SPRING 2003 VOLUME 2 NUMBER 1

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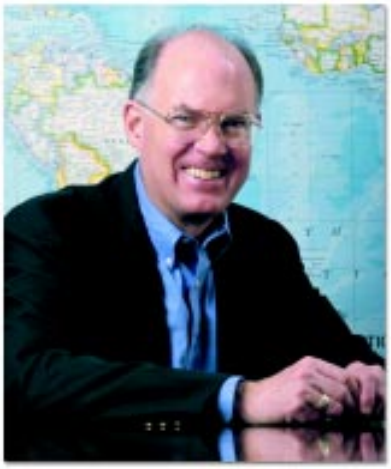
ProFile

Safety Poster Winners Announced

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Message from Management



By Sted Garber
President and Chief Executive Officer

While we are now several months into the New Year and need to be looking ahead rather than back, we should all be greatly encouraged by our safety progress in 2002, and for this I offer my congratulations and thanks. After a difficult start with 28 LTIs in the first half of the year, your efforts in the remainder of the year resulted in an improvement to 9 LTIs in the second half, giving an overall LTI incidence rate of 0.30 per 200,000 man hours worked. This is a lower incidence rate than either of our predecessor companies had ever achieved and is a challenging milestone to improve upon in our quest for an injury free workplace. At year end, nearly 75 percent of our fleet had worked one or more consecutive years without an LTI, showing that our goal is clearly achievable.

As we all know, our results were marred by a tragic fatality which reminds us that the only way to be sure such events don't occur is the elimination of all personal injuries. I know that these results don't just happen. They are the result of a lot of hard work, continuous training, and constant attention to your actions and the actions of those around you. I thank you for your great effort and encourage you to redouble that effort as we move forward in 2003. With two months under our belt this year, we have experienced 6 LTIs for an incidence rate of 0.30, paralleling last year's results for the full year. Again, I encourage you to work through this year one day at a time, constantly aware of unsafe acts which would result in an injury to you or a fellow employee.

In the last issue of *ProFile*, I discussed the softness in some of our important markets and the need to focus hard this year on controlling our costs. This effort will be ongoing and one in which many of us will be involved. In this environment, I'm sure many of you are wondering how we can have such high prices for oil and natural gas while experiencing such a mediocre drilling market.

With natural gas prices around $5.00 per MCF and oil prices around $30 per barrel as I write this, I can safely say that this is the first time in my experience that high energy prices have not resulted in a drilling boom. I still believe we will have a pickup, but it may be helpful for you to understand some of the likely reasons why the pickup hasn't already happened.

First, let's take a look at natural gas in the Gulf of Mexico. There is little doubt that the U.S. is on the brink of a serious shortage of available natural gas. Normally, the U.S. produces more gas than it consumes in summer months with the excess going into storage. In the winter months the process is reversed with consumption exceeding production and the shortfall being taken from storage.

This year, due in part to the coldest winter in six or seven years and ongoing declines in production resulting, in part, from inadequate drilling, withdrawals from storage have been far above average; as a result, storage levels look to be the lowest on record as we near the end of winter. As a result, there will be a continuous high demand for gas over the summer to refill storage. In this environment it is difficult to see much of a decline in natural gas prices. They will likely drop some from current levels but certainly not to levels that would not allow good returns on new gas projects.

If this is the case, then why aren't our customers drilling more? There have been a number of reasons given, starting with the price itself. Some say there is an expectation that prices will return to levels which do not support new drilling. Given the requirement for natural gas outlined above, it's very difficult envisioning gas prices falling back to these levels. Others have mentioned the fact that it generally takes our customers a while to get started once their budgets for the new year have been put in place. It's not atypical for the pace of activity to be a little low as we start a new year but, in any case, we should be seeing a pickup in activity based on these new budgets by now. There is no question that the smaller independent E&P companies, which rely to a large degree on external financing to support their drilling program, have seen a drastic reduction in the availability of this financing. Many of the companies which provided this sort of financing were companies such as Enron, which have run into serious difficulties, and the sources of financing have simply dried up. Another thought is that our customers simply don't have enough prospects ready to drill. While there is little question that conventional gas prospects in the Gulf of Mexico are smaller and may have less robust economics than in the past, it's hard to believe that there may not be prospects supported by current price levels on down to around $3.50 per mcf. Prices would have to drop to levels last seen about a year ago before I could accept the notion that there are simply not enough economic prospects to drill. There are other theories that I hear from time to time but those mentioned above are the most

prevalent. Now you are as well equipped as the next person to discuss when the turn will come in the Gulf of Mexico. I don't believe it can be far away.

Oil is a different matter as a war premium was clearly built into the price in anticipation of war in Iraq. But based on most analyses of world consumption and production, prices should remain in the $23 to $28 range for the foreseeable future. While our major customers may have long-term oil price expectations even below these levels, they continue to be active in much of the world. Many of our rigs in West Africa, the Mediterranean, Middle East and Southeast Asia are contracted right through the year at reasonably good dayrates, as our customers have ongoing activity in these areas. The real soft spots are in the North Sea and in the deepwater.

The North Sea downturn is driven by a significant tax increase on production which was put in place about a year ago. It is also driven by the fact that our major customers are reducing their investment levels in the North Sea as they seek larger reserve potential in other basins. Conversely, the independent oil companies who are purchasing North Sea assets from the departing majors can be expected to increase their level of drilling activity. I believe the transition from major oil companies to independents in the North Sea will continue and presents GlobalSantaFe with a tremendous opportunity, as these smaller companies are much more likely to take advantage of our drilling management services in addition to our premium equipment. The West Heather Field project described in the last issue of *ProFile* is a perfect example of how GlobalSantaFe can expect to do business in the North Sea in the future. CMI pulls the project together for an independent oil company and ADTI drills the project on a turnkey basis, using a rig provided by GlobalSantaFe. We may not see a recovery in the North Sea until this transition to independents has proceeded much further, which I believe could take until 2004 or 2005.

The other soft spot is the deepwater, and I do not believe the low level of activity here is driven by concern over oil prices, but rather by the complexity and difficulty of these projects themselves, combined with numerous exploration disappointments. We know that there are a number of deepwater development projects in planning stages whose startups have continued to be deferred to allow more extensive design evaluation and planning work. I believe that most of these projects will go ahead but on a somewhat delayed schedule. I am confident that we will be able to match one of them up with our new *Development Driller I* semisubmersible. For the deepwater, however, to provide a long-term source of business, exploration activity needs to increase. A number of our customers are continuing with exploration programs in the deepwater, but the activity level is low relative to prior years. Here I think our customers are pausing while they reevaluate their analysis of deepwater prospects. This pause, after an initial level of high successes, has been quite common in the development of other major trends throughout the history of the oil industry. Again, we may have a difficult year or so while the market absorbs the larger number of deepwater ships and semisubmersibles coming off contract this year and next, but ultimately I am confident that the deepwater will offer a reasonable level of activity.

To summarize, we've got a number of reasonably strong international markets set to continue providing good results while we wait for the Gulf of Mexico to recover, which I expect to happen in the near term, and the North Sea and deepwater to recover, which may take a bit longer.

Finally, as this will be my last column in *ProFile*, I want to take this opportunity to thank each of you for the tremendous support you have given me. Some of you have worked with me for many years as we focused Santa Fe on its drilling activities, selling other businesses and growing Santa Fe towards the merger that created GlobalSantaFe. You have moved your homes and your families, some of you several times, while focusing continuously on building the best company in the business. One of my main regrets about leaving at this time is that I have not had an opportunity to get to know all of the fine people who came to this merger from Global Marine. I have met many of you and have enjoyed our relationships and thank each of you for the fine support you have given me as we have integrated two great companies to build the world's premier drilling contractor. I believe this company is better situated than any in the business to succeed. You have a large fleet of premium equipment which can serve our major customers in every major market of the world with the most capable of any type of rig they may want. You have a strong management team that is focused on success of GlobalSantaFe in all respects and on ensuring that each of you has the training and tools to be successful in your own career. Finally, you have the finest workforce in the industry, your fellow employees, made up of capable people dedicated to getting the job done right and doing so while watching out for each other to ensure an injury free environment. I believe that I leave GlobalSantaFe in good shape and in good hands and wish all of you fair winds and a following sea.



GlobalSantaFe

F E A T U R E S

ProFile SPRING 2003



5 **Safety Poster Competition**

Children of GlobalSantaFe employees from around the globe participate in inaugural Safety Poster Competition



6 **Delivering Ultra Deepwater Technology**

World's first dual gradient well successfully drilled



7 **'Company of the Year'**

CMI honored as top company for 2002 by Houston Association of Professional Landmen



9 **30 Years After Jennifer Project**

Glomar Explorer at the center of international intrigue

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ProFile



On the Cover:

Ella Saunders, one of the Grand Prize Winners in the 2002 Safety Poster competition, conveys a message through her artwork—"Be Safe, My Daddy Means the World To Me".

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GlobalSantaFe Safety Poster Competition Big Success

By Bill Robinson

The GlobalSantaFe Safety Poster Competition held towards the end of 2002 was a great success with tremendous participation from children of employees in all regions. A wide variety of colorful artwork with the theme "Be Safe—My Daddy (or Mommy) Works Here" was received from each of the age groups, making selection of a Grand Prize Winner and three Runner-Up Winners for each group a challenging assignment.

In January, we were proud to release the 2003 GlobalSantaFe Safety Calendar which contains the artwork of all Grand Prize and Runner-Up Prize Winners. We are extremely pleased with the reception worldwide of the release of this calendar. On the cover of this issue of *ProFile* magazine, we have proudly displayed Ella Saunders' artwork, Group 2 Grand Prize Winner. In two future issues of *ProFile*, we will display the artwork of Jordan McCallum, Group 1 Grand Prize Winner, and the artwork of Ralyn Godfrey, Group 3 Grand Prize Winner. Each of the Grand Prize Winners have been awarded a $1,000 prize, and each Runner-Up Winner received a $500 prize. Also, a presentation ceremony for the winners was coordinated by the respective country offices and photographs of four of these presentations are in this issue. Photos of the remaining presentations will be included in a future issue of *ProFile*.

All artwork that was received during the competition has now been sent to the workplace of the participant's parent where it will be proudly displayed. In addition, a collage of all artwork received will be displayed in the lobby of the Houston office. We wish to thank all participants and their parents for their involvement in the competition and in helping us to promote safety in the workplace. Each and every participant received a certificate and a letter from Rick McClaine honoring them as newly appointed members of the GlobalSantaFe Safety Team. We look forward to next year's annual GlobalSantaFe Safety Poster competition and hope that it will have the same success that was experienced in this inaugural competition.

Great thanks and congratulations to all!

Safety Poster Competition Winners

GROUP 1
(up through 7 years of age)

	Name	Age	Parent/Location
Grand Prize	**Jordan McCallum**	6	Peter McCallum, Cairo Office
Runner Up Winners	**Courtney Elliott**	7	Christopher Elliott, Explorer
	Rachell Pridell	5	Ronald Pridell, C.R. Luigs
	Cody Laing	6	Peter Laing, Compact Driller

GROUP 2
(8 through 11 years of age)

	Name	Age	Parent/Location
Grand Prize	**Ella Saunders**	9	Ray Saunders, Nelson
Runner Up Winners	**Lindsay Prothro**	11	Mike Prothro, Constellation I
	Steven Keay	8	Brian Keay, Rig 140
	Tiffany Wallace	11	Robert Wallace, High Island I

GROUP 3
(12 through 15 years of age)

	Name	Age	Parent/Location
Grand Prize	**Ralyn Godfrey**	12	Sophie Thomas, Kuwait Office
Runner Up Winner	**Stephen McKenzie**	12	Ian McKenzie, Monitor



Jordan McCallum is presented with a certificate and check by GlobalSantaFe's Ian Kelly.



Steven Keay with his mother Iris and sister Natalie.



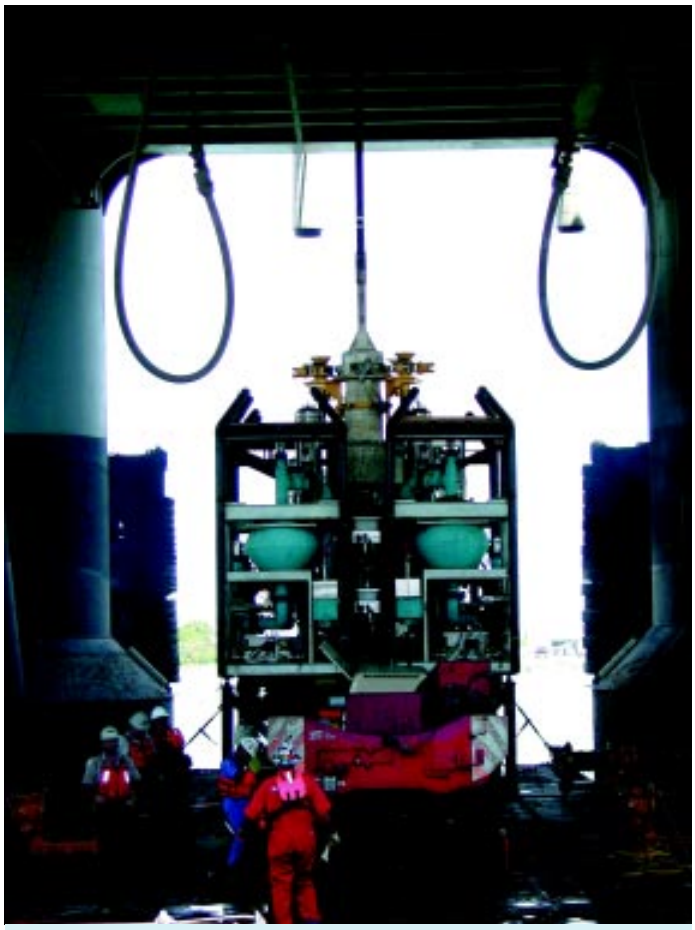
Stephen McKenzie with his mother Anna-Marie and GlobalSantaFe's Dave Kerr.



Ella Saunders with GlobalSantaFe's Al Matherne.

Delivering First Step of New, Ultra Deepwater Drilling Technology to the Industry

As exploration and production operations venture into ultra deepwater environments, the challenges of drilling and producing hydrocarbons become increasingly greater. Among the greatest of these challenges is eliminating additional costly casing strings required by the high pore pressure and low formation strengths found in deepwater areas such as the Gulf of Mexico and West Africa. In addition to the cost associated with running additional casing, the decreased diameter of the well reduces production capacity.



The 100,000 lb. SubSea MudLift Drilling Pump being installed on the lower marine riser package of the *Ocean New Era* in Galveston Bay.

To address this problem, in the mid-1990s a joint industry project (JIP) commenced with the goal of delivering a dual gradient drilling technology. The name comes from the concept of using two fluid gradients (or densities) to provide the same bottom hole pressure typically achieved with a single fluid gradient. The JIP was made up of Conoco (the project administrator), Texaco, Chevron, BP, Diamond Offshore, Schlumberger, Hydril and GlobalSantaFe (legacy Global Marine). GlobalSantaFe was represented by Jim Brekke on the JIP's Project Advisory Group.

After five and a half years and nearly $50 million, the dual gradient technology, at the heart of which was the SubSea MudLift Drilling (SMD) Pump, was ready for field testing.

Approximately 130 people from the various companies involved attended SMD 12-day training schools and pre-spud meetings in order to ensure all personnel were fully prepared to safely and efficiently perform the test operations. Mike Garvin and Hank Birmingham of GlobalSantaFe were among those who attended the training program.

The rig to be used for the test well was Diamond Offshore's *Ocean New Era*, which fit the specifications for the system. During the early stages of the project, this second generation semisubmersible was selected and the system design would be built specifically for this unit. The test site would be Texaco's Green Canyon 136 in the Gulf of Mexico in 910 feet of water. Because the GC 136 #8 well would serve as a field delineation well, Texaco agreed to share drilling costs.

On August 20, 2001, following installation of the SubSea Mudlift Drilling Pump on the lower marine riser package (LMRP) and its ancillary equipment on the rig, the *Ocean New Era* was towed out of Galveston Bay and, four days later, the well was spudded and the SMD went into the water for the first time. GlobalSantaFe's Jim Brekke and Paul St. Clair were members of the onboard observation team during the pre-drill testing stage. A period of de-bugging took place and all problems were corrected before drilling began.

The world's first dual gradient well was successfully drilled and this field test proved to be a tremendous success. The testing decisively proved that the MudLift Pump and associated procedures could effectively manage bottom hole pressures, passing an extensive set of test objectives.

Now that the prototype has been successfully tested, the next SMD system is being marketed as a commercial version, incorporating the lessons learned from the test well. By agreement of the JIP participants, Hydril has formed SMDCo, LLC to commercialize the SMD dual gradient technology and is actively marketing the technology. Recent efforts by SMDCo have focused on the substantial benefits that can be gained by using dual gradient methods for drilling the upper hole sections (see January 2003 *World Oil*).

CMI Named "Company of the Year"



From left: Dan Tinkler, Reagan Newton and Paul Nielsen accepted award on behalf of CMI, the upstream subsidiary of GlobalSantaFe.

Challenger Minerals Inc. was awarded "Company of the Year" by the Houston Association of Professional Landmen (HAPL) before 600 industry executives at the organization's annual Executive Night program held at the Hyatt Regency Hotel in Houston, on October 17, 2002. The criteria for selection for this prestigious award are the company's service locally to HAPL and nationally to the American Association of Professional Landmen (AAPL), to the land profession and oil and gas industry in general, and to the community.

CMI landmen Paul Nielsen, Dan Tinkler and Reagan Newton have served both HAPL and AAPL in many positions. Paul's service includes terms as HAPL Director and HAPL President. Reagan has also served as HAPL Director. Dan's been a long-time active member and has served on several different committees for various HAPL events. Each of these three HAPL/AAPL members at CMI is a Certified Professional Landman (CPL), the land profession's highest certification by AAPL.

During the past year CMI arranged for Ken Baum of Applied Drilling Technology Inc. (ADTI) to speak at HAPL's monthly meeting at the Houston Petroleum Club to publicize ADTI's fixed-cost turnkey drilling and completion solutions.

CMI has been very supportive of AAPL's annual North American Prospect Expo (NAPE), held in January at the George R. Brown Convention Center in downtown Houston. For the past four years CMI has had the largest expo booth to publicize CMI as the "premier screener of prospects in the Gulf of Mexico and the North Sea" for its Joint Ventures in those areas. In addition, in January 2003, CMI sponsored the NAPE Industry Luncheon for 900+ attendees to promote CMI's strategy based on its affiliation with ADTI in the Gulf of Mexico and with GlobalSantaFe Well Engineering in the North Sea.

CMI organized and hosted HAPL's Spring Saturday Seminar at GlobalSantaFe's new Houston office in March 2003. This seminar featured six speakers and over 50 participants received RLP/CPL education credits for attendance. CMI has assisted in organizing and raising funds for the annual HAPL Offshore Social for the past three years, focusing on Gulf of Mexico opportunities. CMI is also a Bronze Sponsor of the Professional Landmen's Association of New Orleans (PLANO). CMI is honored to have been recognized by the HAPL with this distinguished award.



Prestigious "Company of the Year" plaque presented to CMI.

Well Engineers Receive Professional Awards

By Vivien Broughton

Two further Aberdeen based Well Engineers have received the award of Chartered Engineer, granted by the Engineering Council UK. The status of Chartered Engineer is recognition that an engineer has attained professional competence through managed training and development and is the British equivalent to the award of Professional Engineer within the US.

Marco de Wit was formally granted Chartership by the Institution of Mechanical Engineers (IMechE) on behalf of the Engineering Council in October 2002. Marco joined the Well Engineering graduate training scheme in August 1997 and progressed through the offshore positions of roustabout and roughneck prior to becoming a well site Drilling Engineer. Complimentary to his offshore training, Marco attended Well Engineering training courses both in-house and externally, including successfully taking his GlobalSantaFe Well Engineering Level 1 technical skills set examination and completing his GlobalSantaFe Well Engineering competency task book. Marco is currently working as part of the deep-water group, in the Gulf of Mexico onboard the *C.R. Luigs*.

Kevin Moran was formally granted Chartered Engineer status by the Institute of Marine Engineering Science and Technology (IMarEST) on behalf of the Engineering Council in December 2002. Kevin spent nine years in the Merchant Navy as an Engineering Officer on various vessels with a number of companies before taking a career break to return to university to gain his Mechanical Engineering Bachelors degree.

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A View of Today's Market

By Steve Gangelhoff, Vice President Business Development and Market Analysis

What we are experiencing today in the oilfield is abnormal. The relationship between commodity prices and rig utilization in recent decades has been consistent, with commodity prices driving oil company capital spending with rig utilization moving up and down accordingly. The last several months have demonstrated the greatest 'disconnect' between oil and gas prices and rig activity that most anyone can recall.

Why is this? Essentially, the U.S. economy has yet to recover from the slow-down that had commenced prior to September 11, 2001, and the continued dampening effects of that day's tragedy. Generally diminished worldwide oil and gas company activity has led to supply constraints, paving the way for higher commodity prices. And, today's fears about the unpredictable effects of the world's geopolitical issues on the sustainability of commodity prices have caused our clients to be spending-cautious. If that weren't enough, some localized issues in the North Sea have compounded rig markets there, and by virtue of its size and location, that market is affecting others. The impact of changes in the U.K. tax regime implemented last year is now evident in current and forecasted North Sea rig activity: the increased tax burden on major oil and gas companies with mature fields is discouraging drilling activity. Owners of mature fields are divesting those assets. Conversely, such asset sales are beneficial to independent oil companies that want to enter this market. This is because under the new tax law they are able to write off 100 percent of their up-front capital investments on newly acquired properties. The philosophy at play is 'one man's burden is another man's treasure'—properties that have become nonessential to the majors are viewed as essential to the portfolios of the independents.

The problem for drilling companies is multi-dimensional. Field ownership changes take time, creating a natural suspension or 'lag time' of activity for companies involved in the process. Further, history has shown us that asset turnover often changes the character of a market simply because independents behave differently from majors. Independents typically apply their efforts and cash flow to mature field workovers, interventions and re-completions, rather than the more expensive exploration and appraisal programs. Evidence of this activity profile change was seen in the Gulf of Mexico in the mid-1980's. When protracted drilling slow-downs happen in the North Sea, or elsewhere around the world, companies like ours look for strategic relocation opportunities for early generation rigs like *Rig 135*. This is why that semi was recently relocated to Equatorial Guinea offshore West Africa on a long-term contract.

Also driving a general shift in the market character of the North Sea, before and beyond 2003, is the inexorable diminishment of new field reserve sizes. In our view, the ultimate outcome of these events is to transform the future activity profile in the North Sea to one that resembles the Gulf of Mexico. Exploration and appraisal drilling decrease in favor of well intervention activity of all sorts: workovers, sidetracks, stimulations and re-completions. Rig programs become shorter in duration; limited-well or one-well programs become commonplace. In GlobalSantaFe's Marketing department, we are looking to ensure our North Sea rig utilization remains high under the same sort of fast-paced contract renewals, farm-outs and new contract commitments as are typical in the Gulf.

Despite these foreboding concerns, we do *not* believe that the end result of such fundamental change is less activity, or less work for fewer rigs. Once North Sea-based companies have right-sized their teams, rationalized their post-merger prospect inventories, defined their new strategic directions and the impact of new tax regimes and concession-licensing terms, we see activity in the region re-invigorating, and rig utilization rebounding.

To the extent that North Sea-style asset-swapping is happening elsewhere in the world, the same sort of slow down in rig activity may follow. But, as previously stated, we expect these markets too will eventually stabilize, and rig activity to be stimulated once again.

As for the rest of the world? Geopolitical stability would help. Once that condition becomes more pervasive, nations, economies, companies, and oilfield people everywhere will be ready to charge ahead and drill.

30 Years Later...

A Look Back at the Jennifer Project



Glomar Explorer, 1974

Over the past three decades, much has been publicized about the legendary Jennifer Project and the vessel *Glomar Explorer* which was at the core of this secret mission, cloaked in international intrigue. GlobalSantaFe maintains an agreement with the U.S. government which does not allow the Company or its employees to comment on the original mission. The Jennifer Project is a matter of public record and numerous articles have been published on the subject. The following is a reprint of an account posted on www.globalsecurity.org. GlobalSantaFe neither confirms nor denies the events contained in this article.

The Hughes *Glomar Explorer* was built in 1973 by Sun Shipbuilding and Drydock Co. for an intricate CIA undertaking. The mission of *Glomar Explorer* was to raise a Soviet nuclear submarine that had sunk in the Pacific, resting on the ocean floor nearly 17,000 ft. (5,200 m) down. The Soviet Golf-II Class ballistic missile submarine sank on April 11, 1968, approximately 750 miles northwest of Hawaii. Naval intelligence at Pearl Harbor had tracked the submarine and learned of its fate through underwater listening devices. After months of futile searching by Soviet vessels, it became apparent that only the US knew the location of the sunken submarine.

Oceanographers have long known that parts of the Pacific sea floor at depths between 14,000 ft. and 17,000 ft. are carpeted with so-called manganese nodules, potato-size chunks of manganese mixed with iron, nickel, cobalt and other useful metals. In the 1970s, Howard Hughes used the Deep Ocean Mining Project [DOMP] search for nodules as a cover for building the ship *Glomar Explorer*. Global Marine supervised construction of the *Glomar Explorer*, at a cost in excess of $200 million dollars, and operated it from 1973 to 1975 under contract to the US government. *Glomar Explorer* went to sea on June 20, 1974, found the sub, and began to bring a portion of it to the surface. The Soviets watched the "deep-sea mining" operation with interest, but did not attempt to thwart it. An accident during the lifting operation caused the fragile hulk to break apart, resulting in the loss of a critical portion of the submarine, its nuclear missiles and crypto codes. However, according to other accounts, material recovered included three nuclear missiles, two nuclear torpedoes, the ship's code machine, and various code books.

From 1978 to 1980, Global Marine operated the ship in a deep-ocean mining test in water depths to 17,000 feet. The *Explorer*, which is 619 feet long and 116 feet wide, is owned by the US Navy. With the exception of the brief stint as a manganese module miner, the vessel has since been mothballed with the Naval Reserve Fleet in Suisun Bay CA, where it could be seen by cars crossing the Benicia bridge on U.S. Highway 680 east of San Francisco.

After years of being mothballed, the ship was recently taken to Hunters Point Naval Shipyard for commercial modifications, including the removal of an 840-ton gimbal and a 608-ton cage. The vessel is on a 30-year lease from the US Navy to Global Marine Drilling, and recently underwent a large conversion project to one of a kind deep sea drill ship. Conversion cost over $180 million and was completed during the first quarter of 1998. *Glomar Explorer* was equipped to drill in waters of 7,500 feet and with some modification up to 11,500 feet, which is 2,000 feet more than any existing rig. The conversion included the removal of 25 million pounds of superstructure and equipment to prepare the vessel for its conversion to a dynamically-positioned deep sea drilling ship. Houston-based Global Marine is one of the largest worldwide offshore drilling contractors, with a five-year commitment from two major oil companies for drilling in water depths up to 7,500 feet in the US Gulf of Mexico.

The Los Angeles Times broke the story in February 1975, and by March 1975 numerous news stories linked the Hughes *Glomar Explorer*, a ship publicly listed as a research vessel owned and operated by Summa Corporation, and the secret US government operation. After subsequent stories that the CIA had approached the news media to convince them to discontinue publication of stories related to the *Glomar Explorer*, Harriet Ann Phillippi, a journalist, filed a FOIA (Freedom of Information Act) request with the CIA for any records that might exist which reveal the CIA's contact with members of the media to attempt to persuade them not to publish articles concerning the activities of the *Glomar Explorer*. The CIA responded by refusing to neither confirm nor deny the existence of any responsive records. The CIA claimed that any records that might exist which may reveal any CIA connection with or interest in the activities of the *Glomar Explorer*, or any evidence that might reveal the existence of records of this type would be classified, and therefore, exempt from disclosure under Exemption 1 of the FOIA. They also insisted that Exemption 3 applied, as the National Security Act of 1947 precluded them from releasing information related to the functions of CIA personnel. This was the first instance of an agency using the "can neither confirm nor deny" answer in response to a FOIA request. Since then, the terms "Glomar response," and "Glomarization" are used to describe an agency's response when they can neither confirm nor deny whether records exist.

RMS II Training and Implementation

By Rob Mason

One of many opportunities presented by the GlobalSantaFe merger is the development of a world- class preventive maintenance system to meet the Company's needs, now and in the future. The Preventive Maintenance Integration Project was launched shortly after the merger to meet that challenge. Essentially there are two parts to this project:

1) Standardize the maintenance management software across the GlobalSantaFe fleet.

2) Undertake a comprehensive review of the existing maintenance procedures and equipment maintenance histories by a dedicated team of experienced maintenance personnel drawn from the GlobalSantaFe fleet to determine "Best Practice" preventive maintenance and implement a Reliability Based Maintenance strategy.

Following the merger there were two maintenance management software systems in use: RMS (Rig Management System) and CPMS (Computerized Preventive Maintenance System). After careful consideration by the Preventive Maintenance Transition Team, the software system selected to become the standard for the Company is RMS II (Rig Management System II). RMS II was designed and developed in-house jointly by the GlobalSantaFe Technical Operations and the Information Services and Technology departments as a replacement for RMS.



Singapore, August 2002: Training in progress with Rob Mason as instructor.



Aberdeen, June 2002: (From left) Graham Park, Bobby Sword, David Palmer, Andy Lavin, Billy Hall, Kenny Dickson, Dave Farquharson, Malcolm McCulloch, and Harry Turner.

During 2002, the Preventive Maintenance Integration Project plan called for the implementation of RMS II to the offshore rigs and country offices that are equipped with the computer hardware to support it; effectively the legacy Santa Fe offshore fleet and supporting offices.

However, if RMS II is to be used effectively to ensure the success of the new preventive maintenance system, then it was critical that we develop a training program and provide thorough instruction via a structured training course.

It quickly appeared reasonable that if we are attempting to introduce a change in the way we manage and monitor the effectiveness of our work activities to ensure maximum reliability of safety, environmental, and drilling equipment, then we had to include the onshore and offshore supervisors in the process. Therefore, not only were the RMS II Training courses comprised with offshore Maintenance and Marine crews, but also with Operations Managers, Rig Managers, Toolpushers, OIM's and Maintenance Superintendents/Managers.

Deciding on the length of the course was a serious question that had to be thought about carefully; ultimately trying to balance the necessity of minimizing the length of time offshore personnel would spend in training on their field break, while ensuring the quality of the training was not compromised. The result was a two and a half-day training course.

However, a two and a half-day lecture on the capabilities of RMS II would surely send even the most earnest student to an afternoon siesta. Therefore, it was decided to make the course fully interactive. Each student, up to a maximum of sixteen in a class, would have access to their own computer to follow along with the instructor, completing various class exercises as the training progresses. This brought logistical challenges of ensuring that computers and associated hardware were in place for each of the training courses, which were held during 2002 in Aberdeen, Singapore, Cairo, Baku, Halifax and Malabo.

An outside software training company, Digital Consulting & Software Services (DCSS) was engaged to assist in the development of the RMS II Training program. DCSS developed



Singapore, August 2002: (From left) Joe Clement, Jenny Gurasim, Trace Moran, Brent Fitzgerald, Mick MacFarlane, Eamon McDonnell, Mike Rielly, Dave Saunders, David Irby, Henny Pinkan, Briane Northwood, Rick Friedel, and Phil Abbott.



Cairo, September 2002: (From left) Tarek Abdel Sadek, Mohy Eldin Hassan, Medhat Waheeb, Adel Abdel Wahab, Moh'd Abo Elkeir, Fadel Yacoub, Moustafa Hussein, Alan Lax, Bruce Watson, Moh'd Shaddad, Richard Stewart, Raouf Moussa, and Abdel Razek Abdel Sameih.

the curriculum, student exercises and training manual from information provided by the Preventive Maintenance and Information Services and Technology departments.

To ensure the effectiveness of the training, it was decided to minimize the period of time between a person attending the training course and actually using RMS II in their working environment. Therefore, training commenced approximately three to four weeks prior to RMS II implementation in any particular zone or region and would continue until all selected personnel had attended the course. The computer hardware would then move to the next zone. However, due to the high number of personnel requiring training in each zone, it quickly became apparent that we would have to run training courses simultaneously in different parts of the world, therefore we required double the amount of computer hardware.

When selecting the instructors, it was decided to utilize the experience of Phil Abbott from the Jakarta office, Fadel Yacoub from the Cairo office, and Dan Harcombe from the Aberdeen office. Together, with members of the RMS II Roll Out team, who carry out the task of implementation of RMS II at the various country offices and rig locations, they came to the Houston office for two weeks of intensive RMS II instructor training and attended instructor presentation skills training provided by Randy Smith Training Solutions.

The first RMS II Training course commenced in June 2002 in Aberdeen and continued for ten weeks. August saw the commencement of training in Singapore for a duration of fourteen weeks. Cairo was the next location, commencing in September for ten weeks. This was followed by Baku for seven weeks, which commenced in November. Also during November, training was completed in Halifax. The final RMS II Training courses for 2002 were carried out offshore West Africa on the *Aleutian Key* in December. During this period over 600 personnel completed RMS II Training.

During March 2003, RMS II Training was completed at the Jurong Shipyard in Singapore for personnel assigned to the *Constellation I* and *Development Driller I*, and we returned to Halifax for personnel assigned to the *Grand Banks*.

Initially, 2003 sees us prepare for RMS II implementation on the rigs in the Gulf of Mexico following the upgrade of computer hardware to support it. Therefore, RMS II Training will be scheduled in Houston for personnel assigned to these rigs, followed by a return to Aberdeen.

The project plan has set the target of every GlobalSantaFe offshore rig and associated office operating RMS II by the end of 2003, and our goal is to have trained personnel at all of these locations. Once RMS II is fully deployed to the fleet, the Safety, Training and Environmental department will assume responsibility for RMS II Training.

Our thanks go to the many people around our company who assisted with the logistics, organization and set up of these courses. Also, sincere thanks to the many enthusiastic people who gave there own personal time to attend RMS II Training.

The Preventive Maintenance Integration Project is on schedule and an article explaining Reliability Based Maintenance and the processes involved with the "Best Practice" preventive maintenance review will be in the next edition of *ProFile*.

What's Really At Risk?

By Stacy Payne

On January 2, 2003, Director of Training Stacy Payne was lost in a tragic car accident prior to the publication of this article. Stacy touched the lives of many thousands of GlobalSantaFe employees around the world. We share with the Payne family in the loss of a beloved family man, friend, colleague, and dynamic champion in the pursuit of human preservation.

Stacy was described by many as being "larger than life." The message that Stacy so passionately and capably devoted the last few years of his life to remains his final gift to us all through this article.

Stacy and I often reflected on the fundamental unfairness of our ability to measure our losses but not those lives saved. In passing, as in life, I am hopeful that we all make the choice to listen to Stacy's message, and remain confident that it will save many.

—Rick McClaine

You know, in wanting to write this article about risk (in general) and management of risk specifically, I started off by asking myself what basic message do I want to convey? And I guess the first thought that came to mind was something on the order of "the world is full of risk so you might as well just get over it and get on with life!" OK, maybe that's not exactly the most *responsible* message to communicate to an organization engaged in the type of work we do! But you know, there is a basic truth in that statement, and understanding how that ties into how we manage risk here at GlobalSantaFe might help us do a better job of it. So why not explore that a little bit.

Before going further, this is probably the best place to distinguish between the terms 'Risk' and 'Hazard' (I hear people using the terms interchangeably a lot). The easiest way I can think of is that a **HAZARD** is something with the potential to hurt someone, while a **RISK** is the possibility that it will happen. So if you have a stairway in your home there is a fall hazard on those stairs, and the level of risk is dependent upon a lot of different things (handrails and their use, good tread grip, your personal attention and hurry when using them, and so forth). That's why simply identifying hazards in the real world isn't enough—assessing the level of risk is essential in deciding what we need to do about those hazards. For example, everyone on our planet is exposed to the same hazard of a meteorite falling out of the sky and killing them, but how many sane people would even dream of trying to apply the same level of control to that hazard as they do to that stairway hazard in their home? Yet we all know that the consequence of being hit by a meteorite is far more severe (death every time!) than the consequence of simply slipping on the stairs (death maybe, but more likely something less drastic). So what's the deal here in terms of risk management? Read on…

Answer this statement True or False: Everything we do from the moment we're born carries an element of risk with it, and our individual survival depends on how well we manage it. I say that's a true statement. Think about it: Every baby that learns to walk experiences risk firsthand, and also experiences the consequence of failure—falling over! And the struggle with risk goes on from there forward to handling a knife and fork, getting dressed without help, climbing stairs, cycling, sports, driving, friendship and dating (social risk rather than physical risk) and so forth. Without trying to sound too psychological isn't it fair to say that with all that risk we must, in order to grow to adulthood, have to become accustomed to dealing with risk? Of course we do, and the net result is that we must become what is called **RISK TOLERANT**. And because there is so much risk in the world around us, this risk tolerance must exist at a subconscious level so that we don't suffer from "information overload." Net result? We don't even notice many of these risks every day, or if we do, we only give them a passing thought—in other words, we become basically blind to most risk. The complimentary skill we develop that (usually) keeps us from taking fatal risks is called **RISK ASSESSMENT**, and like risk tolerance it's something we don't think about all that often. Risk tolerance and risk assessment happen with each and every one of us every single day. When you cross the street and look for cars first you've just done a risk assessment. When you drive faster than is safe on a wet road surface it's your risk tolerance that helps you feel OK with it. In fact, this ties into a third dynamic you've almost certainly experienced: **RISK ENJOYMENT**. The thrill of downhill skiing, flying, rock climbing, rides at amusement parks—there's a whole host of things that people do that don't really make any sense at all—except for the sense of excitement they give us!

So by now you're probably wondering what all this has to do with your work in the oil and gas industry. The fact is you take all of these three traits with you when you go to work. You tolerate risks based on your assessment of how they might have an impact on you and what the odds are, or you tolerate them because you simply don't see that they exist, and you might even enjoy taking

risks if the right rewards are available. This sort of ties into the question I raised about managing the risk of the meteorite: People don't hide miles underground to avoid the meteorite for the same fundamental reason almost all injuries take place in our business: ***PEOPLE DON'T BELIEVE IT WILL HAPPEN TO THEM***.

And just like the decision not to hide underground is based almost exclusively on risk tolerance rather than risk assessment (I mean, how many of you have actually sat down and tried to work out what the odds of being hit by a meteorite are?), most injuries and incidents are the result of people's natural tolerance or misperception of risk. That's why we put so much effort into creating a structured method of Risk Assessment at GlobalSantaFe: To be successful in our business we don't need to promote more risk tolerance or risk enjoyment, there's plenty of those two to go around! Instead, to achieve success we need to put a "governor" on risk to protect people, equipment and the job (most importantly people, of course, as detailed in the Safety Policy statement). That's what Job Risk Assessment is designed to be: It's a means to make risk management conscious and effective, of breaking a complex high-risk job down into manageable pieces and assigning risk controls to each of those pieces. In fact, one practical way to think of risk assessment is that it's simply an incident investigation conducted before the event takes place instead of afterward!

So why don't people use Job Risk Assessment as often as they should? Aside from the format forcing you to define what the levels of risk are for each identified hazard (yes, there's some detail to it—there needs to be!) I think there's a natural dislike for any kind of paperwork in our business. We hire accomplishment-oriented people and they just want to get on with the job! Can't blame anyone for that, right? EXCEPT we always have to know what the cost of failure is, and be willing to live with the results of not doing it right. In other words, make the decision with your eyes wide open. **BUT MAKE IT A CONSCIOUS DECISION**. The most common safety breakdown in applying the JRA process is the *perception* that the job is routine, low-risk, doesn't justify any paperwork, and so forth. People get hurt because they don't purposefully decide how they're not going to get hurt, they just get on with the job blindly. If you ask yourself "do I need to Risk Assess this job?" you'll usually make the right decision about the assessment. And it's not about pretty paperwork, is it? The policy doesn't say your JRAs must be typed, spell-checked or anything of the sorts. Of course the generic ones can be so that they're easier to read, file and share learning from. But a smudged, handwritten, dog-eared JRA (conducted by the crew doing the job) that covers what needs to be covered is better than gold when it comes to saving a life!

Finally, when talking about risk—tolerance of it and blindness to it—I'd like to add one specific angle on it for Supervisors. You're in a unique position in our organization. You're entrusted with getting the job done and protecting your people from harm. Remember that every person that works for you has his/her own tolerance for risk, awareness of risk and enjoyment of risk taking! As I mentioned, it's part of human nature. If you don't set clearly-defined limits of risk in the work your crew does, and ensure that your people are working to your risk standard instead of theirs, when will you find out that it's a problem? When it's too late, right? One fundamental of leadership that's not easily taught in a classroom is purposefully deciding and communicating what is and is not acceptable to you in your area of responsibility.

Whenever I've heard about an incident where the event was triggered by folks actively taking risks I've always ask myself "why do they think that taking these risks would have been acceptable to their Supervisor?" Almost every single time it's come down to there being no clear guidelines on risk set down by the Supervisor, either in the Permit-to-Work, on the JRA, at the Pre-Tour meeting or anywhere else. What's worse, there's often subtle signals in that crew indicating that risk-taking is tolerated, sometimes respected, sometimes even rewarded (can you believe that with what we now know about safety leadership?) Remember the "phone call" in FOCUS training? If it's your rig, and your crewman who is injured (or worse), what will you tell his family? You weren't comfortable talking about risk? You didn't have time to lead the assessment, or couldn't be bothered with a piece of paper?

On the other hand (and I'm happy to report it's more common today than ever before), I've visited many of our operations where discussion of hazards and assessment/management of risk happened throughout the day simply as part of every task. And in those operations I've noticed even the newest crewmen speaking about risk to themselves and others, asking questions of the Supervisor and their teammates, and taking responsibility for purposefully assessing and managing risk. But it didn't just happen, it was always lead by the Supervisors first...

Assessing risk is part of our business here at GlobalSantaFe. We'll never eliminate every hazard, and neither will we be able to define every single risk in policy and procedure. The good news is we don't have to. All we need is for everyone to understand the details of risk and why we must deal with it the way we do. Oh, and that first statement I made, can I please revise it?

"The world is full of risk, so we might as well get on with managing it, and get on with our business!"

News from GlobalSantaFe's Treasury Department

In February 2003, the Company sold $250 million of senior unsecured notes, bringing its cash on hand to approximately $1 billion. Many employees have asked why GlobalSantaFe executed this transaction. Mike Dawson, Vice President and Treasurer, discussed the reasons behind the transaction in a recent interview.

Q: Did the Company borrow so much money because of financial trouble?

A: Absolutely not. In fact, GlobalSantaFe remains one of the financially strongest companies in the offshore drilling sector, with a debt-to-total capitalization of about 18 percent at year-end 2002. This means we have a lower percentage of debt than any of our competitors, giving us the ability to weather the market cycles of the drilling business better than anyone else.

Q: If the company doesn't really need the extra cash, then why did we take on the additional new debt?

A: Several reasons were at play in the decision to issue the notes:

• As anyone who has bought a new home recently or refinanced a mortgage knows, interest rates are near 40-year lows. We are very pleased to have an interest rate of just five percent on the new notes. It's always cheapest to borrow money when you don't really "need" it—and this is clearly "cheap money."

• With the likely redemption of our zero-coupon convertible debentures in 2005 and maturity of our 7 1/8 percent notes in 2007, the new issue can be viewed as a pre-funding of these future obligations. If we waited until then to borrow money, we might not have been able to secure as low an interest rate as we did in February 2003.

• In a cyclical business such as ours, it is essential we have a large stockpile of cash on hand to maintain adequate financial flexibility and to provide funds for our capital programs—particularly in a weak market like we are experiencing now. This year, the Company plans to invest nearly $600 million in its four-rig newbuild program and other rig upgrades and improvements. This capital spending will allow us to continue to provide oil and gas companies with premium, high-specification rigs well into the future.

Q: Are we building a "war chest" to buy another company?

A: Several employees have asked me if we plan to use the money to acquire another drilling contractor. Consolidation remains an important part of our corporate strategy, as we believe continued consolidation of offshore drilling companies will enable the industry to manage through the "ups and downs" with more financial discipline. As the world's second largest offshore drilling company, GlobalSantaFe is in a better position than most to grow its earnings capacity through either the purchase of additional quality rigs or through the outright acquisition of a company. We will continue to look at and evaluate good investment opportunities, but the debt offering was not related to our strategy to pursue further consolidation in our industry.

GlobalSantaFe Launches Community Affairs Committee

By Brook Wootton

Building on Sted Garber's letter to employees on December 17, 2002, outlining GlobalSantaFe's philanthropic activities, the Company has formed a Community Affairs Committee. Joe Boyd heads the newly formed committee, and members include Connie Abbs, Kyna Agerton, Ben Bollinger, Julie McErlane, Sandy Tedeschi, Yevette Woods, and Brook Wootton. As outlined in Sted's letter, the committee will serve as a steward of funds designated for employee suggested philanthropic causes and will also be a means for GlobalSantaFe employees to get involved in charitable community activities.

The committee is excited to report that there has been an overwhelming employee response regarding volunteering to work on the Habitat for Humanity Project. This project brings financial resources and volunteer labor to build homes for hardworking, low income families. Connie Abbs gave an in-depth report on the organization and is researching the costs of GlobalSantaFe sponsoring the construction costs and volunteers for a Habitat for Humanity house. Other programs the committee is researching include Meals on Wheels, youth mentoring and local child abuse prevention programs.

Additionally, Kyna Agerton approached the committee on behalf of the Texas Wildlife Rehabilitation Coalition (TWRC). TWRC's primary goals are the rehabilitation and the release of injured and orphaned wildlife back into their natural habitat as well as provide education and instruction on wildlife rehabilitation and conservation. The committee agreed to a monetary donation as well as to support the TWRC organization with the local distribution of "Kroger/Randall Share" cards. The share card program allows individuals to purchase groceries as they normally would from a store, and on a quarterly basis, the store gives a percentage of the sales to the non-profit organization. The share cards are available at the Houston GlobalSantaFe information table located outside of office A112.

GlobalSantaFe is truly committed to globally supporting the communities where employees live and work. This committee needs input from all employees that it serves. Your ideas, comments, support and sweat equity are vital to the success of this endeavor. Please contact one of your committee members and let your voice be heard and most of all...get involved. You really can make a difference.

Constellation I



Constellation I with full 548-ft leg length installed. The top 150-ft leg sections were erected using rig mounted skid-over frames.



Cantilever extended for testing.

Constellation II



Assembly of main hull blocks.



Assembly and outfitting of cantilever lower and intermediate decks.

Development Driller I

Upper hull construction and outfitting on skid truss. Truss enables upper hull to be skidded over graving dock for mating with lower hull.





Lower hull construction and outfitting in dry dock. The pontoons, complete with full height columns, will be floated to graving dock for mating with upper hull.

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 10, 2003.

Key Gibraltar ..... 13 Years
Key Manhattan ..... 12 Years
Rig 105 ..... 11 Years
Rig 94 ..... 11 Years
Adriatic III ..... 9 Years
High Island VII ..... 9 Years
Rig 151 ..... 9 Years
High Island III ..... 8 Years
Adriatic VII ..... 7 Years
Adriatic VIII ..... 7 Years
Baltic ..... 7 Years
Main Pass I ..... 7 Years
Rig 146 ..... 7 Years
Rig 157 ..... 7 Years
Enserch Garden Banks ..... 5 Years
Rig 161 ..... 5 Years
Rig 171 ..... 5 Years
Rig 172 ..... 5 Years
Rig 174 ..... 5 Years
Tiffany ..... 5 Years
Adriatic I ..... 4 Years
Arctic I ..... 4 Years
Galaxy II ..... 4 Years
Galveston Key ..... 4 Years
High Island IX ..... 4 Years
Rig 178 ..... 4 Years
Adriatic X ..... 3 Years
Aleutian Key ..... 3 Years
Arctic III ..... 3 Years
Galaxy III ..... 3 Years
Labrador I ..... 3 Years
Rig 119 ..... 3 Years
Rig 155 ..... 3 Years
Rig 159 ..... 3 Years
Rig 160 ..... 3 Years
Rig 177 ..... 3 Years
Rig 179 ..... 3 Years
Beatrice Alpha ..... 2 Years
Britannia ..... 2 Years
Compact Driller ..... 2 Years
Dada Gorgud ..... 2 Years
High Island VIII ..... 2 Years
Jack Ryan ..... 2 Years
Parameswara ..... 2 Years
Rig 134 ..... 2 Years
Rig 140 ..... 2 Years
Rig 169 ..... 2 Years
Rig 173 ..... 2 Years
Rig 97 ..... 2 Years
Adriatic II ..... 1 Years
Adriatic V ..... 1 Years
Arctic IV ..... 1 Years
C.R. Luigs ..... 1 Years
Celtic Sea ..... 1 Years
Galaxy I ..... 1 Years
Istiglal ..... 1 Years
Key Hawaii ..... 1 Years
Kittiwake ..... 1 Years
Main Pass IV ..... 1 Years
Monarch ..... 1 Years
Monitor ..... 1 Years
Nelson ..... 1 Years
Rig 102 ..... 1 Years
Rig 124 ..... 1 Years
Rig 135 ..... 1 Years
Rig 143 ..... 1 Years
Rig 144 ..... 1 Years
Rig 150 ..... 1 Years
Rig 176 ..... 1 Years
Rig 180 ..... 1 Years
Rig 186 ..... 1 Years
Rig 187 ..... 1 Years
Rig 92 ..... 1 Years
Tartan ..... 1 Years

Congratulations to the crews and management of the following operations that successfully completed one or more years without a Recordable Incident as of March 10, 2003.

Enserch Garden Banks ..... 3 Years
High Island III ..... 2 Years
Main Pass I ..... 2 Years
Adriatic VIII ..... 1 Year
Auk ..... 1 Year
Dada Gorgud ..... 1 Year
Galveston Key ..... 1 Year
High Island VII ..... 1 Year
High Island VIII ..... 1 Year
Key Hawaii ..... 1 Year
Kittiwake ..... 1 Year
Main Pass IV ..... 1 Year
Rig 102 ..... 1 Year
Rig 105 ..... 1 Year
Rig 124 ..... 1 Year
Rig 140 ..... 1 Year
Rig 143 ..... 1 Year
Rig 151 ..... 1 Year
Rig 157 ..... 1 Year
Rig 173 ..... 1 Year
Rig 176 ..... 1 Year
Rig 177 ..... 1 Year
Rig 178 ..... 1 Year
Rig 92 ..... 1 Year
Rig 94 ..... 1 Year
Rig 97 ..... 1 Year
Tartan ..... 1 Year
Tiffany ..... 1 Year

Crews Celebrate Safety Milestones in Saudi Arabia

Key Hawaii



Personnel onboard Key Hawaii completed one year without a Lost Time Incident and Recordable Incident on January 13, 2003.

Rig 173



Personnel on Rig 173 completed two years without a Lost Time Incident on January 26, 2003.

GlobalSantaFe's Emergency Response Center in Houston Memorial Office Completes First Drill

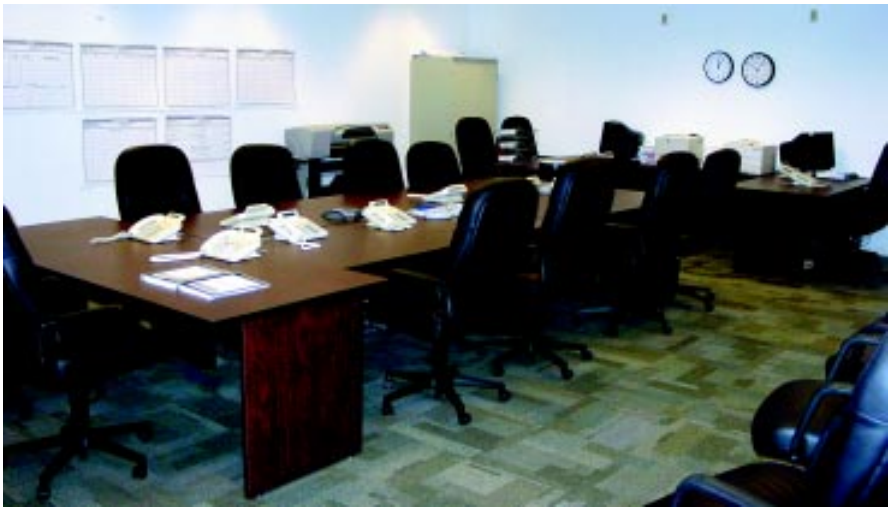
By Dan Hansen

It is important that personnel in all facets of our Company learn more about our new dedicated Emergency Response Center (ERC), located within the Company's Houston Memorial office. Our dedicated ERC remains unmanned until such time as there is either a real emergency event that requires Emergency Response Team response, or during drills. Our dedicated ERC and Emergency Response Teams are prepared to work 24 hours per day, 7 days per week as emergency response events may dictate. Our ERC provides a dedicated working space for several different Emergency Response Teams located in our Houston Memorial office, including the GlobalSantaFe Headquarters Team (responding to local headquarter events and supporting worldwide emergency events), the Houston Area Operations Team (responding to rig operations within this operational group), the ADTI Team, and the CMI Team.

The ERC is designed with a Command Staff Room, Operations and Planning Room, Logistics Room, Media Response Rooms, and a Relative Response Team space. Our ERC telephone and room numbers are published in the Company's monthly Emergency Response Directory for easy access. The ERC is equipped with tools and resources to support emergency response team members, including working space with phones, either computer workstations or PC network hub, fax machines, printers (including a plotter printer), maps, cable service with two flat panel TV screens and a video player, incident status boards, and a library of the Company's worldwide Emergency Response Plans.

We tested our ERC and Houston Area Operations Team on November 14, 2002, with an unannounced major drill that simulated a rig fire, medical emergency, and live communications with the *C.R. Luigs* in the Gulf of Mexico. This drill tested both the ERC systems and our Team's ability to effectively manage the simulated incident: including emergency response team call out procedures during non-working hours; communications; planning, mobilizing response resources to the rig; making key notifications; coordinating evacuation of rig based personnel; management of simulated TV coverage of the event and live unannounced broadcast media onsite; response to unannounced live simulated family notifications; plus documenting the simulated exercise from start to finish using an incident status/tracking system. The exercise was a success resulting in some meaningful lessons learned that will be used to improve our ongoing ERC capabilities and our Team's response effectiveness.

Our ERC is not only a valuable resource for our various Houston Memorial office emergency response team members, but also for our worldwide personnel if the need ever arises. Our ERC represents the Company's commitment to respond to any emergency event wherever in the world our support is required.



Emergency Response Center Command Staff work space.

Three More Units Re-flagged

The following rigs are the latest in the GlobalSantaFe fleet to have been provisionally registered in Port Vila, Vanuatu, under their new names: *GSF Arctic III, GSF Arctic IV, and GSF Adriatic X.* At this time, 35 units in the fleet have been re-flagged.

Geer Appointed to High Level Advisory Committee

Dave Geer, Manager of Marine Operations in Houston, has been appointed to represent the offshore drilling industry in the U.S. National Offshore Safety Advisory Committee (NOSAC). The NOSAC was established to provide advice and assistance to the Secretary of Transportation, through the Commandant of the U.S. Coast Guard, on matters relating to the offshore mineral and energy industries. Dave is a 25-year veteran of the industry and holds a U.S. Coast Guard License as Master, Unlimited. His term will expire January 2005.

Service Recognition Awards Party Held in Cairo



35 Year Honorees (from left): Dave Smith, Operations Manager, and Chuck Reese, General Marine Superintendent. (Ian Kelly, Area Vice President.)

On December 12, 2002, a celebration was held in Egypt to present service recognition awards to employees who had completed service milestones in the year 2001. A party was held in the Cleopatra Ballroom at Semiramis Intercontinental Hotel overlooking the River Nile in Cairo. Ian Kelly, the Middle East Vice President, presented the attending employees their company gifts.

The total number of employees to receive awards was 180, representing over 20 percent of the Egypt Zone's total work force. Their combined total service equals 2,610 years! The milestone years of service were distributed as follows:

35 years: 2
25 years: 31
20 years: 28
15 years: 12
10 years: 98
5 years: 9

These figures are among the highest service years in GlobalSantaFe locations around the world.

Operations Manager **Dave Smith** and General Marine Superintendent **Chuck Reese** received their 35 year service awards.

Listed below are the employees who were honored for 25 years of service.

Ezzat Mahmoud Kamel (Govern. & Human Rel. Mgr., Personnel)
Ibrahim Moursy Mohamed (Mechanic/Tour Mech., Rig 104)
A. Hamid Ibrahim Selim (Lead Mechanic, Rig 94)
Ahmed Shaaban Hamed (Offshore Crane Opr., Key Singapore)
Sabry Hassan A. Latif (Sr. Electrician, Rig 94)
Khaled Mohamed Mohamed (Sr. Drilling Foreman, Rig 141)
Asran Ahmed Asran (Offshore Crane Opr., Key Singapore)
A. Salam Mohamed Khalil (Asst. Driller, Rig 141)
Hassan Ahmed Mobarak (Roustabout Pusher, Rig 143)
Mohamed A. Salam Hassanin (Tool Rack Supv., R. Gh. Base)
Ibrahim Abbady Soliman (Offshore Crane Opr., Key Manhattan)
Abou Elhaggag Ali Ahmed (Roustabout Pusher, Rig 94)
Awad Abo Elwafa Mohamed (Roustabout, Rig 105)
Hassan Amin Mohamed (Painter, R. Gh. Base)
A. Latif Ahmed Yassin (Offshore Crane Opr., Rig 124)
Mahmoud Sayed Ismail (Roustabout Pusher, Rig 92)
Salah Ali Gado Ali (Sr. Electrician, Rig 92)
Ali A. Megahed Mohamed (Drlg. Foreman, Rig 94)
A. Sattar Mohamed A. Azim (Roustabout Pusher, Rig 104)
Fat'hy Ahmed Mokadem (Roustabout, Rig 141)
Gharib Khalfalla Abou (Asst. Driller, Rig 143)
Mohamed Abo Bakr Fat'hy (Supply Truck Driver, Rig 104)
Moustafa Taki Ali (Offshore Crane Opr., Rig 105)
Wahid Taki Ahmed Mostafa (Sr. Driller, Rig 124)
Mahmoud Mohamed M. (Sr. Drilling Foreman, Rig 92)
Ali Mahmoud Ali Hassan (Roustabout Pusher, Rig 94)
Ahmed Wassef Mohamed (Zone Controller, Accounts)
Wahid Azmy Elashmouny (Sr. Radio Operator, D. W/H)
Mohamed Nasr Hamed (Drlg. Foreman, Key Singapore)
Adel Mobarak Mohaseb (Driver & Maint., Transport.)
Leila Bassily Nashed (Stock Control Dept. Head, Materials)



25 Year Honorees able to attend party.

Seeliger Retires



On January 1, 2003, Tom Seeliger retired after 37 years of service. Tom served as Senior Vice President and Operations Manager of legacy Santa Fe.

Tom joined Santa Fe in 1965 as an Assistant Driller in Libya and over the next several years served as a Driller in Nigeria, the U.K., the U.S., Nicaragua, Argentina, and Trinidad, where he was appointed to Rig Manager in 1972 and to Zone Manager in 1978. Next came advancements in Venezuela, the U.S., and in 1993 was named Vice President, Regional Manager in the UK. In 2000, Tom was promoted to Senior Vice President, Operations Manager in the Dallas office.

We thank Tom for his significant contributions over the years and wish him and his wife Sharon a happy retirement.

These photos taken in mid-February onboard *Galaxy II* give you an idea of how cold it gets working offshore Eastern Canada.





Speak Up—Tell Us About It

By Brook Wootton

I remember when I was a young girl, going to a local restaurant with my family. My sisters and I knew that we would have to wait the usual 20 minutes for another family to finish their meal before we would be seated. They served newcomers on a first-come first-served basis. That was the rule.

Imagine my anger when a prominent businessman from town sauntered in and warmly greeted the owner of the restaurant. Then, he discreetly handed the owner something that quite clearly was going to guarantee that he would be next in line to be seated. Now we would have to wait longer to eat, because he was more important (and he had given the owner a twenty-dollar bill.) I'm still angered by the memory. What this man had done was break the rules that we were all respecting. In the mind of a seven-year old, it was grossly unfair. In anyone's mind—it was not the right thing to do.

But somehow as we get older we start to resign ourselves to the unjust acts that we see all around us. They become part of life. However, that doesn't make it all right or any less unfair.

In a workplace, unjust or illegal acts affect the whole company. They affect morale and more importantly, the bottom line. And if the bottom line is affected, our employment and benefits are at risk. That's why we're proud to announce that we will be launching a new opportunity for employees to be able to anonymously report incidents of corporate misconduct or any activity that may be illegal or unethical.

While GlobalSantaFe encourages an open-door policy, sometimes you just aren't comfortable talking to your supervisor about sensitive subjects. Sometimes the fear that "doing what's right and speaking up" will cause retaliation is not unfounded—your supervisor might get angry or not take you seriously. And questions racing through your mind might sound like this: Will I get the time off I've requested? My performance review is coming up, if I talk about this now, will my performance rating go down?

That's why we have contracted with The Network, Inc., an independent corporation, to provide a **CONFIDENTIAL** 800 telephone line that employees can use 24-hours a day, seven days a week, to report unethical or illegal activity in the workplace. Common examples of business conduct issues and a list of *Frequently Asked Questions* will be listed on the GlobalSantaFe intranet site: http://home.gsfdrill.com.

By calling 1-877-888-0002, you can report indiscretions anonymously. Trained professionals will take your call and walk you through a series of questions designed to determine the who, what, when, where and how of the incident. From there on, the incident is recorded and the appropriate response team is alerted. Incidents that threaten or harm employees, customers or operations, or significant incidents that may reoccur within 24 hours, are immediately addressed.

What if I don't work in the U.S.?

GlobalSantaFe has approximately 8,800 employees spread across the globe. If you are stationed outside of the continental U.S., Canada or Puerto Rico, you can place a collect call to 770-810-1147. Professionals are available for English and Spanish speaking employees, and translation services are available in more than 150 languages, 24 hours a day.

If you see something that's not right—don't resign yourself. If you have something to say—SPEAK UP! There's no excuse not to.

A New School for Vietnam's Rural Children

By Thu Kim Nguyen

GlobalSantaFe Vietnam has been active in Vietnam, working with the local communities, and placing significant importance in support of educational initiatives for the disadvantaged children in remote, rural areas. Roger DeFreitas, the former Manager of GlobalSantaFe Vietnam, took the initiative to work in 2002 with the Saigon Children's Charity organization, a non-governmental organization founded in 1992 to help needy Vietnamese children. Many of the foreign companies doing business in Vietnam provide sponsorship to this organization.

GlobalSantaFe's first project was to build a school in Tuc Trung Commune, Dinh Quan District at Dong Nai Province, an area with very large rubber, coffee and sugar plantations. The new school is a great asset in this remote and wide area, as it attends to the needs of the school children of classes one to four. The children who formerly had to walk the long distance of 8 km to their old school (which is located in a flood-prone area) now enjoy the great pleasure of going to a school that is nearer to their homes and does not flood during the monsoon rainy season. (As an interesting note, a very elderly woman built the original two-room school next to her house after winning a small lottery.) These favorable conditions and marvelous opportunities will definitely lead to a more regular attendance of the 74 children who mainly come from farming families.



School opening declaration.



Songs exchanged between children and Steve Hansel and Kim Thu.



Presentation of school dedication plaque



Steve Hansel and Peoples Committee Chairman.

The new school, successfully built by GlobalSantaFe Vietnam through the Saigon Children's Charity, includes two class rooms furnished with benches and desks. During the recent school opening ceremony on February 12, 2003, Country Manager Steve Hansel and I were welcomed with happy clapping, cheering, music and singing from the excited children. We were all deeply touched to tears by the warm atmosphere at the ceremony which included an exchange of songs by the children and Steve and I. All 74 of the children were so happy to start their new lessons at school. They will never forget this happy moment from their childhoods.

Last but not least, heartfelt thanks go to Roger DeFreitas for having initiated the project. We plan to continue with our commitment to assist needy children in Vietnam.



Ceremony closing: Peoples Committee Secretary (far left), Education Department Officer, Steve Hansel, Kim Thu, school architect, and school teachers.

Head of the Class



Terry Diedrich and his son Dalton give lesson on drilling business

GlobalSantaFe Senior Drilling Foreman Terry Diedrich had the opportunity to give a presentation on the drilling business to his son Dalton's 7th grade class in Orlando, Florida. Starting the discussion with a world map, Terry pointed out the countries and rig locations where GlobalSantaFe operates and displayed photos of the different types of rigs. Terry explained about the different pieces of equipments and their functions, from top-drives to drill bits, and how they all work together. He described well designs and the difference between straight and deviated wells, which included an explanation of well control. He displayed pictures of core samples and even passed around a drill bit and samples of pyrite for the class to see. The presentation concluded with photos of Kuwait's oil fields and a description of GlobalSantaFe's role from 1991 to present.

Terry's comment following the presentation was, "It's a lot easier speaking to a group of oil field men than to speak to the 7th grade class at Chain of Lakes Middle School."

Winner Is All Smiles

Eleven year old Jenna Pertgen, daughter of John Pertgen, Supervisor of Regulatory and Licensing in Houston, earned first place honors at the ninth annual Taekwondo Championship Tournament held in Corpus Christi, Texas, in November 2002. Competing at the level of blue belt in her weight category, Jenna took first place in the sparring competition, in an action packed match with her victory coming down to the last few seconds when she scored the decisive point. She also won the bronze medal in the forms competition.

Jenna qualified for the level of brown belt in December 2002 and expects to earn black belt by the age of thirteen...or sooner!



Jenna Pertgen, displaying her six-foot tall first place trophy, with her proud parents John and Ana.

Endangered Sea Turtles Rescued in West Africa

On the morning of January 31, aboard the *Aleutian Key* working in Equatorial Guinea, Mark Chamberlain (Senior Watchstander) and Graham Jolly (Watchstander) spotted two green back turtles entangled in a fishing net, drifting away from the rig. They decided the best course of action to help the trapped turtles would be to contact the *M/V Pacific Buccaneer*, a supply vessel working in the area, to see if they could offer assistance. Mark, Graham, and Dave Massey (Watchstander) kept a close eye on the struggling turtles and radioed their position to the supply vessel, which then launched their Fast Rescue Craft, *Buccaneer*. The crew from the *Buccaneer* did a commendable job retrieving the entanglement from the water and cutting the turtles free from the net. Following a brief stay on the FRC, the endangered reptiles were released back into the sea.



A crew member from the *Buccaneer* works to free a green back turtle entangled in a fishing net.



Safely freed from the net, the green backs are about to be released back into the sea.

The green back is among the species of sea turtles listed on Appendix I of the Convention on International Trade in Endangered Species (CITES).

Thanks to all involved who assisted in the rescue of these beautiful sea creatures.

(Photos taken from the Aleutian Key by Lucho Olascoaga, Safety Training Coordinator)

High Island VII

"During the current year (2002), TOTALFINAELF E & P Cameroun performed drilling, completions and work-over operations on seven wells, of which GlobalSantaFe participated as the major service provider.

TFE E & P Cameroun would like to congratulate the GlobalSantaFe Cameroun team as well as its management for achieving the 2002 successful drilling, completion and work-over campaign. All GlobalSantaFe teams showed high professionalism over the entire project and we anticipate the same level of expertise if not higher for the year to come.

The 2002 campaign owes its successful outcome to strong teamwork between GlobalSantaFe and TFE at all levels, which was reflected on the overall performance by all.

GlobalSantaFe's commitment towards safety has been rewarded by the very good performances and improvements achieved on safety. We wish this spirit to continue and look forward to working with the GlobalSantaFe team throughout the year 2003."

—Philippe Harbonn, Head of Drilling & Completions Department
TOTALFINAELF E & P Cameroun

Aleutian Key

"Please pass this on to your people on the rig. We have come a long way since we picked the rig up again after our merger. We recognize the qualities of your personnel, experience levels, and how well everybody works as a team to accomplish our GOALS. This Rig Inspection speaks for itself and sends a signal that Safety is number ONE. You and your people should be proud of your operation on the *Aluetian Key*. Thank everybody in your operation for me on an excellent job done."

—Jerry Perdue
ExxonMobil

Rig 104

"Merlon El-Mansoura Petroleum Company is appreciative of your attention and the welcome for our visit to your rig GSF-104. There was a very good plan for everything such as location cleaning, safety regulations and catering services.

We are looking forward to a continuing good relationship and fruitful cooperation. "

—Dr. Mostafa A. Shaarawy, Vice President and General Manager
Merlon El-Mansoura Petroleum Company

Galveston Key

"Thank you for arranging a most interesting and enjoyable visit to the *Galveston Key*. You and the knowledgeable crew from GlobalSantaFe were splendid hosts. Please convey to them my sincerest appreciation as well for their time and expertise.

This was my first visit to an offshore oil drilling platform, and an excellent introduction to some of the practical challenges facing great American energy companies like ConocoPhillips on a daily basis throughout the world. The valuable information which you and the GlobalSantaFe crew provided also added a great deal to my understanding of one of Vietnam's most important industrial sectors.

I was also gratified to see yet another example of an American company setting the standard for good corporate citizenship in Vietnam. Your commitment to providing world-class training and a safe working environment makes it easy to preach the merits of U.S. investment. I wish you continued success in your endeavors here."

—Raymond F. Burghardt
United States Ambassador to Vietnam

Dada Gorgud

"Fantastic job on the B007 well! The delivery around this well has been exceptional and reflects the outstanding efforts that you and your team have applied to continuously improve performance. This result is definitely top quartile and dangerously close to BiC performance for the ACG Development Play type. The recent work that Carlos Vargas has being doing for the AzBU has your play type top quartile performance identified as 23 days/10k and BiC at 13.57 days/10K. The 14.03 days/10K delivered on B007 is definitely the record well for the Caspian and within 3% of BiC. I will be sharing the results of this study with the wider Azerbaijan wells community in the next few days.

Please pass on my thanks to your team for all of the hard work and the outstanding result. I look forward to many more."

—Steve Haden, Azerbaijan BU Wells Manager
BP

Rig 24

"This is to put on record our appreciation for KSF-Rig 24 Rig Crew and Management for their Excellent Performance at Well RA-206. Your dedication and team spirit made this challenging well be completed with outstanding records.

Once again we would like to thank you and keep up the good work."

—Moh'd Al-Saeedi, Team Leader Deep Drilling
Kuwait Oil Company

Rig 135

"Venture Well Operations Group would like to congratulate GlobalSantaFe for their commitment and professionalism in helping to make the first phase of the Sycamore Field Development in Block 16/12a such an outstanding success. Reaching this significant development milestone is entirely the result of a great team effort by all the companies involved.

The Sycamore project is a prime example of Venture's business strategy; the acquisition and rejuvenation of 'stranded' reserves. The two suspended Sycamore wells, both over ten years old, have been successfully cleaned-out, drilled, and completed as production wells. Both wells exceeded anticipated flow-rates. The top hole of a new production well in the northern part of the field was also set and will be completed during Phase 2 of the development in 2003.

The Venture operations team responsible for Sycamore consists of only a handful of people and we are implicitly aware of how important every company is to the success of our operations. We depend on you to plan accurately, consider all interfaces, deliver equipment and personnel when required, and accomplish the task on time, first time. Furthermore, the uncertain condition of these wells required us to have various contingency designs in place—and we truly appreciate the extra effort many of you have made in ensuring we were prepared for all possibilities.

We hope you have enjoyed being part of the Venture team and we look forward to working with you again in the future."

—Venture Well Operations Group

Rig 151

"Please pass on our appreciations to the Rig-54 team, and Northland crew for their excellent efforts and achievements made so far in the current under balance well SR-164:

- Maintaining the good safety performance at the rig site.
- Successful isolation of water section in leg-1, reducing water cut from 100% to 30% with good lateral productivity (PI =0.124)
- Making a record drilling length in leg-2. Total of 1700m (5578 ft) drilled fully under balance in 8 days. Pushing UBD to the limit.
- First world-wide concurrent DP& concentric casing natural gas injection "under balance operations".

Let's continue the hard work to maintain this successful operation, particularly in the HSE side of it. We are dealing with a lot of hazards on a daily basis. Let's remain focused on safety, and register any additional/residual hazards that may have not been fully covered during the original HAZID/ HADOP. Ensure active participation of all parties in STOP program, use TBT effectively, and work safely.

Thanks and well done!"

— Moustapha Bakry, Senior Well Engineer (Rig 2, 5, and 54)
Petroleum Development Oman

ISC Annual Meeting



ISC members and meeting participants (from left): Ian Kelly, Doug Vrooman, Bob Herrin, Jim McCulloch, Matt Ralls, Rick McClaine, John Truschinger, Steve Bilsing, Tim Osburn, Bert Tindall (front), Mike Hoke, Doug Stegall, Blake Simmons,Tom Gilstrap, Tony Borst, Tom Freer, Joe Boyd, Mike Malekie, Pharr Smith and Larry Noyce.



From left: Suren Sadwelkar; Andrew Glen, Senior Finance Manager; and Clancy Cavanaugh, Kuwait Country Manager

In January, Suren Sadwelkar, Information Services and Technology personnel in the Kuwait office, was presented with a plaque in recognition of his efforts in saving the Kuwait operation approximately $70,000 annually, as well as increasing the speed and transmission of emails, by installing a VPN system.

GlobalSantaFe's Information Services Council (ISC), an executive body which oversees the company's information technology policies and strategies, both in the operating locations and the IST support departments worldwide, met in Houston on January 15. The approval and funding of new projects, the setting of priorities, and establishing goals were addressed, as well as conducting a review of ongoing initiatives. Matt Ralls, Senior Vice President and Chief Financial Officer, was elected by the group to serve as the ISC Chairman.

Former Career in Primate Behavior Helps HS&E Manager Better Understand Workforce

As a renowned animal behaviorist, Charlie Mearns gained insights that would be applied to future career in oil field



Charlie in his younger days having a friendly wrestle with one of the female gorillas that he hand reared.

Charlie Mearns is one of GlobalSantaFe's Health, Safety and Environmental Managers currently working out of Aberdeen and with responsibilities covering the North Sea, Caspian, Canada and West Africa. He has been with the Company for over 22 years and has become well known to many of our employees and to many within the industry, particularly in the UK. However, Charlie has a past which is not known to many except for those who may have worked with him in his earlier years in the Company—on the Auk platform, or on *Choctaw 1* in Angola, on Maureen or Clyde platforms, or on *Rigs 135* and *140*—before Charlie took up an HS&E role with the Company in 1987.

Like many others, Charlie's venture into the oilfield represented a change of career. Charlie is actually a Chartered Biologist, a qualification which he gained in the immediate years following his graduation with Honours in Pure Science from Aberdeen University. Charlie's specialized areas of research were reproductive physiology and canine behavior. At that time, his work brought him into contact with various types of dangerous animals, including wolves, bears, lions and chimpanzees. However, Charlie's talents were recognized by the famous author Gerald Durrell, and Charlie went to work for him at the Jersey Wildlife Preservation Trust on Jersey, one of the British Channel Islands off the coast of France. Charlie worked at the Trust and with the Wellcome Institute in London and was Head of Apes at the Trust, responsible for the care and breeding of its collection of endangered gorillas and orang utans.

Charlie takes up the story: "My pre-oilfield career was a very satisfying and interesting time for me. I traveled throughout Europe working for various organisations. For example, my qualifications and understanding of population dynamics enabled me to be recognized as an official Observer on the International Whaling Commission Scientific Committee and I was able to represent various Non-Governmental Organisations (NGOs)—including Greenpeace and Friends of the Earth (!)—in that capacity. I even did some 'undercover work', but I'd rather not talk about that. There is no doubt, however, that the years that I spent working with my gorillas and orang utans were very special. And very useful in the years that were to follow in the oilfield, both offshore and onshore!"

Rick McClaine, our Vice President for Health, Safety, Environment & Training, found out about Charlie's rather unique background and became interested in how Charlie was able to apply his pre-oilfield experiences to his previous and current oilfield roles. Charlie laughed as he took up the story: "I quickly discovered that I was very fortunate in being able to work with the large apes. Not everyone can and if they don't like or take to a person then it is impossible for that person to continue. I had to let some people go when I found that they couldn't establish a working relationship with the apes. That was never easy, but it was mainly for their own safety, as the apes would become uncooperative and downright dangerous

to the individual and others working with him/her. Apes have a zero tolerance for anyone they take a disliking to and they are so intelligent that they are capable of 'setting traps' and watching for the slightest error that you make. The outcome can easily be the loss of a limb or even death if you happen to be grabbed by a 300 lbs+ ape.

I found that I was able to establish a constructive working relationship with all my apes, from the babies (some of which I had to hand-rear) up to and including the adult males. I was able to maintain that relationship through mutual respect, the development of trust and by doing the right thing by them. In order to do the right thing then, you have to genuinely care for them and understand their likes and dislikes—in other words their individual personalities. Sound familiar?

When I returned to Aberdeen it was for family reasons. The oilfield was right on my doorstep and I decided to give it a try for a short time (!) The Area Manager for our Company at that time appeared to be the only one who was prepared to try out such an 'overqualified' individual as a Roustabout and I started on the Auk platform. I quickly realised two things. One was that I actually enjoyed the people, work and life-style. The second was that (at that time) I was paid more as a Roustabout than I would have been as Head of a Research Station!

I never tried to hide my qualifications or previous background and the guys that I worked with were fascinated with my experiences and stories. We quickly populated the rigs with my apes. Gorillas would make ideal Roughnecks and you wouldn't even have to hang the tongs, they could just pick them up off the floor. Orang utans would be ideal up the derrick, no need even for a derrick ladder or derrick belt. But the question I was always asked was "What about the Toolpusher?"

Now that was an interesting one. When I worked with apes I was 150 lbs and having to get these much stronger and heavier individuals to do what I wanted. Now I was in the opposite situation. All the Toolpushers at that time appeared to be well over 200 lbs and they got you to do what they wanted, mainly through threat and intimidation. My response to the guys was always the same—"Well, at least you can reason with a gorilla!"

Now I'm glad to see that we have moved on a lot since those earlier years. On reflection, my experiences of working with apes taught me much more than I realised at the time and I would like to think that I was able to apply those management principles that I learned then throughout my oilfield career. When I saw what we were doing with FOCUS and ASA I recognised the value of my own experiences and what we are achieving as a Company. Being an ASA Trainer provides me with additional opportunity to learn and to teach the application of those same principles.



I should, perhaps, take this opportunity to record my special thanks to Gambar and Giles, male orang utans (Gambar gave me a hard time when he was adolescent), to N'Pongo the female gorilla who liked to 'wind me up' and to the gentle giant of a gorilla, Jambo, who has sadly died. Jambo may well have been gentle by nature, but I just knew that he longed for the opportunity to get me one-on-one to show who was the real silver-back male in Jersey!"

Charlie on his first return trip to Jersey last year, seated on a life-size statue of his male gorilla, Jambo.

Photos Needed for FOCUS III

By Bob Burnett

FOCUS I & II have been tremendous successes. These programs have helped to make all of GlobalSantaFe's rigs the safest possible work environments for our employees, clients and third parties. As our incident rates continue to improve all over the world, GlobalSantaFe moves closer to its goal of an Injury Free Work Place.

As we began to conduct these programs, it became apparent that something of added value was happening. Employees began to tell us about "getting an agreement" with their children, family, loved ones, friends and neighbors. They are amazed at the success of this simple tool at home as well as at work. The FOCUS process had changed their viewpoint towards safety in the workplace and now it was changing their family's viewpoint on safety in all aspects of life.

We would like to thank all of those individuals who have helped change the safety culture of GlobalSantaFe by asking them to be involved in the development of FOCUS III. We are in the process of developing a video photo album, set to music, for the opening of FOCUS III. We would like to include photos of those people, loved ones, co-workers, events, or things that mean so much to GlobalSantaFe Employees worldwide. We would ask that all pictures submitted be tasteful and respectful, and that they try to reflect the genuine feelings and friendship, between co-workers, family and friends. Photos must be received by June 1, 2003.

Please send your photos to:
Ms. Shaye Evans
201 Energy Parkway, Suite 240
Lafayette, LA 70508
USA
(Photos will not be returned.)

And remember, safety is a choice and not a chance!

Wilson Celebrates 25 Years

On February 8, a dinner was held to recognize 25 years of continuous service by Bob Wilson, Materials Superintendent in Azerbaijan. Bob has held various positions around the world since starting with Santa Fe in 1977. Bob and his wife Grace have a home in Aberdeen where their son Lee resides.



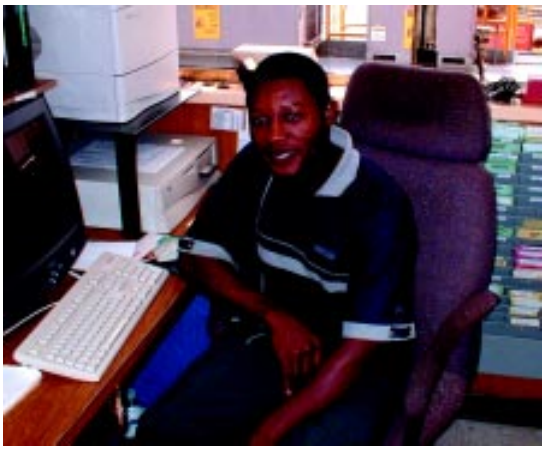
Bob Wilson with his wife Grace show appreciation for plaque and gift acknowledging 25 years of service.



Azerbaijan personnel including Materials, Logistics, Pipeyard and QA Team headed by Bob Wilson.

High Island V Writing Contest Winner

In December 2002, Roustabout Alfred Nyingchuo, *High Island V* in Cameroon, was awarded first place in the *"High Island V* Writer's Tournament for the Year 2002". The following is the introduction from the essay that Alfred wrote, titled "GlobalSantaFe *High Island V*, A Place To Be".



Alfred Nyingchuo

"If you want to see a heaven on earth, please come to GSF HIV. This is a rig with a difference where safety is an affair of all and even a precondition for employment. Every day on this rig, life becomes more and more comfortable onboard as the crews get familiar to themselves and to their jobs. Management has been providing employees with the necessities of life as well as recreation. This includes social amenities such as gymnasium, television news from DSTV and other multiple channels. Imagine also the six star model of cooking on this rig, that has continued to attract the attention of the work force."

Congratulations to Alfred on his positive and motivational view he so well portrayed in his essay on life onboard the *High Island V*.

For the Kids

By Scott Rader

On Christmas Eve, 2002, the *Explorer* held its Second Annual DePelchin Children's Center Raffle. In doing so, the rig raised $1,710 ($210 more than in its inaugural year) and GlobalSantaFe graciously matched that amount, making the total amount raised for the center $3,420.

The DePelchin Children's Center, founded in 1892 by Kezia Payne DePelchin to help families and children in need in the Houston area, provides services such as parent and child counseling, teen pregnancy prevention, parenting programs, adoptive services, foster care, working with families in times of crises and much, much more.

Now, over 110 years later, the center is still going strong, thanks to the community that supports it and the hard work of the people that run DePelchin today. As most people know, running a non-profit organization is no easy task so the crew of the "Mothership" *Explorer* was happy to open their wallets for the kids.

Of course, no raffle is successful without prizes and the *Explorer* is thankful for all the companies and individuals that donated a great number of items, ranging from a 32" TV from our contractor ChevronTexaco, to two-way Motorola radio's, to hats and polo shirts donated by the service companies. Overall, the raffle was a great success again this year and we'd like to thank all participants who donated prizes and purchased raffle tickets. Good job guys!

Rig 140 Christmas Charities

By Rig 140 Welfare Committee

Having completed yet another successful Christmas raffle on board the *140*, the Welfare Committee felt compelled to let the whole of the GlobalSantaFe fleet know what a friendly, caring, and charitable rig we work on.

Over the last 5 years we have contributed to 10 different charities, all significant to someone related to the *GSF140*. Although we felt the national charities are always requiring funds, we decided it would mean more to the rig if the donations were personal.

We started off by donating £1,500.00 to the Children's Ward at Dr. Gray's Hospital in Elgin, Scotland. The money donated was used to buy bed wetting alarms for the ward. Dave Smith (Barge Engineer) presented the cheque.

Ian 'Rook' Elder was next to present a cheque for £1,000.00 to the Mount Pleasant Special School in Caithness, Scotland, which he volunteers at. The money was used to purchase a specially designed swing frame for the kids.

P.H.A.D. were next to gain from the donations. £1,264.00, was presented by Clark Niven, Derrickman (and his wife Emma) and Deek Lundie, Electrician. The money was used towards The Hobby Horse Project for Autistic children in Fife, Scotland. The activities for these children stemmed from horse riding lessons to swimming lessons. Clark's son Connor suffers from Autism, although according to Mike 'Sexy' Hall, he is a typical little boy.

Pete 'Fag-Ash' Donald (Asst. Watchstander) presented the next cheque to the Grampian Lupus Group. Pete's wife Diane suffers from Lupus which is an incurable disease of the immune system. With the deterioration of Diane over the last few years, Pete has managed to kick the smoking habit. As of now he is better known as 'Fag-Patch'. Duncan Smart (Crane Operator) went to the presentation along with Pete. The money was used to provide support for members and to help raise public awareness to the public about the disease.

Another children's ward received the next donation. This time it was the Ninewells Hospital at Dundee, Scotland. £1,000.00 was donated to decorate the ward with cartoon characters to try and make the children feel more comfortable while in hospital. John 'JJ' Johnston (ABS) donated the money. After seeing JJ's painting on the rig, I hope they got someone in to do the decorating.

Alan 'Shades' Buchannan (HLO) presented the next cheque. It went to the Princess Diana Children's Hospital in Birmingham, England, where his young granddaughter underwent a liver transplant. £1,000.00 was used to purchase a blood warming machine for the hospital which apparently has helped immensely in successful operations and recovery of other children.

Colin 'Coco' Smith (HLO) was next. Coco's wife Anne developed breast cancer and had to travel all the way to Inverness for an operation. £1,000.00 donation was made to upgrade a clinic closer to where Colin and Anne live for future treatment.

This year's donations were made for £1,000.00 each. The first was to an eight year old family friend of Duncan Smart (Crane Operator). Louise Clarke is seriously handicapped with cerebral palsy and has been from birth. A fund was set up to try and purchase a 'Sooper-Dooper' electric wheelchair for Louise to get about unaided and make life a bit easier. Duncan made the donation, which actually topped the fund. We hear Louise's chair has now been ordered.

The second donation this year was to an Edinburgh hospital. It was made to the orthopedic ward at the New Infirmary in Edinburgh, Scotland. The cash will be used to send a team of nurses on a course to be able to treat cancer sufferers after operations. Deek Lundie (Electrician) recently (December 23, 2002) underwent an operation to remove a growth he had in his shoulder. While removing the growth the medical team had to remove 75% of his trapezium muscle. Deek has been absent from work for the last three months undergoing physiotherapy to build the muscle back up. His wife Debbie is also helping with the physio, but we all think that is just so he can get back to work quicker and out from under her feet.

With organizing the Christmas raffles, we have encountered a lot of problems but one problem we have yet to come across is the donation of prizes by vendors GlobalSantaFe deal with in Aberdeen. Without them, the raffle would be really nothing. I wish I could name every one of them but last year's donators totaled 145. Slightly down on the previous year of 210.

One of the donators was Dingbro and that leads me to the last donation we made. Mr. Bob Howie of Dingbro contacted us and asked to be considered for a donation. The donation was to a small hospital in Aberdeen where his wife attends. The hospital asked for a lifting aid which cost £230.00. With the extra we collected last year we managed to purchase three of these lifting aids which help with the very serious sufferers of MS.

We know other installations have charity events ongoing, some more than others, but like ourselves, never stop thinking about the less fortunate because without us they cannot survive.

Please keep up all the charity donations, regardless of the size, to the less fortunate as you never know—one day you could be in the same situation.

In Memoriam

Johnny McBee, a Santa Fe retiree, passed away on August 23, 2002.

Ian Filby, Senior Barge Engineer on *Rig 136*, while in the shipyard in Singapore, passed away on September 5, 2002, after suffering a brain hemorrhage.

Ray Berry, a Braun retiree, passed away on November 28, 2002.

Jim Chisolm, a former Braun employee, along with his wife, were killed in a traffic accident in November 2002.

Arthur Luke, a Santa Fe retiree, passed away on December 8, 2002.

Tony Dixon passed away on January 7, 2003. Tony joined Santa Fe in 1987 as a Cook and was promoted to Chief Steward in 1988. He served on *Galveston Key*, *Rig 140*, *Rig 135* and *Magellan* and worked in the Aberdeen office for the last two years as Catering Supervisor. Tony passed away after a long fight against cancer. He is survived by his wife Moira and his daughters Natalie and Tracy.

Charlie Amos, a Santa Fe retiree, passed away on January 12, 2003. Charlie was one of Santa Fe's "human shields" held in Iraq following the invasion of Kuwait in 1990.

Bruce Forster passed away on January 22, 2003 following a long battle with cancer. Bruce joined Santa Fe in 2000 as a Driller and was promoted to Night Toolpusher in 2001, working on platforms Claymore and Clyde. He is survived by his wife Lisa and son Jaime.

Melvin Dean Myers, a Global Marine retiree, passed away on January 22, 2003.

Ray F. Stine, a Braun retiree, passed away on February 10, 2003.

Robert D. Mellin, a Braun retiree, passed away on February 27, 2003.

Margaret Flowers, wife of Santa Fe retiree I.J. Flowers, passed away on March 11, 2003. I.J. had served as Santa Fe Vice President, Marine Operations, and was an industry pioneer in the development of the semisubmersible drilling unit.



Stacy Payne with his wife Darlene

On January 2, 2003, Stacy Payne, Director of Training, died in an automobile accident. A 1980 graduate of Texas A&M University, Stacy had 18 years of experience in the shipping and drilling industry. He served as Mate and Master on various classes of supply and seismic vessels and as a Port Officer prior to joining Global Marine in 1983 as a Bargemaster on the *Baltic 1*. He served as Ballast Control Operator and Stability Technician on the *Arctic III* before taking a leave while upgrading his license and obtaining an Unlimited Master License in 1989. He then served as Master and OIM of the *Arctic I*, in 1992 became Master/OIM of the *Arctic III*, and became Port Captain in 1998. In November of 1998, Stacy was promoted to Safety Training Manager, followed by promotions to Training Manager-Worldwide and to Director of Training. Stacy's years of field experience combined with an impassioned commitment to the cultural changes necessary to create an injury free workplace made Stacy the ideal individual to lead GlobalSantaFe's safety training process.

Stacy will be remembered as a wonderful husband, father, brother, son and friend.

...Well Engineers

Continued from page 7

Initially joining GlobalSantaFe in the position of Chief Engineer onboard the *Galaxy III*, Kevin soon moved into the Subsea department within the Well Engineering group. Currently Kevin is involved in the evaluation and selection of subsea equipment for several projects but was also involved as onshore Subsea Engineer with the highly successful DNO Heather turnkey project.

Marco and Kevin join an existing impressive list of Chartered Engineers within Well Engineering, who represent nearly 15 percent of the technical Well Engineering staff: Peter Howell, Frank Walsh, and Doug Nunn (Operations Managers), Don Allan (Well Systems Manager), Vivien Broughton (Staff Development Manager), Bob Livingstone (Operations Engineer), Calum MacDonald (Operations Engineer), Kris Johnstone (Regional Well Engineering Manager, Egypt), Colin Davidson (Well Operations Engineer, Singapore), Pete Wilson (Well Engineering Manager, Houston), and Darren Sutherland (Marketing Representative, Sales & Contracts, Houston).

These awards to Marco and Kevin reflect the commitment of both individuals and much hard work on their behalf. Everyone within the Well Engineering group offers them our congratulations. A special congratulations also goes to Marco and his partner, Mariette, who gave birth to a son, Syl, February 3, 2003, weighing in at 8lbs (a possible Chartered Engineer of the future?).

Three Sons Say Goodbye to Father

Juan Jose Garcia passed away on November 27, 2002. Although Juan was never employed by GlobalSantaFe he worked on legacy Global Marine rigs in the shipyard in Brownsville. This association provided Juan the opportunity to introduce his three sons to Global Marine and today, all are employees of GlobalSantaFe. Jose Garcia is a motorman on the *Celtic Sea*, Adan, a Paint Foreman on the *Celtic Sea*, and Abel is a Painter on the *Arctic I*. Juan was very proud of his sons and the work they do for the company.



Billy Hall (center) climbed Mount Kilimanjaro in support of children's fundraising effort

Mount Kilimanjaro Challenge

In October of last year, Billy Hall, Toolpusher on *Rig 140*, participated in the Kilimanjaro Challenge in support of Whizz Kidz, a national children's charity. Whizz Kidz helps improve the lives of disabled children across the UK by enabling them to gain their independence by providing customized wheelchairs and other specialized mobility equipment. Members of the *Rig 140* team very generously contributed to Billy's sponsorship in the Mount Kilimanjaro Challenge, raising £3,085 for the Whizz Kidz.

Billy joined 37 others to make the 33km trek to the summit of Mount Kilimanjaro (situated on the border of Kenya and Tanzania), Africa's highest mountain and the world's highest free-standing mountain at 19,340 feet. Billy was one of twelve to actually reach the summit.

Skydive Raises Funds for Cancer Research and Sets World Record

Linda Groarke, wife of GlobalSantaFe's Mike Groarke in the Houston office, took part in the Jump for the Cure fundraiser in support of breast cancer research through the City of Hope, a world renowned cancer medical center in Duarte, California. In October 2002, women skydivers from eight countries gathered in Perris, California, to make the jump which set a world record with 131 women holding formation for a period of 10.7 seconds. Included in the jump were seven breast cancer survivors. The Jump for the Cure raised over $300,000 for breast cancer research, with GlobalSantaFe proudly supporting this cause.



In the above photo Linda can be seen at the bottom of the innermost circle (formed by six skydivers) in the dark suit.

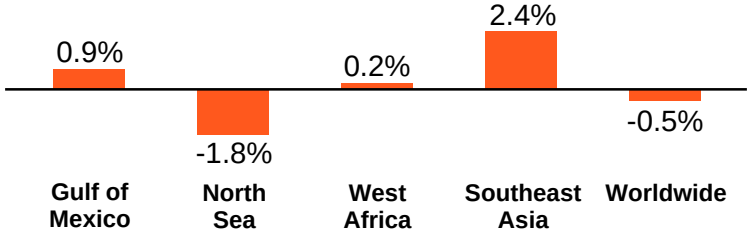
GlobalSantaFe SCORE—February

(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.

	Feb 2003 SCORE	Jan 2003 SCORE	1 Month Change	1 Year Change	5 Year Change
Gulf of Mexico	29.5	29.2	0.9%	-0.8%	-53.7%
North Sea	43.9	44.7	-1.8%	-17.3%	-47.4%
West Africa	50.3	50.4	-0.2%	-12.0%	-32.2%
Southeast Asia	51.3	50.1	2.4%	-9.9%	-22.0%
Worldwide	39.8	40.0	-0.5%	-10.9%	-45.0%
Jackup	46.3	46.4	-0.3%	-2.1%	-43.1%
Semisubmersible	32.4	32.5	-0.4%	-23.0%	-49.6%

GlobalSantaFe SCORE Change from Previous Month



Grand Banks Crews Help Communities in Scotland and Canada

When the *Grand Banks* first arrived in the North Sea in June 2001, a commissary was established on board to allow the crew to purchase a few of life's essential items. A small premium was added to the cost and soon profits began to accumulate. The crew discussed a variety of ideas on how to best spend the money, including purchases related to crew entertainment. However, for the most part, the facilities on board the rig were sufficient and the crew felt there must be a more meaningful way to spend the money. It was decided that the bulk of the money would go to charitable causes and a welfare committee was formed. The committee agreed that because the commissary was established while the rig was working in the North Sea but moved to Newfoundland in July 2002, the funds should be divided equally between charities in Scotland and Canada. Additionally, it was agreed that the proceeds would be distributed to a variety of small and normally overlooked organizations which support the disadvantaged in the community.

The organizations in Scotland which received contributions were: Rehab Scotland, a brain injury vocational service; Macmillan Cancer Relief, provision of palliative care in the North East of Scotland (£500); the Brian Lilley Mediation Service, Aberdeen University Hospitals patient mediation (£500); the Royal National Lifeboat Institute, rescuing sailors adrift on the sea (£500); the Glencryan School, a school for children with learning disabilities (£500); the Children's Hospice Association Scotland, Rachel House hospice (£500). In addition, £1,000 was donated to each of Mark Shaw's three children for the purpose of establishing a small fund to help the children in the future.

The organizations in Canada which were awarded contributions were: the Waterford Foundation, rehabilitative and residential care of mental health patients nineteen years and older ($10,000); the Waterford Foundation, Bridges program, providing rapid outpatient mental health intervention for youth between the ages of 16 and 19 years ($10,000); the St. Francis Foundation, providing a variety of residential and support services to families and youth ($10,000); and the Christmas Angels program, providing assistance at Christmas to children and families ($5,000).



Rick Kelly, Heather Modlin and Byron Halbleib.



Ian Shortall, Nancy White and Byron Halbleib.



Front row from left: Rick Kelly, Heather Modlin, Fred Chafe, Rhonda Way, Maxine Lear, Nancy White, Ian Shortall and Byron Halbleib (Operations Manager). Back row from left: Mike McCrowe, Art Reid, Louis Morris, Eneas Dier, John Ralph, John Bulgin and Dave Parsons.



Rhonda Way and Byron Halbleib.

Birth Announcements



Alexandra Ralph was born on May 30, 2002, to the parents of John Ralph, Driller on the *Grand Banks*, and his wife Betty.



Gabriel Edward Ivory was born on August 30, 2002, to the parents of Jeff and Sheila Ivory. Jeff serves as Operations Superintendent on the *Grand Banks*. Gabriel was also welcomed by his brother Chase.



Hannah Gayle Parker was born on February 4, 2003. The proud grandfather in photo is Bo Waits, Maintenance Supervisor, with his daughter Melinda Parker (her husband is Jarred Parker).



Roger Hunt helps Diane Danilov count her winnings.

Lucky Winner in Houston

From February 21 through March 7, GlobalSantaFe employees in the Houston office were eligible to enter the Bank of America sponsored "Fast Cash Dash". The lucky winner of the drawing was Diane Danilov, Technical Analyst, ADTI. On March 13, Diane was allowed to make $20 cash withdrawals from the bank's automated teller machine in the Houston office, for a period of five minutes. Only Roger Hunt, Sr. Vice President, Marketing, who assisted Diane with the ATM withdrawal, can explain how she ended up with $350 when only $20 bills were dispensed!



From left: Jim Boswell, Tran Thi Hai, and Bobby Briggance.

Houston Visitor

In mid-March, Tran Thi Hai who works in GlobalSantaFe's Vietnam office, traveled to Houston for training. This trip was Ms. Hai's first time to leave Vietnam.



Scott Gordon, Assistant Driller on the *Adriatic VI*, and his bride Corinne, were wed on October 8, 2002, in Cyprus. Best wishes to the happy couple.

Holiday Giving



Employees in the Houston office showed their generosity during the 2002 holiday season by making gift and cash donations to the company's annual charity drive. The "Spirit of Christmas" program provides gifts (see photo above) to underprivileged children and to adults with special challenges. Four truckloads of gifts were collected.

Clothing, household and baby items, toys and cash were collected for the Houston Area Women's Center.

During the GlobalSantaFe holiday party in December, employees donated toys to the annual U.S. Marine Corps Reserve Toys for Tots program. Over 600 toys were collected by the Marines in attendance at the party.

GlobalSantaFe Photo Competition

In this issue of *ProFile*, we are announcing a new feature in our publication. Employees are invited to send in photos they have taken at their work sites to enter a photo competition. Each issue will feature the winning photograph on the back cover. The great photos we continually receive from our readers, such as the one below taken by Andy Simpson, *Galaxy II* OIM, of *Galaxy II* working offshore Eastern Canada, inspired this feature. Send your photo to bill.abbott@gsfdrill.com if digital or mail photos to GlobalSantaFe, ProFile Photo Contest, 15375 Memorial Drive, Houston, TX 77079 (all photos will be returned). If submitting a digital photo via email, it should be in a JPG or TIF file for best quality.



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