

EXHIBIT # 1764  
 WIT: \_\_\_\_\_



DET NORSKE VERITAS  
 ISM CODE CERTIFICATION  
 Company Audit Report

Company Name (main DOC holder): **Transocean Offshore Deepwater Drilling, Inc.** DNV Id No.: **196724**

Company Address:  
**Four Greenway Plaza  
 Houston, TX 77046  
 USA**

Company Branch Office Locations (if any):  
**North America, Houston, TX; Transocean Sedco Forex do Brasil Ltdae, Macae-RJ-Brazil; Service Petroliers Sedco  
 Forex, Montrouge, France; R & B Falcon Drilling do Brasil Ltda., Macae - RJ - Brazil; Transocean Brasil Ltda., Macae-  
 RJ-Brazil; Transocean Sedco Forex, College Station, TX, USA**

Audit Request:  
 Document Assessment  Initial  Annual  Renewal:   
 Previous Full Term DOC Expiry Date: \_\_\_\_\_

Additional:  (Scope/reason): \_\_\_\_\_

Date of Audit: **2005-04-12 & 13** Audit Location: **Four & Five Greenway Plaza, Houston, TX, USA**

Report Preparation Date: **2005-04-14** Main Office  / Branch Office

Type of ships included in the DOC:

Passenger ship	<input type="checkbox"/>	Bulk Carrier	<input type="checkbox"/>	Gas Carrier	<input type="checkbox"/>
Passenger High-Speed Craft	<input type="checkbox"/>	Oil Tanker	<input checked="" type="checkbox"/>	Mobile Offshore Drilling Unit	<input checked="" type="checkbox"/>
Cargo High-Speed Craft	<input type="checkbox"/>	Chemical Tanker	<input type="checkbox"/>	Other Cargo Ship	<input checked="" type="checkbox"/>

Company Contract / Order Request References: \_\_\_\_\_

DNV Lead Auditor: **Antony M. D'Souza**  
 Audit Team: **David McKay**

The audit has been conducted in accordance with the ISM Code /SOLAS Chap. IX

Under the authority of the Government(s) of: **Bahamas, Liberia, Marshall Islands, Panama**

Flag State authorisation(s) verified

Corrective actions from previous audits were verified  If not completed, see Non-Conformity No. \_\_\_\_\_

The audit resulted in the following number of:

Major Non-Conformities (Unresolved)	
Major Non-Conformities (Downgraded)	
Non-Conformities	
Findings	2
Observations	5

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for the proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In any provision 'Det Norske Veritas' shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.

**TREX-01764**



DET NORSKE VERITAS

ISM CODE CERTIFICATION  
Company Audit Report

Company Name (main DOC holder): <b>Transocean Offshore Deepwater Drilling, Inc.</b>		DNV Id No.: <b>195724</b>	
Conclusion (Complete at least one of the following five sections)		Y=Yes N=No	Comments
<b>I</b> The Document Assessment was completed <input type="checkbox"/> Without Non-Conformities <input type="checkbox"/> With Non-Conformities			
<b>II</b> The Initial / Renewal Audit was completed without Non-Conformities Issue of DOC is RECOMMENDED. The Initial / Renewal Audit was completed with Non-Conformities as enclosed Issue of DOC is RECOMMENDED, conditional upon the agreed schedule for corrective action being completed as indicated in the enclosed Non-Conformity Notes. The Initial / Renewal Audit resulted in Major Non-Conformities as enclosed. Issue of DOC is NOT RECOMMENDED, but is pending corrective action by company and verification by DNV through an Additional audit.			
<b>III</b> The Annual Audit was completed without Non-Conformities. The DOC has been ENDORSED. The Annual Audit was completed with Non-Conformities as enclosed The DOC has been ENDORSED, conditional upon the agreed schedule for corrective action being completed as indicated in the enclosed Non-Conformity Notes. The Annual Audit resulted in Major Non-Conformities as enclosed The DOC has NOT been ENDORSED, but is pending corrective action by company and verification by DNV through an Additional audit.		Yes Yes	Annual Audit of the company's Main Office was completed with Satisfactory Results
<b>IV</b> The Additional audit has been completed. <input type="checkbox"/> Issue of DOC is RECOMMENDED <input type="checkbox"/> DOC has been ENDORSED			
<b>V</b> The audit resulted in Major Non-Conformity/ies that was/were downgraded at the audit.			
<b>Report Verification:</b> Lead Auditor: <b>Antony M. D'Souza</b> Signature: <i>[Signature]</i> Verified by: Name <b>Mike Close</b> Signature: <i>[Signature]</i> Title <b>Sr. Surveyor</b> Remarks			
<b>Enclosures:</b> Audit Plan <input type="checkbox"/> Major Non-Conformities <input type="checkbox"/> Non-Conformities <input type="checkbox"/> Findings <input checked="" type="checkbox"/> Observations <input checked="" type="checkbox"/> Additional remarks <input type="checkbox"/> <b>Distribution:</b> (tick if by Auditor) <input type="checkbox"/> Original to Company: <input checked="" type="checkbox"/> / Copy to DNV/MTPNO <input type="checkbox"/> / Copy to DNV/ISM Co-ordinator <input checked="" type="checkbox"/> Copy to Flag State Administration <input type="checkbox"/> / other: <input type="checkbox"/>			
<i>(This audit report shall be retained on file by the Company for at least seven (7) years from date of audit)</i>			
<b>Definitions:</b> Major Non-Conformities      An identifiable deviation which possesses a serious threat to personnel or ship safety or a serious risk to the environment and requires immediate corrective action; in addition, the lack of effective and systematic implementation of a requirement of the ISM Code is also considered as a Major Non-Conformity. Non-Conformities              A non-fulfilment of objectives or requirement defined by the Company which goes beyond what should be subject to mandatory ISM Code certification. It does not affect the issue or renewal of a DOC and/or SMC. Findings                          A statement of fact during a safety management audit and substantiated by objective evidence. It may also be a statement by the auditor referring to the SMC which, if not corrected, may lead to a Non-Conformity in the future. Observation			
<b>NOTE 1:</b> The audit is based upon a sampling process. When no Non-Conformities have been reported, it does not mean that none exist. <b>NOTE 2:</b> The Company is responsible for determining and initiating corrective action needed to correct a Non-conformity and its cause.			





# DET NORSKE VERITAS

Maritime Safety Management and Pollution Prevention

ISM CERTIFICATION

SEP CLASSIFICATION

ISO 9000 series

ISO 14001

Other Standard

**DNV**

## AUDIT PROGRAMME

Company Name: Transocean Offshore Deepwater Drilling, Inc.		Co. DNV Id No. 195724		Organisational Unit Audited: <input checked="" type="checkbox"/> Main Office <input type="checkbox"/> Branch Office <input type="checkbox"/> Shipboard <input type="checkbox"/> Other.		
Ship Name: Corporate Office at Houston, TX, USA		Ship DNV Id No. -				
Audit Date(s): 2005-04-12 & 13		Auditor (Team): Antony M. D'Souza & David McKay				
Audit Scope, Objectives, and Type						
Standard	Initial	Annual	Intermediate	Renewal	Additional	Other
ISM (Management of Safe Ship Operation & Pollution Prevention)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEP (Management of Safety & Environmental Protection)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ISO 9001:2000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ISO 14001:1996	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Audit language (if other than English):						
Audit Terms of Reference, Standards, and other SMS reference documents:						
<ul style="list-style-type: none"> <li>IMO Resolution A.741(18) International Safety Management (ISM) Code and IMO Resolution A.913(22) Revised Guidelines on Implementation of the ISM Code <input checked="" type="checkbox"/></li> <li>DNV Rules Pt. 7 Ch. 5 - Management of Safety and Environmental Protection (SEP) <input type="checkbox"/></li> <li>ISO 9000 series <input type="checkbox"/> ISO 14001 <input type="checkbox"/></li> <li>Special Flag State requirements <input type="checkbox"/></li> <li>Other <input type="checkbox"/> (specify):</li> </ul>						
Audit Execution: (to include the following as appropriate)						
SMS Document Review / Personnel Interviews / Physical Conditions Tour / Pre & Post Audit Meetings / Other:						
Person / Function (Edit as needed)	Date 2005-4-12		Date 2005-4-13		Topics (ISO) / Remarks	
	Start Time	End Time	Start Time	End Time		
Opening Meeting	0830	0850			Department Heads	
COO & Executive Vice President	0900	0930			John Cahuzac	
VP Engg & Technical Services	0930	1000			Mike Hall	
Director (QSHE)	1000	1230			Walter Cabucio	
Scott Hopkins (QSHE)	1330	1500			Scott Hopkins	
IPS Department	1500	1530			A. Sanchez/ M. Portal	
Manager (QS Services)	1530	1630			C. Osterman	
Engineering Discipline Manager			0830	0900	D. Pelley	
D. Groff (HR)			0900	0930	D. Groff	
Marine Regulatory Administrator			1000	1030	L. Masterson	
Director (Maintenance)			0930	1000	Les Smiles	
Manager (Insurance)			1030	1100	B. Kelly	
Manager (Facilities)			1100	1130	R. Pratt	
Director of Engg & Tech Support			1130	1245	P. Tranter	
Close-Out Meeting			1330	1420	Department Heads & QSHE Staff	
Planned Audit Report Distribution:						
Original to Company: <input checked="" type="checkbox"/> /Copy to DNV/MTP: <input checked="" type="checkbox"/> /Copy to DNV/ISM Co-ordinator <input checked="" type="checkbox"/>						
Copy to Flag State Administration: <input type="checkbox"/> /Other: <input type="checkbox"/>						
Additional Audit Programme Information attached: <input type="checkbox"/> Yes <input type="checkbox"/> No						



# DET NORSKE VERITAS

ISM CERTIFICATION  SEP CLASSIFICATION   
 ISO 9000  ISO 14001  Other Standard  Note No. 1 of 2

## Non-Conformity and Finding Note

Date: 2005-4-13

Company Name (DOC Holder): Transocean Offshore Deepwater Drilling, Inc.		DNV Co. id. No.: 195724
Vessel Name:		DNV Ship id. No.:
Type Audit: Company <input checked="" type="checkbox"/> Shipboard <input type="checkbox"/>	DNV Auditor Name(s): Antony M. D'Souza David McKay	
Reference(s): ISM Code: X SEP Rules: ISO9001/2000 ISO14001 Other (e.g. SMS sec.):	Major Non-Conformity <input type="checkbox"/> Non-Conformity <input type="checkbox"/> Finding <input checked="" type="checkbox"/>	MNC Downgraded <input type="checkbox"/> N/C Upgraded <input type="checkbox"/> (date and sign):
Description of Deficiency / Deviation:		Flag State notification required (Form 40.109a or 40.114a) <input type="checkbox"/>
<p>(1) Requirement Statement: ISM Code Sec 11.2 The Company should ensure that 1) Valid documents are available at all relevant locations 2) changes to documents are reviewed and approved....3) obsolete documents are ...removed</p> <p>(2) Deficiency: System / procedure is not (adequately) defined <input type="checkbox"/> / System / procedure is not (effectively) implemented <input checked="" type="checkbox"/></p> <p>Some documents in the eDocs are out of date, not aligned with the current system or were not properly approved</p> <p>(3) Objective Evidence: Refer Topic 6a. of the minutes of QHSE steering committee meeting held on 24<sup>th</sup> February 2005.</p> <p>Note: The company voluntarily identified this deficiency and already initiated corrective action by going through the manuals. Hence, issued as a 'Finding' rather than a 'Non-Conformance Note.'</p>		
Final Corrective Action agreed completed by (date): 2005-6-6	N/A <input type="checkbox"/> (for ISM Finding)	Master / Company Rep sign: (Name) Scott Hopkins
Verification by DNV of corrective actions upon completion: Required: <input checked="" type="checkbox"/> Not required: <input type="checkbox"/> (See Auditor remarks)		DNV Auditor sign (upon issuing NC/Finding): Antony M. D'Souza
Auditor Remarks:		

If any action taken, loss or damage which is proved to have been caused by any negligence act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for the proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision 'Det Norske Veritas' shall mean the Foundation Det Norske Veritas as well as its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



**Company Corrective Actions (to be completed by the Company):**

(Note: failure to correct Non-Conformities by the agreed date may affect Certificate validity)

Immediate corrective action(s):

System deficiency corrective action(s):

Company Rep sign (when all corrective actions are verified as *completed and effectively implemented*):

Name:

Date:

Sign:

DNV Remarks:

DNV Auditor upon close-out, as applicable

Name:

Date:

Sign:

(\* Note: This page-2 to be included for every 40.091a page-1 )



# DET NORSKE VERITAS

ISM CERTIFICATION       SEP CLASSIFICATION   
 ISO 9000       ISO 14001       Other Standard       Note No. 2 of 2

## Non-Conformity and Finding Note

Date 2005-4-13

Company Name (DOC Holder): <b>Transocean Offshore Deepwater Drilling, Inc.</b>		DNV Co. Id. No.: <b>195724</b>
Vessel Name: -		DNV Ship Id. No.: -
Type Audit:    Company <input checked="" type="checkbox"/> Shipboard <input type="checkbox"/>	DNV Auditor Name(s): <b>Antony M. D'Souza      David McKay</b>	
Reference(s): ISM Code: <b>X</b> SEP Rules: ISO9001/2000 ISO14001 Other (e.g. SMS sec.):	Major Non-Conformity <input type="checkbox"/> Non-Conformity <input type="checkbox"/> Finding <input checked="" type="checkbox"/>	MNC Downgraded <input type="checkbox"/> N/C Upgraded <input type="checkbox"/> (date and sign):
		Flag State notification required (Form 40.109a or 40.114a) <input type="checkbox"/>
Description of Deficiency / Deviation:		
<p>(1) Requirement Statement: ISM Code Sec 9.1 The Safety Management system should include procedures ensuring that non-conformities, accidents and hazardous situations are reported to the Company Investigated and <i>analysed...</i></p> <p>(2) Deficiency: System / procedure is not (adequately) defined <input type="checkbox"/> / System / procedure is not (effectively) implemented <input checked="" type="checkbox"/> The OIM rejected Observation issued without satisfactory investigation and review.</p> <p>(3) Objective Evidence:</p> <ol style="list-style-type: none"> <li>1. Observation No. 7 Issued to Discoverer Seven Seas from the ISM Intermediate Audit carried out onboard in January 2005 Offshore India.</li> <li>2. Non-Conformance No. 6 issued to Discoverer Seven Seas from the ISM Intermediate Audit in Jan 2005 is missing from the listing in "FOCUS".</li> <li>3. Observation from Internal ISM audit onboard Discoverer Enterprise that is due to be closed on 6<sup>th</sup> Aug 2004 is still outstanding.</li> </ol>		
Final Corrective Action agreed completed by (date):	N/A <input type="checkbox"/> (for ISM Finding)	Master / Company Rep sign: <i>Scott Hopkins</i> Scott Hopkins
Verification by DNV of corrective actions upon completion: Required: <input checked="" type="checkbox"/> Not required: <input type="checkbox"/> (See Auditor remarks):		DNV Auditor sign (upon issuing NC/Finding): <i>Antony M. D'Souza</i> Antony M. D'Souza
Auditor Remarks:		
<small>If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for the proved direct loss or damage; however, its responsibility shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall include the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.</small>		



Company Corrective Actions (to be completed by the Company):

(Note: failure to correct Non-Conformities by the agreed date may affect Certificate validity)

Immediate corrective action(s):

System deficiency corrective action(s):

Company Rep sign (when *all* corrective actions are verified as *completed and effectively implemented*):

Name:

Date:

Sign:

DNV Remarks:

DNV Auditor upon close-out, as applicable

Name:

Date:

Sign:

(\* Note: This page-2 to be included for every 40.091a page-1.)



DET NORSKE VERITAS  
ISM CODE / ISO CERTIFICATION / OTHER

Observation

Note No.: 1 of 1  
Date: 2005-04-13

Company Name: <b>Transocean Offshore Deepwater Drilling, Inc.</b>	DNV Id. No.: <b>195724</b>
Ship Name: -	DNV Id. No.:
Company Audit <input checked="" type="checkbox"/> Ship Audit <input type="checkbox"/> Lead Auditor: <b>Antony M. D'Souza</b>	Signature:
Audit Team:	

Descriptions with references to relevant requirements or guidelines:

1. **Proposed PMAA Process:** While it is a good initiative on the company's part to include the management in the auditing process, there was no explicit instruction for the auditors to cover all the ISM elements or any guidance on how to report the audit results in relation to ISM requirements (Company agreed to incorporate them in their procedures).
2. The Corporate Designated Person and Designated Persons in the regional office should have a overview of all ISM audit results relevant to their jurisdiction/operations (Company showed their ongoing initiatives to get the status of all results online that would help them to see the 'outstanding' NCs/Findings/Observations at any point of time).
3. Several procedures and manuals have been updated to include major initiative like PMAA process. Modified Procedures and Manuals that are part of the Company Management System to address ISM elements should be submitted to DNV for review.
4. Currently, engineering work carried out within Transocean that does not go through formal approval process by third party (e.g., class, flag administration, coast state administration, etc..) is not formally verified within the Company. Company should review their practices and introduce a minimum level of formal verification of work specified above.
5. Light ship alteration records from the vessels are not being submitted to engineering for updating as required by the procedures (frequency: once/year)

\*\*\*\*\*

If any person suffers loss or damage which is proved to have been caused by any negligence act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question provided that the maximum compensation shall never exceed USD 2 million. In this provision 'Det Norske Veritas' shall mean the Foundation Det Norske Veritas as well as its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.