



DET NORSKE VERITAS SURVEY REPORT

DNV id. no. 24037		Order no. TNAUS4305018 6-1
Name of vessel DEEPWATER HORIZON	Name of owner	IMO no. 8764597

Intermediate ISM Audit

Survey Result

This is to confirm that the following surveys have been carried out:

Certificates

Type	Endorsed	Issued/ extended	New expiry date
Safety Management Certificate	Yes		

Surveys

Code	Surveys	Result
ISM.In	Safety management intermediate	Complete

Survey Observations and Findings

General

Statutory certificates

Intermediate ISM Audit was completed 2005-06-29, with observations as detailed in the attached forms 40.094a.

Safety Management Certificate was endorsed on board for Intermediate ISM Audit.

Station HOUSTON	Place of survey OFFSHORE GULF OF MEXICO	Survey started 2005-06-29	Survey completed 2005-06-29	Stamp
Lead surveyor's name MCKAY, DAVID G	Lead surveyor's signature 			
Surveyor's name	Surveyor's signature 			

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



DET NORSKE VERITAS

ISM CODE CERTIFICATION
Ship Audit Report

Ship Name DEEPWATER HORIZON		DNV Id No.: 24037	
Company Name (main DOC holder): TRANSOCEAN DEEPWATER DRILLING INC.		IMO No.: 8764597	
		IMO Ship Type: MODU	
		Class Society:	
The audit has been conducted based upon authority from the Government of: MARSHALL ISLANDS /DNV <input type="checkbox"/>			
Type of audit: Initial <input type="checkbox"/> / Intermediate <input checked="" type="checkbox"/> / Renewal <input type="checkbox"/>		DOC issued by: DNV DOC issued on behalf of: MI DOC Validity verified: <input checked="" type="checkbox"/> Flag State authorisation verified <input checked="" type="checkbox"/>	
Additional <input type="checkbox"/> Scope/reason: If SMC being replaced for Renewal or take-over from another RO, enter previous expiry date: Date of Audit: 2005-06-29 Audit Location OFFSHORE GOM Order Request Reference: TNAUS43050186 Corrective actions from previous audits were verified. <input type="checkbox"/> If not completed, see new Non-Conformity No.			
The Audit resulted in:	Major Non-Conformities: (unresolved)	Major Non-Conformities: (downgraded)	Non-Conformities: Findings: Observations: X
Definitions: Major Non-Conformities: An identifiable deviation which poses a serious threat to personnel or ship safety or a serious risk to the environment and requires immediate corrective action; in addition, the lack of effective and systematic implementation of a requirement of the ISM Code is also considered as a major Non-Conformity. Non-Conformities: An observed situation where objective evidence indicates the non-fulfilment of a specified requirement. Findings: A non-fulfilment of objectives or requirement defined by the company which goes beyond what should be subject to mandatory ISM Code certification. It does not affect the issue or renewal of a DOC and/or SMC. Observation: A statement of fact during a safety management audit and substantiated by objective evidence. It may also be a statement by the Auditor referring to the SMC which, if not corrected, may lead to a Non-Conformity in the future			
Conclusion of the audit		Yes	Comments if any
Completed without Non-Conformities		YES	
Completed with Non-Conformities, conditional upon the agreed schedule for corrective action being completed as indicated.		N/A	
Resulted in Major Non-Conformities. Issue of or endorsement of the SMC is pending corrective action by company and additional verification by DNV.		N/A	
Resulted in Major Non-Conformity/ies that was/were downgraded at the audit.		N/A	
Additional audit is required (See N/C note(s)).		N/A	
NOTE (1): The Audit is based upon a sampling process. When no Non-Conformities have been reported, it does not mean that none exist. NOTE (2): The Company is responsible for determining and initiating corrective action needed to correct the Non-Conformity and its cause. NOTE (3): Issue of Short Term SMC is equivalent to recommendation for Full-Term Certificate.			
<input type="checkbox"/> Issue of SMC has been RECOMMENDED. <input checked="" type="checkbox"/> SMC has been ENDORSED. <input type="checkbox"/> Issue of SMC has NOT been RECOMMENDED. <input type="checkbox"/> SMC has NOT been ENDORSED.			
Enclosures:	Audit Plan <input checked="" type="checkbox"/> Findings <input type="checkbox"/>	Major Non-Conformities <input type="checkbox"/> Observations <input checked="" type="checkbox"/>	Non-Conformities <input type="checkbox"/> Additional remarks <input type="checkbox"/>
Station:	HOUSTON	Audit Location: OFFSHORE GOM	Date of Audit: 2005-06-29
			Report Preparation Date: 2005-06-29
Lead Auditor:	DAVID McKAY	Signature	
Team Members:			
Verified by:	STEVE GERKEN	Signature	
Distribution: (tick if by Auditor) This audit report shall be retained on file by the Company for at least seven (7) years from date of audit.			
Original to Company:	<input checked="" type="checkbox"/>	/Copy to DNV/MTPNO: <input checked="" type="checkbox"/>	/Copy to DNV/ISM Co-ordinator <input type="checkbox"/>
Copy to Flag State Administration:	<input type="checkbox"/>	/Other: <input type="checkbox"/>	
<small>If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.</small>			



Maritime Safety Management and Pollution Prevention

SEP CLASSIFICATION ☐Other Standard ☐[illegible]



DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER
Observation

Note No.: 1 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037

Company Audit: ☐ Ship Audit: ☒ Lead Auditor: DAVID McKAY Signature: _____

Audit Team:

Descriptions with references to relevant requirements or guidelines:

The copy of the Company Document of Compliance on board the vessel is out of date (having been issued on behalf of the previous Flag State Administration (Republic of Panama). The vessel has transferred Flag to the Republic of the Marshall Islands.

Ref ISM Code 11.2.3

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER

Observation

Note No.: 2 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037

Company Audit <input type="checkbox"/> Ship Audit <input checked="" type="checkbox"/>	Lead Auditor: DAVID McKAY	Signature: _____
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Audit Team: _____

Descriptions with references to relevant requirements or guidelines:

The USCG Certificate of Compliance on board the vessel makes reference to the previous Flag State Administration (Republic of Panama). The vessel has transferred Flag to the Republic of the Marshall Islands.

Ref ISM Code 11.2.1

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER
Observation

Note No.: 3 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037

Company Audit <input type="checkbox"/>	Ship Audit <input checked="" type="checkbox"/>	Lead Auditor: DAVID McKAY	Signature: _____
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Audit Team: _____

Descriptions with references to relevant requirements or guidelines:

The original of the International Tonnage Certificate (issued by ABS on behalf of the Republic of the Marshall Islands) is not on board the vessel (only a facsimile copy).

Ref ISM Code 11.2.1

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proving direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER

Observation

Note No.: 4 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037

Company Audit <input type="checkbox"/>	Ship Audit <input checked="" type="checkbox"/>	Lead Auditor: DAVID McKAY	Signature: _____
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Audit Team:

Descriptions with references to relevant requirements or guidelines:

A number of references in QHSE Manual HQS-HSE-PP01 Section 2 Subsection 4 to other manuals within the SMS document hierarchy do not appear to be correct.

Ref ISM Code 11.2.1

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



DNV

DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER
Observation

Note No.: 5 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037

Company Audit <input type="checkbox"/>	Ship Audit <input type="checkbox"/>	<input checked="" type="checkbox"/> Lead Auditor: DAVID McKAY	Signature: _____
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Audit Team:

Descriptions with references to relevant requirements or guidelines:

Copies of Master's Reviews were not available on board the vessel.

Ref ISM Code 5.1.5

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.

**DNV**

DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER

Observation

Note No.: 6 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037

Company Audit <input type="checkbox"/> Ship Audit <input checked="" type="checkbox"/> Lead Auditor: DAVID McKAY	Signature: _____
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Audit Team: _____

Descriptions with references to relevant requirements or guidelines:

It was not possible to verify systematic follow up of, and corrective action arising from, findings from previous Internal Audits (ref Internal ISM Audit conducted in July 2004 by Gary Butler, Internal ISM DP Audit conducted in April 2005 by Mark Canada).

Ref ISM Code 9.1, 9.2, 12.3

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.



DET NORSKE VERITAS
ISM CODE / ISO CERTIFICATION / OTHER

Observation

Note No.: 7 of 7
Date: 2005-06-29

Company Name: TRANSOCEAN DEEPWATER DRILLING INC.	DNV Id. No.: 195724
Ship Name: DEEPWATER HORIZON	DNV Id. No.: 24037
Company Audit <input type="checkbox"/> Ship Audit <input checked="" type="checkbox"/> Lead Auditor: DAVID McKAY Signature: _____	

Audit Team:

Descriptions with references to relevant requirements or guidelines:

Minutes of QHSE Steering Committee Meeting of 2004-10-17 made no reference to the Internal ISM Audit conducted in July 2004 by Gary Butler or any corrective action arising from the findings therein.

Ref ISM Code 12.2

If any person suffers loss or damage which is proved to have been caused by any negligent act or omission of Det Norske Veritas, then Det Norske Veritas shall pay compensation to such person for his proved direct loss or damage. However, the compensation shall not exceed an amount equal to ten times the fee charged for the service in question, provided that the maximum compensation shall never exceed USD 2 million. In this provision "Det Norske Veritas" shall mean the Foundation Det Norske Veritas as well as all its subsidiaries, directors, officers, employees, agents and any other acting on behalf of Det Norske Veritas.