



**2013 Analyst / Investor Day
InterContinental New York Barclay
November 21, 2013**

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Schedule



Time	Topic
8:35 – 8:45 a.m.	Introduction
8:45 – 9:20 a.m.	Strategic Overview
9:20 – 9:50 a.m.	Markets and Outlook
9:50 – 10:15 a.m.	Break
10:15 – 10:50 a.m.	Performance Initiatives
10:50 – 11:25 a.m.	Financial Review
11:25 – 11:35 a.m.	Summary/Concluding Remarks
11:35 – 12:00 p.m.	Questions

Presenters



Introduction



Ian Strachan
Chairman

Strategic Overview



Steven Newman
President and CEO

Markets and Outlook



Terry Bonno
Senior Vice President, Marketing

Performance
Initiatives



John Stobart
Executive Vice President, COO

Financial Overview



Esa Ikaheimonen
Executive Vice President, CFO

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Transocean Ltd.

2013 Analyst / Investor Day

Strategic Overview

Steven Newman, President and Chief Executive Officer

November 21, 2013

- **Company Overview**
- **Value Creation**
 - **Financial Flexibility**
 - **Capital Investment**
 - **Dividends**
- **Litigation Update**
- **Summary**

Company Overview

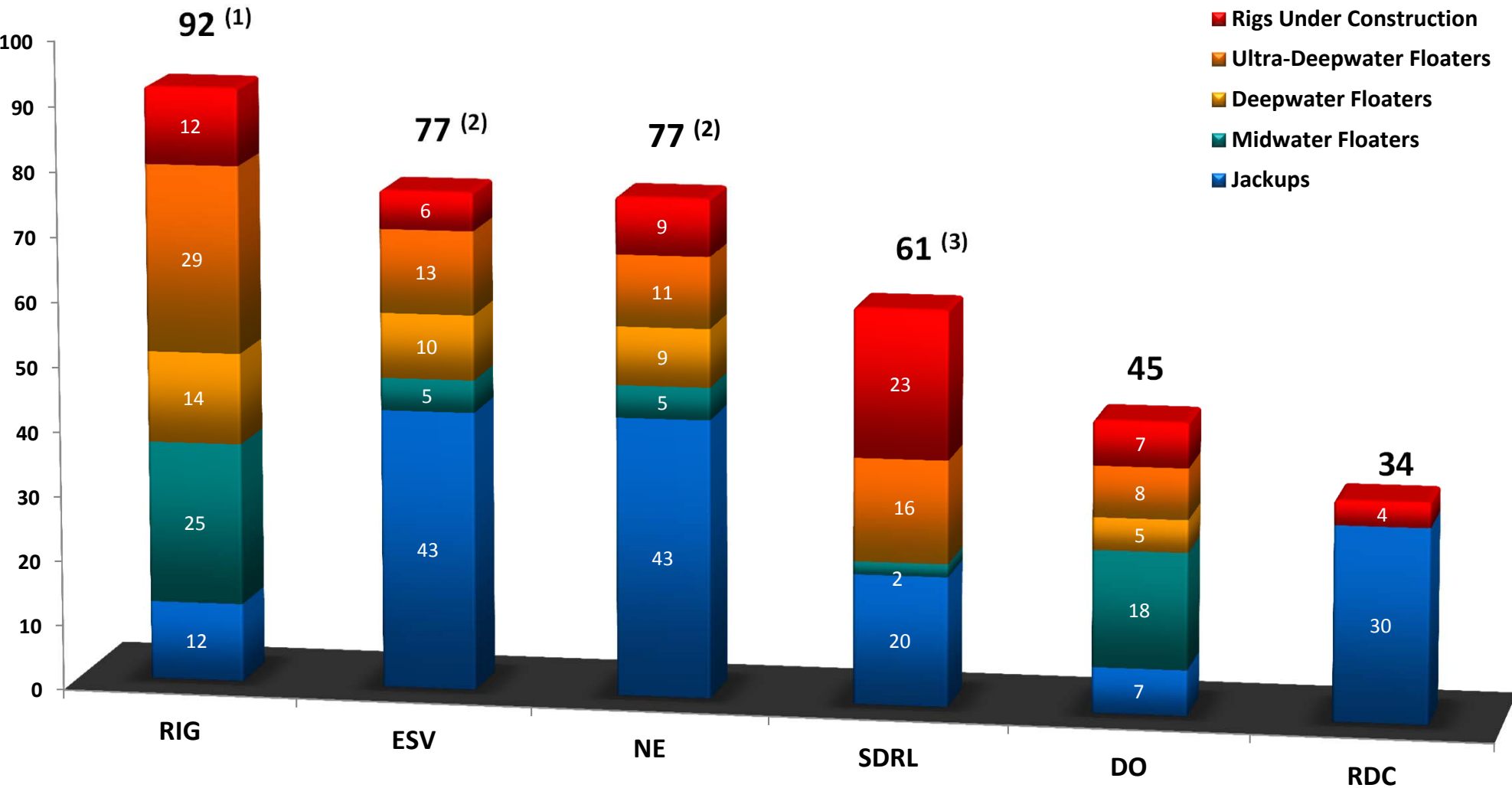
Industry Leader



- Premier position in ultra-deepwater market segment
- Largest fleet of high spec and midwater floaters
- Operates in most major markets worldwide
- Significant relationships across the customer spectrum
- Size and technical capabilities create reinvestment opportunities

Company Overview

Largest Worldwide Rig Fleet

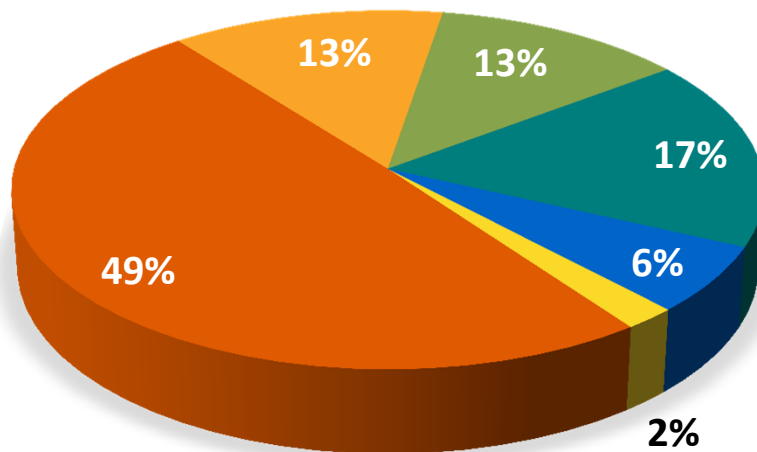


Company Overview

Diversified Revenue Sources

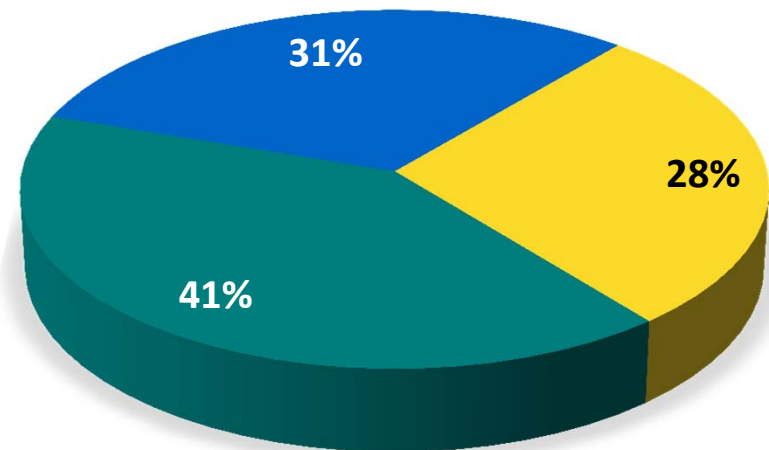


By Asset Class



- Ultra-Deepwater
- Deepwater
- Harsh Environment
- Midwater
- High-Spec Jackups
- ADTI

By Customer



- Integrated
- NOC
- Independent

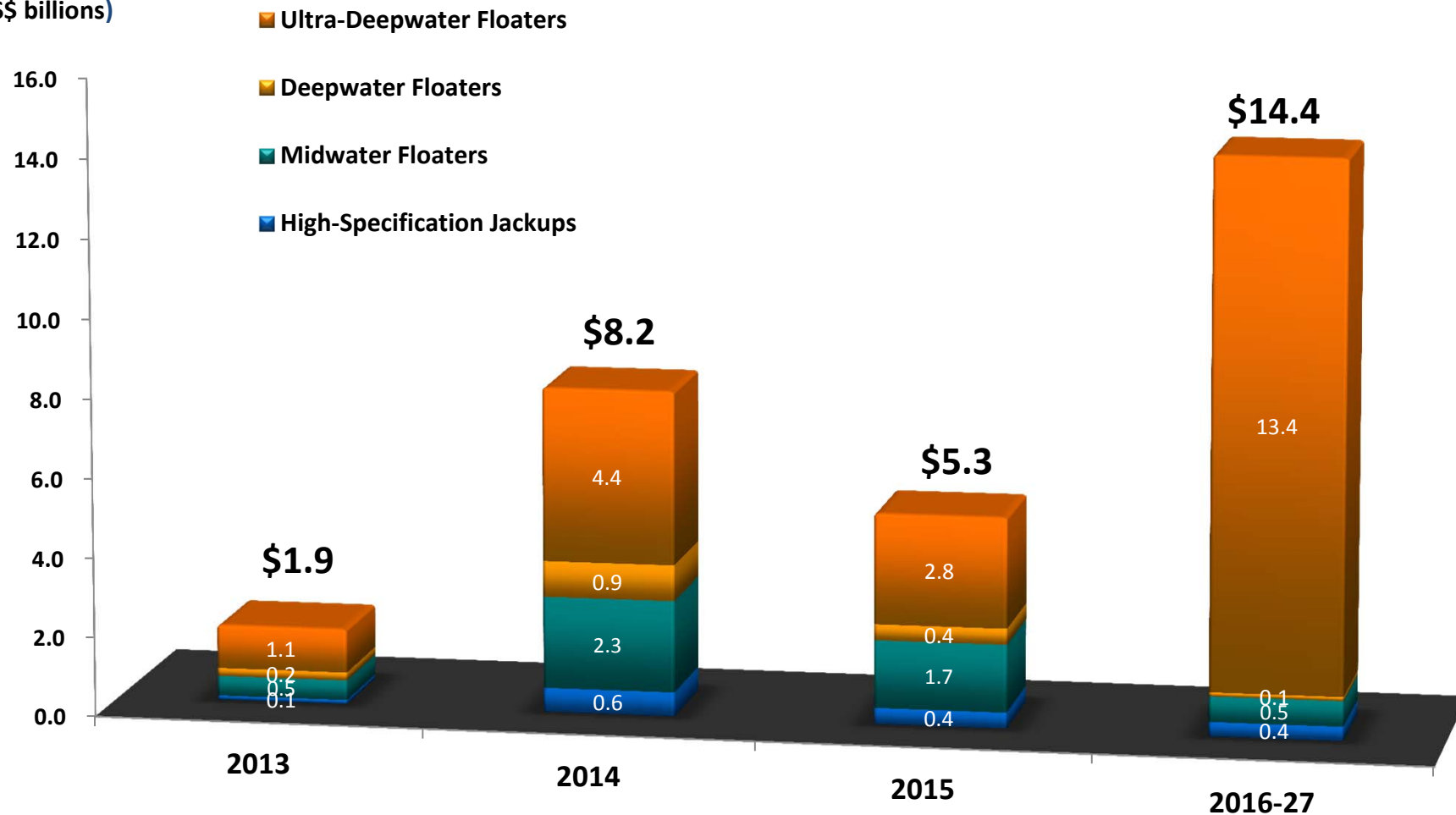
Revenues year-to-date (9/30) - \$7.2 billion

Company Overview

Strong Backlog



(US\$ billions)



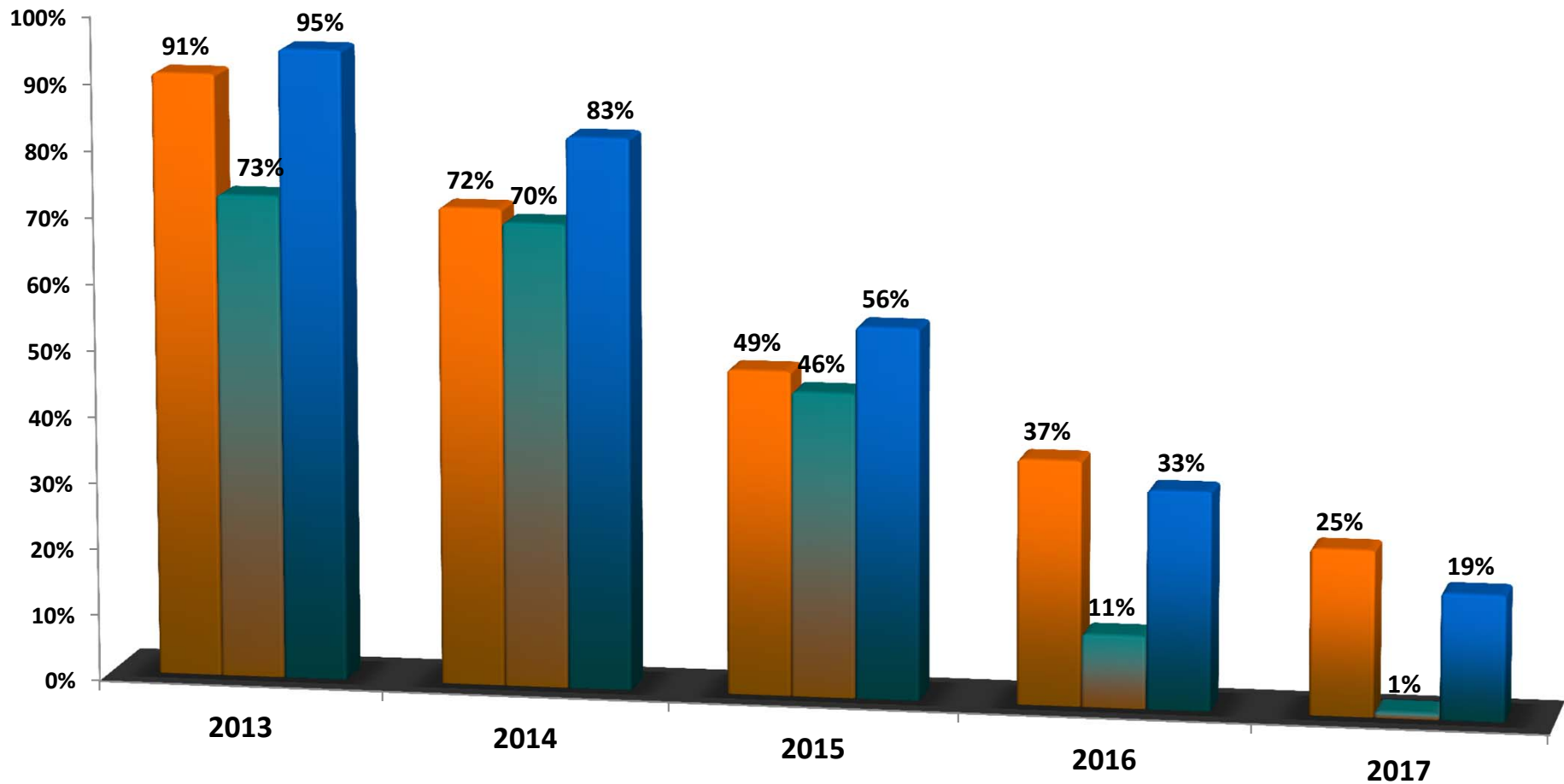
Total Backlog From Continuing Operations - \$29.8 billion⁽⁴⁾

Company Overview

Committed Fleet ⁽⁵⁾



■ High-Specification Floaters ■ Midwater Floaters ■ High-Specification Jackups



Company Overview



Our People



Customer Relationships



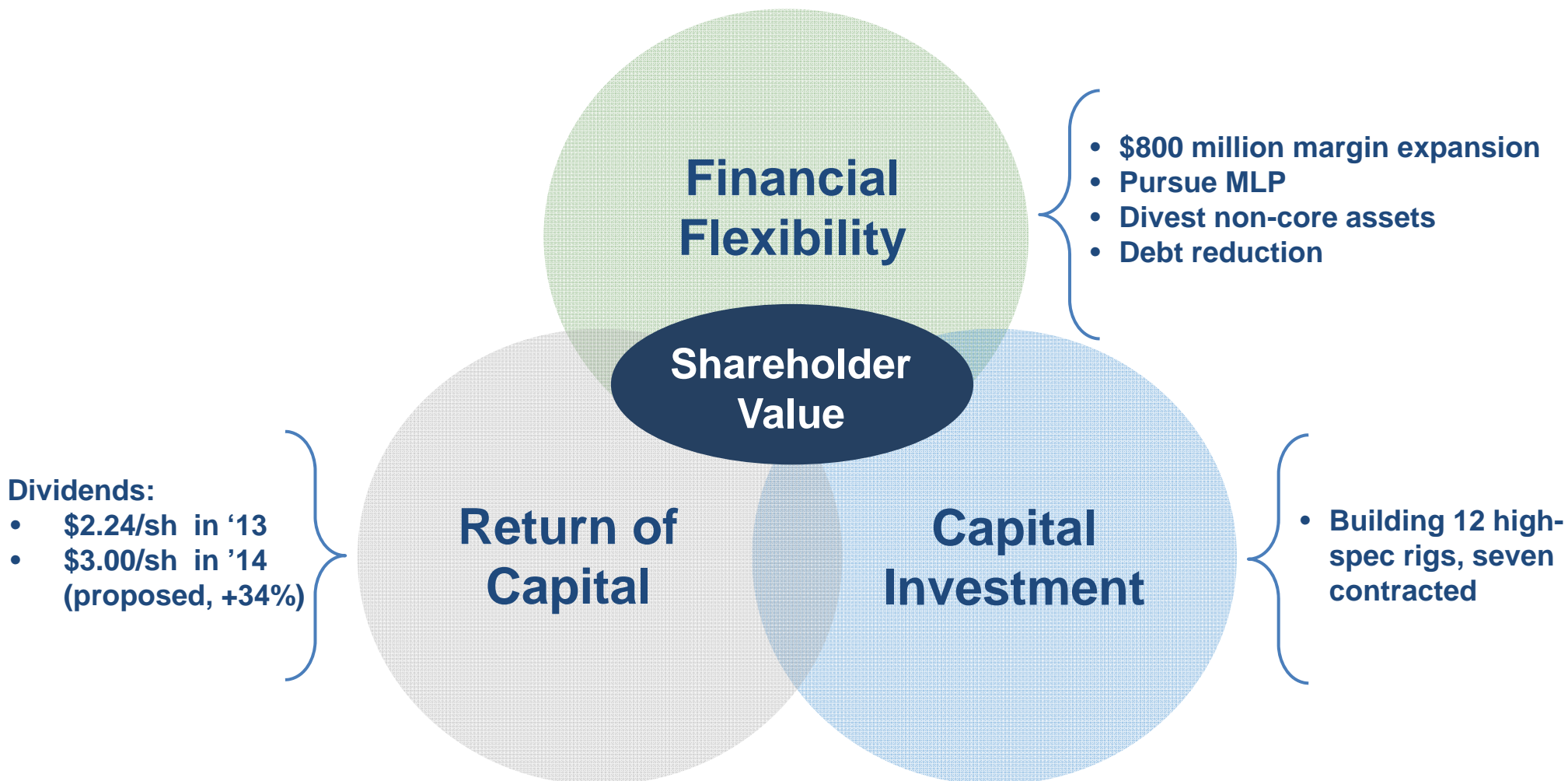
Global Reach



Technical Expertise

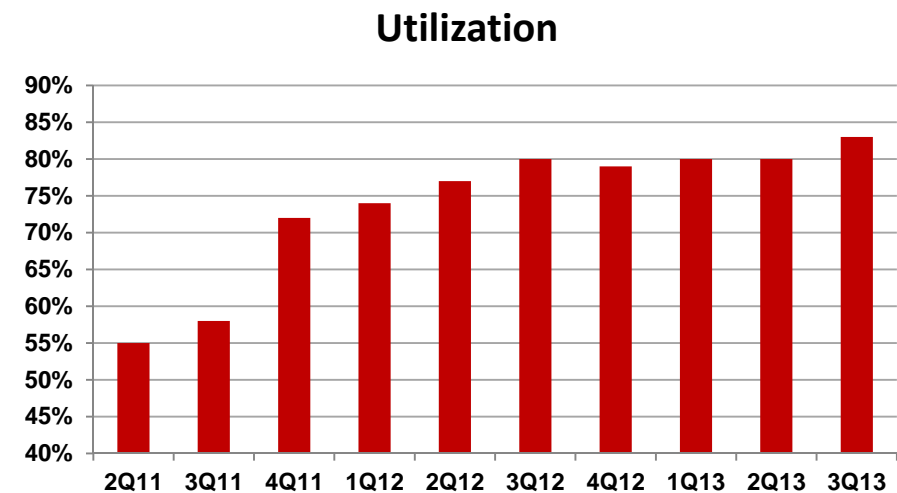
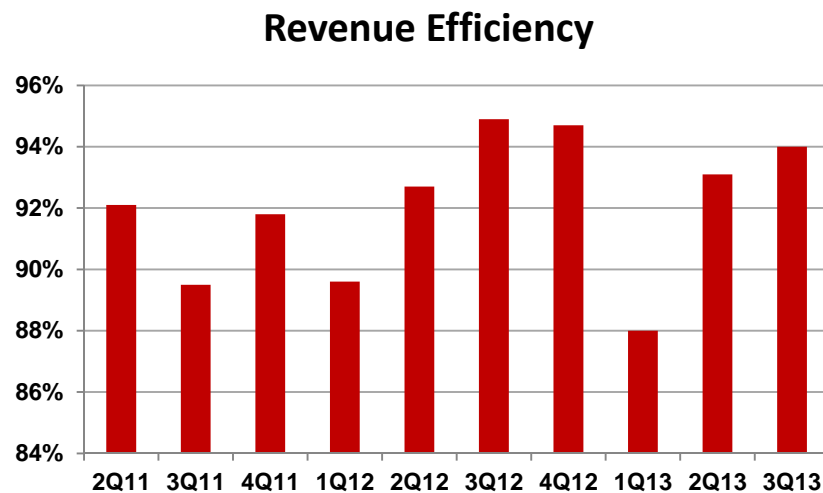


Value Creation



- **Committed to improving and maintaining financial flexibility**
 - **Manage financial exposure**
 - **Sustain investment grade rating while renewing and growing the fleet**
 - **MLP-like yield vehicle (MLP)**
 - **Progress towards gross debt targets**
 - **Divest non-core assets**
 - **Since 2011 have divested 62 non-core rigs, including Shelf Drilling**
 - **Total proceeds exceed \$2 billion**
 - **Improve operating performance, margins**
 - **Increase revenue efficiency**
 - **Reduce costs and out-of-service time**

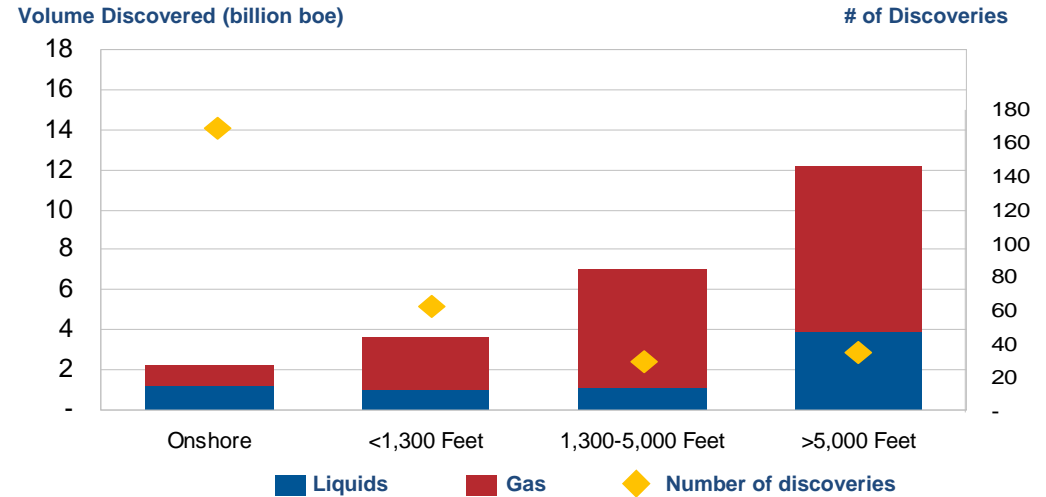
- **Continue to improve operating performance**
 - **Revenue efficiency and utilization trends are favorable**



- **Targeting ~\$800 million in margin improvement by year-end 2015**
 - **\$300 million shore-based cost reduction versus 2012 base**
 - **\$500 million margin expansion from operational efficiencies**

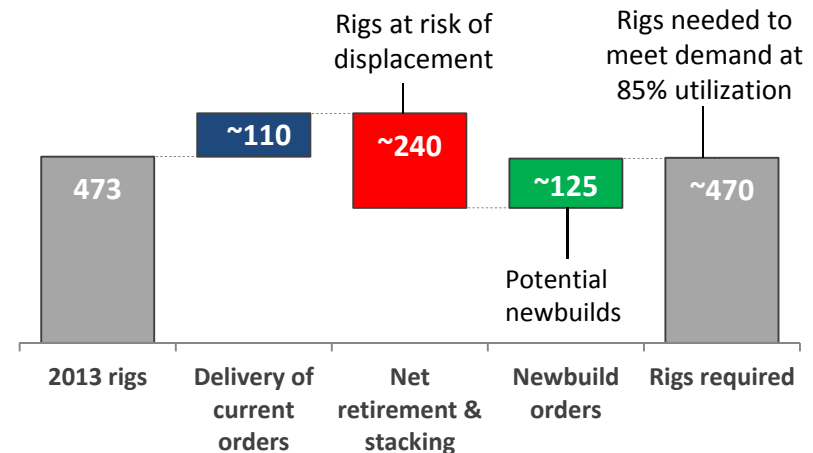
- **Global hydrocarbon demand requires additional high-specification offshore drilling equipment**
- **2012 exploration success indicates significant long-term ultra-deepwater demand**
- **Jackup demand remains robust**
 - **Total ILC fleet utilization 96%**
 - **Global fleet renewal underway**

New Field Resources Discovered in 2012
(by Water Depth)



Source: Wood Mackenzie

Offshore Rigs – Jackups

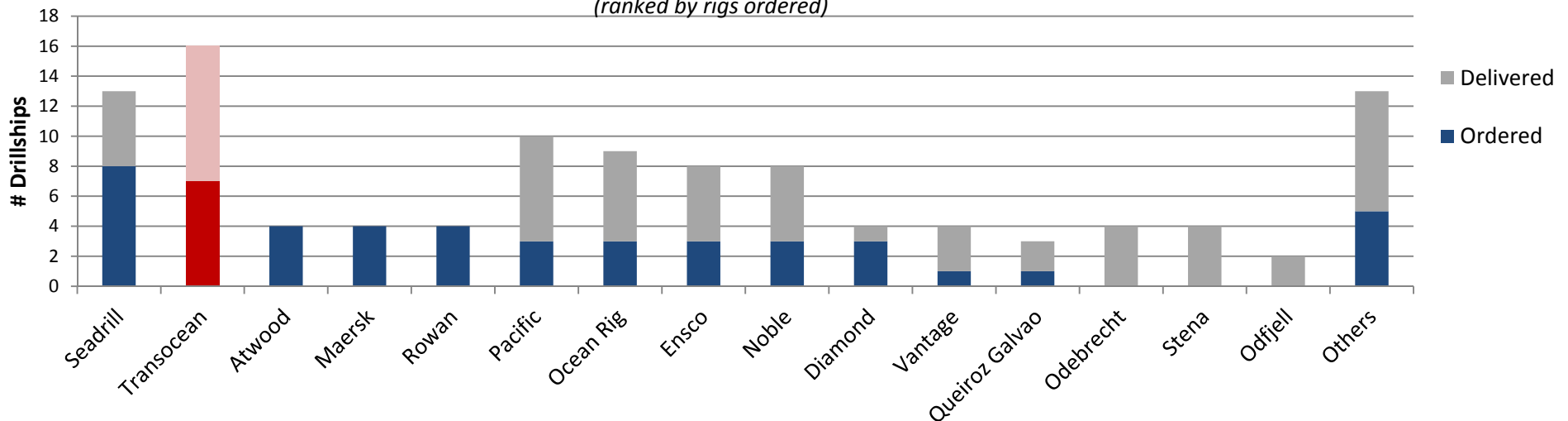


- **Continuously renew the fleet and grow our leadership position in high-spec assets**
 - **Completed delivery of 10 ultra-deepwater floaters in 2011**
 - **Delivered four high-spec jackups since 2012**



Industry Drillships Build Profile 2007-2013

(ranked by rigs ordered)



Investment



Current Fleet					
		<u>Existing</u>	<u>Under construction</u>	<u>Total</u>	
Floater	Ultra-deepwater	27	+7	34	
	Deepwater	12		12	
	Midwater	22		22	
	Harsh Environment	7		7	
Jack-ups	High-Spec Jackups	12	+5	17	
Total	Total Floater	68	+7	75	82%
	Total Jackups	12	+5	17	18%
	Total Fleet			92	100%

Future Fleet	
Ultra-deepwater	~50%
Deepwater	
Midwater	
Harsh Environment	~10%
High-Spec Jackups	~40%
Total Floater	~60%
Total Jackups	~40%
<u>Approximate EBITDA Contribution Margin:</u>	
Floater	~75%
Jackups	~25%

- **We continue to execute our asset strategy**
 - **Seven contracted ultra-deepwater newbuilds under construction; expected contract commencement 1Q14 - 2Q17**
 - **Five high-specification jackups under construction to be delivered 1Q16 - 3Q17**
 - Options for five more
 - **For asset divestitures, all options considered**
 - Spin; individual asset sale or packages
 - Balanced, value-enhancing deployment of proceeds

- **Philosophy**

- **Preference to not add uncommitted incremental capacity to the market**
 - **Buy: Acquire existing assets that meet investment criteria**
 - **Build: Preference for high-return, contract-backed fleet expansion opportunities**

Historic approach may constrain proactive execution of asset strategy

- **Obtained Board approval to pursue un-contracted newbuild opportunities, both jackups and floaters**
- **Will remain highly disciplined - strict return criteria**
- **Believe that long-term demand supports this approach**

- **Transocean is a technical leader and innovator, and has achieved many industry “firsts”**
- **Partnering with Shell to develop a new Blow Out Preventer (BOP) control system**
 - **Designed to be fault resistant and tolerant**
 - **Designed to retrofit to existing subsea BOP**
 - **Goal of eliminating BOP control system downtime**
 - **YTD 2013, Transocean well control equipment-related downtime ~50% of total**
 - **Equitable funding, resource commitment and IP ownership**
 - **Three-year project**

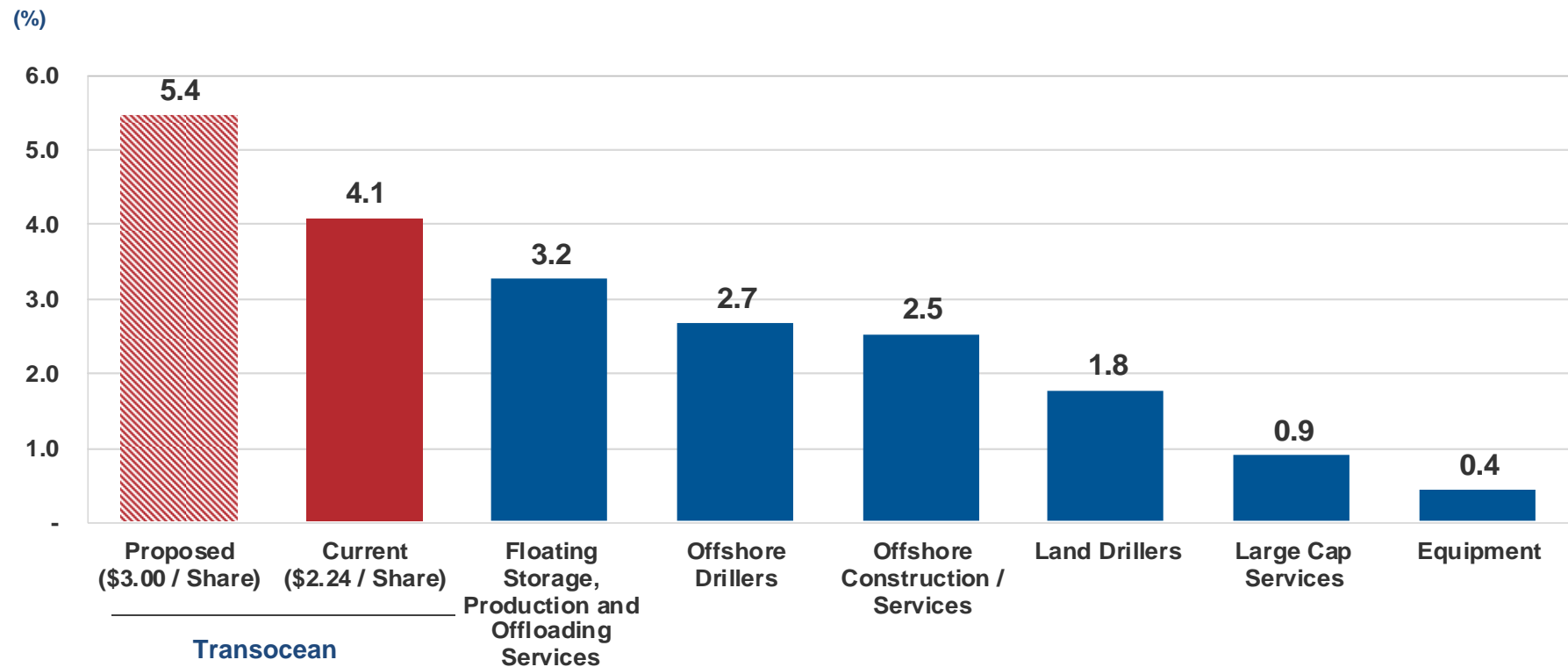
Return of Capital

Dividends



- **Current and proposed dividend yields are very competitive**

Indicated Dividend Yield (Average of Peer Groups) ⁽¹¹⁾



Source: Capital IQ (November 12, 2013), Company Filings

Brazil – Frade

- Settlement of two civil cases against Transocean announced on 9/17/13
- Transocean has no financial obligations under the settlement agreement

Norway Tax Case

- Norwegian court overturned Arcade civil tax assessment; state filed appeal
- Criminal trial concluded September 2013; decisions anticipated by 2Q 2014
- Believe our tax returns are materially correct as filed; will continue to contest contrary assertions

Macondo

- Civil and criminal settlement agreements reached with DOJ comprising \$1.4B paid over five years
 - Phase 1 of trial concluded 4/17/13; parties completed post-trial briefing; court has not yet issued rulings
 - Phase 2 of trial has concluded and parties are preparing post-trial briefs

- **We are delivering on our commitment to create value for all our stakeholders**
 - **Improving financial flexibility to capitalize on high-return opportunities and increase competitiveness**
 - **Margin improvement**
 - **MLP**
 - **Executing a clear plan to high-grade our fleet**
 - **Divest non-core assets within five years**
 - **Invest in high-specification jackups and floaters**
 - **Returning excess cash to shareholders through a highly competitive dividend**
 - **To the extent possible, reducing uncertainties the company faces**

Presenters



Introduction



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Markets and Outlook



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Transocean Ltd.

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Markets and Outlook

Terry Bonno, Senior Vice President, Marketing

November 21, 2013

- **Market Overview**
- **Near-Term Outlook**
 - Challenges
 - Opportunities
 - Market Outlook
- **Longer-Term Outlook**
 - Discoveries
 - Play Openers
 - Production and Well Forecast
 - Exploration and Development Forecast
 - Fleet Composition
- **Summary**

Market Overview

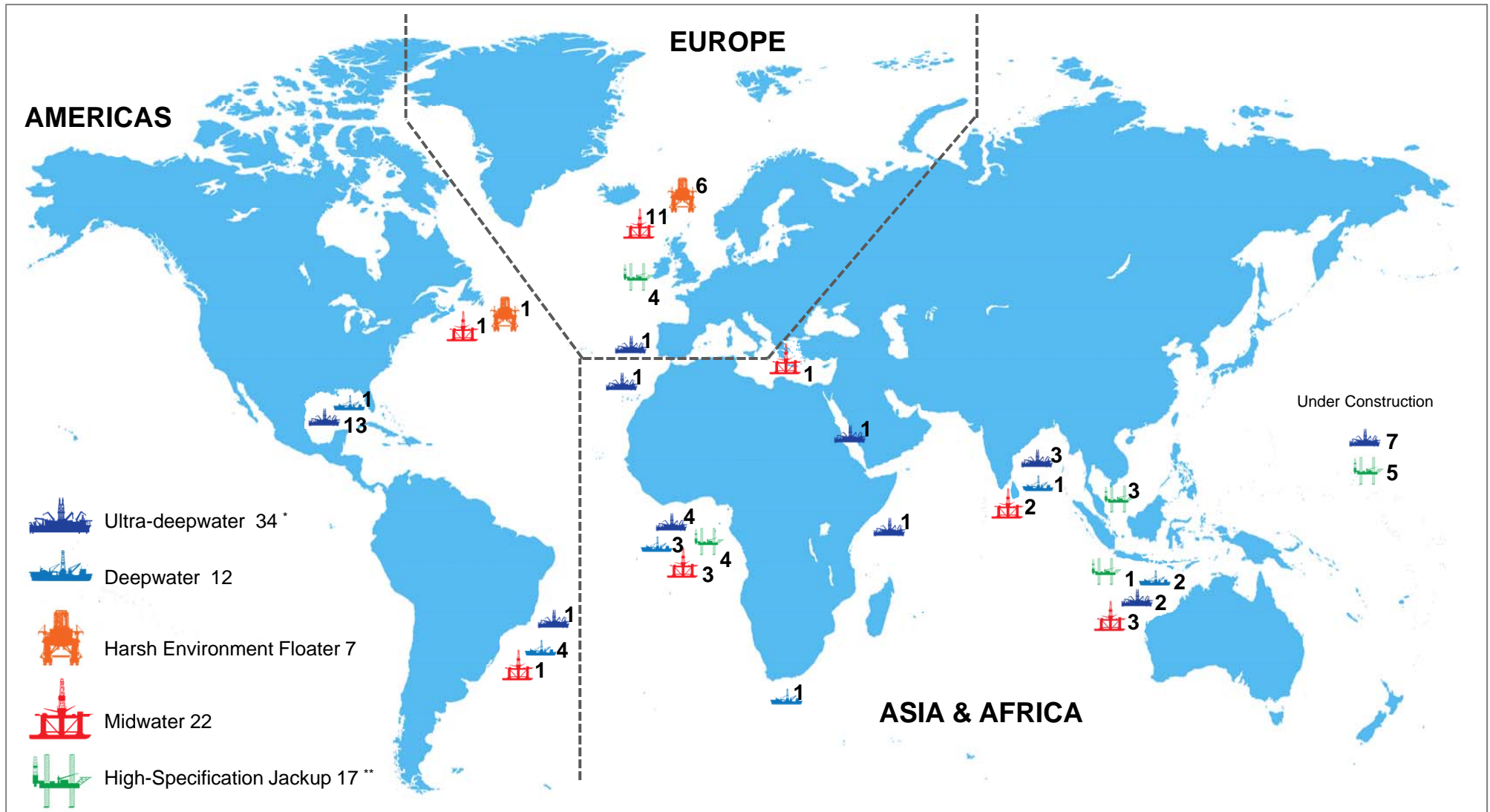
Market Leader



- Premier position in ultra-deepwater market
- Largest floater fleet with well positioned global footprint
- Leading position in most major markets worldwide
- Strong customer relationships
- Success in contracting newbuild designs
- Protection of margins with contracting principles

Market Overview

Floater Market Leader



* 27 Operating and 7 Under Construction

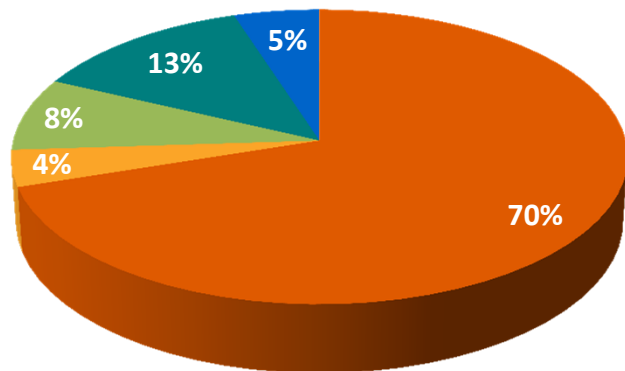
** 12 Operating and 5 Under Construction

Market Overview

Backlog Analysis

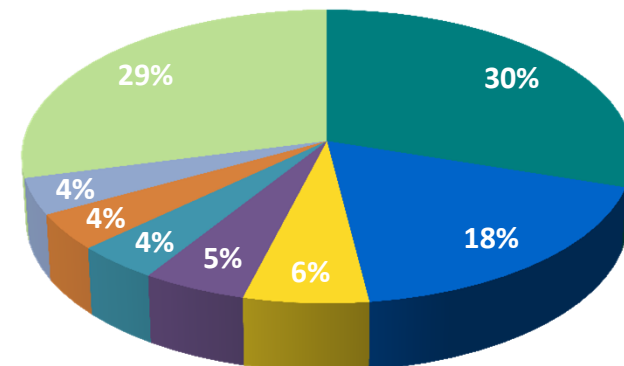


By Asset Class



- Ultra-Deepwater
- Deepwater Floaters
- Harsh Environment
- Midwater Floater
- High-Spec Jackups

By Customer



- Shell
- Chevron
- Petrobras
- Other
- BP
- Statoil
- Reliance
- Total

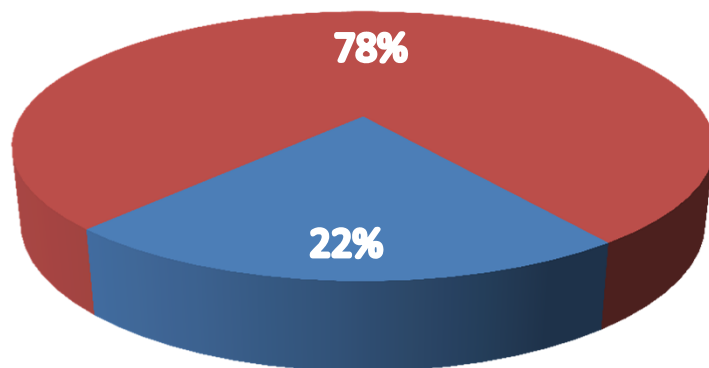
Total Backlog from Continuing Operations - \$29.8 billion⁽⁴⁾

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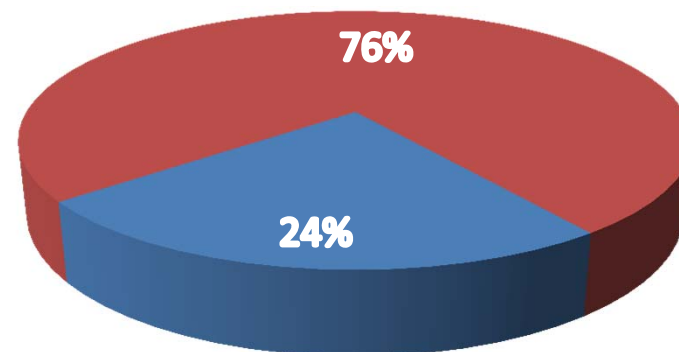
Floaters - Market Share by Water Depth



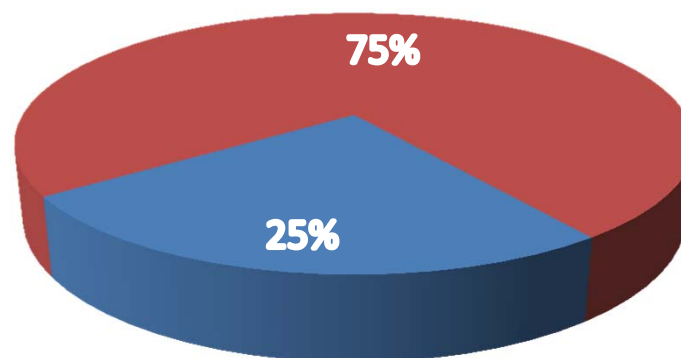
7,500 ft. +



4,500 ft. – 7,499 ft.



< 4,500 ft.



■ Transocean ■ Competitors

Source: IHS Petrodata. Competitive rigs include actively marketed rigs, including stacked rigs. Retired rigs, non-competitive rigs, and rigs under construction are excluded. Transocean rigs held for sale are excluded. Data as of 28-Oct-2013.

Near-Term Outlook

Recent Activity



- YTD 2013 - \$7.6 Billion Backlog

- Recent Highlights



- Newbuild Growth - 5 years @\$599K



- *Polar Pioneer* (1985) - 3 years @\$620K



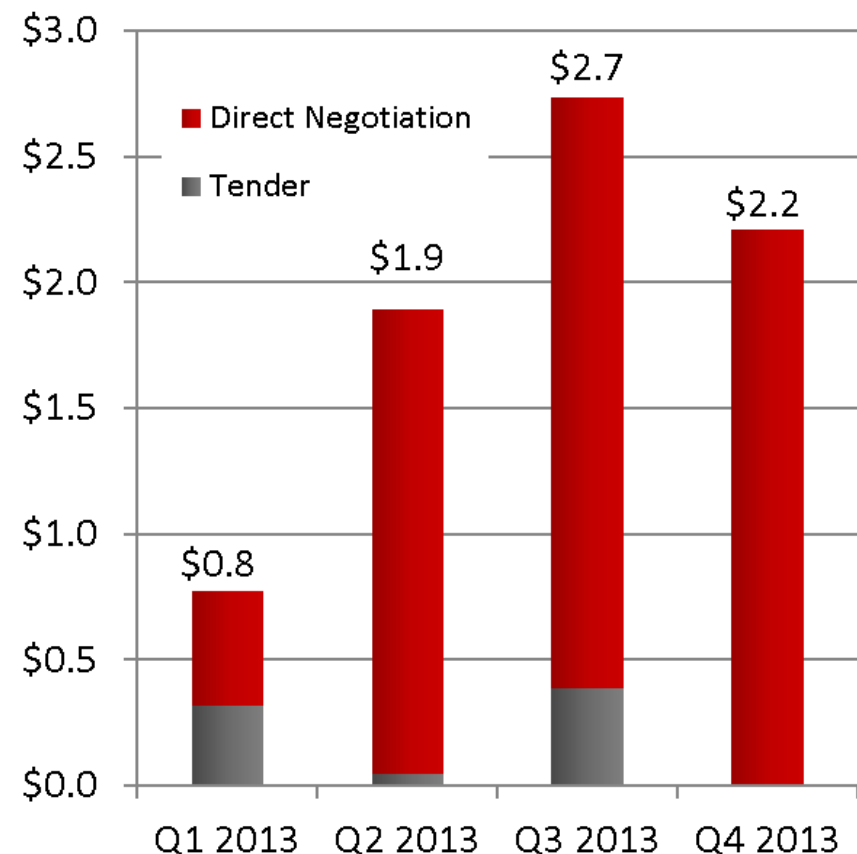
- *Discoverer Enterprise* (1999) - 9m @\$615K



- *Transocean Winner* (1983) - 18m @\$499K

- 95% directly negotiated
- Contract margin protection

Backlog Executed by Quarter

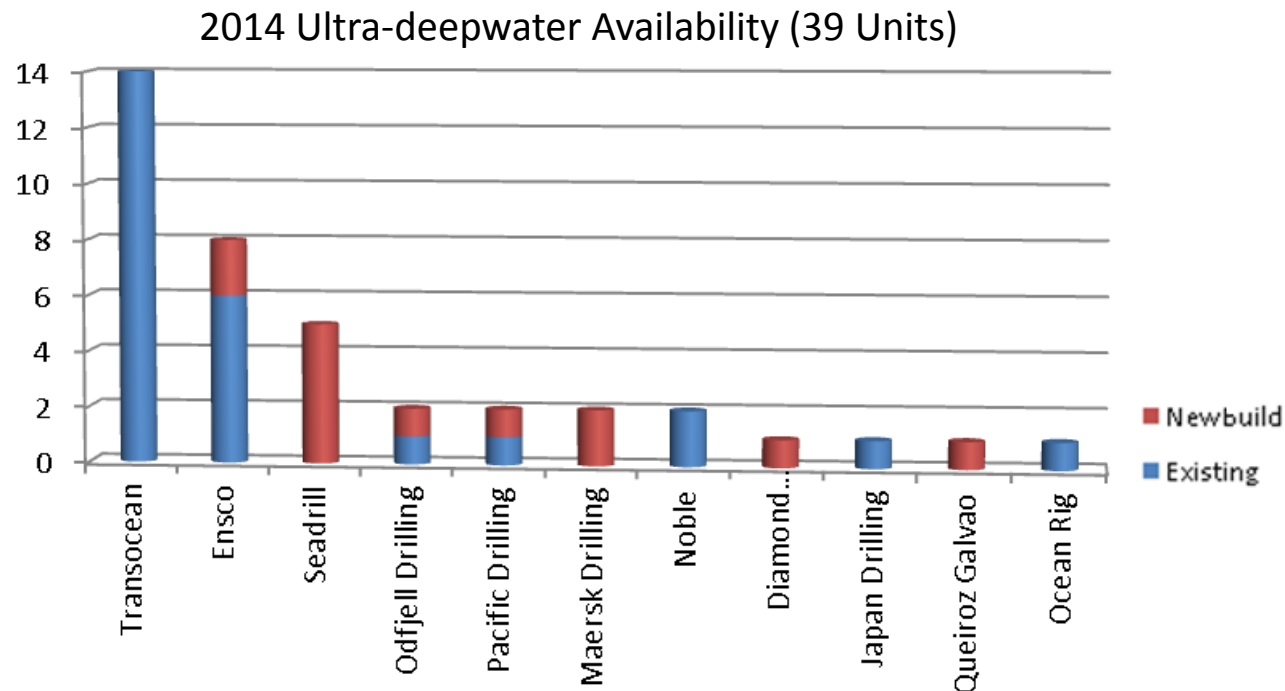


Near-Term Outlook

Challenges



- Program delays
 - Block 32 Angola – one year late
 - West Africa pent-up demand 10 – 15 rigs
 - Delays in government approvals and sanctions
- Bifurcation of rates – filling gaps
- Farmouts increasing even in North Sea



Near-Term Outlook

Opportunities – West Africa



- **Total**
 - Nigeria Egina – 1 X 5 years
 - Nigeria Egina – 1 X 3 years
 - Angola Block 32 – 1 X 5 years
- **Shell**
 - Nigeria Bonga – 2 X 5 years
 - Nigeria Bonga – 1 X 3 years
- **ExxonMobil**
 - Nigeria Erha – 1 X 2 years
 - Angola – 2 X 3 years
- **Others**
 - ConocoPhillips – Angola – 1 X 3 years
 - CNR – Cote d'Ivoire – 1 X 2 years
 - Maersk – Angola – 1 X 2 years
 - Cobalt – Angola – 1 X 3 years



Near-Term Outlook

Opportunities – Brazil



- **Libra Discovery**
 - Estimate 8 – 12 billion barrels
 - Petrobras, Shell, Total, CNOOC and CNPC
 - 200 to 300 development wells estimated
- **First pre-salt licensing round**
- **Petrobras selling 15% equity in seven Sete rigs**
- **Petrobras high-grading fleet**
- **Exploration programs for South American Transform Margin to commence in 2014 and 2015**

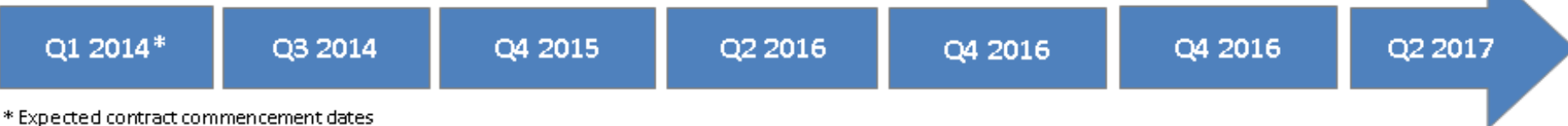
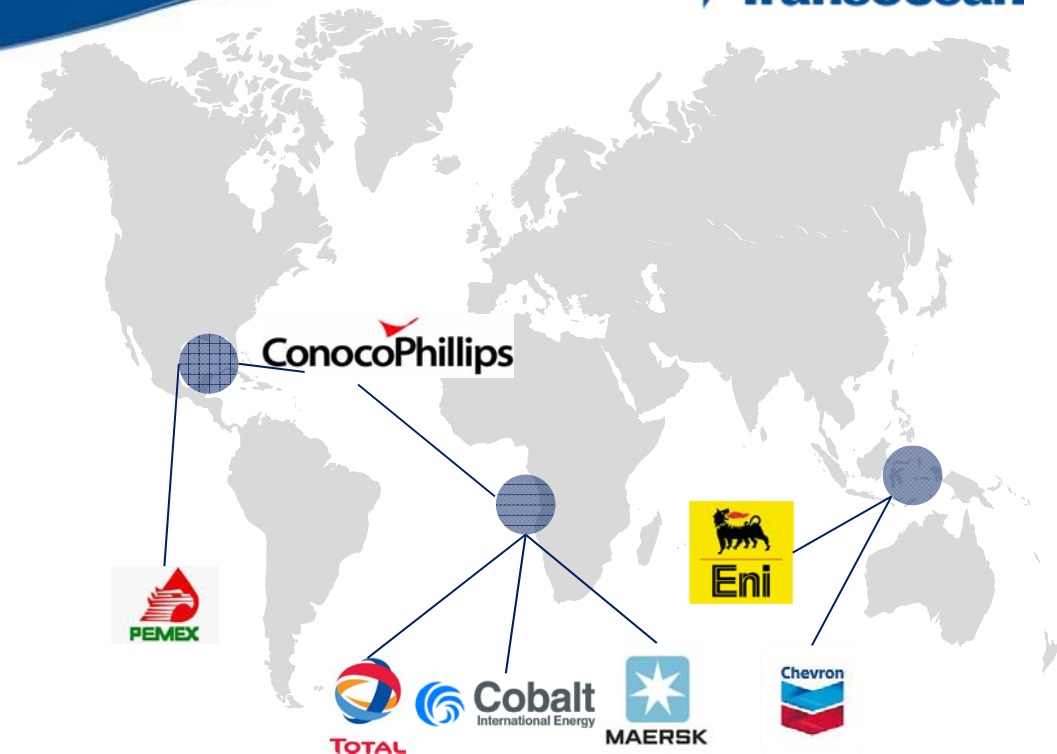


Near-Term Outlook

Ultra-deepwater Market



- Our customers believe in the long-term growth potential of deepwater
- Some long-term opportunities for existing fleet with current open demand
- Currently, high utilization
- Expect near term softness and delays in regulatory approvals
- Rate expectations \$550K to \$600K with lower spec at \$500K to \$550K



* Expected contract commencement dates

Near-Term Outlook

Jackup and Floater Market



High-Spec Jackups



Transocean Honor

- High utilization and improving dayrates in the medium term
- Market utilization 97% ⁽⁵⁾
- Key demand areas of Asia, India, Mexico and the Middle East
- Rates moving over \$180K/day in West Africa and well over \$230K/day in Saudi

Midwater



GSF Rig 140

- Strong presence in the UK and Norway sectors of the North Sea
- Market utilization 94% ⁽⁵⁾
- Outside North Sea and Norway weak activity
- Rates \$380K to \$400K/day in the UK and \$250K - \$300K/day in West Africa

Deepwater



Discoverer Seven Seas

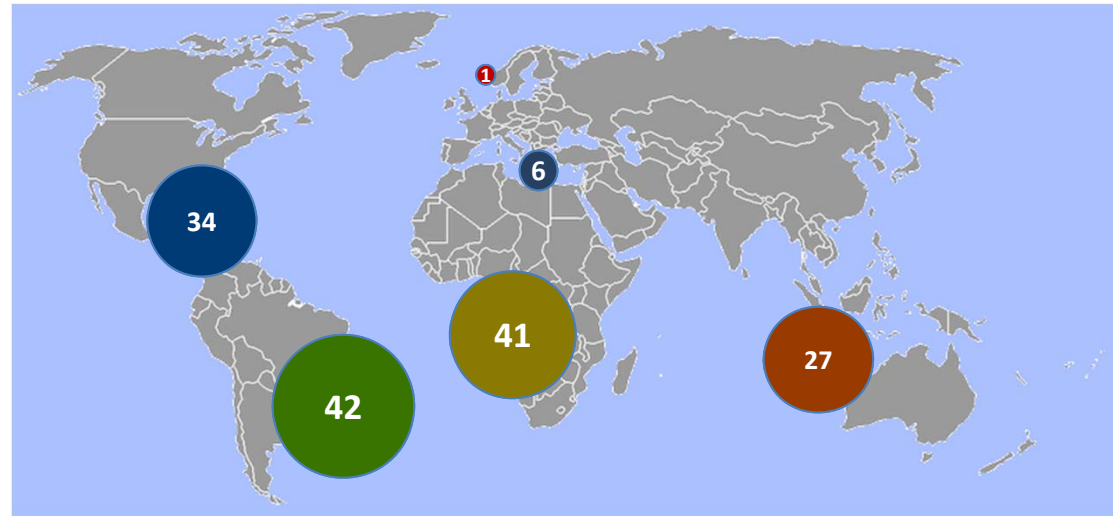
- Near-term increase in rig availability
- Market utilization 88% ⁽⁵⁾
- Weak activity near term
- Rates \$400K to \$450K/day for near term availability

Longer-Term Outlook

Deepwater Discoveries

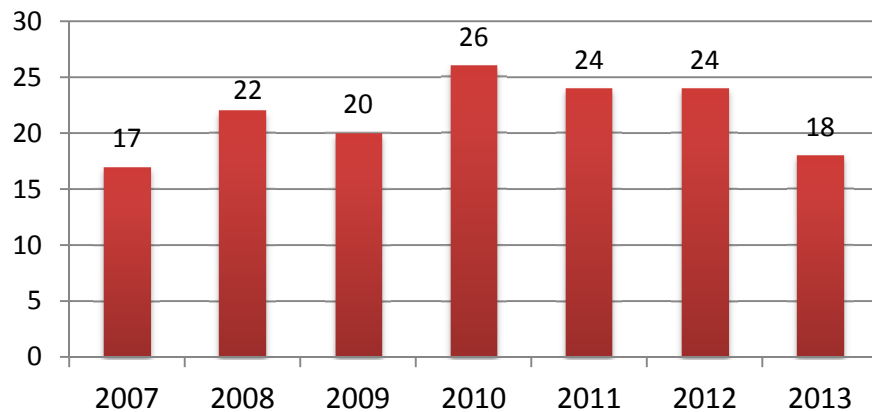


- Steady pipeline of discoveries
- Largest offshore growth market
- Reserve replacement and production growth driving demand

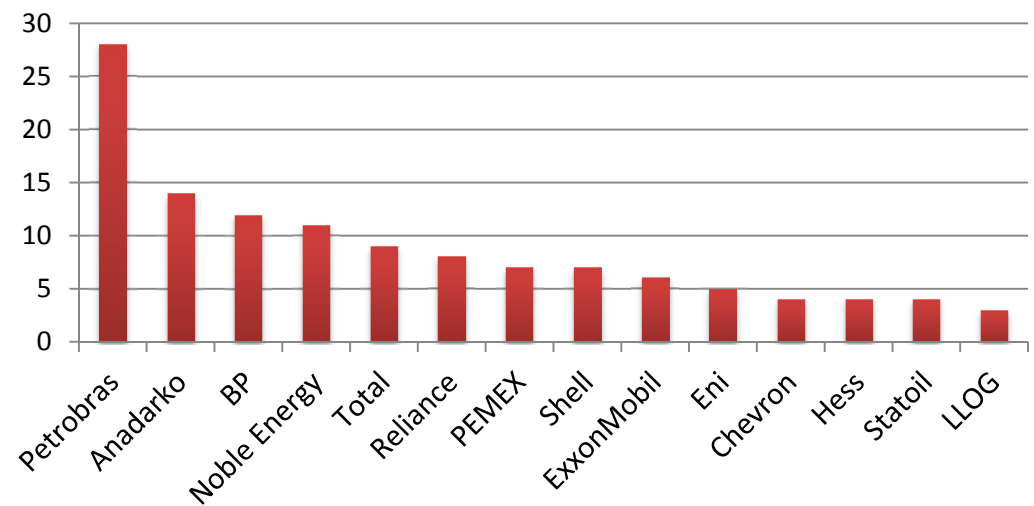


water depths > 4,500 feet

Deepwater Discoveries by Year



Deepwater Discoveries by Operator



Market Overview

Play Openers



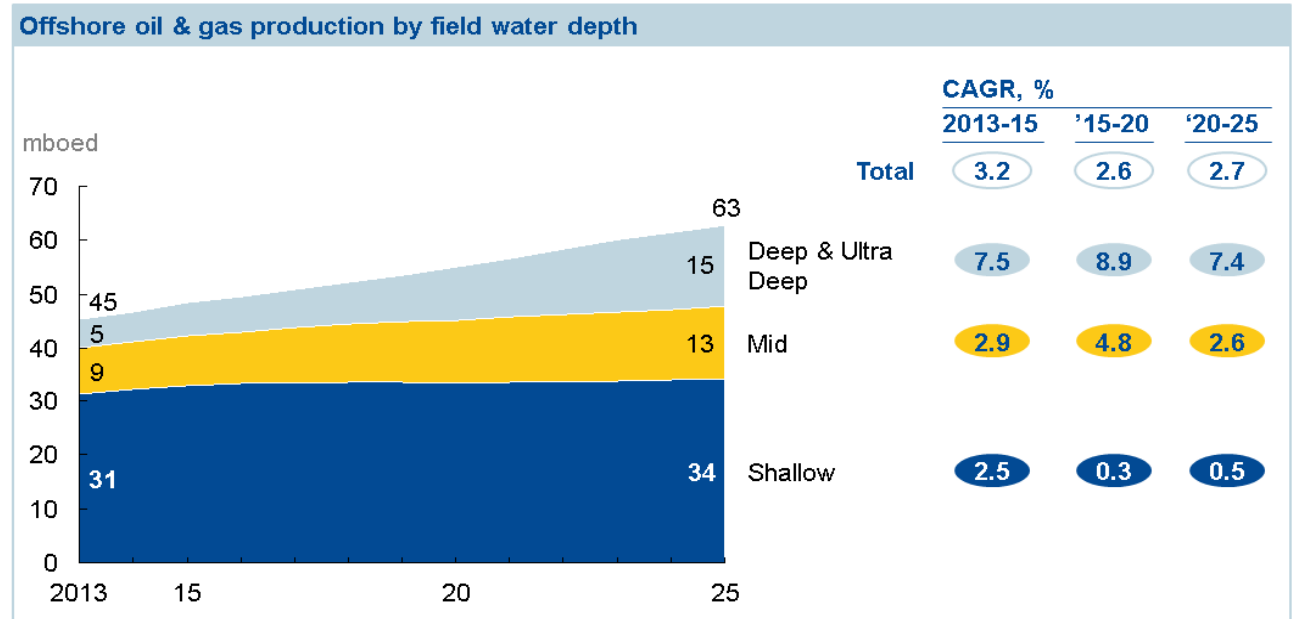
Source: Wood Mackenzie

Longer-Term Outlook

Oil & Gas Production



- Offshore production growth driven by deepwater and ultra-deepwater
- Steady production for shallow-water fields



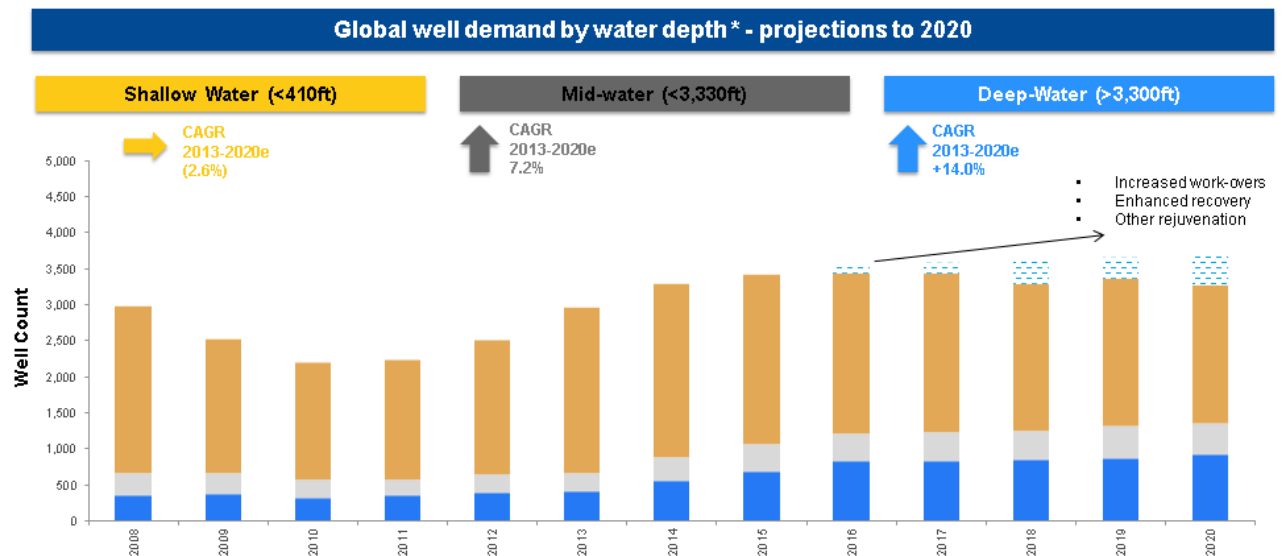
Source: McKinsey Energy Insights, Rystad

Longer-Term Outlook

Demand



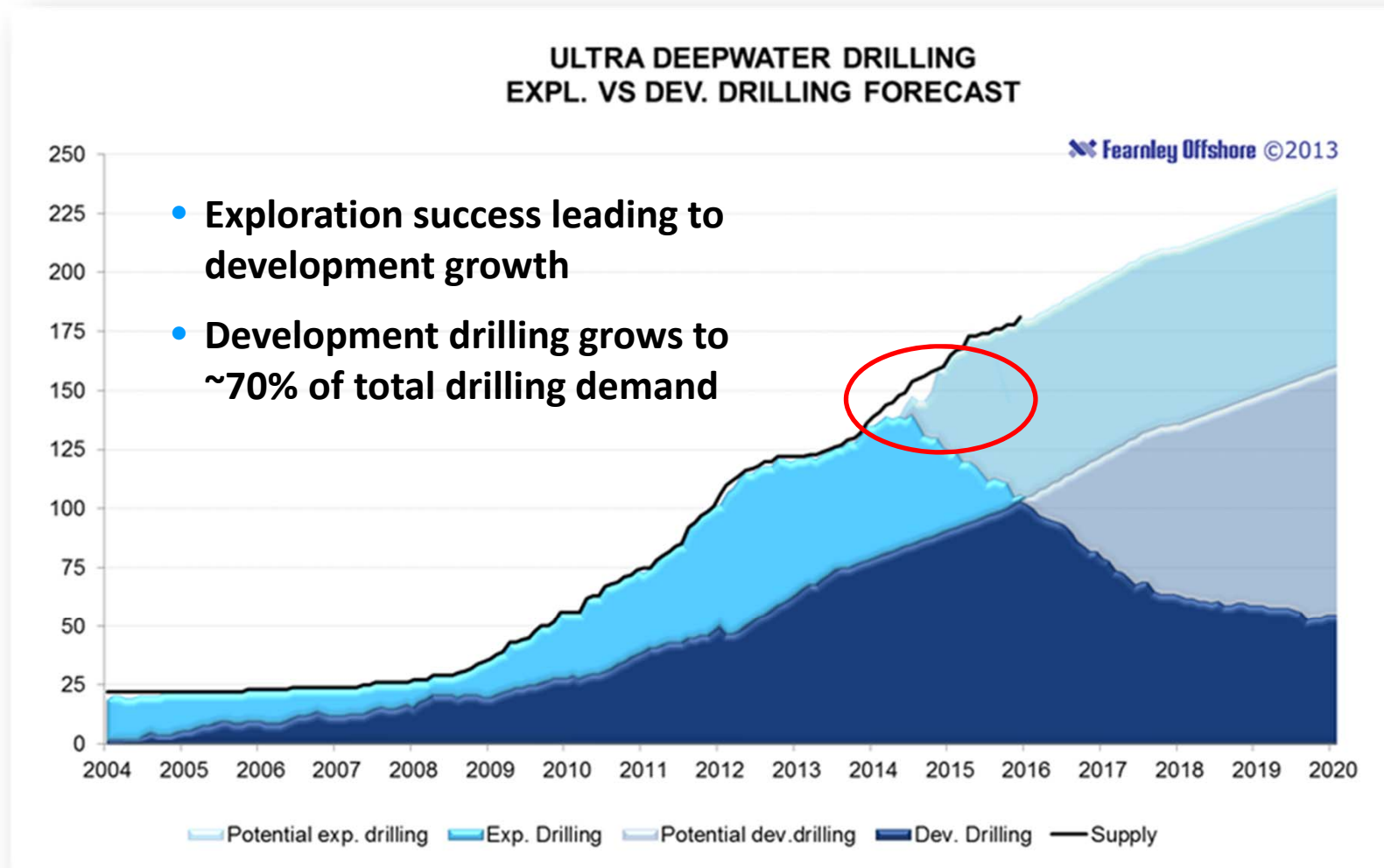
- Well demand forecasted to grow from 500 in 2013 to 1,250 by 2025
- Shallow water remains steady with growth in deepwater and midwater
- Expect well intervention and workover to increase
- Exploration drilling translates into development drilling in the long term



Source: Wood Mackenzie

Longer-Term Outlook

Exploration and Development Forecast



Longer-Term Outlook

High-Grading of Fleet

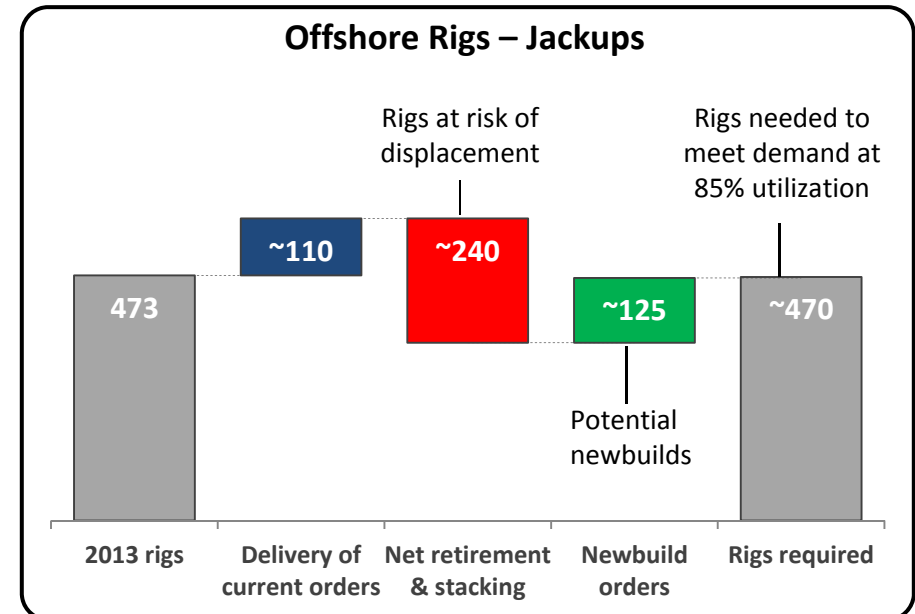
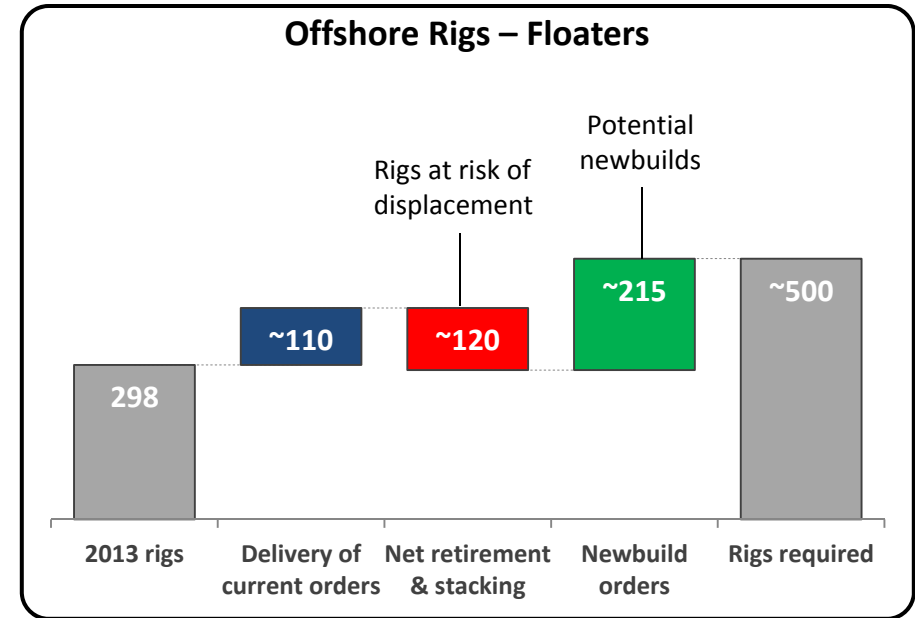


- **Floater fleet**

- Long-term growth in deepwater
- Lower spec floaters at risk
- 160 floaters are 30+ years old
- Customers prefer high-spec floaters due to perception of greater reliability and better performance

- **Jackup fleet high-grading**

- 216 jackups are 30+ years old
- Attrition/stacking
- Customers actively replacing lower-spec jackups



- **Near-term softness in demand for ultra-deepwater rigs is adversely impacting lower capability floaters; we expect excess capacity to be absorbed and maintain a favorable long-term view**
 - **Ultra-deepwater - Long-term outlook remains robust; anticipate a relatively tight, healthy market going forward**
 - **Deepwater - Tendering activity slow and utilization decreasing; improving ultra-deepwater demand and pricing will provide support**
 - **Midwater - North Sea and Norway remain tight; tendering slow in other markets; longer term, standard midwater at risk of replacement**
 - **Jackups - Demand steady and rates improving; total fleet utilization is high but standard units will eventually be displaced**



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Transocean Ltd.

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Operational Performance Initiatives

John Stobart, Executive Vice President and Chief Operating Officer

November 21st, 2013

- **Vision**
- **Fleet**
- **Operational Improvement**
 - **Ops Integrity**
 - **Process**
 - **Revenue**
 - **Costs**
- **Project Execution**
- **Future State**
- **Summary**



OUR VISION

Transocean will be universally recognized for innovation and excellence in unlocking the world's offshore resources.

- We will be our **customers'** trusted partner and their preferred solution provider.
- We will conduct our operations in an **incident-free** workplace, all the time, everywhere.
- Our **people's** passion and commitment to overcoming challenges will be our trademark.
- We will deliver outstanding **value** to our customers, our employees, and our shareholders.

OUR VALUES

Transocean wants to create an environment in which different cultures can interact in a positive way to create a competitive advantage. We will be united by our commitment to our core values of FIRST, which stands for:

Financial Discipline

Integrity and Honesty

Respect for Employees, Customers and Suppliers

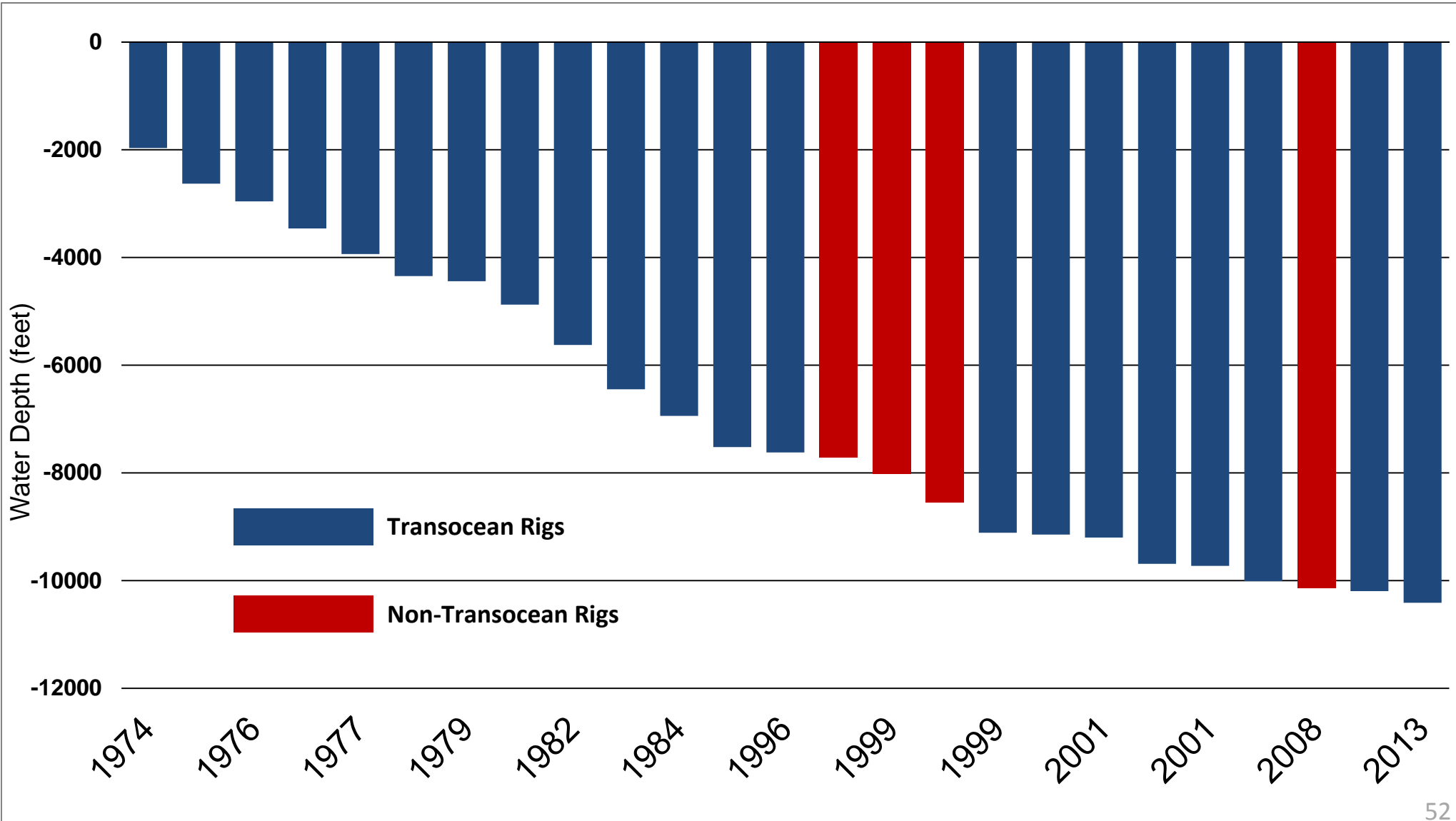
Safety

Technical Leadership



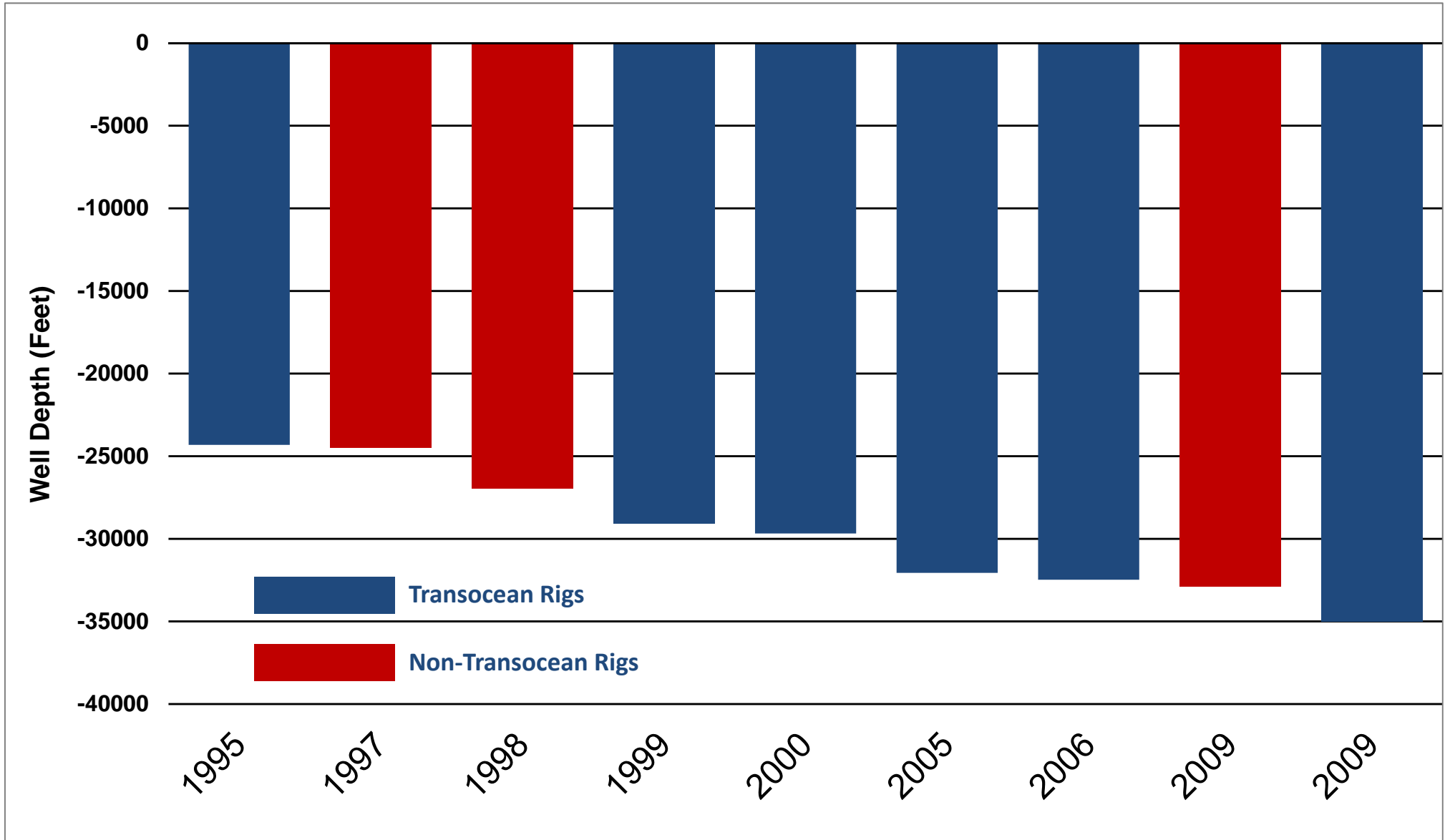
Achievements

Water Depth Records



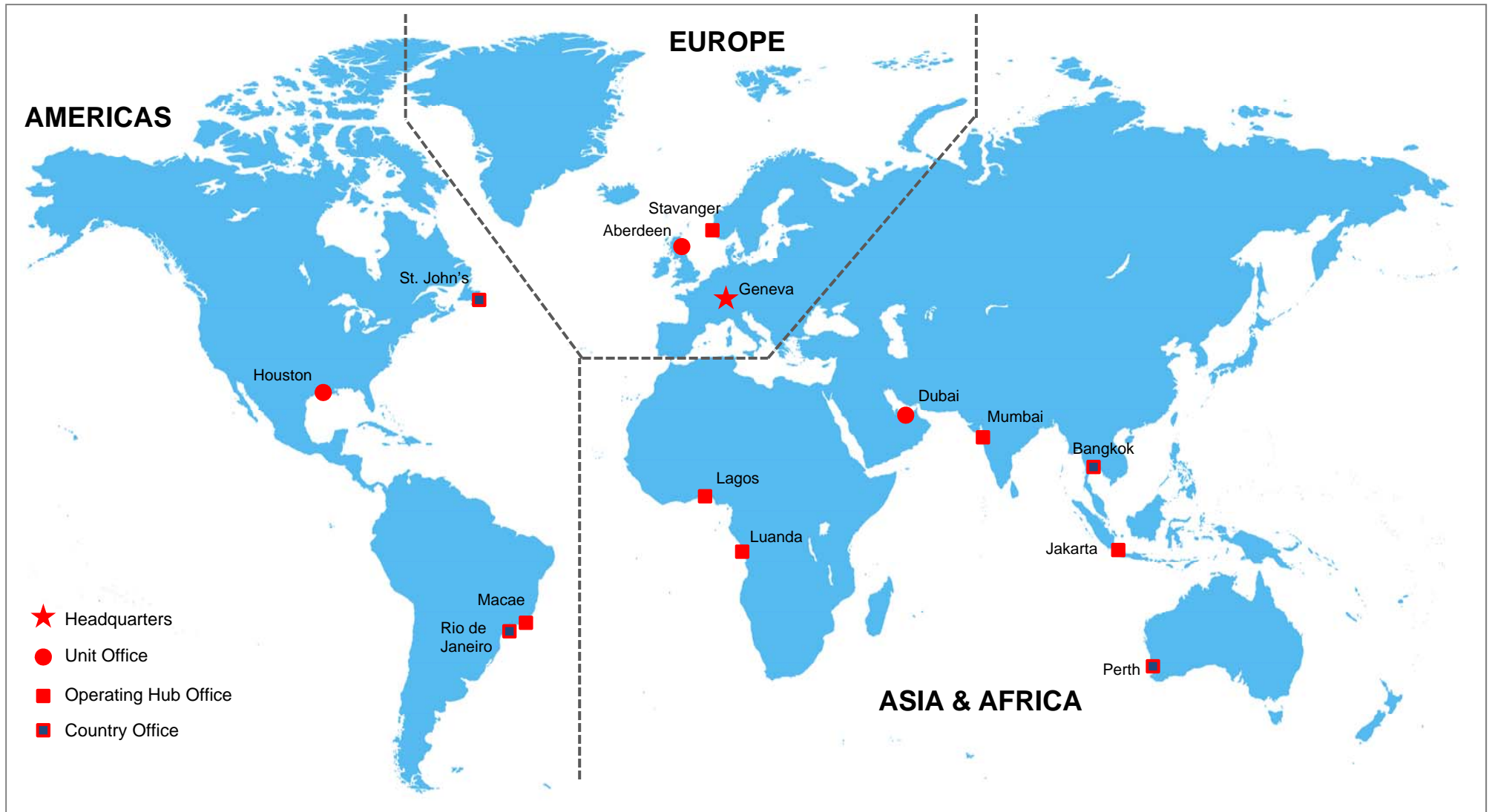
Achievements

Well Depth Records

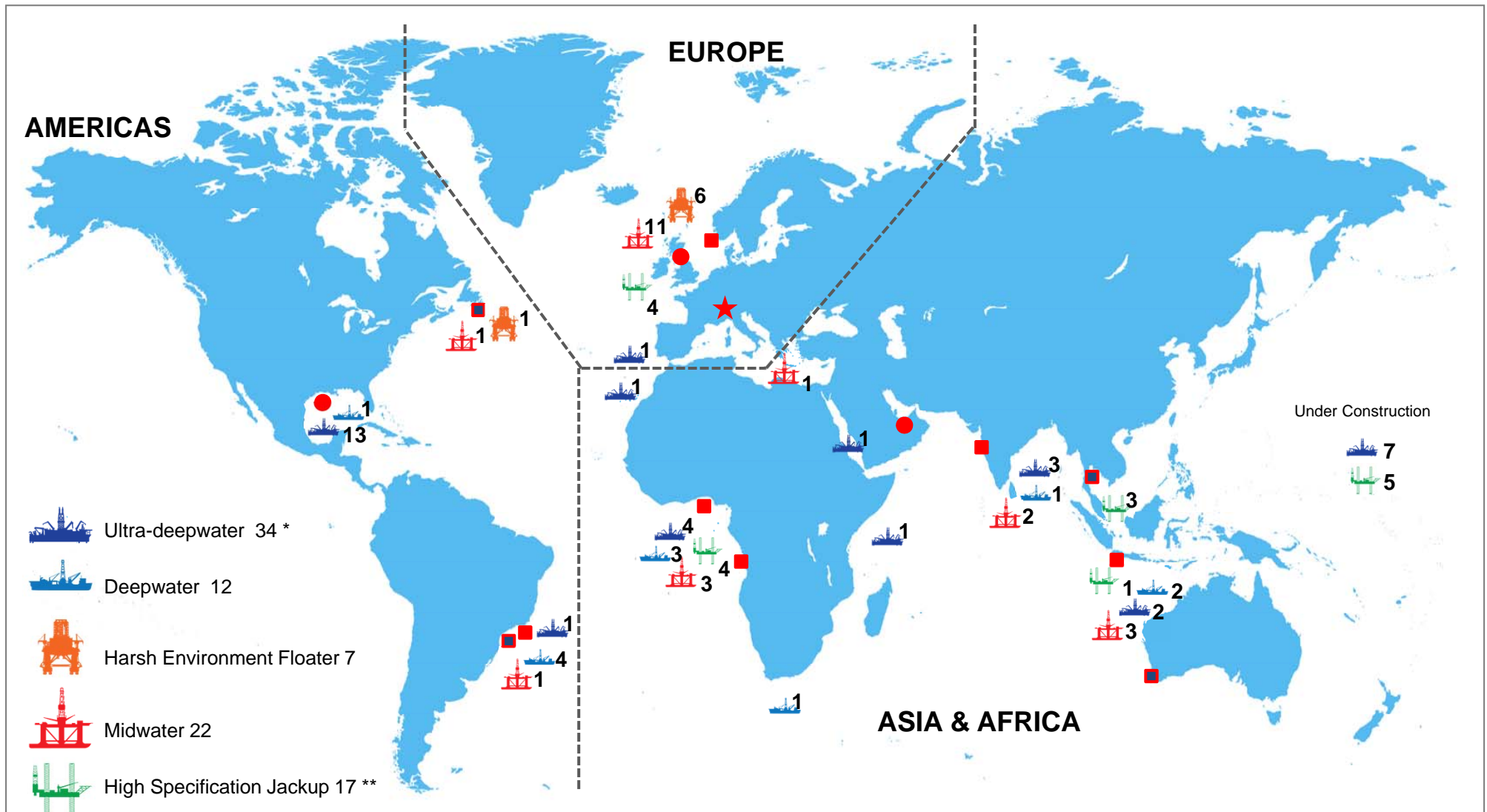


Note: The above graph shows deepest well in record year

Our Operations



Our Fleet



* 27 Operating and 7 Under Construction

** 12 Operating and 5 Under Construction

Rig Types



Enhanced Enterprise Class



- **Ultra-deepwater drillship**
- **Max water depth – 12,000 ft**
- **Max drilling depth – 40,000 ft**
- **2.5MM pound load path**
- **Dual activity derrick**
- **Dual BOP**
- **Three mud systems**
- **110,000 short tons operating displacement**



Harsh Environment

- Ultra-deepwater 6th generation, Aker H6e design
- Max drilling depth – 33,000 ft
- Max water depth – 10,000 ft
- Moored and dynamically positioned
- Fully winterized for Arctic conditions
- Full dual activity with Double Ram Rig
- *Transocean Spitsbergen* and *Transocean Barents* – world's largest semi-submersible drilling rigs in service today



High-Specification Jackups

- Keppel FELS Super “B” Bigfoot Class
- Max drilling depth – 35,000 ft
- Fast preload capability
- Ability to jack up with full preload
- Three different mud systems
- Off-line pumping and cementing operations
- Off-line stand building platform
- Customer collaboration on design
- Five more ordered



5th Generation Floaters



- **Ultra-deepwater drillship**
- **Max water depth – 10,000 ft**
- **Max drilling depth – 35,000 ft**
- **Off-line stand building for drillpipe and casing**
- **Vertical and horizontal pipe racking for redundancy**
- **Workhorse efficiency**



Newbuild Program



Completed Program: 16 High-Spec Rigs



- *Americas*
- *Clear Leader*
- *KG1*
- *Petrobras 10000*
- *DD III*
- *Barents*
- *Spitsbergen*

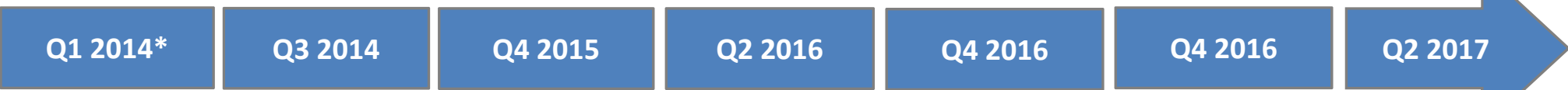
- *Inspiration*
- *KG2*
- *India*
- *Luanda*
- *Champion*
- *Honor*

- *Andaman*
- *Siam Driller*
- *Ao Thai*



Current Program: Seven Contract-Backed UDW Drillships

<i>Deepwater Asgard</i>	<i>Deepwater Invictus</i>	DSME Drillship TBN1	DSME Drillship TBN2	DSME Drillship TBN5	DSME Drillship TBN3	DSME Drillship TBN4
						
						

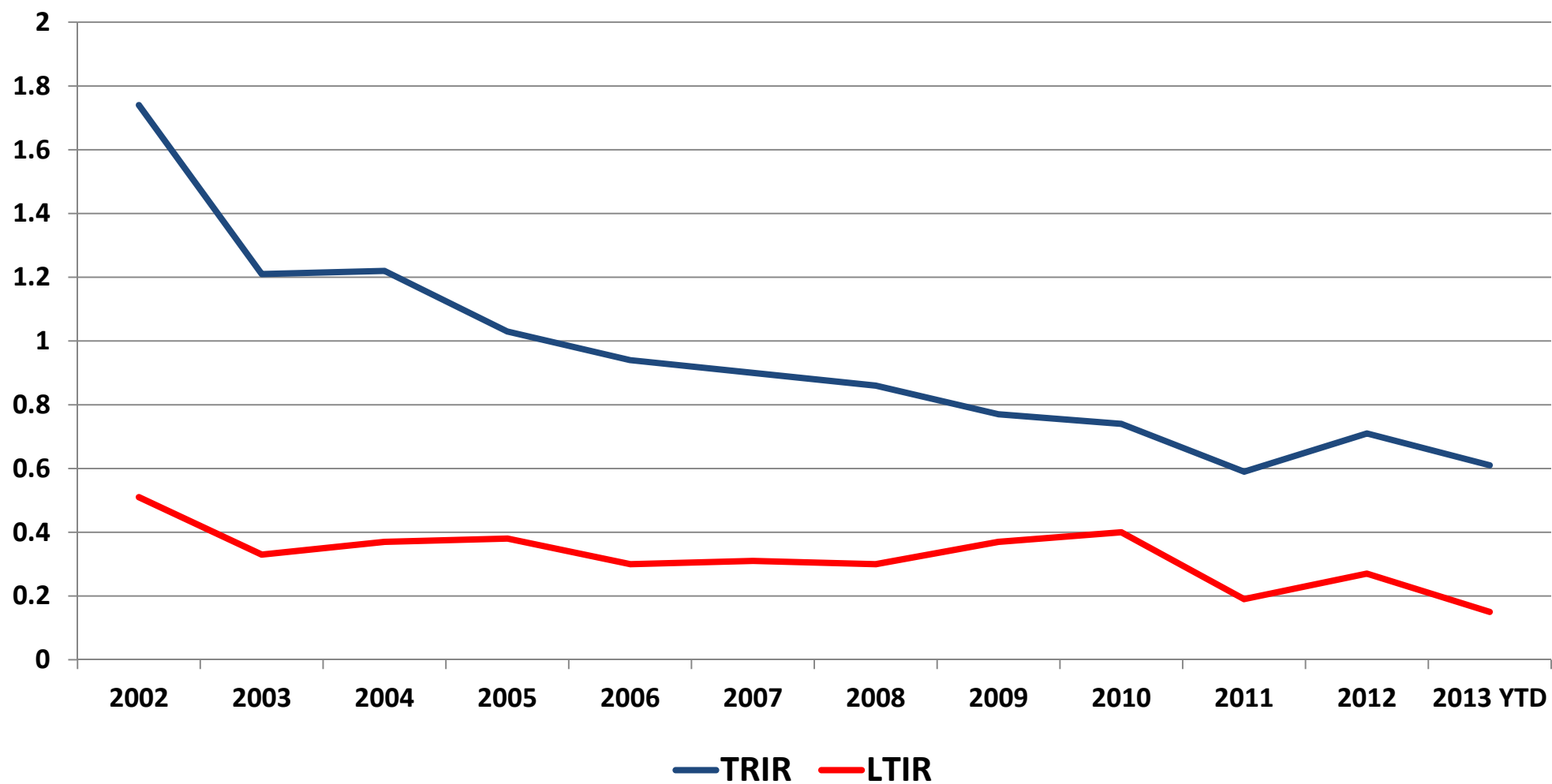


* Expected contract commencement dates

Safety Record



TRIR / LTIR Yearly Performance



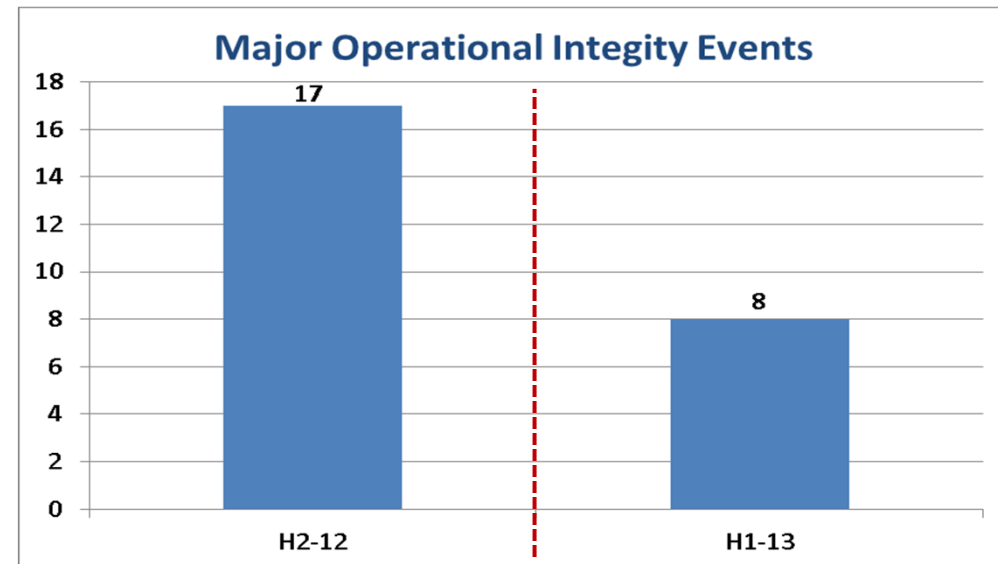
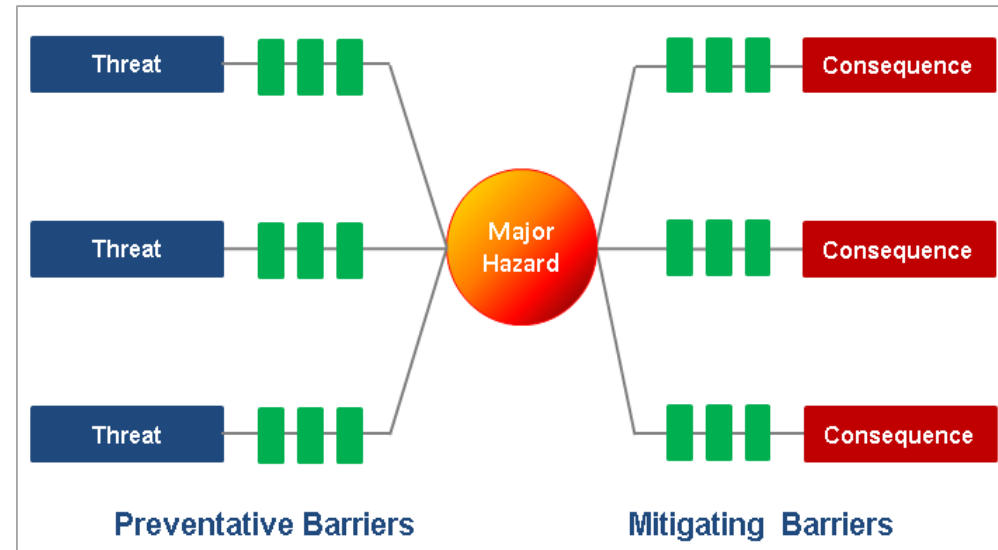
TRIR – Total Recordable Incident Rate LTIR – Lost Time Injury Rate

Operational Improvement

Ops Integrity



- All active rigs are scheduled to have safety case completed by the end of 1Q14
- Risk assess major hazards, establish barriers, test effectiveness
- Fewer fires, floods, well control and station-keeping events

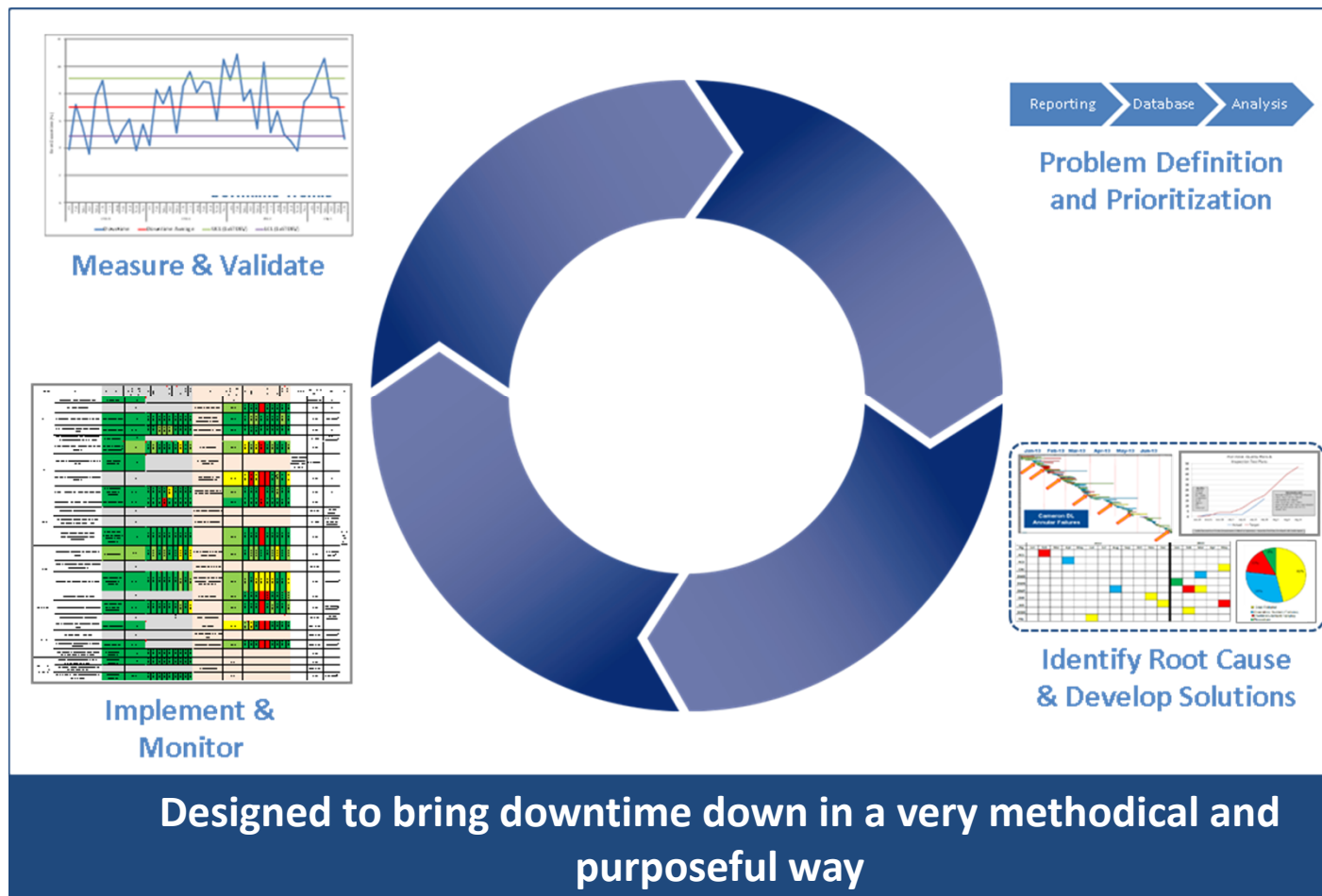


Operational Improvement

Process



- **Systematic elimination of unreliable components and systems using continuous improvement process**



- **Revenue efficiency improvements will drive margin expansion**
 - **Technical improvement**
 - **Operations Performance Improvement Plan**
 - **Improved reliability/less downtime – Intense focus on well control equipment**
 - **Contract enhancements**
 - **Strive for additional contract protection for normal wear and tear and necessary maintenance**



Targeted Revenue Efficiency

– **2013: 92.5%**

– **2014: 94%**

– **2015: ~95%**

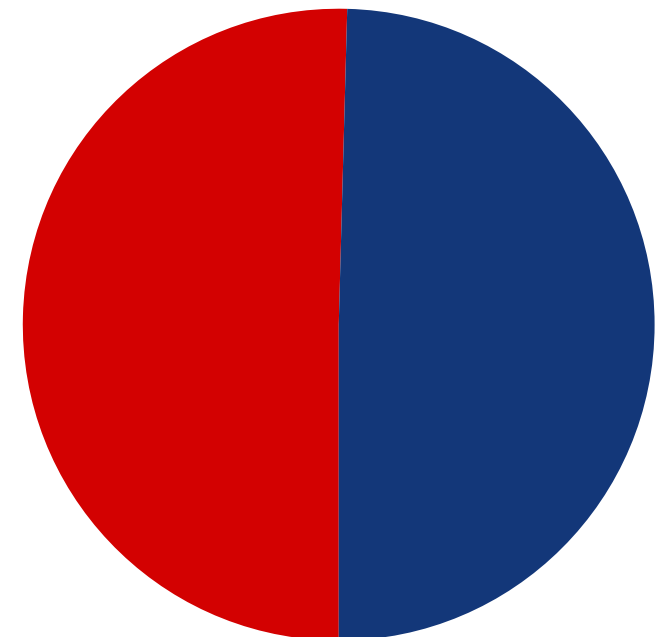
Operational Improvement

Subsea Downtime



- **Half of all downtime is due to well control equipment**
 - Control valve leaks
 - Annular elements and seals
 - Diverter flow line seals
 - Choke and kill line stabs
 - Design and manufacturing defects
- **Subsea organization reconfigured**
- **Operations Performance Improvement Plan is focused on well control equipment**
- **Approach is airline maintenance model**

**Downtime Breakdown
(2013 YTD)**



■ Well Control Equipment ■ Other

Operational Improvement

Costs



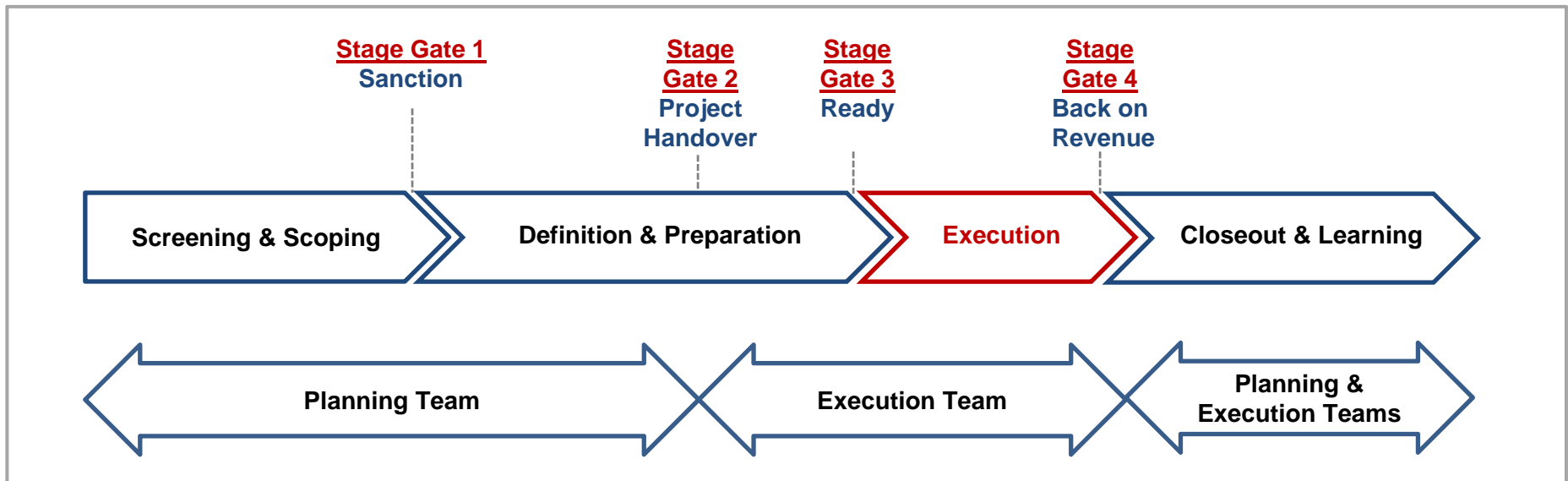
- **Cost reduction**
 - **Personnel**
 - Shorebase efficiency initiative
 - Benchmarking of offshore crews
 - Reduction of labor pools
 - **Maintenance costs**
 - Just-in-time vs. just-in-case
 - **Training**
 - Careful rationalization of training spend
 - **Shipyard/Project Execution**
 - What's needed vs. what's wanted

Project Execution

Stage Gates



- **Five-year Special Periodic Survey - much can be done in service**
- **BOP and drilling equipment recertification - component swap**
- **Two to three year planning and execution cycle**
- **Streamlines planning time and minimizes upfront equipment cost**
- **Scope and schedule challenged throughout the cycle**



- **Most improvement initiatives introduced – current focus on implementation**
- **Industry-best safety performance**
- **Stronger barriers to major accidents**
- **Continue to improve the performance of well control and drilling systems**
- **Leaner, disciplined operations cost base**
- **Smaller, more efficient and predictable projects**



- **We operate some of the best, most capable and efficient drilling equipment in the industry**
- **We are intently focused on the continuous improvement of our offshore operation through**
 - **Unrelenting attention to safety and integrity of operations**
 - **Highly competent and committed crews**
 - **Improved equipment reliability**
 - **Reduced scope, cost and volatility of projects**
 - **Obtaining the best pricing from suppliers**

Presenters



Introduction



Ian Strachan
Chairman

Strategic Overview



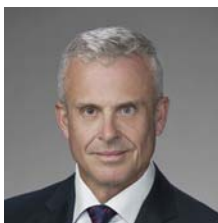
Steven Newman
President and CEO

Markets and Outlook



Terry Bonno
Senior Vice President, Marketing

Performance
Initiatives



John Stobart
Executive Vice President, COO

Financial Overview



Esa Ikaheimonen
Executive Vice President, CFO



Transocean Ltd.

2013 Analyst / Investor Day

Financial Overview

Esa Ikaheimonen, Executive VP & Chief Financial Officer

November 21, 2013

- **Financial Policy**
- **Value Creation**
 - **Margin Improvement**
 - **MLP**
 - **Investment**
 - **Dividend**
- **Summary**

Liquidity Management

- **Maintain \$3.5-\$4.5 billion total liquidity, including \$1.5-\$3 billion cash, respectful of remaining uncertainties; ~\$1.5 billion cash required under normal circumstances**

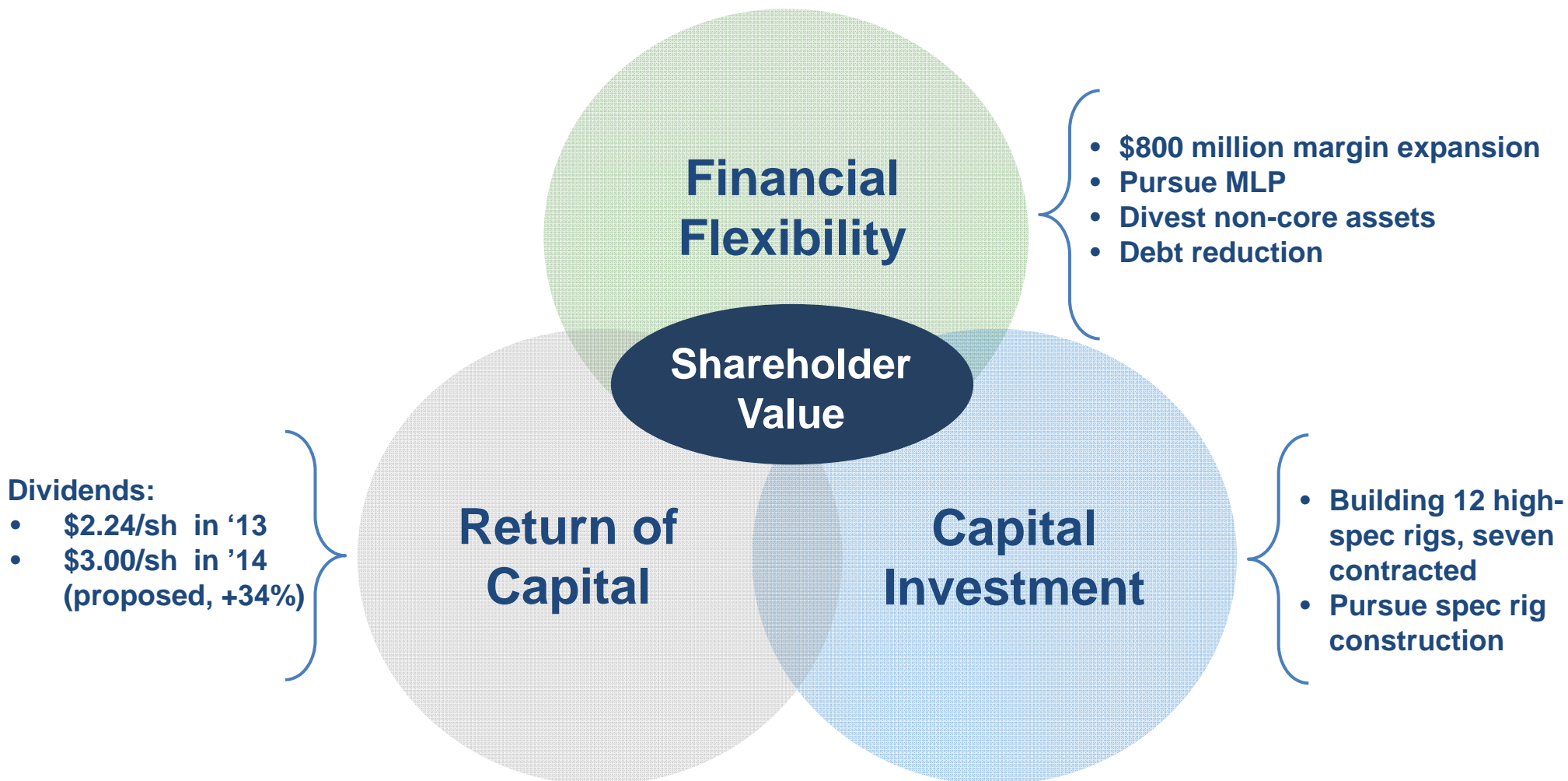
Capital Structure

- **Pursue balanced and disciplined approach to capital allocation**
- **Reduce gross debt to \$7 to \$9 billion, excluding Eksportfinans loans**
- **Baa/BBB credit rating target**

Dividends

- **Dividend is intended to be sustainable and competitive, with potential for growth, conditions permitting**
- **\$2.24/share annual dividend in 2013**
 - **Proposed \$3.00/share annual dividend in 2014 (34% increase)**

Value Creation



Financial Flexibility

Margin Improvement



- **Targeted total of ~\$800 million in margin improvement, all else equal**
 - **~\$300 million in shorebase cost savings**
 - **2012 baseline – pre Shelf Drilling Transaction**
 - **Onshore reorganization, headcount reduction, facility consolidation**
 - **~\$200 million run rate achieved by year-end 2014, balance by year-end 2015**
 - **~\$500 million target in additional margin improvement by year-end 2015**
 - **Primarily from increased operational efficiencies**

Financial Flexibility

Margin Improvement



- **\$500 million targeted in additional margin improvement by year-end 2015**
 - ~55% - Revenue
 - Operations, projects
 - ~45% - Costs
 - Perform the right maintenance at the right time
 - Optimize offshore headcount
 - Ensure total compensation is competitive
 - Leverage size and scale to get the best prices

Item	Relative Opportunity
Revenue Efficiency	
Shipyard/Project Execution	
In-Service Maintenance Optimization	
Training and Labor Pool Optimization	
Procurement	
Compensation Policies	
Offshore Manning	

No scale

- **Completed thorough evaluation of the MLP-type yield vehicle**
 - **Benefits outweigh risks for Transocean**
- **MLP structure permits acceleration of strategic initiatives**
 - **Improves financial flexibility**
 - **Supports balance sheet objectives**
 - **Represents attractive value proposition**
 - **Proceeds allocated in accordance with “balanced approach”**
 - **Transocean holds majority stake**
- **Strong investor demand for MLP’s**

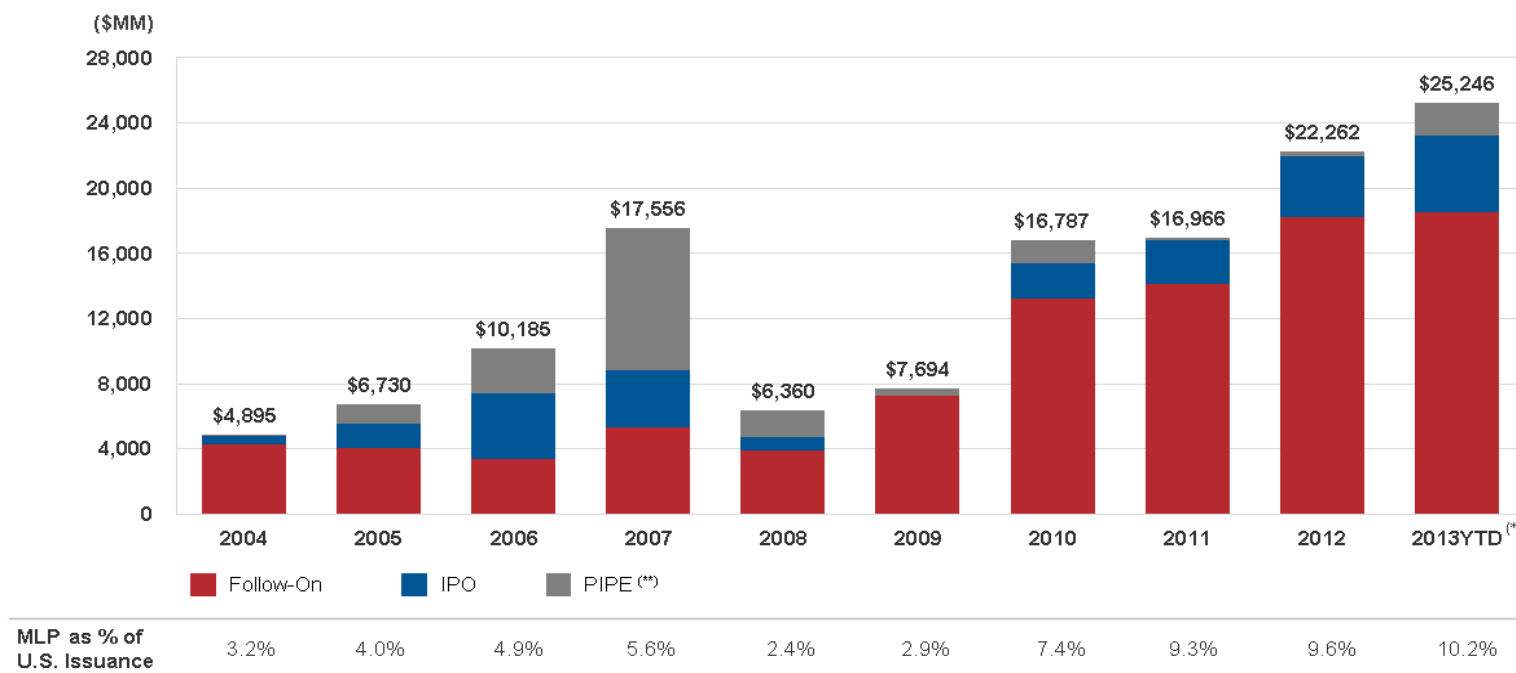
Financial Flexibility

MLP



- Investor demand for MLP products continues to grow
 - Increasingly viewed as a durable asset class
 - Vehicle can provide access to equity markets, even under stress

MLP Equity Financings – By Type of Issuance



Source: Company Data; Thomson Reuters; Dealogic
 * As of November 15, 2013
 ** Private Investment in Public Equity

Launch anticipated mid-2014

Financial Flexibility

MLP



- Value
 - Valued on a total return basis versus principally on earnings, cash flow
 - Investors seek stable and predictable distribution growth

MLP Characteristics That Drive Valuation		How an MLP Is Valued
Operational	<ul style="list-style-type: none"> ▪ Minimal volatility ▪ Long asset life ▪ Organic growth potential 	EBITDA – Incremental MLP G&A Expense – Interest Expense – Maintenance Capital Expenditures
Financial	<ul style="list-style-type: none"> ▪ Strong and stable cash flow ▪ Modest maintenance capital expenditures ▪ Capital structure to support cash distribution ▪ Flexibility to grow asset base through acquisitions 	<hr/> Distributable Cash Flow ÷ Yield <hr/> Equity Value + Net Debt <hr/> Enterprise Value

- Distribution growth management
 - Optimize debt/equity balance
 - Coverage ratio
 - Reserve maintenance and Capex reserve replacement

- **Generic structuring considerations**
 - Balance cash needs and MLP size and structure
 - Size, quality of assets and contracts, and growth drives demand and pricing
 - Prior/proposed transactions are initially three - four rigs
 - Notionally, one dropdown/year thereafter
 - Important asset characteristics: dependable, visible cash flow
 - Market seems to prefer higher-spec rigs
 - Strong backlog, longer-term contracts
 - Highly rated customers
 - High operating efficiency

- **Strategic imperative to high-grade the fleet through consistent investment in high-specification floaters and jackups**
 - **Fund fleet renewal while maintaining a strong, flexible balance sheet**
- **Fleet renewal options include**
 - **High-return, high-specification contract-backed newbuilds**
 - **High-return acquisition of suitable existing high-specification capacity**
 - **High-return, high-specification un-contracted newbuilds – floaters and/or jackups**
- **Investments must yield economic returns exceeding the cost of capital and be accretive to margins**

Investment



Current Fleet					
		<u>Existing</u>	<u>Under construction</u>	<u>Total</u>	
Floater	Ultra-deepwater	27	+7	34	
	Deepwater	12		12	
	Midwater	22		22	
	Harsh Environment	7		7	
Jack-ups	High-Spec Jackups	12	+5	17	
Total	Total Floaters	68	+7	75	82%
	Total Jackups	12	+5	17	18%
	Total Fleet			92	100%

Future Fleet	
Ultra-deepwater	~50%
Deepwater	
Midwater	
Harsh Environment	~10%
High-Spec Jackups	~40%
Total Floaters	~60%
Total Jackups	~40%
<u>Approximate EBITDA Contribution Margin:</u>	
Floater	~75%
Jackup	~25%

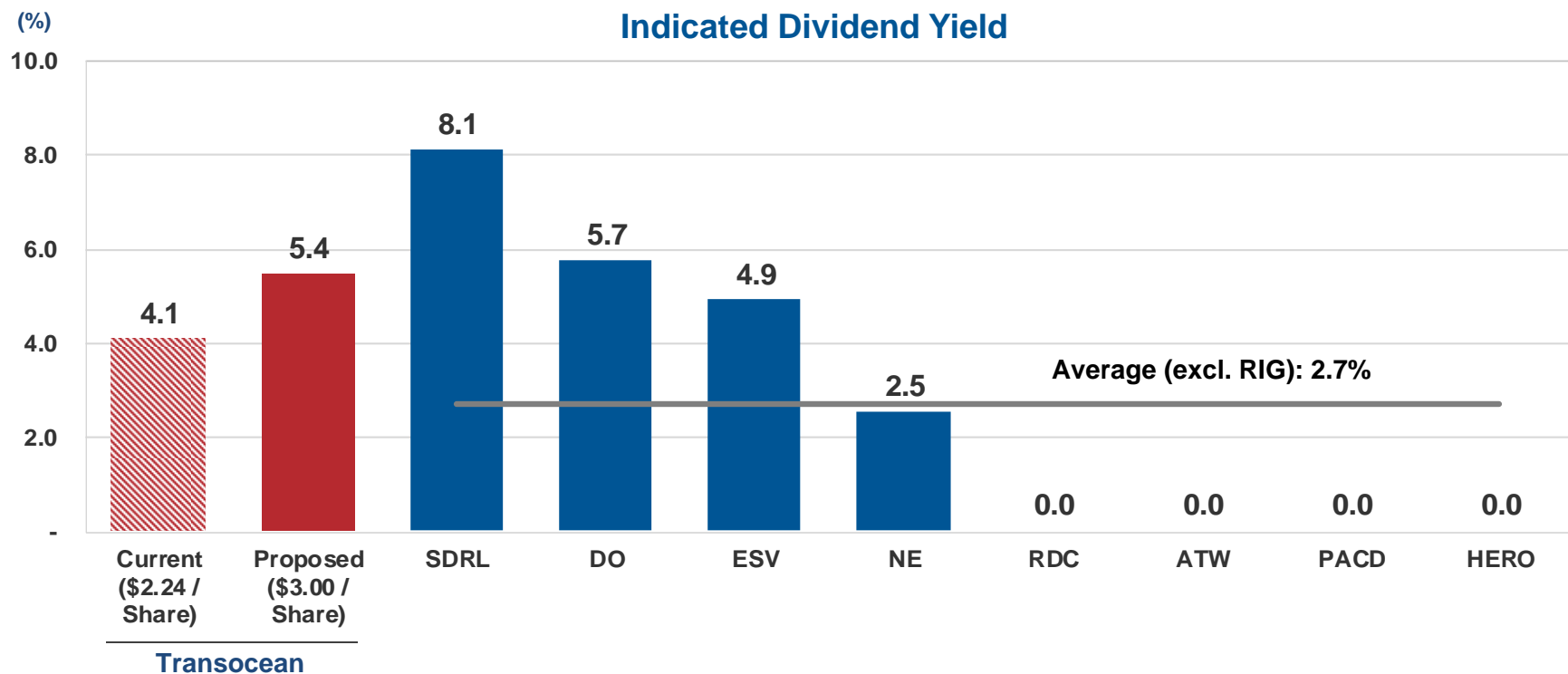
- **Execution**
 - **Divest non-core assets by 2018**
 - **Need to add one-plus floater(s) and multiple high-spec jackups per year to maintain satisfactory pace of renewal**
 - **Average annual capital investment for fleet renewal ~\$1.5-\$2.0 billion**
 - **Will be opportunistic; spend may be inconsistent from year to year**
- **Funding sources include**
 - **Improved operating cash flow**
 - **Asset sales**
 - **MLP**

- **Accelerated execution of asset strategy/fleet renewal underway**
 - **\$1.2 billion commitment for a package of five high-specification jackups for delivery 1Q16 - 3Q17**
 - Firm shipyard orders at <\$240M per unit
 - Options for five additional units on similar terms
 - **\$3.7 billion commitment for five contracted ultra-deepwater newbuilds currently under construction for Shell and Chevron; contract commencement expected 1Q14 - 2Q17**
 - Represents 45-rig years of work and backlog of \$8.7 billion
- **Obtained Board approval to pursue un-contracted ultra-deepwater newbuild opportunities**

Return of Capital



- Current and proposed dividend yields are competitive and sustainable
 - Potential for growth
- Dividend is a key, value-enhancing element of balanced capital allocation strategy



Source: Capital IQ (November 12, 2013), Company Filings

- **In the context of a balanced capital allocation strategy, we have a clear plan and timeline for creating value**
 - **Continuous improvement in operating performance and efficiencies**
 - **Margin expansion**
 - **Increase financial flexibility with launch of MLP in mid-2014**
 - **Divest current non-core fleet by 2018**
 - **Investment in high-specification jackups and floaters to support continuous renewal**
 - **Sustained return of capital to shareholders; potential for increases**

Presenters



Introduction



Ian Strachan
Chairman

Concluding Remarks



Steven Newman
President and CEO

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Senior Vice President, Marketing

Performance
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Esa Ikaheimonen
Executive Vice President, CFO

- **We are delivering on our commitment to continue to create value for Transocean stakeholders**
 - **Pursuing revenue and cost initiatives to expand margins**
 - **Executing on our strategy to high-grade the fleet**
 - **Improving financial flexibility with an MLP**
 - **Returning cash to shareholders through a competitive dividend**
 - **Partnering to develop an innovative BOP control system**
- **Continuous improvement in competitiveness better positions Transocean to capitalize on global opportunities**



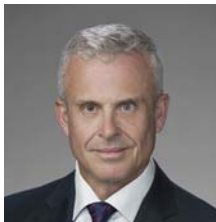
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Esa Ikaheimonen
Executive Vice President, CFO



**2013 Analyst / Investor Day
InterContinental New York Barclay
November 21, 2013**

- (1) Per Fleet Status Report issued November 18, 2013. Floater classifications are by water depth as described in the Fleet Status Report. Harsh Environment Floaters are included in the appropriate water depth classification. Rig count associated with continuing operations is 80, plus 12 newbuilds. Rigs Under Construction are inclusive of rigs to be accepted by the customer subsequent to November 18, 2013. “Idle” and “Stacked” rig classifications are as described in the Fleet Status Report.
- (2) Excludes submersible rigs.
- (3) Excludes tender rigs.
- (4) Calculated by multiplying the contracted operating dayrate by the firm contract period for 2013 and future periods as of the Fleet Status Report issued October 16, 2013, for continuing operations only. Firm commitments are represented by signed drilling contracts or, in some cases, by other definitive agreements awaiting contract execution. Our contract backlog is calculated by multiplying the full contractual operating dayrate by the number of days remaining in the firm contract period, excluding revenues for mobilization, demobilization and contract preparation or other incentive provisions, which are not expected to be significant to our contract drilling revenues. The contractual operating dayrate may be higher than the actual dayrate we receive or we may receive other dayrates included in the contract, such as a waiting-on-weather rate, repair rate, standby rate or force majeure rate. The contractual operating dayrate may also be higher than the actual dayrate we receive because of a number of factors, including rig downtime or suspension of operations. In certain contracts, the dayrate may be reduced to zero if, for example, repairs extend beyond a stated period of time.
- (5) Data from IHS-Petrodata as of October 21, 2013. Analysis by Transocean. Includes competitive rigs which have completed construction on or before October 21, 2013. High-Specification Jackups are defined as competitive, independent cantilever rigs with water depths of 350’ and greater.
- (6) The committed fleet rate is defined as one minus the uncommitted fleet rate, which is the number of uncommitted days divided by the total number of rig calendar days in the measured period, expressed as a percentage. An uncommitted day is defined as a calendar day during which a rig is idle or stacked, is not contracted to a customer and is not committed to a shipyard. The rate is as October 16, 2013.
- (7) This presentation is unaudited.