

A photograph of two workers in orange jumpsuits and white hard hats standing on a metal platform of an offshore oil rig. They are facing each other and appear to be in conversation. The background shows the complex structure of the rig with white pipes and yellow railings. The lighting is bright, suggesting daylight.

OFFSHORE FRONTIERS

The New Transocean: Celebrate the Opportunities



Bob Long
CEO

Welcome

It's been a very busy 2008 as we've worked together to integrate two great companies following the merger that closed in November 2007. This edition of *Offshore Frontiers*, our biggest ever, indicates just how busy we've been.

We've brought our company into new and important regions, and the lead story about the team in Trinidad shows the outstanding work everyone there is doing.

We're also expanding our fleet with currently 10 newbuild rigs, and we're very excited about the upcoming completion of the *Discoverer Clear Leader*. Our newbuilds are profiled with some great photos of the *Clear Leader* construction process, starting on page 34. I am looking forward to seeing first-hand the impressive work of our newbuild project teams when I visit the *Discoverer Clear Leader* next month in Korea.

Earlier this year, I had the pleasure of visiting our team in India, a perfect example of how our people have not only grown our business exponentially, but are advancing a culture of superior performance. Their profile starts on page 20.

In all our efforts to grow and advance, it's important to pause and recognize how far we've come, and the many people who have dedicated themselves to laying the foundation for what we're capable of now. Don't miss this issue's history feature that profiles André Rey-Grange, one of the many pioneers of our company and our industry.

As we begin to wrap up a historic 2008, I'd like to thank you for your continued efforts and dedication to Transocean. We know we've got the best and most dedicated professionals and we're committed to ensuring that this is a great place to work and grow your career. Your engagement and development is crucial to achieving to our number one goal: to be the best, safest drilling contractor in the offshore drilling industry.

With that, please enjoy reading this publication, which spotlights many of the reasons I'm so proud to be a part of the Transocean team.

A handwritten signature in white ink, appearing to read 'Bob Long'. The signature is stylized and cursive, written on a dark blue background.

Bob Long
Chief Executive Officer

July 2008
Volume 9
Number 1



Trinidad Tobago: Fostering acceptance and quick camaraderie.



India: Building a sustainable business.



Perfect 10: Working hard to make the newbuilds a reality.

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Trinidad may be small, roughly half the size of Qatar, but it's big business for the company's sole customer there, BP Trinidad and Tobago. Both of Transocean's rigs in the region, the GSF Constellation I and the GSF Monitor have accomplished many successes for bpTT and the crews have maintained a positive culture of teamwork after the merger.

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It's not all work and no play in Trinidad. The best time to play is during Carnival, an annual two-day event. Find out more about this fun festival and what you should know before you go.

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Size is an obvious sign of success, and Transocean is India's largest offshore drilling contractor, having grown from one to 13 rigs in recent years. But more important, Transocean India is building a sustainable business with a culture of performance, adaptability and commitment to zero incidents.

26 Pioneering Integrated Services in India

From well planning and project management to air services and drillstem testing, Transocean is the only offshore drilling contractor providing integrated services in India. Despite technically challenging wells; monsoon seasons on both Indian coasts; and the logistics of delivering equipment, supplies and people across vast geographical areas; Transocean India has made significant inroads toward the goal of safer work practices and more proficient operations.

28 Transocean's Deepwater Frontier

In November 2007, Transocean employed its patented concentric riser system to enable managed pressure drilling from the dynamically positioned drillship Deepwater Frontier in 4,920 ft (1,500 m) water depth. This achievement in India was the first use of this equipment by a DP floater in the history of the offshore drilling industry. Transocean continues to study ways to broaden the application of these techniques and drilling methods.

34 Perfect 10

The Discoverer Clear Leader, which is among the first of Transocean's currently 10 newbuild rigs to commence work, marks the beginning of an exciting new era at Transocean. The newbuilds, all of which will feature the industry's most advanced technological solutions to date, are being constructed at various shipyards in Asia. Get the facts on this new fleet.

On the Cover:

Deyon Morren and Andy Chandree, Roughnecks aboard the jackup GSF Monitor offshore Trinidad, know what it takes to get the job done on their rig. Teamwork. And that's exactly what it will take to create one company culture at Transocean following the Nov. 27, 2007, merger. All over the world, Transocean employees demonstrate their ability — and desire — to work as a team to maintain a superior operation during the integration process.

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
Director, Corporate Communications

Managing Editor & Writer

Courtney Wilcox
Manager, Internal Communications

Art Director

James McAnear
Sr. Graphic Designer

Designer

Ellen Custer

Contributing Writers

Theresa Parker
Leif Nelson
John Kozicz

Illustration

Mike Dean

Photography

Guy Cantwell
Ken Childress
Jim Stephens

Printing

Chas. P. Young

Visit us at our Web site

www.deepwater.com

Transocean Principal Office

4 Greenway Plaza
Houston, Texas 77046
(713) 232-7500

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Transocean has supported the development of Udaan, a non-profit center which has become an educational oasis in Mumbai. Twenty-six children, mostly from the slums near Transocean's Mumbai office, enrolled in the center when it opened in August 2004. Today, 300 children are enrolled and working toward a promising future.

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André Rey-Grange, general manager of a Transocean predecessor company, was recently recognized as an industry pioneer by the Offshore Energy Center based in Houston and inducted into its Hall of Fame. He shares his memories of the early years of offshore drilling in Europe.

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Chart who's who in the new Transocean organization.

48 **Measuring Our Success**

Take a look at our fleet utilization, safety performance and Wall Street performance.

This issue of *Offshore Frontiers* features a new approach to the fleet directory, which in years past has been included as a fold out item. Starting now, we're running it as an insert, so that you can pull it out and take it with you if you need it. It gives you a great snapshot of our fleet — including locations, specifications and, of course, photos!

If you need additional copies for marketing, recruiting or other purposes, we printed out a whole bunch. Send your request to Guy Cantwell, Director — Corporate Communications, at gcantwell@mail.deepwater.com or dial 713-232-8647. An updated insert will be provided in the next edition of *Offshore Frontiers*.

hit us with your best shot

If you enjoy taking photographs, you can have your images judged by a team of professional photographers and publication designers in the eighth annual Transocean photography contest. Entries may be submitted through October 31, 2008. Awards will be given by category for color and black-and-white photography for:

Best of Show: \$ 500

First Place: \$ 200

Second Place: \$ 100

Third Place: \$ 50

Winners will be notified in November and entries published in Transocean's *FIRST Monthly* employee newsletter.

categories

At Work

Any photo of people working for the company or of any rig or asset of the company.

Away from Work

Any photo of anyone — employee or non-employee.

Nature

Any scenic image.

Best Creative

Best use of photo technique or technology.

Please complete the following form and mail a copy with each photo to:

Employee Annual Photography Contest
4 Greenway Plaza, Room 609
Houston, Texas USA 77046

Digital entries can be e-mailed to:
corpcomm@mail.deepwater.com

Please use "Employee Photo Contest" in your subject line and include all of the following information in your email:

Name, Title, Division, Rig or Office, Address, City, State, Region, Country, Zip or Postal Code, Title of Photo, Category, Description of Photo

contest rules

The contest is open to full-time company employees who enter according to the following rules:

1. All entries must be postmarked by October 31, 2008.
2. No more than two awards will be given to any one employee.
3. Up to five entries for each category may be submitted.
4. Color and black-and-white photographs can be entered as prints, 35 mm or larger transparencies, and digital images.
5. Digital Photos: The file name of the digital photo must match the title of the photo on the contest entry form.
6. The judges will determine the number of winning entries for each category.





Trinidad & Tobago:

This melting pot of culture and skills proves diversity is the key to creating one company culture at the new Transocean

By Courtney Wilcox

The pre-tour meeting aboard the *GSF Monitor* on March 6 featured six different speakers – and five distinct accents. Countries from around the world – from Venezuela to India to the U.K. to Canada – are not just represented at this meeting, but throughout the region where Transocean currently has two rigs, the *GSF Monitor* and the *GSF Constellation I*, at work for customer BP. Welcome to Trinidad and Tobago.



Trinidad, often called “the rainbow state” and the “New York of the Caribbean,” is a place where diversity is celebrated, and is reflected everywhere — in the food, the wide range of island activities and, of course, in the faces of Transocean’s hundreds of employees who work in the area. In fact, a resounding comment from employees, when asked why Trinidad is a great place to live and work, was focused on diversity.

“Even though the island is small, there’s the feel of an international culture,” said Carol Radoo, Sector HR Manager. “Because of our diverse culture, we have a lot of unique styles.”

Even the names of the towns in Trinidad represent the diversity that exists in the region. For instance, English (Chatham, Brighton, Green Hill, St. Mary’s), French (Blanchisseuse, Sans Souci, Pointe-à-Pierre, Basse Terre), Spanish (Puerto España, San Fernando, Sangre Grande,

Rio Claro, San Juan,) East Indian (Fyzabad, Barrackpore, Indian Walk, Madras Settlement) and Amerindian (Guayaguayare, Carapichaima, Mucurapo, Chaguaramas).

With this celebration of diversity comes an attitude of acceptance and quick camaraderie — two qualities that come in handy when starting out at a new company. The new team could be a merged one like Transocean and GSF or, in Kendall Duncan’s case, a move from a competitor company earlier this year. Either way, the Transocean team in Trinidad proves its ability to maintain a positive culture of teamwork in any circumstance.

“The crews took me right in,” Duncan said. They interacted with me just like the guys they have known for years.”

According to Sector Manager Donnie Pirtle, the merger between GSF and Transocean has gone







Rajesh Ward -
Roustabout

“Pre-merger, we missed a lot of opportunities because we didn’t have the equipment to offer. With huge discoveries in the area, including offshore Tobago, Barbados and Venezuela, we think this sector could easily grow to the division level in the next few years. We’ve got a very, very strong organization here, and with the people coming across due to the merger, we’ll strengthen that position even more.”

— Donnie Pirtle, Sector Manager

well. As of March, the legacy-Transocean office and the legacy-GSF office were combining into the legacy-GSF office located in the capital city of Port of Spain.

Already the shorebased office has hosted a family day for all personnel, and the Transocean team even banded together during February’s Carnival donning “One Company Culture” Transocean T-shirts.

“It might have a different acronym or a different coat of paint on it, but it’s all the same underneath,” he said. “It has been painless here.”

The rig crews seem to agree.

“When all of the new manuals and processes are issued, we’ll have to learn everything and communicate to our teams, but beyond that, I don’t think there will be a lot of changes in the way we do our jobs,” said GSF Monitor OIM Andy Tamms.

FOCUSING ON WHAT REALLY MATTERS — SAFETY

Cecil White, a Radio Operator on the GSF Monitor with 20 years of experience offshore, emphasized the importance of safety — one priority that never changes in the Trinidad region.

“Safety is a universal thing, no matter what the company is called,” White said. “If one member of your crew gets hurt, it affects everyone.”

The GSF Monitor has operated nearly all of the five years it’s been in Trinidad (since 2003) without a SIC (Serious Injury Case). The GSF Constellation I, also operating without a SIC for nearly five years, entered Trinidadian waters in 2004. The Sovereign Explorer, currently operating in Suriname and headed to Brazil in

July, had been working between Trinidad and Venezuela since 2004.

Sovereign Explorer Rig Manager Ken Reed says that safety performance suffered a bit because of many moves and crew changes, but that extra attention was being given to the operation with extra safety staff on board.

Not only does Transocean demand a top-notch safety performance, but client BP Trinidad and Tobago (bpTT) expects the very best. Leading the safety team in Trinidad is Bernard Lucas, Safety, Training and Environmental Affairs Manager, with 26 years of experience in his field.

“I’ve had many assignments around the world, and this has been one of the toughest in terms of the workload,” Lucas said. “The client is very demanding and the relationship with the rigs is very intense. But it’s because of the combination of management and client focus that we have a much higher safety culture.”

Trinidad stands out as an auditee for BP Safety worldwide, said bpTT’s John Lummus at the GSF Monitor’s March 6 pre-tour meeting.

“There are two ways to look at that: 1. We’re doing a great job using the safety tools and having the conversations; and 2. What makes Trinidad different?” he said. “We’re in a good place, but we still need to continue to improve.”

Continuous improvement and setting high standards seems to be the secret behind Trinidad’s continued outstanding safety performance.

“If you don’t set the bar, you’ll never reach for



Deon Niranjana - Materials & Logistics Coordinator, Vandi Joseph - Roustabout

it,” said Pirtle. “I don’t think it’s a question of if [incident-free] is achievable, it’s how do you sustain it. Now we’re focused on sustaining it for the long haul. You have to keep reaching for a higher goal or you’ll never achieve anything.”

TRINIDAD OPERATIONS: SMALL BUT MIGHTY

Trinidad may be small, roughly half the size of Qatar, but it’s big business for the company’s sole customer there, bpTT. According to BP’s Web site, bpTT’s first barrel of crude oil was produced in 1972 and today bpTT accounts for around 70 percent of national petroleum production. With exploration and production licenses covering 904,000 acres, nine platforms and a combined oil and gas production averaging approximately 500,000 barrels of oil equivalency daily (mboed) in 2007, the company is Trinidad and Tobago’s largest hydrocarbon producer. bpTT’s hydrocarbon production almost doubled

during the last three years, with natural gas responsible for most of this growth. Natural gas accounts for almost 90 percent of bpTT’s total hydro-carbon production, and gas sales average approximately two billion standard cubic feet daily.

Pirtle says that 10 of BP’s top 12 producing wells in the world are in Trinidad.

“One of these gas wells that we drill is capable of producing 225 to 300 million cubic feet,” he said. “That [drilling] is our base and we are going to guard that.”

And the growth opportunities seem endless in the region.

“Pre-merger, we missed a lot of opportunities because we didn’t have the equipment to offer,” Pirtle said. “With huge discoveries in the area, including offshore Tobago, Barbados and Venezuela, we think this sector could easily grow to the division level in the next few years. We’ve got a very, very strong organization



Ronald Bejai - Base Coordinator; Gerald Chin Chan - Fork Lift Operator

here, and with the people coming across due to the merger, we'll strengthen that position even more."

Both of Transocean's rigs in the region, the GSF Constellation I and the GSF Monitor have accomplished many successes for bpTT.

The Constellation I during a March visit from Offshore Frontiers was working on completing the Mango 5 well on BP's new Mango platform.

"The rig is performing at a top level," said Rig Manager Ricardo Solis. "Safety is at a really good place, we've made all expectations as far as the product, and the client is really happy."

In fact, bpTT was so impressed with this performance, it prompted an e-mail from Adrian Clark, bpTT's Vice President of Developments, who called Mango 5 their best-ever well drilled on the project.

"The Constellation team has made me very proud and this performance is one of the highlights of

my career," Adrian said. "I came to Trinidad to enable the delivery of world-class drilling and completions performance. Now that this goal has been reached, I can tell from your commitment that we are determined to show the world what is possible. The track record from our new wells program has been built through unwavering attention to detail, an enormous desire to win and the outstanding integration of subsurface and wells experience and knowledge. Thank you Team Constellation, I salute you, indeed you have gone from GOOD to GREAT!"

Read Adrian's extended letter, as well as other customer letters on page 44.

The GSF Constellation I, a Friede & Goldman JU 2000, is one of Transocean's newest rigs. Built in 2001, it's one of the nicest pieces of equipment in the jackup fleet.

The GSF Monitor, a Friede & Goldman L-780 Mod V,

“I think working for one of the biggest companies,
and knowing that, motivates you to perform. You want to
be part of this company, especially when the market forces
are so competitive.”

— Carol Radoo, Sector HR Manager



Michael Rupa - Welder



Shelly Ann Jeffrey - Rig Accountant



Garland Smith - RSTC

while being nearly a 20-year old rig, is still going strong. As of March, it was running lower completion for BP's Cashima A03, from which bpTT expects to produce 250 million cubic feet of gas per day.

Being an older rig, there is a strong focus on preventive maintenance and keeping the rig fresh, said Rig Manager Regulo Salas.

The GSF Constellation I and GSF Monitor are scheduled to maintain their work for bpTT for the next two years.

PUTTING PEOPLE FIRST

Maybe it's the tropical weather, or the great food, or the beaches, but one thing's for certain about Transocean's employees in Trinidad: They all seem really happy.

"Happy people are productive people," said Pirtle. "If a person's not happy and getting satisfaction out of what they do, they'll go somewhere else and do something different."

This happiness consists of different elements, starting with engagement at work.

"You make sure people understand what their job is and then give them the space to do it," said Pirtle. "Then support them. If they mess up, stand beside them. If they need a push, push them. If you need to stand in the way, stand in the way."

Training and development opportunities are another piece of the puzzle. Ricardo Solis, who began his career with the company as a Roustabout in 1979

and worked his way up to Rig Manager for the GSF Constellation I, says that Trinidad is ahead of the game in terms of focusing on employee development.

"We work closely with HR, go way out of our way to train our people and then send them around the world," he said.

Training and development starts on Day 1 — and at the local level. Efforts to develop local employees from the bottom up have resulted in dozens of Trinidadians promoted into supervisory positions and moving around the world into regions that need qualified employees.

And with the announcement of the Transocean/GSF merger in July 2007, additional opportunities coupled with a solid ground-up development program have only fueled the motivation to perform.

"More cultures, more ideas, as well as more resources will be brought together, and will result in more opportunities for movement and advancement in one's career," said GSF Constellation I Storekeeper Peter Bartholomew of the merger.

"I think working for one of the biggest companies, and knowing that, motivates you to perform," said Radoo. "You want to be part of this company, especially when the market forces are so competitive."

As the Trinidad team continues to work in the region, the combination of happy people, a diverse culture and expanded opportunities all measures up: it's the secret to success.

AT A GLANCE: Transocean Trinidad and Tobago



Employees :

Shorebased Ops Support: 15
 GSF Constellation I: Approximately 140
 GSF Monitor: Approximately 125

Rigs :

GSF Monitor
 GSF Constellation I

Office:

Port of Spain



Donnie Pirtle
Sector Manager



Scott Haddox
Materials Coordinator



Carol Radoo
Sector HR Manager



Arnold Ramlogan
Sector Controller

Transocean **FIRSTS** in Trinidad

1955 First “post-type” swamp barge, built by Sedco, Trinidad.

1956 Transocean predecessor company Santa Fe enters the offshore drilling business with a contract in Trinidad.

August to December

2004 GSF *Constellation I* drills Chacalaca 1 exploration well, discovering Savonette Field (approx. 2 trillion cubic feet of hydrocarbon reserves).

October

2005 GSF *Constellation I* deploys successful completions in deepest reservoir in Trinidad to date: Immortelle 25.

March

2006 GSF *Constellation I* executes bpTT’s first Slot Recovery Operations on Immortelle 24.

May and June

2006 GSF *Constellation I* successfully runs/cements these milestone casing and linear strings to date in Trinidad: 20” - 1.153 million pounds; 13 5/8” - 1.216 million pounds; 16” - 678,000 pounds.

August

2006 GSF *Constellation I* drills Ibis Deep exploration well. At 19,068 feet TVD and a BHP of 18,000 psi, the deepest well in Trinidad to date.

April

2007 GSF *Constellation I* deploys first expandable liner string in Trinidad at Mahogany B 11.



Ricardo Solis
Rig Manager – Performance



Shalima Mohammed
Payroll Administrator



Kenrick James
Roustabout



Melissa Lewis
HR Assistant

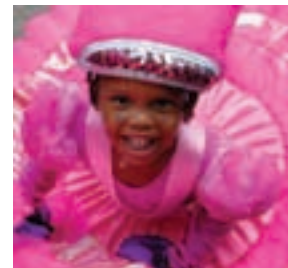




It's Party Time

Transocean employees (and many others) let their hair down during Trinidad's famous, fabulous two-day festival.

By Courtney Wilcox



It's not all work and no play in Trinidad.

Work/life balance is fully supported in this region, and there's a conscious effort to give both work and play their fair share of time.

In fact, the country is known for having no shortage of things to celebrate, as evidenced by the observance of a plethora of holidays and festivals. But from religious observances

like Hosay, Eid-ul-Fitr and Divali to others

like Emancipation Day, Shouter Baptist Liberation Day and Arrival Day, one celebration stands above the rest.

Carnival, an annual two-day event, is the ultimate party.

Here's some interesting information about Trinidad & Tobago's Carnival that you should know before you go!



Back in the Day. Centuries ago, a Catholic tradition began in Italy of having outrageous costume balls before Lent, a forty-day period before Easter dedicated to soul-searching and repentance. Because Catholics were supposed to abstain from eating meat during Lent, the event was named Carnival derived from the Latin word “carnevale” which translates to “farewell to flesh.” The tradition of the wild parties spread to many countries in Europe, including France and Spain, and as those countries colonized the New World — they took Carnival with them. French plantation owners who hosted elaborate masquerade balls introduced Carnival to Trinidad in the late 1700s.

Over the years, Trinidad’s Carnival has developed into one of the most colorful and culturally mixed pre-Lenten celebrations in the world (yes, including Mardi Gras). Prohibited from joining the plantation balls, African slaves celebrated their own Carnival in private. When slavery was abolished in 1838, the freed Africans took their Carnival celebrations to the streets. As each new immigrant population entered Trinidad, a new flavor was added to the annual event.

Not Your Everyday Parade. The great thing about Trinidad’s Carnival is that anyone can participate — you’re not just standing on the sidelines watching. Called revelers, participants can sign up with a variety of groups. Mas (short for masquerade) “bands” are organized groups of costumed revelers. The mas bands provide costumes, pre- and post-Carnival parties and more. Many bands offer Web sites where you can review the costumes and join the fun.

J’ouvert Morning. J’ouvert (from the French “jour ouvert” or “day open”) kicks off Carnival on a Monday at 4 a.m. The event brings out thousands of band members (locals and tourists) celebrating the beginning of Carnival by covering themselves with oil, grease, paint, chocolate



Good Eats

Trinidad & Tobago might not immediately come to mind as one of the few places in the world offering extraordinary ethnic cuisines, but travel around the country and you'll taste the colorful history that has left influences of Arabic, Spanish, African, Chinese, Polynesian, Thai, East Indian, Cajun, and indigenous Amerindian in the multi-faceted cuisine. Here are some local favorites.

Roti. A mixture of spicy meat and vegetables wrapped in a delicate flour wrap.

Doubles. Deep-fried, savory salt cakes served with spicy condiments made from tamarind, cucumbers and mango.

Phulorie. Deep-fried flour delicacy made from ground split peas.

(All of the above are readily available from both street-side vendors and restaurants during Carnival.)

Other local favorites:

Pelau. Stewed chicken or beef, cooked down with rice, pigeon peas, pumpkin, brown sugar, onions and garlic.

Corned beef and cabbage. Originates from Ireland.

Callaloo. A local spinach soup.

Fish and "provisions." Local fish with root/starchy vegetables such as potatoes, pumpkin and cassava.

Children in Trinidad participate in their own costumed parade called Kiddie Carnival, which is held the Saturday before Carnival Monday.

and/or mud, and parading through the towns and villages of Trinidad to the sounds of soca and calypso music until the sun comes up.

Once j'ouvert is over, revelers grab breakfast and then venture back onto the streets of Port of Spain to kick off Carnival Monday, a warm-up for Carnival Tuesday.

Playing Mas (Carnival Monday and Tuesday).

Mas bands consist of thousands or more people “jumping up” (dancing) in the streets of Port of Spain. Band members wear glittery, colorful, scantily clad costumes. Each band has its own theme with various sections of the band depicting aspects of the theme. Carnival Monday begins around midday after j'ouvert morning and is used as a dress rehearsal for Carnival Tuesday, as well as a qualification for judging.

Carnival Tuesday begins promptly at 8 a.m. and masqueraders are in full costume ready to “wine” (a dance move where you gyrate the hips) in front of the judges.

The National Carnival Commission lays out the route through Port of Spain where band members “chip” (shuffling of the feet forward in a half-walk, half-dance motion) their way through the city. Bands are judged in three categories: small, medium and large.

G-Rated. Playing mas is not just for adults. Children in Trinidad participate in their own costumed parade called Kiddie Carnival, which is held the Saturday before Carnival Monday.

This is just a little bit of information about Trinidad & Tobago’s Carnival, not to mention the wide variety of activities, events and attractions that Trinidad & Tobago has to offer — from bird watching to scuba diving to fishing to fine dining. To learn more, visit www.gotrinidadandtobago.com.





Photo courtesy of Jim Stephens.

Good to Know, Good to Go!

2009 Carnival in Trinidad and Tobago: Feb. 23 and 24, 2009

GETTING THERE: No matter where you are, it's not hard to fly into Trinidad (airport code: POS). Major airlines like Continental and American offer at least daily service to the island via hubs in Miami and Houston. Passport holders from the countries of Australia, New Zealand, all Asian and Pacific nations require a visa in advance. The only exceptions are South Korea, Israel and Turkey. No visa is required for USA, Canada, EU, Switzerland, Norway, Liechtenstein, Iceland, and rest of the British Commonwealth except the Commonwealth African countries of Cameroon, Mozambique, Namibia, Nigeria, Tanzania, and Uganda. Mexico and all non-Commonwealth/non-EU Caribbean, Central and South American countries require a visa in advance except the nearby countries of Brazil, Colombia, Venezuela, and Suriname. Remainder of non-Commonwealth/non-EU Europe and Africa also need a visa in advance.

WHERE TO STAY: Treat yourself at the swank, newly-opened Hyatt Regency Trinidad, one of the most talked-about efforts to give Trinidad accommodations a face lift. #1 Wrightson Road, Port of Spain, (868) 623-2222, <http://trinidad.hyatt.com>





TR

India:

SUSTAINING SUCCESS

By Guy Cantwell

AFTER ACING AN EXAM GIVEN TO 500 STUDENTS, RAJESH BEMERA BEGAN PREPARING FOR TRANSOCEAN INTERVIEWS FOR 25 WHO SURVIVED A GROUP OF 100 “SHORT LIST” JOB CANDIDATES. THE METALLURGICAL ENGINEERING GRADUATE FROM THE INDIAN INSTITUTE OF TECHNOLOGY (IIT) SURFED TRANSOCEAN’S WEB SITE WWW.DEEPWATER.COM.

“I COULD SEE IT WAS THE NUMBER ONE COMPANY IN THE (OFFSHORE DRILLING) SECTOR,” BEMERA RECALLS. “THIS IS A DREAM COME TRUE, TO BE PART OF SOMETHING THAT IS BIGGER THAN ME.”

Size is an obvious sign of success, and Transocean is India’s largest offshore drilling contractor, having grown from one to 13 rigs in recent years. But more important, Transocean India is building a sustainable business with a culture of performance, adaptability and commitment to zero incidents.

And the almost 1,900 employees of Transocean India are doing so at the most exciting time in the modern history of a fast-becoming modern country.

“This business is going to grow very fast,” says Harinder Arya, another IIT graduate who like Bemera is part of Transocean’s Rig Engineer Program designed to fast-track drilling careers. “The last oil boom was in the 1970s, and this is the second boom so we have both the challenges and the opportunities it presents us.”

Transocean is making the best of both.

Transocean India has grown from just one jackup drilling rig seven years ago to today’s fleet of seven jackups, four drillships and two semisubmersible rigs — 13 rigs so far. In addition, the company is constructing three ultra-deepwater newbuild drillships for work in India, with the first expected to start next year. All have long-term contracts.

Add safer operations, the pioneering of integrated services, both in shallow water and deepwater (see story, page 26), and Transocean India emerges as the most-experienced all-around offshore drilling services contractor in the country.

“Employees are embracing our vision of an incident-free workplace, adapting to our clients’ needs and developing key skills in the process,” says Deepak Munganahalli, Senior Vice President, Asia and Pacific Unit and the former India Division Manager. “It’s exciting to support our clients as they



The *Trident 12*, working offshore India for customer ONGC Ltd., on April 19 hosted the Chairman and Managing Director and the entire board of directors of ONGC Ltd. to celebrate spudding the well that marks the start of the Mumbai High South Redevelopment Phase II Program.

Above: ONGC Chairman and Managing Director Shri R S Sharma is greeted by *Trident 12* OIM Gary Parkin. Middle: *Trident 12* crewmembers on the rig floor on the day of the occasion.

Below: Manoj Ojha, Roustabout on the *Trident 12* (right), performs a "pooja" ceremony with ONGC Chairman and Managing Director Shri R S Sharma.



DWF Assistant Drillers Rodrigo Oliveira (left) and Marcelo Janeiro de Lima

develop one of the world's most dynamic energy provinces."

As the robust Indian economy keeps driving demand for exploration and development drilling, ONGC (Oil and Natural Gas Corporation Ltd.), Reliance and other clients forge farther and farther offshore, finding more complex challenges.

ONGC, India's state energy company, on the Indian energy scene since the beginning, has worked with Transocean since the early 1970s, when Transocean helped ONGC build its first jackup. Today, Transocean jackups perform key roles in the massive Mumbai High field redevelopment.

Also, that boom you just heard Arya mention includes Reliance Industries, a company that burst onto the offshore scene with the massive KG (Krishna Godavari) discovery in the early part of this century. The Discoverer 534 drillship constructed the Dhirubhai well and multiple subsequent discoveries on Block D-6 for Reliance.

The Deepwater Frontier has also helped high standards in effective and efficient deepwater drilling while also pioneering a managed pressure drilling (MPD) technique (see story, page 28).

And the Discoverer Seven Seas pioneered integrated services, as have the Randolph Yost, Trident 2, Trident XII, Ron Tappmeyer and J.T. Angel, all for ONGC.

Like other parts of the world, offshore drilling in



(right) conduct a tour handover.

India has its challenges. But Transocean India employees have overcome drenching monsoon seasons, strong currents, and the logistical challenges that come with wide working areas, two supply bases, boat and helicopter crew change rotations, just to name a few.

Development of people is also essential, though it brings its own set of challenges.

Arya and other REP trainees who joined Transocean's fast-track rig management program after graduating from IIT said they wanted a career in the energy business working from the rig floor up, instead of an onshore, white-collar job behind a hum-drum desk. They also want to grow professionally, so they made the commitment to a more mobile lifestyle, working two weeks offshore and two weeks off hitch.

"The challenges in life always thrill me, and I chose to take up this challenge and strive for success while having fun in the adventure that the job offers," says Pallavi Agarwal, Transocean's India's first woman REP Trainee, during a break on the semisubmersible rig C. Kirk Rhein, Jr. off India's East Coast.

"I want to gain experience and knowledge in the field and take up more responsibilities and challenges with time," she explains. "I think setting targets binds you; in this profession, only the sky is the limit."

Because India lacks a formal school for learning offshore drilling skills, People Development Manager Marcel Fernandes says Transocean recruits from many

different places, including IIT, the industrial sector and land drilling operations.

"Other industrial sectors, such as Information Technology are relatively mature, but we have a lot of catching up to do in the energy business to develop offshore drilling skills," Fernandes notes.

In addition to hiring top people, the company's THINK, START, FOCUS and other safety process improvement tools play a key role in Transocean India's performance. In June 2008, Transocean India had a year-to-date TRIR (Total Recordable Incident Rate) of 0.53 with just three Serious Near Hits.

Floorman Niesh Nare said he gets great satisfaction from seeing crews perform incident-free operations on his rig, the jackup Randolph Yost.

"Two times I have stopped a job, and once there was a defect in a sling," he recalls. "I feel good because I was able to prevent an injury to my colleagues."

Much of Transocean India's success also can be boiled down to focusing on the every detail, from waste segregation and recycling offshore to office layouts onshore.

At Transocean India's main offices at the Powai District of Mumbai, work areas locate people together. Technical, asset and performance leaders, for example, all are stationed together. So are buyers and rig administration personnel.

The result is a more seamless operation, stronger



“THE CHALLENGES IN LIFE ALWAYS THRILL ME, AND I CHOSE TO TAKE UP THIS CHALLENGE AND STRIVE FOR SUCCESS WHILE HAVING FUN IN THE ADVENTURE THAT THE JOB OFFERS ... I THINK SETTING TARGETS BINDS YOU; IN THIS PROFESSION, ONLY THE SKY IS THE LIMIT.”

— PALLAVI AGARWAL, REP TRAINEE

communications, more effective decisions, and a greater sense of teamwork.

Rohit Prateek, a REP trainee whose development included working as a Derrickman on the jackup J.T. Angel, found the same benefits from close-knit relationships offshore.

“You really make some good friends out there. It’s like a second home,” he says. “The 12-hour shifts are tough, but it makes you more confident that you can do any kind of work, anywhere, anytime.”

Vinayak Lotlikar, Logistics Manager, knows the feeling.

“India is a very big country, and it’s developing, so there are a lot of things that are outside of our control, but the thing is to beat all the odds, and when you do, it’s a good feeling,” he says.

Deepwater Frontier Rig Manager Drilling and Performance Eugenio Duarte has been impressed with the pace and breadth of success achieved by his crews since the ultra-deepwater drillship arrived in India from Brazil in July 2006.

Change for the DWF crews has been rapid, from zero Indian nationals then to 93 today and from working

for Petrobras in Brazil to drilling exploration wells for Reliance, India’s most dynamic independent energy company. Still, Duarte, notes, people have stayed focused on doing things right.

“Indians take their time to analyze and do a proper job,” Duarte says. “They are very educated and understand our commitment to provide great support to Reliance, which uses the most advanced tools to achieve their goals and to drill as safe and as fast as possible.”

That is exactly what India wants to achieve: bringing offshore petroleum reserves as quickly and as efficiently as possible to meet growing energy needs.

As a result, people on the Transocean India team, including Senior Drilling Manager Avinash Sadekar, see tremendous potential.

“Shell’s India Chairman said the East Coast of India is going to be another Gulf of Mexico,” he notes. “We at Transocean have taken the lead, and there is no other drilling contractor in India that can offer the types of services we provide, especially the integrated services.”

Transocean India: taking the next steps to sustainable success.

“SHELL’S INDIA CHAIRMAN SAID THE EAST COAST OF INDIA IS GOING TO BE ANOTHER GULF OF MEXICO. WE AT TRANSOCEAN HAVE TAKEN THE LEAD, AND THERE IS NO OTHER DRILLING CONTRACTOR IN INDIA THAT CAN OFFER THE TYPES OF SERVICES WE PROVIDE, ESPECIALLY THE INTEGRATED SERVICES.”

– AVINASH SADEKAR, SENIOR DRILLING MANAGER





The Discoverer Seven Seas drillship is drilling exploration wells in deep water for ONGC offshore India's east coast.

Pioneering Integrated Services in India

After three years of “integrated services” experience with six mobile offshore drilling rigs, a Transocean Inc. subsidiary has achieved successes in operational efficiency and improved safety offshore India.

by Leif Nelson, Transocean

This story is reprinted with permission from the publisher of the April 2008 issue of E&P Magazine.

Despite technically challenging wells; monsoon seasons on both Indian coasts; and the logistics of delivering equipment, supplies and people across vast geographical areas; Transocean India has made significant inroads toward the goal of safer work practices and more proficient operations.

“Our safety vision of an incident-free workplace with the support of our client is the single most important driver behind our integrated services business,” said Deepak Munganahalli, senior vice president of Transocean’s Asia and Pacific Unit. “At the same time, we wanted to make a step change in reducing non-productive time for our client. Together, we are proving that integrated services improves project coordination and logistics and optimizes total project costs.”

Transocean is the only offshore drilling contractor providing integrated services in India.

Of the company’s current fleet of 13 mobile offshore drilling rigs in India, six units provide integrated services: the ultra-deepwater drillship, Discoverer Seven Seas, conducting exploration operations off India’s east coast, and five jackup rigs working on the Mumbai High redevelopment off the west coast.

On a day-rate basis, the company provides logistical support for the six rigs, including helicopter, marine supply vessels and two onshore supply bases as well as the complete well program from design to execution.

Comprehensive services

“Overall, we deliver the complete well-construction package,” said Tony Flynn, senior drilling manager. “Highlights of our results in deepwater operations

include pushing the 20-in. casing to greater depths in which the fracture gradient has been enhanced and outperforming with water-based mud instead of the synthetic oil-based mud that some operators use.”

According to Avinash Sadekar, senior drilling manager, Transocean’s integrated services business helps to minimize the “flat time” or non-productive time (NPT) in the drilling process.

“We have moved a long way in our jackup project,” Sadekar said. “NPT is well below 15%, and safety also has improved to less than 0.70 TRIR (total recordable incident rate) per 200,000 hours worked by the five jackup rigs.”

Integrated project management

Before wells are constructed, Transocean provides drilling engineers to plan the well design and drilling operations, working closely with the client and third-party service providers.

“It’s worked very well,” said Flynn. “We’ve also done high-pressure/high temperature well design for future work. Every day we have a meeting with the client. We gather all the disciplines together — the cement manager, the mud manager, the wireline manager — everyone is involved. We have a 14-day look-ahead curve, and when we walk out of that meeting, we know exactly what will happen that day, and we have everyone in the loop.”

Logistics efficiencies

Transocean operates 11 high-specification marine supply vessels and coordinates all helicopter flights to the six

offshore drilling rigs using two helicopters. This control ensures reliable movement of supplies and personnel, enhancing efficiency, reducing exposure to safety incidents and NPT, and ensuring on-time crew-change flights.

“In addition, the boats are high specification vessels, able to work day and night, and more are brand new,” said Narender Jindal, drilling manager. “This capability is essential to keeping a steady flow of supplies between the shore bases and rigs.”

Transocean India’s fleet size also provides another logistical advantage as the company can move parts between rigs to reduce exposure to significant downtime.

According to Ian Linden, performance operations manager for the five jackup rigs, Transocean provided innovative tools as well, such as Tesco’s new casing running system, which achieves technical advantages in this frontier region.

Onshore improvements also have led to time-savings. Transocean added fuel lines at its Goa base on India’s West Coast, which saves 24 hours every time a supply vessel stops in to refuel. Savings total 20 days each month just from the ability to refuel a vessel when it arrives at the base instead of having to wait for trucks for fuel deliveries.

Having a separate asset yard for drill pipe, local; gear, lubes and other supplies and an integrated service yard for service company equipment and supplies also contributes to efficiency. By arranging all the required parts this way, yard personnel can ensure adequate inventory is on hand and that the right equipment gets to the right rig at the right time.

Transocean has also kept safety at the fore. As of Feb. 2008, the Goa yard had not had a lost-time incident in more than a year.

Looking ahead, Transocean is evaluating ways to further improve performance, with more effective well planning one of the goals. Knowing exactly where and when the rigs will be conducting operations as far into the future as possible will make scheduling services and supplying the rigs more efficient.

Upgrades are also being planned for the five jackups. Iron roughnecks will be installed to enable more efficient automated operations and to minimize exposure to injury by reducing pinch points.

“We will never stop seeking to improve safety, operational effectiveness and efficiency,” Munganahalli said. “They go hand in hand, and we believe integrated services is the model for improving performance in the future.”



Transocean’s Randolph Yost is one of five jackup rigs providing integrated services in India.

Supervision, collaboration, and communication are some of the key elements in Transocean’s integrated services in India, which include:

- Well planning and project management
- Marine logistics and support services
- Air logistics
- Casing, coring and jetting services
- Fuel
- Wellheads
- Electric logging
- Measurement while drilling, logging while drilling and directional drilling
- Drillstem testing
- Mud and mud-logging services
- Cementing services
- Remotely operated vehicle services

Transocean's *Deepwater Frontier*

First floater to use concentric riser and MPD

by John Kozicz, Transocean

This story is reprinted with permission from the publisher of *Offshore Magazine*.

Most managed pressure drilling (MPD) practices began in land-based operations. Now these over-balanced or under-balanced operations are emerging offshore in new and effective ways.

Recent development of MPD techniques for use from floating drilling rigs began in the late 1990s concurrent with the development of fifth generation offshore drilling vessels. During this period a number of industry efforts focused on developing "riserless" or dual gradient drilling systems employing subsea mud return pumping systems. One of these efforts culminated with the drilling of a test well in the Gulf of Mexico employing a subsea pump-based dual gradient drilling method. Additionally, during this period another industry group employed aerated drilling fluid and a closed loop circulating system to drill a pressure depleted well section offshore Brazil from a floating drilling rig. While technically successful, these efforts did not result in commercially deployable drilling systems.

Much of the initial industry focus has been on developing MPD methods for deepwater applications. Many of these methods are applicable to all offshore drilling operations and a number of recent applications of constant bottomhole pressure drilling methods have been employed from fixed installations in the North Sea, GoM, and elsewhere from jackup drilling units.

At the same time, both surface BOP and RiserCap equipment configurations have been employed to implement pressured mud cap drilling from floating drilling rigs offshore Southeast Asia, including the Sedco 601 semisubmersible rig in Indonesia.

In November 2007, Transocean employed its patented concentric riser system to enable managed pressure drilling from the dynamically positioned drillship the *Deepwater Frontier* in 4,920 ft (1,500 m) water depth. In this instance the motivation for employing MPD techniques was to manage a very narrow pore pressure/fracture gradient window (~0.4 ppg) and to mitigate the potential risks associated with investigating a potential shallow resource located some 820 ft (250 m) below the mudline. This achievement in India was the first use of this equipment by a DP floater in the history of the offshore drilling industry.

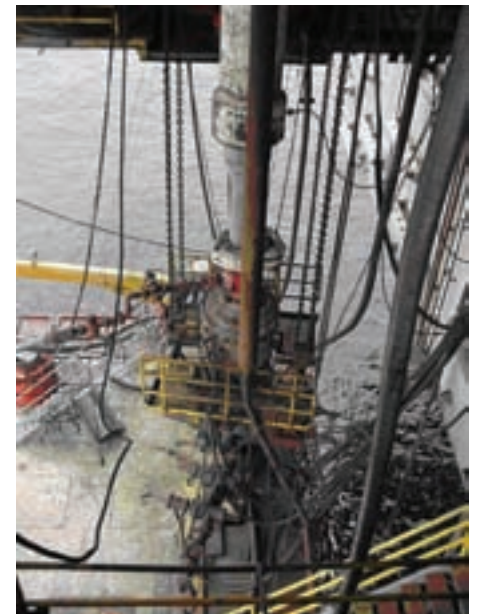
Transocean's concentric riser system is deployed by installing an inner high pressure riser, typically 13-3/8 in. (34 cm), or 9-5/8 in. (24 cm) casing in the rig's marine riser, followed by installing surface pressure control equipment (annular BOP, rotating control device) at the top of this inner riser, and sealing the lower end of the inner riser with an annular seal.

There are a number of advantages to employing a smaller high pressure riser when using MPD techniques, including the ability to employ higher back pressure than would be feasible with a conventional marine riser; tailor the inner riser and drill string annular diameter to optimize hole cleaning; and better manage equivalent circulating density (ECD).

In all instances to date, application of these techniques (RiserCap, concentric riser) from floaters has been restricted to regions with relatively benign metocean conditions, resulting from the limitations in adapting existing



Transocean's ultra deepwater drillship *Deepwater Frontier*.



MPD equipment onboard Transocean's jackup Trident 8.



Transocean's concentric riser during drilling operations on board the Deepwater Frontier.

equipment (originally developed for land operations) to floating operations. The most critical of these limitations is the requirement to disconnect the riser from the upper ball joint in order to provide space to install the pressure control equipment. Having the riser disconnected results in accelerated wear of the rotating control device (RCD) elements, increases

the risk of drilling fluid spills, and required manual intervention by riding belt. Additionally, current RCD equipment does not permit fullbore access into the well.

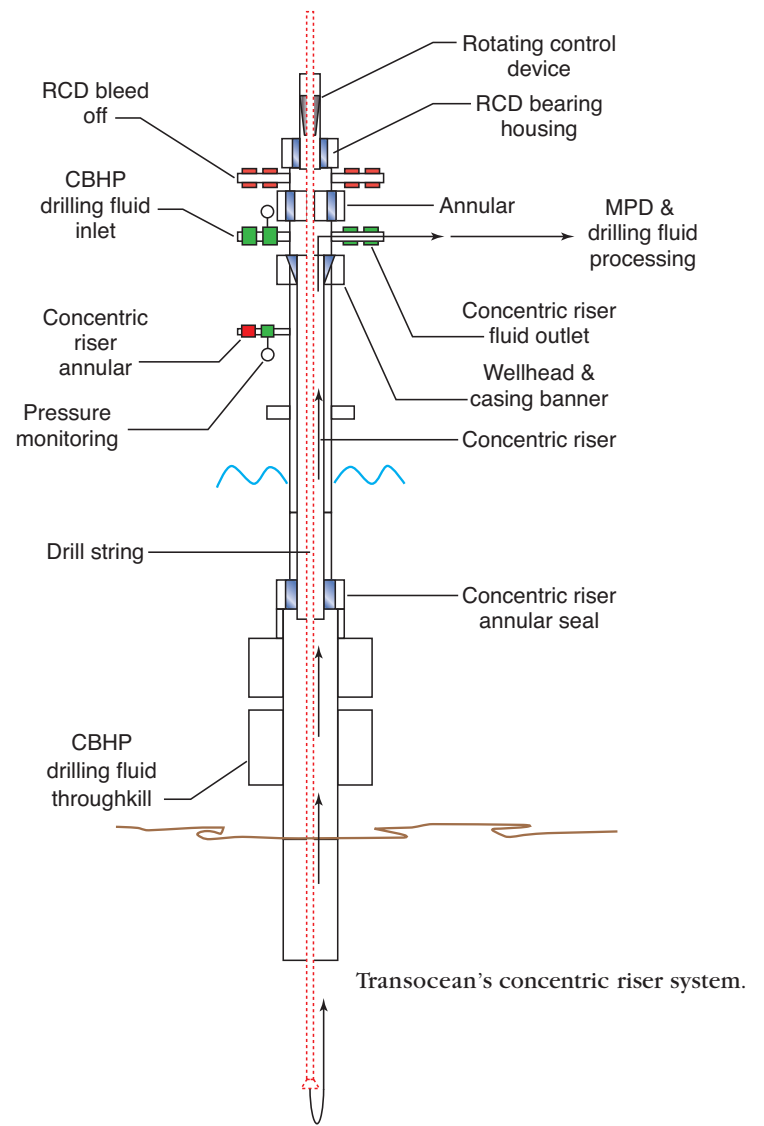
Transocean, working in conjunction with RCD manufacturers, is developing solutions to these limitations, which will ensure broader application of these techniques and drilling methods in all metocean conditions.

Future opportunities

While most of the recent applications of MPD techniques have been focused on mitigating specific drilling challenges related to wellbore pressure environments, a number of efficiency enhancing benefits have been recognized, which are applicable to all drilling operations. These benefits include the capability to quickly and accurately distinguish between wellbore ballooning and influx or loss events resulting in quicker and better informed decisions with respect to managing the wellbore pressure profile. The higher resolution influx/loss detection leads to faster reaction to these flow anomalies thereby limiting the size of initial influxes or losses.

In mature or depleted fields, redevelopment drilling techniques such as through tubing rotary or coiled tubing drilling are currently limited due to high ECDs resulting from very narrow annular clearances. Combining these techniques with managed pressure drilling methods will facilitate drilling using conventional overbalanced drilling methods. Having the capability to employ these techniques from floating rigs will provide a number of options when contemplating life of field management scenarios during field development planning. Additionally, as these techniques develop a number of subsea fields currently not candidates for redevelopment may become economic.

Having the capability to employ closed circulating systems with enhanced flow and pressure control techniques should lead to reduced risk to the environment



from drilling operations. This is particularly important when contemplating operations in environmentally sensitive areas such as the arctic.

Footnote

MPD drilling practices can be categorized as over balanced or under balanced with respect to pore pressure depending on the pressure regime maintained in the wellbore while employing a particular method. Generally, MPD refers to overbalanced at balance operations. The International Association of Drilling Contractors defines MPD as:

“...an adaptive drilling process used to more precisely control the annular pressure profile throughout the wellbore. The objectives are to ascertain the downhole pressure environment limits and to manage the annular hydraulic pressure profile accordingly...”

Control of these drilling processes is achieved by manipulating fluid density, friction pressure, and back pressure by employing a combination of:

- Surface or subsea rotating control devices (RCD)
- Surface or subsea choke
- Surface, subsea or downhole pump
- Wellbore and drill string geometry
- Fluid density management.



Udaan: An Educational Oasis in Mumbai

By Guy Cantwell

“Deep in my heart I do believe
We shall overcome, someday”



People FIRST

Their annual family income: less than \$150 USD.

Just before 4 p.m., the kids pick up their workbooks and scamper. That's when their yellow bus arrives to take them into another world, one of discipline, learning, study, a bottle of milk — and loads of encouragement.

Some walk up to two miles to come to this educational oasis. Their destination, today: three private schools that lend some of their classrooms to Udaan, the non-profit educational center whose name means “flight” in Hindi. After a prayer and song “We Shall Overcome,” there's a thought for the day.

“We are all one,” a student calls out, a reminder to stick together and avoid fighting. And then it's off to classes from preparatory to remedial, based on their educational level.

“The children despite all odds want to learn,” says Udaan founder Mamta Rangan. “Yet the biggest challenge is to keep the kids from dropping out because of parental pressure to have them attend to younger siblings and chores at home.”

A few years ago, while feeling she could make a difference in education, Mamta Rangan had a chance meeting with Ajanta Purkayastha, a Montessori trainer, and Shavna Prabhu, a corporate trainer with similar views, which gave Udaan its wings.

Deepak Munganahalli, Senior Vice President of Transocean's Asia Pacific Unit, notes that it is a challenge for organizations like Udaan to find people who are willing to voluntarily give their precious time thanklessly and stay with the project during good times and bad.

“We at Transocean were lucky to find someone like Mamta who along with other like-minded people gave Project Udaan its wings and have stayed with it since then. It was easy for Transocean to financially support the project given the commitment of people at Udaan” adds Deepak, who was Division Manager in India when Udaan started.

And so, the first center of Udaan started on Aug. 16, 2004 with Transocean's support and 26 children enrolled, mostly from the slums near Transocean's Mumbai office.

Today, 300 children are enrolled at the three

The school song: We shall overcome

The children's singing rises through Mumbai's smoky air, strong enough to float to the streets from a first-floor school hall near Transocean's Mumbai offices.

Standing in rows, dressed in uniforms, hair neat as a pin, they sing in Hindi then English. Their verses speak to beating the odds of life in the slums. Many of them rise daily at 5 a.m. to do cleaning and other chores. They care for siblings while their parents are away doing day labor, mostly at construction jobs, driving taxis or selling vegetables.



Above, left: Student entering one of the Udaan centers; above, right: Making learning fun.

centers. Saturdays are fun days with arts, dancing and sports. And more than 50 students ran in the last Mumbai Marathon.

But the best measurement of success is that 75 percent go to formal school after catching up at the center.

“All our children are first-generation school kids,” Mamta notes. “Only 5 percent of the parents have attended school up to grade 10; parents of most of the rest can neither read nor write.”

Right after the first center started, the kids were surveyed about their career outlook. All of them thought they would grow up to work as maids or construction workers.

Today, everything has changed after seeing what could be learned through education.

“I want to be a doctor, and I want to take care of all the other children like Mamta did,” wrote one student on one of the cards read at the center’s computer center, which is housed at Transocean’s office.

“A soldier,” answers Rajesh, a 6th-grade student, when asked his preferred career.

“An artist,” said Deepak, a classmate.

“A teacher,” said Santoshi, another.

Each year, the kids get a T-shirt with a verse from the school song. The first year, it was: “We will be successful.” The next years are other verses to the “I believe” song the students sing.

Udaan focuses all its resources on keeping kids learning. That’s why there is no overhead cost for the educational center, no Web site, no paid administration.

Every rupee from Transocean goes directly to pay teachers or for purchasing milk and school supplies. Individual donations of items like raincoats, notebooks, pencils and erasers also help. The idea is to use under-utilized resources and put people together in making a difference.

“Most educational companies take 20 percent to 25 percent of the funds for administration costs and infrastructure. We have zero administration costs,” Mamta says. “This is a model I believe the non-governmental agencies should adopt.”

Support is essential to success, especially for



Above, right: Learning reviews; bottom, right: Joy of hope

students like one 9th-grader, a domestic helper, who had never been to school.

Fortunately, his employer sent him to Udaan.

“We never say no to anybody,” says Mamta. “You can be 20 years of age, and if you want to learn, you are welcome at the center.”

The teachers are highly qualified. Many work during the day at a school. Volunteers play a key role in teaching English and making learning fun.

“The students learn fast if it’s something they relate to,” says Dr. Akriti Choksi, a volunteer and dentist by profession who teaches Grade 4 English. “Also, they tend to write faster than they learn to speak English.”

All around the school are signs of progress.

Books open to multiplications up to 20 times 20. Elephant gods made from the mud of Powai Lake perch on shelves. Colored “chupples” or slippers wait in orderly lines by a door. They are Christmas gifts the students cherish.

A child with uncombed hair is an easy way to identify a new student in his first week at the center.

Next week, there won’t be a hair out of place. And if he or she doesn’t show up, the teachers will find out why.

For lower level students, it won’t be because of homework, because they don’t have any. Only grade levels 5-8 have coursework at home, handed out on Fridays and due on Monday.

Students have to reach down inside for the desire to study, because their day, which starts at 5 a.m., won’t end until midnight. And no one at home can help them learn, math, English or history.

As classes end after 6 p.m. and the daily milk bottles are handed out, Mamta can relax for a moment and reflect on her role.

“I worked for a large corporation before I dedicated myself to the center, and so I am able to bring some structure to it,” she says. “I believe we can bring a change in the community we live in. The only thing that can bring about change is education.”

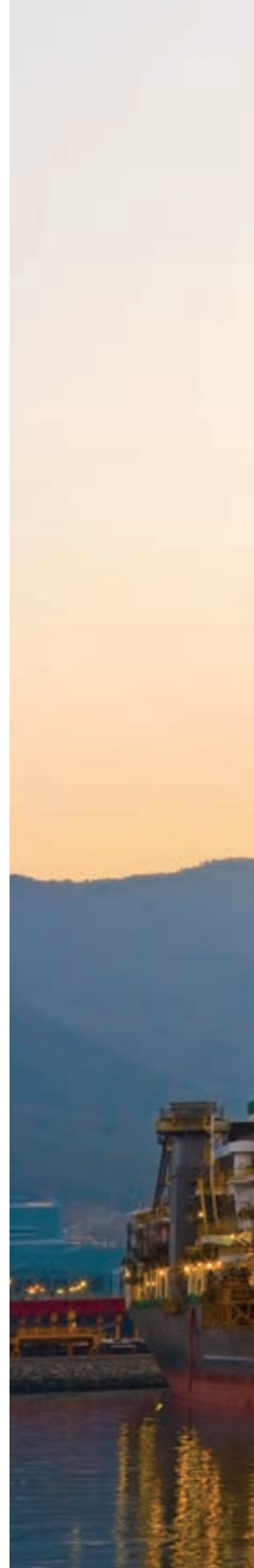
As the song says, “We shall overcome. We will walk hand in hand.”

PERFECT 10

By Courtney Wilcox

The *Discoverer Clear Leader*, which is among the first of Transocean's 10 newbuild rigs to commence work, marks the beginning of an exciting new era at Transocean — one that's sure to score big with employees, customers and shareholders.

Transocean's newbuild rigs, all of which will feature the industry's most advanced technological solutions to date, are being constructed at various shipyards in Asia — with the majority of construction taking place in South Korea, currently the world's leading shipbuilding nation. Here's a look at some of the action surrounding the construction of the *Discoverer Clear Leader* at Daewoo Shipbuilding & Marine Engineering in Okpo — and of course the very talented team working hard to make this rig and others a reality.





Pictured below: Ken Adcock, Sr. Project Manager; John Redington, OIM, and Doug Banfield, Master, Engineering



QUICK FACTS: Transocean's Newbuild Rigs

Discoverer Clear Leader

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

Timeline:

Enhanced Enterprise-Class Drillship

Daewoo Shipbuilding & Marine

Engineering, South Korea

10,000 feet, upgradeable to 12,000 feet

37,000 feet, upgradeable to 40,000 feet

200 people

Transocean's patented dual-activity drilling technology, new and enhanced top drive system, expanded high-pressure mud-pump system, expanded completions capabilities, variable deckload of more than 20,000 metric tons, ability to store and offload up to 125,000 barrels of produced well fluids; enabling the vessels to conduct extended well tests without the need for flaring or additional tankers to hold the test fluids.

Chevron (2009-2014)

The *Discoverer Clear Leader* is scheduled to undergo marine and drilling systems commissioning, and integration testing until late August. From there, sea trials and system integration testing will be conducted until delivery in late 2008. Following crew familiarization and mobilization, final client acceptance will occur in early 2009. The rig is expected to commence operations in the second quarter of 2009.

Discoverer Inspiration

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

Timeline:

Enhanced Enterprise-Class Drillship

Daewoo Shipbuilding & Marine

Engineering, South Korea

10,000 feet, upgradeable to 12,000 feet

37,000 feet, upgradeable to 40,000 feet

200 people

Transocean's patented dual-activity drilling technology, new and enhanced top drive system, expanded high-pressure mud-pump system, expanded completions capabilities, variable deckload of more than 20,000 metric tons, ability to store and offload up to 125,000 barrels of produced well fluids; enabling the vessels to conduct extended well tests without the need for flaring or additional tankers to hold the test fluids.

Chevron (2010-2015)

The next major milestone for the *Discoverer Inspiration* is expected with the keel-laying late this summer, and launch at the end of the year. The rig will then undergo marine and drilling systems commissioning, integration testing and sea trials during 2009, with acceptance testing and mobilization to the Gulf of Mexico in early 2010. The rig is expected to commence operations for customer Chevron in the first quarter of 2010.

Discoverer Americas

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features

Customer:

Timeline:

Enhanced Enterprise-Class Drillship

Daewoo Shipbuilding & Marine

Engineering, South Korea

10,000 feet, upgradeable to 12,000 feet

37,000 feet, upgradeable to 40,000 feet

200 people

Transocean's patented dual-activity drilling technology, new and enhanced top drive system, expanded high-pressure mudpump system, expanded completions capabilities, variable deckload of more than 20,000 metric tons, ability to store and offload up to 125,000 barrels of produced well fluids; enabling the vessels to conduct extended well tests without the need for flaring or additional tankers to hold the test fluids.

StatoilHydro (2009-2013)

The rig launched at the end of May with marine and drilling systems, and integration testing being conducted until the end of 2008. Sea trials will then be conducted, the rig delivered during the second quarter, with final acceptance and mobilization to the Gulf of Mexico next summer. The *Discoverer Americas* is expected to commence operations for customer StatoilHydro by the third quarter of 2009.

Discoverer Luanda

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

Point of Interest:

Timeline:

Enhanced Enterprise-Class Drillship

Daewoo Shipbuilding & Marine

Engineering, South Korea

7,500 feet, upgradeable to 12,000 feet

37,000 feet, upgradeable to 40,000 feet

220 people

Transocean's patented dual-activity drilling technology, expanded completions capabilities, a variable deckload of 20,000 metric tons

BP (2010-2017)

Joint Venture! The rig will be 65% owned by Transocean and 35% owned by an Angolan partner.

The team constructing the *Discoverer Luanda* cut steel on July 7, 2008, and is expected to lay keel in early 2009, and launch in spring 2009. The rig will undergo marine and drilling systems commissioning, integration testing and sea trials through the beginning of 2010 with mobilization to Angola for sea trials and customer acceptance starting in March 2010. The rig's five-year drilling contract with BP is expected to commence during the third quarter of 2010.



Dhirubhai Deepwater KG1 and Dhirubhai Deepwater KG2

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

Point of Interest:

Timeline:

Samsung 10000 Double Hull Drillships

Samsung Heavy Industries, South Korea

KG1-12,000 feet;

KG2-10,000 feet

35,000 feet

KG1-172 people;

KG2-200 people

National Oilwell Varco drilling packages that include advanced offshore drilling technology, including significant off-line tubular-handling and stand-building capabilities, advanced mud system designs, advanced systems for building, storing and running several subsea trees and efficient riser and BOP (blowout preventer) handling systems. The drillships will have a variable deckload of approximately 20,000 metric tons.

Reliance Industries (2010-2015)

Another joint venture! Transocean owns 50 percent of the rigs through a joint venture with Pacific Drilling Ltd.

Construction is expected to be completed in the fourth quarter of 2009.

Petrobras 10000

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

The deal:

Timeline:

Samsung 10000 Double Hull Drillship

Samsung Heavy Industries, South Korea

10,000 feet, upgradeable to 12,500 feet

37,500 feet

200 people

Transocean's patented dual-activity drilling technology, expanded completions capabilities, variable deckload of over 20,000 metric tons

Petrobras and its partner, Mitsui (2009-2019)

20-year capital lease contract, after which Transocean will have the right and obligation to acquire the drillship for \$1. The current 10-year drilling contract covers worldwide operations with an option by Petrobras to extend the term of the drilling contract by up to an additional 10 years. If the rig is operating in a jurisdiction where the company has a valid dual activity patent, an additional 5 percent royalty would be paid to Transocean.

Contract expected to commence third quarter of 2009.

Development Driller III

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

Timeline:

KFELS MSC Gusto DSS51 Ultra-deepwater Semisubmersible

Keppel FELS, Singapore

7,500 feet, upgradeable to 10,000 feet

37,500 feet

200 people

Dual activity drilling technology, expanded completions capabilities, a 125 metric ton heave-compensated subsea, which provides a third load path for subsea construction activities including deployment of subsea trees, manifolds and related infrastructure.

BP (2009-2016)

The rig will undergo fabrication, installation, outfitting and commissioning until the first quarter of 2009. In spring 2009, the rig is expected to go through inclination tests and sea trials, with a target delivery date at the end of the first quarter. Mobilization and acceptance testing will occur until the rig is scheduled to begin its contract in the third quarter of 2009.

Hull 3505

Construction Location:

Water Depth:

Drilling Depth:

Accommodation:

Other Features:

Customer:

Timeline:

Enhanced Enterprise-Class Drillship

Daewoo Shipbuilding & Marine Engineering, South Korea

10,000 feet, upgradeable to 12,000 feet

37,000 feet, upgradeable to 40,000 feet

220 people

Transocean's patented dual-activity drilling technology, new and enhanced top drive system, expanded high-pressure mud-pump system, expanded completions capabilities, variable deckload of more than 20,000 metric tons, ability to store and offload up to 125,000 barrels of produced well fluids; enabling the vessels to conduct extended well tests without the need for flaring or additional tankers to hold the test fluids.

Reliance Industries (2010-2015)

The construction team is expecting to cut steel in December 2008, lay keel in summer 2009, and launch in the fall of 2009. The rig will undergo marine and drilling systems commissioning, integration testing and sea trials through the summer 2010 delivery scheduled in fall 2010. The five-year drilling contract is expected to commence during the fourth quarter of 2010.



Pictured on page 38: Lance Netherland, Mechanical Supervisor I

We're Building More Than Just Rigs. We're Building Careers.

Online Tool Connects Employees With Newbuild Job Opportunities

Between now and 2010, Transocean's current ten newbuild rigs will create nearly 2,000 new jobs. And the company's goal is to fill many of these new roles with internal candidates.

The company already has been able to identify talented co-workers who are ready to fill key positions on the newbuilds, as well as people to move up into any vacated positions this staffing creates.

"With the scale and diversity of our fleet, combined with our commitment to developing talent throughout the world, we believe that Transocean offers the greatest career opportunities available in the industry today," said Ian Clark, Vice President of Human Resources.

To supplement the current process of identifying employees who are ready to move into newbuild positions, Transocean has created a way for employees to see positions that are currently open, and apply online with a new "Career Connect — Newbuilds" internal Web site. Launched at the end of June, it's an online tool designed to make newbuild job opportunities more transparent, and gives employees the chance to tap into these career opportunities as they arise.

Career Connect — Newbuilds is just one way of helping co-workers develop their careers here and achieve their goals. After all, Transocean's success in this competitive industry is a direct result of its talented team.

Make the Right Move!

If you're a Transocean employee, please visit <http://careerconnect.deepwater.com> for more information. For outside applicants, please visit us at www.deepwater.com and click on the "Career Center" tab.



Unnamed Drillship

Construction Location:

Water Depth:

Accommodation:

Other Features:

Customer:

Timeline:

GSF/MS Gusto P10000

Hyundai Heavy Industries, Ltd. (HHI),
Ulsan, Korea

10,000 feet, upgradeable to 12,000 feet

210 people

Advanced dynamic positioning capabilities, triple activity load paths, a derrick rated for 4 million pounds, dual liquid-storage systems, larger quarters and an efficient deck design that provides significantly more space than previous-generation drillships.

Currently being marketed

Steel cutting will begin in January 2009.

Scheduled for delivery in the third quarter

of 2010.

headliners

MEDIA MENTIONS



Constellation II Drills Deepest Well in Nile Delta

At 18,903 feet (more than 3.5 miles) below rotary table (BRT), the crews on the jackup *Constellation II*, working offshore Egypt on customer BP's Satis-1 well, set the record for drilling the deepest well in the Nile Delta at the end of November 2007.

Transocean *GSF Rig 127* Drills Deepest Extended Reach Well

Transocean's jackup *GSF Rig 127* in May set a world record for the longest extended-reach well ever drilled at 40,320 feet (12,289 meters) MD (measured depth) with



a 35,770-foot (10,902-meter) horizontal section. The well was drilled offshore Qatar in 36 days and incident-free.

The new record of 7.6 miles is also the first well in the history of offshore drilling that exceeds 40,000 feet (12,191 meters). The well surpasses by approximately 2,000 feet the prior extended-reach record of 38,322 feet (11,680 meters) MD set by another drilling contractor with a land rig drilling at Sakhalin Island earlier this year.

The rig's crewmembers, working with the client, Maersk Oil Qatar AS, overcame many constraints, including high drilling torque throughout certain parts of the horizontal section. The Well BD-04A is in the Al-Shaheen field offshore Qatar. In addition to staying focused on safe operations, crews used extensive deck-management planning and a supply boat to hold additional drill pipe so that the rig could stay within its variable deck load rating.



Cajun Express Featured in USA Today Article

Transocean's ultra-deepwater semisubmersible *Cajun Express* was featured June 20 in a USA Today article about securing new oil supplies in the deepwater oil fields of the Gulf of Mexico.

Working for customer Chevron, the *Cajun Express* is spotlighted in the article as an example of an installa-

tion capable of overcoming the many obstacles – complex geologic formations, troublesome salt layers – to developing these new reservoirs.

"It takes a lot to drill these wells nowadays. It's not as easy as it used to be. ... The equipment needs to be more robust, bigger, heavier-duty," said *Cajun Express* OIM Marty Hebert in the article.

Transocean Announces Contract for *Deepwater Pathfinder*

Transocean on July 8 announced that its deepwater drillship *Deepwater Pathfinder*, a single-activity rig capable of drilling in water depths up to 10,000 feet, was awarded a five-year contract by a subsidiary of Eni for drilling operations primarily in the U.S. Gulf of Mexico. The contract is scheduled to commence in March 2010 following completion of the rig's existing contract commitments.

Estimated contract revenues that could be generated over the five-year contract period are approximately \$1.19 billion.

Transocean Climbs *Houston Chronicle* Business Rankings



Transocean ranked No. 2 on the *Houston Chronicle's* annual ranking of public companies in the Houston area for 2007. Scores are based on the average of the rankings for these four criteria: total revenue, annual growth in earnings per share, annual revenue growth and one-year total return.

Forbes Calls Transocean Global High Performer

Forbes ranked Transocean one of its 130 top global performers on its Global 2000 list of the world's biggest corporations. To qualify as a Global High Performer, said *Forbes*, a company must stand out from its industry peers in growth, return to investors and future prospects.

Transocean Featured on CNBC Television

Transocean on Feb. 28 was featured in a CNBC Television segment about prospering industrial businesses. The segment, a part of CNBC's "Industrial Revolution 2.0" series, focused on the offshore drilling business and included an interview with Transocean Inc. CEO Bob Long. Bob discussed Transocean's continuing growth, and the continued up cycle that's been experienced industrywide.

"What feels a bit different about this [cycle] is I think it's going to last," Bob said in the interview.

The segment aired four times during popular global CNBC programs Worldwide Exchange, Squawk Box, Power Lunch and Closing Bell.

Leading the Way

Transocean:

André Rey-Grange Honored as Industry Pioneer

This is the third in a multi-part series about how Transocean and its predecessor companies launched the most innovative drilling rigs and set by far the most deepwater drilling records. André Rey-Grange spent 20 years with offshore drilling company Neptune and with Forex-Neptune, a Schlumberger company and predecessor to Transocean. This article is based on André's memories he committed to paper after being recognized as an industry pioneer by the Offshore Energy Center based in Houston, and inducted into its Hall of Fame in September 2007.

By Theresa Parker

When André Rey-Grange, the general manager of a small land drilling contractor, set out in 1962 to expand his company's technology into offshore exploration, he hopped a plane in France and headed West on a fact-finding mission. He was surprised at how welcoming the Americans were.

"I was kindly received by lots of executives and personnel, both on the operator and service sides of the business. Despite the fact we were not only potential customers but possibly competitors as well, they allowed us to visit lots of operations, including some worthy new developments," he recalls of his four-month visit to Texas, California, Louisiana and Mississippi.

Rey-Grange toured different types of rigs and fixed production platforms, some still under construction. "As I hadn't had an opportunity to visit some jack-ups out in the sea, I spent some time with Letourneau, and got acquainted with their line of products both at Longview, Texas, where they manufactured the racks and gear units, and at Vicksburg, Mississippi, where they built the platforms."

He recalls the company's unique way of launching the platform by "walking" it to the Mississippi River. The platform was rocked back and forth on a mound of dirt shoved by a bulldozer as it progressively reached the water.

Rey-Grange returned to France convinced that



self-elevating platforms were best suited to start offshore drilling operations in the French-controlled oil and gas exploration areas, water-depth permitting.

Pentagone Design Emerges

In 1963, Rey-Grange was hired by the CEO of the newly formed Neptune. As the number two person on the payroll after the CEO, he was at the company's very inception. After the construction under license of two Letourneau jack-ups, the need for rigs with larger water-depth capacity emerging, he led an extensive joint research

program with the French Petroleum Institute that resulted in the design and construction of the first Pentagone moored semisubmersible drilling rig, intended for the harsh sea environments of the North Sea.

"Given our potential market was in Western Europe where weather conditions are severe and our lack of drilling experience from a floating platform suggesting we had better go the safe way, the choice imposed itself: our future floating platform was to be a semisubmersible," Rey-Grange explains.

"A quick survey revealed the only semisubmersible designs available at that time were drilling contractors' proprietary material and they weren't inclined to give the license to competitors. No independent designer and/or builder were on the market for such rigs, as it is commonplace today," he notes. "We decided to develop our own design, especially as we

“Looking back, I can be nothing but wondered by the opening, generosity, availability and kindness of the American oilmen and I am extremely grateful to them.” — André Rey-Grange



Opposite page: In 1974, André was inducted as a Knight into the French National Order of Merit and congratulated by Rolland Génin, VPO, Schlumberger. The award is given to French citizens in recognition of their civil and military achievements. Above: André is presented the Industry Pioneer award in 2007 by Dick Wilson, Industry Pioneer Committee member, Offshore Energy Center.

now were able to master it. The first year, at every bad weather warning I was awfully anxious.”

The Pentagone design smoothed out motion from wave action and provided good damage stability in case one of the pontoons became flooded. Its innovations included the cable mooring system (instead of chains), the cellar deck arrangement, the heave compensation systems for both hook and riser, the blowout preventer and riser systems, and the power plant.

Shipyards Build Rigs, Loyalty

Building the various rigs not only presented Neptune with a learning curve, but also the shipyards that undertook the projects, as all were new to the business of building offshore rigs. For one Pentagone rig, Rey-Grange took a chance on a start-up ship builder in Brownsville, Texas—Marathon Letourneau, now Keppel AMFELS.

Rey-Grange says the early years of the offshore industry in Europe were very gratifying, but also very hard and somewhat frightening. “The work load was awfully heavy, for we had to set the standards and build up the knowledge of the trade both inside the team and outside in the suppliers and builders. Overall, the challenges and risks were enormous. What I think I succeeded fairly well in was to build up a strong and capable task force,” he recalls.

A Toast to Achievement

In more than 20 years of service in extreme environments, the Pentagone rigs have outperformed all other designs in their ability to stay on station and keep operating in adverse weather.

A total of 11 Pentagone rigs were built. Only three of them were owned by the company or sister-companies, the others were built under license by

various shipyards for third parties. Rey-Grange says he knows of only two still in operation—the n° 3 used by BP in North sea as a production platform and the n°2 owned by Pride International under contract for Pemex.

In the 1970s, Rey-Grange received several honors from French and European industry associations lauding his accomplishments in the development of the Pentagone. And perhaps the highest honor came from the French government when he was bestowed the French National Order of Merit in 1975.

“In each case, I accepted the honor on behalf of my engineering team. Such a huge job can only be accomplished through teamwork,” he says. With his team, Rey-Grange managed the construction of 16 offshore rigs, most of them being of in-house, unique design.

In addition to his team’s oil-drilling accomplishments, Rey-Grange is also proud of developing the big-hole drilling procedures and associated platform designs for the French Nuclear Commission tests in the Pacific Ocean in the early 1970s, and contributing to the development of the jackup Trident 5’s unique elevating mechanisms.

But overall, Rey-Grange is most proud to have worked under the management of René Delmas. “He was the true founder and first President of Neptune, and together, we laid down the first stone of the Transocean empire,” he adds.

In September 2007, Rey-Grange came full circle, returning to Houston, this time to be honored as an industry pioneer by the Offshore Energy Center and inducted into its Hall of Fame. “Looking back, I can be nothing but wondered by the opening, generosity, availability and kindness of the American oilmen and I am extremely grateful to them.”

Connecting with Customers

GSF Constellation I

Since we started the Mango wells program we have steadily continued to improve performance. Mango 5 is another huge well for bpTT, a low cost development well with a capability to produce 250 mmscfd drilled without a safety incident recording a days/10,000 ft of 21.7 and 9.6 days/completion. Best in Class results like this mean that we are delivering world class wells.

The Constellation team has made me very proud and this performance and it is one of the highlights of my career. I came to Trinidad to enable the delivery of world class drilling and completions performance. Now that this goal has been reached I can tell from your commitment that we are determined to show the world what is possible. The track record from our new wells program has been built through unwavering attention to detail, an enormous desire to win and the outstanding integration of subsurface and wells experience and knowledge. Thank you Team Constellation, I salute you, indeed you have gone from GOOD to GREAT.

I look forward to listening to your ideas and working with you to aspire to even greater heights.
Adrian Clark
Vice President Developments
BP Trinidad and Tobago

GSF Rig 127

Today is indeed a very proud day for everybody working in the Drilling Department and in particular the GSF Rig 127 team, including the crew and service people onboard the rig.

What nobody else has achieved was done this morning, namely drilling an oil well beyond 40,000 ft, to be exact 40,320 ft with a horizontal section of 35,770 ft.

This is something that will be noticed in the global drilling business, and you can all proudly say: "I was part of it."

I like to extend my appreciation of a job well done to everybody involved and thank everybody for their undivided commitment making this achievement possible.

I am proud and honored to have the pleasure to work with a team exhibiting skills and commitments second to none by everyone.

Once again, well done let's keep it up.

Regards,
Svend Aa. Hansen
Drilling Manager
Maersk Oil Qatar AS

Harvey H. Ward

I'd like to take this opportunity to thank you and the crew on the Harvey H. Ward for the hard work and performance while drilling HSB-1X, safely and efficiently.

If you look at the time curve and back out the WOW time, the well has been drilled and tested right on time.

I have appreciated the professional approach that you and Transocean have shown not only to TLJOC but also to TSJOC during Song Doc Phase 1 batch drilling.

The last eight months have been very successful and I just wanted to let you know before the rig departs for Talisman Malaysia that everyone's hard work has been greatly appreciated.

Best regards,
Richard Beaton
Drilling Superintendent
Thang Long Joint Operating
Company

Istiglal

I am pleased to learn that the semi-submersible MODU Istiglal has

operated five years without a Recordable Incident.

Safe and reliable operations are at the heart of our forward agenda and this is a great result. Please pass on my congratulations to the whole team. Well done!

Tony Hayward
Group Chief Executive
BP

Deepwater Expedition

Following the successful completion and excellent performance on the extremely challenging Wadi Sura well, I would like to congratulate everyone involved in the delivery of Shell's Deepwater Egypt Exploration campaign.

In April 2007 I visited the Deepwater Expedition with Paul Tranter (Transocean Vice President Performance & Operations) and concluded that we needed to turn things round if we were going to deliver something that we could be proud of. While it was clear that the Deepwater Expedition had a great team of committed people, significant improvement was required after a tough start up, through which but for good fortune we could easily have suffered a fatality. As we said at the time "Nothing is more important to Shell and Transocean Management than everyone returning safely to their families."

While the team has delivered remarkable operation performance on the last two wells and some notable technical firsts for deepwater operations in the Mediterranean, I would like to focus on the improved safety performance and the strong safety culture that developed throughout the duration of the campaign.

No Lost Time incidents were recorded during the campaign and no high potential near misses were recorded for the last 140 days. This

is truly something that everyone involved in all aspects of the project should be extremely proud of. Furthermore the learning from the high potential near misses early in the campaign around rescue from height and lock out/tag out have resulted in safer operations on all of Shells other drilling operations worldwide.

In total fifteen people were hurt during the campaign; eleven were minor (involving only first aid treatment), with 4 people hurt in recordable incidents from which they fully recovered. While I know that nobody involved will feel fully satisfied until "Goal Zero" is achieved I believe that all of the people who worked on the campaign through 2007 should feel that they have made a real difference in turning things around.

On behalf of Shell thank you for everything you have achieved and best wishes for 2008,
Peter Sharpe
Vice President, Wells
Shell International Exploration and Production

GSF Constellation II

We put this HI-Plus document together to highlight the great accomplishment of the Constellation II celebrating 3 years with no DAFWC. This has been distributed around the world to all of the Wells Managers within BP.

The GSF Constellation II has just celebrated a major safety milestone in logging 3 years without a Days Away From Work Case (DAFWC). This 3 year period includes time in Argentina contracted to Total, time in Egypt contracted to ENI and the past 14 months contracted to BP Egypt conducting HPHT exploration activity in the Mediterranean Nile Delta. The Constellation II came on contract to BP March 2007; the transition into BP went extremely well given the rig was very new to Egypt waters with new Egyptian staff. Transocean did an excellent

job in bringing the crews up to speed with their safety management systems. The Constellation II Team are fulfilling their commitment to the company, their families and themselves by "Not accepting the Unacceptable" and have demonstrated that continuous planning drives strong safety and operational performance. The initial well for BP was the SATIS HPHT Exploration Prospect which proved to be an extremely challenging well but successful to BP with a significant discovery in the Oligocene Horizon. SATIS is the deepest well drilled in the Nile Delta to date and the first to evaluate the lower Oligocene effectively after numerous attempts by a number of operators.

What Went Well?

- Behaviors — Recognize that people's behaviors are the major cause/prevention of accidents.
- Reinforcing the safety tools we have such as FOCUS TOF'S (Time Out For Safety)
- Introducing targeted "Hazard Hunts" on a weekly basis
- Pre start up auditing using BP global HSE tools such as self assessment: Control of Work, Golden Rules, leaks and Spills, Safety Management, and environmental management systems. Follow up audits to verify action compliance and measure progress and action plans put in place to close gaps.
- A very robust HSE start up plan with buy in from our drilling contractors
- Auditing of our primary service providers to ensure they understood, complied and bought into both BP and Transocean's SMS.
- North Sea Lifting audits to verify lifting competencies, Occupational Health audit, and continuous auditing such as Confined space entry, dropped objects audit, Lifting audit and well defined auditing schedule.

Accountability:

All incidents are jointly investigated with rigour using the Root Cause Analysis processes by both companies. Actions from the incident Investigations are recorded and tracked by senior management at bi-weekly action tracking meetings

Visible Leadership:

Strong leadership and HSE expectation set out at the start of the project with all personnel led to a very engaged team that understands Transocean and BP's HSE aspirations. Lessons/Recommendations for the Future:

- Established complete alignment between Transocean and BP's goals of driving a safe work culture and communicating these expectations early on in the project
- Developed Performance contracts jointly with Transocean these are tracked at the Quarterly Performance Reviews
- Joint auditing with special emphasis on the Control of Work audits which are carried out quarterly
- Team Work: Visible commitment and team work of BP and Transocean teams and service companies made the achievement possible.
- Strengthening supervisor competency and defining accountability through one to one conversations with signed documentation to verify their understanding of their roles and responsibilities.

Throughout the project with Transocean our greatest success in working with them has been to identify the gaps between their operations and their own Safety Management and reiterating BP's expectations that they fully comply with their own SMS.

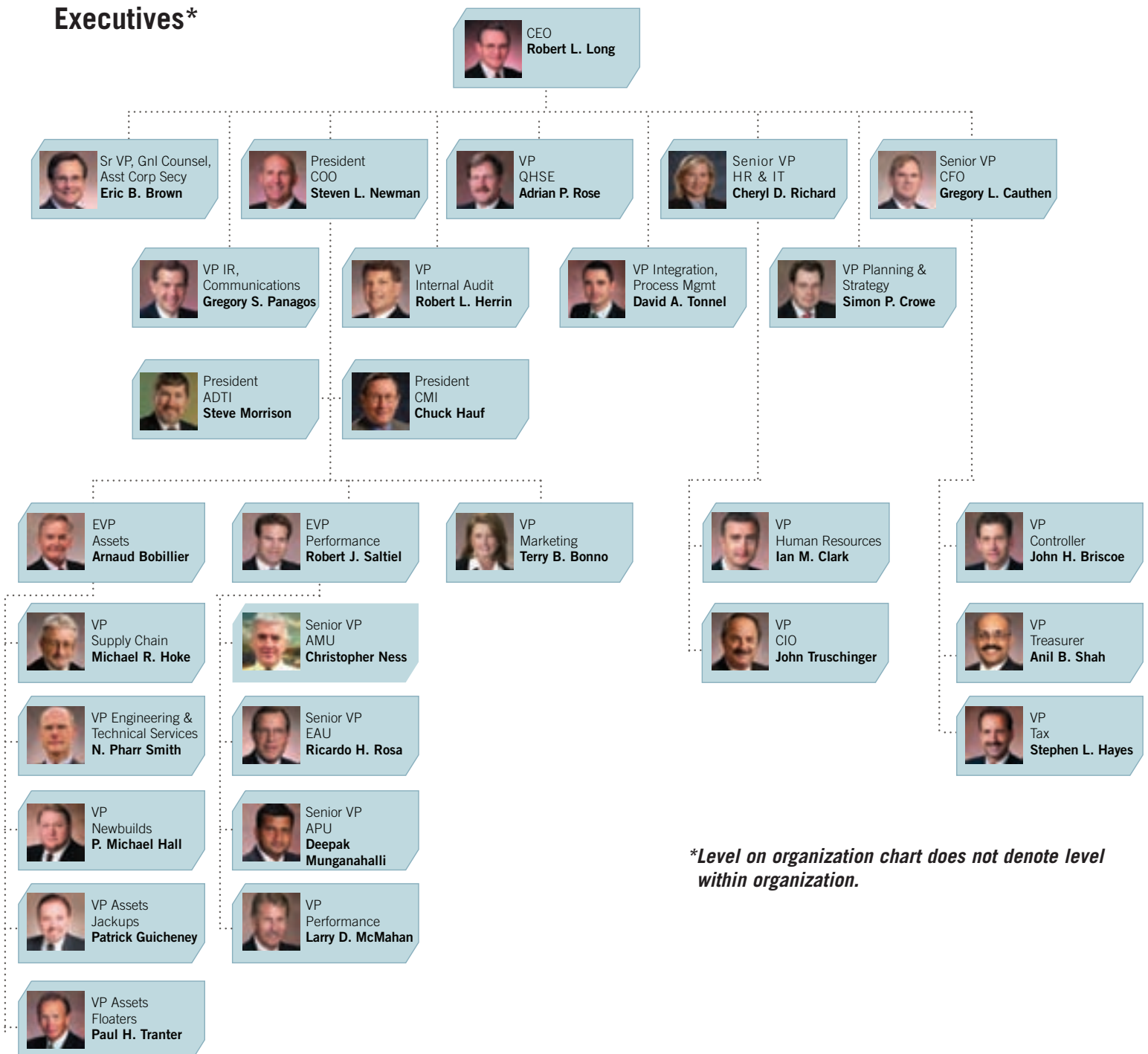
Bryan Cook
Wells Program Manager
BP Egypt Gas Performance Unit

Corporate Report

The Structure of the New Organization

Since Day 1 of the merger there have been some high-level personnel changes that you might want to know about. Here are some updated charts so you know the latest on who's where.

Executives*



**Level on organization chart does not denote level within organization.*

Did You Know?

You can access the latest org charts by visiting <http://www.rigcentral.com>

Global Operations: Business Units*



Did You Know?

Each of Transocean's business units is roughly the size of competitor companies like Diamond and Noble.**

** Per latest company-issued fleet status reports as of May 8, 2008. Excludes tenders, land rigs, managed rigs, rigs held for sale and newbuilds, where applicable.

Measuring Our Success

Transocean Fleet Utilization QTD 2008

By Rig Type	Utilization		
	June 30, 2008	Three Months Ended	
		March 31, 2008	December 31, 2007
High-Specification Floaters:			
Ultra Deepwater Floaters	87%	98%	97%
Deepwater Floaters	81%	79%	75%
Harsh Environment Floaters	98%	96%	80%
Total High-Specification Floaters	86%	90%	85%
Midwater Floaters	82%	88%	95%
High-Specification Jackups	91%	99%	100%
Standard Jackups	89%	93%	91%
Other Rigs	100%	100%	97%
Total Drilling Fleet	87%	91%	90%

Transocean Safety Performance YTD June 30, 2008

By Unit	TRIR*	SIC**
Asia and Pacific Unit	0.73	0.26
Europe and Africa Unit	0.87	0.28
North and South America Unit	1.03	0.28
Company Total	0.82	0.26

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

** Serious Injury Case Rate per 200,000 hours worked.

Transocean Safety Performance YTD June 30, 2008

By Division	TRIR*	SIC**
GGA (Gulf of Guinea)	0.28	0.28
EME (Egypt and Middle East)	0.36	0.00
IDI (India)	0.53	0.26
WAS (West Africa South)	0.72	0.27
NAM (North America)	1.02	0.18
SAM (South America)	1.05	0.47
NEA (North East Asia)	1.06	0.27
EAP (East Asia Pacific)	1.23	0.61
NRV (Norway)	1.21	0.90
NSM (North Sea and Mediterranean)	1.27	0.17

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

** Serious Injury Case Rate per 200,000 hours worked.

Meeting the Expectation — ZERO

The following 82 rigs achieved Zero TRIR* as of June 30, 2008:

Asia and Pacific Unit

C. E. Thornton
Deepwater Expedition
Deepwater Frontier
Discoverer 534
Discoverer Seven Seas
F. G. McClintock
GSF Adriatic X
GSF Constellation II
GSF Galveston Key
GSF High Island II
GSF High Island IV
GSF Key Gibraltar
GSF Key Hawaii
GSF Key Manhattan
GSF Main Pass IV
GSF Rig 103
GSF Rig 124
GSF Rig 127
GSF Rig 134
GSF Rig 141
GSF Parameswara
Interocean III
Joides Resolution
R.W. Mowell
Searex 04
Sedco 601
Shelf Explorer
Transocean Legend
Transocean Mercury
Transocean Nordic
Trident 2
Trident 9
Trident 12
Randolph Yost

North and South America Unit

Deepwater Navigator
Deepwater Nautilus
Discoverer Deep Seas
GSF Adriatic III**
GSF Arctic I
GSF Celtic Sea
GSF Constellation I
GSF C.R. Luigs
GSF DD II
GSF High Island I**
GSF High Island VIII
Sedco 710
Transocean Driller

Europe and Africa Unit

D. R. Stewart
G.H. Galloway
GSF Adriatic II
GSF Adriatic V
GSF Adriatic VI
GSF Adriatic VIII
GSF Adriatic IX
GSF Arctic IV
GSF Baltic
GSF Explorer
GSF Galaxy I
GSF High Island VII
GSF High Island IX
GSF Istiglal
GSF Jack Ryan
GSF Labrador
GSF Magellan
GSF Monarch
GSF Rig 135

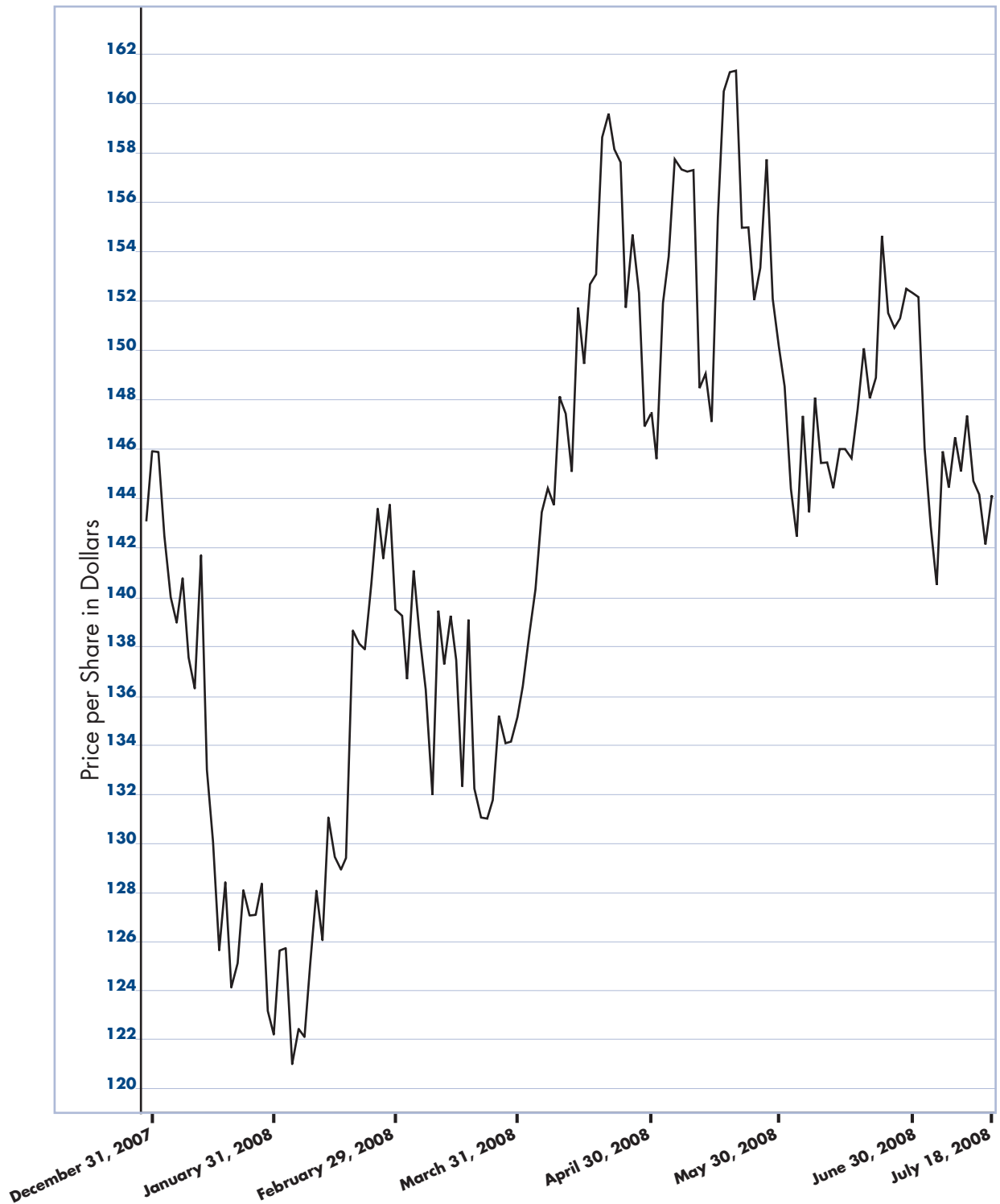
GSF Rig 140
Jim Cunningham
M.G. Hulme, Jr.
Sedco 700
Sedco 709
Sedco 714
Sedco Energy
Sedco Express
Transocean Leader
Transocean Prospect
Transocean Searcher
Transocean Winner
Trident 4
Trident 8
Trident 14
Trident 20

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

** Sold

Transocean Stock Price Performance

December 31, 2007 to July 18, 2008



The price of Transocean common stock closed at \$144.02 on July 18, 2008, compared with \$143.15 on December 31, 2007. The company's stock trades under the symbol RIG on the New York Stock Exchange.

CAREERCONNECT

NEWBUILDS



We're Building More Than Just Rigs.
We're Building Careers.

Learn more at <http://careerconnect.deepwater.com>

Shape your future here.

We want to fill all of the jobs available on our newbuilds with internal candidates – and give our people the opportunity to grow their careers on the most technically advanced rigs in the world! Career Connect - Newbuilds is an internal Transocean Web site that gives you the ability to view and apply for positions available on Transocean's newbuild rigs. It's just one way we're helping you achieve your career goals.

ULARS

254,400 METERS	(834'-7 3/4")
240,000 METERS	(787'-4 13/16")
38,000 METERS	(124'-8 1/16")
19,000 METERS	(62'-4 1/16")
13,000 METERS	(42'-7 13/16")



4 Greenway Plaza
Houston, Texas 77046
713.232.7500