performed on a fixed-price basis. The profits we realize on one of the Company's contracts will often vary from the estimated amounts because of changes in offshore job conditions and in labor and equipment productivity. In addition, the Company sometimes bear the risk of delays caused by bad weather conditions. The Company may suffer lower profits or even losses on projects because of cost overruns resulting from these or other causes.

The Company has incurred losses in recent periods and may incur additional losses in the future.

In recent years the Company has incurred losses from operations, particularly during periods of low industry-wide demand for marine construction services. The Company incurred net losses in 1999 and 2000, primarily because of weaker demand for our services. The Company was profitable in 2001, but the Company may not be profitable in the future. The Company may not be able to sustain or increase such profitability on a quarterly or annual basis due to the volatility in the oil and gas industry.

If the Company is unable to attract and retain skilled workers its business will be adversely affected.

The Company's operations depend substantially upon its ability to continue to retain and attract project managers, project engineers and skilled construction workers such as divers, welders, pipefitters and equipment operators. The Company's ability to expand its operations is impacted by its ability to increase its labor force. The demand for skilled workers in our industry is currently high and the supply is limited. As a result of the cyclical nature of the oil and gas industry as well as the physically demanding nature of the work, skilled workers may choose to pursue employment in other fields. A significant increase in the wages paid or benefits offered by competing employers could result in a reduction in the Company's skilled labor force, increases in its employee costs, or both. If either of these events occur, the Company's operations and results could be materially adversely affected.

The Company's operations could suffer with the loss of one of its senior officers or other key personnel.

The Company's success depends heavily on continued services of its Senior Management and key employees, including William J. Dore', its founder, Chairman of the Board and Chief Executive Officer. The Company's officers and key personnel have extensive experience in our industry so if the Company were to lose any of its key employees or executive officers, its operations could suffer.

The Company's industry is highly competitive.

Offshore construction companies compete intensely for projects. Contracts for the Company's services are generally awarded on a competitive bid basis, and intense price competition is a primary factor in determining who is awarded the job. Customers also consider availability and capability of equipment, reputation, experience and safety record of the contender, in awarding jobs. Certain competitors may be willing to sustain losses on projects to gain experience or market share, to cover fixed costs of their fleets or to avoid the expense of temporarily idling vessels, resulting in reduced prices. During industry down cycles in particular, the Company may have to accept lower rates for its services and vessels or increase contractual liabilities. As the Company has increased its operations in deeper waters and internationally, the Company has encountered additional competitors, many of whom have greater experience than the Company in these markets and greater resources. As large international companies relocate vessels to the Gulf of Mexico, levels of competition may increase and the Company's business could be adversely affected.

Additionally, the Company's competitiveness in international markets may be adversely affected by regulations requiring, among other things, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of supplies from local vendors or which favor or require local ownership.

Compliance with environmental and other governmental regulations could be costly and could negatively impact the Company's operations.

The Company's vessels and operations are subject to and affected by various types of governmental regulation, including many international, federal, state and local environmental protection laws and regulations. These laws and regulations are becoming increasingly complex and stringent, and compliance is becoming more difficult and expensive. The Company may be subject to significant fines and penalties for non-compliance, and some environmental laws impose joint and several "strict liability" for cleaning up spills and releases of oil and hazardous substances, regardless of whether it was negligent or at fault. These laws and regulations may expose the Company to liability for the conduct of or conditions caused by others, or for the Company's acts that complied with all applicable laws at the time we performed the acts.

Adoption of laws or regulations that have the effect of curtailing exploration for and production of oil and natural gas in the Company's areas of operation could adversely affect its operations by reducing demand for our services. In addition, new laws or regulations, or changes to existing laws or regulations may increase our costs or otherwise adversely affect the Company's operations.

The Company's principal shareholder is able to exercise substantial influence.

As of March 1, 2002, Mr. Dore' beneficially owns approximately 31 % of our outstanding common stock. As a result, Mr. Dore' is able to exercise substantial influence on the outcome of matters requiring a shareholder vote, including the election of directors. This influence may have the effect of delaying, deferring or preventing a change in the Company's control.

The Company limits foreign ownership of the Company, which could reduce the price of its common stock.

The Company's articles of incorporation limit the percentage of outstanding common stock and other classes of voting securities that non-United States citizens can own. Applying the statutory requirements applicable today, the Company's articles of incorporation provides that no more than 25% of our outstanding common stock may be owned by non-United States citizens. These restrictions may at times preclude United States citizens from transferring their common stock to non-United States citizens. This may also restrict the available market for resale of shares of common stock and for the issuance of shares by the Company and could adversely affect the price of its stock.

Provisions in the Company's corporate documents and Louisiana law could delay or prevent a change in control of the Company, even if that change would be beneficial to its stockholders.

The existence of some provisions in the Company's corporate documents could delay or prevent a change in control of the Company, even if that change would be beneficial to its stockholders. The Company's articles of incorporation and by-laws contain provisions that may make acquiring control of the Company difficult, including: provisions relating to the classification, nomination and removal of its directors; provisions regulating the ability of its stockholders to bring matters for action at annual meetings of its stockholders; and the authorization given to its board of directors to issue and set the terms of preferred stock. Louisiana law also effectively limits the ability of a potential acquiror to obtain a written consent of its stockholders.

The Company may issue preferred stock whose terms could adversely affect the voting power or value of its common stock.

The Company's articles of incorporation authorize it to issue, without the approval of its stockholders, one or more classes or series of preferred stock having such preferences, powers and relative, participating, optional and other rights, including preferences over its common stock respecting dividends and distributions, as its board of directors generally may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of the Company's common stock. For example, the Company might grant holders of preferred stock the right to elect some number of the Company's directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences the Company might assign to holders of preferred stock could affect the residual value of the common stock.

The Company has no plans to pay dividends on its common stock.

The Company has no plans to pay dividends in the foreseeable future. The Company intends to invest its future earnings, if any, to fund our growth. Any payment of future dividends will be at the discretion of the Company's board of directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, contractual restrictions applying to the payment of dividends, and other considerations that our board of directors deems relevant.

ITEM 2. PROPERTIES

The Company owns a fleet of twenty-four construction barges, twenty-two liftboats, and thirty-two DSVs, OSVs, and other support vessels. Twenty-one of the Company's construction barges are designed to perform more than one type of construction project which enables these combination barges to sustain a higher utilization rate. A listing of the Company's significant vessels along with a brief description of the capabilities of each is presented on page 16.

The Company's Hercules is a 444-foot dynamically positioned pipelay/heavy-lift barge with a 2,000-ton crane capable of performing revolving lifts up to approximately 1,600 tons. The Hercules is capable of spooling up to eighty-four miles of 6.625-inch diameter pipe, twenty-two miles of 12.75-inch diameter pipe, or ten miles of 18-inch pipe using its portable reel. This reel is capable of being removed and installed on the Hercules as deemed necessary and as job demands change.

The Chickasaw, a 275-foot dynamically positioned pipelay/derrick barge, has a dedicated pipelay reel which has a capacity ranging from forty-five miles of 4.5-inch diameter pipe, nineteen miles of 6.625-inch diameter pipe or four miles of 12.75-inch diameter pipe. The Company owns four additional portable pipelay reels, which can be mounted on the deck of its barges for pipelay by the reel method or used as additional capacity on the Chickasaw. The Company owns and operates four jetting sleds, which are capable of burying pipe up to thirty-six inches in diameter, and three Mudbugs, for burying pipe simultaneously with the pipeline installation.

In April of 2001, the Company entered into a long-term agreement to charter the Titan 2. The Titan 2 is a 456-foot self-propelled twin-hulled derrick ship capable of lifting 880 tons and with over 54,000 square feet of working deck area. At the end of 2001, the Titan 2 was in the process of being configured with a dynamic positioning system and additional quarters. These additions were completed in the first quarter of 2002.

Global's Pioneer is a dynamically positioned SWATH (Small Waterplane Area Twin Hull) vessel that provides support services in water depths to 8,000 feet. Use of the Pioneer design reduces weather sensitivity, allowing the vessel to continue operating in up to 12-foot seas and remain on site in up to 20-foot seas. The vessel is able to install, maintain, and service subsea completions, has saturation diving capabilities, and is equipped for abandonment operations, pipeline installation support, and other services beyond the capabilities of conventional DSVs. The Pioneer's current base is the Gulf of Mexico.

The Company operates twenty-two liftboats. Liftboats are self-propelled, self-elevating vessels, which can efficiently support offshore construction and other services, including dive support and salvage operations in water depths up to 180 feet. In January 2001, the liftboat Bonita suffered an engine room explosion. The vessel incurred extensive damage and was declared a constructive total loss.

The Company owns all of its barges and vessels, with the exception of the Titan 2, and fifty-eight are subject to ship mortgages. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources." In compliance with governmental regulations, the Company's insurance policies, and certain of the Company's financing arrangements, the Company is required to maintain its barges and vessels in accordance with standards of seaworthiness and safety set by government regulations or classification organizations. The Company maintains its fleet to the standards for seaworthiness, safety, and health set by the International Maritime Organization or the U.S. Coast Guard and are inspected by the American Bureau of Shipping, Bureau Veritas, Lloyd's Registry or Det Norske Veritas.

The Company also owns sixteen saturation diving systems. One of the units is installed in the New Iberia Research and Development Center and used to support welding research as well as offshore operations. The Company's saturation systems range in capacity from four to fourteen divers. Two of the saturation systems are capable of supporting dives as deep as 1,500 feet. Each saturation system consists of a diving bell for transporting the divers to the sea floor and pressurized living quarters. The systems have surface controls for measuring and mixing the specialized gases that the divers breathe and connecting hatches for entering the diving bell and providing meals and supplies to the divers.

In the normal course of its operations, the Company also leases or charters other vessels, such as tugboats, cargo barges, utility boats, dive support vessels, and ROVs.

The Company owns 625 acres near Carlyss, Louisiana and has constructed a deepwater support facility and pipebase. The location serves as the corporate headquarters and the headquarters of the Company's Gulf of Mexico Offshore Construction operations. The facility is capable of accommodating the Company's deepwater draft vessels and pipe spooling for the Chickasaw and the Hercules. The Company has replaced its facilities in Houma, Lafayette, and Amelia, Louisiana with the Carlyss Facility.

The following table summarizes the Company's significant existing facilities as of December 31, 2001:

Location	Principal Use	Approximate Square Feet or Acreage	Owned/Leased (Lease Expiration)
Carlyss, LA	Shore base/Corporate Headquarters	625 acres	Owned
Port of Iberia, LA	Shore base	39 acres	Owned
Houston, TX	Office	39,410 sq. ft.	Leased (Aug. 2003)
Lafayette, LA (1)	Office/Training/ Storage	13,154 sq. ft.	Leased (Dec. 2004)
Cd. Del Carmen, Mexico	Warehouses	7,874 sq. ft.	Leased (Dec. 2004)
Cd. Del Carmen, Mexico	Office/Workshop	41,042 sq. ft.	Owned
Bangkok, Thailand	Office	7,545 sq. ft.	Leased (July 2003)
Batam Island, Indonesia	Shore base	52 acres	Leased (Mar. 2028)
Sharjah, United Arab Emirates	Office/Shore base	64,946 sq. ft.	Leased (Nov. 2002)

(1) Leased from the Company's Chairman and Chief Executive Officer, Mr. William J. Dore'.

Global Industries, Ltd.
Listing of Construction Barges and Swath Vessel

				Pipelay			
	Vessel Type	Derrick Maximum Length (Feet)	Maximum Pipe Lift (Tons)	Maximum Water Diameter (Inches)	Year Depth (Feet)	Living Acquired/ Leased	Quart Capac
Construction Barges:							
Titan 2	Derrick	456	880	--	--	2001	18
Hercules	Pipelay/reel/derrick	444	2,000	60.00	10,000	1995	19
Seminole	Pipelay/derrick	424	800	48.00	1,500	1997	22
Comanche	Pipelay/derrick	400	1,000	48.00	1,500	1996	22
Shawnee	Pipelay/derrick	400	860	48.00	1,500	1996	27
Iroquois	Pipelay/derrick	400	250	60.00	1,000	1997	25
DLB 264	Pipelay/derrick	397	1,000	60.00	1,000	1998	22
DLB 332	Pipelay/derrick	351	750	60.00	1,000	1998	20
Cheyenne	Pipelay/bury/derrick	350	800	36.00	1,500	1992	19

Arapaho	Derrick	350	800	--	--	1992	10
Cherokee	Pipelay/derrick	350	925	36.00	1,500	1990	18
Sara Maria	Derrick	350	550	--	--	1999	30
Mohawk	Pipelay/bury/derrick	320	600	48.00	700	1996	20
Seneca	Pipelay/bury	290	150	42.00	1,000	1997	12
Chickasaw	Pipelay/reel/derrick	275	160	12.75	6,000	1990	7
Delta 1	Pipelay/bury	270	25	14.00	200	1996	7
Tonkawa	Derrick/bury	250	175	--	--	1990	7
Sea Constructor	Pipelay/bury	250	200	24.00	400	1987	10
Navajo	Pipelay/derrick	240	150	10.00	600	1992	12
SubSea Constructor	Pipelay/bury	240	150	16.00	150	1997	6
G/P 37	Pipelay/bury	188	140	16.00	300	1981	5
Pipeliner 5	Pipelay/bury	180	25	14.00	200	1996	6
G/P 35	Pipelay/bury	164	100	16.00	200	1978	4
MAD II	Pipelay/bury	135	45	22.00	50	1975	3
SWATH Vessel:							
Pioneer	Multi-service	200	50	--	--	1996	5

ITEM 3. LEGAL PROCEEDINGS

The Company's operations are subject to the inherent risks of offshore marine activity including accidents resulting in the loss of life or property, environmental mishaps, mechanical failures, and collisions. The Company insures against these risks at levels consistent with industry standards. The Company believes its insurance should protect it against, among other things, the cost of replacing the total or constructive total loss of its vessels. The Company also carries workers' compensation, maritime employer's liability, general liability, and other insurance customary in its business. All insurance is carried at levels of coverage and deductibles that the Company considers financially prudent. Recently the industry has seen a tightening in the builder's risk market, which has increased deductibles and reduced coverage.

The Company's services are provided in hazardous environments where accidents involving catastrophic damage or loss of life could result, and litigation arising from such an event may result in the Company being named a defendant in lawsuits asserting large claims. Although there can be no assurance that the amount of insurance carried by Global is sufficient to protect it fully in all events, management believes that its insurance protection is adequate for the Company's business operations. A successful liability claim for which the Company is underinsured or uninsured could have a material adverse effect on the Company.

In November of 1999, the Company notified Groupe GTM that as a result of material adverse changes and other breaches by Groupe GTM, the Company was no longer bound by and was terminating the Share Purchase Agreement to purchase the shares of ETPM S.A. Groupe GTM responded stating that they believed the Company was in breach. The Share Purchase Agreement provided for liquidated damages of $25.0 million to be paid by a party that failed to consummate the transaction under certain circumstances. The Company has notified Groupe GTM that it does not believe that the liquidated damages provision is applicable to its termination of the Share Purchase Agreement. On December 23, 1999, Global filed suit against Groupe GTM in Tribunal de Commerce de Paris to recover damages. On June 21, 2000, Groupe GTM filed an answer and counterclaim against Global seeking the liquidated damages of $25.0 million and other damages, costs and expenses of approximately $2.3 million. The Company believes that the outcome of these matters will not have a material adverse effect on its business or financial statements.

The Company is involved in various routine legal proceedings primarily involving claims for personal injury under the General Maritime Laws of the United States and Jones Act as a result of alleged negligence. The Company believes that the outcome of all such proceedings, even if determined adversely, would not have a material adverse effect on its business or financial statements.

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

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The Company's Common Stock is traded on the NASDAQ National Market System under the symbol "GLBL." The following table presents for the periods indicated the high and low sales prices per share of the Company's Common Stock.

Period	High	Low
January 1, 2000 - March 31, 2000	$ 15.750	$ 7.375
April 1, 2000 - June 30, 2000	19.875	11.125
July 1, 2000 - September 30, 2000	18.688	9.438
October 1, 2000 - December 31, 2000	14.750	9.188
January 1, 2001 - March 31, 2001	$ 16.000	$ 12.000
April 1, 2001 - June 30, 2001	17.460	12.470
July 1, 2001 - September 30, 2001	13.110	4.990
October 1, 2001 - December 31, 2001	9.380	5.430

As of March 5, 2002, there were approximately 1,021 holders of record of Common Stock.

The Company has never paid cash dividends on its Common Stock and does not intend to pay cash dividends in the foreseeable future. The Company currently intends to retain earnings, if any, for the future operation and growth of its business. Certain of the Company's financing arrangements restrict the payment of cash dividends. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

ITEM 6. SELECTED FINANCIAL DATA

The selected financial data presented below for each of the past five fiscal periods should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and Notes to Consolidated Financial Statements included elsewhere in this Annual Report. In 1998, the Company changed its fiscal accounting year-end to December 31 from March 31.

	Twelve Months Ended December 31,				Nine Months Ended December 31,	Year Ended March 31,
	2001	2000(1)	1999(2)	1998(3)	1998	1998(4)
	(in thousands, except per share data)					
Revenues	$ 406,104	$ 298,745	$ 387,452	$ 429,719	$ 342,201	$ 379,901
Gross profit	70,849	35,383	45,600	119,716	95,973	114,656
Net income (loss)	6,156	(16,690)	(1,131)	49,953	38,971	57,303
Net income (loss) per share						
Basic	$ 0.07	$ (0.18)	$ (0.01)	$ 0.55	$ 0.43	$ 0.63
Diluted	$ 0.07	$ (0.18)	$ (0.01)	$ 0.53	$ 0.42	$ 0.61
Weighted average common shares outstanding						
Basic	92,753	91,982	90,700	91,488	91,498	91,110
Diluted	93,847	91,982	90,700	94,780	93,808	93,872
Ratio of earnings to fixed charges (7)	1.43x	(9)	(8)(9)	7.0x	6.8x	14.0x
Ratio of earnings to fixed charges plus dividends (7)	1.43x	(9)	(8)(9)	7.0x	6.8x	14.0x
Total assets (6)	$ 748,177	$ 730,187	$ 755,935	$ 730,187	$ 730,187	$ 625,367
Working capital (6)	64,588	37,949	58,561	78,637	78,637	77,472
Long-term debt, total (6)	234,740	236,627	252,407	210,797	210,797	146,993

(1) Included in the net income (loss) and net income (loss) per share amount is a cumulative effect of change in accounting principle of $(0.8) million and $(0.01), respectively. See Note 1 of the Notes to Consolidated Financial Statements.

(2) Included in the results for the year ended December 31, 1999, beginning in the third quarter, are the consolidated financial results of Global's ownership of CCC's (CCC Fabricaciones y Construcciones, S.A. de C.V.) offshore construction business. See Note 12 of the Notes to Consolidated Financial Statements.

(3) Unaudited.

(4) Effective December 31, 1998, the Company changed its fiscal year-end to December 31 of each year.

(5) On July 31, 1997, the Company acquired certain business operations and assets of Sub Sea International, Inc. and certain of its subsidiaries. The results of operations of the Sub Sea acquisition are included from the date of the acquisition.

(6) As of the end of the period.

(7) For purposes of computing the ratios of earnings to fixed charges and earnings to fixed charges plus dividends: (1) earnings consist of income before income taxes plus fixed charges, excluding capitalized interest, and (2) fixed charges consist of interest expense (including capitalized interest) and the estimated interest component of rent expense (one-third of total rent expense). There were no dividends paid or accrued during the periods presented above.

(8) In 1999, we guaranteed certain indebtedness of an unconsolidated affiliate. The associated fixed charges related to such indebtedness approximated $0.9 million for the period ended December 31, 1999, and have not been included in the computation of the ratios.

(9) Earnings were inadequate to cover fixed charges by $11.8 million for the year ended December 31, 1999 and by $20.1 million for the year ended December 31, 2000.

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

The following discussion presents management's discussion and analysis of the Company's financial condition and results of operations and should be read in conjunction with the Consolidated Financial Statements and the related Notes to Consolidated Financial Statements.

Certain of the statements included below and in other portions of this Annual Report, including those regarding future financial performance or results that are not historical facts, are or contain "forward looking" information as that term is defined in the Securities Act of 1933, as amended. The words "expect," "believe," "anticipate," "project," "estimate," and similar expressions are intended to identify forward-looking statements. The Company cautions readers that any such statements are not guarantees of future performance or events and such statements involve risks, uncertainties and assumptions. Factors that could cause actual results to differ from those expected include, but are not limited to, dependence on the oil and gas industry and industry conditions, general economic conditions including interest rates and inflation, competition, the ability of the Company to continue its acquisition strategy, successfully manage its growth, and obtain funds to finance its growth, operating risks, contract bidding risks, the use of estimates for revenue recognition, risks of international operations, risks of vessel construction such as cost overruns, changes in government regulations, and disputes with construction contractors, dependence on key personnel and the availability of skilled workers during periods of strong demand, the impact of regulatory and environmental laws, the ability to obtain insurance, and other factors discussed below. Operating risks include hazards such as vessel capsizing, sinking, grounding, colliding, sustaining damage in severe weather conditions, fire and explosion. These hazards can also cause personal injury, loss of life, severe damage to and destruction of property and equipment, pollution and environmental damage, and suspension of operations. The risks inherent with international operations include political, social, and economic instability, exchange rate fluctuations, currency restrictions, nullification, modification, or renegotiations of contracts, potential vessel seizure, nationalization of assets, import-export quotas, and other forms of public and governmental regulation. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual results and outcomes may differ materially from those indicated in the forward-looking statements.

On September 30, 2000, the Company completed a transaction to exchange certain of its ROV assets for certain non-U.S. diving assets of Oceaneering International, Inc. and share certain international facilities with Oceaneering in Asia and Australia. Global conveyed to Oceaneering its ROVs and related equipment in Asia and Australia and its ROV Triton XL-11 in the Gulf of Mexico. In exchange, Oceaneering conveyed to Global the dive support vessel Ocean Winsertor along with air and saturation diving equipment in Asia, Australia, China, and the Middle East.

Results of Operations

The following table sets forth, for the periods indicated, statement of operations data expressed as a percentage of revenues.

	Twelve Months Ended December 31,		
	2001	2000	1999
Revenues	100.0%	100.0%	100.0%
Cost of revenues	82.6	88.2	88.2
Gross profit	17.4	11.8	11.8
Goodwill amortization	0.8	1.0	0.3
Equity in net loss of Unconsolidated affiliate	--	--	2.8
Selling, general and administrative expenses	8.8	10.5	7.2
Operating income	7.8	0.3	1.5
Interest expense	5.4	7.6	3.7
Other expense (income)	(0.1)	(1.0)	0.1
Income (loss) before income taxes	2.5	(6.3)	(2.3)
Provision (benefit) for income taxes	1.0	(0.9)	(2.0)

Income (loss) before cumulative effect of change in accounting principle	1.5	(5.4)	(0.3)
Cumulative effect of change in accounting principle	--	0.3	--
Net income (loss)	1.5%	(5.7)%	(0.3)%

The Company's results of operations reflect the level of offshore construction activity in the Gulf of Mexico and all international locations, for all periods presented above. In addition, included in the results for the year ended December 31, 1999, beginning in the third quarter, are the consolidated financial results of Global's ownership of CCC's offshore construction operations (see Note 12 of the Notes to Consolidated Financial Statements). The results also reflect the Company's ability to win jobs through competitive bidding and manage awarded jobs to successful completion. The level of offshore construction activity is principally determined by three factors: first, the oil and gas industry's ability to economically justify placing discoveries of oil and gas reserves in production; second, the oil and gas industry's need to clear all structures from the lease once the oil and gas reserves have been depleted; and third, weather events such as major hurricanes.

Year Ended December 31, 2001 Compared to the Year Ended December 31, 2000

Revenues. Revenues for the year ended December 31, 2001 increased 36% to $406.1 million from $298.7 million for the year ended December 31, 2000. The increase in revenues resulted primarily from increased activity in certain areas including Asia Pacific, Gulf of Mexico Offshore Construction, and Gulf of Mexico Diving, and increased vessel activity and improved pricing in the Gulf of Mexico Marine Support area.

Gross Profit. The Company's gross profit as a percentage of revenues was 17% and 12% for the years ended December 31, 2001 and December 31, 2000, respectively. Gross profit for the year ended December 31, 2001 was $70.8 million as compared with $35.4 million for the year ended December 31, 2000. The 100% increase was largely the result of increased activity and/or improved pricing for our services in certain areas including Gulf of Mexico Offshore Construction, Gulf of Mexico Marine Support, West Africa, and Asia Pacific. Included in 2001 gross profit in the Company's Latin America segment, is a third party settlement gain of $3.9 million relating to a prior year contract dispute (See Note 12 to the Financial Statements).

Selling, General, and Administrative Expenses. For the year ended December 31, 2001, selling, general, and administrative expenses were $35.7 million compared to $31.2 million during the year ended December 31, 2000. The increase in selling, general, and administrative expenses is attributable to costs associated with strengthening the Company's marketing and business development areas and certain accounting and legal fees. As a percentage of revenues, selling, general and administrative expenses decreased to 9% for the year ended December 31, 2001, compared to 10% during the year ended December 31, 2000.

Depreciation and Amortization. For the year ended December 31, 2001, depreciation and amortization, including amortization of dry-docking costs, was $53.9 million compared to the $45.9 for the year ended December 31, 2000. The 17% increase was principally attributable to increased utilization of the Company's pipelay/derrick barges, which are depreciated on a units-of-production basis, in Asia Pacific and Gulf of Mexico Offshore Construction.

Interest Expense. Interest expense was $21.9 million, net of capitalized interest, for the year ended December 31, 2001, compared to $22.8 million for the year ended December 31, 2000 primarily due to lower average outstanding debt levels, lower effective interest rates partially offset by less capitalized interest.

Other Income (Net). Other income decreased $2.7 million to $0.2 million for the year ended December 31, 2001 compared to $2.9 million for the same period in 2000. The difference is attributable to a third party settlement gain and increased interest income on funds in escrow which occurred during the year ended December 31, 2000 and debt covenant waiver and amendment fees during the year ended December 31, 2001. The decrease was partially offset by the recognition of a gain on the disposition of one vessel in 2001.

Net Income (Loss). For the year ended December 31, 2001, the Company recorded net income of $6.2 million as compared to a net loss of $16.7 million for the year ended December 31, 2000. The Company's effective tax rate for the twelve months ended December 31, 2001 was 41%, compared to 15% for the twelve months ended December 31, 2000. The increase in the effective tax rate relates primarily to changes in taxable income in different taxable jurisdictions.

Segment Information. The Company has identified seven reportable segments as required by SFAS 131 (see Note 8 of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report). The following discusses the results of operations for each of those reportable segments.

Gulf of Mexico Offshore Construction - Revenues increased 15% to $130.6 million (including $4.4 million intersegment revenues) for the year ended December 31, 2001 from $113.2 million (including $2.0 million intersegment revenues) for the year ended December 31, 2000. Income (loss) before taxes improved $0.4 million, to a loss of $2.3 million for the year ended December 31, 2001 compared to a loss before taxes of $2.7 million for the comparable period last year. The increase in revenues and improved income before tax was primarily attributable to increased demand for offshore services in the Gulf of Mexico. Although activity increased considerably during 2001, sales volume at current margin levels was insufficient to cover certain fixed costs resulting in a loss before tax.

Gulf of Mexico Diving - Revenues from diving-related services in the Gulf of Mexico increased 11% to $42.1 million (including $15.8 million intersegment revenues) for the year ended December 31, 2001 compared to $37.8 million (including $17.9 million intersegment revenues) for the year ended December 31, 2000 due to increased activity in higher margin saturation diving work. The increased activity resulted in income before taxes of $2.7 million for the year ended December 31, 2001 compared to income before taxes of $2.1 million for the year ended December 31, 2000.

Gulf of Mexico Marine Support - Revenues for this segment increased 44% to $43.2 million (including $4.1 million intersegment revenues) for the year ended December 31, 2001, compared to $29.9 million (including $4.6 million intersegment revenues) for the year ended December 31, 2000. Approximately 68% and 32% of the revenue increase was due to increased activity and improved pricing, respectively. As a result of the overall increase in activity levels and improved pricing, income before taxes also increased to $15.5 million during the year ended December 31, 2001 compared to income before taxes of $4.7 million for the year ended December 31, 2000.

West Africa - For the year ended December 31, 2001, revenues decreased 8% to $30.6 million from $33.4 million for the year ended December 31, 2000. The decline in revenues was due primarily to the completion of one large contract during 2000 which had a large portion of fabrication and procurement content. Income before taxes increased to $1.4 million for the year ended December 31, 2001 from a loss of $5.1 million for the year ended December 31, 2000. Earnings increased despite the decline in revenues, due to changes in the mix of contract work.

Latin America - Revenues increased slightly to $60.9 for the year ended December 31, 2001 from $60.8 for the year ended December 31, 2000. Income before taxes increased to $0.9 million for the year ended December 31, 2001 from a nominal profit for the same period in 2000. During the fourth quarter of 2001, the Company settled a prior year contract dispute resulting in a favorable settlement of approximately $3.9 million which is included in the Latin America segment's income before tax. Exclusive of the aforementioned settlement gain, earnings declined to a loss despite the comparable revenue levels, due to changes in the mix of contract work.

Asia Pacific - Revenues increased 225% to $111.4 million for the year ended December 31, 2001 from $34.3 million for the year ended December 31, 2000. The significant improvement in revenues was the result of increased activity in the region. Results improved by $11.4 million to a loss before taxes of $2.9 for the year ended December 31, 2001 from a loss before taxes of $14.3 for the same period of 2000. Sales volume at current margin levels was insufficient to cover certain fixed costs resulting in a loss before tax.

Middle East - Revenues decreased 12% to $11.3 million for the year ended December 31, 2001 compared to $12.8 million for the year ended December 31, 2000. Results improved nominally to a loss before taxes of $3.4 for the year ended December 31, 2001 from a loss before taxes $3.5 million during the year ended December 31, 2000. In 2001 the Company repositioned its derrick/pipelay barge, the Navajo, from Middle East to West Africa.

Year Ended December 31, 2000 Compared to the Year Ended December 31, 1999

Revenues. Revenues for the year ended December 31, 2000 declined 23% to $298.7 million from $387.5 million for the year ended December 31, 1999. The decline in revenues is primarily attributable to decreased activity in the Company's West Africa, Latin America, and Asia Pacific divisions. These amounts were partially offset by increases in the Company's Gulf of Mexico Diving, Gulf of Mexico Marine Support, and Middle East segments.

Gross Profit. The Company's gross profit as a percentage of revenues was 12% for both the year ended December 31, 2000 and December 31, 1999. Gross profit for the year ended December 31, 2000 was $35.4 million as compared with $45.6 million for the year ended December 31, 1999. The 22% decline was largely the result of decreased international activity, partially offset by higher gross profit from the Company's Gulf of Mexico Diving, Gulf of Mexico Marine Support, and Middle East segments. The higher gross profits in these areas was due primarily to increased activity and increased rates.

Selling, General, and Administrative Expenses. For the year ended December 31, 2000, selling, general, and administrative expenses increased 13% to $31.2 million from $27.7 million for the twelve months ended December 31, 1999. The increase was due primarily to an entire year of consolidation of the Company's Mexican Operations in fiscal 2000 as compared to a half-year in fiscal 1999.

Depreciation and Amortization. For the year ended December 31, 2000, depreciation and amortization, including amortization of dry-docking costs, was $45.9 million compared to the $55.0 for the year ended December 31, 1999. The 17% decline was principally attributable to decreased utilization of the Company's pipelay/derrick barges, in the West Africa, Latin America, Asia Pacific and Gulf of Mexico Offshore Construction divisions, which are depreciated on a units-of-production basis. This decrease was partially offset by increased depreciation expense associated with the Company's Carlyss facility, which was operational for a full year in fiscal 2000.

Interest Expense. Interest expense was $22.8 million, net of capitalized interest, for the year ended December 31, 2000, compared to $14.5 million for the year ended December 31, 1999 primarily due to higher average outstanding debt levels, higher effective interest rates, and less capitalized interest.

Net Income (Loss). For the year ended December 31, 2000, the Company recorded a net loss of $16.7 million as compared to a net loss of $1.1 million for the year ended December 31, 1999. Included in the net loss for the year ended December 31, 1999 is a $7.1 million loss associated with the Company's previous 49% ownership interest in CCC. The Company's effective tax rate for the twelve months ended December 31, 2000 was 15%, compared to 87% for the twelve months ended December 31, 1999. The decrease in the effective tax rate relates primarily to changes in taxable income in differing taxable jurisdictions and a tax benefit in 1999 on the capital loss related to the sale of Global's interest in CCC.

Segment Information. The Company has identified seven reportable segments as required by SFAS 131 (see Note 8 of the Notes to Consolidated Financial Statements included elsewhere in this Annual Report). The following discusses the results of operations for each of those reportable segments.

Gulf of Mexico Offshore Construction - Revenues declined 7% to $113.2 million (including $2.0 million intersegment revenues) for the year ended December 31, 2000 from $121.1 million (including $3.7 million intersegment revenues) for the year ended December 31, 1999. Income before taxes decreased to a loss of $2.7 million for the year ended December 31, 2000 compared to income before income taxes of $3.9 million for the comparable period last year. The decreases in revenues and earnings were due primarily to decreased demand for offshore construction services in the Gulf of Mexico and resulting pricing pressures.

Gulf of Mexico Diving - Revenues from diving-related services in the Gulf of Mexico increased due to increased demand from external customers and more contract specific work in the Gulf of Mexico Offshore Construction Segment. Gross revenues increased 29% to $37.8 million (including $17.9 million intersegment revenues) for the year ended December 31, 2000 compared to $29.3 million (including $10.2 million intersegment revenues) for the year ended December 31, 1999. The increased activity levels and slight rate increases caused income before taxes to increase to $2.1 million during the year ended December 31, 2000 compared to a loss of $0.9 million for the year ended December 31, 1999.

Gulf of Mexico Marine Support - Due to increased activity and pricing, revenues for this segment increased 41% to $29.9 million (including $4.6 million intersegment revenues) for the year ended December 31, 2000, from $21.2 million (including $4.1 million intersegment revenues) for the year ended December 31, 1999. As a result of the overall increase in activity levels and improved pricing, income before taxes also increased to $4.7 million during the year ended December 31, 2000 compared to a loss of $1.3 million for the year ended December 31, 1999.

West Africa - Due to decreased activity levels, revenues decreased 59% to $33.3 million, for the year ended December 31, 2000 from $81.1 million for the year ended December 31, 1999. The decline in revenues is due primarily to the completion of two large contracts in 1999, one of which had a large level of subcontracted fabrication and procurement content. As a result activity level decline, earnings before taxes decreased to a loss of $5.1 million for the year ended December 31, 2000 compared to $8.2 million for the twelve months ended December 31, 1999.

Latin America - Decreased activity levels resulted in a 33% decrease in revenues to $60.8 million for the year ended December 31, 2000 from $91.3 million for the year ended December 31, 1999. Earnings before taxes were also affected by the activity level decline as earnings decreased to a nominal profit from $5.5 million for the year ended December 31, 1999, net of $10.7 million of equity in CCC losses.

Asia Pacific - Revenues decreased 39% to $34.3 million for the year ended December 31, 2000 compared to $56.1 million for year ended December 31, 1999. This reduction was due primarily to reduced activity and the completion of one large pipelay contract in the year ended December 31, 1999. Loss before taxes increased to a $14.3 million loss as compared to a loss of $10.5 million for the year ended December 31, 2000 and December 31, 1999, respectively. The decline in profits was attributable to the ending of the aforementioned project, reduced demand, increased pricing pressures, costs associated with the establishment of the Bangkok regional office, costs associated with the Oceaneering transaction, and certain market entry pricing.

Middle East - Revenue increased to $12.8 million for the year ended December 31, 2000 compared to $4.0 million for the year ended December 31, 1999. Loss before taxes decreased to a loss of $3.5 million during the year ended December 31, 2000 compared to a loss of $6.8 million for the year ended December 31, 1999. The increase in revenues and earnings is primarily attributable to increased activity levels.

Liquidity and Capital Resources

The Company's cash balance decreased by $14.0 million to $11.5 million at December 31, 2001 from $25.5 million at December 31, 2000. During 2001, the Company's operations generated cash flow of $14.6 million. Cash from operations, the reduction in the Company's cash balance, and cash from financing activities funded investing activities of $29.8 million. Investing activities consisted principally of capital expenditures and dry-docking costs. Working capital increased $26.6 million during the year ended December 31, 2001 from $38.0 million at December 31, 2000 to $64.6 million at December 31, 2001. The increase in working capital is due to increases in accounts receivables, associated with increased activity, partially offset by a decrease in cash and an increase in accounts payable. Working capital is anticipated to increase as activity increases; at January 31, 2002, the Company had the highest backlog in its history. The majority of the backlog is expected to be performed during 2002.

Capital expenditures during the year ended December 31, 2001 aggregated $13.9 million. The Company estimates that the cost to complete capital expenditure projects in progress at December 31, 2001 will be approximately $7.4 million, all of which is expected to be incurred during the year ending 2002.

In August 1998, the Board of Directors authorized the expenditure of up to $30.0 million to purchase shares of the Company's outstanding common stock. The Board of Directors placed no limit on the duration of the program. As of December 31, 1998, the Company had purchased 1,429,500 shares since the authorization at a total cost of $15.0 million. During 2001, 2000, and 1999 no shares were purchased. Under the Company's credit facility, discussed below, stock purchases are prohibited.

Long-term debt outstanding at December 31, 2001, (including current maturities), includes $124.8 million of Title XI bonds, $27.6 million of Lake Charles Harbor and Terminal District bonds,

$4.4 million of Heller Financial debt, and $77.0 million drawn against the Company's credit facility discussed below.

The Company maintains a credit facility, which currently consists of a $51.0 million term loan facility and a $100.0 million revolving loan facility. As of March 1, 2002, the Company had $13.5 million of credit capacity under its credit facility. Both the term and revolving loan facilities mature on December 30, 2004. The term and revolving loan facilities permit both prime rate bank borrowings and London Interbank Offered Rate ("LIBOR") borrowings plus a floating spread. The spreads can range from 1.00% to 2.25% and 2.25% to 3.50% for prime rate and LIBOR based borrowings, respectively. In addition, the credit facility allows for certain fixed rate interest options on amounts outstanding. Stock of the Company's subsidiaries, certain real estate, and the majority of the Company's vessels collateralize the loans under the credit facility. Both the term and revolving loan facilities are subject to certain financial covenants.

Effective June 30, 2001, the Company amended its credit facility and obtained a waiver of two covenants that were not met at June 30, 2001. The amendment i) reduced the requirements of the leverage ratio covenant for the quarter ended September 30, 2001 and the fixed charge coverage ratio covenant for the quarters ended September 30, 2001 and December 31, 2001, and increased the requirements of both covenants for the quarter ending March 31, 2002 and thereafter; ii) increased the requirement of the consolidated net worth covenant to $510.0 million for the quarter ended December 31, 2001 and thereafter; and iii) increased the interest rate spread applicable to the Company's borrowings under the credit facility. In consideration for this waiver and amendment, the Company paid a fee of $0.8 million.

Effective November 30, 2001, the Company amended its credit facility. The amendment i) reduced the requirements of the leverage ratio covenant for the quarters ending December 31, 2001 and March 31, 2002 and the fixed charge coverage ratio covenant for the quarter ended December 31, 2001; ii) extended the requirement of the consolidated net worth covenant of $510.0 million to June 30, 2002; iii) reduced the permitted capital expenditures to $35 million in 2002. In consideration for this amendment the Company paid a fee of $0.5 million.

On March 18, 2002, the Company further amended its credit facility. The amendment reduced the requirement of the consolidated net worth covenant to $440.0 million for the quarter ending June 30, 2002 and thereafter. The Company paid an amendment fee of $0.2 million. Prior to June 30, 2002, the Company intends to make an underwritten equity offering. The proceeds of this offering will be used to pay down the remaining term debt resulting in the compliance with the aforementioned amended consolidated net worth covenant. A group of lenders has committed to provide a $30.0 million up to a $45.0 million 364-day credit facility to the Company upon consummation of the anticipated equity offering to provide additional liquidity. There can be no assurance, however, that such credit facility will be executed. If the Company does not complete an equity offering prior to June 30, 2002, it expects to seek waivers for the consolidated net worth covenant from its lenders. If the Company does not meet the covenants or receive a waiver, substantially all of the Company's debt will be classified as a current liability and additional borrowing under the credit facility may be unavailable. At December 31, 2001, the Company was in compliance with its credit facility.

The Company's Title XI bonds mature in 2020, 2022, and 2025. The bonds carry interest rates of 8.30%, 7.25%, and 7.71% per annum, respectively, and require aggregate semi-annual payments of $2.8 million, plus interest. The agreements pursuant to which the Title XI bonds were issued contain certain covenants, including the maintenance of minimum working capital and net worth requirements. If not met, additional covenants result that restrict our operations and our ability to pay cash dividends. At December 31, 2001, the Company was in compliance with these covenants.

The Company also has short-term credit facilities at our foreign locations that aggregate $4.5 million and are secured by letters of credit. Additionally, in the normal course of business, we provide guarantees and performance, bid, and payment bonds pursuant to agreements, or in connection with bidding to obtain such agreements, to perform construction services. Some of these guarantees are secured by parent company guarantees. The aggregate of these guarantees and bonds at December 31, 2001 was $18.0 million.

In April of 2001, the Company entered into a long-term agreement to charter the Titan 2, a 456-foot self-propelled twin-hulled derrick ship. The vessel charter payments, which include the cost of an operational crew, supplies (excluding fuel), and all maintenance and regulatory expenses, are expected to be approximately $6.1 million annually. The Company prepaid $3.0 million of charter payments, which will be systematically applied to future charter payments. This charter term is 120 months. This charter can be cancelled by Global, subject to a termination penalty of $3.0 million. Once the dynamic positioning (DP) system has been installed, which was completed in the first quarter of 2002, the termination penalty for the cancellation of the charter by Global, shall be the transfer of title of the DP system to the charterer.

Minimum rental commitments under leases having an initial or remaining non-cancelable term in excess of one year for each of the five years following December 31, 2001 and in total thereafter follow (in thousands):

2002	$ 2,417
2003	1,543
2004	938
2005	532
2006	455
Thereafter	1
Total	$ 5,886

The Company expects funds available under the existing credit facilities, the anticipated new $30.0 to $45.0 million 364-day facility, equity proceeds, available cash, and cash generated from operations to be sufficient to fund the Company's operations (including the anticipated increase in working capital required to fund increasing activity), scheduled debt retirement, and planned capital expenditures for the next twelve months. If the Company does not complete an equity offering and obtain the additional credit facility, it may need to seek other sources of financing or limit its operations. In addition, as the Company has historically done, it will continue to evaluate the merits of any opportunities that may arise for acquisitions of equipment or businesses, which may require additional liquidity. For flexibility, the Company maintains a shelf registration statement that permits the issuance of up to $500.0 million of debt and equity securities.

Industry Outlook

Although the events of September 11, 2001 have caused demand for energy to decrease and oil and gas prices to become more volatile, we continue to be optimistic about our future prospects. In light of these changes in the business environment and the adverse effect they could possibly have on our business, we are continuing to actively monitor our business and make the appropriate business changes when deemed necessary. The Company's near term strategy is to continue and expand its efforts in the shallow and intermediate water offshore construction services. In the long-term, the Company plans to increase its deep-water capabilities and upgrade its fleet by adding technological advances and by decreasing the average age of the fleet. In 2002, the Company expects activity levels to increase in all segments. Pricing for all segments is expected to either increase or remain stable in 2002.

New Accounting Pronouncements

In July, 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations". SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS No. 141 also requires the recording of all acquired intangible assets that arise either from contractual or legal rights, or that are separable from the acquired entity. The Company adopted this accounting standard effective July 1, 2001, as required and it had no impact on the Company's financial position.

In July, 2001, FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will cease upon adoption of this statement. Goodwill amortization in 2001 was approximately $3.1 million. As SFAS No. 142 allows, the Company will complete the required impairment test in the second quarter of 2002. The Company has not determined the impact that this statement will have on its consolidated financial position or results of operations. The Company will adopt SFAS No. 142 beginning January 1, 2002.

SFAS No. 143, "Accounting for Asset Retirement Obligations", requires the recording of liabilities for all legal obligations associated with the retirement of long-lived assets that result from the normal operation of those assets. These liabilities are required to be recorded at their fair values (which are likely to be the present values of the estimated future cash flows) in the period in which they are incurred. SFAS No. 143 requires the associated asset retirement costs to be capitalized as part of the carrying amount of the long-lived asset. The asset retirement obligation will be accreted each year through a charge to expense. The amounts added to the carrying amounts of the assets will be depreciated over the useful lives of the assets. The Company is required to implement SFAS No. 143 on January 1, 2003, and we have not determined the impact that this statement will have on our consolidated financial position or results of operations.

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets", promulgates standards for measuring and recording impairments of long-lived assets. Additionally, this standard establishes requirements for classifying an asset as held for sale, and changes existing accounting and reporting standards for discontinued operations and exchanges for long-lived assets. The Company is required to implement SFAS No. 144 on January 1, 2002, and does not expect the implementation of this standard to have a material effect on our financial position or results of operations.

Significant Accounting Policies and Estimates

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the company to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to revenue recognition and long-lived assets. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies affect its more significant judgements and estimates used in the preparation of its consolidated financial statements.

Revenues from construction contracts, which are typically of short duration, are recognized on the percentage-of-completion method, measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contract. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect vessel costs, labor, supplies, and repairs. Provisions for estimated losses, if any, on uncompleted contracts are made in the period in which such losses are determined. Selling, general, and administrative costs are charged to expense as incurred. Significant changes in cost estimates due to adverse market conditions or poor contract performance could affect estimated gross profit, possibly resulting in a contract loss.

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company assesses the recoverability of long-lived assets by determining whether the carrying values can be recovered through projected net cash flows undiscounted and without interest charges, based on expected operating results over their remaining lives. Future adverse market conditions or poor operating results could result in the inability to recover the current carrying value of the long-lived asset, thereby possibly requiring an impairment charge in the future.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to the risk of changing interest rates and foreign currency exchange rate risks. In 2000, the Company entered into interest rate swap arrangements, which effectively modified the interest characteristics of $30.0 million of its outstanding long-term debt. The agreements involve the exchange of a variable interest rate of LIBOR plus 3.00% for amounts based on fixed interest rates of between 7.32% to 7.38% plus 3.00%. These swaps have maturities between five to seventeen months. These transactions were entered into in the normal course of business primarily to hedge rising interest rates. The estimated fair market value of the interest rate swap based on quoted market prices was ($1.4) million as of December 31, 2001. A hypothetical 100 basis point decrease in the average interest rates applicable to such debt would result in a change of approximately $(0.3) million in the fair value of this instrument.

Interest on approximately $109.0 million, or 46% of the Company's long-term debt with a weighted average interest rate of 5.0% at December 31, 2001, was variable, based on short-term market rates. Thus, a general increase of 1.0% in short-term market interest rates would result in additional interest cost of $1.1 million per year if the Company were to maintain the same debt level and structure.

Also, the Company has approximately $125.7 million fixed interest rate long-term debt outstanding with a weighted-average interest rate of approximately 7.7% and a market value of approximately $129.8 million on December 31, 2001. A general increase of 1.0% in overall market interest rates would result in a decline in market value of the debt to approximately $123.1 million.

The Company uses natural hedging techniques to hedge against foreign currency exchange losses by contracting, to the extent possible, international construction jobs to be payable in U.S. dollars. The Company also, to the extent possible, maintains cash balances at foreign locations in U.S. dollar accounts. The Company does not believe that a change in currency rates in the regions that it operates would have a significant effect on its results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
of Global Industries, Ltd.

We have audited the accompanying consolidated balance sheets of Global Industries, Ltd. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, shareholders' equity, cash flows, and comprehensive income (loss) for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedule listed in the Index at Item 14. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, such consolidated financial statements present fairly, in all material respects, the financial position of Global Industries, Ltd. and subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such 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.

As discussed in Note 1 to the consolidated financial statements, in 2001 the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivatives Instruments and Hedging Activities," as amended.

As discussed in Note 1 to the consolidated financial statements, in 2000 the Company changed its method of computing depreciation on its construction barges.

DELOITTE & TOUCHE LLP

New Orleans, Louisiana
February 13, 2002

GLOBAL INDUSTRIES, LTD.
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

	December 31, 2001	December 31, 2000
ASSETS		
Current Assets:		
Cash	$ 11,540	$ 25,462
Escrowed funds (Note 1)	78	846
Receivables - net allowance of $2.5 million for 2001 and $9.5 million for 2000 (Note 1)	146,595	97,858
Other receivables (Note 12)	--	3,989
Prepaid expenses and other	19,673	12,792
Assets held for sale	2,795	2,795
Total current assets	180,681	143,742
Escrowed Funds (Note 1)	15	38
Property and Equipment, net (Notes 2, 3 and 6)	502,258	525,001
Other Assets:		
Deferred charges, net (Note 1)	22,771	19,304
Goodwill, net (Note 1)	38,032	41,104
Other (Note 12)	4,420	998
Total other assets	65,223	61,406
Total	$ 748,177	$ 730,187
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt (Note 3)	$ 26,496	$ 26,674
Accounts payable	64,819	46,439
Employee-related liabilities	7,472	7,246
Income tax payable (Note 4)	5,705	3,748
Accrued interest	4,102	5,451
Other accrued liabilities	7,529	16,235
Total current liabilities	116,123	105,793
Long-Term Debt (Note 3)	208,244	209,953
Deferred Income Taxes (Note 4)	25,996	27,417
Other Liabilities	1,050	--

Shareholders' Equity (Note 7):		
Common stock, issued, 94,381,167 and 93,698,757 shares, respectively	944	937
Additional paid-in capital	226,654	221,634
Treasury stock at cost (1,429,500 shares)	(15,012)	(15,012)
Accumulated other comprehensive income (loss)	(10,413)	(8,970)
Retained earnings	194,591	188,435
Total shareholders' equity	396,764	387,024
Total	$ 748,177	$ 30,187

See notes to consolidated financial statements.

GLOBAL INDUSTRIES, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in Thousands, except Per Share Data)

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
Revenues (Note 9)	$ 406,104	$ 298,745	$ 387,452
Cost of Revenues	335,255	263,362	341,852
Gross Profit (Note 12)	70,849	35,383	45,600
Goodwill Amortization	3,071	2,986	1,316
Equity in Net Loss of Unconsolidated Affiliate (Note 12)	--	--	(10,658)
Selling, General and Administrative Expenses	35,706	31,231	27,710
Operating Income	32,072	1,166	5,916
Other Expense (Income):			
Interest expense	21,868	22,762	14,500
Other	(218)	(2,882)	104
	21,650	19,880	14,604
Income (Loss) before Income Taxes	10,422	(18,714)	(8,688)

Provision (Benefit) for Income Taxes (Note 4)	4,266	(2,807)	(7,557)
Income (Loss) before Cumulative Effect of Change in Accounting Principle	6,156	(15,907)	(1,131)
Cumulative Effect of Change in Accounting Principle (net of $0.4 million of tax) (Note 1)	--	783	--
Net Income (Loss)	$ 6,156	$ (16,690)	$ (1,131)
Income (Loss) before Cumulative Effect Per Share			
Basic	$ 0.07	$ (0.17)	$ (0.01)
Diluted	$ 0.07	$ (0.17)	$ (0.01)
Net Income (Loss) Per Share:			
Basic	$ 0.07	$ (0.18)	$ (0.01)
Diluted	$ 0.07	$ (0.18)	$ (0.01)
Pro forma amounts assuming retroactive Application of change in accounting principle			
Pro forma net income (loss)	$ 6,156	$ (15,907)	$ (1,744)
Basic	$ 0.07	$ (0.17)	$ (0.02)
Diluted	$ 0.07	$ (0.17)	$ (0.02)

See notes to consolidated financial statements

GLOBAL INDUSTRIES, LTD.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Dollars in Thousands)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income(Loss)	Retained Earnings	T
	Shares	Amount					
Balance at Jan. 1, 1999	92,110,929	$ 921	$ 213,518	$ (15,012)	$ (8,155)	$ 206,256	$ 3
Net loss	--	--	--	--	--	(1,131)	
Amortization of unearned stock compensation	--	--	304	--	--	--	
Restricted stock issues, net	80,500	--	--	--	--	--	
Exercise of stock options	420,875	4	1,095	--	--	--	
Tax effect of exercise of Stock options	--	--	688	--	--	--	
Common stock issued	58,636	1	504	--	--	--	
Foreign currency							

translation adjustments	--	--	--	--	(815)	--	
Balance at Dec. 31, 1999	92,670,940	926	216,109	(15,012)	(8,970)	205,125	3
Net loss	--	--	--	--	--	(16,690)	(
Amortization of unearned Stock compensation	--	--	1,173	--	--	--	
Restricted stock issues, net	321,136	3	--	--	--	--	
Exercise of stock options	551,830	6	2,193	--	--	--	
Tax effect of exercise of Stock options	--	--	1,314	--	--	--	
Common stock issued	154,851	2	845	--	--	--	
Balance at Dec. 31, 2000	93,698,757	937	221,634	(15,012)	(8,970)	188,435	3
Net income	--	--	--	--	--	6,156	
Amortization of unearned Stock compensation	--	--	1,276	--	--	--	
Restricted stock issues, net	22,000	--	--	--	--	--	
Exercise of stock options	504,449	5	2,001	--	--	--	
Tax effect of exercise of Stock options	--	--	618	--	--	--	
Common stock issued	155,961	2	1,125	--	--	--	
Reclassification of realized loss on hedging activities	--	--	--	--	1,158	--	
Unrealized loss on hedging activities	--	--	--	--	(1,578)	--	
Cumulative effect of adoption of SFAS 133 on January 1, 2001	--	--	--	--	(1,023)	--	
Balance at Dec. 31, 2001	94,381,167	$ 944	$ 226,654	$ (15,012)	$ (10,413)	$ 194,591	$

See notes to consolidated financial statements.

GLOBAL INDUSTRIES, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
Cash Flows From Operating Activities:			

Net income (loss)	$ 6,156	$ (16,690)	$ (1,131)
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization	53,921	45,918	55,006
Provision for (recovery of) doubtful accounts	(3,561)	4,110	7,655
(Gain) loss on sale, disposal of property and equipment	(852)	(429)	54
Settlement gain	(3,908)	--	--
Deferred income taxes	(797)	(6,757)	(14,888)
Cumulative effect of change in accounting principle	--	783	--
Equity in net loss of unconsolidated affiliate	--	--	10,658
Other	1,151	(155)	282
Changes in operating assets and liabilities (net of acquisitions):			
Receivables	(45,176)	(9,490)	13,654
Receivables from unconsolidated affiliate	3,989	4,611	(7,151)
Prepaid expenses and other	(6,881)	(5,090)	3,098
Account payable, employee-related liabilities, and other accrued liabilities	10,567	10,097	(18,935)
Net cash provided by operating activities	14,609	26,908	48,302
Cash Flows From Investing Activities:			
Proceeds from sale of assets	1,934	2,993	171
Decrease in escrowed funds, net	791	5,834	4,872
Net advances to unconsolidated affiliate	--	--	(12,616)
Additions to property and equipment	(13,869)	(20,545)	(29,252)
Additions to deferred charges	(18,633)	(11,580)	(14,248)
Other	--	(105)	399
Net cash used in investing activities	(29,777)	(23,403)	(50,674)
Cash Flows from Financing Activities:			
Repayment of long-term debt	(106,887)	(180,097)	(192,104)
Proceeds from long-term debt	105,000	163,203	201,687
Proceeds from sale of common stock, net	3,133	4,764	1,604
Net cash provided by (used in) financing activities	1,246	(12,130)	11,187
Effect of Exchange Rate Change on Cash	--	--	(96)

Cash:			
(Decrease) increase	(13,922)	(8,625)	8,719
Beginning of period	25,462	34,087	25,368
End of period	$ 11,540	$ 25,462	$ 34,087

See notes to consolidated financial statements

GLOBAL INDUSTRIES, LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In Thousands)

	Year Ended December 31, 2001	Year Ended December 31, 2000	Year Ended December, 31 1999
Net income (loss)	$ 6,156	$ (16,690)	$ (1,131)
Other comprehensive income (loss):			
Foreign currency translation adjustments	--	--	(815)
Reclassification of realized loss on hedging activities	1,158	--	--
Unrealized loss on hedging activities	(1,578)	--	--
Cumulative effect of adoption of SFAS No. 133 on January 1, 2001	(1,023)	--	--
Comprehensive income (loss)	$ 4,713	$ (16,690)	$ (1,946)

See notes to consolidated financial statements.

GLOBAL INDUSTRIES, LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Organization - Global Industries, Ltd. and subsidiaries (the "Company") provides construction services, including pipeline construction, platform installation and removal, construction support and diving services, to the offshore oil and gas industry in the United States Gulf of Mexico and in selected international areas. Most work is performed on a fixed-price basis, but the Company also performs services on a cost-plus or day-rate basis, or on a combination of such bases. The Company's traditional contracts are typically of short duration, being completed in one to five months. Engineering, Procurement, Installation and Commissioning contracts (EPIC) and turnkey contracts can be for longer durations of up to one or two years.

Principles of Consolidation - The consolidated financial statements include the accounts of Global Industries, Ltd. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. On December 23, 1996, the Company acquired a 49% ownership interest in CCC Fabricaciones y Construcciones, S.A. de C.V. ("CCC") (see Note 12) which was accounted for under the equity method. As more thoroughly discussed in Note 12, the Company sold all of its interest in CCC and acquired the offshore marine construction business of CCC effective July 1, 1999. The new ownership structure was consolidated into the Company's financial statements as of the effective date of the transaction.

Cash - Cash includes cash on hand, demand deposits, repurchase agreements having maturities less than three months, and money market funds with banks.

Accounts Receivable - Trade and other receivables are stated at net realizable value and the allowance for uncollectible accounts was $2.5 million and $9.5 million at December 31, 2001 and 2000, respectively. Certain receivables represent amounts that have not yet been billed to the customer pursuant to contractually specified milestone billing requirements.

Escrowed Funds - Escrowed funds totaled $0.1 million and $0.9 million at December 31, 2001 and December 31, 2000, respectively. These amounts represent unused funds related to the proceeds from the issuance of Port Improvement Bonds and U.S. Government Guaranteed Financing Bonds. Under the terms of the financing agreement with the Lake Charles Harbor and Terminal District, proceeds from the issuance of $28.0 million of Port Improvement Revenue Bonds were deposited into a construction fund for payment of related bond issuance costs and certain costs of construction and improvement of a deepwater support facility and pipebase in Carlyss, Louisiana (see Note 3). The Company also received funds from the sale of U.S. Government Guaranteed Financing Bonds deposited into an escrow account with MarAd. Due to the fact that the total cost of certain projects was less than the respective bond funding, bonds of $0.8 million were redeemed in 2001. Substantially all of the escrowed funds are invested in U.S. Treasury Bills and a money market account invested in U.S. government and U.S. government agency securities.

Assets Held for Sale - The Company classifies certain of its fixed assets as Assets Held for Sale. These assets, which are expected to be sold within twelve months, have been taken out of service and are no longer being depreciated.

Property and Equipment - Property and equipment are stated at cost. Expenditures for property and equipment and items that substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. Except for construction barges that are depreciated on the units-of-production method over estimated barge operating days, depreciation is provided utilizing the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided utilizing the straight-line method over the estimated useful lives of the assets or over the lives of the leases, whichever is shorter. Leasehold improvements relating to leases from the Company's principal shareholder are amortized over their expected useful lives (and beyond the term of lease) because it is expected that the leases will be renewed.

The periods used in determining straight-line depreciation and amortization follow:

Marine barges, vessels and related equipment	5 - 25 years
Machinery and equipment	5 - 18 years
Transportation equipment	3 - 10 years
Furniture and fixtures	2 - 12 years
Buildings and leasehold improvements	3 - 40 years

Depreciation and amortization expense of property and equipment approximated $35.2 million, $29.4 million, and $39.4 million for the years ended 2001, 2000, and 1999, respectively.

Effective January 1, 2000, the Company changed the vessel life of its construction vessel Hercules. The Company increased the total estimated operating days to better reflect the estimated period during which the asset will remain in service. For the year ended December 31, 2000, the change had the effect of reducing depreciation expense by $0.8 million and reducing the net loss by $0.7 million or $0.01 per share.

Interest Capitalization - Interest costs for the construction of certain long-term assets are capitalized and amortized over the related assets' estimated useful lives. For the year ended 2001, no interest was capitalized. During the years ended 2000 and 1999, interest costs of $1.4 million, and $3.1 million, respectively, were capitalized.

Deferred Charges - Deferred charges consist principally of dry-docking costs which are capitalized at cost and amortized on the straight-line method, ranging between thirty and sixty months, through the date of the next scheduled dry-docking. Amortization expense approximated $15.6 million, $13.6 million, and $14.0 million for the years ended 2001, 2000, and 1999, respectively. Accumulated amortization at December 31, 2001 and 2000 was $24.4 million and $18.2 million, respectively.

Goodwill - Goodwill represents the excess of the purchase price and directly related costs over the value assigned to the net tangible assets of acquired businesses and is being amortized on a straight-line basis over estimated useful lives of fifteen years. Amortization expense charged to operations for the years ended 2001, 2000 and 1999 was $3.1 million, $3.0 million, and $1.3 million, respectively. Accumulated amortization at December 31, 2001 and 2000 was $7.7 million and $4.6 million, respectively.

Management evaluates the continuing value and future benefits of goodwill, including the appropriateness of related amortization periods, on a current basis.

Impairment of Long-Lived Assets - Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company assesses the recoverability of long-lived assets by determining whether the carrying values can be recovered through projected cash flows and operating results over their remaining lives. Any impairment of the asset is recognized when it is probable that such future undiscounted cash flows will be less than the carrying value of the asset. No impairment of assets was recorded for the years ended 2001, 2000 and 1999.

Contracts in Progress and Revenue Recognition - Revenues from construction contracts, which are typically of short duration, are recognized on the percentage-of-completion method, measured by relating the actual cost of work performed to date to the current estimated total cost of the respective contract. Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect vessel costs, labor, supplies, and repairs. Provisions for estimated losses, if any, on uncompleted contracts are made in the period in which such losses are determined. Selling, general, and administrative costs are charged to expense as incurred.

Stock-Based Compensation - Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and related interpretations and has adopted the disclosure-only provisions of SFAS 123. Accordingly, compensation cost for restricted stock awards and stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. See Note 7.

Income Taxes - Income taxes are recognized during the year in which transactions enter into the determination of net income, with deferred taxes being provided for temporary differences between assets and liabilities for financial reporting and such amounts as measured by tax laws.

Cumulative Effect of Change in Accounting Principle -

Effective January 1, 2000, the Company changed its depreciation method on its construction barges from both straight line and units-of-production methods, to solely the units-of-production method, modified to reflect minimum levels of depreciation in years with nominal use. Specifically, this modified units-of-production method uses units-of-production depreciation methodology coupled with a minimum 40% cumulative straight-line depreciation floor and an annual 20% straight-line floor. This change increased the net loss by $0.1 million or less than $0.01 per share for the year ended December 31, 2000. The cumulative effect of the change was an increase in the net loss of $0.8 million or $0.01 per share for the year ended December 31, 2000.

The change was made to better relate the cost of the assets to the revenues associated with their usage through actual employment over their economic life. Thus, a better matching of revenues and expenses is attained.

Derivatives and Financial Instruments - The Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," on January 1, 2001. The Company recorded a cumulative effect charge to Comprehensive Income (Loss) of $1.0 million in the first quarter of 2001 in connection with the initial adoption of SFAS No. 133.

The Company periodically enters into interest rate swaps to manage its exposure to fluctuations in interest rates. The Company does not use derivative financial instruments for trading purposes. The Company has formally documented the relationship between its interest rate derivatives and its outstanding long-term debt, as well as the risk management strategy for the use of the hedging instrument. Under SFAS No. 133, derivatives are recognized on the consolidated balance sheet at fair value and cash flows from derivative instruments are presented in net cash flow from operating activities. The Company classifies its interest rate swaps as cash flow hedge transactions in which the Company is hedging the variability of cash flows related to its variable-priced long-term debt, and in accordance with SFAS No. 133, changes in the fair value of its interest rate swaps are reported in Comprehensive Income (Loss). The ineffective portion of the change in fair value of the interest rate swap, if any, is recognized in current period earnings. The gains and losses on the interest rate swaps that are reported in Comprehensive Income (Loss) are reclassified as earnings in the period in which earnings are impacted by the variability of the cash flows of the hedged item.

The aforementioned interest rate swaps effectively modify the interest characteristics of $30.0 million of the Company's outstanding long-term debt. The agreements involve the exchange of a variable rate of LIBOR plus 3.00% for amounts based on fixed interest rates of between 7.32% to 7.38% plus 3.00%. These swaps have maturities between five to seventeen months. The fair value of these swaps are currently recording on the consolidated balance sheet within current liabilities and other liabilities in the amount of $0.3 million and $1.1 million, respectively. Amounts expected to be transferred to earnings in the next twelve months are classified as current liabilities.

The carrying value of the Company's financial instruments, including cash, escrowed funds, receivables, advances to unconsolidated affiliate, accounts payable, and certain accrued liabilities approximate fair market value due to their short-term nature. The fair value of the Company's long-term debt at December 31, 2001 and 2000 based upon available market information approximated $238.9 million and $252.0 million, respectively.

Concentration of Credit Risk - The Company's customers are primarily major oil companies, independent oil and gas producers, and transportation companies operating in the Gulf of Mexico and selected international areas. The Company performs ongoing credit evaluation of its customers and requires posting of collateral when deemed appropriate. The Company provides allowances for possible credit losses when necessary.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications - Certain reclassifications have been made to the prior period financial statements in order to conform to the classifications adopted for reporting in 2001.

Foreign Currency Translation - The Company has determined that the United States dollar is the functional currency for substantially all of the financial statements of its foreign subsidiaries that previously used the local currency as the functional currency. The change was adopted as a result of significant changes in the operational and financial structure of these foreign operations and management's resulting evaluation of relevant economic facts and circumstances, including the high proportion of contracts that are denominated in United States dollars and the high volume of intercompany transactions and financing indicators. Accordingly, effective October 1, 1999, current exchange rates are used to remeasure assets and liabilities, except for certain accounts (including property and equipment, goodwill and equity) which are remeasured using historical rates. The translation calculation for the income statement used average exchange rates during the period, except certain items (including depreciation and amortization expense) for which historical rates are used. Any resulting remeasurement gain or loss is included in other income (expense).

Basic and Diluted Net Income (Loss) Per Share - Basic net income (loss) per share is computed based on the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share uses the weighted-average number of common shares outstanding adjusted for the incremental shares attributed to dilutive outstanding options to purchase common stock and non-vested restricted stock awards.

Recent Accounting Pronouncements - In July, 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, " Business Combinations". SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS No. 141 also requires the recording of all acquired intangible assets that arise either from contractual or legal rights, or that are separable from the acquired entity. The Company adopted this accounting standard effective July 1, 2001, as required and it had no impact on the Company's financial position.

In July, 2001, FASB issued of SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will cease upon adoption of this statement. Goodwill amortization in 2001 was approximately $3.1 million. As SFAS No. 142 allows, the Company will complete the required impairment test in the second quarter of 2002. The Company has not determined the impact that this statement will have on its consolidated financial position or results of operations. The Company will adopt SFAS No. 142 beginning January 1, 2002.

SFAS No. 143, "Accounting for Asset Retirement Obligations", requires the recording of liabilities for all legal obligations associated with the retirement of long-lived assets that result from the normal operation of those assets. These liabilities are required to be recorded at their fair values (which are likely to be the present values of the estimated future cash flows) in the period in which they are incurred. SFAS No. 143 requires the associated asset retirement costs to be capitalized as part of the carrying amount of the long-lived asset. The asset retirement obligation will be accreted each year through a charge to expense. The amounts added to the carrying amounts of the assets will be depreciated over the useful lives of the assets. The Company is required to implement SFAS No. 143 on January 1, 2003, and we have not determined the impact that this statement will have on its consolidated financial position or results of operations.

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets", promulgates standards for measuring and recording impairments of long-lived assets. Additionally, this standard establishes requirements for classifying an asset as held for sale, and changes existing accounting and reporting standards for discontinued operations and exchanges for long-lived assets. The Company is required to implement SFAS No. 144 on January 1, 2002, and does not expect the implementation of this standard to have a material effect on its financial position or results of operations.

2. Property and Equipment

Property and equipment at December 31, 2001 and 2000 is summarized as follows:

	December 31, 2001	December 31, 2000
	(in thousands)	
Marine barges, vessels, and related equipment	$ 555,444	$ 520,158
Machinery and equipment	64,436	58,574
Transportation equipment	4,047	4,241
Furniture and fixtures	8,952	8,526
Buildings and leasehold improvements	61,080	60,987
Land	7,531	7,531
Construction in progress	7,024	37,294
	708,514	697,311
Less accumulated depreciation and amortization	(206,256)	(172,310)
Property and equipment - net	$ 502,258	$ 525,001

3. Financing Arrangements

Long-term debt at December 31, 2001 and 2000 consisted of the following:

	December 31, 2001	December 31, 2000
	(in thousands)	
United States Government Guaranteed Ship Financing Bonds, 2000 Series dated February 15, 2000, payable in semi-annual principal installments of $1,980,000 with a final installment of $1,980,000 plus interest at 7.71%, maturing February 15, 2025, collateralized by the Hercules vessel and related equipment with a net book value of $108.8 million at December 31, 2001	$ 93,060	$ 97,020
United States Government Guaranteed Ship Financing Bonds, 1994 Series dated September 27, 1994, payable in semi-annual principal installments of $418,000 with a final installment of $370,000 plus interest at 8.30%, maturing July 15, 2020, collateralized by the Pioneer vessel and related equipment with a net book value of $37.6 million at December 31, 2001	15,418	16,254
United States Government Guaranteed Ship Financing Bonds, 1996 Series dated August 15, 1996, payable in 49		

semi-annual principal installments of $407,000 with a final installment of $385,000, plus interest at 7.25%, maturing July 15, 2022, collateralized by escrowed funds and four vessels and related equipment with a net book value of $20.6 million at December 31, 2001	16,340	17,479
Heller Financial Inc. term loan, payable in monthly principal installments of $291,667 plus interest at variable rates (at December 31, 2001 the interest rate was 5.38%), maturing April 1, 2003, collateralized by four vessels, with a net book value of $10.0 million at December 31, 2001	4,375	7,875
Obligation to service Lake Charles Harbor and Terminal District Port Improvement Revenue Bonds, dated November 1, 1998, interest payable monthly at prevailing market rates, maturing November 1, 2027, collateralized by $27.9 million irrevocable letter of credit	27,600	28,000
Revolving line of credit with a syndicate of commercial banks, interest payable at variable rates	26,000	--
Term loan with a syndicate of commercial banks	51,030	68,040
Other obligations	917	1,959
Total long-term debt	234,740	236,627
Less current maturities	26,496	26,674
Long-term debt, less current maturities	$ 208,244	$ 209,953

Annual maturities of long-term debt for each of the five years following December 31, 2001 and in total thereafter follow (in thousands).

2002	$ 26,496
2003	23,869
2004	48,684
2005	5,645
2006	5,647
Thereafter	124,399
Total	$ 234,740

In accordance with the United States Government Guaranteed Ship Financing Bond agreements, the Company is required to comply with certain covenants, including the maintenance of minimum working capital and net worth requirements, which if not met, result in additional covenants including restrictions on the payment of dividends. The Company is currently in compliance with these covenants.

The Lake Charles Harbor and Terminal District Port Improvement Revenue Bonds (the "Bonds") are subject to optional redemption, generally without premium, in whole or in part on any business day prior to maturity at the direction of the Company. Interest accrues at varying rates as determined from time to time by the remarketing agent based on (i) specified interest rate options available to the Company over the life of the Bonds and (ii) prevailing market conditions at the date of such determination. The interest rate on borrowings outstanding at December 31, 2001 and 2000 was 5.75% and 8.0%, respectively. Under the terms of the financing, proceeds from the issuance of the Bonds were placed in a Construction Fund for the payment of issuance related costs and the costs of acquisition, construction, and improvement of a deepwater support facility and pipebase in Carlyss, Louisiana. The unexpended funds are included in the accompanying balance sheets under the caption "Escrowed Funds."

The Company maintains a credit facility, which currently consists of a $51.0 million term loan facility and a $100.0 million revolving loan facility. As of March 1, 2002, the Company had $13.5 million of credit capacity under its credit facility. Both the term and revolving loan facilities mature on December 30, 2004. The term and revolving loan facilities permit both prime rate bank borrowings and London Interbank Offered Rate ("LIBOR") borrowings plus a floating spread. The spreads can range from 1.00% to 2.25% and 2.25% to 3.50% for prime rate and LIBOR based borrowings, respectively. In addition, the credit facility allows for certain fixed rate interest options on amounts outstanding. Stock of the Company's subsidiaries, certain real estate, and the majority of the Company's vessels collateralize the loans under the credit facility. Both the term and revolving loan facilities are subject to certain financial covenants.

Effective June 30, 2001, the Company amended its credit facility and obtained a waiver of two covenants that were not met at June 30, 2001. The amendment i) reduced the requirements of the leverage ratio covenant for the quarter ended September 30, 2001 and the fixed charge coverage ratio covenant for the quarters ended September 30, 2001 and December 31, 2001, and increased the requirements of both covenants for the quarter ending March 31, 2002 and thereafter; ii) increased the requirement of the consolidated net worth covenant to $510.0 million for the quarter ended December 31, 2001 and thereafter; and iii) increased the interest rate spread applicable to the Company's borrowings under the credit facility. In consideration for this waiver and amendment, the Company paid a fee of $0.8 million.

Effective November 30, 2001, the Company amended its credit facility. The amendment i) reduced the requirements of the leverage ratio covenant for the quarters ending December 31, 2001 and March 31, 2002 and the fixed charge coverage ratio covenant for the quarter ended December 31, 2001; ii) extended the requirement of the consolidated net worth covenant of $510.0 million to June 30, 2002; iii) reduced the permitted capital expenditures to $35 million in 2002. In consideration for this amendment the Company pad a fee of $0.5 million.

On March 18, 2002, the Company further amended its credit facility. The amendment reduced the requirement of the consolidated net worth covenant to $440.0 million for the quarter ending June 30, 2002 and thereafter. The Company paid an amendment fee of $0.2 million. Prior to June 30, 2002, the Company intends to make an underwritten equity offering. The net proceeds of this offering will be used to pay down the remaining term debt resulting in the compliance with the aforementioned amended consolidated net worth covenant. A group of lenders has committed to provide a $30.0 million up to a $45.0 million 364-day credit facility to the Company upon consummation of the anticipated equity offering to provide additional liquidity. There can be no assurance, however, that such credit facility will be executed. If the Company does not complete an equity offering prior to June 30, 2002, it expects to seek waivers for the consolidated net worth covenant from its lenders. If the Company does not meet the covenants or receive a waiver, substantially all of the Company's debt will be classified as a current liability and additional borrowing under the credit facility may be unavailable. At December 31, 2001, the Company was in compliance with its credit facility.

The Company is a party to interest rate swap agreements, which effectively modify the interest characteristics of $30.0 million of its outstanding long-term debt. The agreements involve the exchange of a variable interest rate of LIBOR plus 3.00% for amounts based on fixed interest rates of between 7.32% to 7.38% plus 3.00%. These swaps have maturities between five to seventeen months.

The Company has short-term credit facilities available at its foreign locations that aggregate $4.5 million and are secured by parent company guarantees.

4. Income Taxes

The Company has provided for income tax expense (benefit) as follows:

	Year Ended December 31, 2001	Year Ended December 31, 2000	Year Ended December, 31 1999
	(in thousands)		
U.S. Federal and State:			
Current	$ --	$ --	$ 1,365
Deferred	1,874	(1,513)	(15,353)
Foreign:			
Current	5,063	2,366	5,984
Deferred	(2,671)	(3,660)	447

Total	$ 4,266	$ (2,807)	$ (7,557)

State income taxes included above are not significant for any of the periods presented.

Income (loss) before income taxes consisted of the following:

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
		(in thousands)	
United States	$ 6,484	$ (4,430)	$ (27,375)
Foreign	3,938	(14,284)	18,687
Total	$ 10,422	$ (18,714)	$ (8,688)

The provision (benefit) for income taxes varies from the U.S. Federal statutory income tax rate due to the following:

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
		(in thousands)	
Taxes at U.S. Federal statutory rate of 35%	$ 3,648	$ (6,550)	$ (3,041)
Foreign tax credit	(408)	--	--
Tax benefit of disposition of CCC, net	--	--	(2,991)
Adjustments related to resolution of prior year tax issues	--	--	(1,500)
Foreign income taxes at different rates	1,014	3,705	(109)
Other	12	38	84
Total	$ 4,266	$ (2,807)	$ (7,557)

At December 31, 2001, the Company has an available net operating loss ("NOL") carryforward for regular U.S. federal income tax and foreign jurisdiction purposes of approximately $94.6 million and $20.0 million, respectively, which, if not used, will expire between 2017 and 2019, and between 2005 and 2010, respectively. The Company also has a capital loss carryforward of $19.0 million which, if not utilized, will expire in 2004. The Company believes that it is more likely than not that all of the NOL and capital loss carryforwards will be utilized prior to their expiration.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The tax effects of significant items comprising the Company's net deferred tax balance as of December 31, 2001 and 2000 are as follows:

	December 31, 2001	December 31, 2000
Deferred Tax Liabilities:		
Excess book over tax basis of property and equipment	$ 69,273	$ 66,326
Deferred charges	3,108	1,928
Deferred Tax Assets:		
Reserves not currently deductible	(306)	(370)
Net operating loss carryforward	(39,019)	(33,250)
Capital loss carryforward	(6,998)	(7,106)
Other	(62)	(111)
Net deferred tax liability	$ 25,996	$ 27,417

A substantial portion of the undistributed earnings of foreign subsidiaries has been reinvested and the Company does not expect to remit the earnings to the parent company. Accordingly, no U.S. Federal income tax has been provided on such earnings and, at December 31, 2001, the cumulative amount of such undistributed earnings approximated $54.8 million. It is not practicable to determine the amount of applicable U.S. Federal income taxes that would be incurred if any of such earnings were repatriated.

5. Employee Benefits

The Company sponsors a defined contribution profit sharing and 401(k) retirement plan that covers all employees who meet certain eligibility requirements. Company contributions to the profit-sharing plan are made at the discretion of the Board of Directors and may not exceed 15% of the annual compensation of each participant. No contributions to the profit-sharing portion of the plan were made for the years ended 2001, 2000 or 1999.

Under the 401(k) section of the retirement plan, the Company's matching contributions equal 100% of the first $1,000 of each participating employee's contribution to the plan. 401(k) matching expense during the years ended 2001, 2000 and 1999 was $0.5 million, $0.1 million, and $0.6 million, respectively.

The Company has an incentive compensation plan, which rewards employees when the Company's financial results meet or exceed budgets. For the years ended 2001, 2000 and 1999, the Company recorded no incentive compensation expense under this plan.

6. Commitments and Contingencies

Leases - The Company leases real property and equipment in the normal course of business under varying operating leases, including leases with its Chief Executive Officer. Rent expense for the years ended 2001, 2000 and 1999, was $4.8 million, $2.2 million and $1.9 million, respectively (of which $47,000, $47,000, and $47,000 respectively, were related party rental expense). The lease agreements, which include both non-cancelable and month-to-month terms, generally provide for fixed monthly rentals and, for certain of the real estate leases, renewal options.

In April of 2001, the Company entered into a long-term agreement to charter the Titan 2, a 456-foot self-propelled twin-hulled derrick ship. The vessel charter payments, which include the cost of an operational crew, supplies (excluding fuel), and all maintenance and regulatory expenses, are expected to be approximately $6.1 million annually. The Company prepaid $3.0 million of charter payments, which will be systematically applied to future charter payments. This charter term is 120 months. This charter can be cancelled by Global at anytime, subject to a termination penalty of $3.0 million. Once the dynamic positioning (DP) system has been installed, which was completed in the first quarter of 2002, the termination penalty for the cancellation of the charter by Global, shall be the transfer of title of the DP system to the vessels owner.

Minimum rental commitments under leases having an initial or remaining non-cancelable term in excess of one year for each of the five years following December 31, 2001 and in total thereafter follow (in thousands):

2002	$ 2,417
2003	1,543
2004	938
2005	532
2006	455
Thereafter	1
Total	$ 5,886

Legal Proceedings - The Company is a party in legal proceedings and potential claims arising in the ordinary course of its business. Management does not believe these matters will materially effect the Company's consolidated financial statements.

In November of 1999, the Company notified Groupe GTM that as a result of material adverse changes and other breaches by Groupe GTM, the Company was no longer bound by and was terminating the Share Purchase Agreement to purchase all of the outstanding shares of ETPM S.A. Groupe GTM responded stating that they believed the Company was in breach. The Share Purchase Agreement provided for liquidated damages of $25.0 million to be paid by a party that failed to consummate the transaction under certain circumstances. The Company has notified Groupe GTM that it does not believe that the liquidated damages provision is applicable to its termination of the Share Purchase Agreement. On December 23, 1999, Global filed suit against Groupe GTM in Tribunal de Commerce de Paris to recover damages. On June 21, 2000, Groupe GTM filed an answer and counterclaim against Global seeking the liquidated damages of $25.0 million and other damages, costs and expenses of approximately $2.3 million. The Company believes that the outcome of this matter will not have a material adverse effect on its business or financial statements.

Construction and Purchases in Progress - The Company estimates that the cost to complete capital expenditure projects in progress at December 31, 2001 approximates $7.4 million.

Guarantees - In the normal course of its business activities, the Company provides guarantees and performance, bid, and payment bonds pursuant to agreements or obtaining such agreements to perform construction services. Some of these financial instruments are secured by parent guarantees. The aggregate of these guarantees and bonds at December 31, 2001 was $18.0 million.

Letters of Credit - In the normal course of its business activities, the Company is required to provide letters of credit to secure the performance and/or payment of obligations, including the payment of worker's compensation obligations. Additionally, the Company has issued a letter of credit as collateral for $27.9 million of Port Improvement Revenue Bonds. Outstanding letters of credit at December 31, 2001 approximated $40.5 million.

7. Shareholders' Equity

Authorized Stock - The Company has authorized 30,000,000 shares of $0.01 par value preferred stock and 150,000,000 shares of $0.01 par value common stock.

Treasury Stock - During August 1998, the Board of Directors authorized the expenditure of up to $30.0 million to purchase shares of the Company's outstanding common stock. Subject to market conditions, the purchases may be affected from time to time through solicited or unsolicited transactions in the market or in privately negotiated transactions. No limit was placed on the duration of the purchase program. Subject to applicable securities laws, management will make purchases based upon market conditions and other factors. As of December 31, 1998, the Company had purchased 1,429,500 shares since the authorization at a total cost of $15.0 million. No shares were purchased in 2001 or 2000. Under the Company's current credit facility stock purchases are prohibited.

Restricted Stock Awards and Stock Option Plans - During 2001, the Company had three stock-based compensation plans that provide for the granting of restricted stock, stock options, or a combination of both to officers and employees. Unearned stock compensation cost for restricted stock awards and stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock and is included in the accompanying financial statements as a charge against Additional Paid-in Capital. The unearned stock compensation is amortized over the vesting period of the awards and amortized compensation amounted to approximately $1.3 million, $1.2 million and $0.3 million for the years ended 2001, 2000 and 1999, respectively. The balance of Unearned Stock Compensation to be amortized in future periods was $3.5 million and $4.9 million at December 31, 2001 and 2000, respectively.

The Company's 1992 Restricted Stock Plan provides for awards of shares of restricted stock to employees approved by a committee of the Board of Directors. Under the plan, 712,000 shares of Common Stock have been reserved for issuance, of which 145,647 were available for grant at December 31, 2001. Shares granted under the plan vest 33 1/3% on the third, fourth, and fifth anniversary date of grant. During the years ended 2001, 2000 and 1999, no awards were made under the plan. During the year ended December 31, 2001, restrictions on 17,997 shares expired. On December 31, 2001, restrictions remained on 1,998 shares.

The 1992 Stock Option Plan provides for grants of incentive and nonqualified options to employees approved by a committee of the Board of Directors. Options granted under the plan have a maximum term of ten years and are exercisable, subject to continued employment, under terms and conditions set forth by the committee. As of December 31, 2000, the number of shares reserved for issuance under the 1992 Stock Option Plan and the 1995 Employee Stock Purchase Plan was 9,600,000 shares of which 7,200,000 was reserved under the 1992 Stock Option Plan of which 624,294 were available for grant under the 1992 Stock Option plan. This plan was cancelled as discussed below.

The Company's 1998 Equity Incentive Plan permits the granting of both stock options and restricted stock awards to employees approved by a committee of the Board of Directors. The plan also authorizes the Chief Executive Officer to grant stock options and restricted stock awards to non-officer employees. At the 2001 annual shareholders' meeting, the shareholders voted to amend the Plan to increase the authorized number of shares by 4,300,000. The Plan Amendment also increased the maximum number of shares of common stock that may be granted as options or as restricted stock to any one individual during any calendar year from 100,000 to 10% of the number of shares authorized under the 1998 Plan, and prohibits repricing of outstanding options without the approval of the Company's shareholders. As a result of the plan amendment to the 1998 Equity Incentive Plan, the Company's 1992 Stock Option Plan was terminated with respect to all shares for which options had not been granted and any shares related to options which are subsequently forfeited or cancelled. As of December 31, 2001, 7,500,000 shares of common stock have been reserved for issuance under the plan, of which 2,654,833 were available for grant. Restricted shares granted under the plan vest 33 1/3% on the third, fourth and fifth anniversary date of the grant. During the years ended 2001, 2000 and 1999, the Company issued 57,500, 367,500 and 109,500 restricted stock awards, respectively, with a weighted average value at the time of issue of $11.673 per share, $11.329 per share, and $9.936 per share, respectively. As of December 31, 2001, restrictions remained on 496,856 shares and 91,669 shares have been surrendered.

The following table shows the changes in options outstanding under all plans for the years ended 2001, 2000 and 1999:

	At 85% of Market		At or Above Market	
	Shares	Weighted Avg. Price	Shares	Weighted Avg. Price
Outstanding on December 31, 1998	1,083,200	$ 3.779	4,204,875	$ 9.690
Granted	58,000	6.059	866,500	9.669
Surrendered	(67,200)	7.665	(716,130)	11.992
Exercised	(184,240)	1.836	(237,900)	3.332
Outstanding on December 31, 1999	889,760	3.737	4,117,345	9.652
Granted	7,000	9.188	2,574,500	10.961
Surrendered	(50,750)	8.031	(634,580)	11.283
Exercised	(188,770)	2.552	(360,060)	4.848
Outstanding on December 31, 2000	657,240	4.282	5,697,205	10.200
Granted	--	--	1,806,608	10.432
Surrendered	(7,330)	9.799	(556,270)	12.503
Exercised	(69,850)	2.263	(434,599)	4.240
Outstanding on December 31, 2001	580,060	$ 4.455	6,512,944	$10.465
Exercisable at December 31, 2001	158,300	$ 7.268	2,810,986	$ 9.091

The following table summarizes information about stock options outstanding at December 31, 2001:

OPTIONS OUTSTANDING				OPTIONS EXERCISABLE	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 1.541 - 1.813	316,980	1.31	$ 1.588	316,980	$ 1.588
2.325 - 3.281	745,571	3.23	2.721	745,571	2.721

4.625 - 6.890	749,205	8.36	5.756	211,905	5.963
7.063 - 10.375	1,499,940	4.10	7.890	487,730	8.144
10.625 - 15.820	2,885,108	8.15	11.579	619,500	11.595
16.000 - 20.188	896,200	6.42	19.332	587,600	20.003
$ 1.541 - 20.188	7,093,004	6.27	$ 9.076	2,969,286	$ 8.994

Non-Employee Director Compensation Plan - Effective September 1, 1998, the Board of Directors terminated the Non-employee Director Stock Plan and adopted the Global Industries, Ltd., Non-Employee Directors' Compensation Plan (the "Directors Compensation Plan"). Under the Directors' Compensation Plan, each non-employee director may elect to defer receipt of all or part of his or her annual retainer and meeting fees. In lieu of cash and accrued interest, each non-employee director may elect to base the deferred fees on Stock Units which have the same value as common stock and increase and decrease in value to the full extent of any increase or decrease in the value of the common stock. Also, each non-employee director may receive up to $20,000 of his or her annual retainer and meeting fees in shares of common stock. With respect to annual retainer fees and meeting fees earned after December 31, 1998, each non-employee director must elect to receive at least $20,000 in common stock or Stock Units. The maximum number of shares of common stock that may be issued under the plan is 25,000. As of December 31, 2001, 9,512 shares of common stock have been issued under the plan.

1995 Employee Stock Purchase Plan - The Global Industries, Ltd. 1995 Employee Stock Purchase Plan ("Purchase Plan") provides a method for substantially all employees to voluntarily purchase a maximum of 2,400,000 shares of the Company's common stock at favorable terms. Under the Purchase Plan, eligible employees may authorize payroll deductions that are used at the end of the Option Period to acquire shares of common stock at 85% of the fair market value on the first or last day of the Option Period, whichever is lower. In August 1997, shareholders approved an amendment to the plan whereby the plan has a twelve-month and a six-month Option Period in each year. In October 1998, the Board of Directors further amended the plan effective December 31, 1998, to, among other items, change the twelve-month Option Period to begin January 1 of each year and the six-month Option Period to begin July 1 of each year. For the year ended December 31, 2001, 224 employees purchased 114,737 shares at a weighted average cost of $7.565 per share. For the year ended December 31, 2000, 283 employees purchased 154,247 shares at a weighted average cost of $7.154 per share. For the year ended December 31, 1999, 276 employees purchased 154,299 shares at a weighted average cost of $5.630 per share. At December 31, 2001, 1,368,220 shares were available for issuance under the plan.

Proforma Disclosure - In accordance with APB 25, compensation cost has been recorded in the Company's financial statements based on the intrinsic value (i.e., the excess of the market price of stock to be issued over the exercise price) of restricted stock awards and shares subject to options. Additionally, under APB 25, the Company's employee stock purchase plan is considered noncompensatory and, accordingly, no compensation cost has been recognized in the financial statements. Had compensation cost for the Company's grants under stock-based compensation arrangements for the years ended 2001, 2000 and 1999, been determined consistent with SFAS 123, the Company's net income (loss) and net income (loss) per share amounts for the respective periods would approximate the following proforma amounts (in thousands, except per share data):

	Year Ended December 31,		Year Ended December 31,		Year Ended December, 31	
	2001		2000		1999	
	Reported	Proforma	Reported	Proforma	Reported	Proforma
Net income (loss)	$ 6,156	$ 469	$(16,690)	$(21,555)	$ (1,131)	$ (4,670)
Net income (loss) per share						
Basic	$ 0.07	$ 0.01	$ (0.18)	$ (0.23)	$ (0.01)	$ (0.05)
Diluted	$ 0.07	$ 0.01	$ (0.18)	$ (0.23)	$ (0.01)	$ (0.05)

The weighted-average fair value of options that were granted during the year ended December 31, 2001 was $7.95. The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield of 0%, (ii) expected volatility of 64.71%, (iii) risk-free interest rate of 5.08%, and (iv) expected life of 5.00 years.

The weighted-average fair value of options granted during the year ended December 31, 2000 was $7.83. The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield of 0%, (ii) expected volatility of 64.89%, (iii) risk-free interest rate of 5.13%, and (iv) expected life of 7.00 years.

The weighted-average fair value of options granted during the year ended December 31, 1999 was $6.27. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: (i) dividend yield of 0%, (ii) expected volatility of 61.49%, (iii) risk-free interest rate of 6.67%, and (iv) expected life of 7.00 years.

Basic and Diluted Net Income (loss) Per Share - The following table presents the reconciliation between basic shares and diluted shares (in thousands, except per share data):

					Income (Loss)	
	Net Income	Weighted-Average Shares			Per Share	
	(Loss)	Basic	Incremental	Diluted	Basic	Diluted
Year ended						

December 31, 2001	$ 6,156	92,753	1,094	93,847	$ 0.07	$ 0.07
Year ended						
December 31, 2000	(16,690)	91,982	--	91,982	(0.18)	(0.18)
Year ended						
December 31, 1999	(1,131)	90,700	--	90,700	(0.01)	(0.01)

Options to purchase 1,970,808 shares of common stock, at an exercise price range of $11.31 to $20.19 per share, were outstanding at December 31, 2001, but were not included in the computation of diluted EPS because the options' exercise prices were greater than the average market price of the common shares.

All options outstanding during the years ended 2000 and 1999 were excluded from the computation of diluted EPS because the effect of their inclusion is antidilutive.

8. Industry Segment and Geographic Information

The Company operates primarily in the offshore oil and gas construction industry. However, the Company has used a combination of factors to identify its reportable segments as required by Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). The overriding determination of the Company's segments is based on how the chief operating decision-maker of the Company evaluates the Company's results of operations. The underlying factors include types of service and type of assets used to perform such services, operational management, physical locations, degree of integration, and underlying economic characteristics of the various types of work the Company performs. The Company has identified eight segments of which seven meet the quantitative thresholds as required by SFAS 131 for disclosure. The reportable segments are Gulf of Mexico Offshore Construction, Gulf of Mexico Diving, Gulf of Mexico Marine Support, Latin America, West Africa, Asia Pacific, and Middle East.

Gulf of Mexico Offshore Construction is principally services performed using the Company's construction barges in the Gulf of Mexico, including pipelay and derrick services and the Company's SWATH vessel, Pioneer. In order to provide consistency with management reporting, the Pioneer has been reassigned to the Gulf of Mexico Offshore Construction Segment for 2000. The Pioneer was previously reported under the Gulf of Mexico Marine Support Segment. Gulf of Mexico Diving is all diving services including those performed using dive support vessels. Gulf of Mexico Marine Support includes services performed using liftboat services, crewboat services, and transportation services. Latin America, West Africa, Asia Pacific, and Middle East include a broad range of offshore construction services, including pipelay and derrick, diving, offshore support vessels, and trenching services. In 1999, Latin America also included services and equipment provided to CCC and the 49% equity in CCC's results to July 1, 1999, the effective date of the Company's disposal of its ownership interest in CCC (see Note 12). Many of the Company's services are integrated, and thus, are performed for other of the Company's segments, typically at rates charged to external customers.

The following tables show information about the profit or loss and assets of each of the Company's reportable segments for the years ended 2001, 2000, and 1999. The information contains certain allocations of corporate expenses that the Company deems reasonable and appropriate for the evaluation of results of operations. Segment assets do not include intersegment receivable balances as the Company feels that such inclusion would be misleading or not meaningful. Segment assets are determined by where they are situated at period-end. Because the Company offers an integrated range of services, some assets are used by more than one segment. However, the Company feels that allocating the value of those assets among segments is impractical.

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
		(in thousands)	
Revenues from external customers:			
Gulf of Mexico Offshore Construction	$ 126,214	$ 111,133	$ 117,378
Gulf of Mexico Diving	26,263	19,859	19,141
Gulf of Mexico Marine Support	39,141	25,322	17,114
West Africa	30,557	33,394	81,137
Latin America	60,856	60,789	91,332
Asia Pacific	111,429	34,265	56,098
Middle East	11,265	12,819	4,006
	$ 405,725	$ 297,581	$ 386,206
Intersegment revenues:			
Gulf of Mexico Offshore Construction	$ 4,352	$ 2,043	$ 3,695
Gulf of Mexico Diving	15,827	17,923	10,186
Gulf of Mexico Marine Support	4,091	4,620	4,126
West Africa	--	--	--
Latin America	--	--	--
Asia Pacific	--	--	--
Middle East	--	--	--
	$ 24,270	$ 24,586	$ 18,007
Interest expense:			
Gulf of Mexico Offshore Construction	$ 5,433	$ 5,498	$ 3,435
Gulf of Mexico Diving	972	965	832
Gulf of Mexico Marine Support	1,955	1,685	1,680
West Africa	2,130	1,782	1,243
Latin America	6,769	5,474	3,812
Asia Pacific	5,016	4,678	2,481
Middle East	1,053	1,188	417
	$ 23,238	$ 21,270	$ 13,900

Depreciation and amortization:

Gulf of Mexico Offshore Construction	$ 15,253	$ 10,409	$ 22,742
Gulf of Mexico Diving	4,006	3,459	3,250
Gulf of Mexico Marine Support	5,469	5,829	6,819
West Africa	1,713	2,395	4,295
Latin America	8,338	8,837	6,595
Asia Pacific	11,318	7,862	5,664
Middle East	2,271	3,116	3,157
	$ 48,368	$ 41,907	$ 52,522
Income (loss) before income taxes:			
Gulf of Mexico Offshore Construction	$ (2,294)	$ (2,693)	$ 3,856
Gulf of Mexico Diving	2,671	2,050	(891)
Gulf of Mexico Marine Support	15,507	4,739	(1,383)
West Africa	1,409	(5,070)	8,224
Latin America	931	39	5,472
Asia Pacific	(2,881)	(14,287)	(10,451)
Middle East	(3,441)	(3,460)	(6,816)
	$ 11,902	$ (18,682)	$ (1,989)
Segment assets at period-end:			
Gulf of Mexico Offshore Construction	$ 295,403	$ 269,907	$ 264,151
Gulf of Mexico Diving	26,641	34,578	30,980
Gulf of Mexico Marine Support	34,410	30,440	34,960
West Africa	50,031	31,554	61,643
Latin America	106,819	140,184	135,446
Asia Pacific	185,444	151,133	145,808
Middle East	16,840	33,658	34,275
	$ 715,588	$ 691,454	$ 707,263
Expenditures for long-lived assets:			
Gulf of Mexico Offshore Construction	$ 9,170	$ 13,007	$ 7,076
Gulf of Mexico Diving	380	317	963
Gulf of Mexico Marine Support	82	5,205	1,220
West Africa	511	230	386
Latin America	--	136	58,174
Asia Pacific	3,279	331	9,305
Middle East	18	131	129
	$ 13,440	$ 19,357	$ 77,253

The following table reconciles the reportable segments' revenues, income (loss) before income taxes, assets, and other items presented above, to the Company's consolidated totals.

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
		(in thousands)	
Revenues			

Total for reportable segments	$ 429,995	$ 322,167	$ 404,213
Total for other segments	379	1,164	1,757
Elimination of intersegment revenues	(24,270)	(24,586)	(18,518)
Total consolidated revenues	$ 406,104	$ 298,745	$ 387,452
Income (loss) before income taxes			
Total for reportable segments	$ 11,902	$ (18,682)	$ (1,989)
Total for other segments	67	(32)	336
Unallocated corp. (expenses) income	(1,547)	--	(7,035)
Total consolidated income (loss) before tax	$ 10,422	$ (18,714)	$ (8,688)
Segment assets at period-end			
Total for reportable segments	$ 715,588	$ 691,454	$ 707,263
Total for other segments	--	2,648	4,052
Corporate assets	32,589	36,085	44,620
Total consolidated assets	$ 748,177	$ 730,187	$ 755,935
Other items:			
Interest expense			
Total for reportable segments	$ 23,328	$ 21,270	$ 13,900
Total for other segments	--	23	64
Unallocated (over allocated) corp. interest expense	(1,460)	1,469	536
Total consolidated interest expense	$ 21,868	$ 22,762	$ 14,500
Depreciation and amortization			
Total for reportable segments	$ 48,368	$ 41,907	$ 52,522
Total for other segments	--	108	237
Unallocated corporate depreciation	5,553	3,903	2,247
Total consolidated depreciation and Amortization	$ 53,921	$ 45,918	$ 55,006
Expenditures for long-lived assets			
Total for reportable segments	$ 13,440	$ 19,357	$ 77,253
Total for other segments	--	--	1
Corporate expenditures	429	1,188	10,105
Total consolidated expenditures	$ 13,869	$ 20,545	$ 87,359

The following table presents the Company's revenues from external customers attributed to operations in the United States and foreign areas and long-lived assets in the United States and foreign areas.

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31
	2001	2000	1999
Revenues from external customers			
United States	$ 191,997	$ 157,478	$ 154,879
Foreign areas	214,107	141,267	232,573
	$ 406,104	$ 298,745	$ 387,452
Long-lived assets at period-end			
United States	$ 302,182	$ 313,274	$ 315,884
Foreign areas	200,076	211,727	223,294
	$ 502,258	$ 525,001	$ 539,178

9. Major Customers

Sales to various customers for 2001, 2000 and 1999, that amount to 10% or more of the Company's revenues, follows:

	Year Ended December 31,		Year Ended December 31,		Year Ended December, 31	
	2001		2000		1999	
	(dollars in thousands)					
	Amt.	%	Amt.	%	Amt.	%
Customer A	$ 45,014	11%	$ --	--	$ --	--
Customer B	--	--%	47,926	16%	70,264	18%
Customer C	--	--%	--	--	42,223	11%
Customer D	51,388	13%	42,580	14%	--	--

Sales to Customer A for all periods presented in the table were reported by the Company's Asia Pacific segment. Sales to Customer B were reported by the Company's Gulf of Mexico segments and its West Africa segments. Sales to Customer C and Customer D were reported by the Company's Latin America segment.

10. Supplemental Disclosures of Cash Flow Information

Supplemental cash flow information for 2001, 2000 and 1999 are as follows:

	Year Ended December 31,	Year Ended December 31,	Year Ended December, 31

	2001	2000	1999
	(dollars in thousands)		
Cash paid for:			
Interest, net of amount capitalized	$ 23,218	$ 17,530	$ 16,223
Income taxes	4,281	5,387	4,931
Non-cash investing and financing activities:			
In connection with acquisitions, liabilities assumed were as follows:			
Fair value of assets acquired, net of cash acquired	--	--	27,246
Goodwill acquired	--	--	43,085
Fair value of liabilities assumed	$ --	$ --	$ 70,331

Other Non-Cash Transactions:

During 2001, 2000 and 1999, the tax effect of the exercise of stock options resulted in an increase in additional paid-in capital and reductions to income taxes payable of $0.6 million, $1.3 million, and $0.7 million, respectively.

11. Interim Financial Information (Unaudited)

The following is a summary of consolidated interim financial information for 2001 and 2000:

	Three Months Ended			
	March 31	June 30	Sept. 30	Dec. 31
	(in thousands, except per share amounts)			
Year Ended December 31, 2001				
Revenues	$ 71,271	$ 109,018	$ 115,859	$ 109,956
Gross profit	9,067	20,531	22,385	18,866
Net income (loss)	(3,071)	2,841	4,324	2,062
Net income (loss) per share				
Basic	$ (0.03)	$ 0.03	$ 0.05	$ 0.02
Diluted	$ (0.03)	$ 0.03	$ 0.05	$ 0.02

	March 31	June 30	Sept. 30	Dec. 31
	(in thousands, except per share amounts)			
Year Ended December 31, 2000				
Revenues	$ 78,740	$ 68,022	$ 79,319	$ 72,664
Gross profit	5,146	6,459	13,911	9,867
Net loss	(6,801)	(5,470)	(708)	(3,711)
Net loss per share				
Basic	$ (0.07)	$ (0.06)	$ (0.01)	$ (0.04)

Diluted	$ (0.07)	$ (0.06)	$ (0.01)	$ (0.04)

12. Investment in and Advances to Unconsolidated Affiliate

In a Transaction Agreement effective July 1, 1999, the Company acquired the offshore marine construction business of CCC Fabricaciones y Construcciones, S.A. de C.V. ("CCC"), a leading provider of offshore construction services in Mexico, and sold its 49% ownership interest in CCC to CCC's other principal shareholder. Under the terms of the transaction, the Company acquired four marine vessels, a marine support base at Ciudad del Carmen, Mexico, and existing contracts to perform approximately $72.0 million of offshore marine construction. As consideration for the assets acquired, the Company assumed approximately $32.0 million of CCC indebtedness (which the Company previously guaranteed) and other net accounts payable and liabilities of approximately $38.3 million related to CCC's offshore marine construction operation. The acquisition was accounted for as a purchase and, accordingly, the acquisition cost has been allocated to the net tangible assets acquired based on their fair market values with the excess, approximating $43.1 million, recorded as goodwill. The results of operations of the acquired business are included (on a full consolidated basis) in the accompanying financial statements from the effective date of the acquisition.

The following unaudited proforma income statement data for the year ended 1999 reflects the acquisition assuming it occurred effective April 1, 1998:

	Year Ended December 31,
	1999
Revenues	$ 505,346
Net loss	(10,190)
Net loss per share:	
Basic	$ (0.11)
Diluted	$ (0.11)

Prior to the aforementioned sale of its 49% ownership interest in CCC, the Company's investment in CCC was accounted for under the equity method.

During 1999, the Company advanced funds to CCC (under interest bearing and non-interest bearing arrangements), provided barge charters, diving and other construction support services to CCC, and was reimbursed for expenditures paid on behalf of CCC. Included in the accompanying balance sheet as "other receivables" at December 31, 2000 is amounts due from CCC totaling $4.0 million. Revenues and expense reimbursements relating to transactions with CCC approximated $6.5 million and $0.7 million, respectively, for the year ended December 31, 1999. No interest income related to advances to CCC was recognized during the years ended 2001, 2000 and 1999.

During the course of Global's business relationship with CCC, various contract disputes arose and Global pursued certain legal remedies regarding these disputes during 2000 and 2001. On November 2, 2001, the Company entered into a settlement agreement with CCC to settle any and all disputes. This settlement agreement resulted in a non-cash gain of approximately $3.9 million ($2.3 million after tax) which is included in the Company's gross profit for the fourth quarter of 2001.

13. Oceaneering Transaction

On September 30, 2000, the Company completed a transaction to exchange certain of its remotely operated vehicles (ROV) assets for certain non-U.S. diving assets of Oceaneering International, Inc. and share certain international facilities with Oceaneering in Asia and Australia. Global conveyed to Oceaneering its ROVs and related equipment in Asia and Australia and its ROV Triton XL-II in the Gulf of Mexico. In exchange, Oceaneering conveyed to Global the dive support vessel Ocean Winsertor along with air and saturation diving equipment in Asia, Australia, China, and the Middle East. The assets received were accounted for based on the fair value of the assets conveyed to Oceaneering. As the fair value of the assets exchanged approximated their book value, no gain or loss was recognized.

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.

The following includes all directors and executive officers of the Company as of December 31, 2001. All executive officers and directors named below are elected annually and hold office until a successor has been duly elected and qualified.

Name	Age	Position
William J. Dore'	59	Chairman of the Board of Directors and Chief Executive Officer
James C. Day	59	Director
Edward P. Djerejian	63	Director
Edgar G. Hotard	58	Director
Richard A. Pattarozzi	58	Director
James L. Payne	65	Director
Michael J. Pollock	55	Director
Peter S. Atkinson	54	President
Timothy W. Miciotto	58	Senior Vice President, Chief Financial Officer
Nicolas A. Alvarado	57	Senior Vice President, Worldwide Business Development and Latin America

Byron W. Baker	46	Senior Vice President, Equipment, Operations and Regulatory
R. Craig Broussard	40	Senior Vice President, Asia Pacific
Wilmer J. Buckley, Jr.	52	Senior Vice President, Human Resources
James J. Dore'	47	Senior Vice President, Diving and Special Services
Lawrence C. McClure	46	Senior Vice President, Offshore Construction Division/Engineering
Robert L. Patrick	51	Senior Vice President, Project Management Services
Russell J. Robicheaux	53	Senior Vice President, General Counsel

Mr. William J. Dore' is the Company's founder and has served as Chairman of the Board of Directors, President and Chief Executive Officer since 1973 and most recently, as of June 2000, Chairman of the Board and Chief Executive Officer. Mr. Dore' has over thirty years of experience in the diving and marine construction industry. He is a past President of the Association of Diving Contractors and has served on the Board of Directors executive committee of the National Ocean Industry Association.

James C. Day joined the Board of Directors of the Company in February 1993. Mr. Day has been Chairman of the Board of Directors since October 1992, and Chief Executive Officer since January 1984, of Noble Drilling Corporation, a Houston, Texas based offshore drilling contractor. He previously also served as President of Noble Drilling. He serves as a Trustee of the Samuel Roberts Noble Foundation, Inc. He has served as Chairman of the International Association of Drilling Contractors, the National Ocean Industries Association, and currently serves on the Board of the American Petroleum Institute. Mr. Day received a BS degree in Business Administration from Phillips University.

Edward P. Djerejian joined the Board of Directors of the Company in February 1996. Since August 1994, Mr. Djerejian has been the Director of the James A. Baker III Institute of Public Policy at Rice University. A former United States Ambassador, he served as U.S. Ambassador to Israel in 1994. During his more than thirty years in the United States Foreign Service, Mr. Djerejian served as U.S. Ambassador to the Syrian Arab Republic, and as Assistant Secretary of State for Near Eastern Affairs under Presidents Bush and Clinton. He received the Department of State's Distinguished Service Award in 1993 and the President's Distinguished Service Award in 1994. Mr. Djerejian is a graduate of the School of Foreign Service at Georgetown University and serves on the Board of Directors of Occidental Petroleum Corporation and Baker Hughes, Inc.

Edgar G. Hotard joined the Board of Directors in May 1999. Mr. Hotard is an independent consultant/investor, having retired as President and Chief Operating Officer of Praxair, Inc. in January 1999 where he was first elected President and a Board Director in 1992. When Praxair was spun off from Union Carbide Corporation in 1992, Mr. Hotard was a Union Carbide corporate Vice-president. Mr. Hotard serves on the Board of Directors of EDGEN Corporation, Global Power Equipment Group, Inc., and Home Care Supply, Inc. He is Chairman of Spectral Genomics, Inc., Surface Logix, Inc., and Monitor Group (China). He currently serves on the Board of Directors of the US China Business Council, is past Chairman of the Compressed Gas Association and a founding sponsor of the China Economic and Technology Alliance. In December

2000, he received the Great Wall Award from the municipality of Beijing, China. Mr. Hotard received a BS degree in Mechanical Engineering from Northwestern University.

Richard A. Pattarozzi joined the Board of Directors of the Company in May 2000. Mr. Pattarozzi retired as Vice President of Shell Oil Company in January 2000. He also previously served as President and Chief Executive Officer for both Shell Deepwater Development, Inc. and Shell Deepwater Production, Inc. Mr. Pattarozzi serves on the Board of Directors of Stone Energy, Inc., Transocean Sedco Forex, Inc., OSCA, Inc., and Tidewater, Inc,. He received a BS degree in Civil Engineering from the University of Illinois.

James L. Payne joined the Board of Directors of the Company in December 2000. Since October 2001, Mr. Payne has been Chief Executive Officer and President of Nuevo Energy Corporation. Mr. Payne retired as Vice Chairman of Devon Energy, Inc. in January 2001. Prior to its merger with Devon Energy, Mr. Payne was Chief Executive Officer and Chairman of Santa Fe Snyder, Inc. Mr. Payne serves on the Board of Directors of Nabors Industries, B.J. Services Company and Nuevo Energy Corporation. Mr. Payne is a graduate of the Colorado School of Mines and received an MBA from Golden State University.

Michael J. Pollock joined the Board of Directors of the Company in 1992. Mr. Pollock retired from the Company in February 1998. The Company employed him for eight years, most recently as Vice President, Chief Financial Officer and Treasurer. From September 1990 to December 1992, Mr. Pollock was Treasurer and Chief Financial Officer of the Company and from December 1992 until April 1996 was Vice President, Chief Administrative Officer. Mr. Pollock currently serves as Director and Chief Executive Officer of CoStreet Communications, Inc., (formerly Orbis1 Carrier Services). He received a BS degree from the University of Louisiana-Lafayette. Mr. Pollock is a certified public accountant and a certified internal auditor.

Mr. Atkinson joined the Company in September of 1998 as Vice President and Chief Financial Officer. In June 2000, he was named President. Prior to joining Global he had been Director - Financial Planning with J. Ray McDermott, S.A., having previously served in various capacities at McDermott International, Inc. and J. Ray McDermott, S.A. for twenty-three years. At McDermott, he served at the corporate level as well as in the North Sea, Middle East, West Africa and Central and South America.

Mr. Miciotto joined the Company as Vice President and Chief Financial Officer in June 2000. In August 2001, he was named Senior Vice President, Chief Financial Officer. Mr. Miciotto has over thirty years of experience in both domestic and international financial management positions with McDermott International, Inc., including resident experience in Lebanon, Belgium, England and Singapore. Prior to joining Global, he had been Director - Materials and Transportation with McDermott International, Inc. for the preceding five years.

Mr. Alvarado joined the Company as Vice President, Worldwide Business Development in May 2000. In October 2000, Mr. Alvarado assumed additional responsibilities for the Company's Latin America operations. In August 2001, he was named Senior Vice

President, Worldwide Business Development and Latin America. Mr. Alvarado previously served as General Manager for Chevron in Venezuela. He has over thirty years of experience in various domestic and international management positions with Chevron, including more than fifteen years resident experience in Venezuela, Australia, Canada, Indonesia and Europe.

Mr. Baker joined the Company in April 1997 as Operations Manager in Mexico. In 1999, he was named International Offshore Operations Manager. In February 2000, Mr. Baker was appointed Vice President, Offshore Operations. In August 2001, he was named Senior Vice President, Equipment, Operations, and Regulatory. Prior to joining Global, he served as Operations Manager at J. Ray McDermott. In addition to serving at McDermott, he served in an operational capacity at Offshore Pipelines, Inc. He has more than twenty-five years of experience in the offshore construction industry.

Mr. Broussard joined the Company in June 1990 as Regional Marketing Representative. Mr. Broussard has served in various roles in the Company's domestic divisions including management positions in marketing and sales, contracts and estimating, operations, and projects. In addition, Mr. Broussard has served as Manager of Proposals and Projects Middle East, based in Sharjah, United Arab Emirates. Mr. Broussard served as Regional Manager Asia Pacific based in Singapore from July 1998 through March 2000. Mr. Broussard was named Vice President, Asia Pacific/Middle East in April 2000. In August 2001, he was named Senior Vice President, Asia Pacific.

Mr. Buckley joined the Company in February 1995 as Corporate Director of Human Resources. Mr. Buckley was named Vice President, Human Resources in April 1997. In August 2001, he was named Senior Vice President, Human Resources. He has more than twenty years of professional experience in human resources and has held corporate-level positions with two major offshore contractors, including resident experience in the Middle East and Southeast Asia.

Mr. James Dore' has over twenty years of service with the Company. He held a number of management positions with responsibility for marketing, contracts and estimating, and diving operations. Mr. Dore' was named Vice President, Marketing in March 1993, Vice President, Special Services in November 1994 and Vice President, Diving and Special Services in February 1996. In August 2001, he was named Senior Vice President, Diving and Special Services. In January 2001, Mr. Dore' became President of the Association of Diving Contractors. Mr. Dore' is the brother of William J. Dore'.

Mr. McClure joined the Company in January 1989 as Assistant Operations Manager and was promoted to Manager of Estimating and Engineering in February 1992. In February 1995, he was named Vice President, Estimating and Engineering. Mr. McClure was named Vice President, Offshore Construction in February 1996. In May 2000, he was named Vice President, Offshore Construction Division/Engineering. In August 2001, he was named Senior Vice President, OCD and Engineering. Mr. McClure has over twenty years of experience in the offshore construction business.

Mr. Patrick joined the Company in July 1995 as Operations Manager for the West Africa Division. In August 2001, he was named Senior Vice President, Project Management Services. Prior to joining Global, Mr. Patrick served as Vice President of Operations for Ugland in Mexico for five years. He has also managed projects in India, West Africa, the Gulf of Mexico and offshore California. Mr. Patrick has over twenty-five years of experience in marine engineering and offshore construction.

Mr. Robicheaux joined the Company in August 1999 as Vice President and General Counsel. In August 2001, he was named Senior Vice President, General Counsel. Prior to joining the Company, Mr. Robicheaux had been Assistant General Counsel with J. Ray McDermott, S.A. since 1995. In addition, he served in various engineering and legal capacities at McDermott International, Inc. for the preceding twenty-five years, including design and field engineering, project engineering, estimating and project management.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Company believes, based upon a review of the forms and amendments furnished to it, that during the year ended December 31, 2001, the Company's directors and officers complied with the filing requirements under Section 16(a) of the Securities Exchange Act, except for Mr. William Dore', an executive officer of the Company, who was late in filing one statement of changes in beneficial ownership on a Form 4 with respect to one transaction.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth the cash compensation paid or accrued for services rendered in all capacities to the Company during the last three years to the Company's Chief Executive Officer and each of the Company's other four most highly compensated executive officers who earned more than $100,000 in salary and bonus in the year ended December 31, 2001 (the "Named Executives").

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($) (2)	Restricted Stock Awards ($) (2)	Securities Underlying Options (#)	All Compen ($)(4
William J. Dore'	2001	328,125	--	8,742	--	172,000	3
Chairman of the Board	2000	337,500	--	12,843	213,750	176,000	7
and Chief Executive Officer	1999	282,500	--	27,204	482,500	200,000	3
Peter S. Atkinson	2001	190,000	--	5,400	--	62,000	3
President	2000	193,750	--	6,900	213,750	60,000	5
	1999	139,875	10,000	31,757	150,781	60,000	1
Timothy W. Miciotto (5)	2001	156,750	--	5,400	--	36,000	1
Senior Vice President,	2000	96,250	--	18,400	141,000	15,000	1

Chief Financial Officer							
James J. Dore'	2001	147,250	--	5,400	--	30,000	2
Senior Vice President,	2000	150,000	13,333(1)	5,400	--	40,000	4
Diving, and Special	1999	129,094	--	5,400	--	10,000	2
Services							
Nicolas A. Alvarado (6)	2001	144,375	--	4,316	--	40,000	
Senior Vice President,	2000	106,250	--	2,322	116,250	20,000	
Worldwide Business							
Development and Latin							
America							
Robert L. Patrick	2001	144,375	--	5,400	--	22,000	2
Senior Vice President,	2000	138,300	--	5,400	160,313	50,000	4
Project Management	1999	97,250	--	1,575	20,125	15,000	1
Services							

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(1) Includes amounts awarded under the Company's Performance Bonus Plan adopted in 1998 pursuant to which performance awards granted in 1998 are paid in three annual installments with the first being paid at the time of award. Under this plan, Mr. James Dore' received an award of $40,000, of which 2/3 was paid during the year ended December 31, 1998, and 1/3 was paid in February 2000.

(2) Amounts shown include the following: (i) Mr. William Dore' for all years presented, primarily represents expenditures paid or incurred by the Company for Mr. Dore''s personal account which were not reimbursed and were included in his income for tax purposes; (ii) Mr. Atkinson for 2001, 2000 and 1999: relocation bonus, living allowance, and/or moving expenses - $0, $1,500, and $26,357, respectively; auto allowance - $5,400, $5,400, and $5,400 respectively; (iii) Mr. Miciotto for 2001 and 2000: relocation bonus, living allowance, and/or moving expenses - $0, and $15,250, respectively; automobile allowance and/or value of personal use of Company automobile - $5,400 and $3,150, respectively, (iv) Mr. James Dore' for 2001, 2000 and 1999: automobile allowance and/or value of personal use of Company automobile - $5,400, $5,400, and $5,400, respectively; and (v) Mr. Alvarado for 2001 and 2000: automobile allowance and/or value of personal use of Company automobile - $4,316 and $2,322, respectively. (vi) Mr. Patrick for 2001, 2000, and 1999: automobile allowance and/or value of personal use of Company automobile - $5,400, $5,400, and $1,575 respectively.

(3) Based on the closing price of the Company's Common Stock on the date of grant. On December 31, 2001, the aggregate number of restricted shares held by Messrs. William Dore', Atkinson, Miciotto, James Dore', Alvarado, and Patrick, was 60,000, 34,500, 8,000, -0-, 10,000, and 22,333, respectively; and the aggregate value of such shares held by each based upon the $8.90 market value on December 31, 2001, was $534,000, $307,050, $71,200, $0, $89,000, and $198,764, respectively. The Company does not currently pay dividends on Common Stock; however, it would pay dividends on the restricted stock should its dividend policy change.

(4) For each year, includes the aggregate value of contributions and allocations to the Company's Profit Sharing and Retirement Plan, matching Company contributions to the Company's 401(k) plan, and the value of term life insurance coverage provided. During 2001: (i) contributions and allocations to the Company's Profit Sharing and Retirement Plan were: Mr. William Dore' - $1,840; Mr. Atkinson - $1,840; Mr. James Dore' - $1,624; and Mr. Patrick - $1,497; (ii) matching contributions to the Company's 401(k) plan were: Mr. Atkinson, Mr. Miciotto, Mr. James Dore' and Mr. Patrick, - $1,000 each; (iii) the value of term life insurance coverage provided was: Mr. William Dore' - $1,522; Mr. Atkinson - $444; Mr. Miciotto - $658, Mr. James Dore' - $213; Mr. Alvarado - $595; and Mr. Patrick - $318.

(5) Mr. Miciotto joined the Company in June 2000.

(6) Mr. Alvarado joined the Company in April 2000.

The following table contains information concerning grants of stock options under the Company's Stock Option Plans to the Named Executives during 2001.

Option Grants During the Last Fiscal Year

Individual Grants

Name	Options Granted (1)	% of Total Options Granted to Employees in Fiscal Year	Fair Market Value on date of Grant ($)	Exercise Price Per Share ($)	Expiration Date
William J. Dore'	172,000	9.5%	9.50	9.50	8/7/11
Peter S. Atkinson	62,000	3.4%	9.50	9.50	8/7/11
Timothy W. Miciotto	36,000	2.0%	9.50	9.50	8/7/11
James J. Dore'	30,000	1.7%	9.50	9.50	8/7/11
Nicolas A. Alvarado	40,000	2.2%	9.50	9.50	8/7/11
Robert L. Patrick	22,000	1.2%	9.50	9.50	8/7/11

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(1) All options vest 20% on each anniversary of the date of grant.
(2) The potential realizable value reflects price appreciation over the option exercise price.

The table below sets forth the aggregate option exercises during the year ended December 31, 2001 and the value of outstanding options at December 31, 2001 held by the Named Executives.

Aggregated Option Exercises During Fiscal 2001
and Option Values at Period End

			Securities Underlying Unexercised Options at Period End (#)	Value of Unexercised In-the-Money Options at Period End ($)(*)
Name	Shares Acquired on Exercise (#)	Value Realized ($)	Exercisable/ Unexercisable	Exercisable/ Unexercisable
William J. Dore'	--	--	175,200/472,800	0/0
Peter S. Atkinson	--	--	51,000/156,000	33,081/23,387
Timothy W. Miciotto	--	--	3,000/48,000	0/0
James J. Dore'	--	--	178,400/76,000	1,107,219/12,100
Nicolas A. Alvarado	--	--	4,000/56,000	0/0
Robert L. Patrick	--	--	45,600/72,000	1,200/154,790

(*) Based on the difference between the closing sale price of the Common Stock of $8.90 on December 31, 2001, and the exercise price.

The Company's 1992 Stock Option Plan and the 1998 Equity Incentive Plan (the "Option Plans") provide that, upon a change of control, the Compensation Committee may accelerate the vesting of options, cancel options and make payments in respect thereof in cash in accordance with the Option Plans, adjust the outstanding options as appropriate to reflect such change of control, or provide that each option shall thereafter be exercisable for the number and class of securities or property that the optionee would have been entitled to had the option already been exercised. The Option Plans provide that a change of control occurs if any person, entity or group (other than William J. Dore' and his affiliates) acquires or gains ownership or control of more than 50% of the outstanding Common Stock or, if after certain enumerated transactions, the persons who were directors before such transaction cease to constitute a majority of the Board of Directors.

James J. Dore' entered into an agreement with the Company that provides certain severance benefits in the event his employment is terminated under certain circumstances within two years following a change of control of the Company. The agreement is for a term of one year and automatically renews each January 1 absent notice to the contrary from the Company; however, if a change of control occurs during the term of the agreement, the agreement cannot terminate until two years after the change of control.

The agreement provides that if the Company terminates Mr. Dore's employment other than due to death, disability, retirement or cause, or if Mr. Dore' terminates his employment with the Company for "good reason," in each case within two years following a change in control, then he shall be entitled to the following benefits and payments: (1) a payment equal to Mr. Dore's full base salary through the date of termination plus a pro rata payment based on the highest bonus or incentive compensation received in any one of the three fiscal years immediately preceding the fiscal year in which the termination occurred, or the number of days elapsed in the fiscal year in which the termination occurs; (2) a payment equal to 2.99 times the higher of (i) the highest base salary plus any bonus paid to Mr. Dore' in any one of the five fiscal years preceding the fiscal year in which the termination occurred or (ii) Mr. Dore's annualized includable compensation for the base period (as defined in Section 280G(d)(1)of the Internal Revenue Code); (3) all stock options held by Mr. Dore' (whether or not then exercisable) shall be surrendered to the Company in exchange for a cash payment equal to the difference between the exercise price and the closing price of the Company's common stock on the date of notice of termination, and all restrictions on any restricted stock granted to Mr. Dore' shall lapse; (4) a payment of the difference between what Mr. Dore' is entitled to receive under the Company's retirement plans upon his termination and the amount he would have been entitled to had he been fully vested under such plans upon his termination; (5) continued welfare benefit coverage for two years following his termination, or retiree medical benefits for life, if Mr. Dore' would have been entitled to such benefits had he voluntarily retired on such date; and (6) certain other expenses or losses related to Mr. Dore's termination. The aggregate compensation payable under the change in control agreement and any other payments that constitute "parachute payments" (as defined in Section 280G(b)(2) of the Internal Revenue Code), shall be reduced to an amount that is one dollar less than three times his annualized includable compensation. If Mr. Dore's employment is terminated for cause, then he shall be entitled only to receive his current salary plus any incentive compensation through the date notice of termination is given. If Mr. Dore' is unable to perform his duties due to incapacity after a change of control, he will continue to receive his full base salary and incentive compensation at the rate then in effect until the agreement is terminated.

Generally a change of control occurs if a person or group acquires 50% or more of the voting stock of the Company, or a merger or sale or transfer of substantially all of the Company's assets or after a contested election, persons who were directors before such election cease to constitute a majority of the Board of Directors.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Stock Ownership of Directors and Executive Officers

The table below sets forth the ownership of the Company's

Common Stock, as of March 1, 2002, by (i) each of the Company's directors, (ii) each executive officer named in the Summary Compensation Table included under "Compensation of Executive Officers," and (iii) all directors and executive officers of the Company as a group. Except as otherwise indicated, the persons listed below have sole voting power and investment power over the shares beneficially held by them.

	Shares Owned Beneficially	
Name	Number	Percent
William J. Dore' (1) (2)	28,730,734	30.9%
Peter S. Atkinson (2)	102,168	*
Timothy W. Miciotto(2)	24,101	*
James J. Dore' (2)	304,487	*
Nicolas A. Alvarado (2)	18,000	*
Robert L. Patrick (2)	80,994	*
James C. Day	14,424	*
Edward P. Djerejian	11,114	*
Edgar G. Hotard	3,546	*
Michael J. Pollock	11,677	*
Richard A. Pattarozzi	--	*
James L. Payne	10,000	*
All directors and executive officers as a group (17 persons)	29,699,219	31.9%

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* Less than 1%

(1)Includes 866,962 shares held by the Company's Retirement Plan of which Mr. Dore' acts as Trustee. Mr. Dore' disclaims beneficial ownership of all of such shares except the 214,485 shares held by the Retirement Plan allocated to his account.

(2)Includes shares issued pursuant to restricted stock awards granted to Mr. William Dore' - 60,000 shares; Mr. Atkinson - 34,500 shares; Mr. Miciotto - 8,000 shares; Mr. Alvarado - 10,000 shares, Mr. Patrick - 22,333 shares, and all executive officers as a group - 202,833; shares allocated to such person's account in the Retirement Plan are as follows: Mr. Atkinson - 269; Mr. James Dore' - 11,453 shares; Mr. Patrick - 728 shares; and all directors and executives as a group - 866,962; and the shares issuable upon exercise of stock options exercisable within sixty days as follows: Mr. William Dore' - 210,400 shares; Mr. Atkinson - 65,000 shares; Mr. Miciotto - 3,000 shares, Mr. James Dore' - 188,400 shares; Mr. Alvarado - 8,000 shares; Mr. Patrick - 56,600 shares; and all directors and executive officers as a group - 835,300 shares.

Stock Ownership of Certain Beneficial Owners

The following, to the Company's knowledge, as of the date of this proxy statement, are the only beneficial owners of 5% or more of the outstanding Common Stock except as shown in the table above.

Name and Address of Beneficial Owner	Number of Shares of Common Stock	Percent of Class
Mellon Financial Corporation One Mellon Center Pittsburgh, PA 15258	4,947,854(1)	5.3%
FMR Corporation 82 Devonshire Street Boston, MA 02109	8,976,355(2)	9.7%

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(1)Based solely on information furnished in Schedule 13G filed with the Securities and Exchange Commission by such persons on January 24, 2002. Includes 3,772,929 shares of Common Stock with sole voting and investment power.

(2)Based solely on information furnished in Schedule 13G filed with the Securities and Exchange Commission by such persons on February 14, 2002. Includes 1,076,695 shares of Common Stock with sole voting and investment power.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The Company leases an office building and adjacent land on which it has built a training facility in Lafayette, Louisiana from William J. Dore', the Company's Chairman of the Board and Chief Executive Officer. The lease agreement with Mr. Dore' for the Lafayette office building and adjacent land currently provides for aggregate monthly lease payments of $3,917 and expired on December 31, 2001. The Company made aggregate lease payments to Mr. Dore' under the lease agreement of $47,004 during 2001. In January 2002, the lease agreement with Mr. Dore' was extended until December 31, 2004.

PART IV

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

(a) 1. Financial Statements
Included in Part II of this report.
Independent Auditors' Report.
Consolidated Balance Sheets as of December 31, 2001 and 2000.
Consolidated Statements of Operations for the years ended December 31, 2001, 2000, and 1999.
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2001, 2000, and 1999.
Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000, and 1999.
Consolidated Statements of Comprehensive Income (Loss)

for the years ended December 31, 2001, 2000, and 1999.
Notes to Consolidated Financial Statements.

2. Financial Statement Schedules

The following financial statement schedule is included:

Schedule II - Valuation and Qualifying Accounts

All other financial statement schedules are omitted because the information is not required or because the information required is in the financial statements or notes thereto.

3. Exhibits.

Pursuant to Item 601(B)(4)(iii), the Registrant agrees to forward to the Commission, upon request, a copy of any instrument with respect to long-term debt not exceeding 10% of the total assets of the Registrant and its consolidated subsidiaries.

The following exhibits are filed as part of this Annual Report:

Exhibit Number		
3.1	-	Amended and Restated Articles of Incorporation of Registrant as amended, incorporated by reference to Exhibits 3.1 and 3.3 to the Form S-1 Registration Statement filed by the Registrant (Reg. No 33-56600).
3.2	-	Bylaws of Registrant, incorporated by reference to Exhibit 3.2 to the Form S-1 filed by Registrant (Reg. No. 33-56600).
4.1	-	Form of Common Stock certificate, incorporated by reference to Exhibit 4.1 to the Form S-1 filed by Registrant (Reg. No.33-56600).
10.1@	-	Global Industries, Ltd. 1992 Stock Option Plan, incorporated by reference to Exhibit 10.1 to the Form S-1 filed by Registrant (Reg. No. 33-56600).
10.2@	-	Global Industries, Ltd. Profit Sharing and Retirement Plan, as amended, incorporated by reference to Exhibit 10.2 to the Form S-1 filed by Registrant (Reg. No. 33-56600).
10.3	-	Agreement of Lease dated May 1, 1992, between SFIC Gulf Coast Properties, Inc. and Global Pipelines PLUS, Inc., incorporated by reference to Exhibit 10.6 to the Form S-1 filed by Registrant (Reg. No. 33-56600).
10.4	-	Lease Extension and Amendment Agreement dated January 1, 1996, between Global Industries, Ltd. and William J. Dore' relating to the Lafayette office and adjacent land incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1996.
10.5	-	Agreement between Global Divers and Contractors, Inc. and Colorado School of Mines, dated October 15, 1991, incorporated by reference to Exhibit 10.20 to the Form S-1 filed by Registrant (Reg. No. 33-56600).
10.6	-	Sublicense Agreement between Santa Fe

International Corporation and Global Pipelines PLUS, Inc. dated May 24, 1990, relating to the Chickasaw's reel pipelaying technology, incorporated by reference to Exhibit 10.21 to the Form S-1 filed by Registrant (Reg. No. 33-56600).

10.7 - Non-Competition Agreement and Registration Rights Agreement between the Registrant and William J. Dore', incorporated by reference to Exhibit 10.23 to the Form S-1 filed by Registrant (Reg. No. 33-56600).

10.8@ - Global Industries, Ltd. Restricted Stock Plan, incorporated by reference to Exhibit 10.25 to the Form S-1 filed by Registrant (Reg. No. 33-56600).

10.9@ - Second Amendment to the Global Industries, Ltd. Profit Sharing Plan, incorporated by reference to Exhibit 10.19 to the Registrant's Registration Statement on Form S-1 (Reg. No. 33-81322).

10.10@- Global Industries, Ltd. 1995 Employee Stock Purchase Plan incorporated by reference to Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1995.

10.11 - Trust Indenture relating to United States Government Guaranteed Ship Financing Obligations between Global Industries, Ltd., shipowner, and Hibernia National Bank, Indenture Trustee, dated as of September 27, 1994, incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1995.

10.12@- Amendment to Global Industries, Ltd. 1992 Stock Option Plan incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1996.

10.13 - Trust Indenture relating to United States Government Guaranteed Ship Financing Obligations between Global Industries, Ltd., shipowner, and First National Bank of Commerce, Indenture Trustee, dated as of August 15, 1996, incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1997.

10.14 - Form of Indemnification Agreement between the Registrant and each of the Registrant's directors, incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1997.

10.15@- 1996 Amendment to Global Industries, Ltd. 1995 Employee Stock Purchase Plan, incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1997.

10.16 - Amendment Assignment and Assumption of Authorization Agreement relating to United States Government Ship Financing obligations between Global Industries, Ltd., shipowner, and First National Bank of Commerce, Indenture Trustee, dated as of October 23, 1996, incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1997.

10.17@- Global Industries, Ltd. 1998 Equity Incentive Plan incorporated by reference to exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the fiscal year ended March 31, 1998.

10.18 - Acquisition Agreement among the Registrant Sub Sea International and Dresser Industries, dated, June 24, 1997, incorporated by reference to Exhibit 21 to the Registrant's current report on Form 8-K dated August 8, 1997.

10.19 - Facilities Agreement (related to Carlyss Facility) by and between the Registrant and Lake Charles Harbor and Terminal District dated as of November 1, 1997, incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1997.

10.20 - Ground Lease and Lease-Back Agreement (related to Carlyss Facility) by and between the Registrant and Lake Charles Harbor and Terminal District dated as of November 1, 1997, incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1997.

10.21 - Trust Indenture (related to Carlyss Facility) by and between Lake Charles Harbor and Terminal District and First National Bank of Commerce, as Trustee, dated as of November 1, 1997, incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1997.

10.22 - Pledge and Security Agreement (related to Carlyss Facility) by and between Registrant and Bank One, Louisiana, National Association, dated as of November 1, 1997, incorporated by reference to Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1997.

10.23@- Global Industries, Ltd. Non-Employee Directors Compensation Plan incorporated by reference to Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (Reg. No. 333-69949).

10.24 - Transaction Agreement between Global Industries, Ltd., and CCC Fabricaciones Y Construcciones, S.A. de C.V. dated July 1, 1999. Incorporated by reference to Exhibit 2.1 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999.

10.25 - Share Purchase Agreement between Global Industries, Ltd. and ETPM, S.A. incorporated by reference to Exhibit 2.1 to Registrants' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999.

10.26 - Trust Indenture relating to United States Government Guaranteed Ship Financing Obligations between Global Industries, Ltd., shipowner, and Wells Fargo Bank, Indenture

Trustee, dated as of February 22, 2000. Incorporated by reference to Exhibit 10.33 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

10.27 - Credit Agreement dated as of December 30, 1999 by, and Among Bank One, National Association, as agent for lenders Global Industries, Ltd. and Global Offshore Mexico, S. DE R.L. DE C.V. Incorporated by reference to Exhibit 10.34 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

10.28 - Assignment and Assumption Agreement and First Amendment to loan agreement between CCC Fabricationes y Construcciones, SA de CV, Heller Financial, Inc., Grupo Consorcio Fabricaciones y Construcciones, SA de CV, Global Industries, Ltd., and Global Industries Offshore, Inc. Incorporated by reference to Exhibit 10.35 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

10.29 - Credit Agreement Amendment No. 2 dated September 18, 2000 among Global Industries, Ltd., Global Offshore Mexico, S. DE R.L. DE C.V., the Lenders and Bank One, NA, as administrative agent for the Lenders. Incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10Q for the quarterly period ended September 30, 2000.

10.30 - Asset Acquisition Agreement by and between Global Industries, Ltd. and Oceaneering International, Inc. dated as of September 30, 2000. Incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10Q for the quarterly period ended September 30, 2000.

10.31@- 2000 Amendment to Global Industries, Ltd. 1998 Equity Incentive Plan.

10.32 - Severance Agreement dated February 22, 1995 between Global Industries, Ltd. and James J.Dore'.

10.33 - Credit Agreement Amendment No. 3 dated August 7, 2001 among Global Industries, Ltd., Global Offshore Mexico, S. DE R.L. DE C.V., the Lenders and Bank One, NA, as administrative agent for the Lenders.

*10.34 - Credit Agreement Amendment dated November 30, 2001 among Global Industries, Ltd., Global Offshore Mexico, S. DE R.L. DE C.V., the Lenders and Bank One, NA, as administrative agent for the Lenders.

*10.35 - Credit Agreement Amendment dated March 18, 2002 among Global Industries, Ltd., Global Offshore Mexico, S. DE R.L. DE C.V., the Lenders and Bank One, NA, as administrative agent for the Lenders.

*10.36 - Commitment Letter dated March 19, 2002 among Global Industries, Ltd. and Bank One Capital Markets, Inc.

*21.1 - Subsidiaries of the Registrant.

*23.1 - Consent of Deloitte & Touche LLP.

*Filed herewith.
@Management Compensation Plan or Agreement.

(b) Reports on Form 8-K - The Company filed two reports on Form 8-K during the year ended December 31, 2001, both of which reported information under Item 9 and were dated July 27, 2001 and December 17, 2001, respectively.

Global Industries, Ltd.

Schedule II Valuation and Qualifying Accounts

For the Years Ended December 31, 2001, 2000, and 1999
(Thousands of dollars)

		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Year ended December 31, 2001					
Allowances for doubtful accounts	$ 9,481	$ 1,442	$ --	$ 8,420	$ 2,503
Year ended December 31, 2000					
Allowances for doubtful accounts	$ 8,156	$ 6,072	$ --	$ 4,747	$ 9,481
Year ended December 31, 1999					
Allowances for doubtful accounts	$ 1,274	$ 7,692	$ --	$ 810	$ 8,156

SIGNATURES

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.
GLOBAL INDUSTRIES, LTD.

By: /s/ TIMOTHY W. MICIOTTO

Timothy W. Miciotto
Senior Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

March 18, 2002

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 and on the dates indicated.

/s/ WILLIAM J. DORE'		
William J. Dore'	Chairman of the Board, Chief Executive Officer and Director	March 18, 2002
/s/ TIMOTHY W. MICIOTTO		
Timothy W. Miciotto	Senior Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	March 18, 2002
/s/ JAMES C. DAY		
James C. Day	Director	March 18, 2002
/s/ EDWARD P. DJEREJIAN		
Edward P. Djerejian	Director	March 18, 2002
/s/ EDGAR G. HOTARD		
Edgar G. Hotard	Director	March 18, 2002
/s/ RICHARD A. PATTAROZZI		
Richard A. Pattarozzi	Director	March 18, 2002
/s/ JAMES L. PAYNE		
James L. Payne	Director	March 18, 2002
/s/ MICHAEL J. POLLOCK		
Michael J. Pollock	Director	March 18, 2002