

A large offshore oil rig, the Deepwater Proteus, is shown at sea at dusk. The rig is illuminated with warm yellow lights, and its complex steel structure is silhouetted against the darkening sky. The ship's hull is white with a red stripe at the bottom. The name 'DEEPWATER PROTEUS' is visible on the side of the vessel. The background shows a calm sea and distant landmasses under a twilight sky.

# CREDIT SUISSE VAIL ENERGY CONFERENCE

Jeremy Thigpen, President and Chief Executive Officer

February 11, 2019

# LEGAL DISCLAIMER

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## Forward-Looking Statements

The statements described in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements contain words such as "possible," "intend," "will," "if," "expect," or other similar expressions. Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. As a result, actual results could differ materially from those indicated in these forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, estimated duration of customer contracts, contract dayrate amounts, future contract commencement dates and locations, planned shipyard projects and other out-of-service time, sales of drilling units, timing of the company's newbuild deliveries, operating hazards and delays, risks associated with international operations, actions by customers and other third parties, the future prices of oil and gas, the intention to scrap certain drilling rigs, the success of our business following the acquisitions of Songa Offshore SE and Ocean Rig UDW Inc., and other factors, including those and other risks discussed in the company's most recent Annual Report on Form 10-K for the year ended December 31, 2017, and in the company's other filings with the SEC, which are available free of charge on the SEC's website at: [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize (or the other consequences of such a development worsen), or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or expressed or implied by such forward-looking statements. All subsequent written and oral forward-looking statements attributable to the company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not 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 to reflect events or circumstances that occur, or which we become aware of, after the date hereof, except as otherwise may be required by law. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's website at: [www.deepwater.com](http://www.deepwater.com).

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# OUR LEADERSHIP POSITION

54 Floaters\* – 93% UDW & HE

Unmatched UDW & HE Experience

\$12.5 Billion in Backlog\*\*

Liquidity of \$3.1B\*\*\*



\* Includes Ocean Rig Assets, the *Transocean Norge* (33% JV ownership interest); and reflects the retirement of the *Ocean Rig Paris*

\*\* As of December 31, 2018, includes Ocean Rig

\*\*\* Cash and short-term investments at 9/30/18, less cash for ORIG consideration of ~\$240M, plus new \$1.0B undrawn revolving credit facility



# FLEET TRANSFORMATION

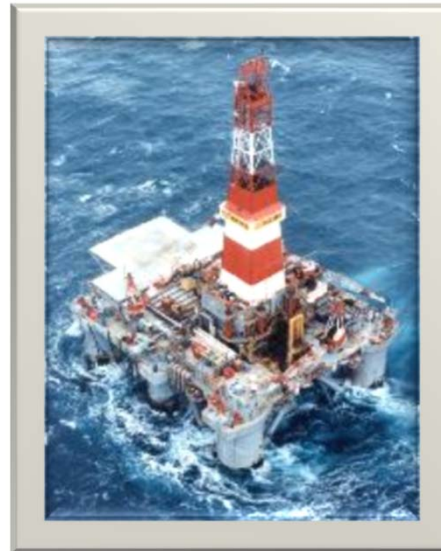


# FLEET RATIONALIZATION

63 Divestitures\* Since 2014



12 Ultra-Deepwater



36 Deepwater /  
Midwater



15 Jackups

\* Reflects the retirement of the *Ocean Rig Paras*

# COST EFFECTIVE STRATEGIC UPGRADE

## Discoverer India UDW Floater Ranking

Pre-Upgrade	Post Upgrade
<b>75</b>	<b>50</b>

~\$20M CapEx

MPD-Ready

DP Class 3

Dual Annular  
BOPs  
Acoustic  
Backup  
Controls

## Other UDW Candidates for Similar Upgrades

*Discoverer Clear Leader*  
*Discoverer Americas*  
*Deepwater Champion*

Estimated Average  
CapEx ~\$20M - \$25M



*Discoverer India*



# VALUE-ADDED ACQUISITIONS

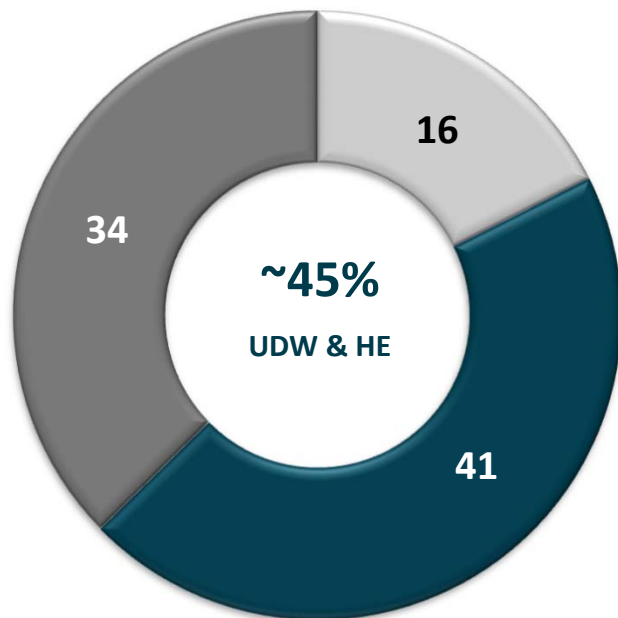


\* Reflects the retirement of the *Songa Delta* announced on 9/4/18 and the *Songa Trym* announced on 7/23/18 and *Ocean Rig Paros* on 2/8/19

# FLEET TRANSFORMATION TO UDW AND HE FLOATERS

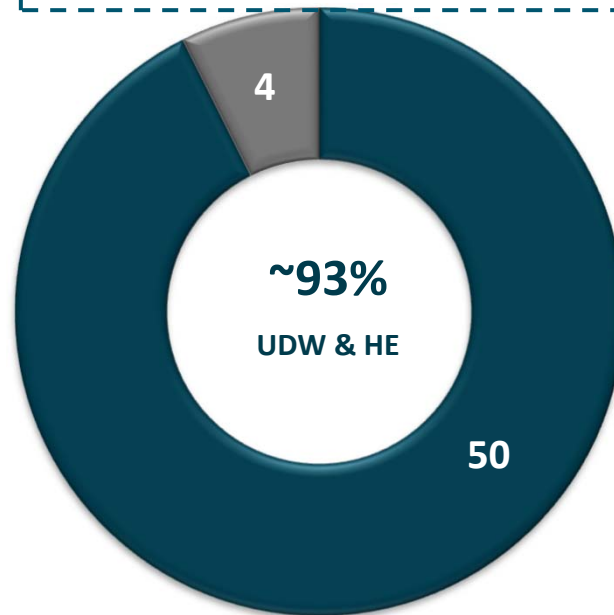
January 2014

Average Age Floaters – ~21 years



January 2019\*

Average Age Floaters – ~11 years  
(UDW – ~8 years)

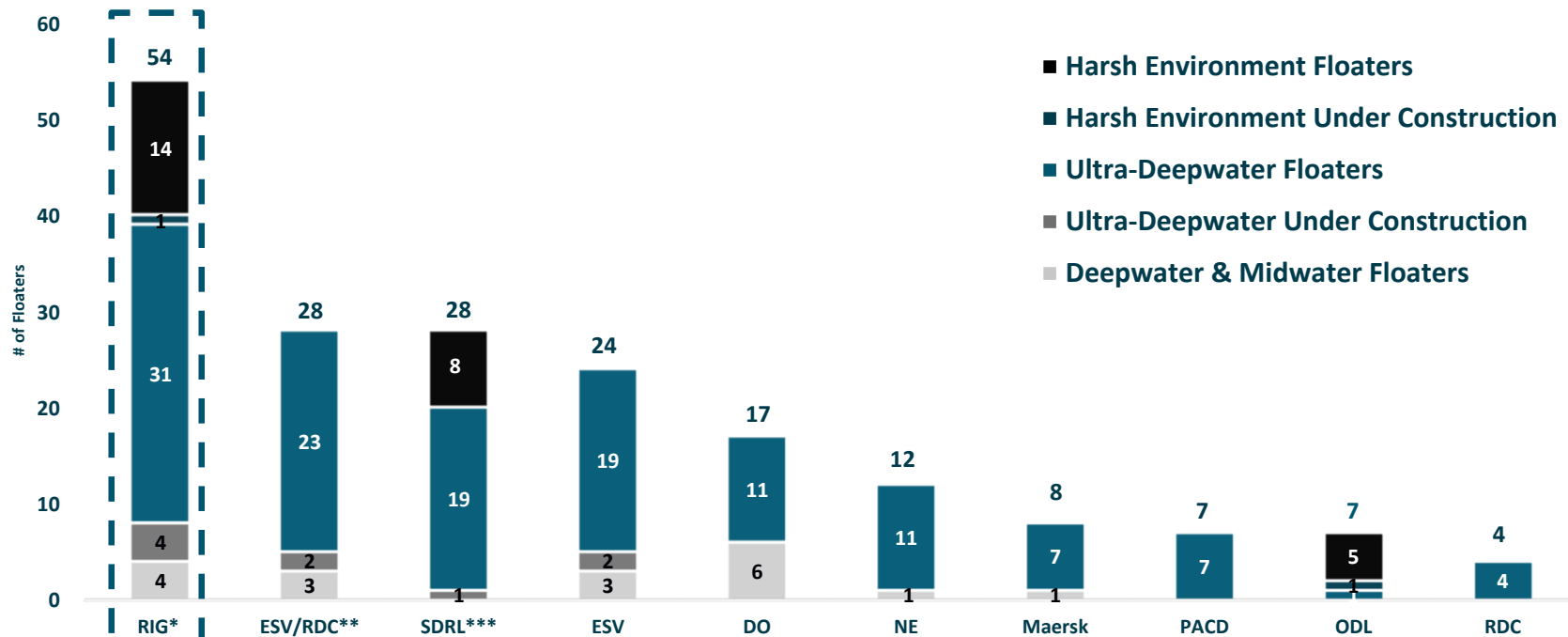


- UDW & HE Floaters
- Mid Water
- HS Jackups

\* Includes rigs under construction and the *Transocean Norge* (33% JV ownership interest); reflects the retirement of the *Ocean Rig Paros*



# LARGEST AND MOST CAPABLE FLOATER FLEET



Source: Company filings

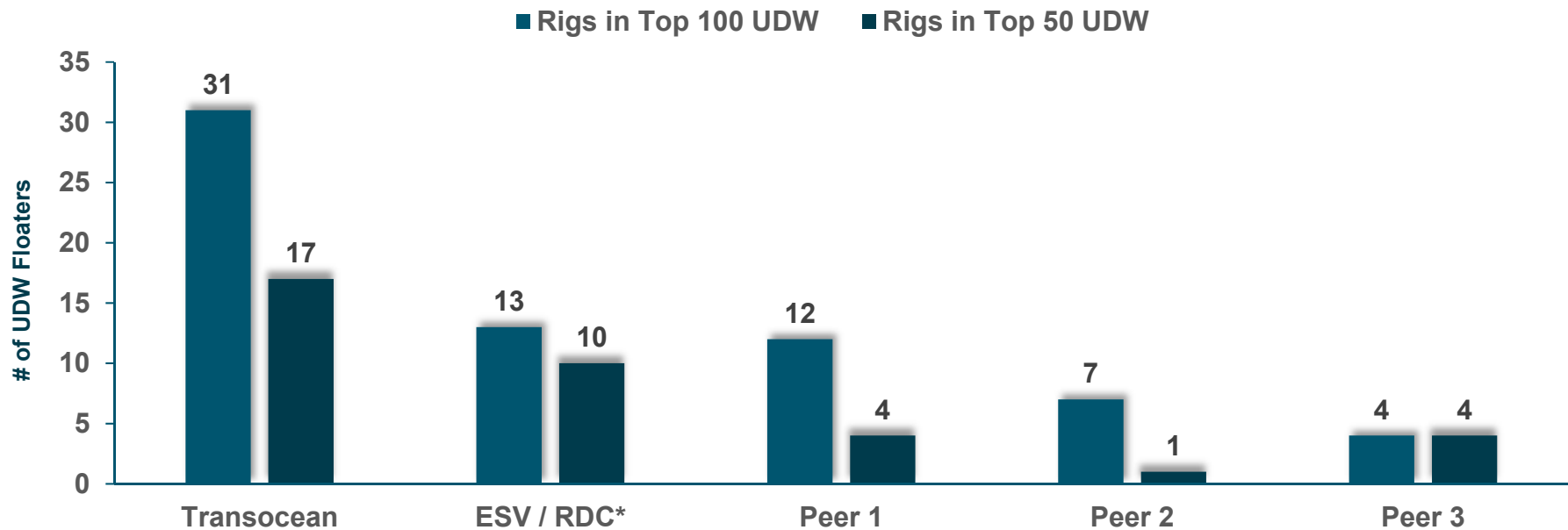
\* Includes the *Transocean Norge* (33% JV ownership interest); also reflects the retirement of the *Ocean Rig Paros*

\*\* Pro forma for pending transaction

\*\*\* Includes Seadrill Limited and Seadrill Partners

# HIGHEST CONCENTRATION OF THE BEST ASSETS

Ocean Rig Acquisition secures 34% of top 50 UDW floaters, 31% of top 100 UDW floaters worldwide\*\*



Source: Transocean's proprietary global rig ranking database

\* Pro forma for pending transaction

\*\* Assumes that Ocean Rig's assets are equipped with two BOP's; includes four rigs under construction (two each, Transocean and Ocean Rig)

# RECENT CONTRACT AWARDS



# MOST CAPABLE UDW DRILLSHIP IN THE WORLD

5-Year Drilling Contract\*

Dual Activity

Net Hookload Capacity  
of 3.0M Pounds

Dual 20,000 psi BOPs

Variable Deckload Capacity  
of 24,000 metric tons

Dynamically  
Positioned Class 3

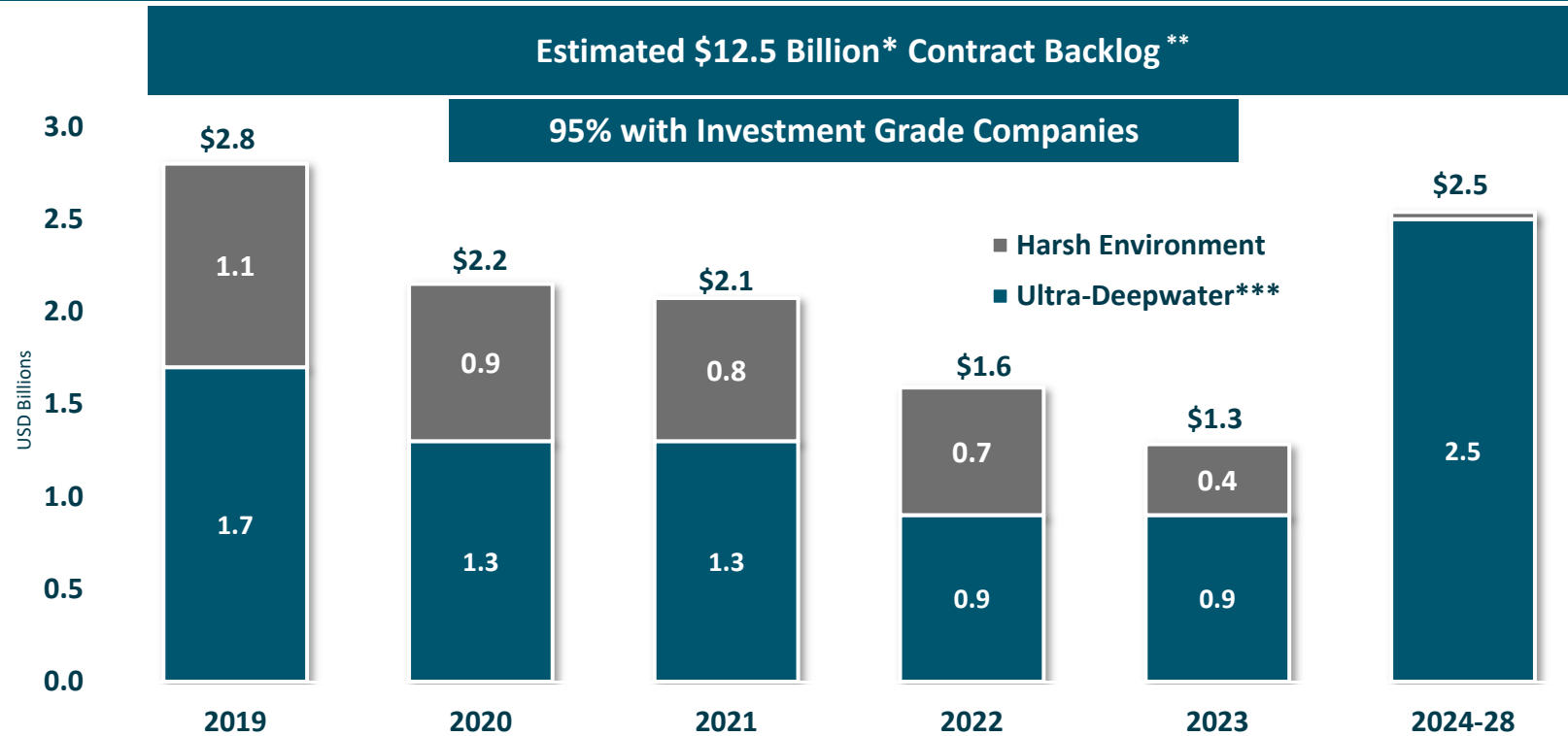
Drilling Depth 40,000 ft  
Water Depth 12,000 ft



\*Note: The to-be-named newbuild drillsip is currently under construction and expects to commence operation in the 2H2021 with Chevron



# TRANSOCEAN'S INDUSTRY-LEADING BACKLOG

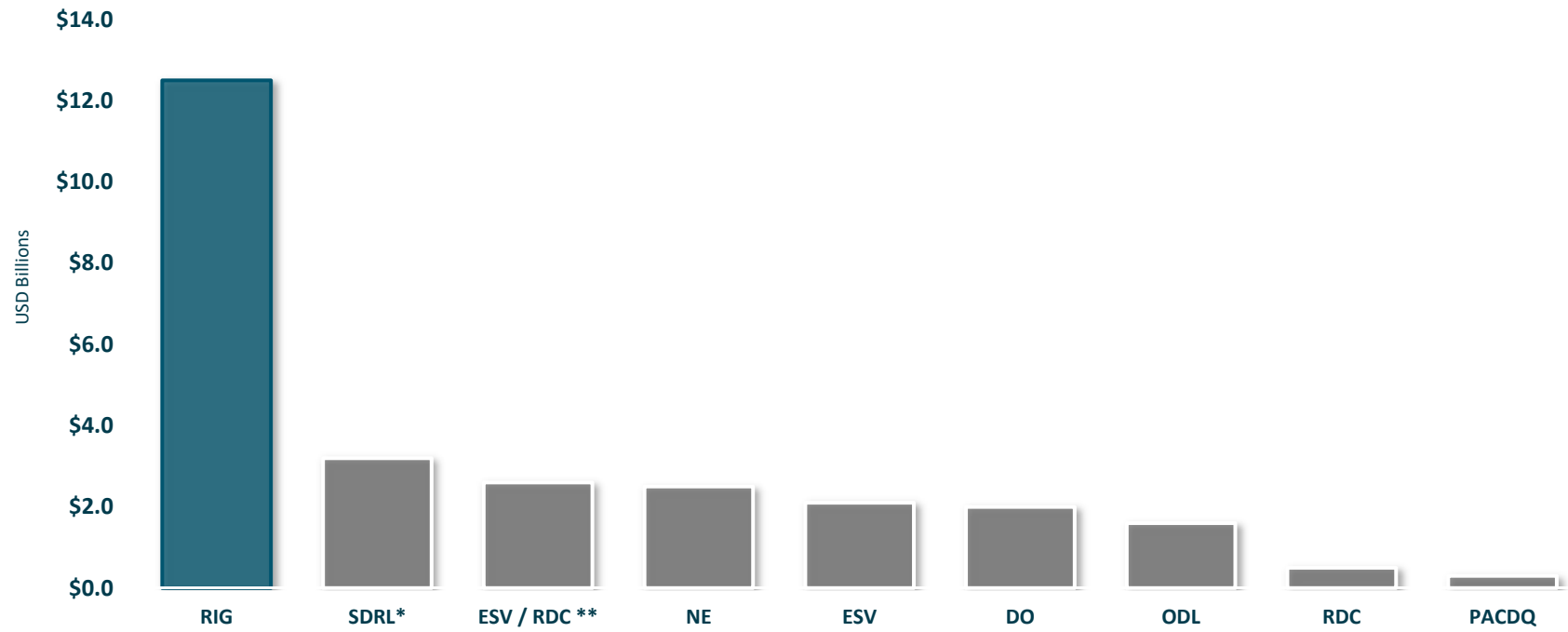


\*As of December 31, 2018; includes Ocean Rig

\*\*Contracted operating dayrate multiplied by the contract duration for future periods as of latest company filings

\*\*\* Ultra-Deepwater includes less than \$100M of other backlog

# BACKLOG ~4x NEAREST COMPETITOR

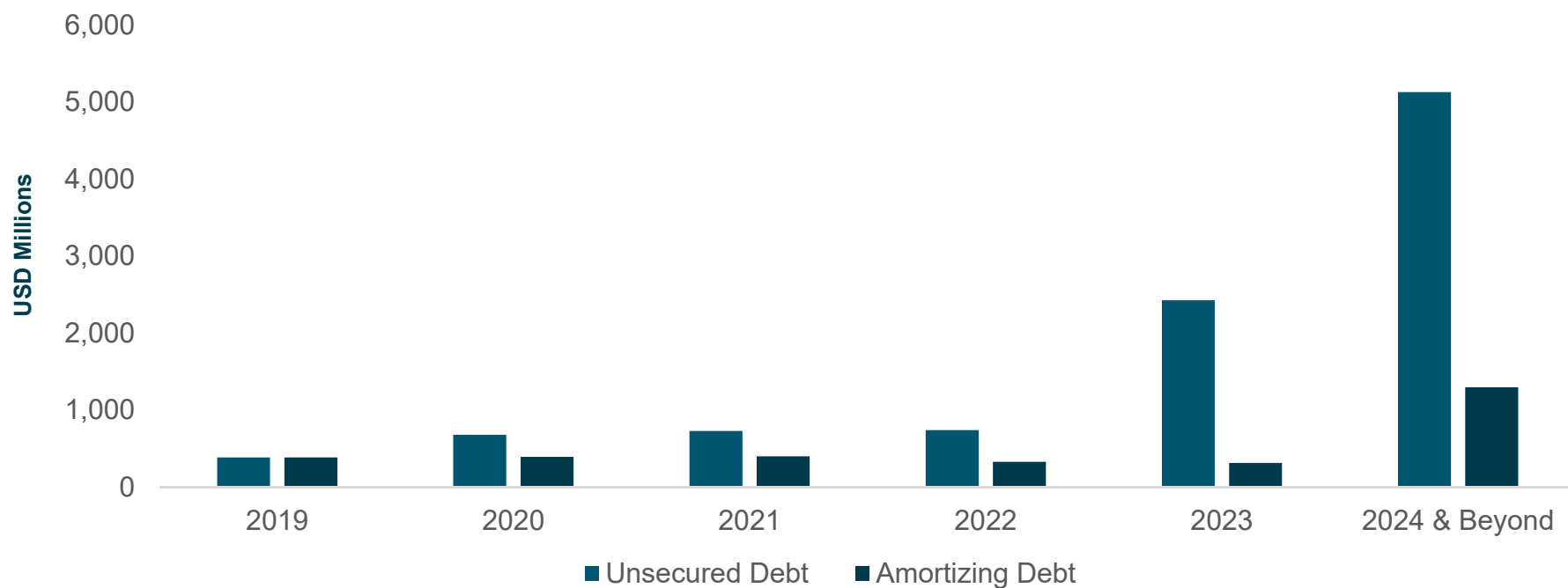


Source: Latest company filings

\* Includes Seadrill Limited and Seadrill Partners

\*\* Pro forma transaction

# SCHEDULED DEBT MATURITIES\*

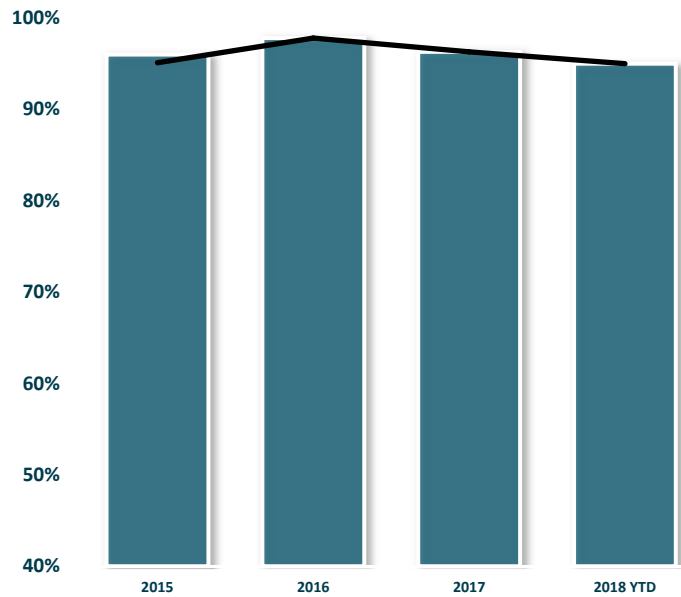


\*As of December 31, 2018

# BACKLOG CONVERTED TO CASH

## REVENUE EFFICIENCY

Four-year Average - 96%

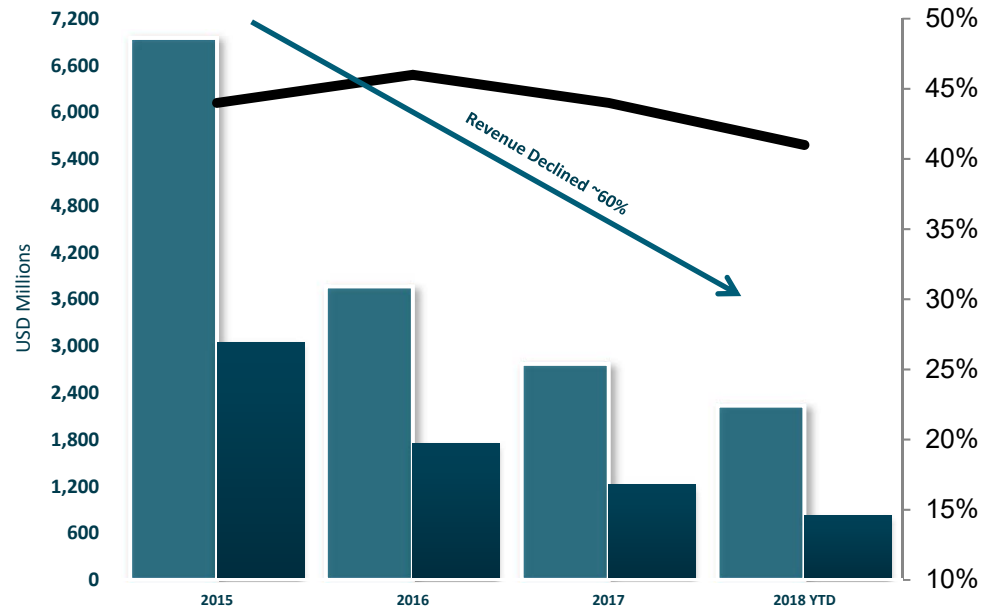


— Total Fleet — Ultra-Deepwater

Note: 2018 YTD shown as of September 30, 2018

## REVENUE & EBITDA

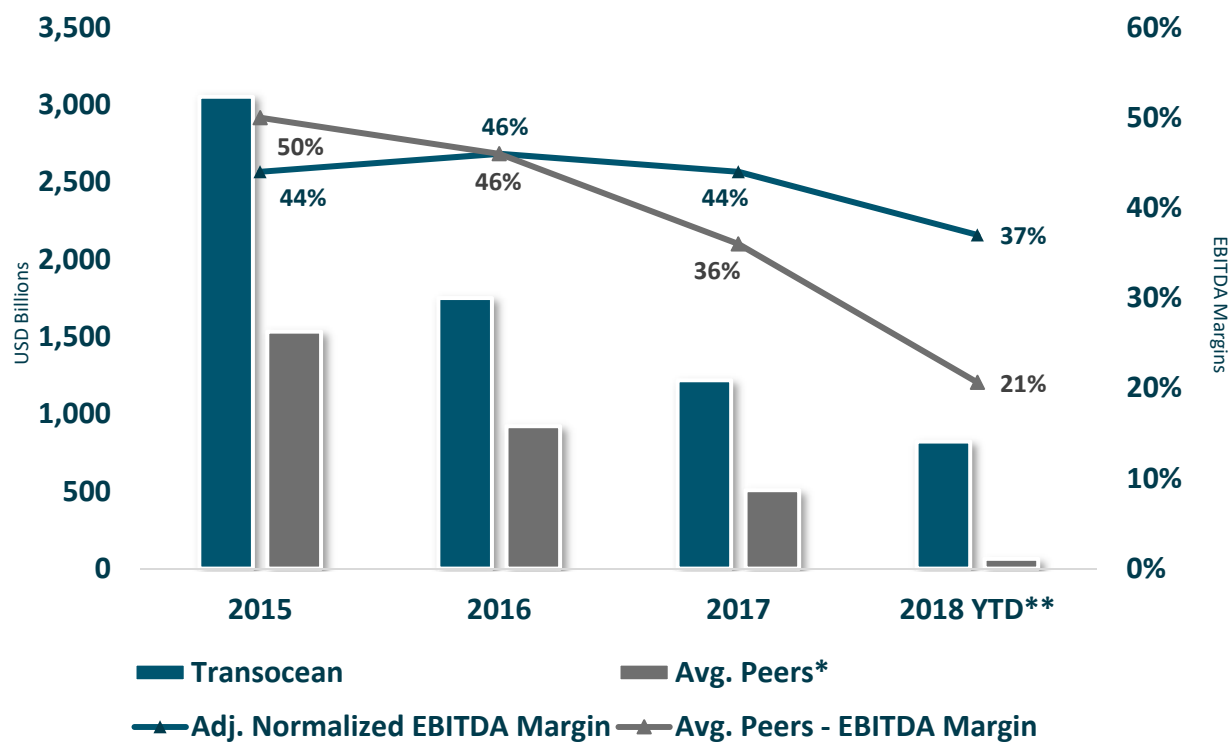
Adjusted Normalized



— Adj Normalized Revenue — Adj Normalized EBITDA — Adj Normalized EBITDA Margin

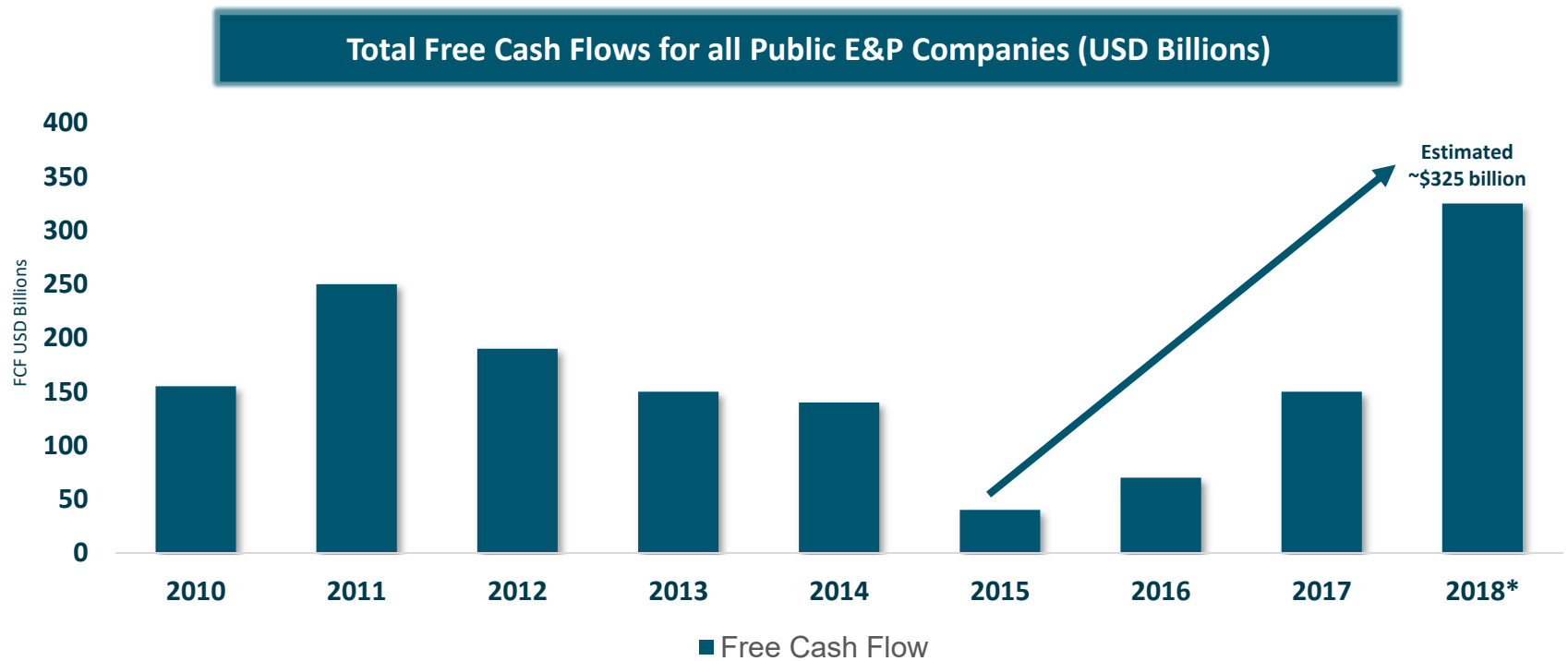


# PRESERVING EBITDA MARGINS THROUGH THE CYCLE



\*Peers include DD, ESV, NE & RDC  
 \*\* 2018 YTD as of September 30, 2018

# E&P FCF EXPECTED TO LEAD TO HIGHER SANCTIONING



Source: Rystad UCube July 2018

# DEEPWATER PROJECT BREAK-EVENS HAVE DECLINED



*“Deepwater can compete if not demonstrate higher returns because of fundamental cost reduction”... “Break-even prices in deepwater — we are now talking **\$30 per barrel.**” – Andy Brown, Executive Committee and Upstream Director, Shell, August 14, 2018*



*“All projects should move in the same direction with an average target of \$41 for non-sanctioned projects. **Below \$40/bbl should be a clear target.**” - Hans Jakob Hegge, Chief Financial Officer, Equinor (Statoil ASA) March 16, 2017*

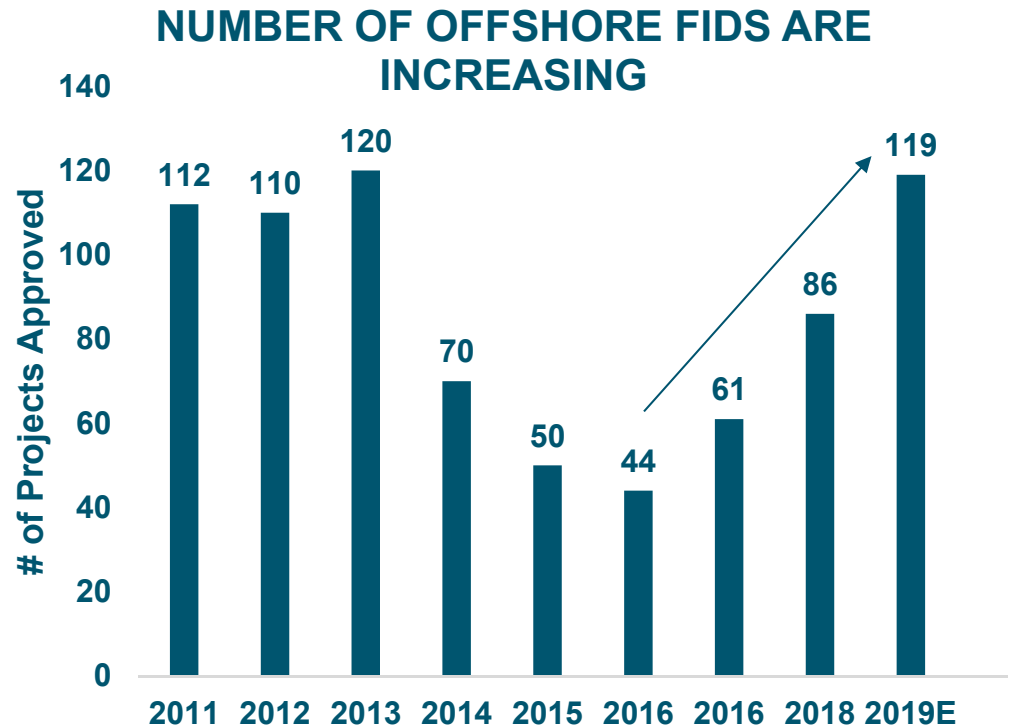
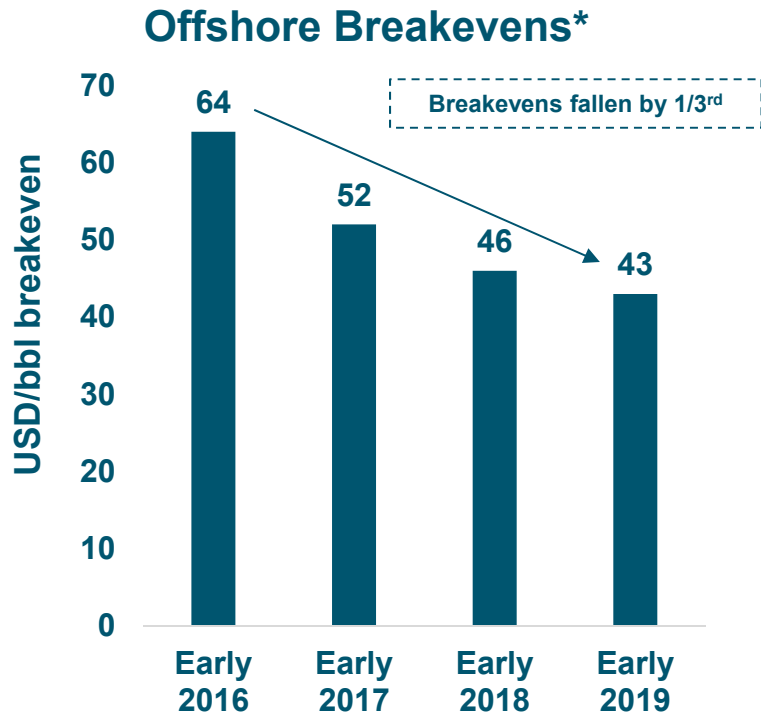


*“...we have reduced the breakeven in the Libra field from US\$80 per barrel ... in 2013 to **US\$33/bbl** today ...” - Pedro Parente, Chief Executive Officer, Petrobras, October 31, 2017*



*“Our organic pre-dividend breakeven is **below \$30 per barrel.**” - Patrick de La Chevadière, Chief Financial Officer, Total, February 8, 2018*

# OFFSHORE ENVIRONMENT IS FAVORABLE



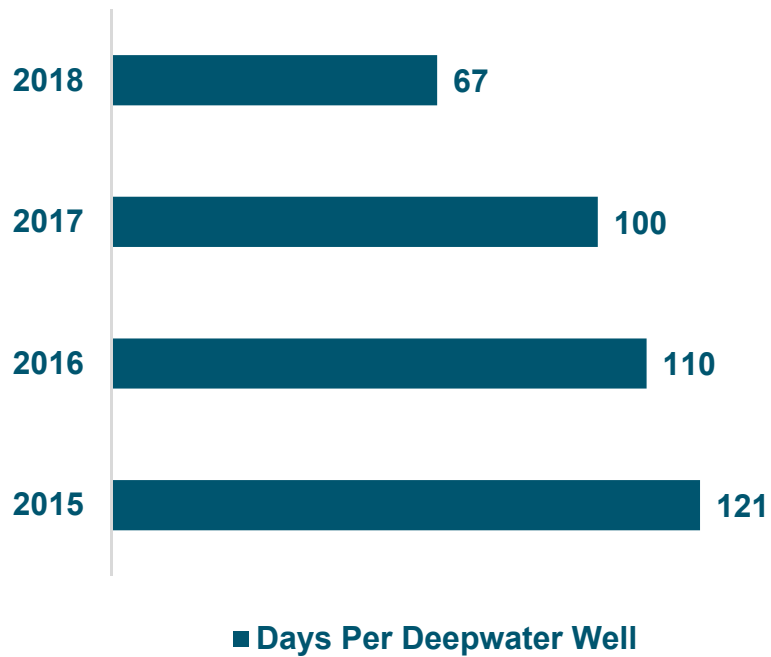
Source: Rystad Energy, Clarkson Platou Securities AS

\*Average breakevens of discovered but undeveloped offshore resources weighted by project size

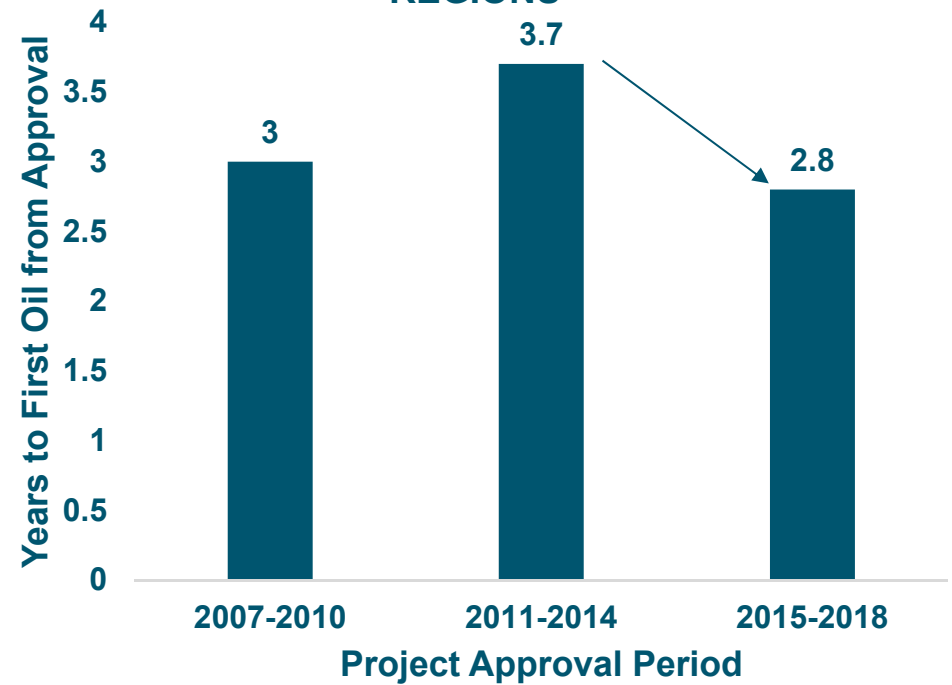


# OFFSHORE DRILLING TIMES DRAMATICALLY REDUCED

## Days Per Deepwater Well in Brazil



## TIME TO FIRST OIL DECREASING IN KEY REGIONS\*

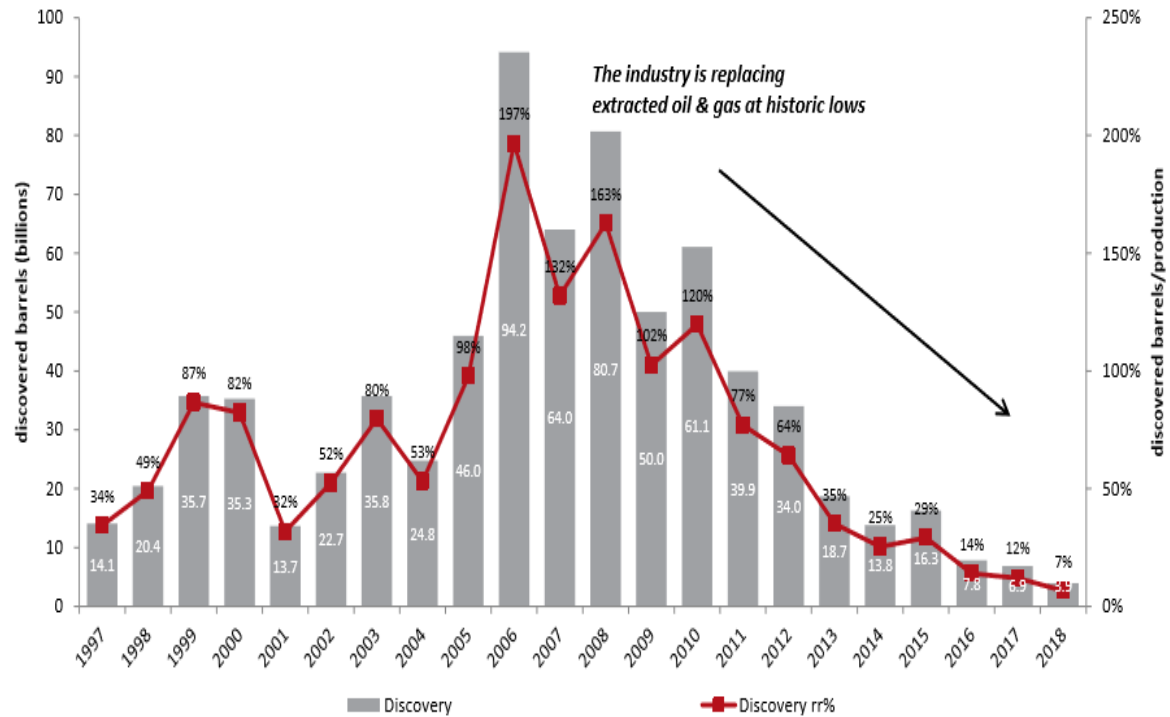


Source: Rystad Energy, Clarkson Platou Securities AS

\*Estimated First Oil for projects not yet producing; including offshore project in North America, Northwest Europe, and South America with time to first oil weighted by resources

# OFFSHORE EXPLORATION MUST INCREASE

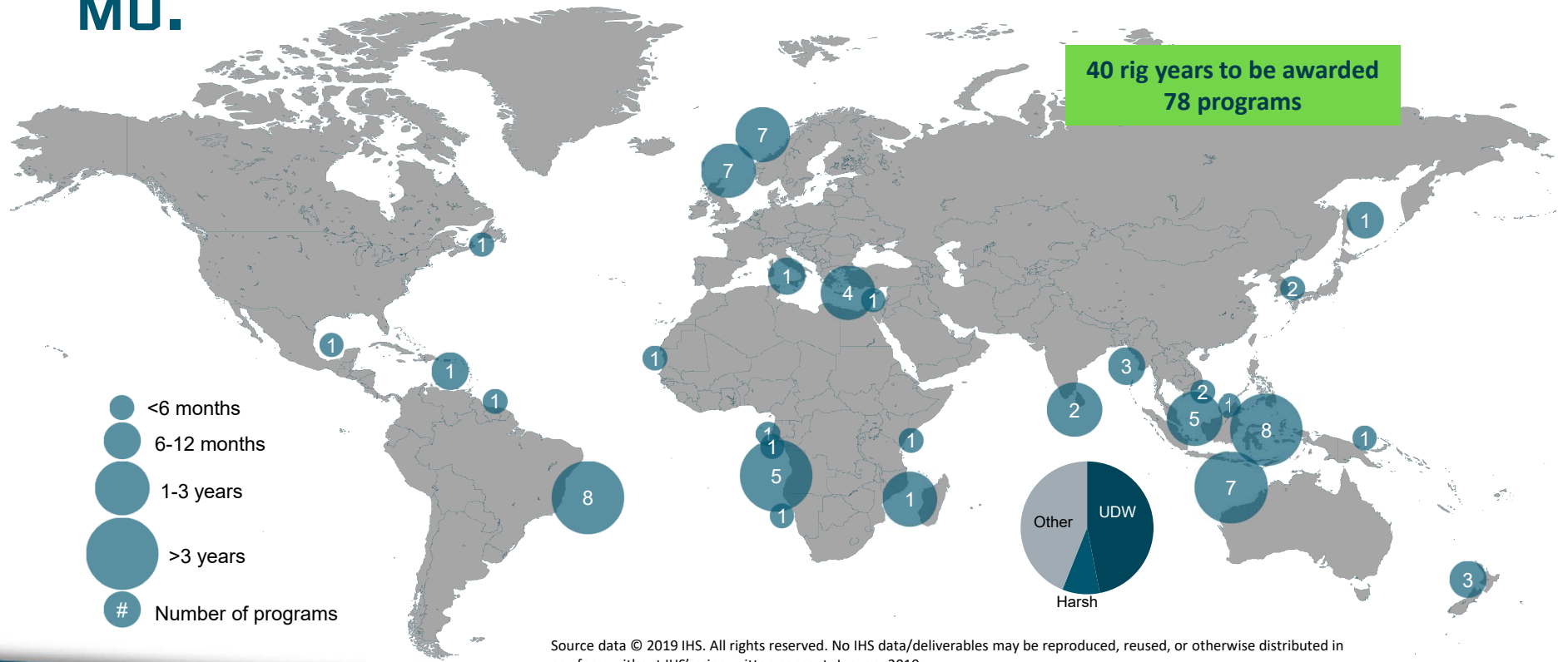
Global reserves replacement ratio last 20 yrs



Source: Rystad Energy | \*Liquids only. Replacement ratio calculated as oil discovered divided by annual oil production

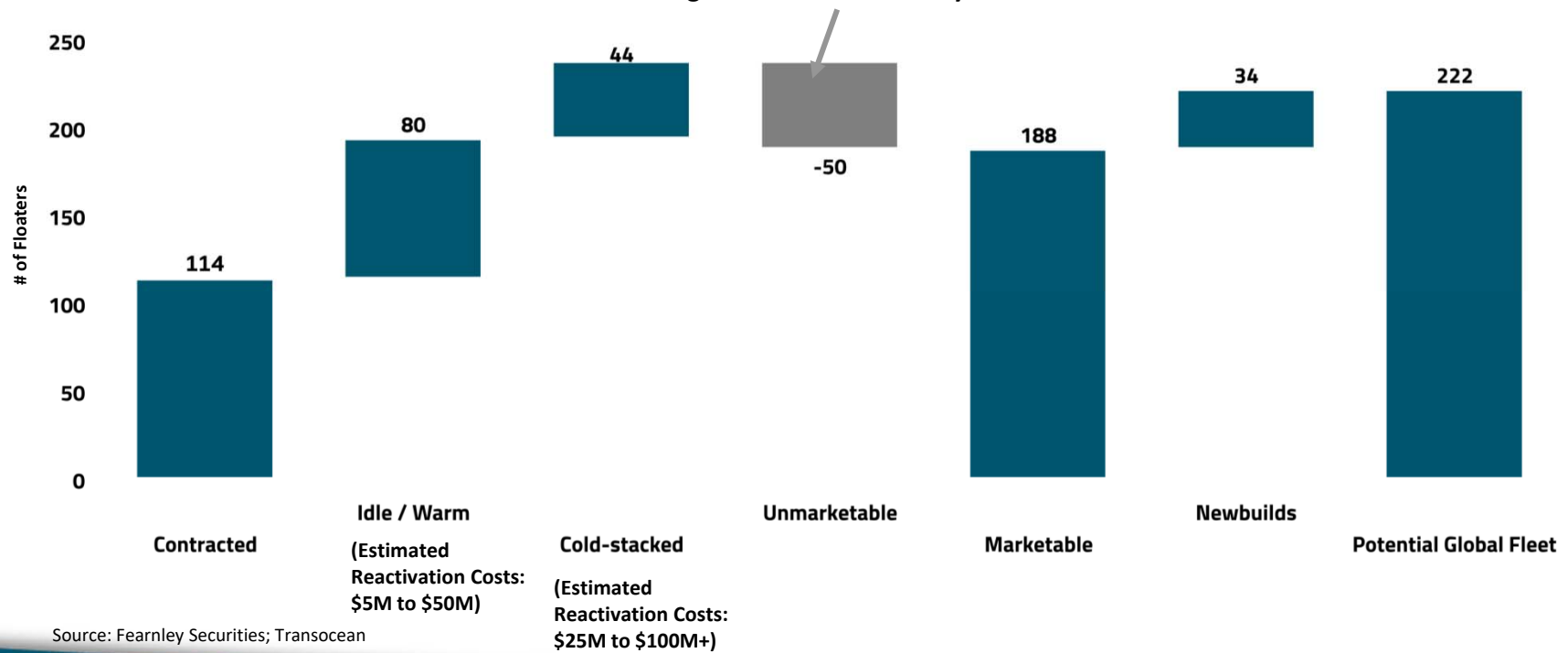
Source: Rystad Energy, Clarksons Platou Securities, January 2019

# FLOATER OPPORTUNITIES – START DATE NEXT 18 MO.



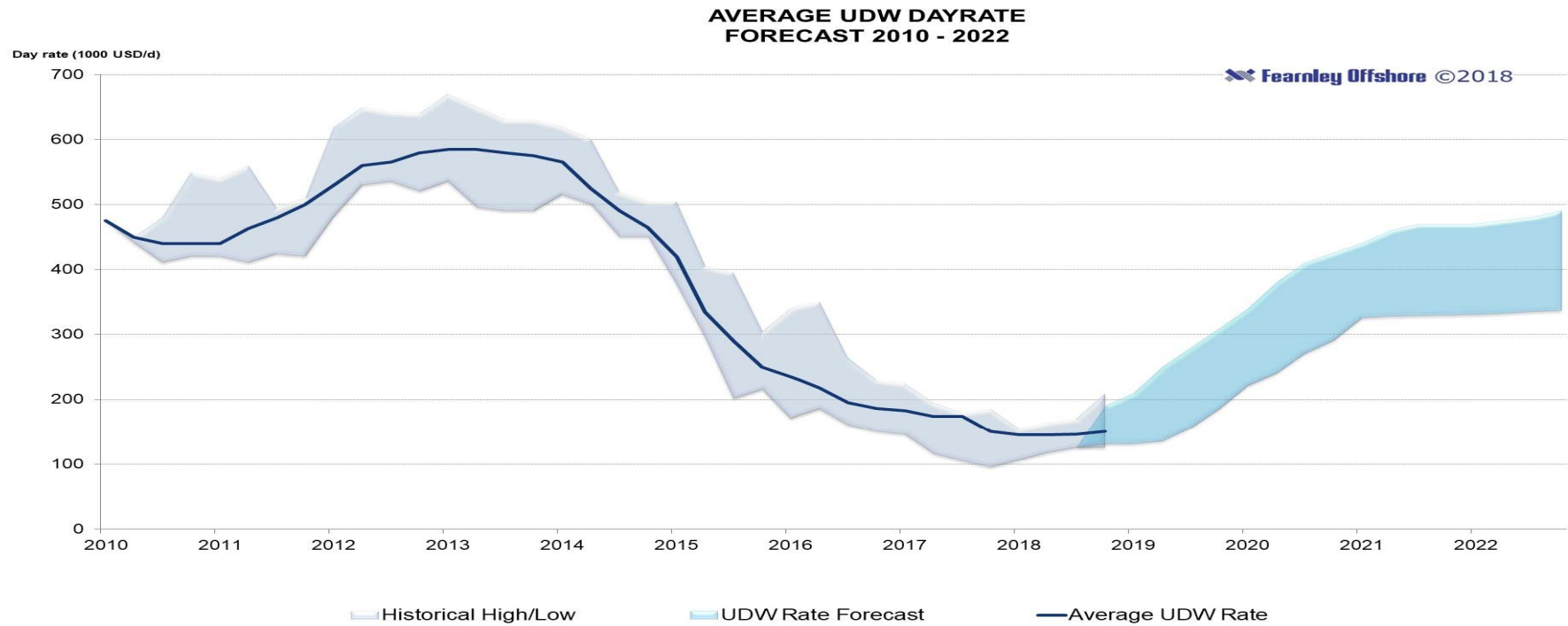
# GLOBAL FLOATER MARKETABLE SUPPLY

Industry has retired 120 floaters, including 48 of Transocean's, since the start of downturn;  
 An additional ~50 global floaters are likely unmarketable



Source: Fearnley Securities; Transocean

# UDW DAYRATE FORECAST



Source: Fearnley's Offshore

# OUR LEADERSHIP POSITION

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Unmatched UDW & HE Experience

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Liquidity of \$3.1B\*\*\*



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\*\*\* Cash and short-term investments at 9/30/18, less cash for ORIG consideration of ~\$240M, plus new \$1.0B undrawn revolving credit facility



The background of the slide is a photograph of the Deepwater Proteus offshore vessel at night. The vessel is illuminated with warm yellow lights, highlighting its complex steel structure, including a tall derrick and various platforms. The name 'DEEPWATER PROTEUS' is visible on the side of the vessel. The sky is a dark, deep blue, and the water in the foreground is dark with some whitecaps. The entire image is framed by a dark teal border at the top and bottom.

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Jeremy Thigpen, President and Chief Executive Officer

February 11, 2019