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 June 30, 1996

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from ______ to ______

Commission File Number 0-5232

Offshore Logistics, Inc.
(Exact Name of Registrant as Specified in its Charter)

DELAWARE	72-0679819
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
224 Rue de Jean, P. O. Box 5C, Lafayette, Louisiana	70505
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: 318-233-1221

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 ($.01 par value)
Class B Warrants
Preferred Share Purchase Rights
(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 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. / X /

The aggregate market value of the voting stock held by non-affiliates of the registrant as of August 31, 1996 was $242,684,025.

The number shares outstanding of the registrant's Common Stock as of August 31, 1996 was 19,498,922.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the Annual Meeting of Stockholders to be held on December 5, 1996 are incorporated by reference into Part III hereof.

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PART I

ITEM 1. Business

Offshore Logistics, Inc. was incorporated in Louisiana in 1969 and its state of incorporation was changed to Delaware in 1988. Unless the context herein indicates otherwise, all references to the "Company" refer to Offshore Logistics, Inc. and subsidiaries. The Company's executive offices are located at 224 Rue de Jean, Post Office Box 5-C, Lafayette, Louisiana 70505, and its telephone number is (318) 233-1221.

Offshore Logistics, Inc., through its Air Logistics division, is a major supplier of helicopter transportation services to the worldwide offshore oil and gas industry. At June 30, 1996, the Company's operations included 186 aircraft (including 27 aircraft operated through unconsolidated entities). The Company's operations until 1991 also included a Marine Division, wherein the Company owned vessels that supplied marine transportation services to the international oil and gas industry. During 1991, the Company sold substantially all of the remaining assets in its Marine Division and ceased its marine operations.

During 1993, the Company expanded its operations to include production management services by acquiring a 50% interest in Seahawk Services Ltd. ("Seahawk") in a transaction in which Seahawk acquired all of the business of PPI-Seahawk Services, Inc., a company engaged in the production management services business. In October 1993, the Company exchanged its interest in Seahawk for a 27.5% interest in Grasso Corporation whose wholly-owned subsidiary, Grasso Production Management, Inc. ("GPM"), also was engaged in the production management services business. In September 1994, GPM became a wholly-owned subsidiary of the Company through a merger of Grasso Corporation into the Company.

During October 1994, the Company acquired a 75% interest in Cathodic Protection Services Company ("CPS"). CPS manufactures, installs, and maintains cathodic protection systems to arrest corrosion in oil and gas drilling and production facilities, pipelines, and other metal structures.

On March 27, 1996, the Company announced that it entered into a letter of intent to purchase up to fifty percent of the capital stock of Bristow Helicopter Group Limited ("Bristow"). The seller of the Bristow capital stock is a syndicate of investors led by Morgan Grenfell Development Capital Limited of London. On September 27, 1996, the Company announced that it has also reached an agreement in principle with Caledonia Investments plc ("Caledonia"), the other major shareholder of Bristow. According to the terms of the transaction, Caledonia will reduce its economic interest in Bristow while assuming voting control, and will become a significant shareholder in the Company. Upon completion of the transaction, the Company will hold common stock of the new holding company of Bristow, along with a substantial portion of its subordinated debt. The British Civil Aviation Authority ("CAA") has approved the transaction subject to final review of definitive documentation. The transaction, which values Bristow at approximately $300 million, is also subject to final documentation, completion of a due diligence investigation by the Company, and approval by the respective Boards of Directors. The Company will finance the transaction, with a combination of cash, debt, and common stock.

See Note I in "Notes to Consolidated Financial Statements" for information on the Company's operating revenue, operating profit, and identifiable assets by industry segment and geographical distribution for the three years ended June 30, 1996.

HELICOPTER SERVICES

The Company charters its helicopters to customers for use in transporting personnel and time-sensitive equipment from onshore bases to offshore drilling rigs, platforms, and other installations. The helicopter charters are for varying periods and, in some cases, may contain provisions for cancellation prior to completion of the contract. Charges under these charter agreements are generally based on either a daily or monthly fixed fee plus additional hourly charges. Helicopter services are seasonal in nature and influenced by weather conditions and level of offshore construction activity.

The following table sets forth the number and type of aircraft operated by the Company at the end of the year for the past three fiscal years.

Type	Passenger Capacity	Speed (mph)	1996	1995	1994
Sikorsky S-76	12	160	18	18	17
Bell 206B Jet Ranger	4	115	25	30	30
Bell 206L-I	6	125	43	45	45
Bell 206L-III	6	125	20	20	21
Bell 206L-IV	6	125	7	5	5
Bell 212	12	115	11	12	11
Bell 412	12	140	6	6	6
Bell 214ST	18	150	2	2	2
Boelkow 105	4	125	17	12	12
Aerospatiale Twinstar	5	135	8	9	11
Fixed Wing			2	2	2
			159	161	162

The Company owns 158 of the 159 aircraft that it operates. The following table sets forth certain information concerning these aircraft:

Type	Number	June 30, 1996 Net Book Value
Sikorsky S-76	17	$11,068
Bell 206B Jet Ranger	25	1,434
Bell 206L-I	43	4,722
Bell 206L-III	20	10,530
Bell 206L-IV	7	6,328
Bell 212	11	7,213
Bell 412	6	9,153
Bell 412ST	2	5,504
Boelkow 105	17	9,047
Aerospatiale Twinstar	8	1,427
	156	66,426
Fixed Wing	2	893
Total	158	$67,319

In addition to the foregoing 158 aircraft, the Company operates one aircraft pursuant to an operating lease arrangement at June 30, 1996. The Company also provides services and technical support to entities that operate 22 helicopters of various types and five fixed wing aircraft.

Domestic Operations

The Company's domestic helicopter services are conducted primarily from operating facilities along the Gulf of Mexico. As of June 30, 1996, the Company operated 130 aircraft in that area. The Company also operates 13 aircraft in Alaska. Although the Company's business is primarily dependent upon activity levels in the offshore oil and gas industry, the existence of a secondary market for helicopters distinguishes the helicopter business from other segments of the oil service industry. Other uses for which helicopters are employed, include emergency medical transportation, agricultural and forestry support, and general aviation activities. These additional uses enable the Company to scale down operations through the sale of excess equipment to companies in the aforementioned industries. Because of this ability to react to market conditions, management believes the helicopter segment of the oil service industry is less affected by downturns in offshore oil and gas activities.

International Operations

Utilization of helicopters in international service is dependent on the worldwide level of oil and gas exploration and development offshore and in remote areas. This, in turn, is dependent on the funds available to the major oil companies to conduct such activities and upon the number and location of new foreign concessions. As of June 30, 1996, the Company operated 16 of its helicopters in international locations, including Brazil, Colombia, and Mexico.

In addition to its direct operations in international areas, the Company has service agreements with, and equity interests in, entities that operate 27 aircraft in Egypt and Mexico. The Company provides services and technical support to these entities and, from time to time, leases aircraft to these entities as additional support for these operations. As of June 30, 1996, four of the Company's helicopters were being leased to its Mexican affiliate for operations in that country.

Customers

The principal customers for the Company's helicopter services are national and international petroleum and offshore construction companies. During 1994, one customer accounted for approximately 13% of the Company's operating revenues. During 1996 and 1995, no one customer accounted for more than 10% of the Company's consolidated operating revenues.

Competition

The Company's business is highly competitive. Chartering of helicopters is usually done on the basis of competitive bidding among those having the necessary equipment and resources. The technical requirements of operating helicopters offshore have increased over the past several years as oil and gas activities moved into deeper water and more sophisticated aircraft were required to service the market. The number of small helicopter operators in the Gulf of Mexico has declined over the past several years, as it has become increasingly difficult to maintain an adequate shorebased infrastructure and provide the working capital required to conduct such operations, especially when the associated costs must be spread over a relatively small number of helicopters. One of the Company's competitors has substantially more helicopters in service in the Gulf of Mexico and there are at least four companies internationally that operate more helicopters than the Company. Certain of the Company's competitors have substantially greater resources than the Company.

Industry Hazards and Insurance

Hazards, such as adverse weather and marine conditions, crashes, collisions, and fire are inherent in the offshore oil and gas industry and in the related transportation and supply of such industry, and may result in losses of equipment and revenues.

The Company maintains Hull and Liability Insurance which generally insures the Company against certain legal liabilities to others, as well as damage to the aircraft. It is also the Company's policy to carry insurance for, or require its customers to provide indemnification against, expropriation, war risk, and confiscation of its helicopters employed in international operations. There is no assurance that in the future the Company will be able to maintain its existing coverage or that the premiums therefrom will not increase substantially.

Government Regulation

Domestic. As a commercial operator of small aircraft, the Company is subject to regulations pursuant to the Federal Aviation Act of 1958, as amended, and other statutes. The Company carries persons and property in its helicopters pursuant to an Air Taxi Certificate granted by the Federal Aviation Administration ("FAA").

FAA regulates the flight operations of the Company, and in this respect, exercises jurisdiction over personnel, aircraft, ground facilities, and certain technical aspects of the Company's operations. The National Transportation Safety Board is authorized to investigate aircraft accidents and to recommend improved safety standards. The Company is also subject to the Communications Act of 1934 because of the use of radio facilities in its operations.

Under the Federal Aviation Act, it is unlawful to operate certain aircraft for hire within the United States unless such aircraft are registered with the FAA and the operator of such aircraft has been issued an operating certificate by the FAA. As a general rule, aircraft may be registered under the Federal Aviation Act only if the aircraft is owned or controlled by one or more citizens of the United States, and an operating certificate may be granted only to a citizen of the United States. For the purposes of these requirements, a corporation is deemed to be a citizen of the United States only if, among other things, at least 75% of the voting interest therein is owned or controlled by United States citizens. In the event that persons other than United States citizens should come to own or control more than 25% of the voting interest in the Company, the Company has been advised that the Company's aircraft may be subject to de-registration under the Federal Aviation Act and loss of the privilege of operating within the United States. At June 30, 1996, the Company had approximately 494,000 common shares held by persons with foreign addresses representing approximately 2.5% of the 19,498,398 common shares outstanding.

The Company's operations are subject to federal, state, and local laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment. To date, such laws and regulations have not had a material adverse effect on the Company's business or financial condition. Increased public awareness and concern over the environment, however, may result in future changes in the regulation of the oil and gas industry, which in turn could adversely affect the Company.

International. The Company's international operations are subject to local governmental regulations and to uncertainties of economic and political conditions in those areas. Because of the impact of local laws, the Company's international operations are conducted primarily through entities (including joint ventures) in which local citizens own interests and the Company holds only a minority interest, or pursuant to arrangements under which the Company operates assets or conducts operations under contracts with local entities. There can be no assurance that there will not be changes in local laws, regulations or administrative requirements, or the interpretation thereof, any of which could have a material adverse effect on the business or financial condition of the Company or on its ability to continue operations in certain regions.

PRODUCTION MANAGEMENT SERVICES

Beginning in 1993, through Seahawk and, subsequent thereto, through a 27.5% equity ownership interest in Grasso Corporation and its wholly-owned subsidiary, GPM, the Company began providing oil and gas production management services. On September 16, 1994, GPM became a wholly-owned subsidiary of the Company through the merger of Grasso Corporation into the Company.

GPM is the leading independent operator of oil and gas production facilities in the Gulf of Mexico. In addition, GPM also provides services for certain onshore facilities. In providing these services, GPM operates oil and gas production facilities for major and smaller independent oil and gas companies. Typical project assignments may involve full or limited management of operations of oil and gas production facilities located offshore, particularly in the Gulf of Mexico. The work involves placing experienced crews, employed by GPM, to operate the facilities and providing all necessary services and products for the offshore operations. When servicing offshore oil and gas production facilities, GPM's employees normally live on the facility for a seven day rotation. GPM's services include furnishing personnel, production operating services, paramedic services and the provision of boat and helicopter transportation of personnel and supplies between onshore bases and offshore facilities. GPM also handles regulatory and production reporting, joint interest accounting and royalty and working interest revenue disbursement services for certain of its customers.

Operations

GPM's production management services are conducted primarily from production facilities in the Gulf of Mexico. As of June 30, 1996, GPM managed or had personnel assigned to 160 production facilities in the Gulf of Mexico. Although GPM's business is primarily dependent upon activity levels in the offshore oil and gas industry, 90% of GPM's production management costs consist of labor and contracted transportation services. This enables GPM to scale down operations rapidly should the market conditions change. Because of this ability to react to market conditions, management believes the production management segment of the oil service industry is less affected by downturns in offshore oil and gas activities.

Customers

GPM's customers are primarily major and small independent oil and gas companies that own oil and gas production facilities in the Gulf of Mexico. These companies are increasingly inclined to out-source services provided by companies such as GPM which are able to operate more efficiently and with a lower cost structure. This allows the customer to focus their efforts on their core activities, which is the exploration and production of oil and gas. During 1996 and 1995, no single GPM customer accounted for more than 10% of the Company's consolidated operating revenues.

Competition

GPM's business is highly competitive. There are five to six direct competitors that are substantially smaller than GPM but maintain a Gulf wide presence. In addition, there are many smaller operators that compete on a local basis or for single projects or jobs. Management of the Company anticipates that the market for oil and gas production management operations will continue to increase over the next few years as oil and gas producing companies continue to reduce the size of field personnel and further utilize outside contractors as efforts to reduce their operating costs continue.

Typically, GPM will be requested to bid on one or more production facilities owned by an oil and gas producer. The two key elements in the pricing of the bid are personnel and transportation costs. In addition to price, an additional consideration is the competence and stability of the operator since this can greatly affect the revenue flow to the producer and reduce the risk of possible damage to the production facility. There are no assurances that an increase in the market for production management will occur.

Industry Hazards and Insurance

GPM's operations are subject to the normal risks associated of working on an oil and gas production facility. These risks could result in damage to or loss of property and injury to or death of personnel. GPM carries normal business insurance including general liability, workers' compensation, automobile liability and property and casualty insurance coverages. Management believes GPM is adequately protected from most business risks normally subject to insurance.

Government Regulation

The Mineral Management Service ("MMS") regulates the production operations of GPM, and in this respect, exercises jurisdiction over personnel, production facilities, and certain technical aspects of GPM's operations.

GPM's operations are subject to federal, state, and local laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment. To date, such laws and regulations have not had a material adverse effect on GPM's business or financial condition. Increased public awareness and concern over the environment, however, may result in future changes in the regulation of the oil and gas industry, which in turn could adversely affect the Company.

CATHODIC PROTECTION SERVICES

Cathodic Protection Services Company was established in 1946 in Houston, Texas, as the first commercial engineering firm in the United States solely devoted to corrosion control by cathodic protection. CPS specializes in providing cathodic protection systems and services for the purpose of arresting corrosion in steel structures such as pipelines, oil and gas well casings, offshore facilities, hydrocarbon processing plants, water tanks, oil and gas storage tanks, and other metal structures. CPS revenues have traditionally been derived from three major activities: the construction and installation of cathodic protection systems; the sale of materials for cathodic protection systems; and the engineering, evaluation, and other ancillary services provided for cathodic protection systems. The majority of CPS's revenues are derived from single project contracts and material orders; however, CPS is a party to certain maintenance contracts varying in duration from one to five years and certain "blanket" material contracts that are normally agreed to for one year at a time.

In May 1995, CPS formed an 80% owned subsidiary, CPS Technologies, for the purpose of pursuing various opportunities relating to the remote monitoring of cathodic protection systems by means of low orbital satellite, cellular telephones or other communication media. Management views this subsidiary as a development stage business and, although optimistic as to opportunities, has no assurances as to its ultimate profitability.

CPS provides materials and services to the cathodic protection market in the domestic United States through ten district office locations as follows: Billings, Montana; Carson, California;

Farmington, New Mexico; Houston, Texas; Liberal, Kansas; Lombard, Illinois; Metairie, Louisiana; Midland, Texas; Sand Springs (Tulsa), Oklahoma; and Springfield, New Jersey. The Springfield, New Jersey office, in addition to providing normal customer services, specializes in servicing the water tank needs of municipalities throughout the U.S. The Company also has a manufacturing facility in Sand Springs, Oklahoma that assembles various types of cathodic protection anodes and a corporate office in Houston, Texas.

Competition

CPS is the second largest provider of cathodic protection services and materials in the United States. The largest provider of cathodic protection services is the primary competitor of CPS on a nationwide basis. CPS also competes with numerous regional and local cathodic protection companies with respect to engineering, construction and installation, and related services. Many of the regional and local competitors are not able to provide cathodic protection materials to customers without purchasing them from CPS or other manufacturers/suppliers.

Suppliers

Certain of the cathodic protection materials provided by CPS, for example, magnesium anodes and aluminum anodes, depend largely on the supply of the associated base metals. For metals such as magnesium and aluminum there are a limited number of suppliers and, at times, shortages of supply. These factors also cause price volatility for these metals. CPS has developed and maintained relationships with all potential suppliers and protects itself from price risks by passing this risk to customers on virtually all contracts and contract bids. Although shortages of supply can have an impact on the revenues of CPS by delaying sales of materials of this type, it is management's belief that CPS is not placed at a competitive disadvantage in its markets as a result of shortages since all suppliers of cathodic protection materials face the same shortages at the same time.

Industry Hazards and Insurance

The construction and installation of cathodic protection systems and the providing of materials for such systems are subject to seasonality based upon weather conditions. This seasonality can be slightly offset by the providing of engineering services which are not as dependent upon weather conditions. Since the energy industry, including pipelines, refineries and tank farms, is the primary user of cathodic protection systems, the business of CPS is also subject to cyclical downturns caused by oil and gas prices, regulations, and other factors affecting the energy industry. The impact of these factors is slightly offset by sales to other industries such as the marine industry and state and local governments.

CPS carries normal business insurance including workers' compensation, general liability, automobile liability, and property coverage. CPS does not carry professional liability insurance since, in the opinion of management and consistent with traditional industry practices, the engineering services provided by CPS do not involve detail design work. Management believes CPS is adequately protected from most business risks normally protected by insurance.

Government Regulation

CPS believes that its historical and current operations including its use of property, plant, and equipment, conform in all material respects with all applicable laws and regulations. Periodically, the Company is subject to various inspections or reviews by regulatory agencies; however, the Company has not experienced nor does it anticipate, any material claim in connection with environmental, safety, or other regulations.

The business of CPS can be directly impacted by the issuance of government regulations. The recent trends toward increased federal, state, and local involvement in environmental and safety matters should result in an increased emphasis on cathodic protection systems. Many CPS customers must comply with regulations issued by the United States Environmental Protection Agency, the United States Department of Transportation - Office of Pipeline Safety, and other such federal, state, and local agencies. CPS continually monitors the pronouncements of these agencies, and, in the opinion of management, believes that such regulations will have a positive impact rather than a negative impact on the Company's business.

GENERAL

Employees

As of June 30, 1996 and 1995, the Company employed 1,295 and 1,347 persons, respectively, who are or were involved in the following operations:

	1996	1995
Helicopter Services - Domestic	553	552
- International	19	22
Production Management Services	506	544
Cathodic Protection Services	193	205
Executive and Administrative	24	24
	1,295	1,347

The Company's employees are not represented by unions. In 1983, the Company was petitioned by the Oil, Chemical, and Atomic Workers Union ("OCAW") for representation of the Company's helicopter pilots. The OCAW effort was defeated by election results in February 1984.

In 1975, the Company was petitioned by the Teamsters Union for an election. However, the Union decided not to seek an election after several months of union solicitation. Union campaigns at a major helicopter competitor in 1970, 1974, and 1980 also failed. If the Company's helicopter pilots were to elect to be represented by a union, the Company would, it believes, be the only unionized company in the domestic helicopter service industry. The Company believes that, in light of current market conditions, being a unionized company in a non-union industry could place the Company at a competitive disadvantage in the industry. This could have a material adverse effect on its revenues from helicopter operations in the Gulf of Mexico and on its results of operations.

ITEM 2. Properties

See Business - Helicopter Services for a discussion of the number and types of aircraft operated by the Company.

The Company leases approximately 11 acres of land in the vicinity of Morgan City, Louisiana, under a lease expiring in 2000, with a renewal option for an additional ten year period. The Company has constructed a heliport, hangar, and office facility on the site. The Company is subleasing approximately 50% of the land to Gulf Offshore Marine, a subsidiary of GulfMark International, Inc., who acquired the Company's Marine Division.

The Company leases approximately 8 1/3 acres of land at the Acadiana Regional Airport in New Iberia, Louisiana, under a lease expiring in fiscal year ending 2030. The Company has constructed office and helicopter maintenance facilities on the site containing approximately 44,000 square feet of floor space. The property has access to the airport facilities, as well as a major highway.

The Company's Corporate offices occupy 8,300 square feet in a building in Lafayette, Louisiana, under a lease expiring in 1998. Other office and operating facilities in the United States and abroad, including most of the operating facilities along the Gulf of Mexico, are held under leases, the rental obligations under which are not material in the aggregate.

GPM's Corporate offices occupy 24,000 square feet in a building in Houston, Texas, under a lease expiring in December 1998. Other office and operating facilities along the Gulf of Mexico are held under leases, the rental obligations under which are not material in the aggregate.

CPS's Corporate offices occupy 16,000 square feet in a building in Houston, Texas, under a lease expiring in December 1999. Other office and operating facilities throughout the United States and abroad are held under leases, the rental obligations under which are not material in the aggregate.

ITEM 3. Legal Proceedings

In January 1989, the Company received notice from the United States Environmental Protection Agency ("EPA") that it is a potentially responsible party ("PRP") for clean up and other response costs at the Sheridan Disposal Services Superfund Site in Waller County, Texas. The Company is among approximately 160 PRPs identified with respect to the site. The EPA has estimated that the cost of remedial activities at the site will be approximately $30 million. In August 1989, the Company received a similar notice with respect to the D. L. Mud Services Site and the Gulf Coast Vacuum Services Site, both of which are near Abbeville, Louisiana. The Company is among over 300 PRPs identified with respect to each site. The EPA alleged that the Company is a generator or transporter of hazardous substances found at the three sites. In February 1991, the Company received a request for information from the EPA relating to the Western Sand and Gravel Superfund Site in Rhode Island, as to which the Company had been named a PRP after an earlier request for information from the EPA issued in 1983 - 1984.

Based on presently available information, the Company believes that it generated only a small portion, if any, of the substances found at the above described sites. In addition, many of the other PRPs at all of the aforementioned sites are large companies with substantial resources. As a result, the Company believes that its potential liability for clean up and other response costs in connection with these sites is not likely to have a material adverse effect on the Company's business or financial condition.

In addition to notification of PRP responsibility, the EPA notices to the Company also contained information requests regarding the Company's connection with the various sites. The responses to the information requests were due in early March 1989 for the Sheridan site and in early September 1989 for the two Louisiana sites. Through oversight, the Company did not respond to the requests until April and May 1990. The EPA is authorized to seek civil penalties for failure to respond to its information requests in a timely manner in an amount up to a maximum of $25,000 per day for each day of continued non-compliance; however, to date, no such penalties have been sought. While it is not possible to predict whether any civil penalties might be assessed against the Company for the delays in responding to the EPA requests, the Company believes the amount of such penalties, if any, will not have a material adverse effect on its business or financial condition.

The Company is not a party to any other litigation which, in the opinion of management, will have a material adverse effect on the Company's business or financial condition.

ITEM 4. Submission of Matters to a Vote of Security Holders

No voting matters were submitted to security holders, through the solicitation of proxies or otherwise, during the fourth quarter of the current fiscal year.

Executive Officers of the Registrant

All executive officers hereunder are, in accordance with the By-laws, elected annually and hold office until a successor has been duly elected and qualified. There are no family relationships among any of the Company's executive officers. The executive officers of the Company as of September 27, 1996, are as follows:

Name	Age	Position Held with Registrant
James B. Clement	51	Chairman, President, Chief Executive Officer, and Director
George M. Small	51	Vice President, Chief Financial Officer, Treasurer, Secretary, and Director
Ralph B. Murphy	68	Vice President - Corporate Sales
Gene Graves	47	Vice President - Domestic Aviation
Hans J. Albert	54	Vice President - International Aviation
Drury A. Milke	38	Vice President - Business Development
Patricia M. Como	35	Controller and Assistant Secretary
E. H. Underwood III	39	General Counsel

Mr. Clement joined the Company in 1976 as Controller and served in various financial capacities until 1981 when he was appointed the General Manager - Marine Division. Mr. Clement was elected President and Chief Operating Officer of the Company in May 1986, Chief Executive Officer in November 1987, and Chairman of the Board of Directors in June 1995.

Mr. Small joined the Company in 1977 as Controller and was elected Vice President - Treasurer in 1979, and Chief Financial Officer and Secretary in 1986. He is a CPA.

Mr. Murphy joined the Company in 1984 as Vice President - Corporate Sales. He received a Bachelor of Science degree from Rice University in 1950. He has forty-six years of experience in the oil service industry.

Mr. Graves joined the Company in 1993 as Vice President - Aviation Marketing and was appointed Vice President - Domestic Aviation in 1994. Prior to joining the Company, Mr. Graves had 26 years experience in the commercial helicopter service business in the Gulf of Mexico as Vice President - Marketing and several operating positions.

Mr. Albert joined the Company in 1972 as a pilot and served in several operating capacities before being appointed Director of International Aviation Operations in 1980. He was elected Vice President in 1987. Mr. Albert has thirty-one years of experience in the aviation industry.

Mr. Milke joined the Company in 1988 as Director of Planning and Development and was elected Vice President in 1990. Prior to joining the Company, Mr. Milke was a Manager with Arthur Andersen LLP.

Mrs. Como joined the Company in 1990 as Controller. Prior to joining the Company, Mrs. Como was a Manager with Arthur Andersen LLP. She is a CPA.

Mr. Underwood joined the Company in 1995 as General Counsel. He received a Juris Doctorate from Loyola University in 1987 and has a degree in risk management from the University of Georgia. Prior to joining the Company, Mr. Underwood was General Counsel for another oilfield service company.

PART II

ITEM 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The Common Stock of the Company is traded in the over-the-counter market and is reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") under the symbol "OLOG". The Company's Common Stock has been quoted on the NASDAQ National Market System since 1984.

	High	Low
Fiscal year ended June 30, 1996		
First Quarter	14 1/2	12 3/4
Second Quarter	13 3/4	10 7/8
Third Quarter	13 3/4	11 3/4
Fourth Quarter	15 5/8	12 3/8
Fiscal year ended June 30, 1995		
First Quarter	15 1/8	11 5/8
Second Quarter	14	11 3/4
Third Quarter	14 1/8	12 1/4
Fourth Quarter	15 1/8	12 7/8

The approximate number of holders of record of Common Stock as of August 31, 1996 was 1,500.

The Company has not paid dividends on its Common Stock since January 1984.

ITEM 6. Selected Financial Data

	Year Ended June 30,				
	1996	1995(2)	1994	1993	1992
	(in thousands, except per share data)				
Operating revenues	$156,766	$143,645	$ 91,666	$ 80,201	$ 81,872
Income before extraordinary item	$ 15,276	$ 18,450	$ 17,247	$ 16,043	$ 17,549
Net income (1)	$ 15,276	$ 18,450	$ 17,247	$ 17,055	$ 17,549
Earnings per common equivalent share:					
Income before extraordinary item	$ 0.77	$ 0.96	$ 0.96	$ 0.90	$ 1.00
Net income (1)	$ 0.77	$ 0.96	$ 0.96	$ 0.96	$ 1.00
Total assets	$241,510	$229,351	$174,245	$164,231	$144,945
Long-term obligations:					
Long-term debt	$ 750	$ 5,600	$ 2,000	$ 9,322	$ 10,056
Cash dividends declared per common share	$ --	$ --	$ --	$ --	$ --

1. Includes an extraordinary gain of $1,012,000 in 1993. There were no extraordinary items in 1996, 1995, 1994, or 1992.

2. Includes financial data for GPM and CPS after effective dates of their consolidation (See Note E in Notes to Consolidated Financial Statements).

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

General

Demand for the Company's services has traditionally been influenced by the level of worldwide offshore oil and gas production and drilling activity. During 1992, the Company was engaged exclusively in aviation services and related operations. During 1993, the Company expanded its operations to include production management services through an acquisition of a 50% interest in Seahawk Services Ltd. ("Seahawk"), which acquired all of the business of PPI-Seahawk Services, Inc. Seahawk provided platform and production management services, offshore medical support services, and temporary personnel to the oil and gas industry.

During 1994, the Company exchanged its 50% interest in Seahawk for a 27.5% interest in Grasso Corporation whose wholly-owned subsidiary, Grasso Production Management, Inc. ("GPM"), also was engaged in the production management services business. On September 16, 1994, GPM became a wholly-owned subsidiary of the Company in a merger in which the Company acquired the remaining 72.5% interest in Grasso Corporation by issuing .49 of a share of the Company's Common Stock for each share of Grasso Corporation Common Stock owned. See Note E in "Notes to Consolidated Financial

Statements."

In determining to acquire 100% of GPM, the Company's management was influenced by its belief that a restructuring in the United States oil and gas industry is taking place, resulting in part from the instability of oil prices over the last several years. As part of this restructuring, major oil companies have been reducing the size of their field organizations and concentrating more on foreign exploration and production. Management believes that this restructuring is creating opportunities, first, for smaller, independent oil companies as the major oil companies have been selling properties in the Gulf of Mexico, and, second, for companies providing production management services to smaller, independent oil companies, which frequently lack the personnel to operate these properties. Although there can be no assurances, the Company's management believes that, through its acquisition of GPM, the Company will have the opportunity to take advantage of any increase in the market for oil and gas production management services that may occur over the next few years. Management also believes that the addition of the production management services business may permit the Company, by providing helicopter services through the production management services business to smaller, independent companies, to enhance its market share for its helicopter transportation services in the very competitive and rapidly changing Gulf of Mexico environment.

Cathodic Protection Services Company ("CPS") manufactures, installs, and maintains cathodic protection systems to arrest corrosion in oil and gas drilling and production facilities, pipelines, and other metal structures. In October 1994, the Company acquired 75% of CPS. The minority interest owner may increase their ownership at the end of five years if certain financial goals are met. At that time, the Company has the election to retain a majority ownership in CPS.

On March 27, 1996, the Company announced that it entered into a letter of intent to purchase up to fifty percent of the capital stock of Bristow Helicopter Group Limited ("Bristow"). The seller of the Bristow capital stock is a syndicate of investors led by Morgan Grenfell Development Capital Limited of London. On September 27, 1996, the Company announced that it has also reached an agreement in principle with Caledonia Investments plc ("Caledonia"), the other major shareholder of Bristow. According to the terms of the transaction, Caledonia will reduce its economic interest in Bristow while assuming voting control, and will become a significant shareholder in the Company. Upon completion of the transaction, the Company will hold common stock of the new holding company of Bristow, along with a substantial portion of its subordinated debt. The British Civil Aviation Authority ("CAA") has approved the transaction subject to final review of definitive documentation. The transaction, which values Bristow at approximately $300 million, is also subject to final documentation, completion of a due diligence investigation by the Company, and approval by the respective Boards of Directors. The Company will finance the transaction, with a combination of cash, debt, and common stock.

Results of Operations

Operating results and other income statement information for the three years ended June 30, 1996 follows (in thousands of dollars):

	Year Ended June 30,		
	1996	1995	1994

Operating revenues	$156,766	$143,645	$91,666
Gain (loss) on disposal of equipment	(537)	586	3,018
	156,229	144,231	94,684
Direct cost	120,594	104,588	59,617
Depreciation and amortization	9,230	9,670	7,519
General and administrative	12,278	10,696	6,576
	142,102	124,954	73,712
Operating income	14,127	19,277	20,972
Earnings from unconsolidated entities	4,056	4,050	2,020
Interest income, net	3,276	2,069	633
Income before provision for income taxes	21,459	25,396	23,625
Provision for income taxes	6,219	7,361	6,378
Minority interest	36	415	--
Net income	$ 15,276	$ 18,450	$17,247

Helicopter Services

The Company's helicopter services are conducted principally in the Gulf of Mexico, where the Company provides helicopter services to support the production and exploration activities of oil and gas companies. The Company also charters helicopters to offshore construction companies and governmental entities involved in offshore oil and gas operations in the Gulf of Mexico. The Company's Alaskan activity is primarily related to providing helicopter services to the Alyeska Pipeline. The Company has service agreements with, and equity interests in, entities that operate aircraft in Egypt and Mexico ("unconsolidated entities"). The Company also operated in various other international areas (including Bolivia, Brazil, Colombia, El Salvador, and Mexico). The Company's international operations are subject to local governmental regulations and to uncertainties of economic and political conditions in those areas. The following table sets forth certain information regarding aircraft operated by the Company and unconsolidated entities.

	1996	1995	1994
Number of aircraft operated by the Company:			
Domestic	143	150	148
International	16	11	14
Total	159	161	162
Total flight hours (Company operated aircraft)	108,330	112,000	115,539
Number of aircraft operated by unconsolidated entities	27	27	29

Operating revenues for helicopter services were $89.8 million, $89.5 million, and $91.7 million for 1996, 1995, and 1994, respectively. Operating expenses for helicopter services were $72.2 million, $66.7 million, and $70.1 million for 1996, 1995, and 1994, respectively. Gross margin percentages for helicopter services, excluding gain or loss on disposal of equipment, were 20%, 25%, and 24% for 1996, 1995, and 1994, respectively. The decrease in consolidated flight hours from 1995 to 1996 contrasted by a small increase in operating revenues reflects a change in the mix of aircraft operating. The Company had a decrease in flight activity for single engine aircraft; primarily the result of lost work for production management companies which compete with GPM. On the other hand, strong drilling activity in the Gulf of Mexico increased the demand for the Company's larger crew change aircraft which normally work at higher revenue rates. High demand for certain aircraft enabled the Company to obtain some price increases, the first since 1990. Management believes that the improved activity levels in the Gulf of Mexico and this small improvement in helicopter rates during late 1996 will have a positive impact on the Company's flight activity and operating revenues in the coming year. Operations in Alaska were down in 1996 compared to 1995 resulting from decreased activity from the Company's major Alaskan customer. International flight activity was strong during 1996, logging over 25% more hours than in 1995. The increase in operating expenses of approximately 8% from 1995 to 1996 is primarily related to increases in maintenance and repair expenditures. Gross margin percentages for 1996 were below the prior year due to the increase in expenditures.

The decrease in operating revenues of approximately 2% from 1994 to 1995 is primarily due to a decrease in International and Alaskan operations. Gulf of Mexico helicopter activity was relatively unchanged from 1994 to 1995. The decrease in operating expenses of approximately 5% from 1994 to 1995 is due to a decrease in International and Alaskan operations, as well as continued cost controls over Gulf of Mexico operations. The increase in gross margin percentages from 1994 to 1995 is due to the improved cost controls in the Gulf of Mexico operations.

During 1994, the Company's helicopter joint venture in Brazil was terminated. Costs associated with this termination of approximately $2.7 million were charged against previously established accruals. The three helicopters involved were redeployed into the Company's other operations. The termination of the venture did not have a material effect on the Company's operations.

Production Management Services

Operating revenues for GPM were $31.2 million and $32.8 million for 1996 and for the period from consolidation through June 30, 1995, respectively. Operating expenses for GPM were $31.4 million and $32.6 million for 1996 and for the period from consolidation through June 30, 1995, respectively. Overall, GPM operations were approximately breakeven for 1996 and for the period from consolidation through June 30, 1995, with operating income (loss) of approximately $(0.2) million and $0.2 million, respectively.

Cathodic Protection Services

Operating revenues for CPS were $39.5 million and $25.3 million for 1996 and for the period from consolidation through June 30, 1995. Operating expenses were $39.1 million and $26.6 million for 1996 and for the period from consolidation through June 30, 1995, respectively. CPS generated $0.4 million in operating income and a $1.3 million operating loss in 1996 and 1995, respectively. Amounts for 1995 contain operating results for only nine months. During 1996, management increased the sales efforts and took measures to reduce overhead costs and its international operations. These measures had a positive impact on CPS's operations during fiscal 1996. In addition, the Company benefited from a stronger market for its magnesium and anode business during 1996.

Consolidated

Net income for 1996 was $15.3 million, compared to net income of $18.5 million and $17.2 million for 1995 and 1994, respectively.

Liquidity and Capital Resources

Cash and cash equivalents and marketable securities were $77.0 million as of June 30, 1996, a $9.1 million increase from 1995. Total debt was $5.6 million as of June 30, 1996, all related to CPS and non-recourse to the Company.

Cash flows provided by operating activities were $22.9 million, $30.8 million, and $18.2 million in 1996, 1995, and 1994, respectively.

Cash flows used in investing activities were $12.3 million, $8.4 million, and $9.5 million for 1996, 1995, and 1994, respectively. Capital expenditures during 1996 of $12.5 million included two new Bell 206L-IV's, four used MBB Boelkow 105's and seven Sikorsky S-76's previously under an operating lease agreement.

During 1995, the Company utilized $8.2 million for the acquisitions of GPM and CPS, net of cash on hand for the two subsidiaries. Capital expenditures during 1995 of $3.2 million included the purchase of one new Bell 206L-IV and two used MBB Boelkow 105's previously under a lease arrangement.

Capital expenditures during 1994 of $11.5 million included the purchase of six new helicopters, five Bell 206L-IV's and one Bell 214ST, and one used Sikorsky S-76. Proceeds from asset dispositions during 1994 of $3.5 million was primarily from the sale of two Bell 212's.

Cash flows used in financing activities were $1.4 million, $1.7 million, and $8.7 million in 1996, 1995, and 1994, respectively. Financing activities during 1996 and 1994 were primarily for the repayment of debt. During 1995, repayment of debt was $4.2 million and the Company received $2.5 million from common stock issued, primarily from the exercise of warrants for 200,000 shares of common stock.

CPS maintains a revolving credit facility with a maximum borrowing limit of $7.5 million. Borrowings are based on eligible receivables, inventory, and equipment of CPS. The facility expires on December 1, 1996 and is recourse to CPS only.

As of June 30, 1996, the Company had a $10 million unsecured working capital line of credit with a bank that expires on January 31, 1997. Management believes that normal operations will provide sufficient working capital and cash flow to meet debt service for the foreseeable future.

The effective income tax rates from continuing operations were 29%, 29%, and 27% for 1996, 1995, and 1994, respectively. The variance between the Federal statutory rate and the effective rate for these periods is due primarily to the utilization of foreign net operating losses and foreign tax credits available to reduce domestic taxable income.

The Company has received notices from the EPA that it is one of approximately 160 PRPs at one Superfund site in Texas and one of over 300 PRPs at two sites in Louisiana, and a PRP at one site in

Rhode Island. The Company believes, based on presently available information, that its potential liability for clean up and other response costs in connection with these sites is not likely to have a material adverse effect on the Company's business or financial condition. See Item 3 - Legal Proceedings for additional information regarding EPA notices.

In March 1995, the Statement of Financial Accounting Standards No. 121 - "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" was issued and required to be adopted by the Company no later than the fiscal year ended June 30, 1997. Management believes that such adoption will not have a material effect on the Company's financial statements taken as a whole.

In October 1995, the SFAS No. 123 - "Accounting for Stock-Based Compensation" was issued and required to be adopted by the Company no later than the fiscal year ended June 30, 1997. SFAS No. 123 encourages, but does not require, the adoption of a fair value based method of accounting for employee stock options. Entities electing to continue to measure compensation costs using the intrinsic value based method of accounting prescribed by APB Opinion 25 - "Accounting for Stock Issued to Employees" must make pro forma disclosures of net income and earnings per share as if the fair value based method of accounting had been applied. The Company plans to continue to account for its employee stock options in accordance with the provisions of APB Opinion 25 and will provide the necessary pro forma disclosures.

ITEM 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders of Offshore Logistics, Inc.:

We have audited the accompanying consolidated balance sheets of Offshore Logistics, Inc. (a Delaware corporation) and subsidiaries as of June 30, 1996 and 1995, and the related consolidated statements of income, stockholders' investment, and cash flows for each of the three years in the period ended June 30, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Offshore Logistics, Inc. and subsidiaries as of June 30, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 1996 in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

New Orleans, Louisiana,
August 15, 1996

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
June 30, 1996 and 1995

ASSETS

	1996	1995
	(thousands of dollars)	
Current Assets		
Cash and cash equivalents	$ 57,072	$ 47,973
Investment in marketable securities	19,967	19,978
Accounts receivable	29,743	29,756
Inventories	26,724	26,710
Prepaid expenses	694	524
Total Current Assets	134,200	124,941
Investments in Unconsolidated Entities	8,792	8,829
Property and Equipment -- at cost		
Land and buildings	2,977	2,868
Aircraft and equipment	135,613	125,393
	138,590	128,261
Less--Accumulated depreciation and amortization	(64,401)	(58,558)
	74,189	69,703
Other assets, primarily goodwill	24,329	25,878
	$241,510	$229,351

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	1996	1995
Current Liabilities		
Accounts payable	$ 4,872	$ 4,647
Accrued liabilities	8,542	11,633
Current maturities of long-term debt	4,850	2,000
Total Current Liabilities	18,264	18,280
Long-term debt, less current maturities	750	5,600
Deferred Credits	2,487	2,500
Deferred Taxes	19,271	18,030
Minority Interest	1,055	1,090
Commitments	--	--
Stockholders' Investment		
Common stock, $.01 par value, authorized 35,000,000 shares; outstanding 19,498,398 in 1996 and 19,442,114 in 1995 (exclusive of 517,550 treasury shares)	195	194
Additional paid-in capital	95,934	95,379
Retained earnings	103,554	88,278
	199,683	183,851

	$241,510	$229,351

The accompanying notes are an integral part of these statements.

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended June 30,		
	1996	1995	1994
	(thousands of dollars, except per share amounts)		
Gross Revenue:			
Operating revenue	$156,766	$143,645	$ 91,666
Gain (loss) on disposal of equipment	(537)	586	3,018
	156,229	144,231	94,684
Operating Expenses:			
Direct cost	120,594	104,588	59,617
Depreciation and amortization	9,230	9,670	7,519
General and administrative	12,278	10,696	6,576
	142,102	124,954	73,712
Operating Income	14,127	19,277	20,972
Earnings from unconsolidated entities	4,056	4,050	2,020
Interest income	4,055	2,961	1,771
Interest expense	779	892	1,138
Income Before Provision for Income Taxes	21,459	25,396	23,625
Provision for income taxes	6,219	7,361	6,378
(Income) Loss of minority interest	36	415	--
Net Income	$ 15,276	$ 18,450	$ 17,247
Earnings per common share and common equivalent share	$ 0.77	$ 0.96	$ 0.96
Dividends per common share	$ --	$ --	$ --

The accompanying notes are an integral part of these statements.

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total Stockholders' Investment
	(thousands of dollars)				
BALANCE-June 30, 199	17,552,379	$176	$71,162	$ 52,581	$123,919
Net income	--	--	--	17,247	17,247
Stock options	50,000	--	401	--	401
BALANCE-June 30, 1994	17,602,379	176	71,563	69,828	141,567
Net income	--	--	--	18,450	18,450
Stock options	83,031	1	414	--	415
Warrants exercised	200,000	2	1,635	--	1,637
Stock issued for GPM	1,498,906	15	21,114	--	21,129
GPM warrants exercised	44,466	--	480	--	480
Restricted stock issued	13,332	--	173	--	173
BALANCE-June 30, 1995	19,442,114	194	95,379	88,278	183,851
Net income	--	--	--	15,276	15,276
Stock options	24,460	--	197	--	197
GPM warrants exercised	26,553	1	286	--	287
Restricted stock issued	5,271	--	72	--	72
BALANCE-June 30, 1996	19,498,398	$195	$95,934	$103,554	$199,683

The accompanying notes are an integral part of these statements.

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30, 1996	1995	1994
	(thousands of dollars)		
Cash flows from operating activities:			
Net income	$15,276	$18,450	$ 17,247
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9,230	9,670	7,519
Increase in deferred taxes	1,241	1,121	4,915

(Gain) Loss on asset dispositions	537	(586)	(3,018)
Equity in earnings from unconsolidated entities over dividends received	--	(41)	(13)
Minority interest in earnings	(36)	(415)	--
Change in assets and liabilities net of effects from acquisitions:			
(Increase) Decrease in accounts receivable	12	897	(2,662)
Increase in inventories	(558)	(1,145)	(2,654)
(Increase) Decrease in prepaid expenses and other	(2)	299	326
Increase in accounts payable	225	1,288	14
Increase (Decrease) in accrued liabilities	(3,055)	1,309	(3,939)
Increase (Decrease) in deferred credits	(13)	--	473
Net cash provided by operating activities	22,857	30,847	18,208
Cash flows from investing activities:			
Capital expenditures	(12,535)	(3,208)	(11,510)
Proceeds from asset dispositions	185	3,046	3,524
Investment in marketable securities	(11,952)	--	(15,933)
Proceeds from sale or maturity of marketable securities	11,988	--	15,744
Additional advances to GPM	--	--	(1,292)
Acquisitions, net of cash received	--	(8,234)	--
Net cash used in investing activities	(12,314)	(8,396)	(9,467)
Cash flows from financing activities:			
Repayment of debt	(2,000)	(4,235)	(9,097)
Issuance of common stock	556	2,532	401
Net cash used in financing activities	(1,444)	(1,703)	(8,696)
Net increase in cash and cash equivalents	9,099	20,748	45
Cash and cash equivalents at beginning of year	47,973	27,225	27,180
Cash and cash equivalents at end of year	$57,072	$47,973	$27,225

The accompanying notes are an integral part of these statements.

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A - SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - The Company's most significant area of operation is a major supplier of helicopter transportation services to the worldwide offshore oil and gas industry. The Company also provides production personnel and medical support services to the worldwide oil and gas industry and manufacturers, installs and maintains cathodic protection systems to arrest corrosion in oil and gas drilling and production facilities and other metal structures.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and its subsidiaries after elimination of all significant intercompany accounts and transactions.

Cash and Cash Equivalents - The Company's cash equivalents includes funds invested in highly liquid debt instruments with original maturities of 90 days or less.

Investment in Marketable Securities - The Company invests in U.S. Treasury Notes with maturities not exceeding three years. Effective July 1, 1994, the Company adopted the provisions of the Statement of Financial Accounting Standards ("SFAS") No. 115 - "Accounting for Certain Investments in Debt and Equity Securities". The effect of the adoption of SFAS No. 115 was not material to the Company's consolidated financial statements and there was no cumulative effect of an accounting change as a result of the adoption.

Accounts Receivable - Trade and other receivables are stated at net realizable value and the allowance for uncollectible accounts was $1,777,000 and $1,568,000 at June 30, 1996 and 1995, respectively. The Company grants credit to its customers, primarily major and independent oil and gas companies operating in the Gulf of Mexico, on a short-term basis.

Inventories - Inventories are stated at the lower of average cost or market and consist primarily of spare parts. The valuation reserve related to obsolete and excess inventory was $4,326,000 and $4,324,000 at June 30, 1996 and 1995. There were no related charges to operations in 1996, 1995, or 1994.

Other Assets - In 1996, $23,711,000 of goodwill, net of accumulated amortization of $2,731,000, was included in other assets. Goodwill is amortized using the straight-line method over a period of 20 years. Goodwill is recognized for the excess of the purchase price over the value of the identifiable net assets. See Note E. Realization of goodwill is periodically assessed by management based on the expected future profitability and undiscounted future cash flows of acquired companies and their contribution to the overall operations of the Company.

In March 1995, the SFAS No. 121 - "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" was issued and required to be adopted by the Company no later than fiscal year ended June 30, 1997. The Company will adopt SFAS No. 121 in 1997 and believes the adoption will have no material effect on the Company's results of operations or financial position.

Depreciation and Amortization - Depreciation and amortization are provided on the straight-line method over the estimated useful lives of the assets. Estimated residual value used in calculating depreciation of aircraft is 30% of cost.

Maintenance and repairs are expensed as incurred; betterments and improvements are capitalized. The costs and related reserves of assets sold or otherwise disposed of are removed from the accounts and resultant gains or losses included in income.

Income Taxes - Income taxes are accounted for in accordance with the provisions of the SFAS No. 109 - "Accounting for Income Taxes". Under this statement, deferred income taxes are provided for by the asset and liability method.

Earnings per Common Share - Earnings per common share is based on the weighted average number of shares of common stock and common stock equivalents outstanding during the years (19,767,039 in 1996; 19,313,276 in 1995; and 17,997,207 in 1994) computed on the treasury stock method.

The Company adopted a stockholder rights plan on February 9, 1996, designed to assure that the Company's stockholders receive fair and equal treatment in the event of any proposed takeover of the Company and to guard against partial tender offers, squeeze-outs, open market accumulations, and other abusive tactics to gain control without paying all stockholders a fair price. The rights plan was not adopted in response to any specific takeover proposal. Under the rights plan, the Company declared a dividend of one right ("Right") on each share of the Company's common stock. Each Right will entitle the holder to purchase one one-hundredth of a share of a new Series A Junior Participating Preferred Stock, par value $1.00 per share, at an exercise price of $50.00. Each Right will entitle its holder to purchase a number of common shares of the Company having a market value of twice the exercise price. The Rights are not currently exercisable and will become exercisable only in the event a person or group acquires beneficial ownership of 20 percent or more of the Company's Common Stock. The dividend distribution was made on February 29, 1996 to stockholders of record on that date. The Rights will expire on February 26, 2006.

Reference is made to the footnotes entitled "Operating Leases" and "Investments in Unconsolidated Entities" for applicable accounting policies.

B - LONG-TERM DEBT

Long-term debt at June 30, 1996 and 1995 consisted of (thousands of dollars):

	June 30, 1996	June 30, 1995
Notes payable to insurance companies; interest payable quarterly at 11.85%; collateralized by aircraft.	$ -	$2,000
Revolving credit facility Note A, expiring December 1, 1996; interest payable monthly at the bank's base rate (8.25% at June 30, 1996); collateralized by eligible receivables, inventory, and equipment of CPS (recourse to CPS only).	2,350	2,350
Revolving credit facility Note B, expiring December 1, 1996; interest payable monthly at 9.125%; collateralized by eligible receivables inventory of equipment of CPS (recourse to CPS only).	2,500	2,500
Subordinated term note payable to minority interest owner of CPS; payable upon redemption of certain shares of CPS common and preferred stock; interest payable at 5% on maturity; unsecured (recourse to CPS only).	750	750
Total Debt	5,600	7,600

Less current maturities	4,850	2,000
Total Long-term Debt	$ 750	$5,600

As of June 30, 1996, the Company had a $10 million unsecured line of credit with a bank that expires on January 31, 1997. There were no amounts outstanding during the year ended June 30, 1996.

The revolving credit facilities are for CPS, a subsidiary of the Company and is recourse to CPS only. The maximum borrowing level is limited to a borrowing base of eligible receivables, inventory, and equipment of CPS. The base cannot exceed $7.5 million. CPS's debt obligations contain covenants related to certain financial ratios and minimum capital levels.

Interest paid during the year was $743,000; $827,000; and $1,138,000 for 1996, 1995, and 1994, respectively.

In the Company's opinion, based on the borrowing rates currently available to the Company and its subsidiaries for loans with similar terms and maturities, total debt at June 30, 1996 approximates the fair value of the debt.

The Company has $4,850,000 of debt maturities due in 1997 and $750,000 due after fiscal year end 2001.

C - INVESTMENTS IN UNCONSOLIDATED ENTITIES

The Company has two principal unconsolidated entities that are accounted for on the cost method as the Company is unable to exert significant influence over the operations.

The Company has a 49% investment in Hemisco Helicopters International, Inc. ("HHII") and related venture companies. The Company's investment in HHII was $2,637,000 at June 30, 1996 and 1995, which is less than the estimated fair value of the Company's share of unencumbered assets. In the following unaudited table, HHII represents $3,755,000 and $4,727,000 of the assets and $2,241,000 and $2,984,000 of the equity for June 30, 1996 and 1995, respectively. HHII also represents $10,727,000; $13,685,000; and $19,777,000 of revenues and $1,834,000; $(305,000); and $2,478,000 of net income for the years 1996, 1995, and 1994, respectively. During 1996 and 1995, $1,556,000 and $1,550,000 in dividends were received from HHII. No material dividends were received from HHII during 1994.

The Company has a 25% investment in an Egyptian helicopter venture. The Company's investment in the venture was $5,986,000 at June 30, 1996 and 1995. During 1996, 1995, and 1994, $2,500,000; $2,500,000; and $2,027,000, respectively, in dividends were received from the venture. During 1996, the venture's Board of Directors approved a cash dividend, of which the Company's share applicable to fiscal year 1997 is approximately $2,500,000.

A summary of unaudited financial information of these principal unconsolidated entities is set forth below (thousands of dollars):

	1996	1995
Current assets	$48,418	$48,307
Non-current assets	29,521	34,212

Total assets	$77,939	$82,519
Current liabilities	$ 8,769	$ 8,868
Non-current liabilities	3,335	5,064
Equity	65,835	68,587
Total liabilities and equity	$77,939	$82,519

	1996	1995	1994
Revenues	$51,629	$54,180	$60,172
Gross profit	$20,229	$18,859	$22,235
Net income	$12,537	$11,135	$13,133

During 1996, 1995, and 1994, respectively, revenues of $5,169,000; $5,295,000; and $6,269,000 were recognized for services provided to these affiliates by the Company.

During 1994, the Company's helicopter joint venture in Brazil was terminated. Costs associated with this termination of approximately $2.7 million were charged against previously established accruals. The three helicopters involved were redeployed into the Company's other operations. The termination of the venture did not have a material effect on the Company's operations.

D - INVESTMENT IN MARKETABLE SECURITIES

Under the provision of SFAS No. 115, investments in debt and equity securities are required to be classified in one of three categories: held-to-maturity, available-for-sale, or trading. As of June 30, 1996, the Company classified all of its U.S. Treasury investments, with original maturities of more than 90 days, as available-for-sale. These investments are carried at cost which approximates market value. Approximately $8,001,000 of the U.S. Treasury investments mature within one year and approximately $11,966,000 mature from one to three years. There were $3,985,000 sales of investments in U.S. Treasury investments during the year ended June 30, 1996. The proceeds approximated the carrying cost of the investments. There were no sales of investments in U.S. Treasury investments for the year ended June 30, 1995.

E - ACQUISITIONS

Production Management Services

The Company expanded its operations in July 1992 to include production management services. During fiscal 1993 and until October 29, 1993, the Company owned 50% of Seahawk Services Ltd. ("Seahawk"), a company which provided platform and production management services, offshore medical support services, and temporary personnel to the oil and gas industry. On October 29, 1993, the Company further expanded its interest in production management services when the Company exchanged its 50% investment in Seahawk for a 27.5% interest in Grasso Corporation whose wholly-owned subsidiary, Grasso Production Management, Inc. ("GPM"), also was engaged in the production management services business. The

Company's investment in Grasso Corporation was approximately $4,128,000 at June 30, 1994. Revenues of approximately $1,556,000 and $6,232,000 were recognized for helicopter services provided to GPM and Seahawk during 1995, prior to consolidation, and 1994, respectively. The Company's share of net income related to production management services was not material.

On September 16, 1994, GPM became a wholly-owned subsidiary of the Company in a merger in which the Company acquired the remaining 72.5% interest in Grasso Corporation by issuing .49 of a share of the Company's Common Stock for each share of Grasso Corporation Common Stock owned. In addition, holders of Grasso Corporation Class B Warrants received similar warrants for shares of the Company's Common Stock. As of June 30, 1996, 114,983 shares of the Company's Common Stock were reserved for issue upon exercise of the Class B Warrants. The warrants expire on December 22, 1996. The merger was treated as a purchase for accounting purposes which resulted in goodwill of approximately $22.3 million after stepping up the assets and liabilities of Grasso Corporation. The goodwill is being amortized over a 20 year period.

The following summarized unaudited income statement data reflects the impact the GPM merger would have had on the Company's results of operations for 1995 and 1994 had the transaction taken place on July 1, 1993:

	Proforma Results for the Year Ended June 30, (unaudited)	
	1995	1994
Gross revenue	$152,866	$132,247
Income from continuing operations	$ 17,924	$ 15,589
Earnings per common share and common equivalent share:		
Income from continuing operations	$ 0.91	$ 0.80

Cathodic Protection Services

CPS manufactures, installs, and maintains cathodic protection systems to arrest corrosion in oil and gas drilling and production facilities, pipelines, oil and gas well casings, hydrocarbon processing plants, and other metal structures. In October 1994, the Company acquired 75% of CPS. The acquisition was treated as a purchase for accounting purposes which resulted in goodwill of approximately $3.8 million. The goodwill is being amortized over a 20 year period. The minority interest owner may increase their ownership at the end of five years if certain financial goals are met. At that time, the Company has the election to retain a majority ownership in CPS. The operating results from CPS have been included in the consolidated operating results since the date of acquisition. The proforma effect of this acquisition as though it had been acquired at the beginning of each of the periods presented is not material to the operating results of the Company.

Bristow Helicopters

On March 27, 1996, the Company announced that it entered into a letter of intent to purchase up to fifty percent of the capital stock of Bristow Helicopter Group Limited ("Bristow"). The seller of the Bristow capital stock is a syndicate of investors led by Morgan Grenfell Development Capital Limited of London. On September 27, 1996, the Company announced that it has also reached an agreement in principle with Caledonia Investments plc ("Caledonia"), the other major shareholder of Bristow. According to the terms of the transaction, Caledonia will reduce its economic interest in Bristow while assuming voting control, and will become a significant shareholder in the Company. Upon completion of the transaction, the Company will hold common stock of the new holding company of Bristow, along with a substantial portion of its subordinated debt. The British Civil Aviation Authority ("CAA") has approved the transaction subject to final review of definitive documentation. The transaction, which values Bristow at approximately $300 million, is also subject to final documentation, completion of a due diligence investigation by the Company, and approval by the respective Boards of Directors. The Company will finance the transaction, with a combination of Cash, debt, and common stock.

F - OPERATING LEASES

The Company has noncancelable operating leases in connection with the lease of certain equipment, land, and facilities. Rental expense incurred under these leases was $1,998,000 in 1996; $2,195,000 in 1995; and $1,741,000 in 1994. As of June 30, 1996, aggregate future payments under noncancelable operating leases are as follows: 1997 - $1,241,000; 1998 - $1,073,000; 1999 - $600,000; 2000 - $281,000; 2001 - $119,000; and thereafter $523,000.

G - INCOME TAXES

The amounts of deferred tax assets and liabilities are as follows (thousands of dollars):

	June 30, 1996	June 30, 1995
Deferred tax assets	$ 2,823	$ 3,241
Deferred tax liabilities	(22,094)	(21,271)
Net, deferred tax liability	$(19,271)	$(18,030)

The components of and changes in the net deferred taxes are as follows (thousands of dollars):

	June 30, 1994	Deferred (Expense)	Addition for Acquisition	June 30, 1995	Deferred (Expense)	June 30, 1996
DEFERRED TAX ASSETS:						
Excess of book expenses over tax expenses	$ 2,500	$ (308)	$1,049	$ 3,241	$ (418)	$ 2,823

Credit carry-forward	229	(229)	--	--	--	--
Deferred tax assets	2,729	(537)	1,049	3,241	(418)	2,823
DEFERRED TAX LIABILITIES:						
Excess of tax over book depreciation	(15,571)	(969)	22	(16,518)	(1,000)	(17,518)
Other tax expenses in excess of book expenses	(5,138)	385	--	(4,753)	177	(4,576)
Deferred tax liabilities	(20,709)	(584)	22	(21,271)	(823)	(22,094)
Net deferred tax liabilities	$(17,980)	$(1,121)	$1,071	$(18,030)	$(1,241)	$(19,271)

Income before provision for income taxes for the years ended June 30 was as follows (thousands of dollars):

	1996	1995	1994
Domestic	$10,978	$15,140	$15,497
Foreign	10,481	10,256	8,128
Total	$21,459	$25,396	$23,625

The provision for income taxes for each of the three years ended June 30, 1996 consisted of the following (thousands of dollars):

	For the year ended June 30,		
	1996	1995	1994
Current	$4,978	$6,240	$1,463
Deferred	1,241	1,121	4,915
Total	$6,219	$7,361	$6,378

The reconciliation of Federal statutory and effective income tax rates is shown below:

	For the year ended June 30,		
	1996	1995	1994
Statutory rate	35%	35%	35%
Utilization of foreign tax credits	(5)	(7)	(4)
Additional taxes on foreign source income	2	3	1
Foreign source income not taxable	(7)	(4)	0
Utilization of Foreign net operating losses	0	0	(5)
State taxes provided	2	3	2
Other, net	2	(1)	(2)
Effective tax rate	29%	29%	27%

Federal Income Tax returns of the Company and subsidiaries have been settled through 1990. In addition, Federal Income Tax returns of the Company and subsidiaries have been examined through 1994. The Company does not expect any significant net unfavorable adjustment as a result of this examination.

Unremitted foreign earnings reinvested abroad upon which deferred income taxes have not been provided aggregated approximately $18.8 million at June 30, 1996. Due to the timing and circumstances of repatriation of such earnings, if any, it is not practicable to determine the unrecognized deferred tax liability relating to such amounts. Withholding taxes, if any, upon repatriation would not be significant.

Income taxes paid during 1996, 1995, and 1994 were $5,656,000; $3,843,000; and $3,097,000, respectively.

H - EMPLOYEE BENEFIT PLANS

Savings and Retirement Plans

The Company currently has four defined contribution plans which cover substantially all employees.

The Offshore Logistics, Inc. Employee Savings and Retirement Plan ("OLOG Plan") covers Corporate and Aviation Division employees, except for those covered under the Alaska Plan. Under the OLOG Plan, the Company matches each participant's contributions up to 3% of the employee's compensation. In addition, if net income exceeds 10% of stockholders' investment at the beginning of the year, the Company contributes funds to acquire Company stock up to an additional 3% of the employee's compensation, subject to a scheduled vesting period.

The Air Logistics of Alaska, Inc. Cash or Deferred Profit Sharing Plan and Trust ("Alaska Plan") covers Aviation Division employees working in the State of Alaska. Under the Alaska Plan, the Company matches each participant's contributions up to 4% of the employee's compensation.

The Grasso Production Management, Inc. Thrift & Profit Sharing Trust covers eligible GPM employees. The Company matches 25% of each participant's contributions up to 6% of the employee's compensation.

CPS is a participant in the Curran Companies 401(k) Plan which covers eligible CPS employees. The Company matches 50% of each participant's contributions up to 3% of the employee's compensation.

The Company's contributions to the four plans were $744,000; $1,102,000; and $952,000 for the years ended June 30, 1996, 1995, and 1994, respectively.

Incentive and Stock Option Plans

Under the 1994 Long-Term Management Incentive Plan ("1994 Plan"), a total of 900,000 shares of Common Stock, or cash equivalents of Common Stock, are available for awards to officers and key employees. Awards granted under the 1994 Plan may be in the form of stock options, stock appreciation rights, restricted stock, deferred stock, other stock-based awards or any combination thereof. Options become exercisable at such time or times as determined at the date of grant, and expire no more than ten years after the date of grant. Incentive stock option prices are determined by the Board and cannot be less than fair market value at date of grant. Non-qualified stock option prices cannot be less than 50% of the fair market value at date of grant.

The Annual Incentive Compensation Plan ("Annual Plan") provides for an annual award of cash bonuses to key employees based on pre-established objective measures of Company performance. Participants are permitted to receive all or any part of their annual incentive bonus in the form of shares of Restricted Stock in accordance with the terms of the 1994 Plan. The amount of bonuses related to this plan were $124,000; $407,000; and $518,000 for the years ended June 30, 1996, 1995, and 1994, respectively.

The 1991 Non-qualified Stock Option Plan for Non-employee Directors ("1991 Plan") provides for 200,000 shares of Common Stock to be reserved for issuance pursuant to such plan. As of the date of each annual meeting each non-employee director, who meets certain attendance criteria, will automatically be granted an option to purchase 2,000 shares of the Company's Common Stock. The exercise price of the options granted shall be equal to the fair market value of the Common Stock on the date of grant and are exercisable not earlier than six months after the date of grant.

The Company also has in effect two other stock option plans under which options to purchase the Company's Common Stock have been issued to employees. Since approval of the 1994 Plan and the Annual Plan, no further grants or awards under these two stock option plans can be made. Options were granted at fair market value and expire ten years after date of grant.

A summary of stock option transactions for all of the Company's stock option plans are as follows:

	Number of Shares	Option Price Per Share
Outstanding - June 30, 1994	721,500	$1.00 -- $15.4375
Granted	244,391	
Exercised	(83,031)	
Expired or Cancelled	(19,900)	
Outstanding - June 30, 1995	862,960	$1.00 -- $15.4375
Granted	164,000	
Exercised	(24,460)	
Expired or Cancelled	(14,000)	
Outstanding - June 30, 1996	988,500	$1.00 -- $15.4375

As of June 30, 1996 and 1995, 838,500 and 699,960, respectively, options were exercisable at prices ranging from $1.00 to $15.4375 per share. Under the Company's stock option plans there were 1,764,000 shares of Common Stock reserved for issue at June 30, 1996.

In December 1990, the SFAS No. 106 - "Employers' Accounting for Post Retirement Benefits Other Than Pensions" was issued and required to be adopted by the Company no later than the fiscal year ended June 30, 1994. The Company presently offers no post retirement benefits which would be required to be recorded by the Statement.

In November 1992, the SFAS No. 112 - "Accounting for Post Employment Benefits" was issued and required to be adopted by the Company no later than the fiscal year ended June 30, 1995. The Company presently offers no post employment benefits which would be required to be recorded by the Statement.

In October 1995, the SFAS No. 123 - "Accounting for Stock-Based Compensation" was issued and required to be adopted by the Company no later than the fiscal year ended June 30, 1997. SFAS No. 123 encourages, but does not require, the adoption of a fair value based method of accounting for employee stock options. Entities electing to continue to measure compensation costs using the intrinsic value based method of accounting prescribed by APB Opinion 25 - "Accounting for Stock Issued to Employees" must make pro forma disclosures of net income and earnings per share as if the fair value based method of accounting had been applied. The Company plans to continue to account for its employee stock options in accordance with the provisions of APB Opinion 25 and will provide the necessary pro forma disclosures.

I - SEGMENT INFORMATION

The Company operates principally in three business segments: Aviation Services, GPM, and CPS. The Company's Aviation Division, Air Logistics, is a major supplier of helicopter transportation services to the worldwide offshore oil and gas industry. GPM provides production management services, contract personnel, and medical support services to the domestic and international oil and gas industry. CPS manufactures, installs, and maintains cathodic protection systems to arrest corrosion in oil and gas drilling and production facilities, pipelines, oil and gas well casings, hydrocarbon processing plants, and other metal structures. The following shows industry segment information for the fiscal years ended June 30, 1996 and 1995 (in thousands):

	1996	1995
Operating Revenues: (1)		
Aviation Services	$ 86,079	$ 85,526
GPM	31,209	32,810
CPS	39,478	25,309
Total	$156,766	$143,645
Operating Profit (Loss):		
Aviation Services	$ 17,612	$ 24,079
GPM	(183)	223
CPS	311	(1,330)
Total segment operating profit	$ 17,740	$ 22,972

Corporate overhead	(3,614)	(3,695)
Earnings from unconsolidated entities	4,056	4,050
Interest income, net	3,277	2,069
Pre-tax income	$ 21,459	$ 25,396

(1) Net of Inter-Segment revenues of $4,273,000 and $4,764,000 for 1996 and 1995, respectively.

	Capital Expenditures	
	1996	1995
Aviation Services	$11,908	$2,609
GPM	99	198
CPS	528	401
Total	$12,535	$3,208

	Depreciation and amortization	
	1996	1995
Aviation Services	$7,082	$7,357
GPM	1,347	1,727
CPS	682	470
Corporate	119	116
Total	$9,230	$9,670

	Identifiable Assets	
	1996	1995
Aviation Services	$164,560	$152,150
GPM	26,684	30,529
CPS	17,990	17,640
Corporate	32,276	29,032
Total	$241,510	$229,351

All of the Company's operating revenues and operating profits for the year ended June 30, 1994, were from Aviation Services.

Segment information by geographic areas for the years ended June 30, 1996, 1995, and 1994 is as follows (thousands of dollars):

	United States	Foreign	Consolidated
1996			
Operating revenue	$140,689	$16,077	$156,766
Operating profit	$ 13,480	$ 4,260	$ 17,740
Earnings from unconsolidated entities			4,056
Corporate overhead			(3,614)
Interest income, net			3,277
Pre-tax income			$ 21,459
Identifiable assets at June 30	$180,850	$60,660	$241,510
1995			
Operating revenue	$129,340	$14,305	$143,645
Operating profit	$ 18,551	$ 4,421	$ 22,972
Earnings from unconsolidated entities			4,050
Corporate overhead			(3,695)
Interest income, net			2,069
Pre-tax income			$ 25,396
Identifiable assets at June 30	$176,878	$52,473	$229,351
1994			
Operating revenue	$ 75,240	$16,426	$ 91,666
Operating profit	$ 19,383	$ 5,242	$ 24,625
Earnings from unconsolidated entities			2,020
Corporate overhead			(3,653)
Interest income, net			633
Pre-tax income			$ 23,625
Identifiable assets at June 30	$121,350	$52,895	$174,245

During 1996, 1995, and 1994, the Company conducted operations in approximately ten foreign countries as well as in the United States. Due to the nature of the principal assets of the Company, they are regularly and routinely moved between operating areas (both domestic and foreign) to meet changes in market and operating conditions. Identifiable assets in 1996, 1995, or 1994 attributable to operations in any one foreign country or any single customer were not "significant" as defined in SFAS No. 14. The Company earned revenues totaling $11,964,000 from one customer in 1994. Revenue earned from any single customer did not exceed 10% of total revenues during 1996 or 1995. United States registered equipment is chartered to foreign subsidiaries from time to time at rates sufficient to cover costs plus a reasonable return. These revenues ($7,441,000 in 1996; $7,118,000 in 1995; and $5,630,000 in 1994) have been eliminated in the amounts shown above.

J - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	Quarter Ended			
	Sept. 30	Dec. 31	Mar. 31	June 30
	(thousands of dollars, except per share amounts)			
1996				
Revenue	$38,767	$39,944	$37,800	$39,718
Gross profit	6,742	6,152	6,854	6,657
Net income	3,659	3,456	4,111	4,050
Earnings per common share	0.19	0.18	0.21	0.20
1995				
Revenue	$26,225	$41,695	$36,514	$39,797
Gross profit	7,691	8,127	6,421	7,734
Net income	5,018	5,220	3,880	4,332
Earnings per common share	0.28	0.27	0.20	0.22
1994				
Revenue	$21,976	$23,032	$25,794	$23,882
Gross profit	7,152	6,657	7,527	6,212
Net income	4,427	4,100	4,805	3,915
Earnings per common share	0.25	0.23	0.27	0.22

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

There is incorporated by reference herein the information under the caption "Information Concerning Nominees" contained in the registrant's definitive proxy statement in connection with the Annual Stockholders Meeting to be held on December 5, 1996.

ITEM 11. Executive Compensation

There is incorporated by reference herein the information under the caption "Executive Compensation" contained in the registrant's definitive proxy statement in connection with the Annual Stockholders Meeting to be held on December 5, 1996.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

There is incorporated by reference herein the information under the captions "Security Ownership of Certain Beneficial Owners" and "Information Concerning Nominees" contained in the registrant's definitive proxy statement in connection with the Annual Stockholders Meeting to be held on December 5, 1996.

ITEM 13. Certain Relationships and Related Transactions

There is incorporated by reference herein the information under the caption "Executive Compensation" contained in the registrant's definitive proxy statement in connection with the Annual Stockholders Meeting to be held on December 5, 1996.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial Statements:
- Report of Independent Public Accountants
- Consolidated Balance Sheet - June 30, 1996 and 1995
- Consolidated Statement of Income for the three years ended June 30, 1996
- Consolidated Statement of Stockholders' Investment for the three years ended June 30, 1996
- Consolidated Statement of Cash Flows for the three years ended June 30, 1996
- Notes to Consolidated Financial Statements

All schedules have been omitted since the information required is included in the financial statements or notes or have been omitted as not applicable or not required.

Exhibits	Incorporated by Reference to Registration or File No.	Form or Report	Date	Exhibit Number
(3) Articles of Incorporation and By-laws				
(1) Delaware Certificate of Incorporation	0-5232	10-K	Jun 1989	3(10)
(2) Agreement and Plan of Merger dated December 29, 1987	0-5232	10-K	Jun 1989	3(11)
(3) Certificate of Merger dated December 29, 1987	0-5232	10-K	Jun 1990	3(3)
(4) Certificate of Correction of Certificate of Merger dated January 20, 1988	0-5232	10-K	Jun 1990	3(4)
(5) Certificate of Amendment of Certificate of Incorporation dated November 30, 1989	0-5232	10-K	Jun 1990	3(5)
(6) Certificate of Amendment of				

	Certificate of Incorporation dated December 9,1992	0-5232	8-K	Dec 1992	3
(7)	Rights Agreement and Form of Rights Certificate	0-5232	8-A	Feb 1996	4
(8)	Amended and Restated By-laws	0-5232	8-K	Feb 1996	3(7)
(9)	Certificate of Designation of Series A Junior Participating Preferred Stock				
(10) Material Contracts					
(1)	1978 Stock Option and Stock Appreciation Rights Plan, as amended *	33-14800	S-8	Jun 1987	4(a)
(2)	Employee Incentive Award Plan *	0-5232	10-K	Jun 1981	10(5)
(3)	Executive Severance Agreement, similar contract omitted pursuant to Instruction 2 to Item 601 of Regulation S-K *	0-5232	10-K	Jun 1989	10(12)
(4)	Executive Welfare Benefit Agreement, similar agreement omitted pursuant to Instruction 2 to Item 601 of Regulation S-K *	33-9596	S-4	Dec 1986	10(ww)
(5)	Executive Welfare Benefit Agreement, similar agreements are omitted pursuant to Instruction 2 to Item 601 of Regulation S-K *	33-9596	S-4	Dec 1986	10(xx)
(6)	Offshore Logistics, Inc. 1991 Non-qualified Stock Option Plan for Non-employee Directors *	33-50946	S-8	Aug 1992	4.1
(7)	Agreement and Plan of Merger dated as of June 1, 1994, as amended	33-79968	S-4	Aug 1994	2(1)
(8)	Shareholders Agreement dated as of June 1, 1994	33-79968	S-4	Aug 1994	2(2)
(9)	Proposed Form of Non-competition Agreement with Individual Shareholders	33-79968	S-4	Aug 1994	2(3)
(10)	Proposed Form of Joint Venture Agreement	33-79968	S-4	Aug 1994	2(4)
(11)	Grasso Corporation 1990 Long-Term				

Incentive Plan *	33-85670	S-8	Oct 1994	14
(12) Offshore Logistics, Inc. 1994 Long-Term Management Incentive Plan *	33-87450	S-8	Dec 1994	84
(13) Offshore Logistics, Inc. Annual Incentive Compensation Plan *	0-5232	10-K	Jun 1995	10(20)

* Compensatory Plan or Arrangement

Agreements with respect to certain of the Company's long-term debt are not filed as Exhibits hereto inasmuch as the debt authorized under any such Agreement does not exceed 10% of the Company's total assets. The Company agrees to furnish a copy of each such Agreement to the Securities and Exchange Commission upon request.

(21) Subsidiaries of the registrant.

(23) Consent of Independent Public Accountants.

(27) Financial Data Schedule.

(b) Reports on Form 8-K

The Company filed a Form 8-K dated February 8, 1996. Information reported was under Item 5 - Other Events Related to the Company's Amended and Restated By-laws.

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.

OFFSHORE LOGISTICS, INC.

By: /s/ George M. Small

George M. Small
Vice President - Chief Financial Officer
(Principal Financial and Accounting Officer)

September 27, 1996

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/ James B. Clement ------------------------ James B. Clement	Chairman of the Board, President Chief Executive Officer, and Director	September 27, 1996

/s/ Louis F. Crane - ----------------------- Louis F. Crane	Director	September 27, 1996
/s/ David S. Foster - ----------------------- David S. Foster	Director	September 27, 1996
/s/ David M. Johnson - ----------------------- David M. Johnson	Director	September 27, 1996
/s/ Kenneth M. Jones - ----------------------- Kenneth M. Jones	Director	September 27, 1996
/s/ Harry C. Sager - ----------------------- Harry C. Sager	Director	September 27, 1996
/s/ George M. Small - ----------------------- George M. Small	Vice President, Chief Financial Officer, and Director	September 27, 1996
- ----------------------- Howard Wolf	Director	September 27, 1996

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EXHIBIT 3(9)

CERTIFICATE OF DESIGNATIONS

of

SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

of

OFFSHORE LOGISTICS, INC.

(Pursuant to Section 151 of the Delaware General Corporation Law)

Offshore Logistics, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law at a meeting duly called and held on February 8, 1996:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Certificate of Incorporation, the Board of Directors hereby creates a series of Preferred Stock, par value $.01 per share (the "Preferred Stock"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

Section 1. DESIGNATION AND AMOUNT. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 1,000,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. DIVIDENDS AND DISTRIBUTIONS.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value $.01 per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. VOTING RIGHTS. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. CERTAIN RESTRICTIONS.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. REACQUIRED SHARES. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. LIQUIDATION, DISSOLUTION OR WINDING UP. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A

Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. CONSOLIDATION, MERGER, ETC. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. NO REDEMPTION. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. RANK. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock.

Section 10. AMENDMENT. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its Chairman of the Board and attested by its Secretary this 29th day of February, 1996.

/s/ James B. Clement

Chairman of the Board

Attest:

/s/ George M. Small
- -------------------------------
Secretary

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into the Company's previously filed Registration Statement File No. 33-87450.

/s/ ARTHUR ANDERSEN LLP

New Orleans, Louisiana
September 27, 1996

EXHIBIT 21

OFFSHORE LOGISTICS, INC.

Subsidiaries of the Registrant at June 30, 1996

Company	Place of Incorporation	Percentage of Voting Stock Owned
Offshore Logistics International, Inc.	Panama	100%
Petroleum Air Services	Egypt	25%
Hemisco Helicopters International, Inc.	Panama	49%
Aircopter Maintenance International, Inc.	Panama	49%
Heliflight Services, Inc.	Texas	49%
Guaranty Financial International, N.A.	Netherlands Antilles	49%
Pumpkin Air, Inc.	Texas	100%
Airlog International, Inc.	Panama	100%
Airlog Part Sales, Inc.	Louisiana	100%
Grasso Corporation	Delaware	100%
Heliservicio Campeche S.A. de C.V.	Mexico	49%
Cathodic Protection Services Company	Delaware	75%
Air Logistics of Alaska, Inc.	Alaska	100%
Medic Systems, Inc.	Delaware	100%
Medic Systems International, Inc.	Panama	100%
Offshore Logistics Management Services, Inc.	Louisiana	100%