



# DNB Oil, Offshore & Shipping Conference

Terry Bonno, SVP Industry and Community Relations

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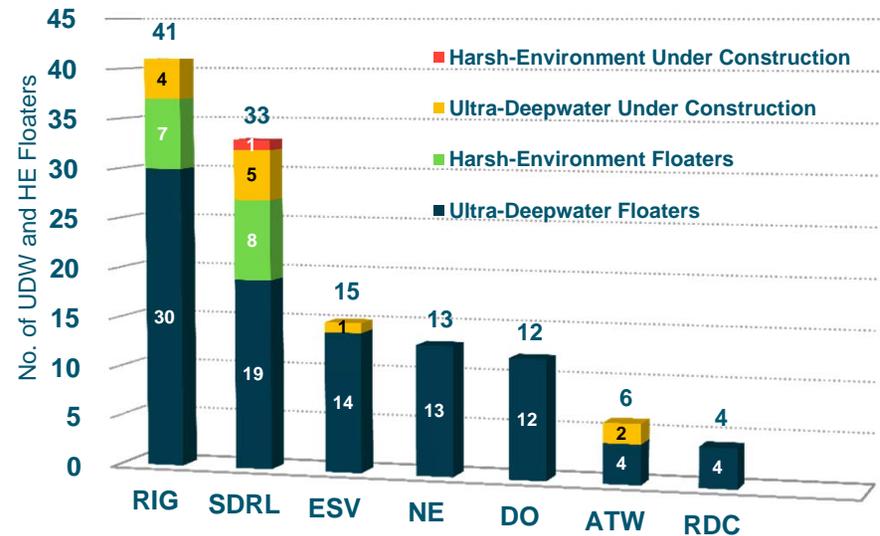
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# Leading International Offshore Contract Driller

## Investment Highlights

- Largest combined fleet of high-specification UDW and HE floaters, including 17 newbuild floaters added / delivered since 2008
- Operates in major markets worldwide - strong customer relationships
- Pioneering culture
  - Long history of industry firsts
  - Unmatched technical experience
- Industry leading contract backlog of \$11.3 billion at 2/9/17
- Strong financial position and solid liquidity of \$6.1 billion at 12/31/16

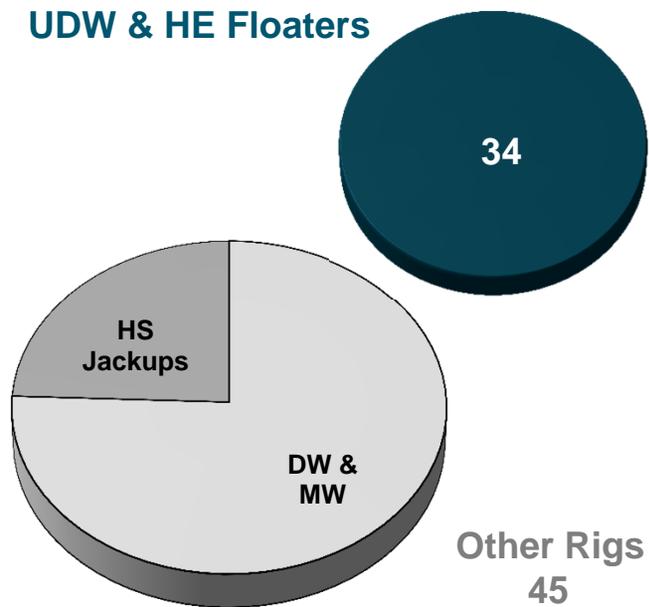
## Best-In-Class High-Specification Floaters



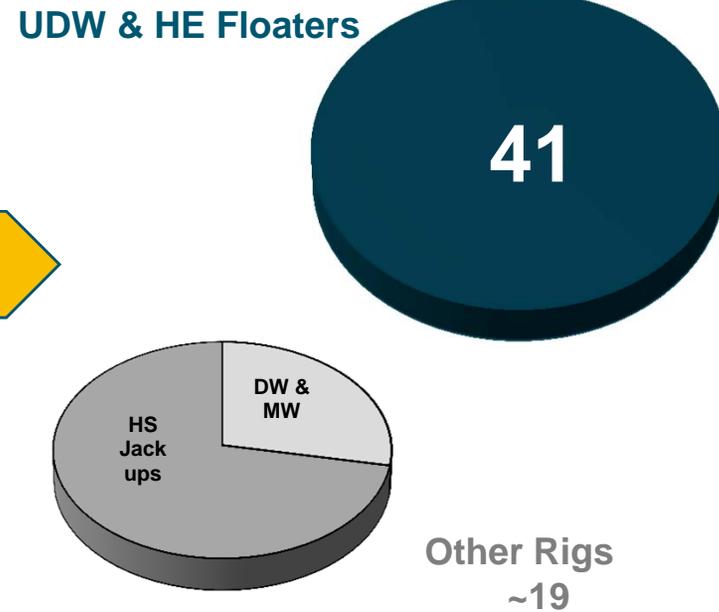
Source: Fleet Status Reports

# Fleet Composition

January 2014 Fleet



2020 Projected Fleet\*



\* Includes rigs currently under construction

## *Deepwater Proteus*

RIG  
OF THE  
YEAR

HSSE – Goal Zero – since commencement

\$255M below AFE for Appomattox

No unplanned BOP pulls

*“Excellent alignment and superior customer focus from Transocean has been the enabler for this exceptional performance”*  
- Shell Performance Report

# Transocean Spitsbergen

35 Days Ahead of AFE Over Three Wells

One well (127 days), transformed into a 9 month performance incentive campaign

12 month rolling LTIR = 0.00

98%  
UPTIME

*“Transocean’s pragmatic approach is unprecedented. This is a breath of fresh air in today’s tough industry.”*

– Dr. Robert Trice (CEO Hurricane)

# Deepwater Asgard

\$214.8M Saved vs AFE

Most footage drilled in a day  
4,367ft in 24 hrs

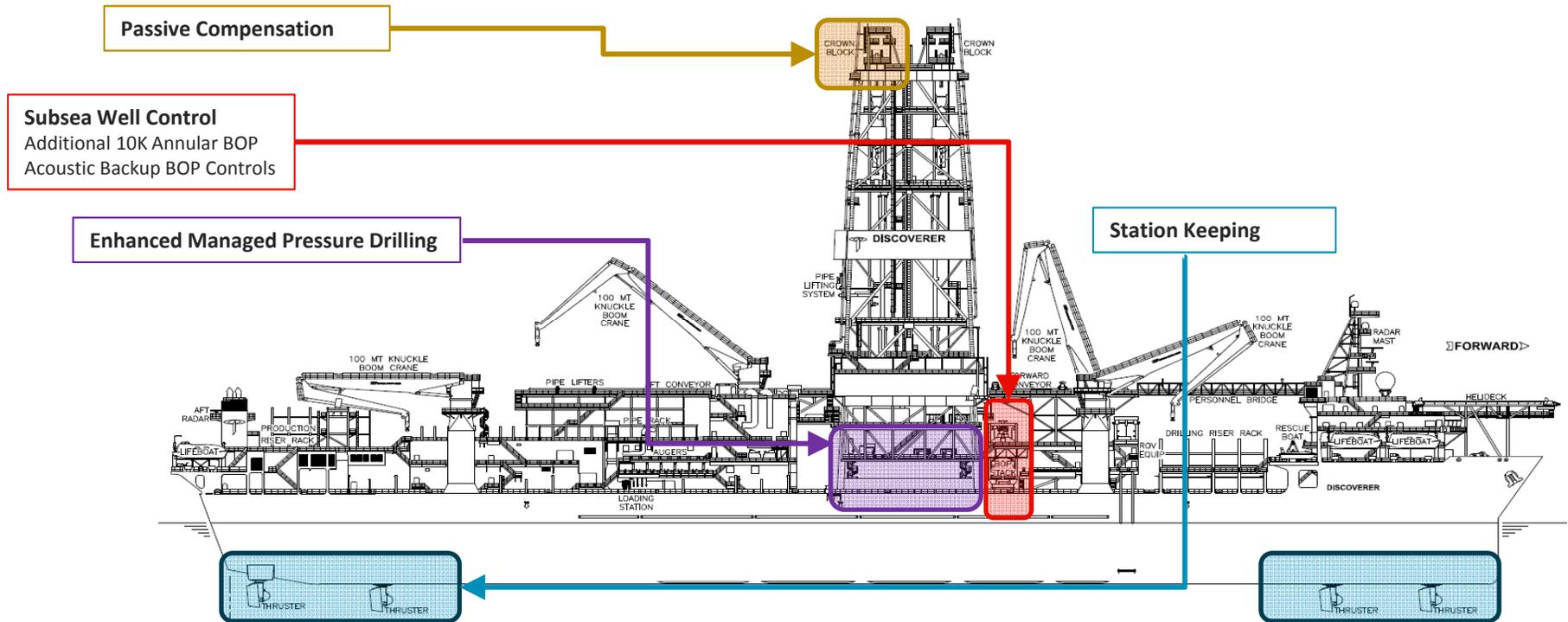
12 month rolling LTIR = 0.00

*“15 records in 9 months, 242 days ahead of AFE, solid demonstration of continuous improvement. Pretty spectacular stuff!”*  
- Chevron Performance Report



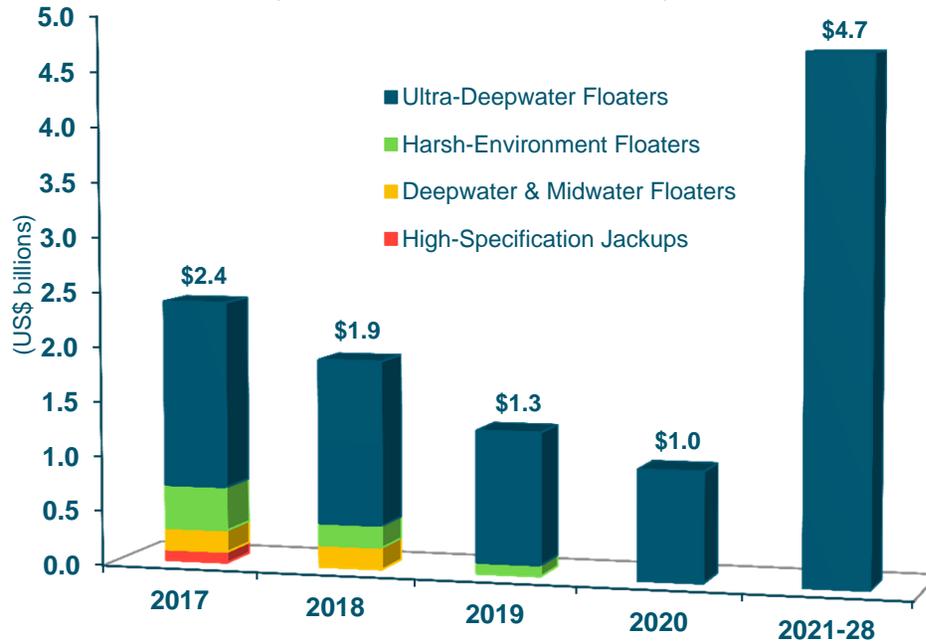
238.6  
FEET PER  
HOUR

# Discoverer India – A Strategic Upgrade



# Industry Leading Contract Backlog

Total backlog - \$11.3 billion\*  
 (~90% Investment Grade Cos.)



Extensive Customer Relationships\*\*

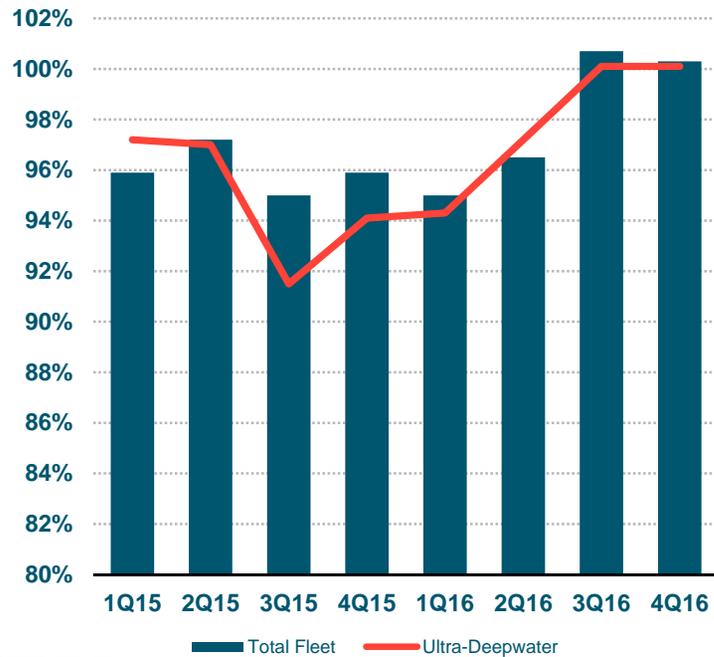


\* Contracted operating dayrate multiplied by the contract duration for future periods as of 2/9/17

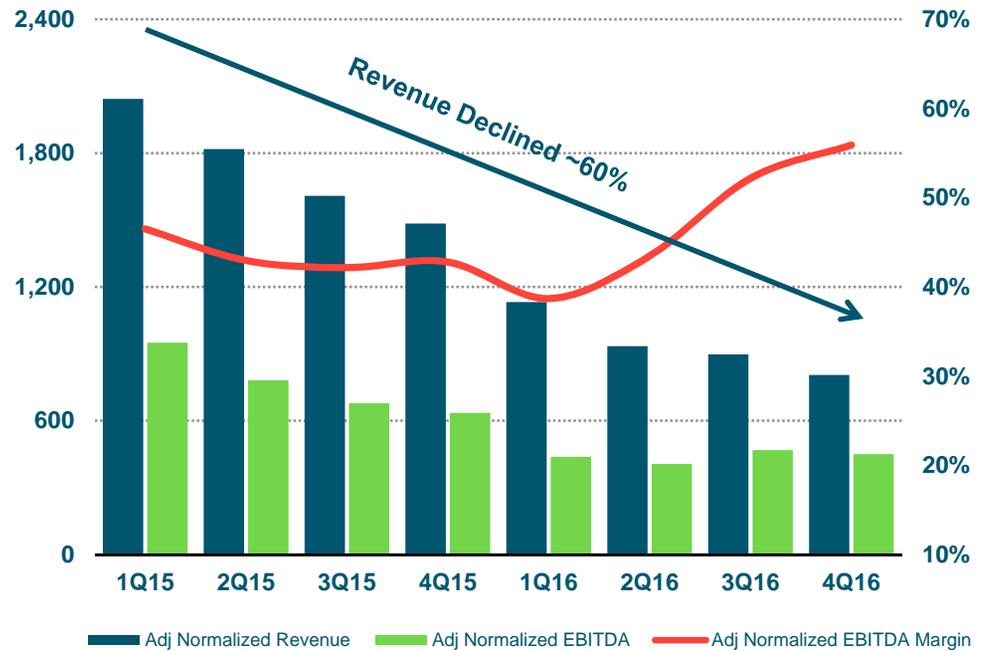
\*\* Listed companies may not have current backlog

# Proof of Performance

**Revenue Efficiency**  
Average 2016 - 98%



**Adjusted Normalized - Revenue & EBITDA**



# Performance Dashboards



EFFICIENCY >> DEEPWATER INVICTUS

Deepwater Invictus - Wildling Rig & Well Details

### LATEST ACTIVITIES

Last TimeLog Entry: 2/6/2017 6:00:00 PM  
Previous 24 hours LAST PERFORMANCE

Current Section **16 1/2"**

**Drilling**

Planned Section TD: 20,550 ft  
Average Gross ROP: 152 ft/hr

### Next 48 hours

PREVIOUS 10 EVENTS

- ▶ Trip Out Drill Pipe
- ▶ Rig Up to Run Casing
- ▶ Run Casing Singles
- ▶ Run Casing Stands

### WELL EFFICIENCY

Days On Well **33** TYPE: **Explorations**

### TIME VS. DEPTH

MORE

DEPTH (FT)

TODAY: DAY 34  
19,520 ft

DAYS

### TRANSOCEAN KPI'S

PERFORMANCE ON THIS WELL

▶ Riser Ops	<b>62%</b>	14.50 hours
BOP Test	<b>76%</b>	18.50 hours
Slip and Cut	<b>109%</b>	5.50 hours
▶ Casing Ops	<b>93%</b>	7 hours
▶ Cementing Ops	<b>86%</b>	3.50 hours
▶ Other Ops	<b>0%</b>	0 hours

### WELL CONSTRUCTION TIME

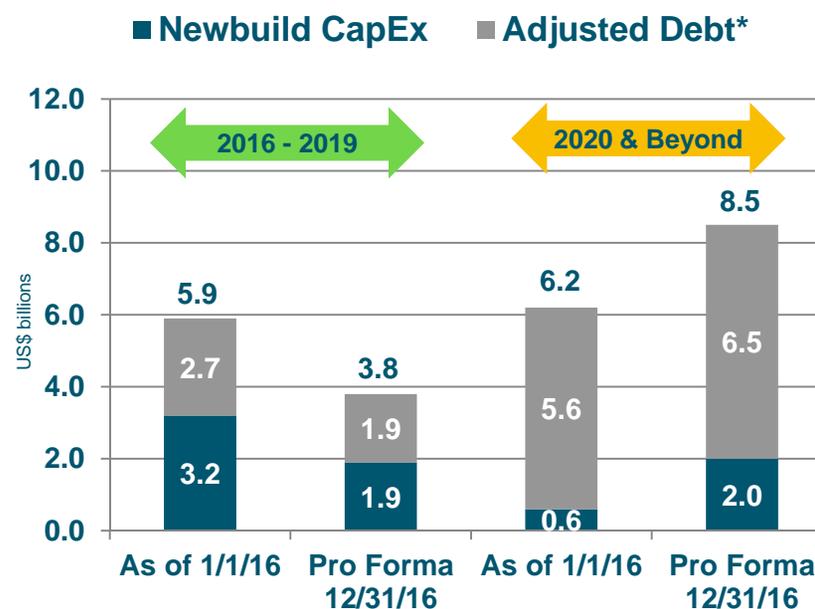
▶ Tripping	124.5 hours
Casing	96 hours
▶ Drilling	95.5 hours
Circulating	69.5 hours
Reaming	36 hours
Cementing	23.5 hours
Displacing	22 hours
Drill Out	18.5 hours
Maintenance	3 hours
Logging	0 hours

# Proactive Liquidity Management

## 2016 Liquidity Accomplishments

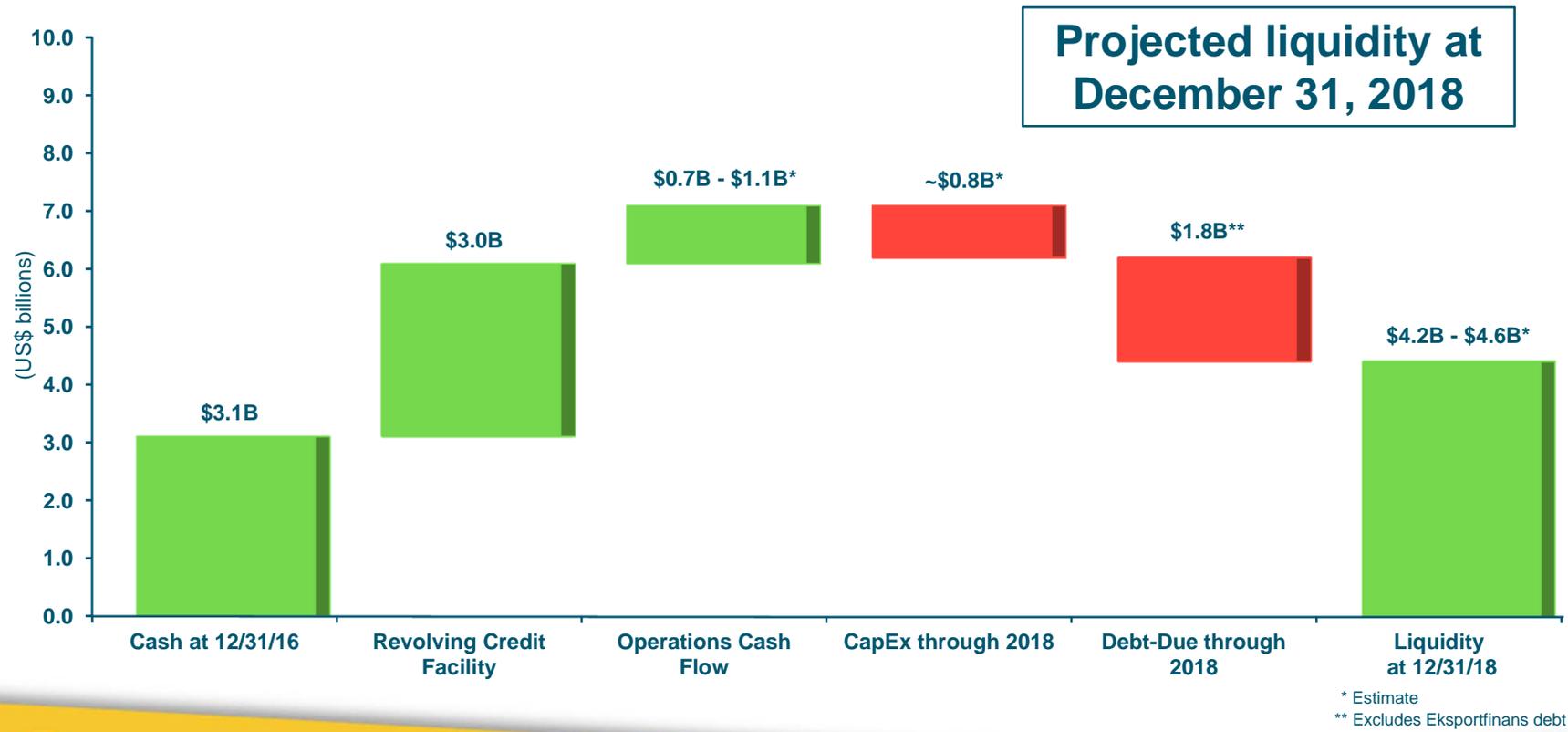
- Issued \$1.25B senior unsecured notes due 2023
  - Concurrent \$981M in tender offers for 2020, 2021 and 2022 notes
- Issued \$600M senior secured notes due 2024 (*Deepwater Thalassa*)
- Issued \$625M senior secured notes due 2024 (*Deepwater Proteus*)
- Since 3Q15, opportunistically repurchased \$902M notional debt on open market
- Deferred delivery and final payments for two uncontracted Jurong UDW drillships and five uncontracted Keppel FELS high-specification jackups until 2020
- Completed acquisition of Transocean Partners

## Reduced Near-term CapEx & Debt

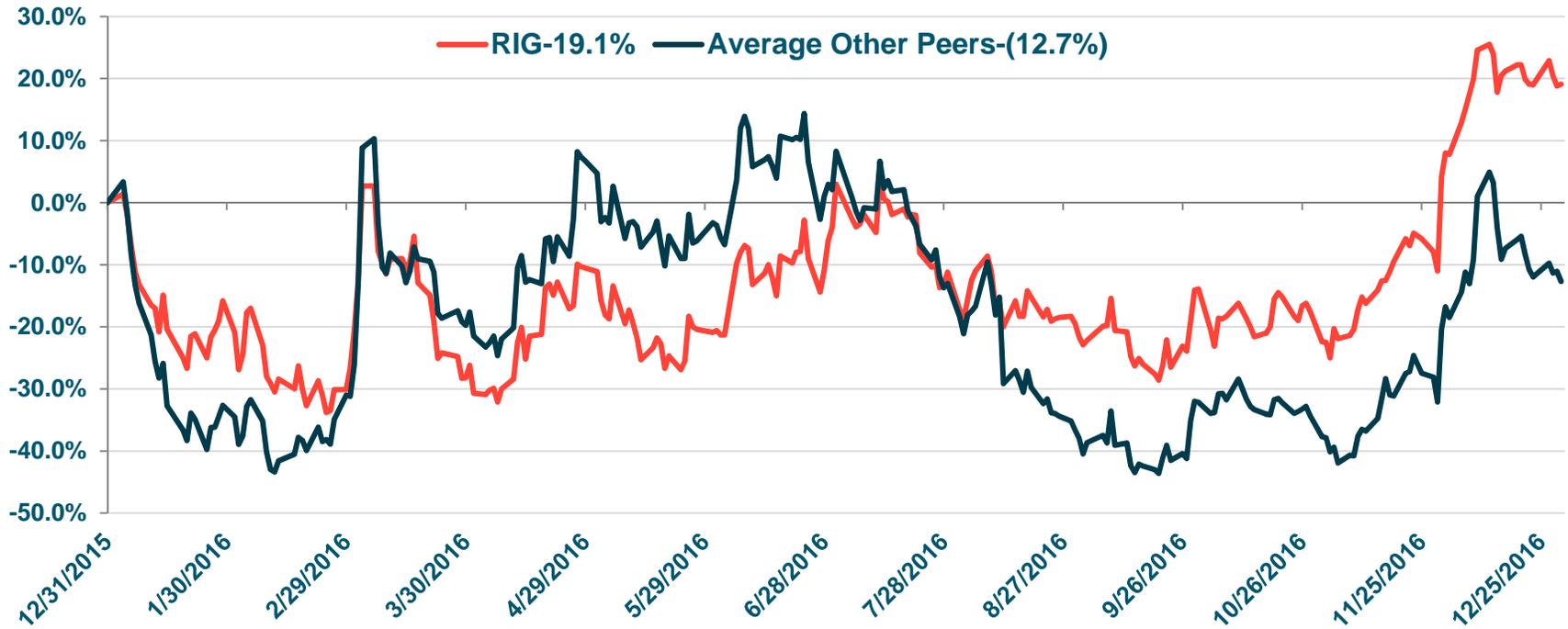


\* Excludes Eksportfinans debt

# Strong Liquidity

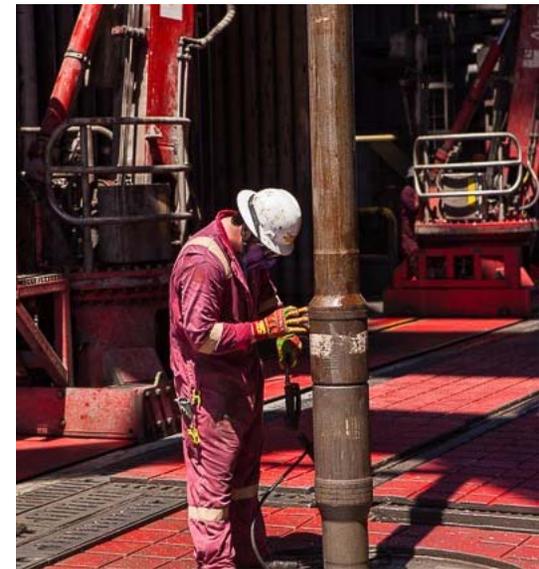
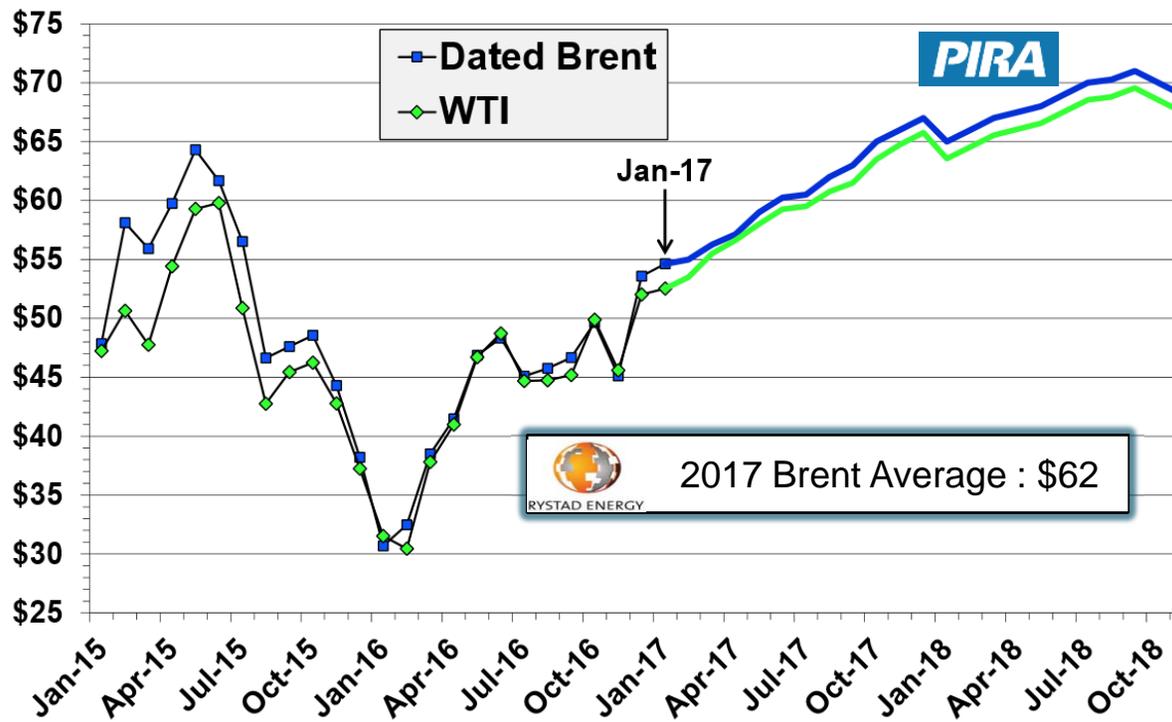


# Relative Stock Performance - 2016



Source: Bloomberg  
Peers Include ATW, DO, NE, ESV, RDC, SDRL, PACD, ORIG

# Oil Price Forecasts



Source: PIRA January 2017 World Oil Market Forecast; Rystad Energy, December 2016.

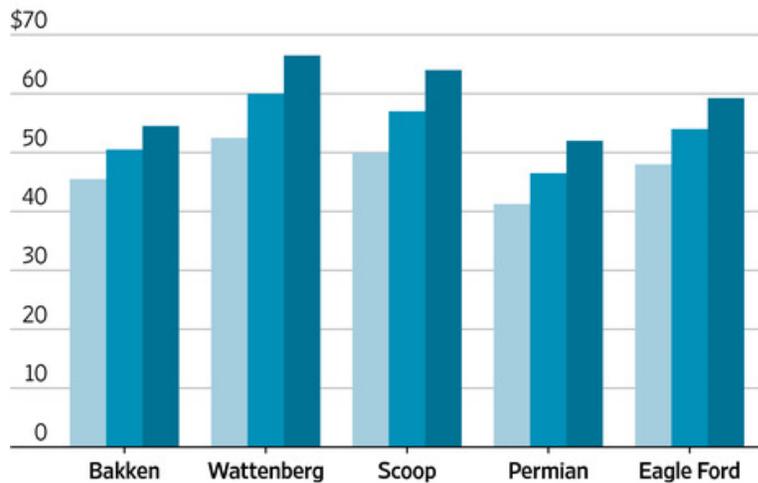
# Rising Onshore Costs Vs. Offshore

## Frackers' Test

Proving shale can be profitable when oil trades at \$55 or more may be challenging because the price of oil-field services are rising.

### Breakeven prices for core areas in five major U.S. shale fields

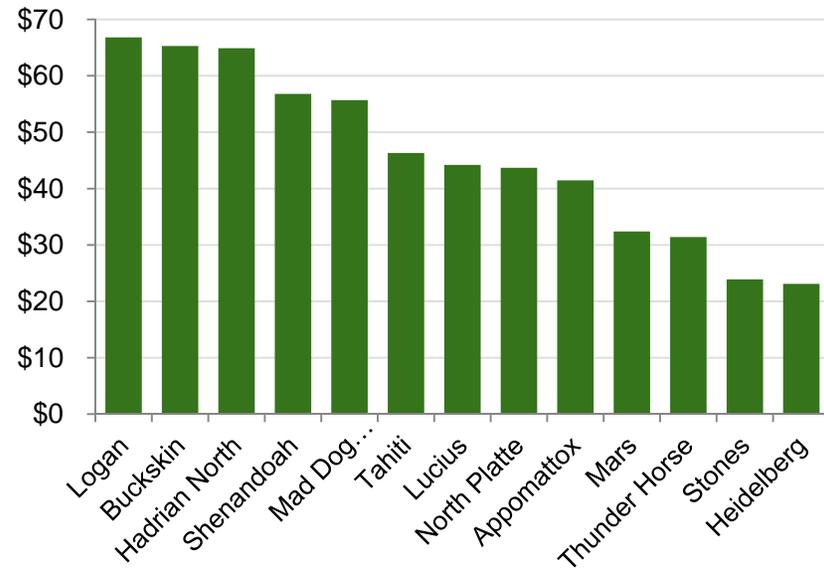
■ At current oil-service pricing ■ With 15% increase ■ With 30% increase



Source: Simmons & Co. International (breakeven prices); Newfield; Energy Information Administration; U.S. Geological Survey

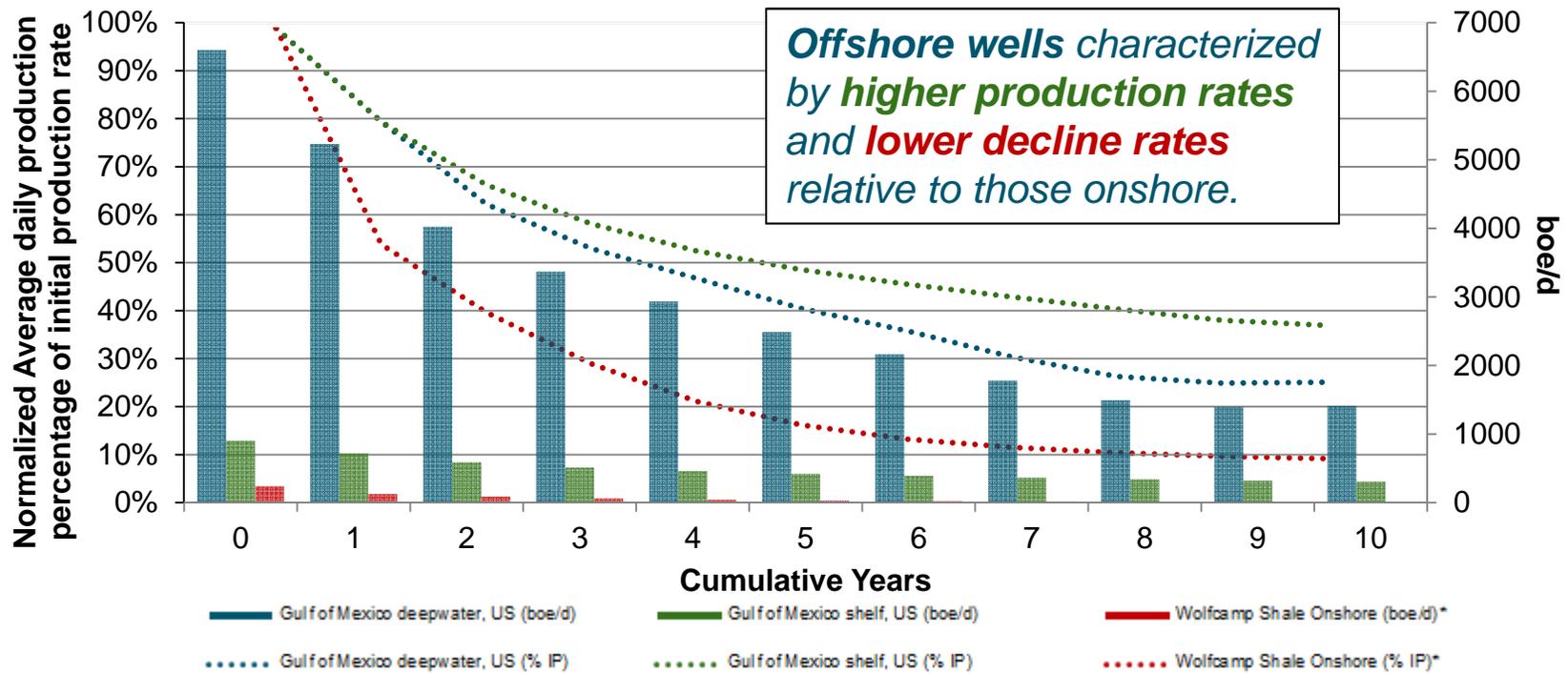
## Breakeven Prices of Selected USA Offshore Projects

(Expected to be Approved 2017-20)



Source: Rystad Energy Ucube, version 2017-01-14

# Offshore and Onshore Wells Differ

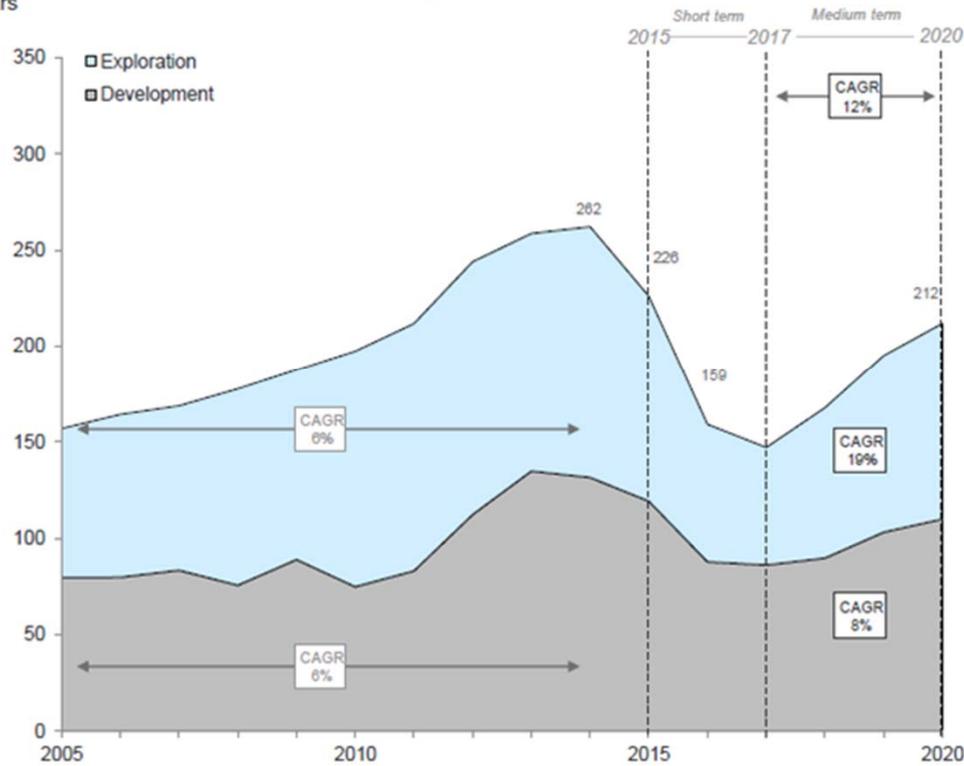


\* Wolfcamp wells includes all wells targeting Wolfcamp Formation in Permian Basin that started producing after 2010

Source: Rystad Energy, January 2017

# New Drilling Programs Leading the Way

Global demand for floating drilling units, by activity  
Rig years



Source: Rystad Energy



*Transocean Spitsbergen*

# Summary and the Path Forward

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Transocean will:

- Maintain position as the leading deepwater drilling contractor
  - Best-in-class fleet
  - Strongest backlog
- Remain focused on strong operational execution and opportunistically strengthen the balance sheet
- Use technical capabilities to strengthen our market leadership
- Evaluate opportunities to enhance the fleet
- Position talent and assets for recovery



*Deepwater Conqueror*



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