

Transocean Ltd. and subsidiaries

Non-GAAP Financial Measures and Reconciliations

Total Debt to Net Debt, Total Debt to Adjusted Debt and Total Capital to Tangible Capital Reconciliations

(in US\$ millions, except percentages)

	09/30/16	06/30/16	03/31/16	
Total Debt to Net Debt Reconciliation				
Total debt	\$ 8,260	\$ 8,218	\$ 8,453	
Deduct: cash and cash equivalents	(2,534)	(2,153)	(2,574)	
Deduct: cash restricted for debt service	(133)	(177)	(179)	
Net debt	\$ 5,593	\$ 5,888	\$ 5,700	
Total Debt to Adjusted Debt Reconciliation				
Total debt	\$ 8,260	\$ 8,218	\$ 8,453	
Deduct: Eksportfinans loans	(133)	(177)	(179)	
Adjusted debt	\$ 8,127	\$ 8,041	\$ 8,274	
Total Capital to Tangible Capital Reconciliation				
Total equity	\$ 15,392	\$ 15,140	\$ 15,056	
Add: adjusted debt	8,127	8,041	8,274	
Total capital	23,519	23,181	23,330	
Deduct: goodwill	-	-	-	
Tangible capital	\$ 23,519	\$ 23,181	\$ 23,330	
Total Debt / Total Capital	35.1%	35.5%	36.2%	
Adjusted Debt / Tangible Capital	34.6%	34.7%	35.5%	
	12/31/2015 (a)	09/30/15	06/30/15	03/31/15
Total Debt to Net Debt Reconciliation				
Total debt	\$ 8,490	\$ 8,753	\$ 10,015	\$ 10,020
Deduct: cash and cash equivalents	(2,339)	(2,234)	(3,769)	(2,682)
Deduct: cash restricted for debt service	(216)	(223)	(296)	(288)
Net debt	\$ 5,935	\$ 6,296	\$ 5,950	\$ 7,050
Total Debt to Adjusted Debt Reconciliation				
Total debt	\$ 8,490	\$ 8,753	\$ 10,015	\$ 10,020
Deduct: Eksportfinans loans	(216)	(223)	(296)	(288)
Adjusted debt	\$ 8,274	\$ 8,530	\$ 9,719	\$ 9,732
Total Capital to Tangible Capital Reconciliation				
Total equity	\$ 14,808	\$ 14,026	\$ 13,648	\$ 13,510
Add: adjusted debt	8,274	8,530	9,719	9,732
Total capital	23,082	22,556	23,367	23,242
Deduct: goodwill	-	-	-	-
Tangible capital	\$ 23,082	\$ 22,556	\$ 23,367	\$ 23,242
Total Debt / Total Capital	36.8%	38.8%	42.9%	43.1%
Adjusted Debt / Tangible Capital	35.8%	37.8%	41.6%	41.9%
	12/31/14	09/30/14	06/30/14	03/31/14
Total Debt to Net Debt Reconciliation				
Total debt	\$ 10,092	\$ 10,353	\$ 10,457	\$ 10,470
Deduct: cash and cash equivalents	(2,635)	(2,873)	(2,117)	(1,987)
Deduct: cash restricted for debt service	(369)	(427)	(517)	(529)
Net debt	\$ 7,088	\$ 7,053	\$ 7,823	\$ 7,954
Total Debt to Adjusted Debt Reconciliation				
Total debt	\$ 10,092	\$ 10,353	\$ 10,457	\$ 10,470
Deduct: Eksportfinans loans	(369)	(427)	(517)	(529)
Adjusted debt	\$ 9,723	\$ 9,926	\$ 9,940	\$ 9,941
Total Capital to Tangible Capital Reconciliation				
Total equity	\$ 13,982	\$ 14,952	\$ 16,775	\$ 17,175
Add: adjusted debt	9,723	9,926	9,940	9,941
Total capital	23,705	24,878	26,715	27,116
Deduct: goodwill	-	(1,014)	(2,987)	(2,987)
Tangible capital	\$ 23,705	\$ 23,864	\$ 23,728	\$ 24,129
Total Debt / Total Capital	42.6%	41.6%	39.1%	38.6%
Adjusted Debt / Tangible Capital	41.0%	41.6%	41.9%	41.2%

(a) The calculation as of and subsequent to December 31, 2015, is not directly comparable to prior periods due to the adoption of the new accounting standards update related to the classification of debt issue costs.