LETTER TO STOCKHOLDERS

March 20, 2009

Dear Fellow Stockholder,

For the year 2008 SEACOR earned $223.7 million, or $9.25 per diluted share. We earned $337 million pre-tax.[1] These results produced a satisfactory return on beginning stockholders' equity, 14 percent after-tax and 21 percent pre-tax. Overall earnings were 7 percent lower than the prior year. Earnings per diluted share were 2 percent higher. Operating income before subtracting depreciation and amortization ("OIBDA") was $499.1 million, or 31 percent on beginning stockholders' equity. This amount includes $89.2 million of gains on the disposition of assets. Excluding these gains, OIBDA was a 25 percent return on beginning stockholders' equity, which is actually a slight improvement over the prior year. Excluding net interest expense of $32.1 million, earnings below the operating income line totaled $26.5 million, including $12.1 million of equity earnings.[2] Total book value per common share at the end of the period was $80.69, a 12 percent increase from the prior year.[3] I wish I could "freeze frame" these results!

During the year we repurchased 2,824,717 shares. With the benefit of hindsight this was not a very inspired use of $240.1 million in cash. (Fortunately the uptick rule and volume limitations served as brakes.) Given the collapse in equity prices the repurchase of shares could have been better timed, even though we think we bought value. We spent $428.5 million on equipment and sold assets for $171.7 million.[4] At year-end, SEACOR had $655.8 million in liquid assets.

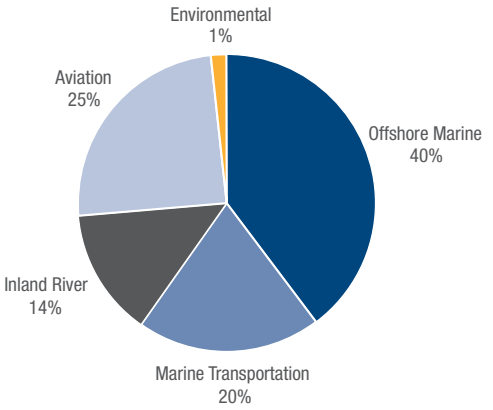
Chart I at top right portrays in technicolor how SEACOR's capital is invested. SEACOR is not just a boat company or an energy service company. Our asset base is diverse and our horizon is broader than simply owning and operating equipment. We are a custodian of capital and our mission is to use our expertise and knowledge to make money. If the most attractive risk adjusted opportunity for profit is an asset surrogate, such as debt instruments or equity, we will pursue such investments. We have, on various occasions, purchased and brokered equipment leases and taken positions in securities, although our primary business has been, and continues to be, investing in actual assets and operating enterprises.

Every year I try in this letter to choose topics that will interest stockholders, prospective stockholders or eavesdroppers. The main story line is in the text. The subplot is in the footnotes. The illustrations are for those who like colorful graphics, but a challenge for the color blind.

THINKING ABOUT THE UNTHINKABLE

Watching the explosion and implosion of the capital markets has been a drawn-out financial version of "shock and awe." In the dark days of the Cold War, a Princeton professor confronted the unthinkable in a book ruminating about possible outcomes of a nuclear duel between America and Russia

CHART I
PROPERTY AND EQUIPMENT BY REPORTABLE BUSINESS SEGMENT
As of December 31, 2008



[1] Pre-tax income is calculated as net income plus income tax expense. For 2008 we provided $113.3 million in income tax expense pursuant to U.S. Generally Accepted Accounting Principles ("GAAP"); of this sum $38.8 million is deferred and $74.5 million is current. For a more detailed discussion of our tax policies and expense, see Note 8 to our Consolidated Financial Statements in our Annual Report on Form 10-K on pages 111 to 114. SEACOR provides taxes on its foreign earnings, even though we do not have present plans to repatriate this money.

[2] Earnings below the operating income line include gains on extinguishment of debt of $6.3 million, losses from derivative activity of $13.6 million primarily consisting of purchases or sales of forward currency exchange contracts and interest rate future and option contracts that do not qualify for hedge accounting, currency losses on transactions denominated in foreign currencies of $7.8 million, gains on investments in marketable securities of $30.1 million, equity earnings of $12.1 million and net expenses of $0.6 million in minority interest and other. Buying municipal bonds and shorting government notes to protect against rising interest rates with short positions in government bonds was the equivalent of losing the daily double. Despite this miscalculation, our overall investment activity in marketable securities resulted in gains. Keep in mind our equity earnings are recorded net of depreciation, amortization and taxation. At the end of 2008, we had $150.1 million invested in various joint ventures. See our Consolidated Statements of Income on page 88 and Notes 3 and 4 to our Consolidated Financial Statements in our Annual Report on Form 10-K on pages 103 to 105 for further details of earnings below the operating income line. See Note 6 to our Consolidated Financial Statements in our Annual Report on Form 10-K on pages 109 to 111 for a further discussion of our various joint ventures recorded to equity earnings on the income statement.

[3] SEACOR's "tangible book value" at year-end was $76.69 per share. This excludes $4 per share in goodwill and intangible assets of which slightly less than 60 percent is associated with the environmental business. For a more complete discussion see Note 1 to our Consolidated Financial Statements in our Annual Report on Form 10-K on pages 95 and 97.

[4] Of the assets sold, we leased back some and sold some to joint ventures in which we have a continuing financial interest. We can continue to dispose of assets at prices in excess of book value. As of mid-March 2009, we have realized, since year-end, approximately $44 million in proceeds from asset sales and we realized about $15 million in gains. This includes a constructive total loss of a helicopter leased to a third party. Of course, not every asset is on our books for less than its current market price and values could prove precarious.

(*Thinking About the Unthinkable*).[5] Fortunately, the book turned out to be an exercise in mental gymnastics primarily for graduate students—and a few precocious undergraduates. Let's hope the litany of possible ugly consequences that could arise from the current economic situation, as set forth in the discussion of our Risk Factors in our 10-K, proves likewise to be an intellectual exercise.[6]

Why is this cycle different from all prior cycles? In prior cycles, although the cost of credit climbed, for a well-run business with a solid balance sheet credit was available, usually at a fairly reasonable spread relative to the wholesale price for money. In this cycle, availability of credit at a reasonable price is not certain. Accordingly, today, liquidity and cost of capital should be No. 1 on the agenda for any enterprise, no matter how sound its finances.

Our total debt to total capital is 37 percent. As noted previously, SEACOR ended the year with $655.8 million in liquid assets.[7] (As of mid-March 2009, we have approximately $685 million in liquid assets.) At December 31, 2008, we had $275.4 million in unrestricted cash and cash equivalents, $20.8 million in cash restricted for use in our tanker operations, $17.9 million reserved for payment of certain tanker debt obligations, $53.8 million in marketable securities and $287.9 million in our construction reserve funds. While our construction reserve funds are earmarked for reinvestment in U.S.-flag marine assets, these funds could be accessed for general purposes by accelerating tax payments of $74.3 million already provided within our long-term deferred tax liabilities. It is also useful to measure debt against our assets. Our total debt is 45 percent of net property and equipment. In addition to cash, SEACOR has $350 million available under a $450 million line of credit that matures in 2013. The facility will be reduced by 10 percent of the maximum committed amount in each of the last two years of the facility starting in November 2011.[8]

For years SEACOR has hoarded cash, in preparation for the day when we could find exceptional bargains. I believe we are seeing the dawn of that day, but the aphorism "be careful what you wish for, you may get it" comes to mind. There is going to be no shortage of tempting investment opportunities in "our space": energy service assets, equipment and real estate used in logistics, aviation assets and services, and assets supporting the storage, processing, and movements of commodities. Ships, railcars, and many other classes of assets have started to come down (in some instances tumble) in price. Financial assets, debt instruments and equity are selling for prices that reflect values cheaper than those for which their assets could be purchased from owners—even owners in distress—at least for the moment. In effect, the capital markets are discounting further steep declines in asset values.

Unfortunately, the current contraction in credit is so severe that for the moment I am more focused on counting the bills in our corporate wallet than I am in spending them. My first priority is to make sure that SEACOR can survive even the "unthinkable." I want to understand our cost of replacing capital prior to using it. The challenge is to secure longer-term capital at a reasonable cost. For the moment, credits rated similarly to SEACOR are paying 9 percent, or sometimes even more, to place seven to ten year debt in the capital markets. Short-term bank deposits pay virtually nothing. I do not want to feel pressured by lugging around a negative spread of

[5] Kahn, Herman. *Thinking About the Unthinkable*. 1962.

[6] For references relating to the current economic crisis, see pages 26 and 33 of our Annual Report on Form 10-K.

[7] Given the state of the global economy, the most useful liquid asset might be a jug of wine or other spirit of choice.

[8] From the beginning of 2008 to mid-March 2009, we purchased $64.7 million of our 7.2% Senior Notes, $44.2 million of our 9.5% Senior Notes due in 2013, and $1.5 million of our 5.875% Senior Notes due in 2012. See Note 9 to our Consolidated Financial Statements in our Annual Report on Form 10-K on pages 114 to 117 and pages 61 to 63 and 72 for further details of our debt.

seven to eight hundred basis points; that would be too great a burden just for extra flexibility.

We are working diligently to expand our banking facility lines. We are also actively looking for co-investors to join us when we find promising projects or investments. Our goal is to stretch our own capital by sharing our expertise.

Our shares, which are priced at a substantial discount to book value, are the benchmark against which we match other investments.[9] Needless to say any use of cash or issuance of shares must vault a high hurdle. However, I have learned "never say never." We are opportunistic, not doctrinaire. In today's world it is possible that there could be a transaction that is sufficiently compelling to justify using our equity, or assets so intriguing that using our cash to acquire them would be competitive with repurchasing our shares.

OFFSHORE MARINE SERVICES

In 2008, our offshore group logged $329.4 million of OIBDA. Day rates across the fleet averaged $12,396, an increase of 8 percent over 2007. Utilization increased 2 percent from 2007. Total vessel days available for charter in 2008 were 11 percent fewer than the prior year. Unfortunately, in 2008 we had 280 out-of-service days for repairs and upgrades on our U.S.-flag anchor handling towing supply ("AHTS") vessels. I would have much preferred to take these vessels out of service this year, rather than during a strong market; surveys are not optional.

In 2008, we took delivery of six new vessels and sold 22 vessels.[10] (See Chart II at top right for the fleet details.) In the last twelve months, the average age of our owned fleet, excluding those in our North Sea standby group, which tends to use older vessels, declined from 12.8 years at December 31, 2007 to 11.1 years at December 31, 2008.[11] (See Chart III at right for the age profile.) Only $28.2 million of our future capital expenditure ("CAPEX") budget relates to offshore marine. I consider our fleet well-positioned for the next several years.

While the global economic situation is a "first" for me, as it is for anyone younger than 95, conditions in the offshore vessel business are familiar ("déjà vu all over again," as Yogi Berra is reputed to have once said). Today's reality reaffirms the French aphorism "the more things change, the more they stay the same," or, as the kids say, "been there, done that." The offshore marine industry is once again squeezed by a juggernaut of collapsing energy prices and a growing fleet. The spot price for a barrel of West Texas Intermediate crude oil ("WTI") is bobbing slightly above $40 per barrel and the spot price for natural gas is clinging to $4 per Mcf.[12]

These weak prices have created pressure on producers' cash flows and caused some customers to put plans on hold. As of mid-March 2009, there were 40 jack-up rigs contracted in the Gulf of Mexico, the fewest in 32 years. For the first time since November 2001, rig utilization for the total fleet in the U.S. Gulf of Mexico is below 60 percent (in fact as of mid-March, it is at about 52 percent).[13] Deepwater is more active, but no doubt budgets are being reviewed. As of mid-March 2009, we have 16 vessels out of service in the U.S. Gulf of Mexico. Other owners may have a different philosophy, but, barring special circumstances, I do not believe in operating at marginal rates or putting vessels through survey or undertaking major overhauls unless the cost can be recouped in six months of operations, or less.

CHART II
OFFSHORE MARINE SERVICES VESSELS
As of December 31 (Count)

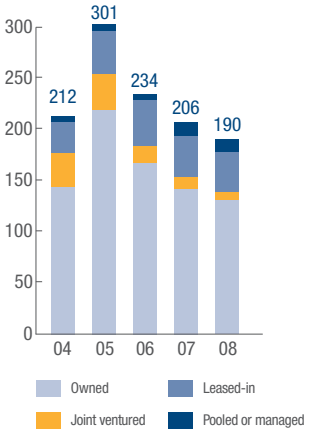
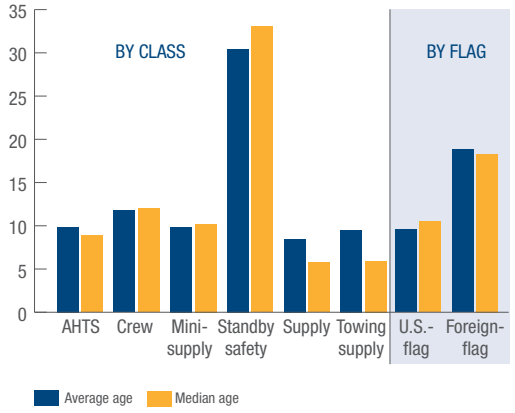


CHART III
OFFSHORE MARINE SERVICES AGE PROFILE—OWNED FLEET
As of December 31, 2008 (Age in Years)



[9] Adjusted market value is, of course, the key, not book value. Valuing assets in today's world requires guesswork. We carry $502.2 million in net deferred tax liabilities. While part of that liability would be immediately due if we were to repatriate foreign earnings or withdraw money from our construction reserve fund, I envision this tax being repaid over the life of new equipment, so I look at the present value being less than the stated liability. Others may have a different approach to valuation.

[10] In addition to the six new deliveries, we acquired four vessels that we previously either leased-in or joint ventured. Of the 22 vessels sold, one was previously removed from service and one was sold and leased back.

[11] The average age of our entire owned fleet declined from 15.5 years at December 31, 2007 to 14.7 years at December 31, 2008. Our reduction in average fleet age between December 31, 2007 and December 31, 2008 reflects shedding older assets primarily operating internationally and adding three new U.S.-flag AHTS vessels. Another U.S.-flag AHTS vessel delivered in 2007. A fifth U.S.-flag AHTS vessel that was largely complete and was to be delivered in 2008 suffered a constructive total loss due to a fire while under construction. We have applied to recover the value pursuant to insurance policies and expect to collect $20 million to $25 million to cover the payments toward construction.

[12] Mcf is an abbreviation for 1,000 cubic feet.

[13] Source: ODS-Petrodata Group, Barclays Capital and Lloyd's List.

The international market could ultimately prove more fragile than the domestic market, although we have not yet had to pull vessels out of service. Rates and utilization held up through 2008 much better than I would have predicted twelve months ago. Delays in delivering vessels that had been scheduled for 2008 was in my view the important factor providing support for the market. Based on information furnished by brokers that track the industry, it appears that approximately 180 AHTS vessels and platform supply vessels ("PSVs") joined the fleet in 2008, fewer than expected given the order book reported December 31, 2007.[14]

Approximately 450 AHTS vessels and PSVs are now projected to arrive in 2009, followed by about 200 in 2010. The total order book is about 740 vessels. Brokers estimate about 8 percent are expected to be U.S. built.[15] Given the present outlook, it is likely that some of the vessels on order will be cancelled or deliveries will slip. Unfortunately, most of the vessels scheduled for 2008 whose deliveries have slipped are likely to be completed and arrive this year. The boom of the last three to four years also spawned new shipyards. If yards, as is often the case, build for their own account (i.e., speculate) in order to keep their workforce busy, additional equipment could trickle into the market in 2010 and 2011.

Under any circumstance, it would have been a "stretch" to absorb the vessels that delivered in 2008 without some pressure on day rates and utilization. Mexico, India and Brazil currently are bright spots, but activity in other markets is lackluster. With the decline in drilling activity it is not surprising that post-January 2009 rates for spot vessels in the bellwether North Sea market have plunged.[16] Owners are scavenging for work. Winter is a seasonally slow period. Term work in most instances is still producing positive operating cash flow, but not enough to justify the prices paid for vessels ordered after 2006. Those boats that were contracted for jobs at the time they were ordered will initially enjoy decent returns, but eventually they will confront a new reality.

If the direction of the market is clear, the likely duration of the downturn is not. Could the offshore service industry be facing an extended dreary period similar to between 1981 and 1996? Of course that is possible, but as of now it does not seem probable. To be cheerful, might this period of weakness be relatively short? The pessimists think history is on their side and focus on the state of the global economy. The more upbeat view sites the inexorable decline curve of producing wells. The true believers in energy predict that the hiatus in drilling will lead to another shortfall in supply and price spike.

When it comes to guessing the future of energy demand or commodity prices, anyone who pays for a ticket is entitled to participate in the lottery. Few savants predict the future accurately until they revise their forecasts. I am slightly more optimistic than most people I meet at cocktail parties, although the global economy is a black shroud that hangs over every business. My read of history suggests that prospects in the supply boat sector are better today than they were in 1981, but one needs to bear in mind that the length of any cycle is influenced by actions taken after it is underway. Decisions by industry participants, and those whose actions impact the industry, owners, shipyards, banks, politicians, and even investors, will play a role in determining how long misery lasts. Like any chastened forecaster, I reserve the right to alter my opinion.

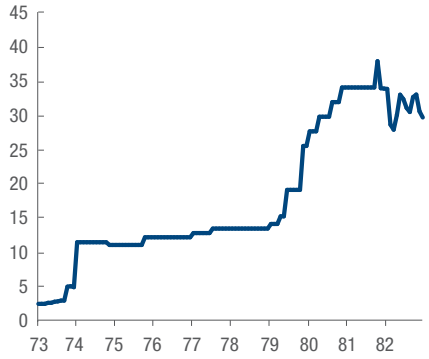
[14] Source: Fearnley Offshore Supply. Of the AHTS vessels and PSVs delivered, we are using estimates that 155 were foreign-flag and 25 were U.S.-flag. In the U.S. fleet, large crew boats, mini-supply, and fast supply intervention vessels ("FSIVs") flex between carrying passengers and cargo, and between production and shallow shelf drilling support, so incremental equipment in this class does impact the PSV market at the margin.

[15] Source: Fearnley Offshore Supply.

[16] Do keep in mind that there are many different classes of boats. Vessels are more differentiated than rigs. Also, not all markets are "open." Apart from the U.S. market, which is protected by the Jones Act, Brazil and Mexico also have cabotage laws.

Let's start with a flashback. The recession in the early 1980s followed two oil "shocks" that turned the energy world upside down in the prior decade. The first was 1973, when key producers imposed an embargo after the so-called "Yom Kippur" war. Prices rose dramatically—almost fourfold—but then stabilized. America and the world were caught by surprise, but only took action in the mid-1970s. President Ford approved mileage standards for automobiles and other regulations were introduced to improve appliance efficiencies. Before new regulations could make an impact, oil prices started climbing between 1978 and 1979 and then soared due to turmoil in Iran. Lines formed at gas stations. The regulations enacted in the mid-1970s also kicked in; the average car on the road in 1970 got about 13.5 miles per gallon; that improved to 17.4 miles per gallon by 1985.[17] (See Chart IV at right for historical oil prices between 1973 and 1982.) Conservation-minded consumers—count me in—purchased diesel cars (big mistake) just in time for lower prices at the pump. Just as energy use as a percent of gross domestic product was shrinking, new supplies of oil were coming to the market. In addition to the increased flow from the Middle East and other OPEC producers, such as Nigeria, several major non-OPEC sources of oil production, Mexico and the North Sea, and to a lesser extent Brazil, became commercial in the early 1980s. Alaskan production also reached peak levels. Then, as now, supply was increasing as the global economy was slumping. The early 1980s were years of recession. Unlike the present, there was no potential locomotive to pull the global economy through the decade although resumption of economic growth in the United States contributed to increased demand in the latter part of the decade.

CHART IV
HISTORICAL OIL PRICES
1973-1982 (Price Per Barrel in USD)



Source: Bloomberg

Maybe I am atypically looking at the world through "rose-colored glasses," or maybe I am an inveterate contrarian, but the present energy landscape appears less barren than that of 1981 and 1982. Although America has once again resolved to break its addiction to oil, none of the proposed policies seem likely, at least to me, to have a significant impact prior to 2011 or 2012. Consumers, who were certainly frightened by $4 gasoline, are enjoying lower prices at the pump. Many of those who might wish to trade an existing gas guzzling SUV for a fuel sipping hybrid may be restrained by lack of access to credit. Like the North Sea and Mexico 25 years ago, the new fields in Brazil, and a more stable Iraq, are promising new sources of incremental supply, but I believe it will take some time before these fields add significant capacity to global supplies.

Perhaps, now, as in the 1980s, a slack global economy will curtail growth in oil usage, but there are differences. China is now a major consumer of oil. China consumed about 7.8 million barrels per day in 2008.[18] Although China is struggling with plummeting exports and challenged by unemployment, is not the better bet that growth will resume in a year or so and energy consumption increase, albeit perhaps at a much slower pace than the last five years? China has continued to make large investments in Brazil and Angola, in my view because of their expectation that energy usage will grow.[19] I always prefer to bet with "the house."

The most compelling difference between today and the lost decade of the 1980s is that the boat industry is entering this downturn with a large population of "senior citizens" still in active service. (The profile of an asset class will be a recurring theme, as you will see similarity in the barge and helicopter discussion.)

[17] Source: Bureau of Transportation Statistics.

[18] Information is according to a report published by the China Petroleum and Chemical Industry Association ("CPCIA") per an article written by Industrial Info Resources.

[19] Barboza, David. *China Starts Investing Globally*. February 20, 2009. http://www.nytimes.com. Traub, James. *China's African Adventure*. November 19, 2006. http://www.nytimes.com. Barrionuevo, Alexei. *To Fortify China, Soybean Harvest Grows in Brazil*. April 6, 2007. http://www.nytimes.com. *World Briefing | Africa: Angola: China's Premier Visits*. June 21, 2006. http://www.nytimes.com.

CHART V
INLAND RIVER SERVICES DRY CARGO BARGES
As of December 31 (Count)

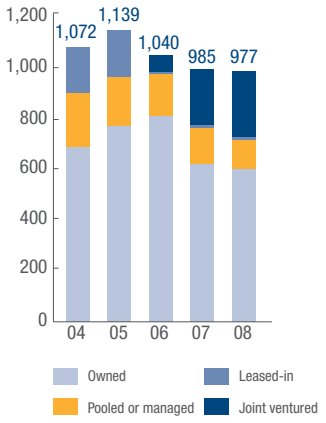
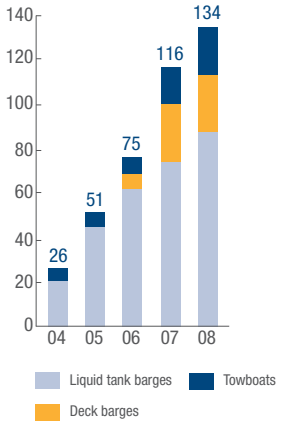


CHART VI
INLAND RIVER SERVICES OTHER EQUIPMENT
As of December 31 (Count)



In the early 1980s, when production and exploration projects were winding down, most of the offshore vessel fleet was spry. Vessels built between 1974 and 1982 comprised a large percent of the fleet and were state-of-the-art and efficient to operate. Today this equipment is costly to operate. Spares are hard to find for older machinery, some of which is no longer supported by manufacturers. Some of these "old ladies" are surely going to be "stacked" when their next docking comes due. Others are surviving in a sanctuary of undemanding jobs. They will soon confront competition from more modern vessels, which will be obliged to accept work beneath their pay grade. While retirement of older vessels may not remove enough equipment to restore prosperity to levels enjoyed during the recent boom, it should mitigate the duration of the downturn. One concern is that speculative building by shipyards that opened and expanded during the boom could cancel the benefit of vessel retirements.

If my read of history is not convincing, there are always weather events and "black swans." The unforeseeable is a "constant" in the energy equation, although betting on it may seem a less-than compelling investment thesis. Accelerated growth in supply of vessels (and offshore rigs, ships and helicopters) seems always to coincide with peaking commodity prices and cooling demand. Ironically, hurricanes and political unrest frequently materialize when energy supply is vulnerable and production is on the verge of declining. Serendipity works both ways. Hurricane Andrew in 1992, Hurricane Ivan in 2004 and Hurricanes Katrina and Rita in 2005 ignited increases in energy prices and created a lot of work for offshore equipment. In 2008, unrest in producing countries and a weak dollar whetted investor appetite that stoked escalating oil prices. As my first mentor was fond of saying, "a lot of things in life are luck, but chance favors the prepared."

INLAND RIVER SERVICES

Our barge group recorded $64.1 million of OIBDA. During the year, we sold 40 barges to our joint venture in South America and seven barges to third parties. We took delivery of 15 new dry cargo barges, eight tank barges and four towboats.[20] (See Chart V at top left for dry cargo barge fleet details and Chart VI at left for liquid tank barge, deck barge and towboat fleet details.) Our Seaspraie joint venture took delivery of eleven new tank barges. Unfortunately, a major percent of Seaspraie's operating cash flow was offset by losses having used Lehman as a prime broker. We have fully written off our share of that loss.

After a reasonable January and February 2009, the bottom fell out of the dry cargo barge market in March. For the first time in several years rates are not sufficient to cover variable costs for one-way moves of grain. While southbound traffic for agricultural products has increased, ideal operating conditions (unusual in the river system) have enabled the fleet to handle the grain movements without fully absorbing available capacity.[21] The April to July months are usually slow for the dry cargo barge market; this year promises to be typical.

Although the year is not off to a sparkling beginning—approximately 10 percent of the fleet is idle—my assessment of the situation is that the lull is temporary and not indicative of an extended disequilibrium in supply and demand dynamics. For the last three years returns from barge operations have been quite good, despite a dearth of industrial traffic and loss of

[20] In addition to the 15 new dry cargo barge deliveries, we acquired four dry cargo barges that were subsequently sold to our South America joint venture.

[21] The number of dry cargo barges in the active fleet has not grown appreciably, but capacity has increased. The standard twelve-foot sided dry cargo barge built in 1981 carries less cargo than its modern replacement, which has typically 13 or 14 foot sides. These modern units, when river conditions are good, are capable of loading 5 to 15 percent more cargo than their forebears.

traditional agricultural loadings to ports in the Pacific Northwest.[22] This performance in the face of languid conditions suggests that the market collapse of recent weeks could be short-lived if cargo volumes pick up, or if river conditions are less than perfect. Either event should restore an equilibrium, which would boost rates to profitable levels. Of course the drab four to six months of waiting for the fall harvest could seem like an eternity. I hope I am not inhaling optimism.

The good news is that Darwin's Laws apply to the barge market as well as nature. Only the "fit" survive. The bad news is barges fade like soldiers. Almost 25 percent of the hopper fleet in operation today— 4,500 barges— was built prior to 1983.[23] Unfortunately, soft markets are usually the pre-condition to the weak dying off. Given the ever-delicate balance between supply and demand, it would be more comforting if there were no new barges on order. About 700 dry cargo barges are expected to deliver in 2009. New equipment will certainly cause some congestion. However, I am hopeful that we have seen the end of new orders for some time. A new covered hopper barge would today cost about $500,000 or perhaps even slightly more. That is roughly twice what we paid for barges only five years ago.[24] Taken in the context of today's cost of capital, also higher than it was several years ago, ordering new equipment would not seem appealing. If industry participants exercise some restraint (and demand returns on capital) before ordering new equipment, conditions are promising for supply and demand to remain more or less balanced for the foreseeable future.

Looking out to 2010, the barge industry should benefit from President Obama's commitment to rebuilding America's infrastructure. Although the details of that program are still unclear, and money will not flow for some time, once implemented, the program should have a positive impact on the business. (It would also provide shipyards with options for using facilities and perhaps focus their attention on business opportunities outside the barge sphere.) Peering even farther into the future, for those interested in long-range prospects, the river system is a promising artery for moving containers once the expansion of the Panama Canal is complete. Finally, surprises are a fact of life in inland logistics. In recent weeks there has been speculation that the Argentine government might take a more prominent role in the production and distribution of grain. If history is a guide, nationalizing agriculture would benefit export competitors such as the United States. Expansion of trade with Cuba could also be a "white swan" for the barge business.

Not surprisingly, the tank barge fleet is also quite old. Approximately 20 percent of the barges in service exceed 35 years in age, although some operators actually assign a 40-year life to tank barges. The preponderance of the older barges are in the less than 20,000-barrel (primarily 10,000-barrel) class. The current order book would replace slightly less than 10 percent of those older barges. The order book for larger units, the greater than 20,000-barrel (primarily 30,000-barrel) class, represents a larger percent of the existing fleet and would replace all the barges of that size category that are over 35 years of age.

The liquid fleet could be facing a longer downturn and more excess capacity than the dry cargo fleet. During the past few years chemical and petroleum product and ethanol movements were robust. These cargoes are hostage to the economic downturn. Unlike dry cargo, there is no traffic to return. Any increase in demand probably requires improved economic activity. Moreover,

[22] At the peak in May 2008 it cost about $130 per ton to move grain from the U.S. Gulf of Mexico to Japan and $95 per ton to move it from ports in the Pacific Northwest. As of mid-March 2009 the cost is $45 per ton and $20 per ton, respectively. This more normal spread will hopefully draw more volume to the river, particularly cargo that originates from the northern growing areas and thus adds more days of use to the system.

[23] Source: Informa Economics, Inc.

[24] See Appendix II for domestic inland river industry fleet details from Informa Economics, Inc.

CHART VII
AVIATION SERVICES HELICOPTERS
As of December 31 (Count)

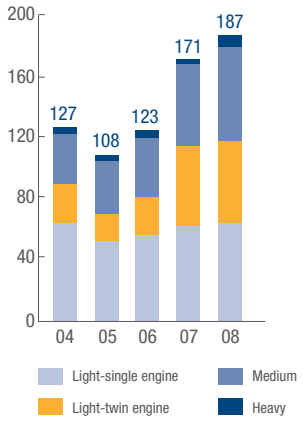
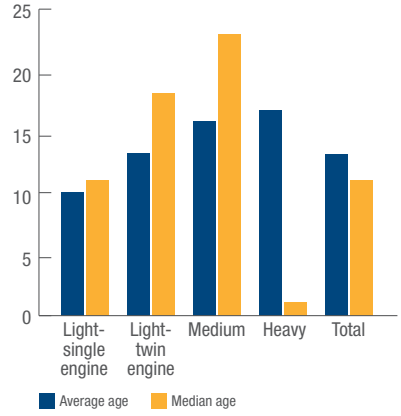


CHART VIII
AVIATION SERVICES AGE PROFILE-OWNED FLEET
As of December 31, 2008 (Age in Years)



[25] In addition to the 22 new deliveries, we acquired three machines that were previously leased-in.

[26] Subsequent to December 31, 2008, one of our heavy machines, which is leased to a third party, became a total loss. We expect to collect insurance to cover our book value of this asset, approximately $22 million.

[27] It is harder to assemble data to profile the helicopter fleet than it is to track barges, ocean going vessels and offshore vessels. There is no single report (to the best of my knowledge) that tracks all orders for new helicopters. It is also more difficult to identify the intended service for helicopters. Until a machine is built, it can be configured for offshore service, medical response, paramilitary, search and rescue or corporate use. Manufacturers have some flexibility in their production line and can often swap "slots" on the assembly line and use components intended for commercial machines in military machines. With offshore vessels, size, horsepower and additional equipment are a good indicator of intended primary use. Helicopters depart the manufacturer's facility in generic configuration. At the end of this letter you will find a chart of helicopters operating in the oil and gas sector, a chart of our estimate of new machines on order for the offshore sector and a chart summarizing the active worldwide helicopter fleet for all services. In some cases data is based on synthesizing information provided by competitors in their public statements. See Appendix III for the aviation industry fleet profile from Bristow Group Inc. supplied by PFC Energy, Rotor Roster, manufacturer information, public filings and internal estimates.

I do not see a potential boost in activity from government programs, except perhaps for increased asphalt movements.

Our barge group is entering this downturn with some backlog for our tank barges, but contracts do roll over. Some customers who only a few months ago were planning to renew term contracts are now "long" equipment.

Our barge group is well positioned; the average age of our dry cargo barges is four years, seven years for our tank barge fleet (owned and joint ventured). The average age of our owned deck barges is approximately one year. We are capable of offering customers new, reliable equipment and not having to invest capital for many years, unless we find compelling bargains.

AVIATION SERVICES

Our helicopter group, Era Group Inc. ("Era"), produced $51.9 million of OIBDA. During 2008, Era continued to modernize its asset base. (See Chart VII at top left for fleet details and Chart VIII at left for the age profile.) We added 22 new machines, including medium and heavy aircraft.[25] This was offset by the disposal of six machines, including two sold to a joint venture, and one becoming a total loss.[26]

Our primary operations serve the offshore industry in the U.S. Gulf of Mexico and the oil industry in Alaska. In Alaska, we also have a fixed base operation at the Anchorage airport and take sightseers on glacier tours. Aside from serving the offshore oil and gas industry, we also have 38 aircraft supporting hospitals, doing patient transfers and emergency work. In addition to owning and operating aircraft, Era actively manages a portfolio of leased aircraft which allows Era to place machines in non-core markets while taking advantage of residual value knowledge. At December 31, 2008, we had 30 machines working outside the United States, including six in a joint venture.

Not unlike the situation with supply boats and barges, there are still many older machines in service waiting for the bugle to sound "Taps."[27] Customers have a distinct preference for modern machines. The bad news is that customers want modern equipment for the price of depreciated machines! It was inevitable that the slump in drilling activity would create pressure on helicopter rates, as it has on those for vessels. Competition, particularly for longer-term contracts that can be used to obtain financing, is particularly keen.

Our strategy for some time has been to broaden our business beyond asset ownership. In 2008, Era embarked on diversification. We now offer training services through a joint venture in our Lake Charles facilities, and we have an interest in Dart Helicopter Services, which develops and distributes aftermarket helicopter airframe accessories and equipment such as air-conditioners that are not part of the operating machine. We expect these new businesses will benefit from Era's activities and relationships in the industry.

ENVIRONMENTAL SERVICES

Our environmental group produced $23.3 million of OIBDA. We continue to maintain our goal of diversifying our services, expanding our customer base and increasing our geographic coverage. In the last few years, we have been active in acquiring small businesses, which complement this effort. Non-emergency response revenue grew 12.5 percent year-over-year and we continue to

concentrate on building a broader-based business. Our "response" revenue now comes from weather-related events as well as man-made events, such as spills.

Eighty percent of revenues are derived from our operations in the United States. A large portion of our business is driven by regulations. Under the current administration, we could see a "stimulating" environment that could positively impact this segment directly and indirectly.

MARINE TRANSPORTATION SERVICES

Our shipping segment produced $39.1 million of OIBDA, approximately double our 2007 results primarily due to lower operating expenses.[28] In early 2008, two of our ships were sold for gains of $3.6 million and subsequently scrapped. Two of our modern double-hull ships commenced their bareboat charters, which run until 2016 and 2017.[29] Starting in 2010, two more of our modern double-hull ships will deliver on their bareboat charters, also for nine years. Four of our eight vessels have long-term stable employment.[30] (See Chart IX at right for fleet details.)

Over the course of the next four years, we estimate 37 U.S.-flag tank vessels greater than 15,000 deadweight tons will enter service.[31] We believe the order book will be offset by the acceleration of vessel retirements.[32] One competitor, experiencing financial pressure, has scrapped some of its ships prior to reaching the end of their permissible trading life. Given the industry ordering spree and the current financial turmoil, our decision to shun building new ships seems like a good call—at least for the moment.

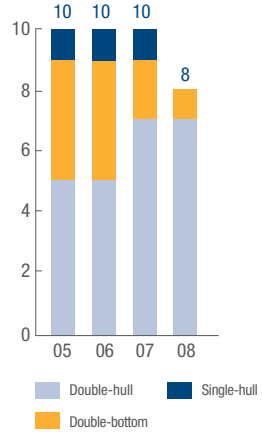
Although our only shipping exposure at this time is our Jones Act tankers, the business unit's mandate includes dry bulk and foreign ships. Those who have followed us for some time may recall that in 2001 we ventured into the dry bulk world. (My occasional teeth gnashing about exiting before the peak is now a sigh of relief.) Of all the asset classes we follow, the dry bulk market has experienced the steepest decline, indeed faster and steeper than the collapse of the tanker market in 1974. From recent reports, values of foreign-flag tankers are also starting to fall.

COMMODITY TRADING

For several years we have been working on developing a special, niche business in commodity merchandising and logistics. Last year that business contributed $9.4 million in operating income. SEACOR's commodity group is focused on rice, sugar, ethanol and specialty petroleum products such as "diluent," which is used to thin out thick oil extracted from tar sands. Both our shipping and inland river transport groups complement and support our commodity trading and merchandising activities.

During the last twelve months, along with our partner, we completed our Gateway Terminals storage facility on the Mississippi River. Gateway Terminals is one of the most modern liquid transfer facilities on the inland waterways and strategically located in the St. Louis market. This fully automated, computerized terminal is equipped to load and discharge barges, accommodate unit trains and, of course, load and unload trucks. It can take product in either direction. Our energy group is the primary user of the facility. At the end of February 2009, we acquired our partner's interest, as well as adjacent land, and a fabrication shop for constructing and repairing barges.

CHART IX
MARINE TRANSPORTATION SERVICES TANKERS
As of December 31 (Count)



[28] Operating expenses were lower due to the sale of two ships, lower drydocking expenses and a change in contract status from time charter to bareboat charter for two ships.

[29] The first and second vessel started their charters in March 2007 and September 2008, respectively.

[30] These charters, even in today's credit environment, should be easily bankable. I consider them a potential source of reserve liquidity.

[31] The U.S.-flag tank vessel fleet consists of tankers, articulated tug and barge units and barges.

[32] See Appendix IV for U.S.-flag tank fleet details, including order book estimates from Mallory, Jones, Lynch & Associates, Inc., public filings and internal estimates.

"THROUGH THE LOOKING GLASS"

As I said at the outset of this letter, SEACOR is a manager of capital, an investor, not merely an operator of equipment. Analysts in the investment community who have followed the company have typically pigeonholed it primarily as a "boat" company or more expansively as an energy service company. It may be, given today's economic situation, all our businesses will suffer, but I believe it is worth keeping in mind that the factors that determine margins for offshore support vessels, U.S. coastwise traffic in oil products, movement of commodities on the inland waterways, particularly agricultural commodities, and in merchandising sugar, ethanol and rice are varied and different. Hopefully, in this difficult economic period, this mix of businesses will prove more stable than one that has "all its eggs in one basket." We also see this diversification as enhancing our opportunities for using capital and protecting it should the encore to the present environment be inflation, a weaker dollar and higher interest rates.

For those reading a SEACOR annual letter for a first time I would like to reiterate our philosophy about reporting and our approach to GAAP. Long before it became fashionable, we eschewed providing "guidance." Repairs and dockings of tankers or offshore vessels, or concentrated activity in moving deepwater drilling rigs, or responses to oil spills or hurricanes can cause meaningful swings in revenues and expenses between periods. Even were this not the case, I would not try to predict earnings.

Our financial statements are the "responsibility" of management. Indeed, a standard report of independent auditors points out, as does the one in our 10-K, that the auditor is "assessing the accounting principles used and significant estimates *made by management*." Much within GAAP is a "fielder's choice." For example, the decision to expense or capitalize dockings for vessels, assigning a useful life and salvage value to assets for purposes of depreciation, the determination as to whether a receivable is collectible, the valuation of inventory, establishing appropriate reserves for taxes are examples of choices under GAAP left to management, although our decisions are reviewed by auditors. Our goal at SEACOR is to make the best and most accurate decisions (or guesses) following a cautious interpretation of the information at hand.[33] We expense all repair costs, whether routine maintenance or special surveys for vessels, or major overhauls for helicopters. For some, CAPEX includes what I consider maintenance. For us, CAPEX means new equipment or a major reconfiguration of an existing asset that we expect to increase its revenue generating capability, not simply maintain it. We depreciate offshore vessels and dry cargo barges over 20 years, tank barges, towboats and ships over 25 years, and helicopters (with a 30 percent residual) over twelve years.[34]

I stated last year, and reiterate, that everyone at SEACOR is mindful of the potential and responsibility that comes with a strong balance sheet. On the one hand it needs to be protected; on the other hand it is a source of opportunity. It appears that the next few months will bring some clarity on the cost and availability of capital. These are crucial data points. Capital, like assets, needs to be deployed and priced to "replacement cost."

The hardest thing to do is nothing. In today's environment, which will most certainly continue for quite some time even once credit availability improves, there will likely be many opportunities for interesting investments. Needless to

[33] I cannot overstress that in a rapidly changing environment our assessment of values of our assets and inventories may change and so can the quality of a receivable.

[34] For a more complete discussion of our policies on depreciation see Note 1 to our Consolidated Financial Statements in our Annual Report on Form 10-K on pages 94 to 95.

say, and as previously mentioned, those opportunities must be sufficiently compelling and hold enough promise in developing our business to make them more attractive than re-investing in what we have by repurchasing shares.

I recognize the current global economic situation is stressful for stockholders. Few, if any—within or outside of our industries—have a clear picture or confidence in their view of where we are heading. For better or worse, some working hypothesis is required, even if it is necessary to subject it to revision. We manage for long-term appreciation in book value, not year-to-year earnings. Our goal is to average over time two to three times the rate of return achievable in high quality tax exempt bonds with intermediate maturity and do so while maintaining limited leverage and balanced debt maturities.[35] If this seems like a modest goal, it is one that since 1992 has produced a compounded growth in book value per share of 16 percent.

This is not the first period of extreme volatility and uncertainty in the 37 years I have been associated with shipping, energy and related businesses. Exchange rates, equity values, oil prices, ship values and interest rates have on several prior occasions in the last four decades had wrenching moves and quick round trips. I have added some data points that are a reminder of volatility in historical oil prices, foreign exchange rates and interest rates in prior years. To a certain extent these raw materials of commerce interact. (See Chart IV on page 5 for historical oil prices, Chart X at top right for historical foreign exchange rate details and Chart XI at right for historical interest rate details.) Over the years I have found it helpful to re-read selected chapters from an economic history of money and financial cycles. In his book *Money: Whence It Came, Where It Went*,[36] Professor Galbraith in commenting on the outbreak of inflation virus that started in the late 1960s and reached epidemic proportion by the mid-1970s said: "There is one final prospect... deeply rooted in [economic] history. Nothing...lasts forever. That is true of inflation [and]...it is true of recession [polite language for depression since the 1930s]. Each stirs the attitudes [and] engenders the action which seeks to bring itself to an end—and eventually does." Let's hope we are now in fast-forward mode.

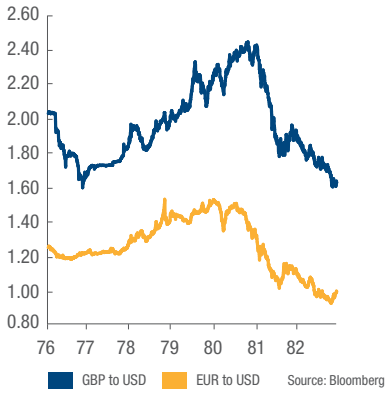
In closing, I want to offer many thanks to all my colleagues and our stockholders.

Sincerely,

Charles Fabrikant

Charles Fabrikant
Chairman of the Board

CHART X
HISTORICAL FOREIGN EXCHANGE RATE PRICES
1976-1982 (Price)



EUR to USD rate is based on a combination of legacy currencies.

CHART XI
HISTORICAL INTEREST RATE YIELD:
10-YEAR TREASURY NOTE (TNX INDEX)
1976-1982 (Yield)

Source: Yahoo! Finance

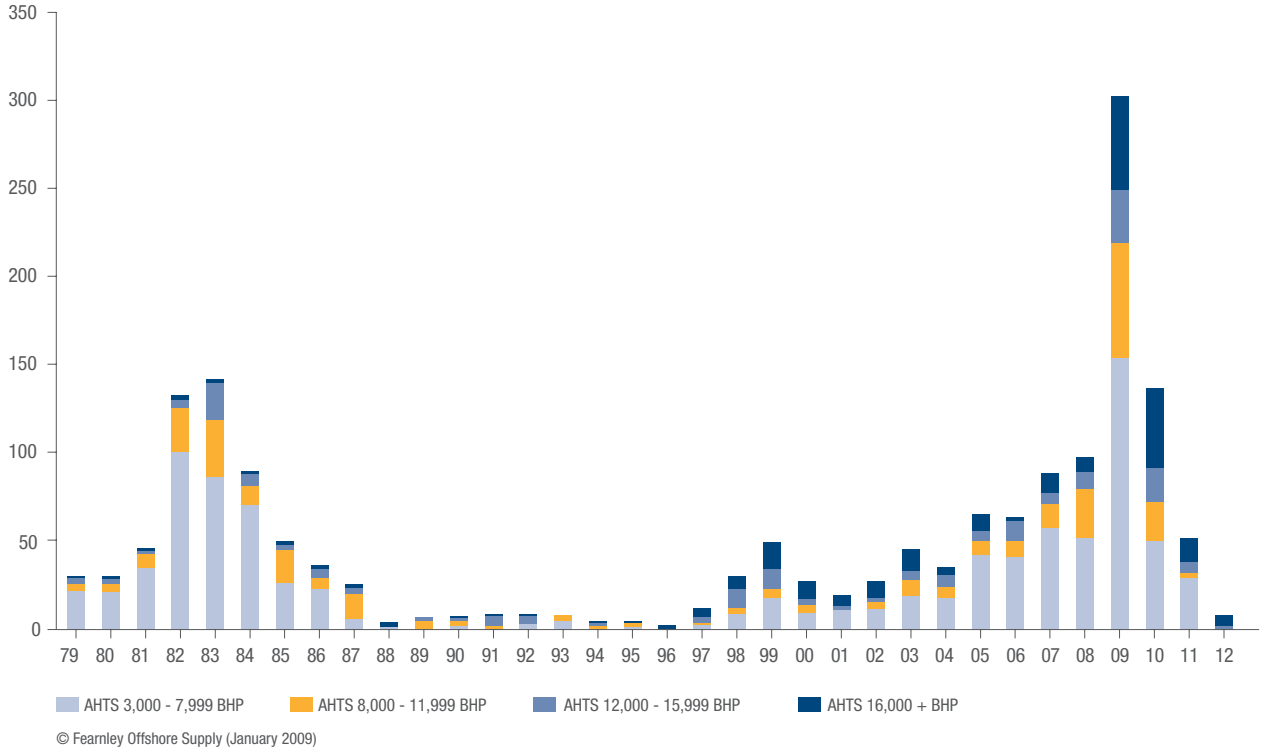
[35] According to Moody's Special Comment: Moody's U.S. Municipal Bond Rating Scale, November 2002 and Moody's Credit Ratings and Research, "A" rated municipal bonds "present above-average creditworthiness relative to other U.S. municipal or tax-exempt issuers or issues" and "possess many favorable investment attributes and are to be considered as upper medium-grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future." Although Moody's rates our debt at Ba1, we believe our asset base and business diversification should qualify for a higher rating. Standard and Poor's and Fitch have assigned a BBB- rating. I will withhold comment about the track record of public rating agencies.

[36] Galbraith, John Kenneth. *Money: Whence It Came, Where It Went*. 1975, Afterword 1976.

APPENDIX I OFFSHORE MARINE INDUSTRY FLEET PROFILE

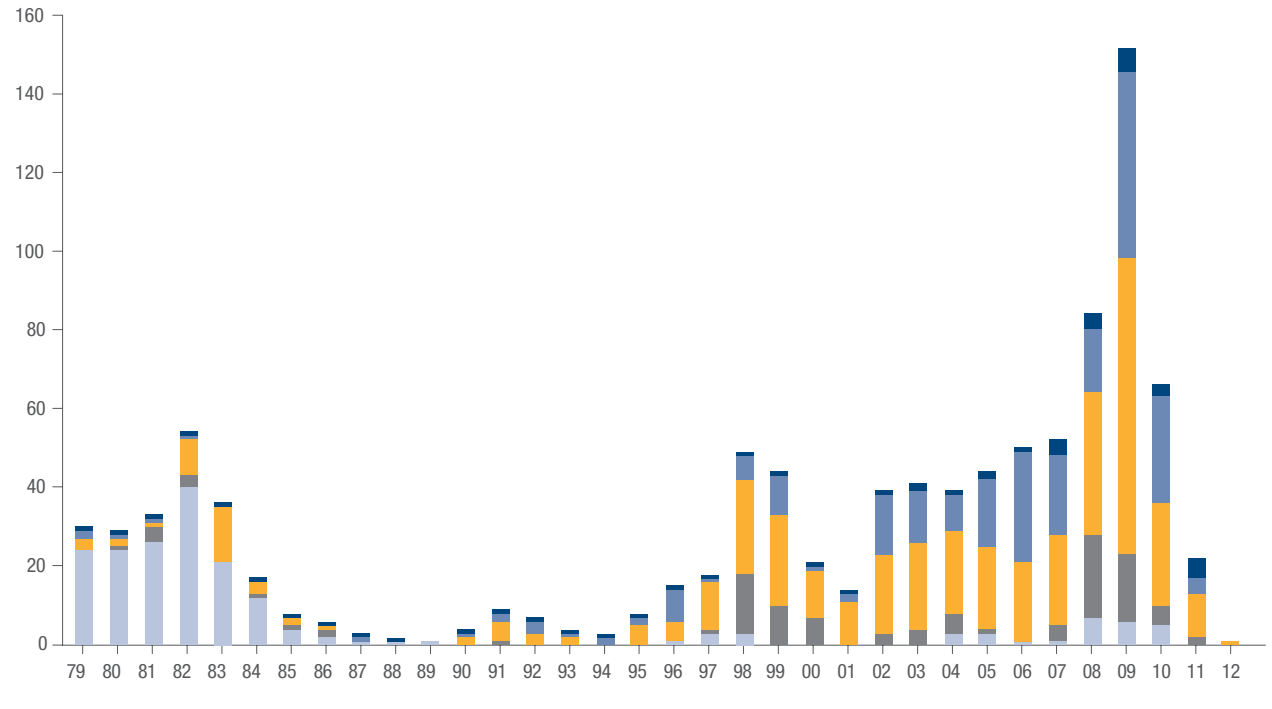
AHTS VESSEL NEWBUILDING DELIVERIES

1979 – 2012 (Count)



PSV NEWBUILDING DELIVERIES

1979 – 2012 (Count)

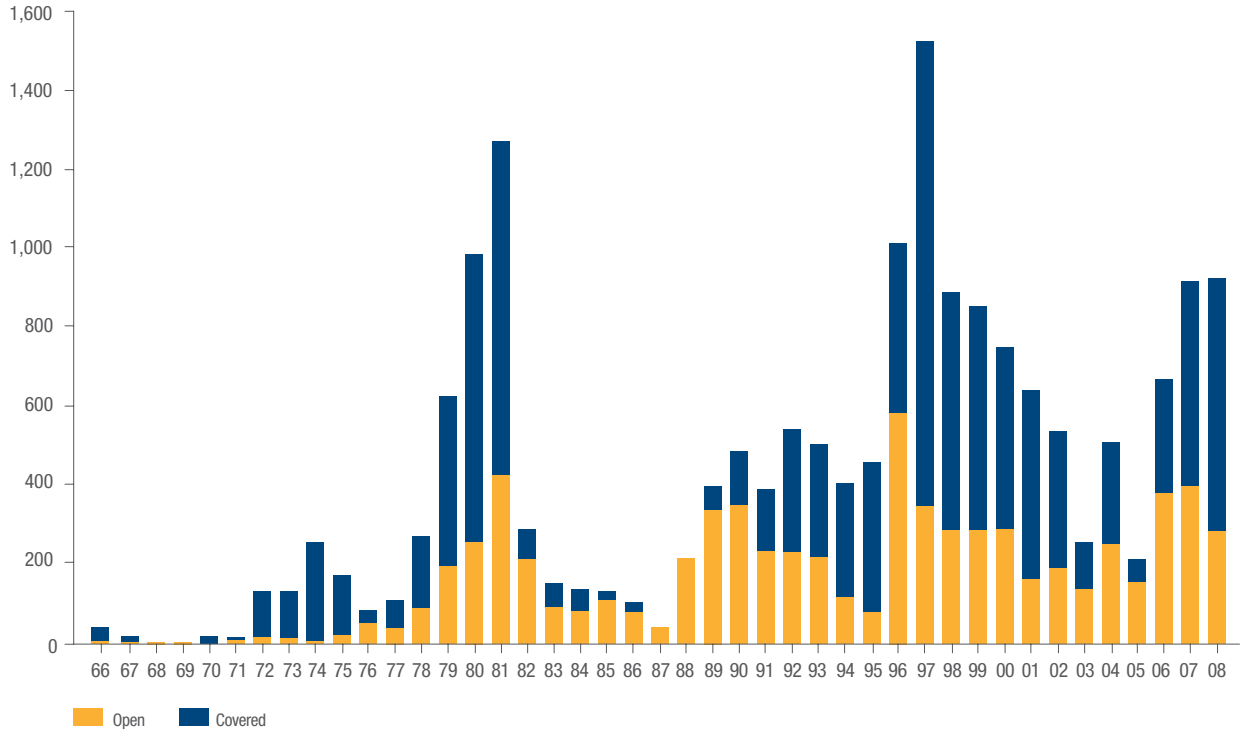


 BHP = Brake Horsepower DWT = Deadweight Tons

APPENDIX II DOMESTIC INLAND RIVER INDUSTRY FLEET PROFILE

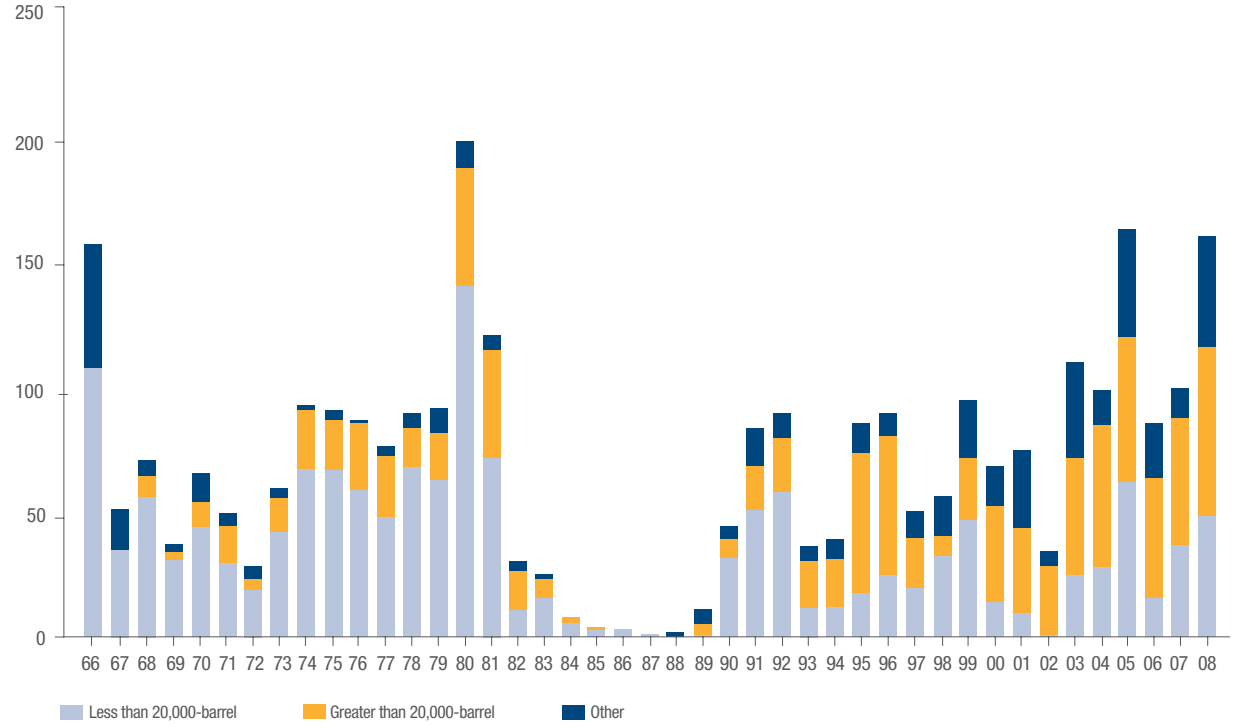
DRY CARGO BARGES IN OPERATION BY YEAR OF CONSTRUCTION

1966-2008 (Count)



LIQUID TANK BARGES IN OPERATION BY YEAR OF CONSTRUCTION[1]

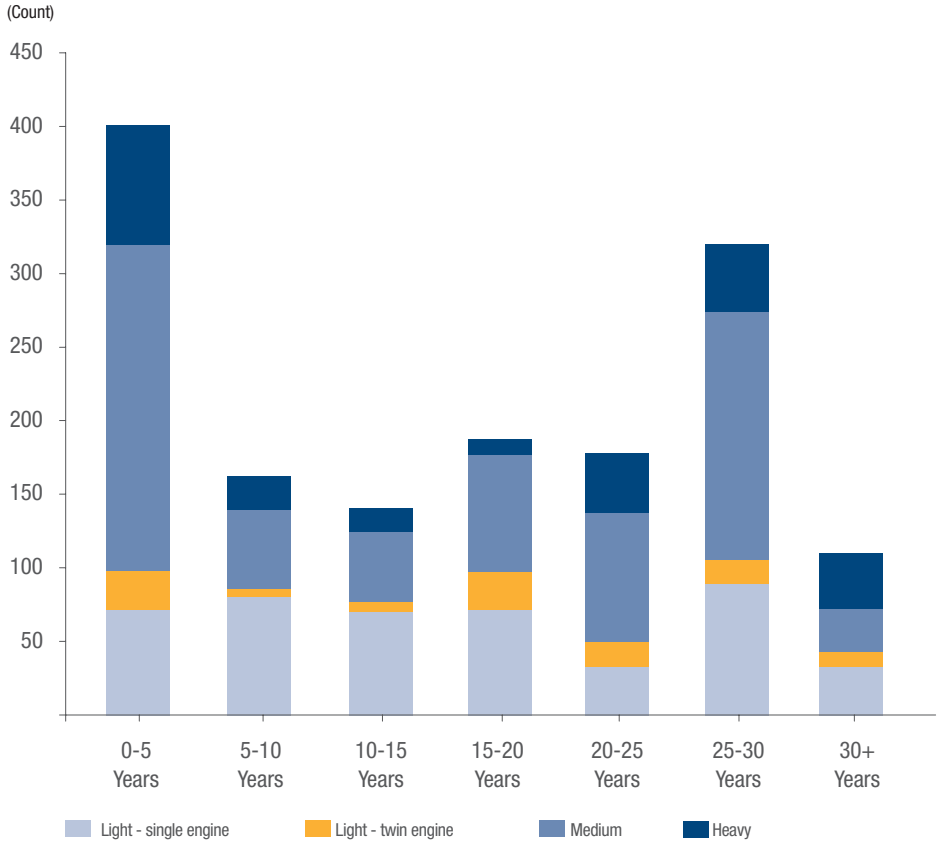
1966-2008 (Count)



[1] We believe the "less than 20,000-barrel" class and the "greater than 20,000-barrel" class consists primarily of 10,000-barrel liquid tank barges and 30,000-barrel liquid tank barges, respectively. Other consists of independent, specialty and all other liquid cargo barges.

APPENDIX III AVIATION INDUSTRY FLEET PROFILE

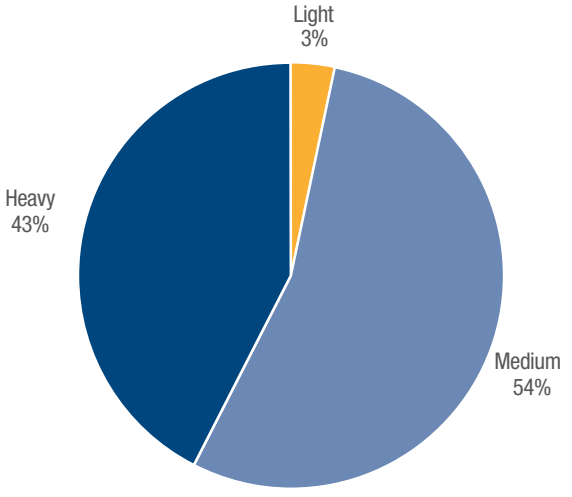
GLOBAL OIL AND GAS HELICOPTERS BY AGE OF EQUIPMENT



Sources: Bristow Group Inc. supplied by PFC Energy (as presented in February 2009) and breakdown of light helicopters—Rotor Roster 2008, public filings and internal estimates

ESTIMATED GLOBAL OIL AND GAS HELICOPTERS ON ORDER

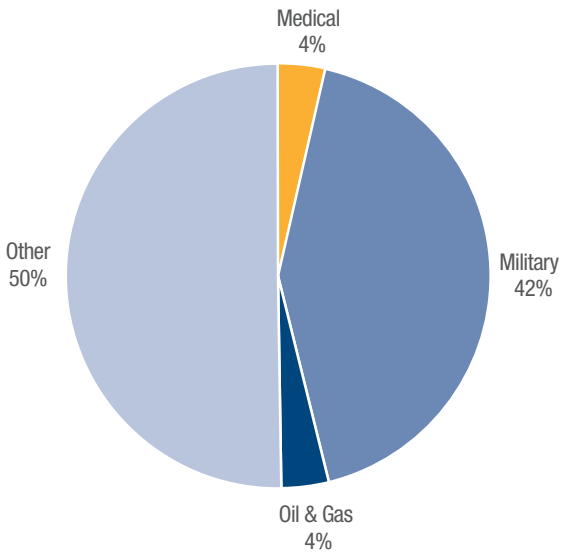
~180 HELICOPTERS



Sources: Manufacturer information, public filings and internal estimates

WORLDWIDE HELICOPTERS BY SERVICE

~40,375 HELICOPTERS

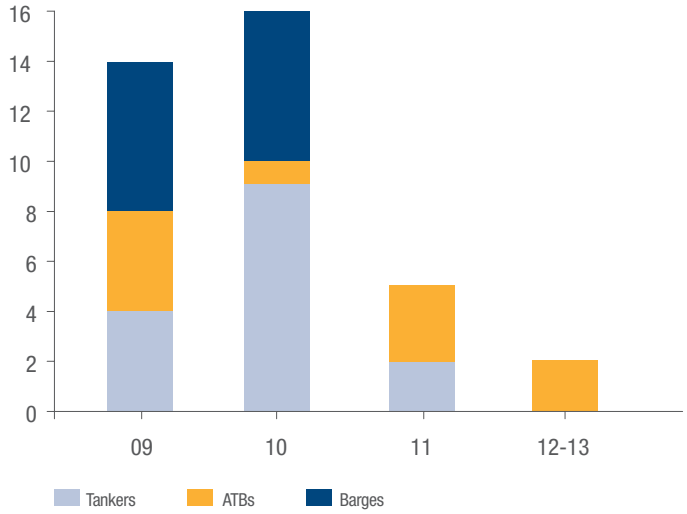


Sources: Bristow Group Inc. supplied by PFC Energy (June 2008) and breakdown of medical services—Rotor Roster (2008), public filings and internal estimates

APPENDIX IV DOMESTIC MARINE TRANSPORTATION FLEET PROFILE

U.S.-FLAG TANK VESSELS ON ORDER (GREATER THAN 15,000 DEADWEIGHT TONS)

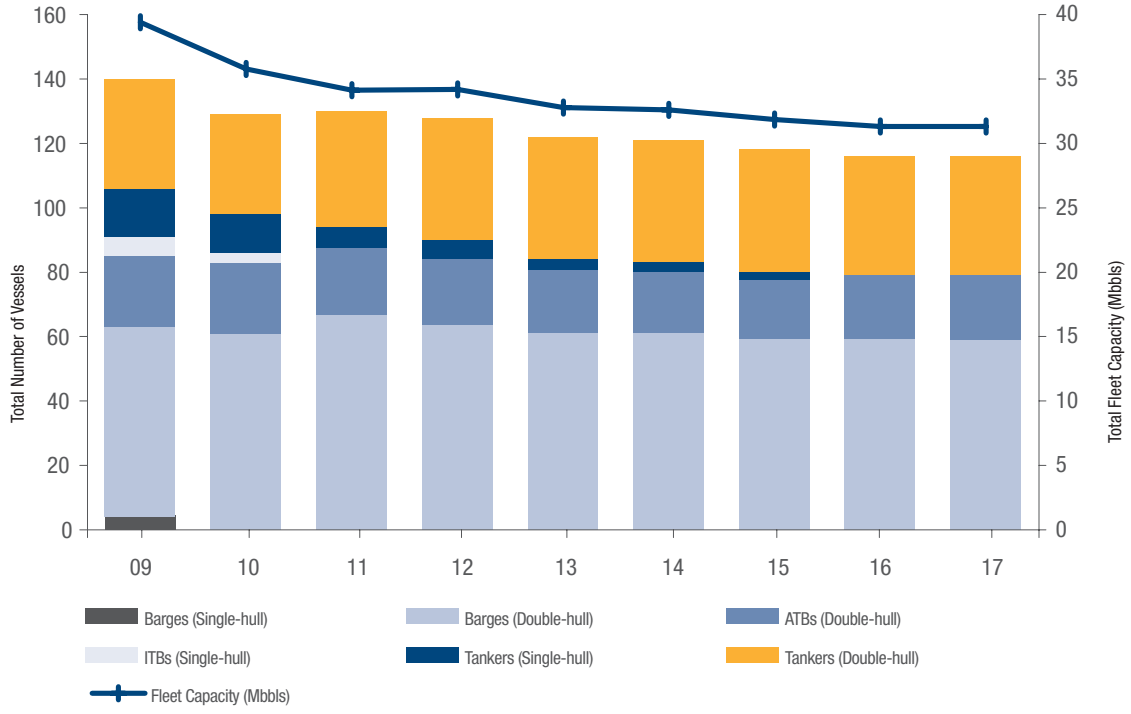
2009-2013 (Count)



Sources: Mallory, Jones, Lynch, Flynn & Associates, Inc. (January 2009), public filings and internal estimates

PROJECTED U.S.-FLAG TANK VESSELS IN OPERATION STARTING AS OF JANUARY 1, 2009 (GREATER THAN 15,000 DEADWEIGHT TONS)

(2009-2017)



ATB = Articulated Tug and Barge Unit ITB = Integrated Tug and Barge Unit

Sources: Mallory, Jones, Lynch, Flynn & Associates, Inc. (January 2009), public filings and internal estimates