

GlobalSantaFe

*The future of drilling starts here*

NYSE: GSF

# Howard Weil Thirty-First Annual Energy Conference

**March 31, 2003**

**New Orleans**

# FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in these materials, including statements about our future performance and results. Some but not all of these statements are identifiable by words such as "outlook," "project," "estimate," and "predict." Please understand, however, that our business involves risks and uncertainties, some of which could cause the future to be materially different than our forward-looking statements indicate. Among other things, our business involves risks resulting from future oil and gas price uncertainty, uncertainty regarding future offshore drilling markets and dayrates, and the assumptions underlying dates we expect particular rigs to complete current commitments or start operating under new commitments.

Because this material is a summary, it does not contain a full discussion of all the risks, uncertainties and other information that may be important to you. Before making any decision regarding GlobalSantaFe Corporation or its securities, you should review not only this material, but also the other information we provide, including our most recent Annual Report on Form 10-K and our other public filings.

# A Year After the Merger

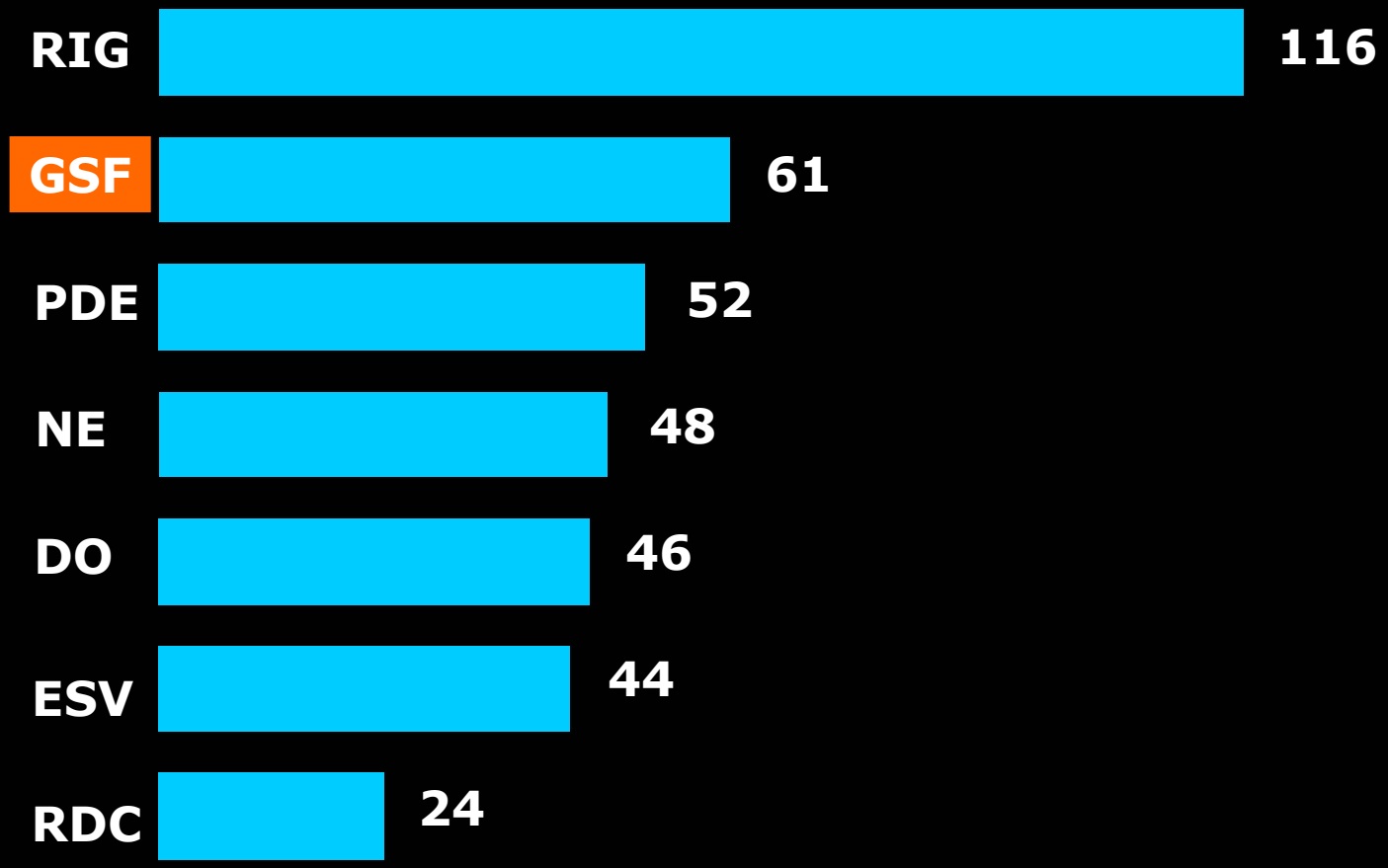
## Combination Benefits

- Creates greater size and capabilities for customers
- Joins complementary assets and markets
- Unites similar operating philosophies and culture
- Enhances financial position
- Balances earnings visibility and operating leverage
- Increases equity market liquidity

Note: See Forward Looking Statement Disclaimer - Page 2

# Second Largest Fleet of Marine Rigs

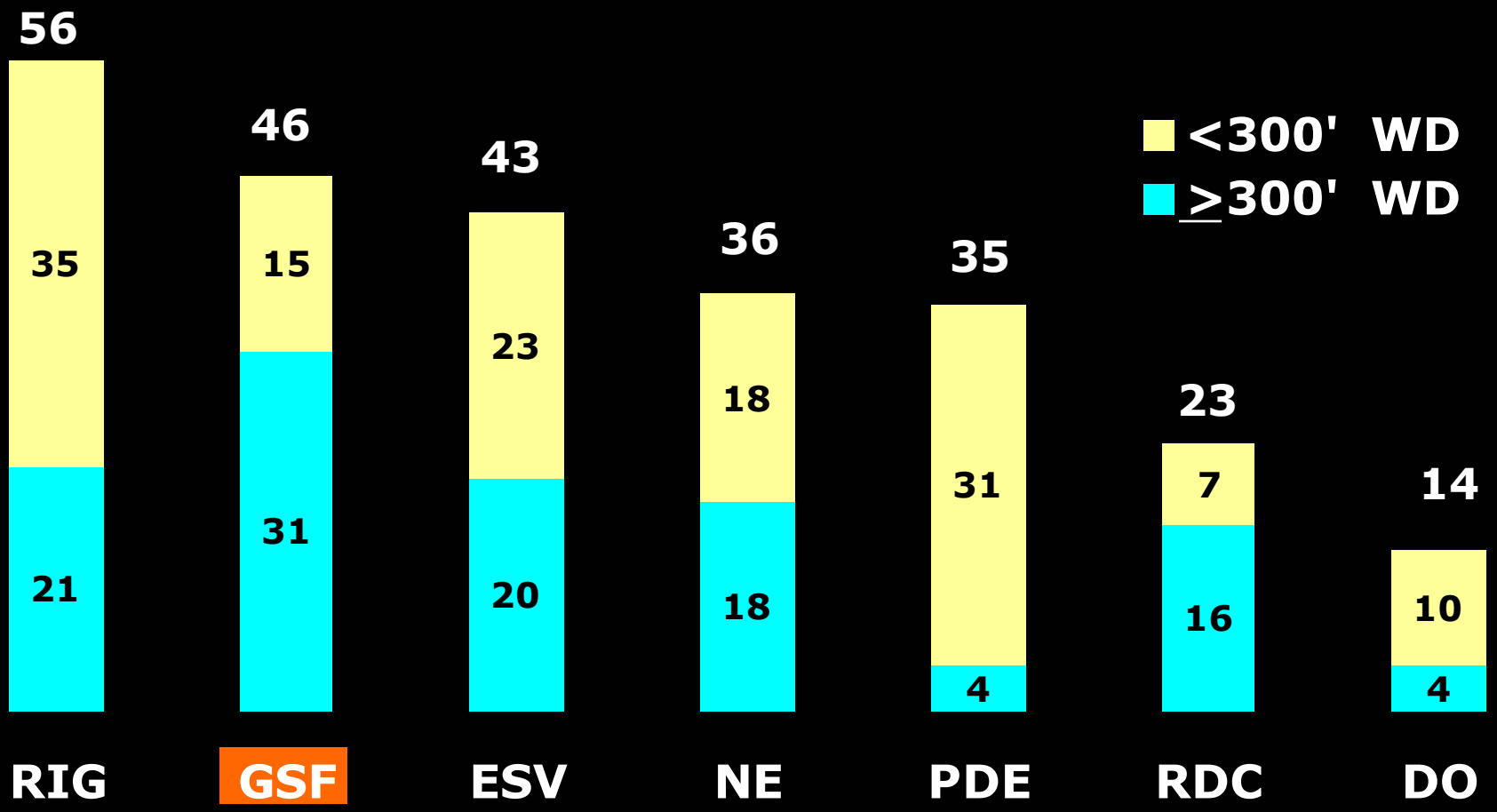
## Number of Jackups, Semisubmersibles and Drillships




Source: ODS-Petrodata Group
Note: Includes rigs under construction

# Largest Fleet of Premium Jackups

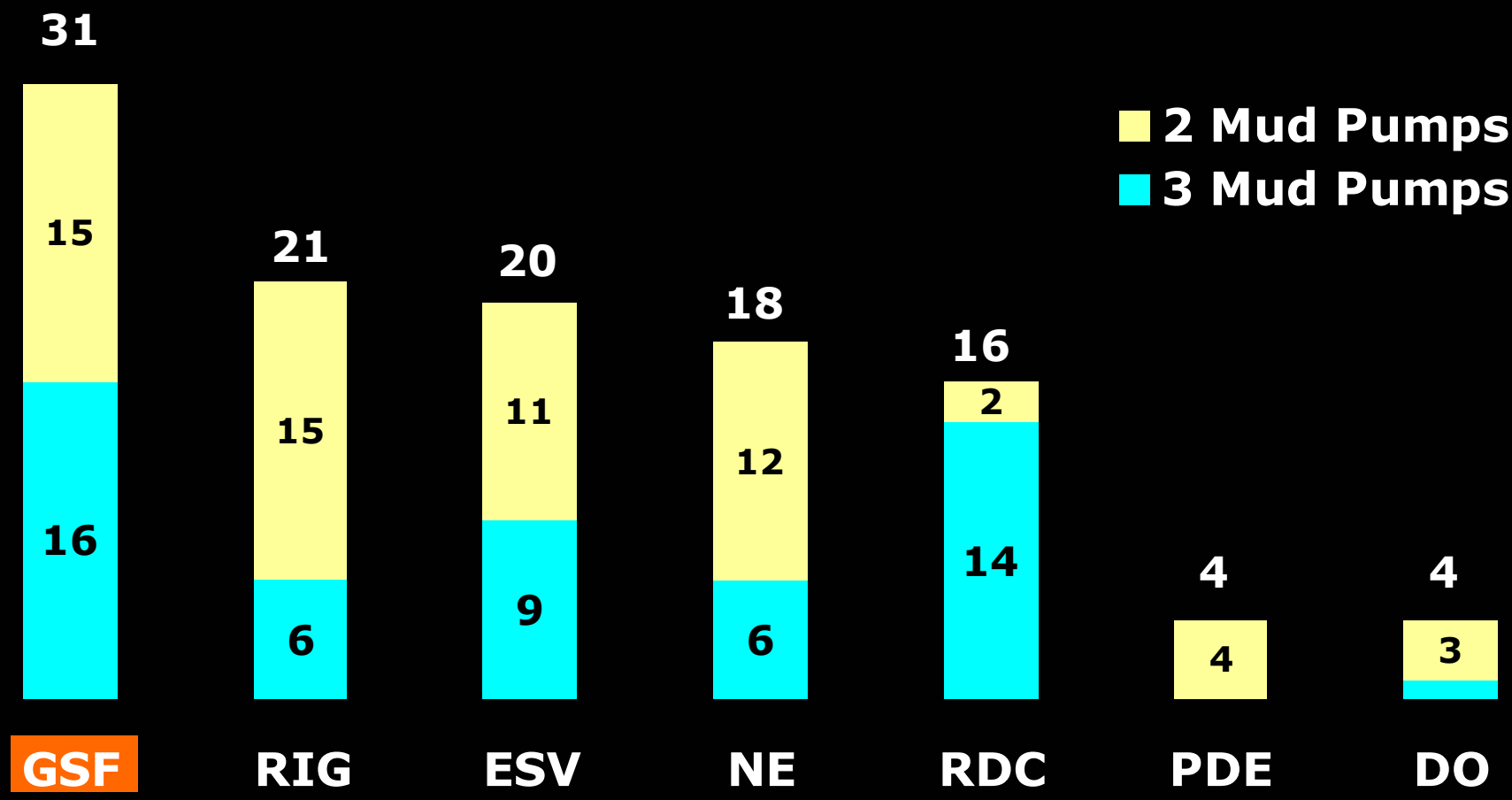
## Number of Independent Leg Cantilever Jackups




Source: ODS-Petrodata Group
Note: Includes rigs under construction

# Largest Fleet of Premium Jackups

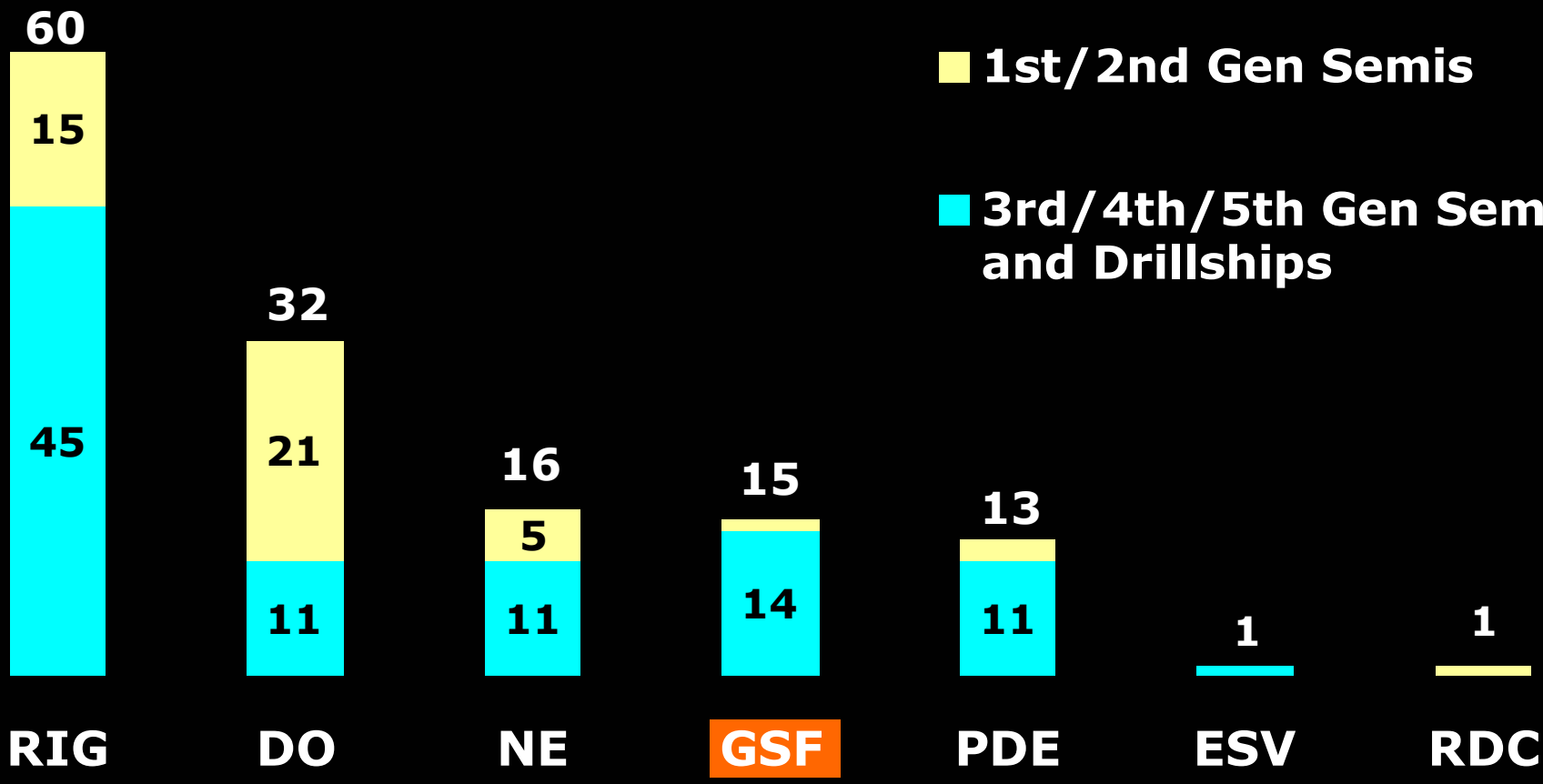
## Number of Independent Leg Cantilever Jackups ≥ 300’ WD




Source: ODS-Petrodata Group
Note: Includes rigs under construction

# Second Largest Fleet of Premium Floaters

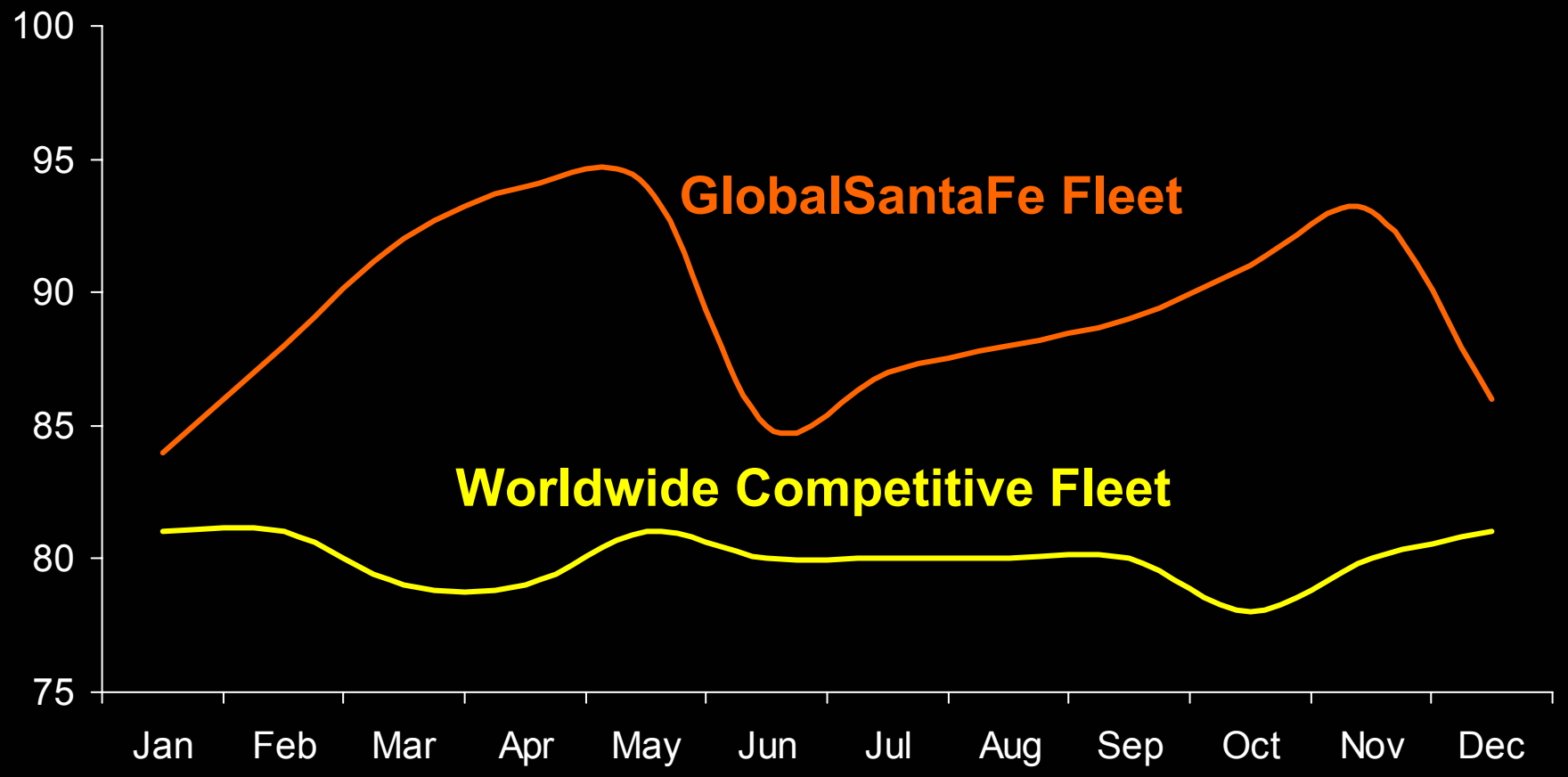
## Number of Semisubmersibles and Drillships




Source: ODS-Petrodata Group
Note: Includes rigs under construction

# Worldwide Mobile Offshore Rig Fleet

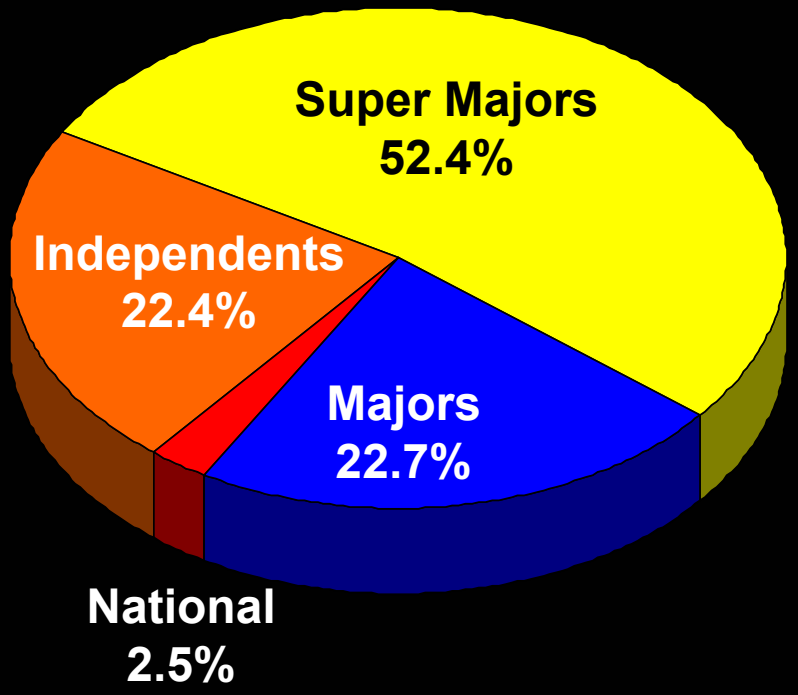
## 2002 Utilization (Percent)




Source: ODS-Petrodata Group

# Source of Contract Drilling Revenue

## Twelve Months Ended December 2002




| Super Majors | % of Total |
|---|---|
| ExxonMobil | 16.5 |
| ChevronTexaco | 10.2 |
| BP | 9.2 |
| Shell | 8.3 |
| TotalFinaElf | 8.2 |
| | 52.4% |

# Balance Sheet Strength

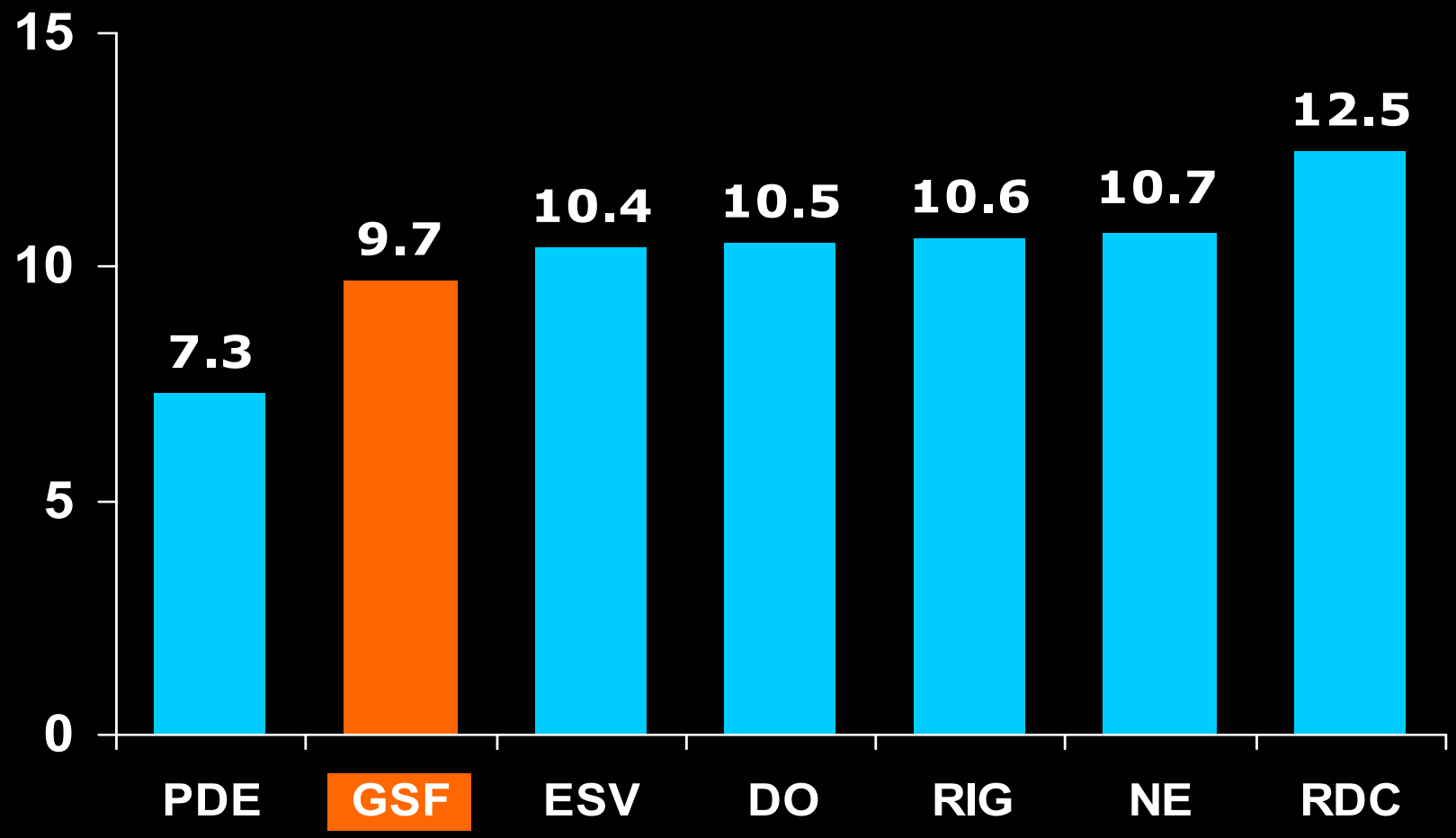
**Year End 2002 Adjusted to Reflect Feb 2003 $250 Million Debt Offering**

| | (In Millions) |
|---|---|
| Cash and Securities | $ 987 |
| Total Debt | 1,192 |
| Equity | 4,234 |
| Total Capitalization | $5,426 |

**Total Debt to Total Capitalization: 22%**

# Enterprise Value/EBITDA (2003 E)

**Based on Closing Stock Price March 27, 2003**




Source: EBITDA from Howard Weil, February 2003

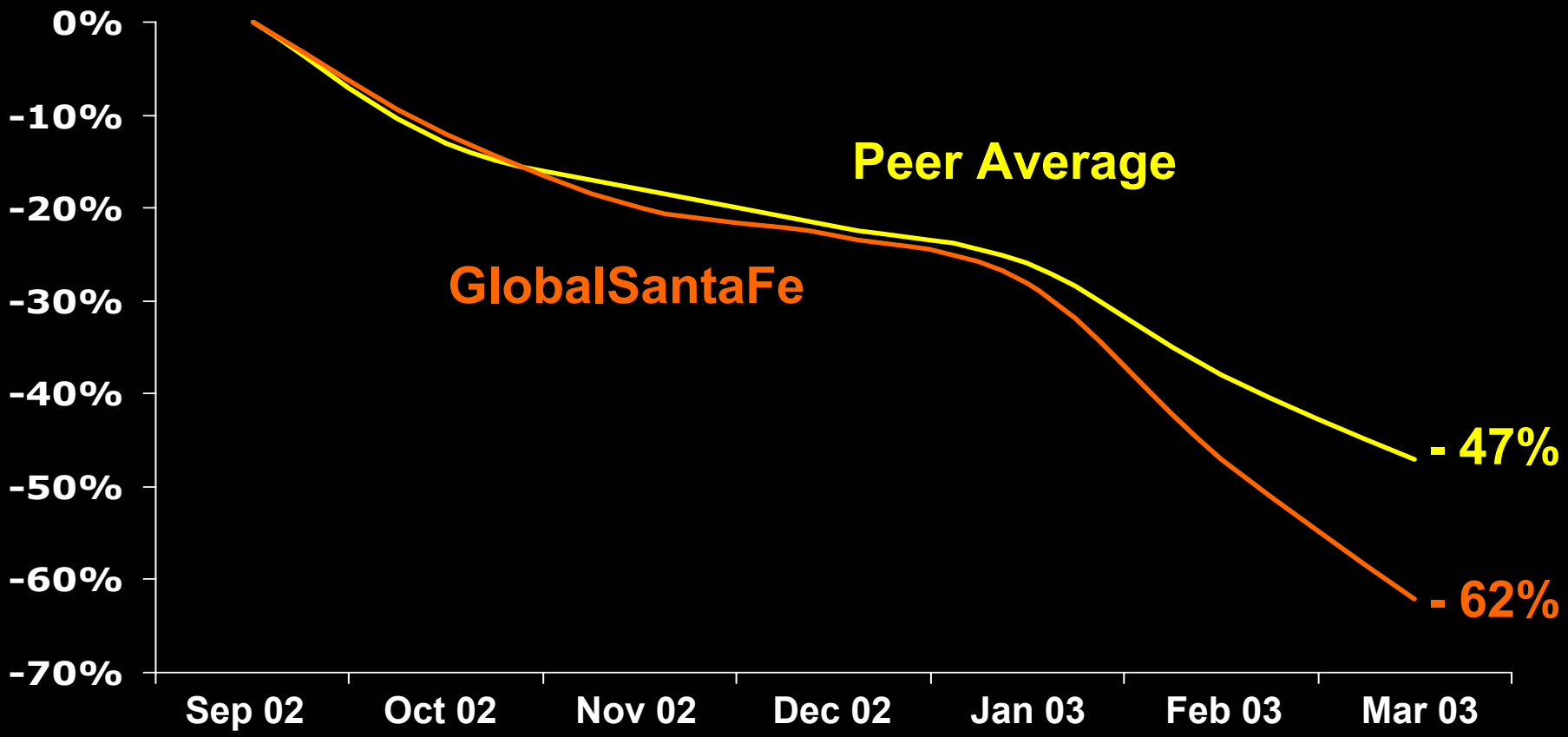
# Valuation Issues

- **Decline in consensus earnings expectations**
  - **Weakness in key markets**
  - **Weakness or uncertainty in some asset classes**
  - **Contract expirations in 2003**
- **Concern over newbuilds and options**

Note: See Forward Looking Statement Disclaimer - Page 2

# Decline in Consensus Earnings Expectations

## March 2003 vs. September 2002 (Percent Decline)




Source: First Call
Note: Peer Average includes DO, ESV, NE, PDE, RDC, RIG

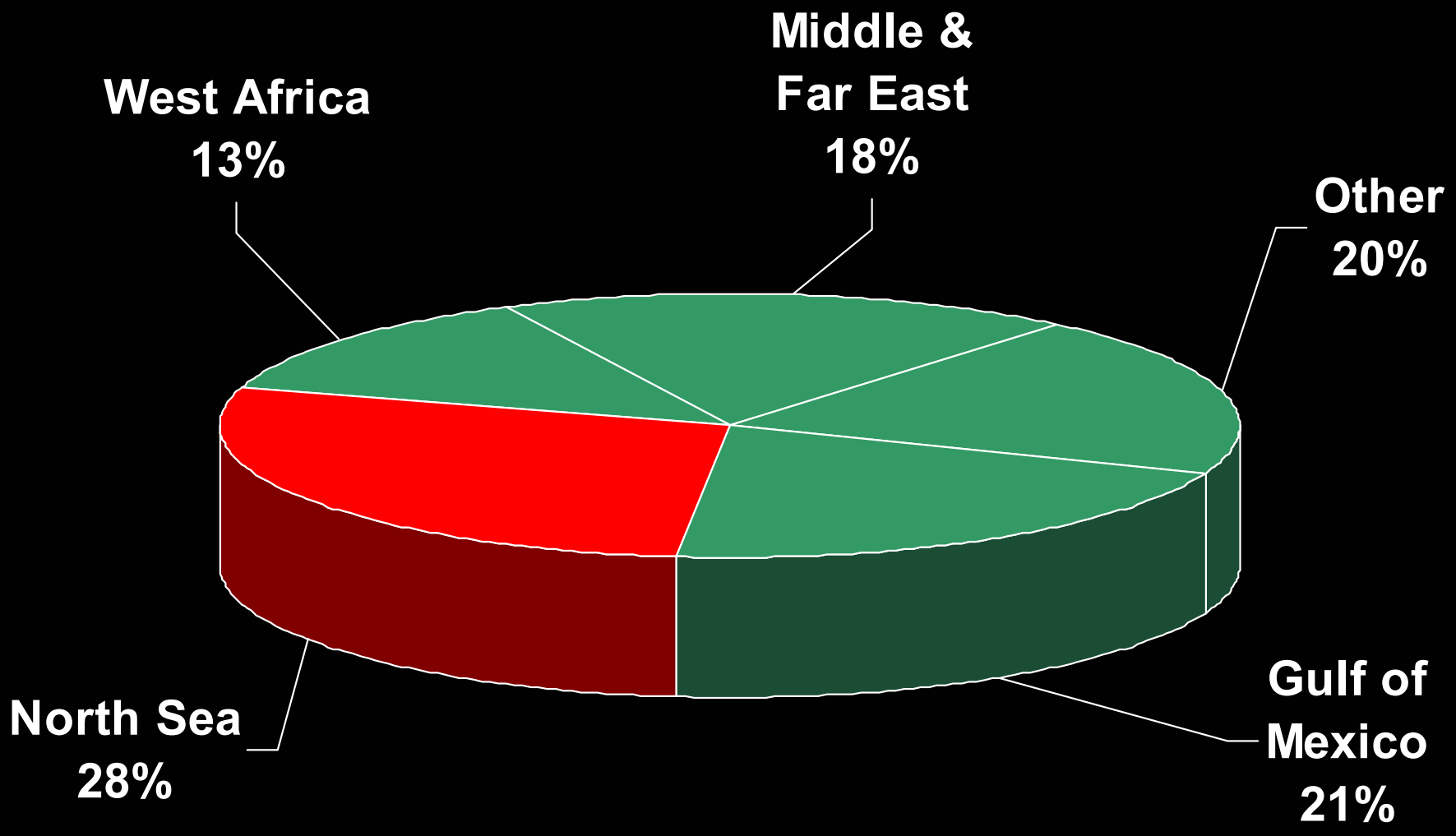
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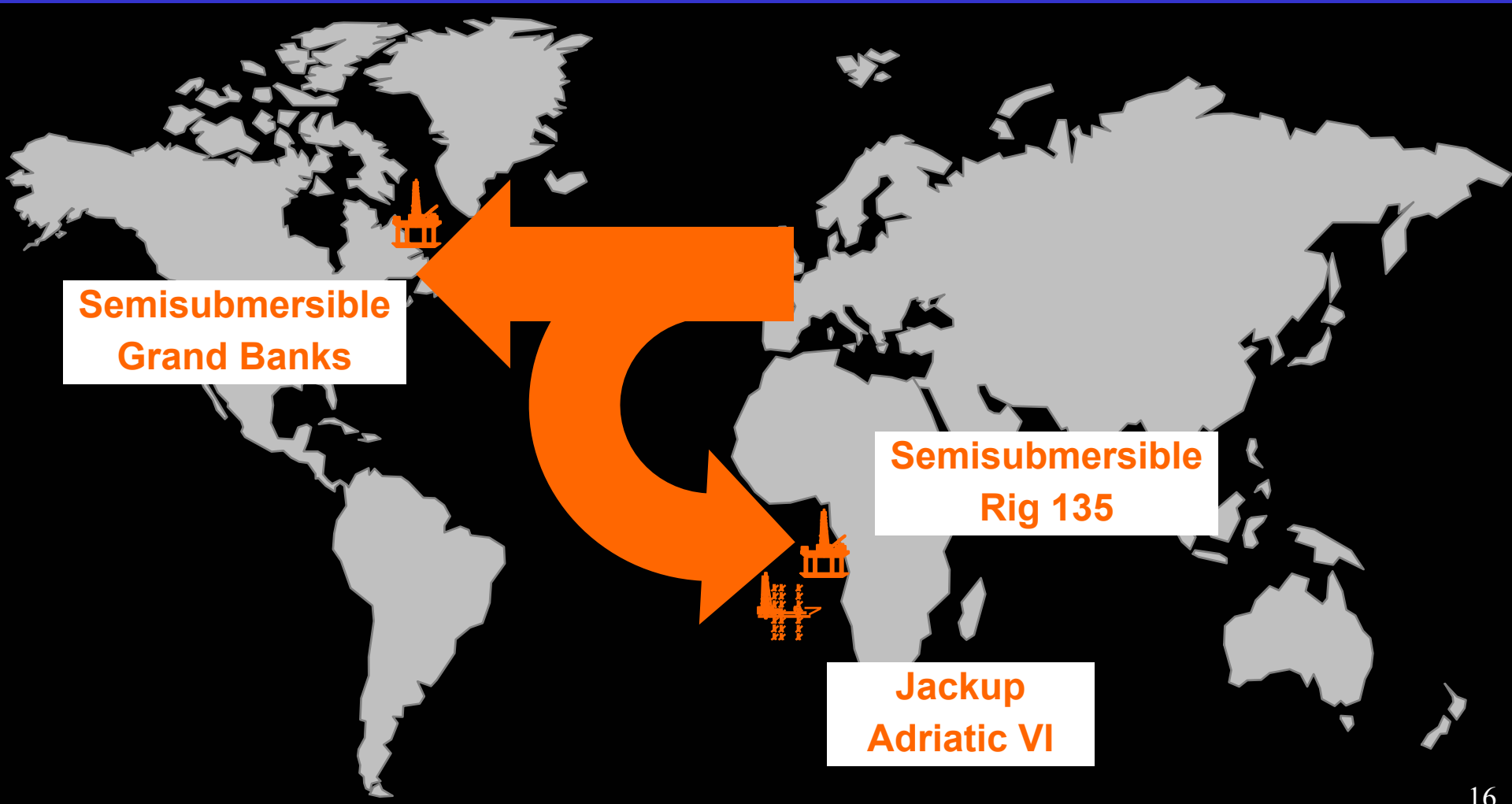
Note: See Forward Looking Statement Disclaimer - Page 2

# Source of Contract Drilling Revenue

**Twelve Months Ended December 2002 (Total $1,606.4 Million)**

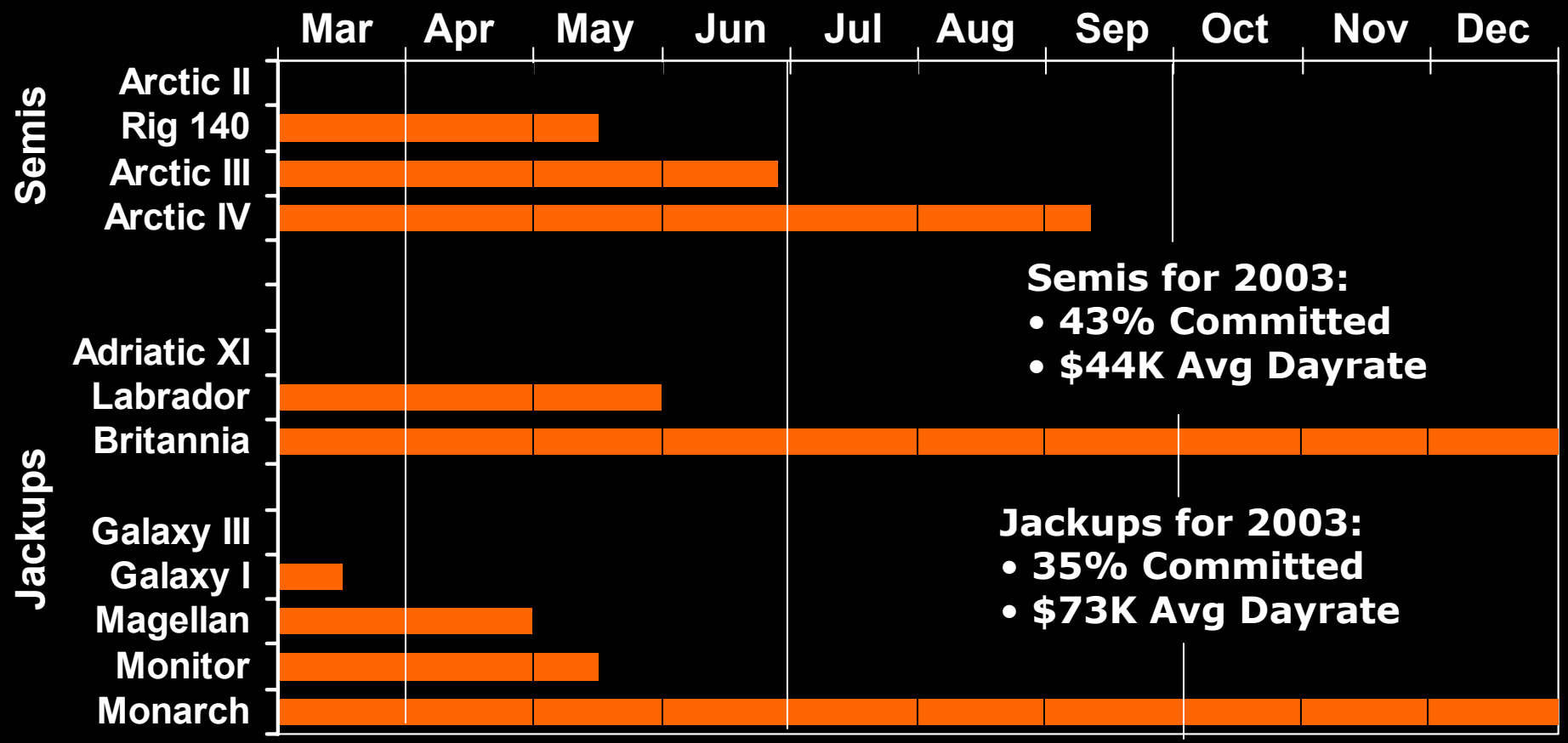


# Moving Rigs to Stronger Markets



# Summary North Sea Rigs

## Contract Commitments as of March 5, 2003




Note: See Forward Looking Statement Disclaimer - Page 2
Source: GSF 3/7/03 8K-Fleet Status

# North Sea Outlook

- **Major operators have a significant investment in the North Sea**
- **April 2002 tax increase caused a stalemate in drilling activity**
- **Strong indications of an increased level of activity in 2004 for majors**
- **Long term future prosperity of North Sea depends on influx of independents**

Note: See Forward Looking Statement Disclaimer - Page 2

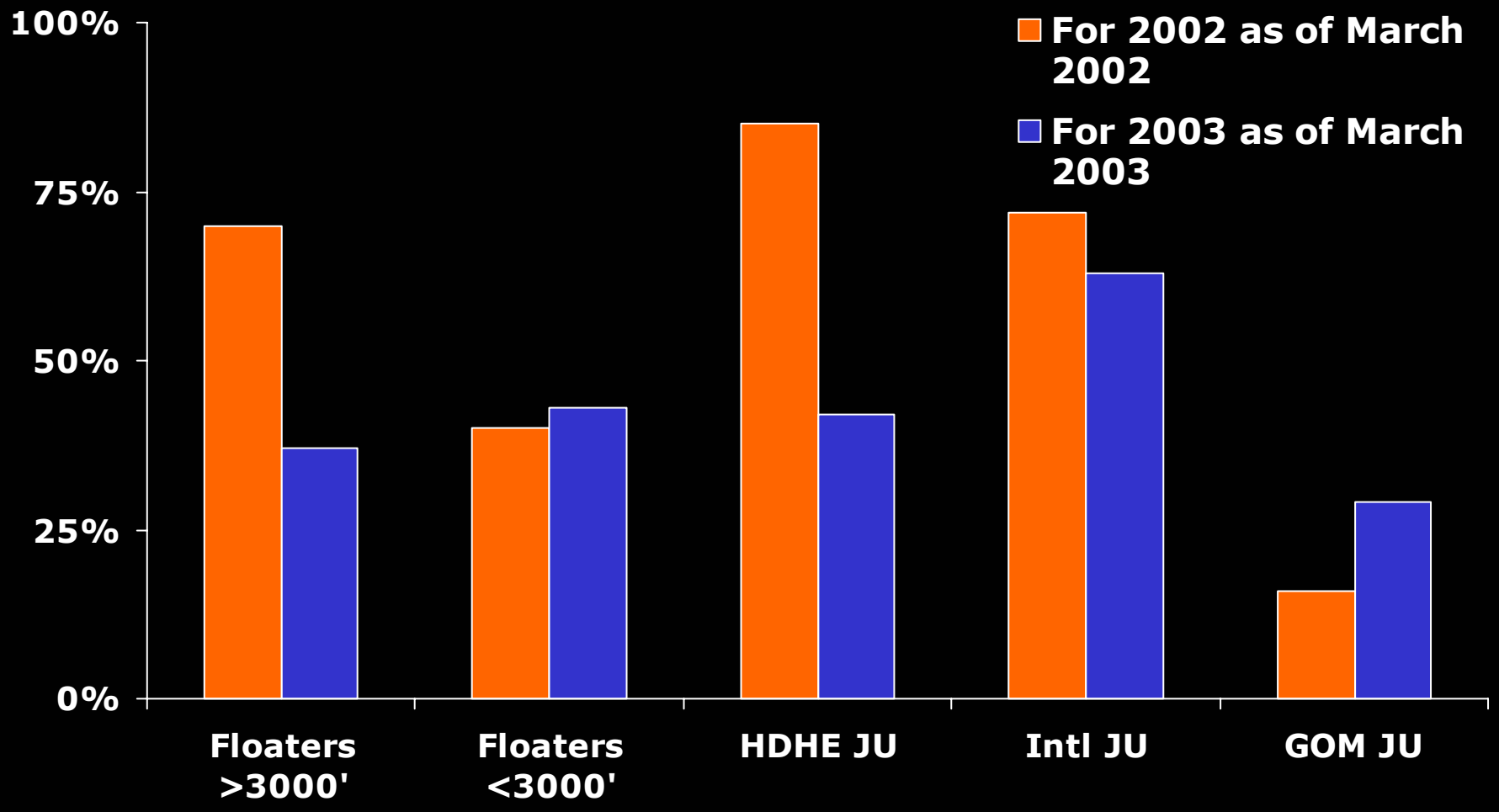
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# Contract Backlog

## Percent of Available Rig Days Committed




Note: See Forward Looking Statement Disclaimer - Page 2

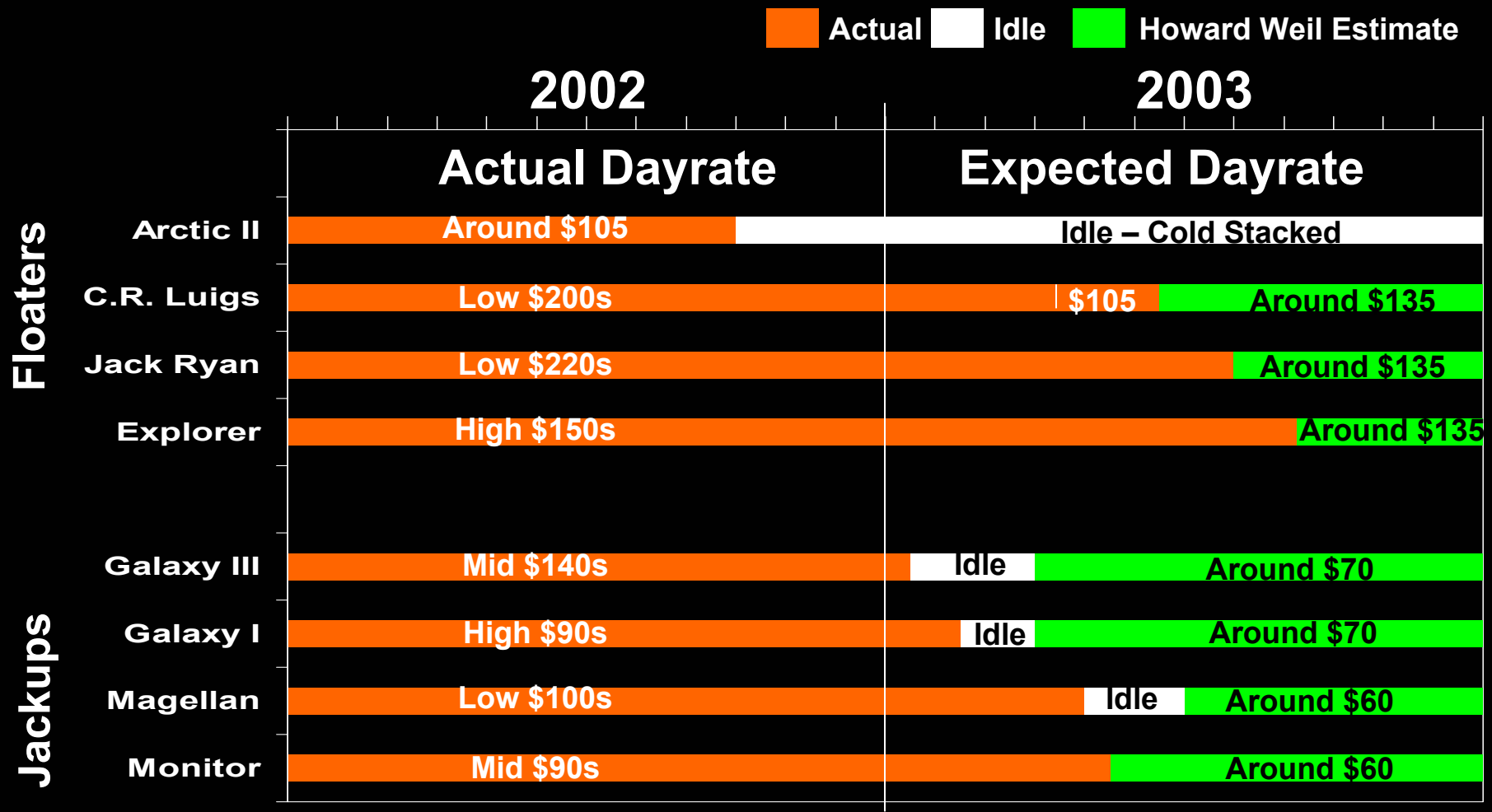
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# Summary of Major Contract Expirations

## As of March 5, 2003




Note: See Forward Looking Statement Disclaimer - Page 2

# Valuation Issues

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# GlobalSantaFe's Newbuild Program

## Constellation I & II and Development Driller I & II





### High Performance Jackup

- Two firm
- $132 million each
- First Delivery April 2003

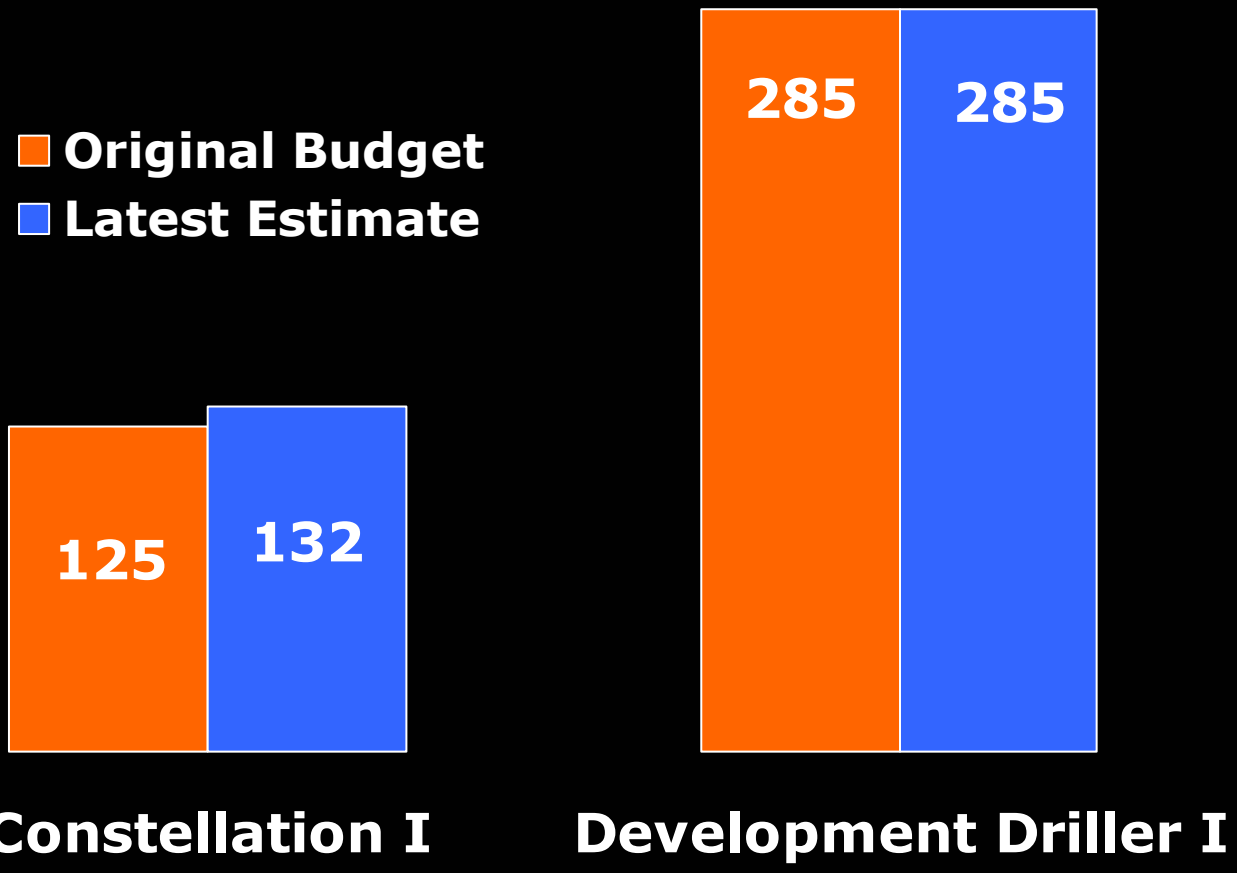
### Ultra Deepwater Development Semi

- Two firm
- $285 million each
- First delivery 1Q04

Note: See Forward Looking Statement Disclaimer - Page 2

# Successful Project Management

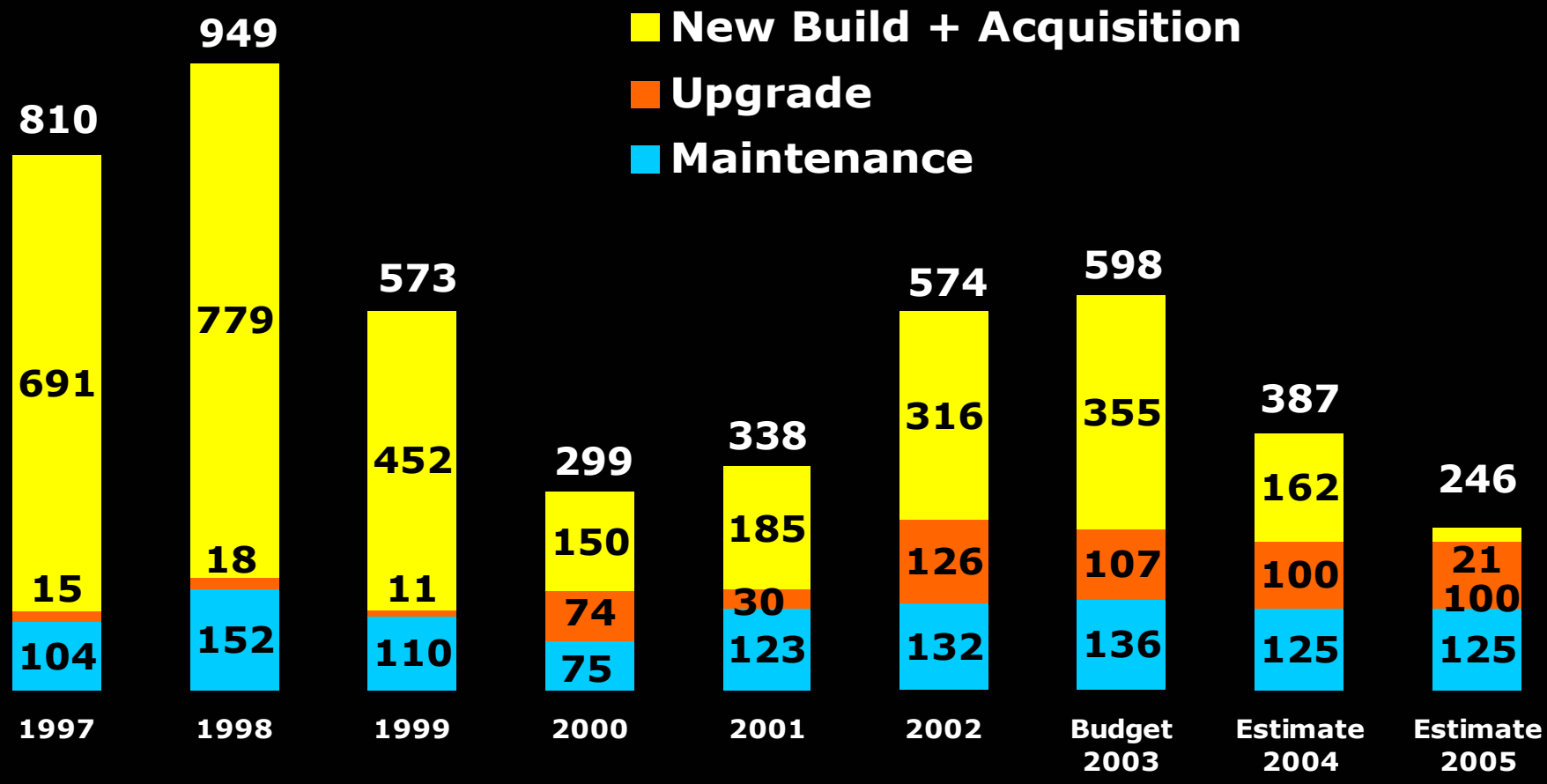
## Shipyard Construction Cost ($ Millions)




Note: See Forward Looking Statement Disclaimer - Page 2

# Capital Requirements

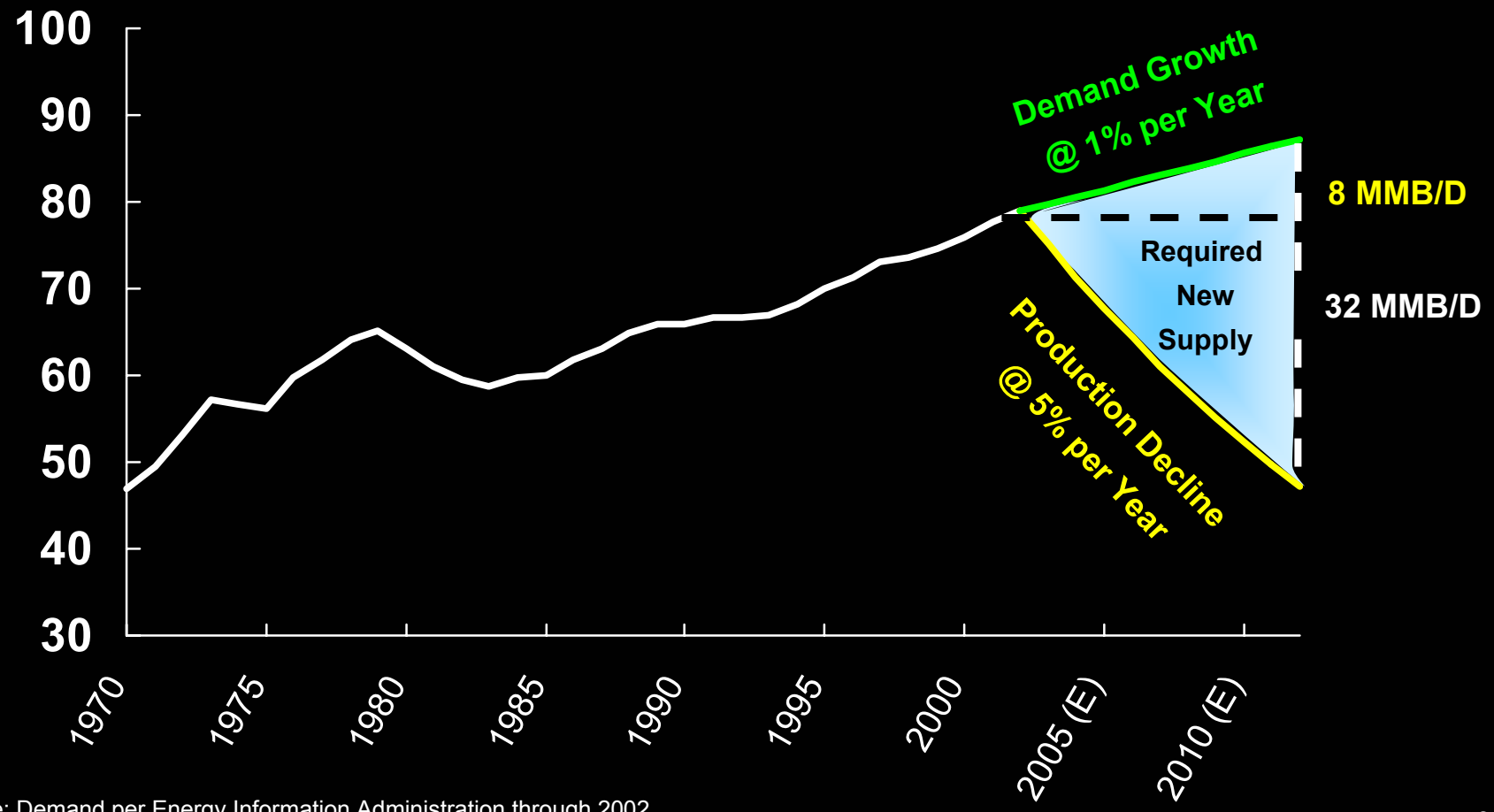
## $ Millions




Note: Years 1997 through 2001 represent pro forma results
Note: See Forward Looking Statement Disclaimer - Page 2

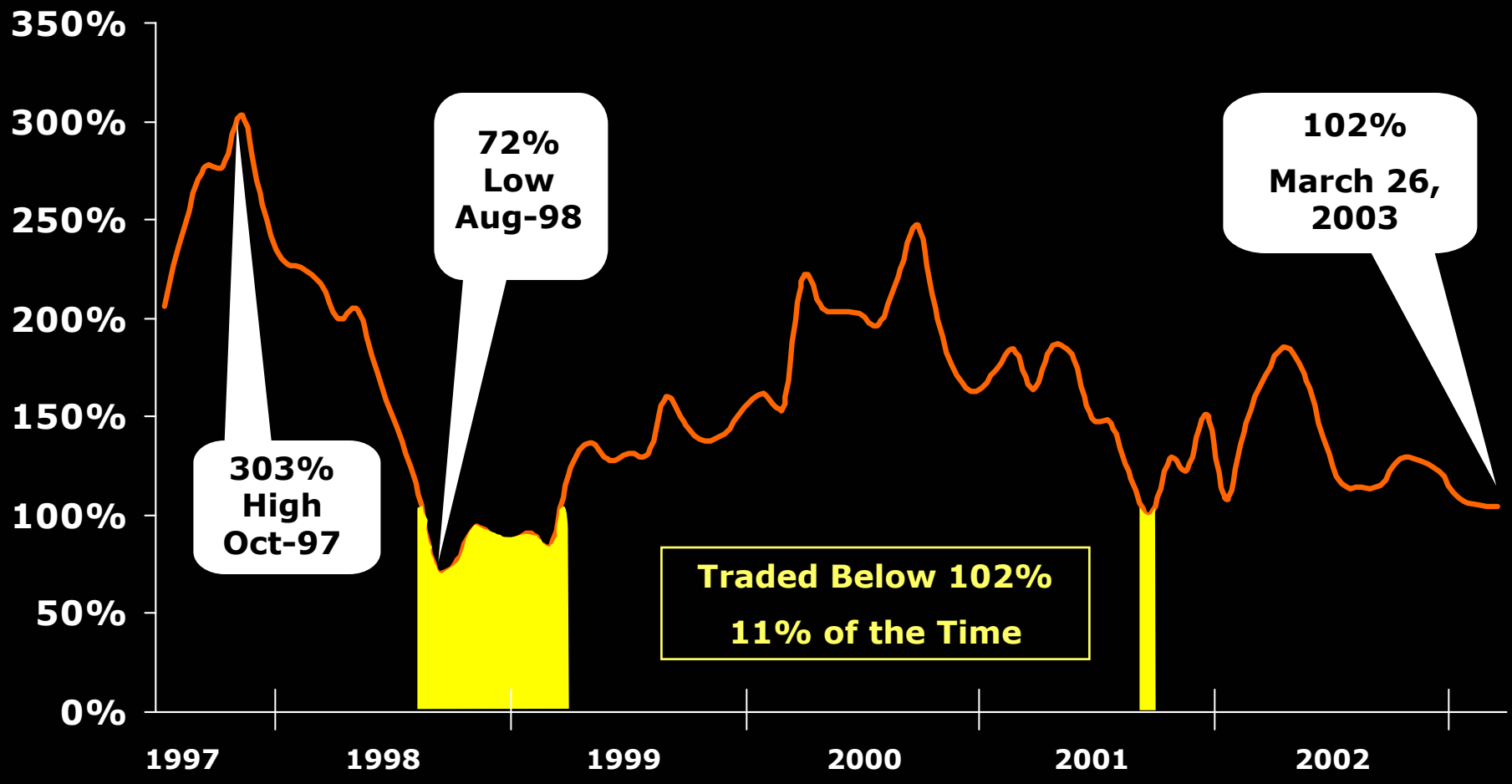
# The Need for Increased Drilling is Clear

## Demand (MMB/D)




Source: Demand per Energy Information Administration through 2002
and 1% growth and 5% decline rate thereafter

# Stock Price/Net Asset Value Per Share




Source: Jeffries & Company, Inc.

# Conclusion – For the Investor

- Strong Long Term Industry Fundamentals
- Premium Quality Assets
- Powerful Balance Sheet
- Undervalued Relative to Peers

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