



**Transocean Ltd. and subsidiaries**  
**Non-GAAP Financial Measures and Reconciliations**  
**Adjusted Contract Drilling Revenues**

**Earnings Before Interest, Taxes, Depreciation and Amortization and Related Margins**

(in millions, except percentages)

	YTD 09/30/19	QTD 09/30/19	YTD 06/30/19	QTD 06/30/19	YTD 03/31/19
<b>Contract drilling revenues</b>	\$ 2,296	\$ 784	\$ 1,512	\$ 758	\$ 754
Contract intangible amortization	140	48	92	47	45
<b>Adjusted Contract Drilling Revenues</b>	<u>\$ 2,436</u>	<u>\$ 832</u>	<u>\$ 1,604</u>	<u>\$ 805</u>	<u>\$ 799</u>
<b>Net loss</b>	\$ (1,202)	\$ (825)	\$ (377)	\$ (206)	\$ (171)
Interest expense, net of interest income	467	155	312	156	156
Income tax expense (benefit)	83	54	29	37	(8)
Depreciation and amortization	648	212	436	219	217
Contract intangible amortization	140	48	92	47	45
<b>EBITDA</b>	<u>136</u>	<u>(356)</u>	<u>492</u>	<u>253</u>	<u>239</u>
Acquisition and restructuring costs	1	-	1	1	-
Loss on impairment of assets	584	583	1	1	-
(Gain) loss on disposal of assets, net	7	6	1	2	(1)
Gain on bargain purchase	(11)	-	(11)	(9)	(2)
Loss on retirement of debt	39	12	27	9	18
<b>Adjusted EBITDA</b>	<u>\$ 756</u>	<u>\$ 245</u>	<u>\$ 511</u>	<u>\$ 257</u>	<u>\$ 254</u>
EBITDA margin	6 %	(43) %	31 %	31 %	30 %
Adjusted EBITDA margin	31 %	29 %	32 %	32 %	32 %

	YTD 12/31/18	QTD 12/31/18	YTD 09/30/18	QTD 09/30/18	YTD 06/30/18	QTD 06/30/18	YTD 03/31/18
<b>Contract drilling revenues</b>	\$ 3,018	\$ 748	\$ 2,270	\$ 816	\$ 1,454	\$ 790	\$ 664
Contract intangible amortization	112	34	78	29	49	30	19
Contract drilling revenues before amortization	3,130	782	2,348	845	1,503	820	683
Drilling contract termination fees	(124)	(12)	(112)	(37)	(75)	(37)	(38)
<b>Adjusted Contract Drilling Revenues</b>	<u>\$ 3,006</u>	<u>\$ 770</u>	<u>\$ 2,236</u>	<u>\$ 808</u>	<u>\$ 1,428</u>	<u>\$ 783</u>	<u>\$ 645</u>
<b>Net loss</b>	\$ (2,003)	\$ (243)	\$ (1,760)	\$ (409)	\$ (1,351)	\$ (1,139)	\$ (212)
Interest expense, net of interest income	567	148	419	149	270	135	135
Income tax expense (benefit)	228	110	118	(30)	148	85	63
Depreciation expense	818	204	614	201	413	211	202
Contract intangible amortization	112	34	78	29	49	30	19
<b>EBITDA</b>	<u>(278)</u>	<u>253</u>	<u>(531)</u>	<u>(60)</u>	<u>(471)</u>	<u>(678)</u>	<u>207</u>
Acquisition and restructuring costs	34	12	22	4	18	11	7
Loss on impairment of goodwill and other assets	1,464	18	1,446	432	1,014	1,014	-
Gain on bargain purchase	(10)	(10)	-	-	-	-	-
(Gain) loss on disposal of assets, net	(7)	(1)	(6)	1	(7)	(1)	(6)
Loss on retirement of debt	3	-	3	1	2	2	-
	<u>1,206</u>	<u>272</u>	<u>934</u>	<u>378</u>	<u>556</u>	<u>348</u>	<u>208</u>
Drilling contract termination fees	(124)	(12)	(112)	(37)	(75)	(37)	(38)
<b>Adjusted EBITDA</b>	<u>\$ 1,082</u>	<u>\$ 260</u>	<u>\$ 822</u>	<u>\$ 341</u>	<u>\$ 481</u>	<u>\$ 311</u>	<u>\$ 170</u>
EBITDA margin	(9) %	32 %	(23) %	(7) %	(31) %	(83) %	30 %
Adjusted EBITDA margin	36 %	34 %	37 %	42 %	34 %	40 %	26 %

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	YTD 12/31/17	QTD 12/31/17	YTD 09/30/17	QTD 09/30/17	YTD 06/30/17	QTD 06/30/17	YTD 03/31/17
<b>Contract drilling revenues</b>	\$ 2,973	\$ 629	\$ 2,344	\$ 808	\$ 1,536	\$ 751	\$ 785
Drilling contract termination fees	(201)	(25)	(176)	(99)	(77)	(40)	(37)
<b>Adjusted Contract Drilling Revenues</b>	<b>\$ 2,772</b>	<b>\$ 604</b>	<b>\$ 2,168</b>	<b>\$ 709</b>	<b>\$ 1,459</b>	<b>\$ 711</b>	<b>\$ 748</b>
<b>Net income (loss)</b>	\$ (3,097)	\$ (102)	\$ (2,995)	\$ (1,411)	\$ (1,584)	\$ (1,679)	\$ 95
Interest expense, net of interest income	448	114	334	91	243	122	121
Income tax expense (benefit)	94	(9)	103	180	(77)	(37)	(40)
Depreciation expense	832	184	648	197	451	219	232
<b>EBITDA</b>	<b>(1,723)</b>	<b>187</b>	<b>(1,910)</b>	<b>(943)</b>	<b>(967)</b>	<b>(1,375)</b>	<b>408</b>
Litigation matters	(8)	(2)	(6)	-	(6)	2	(8)
Acquisition and restructuring costs	7	1	6	4	2	2	-
Loss on impairment of assets	1,498	-	1,498	1,385	113	113	-
(Gain) loss on disposal of assets, net	1,590	(6)	1,596	1	1,595	1,597	(2)
Loss on retirement of debt	55	6	49	1	48	48	-
	<u>1,419</u>	<u>186</u>	<u>1,233</u>	<u>448</u>	<u>785</u>	<u>387</u>	<u>398</u>
Drilling contract termination fees	(201)	(25)	(176)	(99)	(77)	(40)	(37)
<b>Adjusted EBITDA</b>	<b>\$ 1,218</b>	<b>\$ 161</b>	<b>\$ 1,057</b>	<b>\$ 349</b>	<b>\$ 708</b>	<b>\$ 347</b>	<b>\$ 361</b>
EBITDA margin	(58) %	30 %	(81) %	(117) %	(63) %	(183) %	52 %
Adjusted EBITDA margin	44 %	27 %	49 %	49 %	49 %	49 %	48 %