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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 Report (date of earliest event reported): October 31, 2007

**TRANSOCEAN INC.**

(Exact name of registrant as specified in its charter)

**Cayman Islands**

(State or other jurisdiction of  
incorporation or organization)

**333-75899**

(Commission  
File Number)

**66-0582307**

(I.R.S. Employer  
Identification No.)

**4 Greenway Plaza  
Houston, Texas 77046**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(713) 232-7500**

(Former name or former address, if changed since last report)

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 2.02 Results of Operations and Financial Condition.

Our press release dated October 31, 2007, concerning third quarter 2007 financial results, furnished as Exhibit 99.1 to this report, is incorporated by reference herein. The press release contains certain measures (discussed below) which may be deemed “non-GAAP financial measures” as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended.

In the press release, we discuss field operating income for the three months ended June 30, 2007 and September 30, 2007. Management believes field operating income is a useful measure of operating results since the measure only deducts expenses directly related to operations from revenues. The most directly comparable GAAP financial measure, operating income before general and administrative expenses, and information reconciling the GAAP and non-GAAP measures are included in the press release.

### ITEM 7.01 Regulation FD Disclosure.

On October 31, 2007, Transocean Inc. (the “Company”) is posting the slide presentation furnished as Exhibit 99.2 to this report on the Company’s website at [www.deepwater.com](http://www.deepwater.com). Exhibit 99.2 is incorporated in this Item 7.01 by reference.

The statements made herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include, but are not limited to, statements involving the Company’s Annual Effective Tax Rate, prospects for the Company, expected revenues, capital expenditures, costs and results of operations, market outlook, revenue backlog for the Company and other drillers, contract opportunities and commitments, operational performance, rig demand, rig capacity, dayrates, rig reactivations, rig upgrades including upgrade projects for the Sedco 700-series semisubmersible rigs, newbuild and acquisition opportunities, fleet marketing efforts, rig mobilizations and planned shipyard programs. Such statements are subject to numerous risks, uncertainties and assumptions, including but not limited to, uncertainties relating to the level of activity in offshore oil and gas exploration and development, exploration success by producers, oil and gas prices, rig demand and capacity, drilling industry market conditions, possible delays or cancellation of drilling contracts, work stoppages, operational or other downtime, the Company’s ability to enter into and the terms of future contracts, the availability of qualified personnel, labor relations, future financial results, operating hazards, political and other uncertainties inherent in non-U.S. operations (including exchange and currency fluctuations), war, terrorism, natural disaster and cancellation or unavailability of insurance coverage, the impact of governmental laws and regulations, the adequacy of sources of liquidity, the effect of litigation and contingencies and other factors discussed in the Company’s Form 10-K for the year ended December 31, 2006 and in the Company’s other filings with the Securities and Exchange Commission (“SEC”), which are available free of charge on the SEC’s website at [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

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The information furnished pursuant to Items 2.02 and 7.01 of this report, including Exhibits 99.1 and 99.2, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, nor will it be incorporated by reference into any registration statement filed by Transocean Inc. under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by Transocean Inc. that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of Transocean Inc.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished pursuant to Items 2.02 and 7.01:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Transocean Inc. Press Release Reporting Third Quarter 2007 Financial Results
99.2	Slide Presentation

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 thereunto duly authorized.

Date: October 31, 2007

TRANSOCEAN INC.

By: /s/ Chipman Earle  
Chipman Earle  
Associate General Counsel and Corporate Secretary

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INDEX TO EXHIBITS

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Transocean Inc.  
Post Office Box 2765

Houston TX 77252 2765

**Analyst Contact:** Gregory S. Panagos  
713-232-7551  
**Media Contact:** Guy A. Cantwell  
713-232-7647

**News Release**  
**FOR RELEASE:** October 31, 2007

**TRANSOCEAN INC. REPORTS**  
**THIRD QUARTER 2007 FINANCIAL RESULTS**

HOUSTON—Transocean Inc. (NYSE: RIG) today reported net income for the three months ended September 30, 2007 of \$973 million, or \$3.24 per diluted share, on record quarterly revenues of \$1,538 million. The results compare to net income of \$309 million, or \$0.96 per diluted share, on revenues of \$1,025 million, for the three months ended September 30, 2006.

Third quarter 2007 results included after-tax income of \$336 million, or \$1.12 per diluted share, related to \$276 million for the TODCO tax sharing agreement, \$52 million for changes in estimated taxes, primarily foreign tax credits, and an \$8 million gain resulting from the sale of the drilling barge *Searex VI*. For the quarter ended September 30, 2006, net income included \$37 million, or \$0.12 per diluted share, primarily from the sale of two tender-assist rigs.

For the nine months ended September 30, 2007, net income totaled \$2,075 million, or \$6.91 per diluted share, on revenues of \$4,300 million. For the same period last year, net income totaled \$764 million, or \$2.31 per diluted share, on revenues of \$2,696 million. Results for the first nine months of 2007 include \$369 million, or \$1.22 per diluted share, including \$33 million recognized during the first half of 2007 from rig sales and discrete tax items plus the \$336 million recognized during the third quarter as noted above. For the nine months ended September 30, 2006, net income included \$191 million, or \$0.57 per diluted share, primarily from the sale of six rigs.

Operations Quarterly Review

Revenues for the three months ended September 30, 2007 increased 7.3 percent to \$1,538 million compared to revenues of \$1,434 million during the three months ended June 30, 2007. The quarter-to-quarter increase in revenues was primarily due to a higher average dayrate, partially offset by a slight reduction in days in service. The third quarter 2007 average dayrate reached a record high of \$219,700, up 8.5 percent, compared to \$202,400 during the second quarter 2007. The increase in average dayrate was experienced across all rig categories, primarily as a result of rigs commencing new contracts at the higher prevailing current dayrates.

For the three months ended September 30, 2007, operating income before general and administrative expenses totaled \$780 million, a 10.6 percent increase from \$705 million reported for the second quarter 2007. The \$75 million increase in operating income before general and administrative expense was due to higher revenues, driven by increased dayrates. Partially offsetting the higher third quarter 2007 revenues was \$36 million in increased operating and maintenance expenses, primarily due to an increase in reimbursable costs and integrated service expenditures, as well as an increase in the number of maintenance projects.

Field operating income<sup>(1)</sup> (defined as revenues less operating and maintenance expenses) increased 8.4 percent to \$875 million for the third quarter 2007, compared to \$807 million for the prior three-month period. The increase in third quarter 2007 field operating income was due chiefly to strong revenue growth combined with stable operating margins.



### Liquidity

Cash flow from operations totaled \$897 million for the third quarter 2007 compared to \$289 million for the third quarter 2006. For the nine months ended September 30, 2007, cash flow from operations increased to \$2,158 million compared to \$733 million for the same period last year. As of September 30, 2007, total debt was \$2,593 million, down \$471 million compared to \$3,064 as of June 30, 2007. The \$471 million of debt reduction during the third quarter 2007 reflects the repayment of the company's two-year term credit facility due August 2008.

### Effective Tax Rate

The company's Annual Effective Tax Rate<sup>(2)</sup> for the three months ended September 30, 2007 was 14.0 percent, excluding various discrete items. The Effective Tax Rate<sup>(3)</sup> of 5.1 percent for the third quarter 2007 reflects a \$52 million favorable impact resulting primarily from changes in estimated foreign tax credit. The company currently expects the Annual Effective Tax Rate for the remainder of 2007 to be 14.6 percent.

### Conference Call Information

Transocean will conduct a teleconference call at 10:00 a.m. Eastern Time on October 31, 2007. To participate, dial 913-981-5542 and refer to confirmation code 1852427 approximately five to 10 minutes prior to the scheduled start time of the call.

In addition, the conference call will be simultaneously broadcast over the Internet in a listen-only mode and can be accessed by logging onto the company's website at [www.deepwater.com](http://www.deepwater.com) and selecting "Investor Relations/News & Events/Webcasts & Presentations." A file containing four charts to be discussed during the conference call, titled "3Q07 Charts," has been posted to the company's website and can also be found by selecting "Investor Relations/News & Events/Webcasts & Presentations." The conference call may also be accessed via the Internet at [www.CompanyBoardroom.com](http://www.CompanyBoardroom.com) by typing in the company's New York Stock Exchange trading symbol, "RIG."

A telephonic replay of the conference call should be available after 1:00 p.m. Eastern Time on October 31, 2007 and can be accessed by dialing 719-457-0820 and referring to the passcode 1852427. Also, a replay will be available through the Internet and can be accessed by visiting either of the above-referenced Worldwide Web addresses.

### Forward-Looking Disclaimer

Statements regarding our Annual Effective Tax Rate, as well as any other statements that are not historical facts in this release, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to operating hazards and delays, risks associated with international operations, future financial results, actions by customers and other third parties, factors affecting the supply and demand of drilling rigs, including newbuilds, reactivations and the reallocation of current rigs, factors affecting the duration of contracts including well-in-progress provisions, the actual amount of downtime, factors resulting in reduced applicable dayrates, hurricanes and other weather conditions, the future price of oil and gas and other factors detailed in the company's most recent Form 10-K and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

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Transocean Inc. is the world's largest offshore drilling contractor with a fleet of 82 mobile offshore drilling units. The company's mobile offshore drilling fleet, consisting of a large number of high-specification deepwater and harsh environment drilling units, is considered one of the most modern and versatile in the world due to its emphasis on technically demanding segments of the offshore drilling business. The company's fleet consists of 34 High-Specification Floaters (semisubmersibles and drillships), 19 Other Floaters, 25 Jackups and other assets utilized in the support of offshore drilling activities worldwide. With a current equity market capitalization \$33.4 billion, Transocean Inc.'s ordinary shares are traded on the New York Stock Exchange under the symbol "RIG."

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- (1) For a reconciliation of operating income before general and administrative expense to field operating income, see the accompanying schedule entitled "Non-GAAP Financial Measures and Reconciliations — Operating Income Before General and Administrative Expense to Field Operating Income."
  - (2) Annual Effective Tax Rate is defined as 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 on sales and similar items pursuant to Financial Accounting Standards Board Interpretation No. 18. See the accompanying schedule entitled "Effective Tax Rate Analysis."
  - (3) Effective Tax Rate is defined as income tax expense divided by income before income taxes. See the accompanying schedule entitled "Effective Tax Rate Analysis."
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**TRANSOCEAN INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except per share data)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
<b>Operating revenues</b>				
Contract drilling revenues	\$1,455	\$ 991	\$4,088	\$2,598
Other revenues	83	34	212	98
	1,538	1,025	4,300	2,696
<b>Costs and expenses</b>				
Operating and maintenance	663	561	1,858	1,585
Depreciation	103	99	304	303
General and administrative	27	22	82	67
	793	682	2,244	1,955
Gain from disposal of assets, net	8	47	30	222
<b>Operating income</b>	753	390	2,086	963
<b>Other income (expense), net</b>				
Interest income	7	4	17	14
Interest expense, net of amounts capitalized	(23)	(28)	(93)	(72)
Other, net	287	7	295	9
	271	(17)	219	(49)
<b>Income before income taxes and minority interest</b>	1,024	373	2,305	914
Income tax expense	52	64	230	150
Minority interest	(1)	—	—	—
<b>Net income</b>	\$ 973	\$ 309	\$2,075	\$ 764
<b>Earnings per share</b>				
Basic	\$ 3.36	\$ 0.99	\$ 7.17	\$ 2.39
Diluted	\$ 3.24	\$ 0.96	\$ 6.91	\$ 2.31
<b>Weighted average shares outstanding</b>				
Basic	290	312	289	320
Diluted	300	323	301	332

**TRANSOCEAN INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions, except share data)

	September 30, 2007 (Unaudited)	December 31, 2006
<b>ASSETS</b>		
Cash and cash equivalents	\$ 618	\$ 467
Accounts receivable, net of allowance for doubtful accounts of \$41 and \$26 at September 30, 2007 and December 31, 2006, respectively	1,266	946
Materials and supplies, net of allowance for obsolescence of \$21 and \$19 at September 30, 2007 and December 31, 2006, respectively	179	160
Deferred income taxes, net	28	16
Other current assets	132	67
<b>Total current assets</b>	<b>2,223</b>	<b>1,656</b>
Property and equipment	11,460	10,539
Less accumulated depreciation	3,489	3,213
<b>Property and equipment, net</b>	<b>7,971</b>	<b>7,326</b>
Goodwill	2,187	2,195
Other assets	319	299
<b>Total assets</b>	<b>\$12,700</b>	<b>\$11,476</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	\$ 406	\$ 477
Accrued income taxes	156	98
Debt due within one year	1,018	95
Other current liabilities	419	369
<b>Total current liabilities</b>	<b>1,999</b>	<b>1,039</b>
Long-term debt	1,575	3,200
Deferred income taxes, net	57	54
Other long-term liabilities	566	343
<b>Total long-term liabilities</b>	<b>2,198</b>	<b>3,597</b>
Commitments and contingencies		
Minority interest	1	4
Preference shares, \$0.10 par value; 50,000,000 shares authorized, none issued and outstanding	—	—
Ordinary shares, \$0.01 par value; 800,000,000 shares authorized, 290,802,699 and 292,454,457 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	3	3
Additional paid-in capital	7,780	8,044
Accumulated other comprehensive loss	(31)	(30)
Retained earnings (accumulated deficit)	750	(1,181)
<b>Total shareholders' equity</b>	<b>8,502</b>	<b>6,836</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$12,700</b>	<b>\$11,476</b>

**TRANSOCEAN INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)  
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
<b>Cash flows from operating activities</b>				
Net income	\$ 973	\$ 309	\$ 2,075	\$ 764
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	103	99	304	303
Share-based compensation expense	11	5	30	13
Gain from disposal of assets, net	(8)	(47)	(30)	(222)
Deferred income taxes	9	(7)	2	18
Deferred expenses, net	(4)	(40)	(17)	(95)
Deferred revenues, net	(20)	12	18	32
Other long-term liabilities	19	(4)	31	17
Other, net	(7)	(7)	(3)	(14)
Changes in operating assets and liabilities				
Accounts receivable	(82)	(169)	(320)	(273)
Other current assets	3	15	(29)	(36)
Accounts payable and other current liabilities	(75)	76	65	167
Income taxes receivable/payable, net	(25)	47	32	59
<b>Net cash provided by operating activities</b>	<b>897</b>	<b>289</b>	<b>2,158</b>	<b>733</b>
<b>Cash flows from investing activities</b>				
Capital expenditures	(305)	(434)	(1,060)	(710)
Proceeds from disposal of assets, net	21	95	62	298
Joint ventures and other investments, net	—	—	(3)	—
<b>Net cash used in investing activities</b>	<b>(284)</b>	<b>(339)</b>	<b>(1,001)</b>	<b>(412)</b>
<b>Cash flows from financing activities</b>				
Borrowings under the Revolving Credit Facility, net	—	900	—	900
Proceeds from issuance of debt, net	—	1,000	—	1,000
Repayment of borrowings under Term Credit Facility	(470)	—	(700)	—
Release of escrow funds – Nautilus lease financing	—	30	—	30
Repurchase of ordinary shares	—	(1,751)	(400)	(2,351)
Proceeds from issuance of ordinary shares under share-based compensation plans, net	1	1	56	67
Tax benefit from issuance of ordinary shares under share-based compensation plans	23	—	33	—
Other, net	6	(5)	5	(5)
<b>Net cash provided by (used in) financing activities</b>	<b>(440)</b>	<b>175</b>	<b>(1,006)</b>	<b>(359)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>173</b>	<b>125</b>	<b>151</b>	<b>(38)</b>
Cash and cash equivalents at beginning of period	445	282	467	445
<b>Cash and cash equivalents at end of period</b>	<b>\$ 618</b>	<b>\$ 407</b>	<b>\$ 618</b>	<b>\$ 407</b>

Transocean Inc.  
Fleet Operating Statistics

	Operating Revenues (in millions) (1)				
	Three months ended			Nine months ended Sept 30,	
	September 30, 2007	June 30, 2007	September 30, 2006	2007	2006
<b>Contract Drilling Revenues</b>					
High-Specification Floaters:					
Ultra Deepwater Floaters	\$ 381	\$ 336	\$ 257	\$1,057	\$ 711
Other Deepwater Floaters	298	272	246	830	611
Other High-Specification Floaters	101	103	62	290	176
Total High-Specification Floaters	780	711	565	2,177	1,498
Other Floaters	412	403	218	1,193	551
Jackups	248	230	184	673	483
Other Rigs	15	16	24	45	66
Subtotal	1,455	1,360	991	4,088	2,598
<b>Other Revenues</b>					
Client Reimbursable Revenues	32	29	30	92	77
Integrated Services and Other	51	45	4	120	21
Subtotal	83	74	34	212	98
<b>Total Company</b>	<b>\$1,538</b>	<b>\$1,434</b>	<b>\$1,025</b>	<b>\$4,300</b>	<b>\$2,696</b>

	Average Dayrates (1)				
	Three months ended			Nine months ended Sept 30,	
	September 30, 2007	June 30, 2007	September 30, 2006	2007	2006
<b>High-Specification Floaters:</b>					
Ultra Deepwater Floaters	\$323,200	\$288,900	\$246,000	\$304,600	\$223,700
Other Deepwater Floaters	\$257,700	\$228,400	\$222,300	\$240,600	\$188,700
Other High-Specification Floaters	\$316,400	\$286,900	\$181,500	\$279,500	\$172,000
Total High-Specification Floaters	\$293,900	\$262,100	\$226,700	\$273,600	\$201,400
Other Floaters	\$251,400	\$226,300	\$136,800	\$233,500	\$122,000
Jackups	\$120,500	\$117,900	\$ 83,400	\$114,600	\$ 75,800
Other Rigs	\$ 54,900	\$ 57,200	\$ 52,400	\$ 54,100	\$ 49,100
<b>Total Drilling Fleet</b>	<b>\$219,700</b>	<b>\$202,400</b>	<b>\$146,900</b>	<b>\$206,800</b>	<b>\$132,000</b>

	Utilization (1)				
	Three months ended			Nine months ended Sept 30,	
	September 30, 2007	June 30, 2007	September 30, 2006	2007	2006
<b>High-Specification Floaters:</b>					
Ultra Deepwater Floaters	99%	98%	88%	98%	90%
Other Deepwater Floaters	79%	82%	75%	79%	75%
Other High-Specification Floaters	87%	99%	93%	95%	94%
Total High-Specification Floaters	87%	90%	82%	88%	83%
Other Floaters	89%	98%	86%	94%	78%
Jackups	90%	86%	96%	86%	93%
Other Rigs	98%	100%	76%	99%	64%
<b>Total Drilling Fleet</b>	<b>89%</b>	<b>91%</b>	<b>87%</b>	<b>89%</b>	<b>83%</b>

(1) Average daily revenue is defined as contract drilling revenue earned per revenue earning day in the period. A revenue earning day is defined as a day for which a rig earns dayrate after commencement of operations. Utilization is defined as the total actual number of revenue earning days in the period as a percentage of the total number of calendar days in the period for all drilling rigs in our fleet.

**Transocean Inc. and Subsidiaries**  
**Non-GAAP Financial Measures and Reconciliations**  
**Operating Income Before General and Administrative Expense**  
**to Field Operating Income**  
**(in millions)**

	Three months ended			Nine months ended	
	Sept 30, 2007	June 30, 2007	Sept 30, 2006	Sept 30, 2007	Sept 30, 2006
Operating revenue	\$ 1,538	\$ 1,434	\$ 1,025	\$ 4,300	\$ 2,696
Operating and maintenance expense	663	627	561	1,858	1,585
Depreciation	103	101	99	304	303
(Gain) loss from disposal of assets, net	(8)	1	(47)	(30)	(222)
Operating income before general and administrative expense	780	705	412	2,168	1,030
Add back (subtract): Depreciation	103	101	99	304	303
(Gain) loss from disposal of assets, net	(8)	1	(47)	(30)	(222)
Field operating income	<u>\$ 875</u>	<u>\$ 807</u>	<u>\$ 464</u>	<u>\$ 2,442</u>	<u>\$ 1,111</u>

**Transocean Inc. and Subsidiaries**  
**Effective Tax Rate Analysis**  
(In millions)

	Three months ended			Nine months ended		Twelve months ended
	September 30, 2007	June 30, 2007	September 30, 2006	September 30, 2007	2006	Dec. 31 2006
Income (Loss) before income taxes and minority interest	\$ 1,024	\$ 643	\$ 373	\$ 2,305	\$ 914	\$ 1,607
Add back (subtract):	\$ —	\$ —				
(Gain) loss on disposal of assets, net	(9)	1	(44)	(31)	(219)	(410)
Income from TODCO tax sharing agreement	(276)	—	—	(276)	—	(51)
<b>Adjusted income before income taxes</b>	<b>\$ 739</b>	<b>\$ 644</b>	<b>\$ 329</b>	<b>\$ 1,998</b>	<b>\$ 695</b>	<b>\$ 1,146</b>
Income tax expense	\$ 52	\$ 93	\$ 64	\$ 230	\$ 150	\$ 222
Add back (subtract):						
(Gain) loss on disposal of assets, net	—	—	(3)	(3)	(25)	(24)
Changes in estimates (1)	52	11	(4)	65	(3)	14
<b>Adjusted income tax expense (2)</b>	<b>\$ 104</b>	<b>\$ 104</b>	<b>\$ 57</b>	<b>\$ 292</b>	<b>\$ 122</b>	<b>\$ 212</b>
<b>Effective tax rate (3)</b>	<b>5.1%</b>	<b>14.4%</b>	<b>17.1%</b>	<b>10.0%</b>	<b>16.4%</b>	<b>13.8%</b>
<b>Annual effective tax rate (4)</b>	<b>14.0%</b>	<b>16.1%</b>	<b>17.3%</b>	<b>14.6%</b>	<b>17.5%</b>	<b>18.5%</b>

- (1) Our estimates change as we file tax returns, settle disputes with tax authorities or become aware of other events and include changes in deferred taxes, valuation allowances on deferred taxes and other tax liabilities.
- (2) The three months ended September 30, 2007 include \$(4) million of additional tax expense (benefit) reflecting the catch-up effect of an increase (decrease) in the annual effective tax rate.
- (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 on sales and similar items pursuant to Financial Accounting Standards Board Interpretation No. 18.





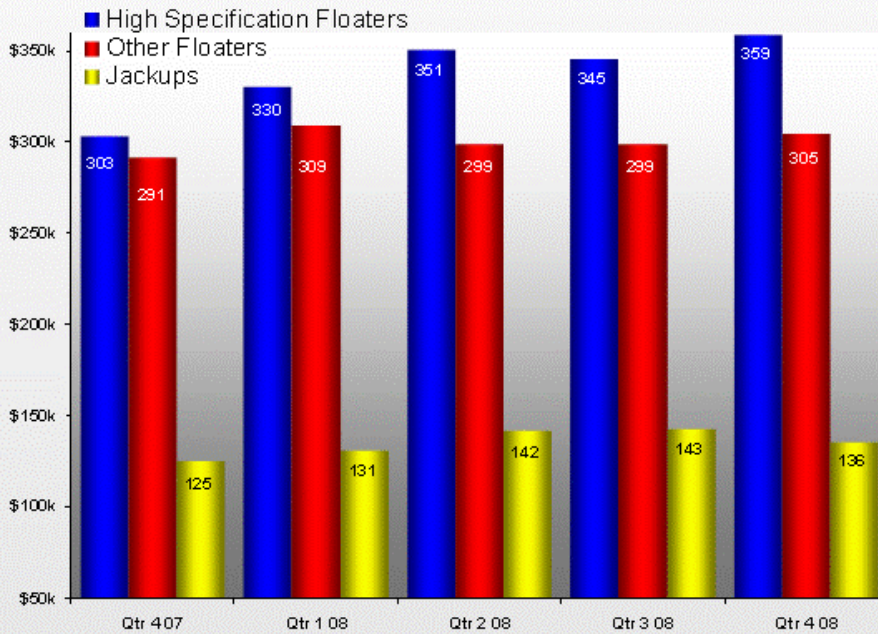
Your Next Generation Driller

Transocean Inc. Reports  
Third Quarter 2007 Results





## Chart #1: Average Contracted Dayrate by Rig Type Qtr 4 2007 through Qtr 4 2008 (Unaudited)



### Definitions

**Average Dayrate** The weighted average contract dayrate for each rig type based on current backlog from the company's most recent Fleet Status Update Report as of October 30<sup>th</sup>, 2007. Includes firm contracts only.

**High-Specification Floaters** The High-Specification Floaters category is a consolidation of the Ultra-Deepwater Floaters, Other High-Specification Floaters and Other Deepwater Floaters as described below.

Ultra-Deepwater Floaters have high-pressure mud pumps and a water depth capability of 7,500 feet or greater.

Other High-Specification Floaters were built in the mid to late 1980s, are capable of drilling in harsh environments and have greater displacement than previously constructed rigs resulting in larger variable load capacity, more useable deck space and better motion characteristics.

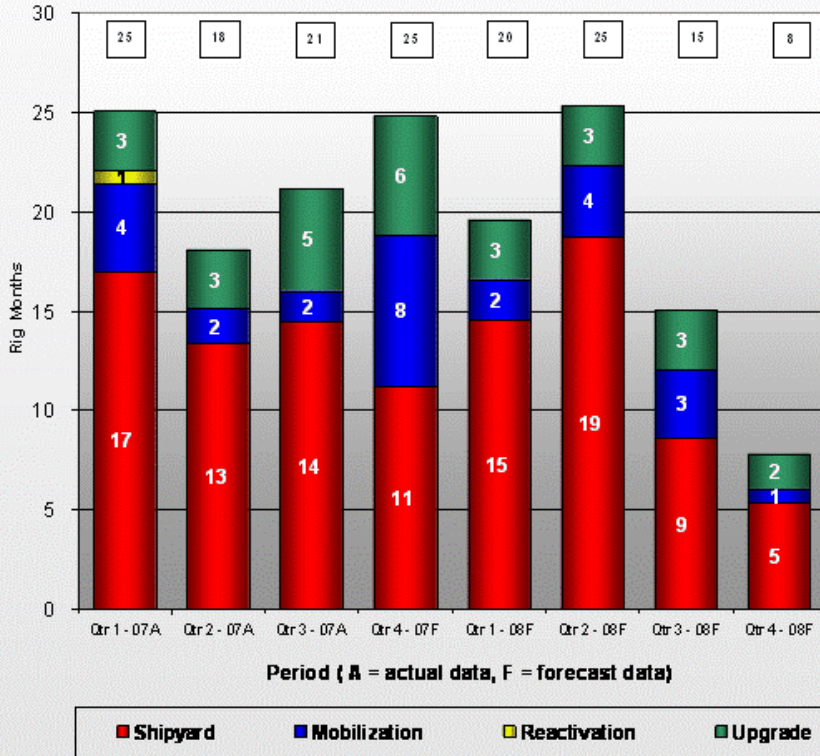
The Other Deepwater Floaters include the remaining semi-submersible rigs and drillships that have a water depth capacity of at least 4,500 feet.

**Other Floaters** The Other Floaters category is generally comprised of those non-High-Specification Floaters with a water depth capacity of less than 4,500 feet.

**Jackups** The Jackups category consists of our jackup fleet.



## Chart #2: Out-of-Service Rig Months Qtr 1 2007 through Qtr 4 2008 (Unaudited)



### Definitions

**Rig Months** Time expressed in months that each rig has been, or is forecast to be Out of Service as reflected in the company's Fleet Status Update Report as of October 30<sup>th</sup>, 2007. Also includes out of service time of less than 14 days that is not disclosed in the Fleet Status report.

**Out-of-Service** Time when a rig is not available to earn an operating dayrate due to shipyards, contract preparation, mobilization, reactivation or upgrades.

**Mobilization** Includes mobilization and demobilization to and from operating contracts and other activities such as shipyards excluding those mobilization and demobilization periods covered in *Reactivation* and *Upgrades*.

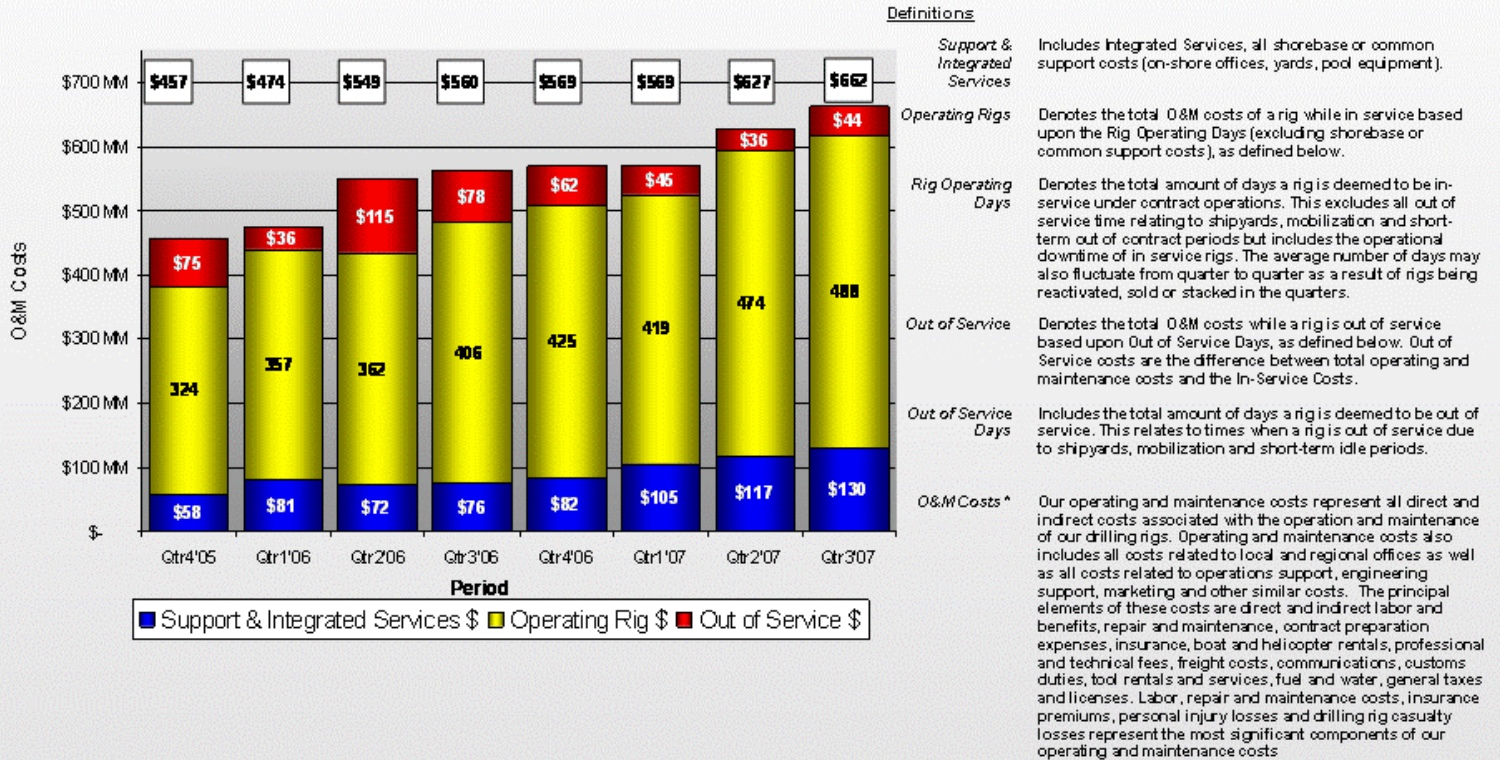
**Reactivation** Rig time described as "reactivation", relating to the C.K. Rhein Jr., which was previously cold stacked.

**Upgrade** Rig time described as "upgrade" includes the Sedco 702 and Sedco 706 which are undergoing or forecast to undergo a shipyard project to enhance the operational capabilities of the rig.

**Shipyard** Rig time described as "shipyard" refers to periods during which a rig is out of service as a result of other planned shipyards, surveys, repairs, regulatory inspections or other planned service or work on the rig excluding reactivations and upgrades.



## Chart #3: Operating & Maintenance (O&M) Costs Trends (Unaudited)

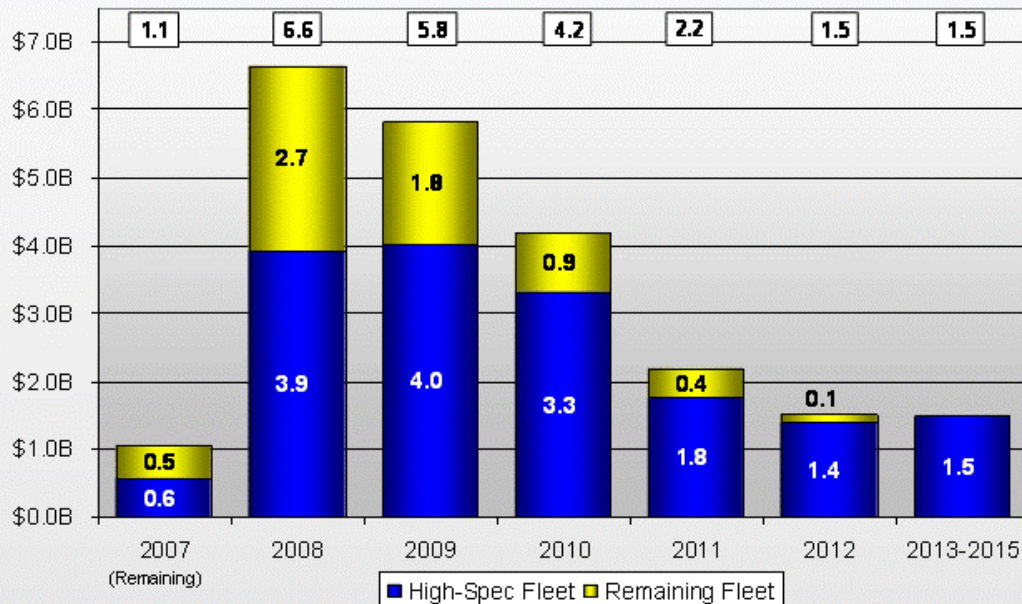




## Chart #4: Contract Backlog by Years

(Unaudited)

Total Contract Backlog (1) = \$22.9 Billion



(1) Calculated by multiplying the contracted operating dayrate by the firm contract period from October 30<sup>th</sup>, 2007 forward. Reflects firm commitments represented by signed contracts. Contract backlog excludes revenues from mobilization, demobilization, contract preparation, integrated services and customer reimbursables. Our backlog calculation assumes that we receive the full contractual dayrate, which could be higher than the actual Dayrate that we receive because of a number of factors (rig downtime, suspension of operations, etc...) including some beyond our control.