Transocean Ltd. and subsidiaries Non-GAAP Financial Measures and Reconciliations Earnings Before Interest, Taxes and Depreciation and Related Margins (in US\$ millions, except percentages)

	YTD 12/31/16	QTD 12/31/16	YTD 09/30/16	QTD 09/30/16	YTD 06/30/16	QTD 06/30/16	QTD 03/31/16
Operating revenues Drilling contract termination fees	\$ 4,161 (396)	\$ 974 (169)	\$ 3,187 (227)	\$ 906 (9)	\$ 2,281 (218)	\$ 940 (9)	\$ 1,341 (209)
Adjusted Normalized Revenues	\$ 3,765	\$ 805	\$ 2,960	\$ 897	\$ 2,063	\$ 931	\$ 1,132
Net income	\$ 827	\$ 257	\$ 570	\$ 236	\$ 334	\$ 93	\$ 241
Income tax expense (benefit)	107	(15)	122	6	116	18	98
Interest expense, net of interest income	389	108	281	104	177	94	83
Depreciation expense EBITDA	893 2,216	226 576	667 1,640	225 571	442	430	<u>217</u> 639
EDITDA	2,210	370	1,040	371	1,009	430	039
Restructuring charges	28	11	17	4	13	8	5
Litigation matters	(30)	(30)	-	-	-	-	-
Loss on impairment of assets Gain on disposal of assets, net	93 (13)	67 (5)	26 (8)	11 (3)	15 (5)	12 (4)	3 (1)
Gain on retirement of debt	(13)	(3)	(0)	(3)	(3)	(4)	(1)
(Income) loss from discontinued operations, net of tax	-	-	-	-	-	(1)	1
Adjusted EBITDA	2,146	619	1,527	473	1,054	407	647
Drilling contract termination fees	(396)	(169)	(227)	(9)	(218)	(9)	(209)
Adjusted Normalized EBITDA	\$ 1,750	\$ 450	\$ 1,300	\$ 464	\$ 836	\$ 398	\$ 438
EBITDA margin	53%	59%	51%	63%	47%	46%	48%
Adjusted EBITDA margin	52%	64%	48%	52%	46%	43%	48%
Adjusted Normalized EBITDA margin	46%	56%	44%	52%	41%	43%	39%
	VTD	ΟΤΟ	VTD	ΟΤΟ	VTD	ΟΤΟ	OTD
	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
Operating revenues							
Drilling contract termination fees	12/31/15 \$ 7,386 (433)	12/31/15 \$ 1,851 (367)	09/30/15 \$ 5,535 (66)	09/30/15 \$ 1,608 	06/30/15 \$ 3,927 (66)	06/30/15 \$ 1,884 (66)	03/31/15 \$ 2,043
	12/31/15 \$7,386	12/31/15 \$ 1,851	09/30/15 \$ 5,535	09/30/15	06/30/15 \$ 3,927	06/30/15 \$ 1,884	03/31/15
Drilling contract termination fees Adjusted Normalized Revenues	12/31/15 \$ 7,386 (433)	12/31/15 \$ 1,851 (367)	09/30/15 \$ 5,535 (66)	09/30/15 \$ 1,608 	06/30/15 \$ 3,927 (66) \$ 3,861	06/30/15 \$ 1,884 (66)	03/31/15 \$ 2,043 - \$ 2,043
Drilling contract termination fees	12/31/15 \$ 7,386 (433) \$ 6,953	12/31/15 \$ 1,851 (367) \$ 1,484	09/30/15 \$ 5,535 (66) \$ 5,469	09/30/15 \$ 1,608 - \$ 1,608	06/30/15 \$ 3,927 (66) \$ 3,861	06/30/15 \$ 1,884 (66) \$ 1,818	03/31/15 \$ 2,043 - \$ 2,043
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss)	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275	09/30/15 \$ 1,608 \$ 1,608 \$ 395	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120)	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341	03/31/15 \$ 2,043 <u>-</u> \$ 2,043 \$ 2,043
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750	09/30/15 \$ 1,608 <u>\$ 1,608</u> \$ 1,608 \$ 395 (36) 104 210	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249	03/31/15 \$ 2,043 \$ 2,045 \$
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328	09/30/15 \$ 1,608 <u>\$ 1,608</u> <u>\$ 1,608</u> <u>\$ 395</u> (36) 104	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114	03/31/15 \$ 2,043 <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 2,043</u> <u>10</u>
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750	09/30/15 \$ 1,608 <u>\$ 1,608</u> \$ 1,608 \$ 395 (36) 104 210	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249	03/31/15 \$ 2,043 \$ 2,045 \$
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788)	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788)	09/30/15 \$ 1,608 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788)	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738	03/31/15 \$ 2,043 \$ 2,043 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 31	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 1,844	09/30/15 \$ 1,608 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788) 1,831	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895	03/31/15 \$ 2,043 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 5 - 936
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14)	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 31 (7)	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7)	09/30/15 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1)	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788)	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788)	03/31/15 \$ 2,043 <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 2,043</u> <u>\$ 110</u> <u>9 9</u> 5 -
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23)	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 31	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (7) (7)	09/30/15 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7)	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788) 1,831	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) -	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 5 - 936 (2) -
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations, net of tax	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23) (3)	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 31 (7) (16) -	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (7) (3)	09/30/15 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1)	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 747 17 (788) 1,831 (6) - - -	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895	03/31/15 \$ 2,043 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 5 - 936
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23)	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 31 (7)	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (7) (7)	09/30/15 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7) (3)	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788) 1,831	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) - (1)	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 - 936 (2) - 1
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations, net of tax Adjusted EBITDA Drilling contract termination fees	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23) (3) 3,484 (433)	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 31 (7) (16) - 1,005 (367)	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (7) (3) 2,479 (66)	09/30/15 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7) (3) 678	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788) 1,831 (6) - 1,801 (66)	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) - (1) 852 (66)	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 - 936 (2) - 1 949 -
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations, net of tax Adjusted EBITDA	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23) (3) 3,484	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 31 (7) (16) - 1,005	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (7) (3) 2,479	09/30/15 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7) (3)	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 17 (788) 1,831 (6) - 1,801	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) - (1) 852	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 - 936 (2) - 1
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations, net of tax Adjusted EBITDA Drilling contract termination fees Adjusted Normalized EBITDA	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23) (3) 3,484 \$ (433) \$ 3,051	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 311 (7) (16) - (1005) (367) \$ 638	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (3) 2,479 (66) \$ 2,413	09/30/15 \$ 1,608 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7) (3) 678 \$ 678	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 (788) 1,831 (6) - - 1,801 \$ (66) \$ 1,735	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) - (1) 852 (66) \$ 786	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 - 936 (2) - 1 949 -
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations, net of tax Adjusted EBITDA Drilling contract termination fees Adjusted Normalized EBITDA EBITDA	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23) (3) 3,484 \$ (433) \$ 3,051 }	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 277 - 311 (7) (16) - (367) \$ 638 52%	09/30/15 \$ 5,535 (66) \$ 5,5469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (7) 23) 2,413 \$ 26%	09/30/15 \$ 1,608 - \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7) (3) 678 - \$ 678 \$ 42%	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 (788) 1,831 (6) - - 1,801 \$ (66) \$ 1,735 19%	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) - (11) 852 (66) \$ 786	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 - 936 (2) - 1 949 \$ \$ 949 - \$ 949
Drilling contract termination fees Adjusted Normalized Revenues Net income (loss) Income tax expense (benefit) Interest expense, net of interest income Depreciation expense EBITDA Restructuring charges Litigation matters Loss on impairment of assets Gain on disposal of assets, net Gain on retirement of debt (Income) loss from discontinued operations, net of tax Adjusted EBITDA Drilling contract termination fees Adjusted Normalized EBITDA	12/31/15 \$ 7,386 (433) \$ 6,953 \$ 897 120 410 963 2,390 47 (788) 1,875 (14) (23) (3) 3,484 \$ (433) \$ 3,051	12/31/15 \$ 1,851 (367) \$ 1,484 \$ 622 53 82 213 970 27 - 311 (7) (16) - (1005) (367) \$ 638	09/30/15 \$ 5,535 (66) \$ 5,469 \$ 275 67 328 750 1,420 20 (788) 1,844 (7) (3) 2,479 (66) \$ 2,413	09/30/15 \$ 1,608 \$ 1,608 \$ 1,608 \$ 395 (36) 104 210 673 3 - 13 (1) (7) (3) 678 \$ 678	06/30/15 \$ 3,927 (66) \$ 3,861 \$ (120) 103 224 540 747 (788) 1,831 (6) - - 1,801 \$ (66) \$ 1,735	06/30/15 \$ 1,884 (66) \$ 1,818 \$ 341 34 114 249 738 12 (788) 895 (4) - (1) 852 (66) \$ 786	03/31/15 \$ 2,043 \$ 2,043 \$ (461) 69 110 291 9 5 - 936 (2) - 1 949 -

In December 2016, we identified errors in our previously reported consolidated financial statements related to the measurement of deferred taxes. As a result, we have revised our previously reported amounts presented above. Please see our annual report on Form 10-K for the year ended December 31, 2016.