



Simmons  
European Energy Conference  
Scotland  
August 31 - September 1, 2016

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Mark Mey - Executive Vice President, Chief Financial Officer



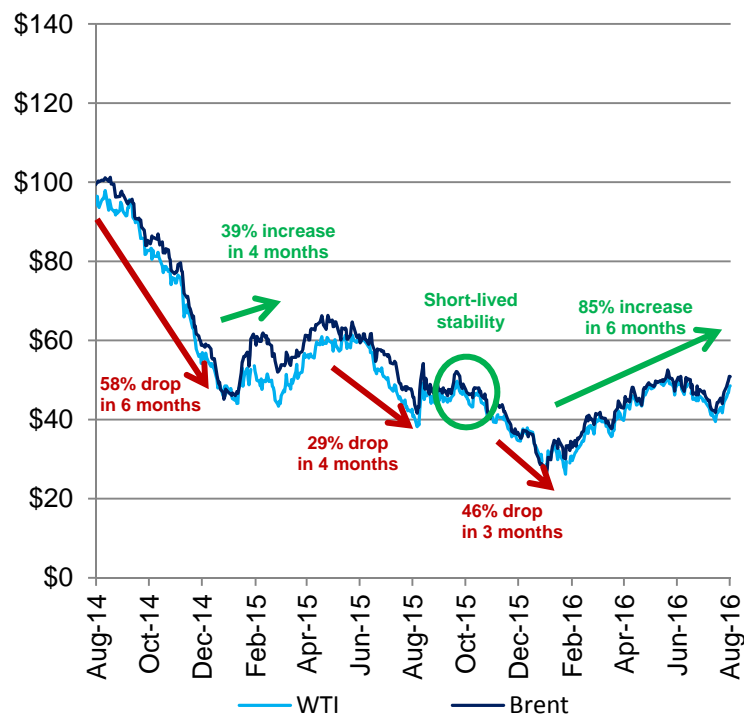
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# Challenging Market

Commodity Prices



Source: Bloomberg

- O&G exploration programs cut due to low oil prices
- E&P companies focusing on preserving cash and low cost/near-term production
- Reduced E&P budgets set for 2016
- Increases in 2017 budgets dependent on further oil price increases and stability

Oil companies' net income\*



- Combined 2015 estimated earnings of BP, Shell, Chevron and XOM
- **Lowest since 1998**

Source: DNB Markets, Jan 28, 2016; Market Watch Jan 2016, WSJ

# Challenging Market

Low oil prices – rig market is oversupplied – reduced drilling demand

Ultra-Deepwater



- Global fleet utilization 78%\*
- Uncontracted newbuild cancellations and delays continue

Deepwater



- Global fleet utilization 58%\*
- Weakening activity with limited prospects

Midwater



- Global fleet utilization 72%\*
- Acceleration of rig retirements

High-Spec Jackups



- Global fleet utilization 68%\*
- Dayrates declining as oversupply intensifies

\* Global marketed utilization data from IHS-Petrodata as of 8/22/16

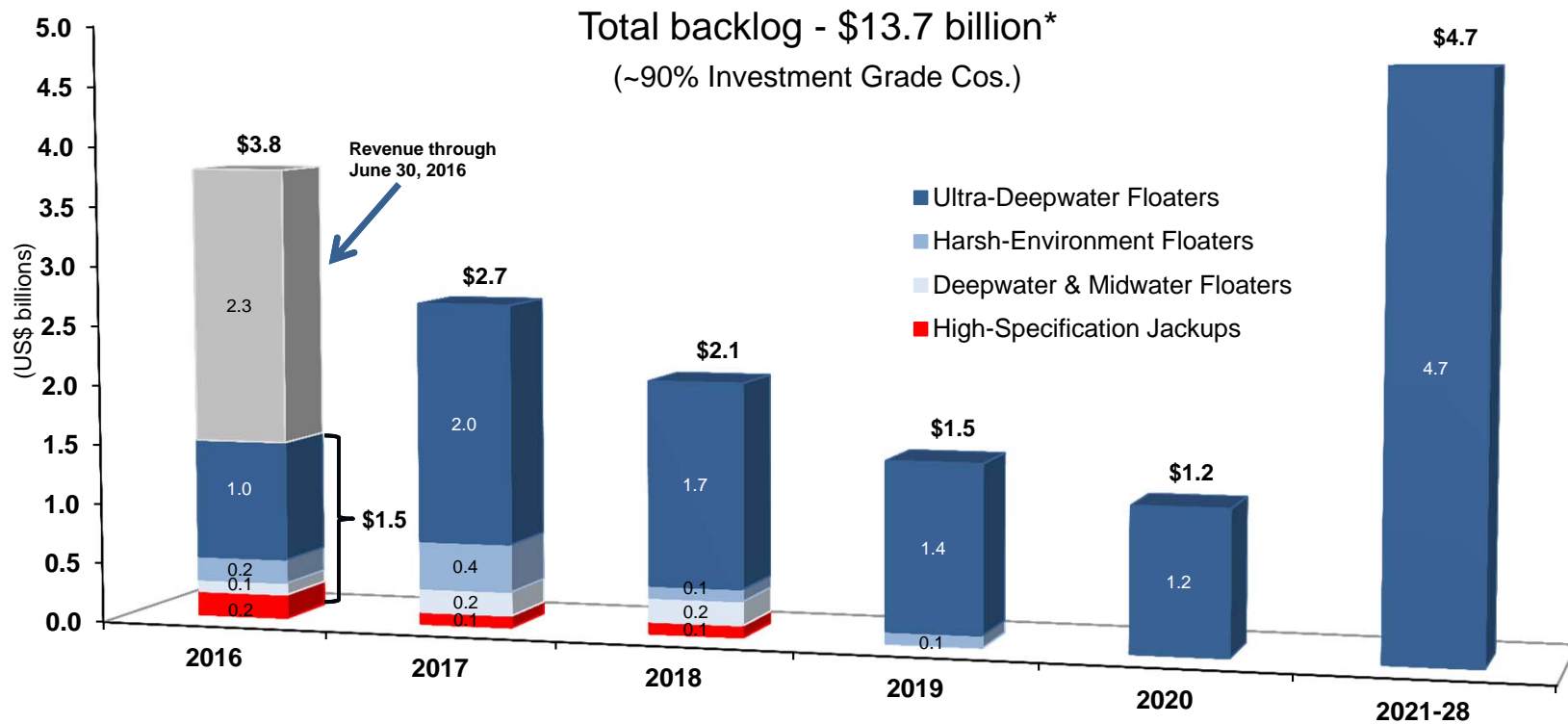
## Strong Financial Position

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- **\$13.7 billion** backlog provides solid cash-generation foundation
- \$5.2 billion\* total liquidity at June 30, 2016
  - **\$2.2 billion** cash
  - **\$3.0 billion** undrawn revolving credit facility
- Continued strong **operating performance** and cash flow generation
- Demonstrated access to capital markets
- Deferred capital spending

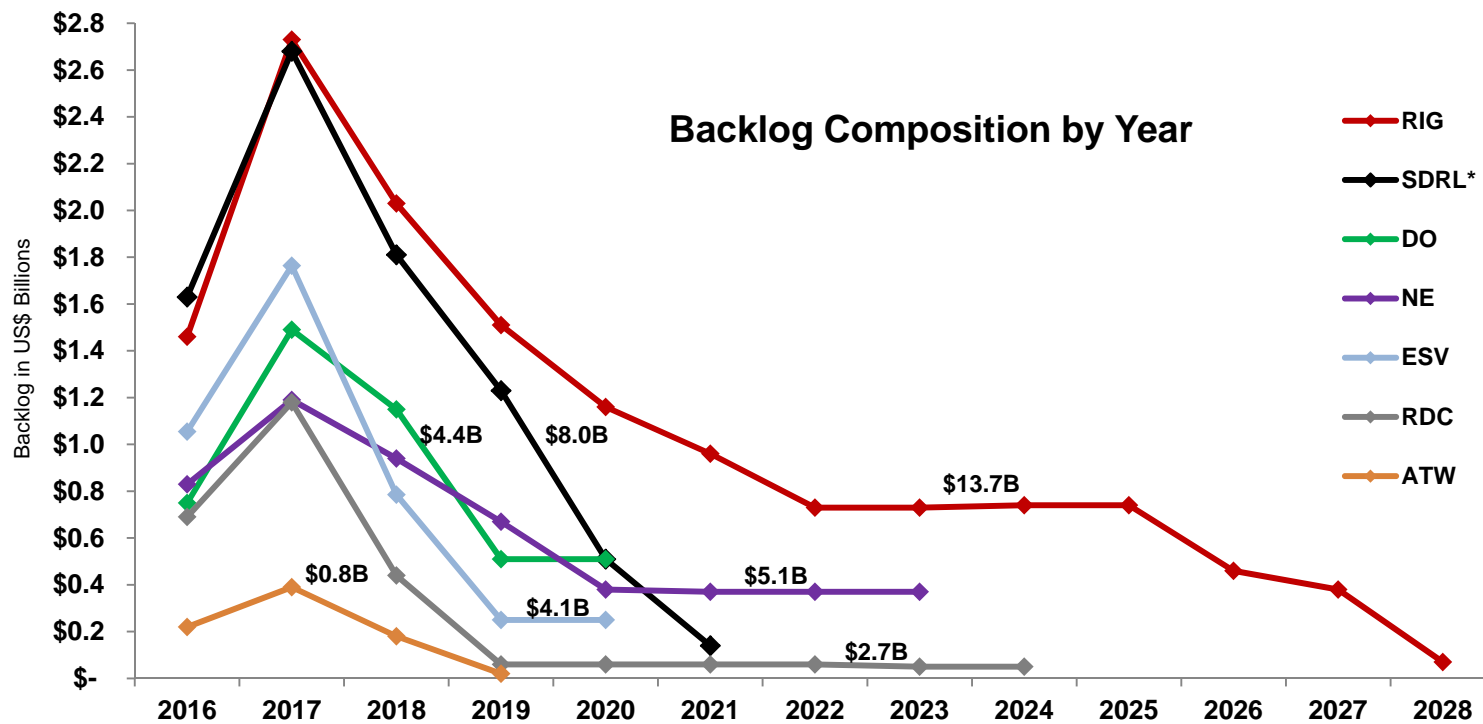
\* As of June 30, 2016. Excludes the effect of the July 2016 senior notes / tender offers.

# Industry Leading Contract Backlog



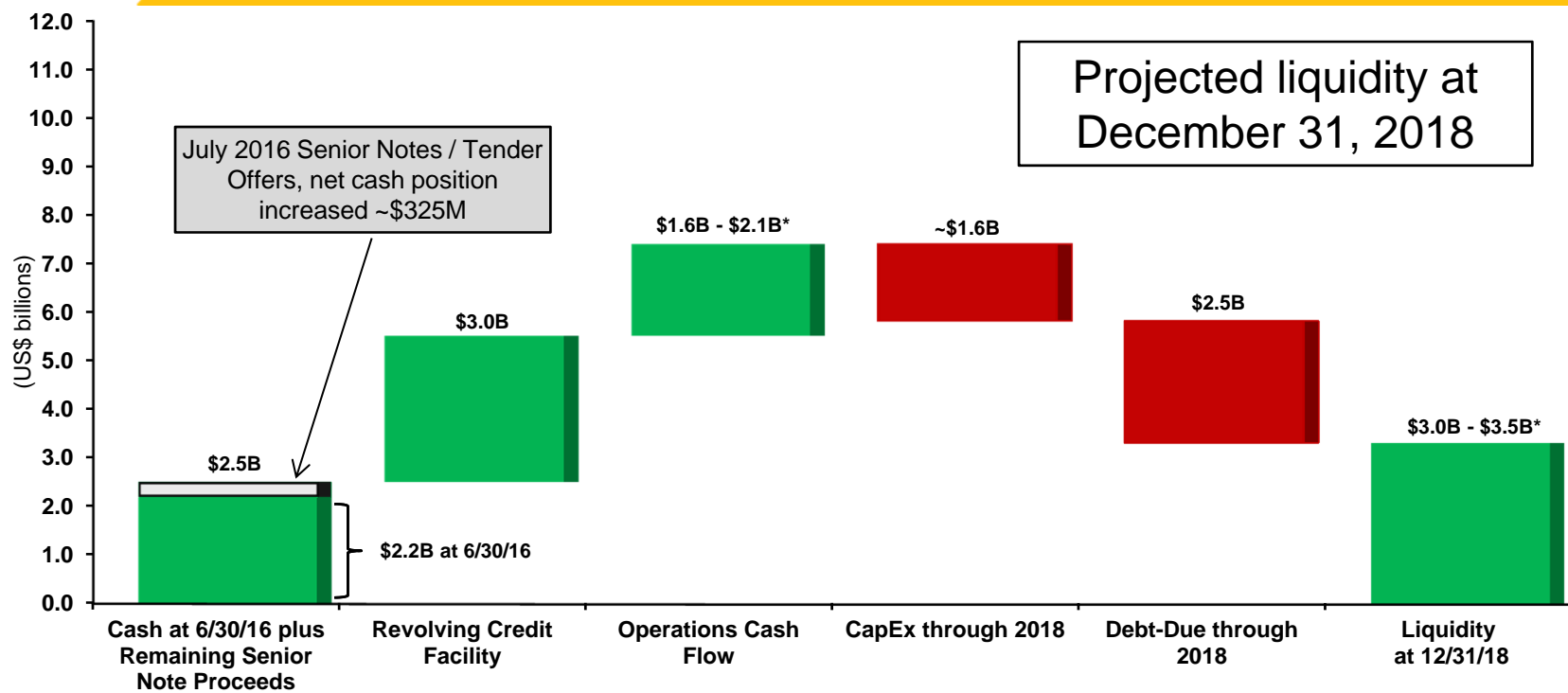
\* Contracted operating dayrate multiplied by the contract duration for future periods as of 7/21/16

# Significant Transocean Backlog into 2028



Source: Company filings  
\* Seadrill Group

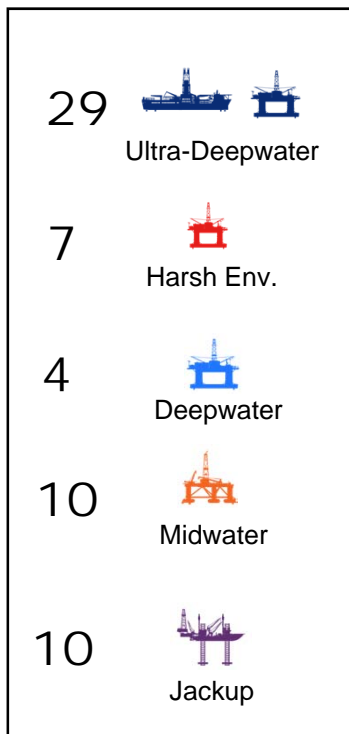
# Solid Liquidity



\* Estimate



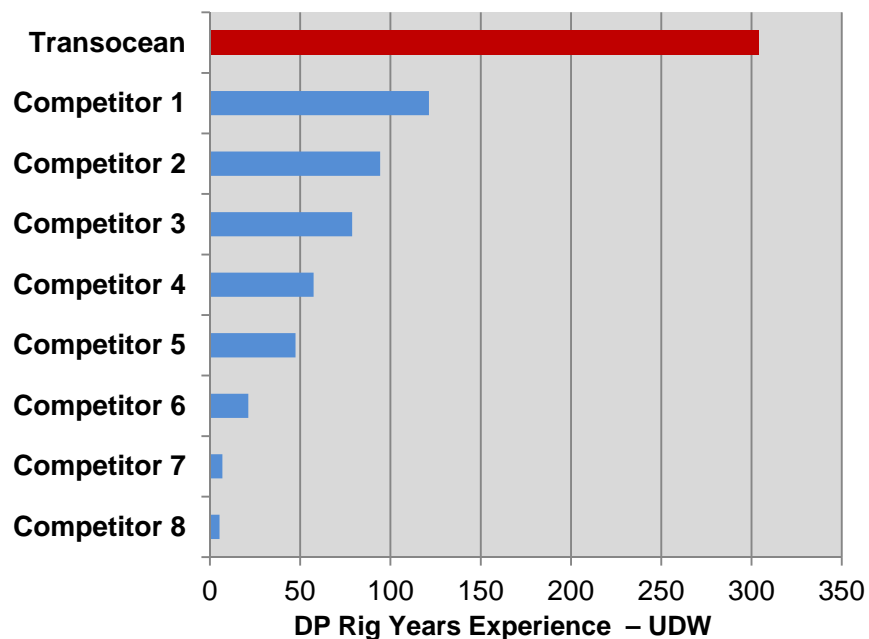
# Global Footprint and Diverse Fleet



# Extensive Customer Relationships



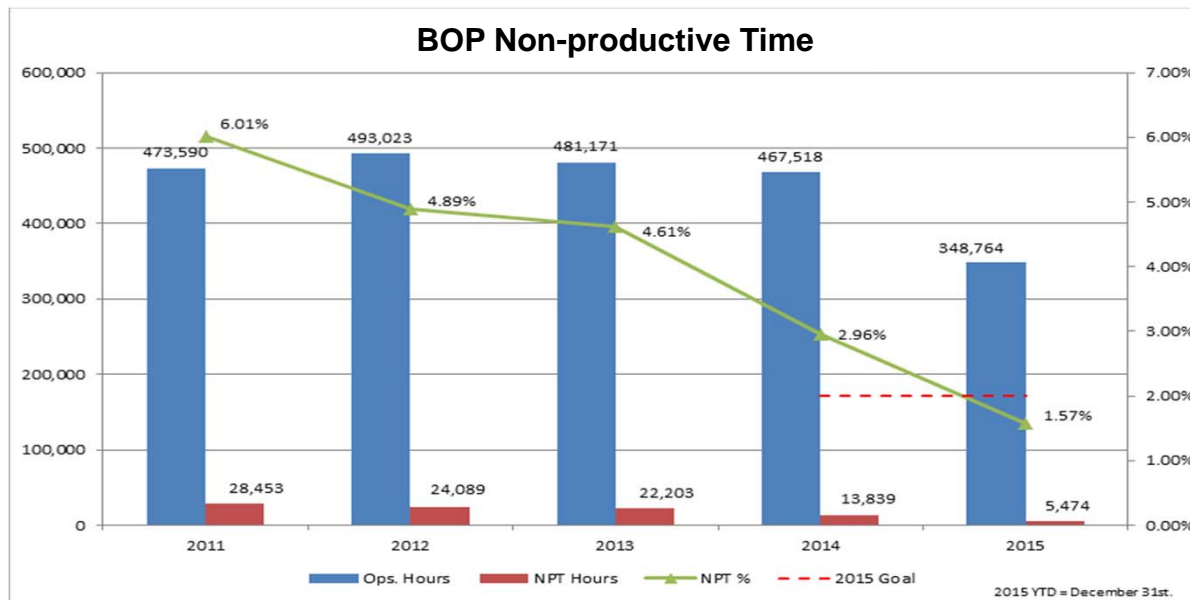
# Unmatched Deepwater Expertise



- **Comprehensive drilling operations database**
  - Includes ~4,000 offshore wells drilled since 2010 (~1,000 UDW wells)
  - Activity in all major worldwide UDW basins
  - Extensive customer base including Supermajors, Independents, and NOC's
  - Detailed logs of activity and durations
- **Performance culture focused on incorporating extensive experience-based data**
- **Reducing the flat spots and the cost per well for our customers**

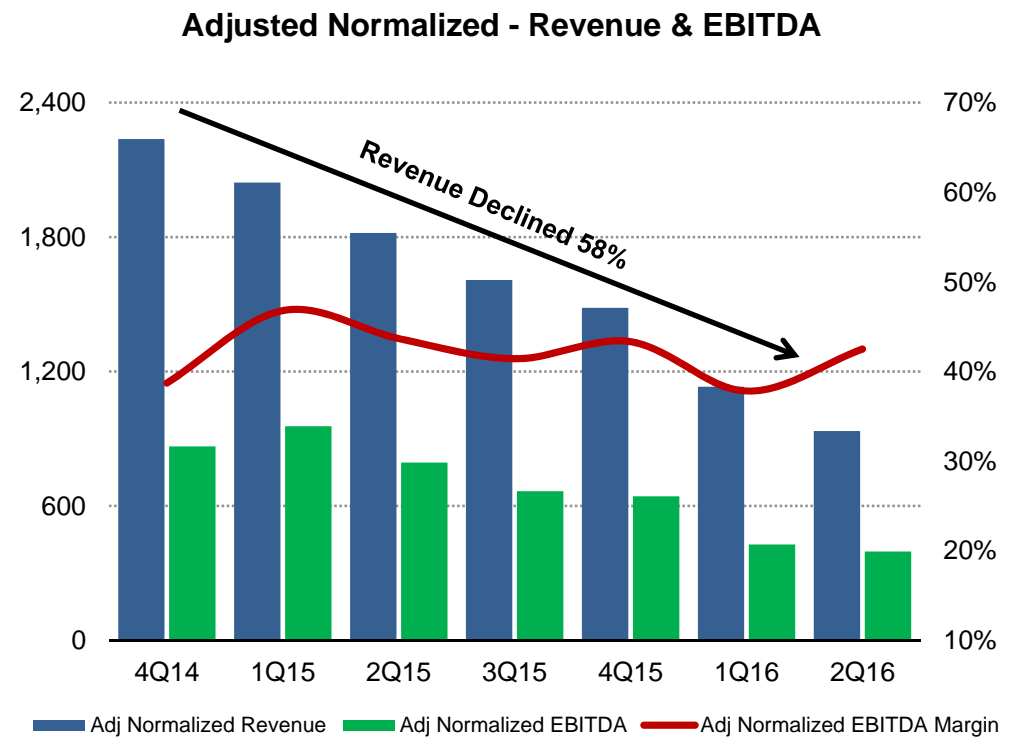
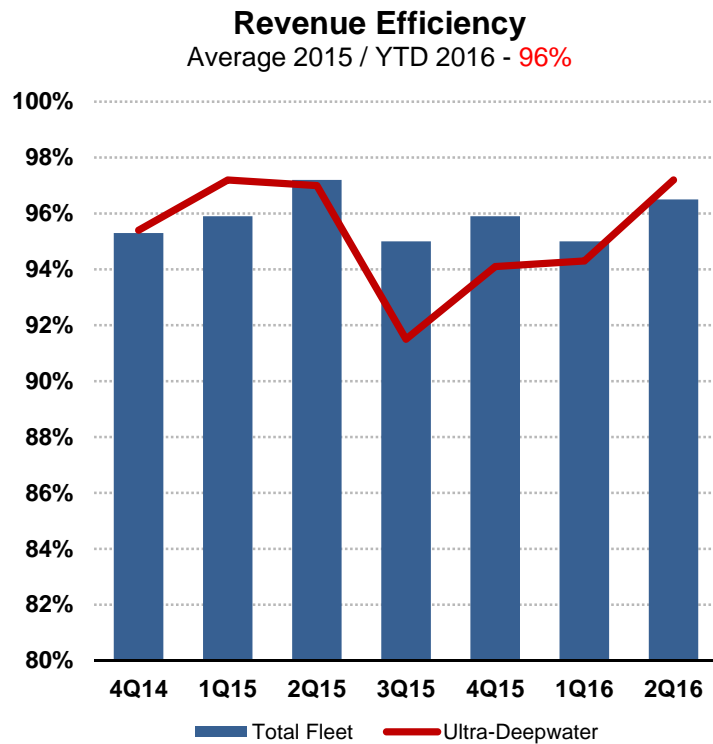
Source: IHS-Petrodata

# Improving Equipment Reliability and Uptime

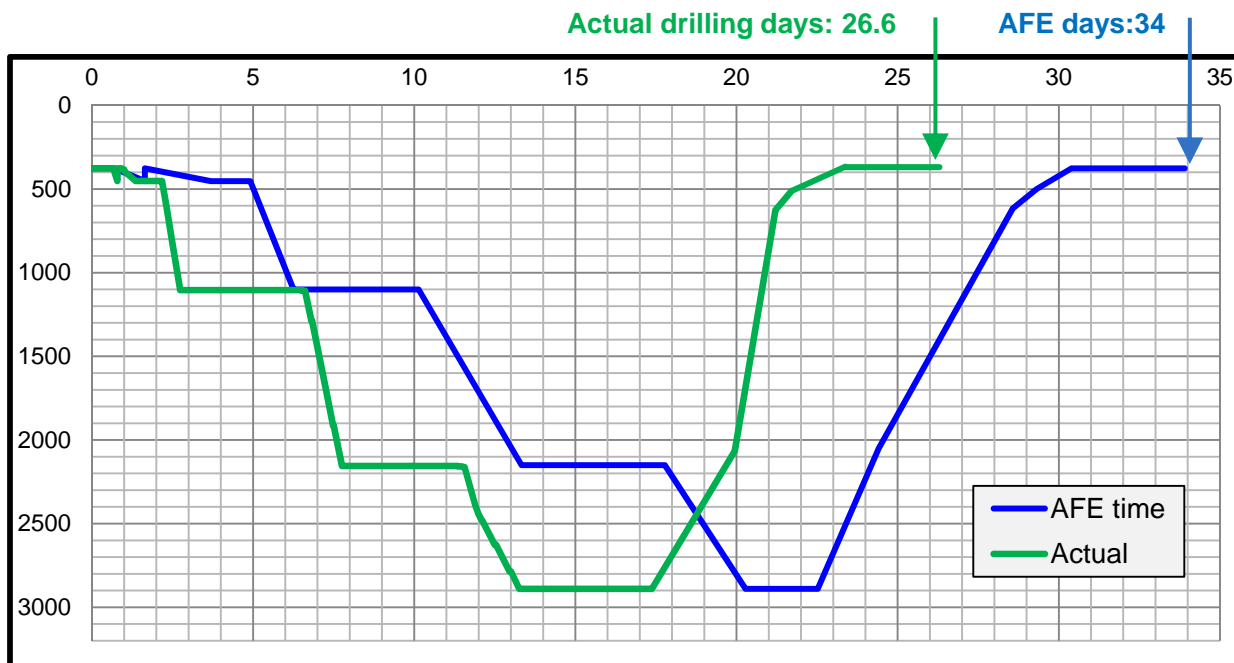


- **~75% reduction** in BOP-related downtime from 2011 to 2015
- Performance driven by Transocean / OEM collaboration
- Focus moves to other critical equipment

# Proof of Performance



# Aligning with Customers



\$350k/d = Market rate  
 \$50k/d Malus applied  
 \$300k/d = Dayrate x [AFE/Actual]  
 \$384k/d = Actual rate w/ 50% bonus opportunity  
  
 Operator = \$3.7M saved on well (after bonus)  
 Contractor = \$84k/d rig bonus (28%) – 100% SELF FUNDING

# Implementing Innovative Cost-Saving Solutions

Repair & Maintenance Costs

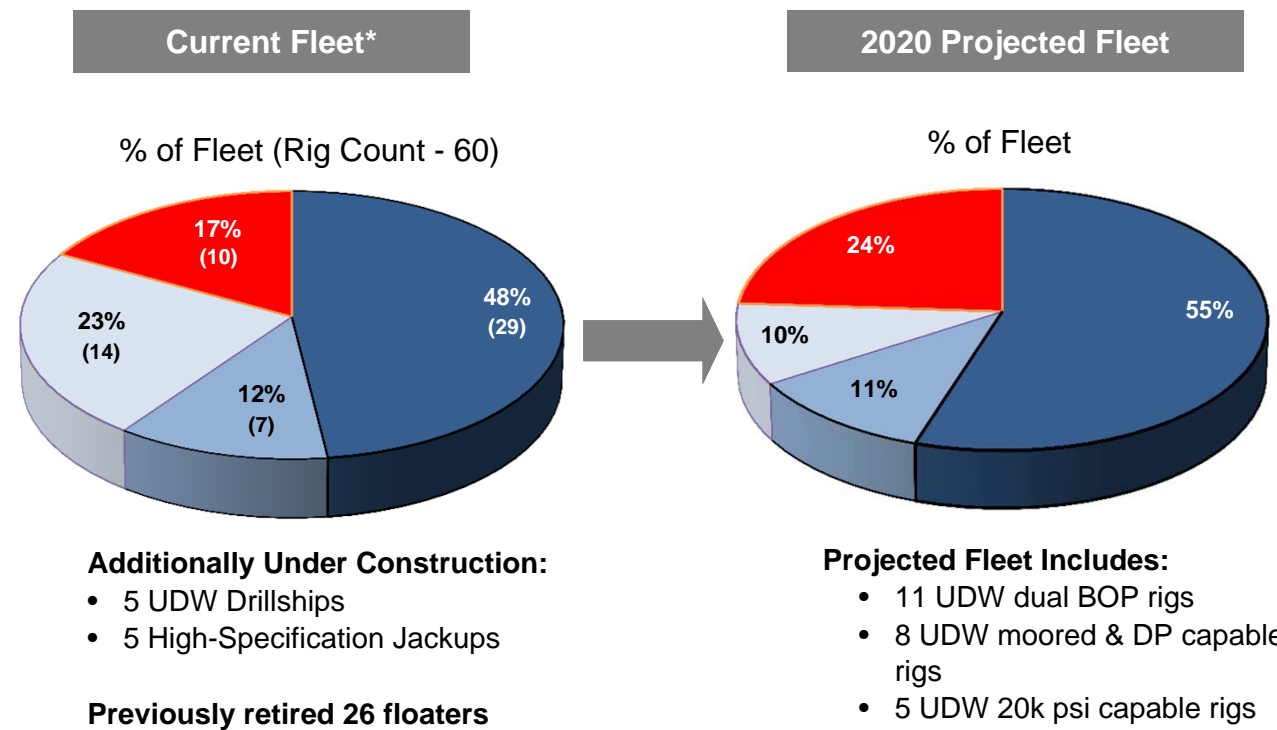


DP Stacking Costs: **Reduced to <\$20k/day/rig**



# Current and Projected Fleet Composition

- Ultra-Deepwater Floaters
- Harsh Environment Floaters
- Deepwater & Midwater Floaters
- High-Specification Jackups



\*As of 7/21/16 Fleet Status Report



## The Path Forward

### ➤ Transocean will:

- Actively manage capital structure and liquidity
- Deliver the safest, most efficient drilling services
- Continue to focus on producing strong operating results through:
  - Strengthening customer relationships
  - Delivering best-in-class uptime and revenue efficiency
  - Streamlining every element of the business
- High grade and reposition the worldwide fleet for the industry recovery



Transocean will build upon its position as the industry's leading offshore driller



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