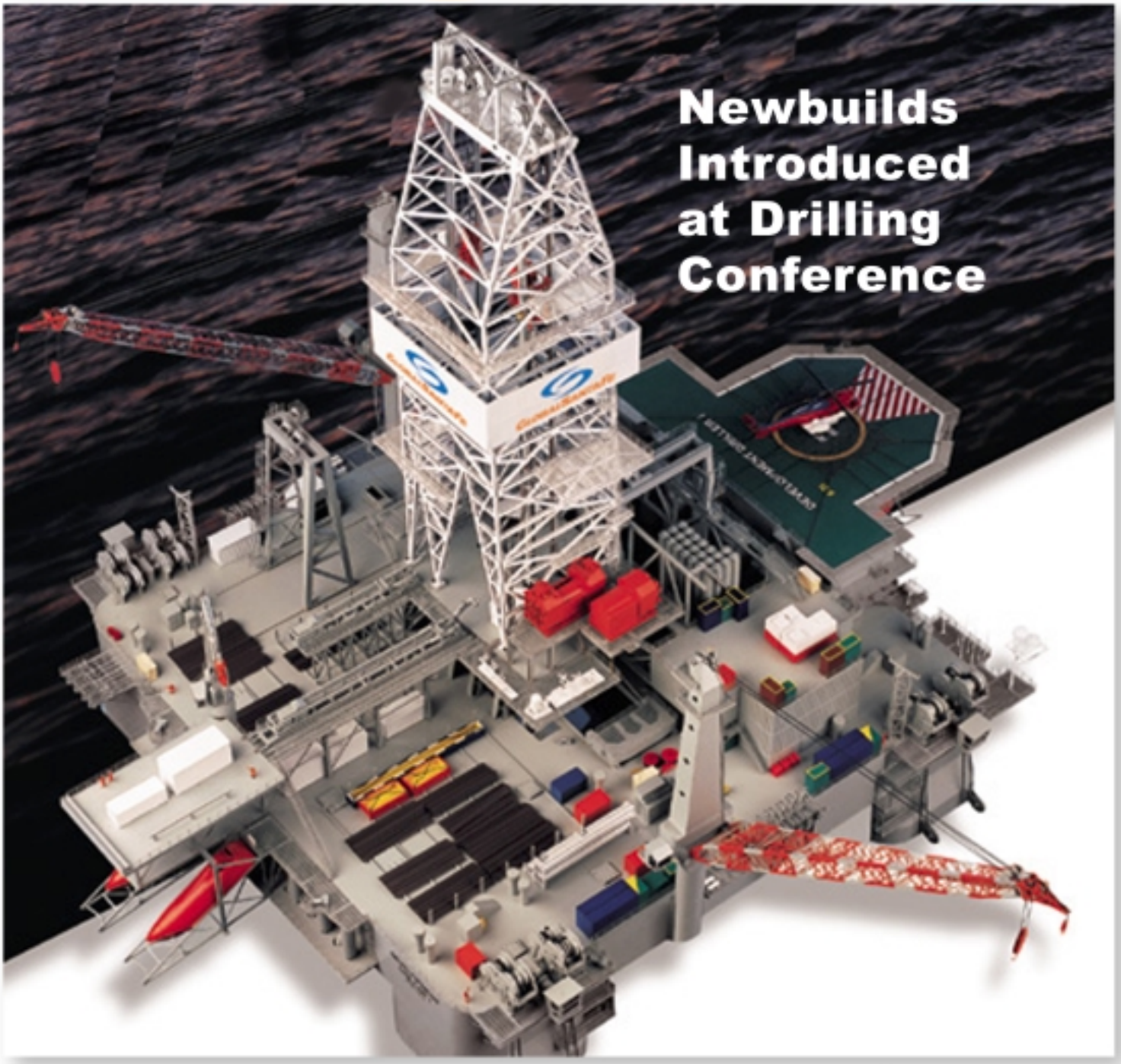
SPRING 2002 VOLUME 1 NUMBER 1

GlobalSantaFe

ProFile



Newbuilds Introduced at Drilling Conference



Message from Management

By Sted Garber
President and Chief Executive Officer

Welcome to the inaugural issue of *ProFile* magazine. *ProFile* will follow the long-standing traditions of each of our predecessor companies by providing a source of timely information about current activities of interest within GlobalSantaFe with a focus on GlobalSantaFe people around the world. By definition, profile means to portray something by words or graphic depiction. *ProFile* will provide our readers with the stories and images that define our company. We will profile our equipment, our performance, our culture and most importantly, you, as a member of our worldwide family of employees. As our new company matures, *ProFile* will be right there to tell the GlobalSantaFe story. You have my commitment to make this magazine an outstanding medium for communication within the Company and, incidentally, we should all be aware that our customers, suppliers and retirees will read it with great interest. Inasmuch as *ProFile* is your magazine, I would ask you to submit to Joe Boyd, Bill Abbott, or me suggestions that you may have regarding improvements that we can make. You are also invited to submit items that may be of interest for inclusion in the magazine.

One of the most striking realizations about this new company we have created is its size and scope of activities. While this has many advantages for our customers, our employees and GlobalSantaFe's future, one of its ramifications is that with over 8,700 employees around the world, it is increasingly difficult to maintain the level of familiarity with people in our various areas of operation that was possible in the past. I know that each of us felt that our predecessor organization was like a family and I still hear references to the Global family or the Santa Fe family. While I acknowledge that it will be more difficult, we will try very hard to maintain a sense of family where we all have an interest in each other's well being and maintain a high level of communication with and respect for those with whom we work. I will do my best to keep GlobalSantaFe from becoming overly bureaucratized with the hope that all of us can feel we are an important part of the GlobalSantaFe family.

It has been approximately five months that GlobalSantaFe has been in existence, and I believe that the progress made to date on the consolidation of our activities has been outstanding. This is attributable to a large number of people who have put in a tremendous effort, including late evenings and weekends, to develop GlobalSantaFe's new policies and procedures in numerous important areas. As many of you know, we hired a professional consultant who has worked with many other mergers, including energy industry mergers, and it was reported to me by the consultant that the progress GlobalSantaFe has made in this short period far exceeds that of most companies with which he has been involved. Congratulations, and thank you for this fine effort.

In spite of the tremendous progress made to date, everyone must realize that we are not finished yet. While a number of important decisions have been made, task forces continue to work on approximately 80 ongoing integration projects, and there is still a great deal of work to be done and many key decisions yet to be made. In addition, there are a number of areas of responsibility that still remain to be fully transferred to the departments that will have responsibility for them. It is important for everyone to understand that the consolidation process did not end when the consultant completed his work in February. As we indicated in the beginning, we made the determination that field operations would proceed on parallel tracks while decisions were made about how we would operate in the future. Accordingly, if you walked onto a rig from Global Marine or a rig from Santa Fe today, you would not see many changes from the way the rigs operated when we were separate

companies. I want to make it very clear that everyone should expect to see continued change here as we focus on integrating our operations.

One area where we have made important integration progress is safety. Our Health and Safety Policy was the very first document issued under the GlobalSantaFe banner on November 20 of last year (see page 12). This Policy Statement should be proudly displayed in prominent places throughout all of our operations and it should be discussed with employees, clients, and our families as a testament to who we are. Our commitment to an injury free workplace will continue to drive decisions at every level of our organization. This commitment is translating to active engagement as over 1,500 employees have benefited from ASA (Advanced Safety Auditing), FOCUS (Field Observation Continuously Upgrading Safety) and ISM (International Safety Management) Training since completing the merger. The innovative HSEMS has been chosen as the delivery vehicle of choice for our new company Management System under the ISM Code of Standards. Additionally, each person in this organization has not just the right, but the responsibility, to shut down any operation that he feels may present a safety problem. Call a time out and I will support you, whether your decision turns out to have been right or wrong.

"I will repeatedly ask each of you to be as concerned about your safety and the safety of those working alongside you as if they were your own sons or daughters. Injury free is our goal. It is achievable. We must get this right."

Unfortunately, we were all shocked and made painfully aware of our need to never let down on efforts to deliver "injury free" with the Mark Shaw fatality on January 6 of this year. A supervisor's disregard for the most basic safety principles, including the written instruction of our Permit to Work system and the failure to honor a "time out" as called by a subordinate, concluded in a five minute routine job becoming a lifetime family and company tragedy. It is of deep concern to me that we may have supervisors in the organization who, in spite of our extensive training efforts and their indicated commitments to safety, would continue to put themselves and those around them in peril. We do not have room for this attitude at GlobalSantaFe. Our Health and Safety Policy should remind everyone that:

1. "Safety is a choice, not a chance."
2. "Safety will not be sacrificed for expediency."
3. "Safety is a condition of employment."

This all goes back to the issue of the GlobalSantaFe family which I discussed before. We must each be uncompromising in our individual commitment to an injury free workplace. I will repeatedly ask each of you to be as concerned about your safety and the safety of those working alongside you as if they were your own sons or daughters. Injury free is our goal. It is achievable. We must get this right.

On page 5 we have included our new mission statement which simply states our mission to be the world's premier drilling services provider and that we will excel in the areas of safety, environment, ethics, customers, employees and shareholders. Please make a point of periodically reviewing this statement and keeping its principles in mind as you go about your work.

I want to assure each of you that I do not like being a stay-at-home boss. It is very uncomfortable for me to acknowledge that, with the press of the merger and other industry business in which I am involved, I have only visited one of our zone offices since the merger. I look forward to meeting many of you in your place of business, especially those of you whom I have not already met, so that I can give a personal thank you for the fine work you have been doing to make GlobalSantaFe the world's leading drilling contractor.

And that is exactly what you are doing. Our customers are enthusiastic about GlobalSantaFe and excited to have a single drilling contractor who can offer them any type of equipment they require anywhere in the world they might require it, along with ADTI and our well engineering services capabilities. Our customers can have this with a uniform commitment to safety, operational efficiency, equipment maintenance, training and other areas with which they are concerned. This is what makes GlobalSantaFe unique.



GlobalSantaFe

F E A T U R E S

ProFile SPRING 2002



6 Company Consolidation Process Moving Forward

Transition teams combining policies and procedures from legacy companies to create framework of GlobalSantaFe



8 Newbuilds Introduced at Drilling Conference

Models of the Development Driller and Constellation on display at 2002 IADC/SPE Conference

"In comparison to Enron, GlobalSantaFe utilizes a simple and straightforward business and financial model."

10 Comparative Risk—Enron and GlobalSantaFe

A comparison of cultures and business practices show stark contrast between two companies



17 Tubular Handling Technology Featured on New Jackups

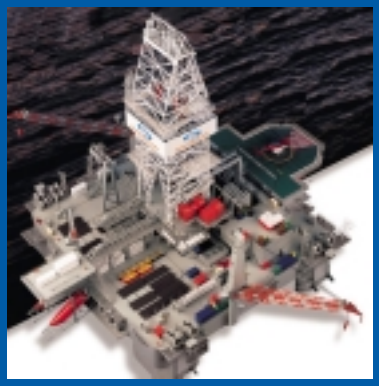
Deck SMART™ addresses all aspects of tubular handling from supply boat to running into well

Also in this issue

Mission Statement ..... P. 5
Health and Safety Policy ..... P. 12
High Island VIII Upgrade ..... P. 13
Performance Profile ..... P. 14
"You Name Me" Winner ..... P. 15
Safety Milestones ..... P. 16
ISM Certification ..... P. 16
Senior Managers Honored ..... P. 18
People in the News ..... P. 20
Bob Rose Honored by OEC ..... P. 23
FOCUS Training in Caspian, NS .... P. 24
In Memoriam ..... P. 26
Wellness Program on C.R. Luigs ... P. 27
The Sleep Factor ..... P. 27
SCORE ..... *Back Cover*

GlobalSantaFe Corporation

ProFile



On the Cover:
Model of semisubmersible Development Driller displayed at IADC/SPE Conference

Page 8

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It is with pride that I present our company's mission statement to you. Our mission statement says who we are, what's important to us, and where we are going. Our mission is to be the world's premier drilling services provider. We must all be personally engaged in that mission in order to make it an active part of our culture at every level of the company.

The first element of our mission statement is our commitment to safety. We will become an injury-free workplace—I believe it, and you must believe it too. This is not about numbers and statistics but about honoring the responsibility we have to our families, our co-workers and ourselves to work safely and to return home, at the end of every hitch and every workday, safe and sound. As individuals, we must never take safety for granted and never cease to be accountable for our own safety, at work, at home...wherever we are.

Our stewardship of the environment, both onshore and offshore, must also underpin our day-to-day decisions. We want to be known as a company that does what's right and not what's easy. We will carry out our business with the highest personal and business ethics.

Finally, we must be mindful of what we have to deliver in order to earn and maintain our rightful position in the marketplace. We must be known for providing value and opportunity for our customers, our shareholders and our employees. Maintaining a steadfast focus on operational excellence, responsiveness to our customers, and innovation will help ensure the success of our mission. The future of drilling starts here, with each of us.

—Sted Garber



GlobalSantaFe transition teams met in Houston on February 11, 2002.

Company Consolidation Moving Forward

Transition Teams continue to evaluate practices of legacy companies as framework of GlobalSantaFe evolves

Both legacy Global Marine and legacy Santa Fe have proud histories of managing complex projects effectively. However, rarely have our organizations faced such a daunting and complex task as the strategic integration of two large and somewhat diverse drilling companies. Immediately following the September 3, 2001, announcement of the proposed merger between the two companies an organized integration process began.

Despite obvious challenges, both organizations immediately commenced a systematic planning process whose guiding principle was to ultimately combine the best practices of each organization into an even stronger and more capable company, GlobalSantaFe Corporation.

The management consulting firm of Cap Gemini Ernst & Young (CGE&Y), who specialize in mergers, was contracted to facilitate this project. The team, led by Scott John, had extensive experience in energy related mergers. Their role would be to introduce a framework for conducting the process. Joe Boyd and Tom Johnson were named Integration Managers.

A Steering Committee was formed, consisting of senior management from each company, including Bob Rose, Sted Garber, Joe Boyd, Tom Johnson, Jon Marshall, Seals McCarty, Jim McCulloch, Matt Ralls and Tom Seeliger. The committee began identifying transition teams to represent each component of both companys' organization. These teams would be the core of the integration process. To ensure that the myriad of regulatory, legal and financial issues would be satisfactorily completed on the official merger date, a "Day One" checklist was initiated.

By late October, 18 transition teams had been formed. Each team consisted of a team leader and employees from Houston, Dallas, and the zone locations and an executive sponsor who sat on the Steering Committee. Outside resources were also utilized. The teams were tasked with analyzing the policies and procedures of both legacy companies and determining the practices which made most sense for employees, customers and shareholders. Through the guidance of the CGE&Y staff, teams were able to set clear objectives and determine how to meet them. The groups would report their findings to the Steering Committee which would ultimately make the policy decisions.

On November 20, 2001, with all Day One targets satisfactorily completed, GlobalSantaFe came into existence and it was time to focus on the far-reaching integration process. Teams prioritized their issues and in mid-December submitted "Scorecards" of their proposed integration projects to the Steering Committee which provided guidance and suggestions, ensuring that projects were aligned with overall corporate objectives. Over the next several weeks the teams worked diligently to address the seemingly endless list of issues, often working with other teams.

Sted Garber expressed his satisfaction with the work of the teams, commenting that their reporting has enabled him to follow the progress of



On November 29, 2001, GlobalSantaFe representatives ushered in a new era as Company shares began trading on the New York Stock exchange. From left: Mike Dawson, Seals McCarty, Jim McCulloch, Dick Grasso (NYSE Chairman), Matt Ralls, Richard Hoffman, Sted Garber, Joe Boyd, Jon Marshall, Stephanie Price and Michelle Appleby.

overall Company integration. CGE&Y leader, Scott John, also commented that this merger is "ahead of the curve" and the Company has made more early progress than most of the mergers in which he has participated. CGE&Y's involvement ended in mid-February, following a 90-day commitment. During the final transition team meeting hosted by CGE&Y on February 11 in Houston, teams addressed some 50 Scorecard "shortlisted" issues that are still works-in-progress. With the departure of CGE&Y, the Company has assumed the administration of the program, with the Internal Audit department, headed by Bob Herrin, monitoring the teams' progress. It must be acknowledged that team members, plus those assisting in this effort, are doing so while conducting their regular full-time jobs.

Still Much To Do

Even though a tremendous amount of work has been accomplished, the integration process is far from over. The transition teams will continue to function until all integration issues are resolved.

The willing attitude of GlobalSantaFe employees to embrace the changes that will affect us all will help to provide a smoother transition as our new company evolves. Employees are encouraged to communicate openly with management and pose the difficult questions that must be addressed. During this transition period there have been problems and individual apprehensions, as can be expected. In some cases adjustments have been made in areas of compensation and benefits that do not favor all employees. But with the larger focus in mind, GlobalSantaFe is working to create an organization that is in the top tier of the industry regarding employment. The reality is, our industry is experiencing a great deal of change as customers and competitors are continually consolidating. As customers combine their resources, they increasingly require contracting companies to meet their growing needs through expanded services and efficiencies. We believe that GlobalSantaFe is ideally positioned to meet those needs by offering our customers the most technologically advanced and diverse fleet in the business, a strong presence in all the key drilling markets of the world, a high level of engineering and project management capabilities and a workforce we regard as the best in the business. We are confident the organization that is evolving will offer employees opportunities for growth and will reward those individuals committed to excellence.

Transition Team Leaders

Engineering—Charles Keaton, Pharr Smith
Health, Safety, Environmental—Rick McClaine, John Alford
Marketing—Roger Hunt, Mark Monroe
Operations—Marion Woolie, Tom Seeliger
Accounting—Chuck Oliver, Doug Stegall
Payroll—Terry Liscano, Leo Nelson
Risk—Jim McCulloch, Chuck Oliver
Tax—Lee Dry, Nial Moran
Treasury—Mike Dawson, Bill Gammerdinger
Benefits—Loretta Carpenter, Doug Freede, Leo Nelson, Bob Preece
Communications—Stephanie Price, Michelle Appleby
Compensation—Dan Hansen, Jim Pickering, Bill Molaison
Personnel Policy—Dave Boutelle, Bill Molaison, Dan Hansen, Jim Pickering
Legal—Alex Krezel, Dean Kewish
Internal Audit—Bob Herrin, Bob Duplantis
Investor Relations—Richard Hoffman, Mike Dawson
Information Technology—John Truschinger, Jeff Musick
Procurement—Mike Hoke, Ed Webb

Newbuilds Introduced at Drilling Conference

Development Driller and Constellation Highlight GlobalSantaFe Exhibit



From left: Steve Gangelhoff, Colin Davidson, Darren Sutherland, Sted Garber, Peter Wilson and Paul Bruton.

The annual IADC/SPE Drilling Conference was held in Dallas in February. This 3-day premier industry event, which features an exhibition and technical program, provides a platform for producers, contractors and service company professionals to share ideas and advance worldwide drilling operations.

GlobalSantaFe was well represented in both the exhibition and the technical program. The event provided an ideal opportunity for the Company to showcase the new models of the *Development Driller I* and the *Constellation I*, currently under construction in Singapore. These models, which proved to be popular attractions at the show, are made of brass rather than conventional plastic, which allows for greater detail and durability. They feature electrically powered moving parts, further helping viewers to understand key features of the units. The model of the semisubmersible *Development Driller I* demonstrates how the BOP is moved from its storage position on the main deck, via the BOP cart, to the BOP elevator, which in turn delivers the BOP to the well center under the drill floor. The jackup *Constellation I* includes a working HTV system (see page 17) which transfers drill pipe and casing stands from the cantilever deck to the derrick.

The models also proved their value by the use of photographs taken of them and used in brochures produced for distribution at the conference.

A host of well qualified Company representatives from around the globe staffed the booth over the three-day period. They were: John Bergeland, Pharr Smith, Mark Monroe, Paul Bruton, Colin Davidson, Scott McKaig, Alan Breed, Steve Cosby, Peter Wilson, Charlie Springett, Ben Bollinger, Darren Sutherland, Andrew Teitz, Steve Gangelhoff, Pete England, Rolf Meier and Julian Soles. Also on hand was TK Ong from the PPL Shipyard where the *Constellation I* is under construction.



Upon arrival in Dallas from Korea, where they were built, the models were taken to a studio where they were extensively photographed for use in brochures. At the conclusion of the conference, they were taken back to the studio, crated, and shipped to Houston for the upcoming OTC.

GlobalSantaFe employees presented six papers in the technical program. Momen Wishay and Jim Brekke co-authored two papers— "Improved Techniques for Simulating the Emergency Disconnect Sequence of a Drilling Riser" and "Simulating of the Drifting Process to Assist Riser Deployment in High Current"; Bob McKechnie, Ken Gardner and Bob Dawson— "Rig Management System (RMS II)"; Mike Simpson and Colin Davidson— "Smarter Tubular Handling on a Jack-Up Drilling Unit"; Dave Reed— "Shallow Geohazard Risk Mitigation; A Drilling Contractor's Perspective"; and Charlie Springett, Julian Soles and Evan Zimmerman (of Delmar)— "A New Approach to Anchoring a Semisubmersible in Deepwater Areas Subject to Tropical Revolving Storms".

Rounding out GlobalSantaFe's participation in the conference were speakers Sted Garber, the 2002 IADC Chairman, who delivered a welcome address, and Jon Marshall, Executive Vice President and Chief Operating Officer, who spoke at a session titled "Managing Relationships: Beyond Win-Win".

The Company considered the event highly successful and felt it provided an excellent opportunity to roll out the new rigs to the industry. Subsequent client feedback indicated strong interest by a number of high-profile customers. Marketing personnel are currently making plans for the exhibit's next stop—the Offshore Technology Conference in Houston, May 6-9.



The *Development Driller I*, a 4th generation ultra-deepwater semi, is designed to work in water depths to 7,500 feet and is equipped with position mooring and dynamic positioning capability. The dual load paths in the derrick and the 700 ton BOP Trip Saver Cart maximize well construction productivity. The high level of rig floor automation minimizes risk to personnel and the fully automated mud mixing system reduces personnel exposure to the mud chemicals associated with the process. The derrick setback area is designed for racking 37,000 feet of tubulars.



The *Constellation I* is a high performance jackup capable of drilling in water depths to 400 feet. The 75 foot extended cantilever reach enables the unit to drill over a wider range of production and wellhead platforms. The advanced pipe handling system allows for parallel operations and the enlarged cantilever deck accommodates full stands of drill pipe and doubles casing. High pressure mud pumps and large bore high pressure piping systems improve drilling rates. The unit's measured drilling depth is 30,000 feet.

A Comparative Risk Overview of Enron and GlobalSantaFe Corporation

By Jim McCulloch, Senior Vice President and General Counsel

We felt it would be appropriate to reassure our readers that the practices and culture of Enron that led to its sudden and devastating collapse are in stark contrast to those of GlobalSantaFe. The purpose of this article is to compare the risk profiles of the two companies.

Several factors appear to have been significant contributors to the demise of Enron. Enron utilized a complex business and financial model. It offered to buy or sell futures contracts in over 1,700 commodities or derivative contracts, from a variety of energy futures to, for example, wind and weather derivatives, bandwidth futures and Baltic Index cargoship charterhire futures. These were all extremely complex transactions which presented tremendous risk for Enron. Enron reportedly employed over 3,000 partnerships in its financial structure. It utilized aggressive accounting practices, including "mark to market" accounting by which it booked the discounted value of all of the revenue at the inception of long-term contracts. In many cases it appears to have booked as revenue huge amounts far into the future for the sale of untested and untried products based on estimated future sales. It financed its operations with off balance sheet debt that masked the actual leverage employed by the company, and contained undisclosed stock price and credit rating triggers that increased or accelerated its financial obligations. The company reportedly engaged in "flipping" of assets to the off balance sheet partnerships at inflated values for the purpose of manipulating earnings.

In terms of disclosure of its business activities in its public filings, at best Enron engaged in technical compliance with its obligations. It failed, however, to present a comprehensive overview of its financial and risk profile as required by current regulations and guidelines.

Enron's core problem may well have been its culture of arrogance, fueled by greed. This culture allowed, or perhaps encouraged, massive conflicts of interest and manipulation of earnings. Rather than adhering to a culture that required the company to live within laws, rules and regulations, the company seemed to be driven by the need to present whatever it needed to investors and analysts to feed an increasing stock price. There also appears to have been a culture of fear, as a result of which mid-level employees who were aware of financial irregularities failed or refused to bring them to the attention of executive management, the Board, or regulators.

In comparison to Enron, GlobalSantaFe utilizes a simple and straightforward business and financial model.

Finally, the Enron Board of Directors violated the basic maxim that if you cannot understand something, you cannot govern it. The Board allowed significant auditor independence issues to exist in its relationship with Arthur Andersen, allowing that firm to collect over twenty five million dollars in consulting fees while collecting a similar amount in audit fees. In addition, the Board appears to have allowed significant Audit Committee independence issues to exist. As an example, one or more executives of M. D. Anderson Hospital, to whom Enron donated many millions of dollars, were members of the Audit Committee. These issues created at least a perception of a Board that was beholden to management, and an independent auditor that had so much to lose that it wasn't willing to fulfill its obligations.

In comparison to Enron, GlobalSantaFe utilizes a simple and straightforward business and financial model. We engage primarily in dayrate and turnkey drilling where revenues are booked as they are earned and not at the inception of the contract. Related issues such as paid mobilizations, drydock expenses and others, represent extremely small percentages of our revenues, but, in any event, the treatment of those items is well defined and the policies are consistently applied. There is very little ability to present the revenues of the Company in a deceptive fashion, even if we wanted to. Furthermore, GlobalSantaFe has no off balance sheet debt, nor does it employ undisclosed partnerships for the purpose of concealing liabilities or manipulating earnings.

The Company has entered into tax leases in respect to the *Glomar C.R. Luigs* and the *Glomar Jack Ryan*. These transactions were fully dis-

closed to the Global Marine Board, they have been described in our public filings, and the transaction documents have been appended to our public filings. These are not financing tools. We have prepaid and deposited into third party banks approximately 90% of the amounts required to fund the lease payments. There is a trigger that would require us to securitize the unfunded portion of the lease payments if we lost our investment grade credit rating. That trigger does not, however, accelerate or increase any financial obligations, nor do we have any such triggers in these transactions or any others. There is tax rate and interest rate risk in the leases, but these are relatively minor and, again, fully disclosed to the Board and the investing public.

The culture of GlobalSantaFe can be easily and starkly contrasted with that of Enron. History will testify that the cultures of both Global Marine and Santa Fe were characterized by openness, honesty and professionalism and nothing less will be accepted at GlobalSantaFe. In the unlikely event that anything improper were to occur, those who knew of it would feel free to, and would be expected to, speak up without fear of reprisal. We have no conflicts of interest at the Company, nor would we tolerate them. We have a culture and practice of full disclosure to the investing public and comply with not only our technical disclosure obligations but with our obligation to provide a comprehensive view of our business. Furthermore, the substantially smaller size of this company compared to Enron makes it highly unlikely that financial manipulation, fraud or conflicts of interest could exist at any appreciable level without being generally known throughout management.

The apparent difference in the governance functions here and at Enron also stand in stark contrast. The GlobalSantaFe Board has taken seriously its obligations to comply with auditor independence and audit committee independence regulations and best practices. We have a Board that understands our business and our finances and is not hesitant to question management on any issue that is not clear.

The culture of GlobalSantaFe can be easily and starkly contrasted with that of Enron. History will testify that the cultures of both Global Marine and Santa Fe were characterized by openness, honesty and professionalism and nothing less will be accepted at GlobalSantaFe.

The simplicity of our business and financial model, the size and culture of our company and the strong oversight of our Board present a risk profile that is significantly different from that of Enron. It is highly unlikely, if not impossible, that GlobalSantaFe could suffer from the same fate as Enron.

Finally, let me address one further issue that has neither caused nor contributed to Enron's demise but has received considerable publicity. The first has to do with 401(k) plans (for employees who are eligible to participate).

GlobalSantaFe does not make its contributions to the 401(k) plans in the form of company stock, nor did either of the legacy companies. The plans do provide for the company stock as one of the employee's investment options. As with other investment options, principally mutual funds, the employees could make the selection only twice per month. In both plans it is possible, however, for the employee to choose to open a brokerage account that allows for a switch between investment options without limitation. When the plans are taken over by the new administrator, unlimited switching will be allowed. Other than this trading limitation, neither plan required the employees to hold company stock for any period of time. It should be noted that the Company is currently deciding whether to select Fidelity (currently used by the Global Marine plan) or Vanguard (currently used by the Santa Fe plan) as the plan administrator when the plans are integrated. Whichever group of employees are switched to the new administrator will likely experience a brief blackout period during which they will not be able to trade in their 401(k) accounts. This will be announced to them far in advance and the Company will prohibit the trading of company stock or the exercise of options by senior executives during that period.

After you analyze the problems at Enron and the reasons for its collapse, you have to come back to one issue: culture. The management at Enron did not comply with even the letter of the laws or regulations that applied to them. They were not fair to their investors, and they did not promote honesty, professionalism and integrity in their people. The opposite was true at Global Marine and Santa Fe, and it will be true at GlobalSantaFe. We will comply with both the letter and the spirit of laws and regulations, we will run the company for the benefit of the shareholders and in the best interests of our employees, and we will promote honesty, professionalism and integrity in all of our people. What happened at Enron will never happen at GlobalSantaFe.

Health and Safety Policy

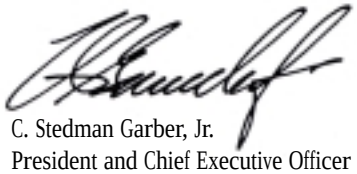
GlobalSantaFe is committed to developing and maintaining a premier health and safety culture for all parties associated with the Company and its operations. The provision of superior health and safety is a core company value of equal importance to environmental protection, operational efficiency, customer service, and profitability. In case of conflict, safety will always come first.

GlobalSantaFe affirms its devotion to the following:

- An Injury Free Workplace will be achieved.
- Management will be actively involved and commit sufficient financial and other resources necessary for superior health and safety performance.
  Safety happens by choice not by chance.
- Supervisors will maintain the health and safety of all personnel as they direct work and other related activity. In the event of a real or apparent safety related conflict with operations, health and safety will always take priority.
  Safety shall never be sacrificed for expediency.
- All employees have a responsibility to eliminate at risk behavior in themselves and others. This includes the obligation to call "time out" during any perceived unsafe operation. Employee teamwork, cooperation, participation, and support by all is vital if the aims and objectives of this policy are to be achieved.
  Safety is a condition of employment.

The Company will strive to ensure that:

- Health and Safety is promoted within, and external to, the organization.
- Safe systems of work are identified and adopted.
- Compliance with all applicable regulatory requirements is maintained.
- Appropriate levels of risk assessment will be applied to all activities.
- Employees are made aware of potential hazards and the necessary precautions to be taken through the communication of information, instruction, training and supervision.
- Employees participate fully in all health and safety arrangements and all suggestions for improving standards of performance are actively encouraged.
- The immediate and root cause of incidents (actual and potential) are identified and communicated to prevent reoccurrence.
- This policy will be continuously reviewed and revised as necessary to ensure it remains effective.



C. Stedman Garber, Jr.
President and Chief Executive Officer
GlobalSantaFe Corporation

Good Things Happening on the High Island VIII By Keith Mesker

On December 20, 2001, the *High Island VIII* finished a 29-month contract with Ocean Energy Inc. and, to take advantage of the relative flat market in the Gulf of Mexico, the decision was made to take the rig dock side for extensive upgrades.



The first order of business, following pinning at Tesoro Dock in Cameron, Louisiana, was a complete evaluation of all jet line piping in the legs' spud cans in preparation for modifications. However, before evaluation could begin, water tight integrity in the spud cans had to be established. Due to the fact the legs could not be raised high enough, divers were utilized to set plugs in the 12 outlets that remained under the water line. With water tight integrity established, the spud cans were pumped out, cleaned and certified to be gas free by a third party. With a safe working environment established, welders from M&M Industrial arrived onboard, were given a rig orientation, and were familiarized with Permit to Work, ASA, JRA's and Safety FOCUS card programs. After receiving a commitment to work safely from all personnel involved, the spud can scope of work was completed, without incident or injury.

While this work was in progress, rig crews were busy removing existing solids control equipment. This consisted of removal of the shakers and pits, the shaker house, and all existing electrical wiring and piping. Following minor repairs to the decks, four prefabricated shaker tanks were installed. Next came installation of a prefabricated shaker house. Floor sections were installed first, followed by the installation and piping of a Brandt flow line gumbo box, three Brandt King Cobra flo-line cleaners and one Brandt King Cobra 16/2 mud cleaner (which could be used as a fourth shaker). Completion of this project included the addition of wind walls, roof, wiring and fresh paint.

Additional projects included lowering, inspecting and refurbishing the crown, change out of the traveling block assembly, top drive inspection, steel replacement in the pit room, overhauling a main engine, change out of the main engine generator, quarters upgrade and evaluation and repair to the drawworks and BOP accumulator.

As the above projects were winding down, a Marathon-LeTourneau representative carried out a crane inspection and determined that the port and bow cranes would require replacement of the substructure mast and gear structure or be derated.

After numerous phone conversations and gnashing of teeth, the decision was made to repair the cranes while at dock side. The cranes were disassembled and all repairs completed. ABS certification was carried out and the cranes were put back in service.

Sixty days later, on February 20, 2002, with all upgrade work satisfactorily completed, the *High Island VIII* was towed to its current location in Vermilion 129 working for Apex Oil & Gas.

During this time period the crews on the *High Island VIII* achieved one year without a medical recordable. The hands of the *High Island VIII* would like to thank the following third party personnel for their commitment to safety and for their assistance on the upgrade projects: Brandt, M&M Industrial, Loadmaster, Varco, Marathon-LeTourneau, M.S.I. and Aquatica. Rig personnel would also like to thank GlobalSantaFe Technical Operations personnel Richard Greff and Mike Yoakum.

Rig 136 Departs Tunisia for Singapore Shipyard



***Rig 136* will undergo an extensive upgrade which will include a complete new quarters module and bow-mounted helideck, an improved rack chock system, and a major cantilever enhancement with new derrick, fixed diverter, topdrive, and four-point BOP handling system.**

Compact Driller

"As you are aware, the *Compact Driller* passed a significant milestone on 20th February 2001. On that date, the rig exceeded 1,000,000 feet of hole drilled on Block B8/32 since the beginning of the contract with Thaipo in July 1998 and now with Chevron Offshore (Thailand) Limited. During this time, the rig has operated on over 100 wells and made 41 open water rig moves. The 1,000,000 feet of hole represents an average footage of 23,400 feet/month and 770 feet/day (inclusive of rig moves). This achievement is all the more impressive when we consider it has been achieved within an environment of improving drilling and safety performance. In 2001, the rig recorded no LTAs or recordable incidents and we are currently 491 days since the last LTA. The widespread buy in to the STOP program and good reporting of hazardous and near miss incidents has been important in generating this result. On behalf of Chevron Offshore (Thailand) Limited, please pass on my congratulations to the *Compact Driller* team members, and my hope that we can continue to work together to improve drilling performance and maintain focus on safe and incident-free operations."

—R.A. Hill, Director Operations
Asia South Business Unit—ChevronTexaco
Overseas Petroleum
ChevronTexaco

Trinidad

"My personal thanks to Global Marine for the manner in which you (Marion Woolie) and your team dealt with the recent strike situation in Trinidad. I was pleased by the rapid response of Global and the quality of the team comprising Mark Monroe, John Conery, and Campbell Austin. The team which you sent to Trinidad acted professionally having to work long hours under extremely trying and unusual circumstances and often with conflicting objectives and did so with total professionalism. I can safely say there would have been a less satisfactory outcome to this situation if the Global team had not been here in country working the issue for nearly three weeks.

I'm sure we have all learned a lot from this experience and hope we can work together with other industry partners to seek a long term restructuring of the drilling industry in Trinidad. I have no doubt that the experience has strengthened our relationship with Global in Trinidad and beyond and I look forward to continuing to work with you and your team in Trinidad."

—Robert B. Riley, Chairman & Associate President
BP Trinidad and Tobago LLC

Arctic I

"As the Grand Banks 385 #1 well drilling project comes to a close, Enterprise Oil would like to take this opportunity to thank you (Hank Birmingham) for your support and hard work during the drilling of this challenging well. Your company's attention to customer service has proven invaluable to our successful operations. We would like to extend our sincerest appreciation for a job well done! Enterprise looks forward to working with you again during future operations."

—Graham Robinson, Llano Drilling Manager
Enterprise Oil

Aleutian Key

"I would like to commend everyone involved in the recovery of the Jade 5 tree for a job well done. The successful recovery of this tree safely was only possible through the combined efforts of a large team dedicated to the safe completion of the task.

The effective JSA for the original tree running procedure undoubtedly saved lives and resulted in only a financial loss with minimal damage to the rig. Both the initial JSA and subsequent JSAs and work plans demonstrate the importance and effectiveness of proper job planning. The focus on safety and thorough job planning by all participants is a tribute to the professionalism of all participants.

Thank you for your commitment and successful completion of a difficult task."

—James M. Davis, Field Drilling Manager
ExxonMobil

Key Hawaii

"I think it is important for you all to know that your hard work has been noticed and is greatly appreciated.

The batch-drilling program has resulted in a very testing work schedule. Not only are you meeting the challenge and keeping pace with the time allowed, the rig is actually four days ahead of the program. This is a fantastic achievement that can only be reached by teamwork and effort.

Thank you, well done and keep up the good work!"

—Aramco Company Representatives Jim Hewson and Abdullah Al-Garny
Aramco

Rig 20

"On behalf of Joint Operations Drilling Division, please extend my appreciation and thanks to the crew and staff of Rig 20—and to you, as well—for your outstanding drilling performances on the last two Ratawi

horizontal wells. Rig 20 set a Ratawi Horizontal drilling record (spud to release) on R-102H of 20.6 days and was the first Ratawi well drilled under KD 500,000 in Wafra. Most thought this drilling performance would be difficult to duplicate. However the subsequent well, R-106H, was drilled in 19.8 days and also under KD 500,000. Perhaps the most impressive aspect of these performances is that they occurred accident-free, as has become the norm for Rig 20 during the last six years.

Keep up the good work, and thanks again for your contribution to the success of Joint Operations."

—Wesley Paugh, Drilling Engineer
Saudi Arabian Texaco Inc.
PNZ Joint Venture Operations-Drilling

Rig 177

"Congratulations to the entire Santa Fe 177 rig team on your excellent performance on the ALT-60 well. You achieved the following milestones:

- No "Days Away From Work" Safety Incidents.
- Active STOP safety program participation (183 STOP cards in December).
- No recordable spills.
- Achieved quality targets (penetrated the directional target, obtained required logs, ran casing to bottom with indications of a successful cement job).
- Beat the "days per well" target by 2 days making this well the fastest directional well drilled in the DZO field.

Thanks again for your great performance and we are looking forward to similar success in the upcoming San Jose drilling program."

—Terry Jordan, Drilling Manager
BP Venezuela

Rig 151

"In my 25 years in the oil business I have not often had the pleasure to send a note to a unit working with me which had worked seven long years in a very exposed area of the oil business without a single LTI.

Therefore, today is a very special day for me that I can congratulate all of you on an achievement that looks easy in hindsight but must have taken an enormous amount of dedication and commitment of all the people involved—management in Muscat to support the people in the field in a positive and constructive way and site supervisors who must have spent lots of quality time with their people. And, last but not least, the people at the coal face who have the belief that they have to go back to their families unhurt and, the only way you must have done that, is by taking care of yourself, your immediate workmates and contractors on your site.

I am sure that you all know how easy it is to lose a record and that is especially the case in our business where we are working with heavy and unforgiving machinery all the time and I would like to ask you not to become complacent. Please spread the word how you have achieved this fantastic milestone as I would love to hear a few gems to pass on to others that are less fortunate."

—Frans Maessen
Petroleum Development Oman L.L.C.



Personnel of Rig 151 in Oman completed seven years without a Lost Time Incident (see letter above).

"You Name Me" Contest Winner

Arriving at a final choice for the name of our new employee publication proved to be a very challenging task. Some 390 entries were submitted by employees from 19 countries. There were many creative names based on themes of drilling, geography, safety, performance, philosophy, unity, the globe, and others. And the winner of the You Name Me contest is Samy Salem, Zone Safety Coordinator in the Cairo office. Samy will learn he is the winner when he reads the magazine he named. Thanks Samy and thanks to all of you who participated in this effort.

ProFile is a departure from our legacy publications and some features you were accustomed to seeing are not included. With a worldwide workforce of 8,700 employees we are unable to include all anniversaries, promotions and transfers. Because service recognition is special to both employees and to management, we plan to publish service milestones for all employees in year-end editions.

The *ProFile* Editorial Committee is committed to delivering a first-class publication to our readers. In order for us to achieve that goal, your comments and suggestions are of vital importance.

—Joe Boyd, Editor

Safety Milestones

Congratulations to the crews and management of the following operations that successfully completed one or more years without a Lost Time Incident as of March 31, 2002.

High Island IV	15 Years
Key Gibraltar	12 Years
Key Manhattan	11 Years
Rig 141	10 Years
Rig 105	10 Years
Rig 104	10 Years
Rig 94	10 Years
Adriatic III	8 Years
Rig 151	8 Years
High Island VII	7 Years
High Island II	7 Years
Baltic I	6 Years
High Island III	6 Years
Rig 157	5 Years
Rig 146	5 Years
Main Pass I	5 Years
Adriatic VIII	5 Years
Adriatic VII	5 Years
Tiffany	4 Years
Rig 174	4 Years
Rig 172	4 Years
Rig 171	4 Years
Rig 161	4 Years
Rig 158	4 Years
Enserch Garden Banks	4 Years
Rig 178	3 Years
Rig 159	3 Years
Rig 158	3 Years
Rig 119	3 Years
High Island V	3 Years
High Island IX	3 Years
Galveston Key	3 Years
Galaxy II	3 Years
Explorer	3 Years
Arctic I	3 Years
Adriatic I	3 Years
Rig 179	2 Years
Rig 177	2 Years
Rig 160	2 Years
Rig 155	2 Years
Rig 136	2 Years
Labrador I	2 Years
Key Singapore	2 Years
Arctic III	2 Years
Aleutian Key	2 Years
Adriatic X	2 Years
Adriatic VI	2 Years
Saltire	1 Year
Rig 97	1 Year
Rig 169	1 Year
Rig 140	1 Year
Rig 134	1 Year
Rig 127	1 Year
R.F. Bauer	1 Year
Parameswara	1 Year
Jack Ryan	1 Year
High Island VIII	1 Year
Grand Banks	1 Year
Compact Driller	1 Year
Claymore	1 Year
Beatrice Alpha	1 Year
Adriatic IX	1 Year
Adriatic II	1 Year
Dada Gorgud	1 Year
Britannia	1 Year
Kittiwake	1 Year
Adriatic V	1 Year

GlobalSantaFe Only Drilling Contractor to Receive Full ISM Certification for Safety



Bob Rose and Sted Garber, along with other company officials, accepted the ISM Document of Compliance certificate from Robert Kremek, president of ABS Americas, in a ceremony held in Houston on December 18, 2001.
In photo, from left: Adrian Gray, Jon Marshall, Rick McClaine, Sted Garber, Bob Rose, Marion Woolie, Robert Kremek, Charles Striedel, with Pat Fallwell and Dave Forsyth joining Mr. Kremek from ABS Americas.

GlobalSantaFe is currently the only offshore drilling contractor with full International Safety Management (ISM) certification for its shore-based facilities and self-propelled offshore rigs.The ISM certification is a requirement of the United Nations-led International Maritime Organization's Safety of Life at Sea regulation, soon to be mandatory for all self-propelled offshore drilling vessels operating under member-state flags.

The American Bureau of Shipping (ABS) audited GlobalSantaFe for compliance to the code. Robert Kremek, president of ABS Americas, presented the company's first ISM Document of Compliance certificate to GlobalSantaFe executives in a ceremony held on December 18, 2001, in Houston.

"We have always been absolutely committed to the safety of our people and the marine environments where we operate," Bob Rose, GlobalSantaFe chairman, said. "The ISM certification is further evidence of our commitment. In fact, we have chosen to implement the ISM standards throughout our entire worldwide fleet of drilling rigs.This is over and above what is required."

The purpose of the ISM code is to provide an international standard for pollution prevention and the safe management of ship operations.The ISM certification requires each company operating self-propelled offshore drilling vessels more than 500 gross tons to demonstrate a safety management system that protects its offshore crews, marine environments and the vessels. The six GlobalSantaFe drilling vessels that met the ISM code include the famed *Glomar Explorer*, the *Glomar C.R. Luigs*, the *Glomar Jack Ryan*, the *Glomar R.F. Bauer*, the *Glomar Celtic Sea*, and the *Glomar Grand Banks*.Each one of these rigs has been awarded a Safety Management Certificate.

Congratulations to the crews and management of the following operations that successfully completed one or more years without a Recordable Incident as of March 31, 2002.

High Island VII	5 Years
Garden Banks	2 Years
High Island V	2 Years
Adriatic I	1 Year
Adriatic III	1 Year
Adriatic V	1 Year
Adriatic VI	1 Year
Baltic I	1 Year
High Island III	1 Year
High Island IV	1 Year
Main Pass I	1 Year

TECHNOLOGY PROFILE

Tubular Handling Technology Advances Safety and Productivity

Deck SMART™ System Featured on New Jackups

GlobalSantaFe's newbuild jackups, the first of which is currently under construction in Singapore, will feature tubular handling technology that will add significant efficiency to the well construction process.The Deck SMART™ (Deck Stand Make Up and Run Technology) system addresses all aspects of tubular handling, from transfer of drill pipe and casing from the supply boat to running into the well.The system is comprised of both conventional and newly developed equipment.

To begin with, the *Constellation* jackup is designed with a 108-foot cantilever deck, long enough to accommodate stands of drill pipe and/or casing. **Illustration 1** shows the rig's quarters positioned forward, split into two structures, allowing needed room on the main deck for more deck space and the extended length cantilever. Tubular singles are transferred from the supply boat by crane to the main deck and then transferred by crane to a preparation area on the cantilever deck.The single joints are then transferred to the cantilever deck tubular make up system **(Illustration 2)**. Here, special connecting and torquing equipment assembles drilling stands horizontally (triples of drill pipe or doubles of well casing).The stands are now ready for transfer to the temporary storage on the cantilever pipe rack deck or to the drill floor.Transfer to the drill floor is accomplished by first transferring the stands by crane to the HTV (Horizontal to Vertical) base on the cantilever deck. The HTV trolley **(Illustration 3)** is lowered downward from the vertical position in the derrick to the cantilever deck and positioned horizontally over the HTV base (that is supporting the stands).The stands on the base are then locked in place in the HTV trolley.

The HTV trolley (with stands secured) is hoisted into the derrick and locked in a vertical position. Next, the Star Racker, a vertical pipe racker **(Illustration 4)**, grips a stand from the HTV and transfers it to the vertical racking board in the set back area (or well center)—all stands are transferred in this manner from the HTV. (The HTV trolley, now depleted of stands, continues the cycle as it is lowered back to the cantilever deck to pick up more stands.) The Star Racker then grabs a stand from the racking board (which can accommodate up to 30,000 feet of tubulars), and lowers it into the tubular string in the rotary table ready to be made up by the Iron Roughneck and then run into the hole.

To come out of the hole, the cycle is repeated in reverse.

The tubular transfer system, vertical racking system and racking board are all controlled from the assistant drillers stations located in the drillers cabin, allowing effective line of sight to facilitate safe and efficient tubular handling operations.

The operational benefit of this system is that it allows drilling and all well construction activities to progress without interruption while tubulars are being assembled and moved to the racking board. The system reduces risk exposure to drill floor personnel by reducing the level of drill floor tubular handling activity.

Delivery of *Constellation I* is scheduled for first quarter 2003, at which time construction will have begun on *Constellation II*.

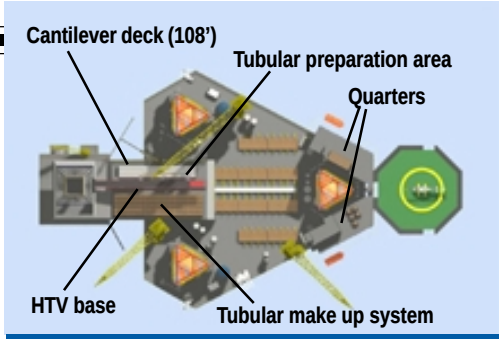


Illustration 1
Extended length cantilever accommodates horizontal tubular handling equipment on the cantilever deck.



Illustration 2
Tubular make up system—connecting and torquing equipment assembles drill pipe and casing stands horizontally. Stands are transferred by crane to HTV base.



Illustration 3
HTV trolley transfers stands of tubulars from cantilever deck up to derrick and is locked in a vertical position.

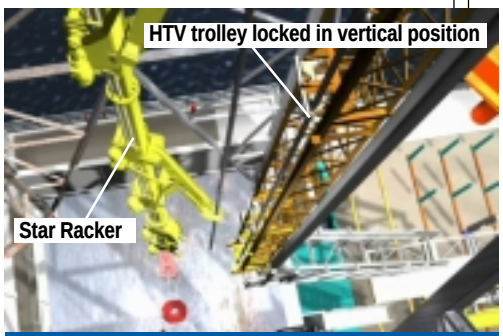


Illustration 4
The Star Racker grips a stand and transfers it to the racking board in the setback area. When all tubulars have been transferred from the HTV, it re-cycles back to cantilever deck. Star Racker grips stands and lowers them into position where Iron Roughneck can make up connection before the stand is run in the hole.

Senior Managers Honored Following Distinguished Careers

These individuals served Santa Fe with distinguished service and made significant impacts on the growth and success of the company. We wish them well in their future endeavors.



On January 5 Charlie Springett's family was present at a dinner in Dallas to honor his career. In the center are Charlie and his wife Rina; to the left is their son Frank and his wife Mercedes; to the right is their daughter Esther and her husband Jerry Platsis.

Charlie Springett

Charlie joined Santa Fe in May 1968, serving on the jackup *Britannia* in the North Sea as a Rig Mechanic. After working offshore in England, Holland and Australia, Charlie transferred to the corporate office in Orange, California, in 1971. Advancing quickly from Engineer Trainee to Project Engineer, in 1973 he was promoted to Manager of Marine Design. He also managed a number of outside engineering contracts and was named Patent Coordinator for the Company.

Charlie served as Manager, Capital Projects Engineering from 1979 to 1985. In 1985 he was promoted to Manager, Marine Services. In 1988 he became Vice President, Marine Technology, providing the technical direction necessary as the Company ventured into the heavy duty harsh environment jackup business.

After serving as Vice President, Technical Operations and Marine Technology from 1993 to 2000, Charlie was assigned to the newly-created position of Vice President and Chief Engineer in May of 2000. In this role, he was responsible for identifying future industry trends and developing concepts for equipment acquisition.

In 1997, Charlie's contributions to the industry were recognized when he was named IADC Contractor of the Year.



Photo of Ahmed Alkhatib taken in 1998 while serving as Zone Manager in Qatar.

Ahmed Alkhatib

Following graduation from the University of Cairo with a degree in Petroleum Engineering, Ahmed joined Santa Fe in 1971 as a Drilling Trainee. He was assigned to Saudi Arabia and made steady progress, becoming Operations Manager in Saudi in 1975. Ahmed transferred to Kuwait in 1976 and was promoted to Zone Manager in 1989.

During the Iraqi invasion of Kuwait in 1990, Ahmed was instrumental in the evacuation of company personnel and dependents. Working in the Alhambra office during the occupation of Kuwait, he was an integral part of organizing the company's re-entry to Kuwait after the Gulf War.

Ahmed was assigned to Nigeria as Zone Manager in 1992, and transferred to Qatar in 1994. After transferring to Saudi Arabia in 2000, he was in charge of the Company's operation with Aramco. Following a distinguished career of over 30 years, Ahmed left the Company in February to pursue other interests.



On March 26 in Cairo, Ali Awad was recognized for his service. From left: Gordon McCullough (retired Executive Vice President, Santa Fe), Jon Marshall, Ali Awad, Fadia Awad, Sted Garber and Gordon Anderson (retired Chairman and CEO, Santa Fe).

Ali Awad

After working for several oil companies operating in Egypt, Ali joined Santa Fe in 1974 as Assistant Manager in Egypt. He was promoted to Zone Manager in 1979, serving in that position until 1993 when he was promoted to Vice President and Area Manager for Egypt and the Mediterranean Area. In 1999 Ali assumed additional responsibility for the Middle East region and relocated to the regional office in Dubai, U.A.E.

The reputation for professionalism and quality service the Company enjoys today in Egypt, the Mediterranean and the Middle East is in a large part a testimonial to Ali's efforts and personal success.



Cary Moomjian was honored at a dinner held in Dallas on February 23. With Cary is his wife Laurie and their son Chad.

Cary Moomjian

Cary joined Santa Fe International Corporation's law department in 1976 as Corporate Marine Counsel. Two years later Cary was assigned to Santa Fe Drilling Company as Senior Counsel and General Counsel. In 1980 he was promoted to Vice President and named Senior Vice President in 1981. From 1983 to 1993, Cary was Manager of Contract Administration and Business Development and served as Vice President, General Counsel and Corporate Secretary from 1994 until his retirement in February 2002.

Cary played an instrumental role in Santa Fe's highly successful IPO in 1997, and again in the secondary public offering in 2000. Cary also had a significant part in the merger and the formation of GlobalSantaFe.

Cary was named IADC Contractor of the Year in 1996 in recognition of his contributions to the industry.

Safety Awards



Roustabout Nick Benzie (left), *Arctic IV*, awarded $100 by George Cheyne for quoting mission statement.



Crane Operator Sandy Urquhart (left), *Arctic IV*, awarded $100 for stopping job during PCP handling during rig move.



Aleksejs (Alex) Radionov (left), *Adriatic XI*, was awarded 100 Euros by John Robertson for calling a time out to stop a crew member from walking under a crane lift.



Gary Dickerson (right), *Arctic IV*, awarded $100 for his excellent FOCUS input.



Storekeeper Lee Calder (left), *Arctic IV*, awarded £50 for consistent high level and quality of FOCUS contributions and commitment to environmental and waste management.

Personnel of Adriatic VIII were recognized by ExxonMobil for working 2000 days without incurring a Lost Time Accident



Adriatic VIII personnel, from left, kneeling: **Nwokochia Prince, Aneidi Edward (displaying plaque), Ifeany Uche, David Worgu, Aldo Vella, and Leon Matej.** *Second row, from left:* **Johny Peter, Godwin Ogolo, and Bassey Okokon.** *Third row, from left:* **Freddie Sharp, Victor Rex, Onyeama Okey, Eyakeno Udokim, Andrew Ukwo, Bassey Ekwere, Anthony Effiong, and Cleveland Leday.** *Back row, from left:* **Alfred Akanimo, Ronnie Sowers, Akpan Akpabio, Thomas Mfon, Effiong Udenim, George Ikpe, and John Bull Enoma.**



Adriatic VIII personnel from left, kneeling: **Samuel Etekudoh, Sime Curavic, and Ukott Enyina.** *Second row, from left:* **Freddie Sharp, Kingsley Onyebi, Assam Udak , Ifeani Ariwa, Mario Moskovic and K.J. Watts, Jr.**

Rig 135 is the first rig in the fleet to go out on new contract under GlobalSantaFe. The semi, shown in background, is in Invergordon, Scotland, undergoing upgrade work.

From left: George Matej, Vice President Operations, UK; Ray Dunn (Rig Manager *Rig 135*), and Ray Berry (Rig Manager *Rig 140*).





OIM John Hunter (right) holding the plaque presented by BHP representative Marc Babineaux

Labrador I Crew Congratulated

On October 26, 2001, BHP Billiton (Trinidad) Ltd. awarded a commemorative plaque to the crews of the *Labrador 1* for reaching the safety milestone of working 1,000 days without an LTI. BHP representative Marc Babineaux presented Rotating Drilling Superintendent/OIM John Hunter with the award. The *Labrador 1* recently completed a major upgrade and is presently drilling offshore Trinidad & Tobago.



Saturday Iboyi (right), Roughneck on Crew C, *Adriatic IX*, received $100 from Dave Walls, Rotating Manager, for correctly reciting legacy Global Marine's 5 Pillars of: Safety, Environmental Compliance, Customer Satisfaction, Operational Efficiency and Cost Effectiveness. Dave commented, "Everyone on the *Adriatic IX* has worked extremely hard to make the start up in Nigeria a success and I have no doubt that every crew member would have won the $100 had they been asked."

Key Gibraltar Achieves 12 Year LTA Free Milestone

January 2, 2002, marks twelve years the *Key Gibraltar* has worked without experiencing a lost time accident. Congratulations to the supervisors and crews of the *Key Gibraltar* for achieving this remarkable goal.

We would like to extend a big "thank you" to the supervisors of our client JVPC who, with their support, assisted in making this achievement possible by the way they conduct their operations, putting safety first.

Also thanks to the service company's personnel who work with us in our day-to-day operations on the *Key Gibraltar*. Without their support of our safety policies and procedures, an achievement of twelve years without a lost time accident would not be possible.

We personally feel very fortunate to be involved with the men and women assigned to the *Key Gibraltar* and greatly appreciate the professional manner in which you all conduct your business. We all look forward to 2002 and a continued strong performance in our operation.

—Zone Management, Vietnam



The first wave of *Arctic IV* enthusiasts attending FOCUS II course in Aberdeen. From left, front row: Donald Hendry, Paul Walker, Lee Calder, Rachael Matheson, Judith Tvedt, Dave Crocket, Harry Peerless, Nick Suker. Middle row: Chris McLellan, Steve Crane, Laurianne Sellar, Fiona Sproul, Richard Gennies, Alistair MacAulay. Back row: John Milne, Robert Dick, Vic Groundwater, George Cheyne, John Bigfoot.

GlobalSantaFe Mission Statement Challenge

Legacy Global Marine conducted a popular program whereby a visiting senior manager would ask rig personnel if they could recite from memory the company's mission statement. If the employee was able to do so, they would be awarded $100. GlobalSantaFe will continue this tradition. In order to win a $100 prize, employees will need to recite the GlobalSantaFe mission statement's two leading statements along with the six headings of the "areas"—Safety, Environment, Ethics, Customers, Employees and Shareholders. The mission statement can be found on page 5.

GlobalSantaFe Proud of Its New U.S. Citizens



Tom Sun with his wife Yingli

Exactly 14 years to the day after coming to the U.S., Tom Sun, along with his wife Yingli, were sworn in as United States citizens. Tom first came to this country in 1988 as a visiting student, earning a Master's Degree in Petroleum Engineering from Montana Tech in Butte, Montana. He continued his studies at New Mexico Tech in Socorro, New Mexico, where he earned his PhD. Tom was supposed to go back to China after earning his degree but was able to stay in the U.S. because of the 1989 Tiananmen Square Democratic Movement. Yingli and their daughter Tina joined Tom in December 1989.

After graduating in 1994 he went to work in Albuquerque, New Mexico, as an environmental engineer. In 1996 the Sun family moved to Houston and Tom went to work for Maurer Engineering as a programming engineer, writing drilling engineering programs. (Tom still feels grateful to Dr. Maurer for this opportunity.) Tom then worked briefly for BJ Services and in October 1997 joined Eaton Industries of Houston, now part of GlobalSantaFe. Tom and Yingli's second child, Joey, was born in August 1999.

Congratulations to Tom and Yingli —we are proud of our new citizens.



Mal Christie (left), Senior Toolpusher on *Arctic III*, presents a check for £805 to managers of Dorward House.

Christie Donates Mustache to Worthy Cause

Continuing with an annual Christmas tradition, personnel from *Arctic III* in the North Sea operation raised £2,405 to help support charitable causes. Prizes were donated by service companies and raffle tickets were sold, over a period of several weeks, to crew members and visitors. The raffle was held in December, raising £1,600 for the Bon Accord Children's Home in Aberdeen.

In a separate fund-raising endeavor, Senior Toolpusher Mal Christie, who some claim was born with a mustache, accepted a challenge to remove his signature facial feature if crew members agreed to contribute to a charitable cause. As a result, £805 was raised and donated to Dorward House, a residential home for the elderly in Mal's home town of Montrose, Scotland. The ceremonial removal of Mal's mustache took place in the mess room, with crew members performing the shaving duties. By the time the above photo was taken, Mal had regrown his familiar whiskers. Thanks to the personnel and service companies for their generosity.

North Sea Crews Support Aquarium

In mid-November, 2001, the Macduff Aquarium in Aberdeen unveiled a new exhibit featuring the smallest creatures of the sea, plankton. At the heart of the exhibit was a high resolution microscope and video system, paid for by a grant from Scottish Natural Heritage and from money raised by crews of semis *Rig 135* and *Rig 140*. The rigs held a triathlon event using exercise equipment in the rigs' gyms to cycle, run/walk, and row for a cumulative distance of 1,716 miles. Personnel generously pledged donations for mileage "traveled".

Thanks to the efforts of the crews, visitors to the aquarium will learn more about the floating plant life that forms the base of the food chain in the world's seas and provides nearly half of the oxygen in the earth's atmosphere. The new microscope magnifies plankton up to 90 times their actual size, displaying the images on a video monitor. The exhibit is the first of its kind in a Scottish aquarium.

For years to come, the public will benefit from the generosity of the crews of *Rig 135* and *Rig 140*.

Misguided Woodpecker Rescued at Sea



Safety Officer Jason Henderson with feathered friend.

NORTH SEA— While *Rig 135* Safety Officer Jason Henderson was out on the rig's pipe deck he heard a strange tapping sound overhead. When he looked up, much to his surprise, he saw a woodpecker, busily engaged in pecking on the starboard crane's steel boom structure. Jason followed the confused bird as it flew around the rig until it finally settled and he was able to capture it. The bird was first confined to a cardboard box which turned out to be no match for a determined woodpecker. Amazingly, the bird was recaptured and this time placed in a plastic ice cream container with adequate air holes poked in the lid. The next day, with permission from British Gas and Bristow Helicopters, the wayward woodpecker was transported back to Aberdeen where it was safely released in the woods. The crew later learned that their visitor was a greater spotted woodpecker and not a migratory bird. Since the semi was working 64 miles off the coast of Scotland, the crew speculated that recent strong winds had blown the confused bird off course.

In the photo above, Jason is holding what he described as "a beautiful little bird and very lively" and was glad the crew was able to assist in its rescue.



In December, GlobalSantaFe employees in the Dallas office supported the annual "Toys for Tots" program sponsored by the U.S. Marine Corps. Reserve. The Marines collected numerous toys at the annual Holiday party which helped brighten the lives of many children in the Dallas/Fort Worth area.



Bob Rose receives 2002 Chairman's Award from OEC Chairman Jim Payne

The fourth annual *Ocean Star* Gala was held on October 6, 2001, in Houston with more than 300 friends and industry leaders in attendance. During the gala, OEC (Offshore Energy Center) Chairman Jim Payne presented the 2002 Chairman's Award to GlobalSantaFe Chairman Bob Rose.This award is traditionally presented to a company, organization or individual for their special contribution to the Center.

The *Ocean Star*, operated by the OEC, is a combination museum, educational facility and working drilling rig.The *Ocean Star*, located on Galveston Island, is a jackup that once operated in the Gulf of Mexico where it worked on some 200 wells. *(www.oceanstaroec.com)*

Congratulations

Congratulations to Fran and Byron Evans on the birth of their first child, Martha Louise, on October 23, 2001. At birth, Martha Louise weighed four pounds, nine ounces and was sixteen and a half inches long. Fran and Byron had been married for twenty years when they learned their lives were to change forever. Byron is a Motorman on the *High Island II* and they make their home in Quitman, Mississippi.

Congratulations to Mark and Sandy Baker on the birth of their son Ellis Baker, born on January 22, 2002. Mark Baker is a Motorman on the *Arctic I*.

Congratulations to Kelly and Russell Millsap on the birth of their first child, a son, Cole Martin, on January 10, 2002. Cole weighed six pounds and seven ounces and was eighteen and three-quarters inches long. Kelly is a Human Resources Assistant in our Houston office.

The Bangkok office staff and all personnel on the *Compact Driller* wish to congratulate Koi on her upcoming marriage. Thailand Zone Manager Sam Watt states, "Since the Bangkok office opened nearly 4 years ago, our Miss Koi, acting in her position as personnel and training logistics, has been the underpinning support to all persons who have traveled in and out of Bangkok. She also works with our training departments in Dallas and Aberdeen, and other areas, to coordinate training courses and travel around the globe.



All who have dealt with Koi will attest to her efficiency and delightful disposition.We wish Koi all the success and happiness that such a genuine person deserves. Fortunately for us, Koi has decided to continue working."



Chief Steward Ian Linn has retired after spending much of his life at sea in the British Merchant Navy and the oilfield. Ian first went to work for Global Marine in 1989 and was subsequently rehired, serving on the *Adriatic XI* until his retirement in November 2001.

In the photo above, Ian has been presented with a retirement gift from the crew of the *Adriatic XI*, who wish him well in retirement. Ian is looking forward to spending time with his grandchildren.

After 22 years of service, Welder Eric Wall retired in September 2001. Eric spent his career in the North Sea working on *Rig 135*, *Britannia*, *Galveston Key*, *Magellan* and platform rigs Miller, Tartan, Clyde, Thistle and Fulmar. Everyone in the North Sea operation wishes Eric a long a happy retirement.

Dallas Soccer Champs



The GlobalSantaFe men's soccer team in Dallas took first place in the Inwood Indoor Winter League. The team won the championship game with a score of 5-2. In front, from left: Daniel Cerrato, Charlie Ker, Darren Sutherland, Mark Denkowski. Standing: Juan Silva, Scott McKaig, Roberto Perez, Drew O'Donnell, Rob Mason, Julian Soles.











FOCUS training classes were held throughout the month of February in Baku, Azerbaijan, attended by personnel from GlobalSantaFe and Caspian Drilling Company. The GlobalSantaFe partnership with CDC operates two semisubmersibles, the *Dada Gorgud* and *Istiglal*, in the Caspian Sea.

FOCUS Training Comes to Azerbaijan

By Dennis Bullard, Randy Smith Training Solutions

When the Randy Smith Training Solutions team arrived in Baku to introduce FOCUS training to legacy Santa Fe and Caspian Drilling Company employees, they were warmly welcomed by HS&E Manager Curt Walters. Operations Manager John Boone, Curt, and office staff members Marina Khalilova and Mastafa Ahmadov, had spent weeks preparing for both the February FOCUS training and the Advanced Safety Audit classes which would be held the following month. However, upon arrival the group discovered that FOCUS training materials and translation equipment had been lost in transit. Teamwork ensued. While the RSTS team began printing backup manuals, Bob Wilson and his Warehouse team searched the world for the whereabouts of the missing materials. Curt Walters began securing local translation equipment and numerous others behind the scenes interrupted their normal Sunday duties to see to it that FOCUS I training would proceed as scheduled. New acquaintances began working shoulder-to-shoulder for a common goal—the FOCUS philosophy in action!

When classes began, I would like to say the Randy Smith team was accepted by all with open arms but that would be less than the truth. The GlobalSantaFe/Caspian Drilling Company crews were naturally skeptical of this "FOCUS pokus charm school stuff", which is a typical reaction. The skepticism of the Baku crews was similar to that of the first classes of FOCUS I presented to legacy Global Marine personnel. But it was that skepticism, the crew's honesty and their challenges that made these courses in Baku a success. Interest in attendance from clients and third parties increased daily as talk of FOCUS spread throughout the area, prompting the addition of one class. Because of the high level of interest a return trip was



Norm Maguire (left) conducting an ASA during training on the *Dada Gorgud.*



Marina Khalilova in the Baku office worked diligently to make FOCUS and ASA become a reality.



ASA classes in Baku.



ASA Classes Greeted with Enthusiasm in Baku

In mid-January, Advanced Safety Audit classes were held in Baku, presented by ASA trainers Stacy Payne, Charlie Mearns, Norm Maguire and Randy Sivils. Afternoon sessions were held onboard the *Dada Gorgud* which was in the shipyard for upgrades. Randy Sivils commented that he was amazed by the level of fluency spoken by the rig based supervisors who attend English classes on their days off. Randy stated when the classes concluded, "I am confident the *Istiglal* and *Dada Gorgud* are well on their way to achieving the ultimate goal of an injury free workplace."

planned for the near future to include those who were unfortunately turned away.

Thank you to all involved for the success of this undertaking. A special thank you must go to the Rig Managers who attended all three days of classes. Their continued commitment was extremely valuable. Thanks also to John Boone and Curt Walters whose attendance at each class was much appreciated. The ultimate thank you goes to Shaik Bakirov, General Manager of our GlobalSantaFe partner Caspian Drilling Company, whose attendance and support of every class was priceless at the local level. It was very heartening that the GlobalSantaFe/CDC personnel made no distinction between Randy Smith instructors and their own team. The principle of a common goal was the only thing that mattered.

FOCUS Introduced to Legacy Santa Fe in North Sea

By Martin Nuttall, North Sea Operations Manager

On November 22, 2001, GlobalSantaFe shut down the jackup *Monarch* for a nine-day period in order to introduce FOCUS I to legacy Santa Fe employees in the North Sea. The following is an account of how I appreciate what FOCUS has done for these personnel.

Typically, I find that offshore personnel attending courses such as these have barriers in place ("not another training course that I have to attend to get spoon-fed another portion of safety"). From early on, FOCUS I establishes itself as a safety "process" which utilizes teambuilding as a key element. The entire training environment is shaped around, and encourages, teambuilding. Each group consists of a team leader, a second in command and a timekeeper. Senior management and Randy Smith facilitators are also in attendance.

Reinforcing confidence in individuals, crews and the entire rig complement is another key element of FOCUS that provides a major step towards ensuring safe operations. Enhanced confidence, morale and enthusiasm were displayed by the crews within the first few days of training.

In summary, FOCUS I is skillfully presented and is a fantastic tool which creates a behavioral change that crews take back to the worksite. FOCUS heightens the awareness of risks and hazards and provides the knowledge of how to work safely. As an observer for eight days I witnessed a genuine bonding of the full crews of the *Monarch*.

In Memoriam

Some individuals listed in the In Memoriam column were retirees of legacy subsidiary companies and their personnel files are not available. In such instances, only date of death will be reported. This courtesy will be extended to those subsidiary company retirees who will continue to receive ProFile.

Ferdo Miller passed away on April 9, 2001.

Arthur K. Williams passed away on April 21, 2001.

John D. Garrick passed away on June 19, 2001.

Raymond C. Wadley passed away on July 13, 2001.

Uval Davidson passed away on July 22, 2001.

James I. Mason passed away on August 17, 2001.

John C. Cox passed away on September 7, 2001.

Warren Tyrrell passed away on September 21, 2001.

David C. Reilly passed away on October 13, 2001. Dave joined Santa Fe on July 21, 1969, as Assistant Controller and retired in June 1986 at the position of Tax Audit Coordinator.

Jean McCallum passed away on December 7, 2001. Jean went to work for Santa Fe on June 9, 1980, and retired in August 1993 as Senior Secretary.

Robert (John) Wallace passed away on December 23, 2001.

Roy Culver passed away on January 14, 2002.

James Hayward passed away on January 16, 2002. Jim joined C F Braun & Co in September 1962 and transferred to Santa Fe in 1985. He retired on September 1, 1987 as Project Engineer.

Robert James Pogue passed away on January 16, 2002. Bob went to work for Global Marine in 1966 as an Electrician. He worked on the *Glomar Java Sea*, Platforms I & II, *Glomar Grand Isle* and retired from the *High Island IX* in 1986. Bob served in World War II and the Korean War with many commendations and was buried with full military honors at Houston National Cemetery.

T.M. Sterling passed away on January 28, 2002.

Lewis Paxton passed away on January 24, 2002.

Vern Kopitzke passed away on January 29, 2002.

Linda Martin passed away on March 6, 2002. Linda joined Global Marine in 1982 as an Expediter. She was promoted to Buyer in 1984 and to Senior Buyer in 1991. Linda was on long term disability (since 1999) at the time of her death.

Harold Hall passed away on March 16, 2002. Harold joined Santa Fe on February 1, 1982, and spent his career with Santa Fe serving as Barge Engineer in Southeast Asia.



On January 6, 2002, Assistant Driller Mark Shaw fell from the Adriatic XI working in the Dutch Sector of the North Sea. Despite an extensive air and sea search, he was not found. Mark is survived by his wife Debbie, son Luke, daughters Megan and Jade, and his parents Brian and June Shaw. Our deepest sympathy to Mark's family, many friends and colleagues. Mark's father wished to include the following message in ProFile.

"As it is not possible for me to contact everyone concerned to thank them personally may I through this magazine, on behalf of my wife, myself and our daughter-in-law Debbie, and the children, offer our sincere gratitude for the support and generosity shown by all the offshore crews and management at GlobalSantaFe. A special thank you to Blake Simmons, Steve Taylor, and their departments, for all their support and organisation. A further thank you to all the rescue services for all their efforts.

The memorial service for Mark and the reception could not have been better, and the attendance by so many of Mark's colleagues, management staff and Dutch authorities, in addition to family and friends, was very comforting to us all and very much appreciated.

GlobalSantaFe have spared no effort or expense in trying to ease the family's grief and all of us owe you our sincere thanks.

Our best wishes to everyone and thank you once again."

GlobalSantaFe Wellness Program

By Tim Borne, Davy Barr, and Matt Savoy

The Wellness Program is up and running on the *C.R. Luigs*. The Wellness Coordinator from Acadian Industrial Medical Services (AIMS) just completed a trip to the *C.R. Luigs* where they administered wellness assessments on employees. This included testing of cholesterol, body fat, flexibility, cardiovascular fitness, blood pressure, resting heart rate, upper body strength and endurance, blood sugar, and a health questionnaire. Over 40 tests were administered initially and another 40 are expected during the next visit. The results of these tests were assessed and a health and wellness profile for each person was delivered to those individuals. Each person will then be able to see where he/she stands and, with assistance from the Wellness Coordinator, they will be able to gauge what needs to be done to address any health concerns.

Once the initial testing is complete, the real fun begins! The Wellness Coordinator will continue to make periodic visits to the rig to offer personalized assistance to those participating in the program. The participants will also have access to information and motivation 24/7, while at work or at home, through a newsletter, e-mail, and a special web site designed specifically for the *C.R. Luigs*. Through personal visits and various forms of communication, it is the goal of the program to maintain high levels of motivation and education in cardiovascular and strength training and general health topics, as well as specific individual needs and concerns.

The Wellness Program is a wonderful way for participants to increase their overall quality of life. It has been proven time and again that healthy and fit people are more productive both on and off the job, have less stress, are at less risk for injury, possess a stronger immune system, and live longer and fuller lives.

Because of the enthusiasm and interest in this program by the crews, as well as the support of management, this program is sure to be a great success.

The Sleep Factor

A recently published article on accidents suggests that many accidents in the workplace, as well as at home and on the highway, are caused by lack of proper rest. This is especially true of shift workers. At times, actions are taken or decisions made during the early morning hours of the night shift that, when people look back at the decision or action, they cannot understand how someone could have been "so stupid", so to speak. Maybe lack of proper rest had something to do with it.

Following is a link for a sleep disorder test that is on the National Sleep Foundation web site. It might be helpful for training workers, especially shift workers, on the issues of sleep. After taking the test, the site grades the results and explains the answers to each question. Within the answers, there are links that personnel can use to get a better understanding of the need for proper rest, along with suggestions to help them get the rest they need.

To take a sleep IQ test go to www.sleepfoundation.org, click on Sleep Disorders, and click on "What's your sleep IQ?"

Performance Record in Kuwait



Last April, Rig 171 surpassed its own drilling performance record for First Eocene wells in Kuwait when it drilled well S-486 to a total measured depth of 1,635 feet in a 48-hour period.

The accomplishment set a new time standard for drilling First Eocene wells. The previous record for First Eocene horizontal wells was 2.33 days, set by Rig 171 in March 2001.

Well S-486 was one of a 13-well package drilled during March and April. The wells were drilled 40 percent under planned time and 20 percent under cost, including rig moves. Equally important, the achievement was made safely with Rig 171—now past the four year mark without a Lost Time Accident.

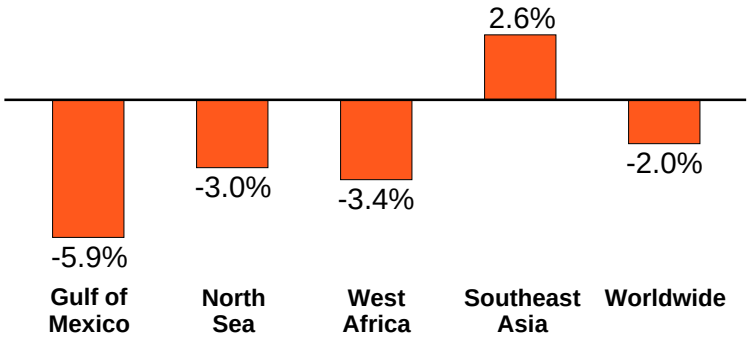
GlobalSantaFe SCORE—March 2002

(Summary of Current Offshore Rig Economics)

GlobalSantaFe's SCORE compares the profitability of current mobile offshore drilling rig dayrates to the profitability of dayrates at the 1980-1981 peak of the offshore drilling cycle. In that peak period, when SCORE averaged 100 percent, new contract dayrates equaled the sum of daily cash operating costs plus approximately $700 per day per million dollars invested. In addition to a worldwide SCORE covering key types of competitive offshore drilling rigs in key drilling markets, a separate SCORE is calculated for certain types of rigs and certain regions to indicate the relative condition of rig markets.

	Mar 2002 SCORE	Feb 2002 SCORE	1 Month Change	1 Year Change	5 Year Change
Gulf of Mexico	28.0	29.7	-5.9%	-46.3%	-49.7%
North Sea	51.4	53.0	-3.0%	36.7%	-24.2%
West Africa	55.2	57.1	-3.4%	7.7%	-14.5%
Southeast Asia	58.3	56.9	2.6%	39.0%	-0.5%
Worldwide	43.8	44.7	-2.0%	-6.7%	-29.1%
Jackup	46.2	47.3	-2.3%	-21.1%	-31.6%
Semisubmersible	41.2	42.0	-1.9%	20.7%	-27.3%

GlobalSantaFe SCORE Change from Previous Month



Though overall rig utilization has improved in the Gulf of Mexico, the market has not yet tightened sufficiently to impact dayrates. The slight dip for March's Gulf SCORE is largely attributable to repricing of some semisubmersible fixtures. We don't expect SCORE to improve significantly until rig utilization approaches 85 to 90 percent.

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