

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____
Commission file number 1-7179

TRANSOCEAN OFFSHORE SAVINGS PLAN
(Full Title of the Plan and the Address of
the Plan, if Different from that of the
Issuer named below)

TRANSOCEAN OFFSHORE INC.
4 Greenway Plaza
Houston, Texas 77046
(Name of Issuer of the Securities Held Pursuant
to the Plan and Address of its
Principal Executive Office)

REQUIRED INFORMATION

AUDITED FINANCIAL STATEMENTS

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EXHIBITS

Number	Description	Method of Filing
1.	Consent of Independent Auditors	Filed herewith

REPORT OF INDEPENDENT AUDITORS

The Administrative Committee
Transocean Offshore Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Transocean Offshore Savings Plan as of December 31, 1998 and 1997, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 1998 and 1997, and the changes in its net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of December 31, 1998, and reportable transactions for the year then ended, are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 11, 1999
Houston, Texas

/s/Ernst & Young LLP

TRANSOCEAN OFFSHORE SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	1998	1997
Investments, at Fair Value (Note 3):		
Short-term investments	\$ 75,308	\$ 131,208
Sonat Inc. common stock	4,033,287	8,990,744
Transocean Offshore Inc. common stock (Note 1)	10,885,875	15,533,482
Fidelity Retirement Government Money Market Portfolio	2,880,864	2,224,528
Fidelity Intermediate Bond Fund	-	530,201
Fidelity Puritan Fund	4,568,182	4,004,838
Fidelity Magellan Fund	7,839,340	5,356,917
Spartan U.S. Equity Index Portfolio	4,170,197	2,642,440
Templeton Foreign Fund I	123,433	-
MAS Fixed Income Portfolio	155,381	-
Neuberger & Berman Partners Trust	477,168	-
Investments, at Estimated Fair Value (Notes 2 and 3)		
Participant loans	1,288,597	-
Total Investments	36,497,632	39,414,358
Contributions Receivable:		
Employee	-	163,809
Employer	-	90,528
Net Assets Available for Benefits	\$36,497,632	\$39,668,695

See accompanying notes.

TRANSOCEAN OFFSHORE SAVINGS PLAN
 STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
Contributions:		
Employee	\$ 4,544,224	\$ 3,060,680
Employer	2,269,074	1,490,244
Total Contributions	6,813,298	4,550,924
Net Investment Income:		
Net appreciation (depreciation) in fair value of investments	(8,167,422)	5,468,343
Other investment income	1,352,354	1,105,665
Net Investment Income (Loss)	(6,815,068)	6,574,008
Disbursements:		
Participant loan processing fees	(7,289)	-
Benefits paid to participants	(3,162,004)	(2,033,083)
Total Disbursements	(3,169,293)	(2,033,083)
Net Increase (Decrease) in Net Assets Available for Benefits	(3,171,063)	9,091,849
Net Assets Available for Benefits:		
Beginning of year	39,668,695	30,576,846
End of year	\$36,497,632	\$39,668,695

See accompanying notes.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

1. BACKGROUND AND PLAN HISTORY

On June 4, 1993, Sonat Offshore Drilling Inc. and its subsidiaries ("SODI") completed an initial public offering (the "IPO") of its common stock which was previously owned by Sonat Inc. Before the IPO, certain employees of SODI were eligible to participate in the Sonat Offshore Savings Plan for Rig Employees (the "Old Offshore Plan".) Other employees of SODI were eligible to participate in the Sonat Inc. Savings Plan (the "Old Sonat Plan".) Participants in the Old Offshore Plan and the Old Sonat Plan could make After-Tax and Before-Tax contributions (see Note 2 for definition) to their respective plan and receive SODI matching contributions based on the amount of their contributions, their age, and length of service. Employees of SODI became ineligible to contribute to the Old Offshore Plan and the Old Sonat Plan on the date the IPO was completed. As a result, no contributions were made to those Plans on behalf of employees of SODI after June 4, 1993.

On June 25, 1993, the Sonat Offshore Drilling Savings Plan (the "Plan") was adopted by SODI's Board of Directors. On August 17, 1993, all accounts of SODI's employees in the Old Sonat Plan were transferred to the Plan. Also on that date, all accounts in the Old Offshore Plan were merged into the Plan. Beginning October 1, 1993, the Plan permitted eligible employees of SODI to make contributions by payroll deduction and to receive matching contributions from SODI.

SODI acquired over 99 percent of the outstanding capital shares of Transocean ASA, a Norwegian company, pursuant to an exchange offer for the Company's common stock and cash completed during 1996 (the "Combination".) In connection with the Combination, SODI's name was changed to Transocean Offshore Inc. (together with its subsidiaries, the "Company".) On September 4, 1996, the Sonat Offshore Drilling Savings Plan was renamed the Transocean Offshore Savings Plan. There were no significant changes made to the Plan as a result of this acquisition or plan name change.

2. PLAN DESCRIPTION

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions, a copy of which is available from the Company.

GENERAL

The Plan, a defined contribution plan, was established to provide eligible employees an opportunity to save for retirement and to acquire an ownership interest in the Company. Participation in the Plan is voluntary. The Plan is administered by an Administrative Committee, composed of at least three members, which is appointed by the Finance/Benefits Committee of the Company's Board of Directors. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

2. PLAN DESCRIPTION (CONTINUED)

ELIGIBILITY

Effective January 1, 1998, all employees of the Company and its participating subsidiaries, who are citizens or permanent residents of the United States, are eligible to participate in the Plan after completion of one full calendar month of service.

CONTRIBUTIONS

Participants may elect to make contributions to the Plan with pre-tax dollars ("Before-Tax Contributions"), pursuant to Section 401(k) of the Internal Revenue Code of 1986 (the "Code"), and/or contributions with after-tax dollars ("After-Tax Contributions") up to a maximum of 20% of earnings per pay period.

If the aggregate Before-Tax Contributions or After-Tax Contributions of "highly compensated" employees exceed certain limits imposed by U.S. federal income tax laws, Before-Tax Contributions and/or After-Tax Contributions of the "highly compensated" employees will be reduced so that such contributions to the plan no longer exceed those limits. In some instances, the reduction in allowable Before-Tax Contributions or After-Tax Contributions will result in a reduction in Company contributions to the Plan for "highly compensated" employees. For this purpose, the term "highly compensated" is defined by U.S. federal income tax laws.

In July 1996, the Plan was amended to allow rollovers from other qualified plans into the Plan. Participants may invest their rollovers into the Transocean Offshore Inc. common stock fund or any of the mutual funds available under the Plan. Amounts rolled over can be withdrawn at any time.

INVESTMENT OPTIONS

Participants in the Plan may invest their contributions in units of the Company's common stock and in one or more mutual fund options selected for the Plan by the Administrative Committee. Shown below are the specific mutual fund options and a general description of each fund's objectives.

Fidelity Retirement Government Money Market Portfolio - This fund invests in obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities.

Fidelity Puritan Fund - This fund invests in a broadly diversified portfolio of high yielding securities including common stocks, preferred stocks and bonds.

Fidelity Magellan Fund - This fund invests primarily in common stocks and securities convertible into common stocks.

Spartan U.S. Equity Index Portfolio - This fund invests primarily in common stocks and attempts to duplicate the performance of the companies comprising the Standard & Poor's 500 Index.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

2. PLAN DESCRIPTION (CONTINUED)

MAS Fixed Income Portfolio - This fund invests in a diversified portfolio of U.S. Government securities, corporate bonds (including both investment grade bonds and bonds rated below investment grade, commonly referred to as junk bonds), foreign fixed-income securities and mortgage-backed securities of domestic issuers and other fixed-income securities. The portfolio's average weighted maturity will ordinarily be greater than five years. This investment choice was added January 1, 1998.

Neuberger & Berman Partners Trust - This fund invests principally in common stocks of medium-to-large-capitalization established companies. It seeks capital growth through an investment approach that is intended to increase capital with reasonable risk. This investment choice was added January 1, 1998.

Templeton Foreign Fund I - This fund invests in stocks and debt obligations of companies and governments outside the United States. The fund may invest no more than 5% of its total assets in securities. This investment choice was added January 1, 1998.

Fidelity Intermediate Bond Fund - This fund earns income by investing in high and upper medium grade, fixed-income bonds with average maturity ranges between three and ten years. Included in these investments are corporate bonds as well as U. S. Government obligations. This fund was eliminated as a Plan investment fund effective March 31, 1998.

Each of the mutual funds listed above is registered with the Securities and Exchange Commission under the Investment Company Act of 1940.

Sonat Inc. common stock is not a current investment option for the Plan. Participants do, however, hold Sonat Inc. common stock in the Plan as a result of the transfer of balances from the Old Sonat Plan to the Plan and the merging of the Old Offshore Plan into the Plan. Dividends received and participant loan repayments relating to the Sonat Inc. common stock fund are reinvested into such fund, but no additional units may be purchased by participants. Participants in the Plan must transfer their investment balances in the Sonat Inc. common stock fund to one of the current investment options by July 1, 1999. If no action is taken to liquidate the fund before July 1, 1999, the balance in this stock fund will automatically be transferred to the Fidelity Retirement Government Money Market Portfolio.

Participants may change their investment options daily.

COMPANY MATCHING CONTRIBUTIONS

The Company's matching contributions for each participant is equal to the sum of 100% of the first 3% of earnings contributed by the participant to the Plan, plus 50% of the next 3% of earnings contributed by the participant to the Plan. Such percentages are applied on a pay period by pay period basis. Earnings are defined as base pay plus overtime pay associated with base pay. Diversification of Company matching contributions is permitted. Participants may direct Company matching contributions into any investment fund offered by the Plan on a daily basis. Participants may also transfer Company match account balances between all investment funds on a daily basis.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

2. PLAN DESCRIPTION (CONTINUED)

INVESTMENT OF EARNINGS

All dividends paid on Company stock or Sonat Inc. stock credited to participant accounts are used to purchase additional units of that stock fund. Earnings on mutual funds are reinvested in that fund.

VESTING

Participants are immediately vested in their After-Tax, Before-Tax and Company matching contributions plus actual earnings thereon.

WITHDRAWALS

A participant may not withdraw Before-Tax Contributions and earnings thereon until the earliest of termination of employment, attainment of age 59-1/2 or in the event of financial hardship (see Note 7), as approved by the Administrative Committee. Effective January 1, 1998, there shall be no limit on the number of withdrawals which may be made by a participant from their accounts after age 70 1/2. Participants can withdraw After-Tax Contributions and earnings once in any 12-month period after one year of Plan participation. Except as noted below, Company matching contributions and earnings thereon cannot be withdrawn from the Plan prior to termination of employment. Company matching contributions and earnings thereon from the Old Sonat Plan and the Old Offshore Plan can be withdrawn once in any 12-month period. All distributions from mutual funds will be made in cash. All amounts invested in the Company's common stock fund or Sonat Inc.'s common stock fund, whether purchased with participant or Company contributions, will be distributed in the form of stock certificates or cash at the participant's election. Dividends paid to Fidelity on units purchased for or credited to the participant's account prior to the distribution of such units to the participant will be applied to the purchase of additional units for the participant's account.

If upon termination of service for any reason, a participant's account is less than or equal to \$5,000, the account balance will automatically be distributed to the participant within 12 months following termination unless otherwise requested. Participants may request distributions upon termination for accounts greater than \$5,000.

PARTICIPANT LOANS

Participants may borrow from their account balance up to a maximum of 50% of their balance, with a minimum loan amount of \$1,000 and maximum of \$50,000. Participants may have two loans outstanding at any one time-- a "general loan" which can be used for any purpose and is to be repaid over five years or less and a "home loan" which can only be used to purchase a primary residence and is required to be repaid in equal amounts over 15 years or less. Loans bear interest at prime at the beginning of the quarter in which the loan originates plus 1% which is fixed for the term of the loan. Interest is repaid to the participant's account. There is a one-time loan origination fee of \$35 per loan and an annual maintenance fee of \$15 for each calendar year the loan is outstanding. These fees are deducted from the participant's account. Outstanding loan amounts are due upon termination of employment.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

2. PLAN DESCRIPTION (CONTINUED)

PLAN TERMINATION

It is the Company's intention to continue the Plan, although the Company is free to amend or discontinue the Plan at any time. In the event the Plan is terminated, the full amount credited to each participant's account will be payable as soon as practicable following such termination.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with generally accepted accounting principles.

USE OF ESTIMATES

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

CREDIT RISK

The Plan is exposed to credit risk in the event of default by the issuers of the investments to the extent of amounts recorded on the Statement of Net Assets Available for Benefits.

CONTRIBUTIONS

Contributions to the Plan consist of before-tax and/or after-tax employee contributions made by payroll deduction and additional matching contributions made by the Company. Company contributions may include certain reinstated forfeitures related to the Old Offshore Plan and the Old Sonat Plan for participants whose employment was reinstated during the year (see Note 2.)

INVESTMENT VALUATION

Plan assets are held by the Plan trustee, Fidelity Management Trust Company ("Fidelity".) Amounts invested in the investment funds are carried at fair value as determined by Fidelity, generally based on the last reported sales price of the year. Participant loans receivable are valued at amortized cost which approximates fair value.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX STATUS

On February 20, 1998, the Plan received a ruling from the Internal Revenue Service that the Plan, as written, is qualified under Section 401(a) of the Code. Continued qualification depends upon the operation of the Plan. It is the opinion of the plan administrator and management that the Plan is operating as a qualified plan. As such, the trust is exempt from federal income taxes under the provisions of Section 501(a) of the Code.

UNIT ACCOUNTING

The Plan utilizes the unit method of accounting which allows each stock fund to hold a small amount of cash for liquidity purposes. The value of each unit does not vary significantly from the stock price of the stock held in the fund. The stock price is readily available to the participants and is printed in many publications. Each participant holds units of the stock fund representing their proportionate interest in both the stock and cash held in the fund.

STOCK SPLIT

In August 1997, the Board of Directors of the Company declared a two-for-one stock split to be effected in the form of a 100 percent stock dividend. The dividend was paid September 19, 1997, to stockholders of record on September 5, 1997. All references in the financial statements of the Plan to number of shares of the Company's common stock have been retroactively restated to reflect the increased number of shares of common stock issued and outstanding as a result of the dividend.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

4. Fund Information:

For the Year Ended December 31, 1998

	Company Common Stock	Sonat Inc. Common Stock	Fidelity Ret Gov't Money Mkt Portfolio	Fidelity Intermediate Bond Fund	Fidelity Puritan Fund	Fidelity Magellan Fund	Spartan U.S. Equity Index Portfolio
Contributions							
Employer	\$ 1,627,414	\$ -	\$ 82,347	\$ 1,494	\$ 91,285	\$ 221,777	\$ 177,919
Employee	1,228,329	-	274,123	15,485	719,938	1,250,163	813,911
Total Contributions	2,855,743	-	356,470	16,979	811,223	1,471,940	991,830
Net Appreciation (Depreciation) in Fair Value of Investments	(7,404,876)	(3,191,060)	-	1,349	188,195	1,512,278	762,162
Other Investment Income	51,275	183,898	119,401	6,768	453,102	356,088	73,661
Loan repayment (interest)	61,552	371	4,905	2	1,529	3,121	2,687
Net Investment Income	(7,292,049)	(3,006,791)	124,306	8,119	642,826	1,871,487	838,510
Participant Loan Processing Fees	(5,024)	(1,294)	(4)	-	(116)	(128)	(78)
Benefits Paid to Participants	(710,547)	(383,752)	(702,369)	(17,089)	(439,945)	(370,798)	(475,141)
Total Paid	(715,571)	(385,046)	(702,373)	(17,089)	(440,061)	(370,926)	(475,219)
Loan Repayment (Principal)	179,654	663	9,558	4	17,595	18,857	18,058
Loan Withdrawal	(1,148,599)	(9,006)	(128,270)	(840)	(59,795)	(107,429)	(103,865)
Interfund Transfers - Net	1,354,055	(1,612,275)	982,752	(543,336)	(442,555)	(451,683)	226,507
Total Transfers	385,110	(1,620,618)	864,040	(544,172)	(484,755)	(540,255)	140,700
Increase (Decrease) in Net Assets Available for Benefits	(4,766,767)	(5,012,455)	642,443	(536,163)	529,233	2,432,246	1,495,821
Net Assets Available for Benefits: Beginning of Year	15,691,063	9,082,629	2,238,421	536,163	4,038,949	5,407,094	2,674,376
End of Year	\$10,924,296	\$ 4,070,174	\$2,880,864	\$ -	\$ 4,568,182	\$ 7,839,340	\$ 4,170,197

	Templeton Foreign Fund I	MAS Fixed Income Portfolio	Neuberger & Berman Partners Trust	Participant Loans	Total
Contributions					
Employer	\$ 15,861	\$ 9,428	\$ 41,549	\$ -	\$ 2,269,074
Employee	55,034	27,803	159,438	-	4,544,224
Total Contributions	70,895	37,231	200,987	-	6,813,298
Net Appreciation (Depreciation) in Fair Value of Investments	(25,999)	(4,958)	(4,513)	-	(8,167,422)
Other Investment Income	11,631	9,889	11,579	-	1,277,292
Loan repayment (interest)	397	-	498	-	75,062
Net Investment Income	(13,971)	4,931	7,564	-	(6,815,068)
Participant Loan Processing Fees	(185)	(124)	(336)	-	(7,289)
Benefits Paid to Participants	(622)	(16,284)	(8,162)	(37,295)	(3,162,004)
Total Paid	(807)	(16,408)	(8,498)	(37,295)	(3,169,293)
Loan Repayment (Principal)	2,049	-	5,888	(252,326)	-
Loan Withdrawal	(331)	(6,421)	(13,662)	1,578,218	-
Interfund Transfers - Net	65,598	136,048	284,889	-	-
Total Transfers	67,316	129,627	277,115	1,325,892	-
Increase (Decrease) in Net Assets Available for Benefits	123,433	155,381	477,168	1,288,597	(3,171,063)
Net Assets Available for Benefits:					

Beginning of Year	-	-	-	-	39,668,695
End of Year	\$ 123,433	\$ 155,381	\$ 477,168	\$ 1,288,597	\$ 36,497,632

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

4. FUND INFORMATION (CONTINUED)

For the Year Ended December 31, 1997:

	Nonparticipant- Directed		Participant - Directed						Spartan U.S. Equity Index Portfolio	Total
	Company Common Stock	Company Common Stock	Sonat Inc. Common Stock	Fidelity Ret Gov't Money Mkt Portfolio	Fidelity Intermediate Bond Fund	Fidelity Puritan Fund	Fidelity Magellan Fund			
Contributions:										
Employer	\$ -	\$ 1,313,302	\$ -	\$ 31,660	\$ 6,617	\$ 33,215	\$ 47,906	\$ 57,544	\$ 1,490,244	
Employee	-	648,159	-	341,478	113,798	609,655	885,632	461,958	3,060,680	
Total Contributions	-	1,961,461	-	373,138	120,415	642,870	933,538	519,502	4,550,924	
Net Appreciation (Depreciation) in Fair Value of Investments		4,958,721	(1,098,122)	-	5,341	371,839	768,010	462,554	5,468,343	
Other Investment Income		42,753	232,600	89,933	32,962	320,195	337,075	50,147	1,105,665	
Net Investment Income		5,001,474	(865,522)	89,933	38,303	692,034	1,105,085	512,701	6,574,008	
Benefits Paid to Participants	-	(687,446)	(514,131)	(259,278)	(30,526)	(177,656)	(280,794)	(83,252)	(2,033,083)	
Interfund Transfers - Net	(7,514,014)	7,708,368	(1,447,393)	1,396,900	(91,980)	52,499	(544,615)	440,235	-	
Increase (Decrease) in Net Assets Available for Benefits	(7,514,014)	13,983,857	(2,827,046)	1,600,693	36,212	1,209,747	1,213,214	1,389,186	9,091,849	
Net Assets Available for Benefits:										
Beginning of year	7,514,014	1,707,206	11,909,675	637,728	499,951	2,829,202	4,193,880	1,285,190	30,576,846	
End of year	\$ -	\$15,691,063	\$ 9,082,629	\$2,238,421	\$536,163	\$4,038,949	\$5,407,094	\$2,674,376	\$39,668,695	

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

5. TRANSACTIONS WITH PARTIES-IN-INTEREST

Fidelity executed all mutual fund investment transactions for the years ended December 31, 1998 and 1997. Fidelity also provides certain accounting services to the Plan. The Company has paid all administrative expenses of the Plan, including legal, accounting and trustee fees.

6. YEAR 2000 ISSUE (UNAUDITED)

The Company has instituted a plan to address the Year 2000 issue for its computer systems, microprocessors, operational and control systems and other significant computer-based devices and applications (the "Y2K plan"). It is possible that certain of these systems will not be able to process dates beginning in the year 2000, as many such systems are based on storing two digits to identify a particular year rather than a full four digits and are not designed to take into account the start of a new century. The five phases of the Company's plan--inventory, assessment, remediation, testing and verification, and contingency planning--are in varying stages of completion, and ultimate completion of the Y2K plan is expected by December 31, 1999. The Company's Y2K plan will address any Year 2000 issues of the Plan.

The Company surveyed all of its internal hardware and software systems worldwide. Key third-party businesses whose year 2000 failures would most significantly impact the Company and the Plan were identified. The Company has initiated written and telephonic communications with key third-party businesses to ascertain and evaluate their efforts in addressing Year 2000 compliance.

Although the Company's failure to implement fully its Year 2000 compliance plan or the occurrence of an unexpected Year 2000 problem could have an effect on the Plan, based upon the work performed to date and the anticipated completion of the Y2K plan during December 1999, the Company does not believe that such matters will have a material adverse effect. During 1999, the Company will continue and expand its efforts to address potential disruptions in areas where the Company relies on third parties. However, there can be no assurance that any resulting year 2000 issues would not have a material adverse effect on the Plan. The nature and focus of the Company's efforts to address the Year 2000 problem may be revised periodically as interim goals are achieved or new issues are identified.

7. SUBSEQUENT EVENTS

Effective January 1, 1999, hardship withdrawals that are attributable to Before-Tax Contributions are no longer eligible for direct rollover to an IRA or other qualified plan and are no longer subject to 20% mandatory federal income tax withholding. The participant may elect whether or not to have income tax withheld from such hardship withdrawals. If the participant does not make a withholding election for such hardship withdrawal, federal income tax will be withheld at a rate of 10%. Although the participant may no longer elect a direct rollover of a hardship withdrawal attributable to Before-Tax Contributions, the participant may elect to rollover a hardship withdrawal made during 1999 attributable to Before-Tax Contributions by having the withdrawal paid to the participant and then contributing it to an IRA or other qualified plan within 60 days of the date the participant received it. Effective January 1, 2000, hardship withdrawals attributable to Before-Tax Contributions will not be eligible for any type of rollover.

TRANSOCEAN OFFSHORE SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998

7. SUBSEQUENT EVENTS (CONTINUED)

The Administrative Committee approved an amendment to the Plan, effective January 1, 1999, to adopt the "Safe Harbor" methods in Section 401(k)(12) and Section 401(m)(11) of the Code for satisfying the Section 401(k) and the Section 401(m) nondiscrimination testing.

Effective May 14, 1999, the Company completed a corporate reorganization that resulted in the Company becoming a Cayman Islands corporation rather than a Delaware corporation. The corporate reorganization had no effect on the Plan.

ITEM 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

EIN: 72-0464968 PN: 002

DECEMBER 31, 1998

Identity of Issuer and Title	Description	Units/ Shares	Cost	Current Value
Short-term Investments	Cash	N/A	\$ 75,308	\$ 75,308
* Transocean Offshore Inc. Common Stock	Common Stock	406,000	11,473,826	10,885,875
Sonat Inc. Common Stock	Common Stock	149,036	3,206,882	4,033,287
* Fidelity Ret. Government Money Market Portfolio	Mutual Fund	2,880,864	2,880,864	2,880,864
* Fidelity Puritan Fund	Mutual Fund	227,612	4,014,637	4,568,182
* Fidelity Magellan Fund	Mutual Fund	64,884	5,631,057	7,839,340
* Spartan U.S. Equity Index Portfolio	Mutual Fund	94,863	2,998,968	4,170,197
Templeton Foreign Fund I	Mutual Fund	14,712	145,162	123,433
MAS Fixed Income Portfolio	Mutual Fund	13,258	159,772	155,381
Neuberger & Berman Partners Trust	Mutual Fund	26,407	485,276	477,168
* Participant Loans	Loans Receivable at 9.5%	191	N/A	1,288,597
Total Investments			\$31,071,752	\$36,497,632

* Indicates a party-in-interest to the Plan.

ITEM 27d - SCHEDULE OF REPORTABLE TRANSACTIONS

EIN: 72-0464968 PN: 002

FOR THE YEAR ENDED DECEMBER 31, 1998

Category (iii)

Series of transactions in excess of 5% of plan assets:

Identity of Party Involved	Number of Trades	Purchase Price	Selling Price	Cost of Asset	Current Value of Assets on Transaction Date	Net Gain or (Loss)
Sonat Inc. Common Stock Fund	81 Purchases 78 Sales	\$ 1,034	\$2,006,326	\$ 1,034 1,077,238	\$ 1,034 2,006,326	\$ 929,088
Transocean Offshore Inc. Common Stock Fund	238 Purchases 206 Sales	8,119,673	5,414,583	8,119,673 4,403,986	8,119,673 5,414,583	1,010,597
Fidelity Retirement Government Money Market Portfolio	174 Purchases 152 Sales	3,960,740	3,304,404	3,960,740 3,304,404	3,960,740 3,304,404	-
Fidelity Puritan Fund	177 Purchases 141 Sales	2,038,459	1,663,310	2,038,459 1,493,452	2,038,459 1,663,310	169,858
Fidelity Magellan Fund	198 Purchases 160 Sales	2,841,266	1,871,121	2,841,266 1,551,592	2,841,266 1,871,121	319,529
Spartan U.S. Equity Index Portfolio	186 Purchases 137 Sales	2,556,937	1,791,342	2,556,937 1,544,729	2,556,937 1,791,342	246,613

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Transocean Offshore Savings Plan has duly caused this Annual Report on Form 11-K to be signed on its behalf by the undersigned hereunto duly authorized, on the 23 day of June, 1999.

by TRANSOCEAN OFFSHORE SAVINGS PLAN

By /s/Marie B. Roberts

Marie B. Roberts
Plan Administrator

EXHIBIT LIST

Number

1. Consent of Independent Auditors Filed herewith

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-66036) pertaining to the Transocean Offshore Savings Plan of Transocean Offshore Inc. of our report dated June 11, 1999 with respect to the financial statements and schedules of the Transocean Offshore Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1998.

/s/Ernst & Young LLP

Houston, Texas
June 23, 1999