Transocean Ltd. Announces Definitive Agreements to Sell 38 Shallow Water Drilling Rigs to Shelf Drilling

September 10, 2012 at 1:13 AM EDT

Sep 10, 2012 (Marketwire via COMTEX) --Transocean Ltd. (NYSE: RIG) (SIX: RIGN) announced today that the company has reached definitive agreements to sell 38 shallow water drilling rigs to Shelf Drilling International Holdings, Ltd. ("Shelf Drilling") for approximately $1.05 billion. The list of rigs to be acquired by Shelf Drilling in the transactions is provided as Appendix A. Shelf Drilling is a newly formed company sponsored equally by Castle Harlan, Inc., CHAMP Private Equity and Lime Rock Partners.

The sales price includes approximately $855 million in cash, subject to working capital and other closing adjustments, and $195 million in seller financing. Seller financing will be in the form of preference shares issued by an affiliate of Shelf Drilling. As a component of the agreement, Transocean will provide various transition support services to Shelf Drilling for a period subsequent to the closing of the transactions. The transactions are expected to close in the fourth quarter of 2012, subject to certain conditions.

"This agreement marks an important milestone in our asset strategy to increase our focus on high-specification floaters and jackups, improving our long-term competitiveness," said Steven L. Newman, President and Chief Executive Officer of Transocean Ltd.

David Mullen, President and Chief Executive Officer of Shelf Drilling, added, "This is an exciting opportunity with great potential. Our strategy will be to maintain an exclusive focus on shallow water drilling, leveraging decades of complementary industry experience of management, three leading investment firms, and our employees, to provide best in class drilling operations for our customers."

Related to the Shelf Drilling transactions, Transocean expects its third quarter 2012 results to include a non-cash charge related to impairment of the long-lived assets or goodwill allocable to these assets. As of June 30, 2012, the aggregate carrying amount of the long-lived assets included in the transactions was approximately $1.4 billion. The sales price includes approximately $200 million related to the net current assets associated with the transactions. Transocean's total aggregate consolidated goodwill as of June 30, 2012 was $3.1 billion, a portion of which is expected to be allocated to the assets included in the transactions.

A conference call to discuss the transactions will be conducted at 10:00 a.m. EDT (4:00 p.m. CEST) on Wednesday, September 12, 2012. Individuals who wish to participate in the teleconference call should dial +1 913-981-5533 and refer to the confirmation code 3880774 approximately five to 10 minutes prior to the scheduled start time of the call. In addition, the conference call will be simulcast through a listen-only broadcast over the Internet and can be accessed by logging onto www.deepwater.com and selecting "Investor Relations." It may also be accessed at www.CompanyBoardroom.com by typing in Transocean's NYSE trading symbol, "RIG."

A telephonic replay of the conference call should be available after 1:00 p.m. EDT (7:00 p.m. CEST) on September 12, 2012, and can be accessed by dialing +1 719-457-0820 or +1 888-203-1112 and referring to the passcode 3880774. Also, a replay will be available through the Internet and can be accessed by visiting either of the above-referenced website addresses. Both replay options will be available for approximately 30 days.

About Transocean

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. The company specializes in technically demanding sectors of the global offshore drilling business with a particular focus on deepwater and harsh environment drilling services, and believes that it operates one of the most versatile offshore drilling fleets in the world.

At September 10, 2012, Transocean owns or has partial ownership interests in, and operates a fleet of, 115 mobile offshore drilling units consisting of 48 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment drilling rigs), 25 Midwater Floaters, nine High-Specification Jackups, 32 Standard Jackups and one swamp barge. Included in the 115 drilling units, the company has 32 Standard Jackups and one swamp barge classified as discontinued operations. An additional 12 Standard Jackups have been classified as held for sale. We have two Ultra-Deepwater Drillships and three High-Specification Jackups under construction.

Additional information about Transocean can be found at www.deepwater.com.

About Shelf Drilling
At the closing of the transactions, Shelf Drilling will be a leading global provider of shallow water drilling services, owning 37 standard jackup rigs and one swamp barge. The company will operate throughout South-East Asia, India, West Africa, the Middle-East and the Mediterranean. Shelf Drilling is owned by Castle Harlan, Inc., CHAMP Private Equity, Lime Rock Partners, and the senior management team of Shelf Drilling. Additional information about Shelf Drilling can be found at http://www.shelfdrilling.com/.

Statements included in this news release regarding the closing and the results of the transactions, Shelf Drilling's strategy and other statements that are not historical facts are forward-looking statements. These statements involve risks and uncertainties including, but not limited to, actions by regulatory authorities or other third parties, satisfaction of closing conditions, delays, costs and difficulties related to the transaction, market conditions, availability of credit to Shelf Drilling and other factors detailed in risk factors and elsewhere in the company's Annual Report on Form 10-K for 2011 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012 and its other filings with the SEC. Should one or more of these risks or uncertainties materialize (or the other consequences of such a development worsen), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. The company disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Appendix A

Jackups	Design	Year Entered Service (1)	Water Depth (Feet)	Location
C.E. Thornton	MLT 53-SC (converted to MLT 116-C)	1974	300	India
Compact Driller	MLT 116-C	1992	300	Thailand
F.G. McClintock	MLT 53-C	1975	300	India
Galveston Key	MLT 116-S (converted to 116CS)	1978	300	Malaysia
GSF Adriatic I (3)	MLT 116-C	1981	300	Malaysia
GSF Adriatic IX	MLT 116-C	1981	350	Nigeria
GSF Adriatic V (3)	MLT 116-C	1979	300	Gabon
GSF Adriatic VI (3)	MLT 116-C	1981	328	Malaysia
GSF Adriatic X	MLT 116-C	1982	350	Nigeria
GSF Baltic	MLT Super 300	1983	375	Nigeria
GSF High Island II	MLT 82-SD-C	1979	270	Saudi Arabia
GSF High Island IV	MLT 82-SD-C	1980/2001	270	Saudi Arabia
GSF High Island IX (2)	MLT 82-SD-C	1983	250	Saudi Arabia
GSF High Island V (3)	MLT 82-SD-C	1981	270	Gabon
GSF High Island VII	MLT 82-SD-C	1982	250	Cameroon
GSF Key Gibraltar	MLT 84-C (modified to 116-C)	1976/1996	300	Thailand
GSF Key Hawaii	Modec 300-C35	1982	300	Vietnam
GSF Key Manhattan	MLT 116-C	1980	350	Italy
GSF Key Singapore (3)	MLT 116-C	1982	350	Egypt
GSF Main Pass I	F&G L-780-Mod II	1982	300	Saudi Arabia
GSF Main Pass IV	F&G L-780-Mod II	1982	300	Saudi Arabia
GSF Parameswara	Baker Marine BMC-300-IC	1983	300	Indonesia
GSF Rig 105	MLT 52-C	1975	250	Egypt
GSF Rig 124	Modec 200C-45	1980	250	Egypt
GSF Rig 141	MLT 82-SD-C	1982	250	Egypt

Harvey H. Ward	F&G L-780-Mod II	1981	300	Indonesia
J.T. Angel	F&G L-780-Mod II	1982	300	India
Randolph Yost (2)	MLT 116-C	1979	300	Shipyard
Ron Tappmeyer	MLT 116-C	1978	300	India
Transocean Comet	Sonat cantilever	1980	250	Egypt
Trident 15	Modec 300 C-38	1982	300	Thailand
Trident 16	Modec 300 C-38	1982	300	Thailand
Trident II	MLT 116-C	1977/1985	300	India
Trident IX	Modec 400 C-35	1982	400	Malaysia
Trident VIII	Modec 300 C-35	1981	300	Gabon
Trident XII	Baker Marine BMC-300-IC	1982/1992	300	India
Trident XIV	Baker Marine BMC-300-IC	1982/1994	300	Angola
Swamp Barge				
Hibiscus	Heavy Swamp Barge	1979/1993	25	Indonesia

(1) Dates shown are the original service date and the date of the most recent upgrade, if any.

(2) Rig is currently undergoing reactivation.

(3) Rig is currently stacked.