

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: October 25, 2007

Subject: Transocean Inc. (RIG) Pending Merger With GlobalSantaFe Corporation (GSF)

On Friday, November 9, 2007, the shareholders of Transocean Inc. (RIG) will vote to approve the proposed merger with GlobalSantaFe Corporation (GSF). Pursuant to the merger terms each RIG share will be converted into the right to receive 0.6996 (New) Transocean Inc. (RIG) Ordinary shares plus \$33.03 cash. Cash will be paid in lieu of fractional shares. **The merger is anticipated to become effective in the fourth quarter of 2007**

***The foregoing is an unofficial summary of the terms of the Merger, prepared by the PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of the summary. Members should refer to the proxy statement for the authoritative description of the merger terms and conditions.*

Pursuant to Options Clearing Corporation (OCC) By-Laws, all outstanding RIG options will be adjusted as follows:

EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced
SYMBOL(s): RIG/VOI/YDR becomes RFU/ZRN/YOB respectively
POS/EXERCISE LIMIT: 500,000 contracts until January 2010 expiration; where limits revert to 250,000
MULTIPLIER: 100*(eg., Premium of 1.00 = \$100)
NEW DELIVERABLE: 1) 69 (New) Transocean Inc. (RIG) Ordinary Shares
 2) Cash in lieu of 0.96 fractional RIG Shares
 3) \$3,303.00 cash per contract (\$33.03 x 100)

Transocean Inc. (RIG) (Before - Date To Be Announced) 100 shares RIG					Transocean Inc. (RFU) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
RIG	NOV	55	KK	WK	RFU	NOV	55	KK	WK
RIG	NOV	60	KL	WL	RFU	NOV	60	KL	WL
RIG	NOV	65	KM	WM	RFU	NOV	65	KM	WM
RIG	NOV	70	KN	WN	RFU	NOV	70	KN	WN
RIG	NOV	75	KO	WO	RFU	NOV	75	KO	WO
RIG	NOV	80	KP	WP	RFU	NOV	80	KP	WP
RIG	NOV	85	KQ	WQ	RFU	NOV	85	KQ	WQ
RIG	NOV	90	KR	WR	RFU	NOV	90	KR	WR
RIG	NOV	95	KS	WS	RFU	NOV	95	KS	WS
RIG	NOV	100	KT	WT	RFU	NOV	100	KT	WT
RIG	NOV	105	KA	WA	RFU	NOV	105	KA	WA
RIG	NOV	110	KB	WB	RFU	NOV	110	KB	WB
RIG	NOV	115	KC	WC	RFU	NOV	115	KC	WC
RIG	NOV	120	KD	WD	RFU	NOV	120	KD	WD
RIG	NOV	125	KE	WE	RFU	NOV	125	KE	WE
RIG	NOV	130	KX	WX	RFU	NOV	130	KX	WX
RIG	NOV	135	KY	WY	RFU	NOV	135	KY	WY
RIG	NOV	140	KZ	WZ	RFU	NOV	140	KZ	WZ
RIG	DEC	90	LR	XR	RFU	DEC	90	LR	XR
RIG	DEC	95	LS	XS	RFU	DEC	95	LS	XS
RIG	DEC	100	LT	XT	RFU	DEC	100	LT	XT
RIG	DEC	105	LA	XA	RFU	DEC	105	LA	XA
RIG	DEC	110	LB	XB	RFU	DEC	110	LB	XB
RIG	DEC	115	LC	XC	RFU	DEC	115	LC	XC

Transocean Inc. (RIG)
 (Before - Date To Be Announced)
 100 shares RIG

Transocean Inc. (RFU)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Calls	Puts				Calls	Puts
RIG	DEC	120	LD	XD	RFU	DEC	120	LD	XD
RIG	DEC	125	LE	XE	RFU	DEC	125	LE	XE
RIG	DEC	130	LX	XX	RFU	DEC	130	LX	XX
RIG	DEC	135	LY	XY	RFU	DEC	135	LY	XY
RIG	DEC	140	LZ	XZ	RFU	DEC	140	LZ	XZ
RIG	JAN	30	AF	MF	RFU	JAN	30	AF	MF
RIG	JAN	35	AG	MG	RFU	JAN	35	AG	MG
RIG	JAN	40	AH	MH	RFU	JAN	40	AH	MH
RIG	JAN	45	AI	MI	RFU	JAN	45	AI	MI
RIG	JAN	50	AJ	MJ	RFU	JAN	50	AJ	MJ
RIG	JAN	55	AK	MK	RFU	JAN	55	AK	MK
RIG	JAN	60	AL	ML	RFU	JAN	60	AL	ML
RIG	JAN	65	AM	MM	RFU	JAN	65	AM	MM
RIG	JAN	70	AN	MN	RFU	JAN	70	AN	MN
RIG	JAN	75	AO	MO	RFU	JAN	75	AO	MO
RIG	JAN	80	AP	MP	RFU	JAN	80	AP	MP
RIG	JAN	85	AQ	MQ	RFU	JAN	85	AQ	MQ
RIG	JAN	90	AR	MR	RFU	JAN	90	AR	MR
RIG	JAN	95	AS	MS	RFU	JAN	95	AS	MS
RIG	JAN	100	AT	MT	RFU	JAN	100	AT	MT
RIG	JAN	105	AA	MA	RFU	JAN	105	AA	MA
RIG	JAN	110	AB	MB	RFU	JAN	110	AB	MB
RIG	JAN	115	AC	MC	RFU	JAN	115	AC	MC
RIG	JAN	120	AD	MD	RFU	JAN	120	AD	MD
RIG	JAN	125	AE	ME	RFU	JAN	125	AE	ME
RIG	JAN	130	AX	MX	RFU	JAN	130	AX	MX
RIG	JAN	135	AY	MY	RFU	JAN	135	AY	MY
RIG	JAN	140	AZ	MZ	RFU	JAN	140	AZ	MZ
RIG	JAN	145	AW	MW	RFU	JAN	145	AW	MW
RIG	FEB	75	BO	NO	RFU	FEB	75	BO	NO
RIG	FEB	80	BP	NP	RFU	FEB	80	BP	NP
RIG	FEB	85	BQ	NQ	RFU	FEB	85	BQ	NQ
RIG	FEB	90	BR	NR	RFU	FEB	90	BR	NR
RIG	FEB	95	BS	NS	RFU	FEB	95	BS	NS
RIG	FEB	100	BT	NT	RFU	FEB	100	BT	NT
RIG	FEB	105	BA	NA	RFU	FEB	105	BA	NA
RIG	FEB	110	BB	NB	RFU	FEB	110	BB	NB
RIG	FEB	115	BC	NC	RFU	FEB	115	BC	NC
RIG	FEB	120	BD	ND	RFU	FEB	120	BD	ND
RIG	FEB	125	BE	NE	RFU	FEB	125	BE	NE
RIG	FEB	130	BX	NX	RFU	FEB	130	BX	NX
RIG	FEB	135	BY	NY	RFU	FEB	135	BY	NY
RIG	FEB	140	BZ	NZ	RFU	FEB	140	BZ	NZ
RIG	MAY	80	EP	QP	RFU	MAY	80	EP	QP
RIG	MAY	85	EQ	QQ	RFU	MAY	85	EQ	QQ
RIG	MAY	90	ER	QR	RFU	MAY	90	ER	QR
RIG	MAY	95	ES	QS	RFU	MAY	95	ES	QS
RIG	MAY	100	ET	QT	RFU	MAY	100	ET	QT
RIG	MAY	105	EA	QA	RFU	MAY	105	EA	QA
RIG	MAY	110	EB	QB	RFU	MAY	110	EB	QB
RIG	MAY	115	EC	QC	RFU	MAY	115	EC	QC
RIG	MAY	120	ED	QD	RFU	MAY	120	ED	QD
RIG	MAY	125	EE	QE	RFU	MAY	125	EE	QE
RIG	MAY	130	EX	QX	RFU	MAY	130	EX	QX
RIG	MAY	135	EY	QY	RFU	MAY	135	EY	QY

Transocean Inc. - 2009 Leap (RIG/VOI)
 (Before - Date To Be Announced)
 100 shares RIG

			Call	Put
VOI	JAN	50	AJ	MJ
VOI	JAN	60	AL	ML
VOI	JAN	70	AN	MN
VOI	JAN	80	AP	MP
VOI	JAN	85	AQ	MQ
VOI	JAN	90	AR	MR
VOI	JAN	95	AS	MS
VOI	JAN	100	AT	MT
VOI	JAN	105	AA	MA
VOI	JAN	110	AB	MB
VOI	JAN	115	AC	MC
VOI	JAN	120	AD	MD
VOI	JAN	130	AF	MF
VOI	JAN	140	AH	MH
VOI	JAN	150	AZ	MZ
VOI	JAN	160	AX	MX
VOI	JAN	170	AY	MY

Transocean Inc. - 2009 Leap (RIG/ZRN)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
ZRN	JAN	50	AJ	MJ
ZRN	JAN	60	AL	ML
ZRN	JAN	70	AN	MN
ZRN	JAN	80	AP	MP
ZRN	JAN	85	AQ	MQ
ZRN	JAN	90	AR	MR
ZRN	JAN	95	AS	MS
ZRN	JAN	100	AT	MT
ZRN	JAN	105	AA	MA
ZRN	JAN	110	AB	MB
ZRN	JAN	115	AC	MC
ZRN	JAN	120	AD	MD
ZRN	JAN	130	AF	MF
ZRN	JAN	140	AH	MH
ZRN	JAN	150	AZ	MZ
ZRN	JAN	160	AX	MX
ZRN	JAN	170	AY	MY

Transocean Inc. - 2010 Leap (RIG/YDR)
 (Before - Date To Be Announced)
 100 shares RIG

			Call	Put
YDR	JAN	80	AP	MP
YDR	JAN	90	AR	MR
YDR	JAN	100	AT	MT
YDR	JAN	110	AB	MB
YDR	JAN	120	AD	MD
YDR	JAN	130	AF	MF
YDR	JAN	140	AH	MH

Transocean Inc. - 2010 Leap (RIG/YOB)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
YOB	JAN	80	AP	MP
YOB	JAN	90	AR	MR
YOB	JAN	100	AT	MT
YOB	JAN	110	AB	MB
YOB	JAN	120	AD	MD
YOB	JAN	130	AF	MF
YOB	JAN	140	AH	MH

Customers should be advised that all Good-til-Cancelled (GTC) orders not on AUTOM must be cancelled and re-entered prior to the effective date. GTC AUTOM orders will be deleted by PHLX Service Desk/AUTOM person

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-538