



# Scotia Howard Weil Energy Conference

Jeremy Thigpen, President and Chief Executive Officer

March 27, 2017



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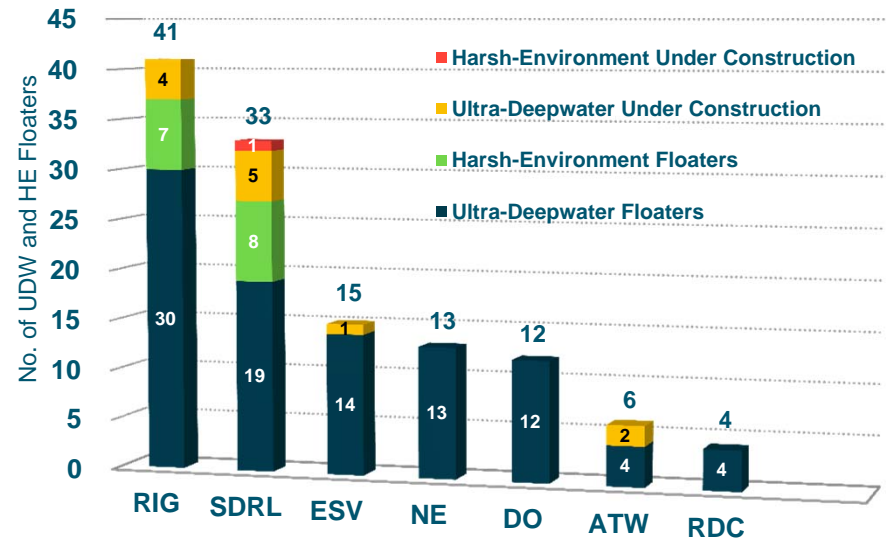
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# Leading International Offshore Contract Driller

## 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

# The Transocean Culture



## *Deepwater Proteus*

**RI  
G  
O  
F  
T  
H  
E  
Y  
E  
A  
R**

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

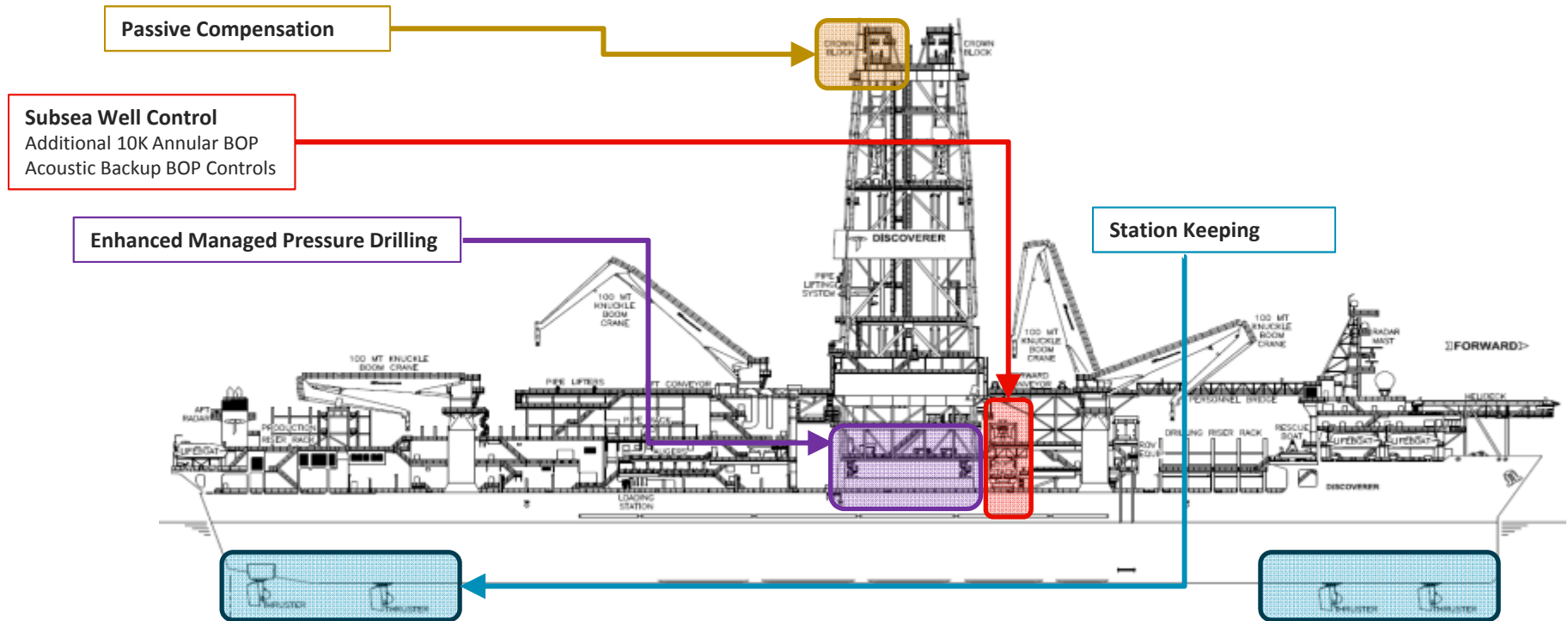
12 month rolling LTIR = 0.00

*“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





# Value Adds – Collaborating with OEMs

## Benefits

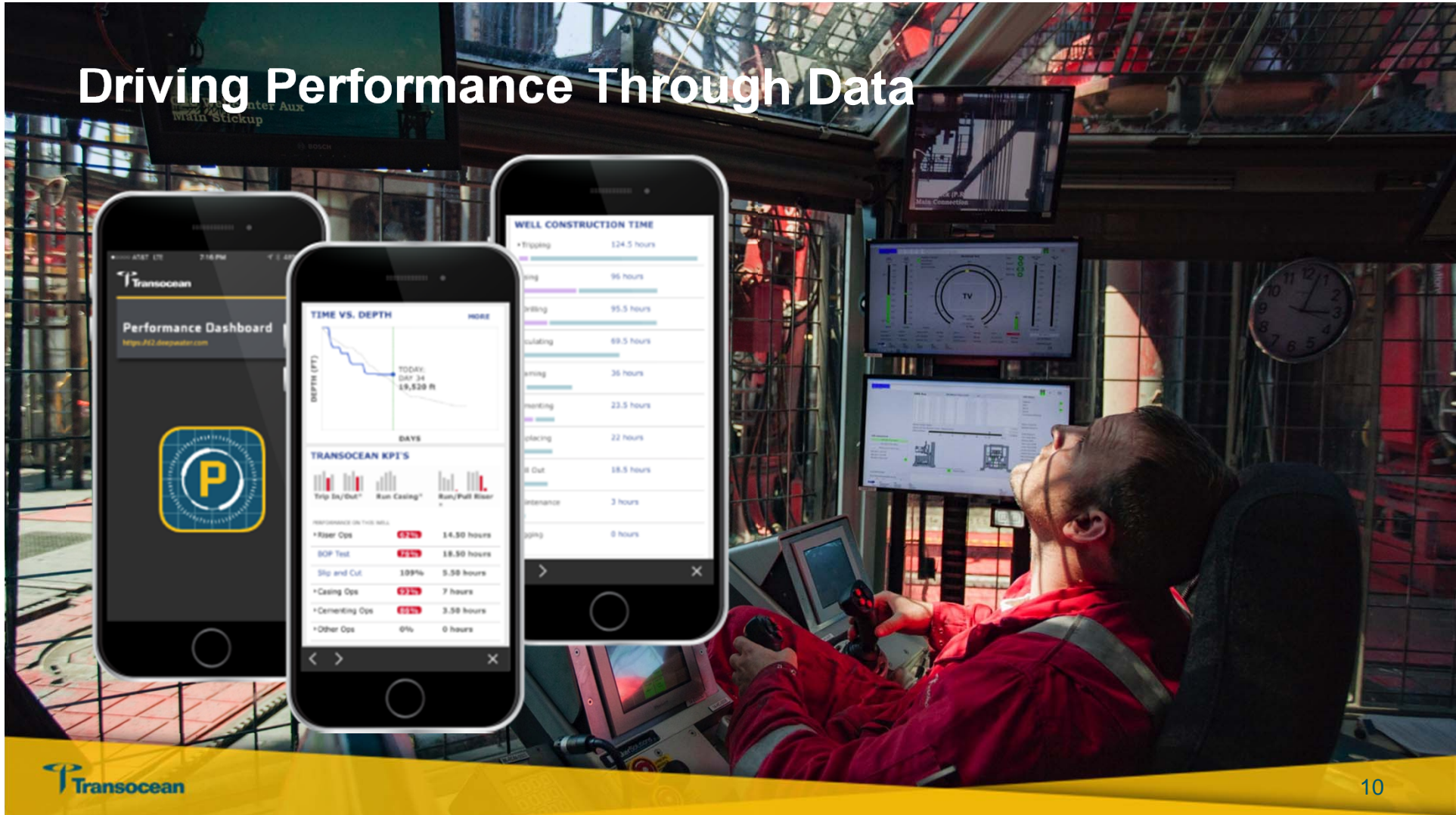
- Improving Uptime for our Customers
- Leveraging RIG and OEMs Strengths
- Reducing Total Cost of Ownership
- Usage-based Service Model
- Reliability-Centered Approach



Blowout Preventer (BOP)

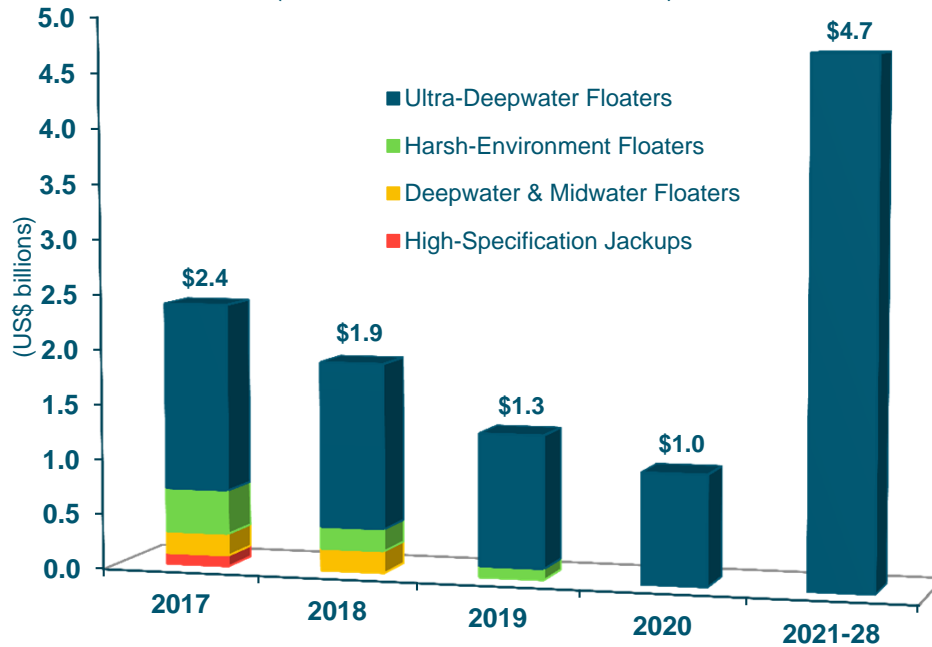


# Driving Performance Through Data



# Industry Leading Contract Backlog

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



Extensive Customer Relationships\*\*

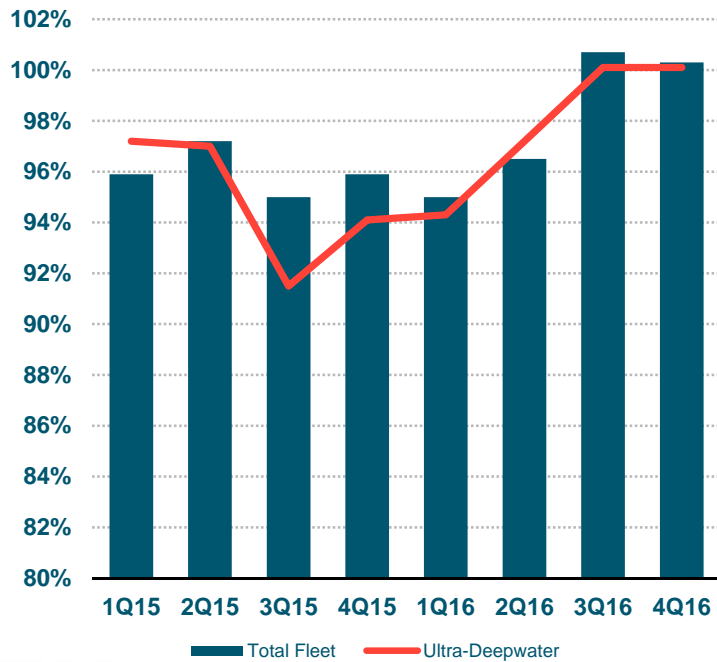


\* Contracted operating dayrate multiplied by the contract duration for future periods as of 2/9/17

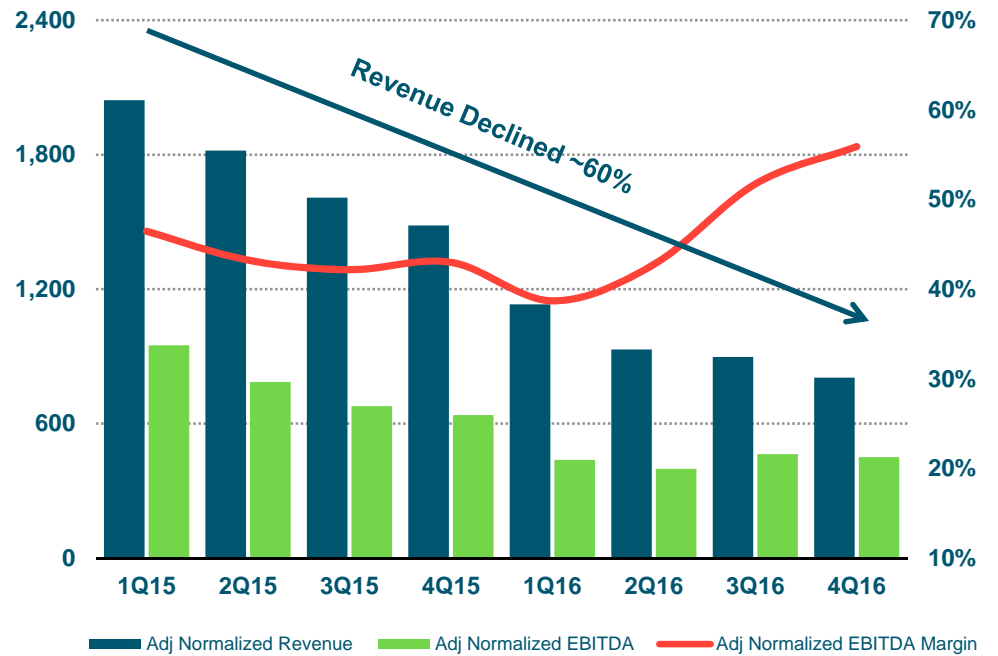
\*\* Listed companies may not have current backlog

# Proof of Performance

**Revenue Efficiency**  
Average 2016 - 98%



**Adjusted Normalized - Revenue & EBITDA**

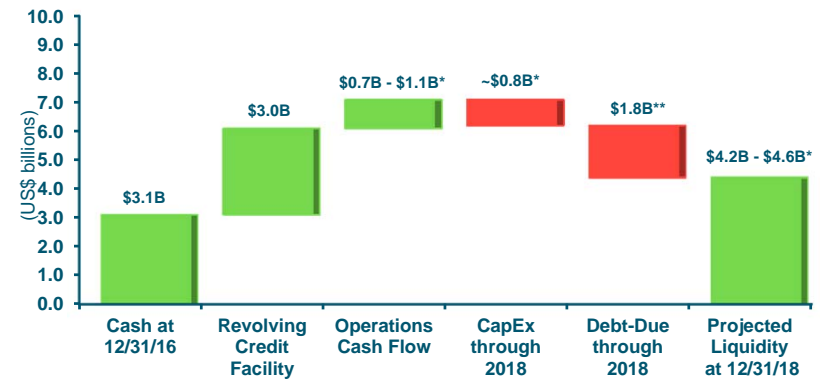


# Proactive Liquidity Management

## Liquidity Accomplishments

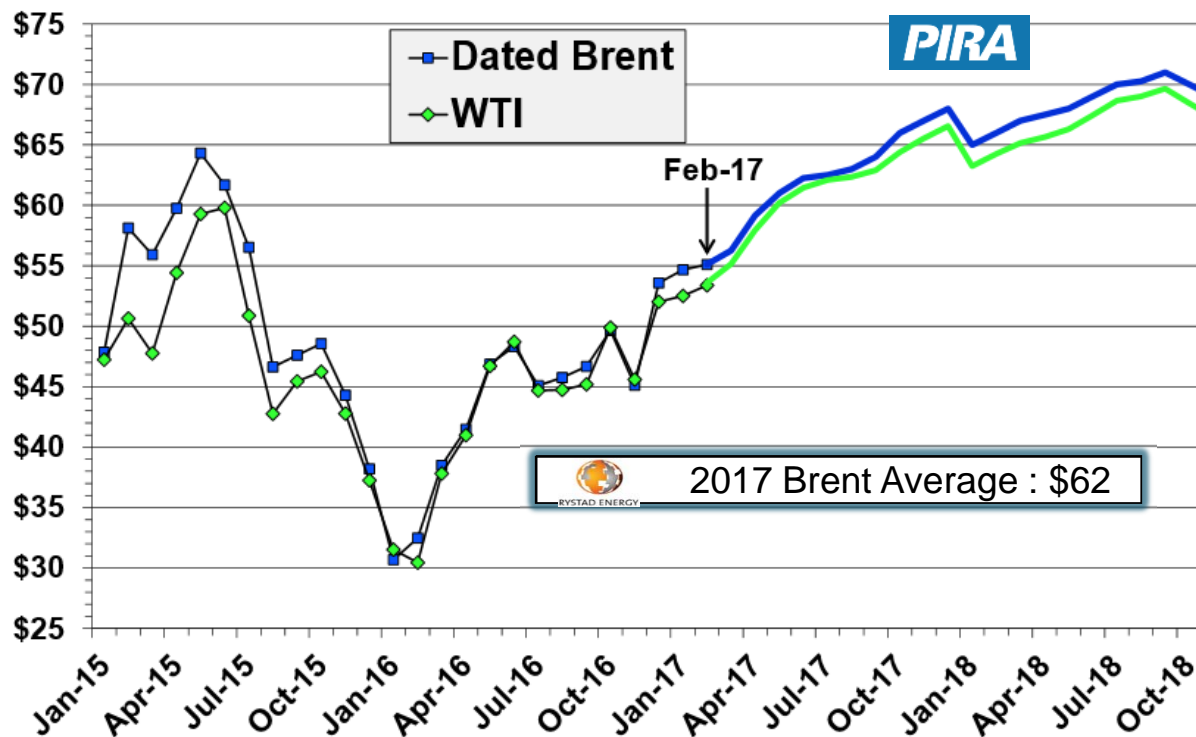
- Issued \$1.25B senior unsecured notes due 2023
- Issued \$1.23B of senior secured notes due 2024
- Opportunistically repurchased debt
  - \$902M open market
  - \$981M via tender
- Deferred \$2B for uncontracted newbuilds
- Acquired Transocean Partners

### Strong Liquidity



\* Estimate  
 \*\* Excludes Eksportfinans debt  
 Projected liquidity excludes jackpot LOI from Borr Drilling

# Oil Price Forecasts



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

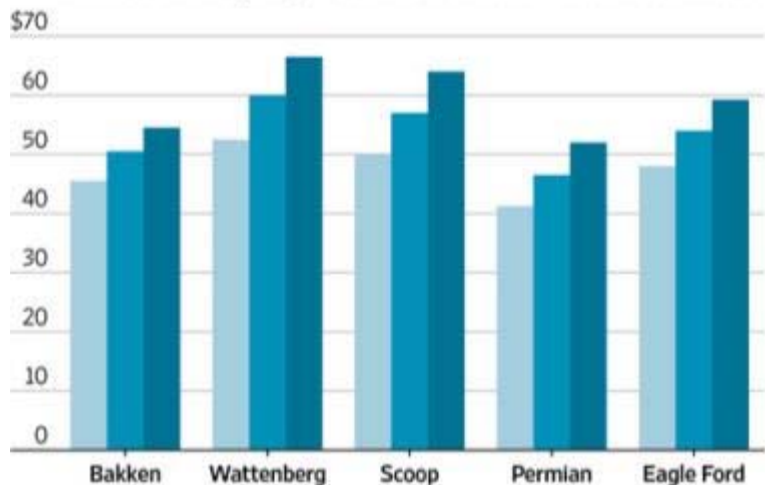
# Rising Onshore Costs Vs. Offshore

## 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

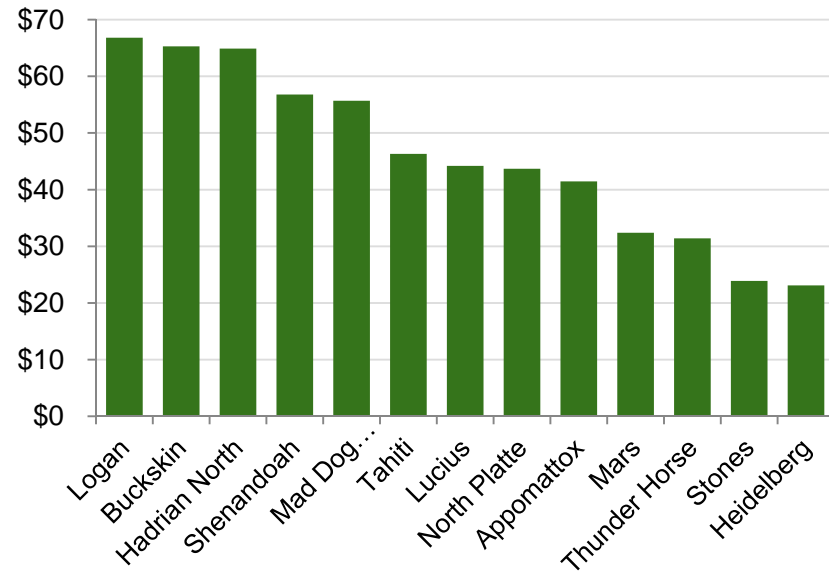
At current oil-service pricing    With 15% increase    With 30% increase



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

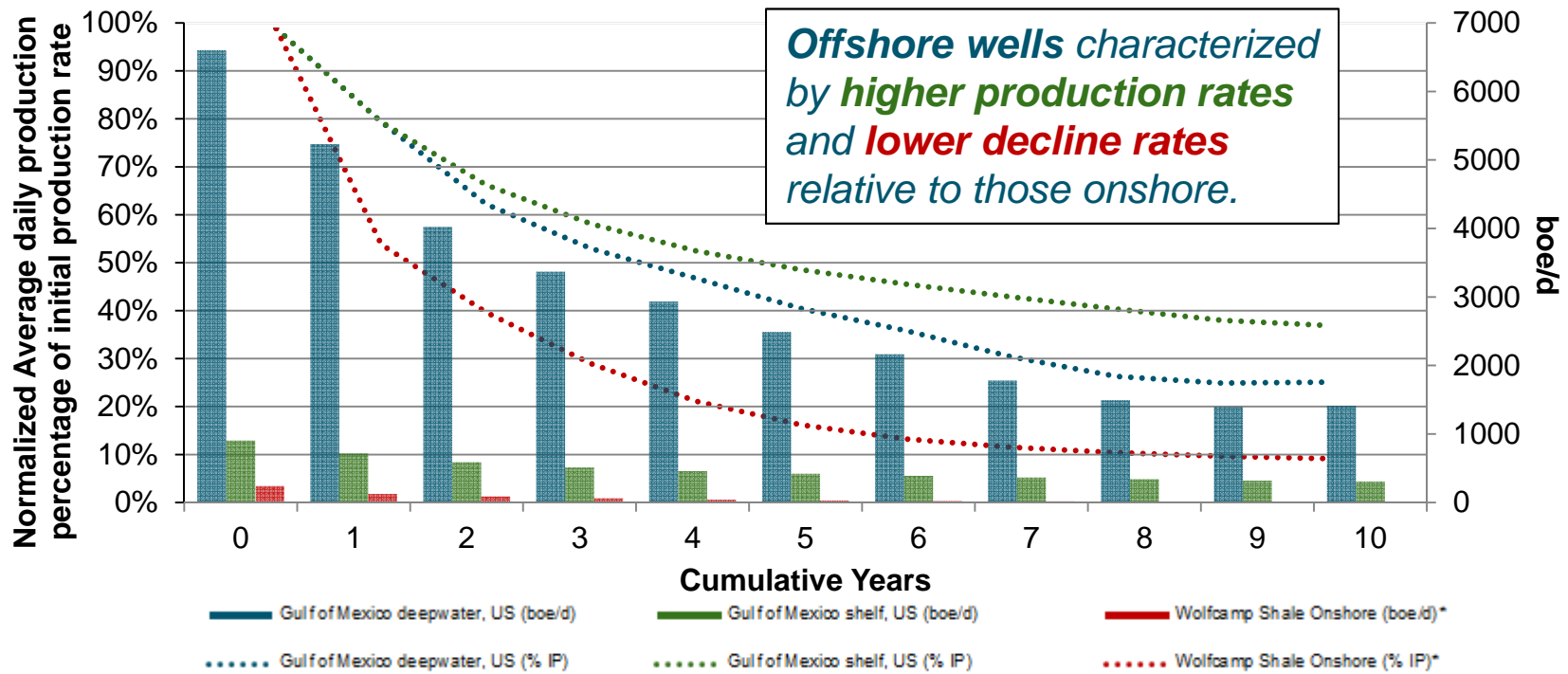
## Breakeven Prices of Selected USA Offshore Projects

(Expected to be Approved 2017-20)



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

# Offshore and Onshore Wells Differ



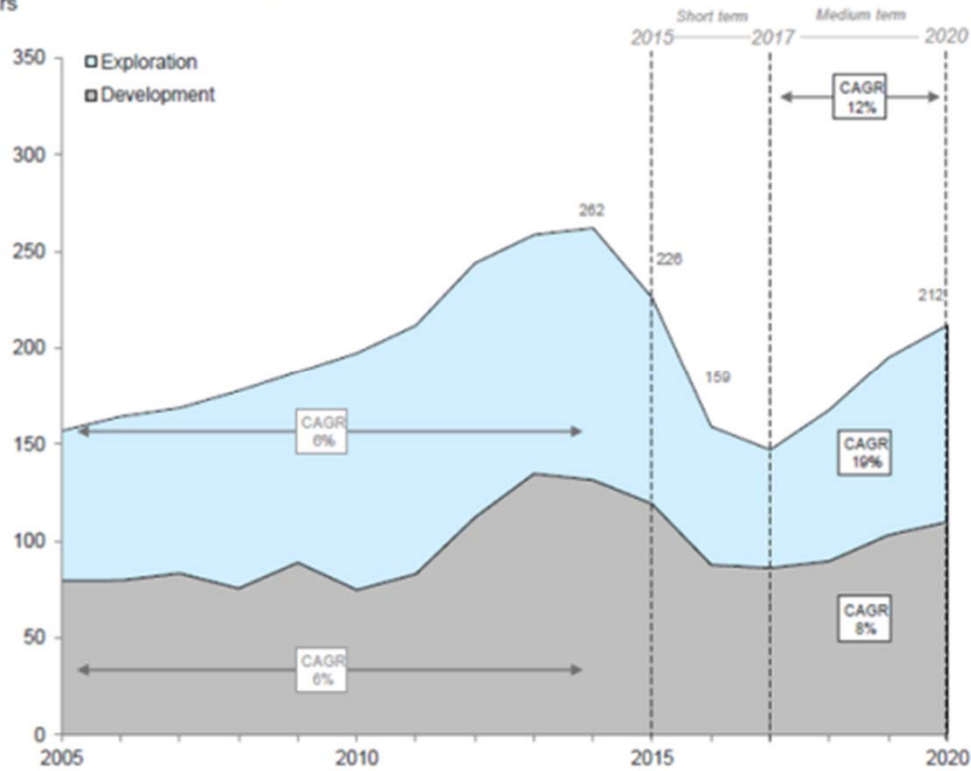
\* Wolfcamp wells includes all wells targeting Wolfcamp Formation in Permian Basin that started producing after 2010

Source: Rystad Energy, January 2017



# New Drilling Programs Leading the Way

Global demand for floating drilling units, by activity  
Rig years



Source: Rystad Energy



*Henry Goodrich*

# 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 Thalassa*



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