# 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): February 17, 2009 (February 12, 2009)**

# TRANSOCEAN LTD.
**(Exact name of registrant as specified in its charter)**

| **Switzerland** | **000-53533** | **98-0599916** |
|---|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(Commission File Number)** | **(I.R.S. Employer Identification No.)** |

| | |
|---|---|
| **Blandonnet International Business Center**<br>**Building F, 7th Floor**<br>**Chemin de Blandonnet 2**<br>**Vernier, Switzerland** | **CH-1214** |
| **(Address of principal executive offices)** | **(zip code)** |

**Registrant's telephone number, including area code: +41 (22) 930-9000**

**(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))

**Item 2.02. Results of Operations and Financial Condition.**

Our press release dated February 17, 2009, concerning financial results for the fourth quarter and fiscal year ended December 31, 2008, 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 December 31, 2008 and September 30, 2008. 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 12, 2009, the Executive Compensation Committee of the Board of Directors approved the terms and conditions of contingent deferred unit awards and nonqualified share option awards and the grants of such awards to the Company’s Chief Executive Officer, Senior Vice President and Chief Financial Officer, President and Chief Operating Officer and Senior Vice President and General Counsel. Certain of the terms and conditions of the awards are subject to the approval of the Company’s Amended and Restated Long-Term Incentive Plan (the “Plan”) by the shareholders at the 2009 Annual General Meeting, which amendment and restatement would, among other things, eliminate the provisions in the Long-Term Incentive Plan as it currently exists that would cause awards to vest automatically upon a change of control, regardless of whether there is an involuntary termination. In the event the shareholders fail to approve the Plan, the terms and conditions will be modified consistent with the Long-Term Incentive Plan as it existed prior to the proposed amendment and restatement and, accordingly, rights would vest automatically in connection with a change in control even if there is no involuntary termination of the officer.

Each contingent deferred unit award has a three-year performance cycle of January 1, 2009 through December 31, 2011. The number of contingent deferred units (“CDUs”) earned by the named executive officer will be based on the total shareholder return of the Company and twelve of the companies in its peer group (the “Sub-Group”). Total shareholder return through the performance cycle is based on the comparison of the average closing share price for the 30 consecutive business days prior to the start of the performance cycle and the average closing share price for the last 30 consecutive business days in the performance cycle for the Company and each of the companies in the Sub-Group. The companies are then ranked according to percentage of improvement/deterioration in share price, adjusted for dividends. The number of CDUs the named executive officer may earn is determined based on the Company’s ordinal rank among the Sub-Group. Threshold performance is a rank of $10^{th}$ at which 25% of the target award is earned. A rank below $10^{th}$ results in no awards being earned. Target performance is a rank of $7^{th}$ at which 100% of the target award is earned. At maximum performance ($3^{rd}$ or higher) 175% of the target award is earned. Upon vesting, each CDU, together with dividend payments accrued from the end of the performance cycle through the determination date (the first sixty days of 2011) will be distributed to the named executive officer. No dividends are accrued during the performance cycle. The award also provides for accelerated vesting of the CDUs in the event of the involuntary termination of the executive officer in the two years following a change of control.

The nonqualified share options vest over a three-year period ratably in one-third increments on the anniversary of the date of grant. The award also provides for accelerated vesting of the nonqualified share options in the event of the involuntary termination of the executive officer in the two years following a change of control.

A description of the amounts of these awards to the above-mentioned executive officers is attached hereto as Exhibit 10.1.

**Item 7.01. Regulation FD Disclosure.**

*Slide Presentation*

On February 17, 2009, we are posting the slide presentation furnished as Exhibit 99.2 to this report on our website at www.deepwater.com. Exhibit 99.2 is incorporated in this Item 7.01 by reference.

Statements contained within the slide presentation 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 projections relating to out-of-service forecasts, operating and maintenance costs trends, contract backlog, and other statements that are not historical facts. 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, 2007, 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. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. We caution investors not to 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, except as required by law.

**Item 8.01. Other Events.**

On February 12, 2009, the Company's Board of Directors decided to recommend for approval by the Company's shareholders at the 2009 Annual General Meeting a proposal to authorize the Board of Directors to repurchase shares of the Company, at the Board's discretion, with an aggregate purchase price of up to CHF 3.50 billion (which is equivalent to approximately US$3.02 billion at an exchange rate as of the close of trading on February 13, 2009 of US$1.00 to CHF 1.1608). Further detail regarding the proposed share repurchase program can be found in the press release attached as Exhibit 99.3.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The exhibits to this report furnished pursuant to items 2.02 and 7.01 and filed pursuant to item 8.01 are as follows:

| Exhibit No. | Description |
|---|---|
| 10.1 | Description of Award Grants |
| 99.1 | Transocean Ltd. Release Reporting Fourth Quarter and Full-Year 2008 Financial Results |
| 99.2 | Slide Presentation |
| 99.3 | Press Release Announcing Proposed Share Repurchase Program |

## 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.

TRANSOCEAN LTD.

Date: February 17, 2009

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

## Index to Exhibits

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**EXHIBIT 10.1**

| Executive Officer | Contingent Deferred Unit* | Nonqualified Stock Option |
|---|---|---|
| Robert L. Long<br>Chief Executive Officer | 75,029 | 154,763 |
| Gregory L. Cauthen<br>Senior Vice President and Chief Financial Officer | 19,745 | 40,727 |
| Steven L. Newman<br>President and Chief Operating Officer | 27,149 | 56,000 |
| Eric B. Brown<br>Senior Vice President and General Counsel | 14,808 | 30,545 |

* Represents target value.

**Exhibit 99.1**

**Transocean Ltd.**
Investor Relations and
Communications Dept.

**Analyst Contact:** Greg Panagos
713-232-7551

**Media Contact:** Guy A. Cantwell
713-232-7647

# News Release

**FOR RELEASE:** Feb. 17, 2009

**TRANSOCEAN LTD. REPORTS**
**FOURTH QUARTER AND FULL-YEAR 2008 RESULTS**

ZUG, SWITZERLAND—Transocean Ltd. (NYSE: RIG) today reported net income for the three months ended December 31, 2008 of $800 million, or $2.50 per diluted share. Revenues for the fourth quarter 2008 totaled a record $3.270 billion. The results compare to net income of $1.056 billion, or $4.17 per diluted share, for the three months ended December 31, 2007. For the three months ended December 31, 2007, revenues were $2.077 billion.

Fourth quarter 2008 results were adversely impacted by certain net charges, after tax, totaling $385 million, or $1.19 per diluted share, as follows:

- $208 million of goodwill and other impairments related to drilling management services,
- $97 million of write-downs to fair market value for the *GSF Arctic II* and *GSF Arctic IV* semi-submersible rigs held for sale,
- $46 million for depreciation, depletion and amortization expense resulting from an adjustment to the useful life assigned to certain rigs acquired in the merger with GlobalSantaFe Corporation (the “Merger”),
- $20 million of discrete tax items, write-downs of oil and gas properties and costs related to the Merger,
- $17 million of write-offs for uncollectible accounts receivable associated with the *Sedco 712* rig contract after the operator announced it had been placed into administration (a form of bankruptcy protection under U.K. law),
- $18 million for materials and supplies obsolescence, and
- Partially offset by $21 million of income related to the sales contract termination fee on the *Transocean Nordic* and income from the TODCO tax sharing agreement.

Net income of $1.056 billion for the three months ended December 31, 2007 included after-tax income of $194 million, or $0.77 per diluted share, resulting primarily from the sale of the *Peregrine I* drillship and benefits from discrete tax items (which were partially offset by Merger-related costs and losses on the early retirement of debt). On November 27, 2007, Transocean Inc. reclassified its ordinary shares into cash and shares (the “Reclassification”) in connection with the Merger. Reported results for the fourth quarter and full year 2007 included approximately one month from GlobalSantaFe’s operations and the impact of recording GlobalSantaFe’s assets and liabilities at fair market value as required by generally accepted accounting principles.

Diluted earnings per share for the fourth quarter 2007 is based on a weighted average diluted share count of 254 million shares, which included the effect of restating the historical share count for the Reclassification. The weighted average diluted share count for the fourth quarter 2007 without restatement would have been 309[(1)] million shares.

For the year ended December 31, 2008, net income totaled $4.202 billion, or $13.09 per diluted share, on revenues of $12.674 billion. Net income for the twelve months ended December 31, 2008 included after-tax charges of $401 million, or $1.24 per diluted share, resulting primarily from the fourth quarter items listed above, in addition to a loss on short-term investments and a loss from the early retirement of debt.

For 2007, net income was $3.131 billion, or $14.14 per diluted share, on revenues of $6.377 billion. Net income for the year ended December 31, 2007 included after-tax income of $563 million relating to payments received under the TODCO tax sharing agreement, rig sales and discrete tax items.

On December 18, 2008, Transocean completed the change of place of incorporation of its holding company from the Cayman Islands to Switzerland (the “Redomestication”). As a result of the Redomestication, Transocean Ltd. succeeded Transocean Inc. as the holding company for the Transocean group of companies. The financial results disclosed herein are provided on a consolidated basis for the Transocean group of companies.

Operations Quarterly Review

Revenues for the three months ended December 31, 2008 increased to $3.270 billion, compared to revenues of $3.192 billion during the three months ended September 30, 2008. The $78 million quarter-to-quarter increase in total revenues included $131 million of higher contract drilling revenues, reflecting an increase in average dayrates and a decrease in out-of-service time for planned shipyards. A $43 million decrease in other revenues partially offset these increases and resulted primarily from decreases in non-drilling activities. The average dayrate for the fleet increased 3.8 percent from $242,200 in the third quarter to $251,500 in the fourth quarter.

Operating and maintenance expenses totaled $1.408 billion for the fourth quarter 2008, down $18 million or 1.3 percent, compared to $1.426 billion for the prior quarter. The quarter-to-quarter reduction in operating and maintenance costs was primarily the result of non-drilling cost reductions of $46 million and a $17 million decline in maintenance and shipyard costs, partially offset by $23 million of bad debt expense related to the *Sedco 712* customer receivable and $21 million of charges related to obsolescence of materials and supplies.

Depreciation, depletion and amortization expense increased to $396 million in the fourth quarter 2008 versus $336 million for the third quarter 2008. The $60 million quarter-to-quarter increase includes $46 million for adjustments to the depreciable lives of certain rigs acquired in the Merger, a $6 million write-down of oil and gas properties and $8 million of other miscellaneous items.

General and administrative expenses were $59 million for the fourth quarter 2008 compared to $46 million in the prior quarter. The $13 million increase was due, in part, to $8 million of additional professional fees, including $4 million related to the Redomestication and $4 million of additional Merger-related costs.

For the fourth quarter 2008, field operating income[2] (defined as revenues less operating and maintenance expenses) increased 5.4 percent to $1.862 billion compared to $1.766 billion for the third quarter 2008. The increase was primarily due to the higher revenues and reduced operating and maintenance expenses, as discussed above.

Liquidity and Interest Expense

Interest expense, net of amounts capitalized for the fourth quarter 2008, increased to $121 million compared to $100 million in the third quarter 2008. The increase included $11 million from higher interest rates and $10 million from reduced capitalized interest. As of December 31, 2008, total debt was $14.186 billion, a decrease of $597 million from September 30, 2008.

Cash flow from operating activities decreased to $1.196 billion for the fourth quarter 2008 compared to $1.270 billion for the third quarter 2008. For the full year 2008, cash flow from operating activities totaled $4.959 billion compared to $3.073 billion for the full year 2007.

Effective Tax Rate

Transocean's Annual Effective Tax Rate(3), which excludes various discrete items, for each of the fourth quarter 2008 and the full year ended December 31, 2008 was 15.8 percent and 14.0 percent, respectively. The Effective Tax Rate(4) for each of the fourth quarter 2008 and the full year ended December 31, 2008 was 20.8 percent and 15.0 percent, respectively. Transocean's Effective Tax Rate(4) for both periods reflects the impact of various discrete items primarily related to the tax effect of the impairment losses that are non-deductible for tax purposes, largely offset by changes in estimates.

Conference Call Information

Transocean will conduct a teleconference call at 10:00 a.m. Eastern time, 4:00 p.m. Swiss time, on February 17, 2009. To participate, dial 913-312-1268 and refer to confirmation code 5215304 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 Transocean's website at *www.deepwater.com* and selecting "Investor Relations/News & Events/Webcasts & Presentations." A file containing four charts to be discussed during the conference call, titled "4Q08 Charts," has been posted to Transocean'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* by typing in Transocean'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, 7:00 p.m. Swiss time, on February 17, 2009 and can be accessed by dialing 719-457-0820 and referring to the passcode 5215304. Also, a replay will be available through the Internet and can be accessed by visiting either of the above-referenced Worldwide Web addresses.

Transocean is the world's largest offshore drilling contractor and the leading provider of drilling management services worldwide. With a fleet of 136 mobile offshore drilling units plus 10 announced ultra-deepwater newbuild units, Transocean's fleet 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. Transocean owns or operates a contract drilling fleet of 39 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment semisubmersibles and drillships), 28 Midwater Floaters, 10 High-Specification Jackups, 55 Standard Jackups and other assets utilized in the support of offshore drilling activities worldwide.

(1) The weighted average diluted share count for the quarter without restatement is calculated by assuming the Transocean share count without the effect of the Reclassification for October 2007 and November 2007 and with the effect of the Reclassification for December 2007. The weighted average diluted share count for 2007 without restatement is calculated by assuming the Transocean share count without the effect of the Reclassification for January 2007 through November 2007 and with the effect of the Reclassification for December 2007.

(2) 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."

(3) 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 "Supplemental Effective Tax Rate Analysis."

[4] Effective Tax Rate is defined as income tax expense divided by income before income taxes. See the accompanying schedule entitled "Supplemental Effective Tax Rate Analysis."

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**TRANSOCEAN LTD. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
(In millions, except per share data)
(Unaudited)

| | Three months ended December 31, | | Twelve months ended December 31, | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Operating revenues | | | | |
| Contract drilling revenues | $ 2,830 | $ 1,860 | $ 10,756 | $ 5,948 |
| Contract drilling intangible revenues | 133 | 88 | 690 | 88 |
| Other revenues | 307 | 129 | 1,228 | 341 |
| | 3,270 | 2,077 | 12,674 | 6,377 |
| Costs and expenses | | | | |
| Operating and maintenance | 1,408 | 923 | 5,355 | 2,781 |
| Depreciation, depletion and amortization | 396 | 195 | 1,436 | 499 |
| General and administrative | 59 | 60 | 199 | 142 |
| | 1,863 | 1,178 | 6,990 | 3,422 |
| Impairment loss | (320) | — | (320) | — |
| Gain (loss) from disposal of assets, net | (3) | 254 | (7) | 284 |
| Operating income | 1,084 | 1,153 | 5,357 | 3,239 |
| Other income (expense), net | | | | |
| Interest income | 2 | 13 | 32 | 30 |
| Interest expense, net of amounts capitalized | (121) | (79) | (469) | (172) |
| Loss on retirement of debt | — | (8) | (3) | (8) |
| Other, net | 46 | — | 26 | 295 |
| | (73) | (74) | (414) | 145 |
| Income before income taxes and minority interest | 1,011 | 1,079 | 4,943 | 3,384 |
| Income tax expense | 210 | 23 | 743 | 253 |
| Minority interest | 1 | — | (2) | — |
| Net income | $ 800 | $ 1,056 | $ 4,202 | $ 3,131 |
| Earnings per share | | | | |
| Basic | $ 2.51 | $ 4.27 | $ 13.20 | $ 14.65 |
| Diluted | $ 2.50 | $ 4.17 | $ 13.09 | $ 14.14 |
| Weighted average shares outstanding | | | | |
| Basic | 319 | 247 | 318 | 214 |
| Diluted | 320 | 254 | 321 | 222 |

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

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 963 | $ 1,241 |
| Short-term investments | 333 | — |
| Accounts receivable, net | | |
| Trade | 2,798 | 2,209 |
| Other | 66 | 161 |
| Materials and supplies, net | 432 | 333 |
| Deferred income taxes, net | 63 | 119 |
| Assets held for sale | 464 | — |
| Other current assets | 230 | 233 |
| Total current assets | 5,349 | 4,296 |
| Property and equipment | 25,802 | 24,545 |
| Less accumulated depreciation | 4,975 | 3,615 |
| Property and equipment, net | 20,827 | 20,930 |
| Goodwill | 8,128 | 8,219 |
| Other assets | 867 | 919 |
| Total assets | $ 35,171 | $ 34,364 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Accounts payable | $ 914 | $ 805 |
| Accrued income taxes | 317 | 99 |
| Debt due within one year | 664 | 6,172 |
| Other current liabilities | 806 | 826 |
| Total current liabilities | 2,701 | 7,902 |
| Long-term debt | 13,522 | 11,085 |
| Deferred income taxes, net | 666 | 681 |
| Other long-term liabilities | 1,755 | 2,125 |
| Total long-term liabilities | 15,943 | 13,891 |
| Commitments and contingencies | | |
| Minority interest | 3 | 5 |
| Preference shares, none authorized, issued and outstanding at December 31, 2008; preference shares, $0.10 par value, 50,000,000 shares authorized, none issued and outstanding at December 31, 2007 | — | — |
| Shares, CHF 15.00 par value, 502,852,947 authorized, 167,617,649 contingently authorized, 335,235,298 issued and 319,262,113 outstanding at December 31, 2008; ordinary shares, $0.01 par value, 800,000,000 shares authorized, 317,222,909 shares issued and outstanding at December 31, 2007 | 4,444 | 3 |
| Additional paid-in capital | 6,492 | 10,799 |
| Accumulated other comprehensive loss | (420) | (42) |
| Retained earnings | 6,008 | 1,806 |
| Total shareholders' equity | 16,524 | 12,566 |
| Total liabilities and shareholders' equity | $ 35,171 | $ 34,364 |

**TRANSOCEAN LTD. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
(In millions)
(Unaudited)

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| | 2008 | 2007 | 2008 | 2007 |
| Cash flows from operating activities | | | | |
| Net income | $ 800 | $ 1,056 | $ 4,202 | $ 3,131 |
| Adjustments to reconcile net income to net cash provided by operating activities | | | | |
| Amortization of drilling contract intangibles | (133) | (88) | (690) | (88) |
| Depreciation, depletion and amortization | 396 | 195 | 1,436 | 499 |
| Share-based compensation expense | 15 | 48 | 64 | 78 |
| Excess tax benefit from share-based compensation plans | 1 | (37) | (10) | (70) |
| (Gain) loss from disposal of assets, net | 3 | (254) | 7 | (284) |
| Impairment loss | 320 | — | 320 | — |
| Impairment of short-term investments | — | — | 16 | — |
| Deferred revenues, net | (11) | 34 | 11 | 52 |
| Deferred expenses, net | 17 | (38) | (115) | (55) |
| Deferred income taxes | 4 | (42) | 8 | (40) |
| Other, net | 28 | 16 | 31 | 22 |
| Changes in operating assets and liabilities | (244) | 25 | (321) | (172) |
| Net cash provided by operating activities | 1,196 | 915 | 4,959 | 3,073 |
| Cash flows from investing activities | | | | |
| Capital expenditures | (505) | (320) | (2,208) | (1,380) |
| Business combination | — | (5,129) | — | (5,129) |
| Cash balances acquired in business combination | — | 695 | — | 695 |
| Proceeds from disposal of assets, net | — | 317 | 348 | 379 |
| Short-term investments | — | — | (408) | — |
| Proceeds from maturities of short-term investments | 59 | — | 59 | — |
| Joint ventures and other investments, net | (2) | (239) | 13 | (242) |
| Net cash used in investing activities | (448) | (4,676) | (2,196) | (5,677) |
| Cash flows from financing activities | | | | |
| Change in short-term borrowings, net | (684) | 1,500 | (837) | 1,500 |
| Proceeds from issuance of debt and borrowings under other credit facilities | 307 | 24,095 | 2,661 | 24,095 |
| Repayments of debt and payments under other credit facilities | (220) | (11,333) | (4,893) | (12,033) |
| Financing costs | (14) | (96) | (24) | (106) |
| Repurchase of shares | — | — | — | (400) |
| Payment to shareholders for Reclassification | — | (9,859) | (1) | (9,859) |
| Proceeds from (payments for) exercise of warrants, net | (3) | 24 | (7) | 40 |
| Proceeds from share-based compensation plans, net | 2 | 16 | 51 | 72 |
| Excess tax benefit from share-based compensation plans | (1) | 37 | 10 | 70 |
| Other, net | (1) | — | (1) | (1) |
| Net cash provided by (used in) financing activities | (614) | 4,384 | (3,041) | 3,378 |
| Net increase (decrease) in cash and cash equivalents | 134 | 623 | (278) | 774 |
| Cash and cash equivalents at beginning of period | 829 | 618 | 1,241 | 467 |
| Cash and cash equivalents at end of period | $ 963 | $ 1,241 | $ 963 | $ 1,241 |

**Transocean Ltd.**
**Fleet Operating Statistics**

| | Operating Revenues ($ Millions)(1) | | | | |
|---|---|---|---|---|---|
| | Three months ended | | | Twelve months ended December 31, | |
| | December 31, 2008 | September 30, 2008 | December 31, 2007 | 2008 | 2007 |
| Contract Drilling Revenues | | | | | |
| High-Specification Floaters: | | | | | |
| Ultra Deepwater Floaters | $ 673 | $ 617 | $ 453 | $ 2,456 | $ 1,509 |
| Deepwater Floaters | 331 | 323 | 290 | 1,355 | 1,069 |
| Harsh Environment Floaters | 164 | 163 | 120 | 646 | 478 |
| Total High-Specification Floaters | 1,168 | 1,103 | 863 | 4,457 | 3,056 |
| Midwater Floaters | 797 | 690 | 534 | 2,812 | 1,711 |
| High-Specification Jackups | 146 | 144 | 64 | 594 | 100 |
| Standard Jackups | 709 | 749 | 386 | 2,842 | 1,023 |
| Other Rigs | 10 | 13 | 13 | 51 | 58 |
| Subtotal | 2,830 | 2,699 | 1,860 | 10,756 | 5,948 |
| Contract Intangible Revenue | 133 | 143 | 88 | 690 | 88 |
| Other Revenues | | | | | |
| Client Reimbursable Revenues | 51 | 55 | 35 | 203 | 126 |
| Integrated Services and Other | 49 | 58 | 50 | 186 | 171 |
| Drilling Management Services | 194 | 211 | 35 | 758 | 35 |
| Oil and Gas Properties | 13 | 26 | 9 | 81 | 9 |
| Subtotal | 307 | 350 | 129 | 1,228 | 341 |
| Total Company | $ 3,270 | $ 3,192 | $ 2,077 | $ 12,674 | $ 6,377 |

| | Average Dayrates(1) | | | | |
|---|---|---|---|---|---|
| | Three months ended | | | Twelve months ended December 31, | |
| | December 31, 2008 | September 30, 2008 | December 31, 2007 | 2008 | 2007 |
| High-Specification Floaters: | | | | | |
| Ultra Deepwater Floaters | $ 423,600 | $ 401,300 | $ 346,100 | $399,200 | $316,000 |
| Deepwater Floaters | $ 299,000 | $ 322,700 | $ 265,300 | $305,400 | $236,600 |
| Harsh Environment Floaters | $ 358,900 | $ 363,500 | $ 326,300 | $361,500 | $291,300 |
| Total High-Specification Floaters | $ 370,500 | $ 369,300 | $ 311,600 | $360,100 | $279,500 |
| Midwater Floaters | $ 329,200 | $ 292,900 | $ 274,600 | $303,800 | $249,900 |
| High-Specification Jackups | $ 169,100 | $ 178,500 | $ 173,400 | $174,800 | $155,700 |
| Standard Jackups | $ 156,100 | $ 158,700 | $ 130,800 | $152,500 | $119,600 |
| Other Rigs | $ 37,800 | $ 48,900 | $ 48,500 | $ 46,200 | $ 52,700 |
| Total Drilling Fleet | $ 251,500 | $ 242,200 | $ 224,000 | $240,300 | $211,900 |

| | Utilization(1) | | | | |
|---|---|---|---|---|---|
| | Three months ended | | | Twelve months ended December 31, | |
| | December 31, 2008 | September 30, 2008 | December 31, 2007 | 2008 | 2007 |
| High-Specification Floaters: | | | | | |
| Ultra Deepwater Floaters | 96% | 93% | 97% | 93% | 98% |
| Deepwater Floaters | 75% | 68% | 75% | 76% | 78% |
| Harsh Environment Floaters | 100% | 98% | 80% | 98% | 90% |
| Total High-Specification Floaters | 88% | 83% | 85% | 87% | 87% |
| Midwater Floaters | 92% | 88% | 95% | 87% | 95% |
| High-Specification Jackups | 94% | 87% | 100% | 93% | 100% |
| Standard Jackups | 90% | 93% | 91% | 91% | 87% |
| Other Rigs | 99% | 100% | 97% | 100% | 99% |
| Total Drilling Fleet | 90% | 89% | 90% | 89% | 90% |

(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 Ltd. and Subsidiaries**
**Non-GAAP Financial Measures and Reconciliations**

**Operating Income Before General and Administrative Expense**
**to Field Operating Income**
(In millions)

| | Three months ended | | | Twelve months ended | |
|---|---|---|---|---|---|
| | Dec. 31, 2008 | Sep. 30, 2008 | Dec. 31, 2007 | Dec. 31, 2008 | Dec. 31, 2007 |
| Operating revenue | $3,270 | $3,192 | $2,077 | $12,674 | $6,377 |
| Operating and maintenance expense | 1,408 | 1,426 | 923 | 5,355 | 2,781 |
| Depreciation, depletion and amortization | 396 | 336 | 195 | 1,436 | 499 |
| Impairment loss | 320 | — | — | 320 | 0 |
| (Gain) loss from disposal of assets, net | 3 | 1 | (254) | 7 | (284) |
| Operating income before general and administrative expense | 1,143 | 1,429 | 1,213 | 5,556 | 3,381 |
| Add back (subtract): | | | | | |
| Depreciation, depletion and amortization | 396 | 336 | 195 | 1,436 | 499 |
| Impairment loss | 320 | — | — | 320 | — |
| (Gain) loss from disposal of assets, net | 3 | 1 | (254) | 7 | (284) |
| Field operating income | $1,862 | $1,766 | $1,154 | $ 7,319 | $3,596 |

Transocean

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

| | Three months ended | | | Twelve months ended | |
|---|---|---|---|---|---|
| | Dec. 31, 2008 | Sept. 30, 2008 | Dec. 31, 2007 | Dec. 31, 2008 | Dec. 31, 2007 |
| Income (Loss) before income taxes and minority interest | $1,011 | $1,278 | $1,079 | $4,943 | $3,384 |
| Add back (subtract): | | | | | |
| Impairment loss | 326 | — | — | 326 | — |
| Change to estimated useful lives of certain LGSF rigs | 46 | — | — | 46 | — |
| *Sedco 712* bad debt provision | 23 | — | — | 23 | — |
| Materials and supplies obsolescence provision | 21 | — | — | 21 | — |
| GSF Merger related costs | 2 | 1 | 82 | 6 | 82 |
| Contract termination fee—*Transocean Nordic* | (17) | — | — | (17) | — |
| Income from TODCO tax sharing agreement | (4) | (14) | (1) | (18) | (277) |
| Gain on disposal of assets, net | — | — | (233) | — | (264) |
| Loss on The Reserve Funds | — | 16 | — | 16 | — |
| Loss on retirement of debt | — | — | 8 | 3 | 8 |
| Adjusted income before income taxes | **1,408** | **1,281** | **935** | **5,349** | **2,933** |
| Income tax expense | 210 | 175 | 23 | 743 | 253 |
| Add back (subtract): | | | — | | |
| Impairment loss | 17 | — | — | 17 | — |
| *Sedco 712* bad debt provision | 6 | — | — | 6 | — |
| Materials and supplies obsolescence provision | 3 | — | — | 3 | — |
| GSF Merger related costs | — | 1 | 15 | 1 | 15 |
| Loss on The Reserve Funds | — | 2 | — | 2 | — |
| Gain on disposal of assets, net | — | — | — | — | (3) |
| Changes in estimates (1) | (14) | 15 | 36 | (24) | 101 |
| **Adjusted income tax expense (2)** | **$ 222** | **$ 193** | **$ 74** | **$ 748** | **$ 366** |
| **Effective Tax Rate (3)** | **20.8%** | **13.7%** | **2.1%** | **15.0%** | **7.5%** |
| **Annual Effective Tax Rate (4)** | **15.8%** | **15.1%** | **7.9%** | **14.0%** | **12.5%** |

(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 Dec. 31, 2008 include $28 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 and minority interest.

(4) Annual Effective Tax Rate is income tax expense excluding various discrete items described above (such as changes in estimates and tax on items excluded from income before income taxes) divided by income before income taxes and minority interest excluding the items described above including gains on sales and similar items pursuant to Financial Accounting Standards Board Interpretation No. 18.

Exhibit 99.2

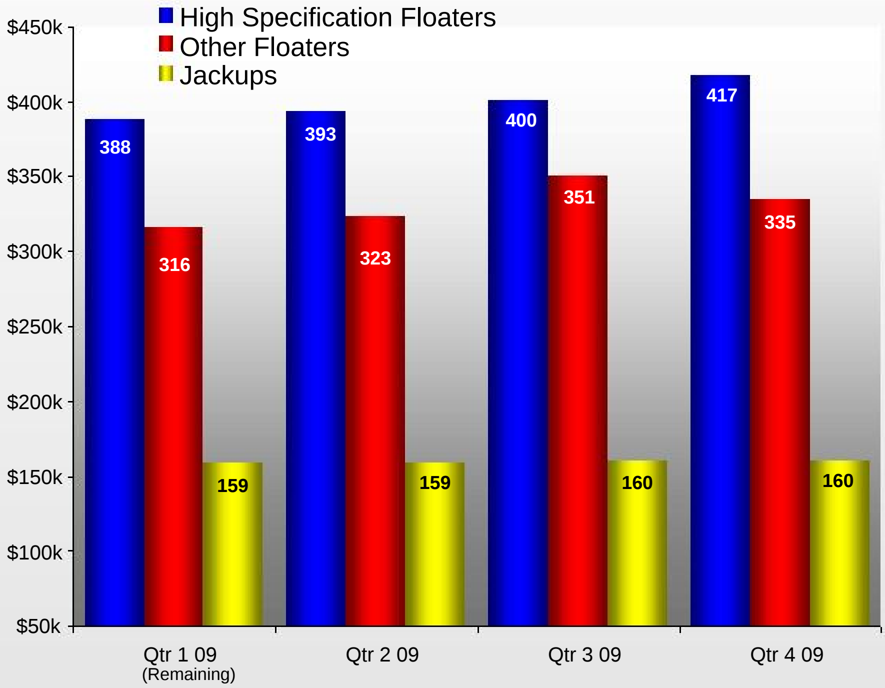
Transocean

Your Next Generation Driller

# Transocean Inc. Reports
# Fourth Quarter 2008 Results

# Chart #1: Average Contracted Dayrate by Rig Type

## Qtr 1 2009 through Qtr 4 2009 (Unaudited)

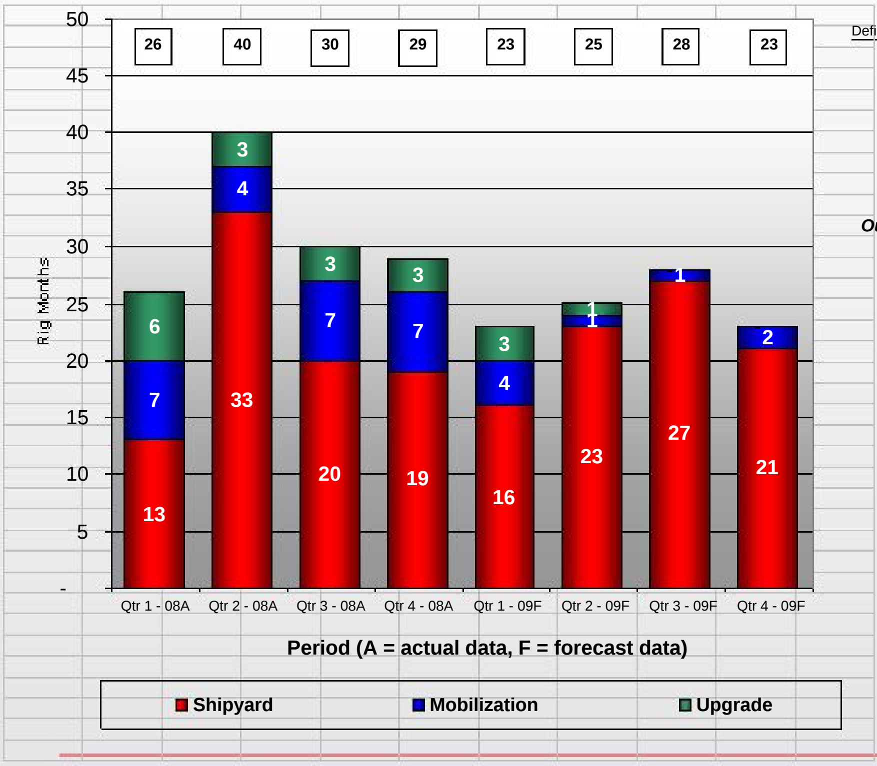



**Definitions**

| | |
|---|---|
| *Average Dayrate* | **The weighted average contract dayrate for each rig type based on current backlog from the company's most recent Fleet Status Report as of February 3, 2009. 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 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.** |
| *Midwater 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 2008 through Qtr 4 2009 (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 Report as of February 3, 2009. 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 shipyard, mobilization, and upgrades.**

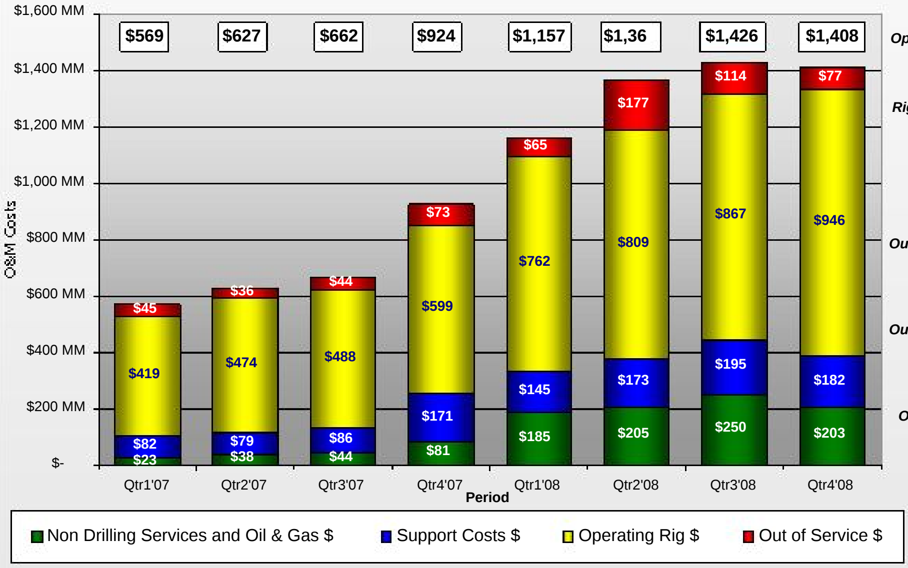
***Mobilization*** **Includes mobilization and demobilization to and from operating contracts and other activities such as shipyards excluding those mobilization and demobilization periods covered in *Upgrade.***

***Upgrade*** **Includes the Sedco 702 and the Sedco 706 which have undergone or are undergoing shipyard project to enhance the operational capabilities.**

***Shipyard*** **Refers to periods during which a rig is out of service as a result of contract preparation, 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)



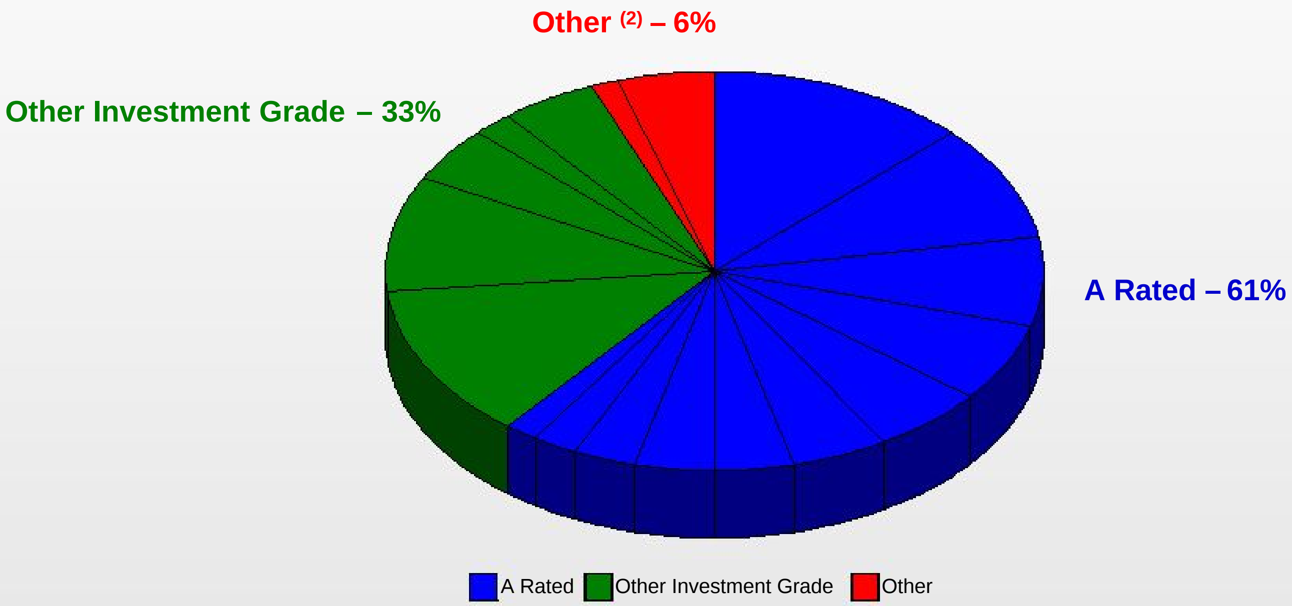

**Definitions**

| | |
|---|---|
| *Support Costs* | All shorebase or common support costs such as on-shore offices, yards, pool equipment. |
| *Non Drilling Services* | Comprises of Integrated Services, Drilling Management Services, Oil and Gas Properties. |
| *Operating Rig* | Denotes the total O&M costs of a rig while in service based upon the Rig Operating Days (excluding shorebase or common support costs), as defined below. |
| *Rig Operating Days* | Denotes the total amount of days a rig is deemed to be in-service under contract operations. This excludes all out of service time relating to shipyards, mobilization and short-term out of contract periods but includes the operational downtime of in service rigs. The average number of days may also fluctuate from quarter to quarter as a result of rigs being reactivated, sold or stacked in the quarters. |
| *Out of Service* | Denotes the total O&M costs while a rig is out of service based upon Out of Service Days, as defined below. Out of Service costs are the difference between total operating and maintenance costs and the In-Service Costs. |
| *Out of Service Days* | Includes the total amount of days a rig is deemed to be out of service. This relates to times when a rig is out of service due to shipyards, mobilization and short-term idle periods. |
| *O&M Costs ** | Operating and maintenance costs represent all direct and indirect costs associated with the operation and maintenance of our drilling rigs. Operating and maintenance costs also includes all costs related to local and Unit offices as well as all costs related to operations support, engineering support, marketing and other similar costs. The principal elements of these costs are direct and indirect labor and benefits, repair and maintenance, contract preparation expenses, insurance, boat and helicopter rentals, professional and technical fees, freight costs, communications, customs duties, tool rentals and services, fuel and water, general taxes and licenses. Labor, repair and maintenance costs, insurance premiums, personal injury losses and drilling rig casualty losses represent the most significant components of our operating and maintenance costs |

# Chart #4: Contract Backlog by Client Rating

(Unaudited)

Total Contract Backlog (1) = $38.7 Billion




(1) Calculated by multiplying the contracted operating dayrate by the firm contract period from February 3, 2009 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.

(2) Other includes non-investment grade and unrated companies

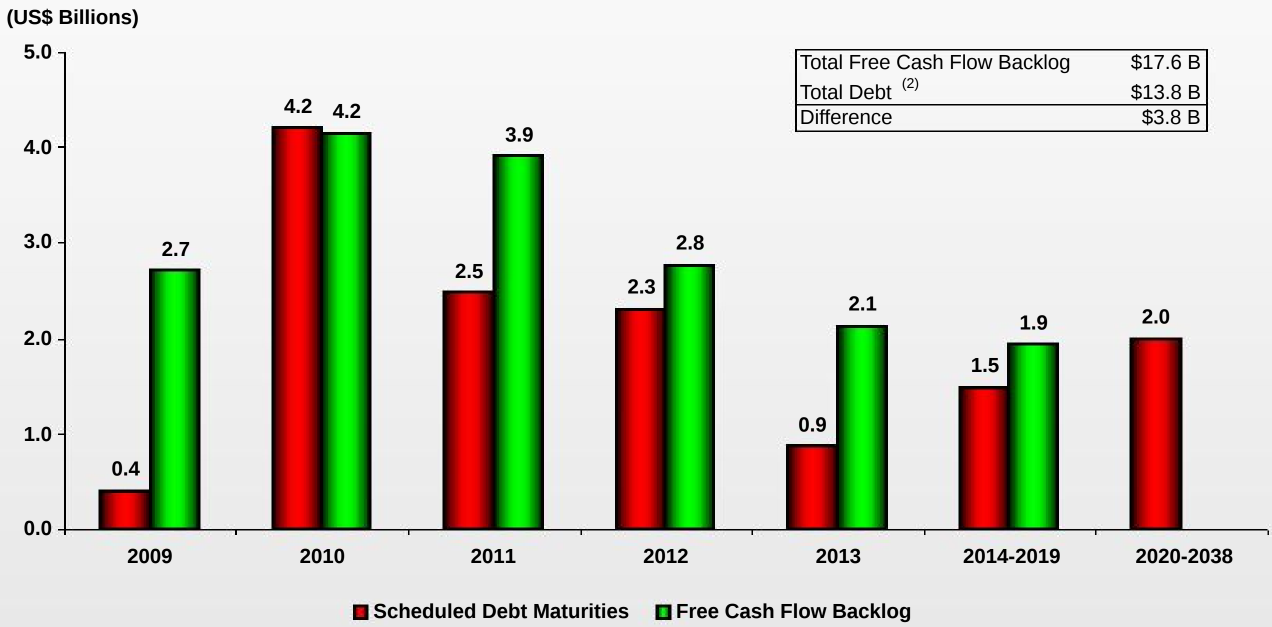
![Transocean]

# Chart #5: Free Cash Flow Backlog and Debt Maturities

## (Unaudited)

## Total Free Cash Flow Backlog (1) = $17.6 Billion

| | |
|---|---|
| Total Free Cash Flow Backlog | $17.6 B |
| Total Debt (2) | $13.8 B |
| Difference | $3.8 B |




(1) Defined as Revenue Backlog, plus Firm Mob Revenue for contracts not started, less Opex and overhead, less Firm Mob costs, less Firm Sustaining CAPEX, less all future newbuild CAPEX (including capital lease commitments), and upgrade CAPEX

(2) Total Debt as of February 16, 2009

Exhibit 99.3

Transocean Ltd.
Investor Relations and
Communications Dept.

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713-232-7551
**Media Contact:** Guy A. Cantwell
713-232-7647

**News Release**

**FOR RELEASE:** February 16, 2009

**TRANSOCEAN LTD. BOARD TO SEEK SHAREHOLDER APPROVAL OF SHARE REPURCHASE PROGRAM**

ZUG, SWITZERLAND—Transocean Ltd. (NYSE: RIG) today announced that its Board of Directors has decided to recommend that the company's shareholders at their May 2009 annual general meeting approve and authorize the Board of Directors to repurchase shares of the company, at the Board's discretion, with an aggregate purchase price of up to 3.50 billion Swiss francs (which is equivalent to approximately US$3.02 billion at an exchange rate as of the close of trading on February 13, 2009 of US$1.00 to CHF 1.1608). Shareholder approval is being sought in order to provide the company with the flexibility to repurchase shares at any time after the May 2009 annual general meeting. If the share repurchase program is approved by the shareholders, there can be no assurance that any shares will actually be repurchased in the near term after the meeting, or at all. The Board of Directors would be permitted to delegate its share repurchase authority to company management to repurchase shares under the share repurchase program.

The Board of Directors or company management, as applicable, may decide, based upon general market conditions, the relationship between the company's contractual backlog and debt, cash flow generation, the company's ongoing capital requirements, the price of the company's shares, regulatory considerations, and other factors, that the company should retain cash, reduce debt, make capital investments or otherwise use cash for general corporate purposes, and consequently repurchase fewer shares or not repurchase any shares. Decisions regarding the amount, if any, and timing of any share repurchases would be made from time to time based upon the factors set forth above. The company plans to fund any share repurchases from the company's current and future cash balances and will not use debt to fund any repurchases. The Board of Directors has decided to recommend that the shareholders at their May 2009 annual general meeting approve the release of Swiss statutory reserves, which is necessary for this authorization of a share repurchase program for the repurchase of shares for cancellation.

Any shares repurchased under this program would be purchased from time to time from market participants that have acquired those shares on the open market and that can fully recover Swiss withholding tax resulting from the share repurchase. Repurchases could also be made by tender offer, in privately negotiated transactions or by any other share repurchase method. Any repurchased shares would be held by the company for cancellation by the shareholders at a future annual general meeting. The share repurchase program would not have an established expiration date and could be suspended or discontinued by the company's Board of Directors or company management, as applicable, at any time. Transocean Ltd. currently has approximately 320 million shares outstanding.

FORWARD-LOOKING STATEMENTS

Statements regarding the share repurchase program, including timing, duration, form of transaction, related tax consequences, source of funding, uses of cash, termination of the program, cancellation of the repurchased shares, and debt reduction, as well as any other statements that are not historical facts, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to the factors stated in the preceding paragraphs, operating hazards and delays, actions by customers and other third parties, the future price of oil and gas, the actual revenues earned and other factors detailed in the company's most recent Form 10-K and other filings with the Securities and Exchange Commission (SEC), which are available free of charge on the SEC's website at 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. There can be no assurance as to the amount of debt, if any, that will be retired or the number of shares, if any, that will be repurchased under the program.

Transocean Ltd. is the world's largest offshore drilling contractor and the leading provider of drilling management services worldwide. With a fleet of 136 mobile offshore drilling units plus 10 announced ultra-deepwater newbuild units, the company's fleet 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 owns or operates a contract drilling fleet of 39 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment semisubmersibles and drillships), 28 Midwater Floaters, 10 High-Specification Jackups, 55 Standard Jackups and other assets utilized in the support of offshore drilling activities worldwide.

###

09-05