Transocean Ltd. and subsidiaries Non-GAAP Financial Measures and Reconciliations Adjusted Net Income and Adjusted Diluted Earnings Per Share

(in US\$ millions, except per share data)

										YTD /30/17	QTD 06/30/17			QTD :/31/17_
Adjusted Net Income									Φ.	(1 500)	.	(1 (00)	Φ.	01
Net income (loss) attributable to controlling interest, as reporte Add back (subtract):	a								\$	(1,599)	\$	(1,690)	\$	91
Litigation matters										(7)		1		(8)
Restructuring charges										2		2		- (0)
Loss on impairment of assets										113		113		_
(Gain) loss on disposal of assets, net										1,595		1,597		(2)
Loss on retirement of debt										48		48		-
Discrete tax items and other, net										(147)		(70)		(77)
Net income, as adjusted									\$	5	\$	1	\$	4
Adjusted Diluted Earnings Per Share:														
Diluted earnings (loss) per share, as reported									\$	(4.09)	\$	(4.32)	\$	0.23
Add back (subtract):										(0.00)				(0.00)
Litigation matters										(0.02)		-		(0.02)
Restructuring charges										-		-		-
Loss on impairment of assets Loss on disposal of assets, net										0.29 4.08		0.29 4.08		-
Loss on retirement of debt										0.12		0.12		-
Discrete tax items and other, net										(0.37)		(0.17)		(0.20)
Diluted earnings per share, as adjusted									\$	0.01	\$	-	\$	0.01
		V.T.D.		QTD	,	YTD	,	QTD	,	YTD		QTD		QTD
	,	YTD	(עונ		טוו	(עונ		טוו	,	QID	'	QID
		/31/16		/31/16		/30/16		/30/16		/30/16		/30/16		/31/16
Adjusted Net Income	12	/31/16	12	/31/16	09	/30/16	09	/30/16	06	/30/16	06	/30/16	03	/31/16
Net income attributable to controlling interest, as reported														
Net income attributable to controlling interest, as reported Add back (subtract):	12	778	12	243	09	/30/16	09	/30/16	06	/30/16	06	/30/16	03	/31/16
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters	12	778 (28)	12	243 (28)	09	535 -	09	218	06	317 -	06	82 -	03	235
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges	12	778 (28) 26	12	243 (28) 11	09	535 - 15	09	218 - 4	06	317 - 11	06	82 - 7	03	235
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets	12	778 (28) 26 91	12	243 (28) 11 66	09	535 - 15 25	09	218 - 4 11	06	317 - 11 14	06	82 - 7 12	03	235 - 4 2
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net	12	778 (28) 26 91 (13)	12	243 (28) 11	09	535 - 15 25 (8)	09	218 - 4 11 (3)	06	317 - 11 14 (5)	06	82 - 7 12 (4)	03	235
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	12	778 (28) 26 91	12	243 (28) 11 66	09	535 - 15 25	09	218 - 4 11	06	317 - 11 14	06	82 - 7 12 (4) (38)	03	235 - 4 2 (1)
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations	12	778 (28) 26 91 (13) (148)	12	243 (28) 11 66 (5)	09	535 - 15 25 (8) (148)	09	218 - 4 11 (3) (110) -	06	317 - 11 14 (5) (38) -	06		03	235 - 4 2 (1) - 1
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	12	778 (28) 26 91 (13) (148)	12	243 (28) 11 66	09	535 - 15 25 (8) (148)	09	218 - 4 11 (3)	06	317 - 11 14 (5)	06	82 - 7 12 (4) (38)	03	235 - 4 2 (1)
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net	12	778 (28) 26 91 (13) (148) - (50)	\$	243 (28) 11 66 (5) - (26)	\$	535 - 15 25 (8) (148) - (24)	\$	218 - 4 11 (3) (110) - (32)	<u>06</u>	317 - 11 14 (5) (38) - 8	\$		\$	235 - 4 2 (1) - 1
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted	12	778 (28) 26 91 (13) (148) - (50)	\$	243 (28) 11 66 (5) - (26)	\$	535 - 15 25 (8) (148) - (24)	\$	218 - 4 11 (3) (110) - (32)	<u>06</u>	317 - 11 14 (5) (38) - 8	\$		\$	235 - 4 2 (1) - 1
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract):	\$	778 (28) 26 91 (13) (148) - (50) 656	\$	243 (28) 11 66 (5) - (26) 261	\$	535 - 15 25 (8) (148) - (24) 395	\$	218 - 4 11 (3) (110) - (32) 88	\$	317 - 11 14 (5) (38) - 8 307	\$	7 12 (4) (38) (1) 7 65	\$	235 - 4 2 (1) - 1 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08)	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07)	\$	535 - 15 25 (8) (148) - (24) 395	\$	218 - 4 11 (3) (110) - (32) 88 0.59	\$	317 - 11 14 (5) (38) - 8 307	\$		\$	235 - 4 2 (1) - 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters Restructuring charges	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08) 0.07	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07) 0.03	\$		\$. 4 11 (3) (110) . (32) 88 0.59 . 0.01	\$		\$		\$	235 - 4 2 (1) - 1 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08) 0.07 0.25	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07) 0.03 0.16	\$		\$. 4 11 (3) (110) - (32) 88 0.59 - 0.01 0.03	\$		\$		\$	235 - 4 2 (1) - 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08) 0.07 0.25 (0.04)	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07) 0.03 0.16 (0.01)	\$		\$		\$	317 - 11 14 (5) (38) - 8 307 0.86 - 0.03 0.04 (0.01)	\$		\$	235 - 4 2 (1) - 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08) 0.07 0.25 (0.04) (0.40)	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07) 0.03 0.16	\$		\$		\$		\$		\$	235 - 4 2 (1) - 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08) 0.07 0.25 (0.04) (0.40)	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07) 0.03 0.16 (0.01)	\$		\$		\$		\$		\$	235 - 4 2 (1) - 1 242
Net income attributable to controlling interest, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations Discrete tax items and other, net Net income, as adjusted Adjusted Diluted Earnings Per Share: Diluted earnings per share, as reported Add back (subtract): Litigation matters Restructuring charges Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	\$	778 (28) 26 91 (13) (148) - (50) 656 2.08 (0.08) 0.07 0.25 (0.04) (0.40)	\$	(28) 11 66 (5) - (26) 261 0.64 (0.07) 0.03 0.16 (0.01)	\$		\$		\$	317 - 11 14 (5) (38) - 8 307 0.86 - 0.03 0.04 (0.01)	\$		\$	235 - 4 2 (1) - 1 242

Transocean Ltd. and subsidiaries Non-GAAP Financial Measures and Reconciliations Adjusted Net Income and Adjusted Diluted Earnings Per Share

(in US\$ millions, except per share data)

	YTD 12/31/15		QTD 12/31/15		YTD 09/30/15		QTD 09/30/15		YTD 06/30/15		QTD 06/30/15		QTD 03/31/15	
Adjusted Net Income		<u>.</u>												
Net income (loss) attributable to controlling interest, as reported	\$	865	\$	616	\$	249	\$	386	\$	(137)	\$	335	\$	(472)
Add back (subtract):														
Litigation matters		(735)		-		(735)		-		(735)		(735)		-
Restructuring charges		40		22		18		2		16		11		5
Loss on impairment of assets		1,719		30		1,689		14		1,675		801		874
Gain on disposal of assets, net		(12)		(5)		(7)		(1)		(6)		(5)		(1)
Gain on retirement of debt		(23)		(16)		(7)		(7)		-		-		-
Gain on disposal of assets in discontinued operations		(1)		-		(1)		(1)		-		-		-
(Income) loss from discontinued operations		(1)		1		(2)		(3)		1		(1)		2
Discrete tax items and other, net		(75)		(26)		(49)		(42)		(7)		(1)		(6)
Net income, as adjusted	\$	1,777	\$	622	\$	1,155	\$	348	\$	807	\$	405	\$	402
Adjusted Diluted Earnings Per Share:														
Diluted earnings (loss) per share, as reported	\$	2.36	\$	1.68	\$	0.68	\$	1.06	\$	(0.38)	\$	0.91	\$	(1.30)
Add back (subtract):														
Litigation matters		(2.02)		-		(2.02)		-		(2.02)		(2.02)		-
Restructuring charges		0.11		0.06		0.04		-		0.04		0.03		0.01
Loss on impairment of assets		4.69		0.08		4.62		0.04		4.61		2.20		2.41
Gain on disposal of assets, net		(0.02)		(0.01)		(0.02)		-		(0.01)		(0.01)		-
Gain on retirement of debt		(0.06)		(0.04)		(0.02)		(0.02)		-		-		-
Gain on disposal of assets in discontinued operations		-		-		-		-		-		-		-
(Income) loss from discontinued operations		-		-		-		-		-		-		-
Discrete tax items and other, net		(0.21)		(0.08)		(0.12)		(0.12)		(0.02)		-		(0.02)
Diluted earnings per share, as adjusted	\$	4.85	\$	1.69	\$	3.16	\$	0.96	\$	2.22	\$	1.11	\$	1.10