SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

X Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 1996

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period 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)	(IRS Employer Identification Number)
224 Rue de Jean P. O. Box 5C, Lafayette, LA	70505
(Address of principal executive offices)	(Zip Code)

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

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Indicate the number shares outstanding of each of the issuer's classes of Common Stock, as of March 31, 1996.

19,491,351 shares of Common Stock, $.01 par value

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES
Consolidated Statement of Income
(thousands of dollars, except per share amounts)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	1996	1995	1996	1995
GROSS REVENUE				
Operating revenue	$37,800	$36,352	$116,669	$104,093

Gain (loss) on disposal of equipment	--	162	(158)	341
	37,800	36,514	116,511	104,434
OPERATING EXPENSES				
Direct cost	28,472	27,359	89,952	74,826
Depreciation and amortization	2,474	2,734	6,811	7,369
General and administration	3,085	2,859	9,337	7,479
	34,031	32,952	106,100	89,674
OPERATING INCOME	3,769	3,562	10,411	14,760
Earnings from unconsolidated entities	1,221	1,025	2,955	3,425
Interest income	966	727	3,017	2,035
Interest expense	197	205	597	650
INCOME BEFORE PROVISION FOR INCOME TAXES	5,759	5,109	15,786	19,570
Provision for income taxes	1,670	1,480	4,578	5,690
(Income) Loss of minority interest	22	251	18	238
NET INCOME	$4,111	$3,880	$11,226	$14,118
Earnings per common share and common equivalent share	$ 0.21	$ 0.20	$ 0.57	$ 0.74
Common shares and common equivalent shares outstanding	19,751,332	19,722,682	19,749,167	19,187,309

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES
Consolidated Balance Sheet
(thousands of dollars)

	March 31, 1996	June 30, 1995
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 54,232	$ 47,973
Investment in marketable securities	19,963	19,978
Accounts receivable	28,285	29,756
Inventories	27,693	26,710
Prepaid expenses	1,238	524
Total current assets	131,411	124,941
Investments in unconsolidated entities	8,801	8,829
Property and equipment - at cost:		
Land and buildings	2,977	2,868
Aircraft and equipment	135,814	125,393
	138,791	128,261
Less: accumulated depreciation and amortization	(63,516)	(58,558)
	75,275	69,703
Other assets, primarily goodwill	24,775	25,878
	$240,262	$229,351

LIABILITIES AND STOCKHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Accounts payable	$ 6,285	$ 4,647
Accrued liabilities	10,234	11,633
Current maturities of long-term debt	6,850	2,000
Total current liabilities	23,369	18,280
Long-term debt -- less current maturities	900	5,600
Deferred taxes	18,738	18,030
Deferred credits	625	2,500
Minority interest	1,072	1,090
STOCKHOLDERS' INVESTMENT:		
Common Stock, $.01 par value, authorized 35,000,000 shares; outstanding 19,491,351 and 19,442,114 at March 31 and June 30, respectively (exclusive of 517,550 treasury shares)	195	194
Additional paid in capital	95,859	95,379
Retained earnings	99,504	88,278
	195,558	183,851
	$240,262	$229,351

OFFSHORE LOGISTICS, INC. AND SUBSIDIARIES
Consolidated Statement of Cash Flows
(thousands of dollars)

	Nine Months Ended March 31, 1996	Nine Months Ended March 31, 1995
Cash flows from operating activities:		
Net income	$ 11,226	$ 14,118
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,811	7,369
Increase in deferred taxes	708	490
Loss (Gain) on asset dispositions	158	(341)
Equity in earnings from unconsolidated entities over dividends received	--	(41)
Minority interest in earnings	(18)	(238)
Decrease in accounts receivable	1,471	3,459
Increase in inventories	(577)	(732)
Decrease (Increase) in prepaid expenses and other	(648)	47
Increase in accounts payable	1,638	449
Decrease in accrued liabilities	(1,414)	(323)
Decrease in deferred credits	(1,875)	(1,875)
Net cash provided by operating activities	17,480	22,382
Cash flows from investing activities:		
Capital expenditures	(12,039)	(3,076)
Proceeds from asset dispositions	151	2,216
Investment in marketable securities	(11,952)	--
Proceeds from sale or maturity of marketable securities	11,988	--
Acquisitions, net of cash received	--	(8,231)

Net cash used in investing activities	(11,852)	(9,091)
Cash flows from financing activities:		
Proceeds from borrowings	150	--
Repayment of debt	--	(3,730)
Issuance of common stock	481	2,026
Net cash provided by (used in) financing activities	631	(1,704)
Net increase in cash	6,259	11,587
Cash and cash equivalents at beginning of year	47,973	27,225
Cash and cash equivalents at end of quarter	$ 54,232	$38,812
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ 570	$ 611
Income taxes	4,553	3,453

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1996

NOTE A - Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. In the opinion of management, any adjustments considered necessary for a fair presentation have been included. Operating results for the nine months ended March 31, 1996, are not necessarily indicative of the results that may be expected for the year ending June 30, 1996. For further information, refer to the consolidated financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended June 30, 1995.

NOTE B - 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, Inc. ("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 service 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. In addition, holders of Grasso Corporation Class B warrants received similar warrants for shares of the Company's Common Stock. 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 income statement data reflects the impact the GPM merger would have had on the Company's results of operations had the transactions taken place on July 1, 1994:

Pro forma Results for the Nine Months Ended March 31, 1995	
Gross revenue	$113,069
Net income	$ 13,646
Earnings per common share and common equivalent share	$ .69

NOTE C - Cathodic Protection Services

In October 1994, the Company acquired 75% of 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, oil and gas well casings, hydrocarbon processing plants, and other metal structures. 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 pro forma effect of this acquisition as though it had been acquired at the beginning of fiscal 1995 is not material to the operating results of the Company.

NOTE D - Preferred Share Purchase Rights Plan

On February 9, 1996, the Company adopted a Preferred Share Purchase Rights Plan designed to assure that all of 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 and other abusive tactics to gain control without paying all stockholders a fair price. Under the rights plan, the Company declared a dividend of one Preferred Share Purchase Right on each outstanding share of Common Stock. Under certain circumstances, each Right will entitle its holder to purchase one one-hundredth of a share of a new series of junior participating preferred stock, at an exercise price of $50. The Rights were distributed to stockholders of record on February 29, 1996 and trade with the Company's Common Stock until exercisable. The Rights extend for ten years and will expire on February 28, 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

A summary of operating results for the applicable periods is as follows:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	1996	1995	1996	1995
Gross revenue	$37,800	$36,514	$116,511	$104,434
Operating expenses	34,031	32,952	106,100	89,674
Operating income	3,769	3,562	10,411	14,760
Earnings from unconsolidated				

entities	1,221	1,025	2,955	3,425
Interest income	966	727	3,017	2,035
Interest expense	197	205	597	650
Income before provision for income taxes	5,759	5,109	15,786	19,570
Provision for income taxes	1,670	1,480	4,578	5,690
(Income) Loss of minority interest	22	251	18	238
Net income	$ 4,111	$ 3,880	$ 11,226	$ 14,118

RESULTS OF OPERATIONS

Consolidated --

Consolidated operating revenues and expenses for the nine months ended March 31, 1996 were $116.7 million and $106.1 million, respectively, a $12.6 million and $16.4 million increase from the prior year. The increase is primarily attributable to the consolidation of GPM and CPS during the prior year. Consolidated operating revenues and expenses for the three months ended March 31, 1996 were $37.8 million and $34.0 million, respectively, a $1.4 million and $1.1 million increase compared to the prior year. Operating revenues for helicopter services and CPS increased $1.1 million and $2.9 million, respectively, offset by a decrease in GPM revenues of $3.0 million. Operating expenses for helicopter services and CPS increased $1.3 million and $1.9 million, respectively, offset by a decrease in GPM expenses of $2.7 million.

Helicopter Services --

Total flight hours were approximately 25,200 and 79,200 for the three months and nine months ended March 31, 1996, respectively, a 1% and 7% decrease compared to the same period in the prior year. Operating revenues from helicopter services were $22.0 million and $65.9 million for the three and nine months ended March 31, 1996, respectively, a 5% increase and 4% decrease compared to the same period in the prior year. The decrease in flight hours with the contrasting increase, or smaller decrease, in operating revenues is primarily due to a change in the mix of aircraft operating. Operating expenses for helicopter services were $17.2 million and $53.1 million for the three months and nine months ended March 31, 1996, an 8% and 4% increase compared to the same period in the prior year.

Gulf of Mexico flight activity was down approximately 900 and 6,900 hours for the three months and nine months ended March 31, 1996, respectively, a 4% and 10% decrease compared to the same period in the prior year. Operating revenues for the Gulf of Mexico were $18.7 million and $55.6 million for the three months and nine months ended March 31, 1996, respectively, an increase of approximately $0.9 million and a decrease of approximately $1.6 million, respectively, compared to the same period in the prior year. Although total Gulf of Mexico flight hours are down from the prior year, operating revenues have begun to show improvement as more flight time was logged by larger aircraft. Operating expenses for the Gulf of Mexico for the three months and nine months ended March 31, 1996 were $15.6 million and $48.0 million, respectively, a $1.5 million and $3.5 million increase compared to the same periods in the prior year. The increase in operating expenses is primarily attributable to increases in maintenance and repair expenditures. Due to the reductions in operating revenues and the increase in expenditures, gross margins from Gulf of Mexico operations were below prior year. Gross margins, excluding asset dispositions, for the three months and nine months ended

March 31, 1996, were 16.4% and 13.7%, respectively. Prior year gross margins were 20.8% and 22.2%, respectively.

Alaska flight activity, revenues, and expenses for the three months and nine months ended March 31, 1996 were down in comparison with the same periods in the prior year as a result of decreased activity from Alaska's major customer. Alaska operating revenues for the three months and nine months ended March 31, 1996 were $1.6 million and $5.1 million, respectively. Alaska operating expenses for the same periods were $1.1 million and $3.6 million, respectively. Operating income from Alaska was $0.5 million and $1.5 million, for the three months and nine months ended March 31, 1996, respectively, relatively unchanged from the prior year.

International activity has increased from the prior year. International flight hours for the three months and nine months ended March 31, 1996 were approximately 3,900 hours and 12,100 hours, respectively, a 23% and 17% increase from the prior year. International operating revenues were $3.8 million and $11.2 million for the three months and nine months ended March 31, 1996. International operating expenses for the same periods were $2.5 million and $7.5 million, respectively. International operating income was $1.3 million and $3.6 million, for the three months and nine months ended March 31, 1996, respectively, a $0.4 million increase from the prior year.

Production Management Services --

Operating revenues from GPM were approximately $7.4 million and $24.0 million for the three months and nine months ended March 31, 1996, respectively. Prior year operating revenues were $10.4 million and $23.2 million for the three months ended March 31, 1995 and for the period from consolidation (September 16, 1994) to March 31, 1995, respectively. The decrease in operating revenues for the three months ended March 31, 1996 compared to the prior year relates to reductions in activity levels. Operating expenses from GPM were approximately $7.7 million and $24.1 million for the three months and nine months ended March 31, 1996, respectively. Prior year operating expenses were $10.4 million and $23.0 million for the three months ended March 31, 1995 and for the period from consolidation (September 16, 1994) to March 31, 1995, respectively. GPM gross margins for the three months ended March 31, 1996 was a loss of $0.3 million. Management has implemented several cost containment measures which should have a positive impact on GPM's future performance.

Cathodic Protection Services --

Operating revenues from CPS were approximately $9.2 million and $29.9 million for the three months and nine months ended March 31, 1996, respectively. Prior year operating revenues were $6.3 million and $15.5 million for the three months ended March 31, 1995 and for the period from consolidation to March 31, 1995, respectively. The increase in operating revenues for the three months ended March 31, 1996 compared to the prior year relates primarily to increased sales effort and increased prices in certain raw material sold. Operating expenses from CPS were approximately $9.2 million and $29.5 million for the three months and nine months ended March 31, 1996, respectively. Prior year operating expenses were $7.3 million and $16.2 million for the three months ended March 31, 1995 and for the period from consolidation to March 31, 1995, respectively. CPS gross margins for the three months and nine months ended March 31, 1996 were break-even and $0.4 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents (including marketable securities) were $74.2 million as of March 31, 1996, a $6.2 million increase from fiscal year end 1995. Total debt was $7.8 million as of March 31, 1996. The increase in current maturities of long-term debt is due to the CPS revolving credit facility expiring in less than 12 months. CPS Management expects to renew this credit facility with similar terms before its expiration.

As of March 31, 1996, the Company had $10 million of credit available under an unsecured working capital line of credit from a bank. Management believes that normal operations will provide sufficient working capital and cash flow to meet debt service for the foreseeable future.

On February 8, 1996, the Board of Directors authorized management of the Company to repurchase up to 1,000,000 shares of the Company's Common Stock when warranted by market conditions.

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 Helicopters Group Limited ("Bristow"). The seller of the Bristow capital stock is a syndicate of investors led by Morgan Grenfell Development Capital Limited of London. Completion of the transaction is conditional upon the satisfaction of several conditions, including the execution of a definitive agreement, completion of a due diligence investigation by the Company and various regulatory approvals.

The effective income tax rates from continuing operations were 29% for the nine months ended March 31, 1996 and 1995, and is based on the Company's projected effective tax rate for the fiscal year then ended.

The Company has received notices from the United States Environmental Protection Agency that it is one of approximately 160 potentially responsible parties ("PRP") at one Superfund site in Texas, one of over 300 PRPs at two sites in Louisiana, and a PRP at a 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.

PART II

Item 6. Exhibits and Reports on Form 8-K

(a) Listed below are the documents filed as exhibits to this report.

Exhibit 11
Computation of Earnings Per Share

Exhibit 27
Financial Data Schedule

(b) The Company filed a form 8-K dated February 29, 1996. Information reported was under Item 5 - Other Events Related to the Shareholder Rights Agreement.

SIGNATURES

Pursuant to the requirements 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/ James B. Clement

JAMES B. CLEMENT
President
Chief Executive Officer

DATE: May 15, 1996

BY: /s/ George M. Small

GEORGE M. SMALL
Vice President
Chief Financial Officer

DATE: May 15, 1996

EXHIBIT 11
Computation of Earnings Per Share

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995	Nine Months Ended March 31, 1996	Nine Months Ended March 31, 1995
PRIMARY:				
Weighted average shares outstanding	19,489,188	19,417,742	19,476,389	18,855,639
Net effect of dilutive stock warrants based on the Treasury Stock method using average market price	19,859	17,162	21,550	40,947
Net effect of dilutive options based on the Treasury Stock method using average market price	242,285	287,778	251,228	290,723
	19,751,332	19,722,682	19,749,167	19,187,309
FULLY DILUTED:				
Weighted average shares outstanding	19,489,188	19,417,742	19,476,389	18,855,639
Net effect of dilutive stock warrants based on the Treasury Stock method using end of period market price	21,706	18,021	23,546	42,662
Net effect of dilutive stock options based on the Treasury Stock method using end of period market price	254,640	292,524	261,487	297,157
	19,765,534	19,728,287	19,761,422	19,195,458

(thousands of dollars, except per share data)

Net income	$ 4,111	$ 3,880	$ 11,226	$ 14,118
Per share amount - Primary	$ 0.21	$ 0.20	$ 0.57	$ 0.74
Per share amount - Fully diluted	$ 0.21	$ 0.20	$ 0.57	$ 0.74

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