

**Transocean Ltd. and Subsidiaries**  
**Supplemental Effective Tax Rate Analysis**  
(In US\$ millions)

	Three months ended			Six months ended	
	June 30, 2013	March 31, 2013	June 30, 2012	June 30, 2013	June 30, 2012
Income (loss) from continuing operations before income taxes	\$ 451	\$ 332	\$ (318)	\$ 783	\$ (130)
Add back (subtract):					
Litigation matters	-	74	750	74	750
One-time termination benefits	10	-	-	10	-
Acquisition costs	-	-	-	-	1
Loss on financial instruments	19	-	-	19	-
Loss on retirement of debt	1	1	-	2	-
Loss on impairment of goodwill and other assets	37	-	-	37	140
Loss on redeemed noncontrolling interest	-	-	14	-	25
Adjusted income from continuing operations before income taxes	<u>518</u>	<u>407</u>	<u>446</u>	<u>925</u>	<u>786</u>
Income tax (benefit) expense from continuing operations	130	19	(15)	149	19
Add back (subtract):					
Litigation matters	-	26	-	26	-
One-time termination benefits	3	-	-	3	-
Loss on impairment of goodwill and other assets	-	-	-	-	6
Changes in estimates (1)	(11)	33	141	22	168
Other, net	-	-	-	-	-
Adjusted income tax expense from continuing operations (2)	<u>\$ 122</u>	<u>\$ 78</u>	<u>\$ 126</u>	<u>\$ 200</u>	<u>\$ 193</u>
Effective Tax Rate (3)	28.8%	5.7%	4.7%	19.0%	-14.6%
Annual Effective Tax Rate (4)	23.5%	19.2%	28.3%	21.6%	24.6%

- (1) Our estimates change as we file tax returns, settle disputes with tax authorities or become aware of other events and include changes in (a) deferred taxes, (b) valuation allowances on deferred taxes and (c) other tax liabilities.
- (2) The three months and six months ended June 30, 2013 includes \$10 million of additional tax expense (benefit) reflecting the catch-up effect of an increase (decrease) in the annual effective tax rate from the previous quarter estimate.
- (3) Effective Tax Rate is income tax expense divided by income before income taxes.
- (4) Annual Effective Tax Rate is income tax expense excluding various discrete items (such as changes in estimates and tax on items excluded from income before income taxes) divided by income before income taxes excluding gains and losses on sales and similar items pursuant to the accounting standards for income taxes and estimating the annual effective tax rate.