



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

	Three months ended		
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Loss before income taxes	\$ (414)	\$ (315)	\$ (149)
Loss on disposal of assets, net	169	-	-
(Gain) loss on retirement of debt	32	(1)	-
Adjusted loss before income taxes	<u>\$ (213)</u>	<u>\$ (316)</u>	<u>\$ (149)</u>
Income tax expense (benefit)	\$ 51	\$ 35	\$ 26
Loss on disposal of assets, net	-	-	-
(Gain) loss on retirement of debt	-	-	-
Changes in estimates (1)	11	5	8
Adjusted income tax expense	<u>\$ 62</u>	<u>\$ 40</u>	<u>\$ 34</u>
Effective Tax Rate (2)	(12.3) %	(11.0) %	(17.6) %
Effective Tax Rate, excluding discrete items (3)	(29.0) %	(12.6) %	(22.8) %

- (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) Our effective tax rate is calculated as income tax expense or benefit divided by income or loss before income taxes.
- (3) 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.