

EXHIBIT # 1768

WIT: _____



DET NORSKE VERITAS SURVEY REPORT

Rev. [1]

DNV id. no. 195724 Job to: EOCUS466/EP0 01568-1
LFR/Company identification no. 1859654

Name of company
Transocean Offshore Deepwater Drilling Inc.

2009 Annual ISM DOC Audit

This is to confirm that the following has been carried out:

Certificates

Certificate Name	Flag	Endorsed	Issued/ Extended	New expiry date
Document of Compliance	Liberia	Yes		
Document of Compliance	Bahamas	Yes		
Document of Compliance	Panama	Yes		
Document of Compliance	Marshall Islands	Yes		
Document of Compliance	Vanuatu	Yes		
Document of Compliance	United States		ShortTerm	2009-09-16

Scope

Survey Code	Survey Name	Flag	Result
DOC.I	Document of compliance initial - United States -	United States	Complete
DOC.A	Document of compliance annual	Liberia	Complete
DOC.A	Document of compliance annual	Marshall Islands	Complete
DOC.A	Document of compliance annual	Vanuatu	Complete
DOC.A	Document of compliance annual	Panama	Complete
DOC.A	Document of compliance annual	Bahamas	Complete

Flag state authorisation(s) were verified ☒

Corrective actions from previous audits were verified ☒

Station Houston - In-service & class support	Place of survey Houston, Texas 77046	Survey started 2009-04-15	Survey completed 2009-04-16	Stamp
Lead surveyor's name McKay, David G	Lead surveyor's signature 			
Surveyor's name	Surveyor's signature			

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 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 all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.

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Form No. 40-6p Issue April 2005

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Name of company Transocean Offshore Deepwater Drilling Inc.	DNV id. no. 195724	Job id. EOCUS466/EP0 01568-1
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Non-Conformities, Conditions and Memoranda – Given		Due Date
NC 1	<p>Severity: Normal</p> <p>Compliance with mandatory rules and regulations; Implementation of corrective action</p> <p>Finding(s) / Objective Evidence: [ISM Chapter 1.2.3.1: Compliance with mandatory requirements, laws and regulations] Procedure not adequately defined</p> <p>An external ISM audit was carried out in April 2008 on the Transocean Driller operating offshore Brazil, and 8 non-conformities and 2 observations were issued based on deficiencies with the safety management system operating on board and local Coastal State requirements. The non-conformities were deleted based on the Corrective Action Plan proposed, with the proviso that the effectiveness of the corrective action implemented would be verified during the next audit. The corrective action was closed in the Focus deficiency tracking system within Transocean, indicating that it had been successfully implemented. The Flag State requested that a follow up audit be carried out by DNV, and during this audit (carried out March 2009) it was discovered that the corrective action had not been implemented as reported. A Major Non-Conformity was then issued and a further corrective action plan was proposed. The Major non-conformity was then downgraded to a non-conformity.</p> <p>Within Transocean a procedure exists for the implementation of corrective action, and a deficiency tracking system exists, however currently there is no means to verify that corrective action has actually been implemented as reported.</p> <p><i>Immediate Corrective Action: The Company is to determine and implement a means to verify that corrective action has actually been implemented as reported.</i></p>	2009-07-16

Agreed date for sending corrective action plan to DNV (Houston - In-service & class support) for acceptance	2009-05-07
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Summary

The audit was carried out as per the attached audit programme agreed with the Company representative. Purpose of the audit was to assess the ability of the Safety Management System (SMS) to meet the provisions of the ISM code, and on a sampling basis, to ensure that these were implemented and understood at all relevant levels of the organisation of the Company. Specific flag state requirements were audited on a sampling basis.

The methods used to verify the ability of the company's SMS to meet the objectives of the ISM Code included;

- Review of the SMS documentation, with emphasis on all modifications and amendments since previous document review. Verification that changes to the SMS documentation comply with the requirements of the ISM Code, and that despite any such changes, the overall SMS continues to comply with the ISM Code and relevant national requirements.
- Discussion and interview with personnel at all levels in the Company, holding responsibility for functions within the SMS, to verify that these personnel know and support company policies and procedures necessary for meeting requirements of the ISM Code and national requirements.
- Examination of records and other objective evidence having the potential to facilitate verification of compliance with the ISM Code. Records from: class; statutory certificates; internal audits; master's reviews; management reviews; corrective actions; maintenance records; records of emergency exercises and other relevant reports have been reviewed as objective evidence. This includes review of the Company's two-way ship-shore and internal reporting and communications links vital to the effective functioning of the SMS.

Name of company Transocean Offshore Deepwater Drilling Inc.	DNV id no. 195724	Job id EOCUS466/EP0 01568-1
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• A review of non-conformities reported in relation to previously conducted external audits of the company and a sample of ships, verifying the effectiveness of corrective actions taken, including investigation and analysis aimed at avoiding future recurrence of detected deficiencies.

The audit was based upon a sampling process. When no non-conformities or other findings have been identified in a certain area does not mean that they do not exist there. The Company is responsible for determining and initiating corrective action needed to correct any non-conformity and its cause.

The audit was carried out successfully. All participants were open and honest and their participation is appreciated. A total of one non-conformity and eight observations were given. A Short Term Document of Compliance on behalf of the United States of America was issued, with expiry 2009-09-16.

Observations

1. It was noted that progress on the merging of Transocean and Global Santa Fe policies, procedures and positions within the combined organization has been considerable, and that the Company's Next Step process of controlled distribution of the Management System combined with education and training and follow up re-evaluation and incorporation of best practices has been successful. The Company is to be commended as statistics suggest that focus on safety and environmental protection has been maintained during the period of change (ref ISM Code 1.2.2).
2. It was again noted despite an observation in the 2008 Corporate Audit that training and career development plans for onshore staff positions are not formalized. It was however noted that progress has been made on the development of the Succession Program and Talent Management Program currently being developed by the HR Department. Further progress is expected and will be verified at the next audit (ref ISM Code 6.5).
3. Progress on the development of the tool (Audit Compliance Monitoring System) to manage overview of Fleet ISM certification, internal/external audit status, and Master's Review status was noted. The Company has committed to implement this system in the 3rd quarter of 2009 (ref ISM Code 1.2.3, 1.4.6, 5.1.5).
4. A new ISM/ISPS manual HQS-HSE-HB-02 has been developed and distributed. It was however noted that although common Flag State requirements are listed, Coastal State requirements are not. The Company is requested to consider adding this information to the manual (ref ISM Code 1.2.3).
5. No job description could be found for the Corporate Operations Manager – Assets, although a similar job description exists for a Divisional position title. The Company is requested to define and document the responsibility and authority for this position (ref ISM Code 3.2).
6. Initiatives within the QHSE department were noted as follows: Fleet management guide (containing relevant contact information for each unit) and development of a standardized audit reporting module within the Company's new reporting tool GMS. These initiatives are to be commended (ref ISM Code 1.2.2.3, 12.1).
7. The "Clear Agreement Plan" (agreement between Corporate management and local unit management on focus areas and targets for Safety And Environmental performance) is a good practice, and is to be commended (ref ISM Code 1.2.2.3).
8. As previously observed, the statement of Master's Authority is still not clearly and completely stated within the Company Safety Management System. Although there are various statements of the Master's authority, there is no clear and absolute indication of the Master's overriding authority and responsibility. The company is requested to address this (ref ISM Code 5.2).



Maritime Safety Management and Pollution Prevention

ISM CERTIFICATION ☒ ISPS CERTIFICATION ☐ SEP CLASSIFICATION ☐
ISO 9000 series ☐ ISO 14001 ☐ Other Standard ☐

AUDIT PROGRAMME

Company Name: **TRANSOCEAN OFFSHORE DEEPWATER DRILLING INC.**

Co. DNV Id No.
196724

Organisational Unit Audited:

☒ Main Office

☐ Branch Office

☐ Shipboard

☐ Other:

Ship Name:

Ship DNV Id No.

Audit Date(s):
2009-04-15 to 2008-04-16

Auditor (Team):
DAVID McKAY

[illegible]

Audit language (if other than English):

Audit Terms of Reference, Standards, and other SMS reference documents:

- IMO Resolution A.741(18) International Safety Management (ISM) Code and IMO Resolution A.913(22) Revised Guidelines on Implementation of the ISM Code ☒
- DNV Rules Pt. 7 Ch. 5 - Management of Safety and Environmental Protection (SEP) ☐
- ISO 9000 series ☐ ISO 14001 ☐
- Special Flag State requirements ☐
- Other ☐ (specify):

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 04-15		Date 04-16		Topics (ISO) / Remarks
	Start Time	End Time	Start Time	End Time	
OPENING MEETING	0900	0915			QHSE REPRESENTATIVES/AUDITEES
ISM/ISPS MANAGER/DPA	0915	1000	0815	0900	JOSH HERINGTON
MANAGER, HR OFFSHORE	1000	1100			PAUL RUTHERFORD
DIRECTOR OF MAINTENANCE	1100	1215			BILL AMBROSE
ISM/ISPS MANAGER/DPA	1215	1335			JOSH HERINGTON
DIRECTOR - ENGINEERING	1335	1435			DARREL PELLEY
DIRECTOR - MARINE SUPPORT	1435	1515			JIM BREKKE
OPS MANAGER ASSETS	1515	1630			CHRIS CORCORAN
DIRECTOR, HR SERVICES			0900	1000	KRISTINA McGRATH
VP QHSE			1000	1140	ADRIAN ROSE
TRAINING COORDINATOR			1140	1210	KATIE PANNELL
ISM/ISPS MANAGER/DPA			1210	1400	JOSH HERINGTON
QHSE DIRECTOR			1400	1600	JIMMY MOORE
CLOSING MEETING			1600	1630	QHSE REPRESENTATIVES/AUDITEES

Planned Audit Report Distribution:

Original to Company: ☒ /Copy to DNV/MTP: ☒ /Copy to DNV/ISM Co-ordinator ☐
Copy to Flag State Administration: ☐ /Other: ☐

Additional Audit Programme Information attached: ☐ Yes ☒ No

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Form No.: 40 090a Issue: October 2005

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DET NORSKE VERITAS

ISM CERTIFICATION ☒SEP CLASSIFICATION ☐ISO 9000 ☐ISO 14001 ☐Other Standard ☐

Note No. 1 of 1

Non-Conformity Note

Date: 2009-04-16

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): DAVID McKAY	
Reference(s): ISM Code: PART 1.2.3.1, 9.2 SEP Rules: ISO9001/2000 ISO14001 Other:	Major Non-Conformity <input type="checkbox"/> Non-Conformity <input checked="" type="checkbox"/>	MNC Downgraded <input type="checkbox"/> N/C Upgraded <input type="checkbox"/> (date and sign): 2009-04-16
Flag State notification required (Form 40.109a or 40.114a) <input type="checkbox"/>		
Description of Deficiency / Deviation: (1) Requirement Statement: ISM CODE PART 1.2.3.1, PART 9.2, Part 12.3; Compliance with mandatory rules and regulations; Implementation of corrective action (2) Deficiency: <i>System / procedure is not (adequately) defined</i> <input checked="" type="checkbox"/> / <i>System / procedure is not (effectively) implemented</i> <input checked="" type="checkbox"/> Implementation of corrective action and verification thereof (3) Objective Evidence: An external ISM audit was carried out in April 2008 on the Transocean Driller operating offshore Brazil, and 8 non-conformities and 2 observations were issued based on deficiencies with the safety management system operating on board and local Coastal State requirements. The non-conformities were deleted based on the Corrective Action Plan proposed, with the proviso that the effectiveness of the corrective action implemented would be verified during the next audit. The corrective action was closed in the Focus deficiency tracking system within Transocean, indicating that it had been successfully implemented. The Flag State requested that a follow up audit be carried out by DNV, and during this audit (carried out March 2009) it was discovered that the corrective action had not been implemented as reported. A Major Non-Conformity was then issued and a further corrective action plan was proposed. The Major non-conformity was then downgraded to a non-conformity. Within Transocean a procedure exists for the implementation of corrective action, and a deficiency tracking system exists, however currently there is no means to verify that corrective action has actually been implemented as reported.		
Final Corrective Action agreed completed by (date): 2009-07-21		Master / Company Rep sign: (Name): NOSH HERINGTON
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): DAVID McKAY
Auditor Remarks:		

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 the 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.

DNV Co. Id No. 195724

DNV Ship Id. No.:

Audit Date: 2009-04-16

Note No.: 1 of 1

Actions by Company for closing (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 preventive 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)

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Form No : 40.091a Issue: April 2006

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DET NORSKE VERITAS

ISM CODE CERTIFICATION Company Audit Report

Company Name (main DOC holder):
TRANSOCEAN OFFSHORE DEEPWATER DRILLING INC.

DNV Id No.
195724

Company Address:
FOUR GREENWAY PLAZA
HOUSTON, TEXAS 77046, USA

Company Branch Office Locations (if any):
HOUSTON, USA; MACAE, BRAZIL; SINGAPORE; ABERDEEN, SCOTLAND

Audit Request:

Document Assessment ☐

Initial ☐

Annual ☒

Renewal: ☐

Previous Full Term DOC Expiry Date: 2007-01-25

Additional: ☐

(Scope/reason):

Date of Audit: 2009-04-15, 16

Audit Location: HOUSTON

Report Preparation Date: 2009-04-21

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: EOCUS466/EP001568

DNV Lead Auditor:

DAVID McKAY

Audit Team:

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

Under the authority of the Government(s) of:

THE COMMONWEALTH OF THE BAHAMAS; THE REPUBLIC OF LIBERIA;
THE REPUBLIC OF THE MARSHALL ISLANDS; THE REPUBLIC OF
PANAMA; THE UNITED STATES OF AMERICA

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)	0
Major Non-Conformities (Downgraded)	0
Non-Conformities	1
Findings	0
Observations	8

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Form No. 40.092a Issue: June 2003

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DET NORSKE VERITAS

ISM CODE CERTIFICATION Company Audit Report

Company Name (main DOC holder): TRANSOCEAN OFFSHORE DEEPWATER DRILLING INC.		DNV Id No.: 195724	
Conclusion (Complete at least one of the following five sections)		Y=Yes N=No	
I The Document Assessment was completed <input type="checkbox"/> Without Non-Conformities <input type="checkbox"/> With Non-Conformities		Comments	
II 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.			
III The Annual Audit was completed without Non-Conformities. The DOC has been ENDORSED .			YES
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.			YES
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
IV The Additional audit has been completed. <input type="checkbox"/> Issue of DOC is RECOMMENDED <input type="checkbox"/> DOC has been ENDORSED			
V The audit resulted in Major Non-Conformities that was/were downgraded at the audit.			
Report Verification: Lead Auditor: DAVID MCKAY Signature: _____ Station: EOCUS466 HOUSTON Verified by: _____ Name: ANTONY D'SOUZA Signature: _____ Title: MANAGER OCNA Remarks: _____			
Enclosures: Audit Plan <input checked="" type="checkbox"/> Major Non-Conformities <input type="checkbox"/> Non-Conformities <input checked="" type="checkbox"/> Findings <input type="checkbox"/> Observations <input checked="" type="checkbox"/> Additional remarks <input type="checkbox"/> Distribution: (tick if by Auditor) <input type="checkbox"/> Original to Company: <input checked="" type="checkbox"/> / Copy to DNV/MTPNO <input checked="" type="checkbox"/> / Copy to DNV/ISM Co-ordinator <input type="checkbox"/> Copy to Flag State Administration <input type="checkbox"/> / other <input type="checkbox"/>			
(This audit report shall be retained on file by the Company for at least seven (7) years from date of audit)			
Definitions: 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: An observed situation where objective evidence indicates the non-fulfilment of a specified requirement. Findings: 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. Observation: 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. NOTE 1: The audit is based upon a sampling process. When no Non-Conformities have been reported, it does not mean that none exist. NOTE 2: The Company is responsible for determining and initiating corrective action needed to correct a Non-conformity and its cause.			



DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER

Observation

Note No. 1 of 1
Date 2009-04-16

Company Name:

TRANSOCEAN OFFSHORE DEEPWATER DRILLING INC.

DNV Id. No.:

195724

Ship Name:

DNV Id. No.:

Company
Audit



Ship
Audit



Lead Auditor: DAVID McKAY

Signature:

Audit Team:

Descriptions with references to relevant requirements or guidelines:

1. It was noted that progress on the merging of Transocean and Global Santa Fe policies, procedures and positions within the combined organization has been considerable, and that the Company's Next Step process of controlled distribution of the Management System combined with education and training and follow up re-evaluation and incorporation of best practices has been successful. The Company is to be commended as statistics suggest that focus on safety and environmental protection has been maintained during the period of change (ref ISM Code 1.2.2).
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