Transocean Ltd. and subsidiaries

Supplemental Effective Tax Rate Analysis

(in millions, except tax rates)

	Three months ended			Nine months ended	
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Income (loss) before income taxes	$ (75)	$ 184	$ (1,897)	$ 126	$ (3,030)
Acquisition and restructuring costs	10	12	3	29	3
Loss on impairment of assets	-	-	1,913	-	3,049
Gain on disposal of assets, net	(2)	-	-	(6)	-
Loss on conversion of debt to equity	-	-	75	-	99
Loss on retirement of debt	-	-	-	11	-
Benefit plan termination settlement cost	101	-	-	101	-
Adjusted income before income taxes	$ 34	$ 196	$ 94	$ 261	$ 121
Income tax expense (benefit)	$ (101)	$ 14	$ 26	$ (141)	$ (90)
Acquisition and restructuring costs	-	-	-	-	-
Loss on impairment of assets	-	-	5	-	13
Gain on disposal of assets, net	2	(3)	-	-	-
Loss on conversion of debt to equity	-	-	-	-	-
Loss on retirement of debt	-	-	-	2	-
Benefit plan termination settlement cost	39	-	-	39	-
Changes in estimates [1]	93	27	1	230	182
Adjusted income tax expense	$ 33	$ 38	$ 32	$ 130	$ 105
Effective Tax Rate [2]	**133.5 %**	**7.8 %**	**(1.4) %**	**(112.3) %**	**3.0 %**
Effective Tax Rate, excluding discrete items [3]	**97.5 %**	**19.4 %**	**34.8 %**	**49.9 %**	**86.6 %**

(1) Our estimates change as we file tax returns, settle disputes with tax authorities, or become aware of changes in laws, operational changes and rig movements that have an effect on our (a) deferred taxes, (b) valuation allowances on deferred taxes and (c) other tax liabilities.

(2) Our effective tax rate is calculated as income tax expense or benefit divided by income or loss before income taxes.

(3) Our effective tax rate, excluding discrete items, is calculated as income tax expense or benefit, excluding various discrete items (such as changes in estimates and tax on items excluded from income or loss before income taxes), divided by income or loss before income taxes, excluding gains and losses on sales and similar items pursuant to the accounting standards for income taxes related to estimating the annual effective tax rate.