

United States District Court
Southern District of Texas
FILED

NOV 4 2010

David J. Bradley, Clerk of Court

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA

v.

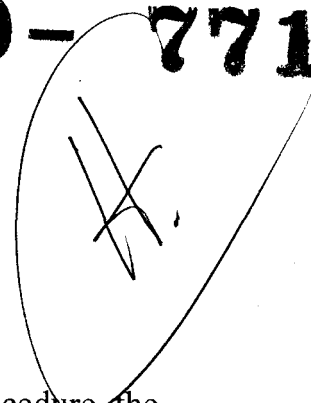
PRIDE FORASOL S.A.S.

Defendant.

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CRIMINAL NO.:

10-771



PLEA AGREEMENT

Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the United States of America, by and through the Fraud Section of the Criminal Division of the United States Department of Justice (the "Department") and the defendant, Pride Forasol S.A.S. ("Pride Forasol" or the "Defendant"), a French corporation, by its undersigned attorneys, and Pride International, Inc. ("Pride International"), on behalf of its wholly-owned subsidiary Pride Forasol, hereby submit and enter into this plea agreement ("Agreement"). The terms and conditions of this Agreement are as follows:

The Defendant's Agreement

1. The Defendant agrees to waive indictment and plead guilty to a three-count criminal Information filed in the Southern District of Texas charging Defendant with conspiracy to commit an offense against the United States in violation of Title 18, United States Code, Section 371, that is, to violate the

Foreign Corrupt Practices Act (“FCPA”), as amended, Title 15, United States Code, Sections 78dd-1, *et seq.* (Count One), violating the anti-bribery provisions of the FCPA, Title 15, United States Code, Section 78dd-3 (Count Two), and aiding and abetting the falsification of the books and records provisions of the FCPA, Title 15, United States Code, Sections 78m(b)(2)(A), 78m(b)(5) and 78ff(a), and Title 18, United States Code, Section 2 (Count Three). The Defendant further agrees to persist in that plea through sentencing and, as set forth below, to cooperate fully with the Department in its investigation into all matters related to the conduct charged in the Information and the attached Statement of Facts (Appendix B).

2. The Defendant understands and agrees that this Agreement is between the Department and the Defendant and does not bind any other division or section of the Department of Justice or any other federal, state, or local prosecuting, administrative, or regulatory authority. Nevertheless, the Department will bring this Agreement and the cooperation of the Defendant, its direct or indirect affiliates, subsidiaries, and parent corporation, Pride International, to the attention of other prosecuting authorities or other agencies, if requested.

3. The Defendant agrees that this Agreement will be executed by an authorized corporate representative. The Defendant further agrees that the

Certificate of General Director attached as Appendix A was duly adopted by the General Director of Pride Forasol and represents that the signature on this Agreement by Pride Forasol and its counsel are authorized by Pride Forasol.

4. The Defendant and Pride International, on behalf of Pride Forasol, agree that each has the full legal right, power, and authority to enter into and perform all of its obligations under this Agreement.

5. The Defendant agrees that any fine or restitution imposed by the Court will be due and payable within ten (10) business days from the date of sentencing, and the Defendant will not attempt to avoid or delay payments. The Defendant further agrees that it, or Pride International on its behalf, will pay the Clerk of the Court for the United States District Court for the Southern District of Texas the mandatory special assessment of \$400 per count within five (5) business days from the date of sentencing.

6. The Defendant agrees that if it, its parent corporation, or any of its direct or indirect affiliates or subsidiaries issues a press release or holds a press conference in connection with this Agreement, the Defendant Pride Forasol and/or its parent corporation, Pride International, shall first consult the Department to determine whether: (a) the Department agrees that the text of the release or proposed statements at any press conference are true and accurate with respect to

matters between the Department and the Defendant; and (b) the Department has no objection to the release or statement. Statements at any press conference concerning this matter shall be treated consistent with this press release.

7. The Defendant agrees that in the event it sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement (including the sale, merger, or transfer of unincorporated branches), whether such sale(s) is/are structured as a stock or asset sale, merger, or transfer, the Defendant shall include in any contract for sale, merger, or transfer, a provision fully binding the purchaser(s) or any successor(s) in interest thereto to the obligations described in this Agreement.

8. The Defendant agrees to abide by all terms and obligations of this Agreement as described herein, including but not limited to the following:

- a. to plead guilty as set forth in this Agreement;
- b. to abide by all sentencing stipulations contained in this Agreement;
- c. to appear through its duly appointed representatives, as ordered for all court appearances;
- d. to commit no further crimes;

e. to comply with the compliance requirements and obligations set forth in Appendix C;

f. to assist Pride International with providing annual written reports to the Department on its progress and experience in maintaining and, as necessary and appropriate, enhancing its compliance policies and procedures as set forth in Appendix C;

g. to be truthful at all times with the Court; and

h. to pay the applicable fine and special assessment.

9. During the term of this Agreement and consistent with applicable law and regulations, Pride Forasol, and Pride International on behalf of Pride Forasol, shall continue to cooperate with the Department. At the request of the Department, Pride Forasol shall also cooperate fully with such other domestic or foreign law enforcement authorities and agencies, in any investigation of Pride Forasol, or any of its parents, subsidiaries, affiliates, branches and/or any of its present and former directors, employees, agents, consultants, contractors, subcontractors, and subsidiaries, or any other party, in any and all matters relating to corrupt payments and related false books and records and internal controls. Pride Forasol agrees that its cooperation shall include, but is not limited to, the following:

a. Pride Forasol, and Pride International on behalf of Pride Forasol, shall truthfully disclose all factual information, that is not protected by the attorney-client privilege or work product doctrine, with respect to its activities and those of its present and former directors, employees, agents, consultants, contractors and subcontractors, and subsidiaries concerning all matters relating to corrupt payments and related false books and records and inadequate internal controls, about which Pride Forasol has any knowledge or about which the Department may inquire. This obligation of truthful disclosure includes the obligation of Pride Forasol to provide to the Department, upon request, any document, record or other tangible evidence relating to such corrupt payments, false books and records, or inadequate internal controls about which the Department may inquire of Pride Forasol.

b. Upon request of the Department, with respect to any issue relevant to its investigation of corrupt payments in connection with the operations of Pride Forasol, related false books and records, and internal controls, Pride Forasol shall designate knowledgeable employees, agents, consultants, or attorneys to provide to the Department the information and materials described in Paragraph 9(a) above that are not protected by the attorney-client privilege or work product

doctrine. It is further understood that Pride Forasol must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments, related false books and records, and internal controls in connection with the operations of Pride Forasol, or its parent and/or any of its present or former subsidiaries or affiliates, Pride Forasol shall use its best efforts to make available, as requested by the Department, present or former directors, employees, agents, consultants, or attorneys of Pride Forasol, as well as the directors, employees, agents, consultants, or attorneys of contractors and subcontractors, for interviews or testimony about the matters described in Paragraph 9(a) above that are not protected by the attorney-client privilege or the work product doctrine. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement authorities. Cooperation under this paragraph will include identification of witnesses who, to the knowledge of Pride Forasol, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Department pursuant to this Agreement, Pride Forasol consents to any and all disclosures consistent with applicable law

and regulation to other governmental authorities, including United States authorities and those of a foreign government, of such materials as the Department, in its sole discretion, shall deem appropriate.

The United States' Agreement

10. In exchange for the corporate guilty plea of the Defendant and the complete fulfillment of all of its obligations under this Agreement, and in exchange for the agreement of its parent company, Pride International, to assume all of the obligations set forth in Paragraphs 1 through 9 herein, the Department agrees that it will not file additional criminal charges against the Defendant or any of its direct or indirect affiliates, subsidiaries, or its parent corporation, Pride International, based on conduct set forth in the Information or Statement of Facts, conduct arising therefrom, or conduct otherwise disclosed to the Department as of the date of this Agreement. This paragraph does not provide any protection against prosecution for any corrupt payments or books and records violations, if any, made in the future by the Defendant or by any of its officers, directors, employers, agents, or consultants, whether or not disclosed by the Defendant pursuant to the terms of this Agreement. This Agreement will not close or preclude the investigation or prosecution of any natural persons, including any officers, directors, employees, agents, or consultants of the Defendant, who may have been

involved in any of the matters set forth in the Information, Statement of Facts, or in any other matters.

Factual Basis

11. The Defendant is pleading guilty because it is guilty of the charges contained in the Information. The Defendant admits, agrees, and stipulates that the factual allegations set forth in the Information are true and correct, that it is responsible for the acts of its present and former directors, officers, employees, and agents described in the Statement of Facts, and that the Statement of Facts accurately reflects its criminal conduct.

The Defendant's Waiver of Rights, Including Right to Appeal

12. Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410 limit the admissibility of statements made in the course of plea proceedings or plea discussions in both civil and criminal proceedings, if the guilty plea is later withdrawn. The Defendant expressly warrants that it has discussed these rules with its counsel and understands them. Solely to the extent set forth below, the Defendant voluntarily waives and gives up the rights enumerated in Federal Rule of Criminal Procedure 11(f) and Federal Rule of Evidence 410. Specifically, the Defendant understands and agrees that any statements that it makes in the course of its guilty plea or in connection with the Agreement are admissible against it for any purpose in any U.S. federal criminal proceeding if,

even though the Department has fulfilled all of its obligations under this Agreement and the Court has imposed the agreed-upon sentence, the Defendant nevertheless withdraws its guilty plea.

13. The Defendant knowingly, intelligently, and voluntarily waives its right to appeal the conviction in this case. The Defendant similarly knowingly, intelligently, and voluntarily waives the right to appeal the sentence imposed by the Court. In addition, the Defendant knowingly, intelligently, and voluntarily waives the right to bring a collateral challenge pursuant to Title 28, United States Code, Section 2255, challenging either the conviction or the sentence imposed in this case, except for a claim of ineffective assistance of counsel. The Defendant waives all defenses based on the statute of limitations and venue with respect to any prosecution that is not time-barred on the date that this Agreement is signed in the event that: (a) the conviction is later vacated for any reason; (b) the Defendant violates this Agreement; or (c) the plea is later withdrawn. The Department is free to take any position on appeal or any other post-judgment matter.

Penalty

14. The statutory maximum sentence that the Court can impose for a violation of Title 18, United States Code, Section 371 is a fine of \$500,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest,

Title 18, United States Code, Sections 3571(c)(3) and (d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of \$400 per count, Title 18, United States Code, Section 3013(a)(2)(B). The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78dd-3 is a fine of \$2,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greater, Title 15, United States Code, Section 78dd-3(e)(1)(A), Title 18, United States Code, Section 3571(d); five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of \$400 per count, Title 18, United States Code, Section 3013(a)(2)(B). The statutory maximum sentence that the Court can impose for a violation of Title 15, United States Code, Section 78m(b)(2) is a fine not exceeding \$25,000,000 or twice the gross gain or gross loss resulting from the offense, whichever is greatest, Title 15, United States Code, Section 78ff(a), Title 18, United States Code, Section 3571; five years' probation, Title 18, United States Code, Section 3561(c)(1); and a mandatory special assessment of \$400 per count, Title 18, United States Code, Section 3013(a)(2)(B). The statutory maximum sentences for multiple counts can be aggregated and run consecutively.

Sentencing Factors

15. The parties agree that pursuant to *United States v. Booker*, 543 U.S. 220 (2005), the Court must determine an advisory sentencing guideline range pursuant to the United States Sentencing Guidelines (“USSG” or “Sentencing Guidelines”). The Court will then determine a reasonable sentence within the statutory range after considering the advisory sentencing guideline range and the factors listed in Title 18, United States Code, Section 3553(a). The parties’ agreement herein to any guideline sentencing factors constitutes proof of those factors sufficient to satisfy the applicable burden of proof.

16. The parties stipulate that the 2004 Sentencing Guidelines apply to this matter and to the factual predicates set forth below and that the following is the proper application of the Sentencing Guidelines to the offenses alleged in the Information.

17. The Department and Pride Forasol agree that an application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

- a. Base Offense. Based upon USSG § 2C1.1, the total offense level is 38, calculated as follows:

(a)(2) Base Offense Level

12

(b)(1) Specific Offense Characteristic (More than one bribe)	+2
(b)(3) Specific Offense Characteristic (Involvement of a Public Official in a Sensitive Position)	+4
(b)(2) Specific Offense Characteristic (Value of Benefit Received > \$7,000,000)	+20
TOTAL	<u>38</u>

b. Base Fine. Based upon USSG § 8C2.4(a)(1), the base fine is \$72,500,000 (fine corresponding to the Base Offense level as provided in Offense Level Table).

c. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 5, calculated as follows:

(a) Base Culpability Score	5
(b)(1) The organization had 5,000 or more employees and tolerance of the offense by substantial authority personnel was pervasive throughout the organization	+5
(g) The organization self-reported, fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct	- 5
TOTAL	<u>5</u>

d. Calculation of Fine Range.

Base Fine	\$72,500,000
Multipliers	1.0(min)/2.0(max)
Fine Range	\$72,500,000/\$145,000,000

Sentencing Recommendation

18. Pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure, the Department and Pride Forasol have agreed to a specific sentence in this case.

19. Fine. Assuming Pride Forasol accepts responsibility as explained above, the parties will recommend the imposition of a fine in the amount of \$32,625,000 payable to the Clerk of the Court for the United States District Court for the Southern District of Texas. The parties further agree that this amount shall be paid as a lump sum by Pride Forasol, or by Pride International on behalf of Pride Forasol, within ten (10) business days after imposition of sentence in this matter.

20. Departure. Pride Forasol agrees to pay a monetary penalty in the amount of \$32,625,000, or approximately 55% below the bottom of the applicable Sentencing Guidelines fine range of \$72,500,000. The Department and Pride Forasol agree that such a reduction is appropriate based on the following factors:

a. Pride International's and Pride Forasol's early, voluntary disclosure of the improper conduct;

b. Pride International's and Pride Forasol's extensive cooperation during the course of the investigation, including the provision of relevant documents and information;

c. Pride International's and Pride Forasol's substantial assistance with other related Department investigations regarding the bribery of foreign government officials in Venezuela and Mexico, including providing: (1) the names of individuals involved, and (2) contact information for the individuals;

d. Pride International's and Pride Forasol's substantial assistance with other Department investigations regarding the bribery of foreign government officials in Nigeria and Saudi Arabia, including providing documentation and access to individuals;

e. Pride International's and Pride Forasol's expansive investigation of the alleged improper conduct in Venezuela, Mexico, and India, as described in Appendix B, and the voluntary and comprehensive anti-bribery compliance review of Pride International's business operations in other high-risk countries including Angola, Brazil, Kazakhstan, Libya, Nigeria, the Republic of Congo, and Saudi Arabia; and

f. Pride International's and Pride Forasol's extensive remedial efforts, including the implementation of an enhanced compliance program, and agreement to undertake further remedial measures as contemplated by this Agreement.

21. The Defendant acknowledges that no tax deduction may be sought in connection with the payment of any part of this \$32,625,000 fine.

22. Mandatory Special Assessment. The Defendant shall pay to the Clerk of the Court for the United States District Court for the Southern District of Texas within (5) business days of the time of sentencing the mandatory special assessment of \$400 per count, for a total of \$1,200.

23. Disposition. The parties have agreed that the disposition described herein represents an appropriate disposition of the case based upon the following factors:

a. By entering and fulfilling the obligations under this Agreement, the Defendant has demonstrated a recognition and affirmative acceptance of responsibility for its criminal conduct.

b. The guilty plea underlying this Agreement is a result of the voluntary disclosure made by Pride International, through its counsel, on behalf of

itself and Pride Forasol, to the Department and the disclosure of evidence obtained as a result of the investigation their attorneys subsequently conducted.

c. At the time of the initial disclosure, the illegal conduct was unknown to the Department.

d. By entering into a deferred prosecution agreement with the Department, Pride International, Pride Forasol's parent corporation, has, among other things, agreed to continue to maintain a corporate compliance program as described in Appendix C, designed to prevent and detect violations of the FCPA and all applicable foreign bribery laws throughout its operations, including those of Pride Forasol, subsidiaries, and affiliates.

24. Organizational Probation. The parties agree that a three (3) year term of organizational probation is appropriate in this case and shall include as a condition of probation the maintenance of a corporate compliance program as described in Appendix C. The parties further agree that a condition of probation shall include an annual report in writing to the Department by Pride International, on behalf of itself and Pride Forasol, of its progress and experience in implementing its enhanced compliance policies and procedures.

25. Court Not Bound. The Defendant understands and agrees that this Agreement contemplates a guilty plea by Pride Forasol pursuant to Rule 11(c)(1)(C) and that, if the Court rejects this Agreement, the Court must:

- a. inform the parties that the Court rejects the Agreement;
- b. advise Pride Forasol's counsel that the Court is not required to follow the Agreement and afford the Defendant the opportunity to withdraw the plea; and
- c. advise Pride Forasol that if the plea is not withdrawn, the Court may dispose of the case less favorably toward Pride Forasol than the Agreement contemplated.

26. The Defendant further understands that if the Court refuses to accept any provision of this Agreement, neither party shall be bound by the provisions of the Agreement.

Waiver of Presentence Investigation and Consolidation of Plea and Sentencing

27. The parties agree, subject to the Court's approval, to waive the requirement for a presentence report, pursuant to Federal Rule of Criminal Procedure 32(c)(1)(A), based on a finding by the Court that the record contains information sufficient to enable the Court to meaningfully exercise its sentencing power. However, the parties agree that in the event the Court orders the

preparation of a presentence report prior to sentencing, such order will not affect the agreement set forth herein. Additionally, if the Court directs the preparation of a presentence report, the Department will fully inform the preparer of the presentence report and the Court of the facts and law related to the Defendant's case.

28. The parties further agree to request that the Court combine the entry of the plea and sentencing into one proceeding. However, the parties agree that in the event the Court orders that the entry of the guilty plea and sentencing hearing(s) occur at separate proceedings, such an order will not affect the agreement set forth herein.

Breach of Agreement

29. If the Defendant breaches the terms of this Agreement, or commits any new criminal offense between signing this Agreement and sentencing, the Department is relieved of its obligations under this Agreement, but the Defendant may not withdraw its guilty plea. Whether the Defendant has breached any provision of this Agreement shall be determined solely by the Department.

30. In the event of a breach of this Agreement by the Defendant, should the Department elect to pursue criminal charges, or any civil or administrative action that was not filed as a result of this Agreement, then:

a. Defendant shall be fully subject to prosecution for any crimes, including perjury and obstruction of justice;

b. the Department will be free to use against Defendant, directly and indirectly, in any criminal or civil proceeding any of the information or materials provided by Defendant pursuant to this Agreement, as well as the admitted Statement of Facts in Attachment B;

c. should the Department elect to pursue any criminal charge or any civil or administrative action that was not filed as a result of this Agreement, then:

i. Defendant agrees that any applicable statute of limitations is tolled between the date of Defendant's signing of this Agreement and the discovery by the Department of any breach by Defendant, plus one year;

ii. Defendant expressly acknowledges and incorporates by reference the Tolling Agreement and Tolling Agreement Extensions that have previously been entered into between Pride International and the Department; and

iii. Defendant waives all defenses based on the statute of limitations, any claim of preindictment delay, or any speedy trial claim with respect to any such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement.

Complete Agreement

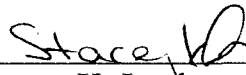
31. This document contains the full extent of the agreement between the Department and Pride Forasol. There are no other promises or agreements, express or implied. Any modification of this Agreement shall be valid only if set forth in writing in a supplemental or revised plea agreement signed by all parties.

AGREED:

FOR THE DEPARTMENT:

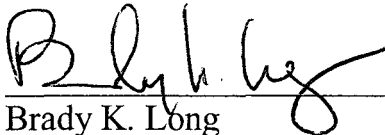
DENIS J. McINERNEY
Chief
Fraud Section, Criminal Division

Date: 11/1/10

By: 
Stacey K. Luck
Senior Trial Attorney
Fraud Section, Criminal Division
U.S. Department of Justice
1400 New York Avenue, N.W.
Washington, D.C. 20005
(202) 514-5650

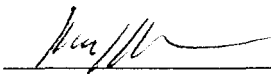
FOR PRIDE FORASOL S.A.S.:

Date: 10/29/10

By: 

Brady K. Long
Vice President, General Counsel and
Secretary
Pride International, Inc. and
General Director
Pride Forasol, S.A.S.

Date: 10/2/10

By: 

Martin J. Weinstein
Jeffrey D. Clark
Willkie Farr & Gallagher LLP
1875 K Street NW
Washington, DC 20006
Attorney for Pride International, Inc.
and Pride Forasol, S.A.S.

Filed Houston, Texas on November 4, 2010.

AUTHORIZED REPRESENTATIVE'S CERTIFICATE

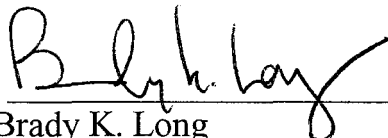
I have read this Agreement and carefully reviewed every part of it with counsel for Pride Forasol S.A.S. ("Pride Forasol"). I understand the terms of this Agreement and voluntarily agree, on behalf of Pride Forasol, to each of its terms. Before signing this Agreement on behalf of Pride Forasol, I consulted with the attorneys for Pride Forasol. The attorneys fully advised me of the rights of Pride Forasol, of possible defenses, and of the consequences of entering into this Agreement.

I have carefully reviewed this Agreement with the President and the other General Directors of Pride Forasol. I have advised, and caused outside counsel for Pride Forasol to advise, the President and other General Directors of Pride Forasol fully of the rights of Pride Forasol, of possible defenses, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me to enter into this Agreement. I am also satisfied with the attorneys' representation in this matter.

I certify that, as a General Director of Pride Forasol, I am a legal representative of Pride Forasol duly authorized to execute this Agreement on behalf of Pride Forasol.

Date: 10/29, 2010


By: 

Brady K. Long
General Director
Pride Forasol S.A.S.

CERTIFICATE OF COUNSEL

We are counsel for Pride International, Inc. ("Pride International") and Pride Forasol S.A.S. ("Pride Forasol") in the matter covered by this Agreement. In connection with such representation, we have examined relevant Pride Forasol documents and have discussed this Agreement with the President and General Directors of Pride Forasol. We have fully advised them of Pride Forasol's rights, of possible defenses, and of the consequences of entering into this Agreement. Based on our review of the foregoing materials and discussions, we are of the opinion that Brady K. Long, General Director of Pride Forasol, has been duly authorized to enter into this Agreement on behalf of Pride Forasol. This Agreement has been duly and validly authorized, executed, and delivered on behalf of Pride Forasol and is a valid and binding obligation of Pride Forasol. To our knowledge, Pride Forasol's decision to enter into this Agreement is an informed and voluntary one.

Date: 11/1/10


By: _____
Martin J. Weinstein
Willkie Farr & Gallagher LLP
1875 K Street NW
Washington, DC 20006
(202) 303-1122
COUNSEL FOR PRIDE
INTERNATIONAL, INC. and
PRIDE FORASOL S.A.S.

APPENDIX A

PRIDE FORASOL S.A.S. CERTIFICATE OF GENERAL DIRECTOR

I, Brady K. Long, in my capacity as “Directeur Général” (General Director) of Pride Forasol S.A.S. (“Pride Forasol” or the “Company”), a wholly-owned subsidiary of Pride International, Inc. (“Pride International”), organized under the laws of France with its registered office is located at 16 bis rue Grange Dame Rose, listed at the Versailles Trade Registry under number 582058517, am authorized to act on behalf of Pride Forasol by virtue of Company resolutions dated February 24, 2010, Pride Forasol’s bylaws, and the French commercial code.

I confirm that, in my capacity as General Director of Pride Forasol, I have been informed by Pride Forasol’s legal counsel of a proposed settlement with the United States Department of Justice (the “Department”) in relation to certain matters which have been under investigation by the Department (the “Proposed Settlement”). I have reviewed and discussed the key terms of the Proposed Settlement with the Company’s legal counsel.

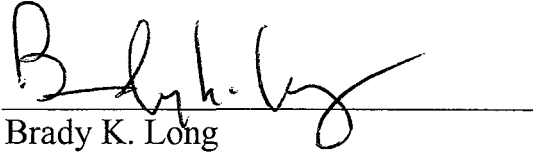
I understand that the Proposed Settlement contemplates:

- (1) Pride Forasol pleading guilty to certain crimes pursuant to a plea agreement with the Department (the “Plea Agreement”);
- (2) Pride International and the Department entering into a Deferred Prosecution Agreement;
- (3) the Department, Pride International, and Pride Forasol agreeing to recommend to the Court a fine of \$32.625 million as appropriate under the circumstances; and
- (4) imposition of commitments on Pride International and Pride Forasol as set out in the Deferred Prosecution Agreement and the Plea Agreement, respectively.

On behalf of Pride Forasol, I hereby approve and agree in principle to the Proposed Settlement. I am authorized to execute and deliver the Plea Agreement and such other documents as are necessary to effect the Proposed Settlement on behalf of Pride Forasol and to take such other and further actions as necessary to consummate the Proposed Settlement and the resolution of the investigation of past


payments and practices referenced above, including appearing before the United States District Court for the Southern District of Texas, to enter a plea of guilty on behalf of Pride Forasol and to accept the sentence of the Court.

IN WITNESS WHEREOF, I have executed this Certificate on October 29 2010.



Brady K. Long
General Director
Pride Forasol, S.A.S.

Signed before me this 29th day of October, 2010.



Debrah D. Patterson
Notary Public in and for the State of Texas



APPENDIX B

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of (a) the deferred prosecution agreement between the United States Department of Justice (the “Department”) and Pride International, Inc. (“Pride International”) and (b) the plea agreement between the Department and Pride Forasol S.A.S. (“Pride Forasol”). The Department, Pride International, and Pride Forasol agree that, at all times relevant to the facts described herein, the following facts are true and correct:

Overview

1. Pride International was a worldwide operator of offshore oil and gas drilling rigs. Between in or around 2003 through in or around 2004, Pride International, through certain of its subsidiaries, affiliates, branches, employees, and agents, collectively, paid at least \$804,000 in bribes to, or for the benefit of, foreign government officials in Venezuela, India, and Mexico. The bribes were paid to: (a) extend contracts, (b) secure a favorable administrative judicial decision, and (c) avoid the payment of customs duties and penalties. The purpose of the bribes was achieved and, as a result, Pride International received a financial benefit of at least \$13 million. The corrupt payments were falsely characterized by Pride International subsidiaries and/or their branches in their internal books, records, and

accounts, which were consolidated into the books, records, and accounts of Pride International.

Relevant Pride Entities

2. Pride International was a Delaware corporation headquartered in Houston, Texas. Pride International was publicly traded on the New York Stock Exchange and issued and maintained a class of publicly traded securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), Title 15, United States Code, Section 78l, and was required to file periodic reports with the U.S. Securities and Exchange Commission (“SEC”) under Section 13 of the Exchange Act. Accordingly, Pride International was an “issuer” within the meaning of the Foreign Corrupt Practices Act (FCPA), Title 15, United States Code, Section 78dd-1(a). By virtue of its status as an issuer within the meaning of the FCPA, Pride International was required to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of assets of Pride International and its subsidiaries, including those of Pride Forasol.

3. Pride Forasol, a wholly-owned subsidiary of Pride International, was organized under the laws of, and had its principal place of business in, France. Pride Forasol operated in numerous countries through a variety of branches, subsidiaries, and affiliates including, but not limited to, Pride Foramer S.A.S.,

Pride Foramer de Venezuela S.A., and Pride Foramer India. Pride Forasol was a “person” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1). As more fully described herein, Pride Forasol, by using affiliated U.S. entities and their personnel, as well as co-conspirators, to perform acts for the benefit of Pride Forasol and its subsidiaries and affiliates, used and caused the use of the mails and means and instrumentalities of interstate commerce and performed other acts while in the territory of the United States corruptly in furtherance of an offer, promise, authorization, or payment of money or anything of value to foreign government officials for the purpose of assisting in obtaining or retaining business for, or directing business to, any person, all within the meaning of the FCPA, Title 18, United States Code, Section 78dd-3.

4. Pride Foramer S.A.S. (“Pride Foramer”) was a wholly-owned subsidiary of Pride Forasol.

5. Pride Foramer de Venezuela S.A. (“Pride Foramer Venezuela”) was a branch of Pride Forasol’s wholly-owned subsidiary, Pride Foramer, operating in Venezuela.

6. Pride Foramer India (“Pride India”) was a branch of Pride Forasol’s wholly-owned subsidiary, Pride Foramer, operating in India.

7. Interdrill Ltd. (“Interdrill”) was a wholly-owned subsidiary of Pride International organized under the laws of the Bahamas. Interdrill’s books, records,

and accounts were included in the consolidated financial statements of Pride International submitted to the SEC.

8. Internationale de Travaux et de Material S.A.S. (“I.T.M.”) was a wholly-owned subsidiary of Pride International, organized under the laws of France.

9. Forinter Limited (“Forinter”) was a wholly-owned subsidiary of Pride International, organized under the laws of Jersey.

10. Mexico Drilling Limited LLC, Pride Central America LLC, and Pride Drilling LLC (hereinafter collectively referred to as “Pride Mexico”) were wholly-owned subsidiaries of Pride International incorporated in Delaware.

Relevant Pride Employees

11. Senior Western Hemisphere Executive A (“Senior Executive A”), a United States citizen, was an officer and employee of Pride International. Senior Executive A was located in Houston, Texas. Senior Executive A was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1), and an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

12. Country Manager 1, a United States citizen, was the Country Manager in Venezuela from in or around May 2001 through in or around December 2004 and the Country Manager in Mexico from in or around January 2005 through in or

around December 2006. From mid-2004 until in or around December 2006, Country Manager 1 reported directly to Senior Executive A in Houston, Texas. Country Manager 1 was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1) and, in his capacity as Country Manager for Venezuela and Mexico, an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

13. The Marketing Manager, a Venezuelan citizen, was the Marketing and Business Development Manager for Pride Foramer Venezuela. The Marketing Manager was located in Venezuela.

14. The Operations Manager, a French citizen, was the Operations Manager for Pride Foramer Venezuela. The Operations Manager was located in Venezuela.

15. Country Manager 2, a United States citizen, was the Country Manager in Mexico from in or around 2002 through in or around December 2004 and the Country Manager in Venezuela from in or around January 2005 until in or around September 2005. Country Manager 2 was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1), and, in his capacity as Country Manager for Mexico and subsequently Venezuela, was an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

16. Senior Pride Forasol Executive (“Senior Executive B”), a French citizen, was based in Velizy, France. Senior Executive B was also the Director of International Finance for Pride International. Senior Executive B had oversight responsibility over Pride India. Senior Executive B was an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

17. The Legal Director, a French citizen, was the Director of Legal Affairs for Pride Forasol, based in Velizy, France. The Legal Director had oversight responsibility over Pride India.

18. The Finance Manager, a British citizen, was the Eastern Hemisphere Finance Manager for Pride International. The Finance Manager was located in Houston, Texas. The Finance Manager was an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

19. The India Base Manager, a Canadian citizen, was the Base Manager for Pride India.

20. The Area Manager, a United States citizen, was the Area Manager for the Asia Pacific region which included Pride India. The Area Manager was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

21. The Assistant Controller, a United States citizen, was the Assistant Controller for the Eastern Hemisphere for Pride International. The Assistant Controller was located in Houston, Texas. The Assistant Controller was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1) and an agent of an issuer, Pride International, within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1.

22. The Logistics Coordinator, a United States citizen, was the Logistics Coordinator for Pride Mexico. The Logistics Coordinator was located in Mexico. The Logistics Coordinator was a “domestic concern” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1).

Relevant Pride Agents

23. Vendor A was a Pride Foramer Venezuela vendor. Vendor A created false invoices to conceal payments intended for the benefit of a Petróleos de Venezuela S.A. (“PDVSA”) official and wire transferred money to an intermediary for that official’s benefit in order to secure contract extensions for Pride Foramer Venezuela.

24. Vendor B was a Pride Foramer Venezuela vendor. Vendor B created false invoices to conceal payments intended for the benefit of a PDVSA official and wire transferred money to an intermediary for that official’s benefit in order to secure contract extensions for Pride Foramer Venezuela.

25. The India Customs Consultant was an individual who provided customs consulting services to Pride India. The India Customs Consultant coordinated and assisted with the payment of \$500,000 by Pride India intended for the benefit of an Indian administrative judge to secure a favorable verdict in a customs litigation matter.

26. The Mexico Marketing Agent was an individual who provided marketing services for Pride Mexico. The Mexico Marketing Agent coordinated and facilitated the payment of \$10,000 by Pride Mexico intended for the benefit of a Mexican customs official to avoid the payment of customs duties and penalties.

Other Relevant Entities and Individuals

27. Petróleos de Venezuela S.A. (“PDVSA”) was a Venezuelan state-owned oil company. In 1975, the Government of Venezuela established PDVSA, an agency and instrumentality of the government, to manage and control the exploration, production, refinement, and transport of oil as well as the exploration and production of natural gas in Venezuela. Officials and members of the Board of Directors of PDVSA were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

28. The PDVSA Director, a Venezuelan citizen, was appointed by the President of Venezuela as a member of the PDVSA Board of Directors. The

PDVSA Director was a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

29. The Venezuela Intermediary, who owned a company that provided catering services to Pride Foramer Venezuela, acted as an intermediary on behalf of the PDVSA Director.

30. The Customs, Excise, and Gold Appellate Tribunal (“CEGAT”) in India is an administrative judicial tribunal. Judges who were members of the CEGAT were “foreign officials” within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-1(f)(1)(A) and 78dd-3(f)(2)(A).

31. The Mexico Customs Official was a Customs Administrator Operations Assistant for the Mexican customs service. The Mexico Customs Official was a “foreign official” within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(f)(1)(A).

The Bribery Schemes

Venezuela

32. Throughout the relevant time period, Pride International owned and operated numerous oil and gas drilling rigs throughout South America, including in Venezuela. PDVSA, the Venezuelan state-owned oil company, leased the semi-submersible rig *Pride Venezuela* from Pride Foramer Venezuela. PDVSA also contracted Pride Foramer Venezuela to operate two jackup rigs, the *GP-19* and the

GP-20. Bribes were paid for the benefit of a PDVSA official to extend contracts for all three rigs.

The *Pride Venezuela*

33. In or around February 2003, PDVSA cancelled its contract to lease the *Pride Venezuela*. In or around that time, the PDVSA Director contacted the Marketing Manager in Venezuela, via telephone. The PDVSA Director indicated during the call that he could arrange for an extension of the *Pride Venezuela* contract. The PDVSA Director informed the Marketing Manager that he would send someone in person to discuss the details of the offer.

34. After the telephone call, in or around late February or March 2003, the Venezuela Intermediary met with the Marketing Manager and the Operations Manager. The Venezuela Intermediary stated that he was speaking to the Marketing Manager and the Operations Manager on behalf of the PDVSA Director. The Venezuela Intermediary explained that the PDVSA Director could arrange for an extension of the *Pride Venezuela's* drilling contract in exchange for a monthly payment of \$60,000 for the benefit of the PDVSA Director for each month that the contract was extended.

35. The Marketing Manager and the Operations Manager sought and obtained approval to make the monthly payments for the benefit of the PDVSA Director from their supervisor, Country Manager 1.

36. In order to conceal and generate money to pay the bribes to the PDVSA Director, Country Manager 1, the Marketing Manager, the Operations Manager, and others agreed and instructed one of Pride Foramer Venezuela's vendors, Vendor A, to inflate certain of its invoices for its services. Pride Foramer Venezuela then paid Vendor A for the undelivered services relating to the inflated invoices. Vendor A delivered the excess money it received from Pride Foramer Venezuela to the Venezuela Intermediary with the intent that it would be provided to the PDVSA Director.

37. Vendor A wire transferred the excess funds it received from its account in Venezuela to an account at a bank in Miami, Florida in the name of the Venezuela Intermediary. On or about June 14, 2003 and on or about July 9, 2003, Pride Foramer Venezuela instructed Vendor A to wire transfer two payments of \$60,000 to the Venezuela Intermediary. These two payments were made on or about June 17, 2003, and July 10, 2003.

38. In exchange for the corrupt payments, the *Pride Venezuela* contract was extended for approximately three months, from in or around April 2003 to in or around July 2003. The profits derived from extending the contract were approximately \$2.45 million.

The GP-19 and GP-20

39. Beginning in or around April 2004, the contracts with PDVSA to operate the *GP-19 and GP-20* offshore rigs were scheduled to expire. The Operations Manager believed that the PDVSA Director might prevent additional contract extensions for the rigs because Pride Foramer Venezuela had refused to make a third corrupt payment of \$60,000 for the 2003 *Pride Venezuela* drilling contract extension.

40. In order to secure the *GP-19 and GP-20* contract extensions, the Operations Manager arranged to pay the PDVSA Director an additional \$60,000 corrupt payment as a delinquent payment related to the *Pride Venezuela* contract extension and to pay approximately \$12,000 per month per rig for the *GP-19 and GP-20*.

41. On or about May 21, 2004, an additional \$60,000 was paid to the Venezuela Intermediary for the benefit of the PDVSA Director relating to the *Pride Venezuela* contract extension.

42. Between in or around April 2004 and in or around November 2004, the Marketing Manager, the Operations Manager, and others known and unknown also agreed to pay at least \$114,000 to the Venezuela Intermediary with the intent that the money would be paid to the PDVSA Director to secure contract extensions for the *GP-19 and GP-20*.

43. In order to conceal and generate money to pay the PDVSA Director, the Operations Manager and others agreed and instructed two of Pride Foramer Venezuela's vendors, Vendor A and Vendor B, to inflate certain of their invoices for services. Pride Foramer Venezuela then paid Vendor A and Vendor B for the undelivered services relating to the inflated invoices. The vendors delivered the excess money they received from Pride Foramer Venezuela to the Venezuela Intermediary with the intent that it would be provided to the PDVSA Director.

44. Pride Foramer Venezuela caused Vendor A and Vendor B to wire transfer a total of \$114,000 to, or for the benefit of, the PDVSA Director from bank accounts in Venezuela to an account at a bank in Miami, Florida in the name of the Venezuela Intermediary on or about the following dates:

Date	Vendor	Amount
May 21, 2004	Vendor B	\$60,000
August 19, 2004	Vendor B	\$18,000
September 21, 2004	Vendor B	\$12,000
November 3, 2004	Vendor A	\$24,000

45. In exchange for the corrupt payments, the PDVSA Director caused PDVSA to extend the *GP-20* contract from July 2004 through June 2005 and the *GP-19* contract from February 2005 through June 2005. The profits derived from

the contract extensions for the *GP-20* were approximately \$596,000. The *GP-19* extension was not profitable.

Concealment of the Schemes

46. In the Fall of 2004, Pride International's internal auditors reviewed the company's business dealings with its Venezuelan vendors in an effort to identify potential internal control weaknesses.

47. In or around November 2004, the internal auditors produced a report identifying potential control weaknesses in Venezuela relating generally to the use of vendors.

48. In or around February 2005, Country Manager 2, the new Country Manager for Venezuela, reviewed the report and was tasked with drafting a management action plan to respond to the issues identified.

49. During the course of preparing the draft action plan, Country Manager 2 was told by a Pride Former Venezuela vendor about the payments to the PDVSA Director. Country Manager 2 included that information in his draft action plan. Specifically, the draft action plan included information identifying by name the PDVSA Director who was the intended recipient of the payments and the name of the Venezuelan Intermediary who assisted with the payments.

50. On or about February 12, 2005, Country Manager 2 sent the draft document that included the information regarding the kickback payments via email to his supervisor, Senior Executive A, who was based in Houston, Texas.

51. On or about February 14, 2005, Senior Executive A sent an email to Country Manager 2 attaching a revised action plan in which Senior Executive A had deleted all references to the bribes paid for the benefit of the PDVSA Director. In the email, Senior Executive A stated, "I have clean [sic] this one up."

52. On or about February 16, 2005, Senior Executive A sent an email to Country Manager 2 stating that he had provided the cleaned-up version of the draft action plan to Pride International's internal and external auditors. Senior Executive A instructed Country Manager 2 to use the cleaned-up version going forward and delete prior copies of the draft action plan.

53. Neither Senior Executive A nor Country Manager 2 advised the auditors of the bribes during the course of a continuing internal review that was conducted in 2005 and 2006. In 2006, during the course of this review, Pride International discovered evidence of the improper payments and undertook an internal investigation which ultimately led to Pride's voluntary disclosure to the Department.

India

54. In or around April 1999, Pride India imported the *Pride Pennsylvania*, an offshore drilling rig, into India to perform work for the Indian state-owned oil company Oil and Natural Gas Corporation Ltd. (“ONGC”).

55. On or about September 26, 2001, Indian customs officials seized the *Pride Pennsylvania* rig on the grounds that Pride India had intentionally undervalued the rig during the importation process. A legal action was brought before the Indian Customs Commissioner seeking duties, penalties, and interest allegedly owed in relation to the undervaluation.

56. Pride India disputed the allegations. In or around 2002, the Indian Customs Commissioner found in favor of the customs authority’s position regarding undervaluation and ordered Pride India to pay certain duties, penalties, and interest.

57. In or around June 2002, Pride India appealed the unfavorable decision by the Indian Customs Commissioner to the CEGAT. The CEGAT panel for the Pride India matter consisted of two judges who heard the appeal.

58. Between in or around late 2002 and in or around January 2003, the Legal Director traveled to India to meet with the India Customs Consultant to discuss the case. The India Customs Consultant advised the Legal Director that a payment made for the benefit of one of the two CEGAT administrative judges

hearing the case might secure a favorable decision in the litigation. Thereafter, the Legal Director met with the India Customs Consultant to further discuss the proposed bribe and how to structure the payment.

59. In or after January 2003, the Legal Director authorized the payment of \$500,000 for the benefit of one of the CEGAT judges to secure a favorable decision. The payment was structured to ensure that the judge received \$300,000 up front and an additional \$200,000 after Pride India received the favorable decision.

60. On or about January 22, 2003, the India Base Manager emailed the Area Manager detailing the plan to bribe one of the judges.

61. On or about January 23, 2003, the Area Manager forwarded the email describing the bribery scheme to Finance Manager, who was based in Houston, Texas.

62. To pay the bribe, employees of Pride Forasol, including Senior Executive B and the Legal Director, caused false invoices for agent and consulting services to be created and submitted to Interdrill for payment.

63. Interdrill processed the invoices and then caused Pride International subsidiaries Forinter and I.T.M. to pay the invoices. On or about January 27, May 19, and July 21, 2003, payments of \$150,000, \$150,000 and \$200,000, respectively, were wire transferred from either Forinter or I.T.M. accounts in

Switzerland and France, respectively, to bank accounts in Dubai in the names of third-party entities.

64. From in or around May 2003 to in or around July 2003, the Assistant Controller participated in booking the payments. Despite the fact that the Assistant Controller had been told that the payments were “facilitation” payments by Pride India for the *Pride Pennsylvania* rig, the Assistant Controller assisted in booking the payments internally to Interdrill under a newly created “miscellaneous fees” account as “regular” fees. Further, the Assistant Controller assisted in booking the expense to a business unit “general account,” thereby avoiding associating the charge with the *Pride Pennsylvania*.

65. On or about May 28, 2003, the Finance Manager, with knowledge of the bribery scheme, sent an email to the Assistant Controller authorizing the booking of the payments to Interdrill in the newly created “miscellaneous fees” account.

66. On or about June 30, 2003, Pride India received a favorable ruling from CEGAT.

67. The estimated gain to Pride Forasol from securing a favorable decision was at least \$10 million.

Mexico

68. On or about December 13, 2004, Mexican customs officials inspected port facilities leased by Pride Mexico. During the inspection, the officials claimed that Pride Mexico had violated customs rules due to the presence of certain equipment on board a Pride Mexico supply boat that had not been properly reported to customs.

69. On or about December 13, 2004, and, again, on or about December 14, 2004, the Mexico Customs Official advised the Logistics Coordinator and Country Manager 2 that a payment of \$10,000 to the customs official could assist the company with avoiding taxes and penalties for the alleged violations that had been discovered during the inspection.

70. On or about December 15, 2004, Country Manager 2, who was located in Mexico, sent an email to Senior Executive A, who was based in Houston, Texas, advising that the Mexico Customs Official had solicited a payment of \$10,000.

71. On or about December 15, 2004, Senior Executive A sent an email to Country Manager 2 authorizing a payment of \$10,000 to the Mexico Customs Official and instructing that the payment be coordinated through the Mexico Marketing Agent.

72. In or around December 2004, on behalf of Pride Mexico, the Mexico Marketing Agent paid \$10,000 in cash to a person purporting to represent the Mexico Customs Official. The Mexico Marketing Agent caused false invoices purportedly for electrical maintenance services to be submitted to Pride Mexico in support of the payment.

73. Pride Mexico's books and records falsely documented the improper payment as an "electricity maintenance" expense.

False Books and Records

74. From in or around February 2003 through in or around November 2004, Country Manager 1, the Marketing Manager, the Operations Manager, and others falsely characterized Pride Foramer Venezuela's corrupt payments intended for the benefit of the PDVSA Director in Pride Foramer Venezuela and Pride Forasol's books, records, and accounts as payments to vendors for services provided by the vendors.

75. From in or around May 2003 to in or around July 2003, Senior Executive B, the Legal Director, the Finance Manager, the Assistant Controller, and others falsely characterized Pride India's bribe payments intended for the benefit of an Indian CEGAT judge in Interdrill's books, records, and accounts as "regular" fees.

76. In or around December 2004, Country Manager 2 and others falsely characterized Pride Mexico's \$10,000 corrupt payment to the Mexico Customs Official in Pride Mexico's books, records, and accounts as a payment to a vendor for "electricity maintenance" expense.

77. At the end of fiscal years 2003 through 2005, the books, records, and accounts of certain of Pride International's wholly-owned subsidiaries and their branches, including those of Pride Foramer Venezuela, Pride Forasol, Pride Mexico, Pride India, Interdrill, I.T.M., and Forinter, containing the false characterizations of the corrupt payments described above, were consolidated into the books, records, and accounts of Pride International for purposes of preparing Pride International's year-end financial statements.

Total Corrupt Payments Paid and Improper Benefits Received

78. As described herein, from in or around January 2003 through in or around December 2004, certain Pride International subsidiaries and their branches paid at least \$804,000 in bribes to foreign government officials in Venezuela, India, and Mexico to extend contracts, secure a favorable judicial decision, and avoid the payment of customs duties and penalties. The benefit received as a result of these payments was at least \$13 million.

APPENDIX C

CORPORATE COMPLIANCE PROGRAM

In order to improve Pride International's internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), Title 18, United States Code, Sections 78dd-1, *et seq.*, and other applicable anti-corruption laws, Pride International (referred to as the "Company") implemented substantial enhancements to its anti-bribery compliance program. The Company, on behalf of itself and its wholly-owned subsidiaries, affiliates, and their branches, including Pride Forasol, Pride Foramer, Pride India, Interdrill, I.T.M., and Forinter, agrees to continue to conduct, in a manner consistent with all of the obligations under this Agreement, appropriate reviews of existing policies, procedures, and internal controls.

Where appropriate, the Company agrees to adopt new or modify existing policies, procedures, and internal controls in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that the Company makes and keeps fair and accurate books, records and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the

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extent they are not already part of the Company's existing internal controls, policies, and procedures:

1. A clearly articulated corporate policy against violations of the FCPA and other applicable anti-corruption laws.

2. A system of financial and accounting procedures, including a system of internal accounting controls, designed to ensure the maintenance of fair and accurate books, records and accounts.

3. Promulgation of a compliance code, standards and procedures designed to reduce the prospect of violations of the FCPA, other applicable anti-corruption laws, and the Company's compliance code. These standards and procedures should apply to all directors, officers, and employees and, where appropriate, outside parties acting on behalf of the Company in a foreign jurisdiction, including agents, consultants, representatives, distributors, teaming partners, and joint venture partners (collectively referred to as "agents and business partners").

4. The assignment of one or more senior corporate officials of the Company to the implementation and oversight of compliance with policies, procedures, and internal controls regarding the FCPA and other applicable anti-corruption laws. Such corporate official(s) shall have the authority to report

matters directly to the Audit Committee of the Board of Directors of Pride International.

5. Mechanisms designed to ensure that the Company's policies, procedures, standards, and internal controls regarding the FCPA and other applicable anti-corruption laws are effectively communicated to all directors, officers, employees and, where appropriate, agents and business partners. This should include: (a) periodic training for all directors and officers and, where appropriate, employees, agents and business partners; and (b) annual certifications with regard to this training by all directors and officers and, where necessary and appropriate, employees, agents and business partners.

6. An effective system for reporting suspected criminal conduct and/or violations of the compliance policies, procedures, standards, and internal controls regarding the FCPA and other applicable anti-corruption laws for directors, officers, employees, and, where appropriate, agents and business partners.

7. Appropriate disciplinary procedures to address, among other things, violations of the FCPA, other applicable anti-corruption laws, and the Company's compliance code, policies, procedures, standards and/or internal controls by the Company's directors, officers, and employees.

8. Appropriate due diligence requirements pertaining to the retention and oversight of agents and business partners.

9. Where appropriate, standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the FCPA and other applicable anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the FCPA and other applicable anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any violation of anti-corruption laws or breach of representations and undertakings related to such matters.

10. Periodic testing of the compliance policies, procedures, and internal controls designed to evaluate their effectiveness in detecting and reducing violations of anti-corruption laws and the Company's compliance code, policies, and procedures.

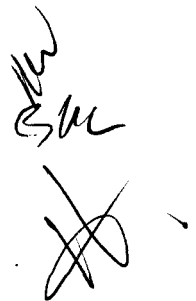
APPENDIX D

CORPORATE COMPLIANCE REPORTING

1. Pride International, Inc. ("Pride International") agrees that it will report periodically, at no less than 12-month intervals, in accordance with the schedule described in Paragraph 3 below, during the term of the Pride International Deferred Prosecution Agreement, to the Fraud Section of the Department of Justice ("the Department") regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Appendix C.

2. Should Pride International discover credible evidence, not already reported to the Department, that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Pride International entity or person, or any entity or person working directly on behalf of Pride International, or that related false books and records have been maintained, Pride International shall promptly report such conduct to the Department.

3. During the three-year term of the Pride International Deferred Prosecution Agreement, Pride International shall conduct an initial review and prepare an initial report, and conduct and prepare two follow-up reviews and reports, as described below:

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a. By no later than a year from the date the Deferred Prosecution Agreement is filed with the Court in the Southern District of Texas, Pride International shall issue a written report covering the prior 12-month period and setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the policies and procedures of Pride International for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the parameters of the subsequent reviews. The report shall be addressed to the Deputy Chief – FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Ave., Bond Building, Fourth Floor, Washington, D.C. 20005.

b. Pride International shall undertake two follow-up reviews, incorporating any comments provided by the Department on its initial review and report, to further monitor and assess whether the policies and procedures of Pride International are reasonably designed to detect and prevent violations of the FCPA and other applicable anticorruption laws.

c. The first follow-up review and report shall be completed by no more than one year after the initial review. The second follow-up review and report shall be completed by no more than one year after the completion of the first follow-up review.

d. Pride International may extend the time period for submission of the follow-up reports with prior written approval of the Department.