



Transocean Ltd.

2013 Annual General Meeting

Steven L. Newman, President & CEO

Zug, Switzerland

May 17, 2013

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The statements described in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which could be made include, but are not limited to, statements involving prospects for the company, expected revenues, capital expenditures, costs and results of operations and contingencies and other factors discussed in the company's most recent Form 10-K for the year ended December 31, 2012 and in the company's other filings with the 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. All subsequent written and oral forward-looking statements attributable to the company or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's web site at www.deepwater.com.

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The company, its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from shareholders in connection with the company's 2013 Annual General Meeting (the "2013 Annual General Meeting"). The company plans to file a proxy statement with the SEC in connection with the solicitation of proxies for the 2013 Annual General Meeting (the "2013 Proxy Statement"). SHAREHOLDERS ARE URGED TO READ THE 2013 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Additional information regarding the identity of these potential participants, none of whom owns in excess of 1 percent of the company's shares, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the 2013 Proxy Statement and other materials to be filed with the SEC in connection with the 2013 Annual General Meeting. This information can also be found in the company's definitive proxy statement for its 2012 Annual General Meeting (the "2012 Proxy Statement"), filed with the SEC on April 6, 2012. To the extent holdings of the company's securities have changed since the amounts printed in the 2012 Proxy Statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Shareholders will be able to obtain, free of charge, copies of the 2013 Proxy Statement and any other documents, including the WHITE proxy card, filed by the company with the SEC in connection with the 2013 Annual General Meeting at the SEC's website (<http://www.sec.gov>), or at the company's website (<http://www.deepwater.com>), or by contacting the company by email at info@deepwater.com. In addition, copies of the proxy materials, when available, may be requested from the company's proxy solicitor, Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, NY 10022.

- **Financial Statement Overview**
- **Company Overview**
- **Value Creation**
 - **Operations**
 - **Capital deployment**
 - **Assets**
- **Market Overview**

Financial Statement Overview

Annual Results



	Years ended December 31,	
	2012	2011 ⁽⁷⁾
<i>(In USD millions, except per share data)</i>		
Revenues	\$9,196	\$8,027
Operating income (loss)	1,581	(4,762)
Net loss attributable to controlling interest	(219)	(5,754)
Earnings (loss) per share-diluted from continuing operations	\$2.27	\$(18.14)
Net cash provided by operating activities	\$2,708	\$1,825

Financial Statement Overview

Quarter Results



	Three months ended March 31,	
	2013	2012
<i>(In USD millions, except per share data)</i>		
Revenues	\$2,197	\$2,110
Operating income	473	371
Net income attributable to controlling interest	321	10
Earnings per share-diluted from continuing operations	\$0.88	\$0.42
Net cash provided by operating activities	\$106	\$540

Financial Statement Overview

Consolidated Balance Sheet



	December 31,	
	2012	2011 ⁽⁷⁾
<i>(In USD millions)</i>		
ASSETS		
Current assets	\$8,647	\$7,536
Property and equipment, net	20,880	20,788
Goodwill	2,987	3,217
Other assets	1,741	3,491
Total assets	\$34,255	\$35,032
LIABILITIES AND EQUITY		
Current liabilities	\$5,463	\$5,528
Long-term debt	11,092	11,349
Other long-term liabilities	1,970	2,412
Total long-term liabilities	13,062	13,761
Redeemable noncontrolling interest	-	116
Total equity	15,730	15,627
Total liabilities and equity	\$34,255	\$35,032

Financial Statement Overview

Transocean Ltd. Statutory Statement of Operations*



<i>(In CHF thousands)</i>	Years ended December 31,	
	2012	2011
Interest income	CHF 49	CHF 6
Total income	49	56
Total expenses	71,256	100,254
Net loss	<u>CHF (71,207)</u>	<u>CHF (100,198)</u>

* Derived from our financial statements, prepared in accordance with Swiss law requirements, the Code of Obligations

Financial Statement Overview

Transocean Ltd. Statutory Balance Sheet*



(In CHF thousands)

ASSETS

Total current assets

Property & equipment, net

Investment in affiliates

Other non-current assets

Total assets

LIABILITIES AND SHAREHOLDERS' EQUITY

Total current liabilities

Other non-current liabilities

Share capital

Legal reserve

Free reserve

Reserve for treasury shares

Retained earnings

Total shareholders' equity

Total liabilities and shareholders' equity

December 31,

2012

2011

CHF	5,589	CHF	5,522
	414		694
	17,436,710		17,282,047
	257,027		257,018
CHF	7,729,740	CHF	7,555,281
CHF	5,048	CHF	71,190
	544,249		465,857
	5,607,459		5,477,029
	11,165,400		9,882,947
	-		1,001,667
	307,300		295,100
	90,284		161,491
	17,170,443		16,818,234
CHF	7,729,740	CHF	7,555,281

* Derived from our financial statements, prepared in accordance with Swiss law requirements, the Code of Obligations

Company Overview

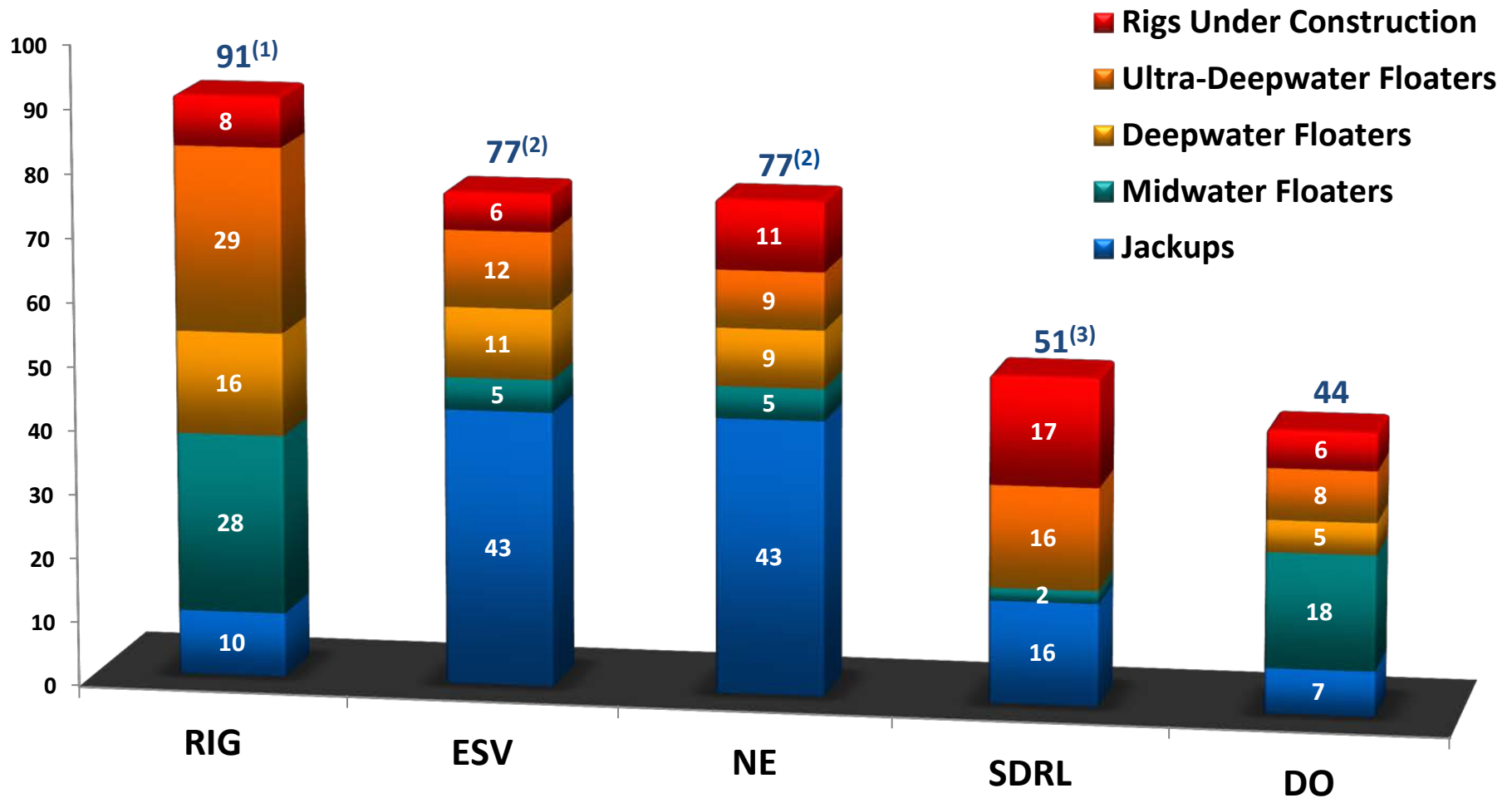
Industry Leader



- **World's largest offshore contract driller**
 - Largest fleet of high spec and midwater floaters
 - Operates in most major markets worldwide
 - Significant relationships across the customer spectrum
- **Positioned to lead**
 - Premier position in ultra-deepwater market segment
 - Size and technical capabilities create reinvestment opportunities

Company Overview

Largest Worldwide Rig Fleet

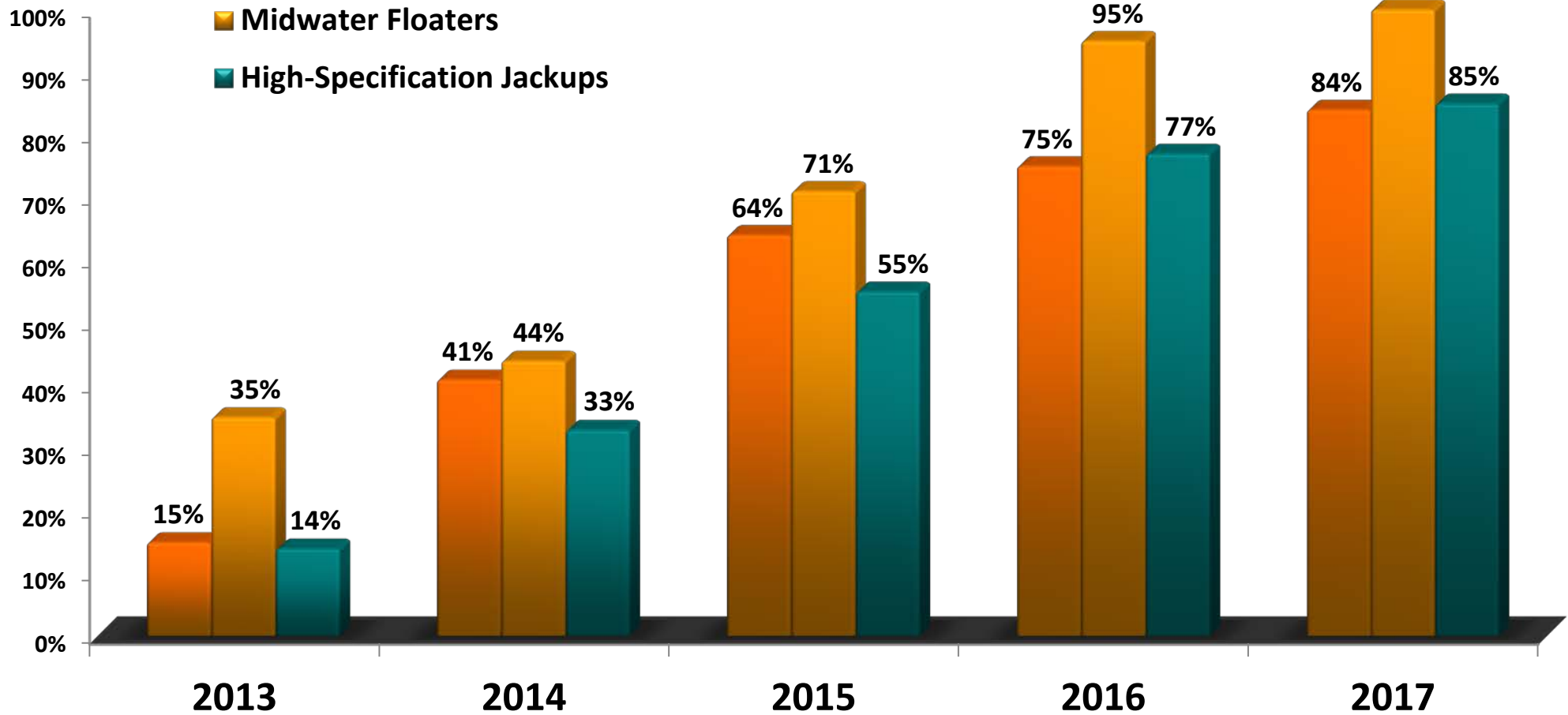


Company Overview

Uncommitted Fleet ⁽⁶⁾

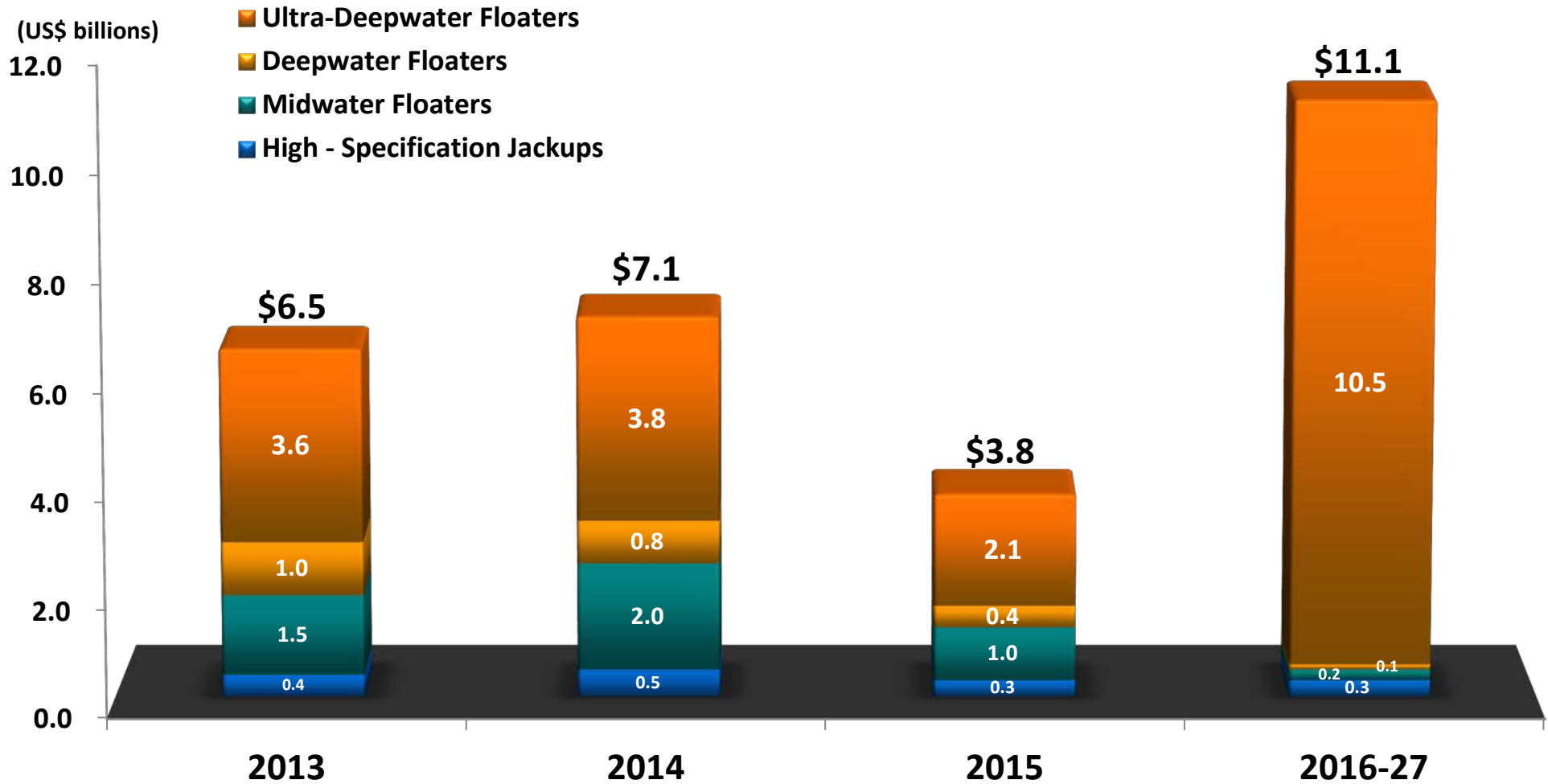


- High-Specification Floaters
- Midwater Floaters
- High-Specification Jackups



Company Overview

Strong Backlog



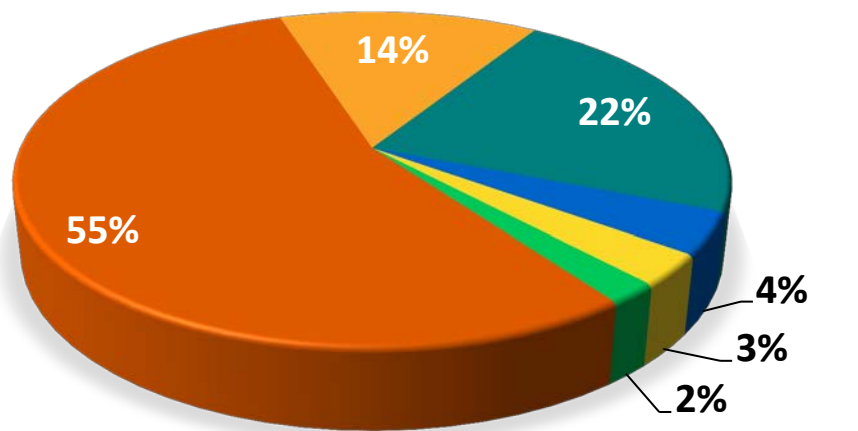
Total Backlog From Continuing Operations - \$28.5 billion⁽⁴⁾

Company Overview

Diversified Revenue Sources

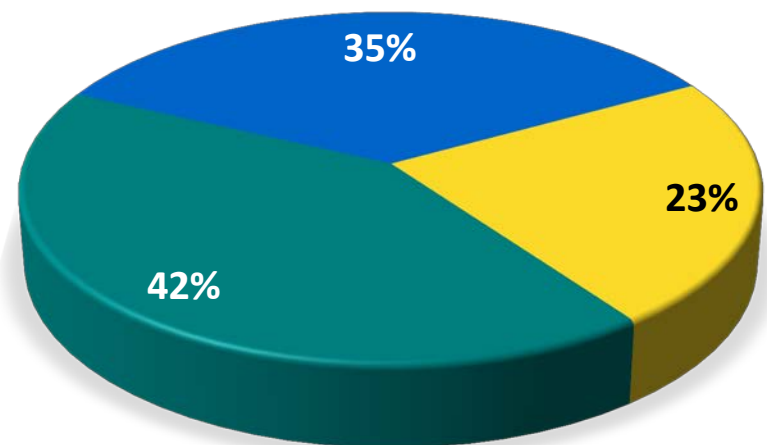


By Asset Class



- Ultra-Deepwater
- Midwater
- ADTI
- Deepwater
- High-Specification Jackups
- Other

By Customer



- Integrated
- NOC
- Independent

FY 2012 Revenues - \$9.2 billion

Company Overview

Litigation Update



Macondo

- **Civil and criminal settlement agreements reached with DOJ comprising \$1.4B paid over five years**
 - Phase 1 of trial concluded 4/17/13; parties to prepare and submit post-trial briefings over next 3 months
 - Phase 2 of trial scheduled to start in September 2013

Brazil – Frade

- **Criminal case against Transocean and employees dismissed by Court 3/15/13**
- **Vigorously pursuing final and comprehensive resolution of underlying litigation**
 - Currently no restrictions on Transocean in Brazil

Norway Tax Case

- **Norwegian Court overturned Arcade civil tax assessment; state filed appeal**
- **Criminal trial commenced December 2012; decisions anticipated early 2014**
- **Believe our tax returns are materially correct as filed and continue to vigorously contest assertions to the contrary**

Value Creation

Strategic Objectives



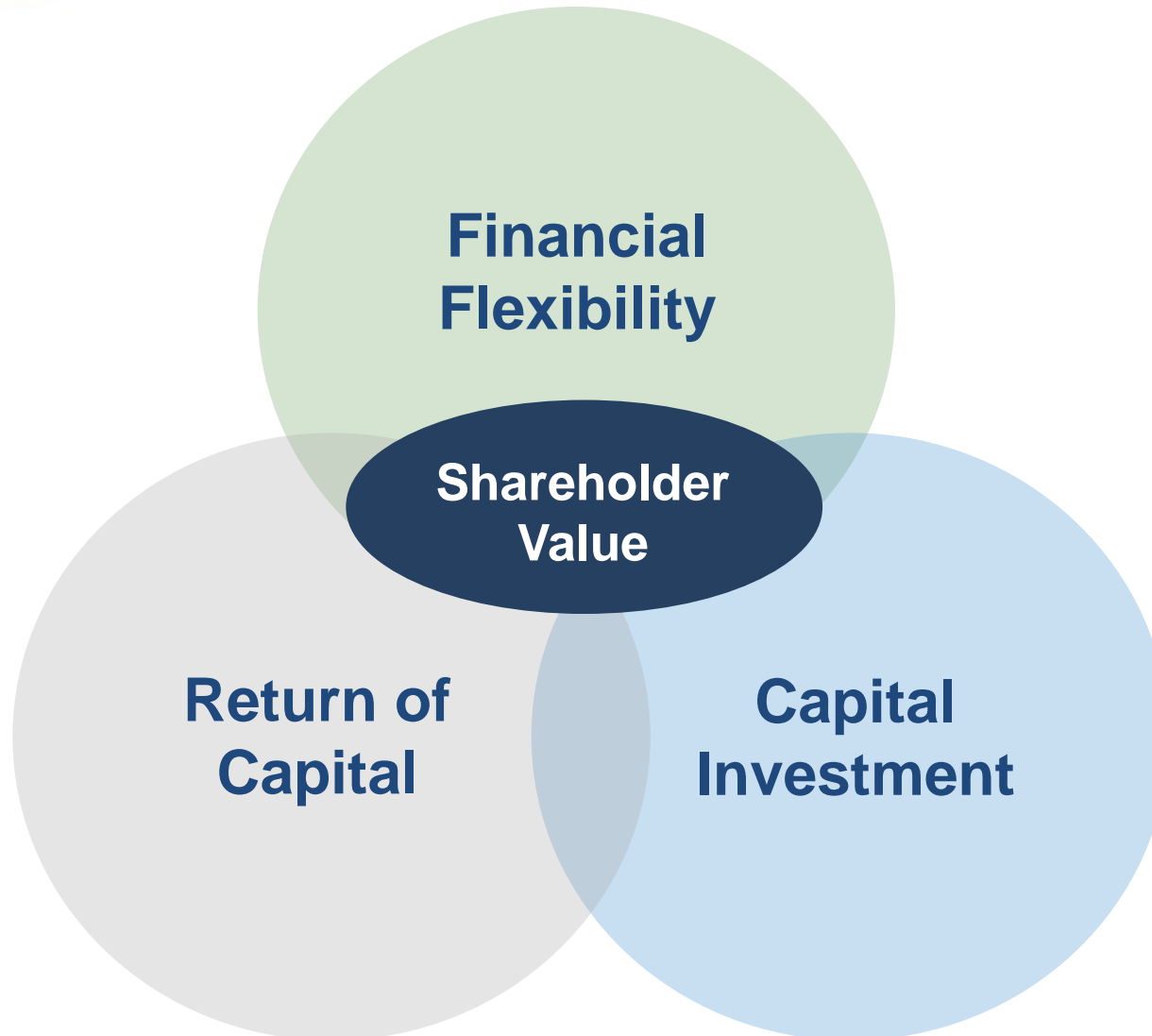
- **Continue to improve operational performance**
- **Maintain financial flexibility and strong balance sheet**
- **Execute asset strategy**
- **Resolution of remaining uncertainties**
 - **Macondo**
 - **Brazil**
 - **Norway**

We are focused on delivering superior operating performance:

- **Revenue efficiency**
 - Technical improvements
 - Improved contract terms
 - Historic levels believed achievable; progress will be gradual, non-linear
- **Rig out-of-service time**
 - Emphasis on planning, execution, collaboration with vendors
 - “Unit exchange” versus “inspect and repair”
- **Operating and maintenance costs**
 - Focus on shore-based costs and rig operating costs

Significant progress made in 2012

- **Operating Improvement**
 - Revenue efficiency improved to 93% from ~91% in 2011
 - Full fleet: ~95% in 3Q and 4Q
 - Revenue efficiency improvement is non-linear (e.g. 1Q'13)
 - Utilization improved by 9% to 78% year-over-year
- **Adjusted earnings per share from operations increased 161%**
- **Cash flow from operating activities increased ~50% to \$2.7B**
- **Created \$16.8B in contract backlog**
 - Contract-backed newbuilds contributed \$7.6B



- **Maintain financial flexibility to meet future requirements in context of uncertainties**
- **Manage financial exposure**
 - **Contract-backed Shell newbuilds**
 - **DOJ settlement**
- **Sustain investment grade rating**
 - **Accelerate retirement of debt**
- **Continue to divest select non-core assets**
- **Distribute excess cash to shareholders**
 - **Dividend**
 - **Intended to be recurring with potential for future increases**

- **High-return additions of new, state-of-the-art drilling rigs are essential for the long-term competitiveness of the company**
 - Represents primary source of growth and future operating income
 - A lack of investment in high-return assets would compromise the company's long-term viability
- **Prefer to not add incremental capacity to market**
 - Will buy existing capacity
 - Prefer to build to contract
- **Disciplined economic criteria (buy or build)**
 - Must fit high - spec strategy
 - Economic returns exceed cost of capital
 - Prefer significant, simple payback during initial contract period
 - Need strong balance sheet to be opportunistic

Value Creation Asset Strategy

- **Grow our leadership position in high-spec assets**
 - Build, acquire, divest and / or spin-off
- **Core, strategic asset portfolio**
 - Ultra-deepwater
 - Harsh Environment
 - High-spec Jackups
 - Other high-quality floaters and jackups



Value Creation

Asset Strategy – Execution



- **Fleet expansion**
 - **Four dynamically-positioned ultra-deepwater drillships**
 - **10 year contracts (\$7.6B of backlog)**
 - **~\$3.0B investment with attractive terms**
 - **Net cash flow generated over the contracts of ~\$4.2 billion, simple payback of 140%**
 - **Expect to return well in excess of our cost of capital over the 35-year life of the assets**
 - **Ships have advanced capabilities**
 - **Dual activity, industry-leading hoisting capacity**
 - **Second blow-out preventer system**
 - **12,000 ft water depth, 40,000 ft drilling depth**
 - **Outfitted to accommodate a future upgrade to a 20,000 psi BOP**

Value Creation

Asset Strategy – Execution



- 10 Ultra-Deepwater Newbuilds – Concluded in 2011
- 8 Newbuilds Currently Under Construction

	Construction Completion	Contract Commencement
<i>Transocean Andaman</i>	1Q 2013	2Q 2013
<i>Transocean Ao Thai</i>	3Q 2013	4Q 2013
<i>Deepwater Asgard</i>	4Q 2013	1Q 2014
<i>Deepwater Invictus</i>	1Q 2014	3Q 2014
<i>Ultra – Deepwater Drillship TBN1</i>	2Q 2015	4Q 2015
<i>Ultra – Deepwater Drillship TBN2</i>	4Q 2015	2Q 2016
<i>Ultra – Deepwater Drillship TBN3</i>	2Q 2016	4Q 2016
<i>Ultra – Deepwater Drillship TBN4</i>	4Q 2016	2Q 2017

Value Creation

Asset Strategy – Execution



- **Sold 38 rig package to Shelf Drilling**
 - Buyer group has deep industry experience
 - Transocean will provide support to facilitate a successful transition
 - A significant step forward in execution of asset strategy
- **Divested 19 additional non-core assets in single asset transactions (2011 – YTD 2013)**
- **Significantly reduces the diversity of the fleet**
 - Renewed emphasis on high specification assets – both floaters and jackups
 - Provides opportunities for efficiency improvement
- **Focus improves Transocean's long-term competitiveness**

Market Overview

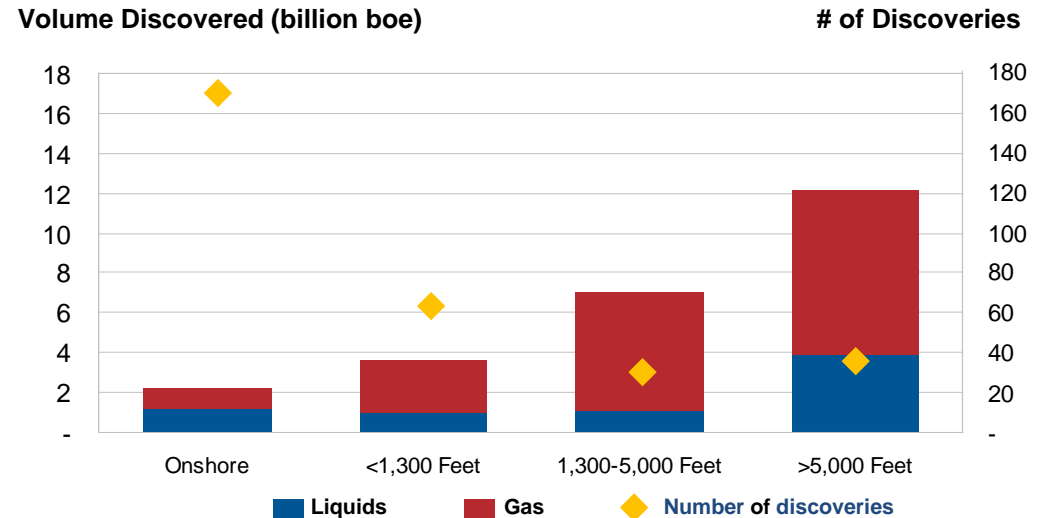
Positioned for UDW Market Demand



- **Robust deepwater exploration performance in 2012 provides strong pipeline for future demand**
 - 28% of volume discovered in conventional deepwater (1,300 – 5,000 feet)*
 - 49% of volume discovered in ultra-deepwater (>5,000 feet)*
- **Ultra-deepwater rig market remains favorable**
 - Long-term demand expected to absorb capacity
 - Believe Transocean has the world's most capable fleet of ultra-deepwater rigs
- **Inquiries from customers beginning to shift from generic to specific**
 - Transocean has a highly capable fleet of high-specification rigs
 - We have the ability to offer various high-specification solutions
 - We have customer confidence and vast experience to deploy our assets to new frontiers
- **Transocean's disciplined, high-return investment strategy will be primarily focused on high-specification assets**

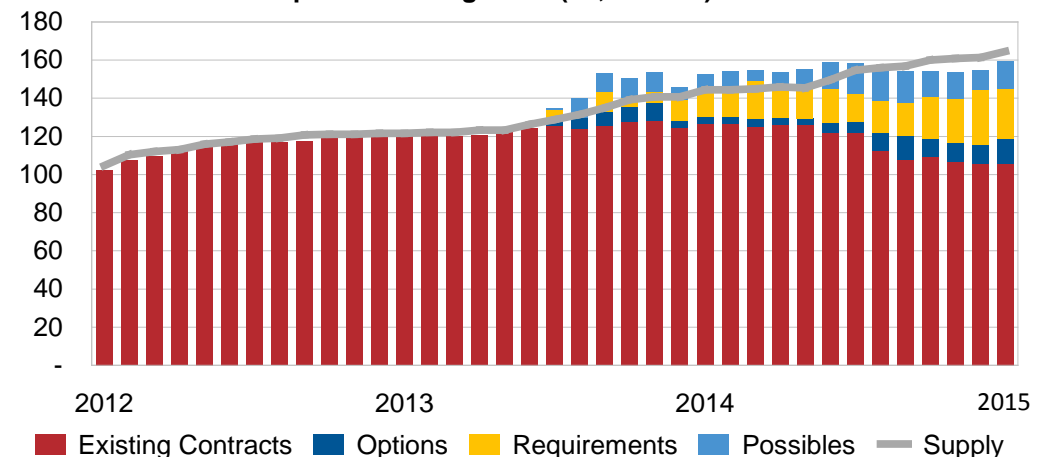
Note
* Represents deepwater and ultra-deepwater as classified by Wood Mackenzie

New Field Resources Discovered in 2012
(by Water Depth)



Source: Wood Mackenzie

Contract Status and Expected Demand 2005 – 2015
Ultra-Deepwater Drilling Units (>7,500 feet) – Worldwide



Source: Fearnley Offshore

Deepwater



Discoverer Seven Seas

- **Strong market demand due to level of new field volume discoveries**
- **Market utilization around 95% ⁽⁵⁾**
- **Most activity occurring in West Africa & Australia**
- **Rates now over \$440K/day to \$500K/day for near term availability**

Midwater



Sedco 704

- **Strong presence in the UK and Norway sectors of the North Sea**
- **Market utilization now above 80% ⁽⁵⁾**
- **Petrobras creates some short-term uncertainty**
- **Rates now over \$400K/day in the UK and \$250K - \$300K/day in West Africa**

High-Specification Jackups



GSF Constellation II

- **High utilization and improving dayrates in the medium term**
- **Market utilization 96% ⁽⁵⁾**
- **Key demand areas of South East Asia, West Africa and the Middle East**
- **Rates moving over \$170K/day in West Africa and well over \$200K/day in the UK**

Key Investment Highlights



- **Industry leader committed to customers, employees, and shareholders**
- **Clearly defined strategies to create value**
 - **Operations**
 - **Capital deployment**
 - **Assets**
- **Well positioned to capture global opportunities in an improving market**
- **Backlog provides long-term visibility**



Transocean Ltd.

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- (1) Per Fleet Status Report issued April 18, 2013. Floater classifications are by water depth as described in the Fleet Status Report. Harsh Environment Floaters are included in the appropriate water depth classification. Rig count associated with continuing operations is 83, plus 8 newbuilds. Rigs Under Construction are inclusive of rigs to be accepted by the customer subsequent to April 18, 2013. "Idle" and "Stacked" rig classifications are as described in the Fleet Status Report.
- (2) Excludes submersible rigs.
- (3) Excludes tender rigs.
- (4) Calculated by multiplying the contracted operating dayrate by the firm contract period for 2013 and future periods as of the Fleet Status Report issued April 18, 2013, for continuing operations only. Firm commitments are represented by signed drilling contracts or, in some cases, by other definitive agreements awaiting contract execution. Our contract backlog is calculated by multiplying the full contractual operating dayrate by the number of days remaining in the firm contract period, excluding revenues for mobilization, demobilization and contract preparation or other incentive provisions, which are not expected to be significant to our contract drilling revenues. The contractual operating dayrate may be higher than the actual dayrate we receive or we may receive other dayrates included in the contract, such as a waiting-on-weather rate, repair rate, standby rate or force majeure rate. The contractual operating dayrate may also be higher than the actual dayrate we receive because of a number of factors, including rig downtime or suspension of operations. In certain contracts, the dayrate may be reduced to zero if, for example, repairs extend beyond a stated period of time.
- (5) Data from ODS-Petrodata as of May 8, 2013. Analysis by Transocean. Includes competitive rigs which have completed construction on or before May 8, 2013. High-Specification Jackups are defined as competitive, independent cantilever rigs with water depths of 350' and greater.
- (6) The uncommitted fleet rate is defined as the number of uncommitted days divided by the total number of available rig calendar days in the measured period, expressed as a percentage. An uncommitted day is defined as a calendar day during which a rig is idle or stacked, is not contracted to a customer and is not committed to a shipyard. The rate is as of April 18, 2013.
- (7) In October 2011, we completed our acquisition of Aker Drilling ASA ("Aker Drilling") and applied the acquisition method of accounting for the business combination. The balance sheet data as of December 31, 2011 represents the consolidated statement of financial position of the combined company. The statement of operations and other financial data for the year ended December 31, 2011 includes approximately three months of operating results and cash flows for the combined company
- (8) This presentation is unaudited.