



Transocean Ltd. and subsidiaries
Supplemental Effective Tax Rate Analysis
(in millions, except tax rates)

	Three months ended			Nine months ended	
	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Income (loss) before income taxes	\$ (525)	\$ 33	\$ (263)	\$ (585)	\$ (858)
Loss on impairment of assets	629	143	5	772	58
Loss on disposal of assets, net	-	-	-	-	169
Loss on impairment of investment in unconsolidated affiliates	-	4	-	5	-
Loss on conversion of debt to equity	-	-	-	-	3
(Gain) loss on retirement of debt	(21)	(140)	-	(161)	32
Adjusted income (loss) before income taxes	<u>\$ 83</u>	<u>\$ 40</u>	<u>\$ (258)</u>	<u>31</u>	<u>\$ (596)</u>
Income tax expense (benefit)	\$ (31)	\$ 156	\$ (43)	\$ (66)	\$ (8)
Loss on impairment of assets	12	5	-	17	-
Loss on disposal of assets, net	-	-	-	-	-
Loss on impairment of investment in unconsolidated affiliates	-	-	-	-	-
Loss on conversion of debt to equity	-	-	-	-	-
(Gain) loss on retirement of debt	-	-	-	-	-
Changes in estimates (1)	38	2	65	161	77
Adjusted income tax expense (benefit) (2)	<u>\$ 19</u>	<u>\$ 163</u>	<u>\$ 22</u>	<u>\$ 112</u>	<u>\$ 69</u>
Effective Tax Rate (3)	6.0 %	474.5 %	16.3 %	11.3 %	0.9 %
Effective Tax Rate, excluding discrete items (4)	22.5 %	416.3 %	(8.7) %	364.0 %	(11.7) %

- (1) Our estimates change as we file tax returns, settle disputes with tax authorities, or become aware of changes in laws and other events that have an effect on our (a) deferred taxes, (b) valuation allowances on deferred taxes and (c) other tax liabilities.
- (2) The three months ended September 30, 2024 included \$283 million of additional tax benefit, reflecting the cumulative effect of a decrease in the annual effective tax rate from the previous quarter estimate.
- (3) Our effective tax rate is calculated as income tax expense or benefit divided by income or loss before income taxes.
- (4) Our effective tax rate, excluding discrete items, is calculated as income tax expense or benefit, excluding various discrete items (such as changes in estimates and tax on items excluded from income before income taxes), divided by income or loss before income taxes, excluding gains and losses on sales and similar items pursuant to the accounting standards for income taxes related to estimating the annual effective tax rate.