

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)

	<u>06/30/17</u>	<u>03/31/17</u>
Total Debt to Net Debt Reconciliation		
Total debt	\$ 7,390	\$ 8,395
Deduct: cash and cash equivalents	(2,471)	(3,093)
Deduct: cash restricted for debt service	(195)	(135)
Net debt	\$ 4,724	\$ 5,167
Total Debt to Adjusted Debt Reconciliation		
Total debt	\$ 7,390	\$ 8,395
Deduct: Eksportfinans loans	(76)	(74)
Adjusted debt	\$ 7,314	\$ 8,321
Total Capital to Tangible Capital Reconciliation		
Total equity	\$ 14,209	\$ 15,900
Add: adjusted debt	7,314	8,321
Total capital	21,523	24,221
Deduct: goodwill	-	-
Deduct: other intangible assets	-	-
Tangible capital	\$ 21,523	\$ 24,221
Total Debt / Total Capital	34.3%	34.7%
Adjusted Debt / Tangible Capital	34.0%	34.4%

	<u>12/31/16</u>	<u>09/30/16</u>	<u>06/30/16</u>	<u>03/31/16</u>
Total Debt to Net Debt Reconciliation				
Total debt	\$ 8,464	\$ 8,260	\$ 8,218	\$ 8,453
Deduct: cash and cash equivalents	(3,052)	(2,534)	(2,153)	(2,574)
Deduct: cash restricted for debt service	(184)	(133)	(177)	(179)
Net debt	\$ 5,228	\$ 5,593	\$ 5,888	\$ 5,700
Total Debt to Adjusted Debt Reconciliation				
Total debt	\$ 8,464	\$ 8,260	\$ 8,218	\$ 8,453
Deduct: Eksportfinans loans	(123)	(133)	(177)	(179)
Adjusted debt	\$ 8,341	\$ 8,127	\$ 8,041	\$ 8,274
Total Capital to Tangible Capital Reconciliation				
Total equity	\$ 15,805	\$ 15,392	\$ 15,140	\$ 15,056
Add: adjusted debt	8,341	8,127	8,041	8,274
Total capital	24,146	23,519	23,181	23,330
Deduct: goodwill	-	-	-	-
Deduct: other intangible assets	-	-	-	-
Tangible capital	\$ 24,146	\$ 23,519	\$ 23,181	\$ 23,330
Total Debt / Total Capital	35.1%	35.1%	35.5%	36.2%
Adjusted Debt / Tangible Capital	34.5%	34.6%	34.7%	35.5%