

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**  
CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): November 8, 2005

**TRANSOCEAN INC.**

(Exact name of registrant as specified in its charter)

**Cayman Islands**

(State or other jurisdiction of incorporation or  
organization)

**333-75899**

(Commission File Number)

**66-0582307**

(I.R.S. Employer Identification No.)

**4 Greenway Plaza  
Houston, Texas 77046**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(713) 232-7500**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 2.02 Results of Operations and Financial Condition.

Our press release dated November 8, 2005, concerning third quarter 2005 financial results, furnished as Exhibit 99.1 to this report, is incorporated by reference herein. The press release contains certain measures (discussed below) which may be deemed “non-GAAP financial measures” as defined in Item 10 of Regulation S-K of the Securities Exchange Act of 1934, as amended.

In the press release, we discuss field operating income for the three months ended September 30, 2005 and June 30, 2005. Management believes field operating income is a useful measure of operating results since the measure only deducts expenses directly related to operations from revenues. The most directly comparable GAAP financial measure, operating income before general and administrative expenses, and information reconciling the GAAP and non-GAAP measures are included in the press release.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, nor will it be incorporated by reference into any registration statement filed by Transocean Inc. under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by Transocean Inc. that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of Transocean Inc.

(c) Exhibits.

The following exhibit is furnished pursuant to Item 2.02:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Transocean Inc. Press Release Reporting Third Quarter 2005 Financial Results.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRANSOCEAN INC.

Date: November 8, 2005

By: \_\_\_\_\_

William E. Turcotte  
Vice President, Associate General Counsel and Assistant  
Corporate Secretary

INDEX TO EXHIBITS

The following exhibit is furnished pursuant to Item 2.02:

<u>Exhibit Number</u>	<u>Description</u>
<a href="#">99.1</a>	Transocean Inc. Press Release Reporting Third Quarter 2005 Financial Results.



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**Transocean Inc.**

Post Office Box 2765

Houston TX 77252 2765

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**Analyst Contact:** Jeffrey L. Chastain  
713 232 7551

**Media Contact:** Guy A. Cantwell  
713 232 7647

## **News Release**

**FOR RELEASE:** November 8, 2005

### **TRANSOCEAN INC. REPORTS THIRD QUARTER 2005 RESULTS**

HOUSTON--Transocean Inc. (NYSE: RIG) today reported net income for the three months ended September 30, 2005 of \$170.4 million, or \$0.50 per diluted share, on revenues of \$762.6 million. The results compare to net income of \$154.9 million, or \$0.47 per diluted share, on revenues of \$651.8 million for the three months ended September 30, 2004. Net income for the corresponding three months in 2004 included a gain relating to a secondary offering of TODCO shares of \$129.4 million, or \$0.39 per diluted share.

For the nine months ended September 30, 2005, net income was \$564.0 million, or \$1.68 per diluted share, on revenues of \$2,120.5 million, compared to net income of \$225.6 million, or \$0.70 per diluted share, on revenues of \$1,937.0 million for the corresponding nine months in 2004. Net income for the nine months ended September 30, 2005 included gains resulting from the sale of TODCO common stock in May and June of 2005 of \$165.0 million, or \$0.49 per diluted share, gains associated with the sale of the semisubmersible rig *Sedco 600*, the jackup rig *Transocean Jupiter* and *Land Rig 34* of \$27.9 million, or \$0.08 per diluted share, and a loss on the early retirement of debt of \$6.7 million, or \$0.02 per diluted share. The results for the comparable nine months in 2004 included the gain on the sale of the semisubmersible rig *Sedco 602* of \$21.6 million, or \$0.07 per diluted share, a loss on the early retirement of debt of \$28.1 million, or \$0.09 per diluted share, and items related to the divestiture of TODCO of \$130.7 million, or \$0.40 per diluted share.

Robert L. Long, President and Chief Executive Officer of Transocean Inc., stated, "The outlook for the offshore drilling industry remains exceptionally strong with both floating rigs and jackup units experiencing improving demand. Dayrate levels reflect the tight supply and demand dynamics into the future, with the company recently establishing an industry high dayrate of \$475,000 over a three-year duration for the *Discoverer Spirit* in the U.S. Gulf of Mexico. We have also seen significant dayrate increases for some of our other floaters. Due to strong customer demand, we are increasingly confident that up to three of our currently idle floaters, the semisubmersible rigs *Transocean Prospect*, *Transocean Winner* and *C. Kirk Rhein, Jr.* could be reactivated with anticipated contract commencement dates during the second or third quarter of 2006. We have announced separately an agreement to upgrade a *Sedco 700*-series semisubmersible to deepwater drilling capacity and are also in discussions with several operators regarding possible additional upgrades to deepwater drilling capability of other semisubmersibles in our Other Floaters fleet. These other potential upgrades would be supported by firm contracts and require an estimated 24 months to complete at a cost of approximately \$300 million per unit, depending on final technical specifications and other factors.

"Our industry is facing significant challenges as it copes with an unprecedented level of customer demand, the repair of mobile offshore drilling units damaged by hurricanes in the U.S. Gulf of Mexico, a growing shortage of qualified personnel and lengthening lead times associated with the delivery of critical rig components. In addition, industry costs, such as those for labor, rig maintenance and insurance, are escalating. To meet these challenges, recruiting, training and developing our people will continue to be one of our highest priorities."

The company's fleet of 32 High-Specification Floaters continues to experience strong customer demand throughout all operating regions. Due in part to the tightening capacity into 2007, operators are increasingly committing to multiple-year contracts, as evidenced by recent contract awards for the *Deepwater Millennium*, *Discoverer Spirit*, *Deepwater Pathfinder*, *Discoverer Seven Seas*, *Transocean Arctic* and *Deepwater Expedition*, each ranging from two to three years in duration. At present, eight of the company's High-Specification Floaters have been awarded contracts with durations into 2010. Continued dayrate improvement remains evident with a recent contract signing involving a Fifth-Generation Deepwater Floater at a high of \$475,000, while recent dayrate discussions involving some Other Deepwater Floaters range from \$250,000 to \$355,000. A total of 14 High-Specification Floaters, including four Fifth-Generation Deepwater Floaters, are expected to complete existing contract commitments between now and 2007, representing opportunities to contract these 14 rigs at market dayrates prevailing at that time. At present, approximately 80% of the High-Specification Floater fleet is committed to contracts in 2006, including 92% of the Fifth-Generation Deepwater Floater fleet while 62% is committed to contracts in 2007, including 80% of the Fifth-Generation Deepwater Floater fleet.

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Activity levels for the company's Other Floaters, or mid-water rigs, are expected to improve into 2007. Dayrates for these floaters continue to advance, especially in the U.K. sector of the North Sea, where a short-term contract was recently awarded to the semisubmersible rig *Sedco 714* at a dayrate of \$250,000, up from a previous dayrate of \$200,000, and in the U.S. Gulf of Mexico, where the semisubmersible rig *Falcon 100* was recently awarded a one-year contract at a dayrate of \$180,000, up from \$145,000 on a previous contract. At present, approximately 59% and 18% of the Other Floaters fleet is contracted in 2006 and 2007, respectively.

The company's fleet of 25 Jackups continues to experience strong utilization, achieving 98% during the three months ended September 30, 2005. Contract opportunities with expected 2006 commencements are expanding in the Middle East, Southeast Asia and India. Some of these contract opportunities are for multiple-year contract durations with dayrates ranging from \$85,000 to \$130,000. At present, approximately 58% and 18% of the Jackup fleet is contracted in 2006 and 2007, respectively.

An increase in revenues in the fourth quarter of 2005 due to the above described trends is expected to be substantially offset by out-of-service time resulting from hurricane damage to the semisubmersible rigs *Deepwater Nautilus* and *Transocean Marianas*. The combined impact on revenues and operating costs during the fourth quarter of 2005 from hurricane damage is expected to be between \$40 million and \$50 million. Repair costs resulting from hurricane damage, along with planned upgrades and maintenance for the *Sedco Energy*, *Trident 8* and *Shelf Explorer* and reactivation programs for the *Peregrine I* and at least one currently idle semisubmersible are expected to result in higher fourth quarter 2005 operating and maintenance expenses as compared to the reported level for the third quarter of 2005. The higher operating and maintenance expenses are expected to more than offset any increase in revenues the company might realize in the fourth quarter of 2005.

*Operations Quarterly Review* - Revenues for the three months ended September 30, 2005 totaled \$762.6 million, a 5% improvement from revenues of \$727.4 million during the three months ended June 30, 2005. The increase was due primarily to higher fleet activity and dayrates, with activity levels favorably impacted by improved utilization on a number of rigs, including the semisubmersible rigs *Sedco Express*, *M.G. Hulme, Jr.* and *Transocean Legend*, which spent time in shipyards during the previous three months in 2005 for planned maintenance or upgrades. Higher dayrates resulted in an average fleet dayrate of \$107,100 compared to \$103,100 during the three months ended June 30, 2005. The revenue improvement was partially offset by fleet downtime relating to shipyard programs for the semisubmersible rig *Sedco Energy*, ahead of its two-year contract in Nigeria, and the drillship *Deepwater Navigator*, combined with reduced revenues from integrated services activities in the North Sea.

Operating income before general and administrative expenses<sup>(1)</sup> and field operating income (defined as revenues less operating and maintenance expense) were \$222.9 million and \$322.8 million, respectively, for the three months ended September 30, 2005 and compared favorably to \$202.8 million and \$288.5 million, respectively, for the three months ended June 30, 2005. The improved results were due primarily to increased revenues resulting from higher activity and dayrates. Operating and maintenance expenses for the three months ended September 30, 2005 were \$439.8 million, which were essentially flat with the preceding three months in 2005. Expenses in the most recently completed quarter of \$13 million associated with the reactivation of the drillship *Peregrine I*, ahead of its multiple-year contract in Brazil, and scheduled shipyard and maintenance programs on the drillship *Deepwater Navigator* and the semisubmersible rig *Sedco Energy*, as well as project expenses of \$3.4 million relating to semisubmersible rigs damaged by hurricanes in the U.S. Gulf of Mexico, were partially offset by lower expenses pertaining to reduced integrated services activity. Average fleet utilization for the three months ended September 30, 2005 improved to 82%, up from 79% during the preceding three months in 2005, with improvements shown throughout most of the company's fleet.

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*TODCO Tax Sharing Agreement* - The company reported \$10.1 million in the third quarter of 2005 related to the recognition of income under the tax sharing agreement with TODCO. The TODCO tax sharing agreement provides that TODCO will pay Transocean as it utilizes pre-IPO tax benefits from net operating losses and similar items. This income is recognized when TODCO files its income tax return. The amount recognized in the third quarter of 2005 and reflected in "Other, net" in the company's condensed consolidated statements of operations relates to TODCO's filing of its 2004 U.S. federal income tax return.

Conference Call Information Transocean will conduct a teleconference call at 10:00 a.m. ET on November 8, 2005. To participate, dial 303-262-2050 approximately five to 10 minutes prior to the scheduled start time of the call. In addition, the conference call will be simultaneously broadcast over the Internet in a listen-only mode and can be accessed by logging onto the company's website at [www.deepwater.com](http://www.deepwater.com) and selecting "Investor Relations." It may also be accessed via the Internet at [www.CompanyBoardroom.com](http://www.CompanyBoardroom.com) by typing in the company's New York Stock Exchange trading symbol, "RIG." A telephonic replay of the conference call should be available after 1:00 p.m. ET on November 8 and can be accessed by dialing 303-590-3000 and referring to the passcode 11041313. Also, a replay will be available through the Internet and can be accessed by visiting either of the above-referenced Worldwide Web addresses.

Forward-Looking Disclaimer Statements regarding fundamental business outlook, duration of current demand cycle, contract backlog, rig demand, timing, cost and impact of rig reactivations, major upgrades, revenues, costs, results, contract duration, contract opportunities, repair costs, impact of storm damage, personnel matters, opportunities for the company, dayrates, as well as any other statements that are not historical facts in this release, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to operating hazards and delays, risks associated with international operations, effect of strike and other labor relations issues, effect of fire, future financial results, actions by customers and other third parties, the future price of oil and gas and other factors detailed in the company's most recent Form 10-K and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated.

Transocean Inc. is the world's largest offshore drilling contractor with a fleet of 92 mobile offshore drilling units. The company's mobile offshore drilling fleet, consisting of a large number of high-specification deepwater and harsh environment drilling units, is considered one of the most modern and versatile in the world due to its emphasis on technically demanding segments of the offshore drilling business. The company's fleet consists of 32 High-Specification Floaters (semisubmersibles and drillships), 24 Other Floaters, 25 Jackup Rigs and other assets utilized in the support of offshore drilling activities worldwide. With a current equity market capitalization in excess of \$19 billion, Transocean Inc.'s ordinary shares are traded on the New York Stock Exchange under the symbol "RIG."

<sup>1</sup> For a reconciliation of segment operating income before general and administrative expense to field operating income, see the accompanying schedule titled Non-GAAP Financial Measures and Reconciliations - Operating Income (Loss ) Before General and Administrative Expense to Field Operating Income by Segment.

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**TRANSOCEAN INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions, except per share data)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<b>Operating Revenues</b>				
Contract drilling revenues	\$ 735.6	\$ 607.1	\$ 2,018.3	\$ 1,789.5
Other revenues	27.0	44.7	102.2	147.5
	762.6	651.8	2,120.5	1,937.0
<b>Costs and Expenses</b>				
Operating and maintenance	439.8	432.9	1,267.3	1,251.5
Depreciation	102.1	133.9	304.0	398.4
General and administrative	19.4	15.2	55.5	44.3
	561.3	582.0	1,626.8	1,694.2
Gain from sale of assets, net	2.2	1.3	37.9	28.9
<b>Operating Income</b>	203.5	71.1	531.6	271.7
<b>Other Income (Expense), net</b>				
Equity in earnings of unconsolidated affiliates	1.8	1.7	8.3	7.7
Interest income	5.2	2.5	14.0	6.5
Interest expense	(24.5)	(42.6)	(87.4)	(132.6)
Gain from TODCO Stock Sales	-	129.4	165.0	168.8
Loss on retirement of debt	(0.6)	-	(7.3)	(28.1)
Other, net	9.7	0.1	5.6	0.4
	(8.4)	91.1	98.2	22.7
<b>Income Before Income Taxes and Minority Interest</b>	195.1	162.2	629.8	294.4
Income Tax Expense	24.7	6.3	65.8	74.2
Minority Interest	-	1.0	-	(5.4)
<b>Net Income</b>	\$ 170.4	\$ 154.9	\$ 564.0	\$ 225.6
<b>Earnings Per Share</b>				
Basic	\$ 0.52	\$ 0.48	\$ 1.73	\$ 0.70
Diluted	\$ 0.50	\$ 0.47 <sup>(1)</sup>	\$ 1.68	\$ 0.70
<b>Weighted Average Shares Outstanding</b>				
Basic	328.9	320.9	326.2	320.7
Diluted	340.8	330.5	338.5	324.4

(1) As a result of EITF 04-08, "The Effect of Contingently Convertible Instruments on Diluted Earnings Per Share," which was effective for reporting periods ending after December 15, 2004, the diluted earnings per share for the three months ended September 30, 2004 have been restated.

**TRANSOCEAN INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions, except share data)

	September 30, 2005 (Unaudited)	December 31, 2004
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 596.8	\$ 451.3
Accounts Receivable, net of allowance for doubtful accounts of \$18.0 and \$16.8 at September 30, 2005 and December 31, 2004, respectively	596.5	442.0
Materials and Supplies, net of allowance for obsolescence of \$18.5 and \$20.3 at September 30, 2005 and December 31, 2004, respectively	155.2	144.7
Deferred Income Taxes, net	19.9	19.0
Other Current Assets	36.3	52.1
<b>Total Current Assets</b>	<b>1,404.7</b>	<b>1,109.1</b>
Property and Equipment	9,802.6	9,732.9
Less Accumulated Depreciation	2,983.6	2,727.7
<b>Property and Equipment, net</b>	<b>6,819.0</b>	<b>7,005.2</b>
Goodwill	2,254.9	2,251.9
Investments in and Advances to Unconsolidated Affiliates	6.4	109.2
Deferred Income Taxes	60.9	43.8
Other Assets	226.7	239.1
<b>Total Assets</b>	<b>\$ 10,772.6</b>	<b>\$ 10,758.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts Payable	\$ 200.8	\$ 180.8
Accrued Income Taxes	38.1	17.1
Debt Due Within One Year	400.0	19.4
Other Current Liabilities	266.6	213.0
<b>Total Current Liabilities</b>	<b>905.5</b>	<b>430.3</b>
Long-Term Debt	1,197.7	2,462.1
Deferred Income Taxes, net	144.9	124.1
Other Long-Term Liabilities	322.7	345.2
<b>Total Long-Term Liabilities</b>	<b>1,665.3</b>	<b>2,931.4</b>
Commitments and Contingencies		
Minority Interest	4.1	4.0
Preference Shares, \$0.10 par value; 50,000,000 shares authorized, none issued and outstanding	-	-
Ordinary Shares, \$0.01 par value; 800,000,000 shares authorized, 330,077,072 and 321,533,998 shares issued and outstanding at September 30, 2005 and December 31, 2004, respectively	3.3	3.2
Additional Paid-in Capital	10,935.4	10,695.8
Accumulated Other Comprehensive Loss	(23.0)	(24.4)
Retained Deficit	(2,718.0)	(3,282.0)
<b>Total Shareholders' Equity</b>	<b>8,197.7</b>	<b>7,392.6</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 10,772.6</b>	<b>\$ 10,758.3</b>

**TRANSOCEAN INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In millions)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
<b>Cash Flows from Operating Activities</b>				
Net income	\$ 170.4	\$ 154.9	\$ 564.0	\$ 225.6
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	102.1	133.9	304.0	398.4
Stock-based compensation expense	6.2	4.2	12.1	17.7
Deferred income taxes	(8.8)	(7.6)	(6.6)	20.4
Equity in earnings of unconsolidated affiliates	(1.8)	(1.7)	(8.3)	(7.7)
Net (gain)/loss from disposal of assets	(0.7)	1.4	(34.2)	(23.6)
Gain from TODCO Stock Sales	-	(129.4)	(165.0)	(168.8)
Loss on retirement of debt	0.6	-	7.3	28.1
Amortization of debt-related discounts/premiums, fair value adjustments and issue costs, net	(0.8)	(5.1)	(6.3)	(17.6)
Deferred income, net	(22.0)	1.0	(9.9)	15.1
Deferred expenses, net	18.0	(5.8)	27.1	(18.5)
Tax benefit from exercise of options to purchase and vesting of ordinary shares under stock-based compensation plans	15.2	-	20.1	-
Other long-term liabilities	5.5	(1.5)	18.0	5.4
Other, net	(15.6)	3.7	(16.9)	(0.6)
Changes in operating assets and liabilities				
Accounts receivable	(27.1)	8.6	(146.7)	(23.2)
Accounts payable and other current liabilities	14.5	61.0	85.6	61.1
Income taxes receivable/payable, net	(20.1)	3.4	(13.0)	5.4
Other current assets	2.0	5.0	(18.1)	(10.6)
<b>Net Cash Provided by Operating Activities</b>	<b>237.6</b>	<b>226.0</b>	<b>613.2</b>	<b>506.6</b>
<b>Cash Flows from Investing Activities</b>				
Capital expenditures	(35.3)	(45.1)	(144.9)	(99.8)
Proceeds from disposal of assets, net	2.3	4.3	62.8	46.3
Proceeds from TODCO Stock Sales, net	-	269.9	271.9	425.6
Joint ventures and other investments, net	-	4.3	4.5	9.0
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(33.0)</b>	<b>233.4</b>	<b>194.3</b>	<b>381.1</b>
<b>Cash Flows from Financing Activities</b>				
Repayments on revolving credit agreement	-	-	-	(200.0)
Repayments on other debt instruments	(592.4)	(11.8)	(880.2)	(407.0)
Net proceeds from issuance of ordinary shares under stock-based compensation plans	36.7	5.0	196.1	20.0
Proceeds from issuance of ordinary shares upon exercise of warrants	6.0	-	10.6	-
Decrease in cash dedicated to debt service	-	-	12.0	-
Other, net	(0.6)	1.1	(0.5)	1.1
<b>Net Cash Used in Financing Activities</b>	<b>(550.3)</b>	<b>(5.7)</b>	<b>(662.0)</b>	<b>(585.9)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(345.7)</b>	<b>453.7</b>	<b>145.5</b>	<b>301.8</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>942.5</b>	<b>322.1</b>	<b>451.3</b>	<b>474.0</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 596.8</b>	<b>\$ 775.8</b>	<b>\$ 596.8</b>	<b>\$ 775.8</b>

**Transocean Inc.**  
**Fleet Operating Statistics**

Operating Revenues (\$ Millions) <sup>(1)</sup>

	Three Months Ended			Nine Months Ended September 30,	
	September 30,	June 30, 2005	September 30,	2005	2004
	2005		2004		
<b>Transocean Drilling Segment:</b>					
Contract Drilling Revenues					
High-Specification Floaters:					
Fifth-Generation Deepwater Floaters	\$ 220.9	\$ 213.8	\$ 192.8	\$ 627.0	\$ 590.3
Other Deepwater Floaters	\$ 161.8	\$ 145.7	\$ 112.5	\$ 432.8	\$ 323.9
Other High-Specification Floaters	\$ 60.8	\$ 56.0	\$ 34.2	\$ 167.0	\$ 96.3
Total High-Specification Floaters	\$ 443.5	\$ 415.5	\$ 339.5	\$ 1,226.8	\$ 1,010.5
Other Floaters	\$ 136.1	\$ 114.2	\$ 67.0	\$ 338.5	\$ 196.0
Jackups	\$ 133.2	\$ 128.3	\$ 101.4	\$ 387.9	\$ 309.5
Other Rigs	\$ 22.8	\$ 24.1	\$ 20.1	\$ 65.1	\$ 64.1
Subtotal	\$ 735.6	\$ 682.1	\$ 528.0	\$ 2,018.3	\$ 1,580.1
Other Revenues					
Client Reimbursable Revenues	\$ 19.8	\$ 25.0	\$ 17.6	\$ 63.7	\$ 55.6
Integrated Services and Other	\$ 7.2	\$ 20.3	\$ 13.1	\$ 38.5	\$ 53.7
Subtotal	\$ 27.0	\$ 45.3	\$ 30.7	\$ 102.2	\$ 109.3
Segment Total	\$ 762.6	\$ 727.4	\$ 558.7	\$ 2,120.5	\$ 1,689.4
<b>TODCO Segment <sup>(3)</sup></b>					
Contract Drilling Revenues	\$ -	\$ -	\$ 79.1	\$ -	\$ 209.4
Other Revenues					
Client Reimbursable Revenues	\$ -	\$ -	\$ 5.6	\$ -	\$ 16.2
Delta Towing and Other	\$ -	\$ -	\$ 8.4	\$ -	\$ 22.0
Subtotal	\$ -	\$ -	\$ 14.0	\$ -	\$ 38.2
Segment Total	\$ -	\$ -	\$ 93.1	\$ -	\$ 247.6
<b>Total Company</b>	<b>\$ 762.6</b>	<b>\$ 727.4</b>	<b>\$ 651.8</b>	<b>\$ 2,120.5</b>	<b>\$ 1,937.0</b>

Average Dayrates <sup>(1)</sup> <sup>(2)</sup> <sup>(4)</sup>

	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2005	June 30, 2005	September 30, 2004	2005	2004
<b>Transocean Drilling Segment:</b>					
High-Specification Floaters:					
Fifth-Generation Deepwater Floaters	\$ 197,100	\$ 197,100	\$ 193,400	\$ 192,300	\$ 187,600
Other Deepwater Floaters	\$ 141,700	\$ 132,700	\$ 103,900	\$ 133,300	\$ 104,200
Other High-Specification Floaters	\$ 166,300	\$ 170,500	\$ 111,200	\$ 163,400	\$ 113,800
Total High-Specification Floaters	\$ 168,800	\$ 165,500	\$ 142,200	\$ 163,000	\$ 142,300
Other Floaters	\$ 90,400	\$ 82,400	\$ 65,400	\$ 82,000	\$ 64,400
Jackups	\$ 58,900	\$ 58,200	\$ 52,500	\$ 58,200	\$ 52,200
Other Rigs	\$ 48,000	\$ 47,000	\$ 44,700	\$ 47,000	\$ 44,100
Segment Total	\$ 107,100	\$ 103,100	\$ 91,100	\$ 102,400	\$ 90,200
<b>TODCO Segment <sup>(3)</sup></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,300</b>	<b>\$ -</b>	<b>\$ 26,400</b>
<b>Total Drilling Fleet</b>	<b>\$ 107,100</b>	<b>\$ 103,100</b>	<b>\$ 69,800</b>	<b>\$ 102,400</b>	<b>\$ 70,300</b>

	Utilization <sup>(1)</sup> <sup>(2)</sup> <sup>(4)</sup>				
	Three Months Ended			Nine Months Ended September 30,	
	September 30, 2005	June 30, 2005	September 30, 2004	2005	2004
<b>Transocean Drilling Segment:</b>					
High-Specification Floaters:					
Fifth-Generation Deepwater Floaters	94%	92%	83%	92%	88%
Other Deepwater Floaters	83%	80%	78%	79%	76%
Other High-Specification Floaters	99%	90%	84%	94%	77%
Total High-Specification Floaters	89%	86%	81%	86%	81%
Other Floaters	68%	63%	45%	63%	44%
Jackups	98%	94%	81%	96%	83%
Other Rigs	51%	57%	44%	51%	48%
Segment Total	82%	79%	67%	79%	68%
<b>TODCO Segment <sup>(3)</sup></b>	-	-	45%	-	41%
Total Drilling Fleet	82%	79%	58%	79%	56%

(1) Certain reclassifications have been made to prior periods to conform to current quarter presentation.

(2) Average dayrates are defined as contract drilling revenue earned per revenue earning day in the period. A revenue earning day is defined as a day for which a rig earns dayrate after commencement of operations. Utilization is defined as the total actual number of revenue earning days in the period as a percentage of the total number of calendar days in the period.

(3) TODCO was deconsolidated effective December 17, 2004.

(4) Excludes a drillship engaged in scientific geological coring activities, the *Joides Resolution*, that is owned by a joint venture in which we have a 50 percent interest and is accounted for under the equity method of accounting.



**Transocean Inc. and Subsidiaries**  
**Non-GAAP Financial Measures and Reconciliations**

**Operating Income (Loss) Before General and Administrative Expense  
to Field Operating Income by Segment  
(in US\$ millions)**

	Three Months Ended			Nine Months Ended	
	September 30,	June 30,	September 30,	September 30,	
	2005	2005	2004	2005	2004
<b>Transocean Drilling Segment</b>					
Operating revenue	\$ 762.6	\$ 727.4	\$ 558.7	\$ 2,120.5	\$ 1,689.4
Operating and maintenance expense	439.8	438.9	360.5	1,267.3	1,031.8
Depreciation	102.1	101.2	110.0	304.0	326.4
Gain from sale of assets, net	(2.2)	(15.5)	(0.5)	(37.9)	(23.5)
Operating income before general and administrative expense	222.9	202.8	88.7	587.1	354.7
Add back: Depreciation	102.1	101.2	110.0	304.0	326.4
Gain from sale of assets, net	(2.2)	(15.5)	(0.5)	(37.9)	(23.5)
Field operating income	\$ 322.8	\$ 288.5	\$ 198.2	\$ 853.2	\$ 657.6
<b>TODCO Segment (1)</b>					
Operating revenue	\$ -	\$ -	\$ 93.1	\$ -	\$ 247.6
Operating and maintenance expense (2)	-	-	72.4	-	219.7
Depreciation	-	-	23.9	-	72.0
Gain from sale of assets, net	-	-	(0.8)	-	(5.4)
Operating income (loss) before general and administrative expense	-	-	(2.4)	-	(38.7)
Add back: Depreciation	-	-	23.9	-	72.0
Gain from sale of assets, net	-	-	(0.8)	-	(5.4)
Field operating income	\$ -	\$ -	\$ 20.7	\$ -	\$ 27.9

(1) Amounts are representative of TODCO's results through December 16, 2004. TODCO was deconsolidated effective December 17, 2004 in connection with the December offering and conversion of the Company's remaining TODCO Class B common stock to Class A common stock.

(2) Q3 04 and YTD 04 include \$6.9 million and \$26.3 million, respectively, of operating and maintenance expense that TODCO classified as general and administrative expense.