

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

## CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): October 24, 2000

TRANSOCEAN SEDCO FOREX INC.  
(Exact name of registrant as specified in its charter)

CAYMAN ISLANDS	333-75899	N/A
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

4 GREENWAY PLAZA  
HOUSTON, TEXAS 77046  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (713) 232-7500

ITEM 5. OTHER EVENTS.

On October 24, 2000, Transocean Sedco Forex Inc., a company incorporated under the laws of the Cayman Islands (the "Company"), issued a press release announcing its earnings for the third quarter of fiscal year 2000.

A copy of such press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c). Exhibits.

The following exhibit is filed herewith:

Exhibit Number -----	Description of Exhibits -----
99.1	Press Release of the Company, dated as of October 24, 2000, announcing its third quarter earnings

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRANSOCEAN SEDCO FOREX INC.

Date: October 25, 2000

By: /s/ Robert L. Long

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Robert L. Long  
Executive Vice President and  
Chief Financial Officer

## EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release of the Company, dated as of October 24, 2000, announcing its third quarter earnings

ANALYST CONTACT: Jeffrey L. Chastain NEWS RELEASE  
713 232 7551  
MEDIA CONTACT: Guy A. Cantwell FOR RELEASE: October 24, 2000  
713 232 7647

TRANSOCEAN SEDCO FOREX INC. REPORTS  
THIRD QUARTER 2000 RESULTS

HOUSTON--Transocean Sedco Forex Inc. (NYSE: RIG) today announced that net income for the three months ended September 30, 2000 was \$49.3 million or \$0.23 per diluted share on revenues of \$314.5 million. The results include an extraordinary gain of \$1.4 million or \$0.01 per diluted share, relating to the early termination of certain debt, as well as a net gain of \$7.8 million or \$0.03 per diluted share resulting from the sale of two offshore rigs, partially offset by net charges resulting from adjustments to provisions for legal claims. Excluding the after-tax impact of the extraordinary gain and the net gain resulting primarily from the sale of rigs, net income for the three months ended September 30, 2000 was \$40.8 million or \$0.19 per diluted share. The quarterly results compare favorably with net income of \$35.9 million or \$0.17 per diluted share reported for the second quarter of 2000. Revenues in the preceding quarter of 2000 were \$299.2 million. For the three months ended September 30, 1999, net income was \$31.8 million or \$0.29 per diluted share on revenues of \$165.3 million. The December 1999 merger of Transocean Offshore Inc. and Sedco Forex Holdings Limited (Sedco Forex) was accounted for as a purchase, with Sedco Forex as the acquiror for accounting purposes. Accordingly, results for the three and nine months ended September 30, 1999 reflect Sedco Forex historical results only and exclude historical results of Transocean Offshore Inc.

For the nine months ended September 30, 2000, net income totaled \$117.7 million or \$0.56 per diluted share on revenues of \$914.6 million. Results for the first nine months of 2000 include the previously mentioned extraordinary gain, the net gain resulting primarily from the rig sales, as well as a cash settlement of \$25.1 million or a net \$0.08 per diluted share relating to the early termination of a rig contract. During the first nine months of 1999, net income was \$70.5 million or \$0.64 per diluted share on revenues of \$516.8 million and included charges totaling \$42.0 million or a net \$0.30 per diluted share relating to severance costs and provisions for legal claims.

Average utilization of the company's 61 fully owned or chartered and active mobile offshore drilling units continued to improve, reaching 81% for the three months ended September 30, 2000, up from 75% and a pro forma 74% for the three months ended June 30, 2000 and September 30, 1999, respectively. The company's fleet of 42 fully owned or chartered and active semisubmersibles and drillships (floaters) saw utilization improve to 84%, up from 75% in both the previous three months ended June 30, 2000 and the third quarter of 1999 on a pro forma basis.

J. Michael Talbert, President and Chief Executive Officer of Transocean Sedco Forex, stated, "As expected, we continued to witness an improvement in the average fleet utilization during the third quarter of 2000, which served as the primary contributor to the modest recovery in revenues and operating income. Revenues improved from the previous quarter in 2000 by 5% while operating income increased 20%, excluding the gain on the sale of the semisubmersible rig Transocean Discoverer and the multi-purpose service jackup rig Mr. John. Another contributing factor was the

delivery of a second Discoverer Enterprise-class drillship, the Discoverer Spirit, which commenced drilling operations in early September for Spirit Energy 76. Regionally, fleet utilization improvement was most evident in the U.K. sector of the North Sea, where the measure rose to 79% compared to 65% during the second quarter of 2000. Utilization was higher in the U.S. Gulf of Mexico, where the Discoverer Enterprise's operational performance improved significantly and in the Middle East, where the semisubmersible rig Actinia was reactivated.

"Although we are currently witnessing improving market dayrates in all of our areas of operation, the average dayrate on our 61 fully owned or chartered and active mobile offshore drilling units declined to \$67,200 during the three months ended September 2000. The quarterly average compared to \$69,100 and a pro forma \$79,700 during the three months ended June 2000 and September 1999, respectively. The decline in the average dayrate was due largely to contracts accepted at more competitive rates for rigs re-entering the active fleet and rigs previously contracted at dayrates negotiated prior to the onset of weaker market conditions declining to the lower, current market level. This is particularly evident in the floater category where the average dayrate was \$81,400 during the three months ended September 2000, down from \$85,900 and a pro forma \$101,900 during the three months ended June 2000 and September 1999, respectively."

In addressing the near to medium-term prospects for the offshore drilling industry, Talbert added, "Our customers have initiated a more active offshore drilling campaign during the second half of 2000 due primarily to the continued strengthening of industry fundamentals and a growing conviction that average commodity prices should be sustained at levels which produce better project economics. Gradually, this growing conviction is translating into improved business prospects, particularly as we enter 2001. These improved prospects are best evidenced by recent contract awards and extensions on a number of rigs including the Transocean Leader, Sovereign Explorer, Transocean John Shaw, Sedco 601, Transocean Comet and Transocean Mercury, located in the North Sea, Asia and in the Middle East regions. These recent contract awards and extensions represent approximately \$112 million in revenues over the duration of the contracts and improve the company's committed fleet time during 2001 to approximately 41%."

Finally, Talbert provided an update on the company's newbuild program, stating, "Our new construction program achieved two significant milestones recently with the deliveries of the drillship Discoverer Spirit and jackup rig Trident 20. As stated earlier, the Discoverer Spirit, the second of three Discoverer Enterprise-class, ultra-deepwater drillships, was delivered in September to Spirit Energy 76, a division of Unocal, under a five-year, estimated \$372 million contract. This rig delivery was followed by the completion and October 21 delivery of the jackup rig Trident 20, which commenced a three-year, estimated \$137 million contract with a subsidiary of Elf in the Caspian Sea."

Four units remain in the Transocean Sedco Forex newbuild program, including the final Discoverer Enterprise-class rig, the Discoverer Deep Seas, which has an expected delivery date of late fourth quarter 2000, and three new fifth-generation Sedco Express-class semisubmersibles - the Sedco Express, Cajun Express and Sedco Energy. Talbert concluded by saying, "Our three Sedco Express-class semisubmersibles are in the late stages of project completion, which includes the testing and commissioning of the software that controls the drilling equipment. This has proven to be time consuming due to the complexity of the software and limited availability of third-party resources. As a result, we have extended the expected delivery dates on all three units. Our current

expectation is to complete and deliver the Sedco Express during the late fourth quarter of 2000, followed by the completion and delivery of the Cajun Express in January 2001 and the Sedco Energy in March 2001."

Drilling rig status and contract information on Transocean Sedco Forex's offshore drilling fleet has been condensed into a report entitled "Monthly Fleet Update" and will be made publicly available by the end of October 2000 through the company's website at [www.deepwater.com](http://www.deepwater.com). Once available, the report can be found in the investor resources segment of the site. The report will also be available through a free monthly email distribution. To be added to the email distribution, please contact Jeffrey L. Chastain, Director of Investor Relations and Communications at [jchastain@deepwater.com](mailto:jchastain@deepwater.com) or at fax number 1-713-232-7031.

Statements regarding future market conditions, future dayrates, rig delivery dates, estimated term, commencement date of drilling contracts, estimated contract revenues and utilization trends and prospects, as well as any other statements that are not historical facts in this release, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to operating hazards and delays, risks associated with international operations, actions by customers, including their right to terminate contracts for late delivery, actions by other third parties, the future price of oil and gas, risks relating to acquisitions and other factors detailed in the company's filings with the Securities and Exchange Commission (SEC), which are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

Transocean Sedco Forex Inc. is the world's largest offshore drilling contractor, with a current equity market capitalization in excess of \$12 billion. The company's mobile offshore drilling fleet is comprised of 71 rigs, including four newbuilds not yet active. This modern and versatile fleet is located in every major offshore oil and gas drilling region. Transocean Sedco Forex Inc. specializes in technically demanding segments of the offshore drilling business, including industry-leading positions in deepwater and harsh environment drilling services. The company is listed on the New York Stock Exchange under the symbol "RIG."

TRANSOCEAN SEDCO FOREX INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
	(In thousands, except per share data)			
Operating Revenues	\$ 314,483	\$ 165,250	\$ 914,575	\$ 516,840
Costs and Expenses				
Operating and maintenance	192,208	98,508	561,950	338,041
Depreciation and amortization	64,353	33,169	193,779	96,908
General and administrative	9,189	4,093	31,594	12,277
	265,750	135,770	787,323	447,226
Gain (Loss) from sale of assets	11,314	(142)	13,564	(107)
Operating Income	60,047	29,338	140,816	69,507
Other Income (Expense), Net				
Equity in earnings of joint ventures	2,592	1,192	7,584	3,719
Interest income	1,724	624	4,636	4,793
Interest expense, net of amounts capitalized	(1,806)	(3,251)	(2,110)	(10,162)
Other, net	26	716	1,268	367
	2,536	(719)	11,378	(1,283)
Income Before Income Taxes, Minority Interest and Extraordinary Item	62,583	28,619	152,194	68,224
Income Tax Expense (Benefit)	14,628	(3,230)	35,413	(2,319)
Minority Interest Expense	101	45	507	45
Income Before Extraordinary Item	47,854	31,804	116,274	70,498
Gain on Extraordinary Item, Net of Tax	1,424	--	1,424	--
Net Income	\$ 49,278	\$ 31,804	\$ 117,698	\$ 70,498
Basic Earnings Per Share (Pro forma prior to the effective date of the merger)				
Income Before Extraordinary Item	\$ 0.22	\$ 0.29	\$ 0.55	\$ 0.64
Gain on Extraordinary Item, Net of Tax	0.01	--	0.01	--
Net Income	\$ 0.23	\$ 0.29	\$ 0.56	\$ 0.64
Diluted Earnings Per Share (Pro forma prior to the effective date of the merger)				
Income Before Extraordinary Item	\$ 0.22	\$ 0.29	\$ 0.55	\$ 0.64
Gain on Extraordinary Item, Net of Tax	0.01	--	0.01	--
Net Income	\$ 0.23	\$ 0.29	\$ 0.56	\$ 0.64
Weighted Average Shares Outstanding (Pro forma prior to the effective date of the merger)				
Basic	210,526	109,564	210,356	109,564
Diluted	212,016	109,636	211,597	109,636



On December 31, 1999, Transocean Offshore Inc. completed its merger with Sedco Forex Holdings Limited (Sedco Forex), and changed its name to Transocean Sedco Forex Inc. Since the company accounted for the merger using the purchase method of accounting, with Sedco Forex as the accounting acquiror, the above Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 1999 reflect only the operating results of Sedco Forex and do not include the results of historical Transocean Offshore Inc.