



Transocean Files Motion for Summary Judgment in U.S. Federal Court to Compel BP to Honor Its Contractual Indemnity Obligations

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Transocean Offshore Deepwater Drilling Inc. (TODDI), a subsidiary of Transocean Ltd. (NYSE: RIG) (SIX: RIGN), today filed a motion for summary judgment in the United States District Court for the Eastern District of Louisiana requesting the court to compel BP to honor its contractual obligation to defend, indemnify and hold harmless Transocean for damages associated with BP's failure to contain flow from its Macondo well in the Gulf of Mexico in 2010.

The contract between BP and Transocean for the Deepwater Horizon drilling rig contains industry-standard reciprocal indemnity provisions that apportion risk and quantify liabilities between the two companies. In the contract, which was signed in 1998 and extended several times including in 2009, BP agreed to "defend, release, protect, indemnify and hold harmless" Transocean for any and all fines, penalties and damages associated with environmental pollution originating from the well "without limit and without regard to the cause or causes" including negligence, "whether such negligence be sole, joint, active passive or gross."

Despite these clear and unambiguous terms, BP has refused to honor its contractual obligations to Transocean stemming from the Macondo well incident in April of 2010. In fact, contrary to its promise to "defend" and "indemnify" Transocean, BP instead filed suit against Transocean on the one-year anniversary of the incident, alleging that Transocean personnel -- including those who lost their lives in the incident -- had willful and callous disregard for the welfare of their colleagues and the environment. Transocean has honored its contractual indemnity obligations to BP nonetheless.

"BP's posture in this matter is not only offensive to the thousands of men and women who work together at Transocean, but it constitutes a direct threat to the sanctity of contracts and to the economic underpinnings of an industry that employs hundreds of thousands of people in the United States alone," said Nick Deeming, Senior Vice President and General Counsel of Transocean. "This motion is about more than just two companies," Deeming continued. "It is about the future of the contract drilling industry at large. If BP truly intends to make things right, it must either voluntarily or by the order of the court honor all of its contracts - not just the ones that serve its convenience or financial purposes."

According to the filed motion, BP has cited "ongoing investigations" and BP's own "allegations" of gross negligence on the part of Transocean as justification for BP's refusal to honor its contractual promises. The motion also asserts that after months of discovery and more than 200 witness depositions, it is clear that no evidence of gross negligence by Transocean exists. In fact, as outlined in the motion, BP oversaw, audited and commended the Deepwater Horizon rig and her crew before the incident, and every BP witness deposed as part of the litigation in New Orleans has stated under oath that the rig was fit for purpose and was operated by a safety-conscious crew.

Key excerpts from the brief -- which is available online at www.deepwater.com -- are as follow:

-- Transocean respectfully requests that the Court require BP to honor its contractual promises. Transocean requests that its motion for partial summary judgment be granted, specifically that:

- The express indemnity promises made by BP in the Drilling Contract override any alleged rights of BP to contribution;
- The indemnity provisions agreed to by BP in the Drilling Contract are valid and enforceable against the OPA statutory backdrop, including indemnity for the uncapped liability that arises upon a finding that an incident resulted from gross negligence;
- BP's contribution claims are barred by BP's contractual promise to defend Transocean, and BP must defend Transocean against environmental wellhead pollution claims pending against it that arise from the Macondo blowout;
- BP cannot avoid its contractual promise by alleging that Transocean breached the Drilling Contract or that the Deepwater Horizon was unseaworthy;
- BP cannot avoid its contractual promise by alleging that Transocean or its employees were grossly negligent;
- BP is required to honor its promise to indemnify Transocean for Clean Water Act (CWA) and any other civil penalties;
- BP is required to honor its promise to pay the unpaid charter hire for the Deepwater Horizon;
- As a result of BP's failure to honor its promises in each of the above areas, BP be required to reimburse Transocean its attorneys' fees, costs, and expenses incurred in defending environmental claims for which BP is contractually obligated and those incurred in forcing BP to honor its contractual promises.

To read the Deepwater Horizon contract with BP, see the company's 10-Q Quarterly Report for the Second Quarter 2010 dated August 4, 2010 or at: http://www.sec.gov/Archives/edgar/data/1451505/000145150510000069/exhibit10_1.pdf

About Transocean

Transocean is the world's largest offshore drilling contractor and the leading provider of drilling management services worldwide. With a fleet of 135 mobile offshore drilling units, excluding two Ultra-Deepwater Drillships and four High-Specification Jackups under construction, 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 50 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment

semisubmersibles and drillships), 25 Midwater Floaters, nine High-Specification Jackups, 50 Standard Jackups and one swamp barge.

For more information about Transocean, please visit our website at www.deepwater.com.

SOURCE: Transocean Ltd.