

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

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Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- x Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

TRANSOCEAN LTD.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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News Release

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FOR RELEASE: May 3, 2013

TRANSOCEAN RELEASES PRESENTATION REFUTING CARL ICAHN'S INACCURATE AND MISLEADING STATEMENTS

SHAREHOLDERS ARE URGED TO SUPPORT THE COMPANY'S BOARD NOMINEES AND DIVIDEND PROPOSAL

ZUG, SWITZERLAND -- Transocean Ltd. (NYSE: RIG) (SIX: RIGN) today released a presentation to its shareholders addressing assertions made by Carl Icahn, including claims that Transocean believes to be inaccurate and misleading. Furthermore, the company believes Mr. Icahn's proposals are misguided and highlight his poor understanding of the cyclical and capital-intensive nature of the offshore drilling industry. The presentation can be found at www.transoceanvalue.com/facts.

In addition to refuting Mr. Icahn's claims, the presentation provides compelling support for the company's highly qualified slate of Director nominees and reiterates that the Board's proposed \$2.24 per share dividend will maximize value creation for our shareholders.

The company's 2013 Annual General Meeting ("AGM") will be held at 5 p.m. CEST, on May 17, 2013, in Zug, Switzerland. **Shareholders are encouraged to support all the Board's recommendations**, but particularly three key proposals: the \$2.24 per share dividend, the election of our five Director nominees, and the re-adoption of Board authority to issue shares out of the company's authorized share capital.

In our view, Mr. Icahn continues to disseminate information that relies upon superficial analysis, is misleading or, is simply false. We believe he has failed to invest the requisite time and effort necessary to fully understand our business, our industry as a whole, or even the manner in which we generate operational and financial returns.

Reflecting this apparent paucity of effort, we believe he has made misleading statements related to prior acquisitions, and put forth faulty valuation analysis and inaccurate calculations. **Further, we do not believe that Mr. Icahn or his nominees have offered a plan or strategy for the company other than the extraction of an unsustainable dividend.**

PROTECT TRANSOCEAN'S FUTURE BY VOTING THE COMPANY'S WHITE PROXY CARD TODAY

We urge you to **vote FOR the company's proposed \$2.24 per share dividend (Proposal 3B1)**, which was supported by both Institutional Shareholder Services (ISS) and Glass Lewis, represents one of the industry's highest implied payout ratios and dividend yields, and is believed to be a sustainable starting point for growth in distributions as the company's unique uncertainties diminish. In this regard, in the context of a cyclical and capital-intensive industry, we believe the certainties associated with the remaining litigation faced by the company dictate that *Transocean must maintain a prudent level of financial flexibility*. In our view, Mr. Icahn's ill-conceived, unrealistic and inappropriate dividend proposal fails to recognize these important considerations.

We also ask you to vote **FOR the five highly qualified Transocean Director nominees: Frederico F. Curado, Thomas W. Cason, Steven L. Newman, Robert M. Sprague and J. Michael Talbert (Proposals 6A - 6E)**. Our nominees have deep, relevant expertise and a history of achievement. Conversely, we believe **Mr. Icahn's unqualified nominees emphasize his lack of familiarity with the industry and make apparent his disregard for the company's future.**

In order to provide the company with additional flexibility, we also urge you to **vote FOR the Board's proposal that its authority to issue shares out of the company's authorized share capital be renewed** for an additional two-year period (**Proposal 4**). The Board's current authority will expire on May 13, 2013. While the Board currently has no plans to issue shares under this authorization, extending this authority provides the company with additional flexibility to pursue value-enhancing opportunities in accordance with its disciplined capital allocation strategy.

YOUR VOTE IS IMPORTANT!

Please take a moment of your time to vote your shares TODAY.

Simply follow the easy instructions on the **WHITE** proxy card or **WHITE** voting instruction form to make sure your shares are represented at the AGM.

If you have any questions, or need assistance in voting your shares, please call our proxy solicitor,

INNISFREE M&A INCORPORATED
1-877-456-3507 (toll-free from the US and Canada)
+1 412-232-3651 (from other countries)

Shareholders in the EU may also call Lake Isle M&A Incorporated, Innisfree's UK subsidiary, free-phone at 00 800 7710 9970, or direct at +44 20 7710 9960.

Again, we remind you **NOT** to return any Gold proxy card you may receive from Mr. Icahn.

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.

Transocean owns or has partial ownership interests in, and operates a fleet of, 83 mobile offshore drilling units consisting of 48 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment drilling rigs), 25 Midwater Floaters and 10 High-Specification Jackups. In addition, we have six Ultra-Deepwater Drillships and two High-Specification Jackups under construction.

For more information about Transocean, please visit the websites www.deepwater.com or www.transoceanvalue.com.

Forward Looking Statements

Statements included in this press release, including, but not limited to, those regarding the proposed dividend, the company's capital allocation strategy, value-creating objectives and sustainability of potential future distributions, that are not historical facts,

are forward-looking statements that involve certain assumptions and uncertainties. These statements are based on currently available competitive, financial, and economic data along with our current operating plans and involve risks and uncertainties including, but not limited to, shareholder approval, market conditions, Transocean's results of operations, the effect and results of litigation, assessments and contingencies, and other factors detailed in "Risk Factors" in the company's most recently filed Annual Report on Form 10-K, and elsewhere in Transocean's filings with the Securities and Exchange Commission. 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 expressed or implied by such forward-looking statements. Transocean disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

This press release or referenced documents does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and it does not constitute an offering prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Investors must rely on their own evaluation of Transocean Ltd. and its securities, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Transocean Ltd.



Transocean Ltd.

Presentation to Shareholders

May 2013

www.deepwater.com

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, the proposed dividend, the company's capital allocation strategy, value-creating objectives, sustainability of potential future distributions and contingencies. These statements are based on currently available competitive, financial, and economic data along with our current operating plans and involve risks and uncertainties including, but not limited to, shareholder approval, market conditions, the company's results of operations, the effect and results of litigation, assessments and contingencies, and other factors, including those 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 the other consequences of such a development worsen), or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or expressed or implied by such forward-looking statements. 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. Permission to use quoted material was neither sought nor obtained.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and it does not constitute an offering prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Investors must rely on their own evaluation of Transocean Ltd. and its securities, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Transocean Ltd.

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Board Recommends Shareholders Support Company's Proposals



Capital Allocation

- Transocean is focused on a balanced capital allocation strategy to maximize long-term shareholder value through financial flexibility, disciplined, high-return investments in the fleet and the goal of future increases in distributions once litigation uncertainties diminish
 - Transocean does not believe that Icahn or his nominees have offered a plan or strategy for the company other than the extraction of an unsustainable dividend that the company believes would be detrimental to long-term shareholder value
- Transocean has received strong support for its balanced approach from shareholders, the equity research community and proxy advisory firms
 - These parties understand the importance of financial flexibility in a capital intensive and cyclical industry

Corporate Governance

- Transocean strongly disagrees with ISS' rejection of only one of Icahn's nominees despite ISS' rejection of Icahn's flawed capital allocation strategy
 - As with several other situations where ISS has supported dissident slates only to later see those dissident slates defeated by shareholders, we are confident that our shareholders will exercise independent judgment regardless of ISS' position, and we urge them to reject Icahn's nominees
- Transocean's approach to corporate governance is to regularly infuse fresh perspectives into an experienced and knowledgeable Board as evidenced by the fact that six of the 12 independent directors have been added to the Board in the last two years
 - Based upon Icahn's nominees' current and past associations with Icahn we believe they are handpicked to pursue what the Board believes to be a misguided agenda that will compromise long-term shareholder value in the interest of potential short-term gains
 - In the company's view, Icahn's nominees reflect a lack of relevant industry expertise which informs their backing of Icahn's misguided agenda



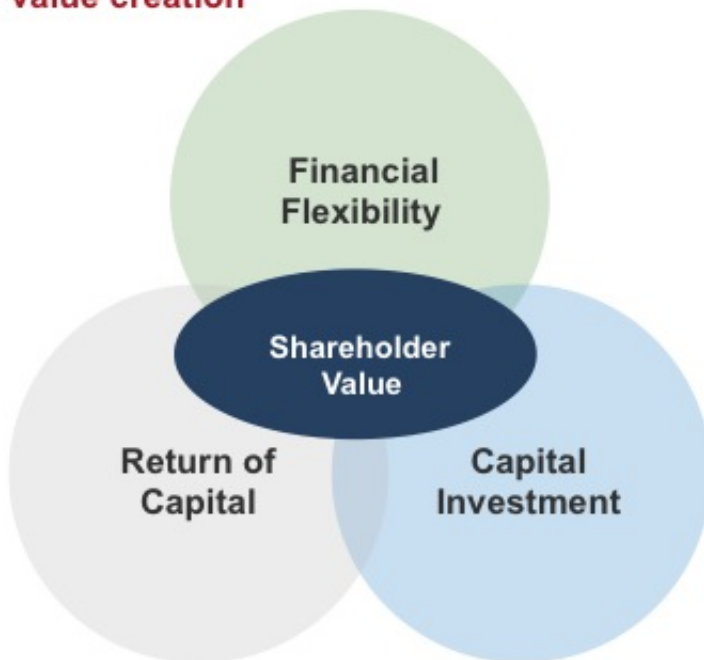
I. Transocean's Balanced Capital Allocation Approach Will Maximize Long-Term Value

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Transocean's Balanced Capital Allocation Approach



We believe Transocean's balanced capital allocation approach will maximize long-term value creation



A balanced capital allocation strategy provides for financial flexibility to ensure competitiveness and potential increases in future distributions

- **Financial Flexibility**
 - Essential in a capital intensive and cyclical industry
 - Loss of investment grade credit rating would have detrimental impact on shareholder value
- **Return of Capital**
 - Board's proposal represents one of industry's highest implied payout ratios and dividend yields
 - Goal of increasing future distributions once litigation uncertainties diminish
- **Capital Investment**
 - Disciplined, high return investments in fleet are essential for long-term competitiveness
 - Represents primary source of growth and future operating income

Importance of Investment Grade (IG) Rating



A downgrade would have real, adverse implications for Transocean

- Access – non-IG market is subject to significant market dislocation in periods of instability
- More restrictive covenants for non-IG bonds
- We believe it takes approximately three years to have an investment grade rating reinstated after a downgrade
 - Long period of limited financing options
- Increased cost of new debt financing (significant value at risk with \$12.5 billion debt balance)
- Possible impact on contract and/or payment terms
- Potential consequences resulting from customer evaluation of "substance" of Transocean as counterparty

In our view a downgrade would have a real, negative impact on long-term shareholder value. Icahn's short-term approach completely disregards the importance of financial flexibility.

Board's Attractive Dividend Proposal



Sustainable dividend proposal that provides for future increases in distributions

- Operational and litigation successes permit reinstatement of dividend
 - Proposed dividend of \$2.24 per share, or approximately \$800 million
- *Responsible and robust* dividend with goal of maximizing long-term value creation
 - In the future, increases in annual distributions may be appropriate once litigation uncertainties diminish
 - Market accords more value to sustainability and growth in distributions; growth necessitates investment
 - Among the industry's highest payout ratios and implied yields
 - Consistent with history of returning cash to shareholders
 - Including currently proposed dividend, since 2000 Transocean will have returned approximately \$21 billion* in cash to shareholders through distributions and share repurchases

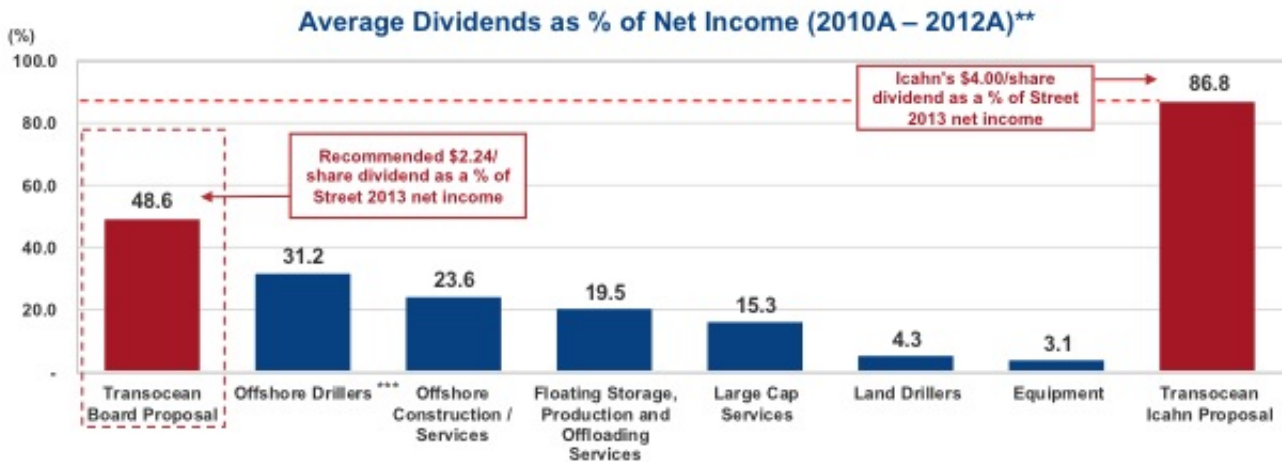
Note
*Includes \$5 billion distributed to Global/SantaFe shareholders

Dividend Proposal Among Highest in Industry



Transocean's recommended dividend ranks among the highest in the industry*

- In our opinion, payout ratios significantly higher than this level will threaten the company's operating flexibility and investment grade credit rating – putting its long-term performance at risk
- Icahn's ongoing "85% payout" proposal lacks credibility given peer payout ratios and demonstrates a short-term focus to the detriment of long-term value



Source: Capital IQ (April 19, 2013), Company Filings

Note

* When viewed as a percentage of Street consensus 2013 net income

** Defined as average of dividend paid as a percentage of net income from 2010 through 2012 for comparable companies in respective peer group (see prior investor presentations for breakdown of peer group); Floating Storage, Production and Offloading – Lease excludes 2011 and 2012 BWO payout ratio due to net losses in respective years and 2011 SMBO payout ratio due to net loss

*** Excludes Transocean; Offshore drillers include SDRL, DO, ESV, NE, RDC, ATW, PACD and HERO

Analysts Agree with Our Capital Allocation Strategy



Significant equity research analyst support for Transocean's dividend proposal


- Icahn provides only limited equity research support while utilizing reports published prior to Transocean dividend proposal (e.g. JPMorgan and Guggenheim) or "cherry-picking" select quotes in reports that also argue against his proposal (e.g. RBC)


Representative Research Quotes Arguing Against Icahn Proposal

- "\$4/share dividend plan...would significantly reduce flexibility to pursue new build opportunities and could jeopardize RIG's investment grade credit ratings, which are important during downturns in the contract drilling sector" – *Harry Mateer, Barclays (4/17/13)*
- "[W]e do not agree with Mr. Icahn's proposals due to the potential impact on the longer-term competitive standing of the fleet" – *Trey Stolz, Iberia (3/18/13)*
- "The \$4-per share dividend...is unreasonably high and could put the company's debt rating at risk with rating agencies" – *Robert MacKenzie, FBR (3/5/13)*
- "We think Transocean's dividend proposal of \$2.24 per share strikes a more reasonable balance between capital reinvestment in the fleet and return of capital to shareholders. If we compare Transocean's proposed payout with the rest of the industry's payouts, we think Transocean looks very reasonable." – *Stephen Ellis, Morningstar (4/5/13)*
- "We view the [Icahn] proposal as being "too much, too fast", as it would likely exhaust all available FCF for RIG going forward and lock RIG into a ~\$1.4bn annual call on cash" – *Justin Sander, RBC Capital Markets (1/28/13)*
- "While a higher dividend would be nice - we agree with management's decision to focus on both a dividend and a fleet renewal." – *James Wickfund, Credit Suisse (3/21/13)*
- "We believe it is in RIG shareholders' long term interests to re-stimulate growth instead of simply paying dividends (we agree with management's proposal of a ~4% yield dividend...)" – *Brad Handler, Jefferies (3/15/13)*
- "The announcement of \$2.24/share dividend struck the right balance between fiscal prudence and shareholder return." – *Mike Urban, Deutsche Bank (3/5/13)*
- "We believe the correct dividend [proposed by the Board] is reasonable and achieves goals of growth, return of capital and financial flexibility." – *Angie Sedita, UBS (3/4/13)*

Research Quotes on Return of Capital from Icahn Presentation*

- "We side with Mr. Icahn and believe the stock would benefit if the company were to pay out a large dividend, forgo future newbuilds, and acquire assets to improve its fleet" – *David Anderson, JPMorgan (2/27/13)***
- "We see the greatest potential [\$90 share price] for yield-based valuation premiums with the introduction of a variable payout strategy, reset at each annual shareholders' meeting to reflect a fuller payout of expected cash flows in the year to follow" – *Darren Gacicia, Guggenheim Partners (1/28/13)*
- "We believe a \$4 dividend could ultimately rerate the shares toward a yield of ~5.5-6.5%, which would suggest a share price range of ~\$62-70" – *Justin Sander, RBC Capital Markets (1/28/13)*

 Icahn's selected broker argues against Icahn's proposal in the same report

 All of Icahn's supporting quotes were from research released before the Board's dividend proposal was announced

Note

* Icahn Proxy Presentation filed on 4/23/13

** Report erroneously dated 2/21/13 in Icahn's Proxy Presentation

Transocean Board Focused on Long-Term Value Creation



Transocean's balanced capital allocation approach is designed to maximize value-creation for shareholders

- Transocean's Board is focused on a balanced capital allocation strategy and does not intend to take steps that will threaten the company's financial flexibility, competitiveness and ability to deliver future increases distributions
- Strong support for Board's capital plan among shareholders, equity research community and proxy advisory firms
- Icahn's proposal is focused on the extraction of what we believe is an unsustainable dividend at the expense of long-term shareholder value
- We believe that advocating for such an irresponsible dividend level is likely due to Icahn not investing the appropriate time or conducting the analysis necessary to understand Transocean's business and industry

In the context of current uncertainties, distribution of additional capital above the Board's \$800 million proposal would, in our view, be detrimental to the creation of long-term shareholder value



II. Icahn's Claims Based on Overly Simplistic and Highly Flawed Analysis

2011 Equity Raise Not Primarily Driven By Aker



We believe Icahn's criticism of the Aker transaction is misleading

- While a portion of the proceeds were used to refinance Aker debt, the equity raise was primarily driven by factors unrelated to the Aker acquisition

Deteriorating Credit Markets

- Credit markets weakened significantly following the U.S. downgrade in August 2011 and continued concerns regarding the Euro Zone
- Spreads for Transocean (which was downgraded by S&P on 10/5/11) and its peers as well as BBB-spreads increased during early August and late October of 2011

Industry-wide Operational Challenges for Drillers Operating in U.S. Gulf of Mexico

- EBITDA estimates for Transocean and its peers that have a significant presence in Gulf of Mexico* declined by ~19% during the second half of 2011

Transocean-Specific Unexpected Shipyard Days

- Worse than expected upgrade and re-certification requirements necessitating unplanned shipyard stays
 - 53% increase in estimated shipyard days for Q3 2011 through Q1 2012 post-Aker deal
- Adverse impact on fleet utilization, weakening our cash flows and credit metrics

The late 2011 capital market transactions (\$1.2 billion equity; \$2.5 billion debt) were necessary to strengthen our balance sheet and ensure financial flexibility

Source: Capital IQ, Bloomberg

Note

* Peers with most exposure to U.S. Gulf of Mexico are ESV, NE and RDC

Why Icahn Is Really Attacking the Equity Raise



Icahn has criticized the Board for the equity raise because of his misguided views

Icahn's Misguided Views

Investment Grade
Credit Rating
Doesn't Matter

Transocean Doesn't Need to
Invest Significant Capital Back
in the Business

Transocean Views

- In the context of Macondo uncertainties and unexpected deterioration in operating performance, the Board authorized the equity issuance to ensure financial flexibility
 - Investment grade rating is important component of financial flexibility and access to capital
 - Loss of investment grade rating would have a real, negative impact on shareholder value
 - Icahn is confusing "rating doesn't matter" with "investment grade doesn't matter" – **investment grade does matter and has value**
-
- Financial flexibility is needed in order to make disciplined, high-return investments in the fleet to ensure long-term competitiveness
 - Icahn dismisses the need to maintain financial flexibility and access to capital because he doesn't understand the need for investments such as Aker
 - Revenue efficiency for existing Aker rigs has exceeded expectations
 - Contract for both newbuilds have exceeded expectations
 - Based on our current outlook, we expect return on capital (above 10%) to exceed our cost of capital

We believe Icahn's characterization of the GlobalSantaFe transaction is simplistic and misleading

- Even with the benefit of hindsight for a transaction that occurred six years ago, Icahn chooses to ignore important facts:
 - Transocean outperformed peers one year following transaction announcement
 - 1-year total shareholder return: 23% for Transocean vs. 11% for peers*
 - Subsequent to the transaction, the financial crisis occurred
 - The equity research community was highly supportive at the time of the transaction
 - *"Transocean is buying GlobalSantaFe for approximately \$18 billion, which we believe is a good value based on the robust outlook for offshore rig demand and the shallow and deep water leadership position that Transocean achieves in the merger" – Robin Shoemaker, Bear Stearns (7/24/2007)*
 - *"We believe Transocean will be the stock to own in the coming years given its significant size, deepwater exposure, substantial multi-year earnings visibility, impressive revenue backlog, and still compelling valuation" – Angeline M. Sedita, Lehman Brothers (1/22/2008)*
 - It was a **"no premium"** transaction approved by 98.6% of the Transocean shareholders present at the meeting (in person or by proxy)
 - At the time, shareholders were calling for a return of capital and, collectively, shareholders received ~\$15 billion** as a result of the merger

Source: Capital IQ

Note

* Pre-Macondo proxy peers include DO, ESV, NE and RDC; 1-year return from 7/20/2007 to 7/19/2008

** Includes \$5 billion distributed to GlobalSantaFe shareholders

Benefits realized over time since transaction close have been ignored by Icahn

- The GlobalSantaFe merger combined the two most capable fleets in the industry, increased Transocean's leadership in high-specification assets, and permitted the distribution of ~\$15 billion* to shareholders
 - Transocean's remaining high-specification jackups are primarily legacy GlobalSantaFe assets
- Icahn has used what we view as a highly flawed analysis to make exaggerated claims with respect to value destruction
 - Icahn's analysis ignores operating cash flows to date from legacy GlobalSantaFe assets
 - Icahn gives no credit for strategic merits of the transaction
 - *"[W]e see strategic benefits to the GlobalSantaFe deal in terms of leadership in ultra-deepwater drilling (the source of its narrow moat), as well as established operations in all of the global offshore markets, which is why Ensco ESV bought Pride: to gain an immediate presence in Africa and Brazil"*
Morningstar Equity Research (4/25/2013)

Notes

* Includes \$5 billion distributed to GlobalSantaFe shareholders

We believe Icahn's flawed analysis overstates the valuation gap

- Icahn copied offshore driller valuation multiples from just **one** equity research report dated 4/1/13 instead of using consensus estimates. Icahn selectively excluded legitimate peer Hercules, overstating the valuation gap
 - Additionally, the **one** equity report in question does not include Transocean
 - Calculating a multiple for Transocean but copying the multiple for other companies from an equity research report cannot ensure consistent application of methodology or adjustments
- Transocean is focused on closing the small valuation multiple gap to peer averages through continued operational performance and margin improvement**

Transocean's Peer Group Based on Consensus Average

Total Enterprise Value / 2014 EBITDA; As of March 31, 2013

Seadrill	8.9x
Ensco	6.3x
Diamond Offshore	5.0x
Noble	5.6x
Rowan	5.7x
Atwood Oceanic	6.6x
Pacific Drilling	6.4x
Hercules Offshore	4.8x
Average	6.2x
Transocean	6.0x

Source: Capital IQ

Icahn's Peer Group Based on Just One Broker

Total Enterprise Value / 2014 EBITDA; As of March 31, 2013

Seadrill	9.8x
Ensco	6.1x
Diamond Offshore	6.0x
Noble	6.2x
Rowan	7.0x
Atwood Oceanic	6.9x
Pacific Drilling	7.7x
Average	7.1x
Transocean	5.6x

Source: Icahn Proxy Presentation filed on 4/23/13

Icahn's Flawed Newbuild Assertions



Icahn's views on newbuilds and a flexible balance sheet are flawed and contradictory, in our view

Icahn's Flawed Assertions*	The Correct View
<p>Newbuilds: "[C]ombination of higher construction costs and lower dayrates makes it almost impossible that Transocean will generate a Positive NPV versus building and leasing in a market standard manner"</p>	<p>Shell Newbuilds Example:</p> <ul style="list-style-type: none"> • ~\$3.0 billion investment with attractive terms • Net cash flow generated over the contracts of ~\$4.2 billion, a simple payback of 140% • Expect to return well in excess of our cost of capital over the 35-year life of the assets
<p>Newbuilds: "[T]he board failed to capitalize on industry growth and attractive new build economics" and "[A]t the end of 2007, ... Transocean had only four [ultra-deepwater units under construction], this market share trend has continued in 2013"</p>	<p>Newbuilds: At the end of 2007, Transocean had eight (not four, as per Icahn) ultra-deepwater units under construction (and in 2008, added two additional ultra-deepwater rigs under construction). By the end of 2011, the company had delivered the last rig in this 10-rig program</p> <p>Transocean's current newbuild program includes two high-specification jackups under construction in addition to two high-specification jackups delivered in late 2012 and early 2013, and six ultra-water drillships under construction</p>
<p>Deleveraging: "Deleveraging the balance sheet is... inconsistent with spending capital to build new assets"</p>	<p>Deleveraging: In a cyclical industry, a strong balance sheet is required to ensure the necessary financial flexibility to capitalize on high return investment opportunities</p>

Note
* Based on Icahn Proxy Presentation filed on 4/23/13

Icahn's Flawed Newbuild Comparison



We view Icahn's comparison of Transocean's and Noble's newbuild programs as inappropriate and misleading

Icahn argues that Transocean's competitors build same quality at lower costs, but:

- Transocean rig includes a second blowout preventer and capacity to upgrade to 20,000 psi when available
 - Noble has ordered a second blowout preventer which should cost approximately \$35 million*
- Transocean construction cost includes operational readiness costs whereas Noble does not

Icahn also suggests that long-term contracts are a mistake, but:

- The long-dated Shell contracts are unique and demonstrate customer confidence
- They ensure cash flow stability and a strong portfolio baseline for a meaningful and sustainable dividend strategy
- Deepwater dayrates vary significantly throughout the cycle
 - Noble signed several 10-year contracts with Shell in 2010 for \$410kpd with opportunity for 15% bonus*
- **Icahn's comparison is flawed and highlights his lack of industry knowledge**

"Icahn compares the Shell deal at a rig cost of \$750 million per rig and a \$519,000 day rate over 10 years, to Noble's Sam Croft or the Noble Tom Madden (both landed similar contracts), which costs \$615 million each and have three-year contracts at \$610,000 a day. However, Icahn is not comparing apples to apples... Transocean's rigs are more future-proof than the typical rig."

Morningstar Equity Research (4/25/2013)

Note

* Morningstar Equity Research (4/25/2013)

We believe Icahn incorrectly uses Net Asset Value (NAV) to support his capital allocation plan

- Icahn believes that since the company is trading at a discount to NAV, cash should be returned to shareholders, preventing reinvestment for the long term
 - At the same time, Icahn acknowledges that repositioning is required to trade at or above NAV

Icahn's Flawed Assertions*

NAV: *"We believe that Transocean will not consistently trade at or above NAV until Transocean can fundamentally reposition itself"*

NAV: *"Transocean has traded below Net Asset Value ("NAV") for several years – yet continues to purchase and build new assets at or above their NAV"*

The Correct View

NAV: Current NAV trading levels should not be used as a guiding factor for investment decisions

- Current NAV trading levels are a function of post-Macondo circumstances
- Only disciplined, high-return investments in the business can lead to sustainable operational improvements that will close the gap and allow for trading value at a premium to NAV

Note

* Based on Icahn Proxy Presentation filed on 4/23/13

Icahn's Debt Claims Are Inaccurate



Icahn's conclusions regarding Transocean's cost of debt are flawed

Icahn's Flawed View	<ul style="list-style-type: none">• No material impact on cost of debt or broader implications from a credit ratings downgrade<ul style="list-style-type: none">– Even if the company is downgraded from BBB- to BB+ debt cost will likely stay below 4% after tax– Debt pay down will not materially increase earnings
Truth About Transocean Cost of Debt	<ul style="list-style-type: none">• Cost of debt higher than 4% with downgrade<ul style="list-style-type: none">– Current weighted average interest rate of 6%*– Existing debt includes coupon step-ups of 25bps for each non-IG grade rating level immediately impacting earnings negatively– Estimated cost of debt for a new Transocean BB+ 10-year bond is ~5%• Corporate and tax structure are such that there is no tax shield on most of Transocean's debt portfolio<ul style="list-style-type: none">– Loss of tax shield is more than offset by other benefits resulting from current structure

Icahn's conclusions regarding Transocean's debt prepayment penalties are inaccurate

Icahn's Flawed View	<ul style="list-style-type: none">• Icahn stated Transocean will be required to pay "hundreds of millions of dollars in prepayment penalties" as we reduce our liabilities and strengthen our balance sheet
Truth About Debt Prepayment Penalties	<ul style="list-style-type: none">• With regard to the \$1 billion accelerated repayment of debt previously announced, in the first quarter of 2013 we incurred a call premium of ~\$12 million to redeem approximately \$260 million material aggregate principal amount of high-cost debt that saved about \$80 million in future interest payments• Once the \$1 billion program is complete, we expect to retire debt to achieve the previously announced \$7 billion to \$9 billion gross debt** target with no prepayment penalties

Notes

* Calculated using interest expense, before deducting interest capitalized, in the year ended December 31, 2012 divided by the average debt over the measurement period (based on 2012 10-K)

** The \$7 billion to \$9 billion debt target excludes Eksportfinans loans.



III. Icahn's Board Nominees Are Captive To His Misguided Agenda

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Handpicked Nominees Beholden to Icahn's Misguided Agenda



Icahn's nominees have a long history of serving...Icahn

- **We fail to see any strategy or plan other than the extraction of an unsustainable dividend** that the company believes would be detrimental to value creation, and which leading proxy advisory firms sensibly rejected
- In an effort to carry out his wishes, we believe Icahn's nominees will:
 - **Attempt to commit the company to an unsustainable capital allocation strategy** which will significantly reduce its financial flexibility and threaten the company's investment grade credit rating
 - **Oppose all disciplined investment** in high return newbuilds – the lifeblood of a drilling contractor
 - **Demand a commitment to an 85% payout ratio** – a rate more than 2x higher than industry average and a rate we believe would be destructive to the company
 - **Advocate decisions and actions that benefit a *single* shareholder** rather than acting in the best interest of all shareholders
 - **Be unprepared and unable to address critical operational decisions** because they lack an understanding of drilling market drivers, our customers and the unique impact of global financial and energy trends on our business

Icahn states his nominees have "deep energy and international business experience," which we believe is unfounded

- What energy experience?
 - Mr. Alapont and Mr. Merksamer have **no apparent energy experience**
 - Mr. Lipinski leads a U.S.-based refiner, which is **a significantly different business model** than that of a global offshore driller
 - Icahn's reference to his nominees having deep energy experience highlights his lack of understanding for the complexity and depth of the energy industry as a whole and the offshore drilling industry, in particular
- What international business experience?
 - In the 11 years since earning his undergraduate degree, **Mr. Merksamer has worked at two companies and only in the US** – a New York hedge fund and New York-based Icahn Capital
 - As the CEO of a U.S.-based refiner, we believe Icahn's assertion of Mr. Lipinski's international experience is not supported by the facts

Icahn's Nominees Bring No Value



- **Samuel Merksamer**
 - **Overboarded** - Currently on five public boards and one non public board – and has a full time position with Icahn Capital
 - **Inexperienced** - Icahn believes Mr. Merksamer “would be helpful building management teams” – how is that possible when he’s never led a management team and has no expertise in the drilling or energy industry?
 - **Untested** – Merksamer is inexperienced and espoused as someone with strong financial acumen; however, his proposed \$4.00 per share dividend has been sensibly rejected by many shareholders, equity analysts and leading proxy advisory firms
 - **“Willful Misconduct”** - In 2012, Mr. Merksamer served on a board that was found by a U.S. Bankruptcy Court examiner to have acted in a manner that “can be viewed as willful misconduct”*
- **Jose Maria Alapont**
 - **No track record of adding shareholder value** - Under Mr. Alapont's leadership, shareholder return performance of Federal-Mogul Corp. – an automotive supplier with a market capitalization of roughly \$700 million – has been a negative 75 percent**
 - **Single industry expertise** - Entire career has been spent in the automotive industry – no energy or services experience
 - **Criminal indictment** – According to the Houston Chronicle, and admittedly known by ISS, Mr. Alapont was reportedly indicted and is the target of a pending (though unserved) criminal complaint in Spain in connection with actions taken by Valeo's Spanish subsidiary during his tenure as an executive with Valeo. According to the news report, the complaint relates to Valeo's closing of a plant in Spain
- **John Lipinski**
 - **Untrusted by even Icahn** - During his contentious takeover of CVR, Icahn's own words about Mr. Lipinski speak for themselves:
 - “Unlike Abraham Lincoln, Mr. Lipinski must believe that he can fool all of the people all of the time”
 - “He will do a poor job dealing with the current problems on the horizon...”
 - “After squandering capital on the ill-advised acquisition of Wynewood...it is clear to me that Mr. Lipinski is more interested in empire building than in increasing value for shareholders”

Notes

* The 2012 report of the examiner in the Dynegy Holdings bankruptcy, reviewed the actions of the directors of Dynegy Inc. (which included Mr. Merksamer and another Icahn associate). The examiner concluded that a sale transaction effected by Dynegy Holdings was a “fraudulent transfer” and that a committee of Dynegy Inc. directors “led by Mr. Intieri and Mr. Merksamer” devised a restructuring plan that resulted in a breach of fiduciary duties

** Based on Capital IQ Dividend-Adjusted Total Return for the period April 23, 2008 (relisting date) to April 19, 2013. There may have been factors that contributed to the negative 75% shareholder return other than Mr. Alapont's leadership

ISS Doesn't Make the Rules, Our Shareholders Do



We strongly disagree with:

- ISS' decision to reject only one of Icahn's three nominees, particularly due to the nominees' lack of relevant experience and their affiliations with Icahn
- The notion that Icahn or his nominees have offered a plan or strategy for the company other than the extraction of an unsustainable dividend that the company believes would be detrimental to shareholder value, and which ISS sensibly rejected

We are:

- Confident that our shareholders will exercise independent judgment regardless of ISS' position, and we urge them to decisively defeat Icahn's nominees
- Not the only ones who believe that Merksamer, Alapont and Lipinski are not qualified to be board members
 - Despite being backed by ISS, Icahn nominees Merksamer and Alapont failed in their bids to be elected to the Board of Oshkosh in 2012
 - Lipinski was not recommended by ISS

Transocean's Board is Highly Qualified, Diverse and Experienced



- Our Board members have been successful:
 - They have **worked closely with current management** to develop and implement the strategic initiatives against which the company is successfully executing
 - They have **exhibited leading corporate governance practices** including a nominating process that has resulted in the addition of six highly qualified board members in two years
 - They have prudently **protected the company's investment grade rating** through Macondo, Frade, Norwegian tax litigation, and during an extremely volatile period in the credit market
 - They have **acted as good stewards of capital including the \$21 billion* return to shareholders since 2000**
 - In our view, the **experience and knowledge gap between our nominees and Icahn's slate is dramatic**
 - Mike Talbert provides deep knowledge of the industry, customers and Transocean
 - Bob Sprague has significant technical knowledge and experience as a customer, as well as a substantial international perspective and experience
 - Tom Cason provides extensive professional experience in the finance area of the oilfield services industry

We believe that every Board functions best when ongoing renewal is balanced with appropriate continuity – current Board nominees possess strong institutional knowledge of Transocean and its industry, without these Directors, the company may lose the benefit of "lessons learned" garnered during their time on the Board

Notes

* Includes \$5 billion distributed to GlobalSantaFe shareholders