

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): May 19, 2000

TRANSOCEAN SEDCO FOREX INC.

(Exact name of registrant as specified in its charter)

CAYMAN ISLANDS (State or other jurisdiction of incorporation or organization)	1-7746 (Commission File Number)	N/A (I.R.S. Employer Identification No.)
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4 GREENWAY PLAZA
HOUSTON, TEXAS 77046

(Address of principal executive offices and zip code)

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

N/A

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

On May 19, 2000, Transocean Sedco Forex Inc., a Cayman Islands exempted company (the "Company"), entered into a Terms Agreement dated May 19, 2000 (the "Terms Agreement") between the Company and Credit Suisse First Boston Corporation incorporating by reference the terms of an Underwriting Agreement relating to unsecured debt securities (the "Underwriting Agreement"). The Terms Agreement related to a public offering of \$865,000,000 aggregate principal amount of Zero Coupon Convertible Debentures due May 24, 2000 (the "Debentures") under a registration statement on Form S-3 (No. 333-24457) and a registration statement on Form S-3 (No. 333-59001), each as amended (the "Original Registration Statements"), and a registration statement on Form S-3 (Registration No. 333-37522) (the "Rule 462(b) Registration Statement" and together with the Original Registration Statements, the "Registration Statements") filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended. The Company expects to enter into a Third Supplemental Indenture between the Company and Chase Bank of Texas National Association, as trustee (the "Trustee") setting forth certain terms of the Debentures and including as an exhibit a form of Debenture. This Current Report on Form 8-K is being filed for the purpose of filing as exhibits the Terms Agreement, the Underwriting Agreement, a form of the Third Supplemental Indenture and the form of Debenture in connection with the Registration Statements and the public offering of the Debentures.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

The following exhibits are filed herewith:

- 1.1 Underwriting Agreement relating to unsecured debt securities
- 1.2 Terms Agreement dated May 19, 2000 between the Company and Credit Suisse First Boston Corporation
- 4.1 Form of Third Supplemental Indenture dated as of May 24, 2000 between the Company and the Trustee
- 4.2 Form of Debenture (contained in Exhibit 4.1)

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: May 23, 2000

By: /s/ BRIAN C. VOEGELE

Brian C. Voegele
Vice President, Finance

INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION -----
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TRANSOCEAN SEDCO FOREX INC.

DEBT SECURITIES

UNDERWRITING AGREEMENT

1. Introductory. Transocean Sedco Forex Inc., a Cayman Islands exempted company ("COMPANY"), proposes to issue and sell \$865,000,000 principal amount of its unsecured debt securities registered under the registration statements referred to in Section 2(a) ("OFFERED SECURITIES"). The Offered Securities will be issued under an indenture (the "SENIOR INDENTURE"), as supplemented by the First and Second Supplemental Indentures, and as further supplemented by the Third Supplemental Indenture, to be dated as of May 24, 2000 relating to the Offered Securities (the "THIRD SUPPLEMENTAL INDENTURE") between the Company and Chase Bank of Texas, N.A., as Trustee. The Senior Indenture, as supplemented by the First and Second Supplemental Indentures, and the Third Supplemental Indenture are referred to herein collectively as the "INDENTURE." The Offered Securities will be sold pursuant to a Terms Agreement referred to in Section 3, for resale in accordance with terms of offering determined at the time of sale.

The firm that agrees to purchase the Offered Securities is hereinafter referred to as the "UNDERWRITER" of such securities, and the representative of the Underwriter, if any, specified in the Terms Agreement referred to in Section 3 is hereinafter referred to as the "REPRESENTATIVE"; provided, however, that if the Terms Agreement does not specify any representative of the Underwriter, the term "Representative," as used in this Agreement (other than in Sections 2(b), 5(c) and 6 and the second sentence of Section 3), shall mean the Underwriter.

2. Representations and Warranties of the Company. The Company, as of the date of the Terms Agreement referred to in Section 3, represents and warrants to, and agrees with, each Underwriter that:

(a) A registration statement on Form S-3 (File No. 333-24457) and a registration statement on Form S-3 (File No. 333-59001) in respect of the Securities have been filed with the Securities and Exchange Commission ("COMMISSION"); such registration statements and any post-effective amendments thereto, each in the form heretofore delivered or to be delivered to the Representative and, excluding exhibits to such registration statements, but including all documents incorporated by reference in the prospectus contained therein, have been declared effective by the Commission in such form; no other document with respect to such registration statements or document incorporated by reference therein have heretofore been filed or transmitted for filing with the Commission (other than prospectuses filed pursuant to Rule 424(b) of the rules and regulations of the Commission under the Securities Act of 1933, as amended ("ACT"), each in the form heretofore delivered to the Representative); and no stop order suspending the effectiveness of such registration statements have been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in such registration statements or filed with the Commission pursuant to Rule 424(a) under the Act, are hereinafter called the "PRELIMINARY PROSPECTUS"; the various parts of such registration statements, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the registration statements at the time such part of the registration statements became effective but excluding Form T-1, each as amended at the time such part of the registration statements became effective, are hereinafter collectively called the "REGISTRATION STATEMENTS." If the Company has filed or is required pursuant to the terms hereof to file a registration statement pursuant to Rule 462(b) under the Act registering additional Securities (a "RULE 462(b) REGISTRATION STATEMENT"), then, unless otherwise specified, any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462(b)

Registration Statement. The prospectus relating to the Securities, in the form in which it is filed, or transmitted for filing, with the Commission pursuant to Rule 424(b) under the Act hereinafter called the "PROSPECTUS;" any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to the applicable form under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended ("EXCHANGE ACT"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment to the Registration Statements shall be deemed to refer to and include any annual report of the Company filed pursuant to Sections 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statements that is incorporated by reference in the Registration Statements; and any reference to the Prospectus as amended or supplemented shall be deemed to refer to the Prospectus as amended or supplemented in relation to the applicable Offered Securities in the form in which it is filed with the Commission pursuant to Rule 424(b) under the Act, including any documents incorporated by reference therein as of the date of such filing);

(b) The documents incorporated by reference in the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Offered Securities through the Representative expressly for use in the Prospectus as amended or supplemented relating to such Offered Securities;

(c) The Registration Statements and the Prospectus conform, and any further amendments or supplements to the Registration Statements or the Prospectus will conform, in all material respects to the requirements of the Act and the Trust Indenture Act of 1939, as amended ("TRUST INDENTURE ACT") and the rules and regulations ("RULES AND REGULATIONS") of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statements and any amendment thereto and as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter of Securities through the Representative expressly for use in the Prospectus as amended or supplemented relating to such Securities;

(d) Neither the Company nor any of its subsidiaries has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, except for losses or interferences that would not, individually or in the aggregate, have a material adverse effect on the general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries considered as one enterprise (a "MATERIAL ADVERSE EFFECT"); and, since the respective dates as of which information is given in the Registration Statements and the Prospectus, there has not been any change in the capital stock (other than pursuant to any employee benefit plans of the Company) or increase in long-term debt of the Company or any of its subsidiaries

or any change that would have a Material Adverse Effect, or any development involving a prospective change that, to the best knowledge of the Company, would reasonably be expected to have a Material Adverse Effect, otherwise than as set forth or contemplated in the Prospectus;

(e) The Company has been duly organized and is validly existing as an exempted company in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties, or conducts any business, so as to require such qualification, except where the failure to be so qualified would not have a Material Adverse Effect; and each subsidiary of the Company listed on Exhibit A hereto (each, a "Material Subsidiary") has been duly organized, is validly existing and in good standing (if applicable) under the laws of its jurisdiction of organization;

(f) The ordinary shares of the Company (the "ORDINARY SHARES") into which the Securities are convertible will have been approved for listing on the New York Stock Exchange, subject to notice of issuance prior to the Closing Date;

(g) The Company has an authorized capitalization as set forth in the Prospectus, and all of the issued Ordinary Shares have been duly and validly authorized and issued and are fully paid and non-assessable;

(h) The Securities have been duly authorized, and, when Offered Securities are issued and delivered pursuant to this Agreement and the Terms Agreement with respect to such Offered Securities, such Offered Securities will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture, which will be substantially in the form filed as an exhibit to the Registration Statements; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and at the Closing Date the Indenture will constitute a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws of general applicability relating to or affecting creditors' rights and to general equity principles (regardless of whether enforcement is sought in a proceeding at law or in equity) and to the discretion of the court before which any proceeding may be brought; and the Indenture conforms in all material respects, and the Offered Securities will conform in all material respects, to the descriptions thereof contained in the Prospectus as amended or supplemented with respect to such Offered Securities;

(i) When the Offered Securities are delivered and paid for pursuant to the Terms Agreement on the Closing Date, such Offered Securities will be convertible into Ordinary Shares in accordance with the terms of the Indenture; the Ordinary Shares initially issuable upon conversion of such Offered Securities have been duly authorized and reserved for issuance upon such conversion and, when issued upon such conversion, will be validly issued, fully paid and nonassessable; the outstanding Ordinary Shares have been duly authorized and validly issued, are fully paid and nonassessable and conform to the description thereof contained in the Prospectus; and the shareholders of the Company have no preemptive rights with respect to the Ordinary Shares.

(j) The issue and sale of the Securities and the compliance by the Company with all of the provisions of the Securities, the Indenture, this Agreement and any Terms Agreement, and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, nor will such action result in any violation of the provisions of the memorandum of association or articles of association of the Company or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties except, in each case other than with respect to such Charter or by-laws, which conflict, breach or default or violation would not have a Material Adverse Effect and would not impair

the Company's ability to perform its obligations hereunder or under the Indenture or any Terms Agreement or have any material adverse effect upon the consummation of the transactions contemplated hereby; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Offered Securities or the consummation by the Company of the transactions contemplated by this Agreement or any Terms Agreement or the Indenture, except such as have been, or will have been prior to the Time of Delivery, obtained under the Act and the Trust Indenture Act and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Offered Securities by the Underwriter;

(k) The statements set forth in the Prospectus under the captions "Description of the Debentures" and "Description of Debt Securities", insofar as they purport to constitute a summary of the terms of the Securities, and under the captions "Plan of Distribution" and "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects;

(l) Neither the Company nor any of its subsidiaries is in violation of its memorandum of association or articles of association or other organizational documents or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except for violations or defaults that would not have a Material Adverse Effect;

(m) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries, would have a Material Adverse Effect; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(n) The Company is not and, after giving effect to the offering and sale of the Securities, will not be an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended ("INVESTMENT COMPANY ACT");

(o) This Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement of the Company;

(p) Since the end of its latest fiscal year, the Company has timely filed all documents and amendments to previously filed documents required to be filed by it pursuant to Section 13(a), 13(c), 14 and 15(d) of the Exchange Act and the rules and regulations of the Commission thereunder. Copies of each of the documents incorporated by reference in the Prospectus have been delivered to the Representative; and

(q) To the knowledge of the Company, Ernst & Young LLP and PricewaterhouseCoopers LLP, who have certified certain financial statements of the Company and its subsidiaries, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder.

(r) Except as disclosed in the Prospectus, under current laws and regulations of the Cayman Islands and any political subdivision thereof, all interest, principal, premium, if any, and other payments due or made on the Offered Securities and dividends and other distributions declared and payable on any Ordinary Shares issuable upon conversion thereof may be paid by the Company to the holder thereof in United States dollars or Cayman Island dollars that may be converted into foreign currency and freely transferred out of the Cayman Islands and all such payments made to holders thereof who are non-residents of the Cayman Islands will not be subject to income, withholding or other taxes under laws and regulations of the Cayman Islands or any political subdivision or taxing authority thereof or therein and, except for the stamp duty described in the Prospectus, will otherwise be free and clear of any other tax, duty, withholding or deduction in the Cayman

Islands or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in the Cayman Islands or any political subdivision or taxing authority thereof or therein.

(s) Except as disclosed in the Prospectus, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "ENVIRONMENTAL LAWS"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

3. Purchase and Offering of Offered Securities. The obligation of the Underwriter to purchase the Offered Securities will be evidenced by an agreement or exchange of other written communications ("TERMS AGREEMENT") at the time the Company determines to sell the Offered Securities. The Terms Agreement will incorporate by reference the provisions of this Agreement, except as otherwise provided therein, and will specify the firm or firms that will be Underwriter, the names of any Representative, the principal amount to be purchased by each Underwriter, the purchase price to be paid by the Underwriter and the terms of the Offered Securities not already specified in the Indenture, including, but not limited to, interest rate, maturity, any redemption provisions and any sinking fund requirements. The Terms Agreement will also specify the time and date of delivery and payment (such time and date, or such other time not later than seven full business days thereafter as the Underwriter and the Company agree as the time for payment and delivery, being herein and in the Terms Agreement referred to as the "CLOSING DATE"), the place of delivery and payment and any details of the terms of offering that should be reflected in the prospectus supplement relating to the offering of the Offered Securities. For purposes of Rule 15c6-1 under the Securities Exchange Act of 1934, the Closing Date (if later than the otherwise applicable settlement date) shall be the date for payment of funds and delivery of securities for all the Offered Securities sold pursuant to the offering. It is understood that the Underwriter proposes to offer the Offered Securities for sale as set forth in the Prospectus.

The Company will deliver against payment of the purchase price the Offered Securities in the form of one or more global securities in definitive form (the "GLOBAL SECURITIES") deposited with the Trustee as custodian for The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee for DTC. Interests in any global securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Prospectus. Payment for the Offered Securities shall be made by the Underwriter in Federal (same day) funds by official check or checks or wire transfer to an account previously designated by the Company at a bank acceptable to the Underwriter, in each case drawn to the order of the Company at the place of payment specified in the Terms Agreement on the Closing Date, against delivery to the Trustee as custodian for DTC of the Global Securities representing all of the Offered Securities.

4. Certain Agreements of the Company. The Company agrees with the Underwriter that it will furnish to counsel for the Underwriter, one signed copy of the Registration Statements relating to the Registered Securities, including all exhibits, in the form it became effective and of all amendments thereto and that, in connection with each offering of Offered Securities:

(a) The Company will file the Prospectus with the Commission pursuant to and in accordance with Rule 424(b)(5) not later than the second business day following the execution and delivery of the Terms Agreement.

(b) The Company will advise the Underwriter promptly of any proposal to amend or supplement the Registration Statements or the Prospectus and will afford the Underwriter a reasonable opportunity to comment on any such proposed amendment or supplement; and the Company will also advise the Underwriter promptly of the filing of any such amendment or supplement and of the institution by the Commission of any

stop order proceedings in respect of the Registration Statements or of any part thereof and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company promptly will notify the Underwriter of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither the Underwriter's consent to, nor the Underwriter's delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 5 hereof.

(d) As soon as practicable, but not later than 16 months, after the date of each Terms Agreement, the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the latest of (i) the effective date of the registration statements relating to the Registered Securities, (ii) the effective date of the most recent post-effective amendment to the Registration Statements to become effective prior to the date of such Terms Agreement and (iii) the date of the Company's most recent Annual Report on Form 10-K filed with the Commission prior to the date of such Terms Agreement, which will satisfy the provisions of Section 11(a) of the Act (including, at the option of the Company, in accordance with Rule 158).

(e) The Company will furnish to the Representative copies of the Registration Statements, including all exhibits, any related preliminary prospectus, any related preliminary prospectus supplement, the Prospectus and all amendments and supplements to such documents, in each case as soon as available and in such quantities as the Underwriter reasonably requests. The Company will pay the expenses of printing and distributing to the Underwriter all such documents.

(f) The Company will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter designates and will continue such qualifications in effect so long as required for the distribution; provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction.

(g) During the period of five years after the date of any Terms Agreement, the Company will furnish to the Representative and, upon request, to each of the other Underwriters, if any, as soon as practicable after the end of each fiscal year, a copy of its annual report to shareholders for such year; and the Company will furnish to the Representative (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Securities Exchange Act of 1934 or mailed to shareholders, and (ii) from time to time, such other information concerning the Company as the Underwriter may reasonably request.

(h) The Company will pay all expenses incident to the performance of its obligations under the Terms Agreement (including the provisions of this Agreement), for any filing fees or other expenses (including fees and disbursements of counsel) in connection with qualification of the Registered Securities for sale under the laws of such jurisdictions as the Underwriter may designate and the printing of memoranda relating thereto, for any applicable filing fee incident to, and the reasonable fees and disbursements of counsel for the Underwriter in connection with, the review by the National Association of Securities Dealers, Inc. of the Registered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of Registered Securities and for expenses incurred in distributing the Prospectus, any preliminary prospectuses, any preliminary prospectus supplements or any other amendments or supplements to the Prospectus to the

Underwriter. It is understood, however, that, except as provided in this Section and Section 6, the Underwriter will pay all of their own costs and expenses, including the fees of their counsel, and any advertising expenses connected with any offers they may make.

(i) The Company will indemnify and hold harmless the Underwriter against any documentary, stamp or similar issue tax, including any interest and penalties, on the creation, issue and sale of the Offered Securities and on the execution and delivery of the Terms Agreement. All payments to be made by the Company hereunder or the Terms Agreement shall be made without withholding or deduction for or on account of any present or future taxes, duties or governmental charges whatsoever unless the Company is compelled by law to deduct or withhold such taxes, duties or charges. In that event, the Company shall pay such additional amounts as may be necessary in order that the net amounts received after such withholding or deduction shall equal the amounts that would have been received if no withholding or deduction had been made; provided, the Underwriter hereby represents that it is a United State person, within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "Code"), and will deliver any forms which the Company may request to establish an exemption from withholding under Sections 1441 and 1442 and from backup withholding under the Code.

(j) The Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any additional Ordinary Shares or securities convertible into or exchangeable or exercisable for any Ordinary Shares (other than a shelf registration statement under Rule 415 under the Act), or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the Underwriter for a period beginning at the time of execution of the Terms Agreement and ending the number of days after the Closing Date specified under "Blackout" in the Terms Agreement, except grants of employee or director stock options, stock appreciation rights or restricted stock grants pursuant to the terms of a plan in effect on the date of the Terms Agreement, issuances of Ordinary Shares pursuant to the exercise of such options or the exercise of any other employee stock options outstanding on the date of the Terms Agreement or pursuant to the Company's savings plan. Notwithstanding the preceding provisions, the Company shall be permitted to take any of the foregoing actions in connection with any merger or acquisition.

5. Conditions of the Obligations of the Underwriter. The obligations of the Underwriter to purchase and pay for the Offered Securities will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) On or prior to the Closing Date, the Representative shall have received letters, dated the date of delivery thereof, of PricewaterhouseCoopers LLP and Ernst & Young LLP, respectively, confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating to the effect (provided that the letter of PricewaterhouseCoopers LLP will be limited to clauses (i) and (iv)) that:

(i) in their opinion the financial statements and any schedules and any summary of earnings examined by them and included in the Prospectus comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations;

(ii) they have performed the procedures specified by the American Institute of Certified Public Accountants for a review of interim financial information as described in Statement of Auditing Standards No. 71, Interim Financial Information, on any unaudited financial statements included in the Registration Statements;

(iii) on the basis of the review referred to in clause (ii) above, a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have

responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements, if any, and any summary of earnings included in the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements and summary of earnings for them to be in conformity with generally accepted accounting principles;

(B) if any unaudited "capsule" information is contained in the Prospectus, the unaudited consolidated net sales, net operating income, net income and net income per share amounts or other amounts constituting such "capsule" information and described in such letter do not agree with the corresponding amounts set forth in the unaudited consolidated financial statements or were not determined on a basis substantially consistent with that of the corresponding amounts in the audited statements of income;

(C) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of the such letter, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated net assets, as compared with amounts shown on the latest balance sheet included in the Prospectus; or

(D) for the period from the closing date of the latest income statement included in the Prospectus to the closing date of the latest available income statement read by such accountants there were any decreases, as compared with the corresponding period of the previous year in consolidated net sales, net operating income in the total or per share amounts of consolidated income before extraordinary items or net income or in the ratio of earnings to fixed charges;

except in all cases set forth in clauses (C) and (D) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iv) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

All financial statements and schedules included in material incorporated by reference into the Prospectus shall be deemed included in the Prospectus for purposes of this subsection.

(b) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 4(a) of this Agreement. No stop order suspending the effectiveness of the Registration Statements or of any part thereof shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or any Underwriter, shall be contemplated by the Commission.

(c) Subsequent to the execution of the Terms Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the financial position, business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the judgment of the Underwriter including any Representative, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by U.S. Federal, New York or Cayman Islands authorities; or (v) any outbreak or escalation of major hostilities in which the United States or the Cayman Islands is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriter including any Representative, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(d) The Representative shall have received an opinion, dated the Closing Date, of Eric B. Brown, Esq., counsel for the Company, to the effect that:

(i) There are no contracts, agreements or understandings known to such counsel between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statements or in any securities being registered pursuant to any other registration statements filed by the Company under the Act; and there are no contracts, agreements or understandings known to such counsel between the Company and any shareholder of the Company whereby such shareholder has preemptive rights with respect to the Ordinary Shares;

(ii) The execution, delivery and performance of the Indenture, the Terms Agreement (including the provisions of this Agreement) and the issuance and sale of the Offered Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court having jurisdiction over the Company or any subsidiary of the Company or any of their properties, or any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject (except for such breaches, violations or defaults under any such agreement or instrument as would not result in a Material Adverse Effect), or the articles of association, memorandum of association or other organizational documents of the Company or any such subsidiary; and

(iii) Such counsel has no reason to believe that the Registration Statements, as of their respective effective dates, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of the date of the Terms Agreement or as of such Closing Date, or any amendment or supplement thereto, as of its date or as of the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the descriptions in the Registration Statements and Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate and fairly present the information

required to be shown; and such counsel does not know of any legal or governmental proceedings required to be described in the Prospectus which are not described as required or of any contracts or documents of a character required to be described in the Registration Statements or Prospectus or to be filed as exhibits to the Registration Statements which are not described and filed as required; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statements or the Prospectus.

(e) The Representative shall have received an opinion, dated the Closing Date, of Baker Botts L.L.P., counsel for the Company, to the effect that:

(i) The Indenture has been duly qualified under the Trust Indenture Act; the Indenture and the Offered Securities constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws affecting creditors' rights generally and to general principles of equity and public policy (regardless of whether such enforceability is considered in a proceeding in equity or at law); and the Offered Securities conform, in all material respects, to the description thereof contained in the Prospectus;

(ii) The Offered Securities have been duly authenticated and issued pursuant to the Indenture;

(iii) The Offered Securities are convertible into Ordinary Shares in accordance with the terms of the Indenture;

(iv) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940.

(v) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Terms Agreement (including the provisions of this Agreement) in connection with the issuance or sale of the Offered Securities by the Company, except such as have been obtained and made under the Act and the Trust Indenture Act and such as may be required under state securities laws; and

(vi) The Registration Statements have become effective under the Act, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein, and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statements or any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and the Registration Statements, as of their effective date, and the Prospectus, as of the date of the Terms Agreement, complied as to form in all material respects with the requirements of the Act, the Trust Indenture Act and the Rules and Regulations.

In rendering such opinion, such counsel may (i) state that their opinion is limited to matters governed by the laws of the State of Texas and New York and the federal laws of the United States and (ii) rely (to the extent such counsel deems proper and specifies in their opinion), as to matters involving the application of the laws of the Cayman Islands upon the opinion of Walkers furnished pursuant to Section 5(f) of this Agreement.

(f) The Representative shall have received an opinion, dated the Closing Date, of Walkers, Cayman Island legal counsel for the Company, to the effect that as a matter of Cayman Islands law:

(i) The Indenture has been duly authorized, executed and delivered by the Company; the Offered Securities have been duly authorized, executed and delivered by the Company;

(ii) The Company has validly and irrevocably submitted to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York and has validly and irrevocably appointed the corporate secretary of the Company as its authorized agent for the purposes described in Section 13 of this Agreement and Article XIX of the Indenture;

(iii) The Ordinary Shares initially issuable upon conversion of the Offered Securities have been duly authorized and reserved for issuance upon such conversion and, when issued upon such conversion, will be validly issued, fully paid and nonassessable; the outstanding Ordinary Shares have been duly authorized and validly issued, are fully paid and nonassessable and conform in all material respects to the description thereof contained in the Prospectus under the caption "Description of Ordinary Shares"; and the shareholders of the Company have no preemptive rights under Cayman Islands law or the Company's articles of association or memorandum of association with respect to the Ordinary Shares;

(iv) The Terms Agreement (including the provisions of this Agreement) has been duly authorized and executed by the Company;

(v) The Company has full power and legal authority under the laws of the Cayman Islands and its articles of association and memorandum of association to authorize, issue and sell the Offered Securities as contemplated by the Terms Agreement (including the provisions of this Agreement);

(vi) No consent, approval, authorization, order, registration or qualification of or with any Cayman Islands governmental agency or body or, to our knowledge, any Cayman Islands Court is required for the issue and sale of the Offered Securities by the Company and the applications of the proceeds therefrom as contemplated by the Prospectus and the compliance by the Company with all of the provisions of this Agreement; and

(vii) The execution, delivery and performance of the Indenture and this Agreement and the issue and sale of the Offered Securities by the Company and the compliance by the Company with all of the provisions of the Indenture and this Agreement does not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any Cayman Islands governmental agency or body applicable to the Company or the memorandum of association and articles of association of the Company.

In rendering such opinion, such counsel may (i) state that their opinion is limited to matters governed by the laws of the Cayman Islands and (ii) rely, inter alia, (to the extent such counsel deems proper and specifies in their opinion), as to matters involving the application of the laws of the State of New York upon the opinion of Baker Botts L.L.P. furnished pursuant to Section 5(e) of this Agreement.

(g) The Representative shall have received from Andrews & Kurth L.L.P., counsel for the Underwriter, such opinion or opinions, dated the Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities, the Registration Statements, the Prospectus and other related matters as the Representative may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In rendering such opinion, Andrews & Kurth L.L.P. may rely as to the incorporation of the Company and all other matters governed by Cayman Islands law upon the opinion of Walkers referred to above.

(h) The Representative shall have received a certificate, dated the Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, that

no stop order suspending the effectiveness of the Registration Statements or of any part thereof has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission and that, subsequent to the date of the most recent financial statements in the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the financial position, business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Prospectus or as described in such certificate.

(i) The Representative shall have received a letter, dated the Closing Date, of PricewaterhouseCoopers LLP and Ernst & Young LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection.

The Company will furnish the Representative with such conformed copies of such opinions, certificates, letters and documents as the Representative reasonably request. The Underwriter may in its sole discretion waive on behalf of the Underwriter compliance with any conditions to the obligations of the Underwriter under this Agreement and the Terms Agreement.

6. Indemnification and Contribution.

(a) The Company will indemnify and hold harmless the Underwriter, its partners, directors and officers and each person, if any, who controls the Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which the Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statements, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by the Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by the Underwriter through the Representative, if any, specifically for use therein, it being understood and agreed that the only such information furnished by the Underwriter consists of the information described as such in the Terms Agreement.

(b) The Underwriter will indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statements, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by the Underwriter through the Representative, if any, specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by the Underwriter consists of the information described as such in the Terms Agreement.

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party

from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or behalf of an indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriter on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriter on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriter. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls the Underwriter within the meaning of the Act; and the obligations of the Underwriter under this Section shall be in addition to any liability which the Underwriter may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statements and to each person, if any, who controls the Company within the meaning of the Act.

7. [Intentionally Omitted.]

8. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the Underwriter set forth in or made pursuant to the Terms Agreement (including the provisions of this Agreement) will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If for any reason the purchase of the Offered Securities by the Underwriter is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 4 and the respective obligations of the Company and the Underwriter pursuant to Section 6 shall remain in effect. If the purchase of the Offered Securities by the Underwriter is not consummated for any reason other than solely because of the termination of the Terms Agreement pursuant to Section 7 or the occurrence of any event specified in clause (iii), (iv) or (v) of Section 5(c), the Company will reimburse the Underwriter for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

9. Notices. All communications hereunder will be in writing and, if sent to the Underwriter, will be mailed, delivered or telegraphed and confirmed to them at their address furnished to the Company in writing for the purpose of communications hereunder or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at 4 Greenway Plaza, Houston, Texas, 77046, Attention: General Counsel.

10. Successors. The Terms Agreement (including the provisions of this Agreement) will inure to the benefit of and be binding upon the Company and such Underwriter as are identified in the Terms Agreement and their respective successors and the officers and directors and controlling persons referred to in Section 6, and no other person will have any right or obligation hereunder.

11. Representation of Underwriter. Any Representative will act for the Underwriter in connection with the financing described in the Terms Agreement, and any action under such Terms Agreement (including the provisions of this Agreement) taken by the Representative jointly or by the Underwriter will be binding upon all the Underwriter.

12. Counterparts. The Terms Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

13. APPLICABLE LAW. THIS AGREEMENT AND THE TERMS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to the Terms Agreement (including the provisions of this Agreement) or the transactions contemplated thereby.

The Company designates and appoints its corporate secretary located at Transocean Sedco Forex Inc., 4 Greenway Plaza, Houston, Texas 77252, Attention: Corporate Secretary and such person's successors and assigns as its lawful agent in the United States of America upon which may be served, and which may accept and acknowledge, for and on behalf of the Company all process in any action, suit or proceedings that may be brought against the Company in any of the courts referred to in this Section, and agrees that such service of process, or the acceptance or acknowledgment thereof by said agent, shall be valid, effective and binding in every respect; provided, however, that if said agency shall cease for any reason whatsoever, the Company hereby designates and appoints, without power of revocation, the Secretary of State of the State of New York to serve as its agent for service of process.

The obligation of the Company in respect of any sum due to any Underwriter shall, notwithstanding any judgment in a currency other than United States dollars, not be discharged until the first business day, following receipt by such Underwriter of any sum adjudged to be so due in such other currency, on which (and only to the extent that) such Underwriter may in accordance with normal banking procedures purchase United States dollars with such other currency; if the United States dollars so purchased are less than the sum originally due to such Underwriter thereunder, the Company agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Underwriter against such loss. If the United States dollars so purchased are greater than the sum originally due to such Underwriter thereunder, such Underwriter agrees to pay to the Company an amount equal to the excess of the dollars so purchased over the sum originally due to such Underwriter thereunder.

EXHIBIT A

Material Subsidiaries of the Company

1. Transocean Offshore Deepwater Drilling, Inc. (Delaware)
2. Transocean Offshore International Ventures Limited (Cayman Islands)
3. Sedco Forex Holdings Limited (BVI)

TRANSOCEAN SEDCO FOREX INC.
("COMPANY")

DEBT SECURITIES

TERMS AGREEMENT

May 19, 2000

To: The Underwriter identified herein

Dear Sirs:

The undersigned agrees to sell to the Underwriter named below for their respective accounts, on and subject to the terms and conditions of the Underwriting Agreement to be filed by the Company as an exhibit to its Current Report on Form 8-K, dated May 19, 2000 ("UNDERWRITING AGREEMENT"), the following securities ("OFFERED SECURITIES") on the following terms:

TITLE: Zero Coupon Convertible Debenture Due May 2020.

PRINCIPAL AMOUNT: \$865,000,000 at maturity.

INTEREST: Zero coupon.

MATURITY: May 24, 2020.

OPTIONAL REDEMPTION: Beginning May 24, 2003.

REPURCHASE RIGHTS: May 24, 2003, May 24, 2008 and May 24, 2013.

SINKING FUND: None.

LISTING: None.

CONVERSION RATIO: 8.1566 shares per \$1,000 principal amount.

PURCHASE PRICE: \$566.09 per \$1,000 principal amount at maturity.

EXPECTED REOFFERING PRICE: \$579.12 per \$1,000 principal amount at maturity, subject to change by the Underwriter.

CLOSING: 9:00 A.M. (Central Daylight Time) on May 24, 2000, at Houston, Texas, in Federal (same day) funds.

SETTLEMENT AND TRADING: Book-Entry Only via DTC.

BLACKOUT: Until 90 days after the Closing Date.

NAME AND ADDRESS OF UNDERWRITER: Credit Suisse First Boston Corporation
Eleven Madison Avenue, 19th Floor
New York, New York 10010-3629

The respective principal amounts of the Offered Securities to be purchased by each of the Underwriter are set forth opposite their names in Schedule A hereto.

The provisions of the Underwriting Agreement are incorporated herein by reference.

For purposes of Section 6 of the Underwriting Agreement, the only information furnished to the Company by any Underwriter for use in the Prospectus consists of the following information in the Prospectus furnished on behalf of each Underwriter: the statements in the table (and related footnote) on the prospectus supplement cover page indicating the price to the public of the Offered Securities, the penultimate paragraph at the bottom of the prospectus supplement cover page concerning the terms of the offering by the Underwriter, the concession and reallowance figures and statement regarding making a secondary market appearing in the fourth paragraph under the caption "Underwriting" in the prospectus supplement and the information contained in the fifth paragraph under the caption "Underwriting" in the prospectus supplement

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement between the Company and the Underwriter in accordance with its terms.

Very truly yours,

TRANSOCEAN SEDCO FOREX INC.

By /s/ ROBERT L. LONG

The foregoing Terms Agreement is hereby confirmed and accepted as of the date first above written.

CREDIT SUISSE FIRST BOSTON CORPORATION

By /s/ DAVID BALLARD

SCHEDULE A

UNDERWRITER	PRINCIPAL AMOUNT
-----	-----
Credit Suisse First Boston Corporation.....	\$865,000,000
Total.....	----- \$865,000,000 =====

THIRD SUPPLEMENTAL INDENTURE

BETWEEN

TRANSOCEAN SEDCO FOREX INC.

AND

CHASE BANK OF TEXAS, NATIONAL ASSOCIATION

MAY 24, 2000

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TRANSOCEAN SEDCO FOREX INC.

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE, dated as of May 24, 2000, between Transocean Sedco Forex Inc. (formerly, Transocean Offshore Inc.), a Cayman Islands exempted company limited by shares (the "Company"), and Chase Bank of Texas, National Association (formerly, Texas Commerce Bank National Association) (the "Trustee").

W I T N E S S E T H

WHEREAS, the Company has heretofore executed and delivered to the Trustee an Indenture, dated as of April 15, 1997 (as supplemented by the First Supplemental Indenture thereto dated as of April 15, 1997, the Second Supplemental Indenture thereto dated as of May 14, 1999 and this Third Supplemental Indenture, the "Indenture"), providing for the issuance from time to time of one or more series of the Company's Securities;

WHEREAS, Section 901(5) of the Indenture provides that the Company and the Trustee may from time to time enter into one or more indentures supplemental thereto to establish the form or terms of Securities of a new series;

WHEREAS, Section 901(8) of the Indenture provides that the Company and the Trustee may from time to time enter into one or more indentures supplemental thereto to make provision with respect to matters or questions arising under the Indenture which do not adversely affect the interests of the Holders of Securities of any series in any material respect;

WHEREAS, Sections 901(2) and 901(3) of the Indenture permit the execution of supplemental indentures without the consent of any Holders to add to the covenants of the Company for the benefit of, and to add any additional Events of Default with respect to, all or any series of Securities;

WHEREAS, Section 301 of the Indenture provides that the Company may enter into supplemental indentures to establish the terms and provisions of a series of Securities issued pursuant to the Indenture;

WHEREAS, the Company desires to issue Zero Coupon Convertible Debentures due May 24, 2020 (the "2020 Debentures"), a new series of Security the issuance of which was authorized by resolution of the Board of Directors of the Company;

WHEREAS, the Company, pursuant to the foregoing authority, proposes in and by this Third Supplemental Indenture to supplement and amend the Indenture insofar as it will apply only to the 2020 Debentures in certain respects; and

WHEREAS, all things necessary have been done to make the 2020 Debentures, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this Third Supplemental Indenture a valid agreement of the Company, in accordance with their and its terms.

NOW THEREFORE:

In consideration of the premises provided for herein, the Company and the Trustee mutually covenant and agree for the equal and proportionate benefit of all Holders of the Securities as follows:

ARTICLE ONE

THE 2020 DEBENTURES

SECTION 101 Designation of 2020 Debentures; Establishment of Form.

There shall be a series of Securities designated "Zero Coupon Convertible Subordinated Debentures Due May 24, 2020" of the Company (the "2020 Debentures"), and the form thereof shall be substantially as set forth in Annex A hereto, which is incorporated into and shall be deemed a part of this Third Supplemental Indenture, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers of the Company executing such 2020 Debentures, as evidenced by their execution of the 2020 Debentures.

The 2020 Debentures will initially be issued in permanent global form, substantially in the form set forth in Annex A hereto (the "Global Securities"), as a Book-Entry Security. Each Global Security shall represent such of the Outstanding 2020 Debentures as shall be specified therein and shall provide that it shall represent the aggregate amount of Outstanding 2020 Debentures from time to time endorsed thereon and that the aggregate amount of Outstanding 2020 Debentures represented thereby may from time to time be reduced to reflect exchanges and redemptions. Any endorsement of a Global Security to reflect the amount, or any increase or decrease in the amount, of Outstanding 2020 Debentures represented thereby shall be made by the Trustee in accordance with written instructions or such other written form of instructions as is customary for the Depository, from the Depository or its nominee on behalf of any Person having the beneficial interest in the Global Security.

The Company initially appoints The Depository Trust Company to act as Depository with respect to the Global Securities.

The Company initially appoints the Trustee to act as Paying Agent and Conversion Agent with respect to the 2020 Debentures.

SECTION 102 Amount.

(a) The Trustee shall authenticate and deliver 2020 Debentures for original issue in an aggregate Principal Amount of up to \$865,000,000 upon Company Order for the authentication and delivery of 2020 Debentures, without any further action by the Company. The aggregate Principal Amount of 2020 Debentures that may be authenticated and delivered under the Indenture may not exceed the amount set forth in the foregoing sentence, except for 2020 Debentures authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other 2020 Debentures pursuant to Section 204, 304, 305, 306, 906 or 1107 of the Indenture.

(b) The Company may not issue new 2020 Debentures to replace 2020 Debentures that it has paid or delivered to the Trustee for cancellation or that any Holder has converted pursuant to Article Fourteen.

SECTION 103 Accrual of Original Issue Discount; Interest.

The 2020 Debentures shall be Original Issue Discount Securities. Original Issue Discount shall accrue with respect to the 2020 Debentures at the rate set forth under the caption "Interest" in the 2020 Debentures, commencing on the Issue Date of the 2020 Debentures. Except as provided under the caption "Tax Event" in the 2020 Debentures and in Article Sixteen, there shall be no periodic payments of interest on the 2020 Debentures.

SECTION 104 Additional Amounts.

Additional Amounts with respect to the 2020 Debentures shall be payable in accordance with the provisions and in the amounts set forth under the caption "Tax Additional Amounts" in the 2020 Debentures and in accordance with the provisions of the Indenture.

SECTION 105 Denominations.

The 2020 Debentures shall be in fully registered form without coupons in denominations of \$1,000 of Principal Amount or any integral multiple thereof.

SECTION 106 Place of Payment.

The Place of Payment for the 2020 Debentures and the place or places where the 2020 Debentures may be surrendered for registration of transfer, exchange, repurchase, redemption or conversion and where notices may be given to the Company in respect of the 2020 Debentures is at the office of the Trustee in New York, New York and at the agency of the Trustee maintained for that purpose at the office of the Trustee; provided that payment of interest may be made at the option of the Company by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register (as defined in the Indenture).

SECTION 107 Redemption.

(a) There shall be no sinking fund for the retirement of the 2020 Debentures.

(b) The Company, at its option, may redeem the 2020 Debentures in accordance with the provisions of and at the Redemption Prices set forth under the captions "Optional Redemption" and "Notice of Redemption" in the 2020 Debentures and in accordance with the provisions of the Indenture, including, without limitation, Article Eleven.

(c) The Company, at the option of the Holders thereof, shall redeem the 2020 Debentures in accordance with the provisions of and at the Change in Control Purchase Prices set forth under the caption "Purchase of Securities at Option of Holder Upon a Change in Control" in the 2020 Debentures and in accordance with the provisions of the Indenture, including, without limitation, Article Eleven.

SECTION 108 Conversion.

The 2020 Debentures shall be convertible in accordance with the provisions and at the Conversion Rate set forth under the caption "Conversion" in the 2020 Debentures and in accordance with the provisions of the Indenture, including, without limitation, Article Fourteen.

SECTION 109 Maturity.

The date on which the principal of the 2020 Debentures is payable, unless accelerated pursuant to the Indenture, shall be May 24, 2020.

SECTION 110 Repurchase.

The 2020 Debentures shall be repurchased by the Company in accordance with the provisions and at the Repurchase Prices set forth under the caption "Repurchase by the Company at the Option of the Holder" in the 2020 Debentures and in accordance with the provisions of the Indenture, including, without limitation, Article Fifteen.

SECTION 111 Amount Due Upon Event of Default.

If an Event of Default with respect to any 2020 Debentures that are at the time Outstanding occurs and is continuing, then in accordance with Section 502, the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of (i) the 2020 Debentures (in the case of an Event of Default described in clause (1), (2), (3) or (7) of Section 501) or (ii) all series of Securities (subject to the immediately following sentence, in the case of an Event of Default described in clause (4) of Section 501) may declare all unpaid Issue Price plus accrued Original Issue Discount and Tax Additional Amounts through the acceleration date, if any (or, if the 2020 Debentures have been converted to interest-bearing 2020 Debentures pursuant to Section 1601, the

Restated Principal Amount plus accrued and unpaid interest and Tax Additional Amounts, if any, from the date of conversion to the acceleration date) (which applicable amount, in either case, shall be deemed to be the "portion of the principal amount" specified in the terms of the 2020 Debentures) of all of the 2020 Debentures or all series, as the case may be, to be due and payable immediately by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such specified amount shall become immediately due and payable. If an Event of Default described in clause (5) or (6) of Section 501 shall occur, such specified amount of all Outstanding 2020 Debentures ipso facto shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

SECTION 112 Discharge of Liability on 2020 Debentures.

Section 403 of the Indenture shall be applicable to the 2020 Debentures.

SECTION 113 Other Terms of 2020 Debentures.

Without limiting the foregoing provisions of this Article One, the terms of the 2020 Debentures shall be as set forth in the form of 2020 Debentures set forth in Annex A hereto and as provided in the Indenture.

ARTICLE TWO

AMENDMENTS TO THE INDENTURE

The amendments contained herein shall apply to 2020 Debentures only and not to any other series of Security issued under the Indenture and any covenants provided herein are expressly being included solely for the benefit of the 2020 Debentures. These amendments shall be effective for so long as there remains 2020 Debentures Outstanding.

SECTION 201 Definitions.

Section 101 of the Indenture is amended by inserting or restating, as the case may be, in their appropriate alphabetical position, the following definitions:

"Capital Stock" or "capital stock" of any Person means any and all shares, interests, partnership interests, participations, rights or other equivalents (however designated) of such Person's equity interest (however designated) issued by that Person.

"Change in Control Purchase Date" has the meaning specified in Section 1110.

"Change in Control" has the meaning specified in Section 1110.

"Change in Control Purchase Notice" has the meaning specified in Section 1110.

"Change in Control Purchase Price" has the meaning specified in Section 1110.

"Company Notice Date" has the meaning specified in Section 1503.

"Conversion Agent" shall be the agent specified in Section 101.

"Conversion Date" has the meaning specified in Section 1402.

"Conversion Rate" has the meaning specified in Section 1401.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute.

"Global Securities" has the meaning specified in Section 101.

"Issue Date" of any 2020 Debenture means the date on which the 2020 Debenture was originally issued or deemed issued as set forth on the face of the 2020 Debenture.

"Issue Price" of any 2020 Debenture means, in connection with the original issuance of such 2020 Debenture, the initial issue price at which the 2020 Debenture is sold as set forth on the face of the 2020 Debenture.

"Market Price" has the meaning specified in Section 1504.

"Ordinary Shares" means any stock of any class of the Company (including, without limitation, the Company's ordinary shares of a nominal or par value of \$0.01 per share) which has no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company and which is not subject to redemption by the Company.

"Original Issue Discount" of any 2020 Debenture means the difference between the Issue Price and the Principal Amount of the 2020 Debenture as set forth on the face of the 2020 Debenture.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(i) Securities theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Securities for whose payment, repurchase or redemption money or Ordinary Shares in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such

Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Securities which have been cancelled pursuant to Section 309 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company; and

(iv) 2020 Debentures converted for Ordinary Shares pursuant to Article Fourteen;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Principal Amount" of a 2020 Debenture means the Principal Amount as set forth on the face of the 2020 Debenture.

"Repurchase Date" has the meaning specified in Section 1501.

"Repurchase Notice" has the meaning specified in Section 1501.

"Repurchase Price" has the meaning specified in Section 1501.

"Restated Principal Amount" has the meaning specified in Section 1601.

"Sale Price" has the meaning specified in Section 1504.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture, including 2020 Debentures.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute.

"Tax Additional Amounts" has the meaning specified in the form of 2020 Debentures attached hereto as Annex A.

"Tax Event" means that the Company shall have received an opinion from independent tax counsel experienced in such matters to the effect that, on or after May 24, 2000, as a result of (a) any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein or (b) any amendment to, or change in, an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority, in each case, which amendment or change is enacted, promulgated, issued or announced or which interpretation is issued or announced or which action is taken, on or after May 24, 2000, there is more than an insubstantial risk that interest (including Original Issue Discount) payable on the 2020 Debentures either (i) would not be deductible on a current accrual basis or (ii) would not be deductible under any other method, in either case, in whole or in part, by the Company (by reason of deferral, disallowance or otherwise) for United States Federal income tax purposes if the Company were a domestic corporation for such purposes.

"Trading Day" means a day during which trading in securities generally occurs on the New York Stock Exchange or, if the Ordinary Shares are not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which the Ordinary Shares are then listed or, if the Ordinary Shares are not listed on a national or regional securities exchange, on the National Association of Securities Dealers Automated Quotation System or, if the Ordinary Shares are not quoted on the National Association of Securities Dealers Automated Quotation System, on the principal other market on which the Ordinary Shares are then traded.

"2020 Debentures" means the Zero Coupon Convertible Debentures due May 2020 of the Company authorized by resolution of the Board of Directors.

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof under ordinary circumstances have the power to vote in the election of the board of directors, managers or trustees of any Person (or other Persons performing similar functions), irrespective of whether or not, at the time, Capital Stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency.

SECTION 202 Registration, Registration of Transfer and Exchange.

The Indenture shall be amended by replacing the eighth paragraph of Section 305 with the following paragraph:

The Company shall not be required (i) to issue, register the transfer of or exchange the Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption and ending at the close of business on the day of such mailing, (ii) to register the transfer of or exchange any 2020 Debenture so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (iii) to exchange

or register a transfer of any 2020 Debenture or portions thereof in respect of which a Change in Control Purchase Notice or Repurchase Notice has been delivered and not withdrawn by the Holder thereof (except, in the case of the purchase of a 2020 Debenture in part, the portion not to be purchased).

SECTION 203 Mutilated, Destroyed, Lost and Stolen Securities.

The Indenture shall be amended by replacing the fourth paragraph of Section 306 with the following paragraph:

In case any such mutilated, destroyed, lost or stolen Security has or is about to become due and payable, or is about to be redeemed or purchased by the Company upon a Change in Control pursuant to Article Eleven or purchased by the Company on a Repurchase Date pursuant to Article Fifteen, the Company in its discretion may, instead of issuing a new Security, pay such Security.

SECTION 204 Payment of Interest; Interest Rights Preserved.

The Indenture shall be amended by inserting the following paragraph before the final paragraph in Section 307:

In the event the Company exercises its option pursuant to Section 1601, then in the case of any 2020 Debenture or portion thereof which is surrendered for conversion after the Regular Record Date immediately preceding any Interest Payment Date and on or prior to such next succeeding Interest Payment Date (unless such 2020 Debenture or portion thereof which is being surrendered for conversion has been called for redemption on a Redemption Date within such period), interest whose Stated Maturity is on such Interest Payment Date shall be payable on such Interest Payment Date notwithstanding such conversion, and such interest (whether or not punctually paid or duly provided for) shall be paid to the Person in whose name that 2020 Debenture (or one or more Predecessor Securities) is registered at the close of business on such Regular Record Date; provided, however, that such payment of interest shall be subject to the payment to the Company by the Holder of such 2020 Debenture or portion thereof surrendered for conversion (such payment to accompany such surrender) of an amount equal to the amount of such interest, in accordance with Section 1402. Except as otherwise provided in the immediately preceding sentence, in the case of any 2020 Debenture which is converted, interest whose Stated Maturity is after the date of conversion of such 2020 Debenture shall not be payable.

SECTION 205 Unconditional Right of Holders to Receive Principal, Premium and Interest.

Section 508 of the Indenture shall be amended by replacing that section with the following:

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium, Interest and Tax Additional Amounts.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of (and premium, if any) and (subject to Section 307) interest on and Tax Additional Amounts, if any, with respect to such Security on the Stated Maturity or Maturities expressed in such Security (or in the case of redemption, to receive the Redemption Price on the Redemption Date, in the case of a repurchase, to receive the Repurchase Price on the Repurchase Date, or in the case of a Change in Control, to receive the Change in Control Purchase Price on the Change in Control Purchase Date) and to institute suit for the enforcement of any such payment on or after such respective dates, and such rights shall not be impaired without the consent of such Holder.

SECTION 206 Consolidation, Merger and Sale.

The Indenture shall be amended by inserting "and shall have provided for conversion rights in accordance with Section 1411" at the end of Section 801(1).

SECTION 207 Supplemental Indentures Without Consent of Holders.

Section 901 of the Indenture shall be amended by inserting the following paragraph:

(9) to make provision with respect to the conversion rights, if any, to Holders of 2020 Debentures pursuant to the requirements of Article Fourteen hereof.

SECTION 208 Supplemental Indenture with Consent of Holder.

The Indenture shall be amended by inserting ", or adversely affect the right to convert any 2020 Debenture as provided in Article Fourteen, or adversely affect the right to require the Company to repurchase the 2020 Debentures as provided in Article Fifteen." at the end of Section 902(1).

SECTION 209 Maintenance of Office or Agency.

The first paragraph of Section 1002 of the Indenture is amended by changing the first sentence thereof to read in its entirety as follows:

If Securities of a series are issuable only as Registered Securities, the Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, where 2020 Debentures may be surrendered for conversion and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

SECTION 210 Redemption.

Article Eleven shall be amended by inserting the following sections in their entirety:

SECTION 1109 Conversion Arrangement on Call for Redemption

In connection with 2020 Debentures, the Company may arrange for the purchase and conversion of any 2020 Debentures called for redemption by an agreement with one or more investment bankers or other purchasers to purchase such 2020 Debentures by paying to a Paying Agent (other than the Company or any of its Affiliates) in trust for the Holders, on or before 11:00 A.M. New York City time on the Redemption Date, an amount that, together with any amounts deposited with such Paying Agent by the Company for the redemption of such 2020 Debentures, is not less than the Redemption Price of such 2020 Debentures. Notwithstanding anything to the contrary contained in this Article Eleven, the obligation of the Company to pay the Redemption Price of such 2020 Debentures, including interest, if any, shall be deemed to be satisfied and discharged to the extent such amount is so paid by such purchasers; provided, however, that nothing in this Section 1109 shall relieve the Company of its obligation to pay the Redemption Price on 2020 Debentures called for redemption. If such an agreement is entered into, any 2020 Debentures called for redemption and not surrendered for conversion by the Holders thereof prior to the relevant Redemption Date may, at the option of the Company upon written notice to the Trustee, be deemed, to the fullest extent permitted by law, acquired by such purchasers from such Holders and (notwithstanding anything to the contrary contained in Article Fourteen) surrendered by such purchasers for conversion, all as of 11:00 A.M. New York City time on the Redemption Date, subject to payment of the above amount as aforesaid. The Paying Agent shall hold and pay

to the Holders whose 2020 Debentures are selected for redemption any such amount paid to it for purchase in the same manner as it would money deposited with it by the Company for the redemption of 2020 Debentures. Without the Paying Agent's prior written consent, no arrangement between the Company and such purchasers for the purchase and conversion of any 2020 Debentures shall increase or otherwise affect any of the powers, duties, responsibilities or obligations of the Paying Agent as set forth in this Indenture, and the Company agrees to indemnify the Paying Agent from, and hold it harmless against, any loss, liability or expense arising out of or in connection with any such arrangement for the purchase and conversion of any 2020 Debentures between the Company and such purchasers, including the costs and expenses incurred by the Paying Agent in the defense of any claim or liability reasonably incurred without negligence or bad faith on their part arising out of or in connection with the exercise or performance of any of its powers, duties, responsibilities or obligations under this Indenture, in accordance with the indemnity provisions applicable to the Trustee set forth herein.

SECTION 1110 Purchase of Securities at Option of the Holder Upon Change in Control

Without limiting the generality of the first two sentences of this Article Two, Section 1110 through Section 1115 of this Article Eleven shall apply only to 2020 Debentures.

(a) If at any time that 2020 Debentures remain Outstanding there shall occur a Change in Control, 2020 Debentures shall be purchased by the Company at the option of the Holders thereof as of the date that is 35 Business Days after the occurrence of the Change in Control (the "Change in Control Purchase Date") at a purchase price equal to the Issue Price plus accrued Original Issue Discount through the Change in Control Purchase Date (or, if the option under Section 1601 has been exercised, the Restated Principal Amount plus accrued and unpaid interest from the Option Exercise Date to the Change in Control Purchase Date) (the "Change in Control Purchase Price"), subject to satisfaction by or on behalf of any Holder of the requirements set forth in subsection (c) of this Section 1110.

A "Change in Control" shall be deemed to have occurred if any of the following occurs after the Issue Date:

(1) any "person" or "group" (as such terms are defined below) is or becomes the "beneficial owner" (as defined below), directly or indirectly, of shares of Voting Stock of the Company representing 50% or more of the total voting power of all outstanding classes of Voting Stock of the Company or has the power, directly or indirectly, to elect a majority of the members of the Board

of Directors of the Company (but specifically excluding any right of any Person or Persons to designate directors of the Company pursuant to Article 3 of the Agreement and Plan of Merger dated July 12, 1999 among Schlumberger Limited, the Company and certain of their respective subsidiaries); or

(2) the Company consolidates with, or merges with or into, another person or the Company sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of the assets of the Company, or any person consolidates with, or merges with or into, the Company, or the Company completes a scheme of arrangement under Cayman Islands law with another Person, in any such event other than pursuant to a transaction in which the persons that "beneficially owned" (as defined below), directly or indirectly, shares of Voting Stock of the Company immediately prior to such transaction "beneficially own" (as defined below), directly or indirectly, shares of Voting Stock of the Company representing at least a majority of the total voting power of all outstanding classes of Voting Stock of the surviving or transferee person; or

(3) there shall occur the liquidation or dissolution of the Company.

For the purpose of the definition of "Change in Control", (i) "person" and "group" have the meanings given such terms under Section 13(d) and 14(d) of the Exchange Act or any successor provision to either of the foregoing, and the term "group" includes any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of Rule 13d-5(b)(1) under the Exchange Act (or any successor provision thereto), (ii) a "beneficial owner" shall be determined in accordance with Rule 13d-3 under the Exchange Act, as in effect on May 24, 2000, except that the number of shares of Voting Stock of the Company shall be deemed to include, in addition to all outstanding shares of Voting Stock of the Company and Unissued Shares deemed to be held by the "person" or "group" (as such terms are defined above) or other person with respect to which the Change in Control determination is being made, all Unissued Shares deemed to be held by all other persons, and (iii) the terms "beneficially owned" and "beneficially own" shall have meanings correlative to that of "beneficial owner". The term "Unissued Shares" means shares of Voting Stock not outstanding that are subject to options, warrants, rights to purchase or conversion privileges exercisable within 60 days of the date of determination of a Change in Control.

(b) Within 15 Business Days after the occurrence of a Change in Control, the Company shall mail a written notice of the Change in Control to the Trustee and to each Holder. The notice shall include the form of a Change in Control Purchase Notice to be completed by the Holder and shall state:

(1) the date of such Change in Control and, briefly, the events causing such Change in Control;

(2) the date by which the Change in Control Purchase Notice pursuant to this Section 1110 must be given;

(3) the Change in Control Purchase Date;

(4) the Change in Control Purchase Price;

(5) briefly, the conversion rights of the 2020 Debentures;

(6) the name and address of each Paying Agent and Conversion Agent;

(7) the Conversion Rate and any adjustments thereto;

(8) that 2020 Debentures as to which a Change in Control Purchase Notice has been given may be converted into Ordinary Shares pursuant to Article Fourteen only to the extent that the Change in Control Purchase Notice has been withdrawn in accordance with the terms of this Indenture;

(9) the procedures that the Holder must follow to exercise rights under this Section 1110;

(10) the procedures for withdrawing a Change in Control Purchase Notice, including a form of notice of withdrawal; and

(11) that the Holder must satisfy the requirements set forth in the 2020 Debentures in order to convert the Securities.

If any of the 2020 Debentures is in the form of a Global Security, then the Company shall modify such notice to the extent necessary to accord with the procedures of the Depositary applicable to the repurchase of Global Securities.

(c) A Holder may exercise its rights specified in subsection (a) of this Section 1110 upon delivery of a written notice (which shall be in substantially the form included as an attachment to the Security and which may be delivered by letter, overnight courier, hand delivery, facsimile transmission or in any other written form and, in the case of Global Securities, may be delivered electronically or by other means in accordance with the Depositary's customary procedures) of the exercise of such rights (a "Change in Control Purchase Notice") to any Paying

Agent at any time prior to the close of business on the Business Day next preceding the Change in Control Purchase Date.

The delivery of such 2020 Debenture to any Paying Agent (together with all necessary endorsements) at the office of such Paying Agent shall be a condition to the receipt by the Holder of the Change in Control Purchase Price therefor.

The Company shall purchase from the Holder thereof, pursuant to this Section 1110, a portion of a 2020 Debenture if the Principal Amount of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a 2020 Debenture pursuant to Sections 1110 through 1115 also apply to the purchase of such portion of such 2020 Debenture.

Notwithstanding anything herein to the contrary, any Holder delivering to a Paying Agent the Change in Control Purchase Notice contemplated by this subsection (c) shall have the right to withdraw such Change in Control Purchase Notice in whole or in a portion thereof that is a Principal Amount of \$1,000 or in an integral multiple thereof at any time prior to the close of business on the Business Day next preceding the Change in Control Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 1111.

A Paying Agent shall promptly notify the Company of the receipt by it of any Change in Control Purchase Notice or written withdrawal thereof.

Anything herein to the contrary notwithstanding, in the case of Global Securities, any Change in Control Purchase Notice may be delivered or withdrawn and such 2020 Debentures may be surrendered or delivered for purchase in accordance with the applicable procedures of the Depositary as in effect from time to time.

SECTION 1111 Effect of Change in Control Purchase Notice

Upon receipt by any Paying Agent of the Change in Control Purchase Notice specified in Section 1110(c), the Holder of the 2020 Debenture in respect of which such Change in Control Purchase Notice was given shall (unless such Change in Control Purchase Notice is withdrawn as specified below) thereafter be entitled to receive the Change in Control Purchase Price with respect to such 2020 Debenture. Such Change in Control Purchase Price shall be paid to such Holder promptly following the later of (a) the Change in Control Purchase Date with respect to such 2020 Debenture (provided the conditions in Section 1110(c) have been satisfied) and (b) the time of delivery of such 2020 Debenture to a

Paying Agent by the Holder thereof in the manner required by Section 1110(c). 2020 Debentures in respect of which a Change in Control Purchase Notice has been given by the Holder thereof may not be converted into Ordinary Shares on or after the date of the delivery of such Change in Control Purchase Notice unless such Change in Control Purchase Notice has first been validly withdrawn.

A Change in Control Purchase Notice may be withdrawn by means of a written notice (which may be delivered by letter, overnight courier, hand delivery, facsimile transmission or in any other written form and, in the case of Global Securities, may be delivered electronically or by other means in accordance with the Depository's customary procedures) of withdrawal delivered by the Holder to a Paying Agent at any time prior to the close of business on the Business Day immediately preceding the Change in Control Purchase Date, specifying the Principal Amount of the Security or portion thereof (which must be a Principal Amount of \$1,000 or an integral multiple of \$1,000 in excess thereof) with respect to which such notice of withdrawal is being submitted.

SECTION 1112 Deposit of Change in Control Purchase Price

On or before 11:00 a.m. New York City time on the Change in Control Purchase Date, the Company shall deposit with the Trustee or with a Paying Agent (other than the Company or an Affiliate of the Company) an amount of money (in immediately available funds if deposited on such Business Day) sufficient to pay the aggregate Change in Control Purchase Price of all the 2020 Debentures or portions thereof that are to be purchased as of such Change in Control Purchase Date. The manner in which the deposit required by this Section 1112 is made by the Company shall be at the option of the Company, provided that such deposit shall be made in a manner such that the Trustee or a Paying Agent shall have immediately available funds on the Change in Control Purchase Date.

If a Paying Agent holds, in accordance with the terms hereof, money sufficient to pay the Change in Control Purchase Price of any 2020 Debenture for which a Change in Control Purchase Notice has been tendered and not withdrawn in accordance with this Indenture then, on the Change in Control Purchase Date, such 2020 Debenture will cease to be Outstanding and the rights of the Holder in respect thereof shall terminate (other than the right to receive the Change in Control Purchase Price as aforesaid). The Company shall publicly announce the Principal Amount of 2020 Debentures purchased as a result of such Change in Control on or as soon as practicable after the Change in Control Purchase Date.

SECTION 1113 Securities Purchased In Part

Any 2020 Debenture that is to be purchased only in part shall be surrendered at the office of a Paying Agent and promptly after the Change in Control Purchase Date the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such 2020 Debenture, without service charge, a new 2020 Debenture or 2020 Debentures, of such authorized denomination or denominations as may be requested by such Holder, in aggregate Principal Amount equal to, and in exchange for, the portion of the Principal Amount of the 2020 Debenture so surrendered that is not purchased.

SECTION 1114 Compliance With Securities Laws Upon Purchase of Securities

In connection with any offer to purchase or purchase of 2020 Debentures under Section 1110, the Company shall (a) comply with Rule 13e-4 (or any successor to either such Rule), if applicable, under the Exchange Act, (b) file the related Schedule T0 (or any successor or similar schedule, form or report) if required under the Exchange Act, and (c) otherwise comply with all federal and state securities laws in connection with such offer, all so as to permit the rights of the Holders and obligations of the Company under Sections 1110 through 1115 to be exercised in the time and in the manner specified therein.

SECTION 1115 Repayment to the Company

To the extent that the aggregate amount of cash deposited by the Company pursuant to Section 1112 exceeds the aggregate Change in Control Purchase Price together with interest, if any, thereon of the 2020 Debentures or portions thereof that the Company is obligated to purchase, then promptly after the Change in Control Purchase Date the Trustee or a Paying Agent, as the case may be, shall return any such excess to the Company.

SECTION 211 Conversion, Tax Event, Repurchase.

The Indenture is amended by adding the following Articles Fourteen, Fifteen and Sixteen to the Indenture:

ARTICLE FOURTEEN

CONVERSION

SECTION 1401 Conversion Privilege

2020 Debentures shall be convertible in accordance with their terms and in accordance with this Article.

A Holder of a 2020 Debenture may convert the Principal Amount of such 2020 Debenture (or any portion thereof equal to a Principal Amount of \$1,000 or any integral multiple of a Principal Amount of \$1,000 in excess thereof) into Ordinary Shares at any time prior to the close of business on the date specified in the 2020 Debentures, at the Conversion Rate then in effect. In case a 2020 Debenture or portion thereof is called for redemption pursuant to Article Eleven, such conversion right shall terminate at the close of business on the Business Day immediately preceding the Redemption Date for such 2020 Debenture or such earlier date as the Holder presents such 2020 Debenture for redemption (unless the Company shall default in making the redemption payment when due, in which case the conversion right shall terminate at the close of business on the date such default is cured and such 2020 Debenture is redeemed). The number of Ordinary Shares issuable upon conversion of a 2020 Debenture per \$1,000 of Principal Amount thereof (the "Conversion Rate") shall be that set forth under "Conversion" in the 2020 Debentures, subject to adjustment as herein set forth. Provisions of this Indenture that apply to conversion of all of a 2020 Debenture also apply to conversion of a portion of a 2020 Debenture.

A 2020 Debenture in respect of which a Holder has delivered a Repurchase Notice or Change in Control Purchase Notice exercising the option of such Holder to require the Company to purchase such 2020 Debenture, may be converted only if such notice of exercise is withdrawn in accordance with the terms of this Indenture. A Holder of 2020 Debentures is not entitled to any rights of a holder of Ordinary Shares until such Holder has converted its 2020 Debentures to Ordinary Shares, and only to the extent such 2020 Debentures are deemed to have been converted into Ordinary Shares pursuant to this Article Fourteen.

SECTION 1402 Conversion Procedure

To convert a 2020 Debenture, a Holder must (a) complete and manually sign the conversion notice on the back of the 2020 Debenture and deliver such notice to a Conversion Agent, (b) surrender the 2020 Debenture to a Conversion Agent, (c) furnish appropriate endorsements and transfer documents if required

by the Security Registrar or a Conversion Agent, and (d) pay any transfer or similar tax, if required. The date on which the Holder satisfies all of those requirements is the "Conversion Date." As soon as practicable after the Conversion Date, the Company shall deliver to the Holder through a Conversion Agent a certificate for the number of whole Ordinary Shares issuable upon the conversion and cash in lieu of any fractional shares pursuant to Section 1403. Anything herein to the contrary notwithstanding, in the case of Global Securities, conversion notices may be delivered and such 2020 Debentures may be surrendered for conversion in accordance with the applicable procedures of the Depositary as in effect from time to time. The Person in whose name the Ordinary Shares certificate is registered shall be deemed to be a shareholder of record on the Conversion Date; provided, however, that no surrender of a 2020 Debenture on any date when the stock transfer books of the Company shall be closed shall be effective to constitute the Person or Persons entitled to receive the Ordinary Shares upon such conversion as the record holder or holders of such Ordinary Shares on such date, but such surrender shall be effective to constitute the Person or Persons entitled to receive such Ordinary Shares as the record holder or holders thereof for all purposes at the close of business on the next succeeding day on which such stock transfer books are open; provided, further, that such conversion shall be at the Conversion Rate in effect on the date that such 2020 Debenture shall have been surrendered for conversion, as if the stock transfer books of the Company had not been closed. Upon conversion of a 2020 Debenture, such Person shall no longer be a Holder of such 2020 Debenture.

No payment or adjustment will be made for dividends on, or other distributions with respect to, any Ordinary Shares except as provided in this Article Fourteen. On conversion of a 2020 Debenture, that portion of accrued Original Issue Discount (and interest, if the Company has exercised its option provided for in Section 1601) attributable to the period from the Issue Date (or, in the case of interest, if the Company has exercised the option provided for in Section 1601, the later of (x) the date of such exercise and (y) the date on which interest was last paid) of the 2020 Debenture through the Conversion Date with respect to the converted 2020 Debenture shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the Ordinary Shares (together with the cash payment, if any, in lieu of fractional shares) in exchange for the 2020 Debenture being converted pursuant to the provisions hereof; and the fair market value of such Ordinary Shares (together with any such cash payment in lieu of fractional shares) shall be treated as issued, to the extent thereof, first in exchange for Original Issue Discount (and interest, if the Company has exercised its option provided for in Section 1601) accrued through the Conversion Date, and the balance, if any, of such fair market value of such Ordinary Shares (and any such cash payment) shall

be treated as issued in exchange for the Issue Price of the 2020 Debenture being converted pursuant to the provisions hereof.

If a Holder converts more than one 2020 Debenture at the same time, the number of Ordinary Shares issuable upon the conversion shall be based on the aggregate Principal Amount of 2020 Debentures converted.

Upon surrender of a 2020 Debenture that is converted in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder, a new 2020 Debenture equal in Principal Amount to the Principal Amount of the unconverted portion of the 2020 Debenture surrendered.

Where the Company has exercised its option under Section 1601, 2020 Debentures or portions thereof surrendered for conversion during the period from the close of business on any Regular Record Date immediately preceding any Interest Payment Date to the opening of business on such Interest Payment Date shall (unless such 2020 Debentures or portions thereof have been called for redemption on a Redemption Date within such period) be accompanied by payment to the Company or its order, in New York Clearing House funds or other funds acceptable to the Company, of an amount equal to the interest payable on such Interest Payment Date on the principal amount of 2020 Debentures or portions thereof being surrendered for conversion.

SECTION 1403 Fractional Shares

The Company will not issue fractional Ordinary Shares upon conversion of 2020 Debentures. In lieu thereof, the Company will pay an amount in cash based upon the closing price of the Ordinary Shares on the Trading Day immediately prior to the Conversion Date.

SECTION 1404 Taxes on Conversion

If a Holder converts a 2020 Debenture, the Company shall pay any documentary, stamp or similar issue or transfer tax due on the issue of Ordinary Shares upon such conversion. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may refuse to deliver the certificate representing the Ordinary Shares being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which will be due because the shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulation.

SECTION 1405 Company to Provide Ordinary Shares

The Company shall, prior to issuance of any 2020 Debentures under this Article Fourteen, and from time to time as may be necessary, reserve, out of its authorized but unissued Ordinary Shares, a sufficient number of Ordinary Shares to permit the conversion of all 2020 Debentures Outstanding into Ordinary Shares. All Ordinary Shares delivered upon conversion of the 2020 Debentures shall be newly issued shares, shall be duly authorized, validly issued, fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim.

The Company will endeavor promptly to comply with all federal and state securities laws regulating the registration of the offer and delivery of Ordinary Shares to a converting Holder upon conversion of 2020 Debentures, if any, and will list or cause to have quoted such Ordinary Shares on each national securities exchange or on the Nasdaq National Market or other over-the-counter market or such other market on which the Ordinary Shares are then listed or quoted.

SECTION 1406 Adjustment of Conversion Rate

The Conversion Rate shall be adjusted from time to time by the Company as follows:

(a) In case the Company shall (i) pay a dividend on its Ordinary Shares in Ordinary Shares, (ii) make a distribution on its Ordinary Shares in Ordinary Shares, (iii) subdivide its outstanding Ordinary Shares into a greater number of shares, or (iv) combine its outstanding Ordinary Shares into a smaller number of shares, the Conversion Rate in effect immediately prior thereto shall be adjusted so that the Holder of any 2020 Debenture thereafter surrendered for conversion shall be entitled to receive that number of Ordinary Shares which it would have owned had such 2020 Debenture been converted immediately prior to the happening of such event. An adjustment made pursuant to this subsection (a) shall become effective immediately after the record date in the case of a dividend or distribution and shall become effective immediately after the effective date in the case of subdivision or combination.

(b) In case the Company shall issue rights or warrants to all or substantially all holders of its Ordinary Shares entitling them (for a period commencing no earlier than the record date described below and expiring not more than 60 days after such record date) to subscribe for or purchase Ordinary Shares (or securities convertible into Ordinary Shares) at a price per share (or having a conversion price per share) less than the current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section

1406) on the record date for the determination of shareholders entitled to receive such rights or warrants, the Conversion Rate in effect immediately prior thereto shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to such record date by a fraction of which the numerator shall be the number of Ordinary Shares outstanding on such record date plus the number of additional Ordinary Shares offered (or into which the convertible securities so offered are convertible), and of which the denominator shall be the number of Ordinary Shares outstanding on such record date plus the number of shares which the aggregate offering price of the total number of Ordinary Shares so offered (or the aggregate conversion price of the convertible securities so offered, which shall be determined by multiplying the number of Ordinary Shares issuable upon conversion of such convertible securities by the conversion price per Ordinary Share pursuant to the terms of such convertible securities) would purchase at the current market price per share (as determined in accordance with subsection (e) of this Section 1406) of Ordinary Shares on such record date. Such adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately after such record date. If at the end of the period during which such rights or warrants are exercisable not all rights or warrants shall have been exercised, the adjusted Conversion Rate shall be immediately readjusted to what it would have been based upon the number of additional Ordinary Shares actually issued (or the number of Ordinary Shares issuable upon conversion of convertible securities actually issued).

(c) In case the Company shall distribute to all or substantially all holders of its Ordinary Shares any shares of capital stock (other than dividends or distributions of Ordinary Shares on Ordinary Shares to which Section 1406(a) applies) of the Company, evidences of indebtedness or other assets (including securities of any Person other than the Company, but excluding all-cash distributions or any rights or warrants referred to in 1406(b)), then in each such case the Conversion Rate shall be adjusted so that the same shall equal the rate determined by multiplying the current Conversion Rate by a fraction of which the numerator shall be the current market price per share (as determined in accordance with subsection (e) of this Section 1406) of the Ordinary Shares on the record date mentioned below, and of which the denominator shall be the current market price per share (as determined in accordance with subsection (e) of this Section 1406) of the Ordinary Shares on such record date less the fair market value on such record date (as determined by the Board of Directors, whose determination shall be conclusive evidence of such fair market value and which shall be evidenced by an Officers' Certificate delivered to the Trustee) of the portion of the capital stock, evidences of indebtedness or other non-cash assets so distributed or of such rights or warrants applicable to one Ordinary Share (determined on the basis of the number of Ordinary Shares outstanding on the record date). Such adjustment

shall be made successively whenever any such distribution is made and shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution.

In the event that the Company implements a shareholder rights plan, such rights plan shall provide, subject to customary exceptions and limitations, that upon conversion of the Securities the Holders will receive, in addition to the Ordinary Shares issuable upon such conversion, the rights issued under such rights plan (notwithstanding the occurrence of an event causing such rights to separate from the Ordinary Shares at or prior to the time of conversion). Any distribution of rights or warrants pursuant to a shareholder rights plan complying with the requirements set forth in the immediately preceding sentence of this paragraph shall not constitute a distribution of rights or warrants for the purposes of this Section 1406(c).

Rights or warrants distributed by the Company to all holders of Ordinary Shares entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such Ordinary Shares; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Ordinary Shares, shall be deemed not to have been distributed for purposes of this Section 1406(c) (and no adjustment to the Conversion Rate under this Section 1406(c) will be required) until the occurrence of the earliest Trigger Event. If such right or warrant is subject to subsequent events, upon the occurrence of which such right or warrant shall become exercisable to purchase different securities, evidences of indebtedness or other assets or entitle the holder to purchase a different number or amount of the foregoing or to purchase any of the foregoing at a different purchase price, then the occurrence of each such event shall be deemed to be the date of issuance and record date with respect to a new right or warrant (and a termination or expiration of the existing right or warrant without exercise by the holder thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto, that resulted in an adjustment to the Conversion Rate under this Section 1406(c), (1) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder of Ordinary Shares with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Ordinary Shares as of the date of such redemption or repurchase, and (2) in the case of such rights or warrants all

of which shall have expired or been terminated without exercise, the Conversion Rate shall be readjusted as if such rights and warrants had never been issued.

(d) (1) In case the Company shall, by dividend or otherwise, at any time distribute (a "Triggering Distribution") to all or substantially all holders of its Ordinary Shares all-cash distributions in an aggregate amount that, together with the aggregate amount of (A) any cash and the fair market value (as determined by the Board of Directors, whose determination shall be conclusive evidence thereof and which shall be evidenced by an Officers' Certificate delivered to the Trustee) of any other consideration payable in respect of any tender offer by the Company or a Subsidiary of the Company for Ordinary Shares consummated within the 12 months preceding the date of payment of the Triggering Distribution and in respect of which no Conversion Rate adjustment pursuant to this Section 1406 has been made and (B) all other cash distributions to all or substantially all holders of its Ordinary Shares made within the 12 months preceding the date of payment of the Triggering Distribution and in respect of which no Conversion Rate adjustment pursuant to this Section 1406 has been made, exceeds an amount equal to 12.5% of the product of the current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section 1406) on the Business Day (the "Determination Date") immediately preceding the day on which such Triggering Distribution is declared by the Company multiplied by the number of Ordinary Shares outstanding on the Determination Date (excluding shares held in the treasury of the Company), the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying such Conversion Rate in effect immediately prior to the Determination Date by a fraction of which the numerator shall be such current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section 1406) on the Determination Date, and the denominator shall be the current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section 1406) on the Determination Date less the sum of the aggregate amount of cash and the aggregate fair market value (determined as aforesaid) of any such other consideration so distributed, paid or payable within such 12 months (including, without limitation, the Triggering Distribution) applicable to one Ordinary Share (determined on the basis of the number of Ordinary Shares outstanding on the Determination Date), such increase to become effective immediately prior to the opening of business on the day following the date on which the Triggering Distribution is paid.

(2) In case any tender offer made by the Company or any of its Subsidiaries for Ordinary Shares shall expire and such tender offer (as amended upon the expiration thereof) shall involve the payment of aggregate consideration in an amount (determined as the sum of the aggregate amount of cash consideration and the aggregate fair market value (as determined by the Board of

Directors, whose determination shall be conclusive evidence thereof and which shall be evidenced by an Officers' Certificate delivered to the Trustee thereof) of any other consideration) that, together with the aggregate amount of (A) any cash and the fair market value (as determined by the Board of Directors, whose determination shall be conclusive evidence thereof and which shall be evidenced by an Officers' Certificate delivered to the Trustee) of any other consideration payable in respect of any other tender offers by the Company or any Subsidiary of the Company for Ordinary Shares consummated within the 12 months preceding the date of the Expiration Date (as defined below) and in respect of which no Conversion Rate adjustment pursuant to this Section 1406 has been made and (B) all cash distributions to all or substantially all holders of its Ordinary Shares made within the 12 months preceding the Expiration Date and in respect of which no Conversion Rate adjustment pursuant to this Section 1406 has been made, exceeds an amount equal to 12.5% of the product of the current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section 1406) as of the last date (the "Expiration Date") tenders could have been made pursuant to such tender offer (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "Expiration Time") multiplied by the number of Ordinary Shares outstanding (including tendered shares but excluding any shares held in the treasury of the Company) at the Expiration Time, then, immediately prior to the opening of business on the day after the Expiration Date, the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to close of business on the Expiration Date by a fraction of which the numerator shall be the sum of (x) the aggregate consideration (determined as aforesaid) payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of Ordinary Shares outstanding (less any Purchased Shares and excluding any shares held in the treasury of the Company) at the Expiration Time and the current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section 1406) on the Trading Day next succeeding the Expiration Date, and the denominator shall be the product of the number of Ordinary Shares outstanding (including tendered shares but excluding any shares held in the treasury of the Company) at the Expiration Time multiplied by the current market price per Ordinary Share (as determined in accordance with subsection (e) of this Section 1406) on the Trading Day next succeeding the Expiration Date, such increase to become effective immediately prior to the opening of business on the day following the Expiration Date. In the event that the Company is obligated to purchase shares pursuant to any such tender offer, but the Company is permanently prevented by applicable law from effecting any or all such purchases

or any or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate which would have been in effect based upon the number of shares actually purchased. If the application of this Section 1406(d)(2) to any tender offer would result in a decrease in the Conversion Rate, no adjustment shall be made for such tender offer under this Section 1406(d)(2).

(3) For purposes of this Section 1406(d), the term "tender offer" shall mean and include both tender offers and exchange offers, all references to "purchases" of shares in tender offers (and all similar references) shall mean and include both the purchase of shares in tender offers and the acquisition of shares pursuant to exchange offers, and all references to "tendered shares" (and all similar references) shall mean and include shares tendered in both tender offers and exchange offers.

(e) For the purpose of any computation under subsections (b), (c) and (d) of this Section 1406, the current market price per Ordinary Share on any date shall be deemed to be the average of the daily closing prices for the 30 consecutive Trading Days commencing 45 Trading Days before (i) the Determination Date or the Expiration Date, as the case may be, with respect to distributions or tender offers under subsection (d) of this Section 1406 or (ii) the record date with respect to distributions, issuances or other events requiring such computation under subsection (b) or (c) of this Section 1406. The closing price for each day shall be the last reported sales price or, in case no such reported sale takes place on such date, the average of the reported closing bid and asked prices in either case on the New York Stock Exchange (the "NYSE") or, if the Ordinary Shares are not listed or admitted to trading on the NYSE, on the principal national securities exchange on which the Ordinary Shares are listed or admitted to trading or, if not listed or admitted to trading on any national securities exchange, the last reported sales price of the Ordinary Shares as quoted on NASDAQ (the term "NASDAQ" shall include, without limitation, the Nasdaq National Market) or, in case no reported sales takes place, the average of the closing bid and asked prices as quoted on NASDAQ or any comparable system or, if the Ordinary Shares are not quoted on NASDAQ or any comparable system, the closing sales price or, in case no reported sale takes place, the average of the closing bid and asked prices, as furnished by any two members of the National Association of Securities Dealers, Inc. selected from time to time by the Company for that purpose. If no such prices are available, the current market price per share shall be the fair value of an Ordinary Share as determined by the Board of Directors (which shall be evidenced by an Officers' Certificate delivered to the Trustee).

(f) In any case in which this Section 1406 shall require that an adjustment be made following a record date or a Determination Date or Expiration Date, as the case may be, established for purposes of this Section 1406, the Company may

elect to defer (but only until five Business Days following the filing by the Company with the Trustee of the certificate described in Section 1409) issuing to the Holder of any 2020 Debenture converted after such record date or Determination Date or Expiration Date the Ordinary Shares and other capital stock of the Company issuable upon such conversion over and above the Ordinary Shares and other capital stock of the Company issuable upon such conversion only on the basis of the Conversion Rate prior to adjustment; and, in lieu of the shares the issuance of which is so deferred, the Company shall issue or cause its transfer agents to issue due bills or other appropriate evidence prepared by the Company of the right to receive such shares. If any distribution in respect of which an adjustment to the Conversion Rate is required to be made as of the record date or Determination Date or Expiration Date therefor is not thereafter made or paid by the Company for any reason, the Conversion Rate shall be readjusted to the Conversion Rate which would then be in effect if such record date had not been fixed or such effective date or Determination Date or Expiration Date had not occurred.

SECTION 1407 No Adjustment

No adjustment in the Conversion Rate shall be required unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate as last adjusted; provided, however, that any adjustments which by reason of this Section 1407 are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article Fourteen shall be made to the nearest cent or to the nearest 1/1000th of a share, as the case may be.

No adjustment need be made for issuances of Ordinary Shares pursuant to a Company plan for reinvestment of dividends or interest or for a change in the par value or a change to no par value of the Ordinary Shares.

To the extent that the 2020 Debentures become convertible into the right to receive cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash.

SECTION 1408 Adjustment for Tax Purposes

The Company shall be entitled to make such adjustments in the Conversion Rate, in addition to those required by Section 1406, as it in its discretion shall determine to be advisable in order that any stock dividends, subdivisions of shares, distributions of rights to purchase stock or securities or distributions of securities convertible into or exchangeable for stock hereafter made by the Company to its shareholders shall not be taxable.

SECTION 1409 Notice of Adjustment

Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Holders a notice of the adjustment and file with the Trustee an Officers' Certificate specifying the adjusted Conversion Rate, and briefly stating the facts requiring the adjustment and the manner of computing it.

SECTION 1410 Notice of Certain Transactions

In the event that:

(1) the Company takes any action which would require an adjustment in the Conversion Rate,

(2) the Company takes any action that requires a supplemental indenture pursuant to Section 1411, or

(3) there is a dissolution or liquidation of the Company,

the Company shall mail to Holders and file with the Trustee a notice stating the proposed record or effective date, as the case may be. The Company shall mail the notice at least fifteen days before such date. Failure to mail such notice or any defect therein shall not affect the validity of any transaction referred to in clause (1), (2) or (3) of this Section 1410.

SECTION 1411 Effect of Reclassification, Consolidation, Merger or Sale on Conversion Privilege

If any of the following shall occur, namely: (a) any reclassification or change of Ordinary Shares issuable upon conversion of the 2020 Debentures (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination); (b) any consolidation or merger in which the Company is a party consolidating with another entity or merging with or into another entity other than a merger in which the Company is the continuing corporation and which does not result in any reclassification of, or change (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in, Outstanding Ordinary Shares; or (c) any sale or conveyance of all or substantially all of the property and assets of the Company to any Person, then the Company, or such successor, purchasing or transferee corporation, as the case may be, shall (if consideration is receivable by Holders of the Ordinary Shares in such consolidation, merger, sale or conveyance), as a condition precedent to such reclassification, change, consolidation, merger, sale or

conveyance, execute and deliver to the Trustee a supplemental indenture providing that the Holder of each 2020 Debenture then Outstanding shall have the right to convert such 2020 Debenture into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such reclassification, change, consolidation, merger, sale or conveyance by a holder of the number of Ordinary Shares deliverable upon conversion of such 2020 Debenture immediately prior to such reclassification, change, consolidation, merger, sale or conveyance. Such supplemental indenture shall provide for adjustments of the Conversion Rate which shall be as nearly equivalent as may be practicable to the adjustments of the Conversion Rate provided for in this Article Fourteen. If, in the case of any such consolidation, merger, sale or conveyance, the stock or other securities and property (including cash) receivable thereupon by a holder of Ordinary Shares include shares of stock or other securities and property of a Person other than the successor, purchasing or transferee corporation, as the case may be, in such consolidation, merger, sale or conveyance, then such supplemental indenture shall also be executed by such other Person and shall contain such additional provisions to protect the interests of the Holders of the 2020 Debentures as the Board of Directors shall reasonably consider necessary by reason of the foregoing. The provisions of this Section 1411 shall similarly apply to successive reclassifications, changes, consolidations, mergers, sales or conveyances.

In the event the Company shall execute a supplemental indenture pursuant to this Section 1411, the Company shall promptly file with the Trustee (x) an Officers' Certificate briefly stating the reasons therefor, the kind or amount of shares of stock or other securities or property (including cash) receivable by Holders of the 2020 Debentures upon the conversion of their 2020 Debentures after any such reclassification, change, consolidation, merger, sale or conveyance, any adjustment to be made with respect thereto and that all conditions precedent have been complied with and (y) an Opinion of Counsel that all conditions precedent have been complied with, and shall promptly mail notice thereof to all Holders.

SECTION 1412 Trustee's Disclaimer

The Trustee shall have no duty to determine when an adjustment under this Article Fourteen should be made, how it should be made or what such adjustment should be, but may accept as conclusive evidence of that fact or the correctness of any such adjustment, and shall be protected in relying upon, an Officers' Certificate including the Officers' Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 1409. The Trustee makes no representation as to the validity or value of any securities or assets issued upon conversion of 2020 Debentures, and the Trustee shall not be

responsible for the Company's failure to comply with any provisions of this Article Fourteen.

The Trustee shall not be under any responsibility to determine the correctness of any provisions contained in any supplemental indenture executed pursuant to Section 1411, but may accept as conclusive evidence of the correctness thereof, and shall be fully protected in relying upon, the Officers' Certificate with respect thereto which the Company is obligated to file with the Trustee pursuant to Section 1411.

SECTION 1413 Voluntary Increase

The Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least 20 days or such longer period as may be required by law and if the increase is irrevocable during the period.

ARTICLE FIFTEEN

REPURCHASE OF SECURITIES AT OPTION OF THE HOLDER

SECTION 1501 General

The Company may be required to repurchase 2020 Debentures in accordance with their terms and in accordance with this Article.

2020 Debentures shall be purchased by the Company under the paragraph "Repurchase by the Company at the Option of the Holder" of the 2020 Debentures on May 24, 2003, May 24, 2008 and May 24, 2013 (each, a "Repurchase Date"), at the repurchase price specified therein (each, a "Repurchase Price"), at the option of the Holder thereof, upon:

(1) delivery to the Paying Agent, by the Holder of a written notice of purchase (a "Repurchase Notice") at any time from the opening of business on the date that is 20 Business Days prior to a Repurchase Date until the close of business on such Repurchase Date stating:

(A) the certificate number of the 2020 Debenture which the Holder will deliver to be repurchased,

(B) the portion of the Principal Amount of the 2020 Debenture which the Holder will deliver to be repurchased, which portion must be \$1,000 or an integral multiple thereof,

(C) that such 2020 Debenture shall be purchased as of the Repurchase Date pursuant to the terms and conditions specified under the paragraph "Repurchase by the Company at the Option of the Holder" of the 2020 Debentures and in this Indenture,

(D) in the event that the Company elects, pursuant to Section 1502 hereof, to pay the Repurchase Price to be paid as of such Repurchase Date, in whole or in part, in Ordinary Shares but such portion of the Repurchase Price shall ultimately be payable to such Holder entirely in cash because any of the conditions to payment of the Repurchase Price in Ordinary Shares is not satisfied prior to the close of business on such Repurchase Date, as set forth in Section 1503 hereof, whether such Holder elects (i) to withdraw such Repurchase Notice as to some or all of the 2020 Debentures to which such Repurchase Notice relates (stating the Principal Amount at Maturity and certificate numbers of the 2020 Debentures as to which such withdrawal shall relate), or (ii) to receive cash in respect of the entire Repurchase Price for all 2020 Debentures (or portions thereof) to which such Repurchase Price relates, and

(2) delivery of such 2020 Debenture to the Paying Agent prior to, on or after the Repurchase Date (together with all necessary endorsements) at the offices of the Paying Agent, such delivery being a condition to receipt by the Holder of the Repurchase Price therefor; provided, however, that such Repurchase Price shall be so paid pursuant to this Article Fifteen only if the 2020 Debenture so delivered to the Paying Agent shall conform in all respects to the description thereof in the related Repurchase Notice.

If a Holder, in such Holder's Repurchase Notice and in any written notice of withdrawal delivered by such Holder pursuant to the terms of Section 1509 hereof, fails to indicate such Holder's choice with respect to the election set forth in clause (D) of Section 1501(1), such Holder shall be deemed to have elected to receive cash in respect of the Repurchase Price for all 2020 Debentures subject to the Repurchase Notice in the circumstances set forth in such clause (D).

The Company shall purchase from the Holder thereof, pursuant to this Article Fifteen, a portion of a 2020 Debenture if the Principal Amount of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a 2020 Debenture also apply to the purchase of such portion of such 2020 Debenture.

Any purchase by the Company contemplated pursuant to the provisions of this Article Fifteen shall be consummated by the delivery of the consideration

to be received by the Holder promptly following the later of the Repurchase Date and the time of delivery of the Security.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent the Repurchase Notice contemplated by this Section 1501 shall have the right to withdraw such Repurchase Notice at any time prior to the close of business on the Repurchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 1509.

The Paying Agent shall promptly notify the Company of the receipt by it of any Repurchase Notice or written notice of withdrawal thereof.

SECTION 1502 The Company's Right to Elect Manner of Payment of Repurchase Price

(a) The Repurchase Price of 2020 Debentures in respect of which a Repurchase Notice pursuant to Section 1501 has been given, or a specified percentage thereof, will be paid by the Company, at the election of the Company, with cash or Ordinary Shares or in any combination of cash and Ordinary Shares, subject to the conditions set forth in Section 1502 and 1503 hereof. The Company shall designate, in the Company Notice delivered pursuant to Section 1505 hereof, whether the Company will purchase the 2020 Debentures for cash or Ordinary Shares, or, if a combination thereof, the percentages of the Repurchase Price of 2020 Debentures in respect of which it will pay in cash and Ordinary Shares; provided that the Company will pay cash for fractional interests in Ordinary Shares. For purposes of determining the existence of potential fractional interests, all 2020 Debentures subject to purchase by the Company held by a Holder shall be considered together (no matter how many separate certificates are to be presented). Each Holder whose 2020 Debentures are purchased pursuant to this Article Fifteen shall receive the same percentage of cash or Ordinary Shares in payment of the Repurchase Price for such 2020 Debentures, except (i) as provided in Section 1504 with regard to the payment of cash in lieu of fractional Ordinary Shares and (ii) in the event that the Company is unable to purchase the 2020 Debentures of a Holder or Holders for Ordinary Shares because any necessary qualifications or registrations of the Ordinary Shares under applicable state securities laws cannot be obtained, the Company may purchase the 2020 Debentures of such Holder or Holders for cash. The Company may not change its election with respect to the consideration (or components or percentages of components thereof) to be paid once the Company has given its Company Notice to Holders except pursuant to this Section 1502 or pursuant to Section 1504 in the event of a failure to satisfy, prior to the close of business on the Repurchase Date, any condition to the payment of the Repurchase Price, in whole or in part, in Ordinary Shares.

At least three Business Days before the Company Notice Date, the Company shall deliver an Officers' Certificate to the Trustee specifying:

- (i) the manner of payment selected by the Company,
- (ii) the information required by Section 1505,
- (iii) if the Company elects to pay the Repurchase Price, or a specified percentage thereof, in Ordinary Shares, that the conditions to such manner of payment set forth in Section 1504 have been or will be complied with, and
- (iv) whether the Company desires the Trustee to give the Company Notice required by Section 1505.

SECTION 1503 Purchase with Cash

On each Repurchase Date, at the option of the Company, the Repurchase Price of 2020 Debentures in respect of which a Repurchase Notice pursuant to Section 1501 has been given, or a specified percentage thereof, may be paid by the Company with cash equal to the aggregate Repurchase Price of such 2020 Debentures. If the Company elects to purchase 2020 Debentures with cash, the Company Notice, as provided in Section 1505, shall be sent to Holders (and to beneficial owners as required by applicable law) not less than 20 Business Days prior to such Purchase Date (the "Company Notice Date").

SECTION 1504 Payment by Issuance of Ordinary Shares

On each Repurchase Date, at the option of the Company, the Repurchase Price of 2020 Debentures in respect of which a Repurchase Notice pursuant to Section 1501 has been given, or a specified percentage thereof, may be paid by the Company by the issuance of a number of Ordinary Shares equal to the quotient obtained by dividing (i) the amount of cash to which the Holders would have been entitled had the Company elected to pay all or such specified percentage, as the case may be, of the Repurchase Price of such 2020 Debentures in cash by (ii) the Market Price of an Ordinary Share, subject to the next succeeding paragraph.

The Company will not issue a fractional Ordinary Share in payment of the Repurchase Price. Instead the Company will pay cash for the current market value of the fractional share. The current market value of a fraction of an Ordinary Share shall be determined by multiplying the Market Price by such fraction and rounding the product to the nearest whole cent with one half cent being rounded upwards. It is understood that if a Holder elects to have more than one 2020

Debenture repurchased, the number of Ordinary Shares shall be based on the aggregate amount of 2020 Debentures to be repurchased.

If the Company elects to purchase the 2020 Debentures by the issuance of Ordinary Shares, the Company Notice, as provided in Section 1505, shall be sent to the Holders (and to beneficial owners as required by applicable law) not later than the Company Notice Date.

The Company's right to exercise its election to purchase the 2020 Debentures pursuant to this Article Fifteen through the issuance of Ordinary Shares shall be conditioned upon:

(i) the Company's not having given its Company Notice of an election to pay entirely in cash and its giving of timely Company Notice of election to purchase all or a specified percentage of the 2020 Debentures with Ordinary Shares as provided herein;

(ii) the registration of the Ordinary Shares to be issued in respect of the payment of the Repurchase Price under the Securities Act or the Exchange Act, in each case, if required for the initial issuance thereof;

(iii) any necessary qualification or registration under applicable state securities laws or the availability of an exemption from such qualification and registration; and

(iv) the receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel each stating that (A) the terms of the issuance of the Ordinary Shares are in conformity with this Indenture and (B) the Ordinary Shares to be issued by the Company in payment of the Repurchase Price in respect of 2020 Debentures have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Repurchase Price in respect of the 2020 Debentures, will be validly issued, fully paid and non-assessable and, to the best of such counsel's knowledge, free from preemptive rights, and, in the case of such Officer's Certificate, stating that conditions (i), (ii) and (iii) above and the condition set forth in the second succeeding sentence have been satisfied and, in the case of such Opinion of Counsel, stating that conditions (ii) and (iii) above have been satisfied.

Such Officers' Certificate shall also set forth the number of Ordinary Shares to be issued for each \$1,000 Principal Amount at Maturity of 2020 Debentures and the Sale Price of an Ordinary Share on each trading day during the period commencing on the first trading day of the period during which the Market Price is calculated and ending three Business Days prior to the applicable

Repurchase Date. The Company may pay the Repurchase Price (or any portion thereof) in Ordinary Shares only if the information necessary to calculate the Market Price is published in The Wall Street Journal or another daily newspaper of national circulation. If the foregoing conditions are not satisfied with respect to a Holder or Holders prior to the close of business on the Repurchase Date and the Company has elected to repurchase the 2020 Debentures pursuant to this Article Fifteen through the issuance of Ordinary Shares, the Company shall pay, without further notice, the entire Repurchase Price of the 2020 Debentures of such Holder or Holders in cash.

The "Market Price" means the average of the Sale Prices of the Ordinary Shares for the five trading day period ending on (if the third Business Day prior to the applicable Repurchase Date is a trading day, or if not, then on the last trading day prior to), the third Business Day prior to the applicable Repurchase Date appropriately adjusted to take into account the occurrence, during the period commencing on the first of such trading days during such five trading day period and ending on such Repurchase Date, of any event described in Section 1406; subject, however, to the conditions set forth in Sections 1406(f) and 1407.

The "Sale Price" of the Ordinary Shares on any date means the closing per share sale price (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and average ask prices) on such date as reported in the composite transactions for the principal United States securities exchange on which the Ordinary Shares are traded or, if the Ordinary Shares are not listed on a United States national or regional securities exchange, as reported by the National Association of Securities Dealers Automated Quotation System or its successors.

SECTION 1505 Notice of Election

The Company's notice of election to repurchase with cash or Ordinary Shares or any combination thereof shall be sent to the Holders in the manner provided in Section 106 at the time specified in Section 1503 or 1504, as applicable (the "Company Notice"). Such Company Notice shall state the manner of payment elected and shall contain the following information:

In the event the Company has elected to pay the Repurchase Price (or a specified percentage thereof) with Ordinary Shares, the Company Notice shall:

(1) state that each Holder will receive Ordinary Shares with a Market Price equal to such specified percentage of the Repurchase Price of the 2020 Debentures held by such Holder (except any cash amount to be paid in lieu of fractional shares);

(2) set forth the method of calculating the Market Price of the Ordinary Shares; and

(3) state that because the Market Price of Ordinary Shares will be determined prior to the Repurchase Date, Holders will bear the market risk with respect to the value of the Ordinary Shares to be received from the date such Market Price is determined to the Repurchase Date.

In any case, each Company Notice shall include a form of Repurchase Notice to be completed by a Holder and shall state:

(A) the Repurchase Price and the Conversion Rate;

(B) the name and address of the Paying Agent and the Conversion Agent;

(C) that 2020 Debentures as to which a Repurchase Notice has been given may be converted pursuant to Article Fourteen hereof only if the applicable Repurchase Notice has been withdrawn in accordance with the terms of this Indenture;

(D) that 2020 Debentures must be surrendered to the Paying Agent to collect payment;

(E) that the Repurchase Price for any 2020 Debenture as to which a Repurchase Notice has been given and not withdrawn will be paid promptly following the later of the Repurchase Date and the time of surrender of such 2020 Debenture as described in (D);

(F) the procedures the Holder must follow to exercise repurchase rights under this Article Fifteen and a brief description of those rights;

(G) briefly, the conversion rights of the 2020 Debentures;
and

(H) the procedures for withdrawing a Repurchase Notice (including, without limitation, for a conditional withdrawal pursuant to the terms of Section 1501 or 1509).

At the Company's request, the Trustee shall give such Company Notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such Company Notice shall be prepared by the Company.

Upon determination of the actual number of Ordinary Shares to be issued for each \$1,000 Principal Amount at Maturity of 2020 Debentures, the Company will publish such determination at the Company's Web site on the World Wide Web or through such other public medium as the Company may use at that time.

SECTION 1506 Covenants of the Company

All Ordinary Shares delivered upon purchase of the 2020 Debentures shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and nonassessable and shall be free from preemptive rights and free of any lien or adverse claim. The Company shall use its reasonable efforts to list or cause to have quoted any Ordinary Shares to be issued to purchase 2020 Debentures on the principal national securities exchange or over-the-counter or other domestic market on which the Ordinary Shares are then listed or quoted.

SECTION 1507 Procedure upon Repurchase

The Company shall deposit cash (in respect of a cash purchase under Section 1503 or for fractional Ordinary Shares, as applicable) or Ordinary Shares, or a combination thereof, as applicable, at the time and in the manner as provided in Section 1510, sufficient to pay the aggregate Repurchase Price of all 2020 Debentures to be purchased on the applicable Repurchase Date pursuant to this Article Fifteen.

As soon as practicable after the Repurchase Date, the Company shall deliver to each Holder entitled to receive Ordinary Shares through the Paying Agent, a certificate for the number of full shares of Ordinary Shares issuable in payment of the Repurchase Price and cash in lieu of any fractional Ordinary Shares. The Person in whose name the certificate for Ordinary Shares is registered shall be treated as a holder of record of Ordinary Shares on the Business Day following the Repurchase Date. Subject to Section 1504, no payment or adjustment will be made for dividends on the Ordinary Shares the record date for which occurred on or prior to the Repurchase Date.

SECTION 1508 Taxes

If a Holder of a 2020 Debenture is paid in Ordinary Shares, the Company shall pay any documentary, stamp or similar issue or transfer tax due on such issue of Ordinary Shares. However, the Holder shall pay any such tax which is due because the Holder requests the Ordinary Shares to be issued in a name other than the Holder's name. The Paying Agent may refuse to deliver the certificates representing the Ordinary Shares being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which will

be due because the Ordinary Shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by law or regulations, subject to the payment by the Company of any Tax Additional Amounts required by the terms of each 2020 Debenture.

SECTION 1509 Effect of Repurchase Notice

Upon receipt by the Paying Agent of the Repurchase Notice, the Holder of the 2020 Debenture in respect of which such Repurchase Notice was given shall (unless such Repurchase Notice is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Repurchase Price with respect to such 2020 Debenture. Such Repurchase Price shall be paid to such Holder, subject to receipt of funds and/or Ordinary Shares by the Paying Agent, promptly following the later of (x) the Repurchase Date with respect to such 2020 Debenture (provided the conditions in Section 1501 have been satisfied) and (y) the time of delivery of such 2020 Debenture to the Paying Agent by the Holder thereof in the manner required by Section 1501. 2020 Debentures in respect of which a Repurchase Notice has been given by the Holder thereof may not be converted pursuant to Article Fourteen hereof on or after the date of the delivery of such Repurchase Notice unless such Repurchase Notice has first been validly withdrawn as specified in the following two paragraphs.

A Repurchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent in accordance with the Repurchase Notice at any time prior to the close of business on the applicable Repurchase Date specifying:

(1) the certificate number of the 2020 Debenture in respect of which such notice of withdrawal is being submitted;

(2) the Principal Amount of the 2020 Debenture with respect to which such notice of withdrawal is being submitted; and

(3) the Principal Amount, if any, of such 2020 Debenture which remains subject to the original Repurchase Notice and which has been or will be delivered for purchase by the Company.

A written notice of withdrawal of a Repurchase Notice may be in the form set forth in the preceding paragraph or may be in the form of (i) a conditional withdrawal contained in a Repurchase Notice pursuant to the terms of Section 1501(1)(D) or (ii) a conditional withdrawal containing the information set forth in Section 1501(1)(D) and the preceding paragraph and contained in a written

notice of withdrawal delivered to the Paying Agent as set forth in the preceding paragraph.

There shall be no purchase of any 2020 Debentures pursuant to this Article Fifteen (other than through the issuance of Ordinary Shares in payment of the Repurchase Price, including cash in lieu of fractional shares) if there has occurred (prior to, on or after, as the case may be, the giving, by the Holders of such 2020 Debentures, of the required Repurchase Notice) and is continuing an Event of Default (other than a default in the payment of the Repurchase Price with respect to such 2020 Debentures). The Paying Agent will promptly return to the respective Holders thereof any 2020 Debentures (x) with respect to which a Repurchase Notice has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default in the payment of the Repurchase Price with respect to such 2020 Debentures) in which case, upon such return, the Repurchase Notice with respect thereto shall be deemed to have been withdrawn.

SECTION 1510 Deposit of Repurchase Price

Prior to 11:00 a.m. (New York City time) on the Business Day following the Repurchase Date, the Company shall deposit with the Trustee or with the Paying Agent an amount of money (in immediately available funds if deposited on such Business Day) and/or Ordinary Shares, if permitted hereunder, sufficient to pay the aggregate Repurchase Price of all of the 2020 Debentures or portions thereof which are to be purchased as of the Repurchase Date.

SECTION 1511 Securities Repurchased in Part

Any 2020 Debenture which is to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company or the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such 2020 Debenture, without service charge, a new 2020 Debenture or 2020 Debentures, of any authorized denomination as requested by such Holder in aggregate Principal Amount equal to, and in exchange for, the portion of the Principal Amount of the 2020 Debenture so surrendered which is not purchased.

SECTION 1512 Comply with Securities Laws Upon Purchase of Securities

In connection with any offer to purchase or purchase of 2020 Debentures under this Article Fifteen (provided that such offer or purchase constitutes an

"issuer tender offer" for purposes of Rule 13e-4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase), the Company shall (i) comply with Rule 13e-4 under the Exchange Act, (ii) file the related Schedule T0 (or any successor schedule, form or report) under the Exchange Act, and (iii) otherwise comply with all Federal and state securities laws so as to permit the rights and obligations under Article Fifteen to be exercised in the time and in the manner specified in this Article Fifteen.

SECTION 1513 Repayment to the Company

The Trustee and the Paying Agent shall return to the Company any cash or Ordinary Shares that remain unclaimed for two years, subject to applicable unclaimed property law, together with interest or dividends, if any, thereon held by them for the payment of the Repurchase Price; provided, however, that to the extent that the aggregate amount of cash or Ordinary Shares deposited by the Company pursuant to Section 1510 exceeds the aggregate Repurchase Price of the 2020 Debentures or portions thereof which the Company is obligated to purchase as of the Repurchase Date, then promptly after the Business Day following the Repurchase Date the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon. After that, Holders entitled to money must look to the Company for payment as general creditors, unless an applicable abandoned property law designates another Person.

SECTION 1514 Conversion Arrangement on Repurchase

Any Securities required to be repurchased under this Article Fifteen, unless surrendered for conversion before the close of business on the Repurchase Date, may be deemed to be purchased from the Holders of such Securities for an amount in cash not less than the Repurchase Price, by one or more investment bankers or other purchasers who may agree with the Company to purchase such Securities from the Holders, to convert them into Ordinary Shares of the Company and to make payment for such Securities to the Trustee in trust for such Holders.

ARTICLE SIXTEEN

SPECIAL TAX EVENT CONVERSION

SECTION 1601 Optional Conversion to Interest-Bearing Securities Upon Tax Event

From and after (i) the date (the "Tax Event Date") of the occurrence of a Tax Event and (ii) the date the Company exercises such option, whichever is later (the "Option Exercise Date"), at the option of the Company with respect to its

2020 Debentures only, interest in lieu of future Original Issue Discount shall accrue at the rate of 2.75% per annum on a restated principal amount per \$1,000 original Principal Amount (the "Restated Principal Amount") equal to the Issue Price plus Original Issue Discount accrued to the Option Exercise Date and shall be payable semiannually on each Interest Payment Date to holders of record at the close of business on each Regular Record Date immediately preceding such Interest Payment Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30- day months and will accrue from the most recent date on which interest has been paid or, if no interest has been paid, from the Option Exercise Date. Within 15 days of the occurrence of a Tax Event, the Company shall mail a written notice of such Tax Event by first-class mail to the Trustee and within 15 days of its exercise of such option the Company shall mail a written notice of the Option Exercise Date by first-class mail to the Trustee and Holders of the 2020 Debentures. From and after the Option Exercise Date, (i) the Company shall be obligated to pay at Stated Maturity, in lieu of the Principal Amount of a Security, the Restated Principal Amount thereof and (ii) "Issue Price and accrued Original Issue Discount," "Issue Price plus Original Issue Discount" or similar words, as used herein, shall mean Restated Principal Amount plus accrued and unpaid interest with respect to any 2020 Debenture. 2020 Debentures authenticated and delivered after the Option Exercise Date may, and shall if required by the Trustee, bear a notation in a form approved by the Trustee as to the conversion of the 2020 Debentures to interest-bearing 2020 Debentures.

SECTION 212 Amendment to Events of Default.

(a) Clause (1) of Section 501 of the Indenture is amended to read in its entirety as follows:

(1) default in the payment of any interest after the conversion of the 2020 Debentures to interest-bearing 2020 Debentures pursuant to Section 1601 or of any Tax Additional Amounts upon any 2020 Debentures when such interest or Tax Additional Amounts become due and payable and continuance of such default for a period of 30 days;

(b) Clause (2) of Section 501 of the Indenture is amended to read in its entirety as follows:

(2) default in the payment of the Principal Amount at Maturity (or, if the 2020 Debentures have been converted to interest-bearing 2020 Debentures pursuant to Section 1601, the Restated Principal Amount), the Redemption Price, the Repurchase Price or the Change in Control Purchase Price when the same becomes due and payable at its Stated Maturity upon redemption, upon

declaration of acceleration, when due for repurchase by the Company or otherwise;

ARTICLE THREE

MISCELLANEOUS PROVISIONS

SECTION 301 Integral Part.

This Third Supplemental Indenture constitutes an integral part of the Indenture.

SECTION 302 General Definitions.

For all purposes of this Third Supplemental Indenture:

(a) capitalized terms used herein without definition shall have the meanings specified in the Indenture; and

(b) the terms "herein", "hereof", "hereunder" and other words of similar import refer to this Third Supplemental Indenture.

SECTION 303 Adoption, Ratification and Confirmation.

The Indenture, as supplemented and amended by this Third Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed.

SECTION 304 Counterparts.

This Third Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed an original; and all such counterparts shall together constitute but one and the same instrument.

SECTION 305 Governing Law.

THIS THIRD SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Indenture to be duly executed and their respective corporate seals to be hereunto fixed and attested as of the day and year first written above.

TRANSOCEAN SEDCO FOREX INC.

By: _____
Name: _____
Title: _____

CHASE BANK OF TEXAS, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

STATE OF TEXAS)

COUNTY OF HARRIS)

On the 24th day of May, 2000, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that he is _____ of TRANSOCEAN SEDCO FOREX INC., one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board Directors of said corporation, and that he signed his name thereto by like authority.

Notary

STATE OF TEXAS)

COUNTY OF HARRIS)

On the 24th day of May, 2000, before me personally came _____, to me known, who, being by me duly sworn, did depose and say that such person is a _____ of CHASE BANK OF TEXAS, NATIONAL ASSOCIATION, one of the corporations described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board Directors of said corporation, and that such person signed his name thereto by like authority.

Notary

Payment of the principal of and interest, if any, and Tax Additional Amounts, if any, on this Security will be made at the office or agency of the Company maintained for that purpose in The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company, payment of interest, if any, and Tax Additional Amounts, if any, may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

TRANSOCEAN SEDCO FOREX INC.

By: _____

Name:
Title:

Corporate Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

CHASE BANK OF TEXAS, NATIONAL
ASSOCIATION, as Trustee

Authorized Signature

[FORM OF REVERSE SIDE OF SECURITY]

TRANSOCEAN SEDCO FOREX INC.

ZERO COUPON CONVERTIBLE DEBENTURE DUE MAY 2020

This Security is one of a duly authorized issue of senior securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of April 15, 1997, as amended by the Third Supplemental Indenture thereto, dated as of May 24, 2000 (as so amended, herein called the "Indenture"), between the Company and Chase Bank Texas, National Association, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount at maturity to \$865,000,000.

INTEREST

This Security shall not bear interest, except as specified in this paragraph or as described under "Tax Event". If the Principal Amount hereof or any portion of such Principal Amount is not paid when due (whether upon acceleration pursuant to Section 502 of the Indenture, upon the date set for payment of the Redemption Price as described under "Optional Redemption", upon the date set for payment of the Change in Control Purchase Price pursuant to "Purchase of Securities at Option of Holder Upon a Change in Control", upon the date set for payment of the Repurchase Price under "Repurchase by the Company at the Option of the Holder" or upon the Stated Maturity of this Security) or if interest due hereon, if any, (or any portion of such interest) is not paid when due, then in each such case the overdue amount shall, to the extent permitted by law, bear interest at the rate of 2.75% per annum, compounded semi-annually, which interest shall accrue from the date such overdue amount was originally due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable as set forth in the Indenture. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued accrual of Original Issue Discount. Original Issue Discount (the difference between the Issue Price and the Principal Amount of the Security), in the period during which a Security remains outstanding, shall accrue at 2.75% per annum, on a semiannual bond equivalent basis using a 360-day year composed of twelve 30-day months, from the Issue Date of this Security.

METHOD OF PAYMENT

Payments in respect of principal of and interest, if any, on the Securities shall be made by the Company in immediately available funds.

OPTIONAL REDEMPTION

No sinking fund is provided for the Securities. The Securities are redeemable as a whole, or from time to time in part, at any time at the option of the Company at the Redemption Price set forth below, after May 24, 2003.

The table below shows Redemption Prices of a Security per \$1,000 Principal Amount on the dates shown below and at Stated Maturity, which prices reflect accrued Original Issue Discount calculated through each such date. The Redemption Price of a Security redeemed between such dates shall include an additional amount reflecting the additional Original Issue Discount accrued since the immediately preceding date in the table.

REDEMPTION DATE	(1) DEBENTURE ISSUE PRICE	(2) ACCRUED ORIGINAL ISSUE DISCOUNT	(3) REDEMPTION PRICE (1)+(2)
May 24, 2003	\$ 579.12	\$ 49.45	\$ 628.57
May 24, 2004	579.12	66.85	645.97
May 24, 2005	579.12	84.74	663.86
May 24, 2006	579.12	103.12	682.24
May 24, 2007	579.12	122.01	701.13
May 24, 2008	579.12	141.43	720.55
May 24, 2009	579.12	161.38	740.50
May 24, 2010	579.12	181.88	761.00
May 24, 2011	579.12	202.95	782.07
May 24, 2012	579.12	224.61	803.73
May 24, 2013	579.12	246.86	825.98
May 24, 2014	579.12	269.73	848.85
May 24, 2015	579.12	293.24	872.36
May 24, 2016	579.12	317.39	896.51
May 24, 2017	579.12	342.21	921.33
May 24, 2018	579.12	367.72	946.84
May 24, 2019	579.12	393.94	973.06
At stated maturity	579.12	420.88	1,000.00

If converted to an interest-bearing debenture following the occurrence of a Tax Event, this Security will be redeemable at the Restated Principal Amount plus accrued and unpaid interest from the date of such conversion to the Redemption Date; but in no event will this Security be redeemable before May 24, 2003.

If the Company redeems less than all of the outstanding Securities, the Trustee will select the Securities to be redeemed (i) by lot; (ii) pro rata or (iii) by another method the Trustee considers fair and appropriate. If the Trustee selects a portion of a Holder's Securities for partial redemption and the Holder converts a portion of the same Securities, the converted portion will be deemed to be from the portion selected for redemption.

NOTICE OF REDEMPTION

Notice of redemption will be mailed by first-class mail at least 15 days but not more than 60 days before the Redemption Date to each Holder of Securities to be redeemed at its registered address. Securities in denominations larger than \$1,000 Principal Amount may be redeemed in part, but only in whole multiples of \$1,000. On and after the Redemption Date, subject to the deposit with the Paying Agent of funds sufficient to pay the Redemption Price, Original Issue Discount (or interest, if the Security is converted to an interest-bearing debenture) ceases to accrue on Securities or portions thereof called for redemption.

PURCHASE OF SECURITIES AT OPTION OF HOLDER UPON A CHANGE IN CONTROL

At the option of the Holder and subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase all or any part specified by the Holder (so long as the Principal Amount of such part is \$1,000 or an integral multiple of \$1,000 in excess thereof) of the Securities held by such Holder on the date that is 35 Business Days after the occurrence of a Change in Control, at a Change in Control Purchase Price equal to the Issue Price plus accrued Original Issue Discount through the Change in Control Purchase Date. The Holder shall have the right to withdraw any Change in Control Purchase Notice (in whole or in a portion thereof that is \$1,000 Principal Amount or an integral multiple of \$1,000 in excess thereof) at any time prior to the close of business on the Business Day prior to the Change in Control Purchase Date by delivering a written notice of withdrawal to the Paying Agent in accordance with the terms of the Indenture.

If prior to a Change in Control Purchase Date this Security has been converted to an interest-bearing debenture following the occurrence of a Tax Event, the Change in Control Purchase Price shall be equal to the Restated Principal Amount plus accrued and unpaid interest from the date of conversion to the Change in Control Purchase Date.

CONVERSION

A Holder of a Security may convert the Security into Ordinary Shares at any time until the close of business on the Business Day prior to the Stated Maturity; provided, however, that if the Security is called for redemption, the conversion right will terminate at the close of business on the Business Day immediately preceding the Redemption Date for such Security or such earlier date as the Holder presents such Security for redemption (unless the Company shall default in making the redemption payment when due, in which case the conversion right shall terminate at the close of business on the date such default is cured and such Security is redeemed). A Security in respect of which a Holder has delivered a Repurchase Notice exercising the option of such Holder to require the Company to purchase such Security may be converted only if such notice of exercise is withdrawn in accordance with the terms of the Indenture. The initial Conversion Rate is 8.1566 Ordinary Shares per \$1,000 Principal Amount, subject to adjustment in certain events described in the Indenture. The Company will deliver cash or a check in lieu of any fractional Ordinary Share.

In the event the Company exercises its option pursuant to Section 1601 of the Indenture to have interest in lieu of Original Issue Discount accrue on the Security following a Tax Event, the Holder will be entitled on conversion to receive the same number of Ordinary Shares such Holder would have received if the Company had not exercised such option. If the Company exercises such option, Securities surrendered for conversion during the period from the close of business on any Regular Record Date immediately preceding any Interest Payment Date to the opening of business of such Interest Payment Date (except Securities or portions of Securities to be redeemed on a Redemption Date occurring during the period from the close of business on a Regular Record Date and ending on the opening of business on the first Business Day after the next Interest Payment Date, or if this Interest Payment Date is not a Business Day, the second Business Day after the Interest Payment Date) must be accompanied by payment from the Holder of an amount equal to the interest thereon that the registered Holder is to receive from the Company on such Interest Payment Date. Except where Securities surrendered for conversion must be accompanied by payment as described above, no interest on converted Securities will be payable by the Company on any Interest Payment Date subsequent to the date of conversion.

A Holder may convert a portion of a Security if the Principal Amount of such portion is \$1,000 or an integral multiple of \$1,000. No payment or adjustment will be made for dividends on the Ordinary Shares except as provided in the Indenture. On conversion of a Security, that portion of accrued Original Issue Discount (and interest if the Security is converted to an interest-bearing debenture) attributable to the period from the Issue Date (or, in the case of interest, if the Company has exercised the option referred to in "Tax Event", the later of (x) the date of such exercise and (y) the date on which interest was last paid) through the Conversion Date with respect to the converted Security shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through the delivery of the Ordinary Shares (together with the cash payment, if any, in lieu of fractional shares) in exchange for the Security being converted pursuant to the terms hereof; and the fair market value of such Ordinary Shares (together with any such cash payment in lieu of fractional shares) shall be treated as issued, to the extent thereof, first in exchange for Original Issue Discount (and interest, if the Company has exercised its option provided for in "Tax Event") accrued through the Conversion Date, and the balance, if any, of such fair market value of such Ordinary Shares (and any such cash payment) shall be treated as issued in exchange for the Issue Price of the Security being converted pursuant to the provisions hereof.

No fractional shares will be issued upon conversion; in lieu thereof, an amount will be paid in cash based upon the closing price of the Ordinary Shares on the Trading Day immediately prior to the Conversion Date.

To convert a Security, a Holder must (a) complete and manually sign the conversion notice set forth below and deliver such notice to a Conversion Agent, (b) surrender the Security to the Conversion Agent, (c) furnish appropriate endorsements and transfer documents (including any certification that may be required under applicable law) if required by the Conversion Agent, and (d) pay any transfer or similar tax, if required.

REPURCHASE BY THE COMPANY AT THE OPTION OF THE HOLDER

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, the Securities held by such Holder on the following Repurchase Dates and at the following Repurchase Prices per \$1,000 Principal Amount, upon delivery of a Repurchase Notice containing the information set forth in the Indenture, at any time from the opening of business on the date that is 20 Business Days prior to such Repurchase Date until the close of business on such Repurchase Date and upon delivery of the Securities to the Paying Agent by the Holder as set forth in the Indenture.

REPURCHASE DATE -----	REPURCHASE PRICE -----
May 24, 2003	\$ 628.57
May 24, 2008	\$ 720.55
May 24, 2013	\$ 825.98

The Repurchase Price (equal to the Issue Price plus accrued Original Issue Discount through the Repurchase Date) may be paid, at the option of the Company, in cash or by the issuance of Ordinary Shares at the Conversion Rate, or in any combination thereof.

If prior to a Repurchase Date this Security has been converted to an interest-bearing debenture following the occurrence of a Tax Event, the Repurchase Price will be equal to the Restated Principal Amount plus accrued and unpaid interest from the date of conversion to the Repurchase Date.

Holders have the right to withdraw any Repurchase Notice by delivering to the Paying Agent a written notice of withdrawal prior to the close of business on the Repurchase Date in accordance with the provisions of the Indenture.

If cash (and/or securities if permitted under the Indenture) sufficient to pay the Repurchase Price of all Securities or portions thereof to be purchased as of the Repurchase Date, is deposited with the Paying Agent on the Business Day following the Repurchase Date, Original Issue Discount ceases to accrue on such Securities (or portions thereof) immediately after such Repurchase Date, and the Holder thereof shall have no other rights as such (other than the right to receive the Repurchase Price upon surrender of such Security).

TAX EVENT

From and after (i) the date (the "Tax Event Date") of the occurrence of a Tax Event and (ii) the date the Company exercises such option, whichever is later (the "Option Exercise Date"), at the option of the Company, interest in lieu of future Original Issue Discount shall accrue at the rate of 2.75% per annum on a Principal Amount per Security (the "Restated Principal Amount") equal to the Issue Price plus Original Issue Discount accrued through the Option Exercise Date and shall be payable semiannually on May 24 and November 24, of each year (each an "Interest Payment Date")

to holders of record at the close of business on May 10 or November 10 (each a "Regular Record Date") immediately preceding such Interest Payment Date. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months and will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Option Exercise Date.

Interest on any Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Security is registered at the close of business on the Regular Record Date for such interest at the office or agency of the Company maintained for such purpose. Each installment of interest on any Security shall be paid in same-day funds by transfer to an account maintained by the payee located inside the United States.

Except as otherwise specified with respect to the Securities, any Defaulted Interest on any Security shall forthwith cease to be payable to the registered Holder thereof on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company as provided for in Section 307 of the Indenture.

CONVERSION ARRANGEMENT ON CALL FOR REDEMPTION

Any Securities called for redemption, unless surrendered for conversion before the close of business on the Redemption Date, may be deemed to be purchased from the Holders of such Securities at an amount not less than the Redemption Price, by one or more investment bankers or other purchasers who may agree with the Company to purchase such Securities from the Holders, to convert them into Ordinary Shares of the Company and to make payment for such Securities to the Paying Agent in trust for such Holders.

TAX ADDITIONAL AMOUNTS

The Company agrees that any amounts to be paid by the Company hereunder with respect to any Security shall be paid without deduction or withholding for any and all present and future withholding taxes, levies, imposts and charges whatsoever imposed by or for the account of the Cayman Islands or any political subdivision or taxing authority thereof or therein, or if deduction or withholding of any such taxes, levies, imposts or charges shall at any time be required by the Cayman Islands or any such subdivision or authority thereof or therein, the Company will (subject to compliance by the Holder of such Security with any relevant administrative requirements) pay such additional amounts ("Tax Additional Amounts") in respect of principal amount, premiums (if any), Redemption Price, and interest (if any), in accordance with the terms of the Securities and the Indenture, as the case may be in order that the amounts received by the Holder of the Security, after such deduction or withholding, shall equal the respective amounts of principal amount, premium (if any), Redemption Price, and interest (if any), in accordance with the terms of the Securities and the Indenture, as specified in such Securities to which such Holder is entitled; provided, however, that the foregoing shall not apply to:

(1) any such tax, levy, impost or charge which would not be payable or due but for the fact that (A) the Holder of a Security (or a fiduciary, settlor, beneficiary of, member or shareholder of, such Holder, if such Holder is an estate, trust, partnership or corporation) is a domiciliary, national or resident of, or engaging in business or maintaining a permanent establishment or being physically present in, the Cayman Islands or such political subdivision or otherwise having some present or former connection with the Cayman Islands other than the holding or ownership of such Security or the collection of principal amount, premium (if any), Redemption Price, and interest (if any), in accordance with the terms of the Security and this Indenture, or the enforcement of such Security or (B) where presentation is required, such Security was presented more than 30 days after the date such payment became due or was provided for, whichever is later;

(2) any estate, inheritance, gift, sales, transfer, excise, personal property or similar tax, levy, impost or charge;

(3) any tax, levy, impost or charge which is payable otherwise than by withholding from payment of principal amount, premium (if any), Redemption Price, and interest (if any);

(4) any tax, levy, impost or charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connections with the relevant tax authority of the Holder or beneficial owner of such Security, if such compliance is required by statute or by regulation as a precondition to relief or exemption from such tax, levy, impost or charge; or

(5) any combination of (1) through (4).

nor shall any Tax Additional Amounts be paid to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of such Security to the extent that a beneficiary or settlor with respect to such fiduciary, or a member of such partnership or a beneficial owner thereof, would not have been entitled to the payment of such Tax Additional Amounts had such beneficiary, settlor, member or beneficial owner been the Holder of the Security.

TRANSFER

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration or transfer at the office or agency in a Place of Payment for Securities of this series, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of any authorized denominations and for the same aggregate principal amount, executed by the Company and authenticated and delivered by the Trustee, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations set forth therein and on the face of this Security, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee or any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

AMENDMENT, SUPPLEMENT AND WAIVER

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

SUCCESSOR CORPORATION

When a successor corporation assumes all the obligations of its predecessor under the Securities and the Indenture in accordance with the terms and conditions of the Indenture, the predecessor corporation will (except in certain circumstances specified in the Indenture) be released from those obligations.

DEFAULTS AND REMEDIES

If an Event of Default with respect to Securities of this series shall occur and be continuing, all unpaid Issue Price plus accrued Original Issue Discount through the acceleration date (or, if the Security has been converted to an interest bearing debenture, the Restated Principal Amount plus accrued and unpaid interest from the date of conversion to the acceleration date) of the Securities

of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

NO RECOURSE AGAINST OTHERS

No recourse shall be had for the payment of the principal of or the interest, if any, on this Security, for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment of penalty or otherwise, all such liability being, by acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

AUTHENTICATION

This Security shall not be valid until the Trustee or an authenticating agent manually signs the certificate of authentication on the other side of this Security.

INDENTURE TO CONTROL; GOVERNING LAW

In the case of any conflict between the provisions of this Security and the Indenture, the provisions of the Indenture shall control.

THE INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

ABBREVIATIONS AND DEFINITIONS

Customary abbreviations may be used in the name of the Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entirety), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/G/M/A (= Uniform Gifts to Minors Act).

All terms defined in the Indenture and used in this Security but not specifically defined herein are defined in the Indenture and are used herein as so defined.

CONVERSION NOTICE

To convert this Security into Ordinary Shares of the Company, check the box: []

To convert only part of this Security, state the Principal Amount to be converted (must be \$1,000 or a multiple of \$1,000): \$_____.

If you want the stock certificate made out in another person's name, fill in the form below:

(Insert other person's soc. sec. or tax I.D. no.)

(Print or type other person's name, address and zip code)

Your Signature: _____ Date: _____

(Sign exactly as your name appears on the other side of this Security)

*Signature guaranteed by: _____

By: _____

* The signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.

OPTION OF HOLDER TO ELECT PURCHASE ON CHANGE IN CONTROL

If you want to elect to have this Security purchased, in whole or in part, by the Company pursuant to Section 1110 of the Indenture, check the following box: []

If you want to have only part of this Security purchased by the Company pursuant to Section 1110 of the Indenture, state the Principal Amount you want to be purchased (must be \$1,000 or a multiple of \$1,000): \$_____

Your Signature: _____ Date: _____

(Sign exactly as your name appears on the other side of this Security)

*Signature guaranteed by: _____

By: _____

* The signature must be guaranteed by an institution which is a member of one of the following recognized signature guaranty programs: (i) the Securities Transfer Agent Medallion Program (STAMP); (ii) the New York Stock Exchange Medallion Program (MSP); (iii) the Stock Exchange Medallion Program (SEMP); or (iv) such other guaranty program acceptable to the Trustee.