

**SERIES ADJUSTMENTS 2001-002**  
**ONN INFORMATION CIRCULAR #103**  
**January 9, 2001**

**R & B Falcon Corp. (FLC) Pending Merger with TransOcean Sedco Forex, Inc. (RIG)**

On Tuesday, December 12, 2000, the shareholders of R & B Falcon Corp. (FLC) voted to approve the proposed merger with TransOcean Sedco Forex, Inc. (RIG) Under the terms of the merger, each FLC share will be converted into the right to receive 0.5 RIG Common Shares.

The merger is anticipated to become effective in the first quarter of 2001.

**Pending Contract Adjustments**

Pursuant to Options Clearing Corporation (OCC) by-laws, all outstanding R & B Falcon Corp. options will be adjusted as follows:

**Adjustment Date:** Option changes anticipated to become effective on a date to be announced  
**ISE Underlying Symbol** No Change  
**OPRA Option Symbols:** FLC becomes FLW  
**Strike Prices:** No Change  
**No. Of Contracts:** No Change  
**Multiplier:** 100\*(eg., Premium of 1.00 = \$100)  
**New Deliverable/Contract:** Expected to be 50 shares of RIG

*\*\*The foregoing is an unofficial summary of the terms of the Merger, prepared by the ISE for the convenience of its members. ISE 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.*

**GTC Order Cancellation:**

Immediately after the ISE close on the effective date of the merger, all resting orders in the FLC order book will be cancelled.

**ADJUSTED EXERCISE PRICES:**

Effective with the opening of business, after the date the merger is consummated,, trading in FLC series will be on an adjusted basis. The strike price adjustments below are expected based on the current outstanding series. Any additional FLC series added prior to the merger date will also be adjusted in the manner outlined below.

R & B Falcon Corp. (Before - Date To Be Announced) 100 shares FLC					R & B Falcon Corp. (Beginning - Date To Be Announced) (See New Deliverable Above)				
ISESeries	OPRA	Month	Strike	Calls/Puts	ISESeries	OPRA	Month	Strike	Calls/Puts
FLC1JAN15.0C/P	FLC	JAN	15	AC/MC	FLC1JAN15.0CX/PX	FLW	JAN	15	AC/MC
FLC1JAN17.5C/P	FLC	JAN	17 1/2	AW/MW	FLC1JAN17.5CX/PX	FLW	JAN	17.5	AW/MW
FLC1JAN20.0C/P	FLC	JAN	20	AD/MD	FLC1JAN20.0CX/PX	FLW	JAN	20	AD/MD
FLC1JAN22.5C/P	FLC	JAN	22 1/2	AX/MX	FLC1JAN22.5CX/PX	FLW	JAN	22.5	AX/MX
FLC1JAN25.0C/P	FLC	JAN	25	AE/ME	FLC1JAN25.0CX/PX	FLW	JAN	25	AE/ME
FLC1JAN30.0C/P	FLC	JAN	30	AF/MF	FLC1JAN30.0CX/PX	FLW	JAN	30	AF/MF
FLC1JAN35.0C/P	FLC	JAN	35	AG/MG	FLC1JAN35.0CX/PX	FLW	JAN	35	AG/MG

ISESeries	OPRA	Month	Strike	Calls/Puts	ISESeries	OPRA	Month	Strike	Calls/Puts
FLC1FEB15.0C/P	FLC	FEB	15	BC/NC	FLC1FEB15.0CX/PX	FLW	FEB	15	BC/NC
FLC1FEB17.5C/P	FLC	FEB	17 1/2	BW/NW	FLC1FEB17.5CX/PX	FLW	FEB	17.5	BW/NW
FLC1FEB20.0C/P	FLC	FEB	20	BD/ND	FLC1FEB20.0CX/PX	FLW	FEB	20	BD/ND
FLC1FEB22.5C/P	FLC	FEB	22 1/2	BX/NX	FLC1FEB22.5CX/PX	FLW	FEB	22.5	BX/NX
FLC1FEB25.0C/P	FLC	FEB	25	BE/NE	FLC1FEB25.0CX/PX	FLW	FEB	25	BE/NE
FLC1FEB30.0C/P	FLC	FEB	30	BF/NF	FLC1FEB30.0CX/PX	FLW	FEB	30	BF/NF
FLC1MAR15.0C/P	FLC	MAR	15	CC/OC	FLC1MAR15.0CX/PX	FLW	MAR	15	CC/OC
FLC1MAR17.5C/P	FLC	MAR	17 1/2	CW/OW	FLC1MAR17.5CX/PX	FLW	MAR	17.5	CW/OW
FLC1MAR20.0C/P	FLC	MAR	20	CD/OD	FLC1MAR20.0CX/PX	FLW	MAR	20	CD/OD
FLC1MAR22.5C/P	FLC	MAR	22 1/2	CX/OX	FLC1MAR22.5CX/PX	FLW	MAR	22.5	CX/OX
FLC1MAR25.0C/P	FLC	MAR	25	CE/OE	FLC1MAR25.0CX/PX	FLW	MAR	25	CE/OE
FLC1MAR30.0C/P	FLC	MAR	30	CF/OF	FLC1MAR30.0CX/PX	FLW	MAR	30	CF/OF
FLC1MAR35.0C/P	FLC	MAR	35	CG/OG	FLC1MAR35.0CX/PX	FLW	MAR	35	CG/OG
FLC1JUN15.0C/P	FLC	JUN	15	FC/RC	FLC1JUN15.0CX/PX	FLW	JUN	15	FC/RC
FLC1JUN17.5C/P	FLC	JUN	17 1/2	FW/RW	FLC1JUN17.5CX/PX	FLW	JUN	17.5	FW/RW
FLC1JUN20.0C/P	FLC	JUN	20	FD/RD	FLC1JUN20.0CX/PX	FLW	JUN	20	FD/RD
FLC1JUN22.5C/P	FLC	JUN	22 1/2	FX/RX	FLC1JUN22.5CX/PX	FLW	JUN	22.5	FX/RX
FLC1JUN25.0C/P	FLC	JUN	25	FE/RE	FLC1JUN25.0CX/PX	FLW	JUN	25	FE/RE
FLC1JUN30.0C/P	FLC	JUN	30	FF/RF	FLC1JUN30.0CX/PX	FLW	JUN	30	FF/RF
FLC1JUN35.0C/P	FLC	JUN	35	FG/RG	FLC1JUN35.0CX/PX	FLW	JUN	35	FG/RG

Questions regarding this release may be directed to Barbara Wheeler at (212) 897-0252.