

## 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): December 1, 2000

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

CAYMAN ISLANDS  
(State or other jurisdiction of  
incorporation or organization)

333-75899  
(Commission  
File Number)

N/A  
(I.R.S. Employer  
Identification No.)

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

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

On December 1, 2000, Transocean Sedco Forex Inc., a company incorporated under the laws of the Cayman Islands (the "Company"), held a conference call during which it provided a mid- fourth quarter 2000 review. In advance of the call, the Company issued a press release that, among other things, announced (i) that the Company expected to report earnings per share for the three months ended December 31, 2000 that were below current analyst expectations and that the Company's current expectations were \$0.10 to \$0.15 per diluted share, before the effect from non- recurring events, (ii) a settlement of an arbitration proceeding and a related non-recurring charge, (iii) a number of new contract signings and (iv) further delays in the Company's four newbuild projects. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On the conference call, the Company discussed its earnings outlook for 2001. The Company believes that the previous analyst consensus estimate of \$2.00 per share for 2001 earnings (on a stand-alone basis without giving effect to the proposed R&B Falcon Corporation merger) is aggressive. Also, in a discussion of 2001 costs during the call, the Company noted that it expects costs will be higher in the first half of 2001 than the second half due to among other things planned projects, upgrades, surveys and costs associated with the startup of newbuilds.

The Company clarified that it was announcing firm contract signings with aggregate expected revenues of approximately \$135 million and that it had signed letters of intent (which were expected to become firm contracts) with aggregate expected revenues of approximately \$84 million.

The Company noted in the call that operating and maintenance expense in the fourth quarter 2000 could be in the range of \$12 million to \$15 million higher than the approximately \$192 million experienced in the third quarter 2000.

The Company noted that it expected depreciation for the fourth quarter 2000 to be in the order of approximately \$66 million while, for the first quarter of 2001, depreciation expense is expected to be closer to the \$72-\$73 million range, depending upon, among other things, the timing of the delivery of the Company's newbuilds. The Company noted that once all of its newbuilds were delivered in 2001, expected depreciation expense would be closer to \$77 million per quarter depending upon the timing of capital expenditures, among other things.

The Company expects corporate general and administrative expense levels for the fourth quarter 2000 to be higher than the third quarter 2000, due in part to the effect of the previously announced employment arrangements with certain of the Company's executives. Additionally, the

Company expects fourth quarter gross interest expense similar to or slightly less than that of the third quarter. The Company expects fourth quarter capitalized interest to decrease slightly from third quarter levels.

The statements described above and made in the press release that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements to the effect that the Company or management "anticipates," "believes," "budgets," "estimates," "expects," "forecasts," "intends," "plans," "predicts," or "projects" a particular result or course of events, or that such result or course of events "could," "might," "may" or "should" occur, and similar expressions, are also intended to identify forward-looking statements. Forward-looking statements described above and made in the press release include, but are not limited to, statements involving expected earnings and other financial results for the fourth quarter of 2000, for 2001 and for other periods, future market conditions, the timing and cost of completion of capital projects, timing and delivery of drilling units, potential revenues, increased expenses, customer drilling programs and the Company's other expectations with regarding to market outlook. Such statements are subject to numerous risks, uncertainties and assumptions, including but not limited to, uncertainties relating to the level of activity in offshore oil and gas exploration and development, exploration success by producers, oil and gas prices, demand for offshore rigs, competition and market conditions in the contract drilling industry, the Company's ability to successfully integrate the operations of acquired businesses, costs, delays and other difficulties related to the proposed merger with R&B Falcon Corporation (including the satisfaction of closing conditions), delays or cost overruns on construction projects and possible cancellation of drilling contracts as a result of delays or performance, work stoppages by shipyard workers where the Company's newbuilds are being constructed, the Company's ability to enter into and the terms of future contracts, the availability of qualified personnel, labor relations and the outcome of negotiations with unions representing workers, operating hazards, political and other uncertainties inherent in non-U.S. operations (including exchange and currency fluctuations), the impact of governmental laws and regulations, the adequacy of sources of liquidity, the effect of litigation and contingencies and other factors described above and discussed in the Company's 1999 Form 10-K, Proxy Statement/Prospectus dated October 30, 2000 and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c). Exhibits.

The following exhibit is filed herewith:

Exhibit Number	Description of Exhibits
99.1	Press Release dated December 1, 2000

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: December 1, 2000

By: /s/ ROBERT L. LONG

-----  
Robert L. Long  
Executive Vice President and Chief  
Financial Officer

EXHIBIT INDEX

Exhibit Number  
-----

Description  
-----

99.1

Press Release dated December 1, 2000

## [TRANSOCEAN SEDCO FOREX LETTERHEAD]

Analyst Contact: Jeffrey L. Chastain News Release  
713 232 7551  
Media Contact: Guy A. Cantwell FOR RELEASE: December 1, 2000  
713 232 7647

TRANSOCEAN SEDCO FOREX PROVIDES FOURTH QUARTER 2000 UPDATE, ANNOUNCES  
\$135 MILLION IN NEW CONTRACT SIGNINGS

HOUSTON--Transocean Sedco Forex Inc. (NYSE: RIG) today provided an update on fourth quarter 2000 earnings prospects and announced several new contracts for its offshore drilling fleet.

The company said that it expects to report earnings per share for the three months ended December 31, 2000 that are below current analyst expectations. The earnings shortfall is due primarily to lower than expected revenues and modestly higher operating and maintenance expenses, compared with expenses in the third quarter of 2000. The lower than expected revenues are primarily the result of planned and unplanned rig downtime and delays on newly constructed rigs previously expected for December delivery. The modestly higher rig operating and maintenance costs are the result of the addition of the Discoverer Spirit and Trident 20 to the company's active fleet and higher repair and maintenance expenses related to planned and unplanned downtime on several rigs.

J. Michael Talbert, Chairman and Chief Executive Officer of Transocean Sedco Forex, said, "Our mobile offshore drilling fleet has at present experienced over 200 rig days at a zero or reduced dayrate during the final three months of 2000, due primarily to unplanned downtime and planned rig maintenance. The downtime has resulted in higher operating and maintenance costs during a time when we are absorbing additional costs associated with adding new, technologically advanced rigs to the active fleet. The financial impact of these events on the fourth quarter results in current earnings per share expectations of \$0.10 to \$0.15 per diluted share, before the effect from non-recurring events."

In addition, the company provided an update on its newbuild rig program which consists of one Discoverer Enterprise-class drillship -- Discoverer Deep Seas, and three Sedco Express-class semisubmersibles -- Sedco Express, Cajun Express and Sedco Energy. All four newbuild projects remain in the late stages of construction, which involves the testing and commissioning of software that controls the drilling equipment. Further delays in project delivery dates have recently been experienced due primarily to the complexity of the software and limited availability of third-party resources. It is now expected that the Discoverer Deep Seas and Sedco Express will be delivered in January 2001, while expected project delivery dates on the Cajun Express and Sedco Energy are February and March 2001, respectively.

Futhermore, the company reported that it had settled an arbitration proceeding involving one of its operating subsidiaries and Global Marine Inc. with respect to a bareboat charter agreement on the semisubmersible rig Glomar Grand Banks, formerly the Vinlander. Under the terms of the settlement,

the company will pay Global Marine \$67.5 million and will recognize a non-recurring charge of approximately \$37.4 million or \$0.18 per diluted share for this matter in the fourth quarter 2000.

Separately, the company announced firm contract signings for several offshore drilling rigs with aggregate expected revenues of \$135 million. In the U.S. Gulf of Mexico, the semisubmersible rig Transocean Rather has been contracted by BP for one year, with an expected commencement date of January 2001, or upon completion of the current drilling program with BP. Revenues expected over the one-year firm contract period are \$44 million.

In the U.K. sector of the North Sea, the semisubmersible rigs Sedco 711 and Sedco 712 have been contracted for an estimated 150 days and one year, respectively, by Enterprise and Shell Expro. Both contracts are expected to commence in direct continuation of the rigs' current drilling assignments. Combined revenues expected over the firm contract periods total approximately \$36 million.

In the Middle East, the jackup rig Interocean III is expected to return to active status in April 2001 following a 20-month idle period. The rig has been contracted by Crescent Petroleum for 540 days with revenues expected of \$21 million.

Finally, the company said it has recently received firm contracts, or letters of intent which are expected to become firm contracts, on nine other rigs in its mobile offshore drilling fleet, largely representing contract commitments for 2001 and totaling approximately \$119 million in additional revenues.

In closing Talbert stated, "Recent contract commitments are evidence of the measurable improvement in customer spending levels, which we are witnessing in virtually every market served. Contract terms are beginning to reflect the characteristics of a slowly tightening rig market, with an expanding contract duration and higher average dayrates among most rig types. These contract commitments are encouraging and have allowed us to build our 2001 committed fleet days to approximately 48%. We expect gradual improvement in the industry outlook, as customers proceed into 2001 with a cautious approach toward exploration and production spending."

Transocean Sedco Forex will conduct a conference call today, at Noon, EST. Individuals who wish to participate in the December 1 teleconference call can secure a reservation by contacting Premiere Conferencing at 1-800-289-0579 in the United States or 719-457-2550 direct worldwide. The call should be made immediately to guarantee your participation. Refer to confirmation code 498309.

In addition, the conference call is accessible through a live, listen-only broadcast over the Internet by logging on to the Web at the following address:

<http://www.videonewswire.com/TRANSOCEAN/120100/>

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

Statements regarding estimated term, fourth quarter earnings, revenues, expenses, return of rigs to operating status, project delivery dates, contracts (including revenues, terms and timing), effect of letters of intent, improvement in the drilling business and utilization trends, as well as any other statements that are not historical facts in this release, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to operating hazards and delays, delays or cost overruns in construction projects, risks associated with international operations, actions by customers and other third parties, the future price of oil and gas, demand for rigs, labor relations, regulations and decisions as to firm contracts and other factors detailed in the company's 10-K and other filings with the Securities and Exchange Commission (SEC), which are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

Transocean Sedco Forex Inc. is the world's largest offshore drilling contractor, with an equity market capitalization of approximately \$8.5 billion. The company's mobile offshore drilling fleet is comprised of 71 rigs, including four newbuilds not yet active. This modern and versatile fleet is located in every major offshore oil and gas drilling region. Transocean Sedco Forex Inc. specializes in technically demanding segments of the offshore drilling business, including industry-leading positions in deepwater and harsh environment drilling services. The company is listed on the New York Stock Exchange under the symbol "RIG."

###

00-25