



Goldman Sachs
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Recent Accomplishments

Operational Improvement

- Continued improvement across key **safety** metrics
- Revenue efficiency at or **above 95%** for 6 of the last 7 quarters
- Sustained improvements in **cost structure** and margins
 - Rationalized headcount and overhead reductions
 - Focus on out-of-service time and optimized maintenance programs
 - Cost effective stacking of UDW floaters

Financial Flexibility

- **\$16.8 billion** in contract backlog
- **\$5.2 billion** total liquidity at September 30, 2015
- Retired ~\$1.2 billion of debt in the third quarter of 2015
- **Deferred delivery** of 9 newbuild rigs
- BP/PSC Macondo settlement / insurance proceeds
- Cancelled dividend

Fleet Renewal

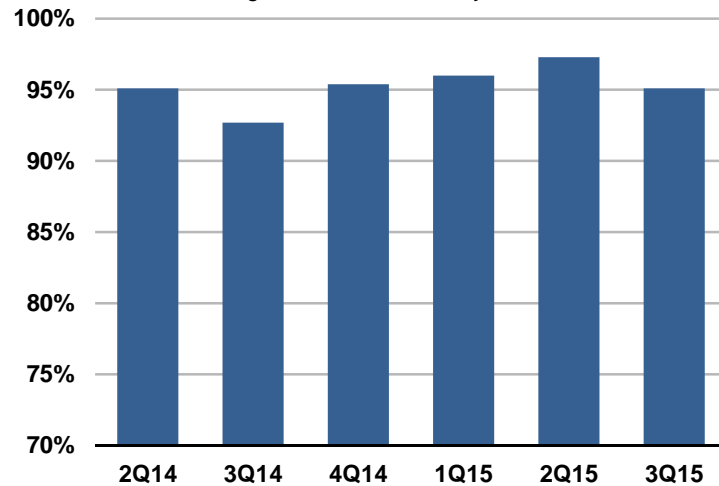
- Robust pipeline of value-enhancing **high-specification newbuilds**
- **Eliminating** exposure to **non-core rigs**
- Continuing technical leadership

Sustained Operational Out-Performance

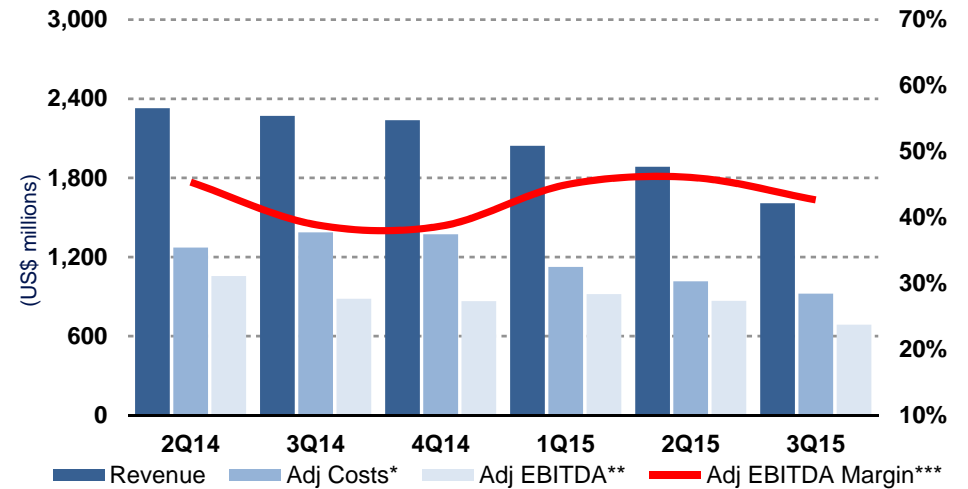
3Q15 adjusted earnings of \$0.87/share on revenues of \$1.6 billion

Revenue Efficiency

Average Revenue Efficiency **95.2%**



Revenue, Adjusted EBITDA & Costs

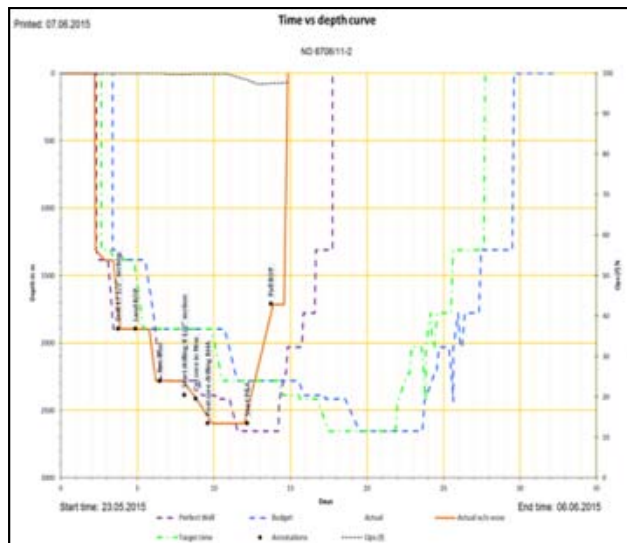


Continued progress on margin improvement initiatives partially offset deteriorating market conditions

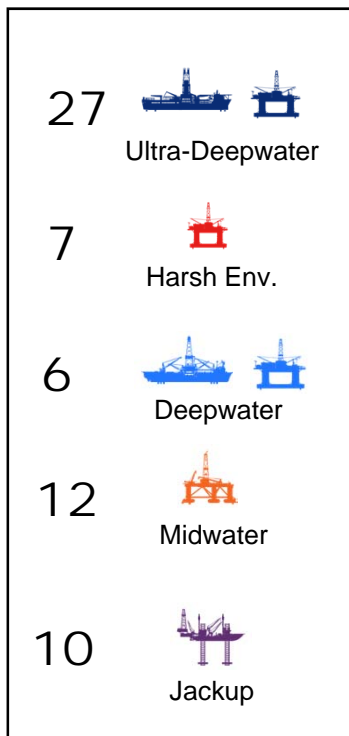
*O&M plus G&A expenses, adjusted for discrete items **Revenue less Adjusted Costs ***Adjusted EBITDA divided by Revenue

Industry Leading Execution

- Focus on personal and process safety
- Reducing non-productive time
- Better planning, improved reliability, lower spend
- Deliver more wells in record time

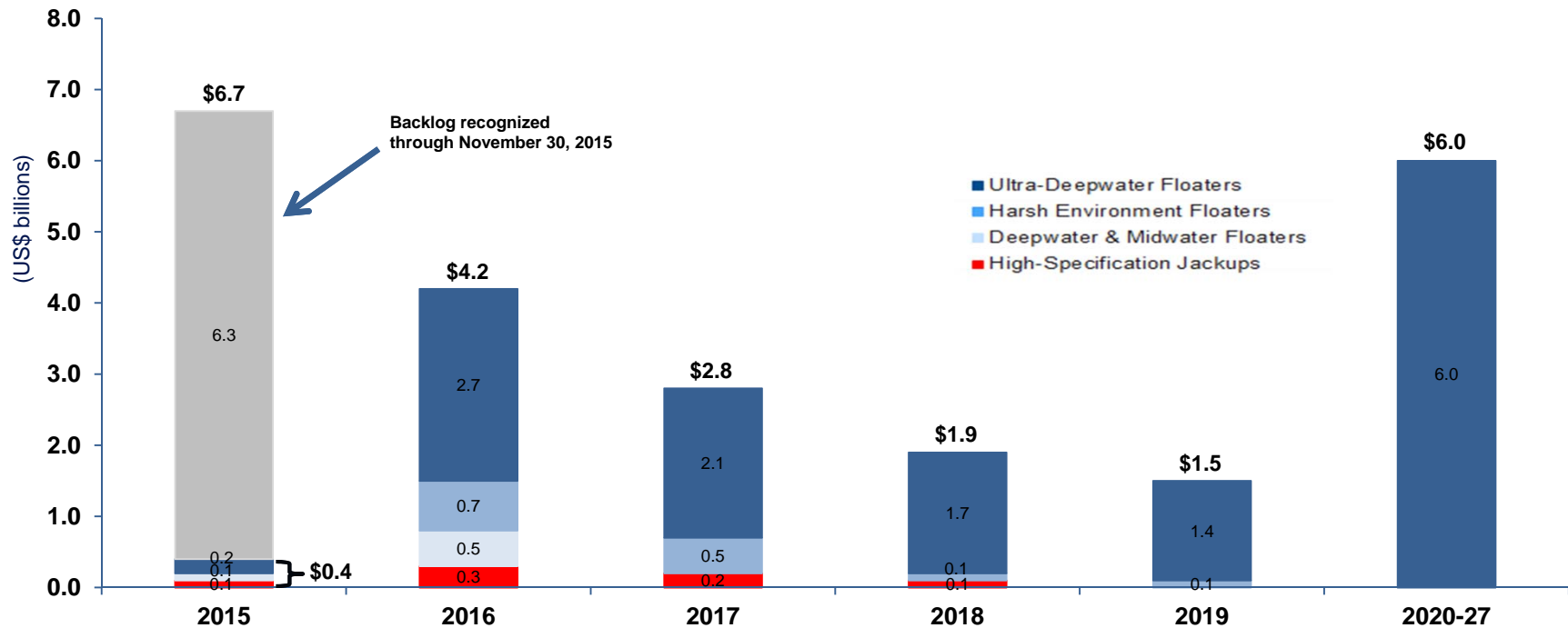


Global Market Leader



Industry Leading Contract Backlog

Total backlog - \$16.8 billion*



*Contracted operating dayrate multiplied by the contract duration for future periods as of 12/6/15

Challenging Market

Oil prices at post-2009 lows and rig market is oversupplied – rig fleet transformation in progress

Ultra-Deepwater



- Global fleet utilization 84%*
- Uncontracted newbuild deliveries delayed or cancelled

Deepwater



- Global fleet utilization 70%*
- Weakening activity with limited prospects

Midwater



- Global fleet utilization 75%*
- Acceleration of rig retirements

High-Spec Jackups



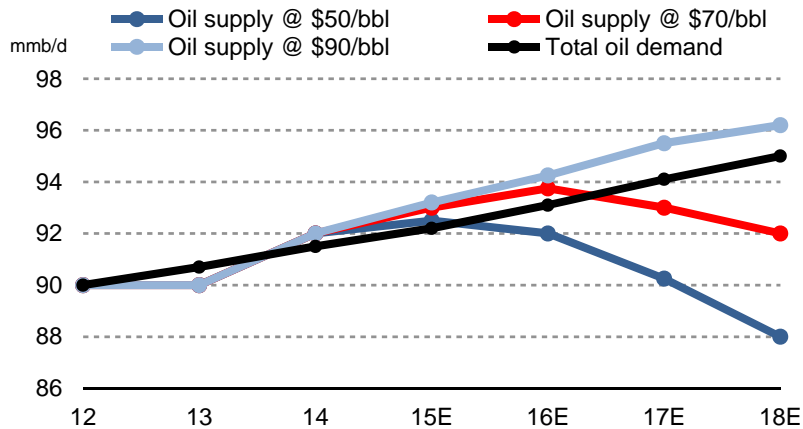
- Global fleet utilization 76%*
- Dayrates declining as oversupply intensifies

*Global marketed utilization data from IHS-Petrodata as of 1/04/16

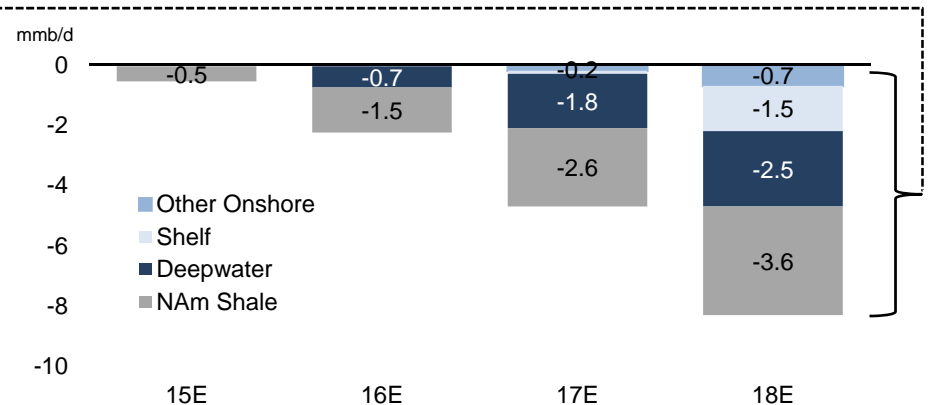
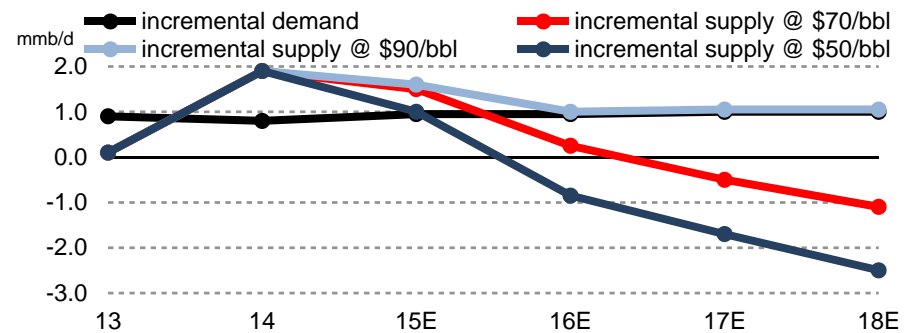
Future Imbalance From Depressed Oil Prices

- **\$50 oil:** supply exceeded demand in 2015, but supply destruction in out-years is unsustainable
- **\$70 oil:** continued reinvestment keeps market from balancing until 2016-2017, but 2017+ undersupplied
- **\$90 oil:** longer-term price required to balance incremental supply/demand
- Approximately 30% of the potential 8mmb/d 2018 deficit comes from deepwater sources

Please note, this is not intended to be a commodity price forecast, merely a sensitivity analysis.

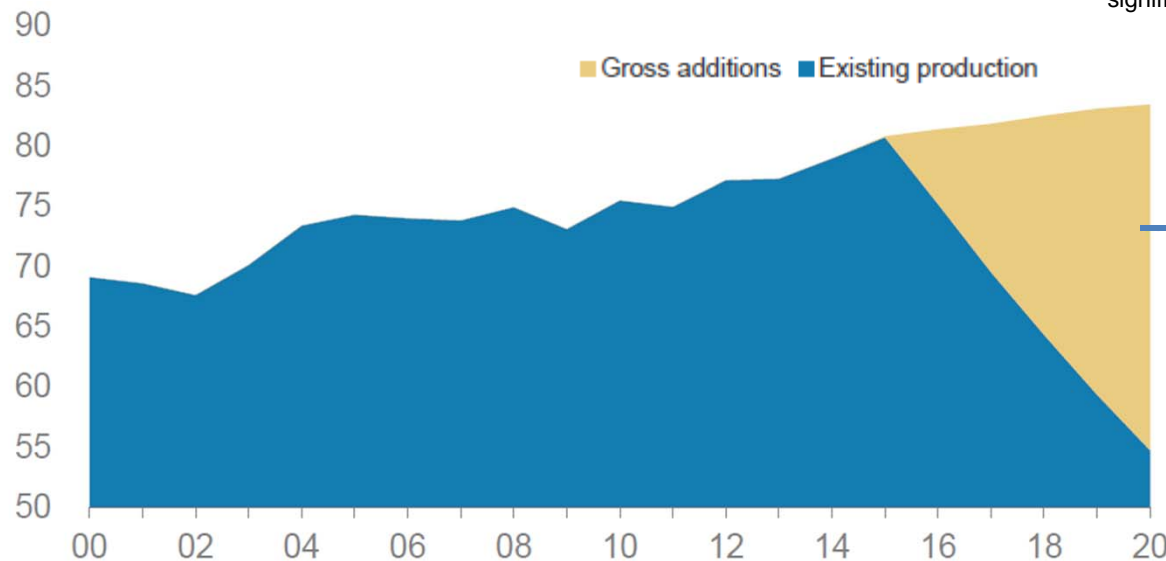


Source: Rystad Energy, EIA, IEA, Morgan Stanley Research estimates



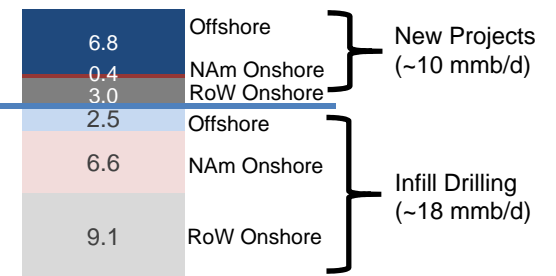
Future Demand Requires Offshore Development

Crude & Condensate Production [mmb/d]



Source: Rystad Energy, Morgan Stanley Research estimates

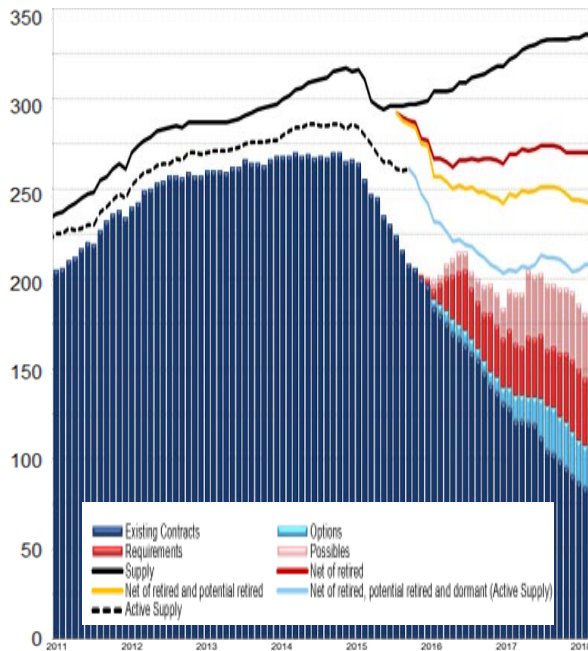
Incremental production growth through 2020 requires significant investment, both offshore and onshore



To prevent even more significant declines in base production, substantial spending on infill drilling is required in mature fields. Infill drilling activity has nevertheless taken a recent hit from the oil price decline.

Rig Attrition Key to Rebalance the Market

Contract Status & Expected Demand 2011-2018
All Floaters - Worldwide



Fearnley Offshore ©2015

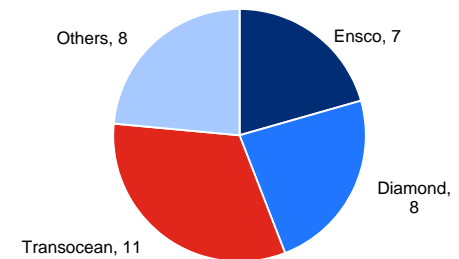
Active Supply Market Factors

1. Delayed newbuild deliveries
2. Scrapping of lower specification units
3. Bankruptcies of weaker contractors
4. Temporary stacking of older high specification units (modified cold stacked rigs)

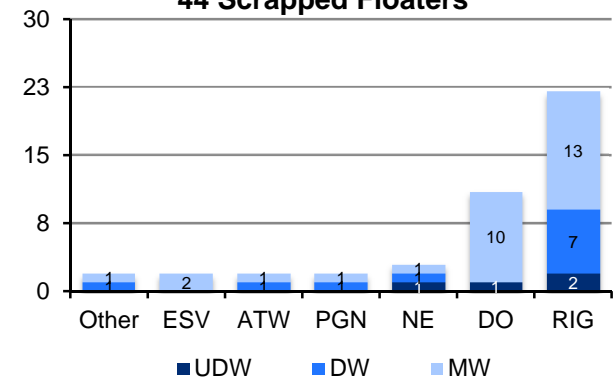


1. Contract terminations increase available supply
2. Operators with excess capacity seeking farmout opportunities

34 Cold Stacked Floaters



44 Scrapped Floaters



Investing in the Fleet – High Specification Assets

18 Newbuilds Added 2009-2014

- 11 UDW Drillships
- 3 UDW Semisubmersibles
- 4 HS Jackups



~\$12B Investment

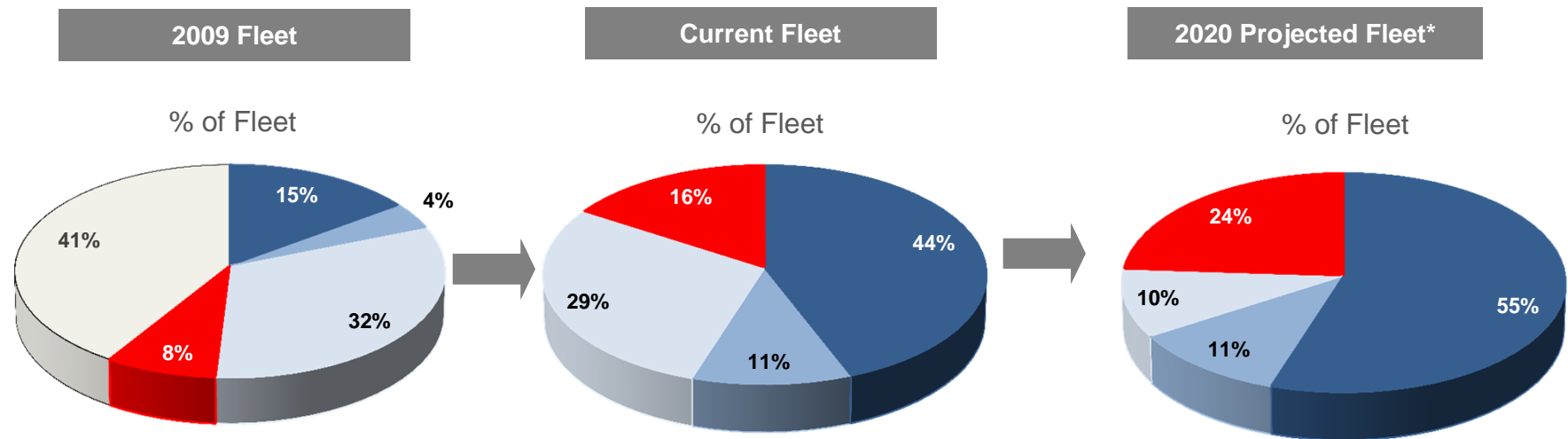
12 Newbuilds in Pipeline 2016-2020

- 7 UDW Drillships
- 5 HS Jackups



~\$7B Investment

Asset Profile



- Ultra-Deepwater Floaters
- Harsh Environment Floaters
- Deepwater & Midwater Floaters
- High-Specification Jackups
- Standard Jackups

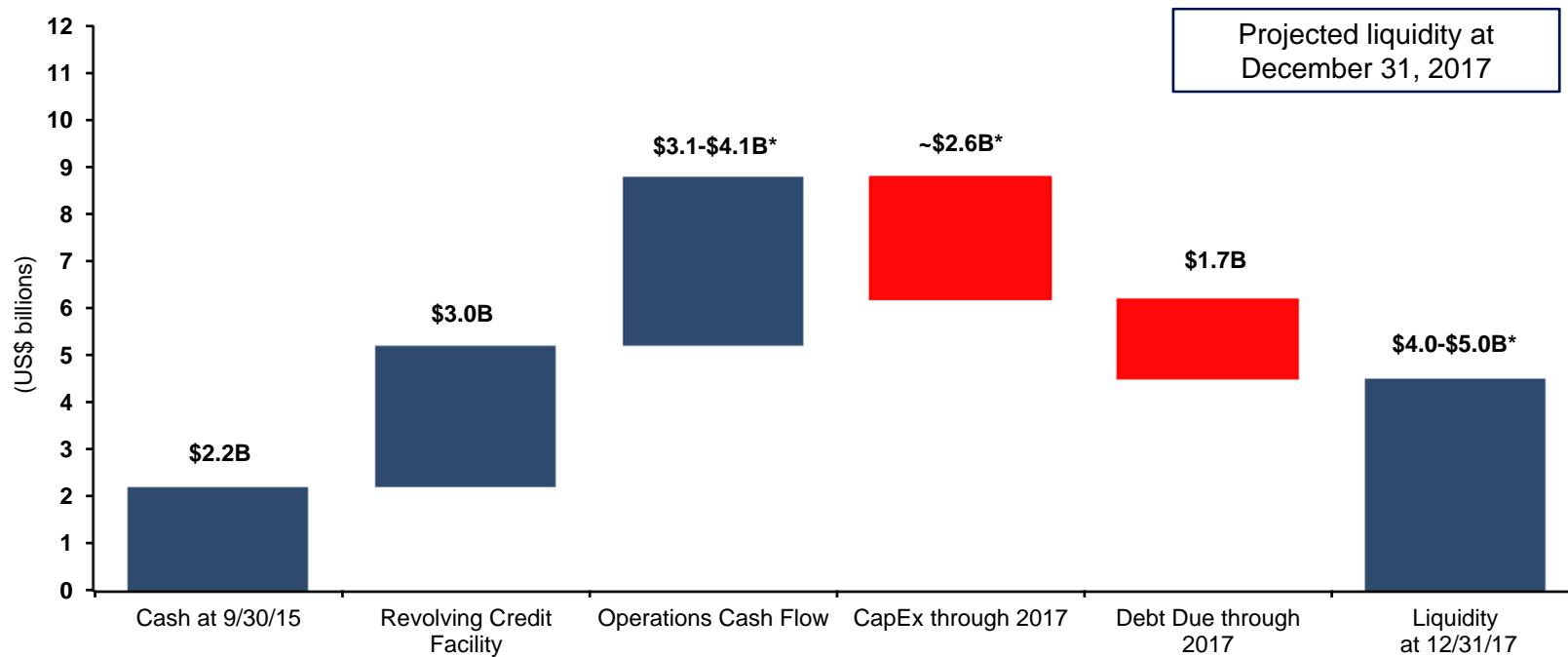
- **Projected fleet includes:**
 - 11 UDW dual BOP rigs
 - 8 UDW moored & DP capable rigs
 - 5 UDW 20k psi capable rigs
- **Average fleet age:**
 - 2020 ~16 years*
 - 2015 ~19 years
 - 2009 ~24 years

* Estimate November 2015

Strong Financial Position

- **\$16.8 billion** backlog provides solid cash-generation foundation
- \$5.2 billion total liquidity at September 30, 2015
 - **\$2.2 billion** cash
 - **\$3.0 billion** undrawn revolving credit facility
- Re-phasing/reduction of capital spending
- Continuous improvement in **operating performance**
- Focus on cost management, including
 - Reduced UDW stacking costs
 - Streamlined organizational structure

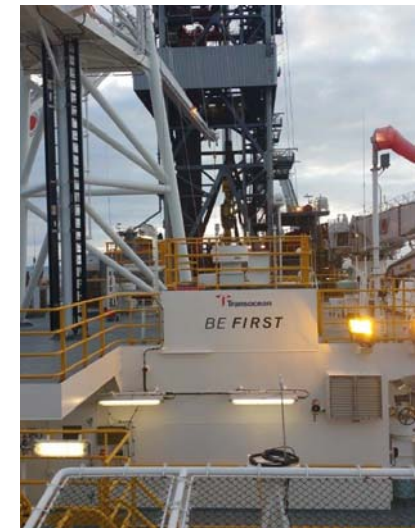
Substantial Liquidity



The Path Forward

➤ Transocean will:

- Deliver the safest, most efficient drilling services
- Continue to focus on producing strong operating results through:
 - Strengthening customer relationships
 - Delivering best-in-class uptime and revenue efficiency
 - Right-sizing the organization consistent with fleet size
 - Streamlining every element of the business
- Actively manage capital structure and liquidity
- High grade and reposition the worldwide fleet for the industry recovery



Transocean will build upon its position as the industry's leading offshore driller



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