

OFFSHORE FRONTIERS

Gulf of Guinea:
Performance People
Second in an Africa Series



Robert L. Long
President and CEO

Welcome

The Gulf of Guinea stands out as one of the most active and promising offshore drilling markets in the world. The Gulf already possesses the majority of West Africa's known petroleum reserves, led by Nigeria, the world's eighth-largest crude oil exporter, and clients are in the process of choosing multiple rigs for planned deepwater projects to raise production.

Our 5th-Generation and 4th-Generation rigs continue to deliver efficient and effective drilling services in the Gulf of Guinea. For years, the *Sedco 709* and *M.G. Hulme, Jr.* have performed well for clients, notably the *Sedco 709*'s batch-drilling for Shell on the initial phase of its Bonga development. In ultra-deepwater, the *Deepwater Discovery* has drilled by far the most wells in more than 5,000 feet of water across the Gulf of Guinea, and the *Sedco Energy* has delivered time savings for clients in Nigeria.

Our shallow water and inland water achievements have also been substantial over the past 40 years, starting with the area's first major drilling campaign in 1961 off Gabon.

Today, our company is the largest offshore contract driller in the Gulf of Guinea. We have expanded local content and development of personnel, which benefits host countries' economies, and have implemented a performance team focused on achieving our vision of zero incidents and continuous improvement. We are well positioned to help state petroleum companies, as well as majors and independents, to achieve their goals of increasing petroleum reserves in a dynamic and highly prospective hydrocarbon area.

A handwritten signature in white ink, appearing to read "R. Long", written in a cursive style.

CONTENTS

July 2004

Volume 5. Number 1



Mission Statement:

To be the premier offshore drilling company providing worldwide, rig-based well-construction services to our customers through the integration of motivated people, quality equipment and innovative technology, with a particular focus on technically demanding environments.

Core Values:

Financial Discipline
Integrity and Honesty
Respect for Employees,
Customers and Suppliers
Safety
Technical Leadership

Offshore Frontiers is published twice a year for employees, customers and other key audiences.

Executive Editor & Writer:

Guy Cantwell
Corporate Communications Manager
4 Greenway Plaza
Houston, Texas USA 77046
gcantwell@houston.deepwater.com

Contributing Writers:

Leif Nelson
Theresa Seegers
Serge Schultz

Design:

Ellen Custer

Illustration:

Mike Dean

Photography:

Guy Cantwell
Ken Childress
Gary Cook
Bill Curtsinger/National Geographic
Joey Davenport
Gail W. Hearn, Ph.D.
Wayne A. Morra
Steve Raymer/National Geographic
Cristina Santiestevan
Kees Van Pelt

Printing:

Chas. P. Young

Visit us at our Web site:

www.deepwater.com

On the Cover:

Paintbrush at the ready, *Sedco Energy* Roustabout Kelvin Friday is one of 1,200 performance people at Transocean who are helping clients pursue major, new projects in the Gulf of Guinea.

FEATURES

Offshore Frontiers continues its coverage of Transocean in Africa. The last issue focused on Angolan operations. This edition features operations in the Gulf of Guinea countries of Nigeria, Equatorial Guinea and the Ivory Coast.

Gulf of Guinea: Performance People

- 2** Five of the countries bordering the Gulf of Guinea rank as West Africa's top petroleum producers, including Nigeria, sub-Saharan Africa's top producer. Transocean is bringing together personnel, clients and vendors like never before, focusing on growth potential.

Operations: Stepping Up to Change

- 12** For more than 40 years, Transocean rig crews have helped clients in the Gulf of Guinea find and produce petroleum reserves, setting standards along the way for working safer and more efficiently.

A World of Experience

- 16** The company serves every major offshore drilling market. A two-page map and fleet listing show that diversity.

Respect, Nigerian Style

- 23** Transocean Gulf of Guinea operations include people from 20 nationalities and the company's Colors process is just one tool for building mutual respect.

A Festival of Rivers, Springs and Rainforests

- 24** Sure, the Gulf of Guinea has great beaches, but going inland can hold some pleasant surprises.

DEPARTMENTS

People FIRST

- 29** Transocean personnel help worthy local causes in Gulf of Guinea countries, from the *Deepwater Discovery* crews' support for the Compassion Centre for Disabled Children in Port Harcourt, Nigeria, to the *Sedco 700's* work with schools in Equatorial Guinea.

Connecting with Customers

- 30** Customer letters tell us how we're doing.

Corporate Report

- 32** Stock price and safety performance reports; the latest performance tools debut in the New Horizons column, Bill Henderson named Vice President and Controller, Employee Photo Contest Reminder and more.



Gulf of Guinea:





Mariano Ganet, Roustabout,
Shelf Explorer

Opposite page, bottom row, left to right: Sedco 700 Floormen Patricio Ncogo Ncogo and Bartolome Okue Okue; Sedco 700 Derrickman Sebastian Ndong; top row: John Dou, Assistant Driller; Sedco Energy; Thierry LeProvost, Toolpusher; Shelf Explorer; and Manjeet Barkley, Welder; Shelf Explorer.

MALABO, EQUATORIAL GUINEA – Swept to the sky by the ton, Saharan dust screens the January sun, shading Transocean crews operating the largest and most experienced offshore drilling fleet in the Gulf of Guinea.

In the distance, Bioko Island's giant volcano, Pico de Santa Isabel, rises through the smoke-white sky of the "Harmattan" dusty season. The scene symbolizes both the Gulf of Guinea's vast deepwater-drilling potential and the sometimes hazy forecast for offshore projects. Still, it's a forecast calling for billows of cumulous investment to march into the deepwater, while a licensing swell touches all water depths, reaching even São Tomé and Príncipe, Africa's smallest country with two main islands.

Welcome to the Gulf of Guinea, Atlantic Ocean, where Transocean is forging a keen focus on zero incidents and operational excellence.

In a simple, straightforward process, the Transocean Gulf of Guinea District (GGD) is bringing together personnel, clients and vendors like never before. Building on an unparalleled expertise from over 40 years of Gulf operations, Transocean people are rising to the many challenges of change.

Performance People

Enter Thomas Hinterseer, newly arrived as the Transocean GGD Manager in early 2004.

Energetic and thin as a marathon runner, the former lawyer and Egypt/Mediterranean District Manager begins his day at the Transocean GGD offices overlooking one of the main entry channels to the commercial harbor of Lagos, Nigeria. Asked about the district's goals for more than 1,200 personnel working on nine rigs and shorebases in three countries, Hinterseer focuses on one key: people.

"There are billions of dollars of iron on the high seas, but our people and their commitment to zero incidents and operational excellence will make the difference," he says.

A step-change in operations is under way.

And Hinterseer has a clear vision for achieving it. The district's theme, "FIRST: Keep It SIMPLE," matches Transocean's core values with an acronym for Safety, Involvement, Motivation, Performance/People, Leadership and Experience.

The theme supports clients' pursuit of major, new offshore projects. It also fits with Transocean's vision for incident-free operations and its quest to further hire and develop local personnel and reduce costs.

"We are driving for continuous improvement by listening to clients and motivating, training and coaching people on our team," Hinterseer notes. "We are instilling a success-based confidence that will generate results and job satisfaction and bring out the best in all of us."

Opportunity Rising

Of all of West Africa, and indeed most of the world, opportunities for success in the Gulf of Guinea's petroleum business are numerous. For starters, the area hosts many diverse clients seeking to raise petroleum production in one of the world's most prolific hydrocarbon areas. As a result, the Gulf — Nigeria in particular — promises more term-drilling contract opportunities in deep water than anywhere else.

State petroleum companies, majors and independents — all count Nigeria, Equatorial Guinea and the Ivory Coast as a core area of operation or an emerging business focus. Five of the countries bordering the Gulf of Guinea rank as West Africa's top petroleum producers, including Nigeria, sub-Saharan Africa's top producer.

Then, there's deepwater drilling, the future of the Gulf. By itself, Nigeria, which is the world's eighth-largest crude oil exporter, plans to increase reserves by three

billion barrels to 36 billion barrels by 2007 largely with new deepwater production.

Billions of additional barrels are expected from other countries. The latest entry in the deepwater petroleum hunt is São Tomé and Príncipe, a small island-country that shares a joint-development zone (JDZ) with Nigeria. Earlier this year, ExxonMobil and ChevronTexaco won rights to explore for JDZ reserves in the first offshore block awarded in the history of São Tomé and Príncipe.

Gulf Leadership

Understandably, the Gulf of Guinea has drawn worldwide attention from E&P companies and governments — from China to the United States. But the Gulf's offshore drilling roots date back to 1961 when *Rig 59*, operated by The Offshore Company, a Transocean predecessor, constructed the first well in a major campaign offshore West Africa, working in Gabon.

From Gabon northward, Transocean has worked with scores of clients to drill more wells by far than any other contractor in the Gulf of Guinea, according to figures kept by Simons-ODS Petrodata for the past 20 years.

In addition, Transocean rigs have constructed almost 60% of all wells in the Gulf of Guinea in more than 600 feet (183 meters) of water and approximately 80% of wells in more than 4,500 feet (1,372 meters) of water during the same period.

5th-, 4th-Generation Country

During the next few years, deepwater projects in Nigeria are expected to add multiple rigs to the Gulf of Guinea under term contracts. The project list includes: Agbami for ChevronTexaco, Erha for ExxonMobil, Bonga for Shell, pending resolution of FPSO (floating, production, storage and off-take vessel) issues, and Akpo for Total.

"This is 5th-Generation and 4th-Generation rig country," says Keelan Adamson, the former Nigeria



Clockwise, from top left: Sedco 709, Deepwater Discovery, Trident 6 and M.G. Hulme, Jr. Lower left: Francis "Craig" Bradley, Barge Engineer, formerly with the Trident 6 and now Barge Marine Supervisor with the George H. Galloway in Italy. Opposite page: Sedco 700.

Marketing Manager who is now Rig Manager for the *Sedco 709*. "We're looking at 35 to 55 initial development wells, either template or clustered, for each project. The combined scale of these projects is huge, and on top of that, there appears to be a lot of exploration and appraisal work in 2005-2006."

Whatever new contracts clients award to Transocean rigs, they will be supported by extensive, service-driven capabilities. That includes high-specification rigs, offices in three GGD countries, a training center at Port Harcourt, Nigeria, and a keen focus on performance improvement and well-construction solutions.

Deepwater Masters

In the ultra-deepwater arena, one exploration rig stands alone, the drillship *Deepwater Discovery*.

The *DWD* set the deepwater drilling record in 9,313 feet (2,389 meters) of water in Gabon three years ago for TAMG (Total Astra Marine Gabon). It also has constructed more deepwater wells than any other rig in more than 5,000 feet (1,524 meters) of water in the Gulf of Guinea, having drilled 10 of the 16 wells in those water depths.

The drillship will extend that record when it returns to the Gulf in late July after working in Pakistan for Total. The Pakistan project brought another *Deepwater Discovery* record — for working in the most countries for the most clients — to 29 wells in nine countries for 15 clients since late 2000.

"The *Deepwater Discovery* is coming back to West Africa, where it serves as a benchmark for operational excellence, getting clients' attention by saving them time





...Transocean has worked with scores of clients to drill more wells by far than any other contractor in the Gulf of Guinea...



During the next few years, deepwater projects in Nigeria are expected to add multiple rigs to the Gulf of Guinea under term contracts.

Clockwise, from top left: Valentine "Val" Ibeasirim, Operations Engineer, Sedco Energy; Tom Hanraban, Master (Captain), Sedco Energy; Reginaldo Ela Nsue, Accelerated Rig Training Candidate, Sedco 700; and Keelan Adamson, Rig Manager, Sedco 709.

and money," Hinterseer says.

The *Deepwater Discovery* is not the only ultra-deepwater rig making headway as part of Transocean's quest for operational excellence.

Crews on the 5th-Generation semisubmersible *Sedco Energy* have helped pioneer the Tri-Act derrick and other high-specification features of the *Express-class* rigs to save time for clients in Nigeria, including Conoco, Statoil, ChevronTexaco and Canadian Natural Resources (CNR).

"The crews of the *Sedco Energy* have raised the 'performance bar' to a level that other drilling contractors and rigs will not easily attain," notes an appreciation letter from ConocoPhillips about the rig's performance on the Obeje-1 drilling program.

Other Transocean rigs that have delivered solid results for clients include the *Sedco 709* on the initial phase of Shell's Bonga project; the *M.G. Hulme, Jr.* working for Total and other clients in Nigeria; and the *Sedco 700* for Amerada Hess in Equatorial Guinea. In shallow water, the *Trident 6* and *Trident 8* crews who worked on Shell's EA field often beat the drilling curve.

Re-Commitment to Excellence

Building on these and other successes, Transocean GGD Manager Hinterseer and others in the district have firmly challenged everyone to re-establish their commitment to improvement.

"The outstanding achievements so far by people on our rigs do not mean that we have reached our limits," Hinterseer says. "To the contrary, they show that we can build up operational excellence across our fleet."

In fact, Transocean GGD's vision calls for it to become the first Transocean district to win the company's FIRST Excellence Award. So far, several employees and rigs around the world have received the Transocean award for outstanding work in the company's core values of Financial discipline, Integrity and honesty, Respect for employees, customers and suppliers, Safety and Technical leadership.

Challenge of Change

Employees' commitment to excellence will be vital in facing the challenges that come with nine countries whose shorelines touch the Gulf of Guinea. Supply centers are thousands of miles away. Language barriers and cultural differences can be close at hand. More widely reported, but less understood, are labor and political issues, ethnic conflicts, changing safety and environmental regulations and a limited educational system to produce skilled workers.

"In spite of all this, we can build more effective teams," says Akin Ayoola, GGD Human Resources Manager and a Nigerian who has lived and worked in France and the United Kingdom. "We also need to get over the perception of problems, which is often larger than the problems themselves."

A key, Ayoola notes, will be "continued industrial peace and harmony to be able to concentrate and put a proper plan in place."

The initial part of the plan has arrived.

Transocean GGD has increased extensive team-building, training, coaching, continuous-improvement and nationalization efforts in Nigeria, Equatorial Guinea

and the Ivory Coast.

How do these rapid-fire responses fare in the face of labor issues, including strikes in Nigeria more than a year ago?

“The unions, employees, company, government and others have their roles to play to guarantee our success, so everyone will be listened to and their views taken into consideration,” Hinterseer says. “While everyone will bring new ideas to help better the company, it’s clear that Transocean will ultimately manage its own destiny, in line with our core values, the legislation of our host governments and our clients’ expectations.”

Meanwhile, a trend of greater personal ownership, not only for safety but for all areas of performance, is taking shape. Rig leadership has been tasked with greater responsibility, while shorebased personnel are performing a role of more effective support.

The common goal is to break down every barrier in the path of providing the best offshore drilling services.

Motivation in Motion

That’s where people like Valentine “Val” Iheasirim come in.

Serving in January as a *Trident 8* Operations Engineer then working on Shell’s EA field near the Niger Delta, Iheasirim says he relishes the challenges that come with helping clients achieve their objectives.

“Working here is exciting and challenging,” says Iheasirim, now an Operations Engineer on the *Sedco Energy*. “It takes a good measure of adaptability to succeed, taking into account the cultures, the client and what makes Nigeria run.”

Of those factors, the most publicized and yet the least understood, perhaps, is what makes Nigeria run.

As one of the world’s largest oil-producing regions, clearly oil is Nigeria’s largest economic driver, accounting for the great majority of government revenue and gross domestic product. And while Iheasirim, who lives in Port Harcourt, understands the world’s fixation on oil, geopolitics and negative news, he notes that progress takes time. That’s particularly true for Nigeria, a nation relatively new to civilian rule that governs more than 200 tribes and ethnic groups while investing in infrastructure from refineries to pipelines and LNG plants.

“Our country has only been under civilian rule for about five years,” Iheasirim says. “At the same time, there is a lot of offshore drilling to be done, which is very important to our country and our clients.”

Shared Standards

In keeping with Hinterseer’s focus on simplicity, the path forward for Transocean GGD includes standards and processes shared with the rest of the company.

“Our standards in the Gulf of Guinea are the same as those we have in the U.S. Gulf of Mexico, the

Transocean GGD: From the Beginning

The year was 1956, when the first drilling operation began in the Gulf of Guinea by Forex, a Transocean predecessor company. Operations were launched after Alain Roger, now a former Transocean Inc. Board of Directors member, arrived in Gabon with the first *Idec H30* land drilling unit. Three more land rigs, 30 Europeans, 50 Gabonese and a base at Port Gentil followed. The same year, Elf began production in the area.

For the first time, personnel began dealing with logistical and environmental challenges that come with drilling in the bush near the Equator, according to a history book about Forex. It took a day and a half, traveling by dugout canoe, to reach food supplies during a weekly trip. Supplemental meat and eggs were provided by a hired hunter and a camp chicken coop.

Then, there was the constant humidity saturation, the frying sun and no air conditioning. But perhaps the biggest change from today’s working environment was the crew-change schedule: Personnel worked two years in Gabon followed by a six-month leave in France.

As with other regions of the world such as the United Kingdom and United States, offshore drilling operations marked a transition from land to shallow waters. Here is a snapshot of the first three years of offshore drilling in the Gulf of Guinea, a time when rigs operated in water depths less than 100 feet (30 meters) and measured them in fathoms:



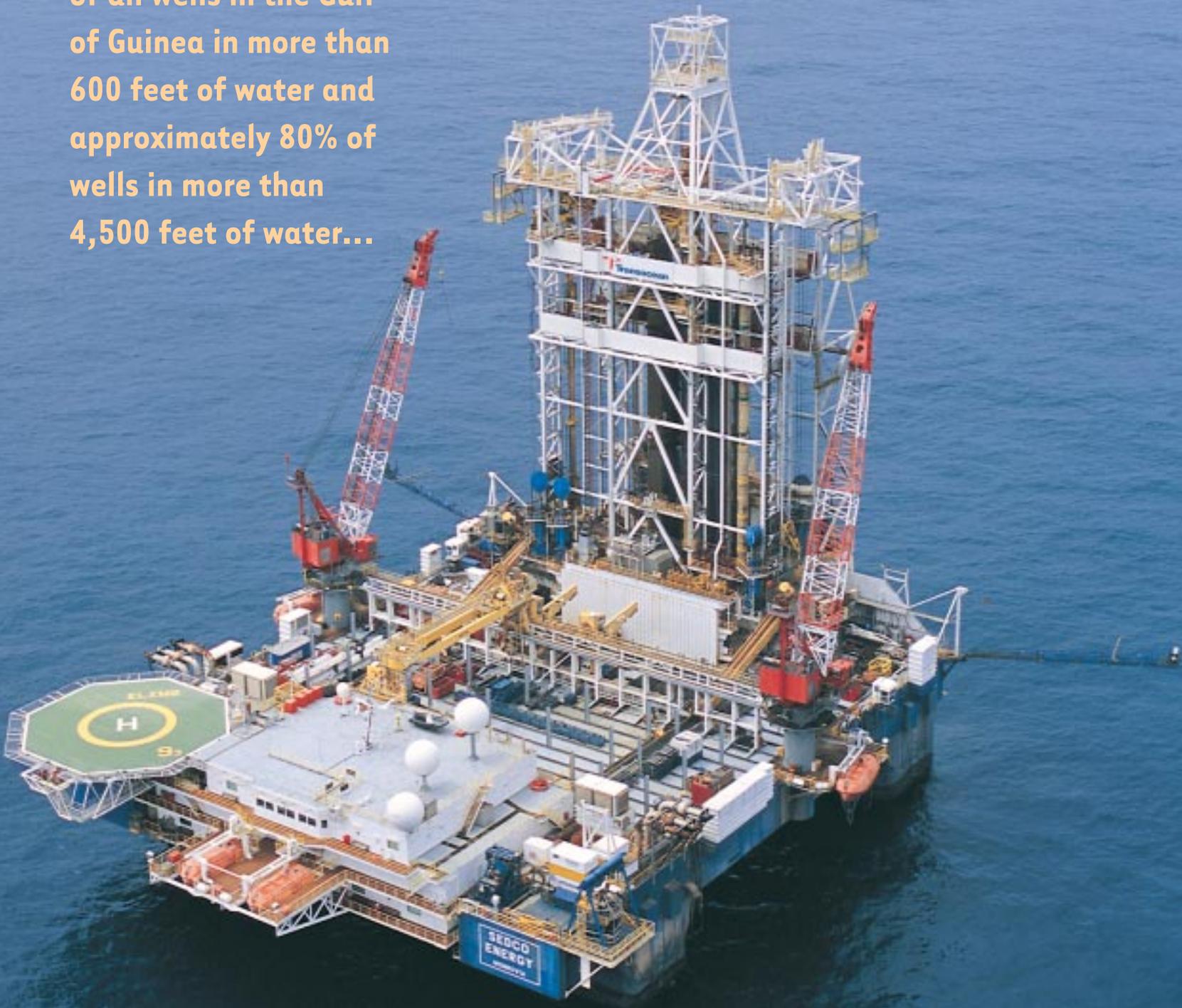
- 1961— The self-elevating drilling barge *Rig 59* of The Offshore Company began drilling off Gabon, becoming part of the first major drilling program “ever undertaken on an African offshore location,” according to the then company magazine “The Driller.” Assisted by *Tender No. 3*, crews drilled wells for Mobil and Societe

Des Petroles De’Africa Equatoriale.

- 1964 — The jackup *Roger Buttin* worked off Cameroon, operated by Forex. It would later sink, the victim of a “punch through.”

- 1964 — The 14-legged jackup drilling barge *Rig 52* claimed Nigeria’s first offshore discovery, working for Amoseas.

...Transocean rigs have constructed almost 60% of all wells in the Gulf of Guinea in more than 600 feet of water and approximately 80% of wells in more than 4,500 feet of water...





Clockwise, from top left: Transocean Richardson, Searex 10, Shelf Explorer and Trident 8. Lower right: Bartolome Okue Okue, Roughneck, Sedco 700. Opposite page: Sedco Energy.

North Sea and other operating areas,” Hinterseer says. “There is no second-class standard. There is only one Transocean standard.”

In addition, the Gulf of Guinea is establishing a performance team to help rig management drive ahead in continuous improvement. Goals include accurately measuring and analyzing results of operations, developing improvement plans jointly with clients and sharing lessons learned.

Overall, Hinterseer notes, “I think what we have to do well is integrate more than 20 different nationalities in the district. We are bringing a lot of different ideas and experiences to the rigs and the organization as a whole through brainstorming and communication to ensure everyone is part of the same team.”

The Next Stage

How soon the E&P industry will reach the next stage in the Gulf of Guinea’s petro-history is not always crystal clear, but several signs point to a promising future.

From Nigeria’s extensive development of vast deepwater tracts to Equatorial Guinea’s shallow waters to the Ivory Coast, drilling opportunities and the need for technical expertise keep surfacing.

In addition, many offshore boundary disputes by countries have been resolved or are being addressed. Other proactive initiatives range from Nigeria’s drive to eliminate natural gas flaring to increasing the content of local workers.

In local content, Transocean is doing its part by building on its nationalization leadership.

A new manager has been named to steer the

Accelerated Rig Training (ART) program that adds and develops personnel up through driller. The district’s nationalization goals for 2004 include filling eight more positions in the Accelerated Rig Training Program and another in the Rig Engineer Program.

The focus is not on just finding people but adding the right people in a competitive market for personnel with industrial and engineering talent.

This focus explains why virtually all 16 ART recruits hired in recent years remain on the Transocean GGD team. It’s also the reason several Nigerian personnel are working in Transocean locations outside the Gulf of Guinea in jobs from Rig Manager to Performance Engineer in the Performance and Technology Group in Houston.

“We have several Rig Managers here and elsewhere in the world who are from Nigeria,” Ayoola says. “Still, we can do better. We should not be complacent. We have people who can move up the ranks.”

A Different Gulf

Back on Malabo, the dusty season briefly gives way to an evening of clear-blue West African sky, the kind that Dave Blacklaws, Marine Supervisor of the *Sedco 700*, saw when landing at a small airport here in 1994. It seemed then that only inches were spared between the aircraft’s wings and a runway smack dab in the middle of the jungle.

Today, spacious runways provide a more relaxed arrival for passengers. Yet another landing strip has been added to the airport along with a clean, new arrival and departure facility with all the modern amenities.

Malabo is not the only place in the Gulf of Guinea experiencing development. Luba, some 33 miles (52 kilometers) away, is becoming a deepwater port, a place for tax-free warehousing, among other services. And in Nigeria, Port Harcourt is now home to a new shipyard.

“I’ve seen great changes in Malabo,” Blacklaws says. “I remember when the Mobil camp was in the jungle. Now, it’s right off the main highway to town.”

And from the camps of Mobil and other clients, you can easily see the huge Bioko Island volcano, rising with a promise that Transocean and its people of performance strive to make the most of — each and every day.



Transocean FIRSTS

FIRST OFFSHORE DRILLING CAMPAIGN

In 1961, the self-elevating drilling barge *Rig 59* of The Offshore Company, a Transocean predecessor company, began drilling off Gabon after being towed from Louisiana, USA, marking the first major offshore drilling campaign in West Africa.

FIRST NATIONALIZATION PROGRAM

In 1969, the company began an extensive program for local content and personnel development.

FIRST WEST AFRICAN DRILLING SCHOOL

In 1974, the company opened the Warri Drilling School in Nigeria.

FASTEST DEEPWATER PROJECT

In 2000, the Ceiba field of Amerada Hess came online in just 14 months, a world record assisted by the development drilling of the *Sedco 700*.

FIRST RIG TO DRILL IN MORE THAN 4,500 FEET OF WATER

The *Sedco 709* set this record working in 4,783 feet of water for ExxonMobil in Nigeria in 1996.

MOST WELLS DRILLED IN MORE THAN 5,000 FEET OF WATER

The *Deepwater Discovery* has drilled 10 of the 16 wells constructed in water depths of 5,000 feet and greater in Gulf of Guinea working offshore Nigeria, Gabon and Benin.

GULF OF GUINEA DEEPWATER DRILLING RECORD

The *Deepwater Discovery* has worked in the deepest waters of the Gulf of Guinea at a record 9,313 feet of water off Gabon in 2001 for TAMG (Total Astra Marine Gabon).

Leo Tombros
Operations Manager
Equatorial Guinea



Darryl Kempainen,
Rig Manager
Sedco 700



Wayne Oake,
OIM
Sedco Energy



Hari Haridasan
Materials Manager
Equatorial Guinea





- ★ **Transocean Gulf of Guinea District Office**
- **Transocean Offices**



*Thomas Hinterseer
Gulf of Guinea
District Manager*



*Toyin Tijani,
Nigeria Payroll
Officer*



*Akin Ayoola
Gulf of Guinea
District
HR Manager*



*Karim Tjokromulia
Operations Engineer
Sedco 709*

Stepping Up to Change



For more than four decades, Transocean rig crews have helped clients find and produce petroleum reserves in the Gulf of Guinea, from inland to shallow water and now some of the deepest water depths explored. Each rig brings insights into working safer and more efficiently offshore West Africa. And it all starts with people.

Equatorial Guinea

On an unusually clear January morning off Equatorial Guinea, the *Sedco 700* day-shift drilling crew and RSTC gather in the bowels of the semisubmersible drilling rig for the usual pre-tour meeting. Smells of coffee, tea and fresh-baked cakes mix with that of new coveralls worn by visitors in the break room.

One of the first subjects to come up: “idea cards” for capturing task improvements. Reflecting the openness and teamwork found on the *Sedco 700*, one hand asks: “What ideas are good ones?”

“If you have an idea — any idea — of how to do something better or safer, write it down,” replies Shaun Robertson, a Ballast Control Operator, from Aberdeen.

“It’s not just for roughnecks,” adds Allan Herd, the Amerada Hess Technical Limit Coach. “It’s for everyone.”

The Pay-Off

The focus on shared learning has paid off. It helped *Sedco 700* crews achieve safe and efficient drilling and completion of development wells for an Amerada Hess predecessor company, which brought the Ceiba field online in a world-record 14 months after its discovery in 1999.

At the end of the Ceiba project, rig days per completion had been reduced by half. Not bad for an independent petroleum company client. Even better for one with no prior experience in drilling as deep as the 2,600 feet (792 meters) of water at the Ceiba field — a previously unexplored area about 22 miles off the continental coast of Equatorial Guinea.

And, the improvements were done safely.

Through planning and the THINK, START and FOCUS systems, *Sedco 700* crews did not have a single lost-time incident on the Ceiba project, which is named for Equatorial Guinea’s national tree. In addition, crewmembers had not had a serious injury case year-to-date June 2004.

As one client Service Quality Appraisal noted: The “*S700* continues to perform at a high level in drilling and completion operations for Triton Hess E.G. Implementation of the technical limit program is improving what has always been a high standard of performance.”

But the *Sedco 700* crews did not stop there.

They went on to make significant strides in advancing Amerada Hess’ technical-limits drilling and completion campaign in Equatorial Guinea. Some \$3 million in time savings and efficiencies came from



Left to right: Jonathan Anyawu, Roustabout, Sedco Energy; Kleinbooi Jantjies, Driller, Sedco 700; and Roger Wibrew, former rotating Sedco 700 Rig Manager, now Sovereign Explorer Rig Manager. Top of page: Bob Gailbraith, Driller, Sedco Energy.

Transocean teams, the client and vendors.

Sedco 700 crews realized \$650,000 of savings and \$1.7 million in revenue by conducting an underwater inspection on location while operating, instead of taking the rig off contract to sheltered waters.

If that were not enough, while making more than 10 rig moves and 15 BOP trips, *Sedco 700* personnel reduced rig-moving time from over six days to less than 40 hours for Amerada Hess.

Promoting Success

Shared learning might be expected to drop off during a period of change, such as the 25 promotions of *Sedco 700* people in early 2004 to new positions. The promotions included an OIM, Toolpusher, Driller, Assistant Driller, Pumpman, Floormen, Derrickmen, three levels of Roustabouts and Welders.

OIM Christophe “Popeye” Gambotti views the promotions as a chance to advance, learn and mentor. “With the teamwork spirit that we have, I believe we will not have problems adjusting to our new positions,” he noted shortly after his promotion to OIM.

One of the most important keys to success, he says, is not to put extra pressure on yourself. Instead, he says, find a solution, implement it the best you can, and mentor someone in the process.

Take his mentor, Pat Pitman, the other rotating OIM, for example.

“As a Toolpusher, you’re not working so much for him as with him, and that’s a big difference,” Gambotti says. “I want to keep and share the same work ethic and attitude.”

Technical Limit

Transocean and Amerada Hess certainly share a continuous-improvement focus.

The client hosted a Technical Limit workshop at Malabo and brought in a Transocean Rig Manager, Driller, Toolpusher and Barge Master, plus 25 people from Amerada Hess and its service companies. The goal: apply their

combined industry experience of 600 years to improving efficiencies in offshore drilling.

Such workshops lead to long-term and short-term time savings. But the idea is not to work faster, it’s to work smarter, says former rotating *Sedco 700* Rig Manager Roger Wibrew during a workshop break.

“Working smarter is what has kept us here in Equatorial Guinea since 2000,” he adds.

The idea is not to work faster, it’s to work smarter.

Deep Shelf

Just a few miles off Bioko Island, crews on the *Shelf Explorer* were busy working in early 2004 on Marathon’s Deep Luba well, facing high pressures and the high temperatures that come with them. The rig arrived here from the North Sea in 2003 on the heels of the *Randolph Yost*, another jackup, which left Marathon a satisfied client and went on to work in India.

“Besides the *Shelf Explorer* moving to West Africa, changing crews, cultures and climates, there were also design and equipment challenges,” says Equatorial Guinea Operations Manager Hal Schindler. “Everything combined for a most challenging operation, but the crews and rig managers took up the challenges in a professional manner and improved the condition and the performance of the installation daily.”

Notably, *Shelf Explorer* personnel did not have a single serious injury case during its entire time in Equatorial Guinea.

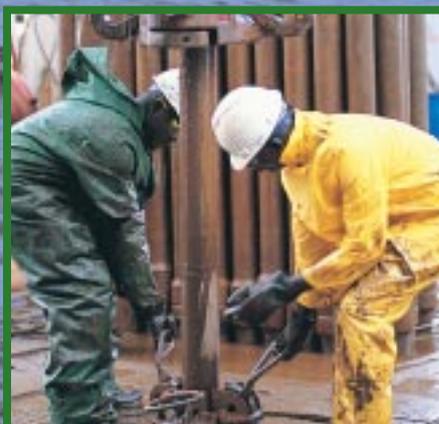
Luciano Milam Esorio, a Derrickman from Bioko Island, shows the “professional manner” that Schindler cites as a key factor in successful safety and operations.

“This job is interesting, because I began almost knowing nothing more than two years ago, and now I have a lot of experience,” Esorio says, adding that he wants to learn more.

“I would like to work in other countries,” he says, possibly Angola. “I would like to work with the



Left to right: Sedco Energy; on Shell’s EA field with the Trident 6; Filiberto Abogo, Roustabout, Sedco 700.



Angolans or in Nigeria to see how things go there — to have more experience. Drilling has a lot of facets to it.”

Everyone is treated fairly with equal opportunities.

Niger Delta, Nigeria

Definitely multi-faceted and a place to be for off-shore drilling experience is Nigeria. Fly more than 200 miles from Equatorial Guinea to the Niger Delta, and you will see spectacular and seemingly endless swamp-land as well as producing infrastructure like the FPSO *Sea Eagle* on Shell’s EA field.

The jackup drilling rigs *Trident 8* and *Trident 6* played key roles in drilling approximately 50 completion and production wells on the Shell EA field. For the project, Transocean provided both drilling rigs, plus related drilling services and provisions from drill bits to fuel supplies. Competent, local Nigerian companies were used wherever possible.

Drilling over platforms between 2001 and 2003, crews’ strong performance earned incentive bonuses for beating or achieving the drilling curve, setting the rigs apart from the competition. The jackups have since moved on to the Congo and Cameroon, but the team spirit instrumental in their success lives on.

“If I could choose, I’d rather be here in Nigeria than the North Sea, because of the weather and the team spirit you’ve got over here,” *Trident 6* Senior Toolpusher John Revet notes. “You’re closer together. You need each other. Everyone works together.”

Other advantages include English as the national language. It is especially helpful in Nigeria, where many ethnic groups must communicate. The Hausa ethnic group hails from the north of Nigeria, the Yorubas from the West and the Ibos from the East. All speak completely different tongues. So do the Ijaws, Itsekiris and Urhobos of the Niger Delta.

Also helpful are other communications tools, such as e-mail, the Internet, Intranet and the Global

Reporting System (GRS), the company’s operations-reporting system.

“The good thing is that if (Operations Engineer) Val Iheasirim is in his office at Port Harcourt and I send him a report (via e-mail), he responds immediately,” says Toolpusher Cyril Iyalagha of the *Searex 12* swamp barge. “Things move faster. Before, I would have had to send him by delivery a CD-Rom or hard copy of a work document with my request.”

GRS receives similar reviews.

“Every morning, Bob Long, our President and CEO, can log on and see how each rig is doing,” says Iheasirim. “There and then, he knows what rigs are working, as well as what rigs are perhaps having problems, so he knows better how to do his job, because the same information is traveling up through the client side.”

Common Sense

GRS and other Transocean systems and processes for operations and safety enhance work activities, especially when personnel transfer between regions, districts, countries and rigs.

“If you transfer from Nigeria to the North Sea, it just takes you a day or two to get adjusted, because you already know the procedures,” says Iheasirim, the Operations Engineer.

He should know. Iheasirim began his career in a predecessor to the Rig Engineer Program as a *Trident 8* painter before working in Angola on the *Searex 10* and the *Omega*, followed by the *Sedco 712* in the U.K. North Sea and the *Sedco Express* construction project in Brest, France. He also served in the Regional Human Resources department in Montrouge, France, before heading back to the *Trident 8* and on to the *Sedco Express*.

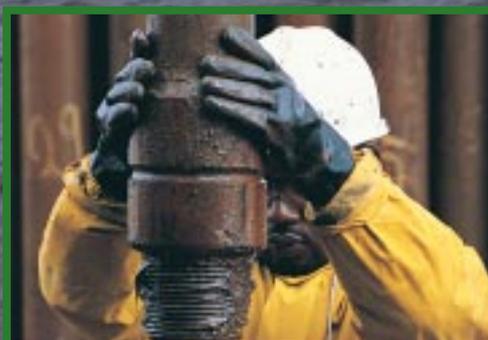
Sedco 709 and M.G. Hulme, Jr.

Another study in transition are the semisubmersibles *Sedco 709* and M.G. Hulme, Jr.

The *Sedco 709* crews made the Bonga discovery for Shell in 2000 and went on to achieve new client



Left to right: Donald Mackay, Driller, Shell Explorer; unidentified; Searex 12 Toolpusher Cyril Iyalagha and Michel Legrand, Nigeria Operations Manager.



time-depth records by drilling batch-set wells on the initial phase of the project off Nigeria.

Transocean, Shell and all the contractors fine-tuned the process for the development drilling, which included moving between locations with the BOP suspended from the rig.

“We completed the development drilling last year, and we had a very good performance from the *Sedco 709* by Transocean as well as the SNEPCO team,” recalls Festus Olumese, Well Engineering Superintendent for Shell Nigeria Exploration and Production Company Limited (SNEPCO).

Asked how the rig’s performance compared with that of other mobile offshore drilling units, Olumese added: “The performance was benchmarked against other operators and compared within the Shell group, and it’s something that any group would be proud of.”

Also taking pride in their work are the *M.G. Hulme, Jr.* crews.

One of the closest rigs to the *Deepwater Discovery* in drilling for multiple clients in West African countries, the *M.G. Hulme, Jr.* semisubmersible has worked for six customers in five countries since 2001. The operations in Angola, Equatorial Guinea, Nigeria, Ghana and Congo came after a nine-year drilling schedule that ran from the U.S. Gulf of Mexico to West Africa to Japan and then back to West Africa.

“It’s a workhorse,” says Athar Imam, the rig’s Operations Engineer, who started with the company in Pakistan as a trainee engineer.

Ivory Coast

Fly to the north at the upper boundary of the Gulf of Guinea, and you will find another offshore rig in the middle of managing change the Transocean way. The semisubmersible *Transocean Richardson* has operated off the Ivory Coast for a year after moving from the U.S. Gulf of Mexico to work for Canadian Natural Resources (CNR), an independent petroleum company making its mark in West Africa.

Working on one of the most closely watched Gulf of Guinea projects, the Baobab field, the *Transocean Richardson* is constructing production wells under a two-year contract.

“The *Richardson* team has to be commended for its ability to adapt to a new environment,” says Rig Manager Leo Tombros. “We have different requirements, laws, challenges and context here. But because everyone is from Transocean, ‘Africans’ and ‘Americans’ have quickly found a way to work together and have formed the ‘new’ *Richardson* team.”

Ivorians represent half the people onboard the rig. The rest hail from 14 other nations and are supported by an onshore team of six nationalities, including CNR people who direct operations from Aberdeen.

...The *Sedco 709*... went on to set new time-depth records...

“With the exception of some hands from the U.K., none of the *Richardson* personnel had worked in Ivory Coast and we did not know what to expect,” says OIM Tira Sexton.

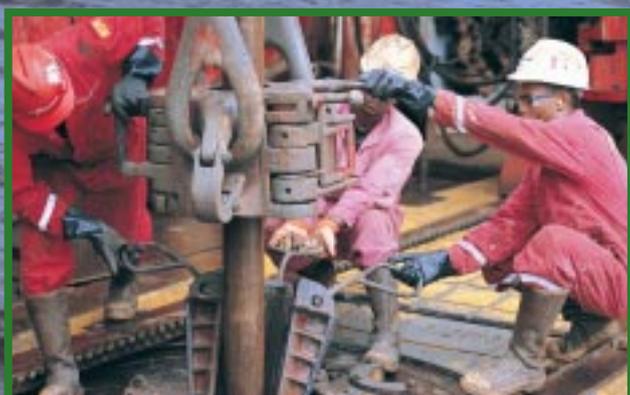
“We have been favorably impressed with the Ivorian hands,” he adds. “They are respectful, friendly and hard working.”

Notes Tombros: “Everyone is treated fairly with equal opportunities and it shows on the safety record (TRIR of 0 year-to-date June 2004). This is only possible because of the attitude of the people whose goal is to work efficiently and safely.”

As for working in a remote location, the rig came prepped to the Ivory Coast with a refurbished top-drive system, an enhanced water maker to be self-sufficient for fresh water and an upgraded communications system. Also, the motion compensator was revamped, and accommodations were upgraded.

continued on page 22

Left to right: *Sedco 700* Floormen Eustaquio Esono and Bartolome Okue; Quintin Abaga, *RSTC*, Shelf Explorer; and Ireneo Capote, *Roustabout*, Shelf Explorer.



Transocean:



A World of Experience



Other High-Specification Semisubmersibles
Other Drillships

Other Semisubmersibles
Jackups

Inland Barges
Tenders

*Transocean's
diversity of people
and markets is
matched only by its
diversity of assets.
From inland barges
in 10 feet of water
to drillships in
10,000 feet of water,
we're never out of
our depth.®*

Left to right, this page:

*First Row: Sedco Energy, Sedco 710,
Paul B. Loyd Jr.*

*Second Row: Shelf Explorer,
Discoverer Enterprise*

*Third Row: Deepwater Pathfinder,
Peregrine 1*

*Fourth Row: Discoverer Seven Seas,
George H. Galloway, Jack Bates*

*Fifth Row: Transocean Driller,
Transocean Legend, Transocean Winner*



TRANSOCEAN FLEET

BY TYPE AND WATER DEPTH CAPACITY - AS OF JULY 2004*

TYPE AND NAME	YR. ENTERED SERVICE	WATER DEPTH CAPACITY ¹ (IN FEET)	DRILLING DEPTH CAPACITY (IN FEET)	LOCATION	DESIGN	BOP RATING
High-Specification Floaters • 5th-Generation Deepwater • 13						
Discoverer Deep Seas (DP Ship)	2001	10,000	35,000	U.S. GOM	Discoverer Enterprise	18 3/4 in., 15,000 psi
Discoverer Enterprise (DP Ship)	1999	10,000	35,000	U.S. GOM	Discoverer Enterprise	18 3/4 in., 15,000 psi
Discoverer Spirit (DP Ship)	2000	10,000	35,000	U.S. GOM	Discoverer Enterprise	18 3/4 in., 15,000 psi
Deepwater Discovery (DP Ship)	2000	10,000	30,000	En route to Nigeria	RBF/Samsung	18 3/4 in., 15,000 psi
Deepwater Frontier (DP Ship)	1999	10,000	30,000	Brazil	Conoco/Reading & Bates	18 3/4 in., 15,000 psi
Deepwater Millennium (DP Ship)	1999	10,000	30,000	U.S. GOM	Conoco/Reading & Bates	18 3/4 in., 15,000 psi
Deepwater Pathfinder (DP Ship)	1998	10,000	30,000	E. Canada	Conoco/Reading & Bates	18 3/4 in., 15,000 psi
Deepwater Expedition (DP Ship)	1999	10,000	30,000	Brazil	Rauma Repola Arctic	18 3/4 in., 15,000 psi
Deepwater Horizon (DP Semi)	2001	10,000	30,000	U.S. GOM	RBS-8D	18 3/4 in., 15,000 psi
Cajun Express (DP Semi)	2001	8,500	25,000	U.S. GOM	SFXpress 2000	18 3/4 in., 15,000 psi
Deepwater Nautilus (Semi)	2000	8,000	25,000	U.S. GOM	RBS-8M	18 3/4 in., 15,000 psi
Sedco Energy (DP Semi)	2001	7,500	25,000	Nigeria	SFXpress 2000	18 3/4 in., 15,000 psi
Sedco Express (DP Semi)	2001	7,500	25,000	Brazil	SFXpress 2000	18 3/4 in., 10,000 psi
Other Deepwater • 15						
Deepwater Navigator (DP Ship)	2000	7,200	25,000	Brazil	Earl & Wright Sedco 400	18 3/4 in., 15,000 psi
Discoverer 534 (DP Ship)	1975/1991	7,000	25,000	India	Sonat Discoverer	18 3/4 in., 10,000 psi
Discoverer Seven Seas (DP Ship)	1976/1997	7,000	25,000	India	Sonat Discoverer	18 3/4 in., 15,000 psi
Transocean Marianas (Semi)	1998	7,000	25,000	U.S. GOM	Sedco 700	18 3/4 in., 15,000 psi
Sedco 707 (DP Semi)	1976/1997	6,500	25,000	Brazil	Sedco 700	18 3/4 in., 15,000 psi
Jack Bates (Semi)	1986/1997	5,400	30,000	UK N. Sea	F&G L1020 Trendsetter	18 3/4 in., 15,000 psi
Peregrine I (DP Ship)	1982/1996	5,300	25,000	Brazil	Gusto Pelican	16 3/4 in., 10,000 psi
Sedco 709 (DP Semi)	1977/1999	5,000	25,000	Nigeria	Sedco 700	18 3/4 in., 15,000 psi
M.G. Hulme, Jr. (Semi)	1983/1996	5,000	25,000	Nigeria	F&G 9500 E. Pacesetter	18 3/4 in., 15,000 psi
Transocean Richardson (Semi)	1988	5,000	25,000	Ivory Coast	GVA 4500	18 3/4 in., 15,000 psi
Jim Cunningham (Semi)	1982/1995	4,600	25,000	Egypt	F&G 9500 E. Pacesetter	18 3/4 in., 15,000 psi
Sedco 710 (DP Semi)	1983	4,500	25,000	Brazil	Sedco 700	18 3/4 in., 10,000 psi
Transocean Rather (Semi)	1988	4,500	25,000	Angola	GVA 4500	18 3/4 in., 15,000 psi
Transocean Leader (Semi)	1987/1997	4,500	25,000	Nor. N. Sea	Aker H-4.2	18 3/4 in., 15,000 psi
Sovereign Explorer (Semi)	1984	4,500	25,000	En route to Trinidad	GVA 4000	18 3/4 in., 15,000 psi
Other High-Specification • 4						
Henry B. Goodrich (Semi)	1985	2,000	30,000	E. Canada	Sonat/Mitsui SES-5000	18 3/4 in., 15,000 psi
Paul B. Loyd, Jr. (Semi)	1987	2,000	25,000	UK N. Sea	Aker H-4.2	18 3/4 in., 15,000 psi
Transocean Arctic (Semi)	1986	1,650	25,000	Nor. N. Sea	Marosso 56	18 3/4 in., 15,000 psi
Polar Pioneer (Semi)	1985	1,500	25,000	Nor. N. Sea	Sonat/Hitachi	18 3/4 in., 15,000 psi
Other Floaters • 25						
Peregrine III (DP Ship)	1976	4,200	25,000	U.S. GOM	Gusto Pelican	16 3/4 in., 10,000 psi
Sedco 700 (Semi)	1973/1997	3,600	25,000	E. Guinea	Sedco 700	18 3/4 in., 10,000 psi
Transocean Legend (Semi)	1983	3,500	25,000	Brazil	Bingo 3000	18 3/4 in., 10,000 psi
Transocean Amirante (Semi)	1978/1997	3,500	25,000	U.S. GOM	Aker H-3	18 3/4 in., 10,000 psi
C. Kirk Rhein, Jr. (Semi)	1976/1997	3,300	25,000	U.S. GOM	Aker H-3	18 3/4 in., 10,000 psi
Transocean Driller (Semi)	1991	3,000	25,000	Brazil	F&G L-1033 E. Pacesetter	18 3/4 in., 15,000 psi
Falcon 100 (Semi)	1974/1999	2,400	25,000	U.S. GOM	F&G L 900 Pacesetter	18 3/4 in., 15,000 psi
Sedco 703 (Semi)	1973/1995	2,000	25,000	Australia	Sedco 700	18 3/4 in., 10,000 psi
Sedco 711 (Semi)	1982	1,800	25,000	UK N. Sea	Sedco 711	18 3/4 in., 15,000 psi
Transocean John Shaw (Semi)	1982	1,800	25,000	UK N. Sea	F&G 9500 E. Pacesetter	18 3/4 in., 10,000 psi
Sedco 712 (Semi)	1983	1,600	25,000	UK N. Sea	Sedco 711	18 3/4 in., 15,000 psi
Sedco 714 (Semi)	1983/1997	1,600	25,000	UK N. Sea	Sedco 711	18 3/4 in., 15,000 psi
Actinia (Semi)	1982	1,500	25,000	En route to India	F&G L-1033 E. Pacesetter	18 3/4 in., 10,000 psi
Sedco 600 (Semi)	1983	1,500	25,000	Russia	Sedco 600	18 3/4 in., 10,000 psi
Sedco 601 (Semi)	1983	1,500	25,000	Philippines	Sedco 600	18 3/4 in., 10,000 psi
Sedneth 701 (Semi)	1972/1993	1,500	25,000	Angola	Sedco 700	18 3/4 in., 10,000 psi
Sedco 702 (Semi)	1973/1992	1,500	25,000	Australia	Sedco 700	18 3/4 in., 10,000 psi
Transocean Winner (Semi)	1983	1,500	25,000	Nor. N. Sea	GVA 4000	18 3/4 in., 15,000 psi
Transocean Searcher (Semi)	1983/1988	1,500	25,000	Nor. N. Sea	Trosvik Bingo 3000	18 3/4 in., 15,000 psi
Transocean Prospect (Semi)	1983/1992	1,500	25,000	UK N. Sea	Trosvik Bingo 3000	18 3/4 in., 15,000 psi
Transocean Wildcat (Semi)	1977/1985	1,300	25,000	UK N. Sea	Aker H-3	18 3/4 in., 10,000 psi
Transocean Explorer (Semi)	1976	1,250	25,000	UK N. Sea	Aker H-3	18 3/4 in., 10,000 psi
J.W. McLean (Semi)	1974/1996	1,250	25,000	UK N. Sea	Zapata SS-3000	18 3/4 in., 10,000 psi
Sedco 704 (Semi)	1974/1993	1,000	25,000	UK N. Sea	Sedco 700	18 3/4 in., 15,000 psi
Sedco 706 (Semi)	1976/1994	1,000	25,000	UK N. Sea	Sedco 700	18 3/4 in., 10,000 psi
Jackups • 26						
Trident 9	1982	400	20,000	Vietnam	Modec 400-C-35	13 5/8 in., 10,000 psi
Trident 17	1983	355	25,000	Vietnam	Modec 300-C-38	13 5/8 in., 10,000 psi
Trident 20	2000	350	25,000	Caspian	Keppel Fels CS Mod. V	18 3/4 in., 15,000 psi
D.R. Stewart	1980	300	25,000	Italy	Marathon LeTourneau 116-C	13 5/8 in., 10,000 psi
George H. Galloway	1984	300	25,000	Italy	F&G L780 Model II	13 5/8 in., 10,000 psi
Harvey H. Ward	1981	300	25,000	Malaysia	F&G L780 Model II	13 5/8 in., 10,000 psi
J.T. Angel	1982	300	25,000	India	F&G L780 Model II	13 5/8 in., 10,000 psi
Randolph Yost	1979	300	25,000	India	Marathon LeTourneau 116-C	13 5/8 in., 10,000 psi
Roger W. Mowell	1982	300	25,000	Malaysia	F&G L780 Model II	13 5/8 in., 10,000 psi
Ron Tappmeyer	1978	300	25,000	India	Marathon LeTourneau 116-C	13 5/8 in., 10,000 psi
Shelf Explorer	1982	300	20,000	E. Guinea	CFEM T2005-C	13 5/8 in., 10,000 psi
Interocean III	1978/1993	300	25,000	Egypt	Sonat Orion-Cantilever	13 5/8 in., 10,000 psi
Transocean Nordic	1984	300	25,000	India	CFEM T2600-1	13 5/8 in., 15,000 psi
Trident 2	1977/1985	300	25,000	India	Marathon LeTourneau 116-C	13 5/8 in., 10,000 psi
Trident 4	1980/1999	300	25,000	Italy	Marathon LeTourneau 116-C	13 5/8 in., 10,000 psi
Trident 8	1982	300	21,000	Congo	Modec 300-C-35	13 5/8 in., 10,000 psi
Trident 12	1982/1992	300	25,000	India	Baker Marine BMC 300-IC	13 5/8 in., 15,000 psi
Trident 14	1982/1994	300	20,000	Angola	Baker Marine BMC 300-C	13 5/8 in., 10,000 psi
Trident 15	1982	300	25,000	Thailand	Modec 300-C-38	13 5/8 in., 10,000 psi
Trident 16	1982	300	25,000	Thailand	Modec 300-C-38	13 5/8 in., 10,000 psi
C.E. Thornton	1974	300	25,000	India	Marathon LeTourneau 53-C	13 5/8 in., 10,000 psi
F.G. McClintock	1975	300	25,000	India	Marathon LeTourneau 53-C	13 5/8 in., 10,000 psi
Transocean Comet	1980	250	20,000	Egypt	Sonat Cantilever	13 5/8 in., 10,000 psi
Transocean Mercury	1969/1998	250	20,000	Egypt	Sonat Cantilever	13 5/8 in., 10,000 psi
Trident 6	1981	220	21,000	Cameroon	Modec 300-C-35	13 5/8 in., 10,000 psi
Transocean Jupiter	1981/1997	170	16,000	UAE	Sonat Cantilever	13 5/8 in., 10,000 psi

TRANSOCEAN FLEET

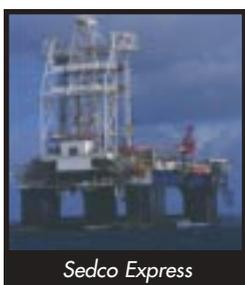
BY TYPE AND WATER DEPTH CAPACITY - AS OF JULY 2004*

TYPE AND NAME	YR. ENTERED SERVICE	WATER DEPTH CAPACITY ¹ (IN FEET)	DRILLING DEPTH CAPACITY (IN FEET)	LOCATION	DESIGN	BOP RATING
Self-Erecting Tenders • 4						
Charley Graves	1975	500	20,000	Malaysia	Self-Erecting Tender	13 5/8 in., 10,000 psi
Searex 10	1983/1994	450	21,000	Nigeria	Self-Erecting Tender	13 5/8 in., 10,000 psi
Searex 9	1981	400	20,000	Congo	Self-Erecting Tender	16 3/4 in., 5,000 psi
W.D. Kent	1977	400	20,000	Malaysia	Self-Erecting Tender	13 5/8 in., 10,000 psi
Non-U.S. Drilling Barges • 4						
Searex 6	1981/1991	25	25,000	Cameroon	Swamp Barge	13 5/8 in., 10,000 psi
Searex 12	1982/1992	25	25,000	Nigeria	Swamp Barge	13 5/8 in., 10,000 psi
Hibiscus	1979/1993	25	16,000	Indonesia	Heavy Swamp Barge	13 5/8 in., 10,000 psi
Searex 4	1981/1989	21	25,000	Singapore	Swamp Barge	13 5/8 in., 5,000 psi
Platform Rigs • 1						
Cliffs #1	1988/1998		18,000	China		
Other • 2						
JOIDES Resolution (Research Drillship)	1978	27,000	30,000	U.S. West Coast	Earl & Wright Sedco 400	N/A
Sedco 135D	1966/77/01	600	Dewatering	Brazil	Earl & Wright Sedco 135	N/A

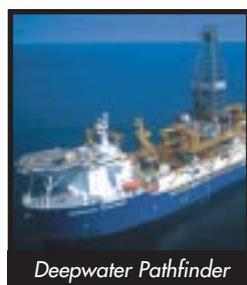
* As of July 2004, for most units, whether wholly or partially owned, managed, chartered or under joint venture.

¹ Nominal ratings subject to limiting environmental conditions and, in some cases, extended by supplemental equipment.

TRANSOCEAN: DEEPWATER INNOVATOR



Sedco Express



Deepwater Pathfinder

Transocean's unparalleled technical leadership in ever-greater water depths includes the:

- First offshore jackup drilling rig
- First self-propelled jackup
- First turret-moored drillship
- First dynamically positioned drillship for exploration
- First dynamically positioned semisubmersible
- First fourth-generation semisubmersible
- First rig to drill year-round in the North Sea
- First semisubmersible for sub-Arctic, year-round operations in the Barents Sea
- First semisubmersible for year-round drilling West of the Shetland Islands in more than 4,000 feet of water
- First deepwater semisubmersibles with patented Tri-Act derrick
- First ultra-deepwater drillship with patented dual-activity drilling system
- First drillship capable of working in 10,000 feet of water

WORLD RECORDS



Discoverer Deep Seas



Deepwater Nautilus

Transocean holds 19 of the past 23 world records for drilling in the deepest waters. Our ultra-deepwater drillship *Discoverer Deep Seas* set the current world water-depth drilling record in 10,011 feet of water in the U.S. Gulf of Mexico working for ChevronTexaco.

Other world records include the world's deepest subsea well completed in 7,570 feet of water by the *Deepwater Nautilus* and the world water depth record for a moored rig in 8,951 feet of water also by the *Deepwater Nautilus*. Both records were set working for Shell.



Left to right, this page:
First Row: Charley Graves,
Deepwater Millennium
Second Row: Falcon 100, Sedco 707,
M.G. Hulme, Jr.
Third Row: Trident 15, Discoverer 534,
Deepwater Horizon
Fourth Row: Transocean Nordic,
Rig 30, Deepwater Nautilus
Fifth Row: Transocean John Shaw,
Transocean Amirante, C. Kirk Rhein

Deepwater Nigeria

If you could dive down more than a mile through Nigeria's deep waters, you would see thousands of specks of sea life near a ChevronTexaco wellhead. Their serene swimming, as viewed through a camera on a remotely operated vehicle (ROV), belies the tremendous deepwater pressures faced on the Transocean semisubmersible *Sedco Energy*.

The time-saving Tri-Act derrick has been proven on the *Sedco Energy* and two other *Express-Class* semisubmersibles, but other functions — including subsea operations — are just as critical to successful operations.

One series of tasks involves running the 660,000-pound blowout preventer and latching it up to the wellhead, where water pressures approach 2,500 pounds-per-square-inch. At this water depth, 88 joints of riser must be hung off the riser-tensioning system.

And that's still just the beginning. Dozens of high-tech, subsea tasks are continuously carried out to help ensure that the rig operates with minimal downtime.

Down at the wellhead, the largest of two ROVs on the *Sedco Energy* is using its lights and camera to check for hydrates, a nemesis that can prevent the BOP from being unlatched.

"No hydrates on this one," says an Oceanengineering Supervisor working with two ROV technicians facing seven video screens and a sonar panel that shows the ROV's distance from the wellhead.

Deepwater Nigeria is noted for hydrates. Bubbling up from the seafloor and unstable at certain pressures, they convert from a gas to a snowflake-like solid when they touch anything. The frozen molecules can stick under the wellhead connector, preventing the unlatching of the BOP, unless glycol or methanol are injected by an ROV.

Equipped with receptacles designed to close the rams, the ROV arm can also unlatch the BOP and

LMRP, in case an emergency blocks the primary controls up on deck.

Minimizing Downtime

In addition, the ROV can be used to make certain repairs that can save days of downtime.

If an 80-pound wellhead gasket fails, the BOP stack can be pulled off the wellhead several feet, the damaged gasket released and a new gasket installed by the ROV operator. Then the BOP will be landed and latched up to the wellhead, and rig operations can continue. The process takes about four hours, compared with a week of work that otherwise would include pulling the BOP and all the riser to the deck. There, the gasket would be installed and the BOP retested before running everything back down to the wellhead.

The end result of the week saved is about \$1 million in revenue.

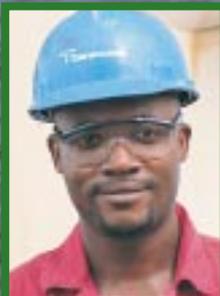
The ROV camera swings by instrumentation that tells subsea personnel the angle of the riser. Right now, the riser is vertical, but with strong currents, it can bow. If the bend is too great, a dozen 200,000-pound riser tensioners on deck straighten the riser.

ROVs have come a long way since the original versions, but there's room for more advancements. BOP manufacturers and subsea experts are pursuing a new design that would allow ROV operators to change out regulators, valves and other devices on the BOP while it's on the wellhead, instead of up on deck.

The concept is similar to changing out PC boards, a simple idea that can prove difficult at tremendous water depths and pressures.

Of course, no one has ever said that offshore drilling would be easy at any water depth.

But with teamwork, experienced people and leading-edge technology, Transocean personnel are delivering many solutions to clients' challenges.



Left to right: Cornelio Magboo, Welder, Sedco 700; Pedro Malavo, Accelerated Rig Training Candidate, Shelf Explorer; Neil Methven, RSTC, Sedco Energy; and Sedco 700.



Below left, Abednego Agofure, Chief Executive, Ago-Win; right, Israel Ibje, Logistics Coordinator for Ago-Win



RESPECT, Nigerian Style



WARRI — When Gordon Jaglar was the Gulf of Guinea District QHSE Manager, *Offshore Frontiers* caught up with him at the Warri, Nigeria, airport, where he was smiling and greeting contacts. He takes his time, adding an extra measure of respect, Nigerian style.

In the offices of a local air-transportation company in January, Jaglar explains to a manager that he is looking for more affordable helicopter-shuttle service in exchange for Transocean using the company exclusively.

“We can book flights for a year,” he says to the manager. “That’s got to be worth something.”

A few more words, a smile between the negotiators and a handshake ending with a finger snap ensures that the deal will continue. And Jaglar is off to his next contact: Abednego Agofure, the head of AgoWin, a third-party meet-and-greet service company.

A local chief of the majority Urhobo ethnic group, Agofure ensures that employees arrive and depart safely on crew-change helicopters transiting to and from Transocean rigs via the Warri airport. His service provides trained, armed military police, plus more. In the past, security was arranged as a single service. Now, it comes with everything from car transportation to ticket-handling.

“We are fortunate to have Abednego,” says Jaglar, who recently transferred to the Mediterranean District.

It’s What you Make of It

Treating people the way they need to be treated goes beyond Jaglar, who is also chief of a Port Harcourt-area ethnic group. Meet Neil Methven, an RSTC on the *Sedco Energy* and native of Scotland. At the end of a two-year hitch in Nigeria in 1998, he decided to make Nigeria his home base.

“I enjoy the culture,” explains Methven, a 28-year veteran of the company. It’s what you make of it that counts, no matter where you live.”

Methven lives in a three-bedroom, two-bath apartment in a compound “with four Nigerian families and me” at the dead-end of a road. The only white person around, he has a local girlfriend and stays connected with the security guards at area compounds with conversation and gifts, including an occasional soccer ball.

“If there’s ever the hint of trouble, I’m one of the first people that they come to tell,” Methven says. “If you’re decent with Nigerians, they’ll be very, very decent with you.”

On the other hand, he adds, “People who come here with what I call a ‘closed-minded mentality’ will never survive here.”

Methven, who learned the Igbo language from his first driver, travels three and a half hours to a village a few times a year to check on his ex-driver’s 95-year-old mother. An honorary chief in the Mbaise ethnic group, Methven also speaks some Yoruba, reflecting his interest in Nigerian culture.

“There’s such a vast difference in cultures in this country,” he says. “I’ve been way up in the north where people do not see many white faces, the west, east and south, and I enjoy the cultures.”

Colors Cross the Lines

Transocean’s Gulf of Guinea operations include people from 20 nationalities, and the Colors personality process helps people treat one another as they need to be treated.

Says Cyril Iyalagha, a *Searex 12* Toolpusher, “If a guy just shows up on the rig, it doesn’t matter who he is, the first impression should be that he’s a nice guy. We welcome him, work with him and put an operational eye on him, especially when it comes to safety issues.”

A 13-year employee, Iyalagha appreciates the FIRST Step sessions, Colors process and other HS&E systems. But sometimes nothing takes the place of tactful respect.

“Say you see two guys working and one guy is doing most of the work,” he says. “If the one guy is not participating, he’s not focusing, and he might get hurt. So, you might politely say: ‘How’s it going? You might help your co-worker, because this task may be too much for him.’ And, he will go and help the other person like a friend.”

“That’s talking to the guy the way he needs to be talked to.”

Iyalagha appreciates people who “walk the talk” when it comes to respect and Transocean’s other core values.

“When Gordon (Jaglar) came to the rig once a month, he would say, ‘Here is the safety performance, here’s where you need to be and here are my suggestions about how to do it,’” Iyalagha says. “It bridges the communications gap.”

So, if you are traveling in Warri and see a Transocean person with a pleasant smile and lots of Nigerian friends, there’s a good chance it will be Methven, the RSTC. Or Iyalagha, the Toolpusher.

But whoever you meet, if they respect the local culture, you may be sure they will have another title: friend.



A FESTIVAL
OF RIVERS,
SPRINGS AND
RAINFORESTS



RIVER ETHIOPE...

The travelogue said the Abraka River Resort Motel on the River Ethiope in southwestern Nigeria is ideal for those who want to escape the noise and tensions of city life. That's exactly what Kees and Irene Van Pelt were looking for when they set out on a weekend trip from Port Harcourt. Kees was winding down his two-year assignment as Rig Manager of the *Trident 6*, working off the coast of Nigeria on the Shell EA field.

"We had talked about going there for almost a year and finally we made it. It was definitely worthwhile," says Irene, speaking from her new home in Ravenna, Italy, where Kees will be managing the *Trident 4's* latest assignment, this time for Eni. Transocean colleague Michel Legrand, Nigeria Operations Manager, joined the couple and their 14-month-old daughter, Jolijn, on the trip to Abraka. The traveling party also included a driver and a mopol (military police) to ensure safe passage on the five-hour drive.

LACED WITH RIVERS

Nigeria is the most populous country in Africa, meaning major cities and other important hubs are packed with people, and in the case of Port Harcourt, Irene says, "Not much to do." The couple had taken jaunts to the oceanside beaches near Lagos and looked forward to exploring the country known for its rivers and other waterways.

River Ethiope starts at the foot of a giant silk-cotton tree at Umuaja in southwestern Nigeria. As it flows through Abraka where the Van Pelt party visited, it's only about 20 feet (6 meters) deep and up to 30 feet (nine meters) wide. At 109 miles (176 kilometers) long, it flows through seven local government areas in Delta state. When it reaches Sapele, a port in the Niger Delta, it is deep enough to cradle ocean-going vessels.

And the water? "It's the clearest water I've ever



seen," Irene says. "It is not polluted. No motor boats are allowed, only paddle boats." Avid scuba divers, the Van Pelts brought their gear. It was mid-afternoon when a guide paddled the group in a canoe to a bridge, where they donned the wet suits and tanks. "We went into the water and just drifted with the current," Irene says, noting the water temperature was a refreshing 22 degrees Celsius (71 degrees Fahrenheit).

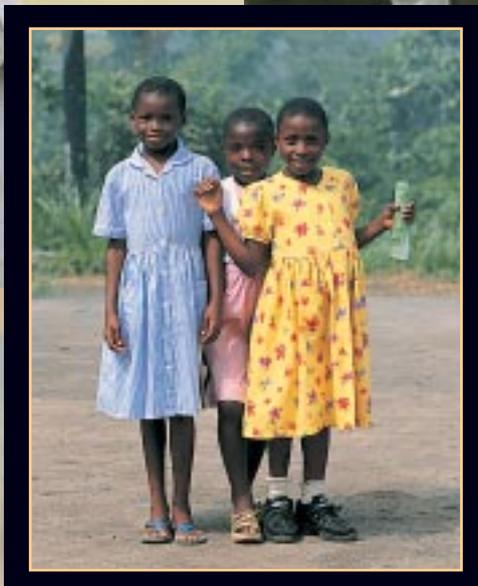
While coral reefs are the usual scenery when the Van Pelts dive, they enjoyed the simplistic landscape of the river — sand, trees, branches, vegetation, and a few tiny fish. "We had to be careful swimming under branches to

make sure the tanks didn't get stuck. Other than that, it was completely effortless."

As for wildlife on land, the group saw lots of birds. "We were told that if you start out at 7 or 8 in the morning, you can watch the monkeys jump from one side of the river to the other," Irene reports.

The Van Pelts and Legrand booked rooms at the eight-room river resort motel in Abraka, a quiet university town, home to Delta State. Not sure what the motel's interpretation of the word "resort" would be, Irene says the accommodations were surprisingly nice. The motel invites guests to swim, boat, fish or "simply relax by the glass-clear Ethiope River." It also offers lawn tennis, squash, racquetball and badminton courts, and a

Opposite page, clockwise from top left: Wikki Warm Spring in Nigeria's Yankari National Park; Nigeria is known as the land of rivers; Moca Cascades on Equatorial Guinea's Bioko Island; and diving off the coast of West Africa. This page: Transocean Nigeria Operations Manager Michel Legrand explores the Ethiope River in Nigeria.



Equatorial Guinea may be a tiny country, but it's big on natural beauty. The nation's capital, Malabo, is located on the island of Bioko. Formed from three extinct volcanoes, the island's beauty is equaled only by being considered one of the most biologically-significant places in Africa.

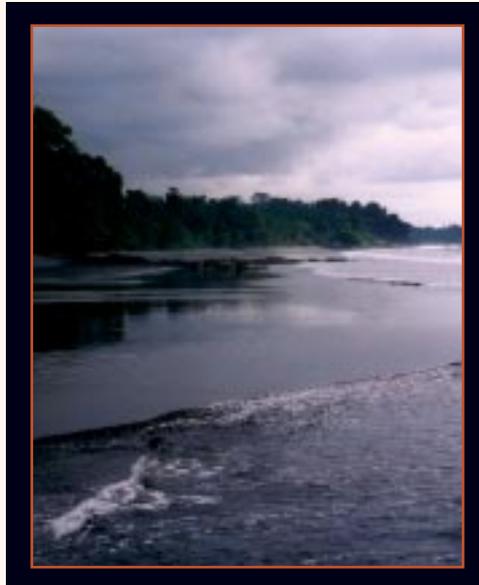
children's playground.

"We had a working air conditioner and mini refrigerator, and fresh, clean bed linens each day. And for only 5,000 naira a day." That's about US \$35. One thing that was lacking was the food. "The main staple in Nigeria is rice with a little goat meat. It's not very tasteful," she critiqued. "We took some sandwiches, salad and drinks along, but I wish we had brought more food. That's an important thing to remember to bring."

ROLLIN' RIVER FESTIVALS

Visiting an African river during one of its traditional festivals is a great way to absorb the culture of the people who live and work the waterway. Every community in the state of Delta has at least one festival, earning it the name of "land of one thousand dances." Festivals are held annually, biannually, or according to custom only once or twice in a lifetime. Two of the more popular festivals are the Ishe Festival for peace and progress in Ewulu and the Oki Masquerade in Torugbene.

Nigeria is also home to West Africa's major river, the Niger, which is the third-longest river in Africa after the (world-longest) Nile and Congo rivers. The Arugungu Fishing Festival is a major attraction each year between February and March. The riverside town of Arugungu is located in northwestern Nigeria about 64 miles from Sokoto in Kebbi State. The festival started in 1934 to



honor the historic visit by Sultan Dan Mu'azu.

Tradition continues today as hundreds of men and boys enter the water with large fishnet scoops. Canoes filled with drummers and men rattling large seed-filled gourds help drive the fish to shallow waters. The nets brim with fish such as Nile Perch and the strange Balloon Fish. Competitions include bare-handed fishing, canoe racing, wild duck hunting, and diving, capped by drinking, singing and dancing into the night.

RELAXATION SPRINGS ETERNAL

Another place to escape the city is Yankari National Park in east-central

Nigeria. The Wikki Spring, which gushes out from underneath a limestone escapement, is the most famous of the four natural springs in the park. At a constant temperature of 30 degrees Celsius (86 degrees Fahrenheit), free from reptiles and fish, the crystal-clear spring is an excellent place to swim — and enjoy the view of the surrounding jungle. If you venture downstream you may get to observe the colony of baboons that call the park home.

HOPPING TO AN ISLAND

Equatorial Guinea may be a tiny country, but it's big on natural beauty. The nation's capital, Malabo, is located on the island of Bioko. Formed from three extinct volcanoes,

Opposite page: Scenes from Malabo, Equatorial Guinea, clockwise from top left: bananas on the way to market; young salesman at market; bagging roasted cocoa beans; waiting for school to start; and center; off to Sunday school. This page: Moraka Playa, a black sands beach on Bioko's southern shores.

*Cascading beauty
at Ureca Falls
on Bioko Island.*

the island's beauty is equaled only by being considered one of the most biologically-significant places in Africa. The island has the continent's largest concentration of endangered primates and grows more than 50 unique species of plants. Bioko is aflutter during the dry season (November to February) as butterflies gather in the rainforest and endangered marine turtles come ashore to nest on the black sand beaches.

Opportunities to visit the island's highlands are limited, but each January scientists and students make an expedition to survey the large forest animals. The www.bioko.org site highlights the trip and other efforts of the Bioko Biodiversity Protection Program, a not-for-profit conservation organization run out of Arcadia



University in Glenside, Pennsylvania, USA, with a mission to protect the wildlife of Bioko Island.

The site also features a typical three-day visit to the island that goes like this:

- *Day 1:* Depart from Malabo at 2 p.m. for the four-hour drive to the Southern Highlands. Dinner and sleeping accommodations at Casa Risiiti in the village of Moca-Malabo.
- *Day 2:* After breakfast, a two-hour guided hike to Lago Biao, a breathtaking crater lake, for a picnic lunch and some bird and monkey watching. Return to Moca by mid-afternoon. Visit the village of Moca-Malabo; then dinner and the night at Casa Risiiti.
- *Day 3:* After breakfast, a one-hour guided hike through bracken-fields and tree-fern forest to the famous Iladyi waterfalls, known as the "Cascades of Moca." As you stand in a moss-draped montane forest at the top of the largest fall, look out across undisturbed forest to the other cascades. Return to the village for lunch before driving back to Malabo.

Under water or through the jungle, West Africa welcomes visitors to share in its everyday festival of natural beauty.

This drill is one of the reasons that Bioko Island is considered to be one of the most biologically-significant places in Africa. The island has the continent's largest concentration of endangered primates. In fact, the drill population on the southern tip of Bioko is one of only three known remaining populations in the world.



Stuart McIntyre, Country Controller, Equatorial Guinea, delivers school supplies and cash donations raised by the Sedco 700 crews; a Colegio Ma. Immaculada student in Batteti, Equatorial Guinea, totes some of the supplies.

Rig Crews Help the Children

Transocean crews have supported many worthy causes in West Africa with cash donations, food, clothes, medical supplies and time. Most of the charity focuses on children in the hopes of improving their health, education and outlook on life as shown in these efforts by the *Deepwater Discovery* and the *Sedco 700*.



The *Deepwater Discovery* has donated funds to the Compassion Centre for Disabled Children for needs such as surgery, braces and rehabilitation. The home, run by the Catholic Sisters of Charity, cares for 30 children, ages 6 to 11, who suffer from polio.

The *Sedco 700* has raised money to help fund scholarships and supplies for two schools in Equatorial Guinea. Colegio Ma. Immaculada in Batteti has 120 students in six classes from preschool to fifth grade. The school also has a dormitory for 63 girls from ages eight to 12. Cash and supplies were also given to Escuela Abogado Dougan in Luba.

“I’m sure the children will be able to study better thanks to your generosity,” wrote the Luba school’s director in a thank-you note.



Clockwise from right: Standing (l-r) at the Compassion Centre for Disabled Children at Port Harcourt are Serge Schultz, DWD Rig Manager; Kennie Jardeb, DWD Administrator; and Gem Cadiz, DWD Onshore Logistics Supervisor; seated are the Centre’s Sister Rosaleen Desmond and Matt Dalton, DWD Operations Engineer; children play football (soccer) at the centre, as Sister Desmond and Bruce Melrose, DWD Onshore Logistics Coordinator, watch on; boys and girls strike a Sunday pose near a century-old church and the Catholic school at Batteti.

Connecting with Customers

Sedco Energy

Conoco Petroleum Nigeria Ltd. would like to recognize the outstanding performance of the crews of Transocean's *Sedco Energy* rig during the Obeje-1 drilling program. Their commitment to safety, environmental stewardship and operational excellence has not only exceeded our expectations, but set a new standard for the area by drilling a "Best in Class" well. Safety and environmental stewardship are the foundations of ConocoPhillips' core values, and we are especially pleased with the level of commitment to these values that the management and crew of the *Sedco Energy* demonstrated during our operations.

The crews of the *Sedco Energy* have "raised the performance bar" to a level that other drilling contractors and rigs will not easily attain. Any drilling rig is only as good as the personnel managing and running it, and it's obvious the *Sedco Energy* personnel are among the best in the industry. In the drilling of this well, the crew of the *Sedco Energy* substantiated that embracing and managing core values enhances operational efficiency and performance.

We wish you and your crew all the best in your future endeavors and look forward to the opportunity to work with you in the future. It has truly been a pleasure to work with your organization.

*Steve Butler/Dale Hejnal
Drilling Managers*

*Jim Thomas/James Ramsey
Drilling Superintendents*

Transocean Richardson

Dear Gents,
CNR International has just finished its first completion operations on Baobab Field. The reservoir section

was drilled and the sand face Expandable Sand Screen completion installed in April on well P3. Over the last 12 days, the well has been re-entered (following batch XT installation programme), upper completion installed, and the well cleaned up and tested to a temporary surface spread onboard the *Transocean Richardson*.

All this was achieved without any accidents or incidents during an intense phase of equipment mobilisation and rig up.

The provisional results from the well test have demonstrated the integrity of the sand face and upper completion and the well objectives have been met.

I would like to express my thanks for a job very well done to all the individuals involved from the initial planning phase (some of this over a year ago) through to the offshore operations. I would appreciate it if my comments could be passed onto those members of your teams in Aberdeen, Abidjan, and on the *Transocean Richardson* (Houston, Dunfermline, Kongsberg also included), and I look forward to seeing them supporting the on-going operations.

This is the first well to be completed out of an eleven well development programme, and look forward to continued success on the Baobab Project.

*Many thanks, again,
Chris Tomlinson
Baobab Completion Team Leader
Canadian Natural Resources*

Sedco 700

Today is a significant event for all of the personnel on the Transocean *S700* Rig. You have achieved a very significant milestone, as it marks 500 days of an accident-free work

place. The *Sedco 700* Drilling Rig has been in our employ for over three years. HESS — Triton Equatorial Guinea is extremely proud of the HSE performance that the *S700* has delivered, while drilling on Blocks F and G in Equatorial Guinea. Additionally, this year's performance is a significant improvement over 2002. All of the *S700* team members are to be congratulated.

These results didn't happen by chance. We fully recognize the significant commitment that has been made by everyone to HSE and a very purposeful shift in delivery — from expectation to implementation. The results are self evident. Please extend our gratitude to the entire Rig Team at the *S700* for achievement of 500 days without a lost-time accident.

The focus on the achievement of basic objectives in Health, Safety and Environmental performance year on year, is positive proof of the team's engagement, behavioral change, focus and determination for continuous achievement. It's essential and good business. We are confident that the trend will carry forward well beyond 500 days. Congratulations and *Buena Suerte* for the next 500 days.

*Bill Watson, Vice President,
Triton Equatorial Guinea*

*Bill Kortlang, West Africa Drilling
Manager, Amerada Hess*

*Tracy Mosness, Drilling Manager,
Triton Equatorial Guinea*

Transocean Comet

To: Comet Rig Team

I would like to recognize the *Comet* rig team and extend my appreciation and congratulations for your recent success on the M3-135 well. Your dedication and hard work have helped us achieve a major business success for

GUPCO. You have shown that we can truly achieve best in class performance by working together as a team.

I look forward to our continued success.

*Best Regards,
Bill Schofield, Drilling and
Work-Over General Manager
BP/GUPCO*

Transocean John Shaw

CNR's first North Sea drilling campaign will be completed soon when the rig is redelivered to Invergordon. The *John Shaw* was contracted at short notice to drill two exploration wells in the northern North Sea, but at the last minute was diverted to French waters in the southwest approaches. Since leaving Norway, the rig has drilled both the Polkerris and Jude exploration prospects and successfully tested the Jude Well; during this she has travelled some 2,000 miles and survived severe winter storms in the Ninian area.

We would like to extend our appreciation for a safe and effective operation during the past five months. In particular, credit is due to your offshore team for managing multiple activities in a professional and efficient manner. These are difficult times for drilling contractors and we recognise the effort made by Transocean and yourself in maintaining high standards. Best wishes to all the *John Shaw* team for the New Year and we look forward to continuing our relationship with Transocean in the future.

*Yours Sincerely,
Dave Haywood, Drilling Manager
Roger Vernon, Drilling Supt.
Canadian Natural Resources*

Discoverer Spirit

To the Crew:

One of your crews flew on Southwest Airlines on Saturday, April 3rd, from Houston to New

Orleans and volunteered to look after my 12-year-old daughter, Alexandra, who was flying to New Orleans to see her grandparents. I just want to thank them for their help and to say to all at Transocean what a professional and courteous group they were. I have been around the offshore and land drilling business all my life and it is so refreshing to see a group of people from our industry projecting such a positive image to the people around them!

Stay safe, best regards and good luck to all of you!

*Bill
William E. Chiles, EVP & COO
Grey Wolf, Inc.*

Sedco 703

Attn: Mike Suk-Udom, Blue O'Shea

Dear Mike/Blue,

We want to thank you and the entire crew of the *Sedco 703* for the extremely professional job you have done for BHP Billiton once again. The safety performance was excellent on the Scindian-4 campaign, and we achieved the objectives we set out to achieve. The comments from our Drilling Supervisors, Pat Breene and Peter Devine, sum up our views of the *703* nicely:

- The attitude to safety by the supervisors onboard was positive and consistent. The theme was "No job is so urgent that it cannot be done safely." This was constantly spoken about at meetings and carried forward to the workplace by them.
 - The crews took on the responsibility of carrying out tasks safely and using the THINK planning process whenever they thought it was necessary and in fact never had to be prompted in this process.
 - Proactive planning (both in safety and general work) was good in all work areas from OIM to maintenance crews.
 - START cards were very good.
- The pleasing thing that came out

of them was that there was a good number of them that required them to "Stop the job" which is something that BHPB pushed. The other thing was the input from the catering crew who are very involved in the safety side of things on this operation.

- Morale was good and this was helped by the "Open Door" policy that both Transocean and BHP Billiton outlined at all inductions and safety meetings. The crews always felt that they could talk to the supervisors and this led on to a positive work attitude.
- The theme that I pushed for all tasks performed during this operation was "Do it once but do it right." The emphasis was on safety, not speed, and it removed the possibly perceived pressure to complete tasks quickly.
- I think that the Transocean Corporate commitment to Safety is being ingrained into their culture and it is pleasing to see that the crews are taking it onboard as part of their day to day work habits.

And,

- It was a pleasure working on the *703* mainly due to the cooperation and proactive comments coming from both the crews and supervisors. From the OIMs down there is a positive "can do" mentality; they are all proud of the rig and are happy in their outlook towards work and life in general.
- As I told the men when I left the rig on Sunday, "I am looking forward to returning to the rig after Apache's work and completing another safe, efficient campaign with the same personnel."

Please pass on our thanks to the *703* crew.

*Best Regards,
Doug Berean
Drilling Manager*

*Rob Oliver
Drilling Superintendent
BHP Billiton*

Corporate Report

New Benchmarking Tools Target Drilling Performance

By the Performance and Technology Group

The Performance and Technology Group (P&T Group) has introduced new benchmarking and reporting tools to extend a performance-based culture across Transocean. The rollout has started with the company's 5th-Generation fleet, which is comprised of 13 of the most technically advanced deepwater drilling rigs. The driving motivation behind this effort is to deliver more efficient and cost-effective offshore drilling services to the company's clients.

The benefits are twofold. First, these metrics support ongoing marketing efforts where our clients are requiring performance data as part of the tendering process. This information is used for evaluating the candidate rigs in the selection process as well as including bonus provisions in the resulting contract.

Second, benchmarking enables Transocean management to better review our operating performance from the clients' perspective. Any improvement in our operational performance, as gauged by the following Key Step Measures (KSMs), ultimately translates into reduced well costs for our clients. KSMs represent more than 30% of well-construction time, with unrestricted drillpipe tripping alone accounting for nearly 10%. With operators' spread costs running up to two times the rig day rate on deepwater wells, any improvement in rig performance means lower project costs.

Benchmarks have been established for these KSMs:
Non-Restricted Drillpipe Tripping

- RIH (Run In Hole)
- POOH (Pull Out of Hole)

Casing Operations

- Rig Up to Run Casing
 - Run Casing Joints
 - Rig Down After Running Casing
- BOP Operations*
- Rig Up and Rig Down of Riser-Handling Equipment
 - Running and Retrieval of Riser Joints
 - Installation and Removal of Slip Joint
 - Installation and Removal of Diverter
 - Subsea Pressure Tests

The benchmarks, which provide a more comprehensive Operational Excellence chart, were developed using the Performance Tracking Reports within the Global Reporting System (GRS), supplemented by other data sources from the North America Region (NAR).

New Era in Operational Excellence

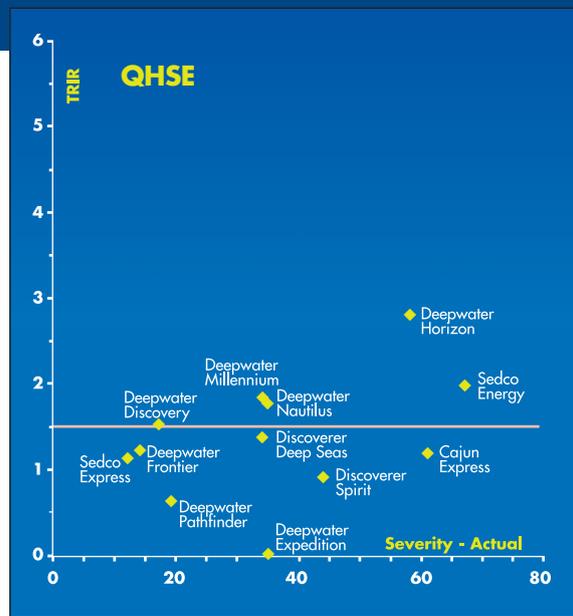
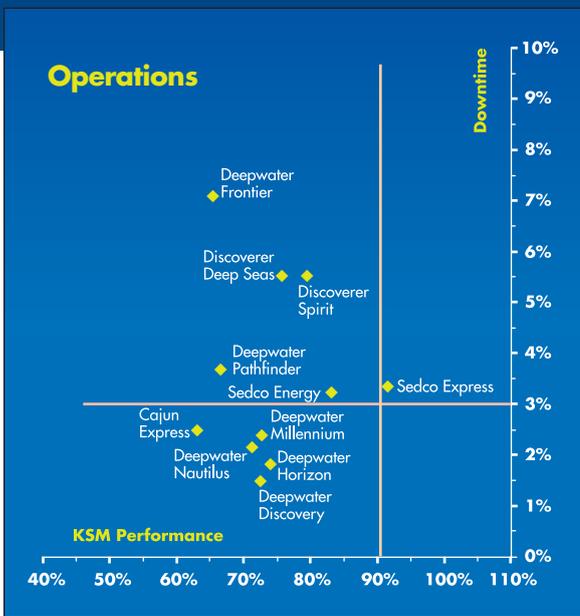
The new Operational Excellence chart highlights the latest operating statistics being reported within the Transocean management system. The "old" style excellence chart has been split into two pieces (*See Figures 1 and 2*) with operational measures on the left graph and QHSE-related measures on the right graph.

The operations chart now

plots KSM performance versus Downtime. The KSM performance score is a ratio of the benchmark hours to actual hours for the operations listed above. Downtime is Transocean Non-Productive Time (NPT) as reported within GRS through the Operations Event Report (OER) process.

The goal was to create a report that measures the well-construction efficiency of a rig while not losing focus on safety or downtime and the associated lost revenue. Using the KSMs was a logical step since they provide an indication of a rig's performance in carrying out operations that are fully under Transocean's control.

Figure 1 shows the results for the 5th-Generation fleet when applying the new KSMs and benchmarks to operations conducted in 2003. Performance data used to calculate the performance score was obtained from each rig's daily operation reports within GRS. Using the codes from the Performance Benchmarking Guide and GRS Performance Tracking Reports, along with the established benchmarks, an overall 2003 score was calculated. This score was graphed



The new Operational Excellence Chart has two parts. The left side (Figure 1) shows Downtime vs. Key Step Measures (KSM) performance. The right side (Figure 2) displays the Total Recordable Incident Rate (TRIR) with the associated severity index.

with the 2003 downtime for each rig.

It is important to note that if rig operations are erroneously recorded within GRS, then the performance score will be skewed and the rig's true efficiency will be misrepresented. Figure 3 shows a full year of tripping performance for one of the 5th-Generation units. As part of a recent tender, the data from GRS was reviewed and analyzed to determine the true performance rate. As the graph shows, a 29% increase in tripping rate for RIH was obtained simply by ensuring the proper operations were included in the calculation.

Figure 2 shows the safety part of the new Excellence graph. It contrasts the traditional Total Recordable Incident Rate (TRIR) value graphed with the associated Severity Index. Again, the data represented on the chart is from rig reports within GRS during 2003. The result is an enhanced snapshot in time of a rig's safety performance, as a low TRIR by itself looks favorable, while a low TRIR with a high severity index does not.

Overall, the new Excellence graph will allow operations personnel around the world to measure their well-construction efficiency, while maintaining the safety vision of: "Operations conducted in an incident-free workplace — all the time, everywhere."

Look for this graph to be available on GRS-Online by the fourth quarter of 2004.

Performance Benchmarking Guides

Available now, however, is the updated Performance Benchmarking Guide for Floating Drilling, which the P&T Group, in conjunction with the NAR Benchmark Team, produced as a follow-up to the Performance Management Forum held in Houston last fall.

The updated guide provides the definitions of KSMs along with the proper GRS codes for recording the associated operations. Working with field personnel from the India District, a similar document for jack-up operations is under review by the broader Asia-Australia Region and a revision should be published in mid-2004.

Both the Performance Benchmarking Guide for Floating Drilling and the jackup version are available on RigCentral under Operations — Performance & Technology at <http://hqs.ops.rig-central.com/performance/>.

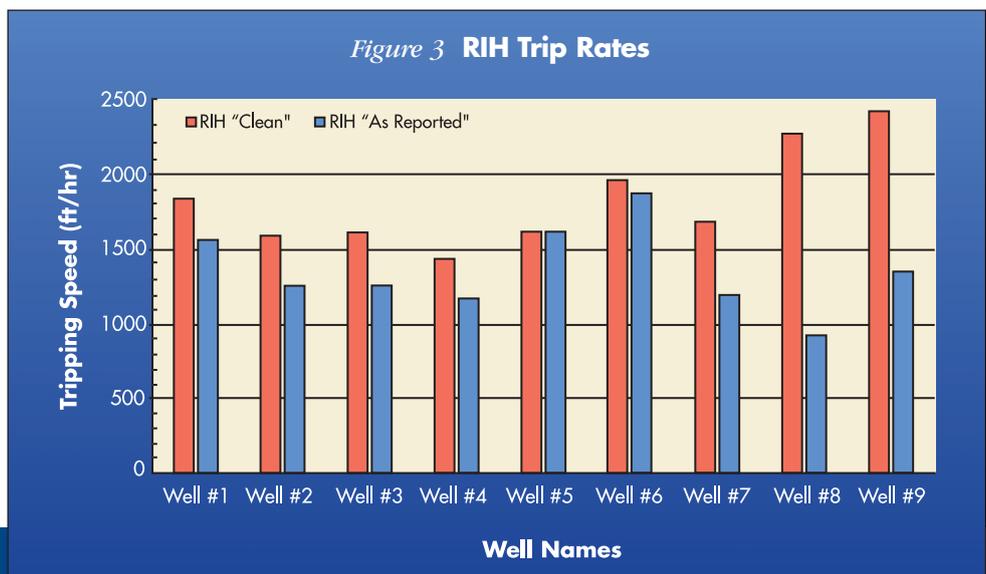
New GRS Tools

The GRS project team has delivered several other exciting new tools. In late 2003, GRS-Rig Version 3.0 was released to the fleet, with some long-awaited upgrades requested by users. Near the end of the first quarter of 2004, an upgrade to GRS-OnLine included a Reporting Module which allows the generation of Performance Tracking Reports.

These reports are run using the standardized coding published in the Performance Benchmarking Guide to allow field and corporate management to monitor the overall drilling efficiencies of the Transocean fleet. The reports are capable of being run at the corporate, region, district and rig level. In addition, it is possible to custom-build the reports to compare the performance of like-drilling units by rig class.

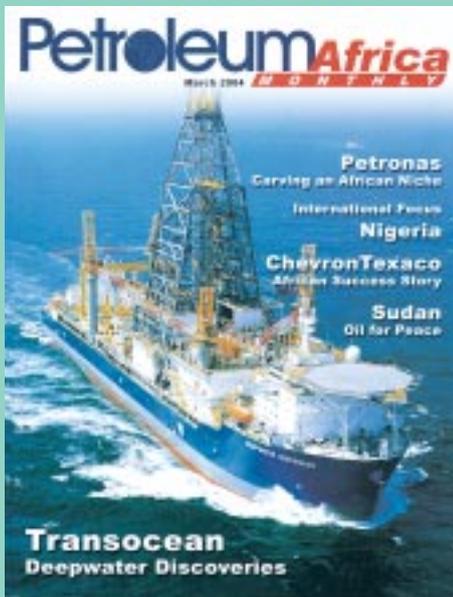
As this article went to press, the GRS team was releasing a maintenance update of GRS-Rig. Version

continued on page 34





Barron's Magazine featured Transocean as the lead article in its February 9, 2004 edition with the title "Lord of the Deep — Transocean drills for oil where few others dare to go..." The publication noted that "Transocean's most important strength is its experience with the deep."



Petroleum Africa Magazine profiled Transocean and the company's operations in West Africa in the March edition of the publication using a six-page story. Titled Transocean — Master of the Deepwater Discovery — the article focused on the company's legacy of leadership in deepwater drilling.

continued from page 33

3.1 features several improvements and corrections to v3.0, and a highlight of these revisions can be found on the GRS Welcome Page within RigCentral at <http://grs-online.rigcentral.com/>.

Employees are encouraged to provide feedback on these new performance tools to help Transocean sustain its mission of being the premier offshore drilling company. For overall feedback, please contact Chip Keener, Director of Performance Management at ckeener@houston.

deepwater.com. For feedback on GRS, contact Tim Lee, Performance Measurement, at tlee@houston. deepwater.com. To request assistance with performance analysis work, contact Performance Analysts Leif Nelson at lnelson@houston.deepwater.com and Ibukun Keji at ikeji@houston.deepwater.com.

This article is the third in a series of New Horizons stories about how Transocean people are engineering the future of our dynamic industry.

Bill Henderson Named Vice President and Controller

Reprinted from FIRST On-Line



Bill Henderson has been named Vice President and Controller of Transocean Inc., reporting to Senior Vice President and

Chief Financial Officer Gregory L. Cauthen, effective June 14. Henderson joins the company as a 25-year veteran of public accounting and corporate management positions.

"Bill's background in both the oilfield service industry and public accounting positions him well for the corporate Controller's role," Cauthen says. "Please join me in welcoming Bill to Transocean."

From 1995 until the

present, Henderson served in positions of increasing responsibility at Cooper Cameron Corporation, most recently as Director, Financial Reporting. In addition, he was Controller of the Cameron Division and Manager of External Accounting for the parent corporation. Previously, he worked for two public accounting firms: as Audit Senior Manager at Ernst & Young and Audit Manager for Price Waterhouse.

A Certified Public Accountant, Henderson graduated from the University of Texas at Austin with a B.B.A. degree in Accounting. He is a member of the Financial Executives Institute, the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants, Houston Chapter.



Employee Photo Contest Reminder

Remember to enter the Fifth Annual Employee Photo Contest by submitting digital and print photography entries by September 30, 2004 to:

Guy Cantwell
 Manager Corporate Communications
 Transocean
 4 Greenway Plaza
 Houston, Texas 77046
 E-Mail: gcantwell@houston.deepwater.com
 Telephone: +1 713 232 7647

The contest photo rules and an entry form are available at: http://hqs.com.rigcentral.com/Contest/Photo_Contest.pdf.

Prizes are \$300 for Best of Show; \$200 for First Place; \$100 for Second Place and \$50 for Third Place. A team of judges will determine the number of winning color and black-and-white entries in four categories: At Work, Away from Work, Nature and Best Creative. Winners will be notified by mail or e-mail, and their entries will be published in the *On Location* newsletter.

Measuring Our Success

Transocean Fleet Utilization by Quarter 2004

By Rig Type	Utilization	
	First Quarter	Second Quarter
International & U.S. Floater		
Contract Drilling Services Segment:		
5th Generation Deepwater Floaters	91.9%	89.8%
Other Deepwater Floaters	78.2%	70.2%
Other High-Specification Floaters	72.9%	74.9%
Total High-Specification Floaters	83.1%	78.8%
Other Floaters	42.5%	44.8%
Jackups	83.4%	85.5%
Other Rigs	54.4%	45.9%
Segment Total	68.8%	67.7%
TODCO Segment	37.9%	41.0%
Total Drilling Fleet	55.7%	56.3%

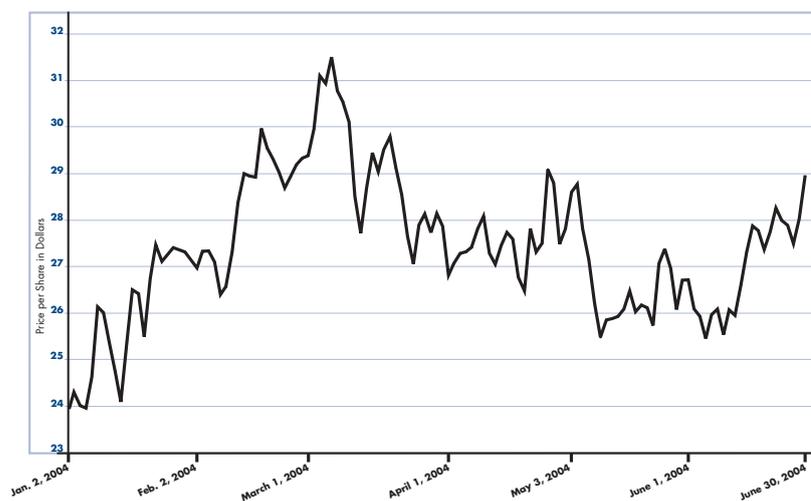
Transocean Fleet Utilization and Safety Performance YTD June 2004

By Region	Utilization	TRIR*
Asia and Australia (includes India)	71.6%	0.81
Brazil	81.7%	1.58
Eurafrica	65.1%	1.26
North America	66.9%	1.66
TODCO	39.5%	1.70
Total Company-wide	56.0%	1.28

*Total Recordable Incident Rate per 200,000 hours worked year-to-date June 30, 2004.

Transocean Stock Price Performance

January 2, 2004 to June 30, 2004



The price of Transocean common stock closed at \$28.94 on June 30, 2004, compared with \$23.94 on January 2, 2004. The company's stock trades under the symbol RIG on the New York Stock Exchange.

Meeting the Expectation — ZERO

The following 34 rigs had achieved Zero TRIR* year to date through June 30, 2004.

Africa, Mediterranean Sea, North Sea, Caspian Sea:

Jack Bates
Polar Pioneer
Sedco 704
Sedco 706
Transocean Leader
Sedco 709
Transocean Rather
Transocean Richardson
Shelf Explorer
Trident 8
D.R. Stewart
George H. Galloway
Transocean Mercury
Trident 20
Searex 9

Asia & Australia:

Charley Graves
Harvey H. Ward
Hibiscus
Ron Tappmeyer
Trident 15
C.E. Thornton
F.G. McClintock
J.T. Angel
Transocean Nordic
Trident 2
Discoverer Seven Seas

Brazil:

Deepwater Frontier
Sedco 707
Sedco 710
Sedco 135-D

North America:

Deepwater Horizon
Deepwater Nautilus
Deepwater Pathfinder
Transocean Marianas

*Total Recordable Incident Rate per 200,000 hours worked.

Website, New Phone Numbers Activated for Personnel to Make Accounting, Auditing Complaints

Reprinted from FIRST On-Line

The company's confidential reporting system is being enhanced with the addition of an Internet site and two no-cost telephone numbers. Employees are encouraged to use this system to confidentially and anonymously report complaints about accounting, internal accounting controls or auditing matters.

"When fraud is discovered, more than 90% of the time it is through employee complaints," says Kevin McCreary, Assistant Vice President, Assurance and Advisory Services. "So, employees have an important role to perform in protecting the company's resources."

To use the Internet site, visit <http://www.mysafeworkplace.com> and follow the directions. The easy-to-use site includes a unique access number that allows reporting employees to confidentially re-enter the site, receive and send anonymous messages related to their report and participate in any follow-up activity.

Alternatively, employees in the United States can submit complaints through a MySafeWorkplace toll-free telephone number at 1-800-461-9330. Personnel outside the United States can call international collect at +001-720-514-4400. Employees should tell the operator that they need to place an international collect call to "My Safe Workplace."

Also available during an interim transition period will be the existing telephone number for U.S. callers: 1-888-475-9493.

To submit complaints in writing, please address them to:

Kevin McCreary
Assistant Vice President, Assurance & Advisory Services
P.O. Box 2765
Houston, Texas 77252-2765

Eric Brown
Senior Vice President, General Counsel & Secretary
P.O. Box 2765
Houston, Texas 77252-2765

Complaints about issues other than accounting and auditing — such as sexual harassment and discrimination — should be submitted to an immediate supervisor, or as appropriate, to a Regional Human Resources Manager or the Manager of Employment and EEO (Equal Employment Opportunity).

Press Box

Media Mentions

Nautilus sets depth record

Transocean semi-submersible Deepwater Nautilus and its crew have set another world water-depth record for an offshore drilling rig operating in moored configuration.

The rig is drilling a well for Shell at the operator's Cheyenne prospect in Lloyd Ridge block 399 of the US Gulf in 8951 feet of water. The achievement surpasses the prior world record for a moored rig of 8717 feet of water also held by the Deepwater Nautilus.

The rig set the record last year drilling a well at Shell's Great White discovery in Alaminos Canyon block 857.

The semisub is one of 13 Transocean fifth-generation mobile offshore rigs. The rig also holds the world record for the deepest subsea completion, set recently at 7570 feet of water on the Shell-operated Coulomb project C-2 well in Mississippi Canyon block 657.

Upstream

June 4, 2004

In Review

Media Analysis

Discoverer Enterprise in National Geographic Spotlight

The world's first dual-activity drillsip, Discoverer Enterprise, was a focal point in the cover story of the June edition of National Geographic Magazine.

Titled "The End of Cheap Oil," the story opens with the Discoverer Enterprise at work on BP's Thunder Horse field. The rig is "driving a well toward an estimated one billion barrels of oil below the seafloor — the biggest oil field discovered in United States territory in three decades."

Near the end of the story, the Discoverer Enterprise overcomes a water seepage, completes the well and moves on to start the next development well. It's really only the beginning of achievements by the world's largest and most advanced ultra-deepwater drillsip.

But that's a story for another day.

Make the Right Move

Offshore drilling requires a strategy, especially in the Gulf of Guinea, where teamwork and experience count more than ever. That's why clients have called on Transocean to drill approximately 60% of all wells constructed in more than 600 feet of water in the Gulf over the past 20 years.

That's why the *Deepwater Discovery* drillship has drilled by far the most wells in more than 5,000 feet of water in the Gulf. It's why the *Sedco Energy*, *Sedco 709*, *M.G. Hulme, Jr.* and *Sedco 700* semisubmersibles have performed well for clients in the area, as have our jackups and inland drilling barges. And, it's why Transocean was chosen to conduct the first major Gulf of Guinea drilling campaign in 1961 off Gabon.

Worldwide, Transocean has more experience drilling deepwater wells than anyone. And with the largest and most diverse fleet in the world, we can deliver exactly the rigs our customers need when and where they need them.

Put them all together and you can see why more and more customers have learned that the right move is frequently the easiest move. That's why they call Transocean.

Transocean, we're never out of our depth.





4 Greenway Plaza
Houston, Texas 77046
713.232.7500