

NOTICE AND INFORMATION STATEMENT  
TO THE INTERNAL REVENUE SERVICE

Notice Pursuant to Treas. Reg. §1.367(b)-1(c)(1) and  
Statement Pursuant to Treas. Reg. §1.355-5(b) and Treas. Reg. § 1.368-3(b)

1. On December 30, 1999, Schlumberger Limited ("Schlumberger") distributed to its shareholders of record at the close of business on December 20, 1999 all of the stock of Sedco Forex Holdings Limited ("Sedco Forex"), consisting of a single class of common stock. On December 31, 1999, Transocean Offshore Inc. ("Transocean") acquired all of that stock from the shareholders to whom Schlumberger had distributed that stock in exchange for Transocean ordinary shares. This acquisition was accomplished by means of a merger of a newly-formed subsidiary of Transocean with and into Sedco Forex. Schlumberger, Sedco Forex, and Transocean are foreign corporations, within the meaning of 367(b) of the Internal Revenue Code of 1986, as amended (the "Code"). Hereafter the distribution by Schlumberger to its shareholders of all of the stock of Sedco Forex will be called the "Distribution" and the acquisition by Transocean from those shareholders of all of the stock of Sedco Forex in exchange for stock of Transocean will be called the "Merger."
2. Schlumberger and Sedco Forex received an opinion from their counsel, Baker & Botts, L.L.P., to the effect that, for U.S. federal income tax purposes, the Distribution should qualify as a distribution described in section 355 of the Code and the Merger should qualify as a reorganization under section 368(a)(1)(B) of the Code.
3. The undersigned, a shareholder of Schlumberger as of the close of business on December 20, 1999, received shares of common stock of Sedco Forex in the Distribution and surrendered those shares for Transocean ordinary shares in the Merger.
4. The names and addresses of the corporations involved are:  
  
Schlumberger Limited  
277 Park Avenue, New York, New York 10172-0266  
42, rue Saint-Dominique, 75007 Paris  
Parkstraat 83, 2514 JG, The Hague  
  
Sedco Forex Holdings Limited  
Citco Building, Wickhams Cay  
Road Town, Tortola  
British Virgin Islands  
  
Transocean Offshore Inc.  
Caledonian House  
Georgetown, Grand Cayman  
Cayman Islands
5. No stock or securities of Schlumberger Limited were surrendered by the undersigned in the Distribution.
6. The undersigned received \_\_\_\_\_ shares of Sedco Forex common stock in the Distribution.
7. The basis of the undersigned in those shares of Sedco Forex common stock was \_\_\_\_\_.

8. The undersigned surrendered those shares of Sedco Forex common stock in exchange for \_\_\_\_\_ shares of Transocean ordinary shares in the Merger. The fair market value of the Transocean ordinary shares was approximately \$33.19 per share. The undersigned did not receive securities or any other property or money in the Merger. Any fractional Transocean ordinary share which the undersigned received in the Merger was aggregated with other fractional Transocean ordinary shares and sold in behalf of the undersigned in the open market.

9. The following information is provided with respect to the Distribution pursuant to Treas. Reg. §7.367(b)-1(c)(2):

- (i) The Distribution is an exchange to which section 367(b) applies.
- (ii) A complete description of the Distribution is provided above.
- (iii) The undersigned received shares of common stock of Sedco Forex in the Distribution, as indicated above.
- (iv) No amount is required under Treas. Reg. §§7.367(b)-4 through 7.367(b)-12 to be included in gross income or added to the earnings and profits or deficit of an exchanging foreign corporation for the taxable year in which the Distribution occurred.
- (v) No amount of earnings and profits is attributed by reason of the Distribution under Treas. Reg. §§7.367(b)-4 through 7.367(b)-12 to stock owned by any United States person.
- (vi) Information required to be furnished pursuant to regulations under section 355 and section 368 is provided above.
- (vii) No information is required to be furnished under section 6038 or section 6046.
- (viii) The election referred to in Treas. Reg. §7.367(b)-1(c)(2)(viii) is inapplicable.
- (ix) The elections referred to in Treas. Reg. §7.367(b)-1(c)(2)(ix) are inapplicable.

No separate notice is being provided under Treas. Reg. §1.367(b)-1(c)(1) with respect to the Merger, because the Merger was a transaction described in both section 367(a) and (b), and the undersigned was not a "United States shareholder," within the meaning of Treas. Reg. §7.367(b)-2(b), of Sedco Forex. In addition, the undersigned was not a 5% shareholder of Transocean after the Merger, within the meaning of Treas. Reg. §1.367(a)-3(b).

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Shareholder

NOTE: Please remove this form, complete, and attach to your 1999 federal income tax return.