UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 24, 2010 (February 24, 2010)

TRANSOCEAN LTD.
(Exact name of registrant as specified in its charter)

Switzerland	**000-53533**	**98-0599916**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

Blandonnet International Business Center **Building F, 7th Floor** **Chemin de Blandonnet 2** **Vernier, Switzerland**	**CH-1214**
(Address of principal executive offices)	**(zip code)**

Registrant's telephone number, including area code: +41 (22) 930-9000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

Our press release dated February 24, 2010, concerning financial results for the fourth quarter and fiscal year ended December 31, 2009, furnished as Exhibit 99.1 to this report, is incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

Slide Presentation

On February 24, 2010, we are posting the slide presentation furnished as Exhibit 99.2 to this report on our website at www.deepwater.com. Exhibit 99.2 is incorporated in this Item 7.01 by reference.

Statements contained within the slide presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include but are not limited to projections relating to out-of-service forecasts, operating and maintenance costs trends, contract backlog, free cash flow backlog and debt maturities and other statements that are not historical facts. Such statements are subject to numerous risks, uncertainties and assumptions, including but not limited to, uncertainties relating to the level of activity in offshore oil and gas exploration and development, exploration success by producers, oil and gas prices, rig demand and capacity, drilling industry market conditions, possible delays or cancellation of drilling contracts, work stoppages, operational or other downtime, the Company's ability to enter into and the terms of future contracts, the availability of qualified personnel, labor relations, future financial results, operating hazards, political and other uncertainties inherent in non-U.S. operations (including exchange and currency fluctuations), war, terrorism, natural disaster and cancellation or unavailability of insurance coverage, the impact of governmental laws and regulations, the adequacy of sources of liquidity, the effect of litigation and contingencies and other factors discussed in the Company's most recently filed Form 10-K, and in the Company's other filings with the Securities and Exchange Commission ("SEC"), which are available free of charge on the SEC's website at www.sec.gov. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. We caution investors not to 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, except as required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The exhibits to this report furnished pursuant to items 2.02, and 7.01 are as follows:

Exhibit No.	Description
99.1	Transocean Ltd.. Release Reporting Fourth Quarter and Full-Year 2009 Financial Results
99.2	Slide Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRANSOCEAN LTD.

Date: February 24, 2010

By /s/ MARGARET C. FITZGERALD

Margaret C. Fitzgerald
Associate General Counsel

Index to Exhibits

Exhibit Number	Description
99.1	Transocean Ltd.. Release Reporting Fourth Quarter and Full-Year 2009 Financial Results
99.2	Slide Presentation

Exhibit 99.1

Transocean

Transocean Ltd.
Investor Relations and
Communications Dept.

Analyst Contact:	Gregory S. Panagos +1 713-232-7551	**News Release**
Media Contact:	Guy A. Cantwell +1 713-232-7647	***FOR RELEASE:*** February 24, 2010

TRANSOCEAN LTD. REPORTS
FOURTH QUARTER AND FULL-YEAR 2009 RESULTS

ZUG, SWITZERLAND—Transocean Ltd. (NYSE: RIG) today reported net income attributable to controlling interest for the three months ended December 31, 2009 of $723 million, or $2.24 per diluted share, on revenues of $2.733 billion. The results compare to net income attributable to controlling interest of $754 million, or $2.35 per diluted share, on revenues of $3.270 billion, for the three months ended December 31, 2008.

Fourth quarter 2009 results were favorably impacted by certain net additions, after tax, totaling $10 million, or $0.03 per diluted share, as follows:

- $34 million for the gain on sale of an interest in a joint venture,
- $24 million of income related to the settlement of litigation matters,
- Partially offset by $48 million of net charges primarily related to discrete tax items, the retirement of debt and adjustments associated with the GlobalSantaFe merger.

For the year ended December 31, 2009, net income attributable to controlling interest totaled $3.181 billion, or $9.84 per diluted share, on revenues of $11.556 billion. Net income for the year ended December 31, 2009 included after-tax charges of $498 million, or $1.55 per diluted share, resulting primarily from the fourth quarter items listed above, in addition to charges earlier this year of $334 million on impairments of intangible assets and two rigs held for sale, $132 million on litigation matters and $42 million of net charges primarily related to discrete tax items, the retirement of debt and adjustments associated with the GlobalSantaFe merger.

For 2008, net income attributable to controlling interest was $4.031 billion, or $12.53 per diluted share, on revenues of $12.674 billion. Net income for the year ended December 31, 2008 included after-tax charges of $401 million, or $1.24 per diluted share, primarily related to impairments of goodwill and other intangible assets, write-downs of two rigs held for sale and additional depreciation, depletion and amortization expense resulting from an adjustment to the useful lives of certain rigs acquired in the GlobalSantaFe merger.

Operations Quarterly Review

Revenues for the three months ended December 31, 2009 decreased to $2.733 billion, compared to revenues of $2.823 billion during the three months ended September 30, 2009. The decrease was primarily due to a $219 million reduction in revenue resulting from the stacking of rigs and reduced revenue efficiency, partially offset by a $136 million increase in revenue due to the commencement of operations of three of our newbuild drillships and improvement in average dayrates for floaters.

Operating and maintenance expenses totaled $1.296 billion for the fourth quarter 2009, down seven percent compared to $1.396 billion for the prior quarter. The $100 million quarter-to-quarter reduction in operating and maintenance costs occurred as a result of $137 million in litigation settlement expenses in the third quarter 2009 and a $24 million favorable impact from litigation settlements in the fourth quarter 2009. These items were partially offset by shipyard extensions, increases in maintenance projects and commencement of operations of our newbuilds. In addition, the fourth quarter was favorably impacted by $43 million of reduced costs from stacked rigs and negatively impacted by unplanned costs of $28 million due to an operational incident affecting a jackup.

Depreciation, depletion and amortization expense was $382 million in the fourth quarter 2009, up four percent versus $367 million for the third quarter 2009. The increase was due to the impact on depreciation in the fourth quarter of 2009 from the commencement of operations of the newbuild units, compared to the prior quarter.

General and administrative expenses were $46 million for the fourth quarter 2009 compared to $54 million in the prior quarter. The $8 million decrease was due, in part, to reduced year-end accruals related to one-time personnel expenses.

Liquidity and Interest Expense

Interest expense, net of amounts capitalized for the fourth quarter 2009, increased to $119 million compared to $115 million in the third quarter 2009. The increase was due to the impact of two months of interest expense in the third quarter 2009 compared to the full quarter of interest expense in the fourth quarter 2009 for the *Petrobras 10000* capital lease. As of December 31, 2009, total debt was $11.7 billion, compared to $11.9 billion as of September 30, 2009.

Cash flow from operating activities decreased to $1.175 billion for the fourth quarter 2009 compared to $1.406 billion for the third quarter 2009. For the full year 2009, cash flow from operating activities totaled $5.598 billion compared to $4.959 billion for the full year 2008.

Effective Tax Rate

Transocean's Annual Effective Tax Rate[(1)], which excludes various discrete items, for the fourth quarter 2009 and the full year ended December 31, 2009 was 17.4 percent and 16.0 percent, respectively. The Effective Tax Rate[(2)] for the fourth quarter 2009 and the full year ended December 31, 2009 was 20.1 percent and 19.2 percent, respectively. Transocean's Effective Tax Rate reflects the impact of changes in estimates as well as the impact of impairments.

Conference Call Information

Transocean will conduct a teleconference call at 10:00 a.m. EST, 4:00 p.m. Swiss time, on February 24, 2010. To participate, dial +1 913-312-1377 and refer to confirmation code 5179649 approximately five to 10 minutes prior to the scheduled start time of the call.

In addition, the conference call will be simultaneously broadcast over the Internet in a listen-only mode and can be accessed by logging onto Transocean's website at www.deepwater.com and selecting "Investor Relations." A file containing five charts to be discussed during the conference call, titled "4Q09 Charts," has been posted to Transocean's website and can also be found by selecting "Investor Relations/Quarterly Toolkit." The conference call may also be accessed via the Internet at www.CompanyBoardroom.com by typing in Transocean's New York Stock Exchange trading symbol, "RIG."

A telephonic replay of the conference call should be available after 1:00 p.m. EST, 7:00 p.m. Swiss time, on February 24, and can be accessed by dialing +1 719-457-0820 and referring to the passcode 5179649. Also, a replay will be available through the Internet and can be accessed by visiting either of the above-referenced Worldwide Web addresses.

Transocean is the world's largest offshore drilling contractor and the leading provider of drilling management services worldwide. With a fleet of 138 mobile offshore drilling units plus five announced ultra-deepwater newbuild units, Transocean's fleet is considered one of the most modern and versatile in the world due to its emphasis on technically demanding segments of the offshore drilling business. Transocean owns or operates a contract drilling fleet of 44 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment semisubmersibles and drillships), 26 Midwater Floaters, 10 High-Specification Jackups, 55 Standard Jackups and other assets utilized in the support of offshore drilling activities worldwide.

---

(1) Annual Effective Tax Rate is defined as income tax expense excluding various discrete items (such as changes in estimates and tax on items excluded from income before income tax expense) divided by income before income tax expense excluding gains on sales and similar items pursuant to the accounting standards for income taxes and estimating the annual effective tax rate. See the accompanying schedule entitled "Supplemental Effective Tax Rate Analysis."

(2) Effective Tax Rate is defined as income tax expense divided by income before income taxes. See the accompanying schedule entitled "Supplemental Effective Tax Rate Analysis."

###

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2009	2008 (As adjusted)	2009	2008 (As adjusted)
Operating revenues				
Contract drilling revenues	$2,546	$ 2,830	$10,607	$ 10,756
Contract drilling intangible revenues	44	133	281	690
Other revenues	143	307	668	1,228
	2,733	3,270	11,556	12,674
Costs and expenses				
Operating and maintenance	1,296	1,408	5,140	5,355
Depreciation, depletion and amortization	382	396	1,464	1,436
General and administrative	46	59	209	199
	1,724	1,863	6,813	6,990
Loss on impairment	—	(320)	(334)	(320)
Loss on disposal of assets, net	(6)	(3)	(9)	(7)
Operating income	1,003	1,084	4,400	5,357
Other income (expense), net				
Interest income	3	2	5	32
Interest expense, net of amounts capitalized	(119)	(167)	(484)	(640)
Loss on retirement of debt	(12)	(3)	(29)	(3)
Other, net	23	49	32	26
	(105)	(119)	(476)	(585)
Income before income tax expense	898	965	3,924	4,772
Income tax expense	181	210	754	743
Net income	717	755	3,170	4,029
Net income (loss) attributable to noncontrolling interest	(6)	1	(11)	(2)
Net income attributable to controlling interest	$ 723	$ 754	$ 3,181	$ 4,031
Earnings per share				
Basic	$ 2.24	$ 2.36	$ 9.87	$ 12.63
Diluted	$ 2.24	$ 2.35	$ 9.84	$ 12.53
Weighted average shares outstanding				
Basic	321	319	320	318
Diluted	322	320	321	321

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2009	December 31, 2008 (As adjusted)
Assets		
Cash and cash equivalents	$ 1,130	$ 963
Short-term investments	38	333
Accounts receivable, net		
Trade	2,330	2,798
Other	55	66
Materials and supplies, net	462	432
Deferred income taxes, net	104	63
Assets held for sale	186	464
Other current assets	171	230
Total current assets	4,476	5,349
Property and equipment	29,351	25,836
Less accumulated depreciation	6,333	4,975
Property and equipment, net	23,018	20,861
Goodwill	8,134	8,128
Other assets	808	844
Total assets	$36,436	$ 35,182
Liabilities and equity		
Accounts payable	$ 780	$ 914
Accrued income taxes	240	317
Debt due within one year	1,868	664
Other current liabilities	730	806
Total current liabilities	3,618	2,701
Long-term debt	9,849	12,893
Deferred income taxes, net	726	666
Other long-term liabilities	1,684	1,755
Total long-term liabilities	12,259	15,314
Commitments and contingencies		
Shares, CHF 15.00 par value, 502,852,947 authorized, 167,617,649 conditionally authorized, 335,235,298 issued at December 31, 2009 and 2008; 321,223,882 and 319,262,113 outstanding at December 31, 2009 and 2008, respectively	4,472	4,444
Additional paid-in capital	7,407	7,313
Retained earnings	9,008	5,827
Accumulated other comprehensive loss	(335)	(420)
Total controlling interest shareholders’ equity	20,552	17,164
Noncontrolling interest	7	3
Total equity	20,559	17,167
Total liabilities and equity	$36,436	$ 35,182

TRANSOCEAN LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three months ended December 31, 2009	Three months ended December 31, 2008 (As adjusted)	Years ended December 31 2009	Years ended December 31 2008 (As adjusted)
Cash flows from operating activities				
Net income	$ 717	$ 755	$ 3,170	$ 4,029
Adjustments to reconcile net income to net cash provided by operating activities				
Amortization of drilling contract intangibles	(44)	(133)	(281)	(690)
Depreciation, depletion and amortization	382	396	1,464	1,436
Share-based compensation expense	15	15	81	64
Excess tax benefit from share-based compensation plans	8	1	(2)	(10)
Loss on impairment	—	320	334	320
Loss on disposal of assets, net	6	3	9	7
Loss on retirement of debt	12	—	29	3
Amortization of debt issue costs, discounts and premiums, net	49	47	209	176
Deferred income taxes	(37)	4	13	8
Other, net	(23)	26	7	41
Deferred revenue, net	97	(11)	169	11
Deferred expenses, net	—	17	(38)	(115)
Changes in operating assets and liabilities	(7)	(244)	434	(321)
Net cash provided by operating activities	1,175	1,196	5,598	4,959
Cash flows from investing activities				
Capital expenditures	(857)	(505)	(3,052)	(2,208)
Proceeds from disposal of assets, net	8	(4)	18	348
Proceeds from short-term investments	142	45	564	59
Purchases of short-term investments	(1)	—	(269)	(408)
Joint ventures and other investments, net	40	16	45	13
Net cash used in investing activities	(668)	(448)	(2,694)	(2,196)
Cash flows from financing activities				
Change in short-term borrowings, net	(136)	(684)	(382)	(837)
Proceeds from debt	169	307	514	2,661
Repayments of debt	(288)	(220)	(2,871)	(4,893)
Payments to shareholders for Reclassification	—	(1)	—	(1)
Payments for warrant exercises, net	—	(3)	(13)	(7)
Proceeds from share-based compensation plans, net	1	2	17	51
Excess tax benefit from share-based compensation plans	(8)	(1)	2	10
Other, net	(1)	(14)	(4)	(25)
Net cash used in financing activities	(263)	(614)	(2,737)	(3,041)
Net increase (decrease) in cash and cash equivalents	244	134	167	(278)
Cash and cash equivalents at beginning of period	886	829	963	1,241
Cash and cash equivalents at end of period	$1,130	$ 963	$ 1,130	$ 963

TRANSOCEAN LTD.
FLEET OPERATING STATISTICS

	Operating Revenues ($ Millions) [1]				
	Three months ended			Twelve months ended December 31,	
	December 31, 2009	September 30, 2009	December 31, 2008	2009	2008
Contract Drilling Revenues					
High-Specification Floaters:					
Ultra Deepwater Floaters	$ 890	$ 732	$ 673	$ 2,997	$ 2,456
Deepwater Floaters	449	463	331	1,731	1,355
Harsh Environment Floaters	155	141	164	613	646
Total High-Specification Floaters	1,494	1,336	1,168	5,341	4,457
Midwater Floaters	537	618	797	2,507	2,812
High-Specification Jackups	86	104	146	469	594
Standard Jackups	422	537	709	2,257	2,842
Other Rigs	7	6	10	33	51
Subtotal	2,546	2,602	2,830	10,607	10,756
Contract Intangible Revenue	44	58	133	281	690
Other Revenues					
Client Reimbursable Revenues	46	49	51	194	203
Integrated Services and Other	48	53	49	206	186
Drilling Management Services	41	54	194	239	758
Oil and Gas Properties	8	7	13	29	81
Subtotal	143	163	307	668	1,228
Total Company	$ 2,733	$ 2,823	$ 3,270	$ 11,556	$ 12,674

	Average Dayrates [1]				
	Three months ended			Twelve months ended December 31,	
	December 31, 2009	September 30, 2009	December 31, 2008	2009	2008
High-Specification Floaters:					
Ultra Deepwater Floaters	$ 486,200	$ 458,500	$ 423,600	$462,700	$399,200
Deepwater Floaters	$ 346,600	$ 355,600	$ 299,000	$344,900	$305,400
Harsh Environment Floaters	$ 405,800	$ 386,000	$ 358,900	$378,000	$361,500
Total High-Specification Floaters	$ 425,900	$ 409,300	$ 370,500	$407,200	$360,100
Midwater Floaters	$ 325,100	$ 355,800	$ 329,200	$322,800	$303,800
High-Specification Jackups	$ 175,100	$ 161,000	$ 169,100	$166,300	$174,800
Standard Jackups	$ 147,300	$ 156,200	$ 156,100	$152,600	$152,500
Other Rigs	$ 72,300	$ 73,300	$ 37,800	$ 54,700	$ 46,200
Total Drilling Fleet	$ 295,700	$ 283,800	$ 251,500	$271,400	$240,300

	Utilization [1]				
	Three months ended			Twelve months ended December 31,	
	December 31, 2009	September 30, 2009	December 31, 2008	2009	2008
High-Specification Floaters:					
Ultra Deepwater Floaters	91%	90%	96%	92%	93%
Deepwater Floaters	88%	89%	75%	86%	76%
Harsh Environment Floaters	83%	80%	100%	89%	98%
Total High-Specification Floaters	89%	88%	88%	89%	87%
Midwater Floaters	69%	72%	92%	79%	87%
High-Specification Jackups	53%	70%	94%	77%	93%
Standard Jackups	57%	68%	90%	74%	91%
Other Rigs	50%	42%	99%	66%	100%
Total Drilling Fleet	69%	75%	90%	80%	90%

[1] Average daily revenue is defined as contract drilling revenue earned per revenue earning day in the period. A revenue earning day is defined as a day for which a rig earns dayrate after commencement of operations. Utilization is defined as the total actual number of revenue earning days in the period as a percentage of the total number of calendar days in the period for all drilling rigs in our fleet.

Transocean Ltd. and Subsidiaries
Supplemental Effective Tax Rate Analysis
(In millions)

	Three months ended			Twelve months ended	
	Dec 31, 2009	Sept 30, 2009	Dec 31, 2008 (As adjusted)	Dec 31, 2009	Dec 31, 2008 (As adjusted)
Income before income taxes	$ 898	$ 844	$ 965	$3,924	$ 4,772
Add back (subtract):					
Litigation matters	(24)	132	—	108	—
Loss on retirement of debt	12	7	—	29	3
GSF merger related costs	5	4	2	17	6
Income from TODCO tax sharing agreement	(1)	(11)	(4)	(12)	(18)
Loss on impairment	—	46	326	334	326
Gain on sale of *Sedco 135-D*	—	(1)	—	(2)	—
Gain on sale of interests in joint ventures	(34)	—	—	(30)	—
Change to estimated useful lives of certain GSF rigs	—	—	46	—	46
Bad debt provision related to a customer bankruptcy	—	—	23	—	23
Loss on The Reserve Funds	—	—	—	—	16
Adjusted income before income taxes	**856**	**1,021**	**1,358**	**4,368**	**5,174**
Income tax expense	181	138	210	754	743
Add back (subtract):					
Loss on impairment	18	—	17	18	17
GSF Merger related costs	—	1	—	2	1
Bad debt provision related to a customer bankruptcy	—	—	6	—	6
Loss on The Reserve Funds	—	—	—	—	2
Changes in estimates (1)	(50)	28	(14)	(74)	(24)
Adjusted income tax expense (2)	**$ 149**	**$ 167**	**$ 219**	**$ 700**	**$ 745**
Effective Tax Rate (3)	**20.1%**	**16.4%**	**21.8%**	**19.2%**	**15.6%**
Annual Effective Tax Rate (4)	**17.4%**	**16.4%**	**16.1%**	**16.0%**	**14.4%**

(1) Our estimates change as we file tax returns, settle disputes with tax authorities or become aware of other events and include changes in (a) deferred taxes, (b) valuation allowances on deferred taxes and (c) other tax liabilities.

(2) The three months ended December 31, 2009 include $11 million of additional tax expense (benefit) reflecting the catch-up effect of an increase (decrease) in the annual effective tax rate from the previous quarter estimate.

(3) Effective Tax Rate is income tax expense divided by income before income taxes.

(4) Annual Effective Tax Rate is income tax expense excluding various discrete items (such as changes in estimates and tax on items excluded from income before income taxes) divided by income before income taxes excluding gains and losses on sales and similar items pursuant to the accounting standards for income taxes and estimating the annual effective tax rate.

Exhibit 99.2

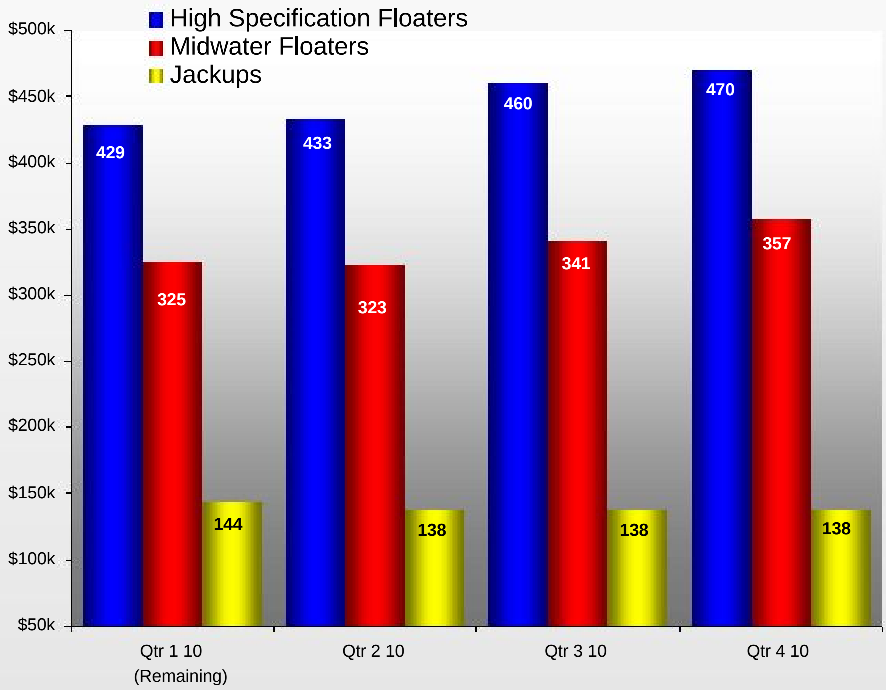
Transocean

Your Next Generation Driller

Transocean Ltd. Reports Fourth Quarter 2009 Results

Chart #1: Average Contracted Dayrate by Rig Type

Qtr 1 2010 through Qtr 4 2010 (Unaudited)

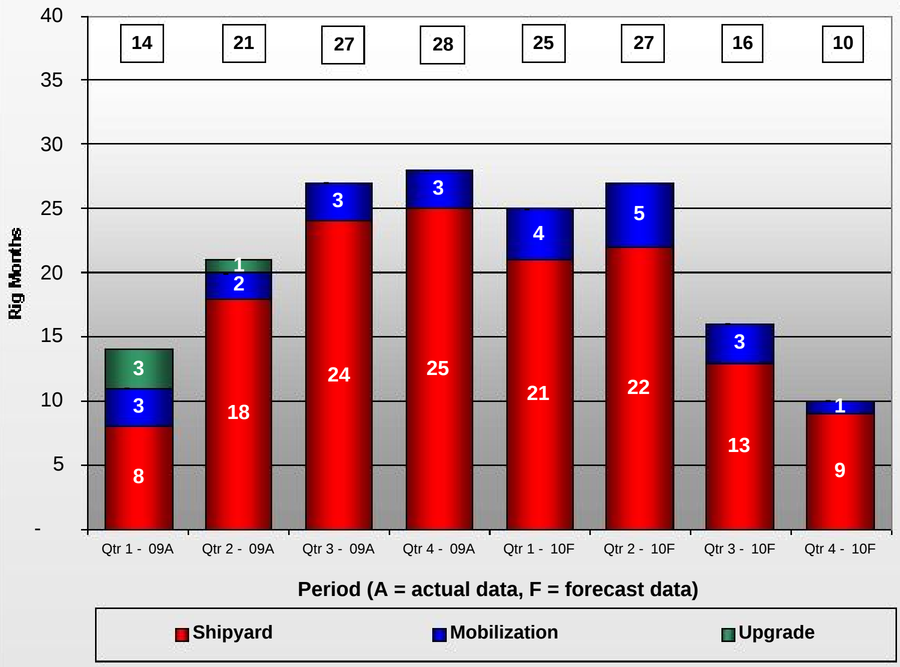


Definitions

Average Dayrate	**The weighted average contract dayrate for each rig type based on current backlog from the company's most recent Fleet Status Report as of February 2, 2010. Includes firm contracts only.**
High-Specification Floaters	**The High-Specification Floaters category is a consolidation of the Ultra-Deepwater Floaters, Other High-Specification Floaters and Other Deepwater Floaters as described below.** **Ultra-Deepwater Floaters have high-pressure mud pumps and a water depth capability of 7,500 feet or greater.** **Other High-Specification Floaters were built in the mid to late 1980s, are capable of drilling in harsh environments and have greater displacement than previously constructed rigs resulting in larger variable load capacity, more useable deck space and better motion characteristics.** **The Other Deepwater Floaters include the remaining semi-submersible rigs and drillships that have a water depth capacity of at least 4,500 feet.**
Midwater Floaters	**The Midwater Floaters category is generally comprised of those non-High-Specification Floaters with a water depth capacity of less than 4,500 feet.**
Jackups	**The Jackups category consists of our jackup fleet.**

Chart #2: Out-of-Service Rig Months*

Qtr 1 2009 through Qtr 4 2010 (Unaudited)



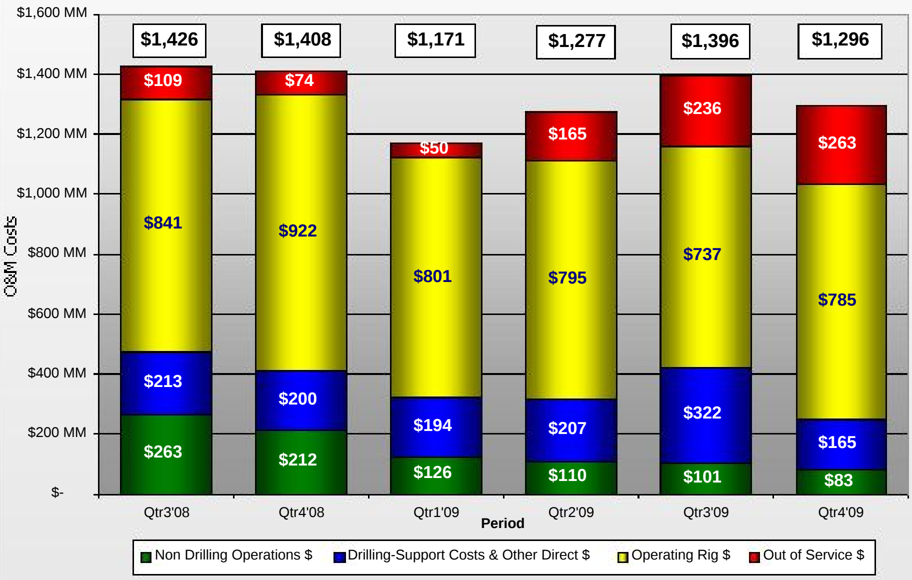
Definitions

Rig Months	Time expressed in months that each rig has been, or is forecast to be Out of Service as reflected in the company's Fleet Status Report as of February 2, 2010. Also includes out of service time of less than 14 days that is not disclosed in the Fleet Status Report.
Out-of-Service	Time when a rig is not available to earn an operating dayrate due to shipyard, mobilization, and upgrades.
Mobilization	Includes mobilization and demobilization to and from operating contracts and other activities such as shipyards excluding those mobilization and demobilization periods covered in *Upgrade.* Excludes Newbuild mobilization prior to commencement of operations.
Upgrade	Includes the Sedco 702 and the Sedco 706 which have undergone shipyard projects to enhance the operational capabilities.
Shipyard	Refers to periods during which a rig is out of service as a result of contract preparation, other planned shipyards, surveys, repairs, regulatory inspections or other planned service or work on the rig excluding upgrades.

* Excludes stacked rigs and mobilization to stacking locations.

Chart #3: Operating & Maintenance (O&M) Costs Trends

(Unaudited)



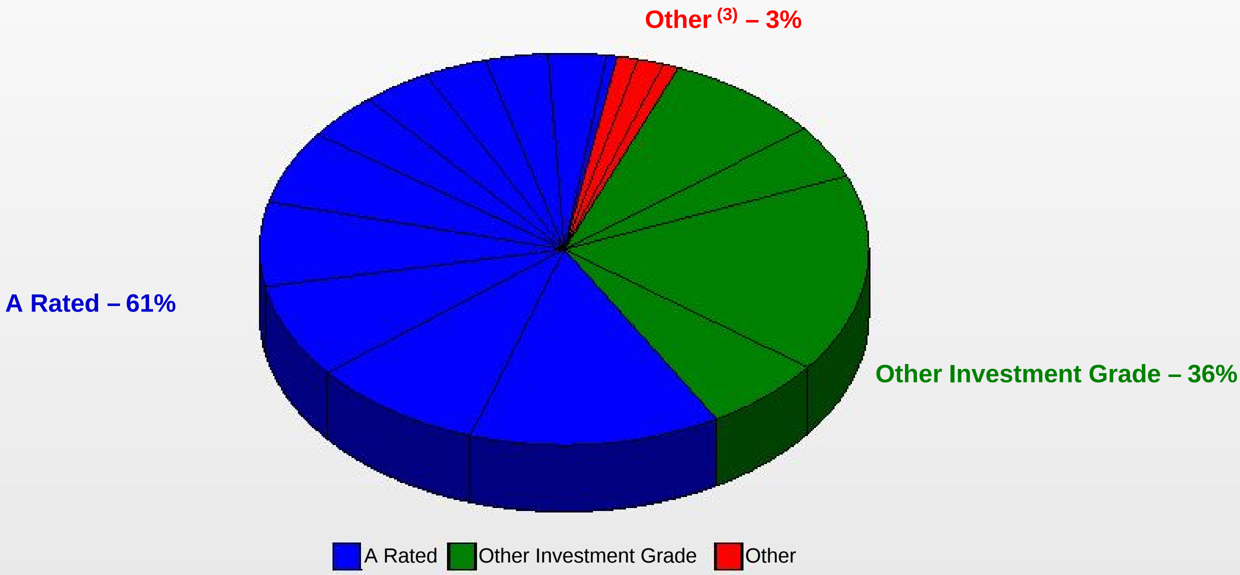
Definitions

Drilling - Support Costs & Other Direct	Includes all shorebase and common support costs such as onshore offices, yards and pool equipment and other direct costs such as labor pools and certain newbuild expenses prior to commencement of operations.
Non Drilling Operations	Includes Integrated Services, Drilling Management, and Oil & Gas Services, and non-drilling overhead
Operating Rig $	Denotes the total O&M costs of a rig while in service based upon the Rig Operating Days (excluding shorebase or common support costs), as defined below.
Out of Service $	Denotes the total O&M costs while a rig is out of service which includes shipyards, contract preparation and stacking costs.
O&M Costs	Operating and maintenance costs represent all direct and indirect costs associated with the operation and maintenance of our drilling rigs. Operating and maintenance costs also includes all costs related to local and unit offices as well as all costs related to operations support, engineering support, marketing and other similar costs. The principal elements of these costs are direct and indirect labor and benefits, repair and maintenance, contract preparation expenses, insurance, boat and helicopter rentals, professional and technical fees, freight costs, communications, customs duties, tool rentals and services, fuel and water, general taxes and licenses. Labor, repair and maintenance costs, insurance premiums, personal injury losses and drilling rig casualty losses represent the most significant components of our operating and maintenance costs

Chart #4: Contract Backlog by Client Rating[1]

(Unaudited)

Total Contract Backlog [2] = $30.4 Billion



(1) Credit ratings represent the rating of client parent companies; however, our contracts may or may not be with the parent company.

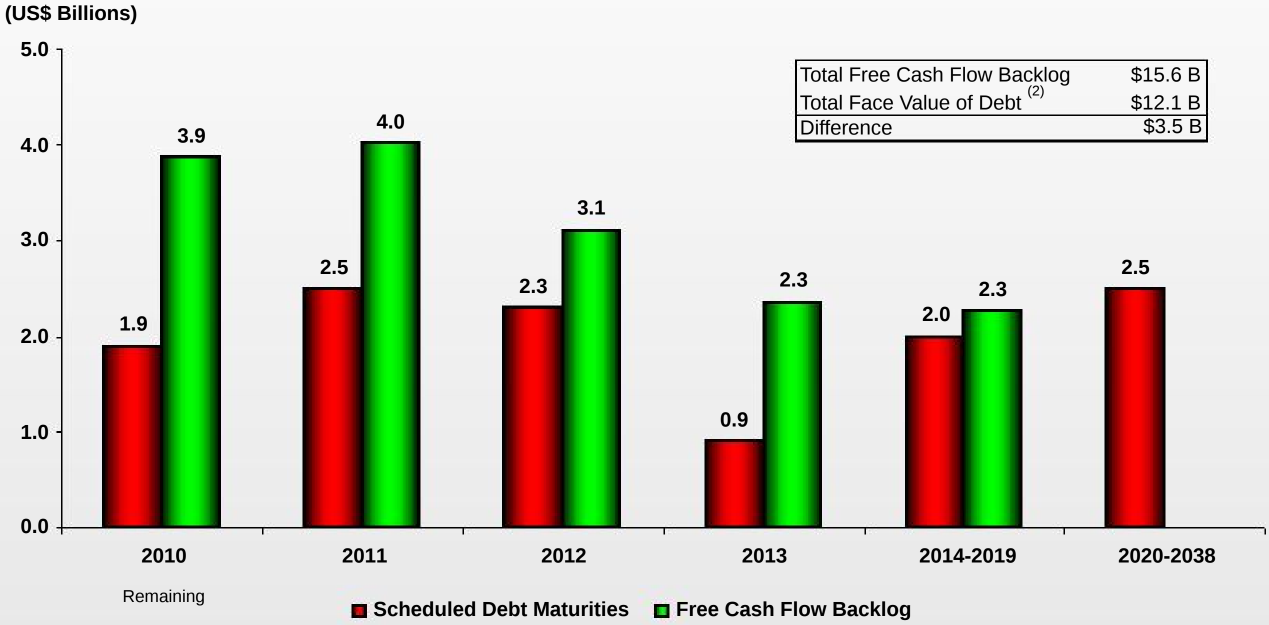
(2) Calculated by multiplying the contracted operating dayrate by the firm contract period from February 2, 2010 forward. Reflects firm commitments represented by signed contracts. Contract backlog excludes revenues from mobilization, demobilization, contract preparation, integrated services and customer reimbursables. Our backlog calculation assumes that we receive the full contractual dayrate, which could be higher than the actual dayrate that we receive because of a number of factors (rig downtime, suspension of operations, etc.) including some beyond our control.

(3) Other includes non-investment grade and unrated companies

Chart #5: Free Cash Flow Backlog and Debt Maturities

(Unaudited)

Total Free Cash Flow Backlog (1) = $15.6 Billion



Total Free Cash Flow Backlog	$15.6 B
Total Face Value of Debt (2)	$12.1 B
Difference	$3.5 B

(1) Defined as revenue backlog, plus firm mobilization revenue for contracts not started, less the following: operating expenditures, overhead costs (except general and administrative costs), firm mobilization costs, cash taxes, firm sustaining capital expenditures, all newbuild capital expenditures and upgrade capital expenditures based on current backlog from the company's Fleet Status Update Summary as of February 2, 2010.

(2) In preparing the scheduled maturities of outstanding debt, presented as of December 31, 2009 for 2010 and future periods, we assumed the noteholders exercise their options to require us to repurchase the 1.625% Series A, 1.50% Series B, and 1.50% Series C Convertible Senior Notes in December 2010, 2011, and 2012, respectively.