

Combination Registration No. C-2012/10/83

Order under Section 31(1) of the Competition Act, 2002

1. On 9th October, 2012, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) relating to the proposed acquisition of the shares of Transocean Offshore Drillings Holdings Ltd. (hereinafter referred to as “**TODHL**”) and six offshore drilling rigs owned by the indirect wholly owned subsidiaries of Transocean Ltd., by Shelf Drilling International Holdings Ltd. (hereinafter referred to as “**SDIHL**”), Shelf Drilling International Holdings APA 1 Ltd. (hereinafter referred to as “**SDAPA1**”), Shelf Drilling International Holdings APA 2 Ltd. (hereinafter referred to as “**SDAPA2**”), Shelf Drilling International Holdings APA 3 Ltd. (hereinafter referred to as “**SDAPA3**”), Shelf Drilling International Holdings APA 4 Ltd. (hereinafter referred to as “**SDAPA4**”), Shelf Drilling International Holdings APA 5 Ltd. (hereinafter referred to as “**SDAPA5**”), Shelf Drilling International Holdings APA 6 Ltd. (hereinafter referred to as “**SDAPA6**”) (hereinafter SDIHL, SDAPA1, SDAPA2, SDAPA3, SDAPA4, SDAPA5, and SDAPA6 shall collectively be referred to as the “**Acquirers**”).
2. The notice was given pursuant to the execution of a share purchase agreement between Transocean Inc., SDIHL and Shelf Drilling International Intermediate, Ltd. and six asset purchase agreements executed between the Acquirers, Transocean Offshore International Ventures Ltd. (hereinafter referred to as “**TOIVL**”), Transocean Holdings LLC (hereinafter referred to as “**THL**”), Triton Holdings Ltd. (hereinafter referred to as “**Triton**”), and R&B Falcon (A) Pty Ltd. (hereinafter referred to as “**RBFPL**”) on 9th September, 2012.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, vide letter dated 12th October, 2012, the Acquirers were required to remove defects and furnish certain information. The Acquirers filed their reply on 17th October, 2012.
4. As per the information provided in the notice, the proposed combination comprises of the following acquisitions that are inter-connected with each other: (a) acquisition of all the issued and outstanding shares in the capital of TODHL. by SDIHL pursuant to the share purchase agreement. TODHL is stated to operate thirty two offshore drilling units/rigs across the world; and (b) acquisition of six offshore drilling units/rigs, one each by SDAPA1, SDAPA2, SDAPA3, SDAPA4, SDAPA5, and SDAPA6, from TOIVL, THL, RBFPL and THL pursuant to the six asset purchase agreements.
5. The proposed combination fall under Section 5 (a) of the Act.
6. The Acquirers are newly created entities, incorporated under the laws of Cayman Islands for the purposes of effecting the proposed combination. Each of the Acquirers is stated to



be jointly controlled by (a) Castle Harlan, Inc., a private equity firm focusing investments in North America and Europe; (b) CHAMP Private Equity, a private equity firm focusing investments in companies having significant presence in Australia, New Zealand and Southeast Asia; and (c) Lime Rock Partners, a private equity firm that is stated to manage private capital for investments in the energy industry (Castle Harlan, Inc., CHAMP Private Equity and Lime Rock Partners shall be collectively referred to as “Investors”). It has been stated in the notice that, pursuant to the proposed combination, the Acquirers would own and operate the offshore drilling rigs owned by TODHL, TOIVL, THL, Triton, and RBFPL.

7. TODHL, TOIVL, THL, Triton, and RBFPL are stated to be indirect, wholly owned subsidiaries of Transocean Ltd., a company listed on New York Stock Exchange (NYSE), that provides offshore contract drilling services for oil and gas wells across the world, directly and/or through its subsidiaries. As per the website of Transocean Ltd., it owns or has partial ownership interests in, and operates a fleet of, one hundred and fifteen (115) mobile offshore drilling units/rigs across the world including thirteen stated to be located in India.
8. The proposed combination concerns the business for offshore drilling services for oil and gas. It has been stated in the notice that offshore drilling for oil and gas refers to a process whereby a drilling unit drills a hole or a well into the seabed in order to explore and subsequently produce hydrocarbons. The process of offshore drilling comprises of drilling, casing, completion and preparation of oil or gas well for production. In India, such services are availed by oil companies such as Oil and Natural Gas Corporation Ltd. (ONGC), Reliance Industries Ltd. etc. The enterprises providing offshore drilling services to Indian consumers include Transocean Ltd., Aban Offshore Ltd., Jindal Drilling and Industries Ltd., Jagson International Ltd., Hercules Offshore Inc., and Great Offshore Ltd.
9. Pursuant to the proposed combination, the Acquirers would own thirty eight offshore drilling units/rigs, including seven offshore drilling units/rigs located in India. Out of these seven Indian rigs, six are stated to be active. It is observed that offshore drilling units/rigs are capable of being moved from one geographical region to other and may be classified on the basis of drilling capabilities. For instance, Transocean Ltd. classifies its drilling units/rigs into the following types (a) ultra - deepwater – water depth capabilities 7500 feet and greater; (b) deepwater – water depth capabilities 4500 feet to 7500 feet; (c) harsh environment; (d) midwater floater - water depth capabilities -4500 feet and less; (e) high specification jackups; (f) standard jackups - water depth capabilities upto 350 feet; and swamp barges - water depth capabilities upto 25 feet.
10. As per the details available in the public domain, it is noted that the thirty eight offshore drilling units/rigs, that are proposed to be acquired pursuant to the proposed combination, comprise of thirty seven standard jackups having water depth capabilities ranging between 250 and 375 feet depth and one swamp barge. The proposed sale of thirty eight drilling units/rigs by Transocean Ltd. is in view of their stated strategy to focus on high-specification floaters and jackups and to discontinue its services in standard jackups and swamp barge segments.



11. It has been stated in the notice that the Acquirers are a new undertaking established for the purpose of the proposed combination and are not engaged in any activity as yet. Accordingly, the business of the Acquirers and the enterprises whose shares and assets are being acquired are not identical or similar or substitutable with each other. Similarly, the business of the Acquirers and the enterprises whose shares and assets are being acquired are not vertically related. However, Lime Rock Partners, one of the Investors in each of the Acquirers, is stated to have investments in six companies that are active in vertically related segments, and two of such companies, namely Global Energy Services and GEODynamics, are stated to be present in India. Global Energy Services is engaged in the business of manufacturing drilling rig components and GEODynamics is engaged in the business of manufacturing high performance perforating systems. However, as per the details provided by the Acquirers, the sales of both the said companies in India are relatively insignificant. In view of the foregoing, it is observed that the proposed combination is not likely to give rise to any adverse competition concern.
12. Considering the facts on record and the details provided in the notice given under sub-section (2) of Section 6 of the Act and the assessment of the proposed combination after considering the relevant factors mentioned in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed combination under sub-section (1) of Section 31 of the Act.
13. This approval is without prejudice to any other legal/statutory obligations as applicable.
14. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
15. The Secretary is directed to communicate to the Acquirers accordingly.

Certified True Copy



B. Singh
07th November, 2012

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