

MEMORANDUM

To: All Option Members, Member Organizations and ROTs

From: Market Watch

Date: October 25, 2007

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

On Friday, November 9, 2007, the shareholders of GlobalSantaFe Corporation (GSF) will vote to approve the proposed merger with Transocean Inc. (RIG). Pursuant to the merger terms each GSF share will be converted into the right to receive 0.4757 (New) Transocean Inc. (RIG) Ordinary Shares plus \$22.46 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 GSF options will be adjusted as follows:

EFFECTIVE DATE: Option changes are expected to become effective on a date to be announced
SYMBOL(s): GSF/VEJ/WEJ becomes GWK/XZV/YHO 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) 47 (New) Transocean Inc. (RIG) Ordinary Shares
 2) Cash in lieu of 0.57 fractional RIG Shares
 3) \$2,246.00 cash per contract (\$22.46 x 100)

GlobalSantaFe Corp. (GSF) (Before - Date To Be Announced) 100 shares GSF					GlobalSantaFe Corp. (GWK) (Beginning - Date To Be Announced) (See New Deliverable Above)				
			Calls	Puts				Calls	Puts
GSF	NOV	65	KM	WM	GWK	NOV	65	KM	WM
GSF	NOV	67 1/2	KU	WU	GWK	NOV	67 1/2	KU	WU
GSF	NOV	70	KN	WN	GWK	NOV	70	KN	WN
GSF	NOV	72 1/2	KV	WV	GWK	NOV	72 1/2	KV	WV
GSF	NOV	75	KO	WO	GWK	NOV	75	KO	WO
GSF	NOV	80	KP	WP	GWK	NOV	80	KP	WP
GSF	NOV	85	KQ	WQ	GWK	NOV	85	KQ	WQ
GSF	NOV	90	KR	WR	GWK	NOV	90	KR	WR
GSF	DEC	65	LM	XM	GWK	DEC	65	LM	XM
GSF	DEC	67 1/2	LU	XU	GWK	DEC	67 1/2	LU	XU
GSF	DEC	70	LN	XN	GWK	DEC	70	LN	XN
GSF	DEC	72 1/2	LV	XV	GWK	DEC	72 1/2	LV	XV
GSF	DEC	75	LO	XO	GWK	DEC	75	LO	XO
GSF	DEC	80	LP	XP	GWK	DEC	80	LP	XP
GSF	DEC	85	LQ	XQ	GWK	DEC	85	LQ	XQ
GSF	DEC	90	LR	XR	GWK	DEC	90	LR	XR
GSF	JAN	25	AE	ME	GWK	JAN	25	AE	ME
GSF	JAN	30	AF	MF	GWK	JAN	30	AF	MF
GSF	JAN	35	AG	MG	GWK	JAN	35	AG	MG
GSF	JAN	40	AH	MH	GWK	JAN	40	AH	MH
GSF	JAN	45	AI	MI	GWK	JAN	45	AI	MI
GSF	JAN	50	AJ	MJ	GWK	JAN	50	AJ	MJ

GlobalSantaFe Corp. (GSF)
 (Before - Date To Be Announced)
 100 shares GSF

			Calls	Puts
GSF	JAN	55	AK	MK
GSF	JAN	60	AL	ML
GSF	JAN	65	AM	MM
GSF	JAN	70	AN	MN
GSF	JAN	75	AO	MO
GSF	JAN	80	AP	MP
GSF	JAN	85	AQ	MQ
GSF	JAN	90	AR	MR
GSF	JAN	95	AS	MS
GSF	JAN	100	AT	MT
GSF	JAN	110	AB	MB
GSF	APR	55	DK	PK
GSF	APR	57 1/2	DY	PY
GSF	APR	60	DL	PL
GSF	APR	62 1/2	DZ	PZ
GSF	APR	65	DM	PM
GSF	APR	67 1/2	DU	PU
GSF	APR	70	DN	PN
GSF	APR	72 1/2	DV	PV
GSF	APR	75	DO	PO
GSF	APR	80	DP	PP
GSF	APR	85	DQ	PQ
GSF	APR	90	DR	PR

GlobalSantaFe Corp. (GWK)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Calls	Puts
GWK	JAN	55	AK	MK
GWK	JAN	60	AL	ML
GWK	JAN	65	AM	MM
GWK	JAN	70	AN	MN
GWK	JAN	75	AO	MO
GWK	JAN	80	AP	MP
GWK	JAN	85	AQ	MQ
GWK	JAN	90	AR	MR
GWK	JAN	95	AS	MS
GWK	JAN	100	AT	MT
GWK	JAN	110	AB	MB
GWK	APR	55	DK	PK
GWK	APR	57 1/2	DY	PY
GWK	APR	60	DL	PL
GWK	APR	62 1/2	DZ	PZ
GWK	APR	65	DM	PM
GWK	APR	67 1/2	DU	PU
GWK	APR	70	DN	PN
GWK	APR	72 1/2	DV	PV
GWK	APR	75	DO	PO
GWK	APR	80	DP	PP
GWK	APR	85	DQ	PQ
GWK	APR	90	DR	PR

GlobalSantaFe Corp. - 2009 Leap (GSF/VEJ)
 (Before - Date To Be Announced)
 100 shares GSF

			Call	Put
VEJ	JAN	40	AH	MH
VEJ	JAN	50	AJ	MJ
VEJ	JAN	60	AL	ML
VEJ	JAN	70	AN	MN
VEJ	JAN	80	AP	MP
VEJ	JAN	90	AR	MR
VEJ	JAN	100	AT	MT
VEJ	JAN	110	AB	MB

GlobalSantaFe Corp. - 2009 Leap (GSF/XZV)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
XZV	JAN	40	AH	MH
XZV	JAN	50	AJ	MJ
XZV	JAN	60	AL	ML
XZV	JAN	70	AN	MN
XZV	JAN	80	AP	MP
XZV	JAN	90	AR	MR
XZV	JAN	100	AT	MT
XZV	JAN	110	AB	MB

GlobalSantaFe Corp. - 2010 Leap (GSF/WEJ)
 (Before - Date To Be Announced)
 100 shares GSF

			Call	Put
WEJ	JAN	50	AJ	MJ
WEJ	JAN	60	AL	ML
WEJ	JAN	70	AN	MN
WEJ	JAN	80	AP	MP
WEJ	JAN	90	AR	MR
WEJ	JAN	100	AT	MT
WEJ	JAN	110	AB	MB

GlobalSantaFe Corp. - 2010 Leap (GSF/YHO)
 (Beginning - Date To Be Announced)
 (See New Deliverable Above)

			Call	Put
YHO	JAN	50	AJ	MJ
YHO	JAN	60	AL	ML
YHO	JAN	70	AN	MN
YHO	JAN	80	AP	MP
YHO	JAN	90	AR	MR
YHO	JAN	100	AT	MT
YHO	JAN	110	AB	MB

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 personnel.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.