



CONTRACTOR NEWS

ENSCO orders new jackup at Singapore

ENSCO International will exchange three of its rigs and \$55 million cash for the construction of a new high performance jackup to be built at Keppel FELS in Singapore. The three rigs to be exchanged at the ENSCO 55, a 300 ft Friede & Goldman 780 Mod II jackup built in 1981, and two Gulf of Mexico platform rigs, ENSCO 23 and 24. Keppel entered into a separate agreement with another drilling contractor for the sale of the three ENSCO rigs. The new rig will be the named ENSCO 107, an enhanced KFELS Mod V (B) design modified to ENSCO specification, a sister rig to the ENSCO 106 currently under construction.

Keppel's AMFELS yard in Brownsville, Texas, won a contract to upgrade the ENSCO 68 that will be converted from a slot to a cantilever unit with leg extensions and equipment capability enhancements. ■

Keppel FELS wins newbuild jackup order

Keppel FELS signed an agreement with a wholly-owned subsidiary of the Skeie Group AS of Norway to build a Keppel FELS Mod V (B) class enhanced jackup capable of working in up to 350 ft of water and drilling to 35,000 ft. The owner has an option to order an additional rig within the next six months with the same technical specification as the first unit with price adjustment for currency fluctuations. Cost of the first unit is \$126 million. Delivery is set for the second quarter 2006. ■

Transocean awarded contracts for deepwater rigs

Transocean secured contracts for its semisubmersibles Transocean Leader and Jack Bates and drillship Deepwater Discovery. Statoil contracted the Transocean Leader for an estimated 15-month term off Norway. The contract is expected to begin this May following modifications. Revenues from the contract could total more than \$85 million. Total is contracting the Jack Bates for an estimated 100-days in the UK North Sea. The contract could generate revenues of \$12.5 million. Affiliates of ExxonMobil contracted the Deepwater Discovery for a two-well drilling program offshore Nigeria. The contract began in early February and could generate \$15.7 million in revenues. ■

ENSCO buys interest in rig

Keppel FELS divested its entire 75% interest in ENSCO Enterprises Limited joint venture company for \$95 million in cash. The joint venture was part of an alliance agreement between ENSCO and Keppel FELS to build, own and operate the jackup rig ENSCO 102. The agreement carried an option for ENSCO to buy Keppel's interest in the rig, which was set to expire this May. ■

Union Drilling orders new rigs

Union Drilling ordered two new rigs for its Appalachian fleet. The company ordered a National Oilwell Model 900 portable rig with 441,000 lbs of hoisting capacity that will feature state-of-the-art engineering and features. The rig will be fabricated at National Oilwell's Pampa, TX yard. Delivery is expected by mid-summer. Arrangements with National Oilwell include an option to purchase a second identical rig under similar terms. Union also ordered a GEFCO 185,000 lb capacity rig for operations in the southern Appalachian Basin. The company also holds options to purchase up to four additional rigs for delivery later this year. Union Drilling owns 45 rigs and provides contract drilling services in the Rocky Mountains in addition to the Appalachian Basin. It is the largest privately-held drilling contractor. ■

KCA DEUTAG drilling contracts

KCA DEUTAG (KCAD) announced contract awards totaling \$62 million for rigs operating in the North Sea, Libya, Oman, Nigeria and Pakistan. KCAD received a three-year contract with two one-year extensions from Venture Production for the Kittiwake platform in the UK North Sea. The contract is valued at \$6.75 million over the five years. Contract extensions valued at nearly \$8 million were also announced for rig T-16 working for Agip Libya and rig T-72 working for Wintershall Libya. In Oman, KCAD was awarded a \$19.4 million land drilling contract from Petroleum Development Oman (PDO) for rig T-44 for four years. In Nigeria, KCAD signed a two-year contract with a one-year extension for rig T-26 and a one-year extension for rig T-6, both working for NAOC Agip. In Pakistan, MOL PAKISTAN OIL & GAS awarded KCAD a contract for Rig T-75 valued at between \$5 and \$10 million over 1 1/2 years. ■

Pioneer Drilling buying rigs

San Antonio, Texas-based Pioneer Drilling Company signed an asset purchase agreement to acquire a seven-rig drilling fleet and related equipment for \$12 million. The mechanical rigs are rated from 700 to 1,200 hp and drilling to depths of 10,000-14,000 ft. The transaction was expected to close early March. The transaction would allow the company to increase market share within its existing markets as well as further expand geographically. ■

Transocean completes TODCO IPO

Transocean closed the public offering of 13.8 million shares of Class A common stock of TODCO 10 February. TODCO is the company's Gulf of Mexico shallow and inland water subsidiary. The offering price was \$12 per share. The shares represent approximately 20% of TODCO's outstanding shares. The closing included 1.8 million shares relating to the underwriters' over-allotment option, which was exercised in full. Transocean received approximately \$150.2 million of proceeds from the offering, net of underwriting fees and estimated expenses. The company intends to use the proceeds to reduce corporate debt and for general corporate purposes. ■