

## 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): January 29, 2001

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

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

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

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

## ITEM 2. ACQUISITION OR DISPOSITIONS OF ASSETS.

On January 31, 2001 at 11:15 a.m. Houston time (the "Effective Time"), Transocean Sedco Forex Inc. (the "Company") completed its merger with R&B Falcon Corporation ("R&B Falcon"). Under the terms of an Agreement and Plan of Merger dated as of August 19, 2000 among Transocean, Transocean Holdings Inc., a direct wholly owned subsidiary of the Company ("Sub"), TSF Delaware Inc., a direct wholly owned subsidiary of Sub ("Merger Sub"), and R&B Falcon, Merger Sub merged (the "Merger") with and into R&B Falcon, with R&B Falcon surviving as a direct wholly owned subsidiary of Sub. At an Extraordinary General Meeting of Shareholders held on December 12, 2000, the Company's shareholders approved, among other things, the issuance of ordinary shares of the Company required to consummate the Merger.

As a result of the Merger, each share of R&B Falcon's common stock, par value \$.01 per share (the "R&B Common Stock"), issued and outstanding immediately prior to the Effective Time (other than shares owned by R&B Falcon, any wholly owned subsidiary of R&B Falcon, the Company, Sub or Merger Sub) has been converted into the right to receive .5 validly issued ordinary shares, par value \$.01 per share, of the Company (the "Company Ordinary Shares"). In the aggregate, the Company is issuing 106,062,740 Company Ordinary Shares in exchange for the issued and outstanding shares of R&B Falcon Common Stock and expects to assume warrants and options exercisable for up to 13,219,717 shares of Company Ordinary Shares. The exchange ratio of .5 Company Ordinary Shares for each share of R&B Falcon Common Stock was determined by arms-length negotiations between the Company and R&B Falcon. The Company will account for the Merger using the purchase method of accounting.

R&B Falcon is a provider of marine contract drilling and ancillary services on a worldwide basis. R&B Falcon provides the equipment and personnel for drilling wells and conducting workover operations on wells in marine environments and on land. R&B Falcon possesses experience in deepwater drilling, U.S. and international shallow-water drilling, inland barge drilling, land drilling, marine services and turnkey drilling. At the Effective Time, R&B Falcon operated a fleet of 111 full or partially owned, chartered and managed mobile offshore drilling units, inland barges and other assets utilized in the support of offshore drilling activities, including 10 semisubmersible drilling rigs (one of which is under construction), 10 drillships and 42 jackup drilling rigs. The Company expects to continue to use R&B Falcon's assets in substantially the same manner in its worldwide offshore contracting business.

There were no material relationships between the Company and R&B Falcon prior to the consummation of the Merger. In accordance with the terms of the Merger Agreement, at the Effective Time, Charles A. Donabedian, Paul B. Loyd, Jr. and Richard A. Pattarozzi, who previously served on the R&B Falcon Board of Directors, became members of the Board of Directors of the Company, and Mr. Loyd entered into a consulting agreement with R&B Falcon.

On January 29, 2001, the Company issued a press release (the "January 29 Press Release") announcing January 31, 2001 as the date of the closing of the Merger and the election of the three new directors. The January 29 Press Release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On January 31, 2001, the Company issued a press release (the "January 31 Press Release") announcing the completion of the Merger. The January 31 Press Release is included as Exhibit 99.3 to this Current Report on Form 8-K and is incorporated herein by reference.

#### ITEM 5. OTHER EVENTS.

At the Extraordinary General Meeting of Shareholders held on December 12, 2000, the Company's shareholders approved the increase of the authorized ordinary share capital of the Company from 300,000,000 to 800,000,000, the amendment of the Company's Memorandum and Articles of Association to increase the maximum size of the Board of Directors to 13 persons and make updating and other clarifying changes, the amendment of the Company's Long-Term Incentive Plan to, among other things, increase the number of ordinary shares reserved for issuance under the plan from 13,300,000 to 19,500,000 and the amendment of the Company's Employee Stock Purchase Plan to increase the number of ordinary shares reserved for issuance under the plan from 750,000 to 1,500,000. The Memorandum of Association and Articles of Association, as so amended, are filed as Exhibit 3.1 and Exhibit 3.2 to this Current Report on Form 8-K and are incorporated herein by reference.

On January 30, 2001, the Company issued a press release (the "January 30 Press Release") announcing its fourth quarter and full year 2000 results, describing the Company's rig utilization rates and average dayrates, the status of the Company's new rig construction program, the outlook for the offshore drilling industry and the Company's near-term to medium-term prospects. The January 30 Press Release is included as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

On February 6, 2001, the Company issued a press release (the "February 6 Press Release") disclosing that it had received a notice of termination from Elf Exploration-Angola regarding the three-year contract on the newbuild semisubmersible Sedco Express. The Sedco Express is presently located at Las Palmas undergoing testing and commissioning. The February 6 Press Release is included as Exhibit 99.4 to this Current Report on Form 8-K and is incorporated herein by reference.

The Cajun Express and Sedco Energy are presently located in the U.S. Gulf of Mexico and Las Palmas, respectively, where testing and commissioning of software necessary to control drill floor equipment continues on both rigs. The Cajun Express is presently expected to be delivered to Marathon by the end of the first quarter 2001, while the Sedco Energy is expected to begin operations with Texaco by early second quarter 2001, following a three week mobilization to Brazil.

On a January 30, 2001, investor conference call, the Company noted that there is no drop-dead date on the Sedco Energy contract with Texaco. The Company expects to lose one day for each day the rig is delayed and based on current outlook for when the rig would go on contract with Texaco, this would end up being about a three-and-half year contract.

The Company noted on the conference call that the Cajun Express contract with Marathon also has a cancellation option date of March 31, 2001 and the Company believes this deadline could end up being very close. The Company is currently having discussions with Marathon. Both parties would like to make some changes to the contract and the Company is hopeful that it will reach a solution that will reduce the Company's risk and also improve some of the contract terms from Marathon's perspective. The Company noted however, there is clearly some uncertainty regarding exactly what the final result will be on the Cajun Express contract.

The Company noted on the conference call that 2001 is expected to have a weak start. In particular, the first quarter is expected to be very weak with projected earnings in the range of break-even to \$.05 a share. The Company expects that the second quarter will start to see significant strengthening and the second half of the year should be much stronger. The Company expects earnings to exceed \$1.00 per share in the second half of 2001. For the entire year 2001, the Company expects earnings for the combined companies to be in a range of \$1.33 to \$1.78 per share. The Company noted, that it believes current analyst consensus estimates for Transocean Sedco Forex on a standalone basis of \$1.82 per share were high by at least 10%.

The Company noted that it expected the combined companies (Transocean Sedco Forex and R & B Falcon) to experience more than 1000 idle rig days of shipyard time and estimated that more than 40% of that time would be in the first quarter and approximately 25% of that time would be in the second quarter.

The Company also noted, that for the combined companies, approximately 40% of rig time was contracted for 2001 and 16 to 17% was contracted for 2002.

Interest and capitalized interest for 2001 is expected to be approximately \$300 million and \$25 million respectively. Depreciation and amortization for 2001 is expected to be approximately \$630 million for 2001 for the combined companies. The Company estimated that the combined companies would have combined capital expenditures (including maintenance capital expenditures) of approximately \$400 million to \$500 million in 2001.

The statements described in this report and made in the press releases 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 releases include, but are not limited to, statements involving expected earnings and other financial results for the first quarter of 2001, for the full year 2001 and for other periods, future maintenance and capital expenditures, interest and capitalized interest, depreciation and

amortization, shipyard and downtime, future market conditions, the timing and cost of completion of capital projects, U.K. and Asian markets, use of acquired assets, 2001 rig downtime and shipyard time, newbuilds (including the timing of delivery and outcome of pending discussions), expected dayrates, possible assignments, outlook for the oil and gas industry, customer spending levels and extensions, outcome of U.K. regulatory processes and expectations with regard 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, actions and approvals of third parties, the Company's ability to successfully integrate the operations of acquired businesses, costs, delays and other difficulties related to the merger with R&B Falcon, U.K. and other regulatory actions, delays or cost overruns on construction projects and possible cancellation of drilling contracts as a result of delays or performance, outcome of ongoing discussions regarding newbuilds, 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 Form 10-K for the year ended December 31, 1999, 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.

(a) - (b) FINANCIAL STATEMENTS AND PRO FORMA FINANCIAL INFORMATION WILL BE FILED BY AMENDMENT TO THIS REPORT NOT LATER THAN 60 DAYS FROM FEBRUARY 15, 2001.

(c) EXHIBITS.

The following exhibits are filed herewith:

- 2.1 Agreement and Plan of Merger dated as of August 19, 2000 by and among Transocean Sedco Forex Inc., Transocean Holdings Inc., TSF Delaware Inc. and R&B Falcon Corporation (incorporated by reference to Annex A to the joint proxy statement/prospectus dated October 30, 2000 included in a 424(b)(3) prospectus filed by the Company on November 1, 2000).
- 3.1 Memorandum of Association of Transocean Sedco Forex Inc. (incorporated by reference to Annex E to the joint proxy statement/prospectus dated October 30, 2000)

included in a 424(b)(3) prospectus filed by the Company on November 1, 2000).

- 3.2 Articles of Association of Transocean Sedco Forex Inc. (incorporated by reference to Annex F to the joint proxy statement/prospectus dated October 30, 2000 included in a 424(b)(3) prospectus filed by the Company on November 1, 2000).
- 99.1 Press Release dated January 29, 2001.
- 99.2 Press Release dated January 30, 2001.
- 99.3 Press Release dated January 31, 2001.
- 99.4 Press Release dated February 6, 2001.

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: February 6th, 2001

By: /s/ ERIC BROWN

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Eric Brown  
Vice President, General  
Counsel and Secretary

## EXHIBIT INDEX

EXHIBIT NUMBER - - - - -	DESCRIPTION - - - - -
99.1	Press Release dated January 29, 2001.
99.2	Press Release dated January 30, 2001.
99.3	Press Release dated January 31, 2001.
99.4	Press Release dated February 6, 2001.



[TRANSOCEN SEDCOFOREX LOGO]

[R&amp;B FALCON LOGO]

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TRANSOCEAN SEDCO FOREX INC. ANALYST CONTACT: Jeffrey L. Chastain  
 713 232 7551  
 TRANSOCEAN SEDCO FOREX INC. MEDIA CONTACT: Guy A. Cantwell  
 713 232 7647  
 R&B FALCON CORPORATION CONTACT: Charles R. Ofner  
 281 496 5000

PRESS RELEASE  
 FOR RELEASE: January 29, 2001

TRANSOCEAN SEDCO FOREX TO CLOSE PENDING MERGER  
 WITH R&B FALCON ON JANUARY 31, 2001;  
 ANNOUNCES ELECTION OF 3 NEW DIRECTORS

Transocean Sedco Forex Inc. (NYSE: RIG) today announced that it intends to close its pending merger with R&B Falcon Corporation (NYSE:FLC) on January 31, 2001, prior to formal approval from the U.K. government's Office of Fair Trading (OFT), as permitted by U.K. law. The decision to close the transaction prior to U.K. approval is being made with the knowledge of the OFT. The company intends to continue its dialogue with the OFT and does not expect the outcome of this process, even if a referral were made to the U.K.'s Competition Commission, to have a material effect on the company's operations.

On August 21, 2000, Transocean Sedco Forex announced that it had signed a definitive agreement to merge with R&B Falcon in an all stock transaction in which common shareholders of R&B Falcon will receive a fixed ratio of 0.5 shares of newly issued Transocean Sedco Forex ordinary shares for each R&B Falcon share.

Also, today, the company announced that effective upon closing of the merger, its Board of Directors has elected three new members, who presently serve on the R&B Falcon Board of Directors: Charles A. Donabedian, Paul B. Loyd, Jr. and Richard A. "Rich" Pattarozzi. The new directors were proposed by R&B Falcon and will expand the Transocean Sedco Forex Board of Directors from 10 to 13 members, as approved by shareholders of Transocean Sedco Forex on December 12, 2000.

Charles A. Donabedian of Cincinnati, Ohio, is Chief Executive Officer (CEO) of Winston Financial, Inc., which provides a broad range of consulting services for investment management companies. He also serves as CEO of both Winston Advisers, Inc., an affiliated registered investment advisor, and of Winston Capital Corporation, which invests in and assists smaller, developing companies and acts as an incubator for new business concepts. Mr. Donabedian has served as a Director of R&B Falcon since 1997 and was a Director of R&B Falcon Drilling (International & Deepwater) Inc. (formerly Reading & Bates Corporation) from 1989 to December 1997. He is presently a member of the Board of Trustees of the Flex-Funds, a privately held mutual fund management company.

Paul B. Loyd, Jr. of Houston, Texas, has served as a Director of Falcon Drilling Company and has been Chairman of the Board of R&B Falcon Corporation since January 1998 and Chief Executive Officer since April 1999. He was CEO and Chairman of the Board of R&B Falcon Drilling (International & Deepwater) Inc. (formerly Reading & Bates Corporation) from 1991 through 1997. Mr. Loyd has 30 years of experience in the offshore drilling industry, having joined Reading & Bates in 1970 in its management-training program. He also is a Director of Carrizo Oil & Gas Inc., Frontier Oil Corporation Enterprise Oil plc and is on the Board of Trustees of Southern Methodist University.

Richard A. "Rich" Pattarozzi of Metairie, Louisiana, has served as a Director of R&B Falcon since February 2000. Mr. Pattarozzi served at Shell Oil Company as President and CEO of Shell Deepwater Development Inc. and Shell Deepwater Production Inc. from 1996 to 1999. In early 1999, he was promoted to Vice President of Shell Oil Company, responsible for Shell Deepwater Development Inc., Shell Deepwater Production Inc. and the company's Shallow Water Gulf of Mexico exploration and production business. Mr. Pattarozzi has more than 33 years of experience in the petroleum industry. He joined Shell in 1966 in New Orleans in its offshore engineering organization and retired from the company in January 2001. He is also a Director of Global Industries, Stone Energy Company OSCA and Wellogix, all of which are publicly traded, except Wellogix, a privately owned e-commerce company.

Statements regarding the expected close of the R&B Falcon merger, the outcome of U.K. regulatory processes, new directors, 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 actions or approvals of third parties, delays in the merger, closing conditions not being satisfied, U.K. and other regulatory actions and other factors detailed in Transocean Sedco Forex's and R&B Falcon's recent proxy statement, Form 10-K and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

Transocean Sedco Forex Inc. is the world's largest offshore drilling contractor, with a current equity market capitalization of \$8.7 billion. The company's mobile offshore drilling fleet is comprised of 71 rigs, including three 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."

R&B Falcon Corporation operates the world's largest fleet of marine-based drilling rigs servicing the international oil and gas industry. Its fleet is composed of 139 drilling units including the industry's largest fleets of barge and jackup rigs, and a fleet of semisubmersibles and drillships which is among the most capable in the world. R&B Falcon also provides turnkey and integrated services and operates mobile production units, internationally based land rigs and an offshore towing business.

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[TRANSOCEAN SEDCOFOREX LOGO]

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TRANSOCEAN SEDCO FOREX INC.  
Post Office Box 2765  
Houston TX 77252 2765

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ANALYST CONTACT: Jeffrey L. Chastain	NEWS RELEASE
713 232 7551	
MEDIA CONTACT: Guy A. Cantwell	FOR RELEASE: January 30, 2001
713 232 7647	

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TRANSOCEAN SEDCO FOREX INC. REPORTS  
FOURTH QUARTER AND FULL YEAR 2000 RESULTS

HOUSTON--Transocean Sedco Forex Inc. (NYSE: RIG) today announced that net income for the three months ended December 31, 2000, was \$33.0 million, or \$0.16 per diluted share, before the effect of dispute-related, after-tax charges totaling \$42.2 million. The charges relate principally to the previously announced \$37.2 million provision pertaining to the settlement of a terminated bareboat charter agreement and a \$4.8 million provision for legal claims. After accounting for the dispute-related charges, the company reported a net loss for the three months ended December 31, 2000 of \$9.2 million, or \$0.04 per diluted share, on revenues of \$314.9 million. During the corresponding three months of 1999, Transocean Sedco Forex reported a net loss of \$12.4 million, or \$0.11 per diluted share, on revenues of \$131.4 million. The December 1999 merger of Transocean Offshore Inc. and Sedco Forex Holdings Limited (Sedco Forex) was accounted for as a purchase, with Sedco Forex as the acquiror for accounting purposes. Accordingly, results for the three and twelve months ended December 31, 1999, reflect Sedco Forex historical results only and exclude historical results of Transocean Offshore Inc.

For the twelve months ended December 31, 2000, net income totaled \$108.5 million, or \$0.51 per diluted share. The results include net after-tax charges of \$17.3 million, or \$0.08 per diluted share, relating primarily to the previously mentioned settlement of a terminated bareboat charter agreement and provisions for legal disputes, partially offset by a cash settlement relating to the early termination of a rig contract, the sale of two rigs and an extraordinary gain relating to the early termination of certain debt. Full year 2000 revenues totaled \$1,229.5 million. The results compare to net income of \$58.1 million, or \$0.53 per diluted share, on revenues of \$648.2 million in the corresponding twelve months in 1999. The prior year results include charges for severance costs and provisions for potential legal claims totaling \$42.0 million, or a net \$0.30 per diluted share.

Average utilization of the company's 62 fully owned and active mobile offshore drilling units declined to 75% during the three months ended December 31, 2000, from 81% during the previous three months in 2000, as several rigs underwent planned and unplanned maintenance and repairs. Utilization of the fleet was a pro forma 69% during the corresponding three months in 1999. The company's fleet of 42 fully owned or chartered and active semisubmersibles and drillships (floaters) experienced a utilization level of 74% during the final three months of 2000, compared to 84% and a pro forma 71% utilization level during the previous quarter in 2000 and the same three months in 1999, respectively.

The average dayrate for the company's 62 fully owned and active mobile offshore drilling units was \$71,500 during the three months ended December 31, 2000, improving from \$67,200 during the preceding three months in 2000, but below the pro forma \$77,300 average dayrate experienced during the corresponding three months in 1999. The average dayrate for the company's 42 fully owned or chartered and active floaters

was \$87,800, compared to \$81,400 and a pro forma \$96,500 during the three months ended September 2000 and December 1999, respectively.

J. Michael Talbert, President and Chief Executive Officer of Transocean Sedco Forex, stated, "Operating results for the fourth quarter of 2000 were impaired by several events, including planned and unplanned downtime affecting our active fleet, seasonal weakness in the U.K. sector of the North Sea, a sluggish floater market in Asia, and continued delays associated with the activation of newbuild rigs. The rigs that contributed to an estimated 179 days of planned and unplanned downtime in the quarter have returned to active status. However, the seasonal weakness in the U.K. sector of the North Sea and fragile floater market in Asia are expected to continue until late in the first quarter of 2001. In addition, during 2001, 13 rigs within the 71-rig Transocean Sedco Forex mobile offshore drilling fleet, are currently expected to experience downtime while in shipyards, undergoing planned maintenance and upgrading. Six of these rigs are expected to experience downtime ranging from 20 to 90 days each during the first quarter of 2001, causing a temporary reduction in fleet utilization.

In commenting on the status of the company's new rig construction program, Talbert said, "The Discoverer Deep Seas, the third of three Discoverer Enterprise-class, ultra-deepwater drillships possessing our patented dual-activity drilling capability, received preliminary acceptance from Chevron on January 18, 2001. Final rig acceptance is subject to a deepwater test of its subsea and riser equipment, which is underway in the U.S. Gulf of Mexico and expected to be completed within the week. Following completion of acceptance testing, the rig will commence a five-year contract valued at \$374 million. The three remaining projects, the semisubmersibles Sedco Express, Cajun Express and Sedco Energy, continue to progress through the final stages of project completion, which entails the testing and commissioning of drill floor and subsea control equipment and the corresponding software for each.

Regarding the Sedco Express, a December 28, 2000 deadline for delivery of the rig to our customer Elf Exploration-Angola (Elf) has passed. The rig is expected to complete its testing and commissioning schedule, underway offshore Las Palmas, and commence initial operations on or around early second quarter 2001. Although Elf possesses a contractual right to cancel the existing three-year contract, they have not exercised this right and are presently engaged in constructive dialogue with Transocean Sedco Forex to determine a satisfactory resolution.

The Cajun Express and Sedco Energy are presently located in the U.S. Gulf of Mexico and Las Palmas, respectively, where testing and commissioning of software necessary to control drill floor equipment continues on both rigs. The Cajun Express is presently expected to be delivered to our customer Marathon by the end of the first quarter 2001, while the Sedco Energy is expected to begin operations with Texaco by early second quarter 2001, following a three week mobilization to Brazil."

Addressing the outlook for the offshore drilling industry and near- to medium-term prospects for Transocean Sedco Forex, Talbert concluded, "We continue to expect a steady improvement in our industry through 2001 as our customers increase exploration and production spending plans in response to record cash flows generated by favorable crude oil and natural gas pricing. The higher spending levels are expected to be most evident in the offshore markets outside of North America, where spending was severely curtailed in 2000, and in the gas-intensive, shallow water U.S. Gulf of Mexico. Recent discussions with customers have resulted in firm contracts, contract extensions or letters of intent which are expected to become firm contracts on several rigs in the company's fleet and are evidence of the rising spending plans of our global customer base. The contract developments, which are valued at an estimated combined \$67 million, involve the jackup rigs Transocean Nordic and Trident 15, in Norway and Thailand, respectively, the semisubmersible Sovereign Explorer in the U.K. and the semisubmersibles Transocean Amirante and Transocean Richardson in the U.S. Gulf of Mexico."

At present, the company has approximately 54% of its fleet days in 2001 committed to firm contracts, excluding the R&B Falcon Corporation (NYSE: FLC) mobile offshore drilling and inland barge fleet. Transocean Sedco Forex announced on January 29, 2001, that its pending merger with R&B Falcon is expected to close on January 31, 2001.

Statements regarding the expected close of the R&B Falcon merger, U.K. and Asian markets, 2001 rig downtime, newbuilds (including the timing of delivery), outlook for the oil and gas industry, customer spending levels, effect of new contract awards and extensions, outcome of U.K. regulatory processes, future utilization and dayrates, 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 actions or approvals of third parties, delays in the merger, closing conditions not being satisfied, 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, U.K. and other regulatory actions and other factors detailed in Transocean Sedco Forex's and R&B Falcon's recent proxy statement, Form 10-K and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

The company will conduct a teleconference call at 10:00 a.m. eastern time on January 30. Individuals who wish to participate in the teleconference call can secure a reservation by first dialing 1-800-289-0579 in the United States or 719-457-2550 from outside the country. The call should be made immediately to guarantee participation. After referring to confirmation code 465307, a dial-in number will be provided to be used for the teleconference call. It is recommended that participants dial in five to ten minutes prior to the scheduled start time of the call.

In addition, the conference call is accessible through a live, listen-only broadcast over the internet by logging on to the worldwide web at [www.streetevents.com](http://www.streetevents.com), then clicking on Individual Investor Center and typing in the company's NYSE trading symbol, "RIG."

An audio replay of the conference call will be available after 1:00 p.m. eastern time on January 30, 2001 and can be accessed by dialing 719-457-0820 and referring to the passcode 465307. Also, a replay is available through the internet and can be accessed immediately following the conclusion of the call by visiting the above-referenced worldwide web address. Both replay options will be available for approximately 30 days.

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 713-232-7031.

Transocean Sedco Forex Inc. is the world's largest offshore drilling contractor, with an equity market capitalization of approximately \$8.7 billion. The company's mobile offshore drilling fleet is comprised of 71 rigs, including three 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."

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2000	1999	2000	1999
	(In thousands, except per share data)			
Operating Revenues	\$ 314,938	\$ 131,396	\$ 1,229,513	\$ 648,236
Costs and Expenses				
Operating and maintenance	250,613	110,876	812,563	448,917
Depreciation and amortization	65,698	35,025	259,477	131,933
General and administrative	10,547	4,426	42,141	16,703
	326,858	150,327	1,114,181	597,553
Gain (Loss) From Sale of Assets	4,187	(1,232)	17,751	(1,339)
Operating Income (Loss)	(7,733)	(20,163)	133,083	49,344
Other Income (Expense), Net				
Equity in earnings of joint ventures	1,809	1,891	9,393	5,610
Interest income	1,583	640	6,219	5,433
Interest expense, net of amounts capitalized	(915)	(88)	(3,025)	(10,250)
Other, net	(2,522)	(1,197)	(1,254)	(830)
	(45)	1,246	11,333	(37)
Income (Loss) Before Income Taxes, Minority Interest and Extraordinary Item	(7,778)	(18,917)	144,416	49,307
Income Tax Expense (Benefit)	1,286	(6,977)	36,699	(9,296)
Minority Interest	86	455	593	500
Income (Loss) before Extraordinary Item	(9,150)	(12,395)	107,124	58,103
Gain on Extraordinary Item, Net of Tax	--	--	1,424	--
Net Income (Loss)	\$ (9,150)	\$ (12,395)	\$ 108,548	\$ 58,103
Basic Earnings Per Share (Pro forma prior to the effective date of the merger)				
Income Before Extraordinary Item	\$ (0.04)	\$ (0.11)	\$ 0.51	\$ 0.53
Gain on Extraordinary Item, Net of Tax	--	--	0.01	--
Net Income (Loss)	\$ (0.04)	\$ (0.11)	\$ 0.52	\$ 0.53
Diluted Earnings Per Share (Pro forma prior to the effective date of the merger)				
Income Before Extraordinary Item	\$ (0.04)	\$ (0.11)	\$ 0.50	\$ 0.53
Gain on Extraordinary Item, Net of Tax	--	--	0.01	--
Net Income (Loss)	\$ (0.04)	\$ (0.11)	\$ 0.51	\$ 0.53
Weighted Average Shares Outstanding (Pro forma prior to the effective date of the merger)				
Basic	210,605	109,564	210,419	109,564
Diluted	210,605	109,636	211,672	109,636

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

During the fourth quarter 2000, the Company settled an arbitration proceeding with Global Marine which resulted in a charge to earnings of \$37.2 million or \$0.18 per diluted share.

[TRANSOCEAN SEDCO FOREX LOGO]

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TRANSOCEAN SEDCO FOREX INC.  
Post Office Box 2765  
Houston TX 77252 2765

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ANALYST CONTACT: Jeffrey L. Chastain                      NEWS RELEASE  
713 232 7551

MEDIA CONTACT: Guy A. Cantwell                              FOR RELEASE: January 31, 2001  
713 232 7647

TRANSOCEAN SEDCO FOREX INC. ANNOUNCES  
CLOSING OF MERGER WITH R&B FALCON CORPORATION  
UNION CREATES AN UNPRECEDENTED OFFSHORE DRILLING COMPANY

HOUSTON--Transocean Sedco Forex Inc. (NYSE: RIG) today announced the close of its merger with R&B Falcon Corporation, creating an offshore drilling contractor with unprecedented fleet size and enhanced geographic diversity, technical expertise, financial strength and equity market trading liquidity.

Pursuant to the merger agreement, Transocean Sedco Forex will issue 106 million ordinary shares to R&B Falcon shareholders at the exchange ratio of 0.5 shares of Transocean Sedco Forex for each share of R&B Falcon. Following the exchange, the company's ordinary shares outstanding will total approximately 317 million. The shares will continue to be listed on the New York Stock Exchange under the trading symbol "RIG."

The company also announced that Victor E. Grijalva will continue to serve as the Chairman of the Board of Directors of Transocean Sedco Forex, while the members of the company's executive management team will continue to consist of the following individuals:

J. Michael Talbert, President, Chief Executive Officer  
W. Dennis Heagney, Chief Operating Officer  
Jean P. Cahuzac, Executive Vice President, Operations  
Jon C. Cole, Executive Vice President, Marketing  
Robert L. Long, Executive Vice President and Chief Financial Officer  
Donald R. Ray, Senior Vice President, Technical Services  
Eric B. Brown, Vice President, General Counsel and Corporate Secretary  
Barbara S. Koucouthakis, Chief Information Officer  
David J. Mullen, Vice President, Human Resources

Transocean Sedco Forex Inc. is the world's largest offshore drilling contractor with 186 full or partially owned, chartered and managed mobile offshore drilling units, inland barges and other assets utilized in the support of offshore drilling activities. The company's mobile offshore drilling fleet is considered one of the most modern and versatile fleets in the world with 54 semisubmersible drilling rigs (including four under construction), 16 drillships and 59 jackup drilling rigs. 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 also provides turnkey and integrated drilling services. With a current equity market capitalization in excess of \$14 billion, the company's ordinary shares are listed on the New York Stock Exchange under the symbol "RIG."

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01-04



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TRANSOCEAN SEDCO FOREX INC.  
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[TRANSOCEAN SEDCO FOREX LOGO]

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ANALYST CONTACT: Jeffrey L. Chastain NEWS RELEASE  
713 232 7551  
MEDIA CONTACT: Guy A. Cantwell FOR RELEASE: February 6, 2001  
713 232 7647

TRANSOCEAN SEDCO FOREX PROVIDES UPDATE ON STATUS OF  
SEDCO EXPRESS CONTRACT WITH ELF EXPLORATION-ANGOLA

HOUSTON--Transocean Sedco Forex Inc. (NYSE: RIG) today announced that it has received a notice of termination from Elf Exploration-Angola (Elf) regarding the three-year contract on the newbuild semisubmersible Sedco Express. The company said that Elf exercised its contractual right to terminate the contract on the Sedco Express in light of the rig's delayed delivery beyond December 28, 2000. Transocean Sedco Forex was advised that the rig's latest estimate of delivery did not match Elf's short-term drilling priorities in Angola.

The Sedco Express continues to progress through the equipment testing and commissioning phase offshore the Canary Islands. The company is currently in discussions with TotalFinaElf and other operators for possible drilling assignments for the rig in West Africa and other regions and believes that current market dayrates for rigs possessing the capabilities of the Sedco Express are in line with the rate that was to have been paid by Elf.

Statements regarding expected dayrates and possible assignments, 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 conditions in the oil and gas industry, demand for offshore rigs and other factors detailed in Transocean Sedco Forex's recent proxy statement, Form 10-K and other filings with the Securities and Exchange Commission. 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 186 full or partially owned, chartered and managed mobile offshore drilling units, inland barges and other assets utilized in the support of offshore drilling activities worldwide. The company's mobile offshore drilling fleet is considered one of the most modern and versatile fleets in the world with 52 semisubmersible drilling rigs (including four under construction), 16 drillships and 59 jackup drilling rigs. 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 also provides turnkey and integrated drilling services. With a current equity market capitalization in excess of \$15 billion, the company's ordinary shares are listed on the New York Stock Exchange under the symbol "RIG."

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