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ATWOOD OCEANICS INC
Form 8-K
October 20, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF EARLIEST EVENT REPORTED: October 20, 2004

ATWOOD OCEANICS, INC.
(Exact name of registrant as specified in its charter)

COMMISSION FILE NUMBER 1-13167

Internal Revenue Service - Employer Identification No. 74-1611874

15835 Park Ten Place Drive, Houston, Texas, 77084
(281) 749-7800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 7.01 REGULATION FD DISCLOSURE

The SEAHAWK has completed its contract with ExxonMobil Exploration & Production Malaysia Inc. ("EMEPMI") and is in the process of rigging-down in preparation moving to the demobilization site at Kemaman Supply Base, Malaysia. Under the terms of the contract, EMEPMI will pay a \$1.8 million demobilization fee. The rig should arrive at the demobilization site by the end of October 2004. The rig will undergo some minor modifications and equipment change-out in preparation for its next contract. This work is expected to take approximately 30 days to complete. Sarawak Shell Berhad ("Shell") has given a commitment to utilize the SEAHAWK for a two-well drilling program offshore Malaysia. The two wells have a combined expected duration of 60 days and will commence immediately upon completion of the minor rig modifications and equipment change-out work. This commitment provides for a dayrate of \$45,900. Additional work, following the Shell contract, is being pursued in Southeast Asia as well as other areas of the world.

The ATWOOD FALCON is currently drilling the second of now four firm wells after Sarawak Shell Berhad ("Shell") exercised one of its two options provided under the contract. This contract is currently anticipated to extend into February 2005. The contract provides for a dayrate of \$83,300, \$68,300 or \$53,000 depending upon water depth of wells drilled. The dayrate for the current well is \$83,300, with the dayrate for the next well is also expected to be \$83,300; while the dayrate for the last well is expected to be \$68,300. One option remains under the Shell contract.

The ATWOOD EAGLE has commenced drilling the second of three firm wells for Woodside Energy, Ltd. ("Woodside"). The drilling of the three wells is expected to take until the end of November 2004 to complete. BHP Billiton Petroleum Pty. ("BHP"), the rig's prior customer, was previously granted three option wells which can be drilled after the completion of the Woodside contract and are subject to mutual agreement on timing. BHP has now exercised one of their three options, with the drilling of this well to commence immediately after the completion of the Woodside program and expected to take approximately 30 days to complete. The dayrate for the Woodside and BHP work will be \$89,000 for all wells drilled in water depths between 600 meters and \$109,000 for all wells drilled in water depths of 600 meters or more. All Woodside wells drilled will have a dayrate of \$89,000, with the BHP option well expected to have a dayrate of \$109,000. BHP retains the right to drill two additional option wells. Additional work, following the BHP commitment, is being pursued in Australia as well as other areas of the world.

The ATWOOD HUNTER continues to work under its contract with Burullus Gas Co. ("Burullus") offshore Egypt which now includes the drilling of eleven firm wells after Burullus exercised one of its options to drilled six additional wells. The drilling of the eleven firm wells (at a dayrate of \$62,400) is expected to take until February 2005 to complete, and if all the option wells are drilled the contract could extend into September 2005.

The ATWOOD SOUTHERN CROSS continues to work under its contract with Murphy Sarawak Oil Company, Ltd. ("Murphy") with the rig currently drilling the fourth of now five firm wells, after Murphy exercised one option well and relinquished its right for one remaining option well. This contract is currently anticipated to extend into December 2004. Immediately following completion of the Murphy contract, the rig will drill a two-well plus one option well program for Daewoo International Corporation ("Daewoo") offshore Myanmar. The drilling of the two firm wells is estimated to take 60 to 80 days to complete. The Daewoo contract, similar to the Murphy contract, provides for a dayrate of \$35,000 for the firm wells and \$40,000 for any option well drilled. Additionally, Daewoo will provide a tow vessel plus pay the moving rate during the mobilization to Myanmar, which is estimated to take 14 to 16 days to

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complete. Additional work, following the Daewoo contract, is being pursued in Southeast Asia as well as other areas of the world.

In May 2004, the VICKSBURG's contract with ExxonMobil Exploration & Production Malaysia Inc. ("EMEPMI") was suspended and the rig moved to Thailand to commence a drilling program for Chevron Offshore (Thailand) Limited. This drilling program has now been completed, with the rig relocated back to Malaysia and the EMEPMI contract reinstated. The EMEPMI drilling commitment includes the five months that the contract was suspended plus an extension of twelve months, for a total of seventeen months commencing in October 2004. The reinstated contract provides for a dayrate of \$64,500 for the first five months, representing the period the contract was suspended, and \$63,500 during the additional twelve months extension.

The repair to the ATWOOD BEACON continues on schedule. The rig is expected to return to service in January 2005. It has been awarded a contract in Vietnam which must be commenced between January 15, 2004 and April 15, 2005. The contract provides for the drilling of three firm wells and options to drill three additional wells. The three firm wells have a combined expected duration of 200 days and if all option wells are drilled, this program could extend for another 200 days. The contract provides for a dayrate of \$62,000 during the drilling of the three firm wells and \$77,000 during the drilling of any option wells.

The RICHMOND is currently drilling a third well for Applied Drilling Technology Inc. which was assigned from Helis Oil & Gas Company ("Helis"). Upon completion of this well, the rig will have three firm wells to drill for Helis, with Helis retaining one option to drill two additional wells. The drilling of the three remaining firm wells is expected to take until February/March 2005 to complete and if the option wells are drilled, the contract could extend to June/July 2005. The dayrate for the current well and for the next well is \$29,000. The dayrate for the last two firm wells is \$30,000 and if Helis exercised its option to drill two additional wells, the dayrate will be \$32,500.

ITEM 9.01 FINANCIAL STATEMENT AND EXHIBITS

EXHIBIT NO.

99.1 Contract Status Summary at October 20, 2004

Statements contained in this report with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors: the Company's dependence on the oil and gas industry; the risks involved in the construction and repair of a rig; competition; operating risks; risks involved in foreign operations; risks associated with possible disruption in operations due to terrorism; risks associated with a possible disruption in operations due to war; and governmental regulations and environmental matters. A list of additional risk factors can be found in the Company's annual report on Form 10-K for the year ended September 30, 2003, filed with the Securities and Exchange Commission.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ATWOOD OCEANICS, INC.
(Registrant)

/s/ James M. Holland
James M. Holland
Senior Vice President

DATE: October 20, 2004

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EXHIBIT INDEX

| EXHIBIT NO. ----- | DESCRIPTION ----- |
|----------------------|---|
| 99.1 | Contract Status Summary at October 20, 2004 |

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EXHIBIT 99.1
ATWOOD OCEANICS, INC. AND SUBSIDIARIES
CONTRACT STATUS SUMMARY
AT OCTOBER 20, 2004

| NAME OF RIG ----- | LOCATION ----- | CUSTOMER ----- | CONTRACT STATUS ----- |
|-----------------------------|-------------------|-----------------------------------|--|
| SEMISUBMERSIBLES - ----- | | | |
| ATWOOD FALCON | MALAYSIA | SARAWAK SHELL BERHAD ("SHELL") | The rig continues to work with the rig currently drilling firm wells after Shell exercises options provided under the contract. The rig is currently anticipated to be returned to service. One option remains under contract. |
| ATWOOD HUNTER | EGYPT | BURULLUS GAS CO. ("BURULLUS") | On December 31, 2003, the rig was placed in a care and maintenance program for Burullus which includes the drilling of firm wells plus options to |

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| | | | |
|--------------------------------|---------------------------------|--|---|
| ATWOOD EAGLE | AUSTRALIA | WOODSIDE ENERGY, LTD. ("WOODSIDE") | <p>wells. The drilling of the wells is expected to take until February 2004. If all the option wells are drilled, the rig could extend into September 2004.</p> <p>The rig has commenced drilling of two firm wells for Woodside. The drilling program is expected to start in November 2004 to complete the first well by December 2004. BHP Pty. ("BHP"), the rig's present operator, has granted three option wells to Woodside. The completion of the Woodside wells is subject to mutual agreement. BHP has exercised one of their three option wells. The drilling of this well to start in November. The completion of the Woodside wells is expected to take approximately 30 days. Woodside retains the right to drill additional wells on the rig. Additional work, for which the rig is being pursued in Australia and other parts of the world.</p> |
| SEAHAWK | MALAYSIA | SARAWAK SHELL BERHAD ("SHELL") | <p>The rig has completed its work on the Exploration & Production contract in the process of rigging-down in preparation for the demobilization site at Sarawak, Malaysia. The rig should be ready to leave site by the end of October 2004. Some minor modifications are being made in preparation for its next contract. The rig is expected to take approximately 30 days. Shell has given a commitment to the rig for a two-well drilling program. The two-well drilling program is expected to take 60 days, and will commence after the completion of the minor rig modifications and equipment change-out work. The rig's work on the Shell contract, is being pursued in Sarawak, as well as other areas of Malaysia.</p> |
| ATWOOD SOUTHERN CROSS | MALAYSIA | MURPHY SARAWAK OIL COMPANY, LTD. ("MURPHY") | <p>The rig continues to work on the contract with the rig currently drilling two firm wells with Murphy Sarawak Oil Company. This contract is currently expected to complete in December 2004. The rig has also been awarded two firm wells plus an option well offshore Myanmar. The rig is expected to start immediately after completion of the Myanmar well. The rig is expected to take 90 days to complete the Myanmar well.</p> |
| SEASCOUT | UNITED STATES GULF OF MEXICO | | <p>The SEASCOUT was purchased by Atwood Oceanics in conversion to a tender-assessment rig. There are currently no contracts. The rig is currently coldstacked.</p> |
| CANTILEVER JACK-UPS - ----- | | | |
| VICKSBURG | MALAYSIA | EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. | <p>In May 2004, the rig's contract was suspended and the rig moved to coldstack.</p> |

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("EMEPMI")

drilling program for Chevron Limited. This program has been suspended plus an extension of a total of seventeen months. EMEPMI retains its right to terminate the contract providing 120 days notice.

ATWOOD BEACON

UNDER REPAIR AT
A SINGAPORE
SHIPYARD

The process of repairing ATWOOD BEACON on July 25, 2005. The rig is expected to be back in service by HOANG LONG and HOAN VU to drill three firm wells, with additional wells, offshore. The wells have a combined expected life of 200 days and if all option wells are exercised, the program must commence by April 15, 2005.

SUBMERSIBLE -

RICHMOND

UNITED STATES
GULF OF MEXICO

APPLIED DRILLING
TECHNOLOGY INC. ("ADTI")

The rig is currently drilling which was assigned from Helis ("Helis"). Upon completion, the rig will have three firm wells to drill and one option to drill. The drilling of the three firm wells is expected to take until February and if the option wells are exercised, the program could extend to June/July.

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MODULAR PLATFORMS -

GOODWYN 'A' /NORTH
RANKIN 'A'

AUSTRALIA

WOODSIDE ENERGY LTD.

There is currently an independent drilling activity for the platforms managed by the Company. The maintenance of the two rigs is being completed through the programs.

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