



Transocean Ltd.

Pareto Securities
Oil & Offshore Conference, Oslo
September 10, 2014

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- **Company Overview**
- **Market Overview**
- **Value Creation**
 - **Financial Flexibility**
 - **Capital Investment**
 - **Dividend**
- **Litigation Update**

Company Overview

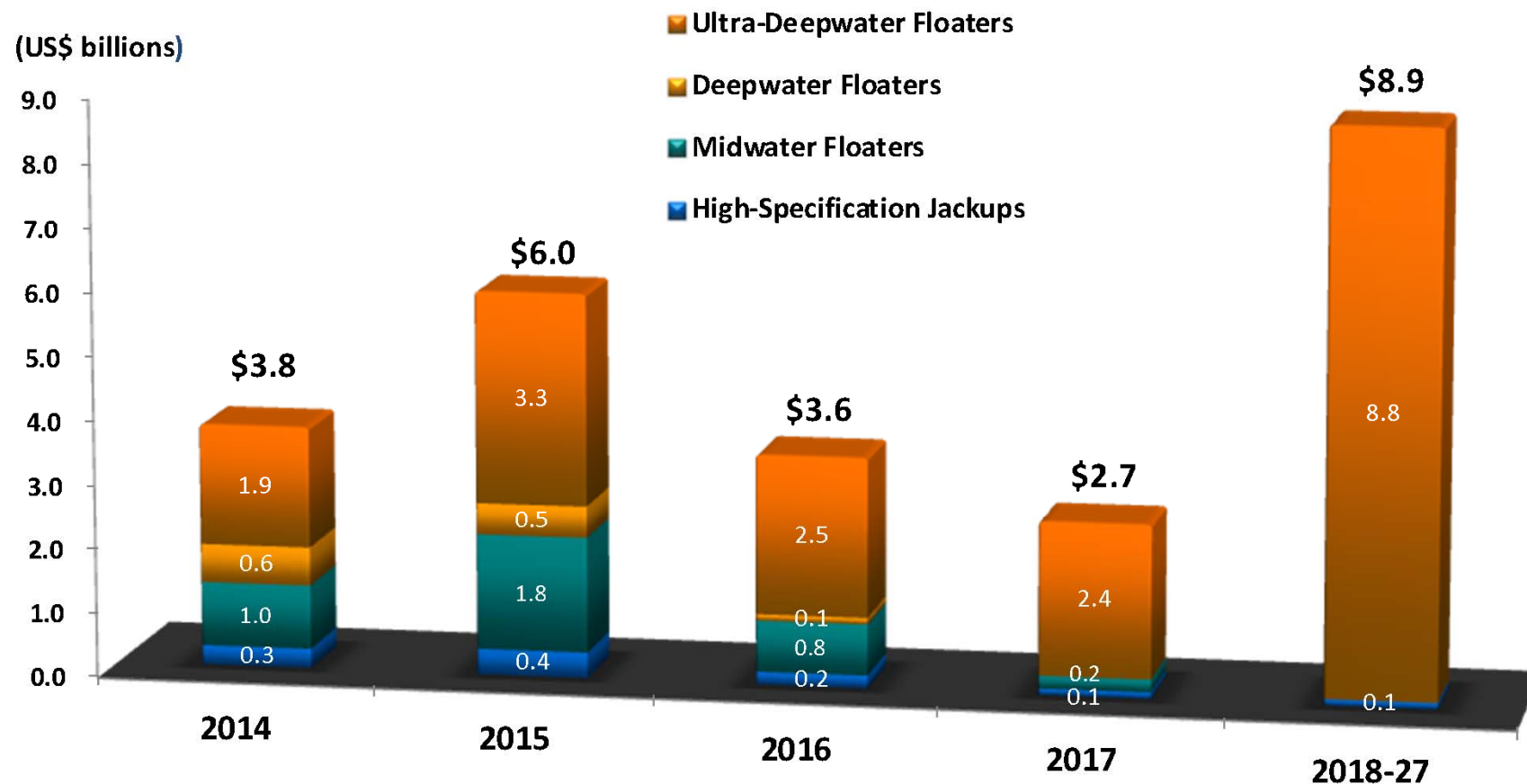
Industry Leader



- Premier position in ultra-deepwater market segment
- Largest fleet of high spec and midwater floaters
- Operates in most major markets worldwide
- Technical leader
- Significant relationships across the customer spectrum
- Size and technical capabilities create reinvestment opportunities

Company Overview

Strong Backlog



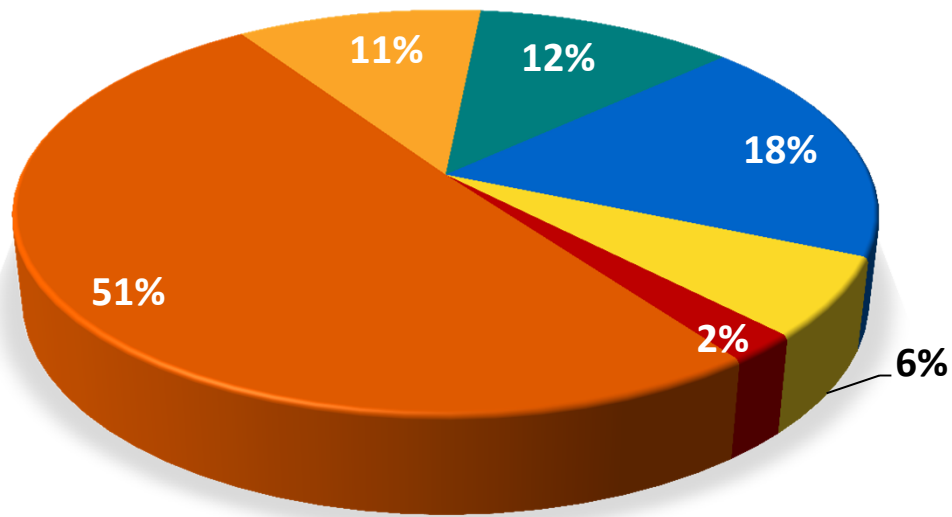
Total Backlog From Continuing Operations - \$25.0 billion⁽⁴⁾

Company Overview

Diversified Revenue Sources

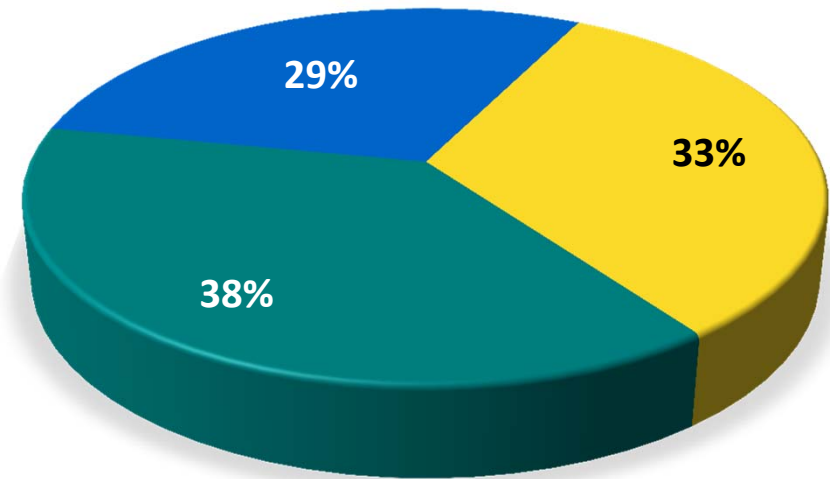


By Asset Class



- Ultra-Deepwater
- Deepwater
- Harsh Environment
- Midwater
- High-Spec Jackups
- Other

By Customer



- Integrated
- NOC
- Independent

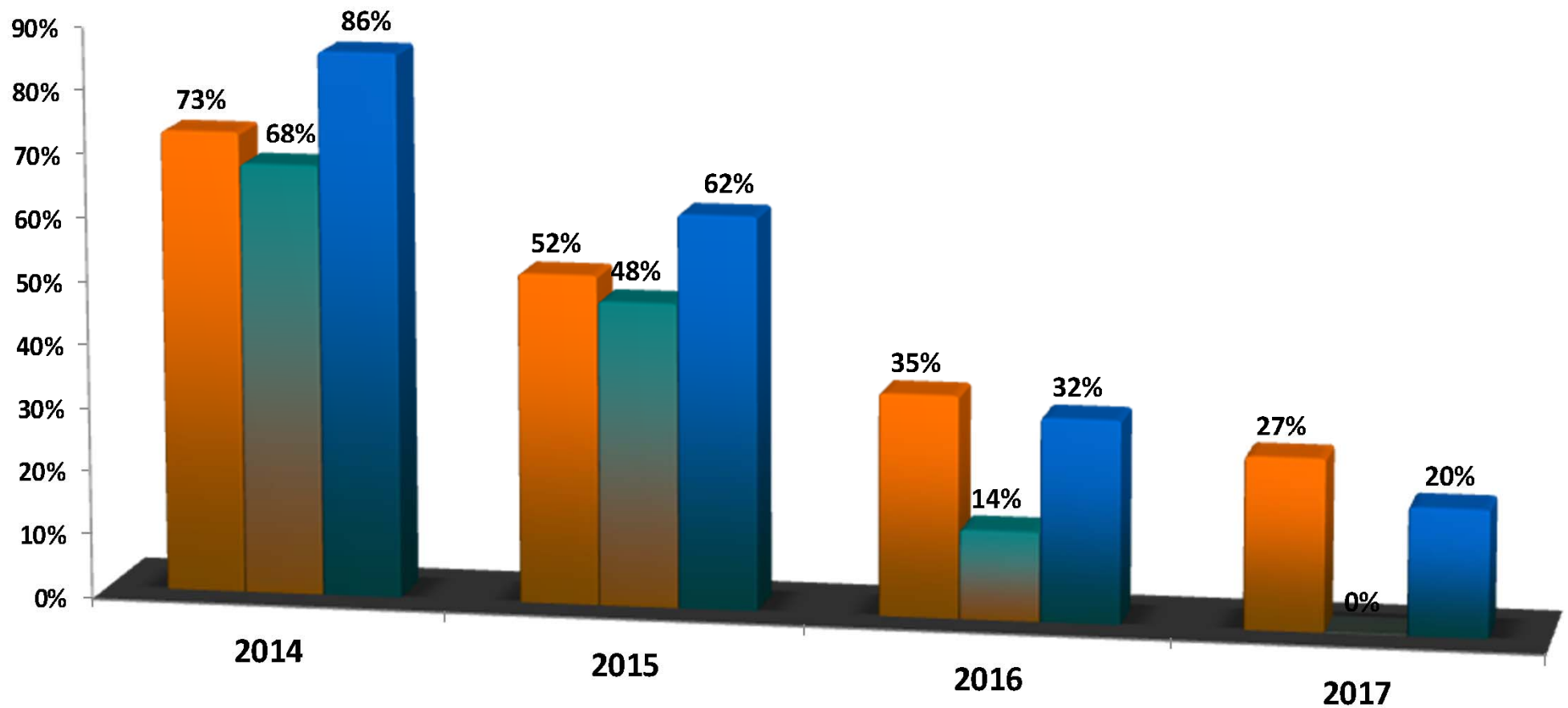
Revenues – YTD June 2014 - \$4.7 billion

Company Overview

Committed Fleet ⁽⁵⁾



■ High-Specification Floaters ■ Midwater Floaters ■ High-Specification Jackups



Market Overview

Ultra-Deepwater

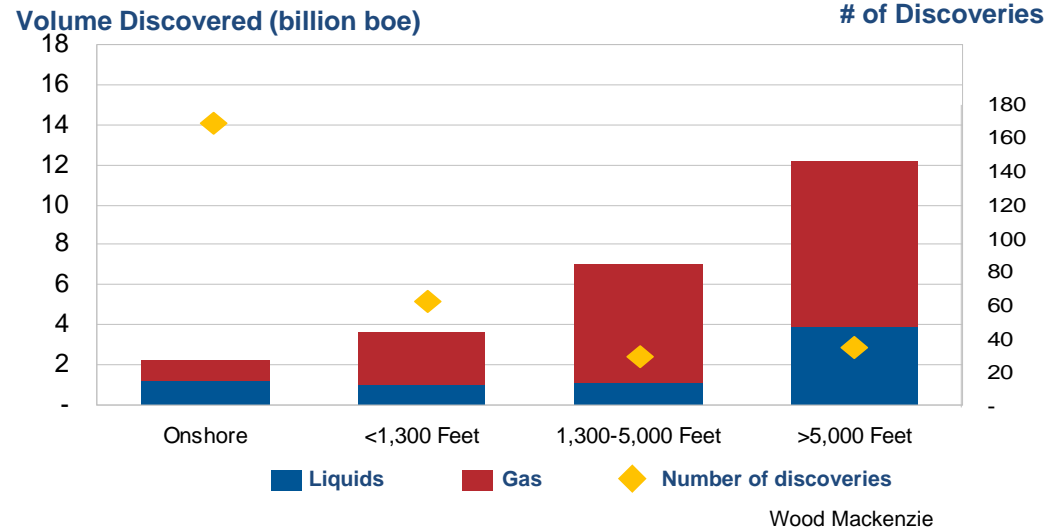


- Exploration success indicates significant long-term ultra-deepwater demand
- Transocean's disciplined, high-return investment strategy is primarily focused on high-specification assets
- Ultra-deepwater market is oversupplied near term
 - Programs being delayed
 - Farmouts increasing
 - Recent fixtures for UDW rigs are now \$375K to \$500K/day depending upon specification

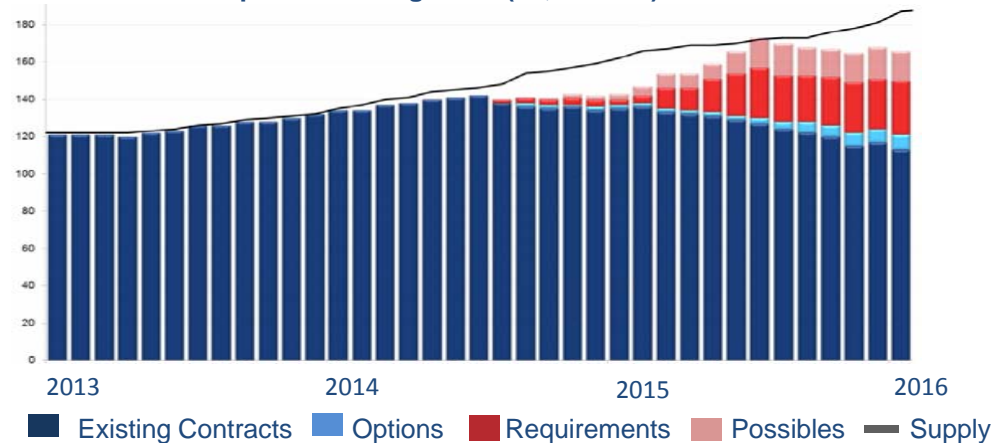
Note:

Represents ultra-deepwater and deepwater as classified by Wood Mackenzie, 2012

New Field Resources Discovered
(by Water Depth)



Contract Status and Expected Demand
Ultra-Deepwater Drilling Units (>7,500 feet) – Worldwide



Market Overview

Other Floaters, Jackups



Deepwater



Discoverer Seven Seas

- Near-term increase in rig availability
- Market utilization 88% ⁽⁶⁾
- Weak activity
- Limited data points, but fixtures between \$300K to \$400K/day for near-term availability

Midwater



GSF Rig 140

- Strong presence in the UK and Norway sectors of the North Sea
- Market utilization 90% ⁽⁶⁾
- Near-term increase in rig availability
- Rates between \$300K to \$400K/day in the North Sea; outside U.K. rates below \$200K/day

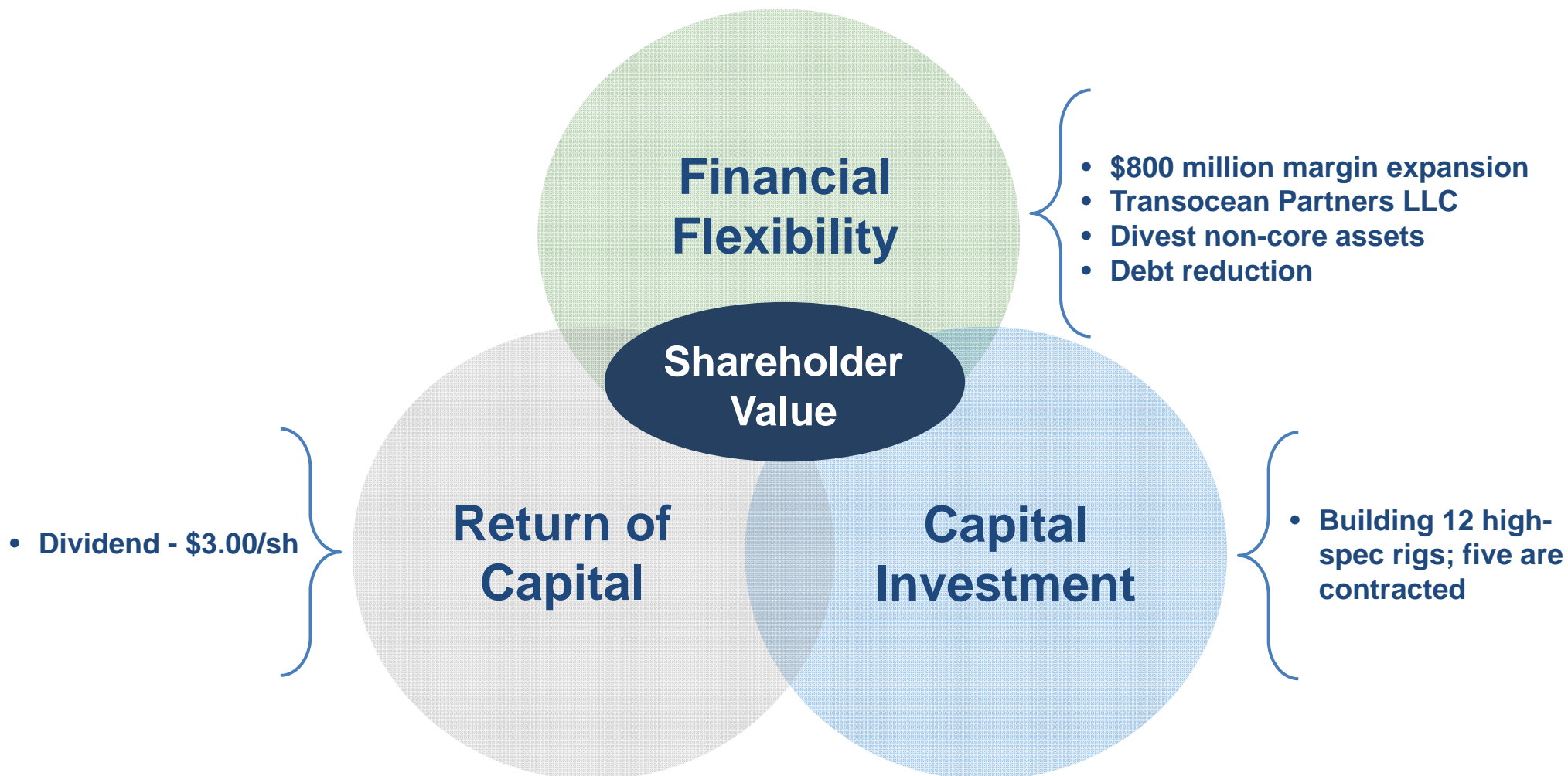
High-Spec Jackups



Transocean Honor

- Demand and dayrates are relatively stable, but under pressure
- Market utilization 97% ⁽⁶⁾
- Key demand areas are Mexico, India and Southeast Asia
- Rates \$180K to \$200K/day in U.K.; outside U.K. rates \$160K to \$180K/day

Value Creation



Financial Flexibility

Transocean Partners LLC



- **Successful IPO**
 - **Strong investor demand**
- **Structure facilitates strategic initiatives**
 - **Improves financial flexibility**
 - **Supports balance sheet objectives**
 - **Represents attractive value proposition**
 - **Proceeds allocated consistent with “balanced approach”**

Capital Investment

High-Grading of Fleet

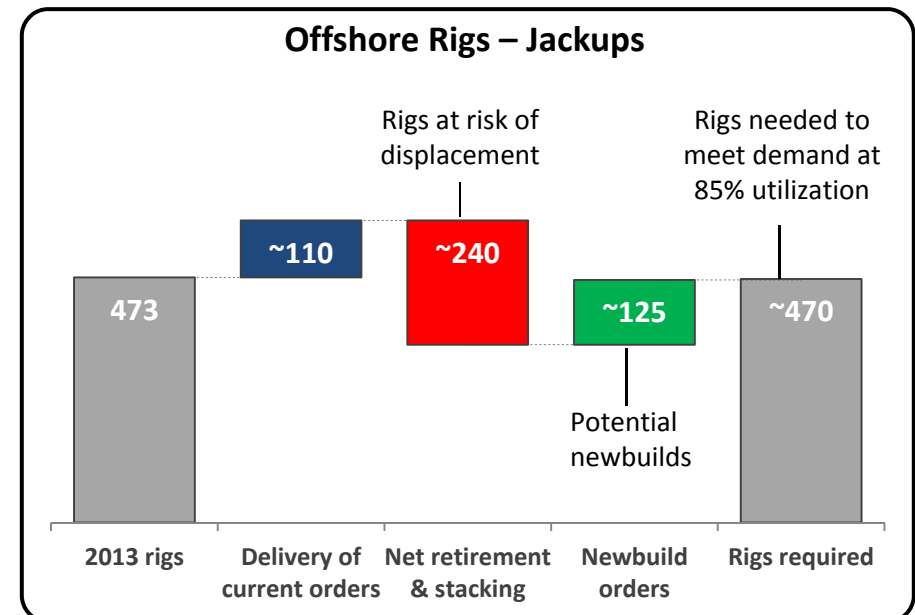
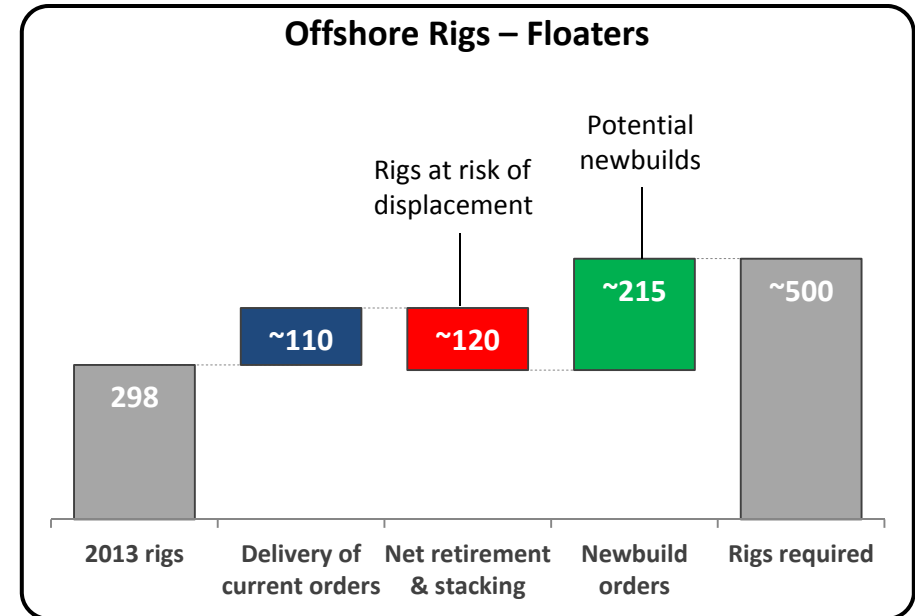


• Floaters

- Long-term growth in deepwater
- Lower spec rigs at risk
- 160 floaters are 30+ years old
- Customers prefer high-spec rigs - perceived to be more reliable and have better performance

• Jackups

- 216 jackups are 30+ years old
- Customers actively replacing lower-spec rigs
- Attrition/stacking



Capital Investment

Fleet Profile



Current Fleet					
		Existing	Under construction	Total	
Floaters	Ultra-deepwater	29	+7	36	
	Deepwater	12		12	
	Midwater	21		21	
	Harsh Environment	7		7	
Jack-ups	High-Spec Jackups	10	+5	15	
Total	Total Floaters	69	+7	76	84%
	Total Jackups	10	+5	15	16%
	Total Fleet			91	100%

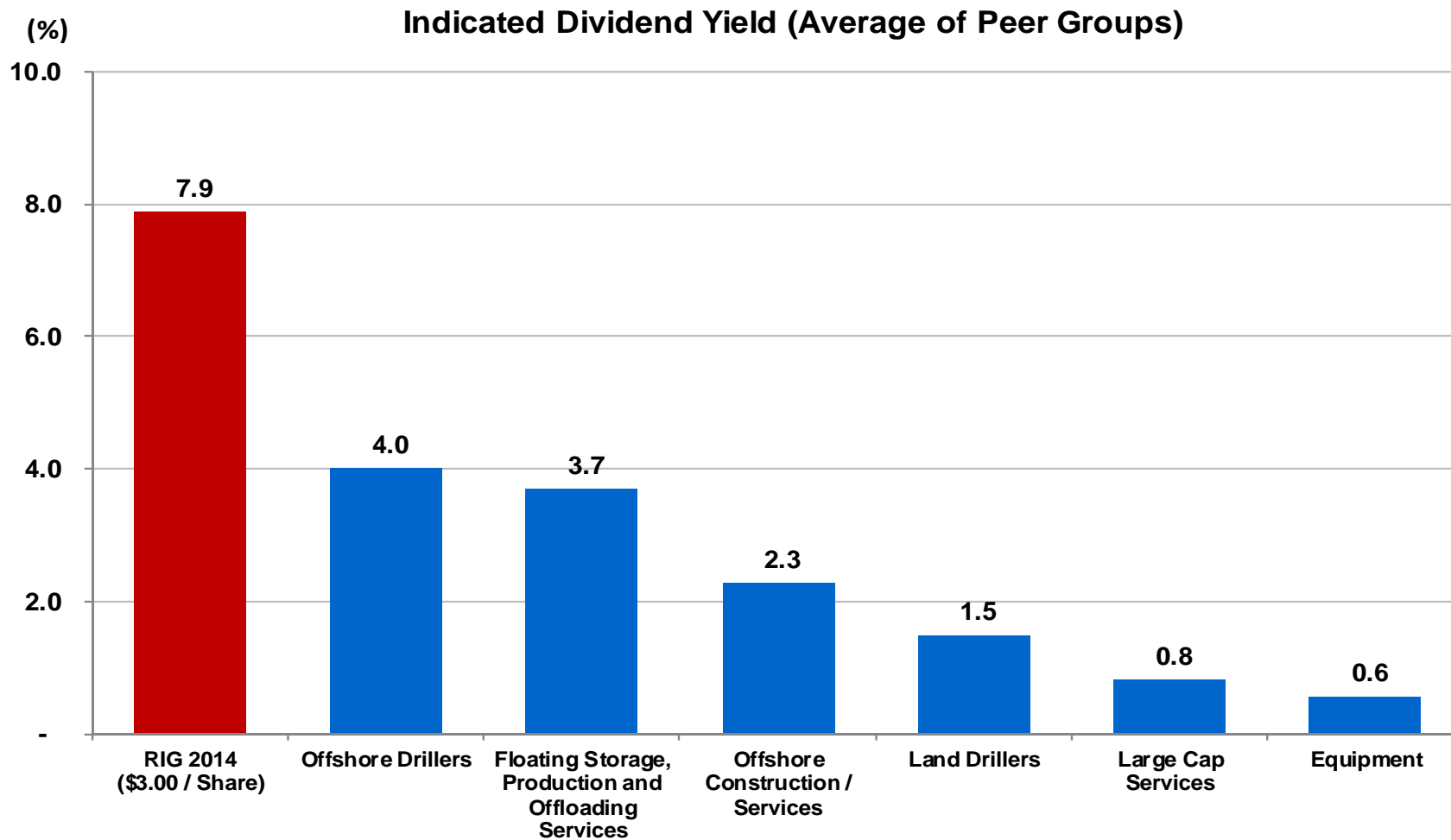
Future Fleet	
Ultra-deepwater	~50%
Deepwater	
Midwater	
Harsh Environment	~10%
High-Spec Jackups	~40%
Total Floaters	~60%
Total Jackups	~40%
Approximate EBITDA Contribution Margin:	
Floaters:	~75%
Jackups:	~25%

Return of Capital

Dividends



- **Dividend yield is very competitive**



Source: Bloomberg 9/3/14

Macondo

- **Favorable court ruling 9/4/14 - effectively eliminates Transocean's financial risk arising from the below-surface discharge of oil**
 - **Transocean found to be not grossly negligent and not liable for punitive damages**
 - **Contractual indemnity affirmed as valid and enforceable**
 - **BP's release of its own claims against Transocean is valid and enforceable; PSC cannot pursue**
- **January 2013 – Civil and criminal settlement agreements reached with DOJ comprising \$1.4B paid over five years**

Norway Tax Cases

- **Criminal trial – Favorable court ruling July 2014; all defendants acquitted of all five charges; prosecution authorities filed appeal on three charges**
- **Dividend civil case – Norwegian District Court ruled partially in favor of State in June 2014; waived all interest and penalties; imposed income tax. Will appeal**
- **Arcade civil case – Norwegian District Court overturned tax assessment; State filed appeal – scheduled for Appeals Court October 2014**
- **Believe our tax returns are materially correct as filed; will continue to contest contrary assertions**

Key Investment Highlights



- **We are delivering on our commitment to create value**
 - **Improving financial flexibility**
 - **Executing plan to high-grade the fleet**
 - **Returning excess cash to shareholders**
 - **To the extent possible, reducing uncertainties the company faces**
- **Transocean is well positioned to capitalize on global opportunities**



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- (1) As of August 21, 2014. Floater classifications are by water depth as described in the Fleet Status Report. Harsh Environment Floaters are included in the appropriate water depth classification. Rig count associated with continuing operations is 79, plus 12 newbuilds. Rigs Under Construction are inclusive of rigs to be accepted by the customer subsequent to August 21, 2014. “Idle” and “Stacked” rig classifications are as described in the Fleet Status Report.
- (2) Excludes submersible rigs and rigs held for sale.
- (3) Excludes tender rigs.
- (4) Calculated by multiplying the contracted operating dayrate by the firm contract period for the remainder of 2014 and future periods as of the Fleet Status Report issued July 16, 2014, for continuing operations only. Firm commitments are represented by signed drilling contracts or, in some cases, by other definitive agreements awaiting contract execution. Our contract backlog is calculated by multiplying the full contractual operating dayrate by the number of days remaining in the firm contract period, excluding revenues for mobilization, demobilization and contract preparation or other incentive provisions, which are not expected to be significant to our contract drilling revenues. The contractual operating dayrate may be higher than the actual dayrate we receive or we may receive other dayrates included in the contract, such as a waiting-on-weather rate, repair rate, standby rate or force majeure rate. The contractual operating dayrate may also be higher than the actual dayrate we receive because of a number of factors, including rig downtime or suspension of operations. In certain contracts, the dayrate may be reduced to zero if, for example, repairs extend beyond a stated period of time.
- (5) The committed fleet rate is defined as one minus the uncommitted fleet rate, which is the number of uncommitted days divided by the total number of rig calendar days in the measured period, expressed as a percentage. An uncommitted day is defined as a calendar day during which a rig is idle or stacked, is not contracted to a customer and is not committed to a shipyard. The rate is as of July 16, 2014.
- (6) Data from IHS-Petrodata as of September 2, 2014. High-Specification Jackups are defined as competitive, independent cantilever rigs with water depths of 350’ and greater.
- (7) This presentation is unaudited.