Transocean Inc. Announces Agreement to Acquire Newbuild Ultra-Deepwater Drillship Under Capital Lease Contract

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Newbuild Drillship to Have a 10-Year Drilling Contract With an Optional 10-Year Extension

HOUSTON, June 23, 2008 (PRIME NEWSWIRE) -- Transocean Inc. (NYSE:RIG) today announced that its subsidiaries have reached an agreement with subsidiaries of Petrobras and Mitsui to acquire a newbuild ultra-deepwater drillship under a capital lease contract. In conjunction with the capital lease contract, subsidiaries of Petrobras and Transocean have entered into a 10-year drilling contract covering worldwide operations with an option by Petrobras to extend the term of the drilling contract by up to an additional 10 years.

The capital lease contract has a 20-year term, after which Transocean will have the right and obligation to acquire the drillship for $1. Total capital costs to be incurred by Petrobras and Mitsui for the construction of the drillship are estimated to be $750 million, including $65 million of capitalized interest.

The 10-year drilling contract is expected to commence in the third quarter of 2009 following shipyard construction, sea trials, mobilization and customer acceptance. The drilling contract commencement is contingent on vendor performance and other factors. At least 12 months prior to the expiration of the initial 10-year term, Petrobras may elect to extend the term of the drilling contract by up to an additional 10 years at a mutually agreed operating dayrate which would then apply to the extension period.

Contract revenues over the initial 10-year contract term are estimated to be $1.68 billion, including monthly bonuses which could be as high as 12 percent of dayrate revenue each month. Estimated contract revenues are before taxes, which will be paid by Transocean and fully reimbursed by Petrobras. Additionally if the rig is operating in a jurisdiction where the company has a valid dual activity patent, an additional 5 percent royalty would be paid to Transocean. Estimated contract revenues represent the maximum amount of revenue that may be earned in the firm 10-year contract period, excluding revenues for reimbursed taxes, royalties, mobilization, demobilization and cost escalation.

Robert L. Long, Transocean's Chief Executive Officer, said, "This contract is an excellent opportunity to expand our relationship with Petrobras and its partner Mitsui. This unique structure allows us to acquire a newbuild drillship with construction cost protection, while also providing us with rates of return consistent with our other enhanced Enterprise-class newbuilds."

The currently unnamed ultra-deepwater newbuild drillship is under construction at Samsung Heavy Industries Co Ltd. yard in Geoje, South Korea. The rig will feature Transocean's patented dual-activity drilling technology, allowing for parallel drilling operations designed to save time and money in deepwater well construction, compared with conventional rigs. The rig will also feature expanded completions capabilities. It will have a variable deck-load of over 20,000 metric tons and the capability of development and exploration drilling in greater than 10,000 feet of water depth, upgradeable to 12,500 feet of water depth and 37,500 feet of total drilling depth with additional equipment.

The Transocean Inc. logo is available at http://www.primenewswire.com/newsroom/prs/?pkgid=2252

FORWARD-LOOKING STATEMENTS

Statements regarding the newbuild drillship, operating specifications and dayrates, contract durations, contract commencement dates, contract termination payments and fees, estimated contract revenues, estimated capital costs, duration and location of construction, as well as any other statements that are not historical facts, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to operating hazards and delays, actions by customers and other third parties, factors affecting the duration of contracts including well-in-progress provisions, the actual amount of downtime including shipyard and maintenance projects, factors resulting in dayrates lower than the contractual dayrate, the future price of oil and gas and other factors detailed in the company's most recent Form 10-K and 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.

Transocean Inc. 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 nine announced ultra-deepwater newbuild units, the company'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. The company owns or operates a contract drilling fleet of 39 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment semisubmersibles and drillships), 29 Midwater Floaters, 10 High-Specification Jackups, 56 Standard Jackups and other assets utilized in the support of offshore drilling activities worldwide.

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