



# Transocean Ltd.

NYSE: RIG

AUGUST 2023

# LEGAL DISCLAIMER

## Forward-Looking Statements

The statements described herein that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements could contain words such as "possible," "intend," "will," "if," "expect," or other similar expressions.

Forward-looking statements are based on management's current expectations and assumptions, and are subject to inherent uncertainties, risks and changes in circumstances that are beyond our control, and many cases, cannot be predicted. As a result, actual results could differ materially from those indicated by these forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, estimated duration of customer contracts, contract dayrate amounts, future contract commencement dates and locations, planned shipyard projects and other out-of-service time, sales of drilling units, timing of the company's newbuild deliveries, operating hazards and delays, risks associated with international operations, actions by customers and other third parties, the fluctuation of current and future prices of oil and gas, the global and regional supply and demand for oil and gas, the intention to scrap certain drilling rigs, the effects of the spread of and mitigation efforts by governments, businesses and individuals related to contagious illnesses, such as COVID-19, and other factors, including those and other risks discussed in the company's most recent Annual Report on Form 10-K for the year ended December 31, 2022, and in the company's other filings with the SEC, which are available free of charge on the SEC's website at: [www.sec.gov](http://www.sec.gov). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on forward looking statements. Each forward-looking statement speaks only as of the date of the particular statement. We expressly disclaim any obligations or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or beliefs with regard to the statement or any change in events, conditions or circumstances on which any forward-looking statement is based, except as required by law. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's website at: [www.deepwater.com](http://www.deepwater.com).

This presentation, or referenced documents, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and do not constitute an offering prospectus within the meaning of the Swiss Financial Services Act ("FinSA") or advertising within the meaning of the FinSA. Investors must rely on their own evaluation of Transocean and its securities, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of Transocean.

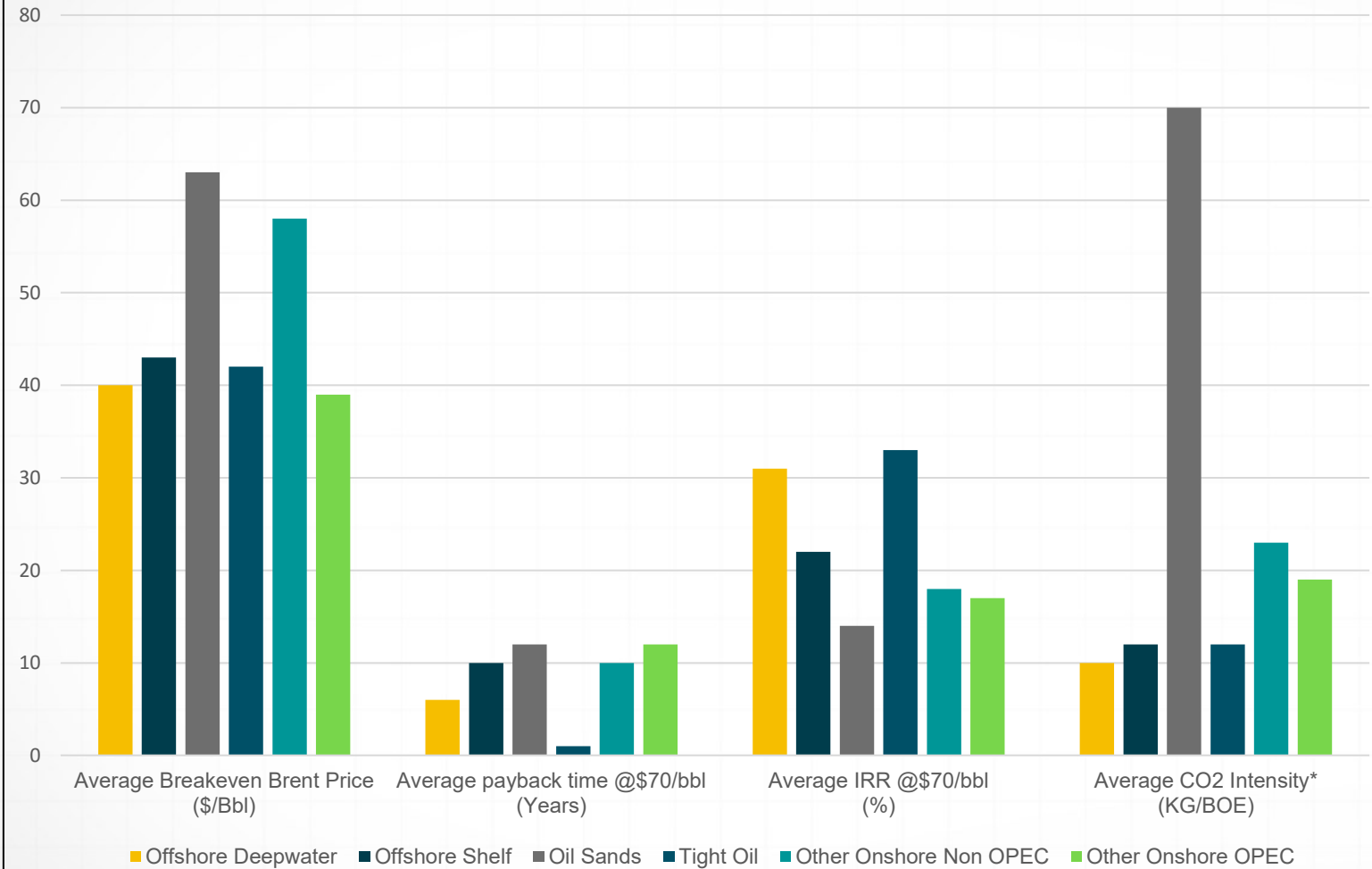
# INVESTMENT THESIS

## ATTRACTIVE EXPOSURE TO THE ENERGY EXPANSION

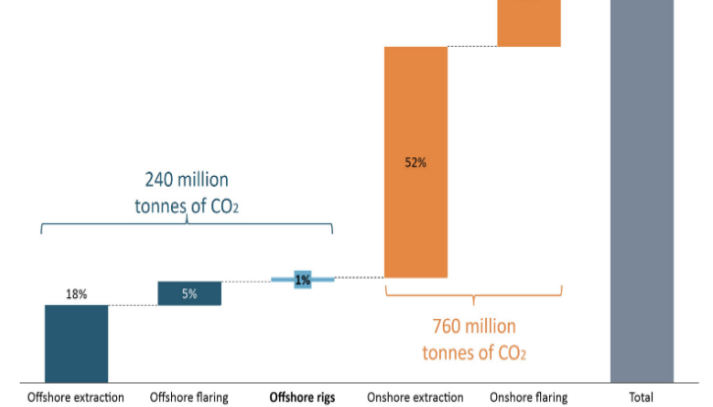
- **Hydrocarbons will remain a primary source of energy for the foreseeable future**
  - Access to affordable, reliable, and secure energy sources is essential to global economic growth and prosperity
  - The total energy market share of oil and natural gas will continue to slowly decline, but volumetric demand will increase with global population growth and attendant economic development
- **Some of the largest reserves of hydrocarbons are found offshore in deep water and harsh environments, necessitating specialized equipment, technology and expertise**
  - The production economics of these reserves are highly competitive – and in most cases superior – to those found onshore
  - Carbon intensity of offshore hydrocarbons is also frequently lower than those found onshore
- **An investment in Transocean provides unique – and profitable – exposure to the “energy expansion”**
  - Owns and operates a young, high-specification fleet of floating drilling rigs
  - Eleven high-quality stacked rigs imply considerable revenue and earnings growth potential
  - Considerable cash flow generating potential as dayrates and contract term continue to improve
  - All else being equal, share price appreciation will result from continued drilling market improvement and as the Company executes its plan to improve its balance sheet and maximize free cash flow to equity

# INVESTMENT IN DEEPWATER MAKES ECONOMIC SENSE

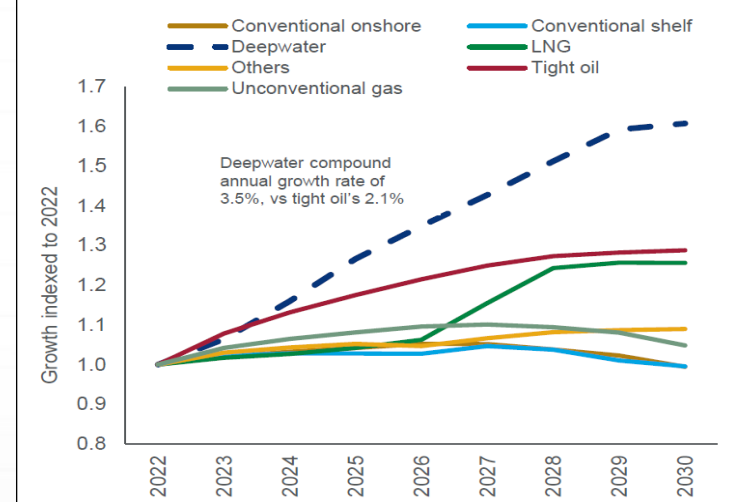
## Benchmarking Key Sources of New Oil Supply



Offshore rigs accounted for only 1% of global upstream CO<sub>2</sub> emissions in 2021



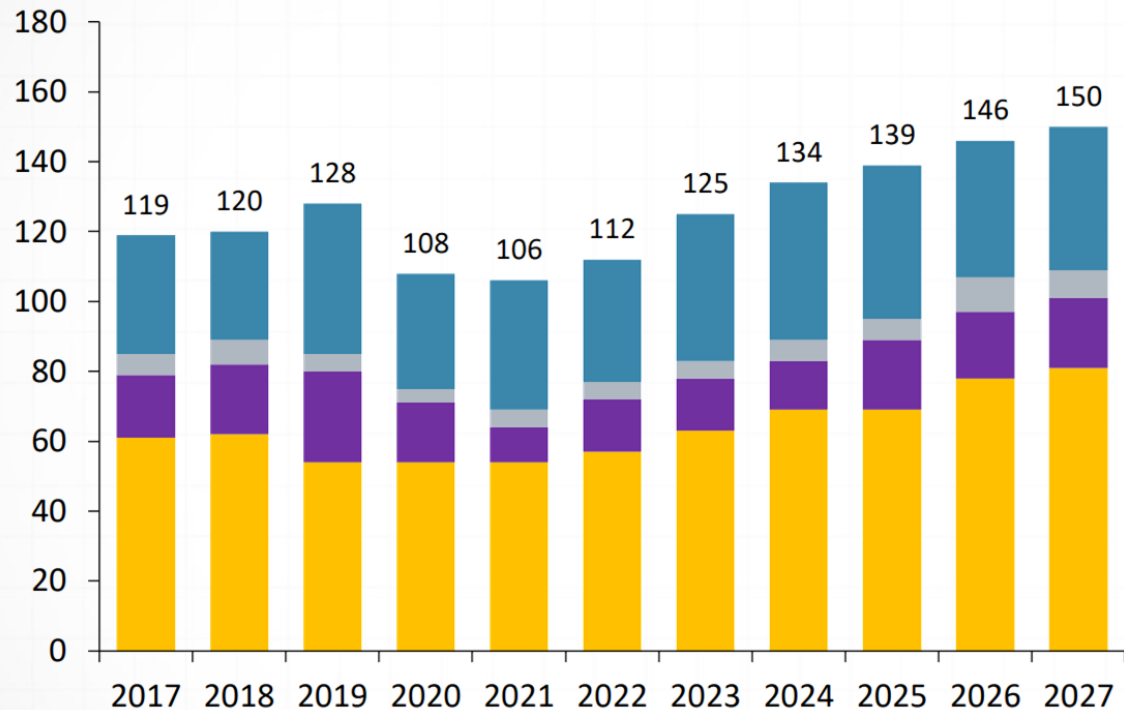
## Indexed production growth by resource theme



# STRONG GROWTH OUTLOOK WITH LOW OIL PRICE SENSITIVITY

Global floater demand by work type

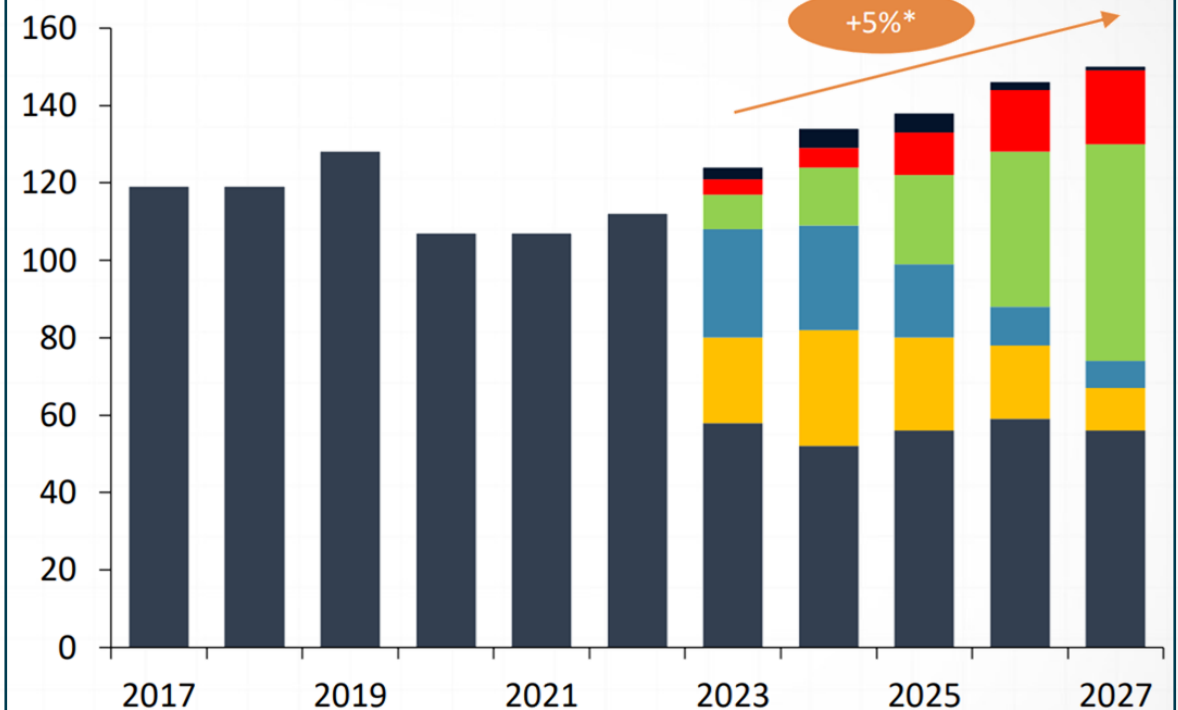
Rig years



- Exploration
- P&A
- Workover/Intervention
- Development and Infill Drilling

Global floater demand by oil price sensitivity

Rig years



- Above \$60 per barrel
- \$40 to \$60 per barrel
- Below \$40 per barrel
- Firm exploration (commitments)
- Under development (sanctioned)
- Historical/Producing

\*CAGR from 2023 to 2027

Source: Rystad Energy: Offshore Rig Report June

# OUR LEADERSHIP POSITION

38 Floaters<sup>1</sup> – 100% UDW & HE

Unmatched UDW & HE Experience

\$9.2 Billion in Backlog<sup>2</sup>

Liquidity of \$1.6B<sup>3</sup>



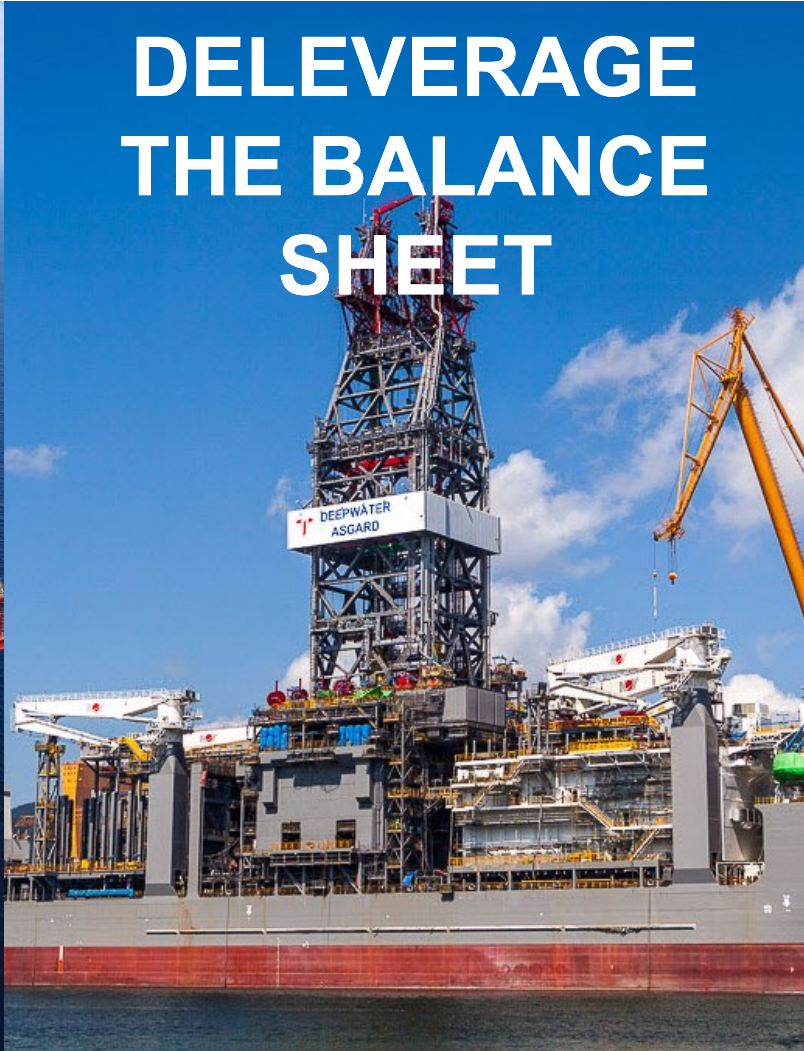
1. Includes *Transocean Norge* (33% JV ownership interest) and *Deepwater Aquila* (minority interest, under construction)
2. As of July 19, 2023
3. Liquidity as of June 30, 2023

# TRANSOCEAN'S STRATEGY

DELIVER SAFE,  
RELIABLE, &  
EFFICIENT  
OPERATIONS



DELEVERAGE  
THE BALANCE  
SHEET

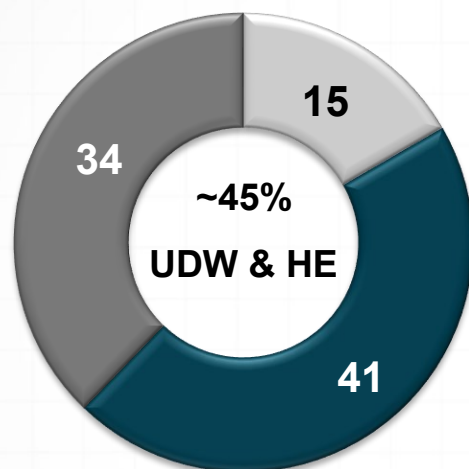


INNOVATE AND  
INTRODUCE NEW  
TECHNOLOGY



# FLEET TRANSFORMATION SINCE 2014

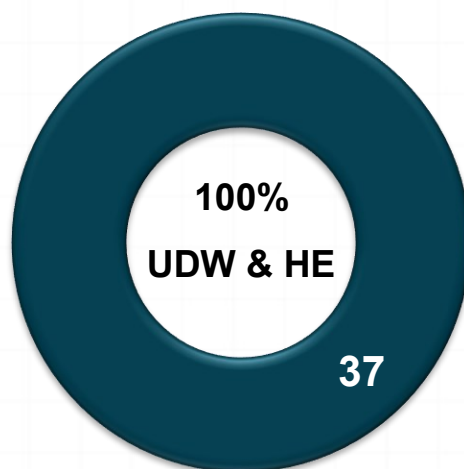
January 2014



Average Age Floaters  
~21 years

- UDW & HE Floaters
- Mid / Deep Water
- HS Jackups

August 2023\*



Average Age Floaters  
~10 years

## 77 Divestitures



16 Ultra-Deepwater

46 Deepwater/Midwater

15 Jackups

## Value-Added Enhancements



Songa Offshore



Transocean Norge



Deepwater Atlas



Ocean Rig



Deepwater Titan



Deepwater Aquila

\* Includes *Transocean Norge* (33% JV ownership interest) and *Deepwater Aquila* (minority interest, under construction); excludes *Paul B. Loyd, Jr.* (held for sale)



# ULTRA-DEEPWATER ASSETS

## 1700 ST Main Hoist

Worldwide Fleet		Transocean Fleet	
Units	Contracted	Units	Contracted
<b>2</b>	<b>100%</b>	<b>2</b>	<b>100%</b>

## 1400 ST Main Hoist

Worldwide Fleet		Transocean Fleet	
Units	Contracted	Units	Contracted
<b>12</b>	<b>83%</b>	<b>7*</b>	<b>100%</b>

## Standard UDW

Worldwide Fleet		Transocean Fleet	
Units	Contracted	Units	Contracted
<b>119</b>	<b>68%</b>	<b>19</b>	<b>42%</b>



\* Does not include *Deepwater Aquila* (minority interest, under construction)

# HARSH ENVIRONMENT ASSETS

## High Spec Harsh Environment

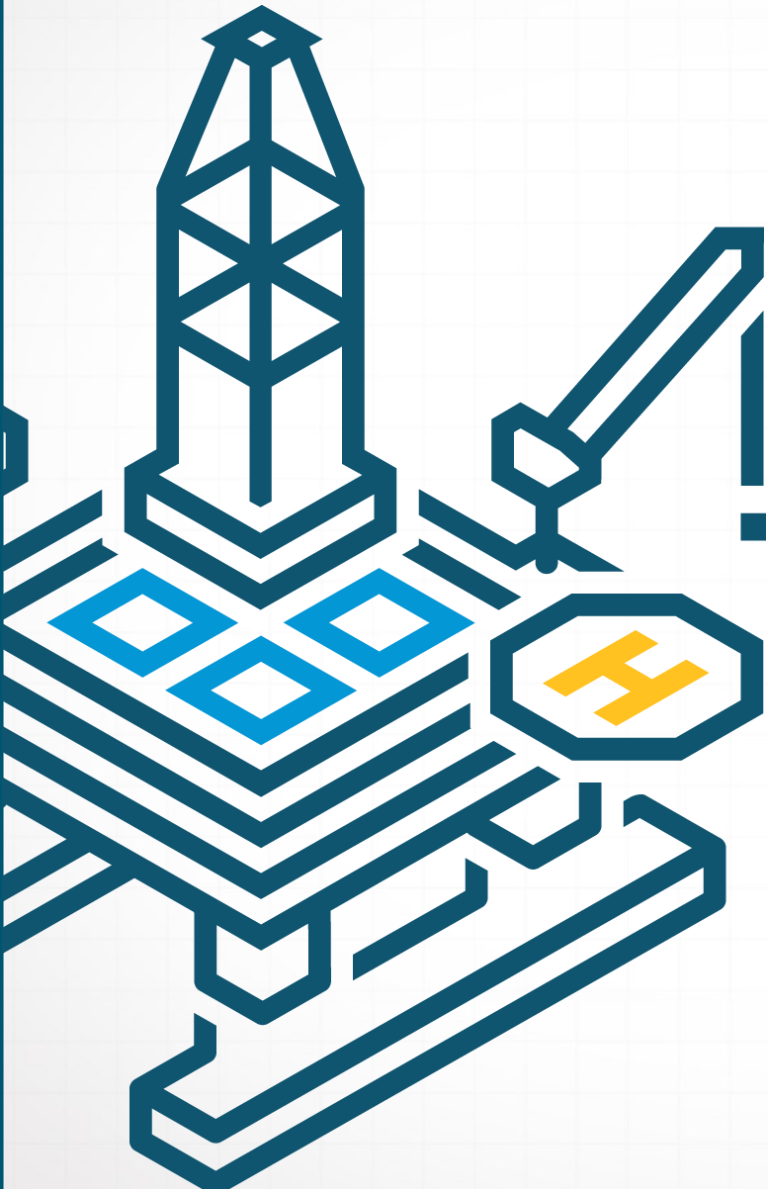
Worldwide Fleet		Transocean Fleet	
Units	Contracted	Units	Contracted
<b>23</b>	<b>100%</b>	<b>7</b>	<b>100%</b>

## Standard Harsh Environment

Worldwide Fleet		Transocean Fleet	
Units	Contracted	Units	Contracted
<b>17</b>	<b>47%</b>	<b>2</b>	<b>50%</b>



# INVESTING IN A PROSPEROUS FUTURE



## DIGITAL TRANSFORMATION

We have continuously invested in the digitization of our operational procedures and activities, transforming Transocean and the industry



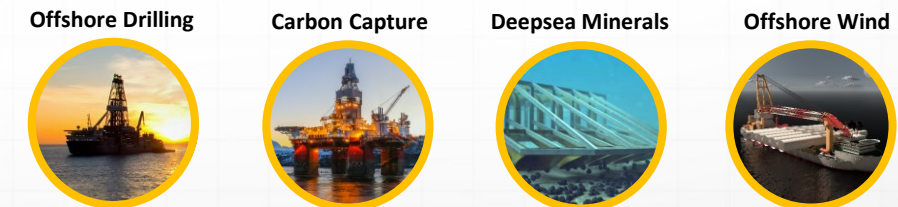
## INTELLIGENT TECHNOLOGIES

New technology extends our ability to consistently deliver safe, reliable, and increasingly efficient operational performance

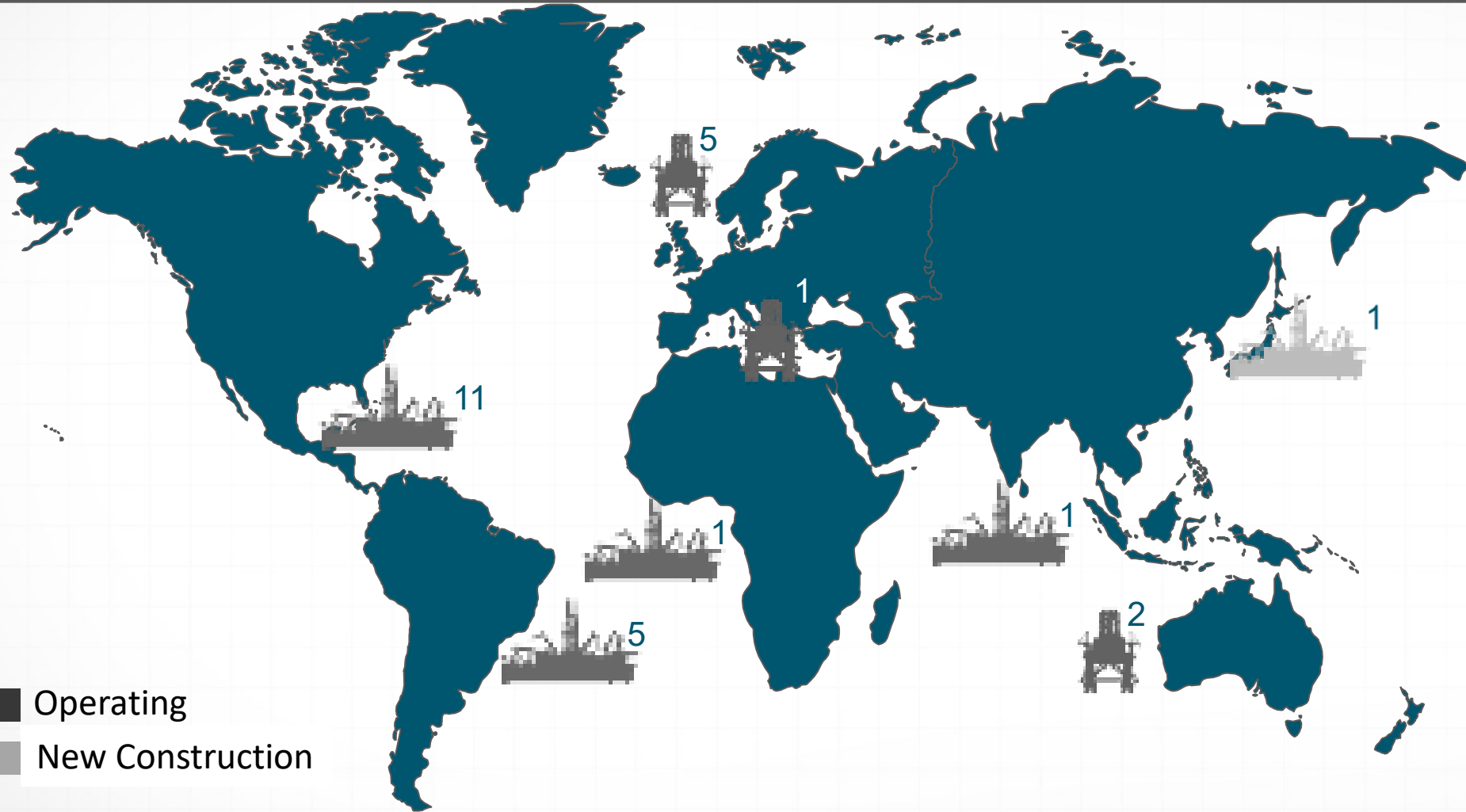


## OFFSHORE ENERGY SERVICES

Developing energy solutions and exploring diverse offshore drilling-adjacent technologies and services to address the needs of the energy expansion



# OUR GLOBAL OPERATING FLEET



38 Rigs

## Operating Fleet\* – 26

- 18 UDW
- 8 HE

## New Construction – 1

- 1 UDW\*\*

## Cold Stacked – 11

- 10 UDW
- 1 HE

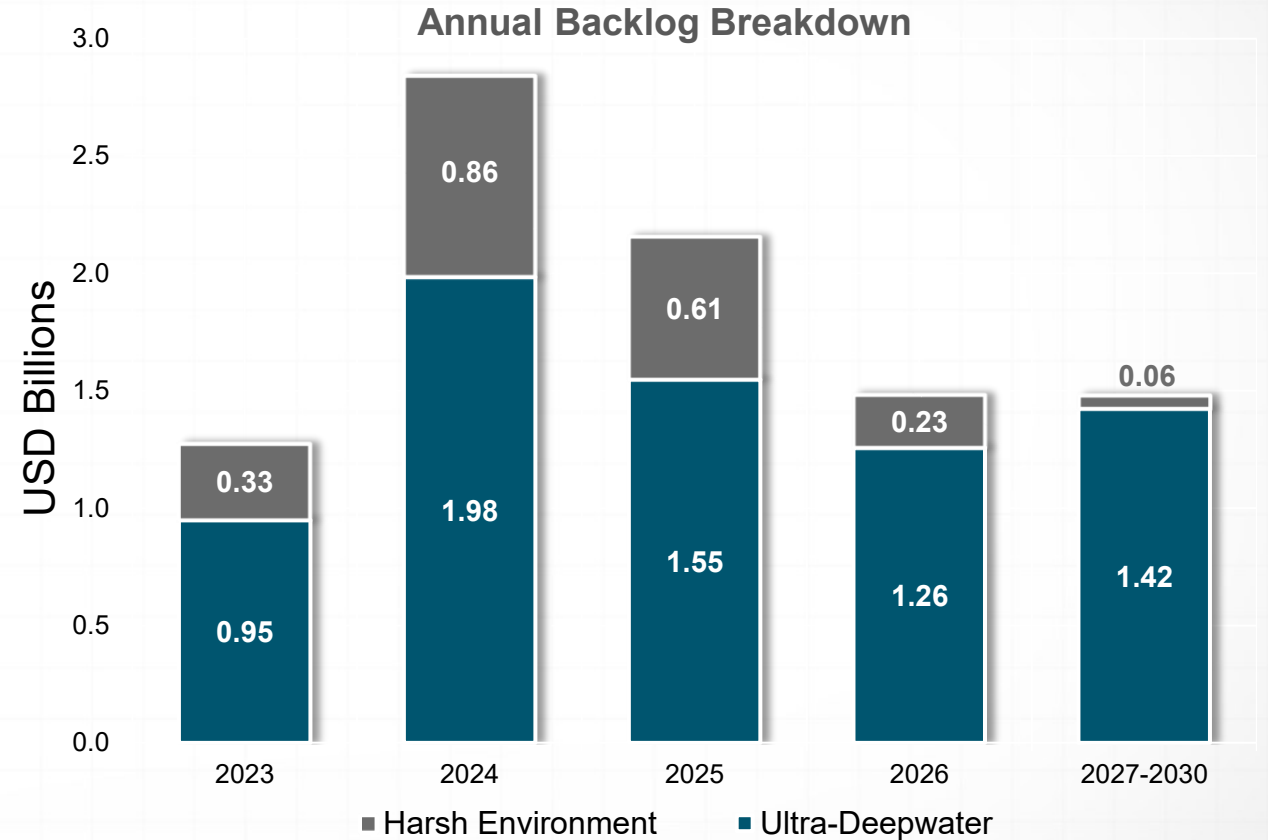
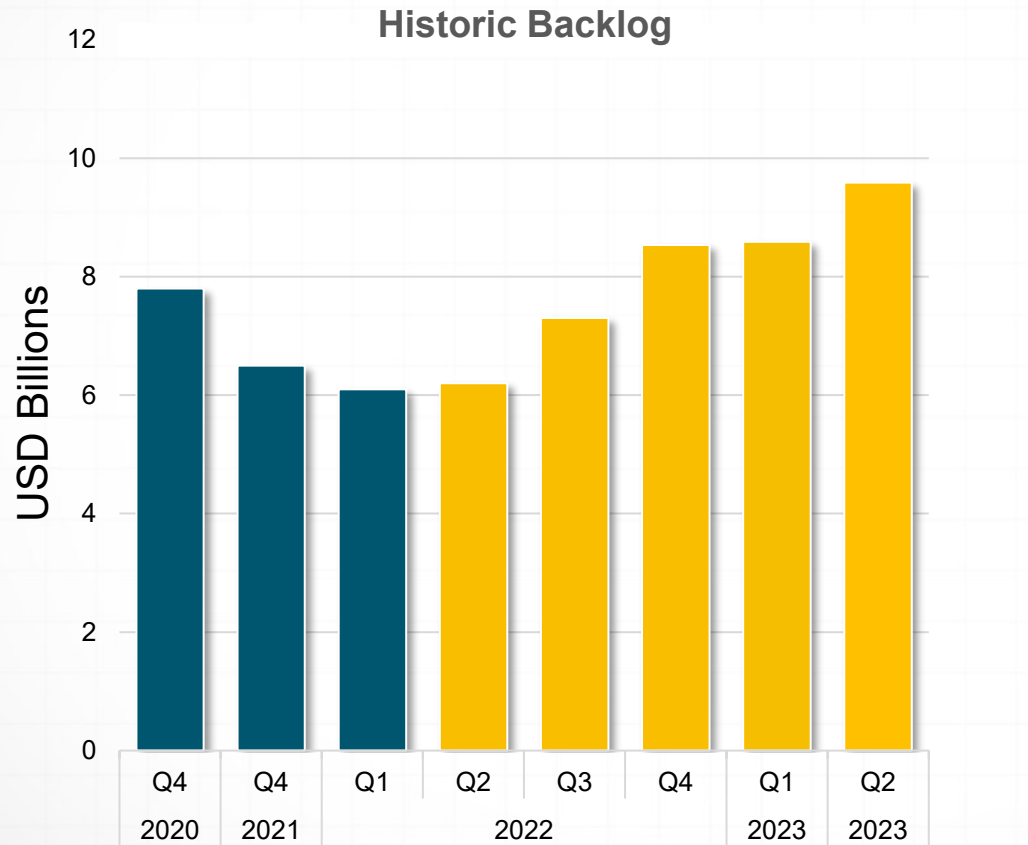
\* Includes rigs undergoing contract preparation and between contracts

\*\* *Deepwater Aquila* (minority ownership interest)

# TRANSOCEAN'S INDUSTRY-LEADING BACKLOG

MORE THAN 1.8X THAT OF THE NEAREST COMPETITOR

Estimated \$9.3 Billion<sup>1</sup> Contract Backlog<sup>2</sup>

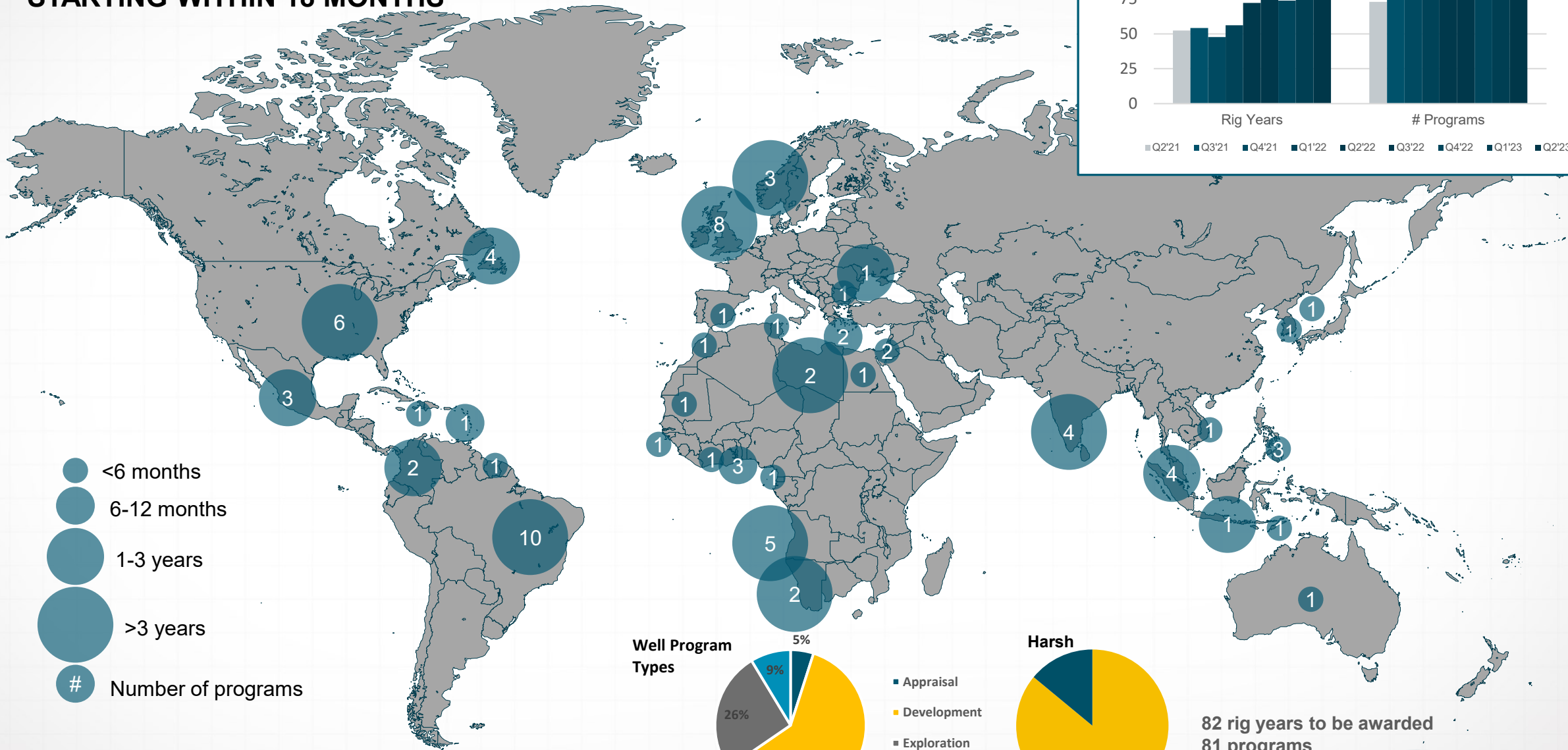
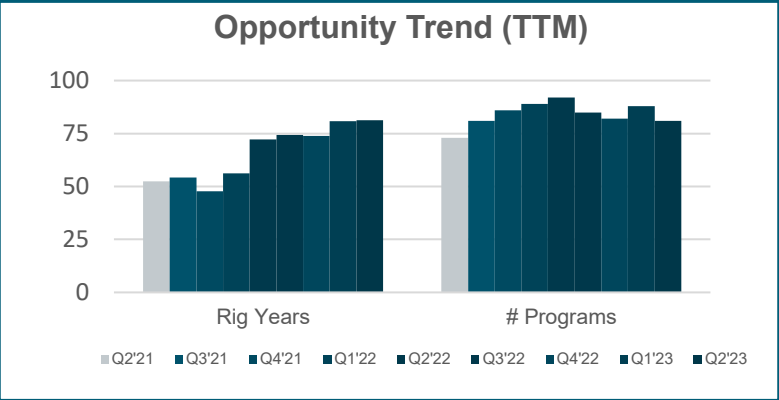


1. As of July 19, 2023

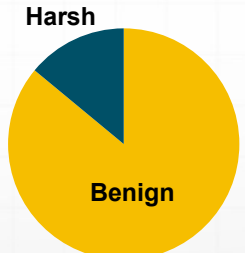
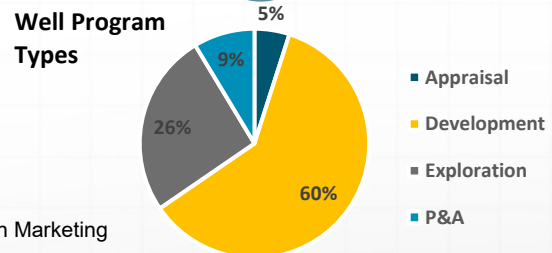
2. Contracted operating dayrate multiplied by the contract duration for future periods

# GLOBAL FLOATER OPPORTUNITIES

STARTING WITHIN 18 MONTHS



- <6 months
- 6-12 months
- 1-3 years
- >3 years
- # Number of programs



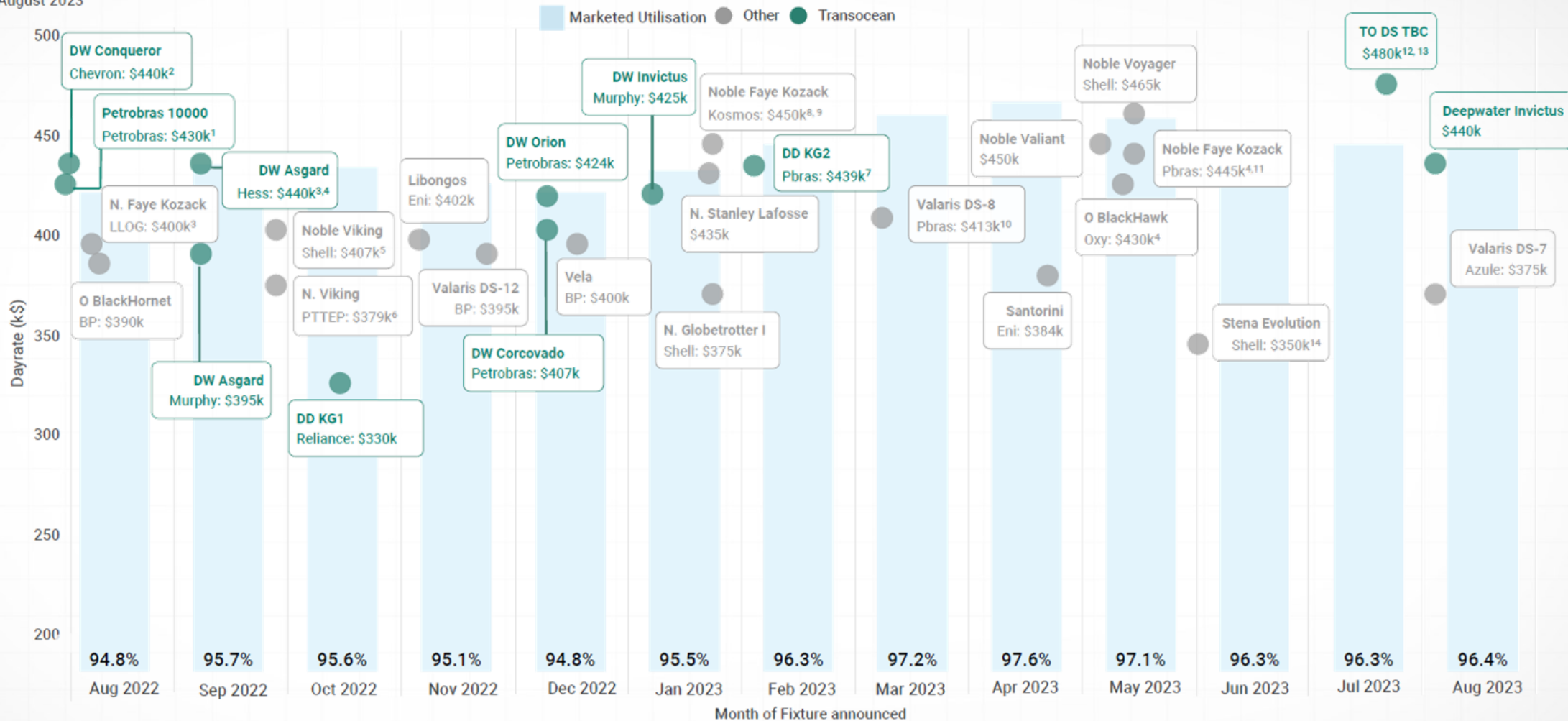
82 rig years to be awarded  
81 programs

Source: IHS Markit, July 26th 2023 Open Floater demand incl. pre-tender, tender + Transocean Marketing

# DRILLSHIP RATE PROGRESSION

## Offshore Drilling Outlook | Drillship Fixtures

August 2023



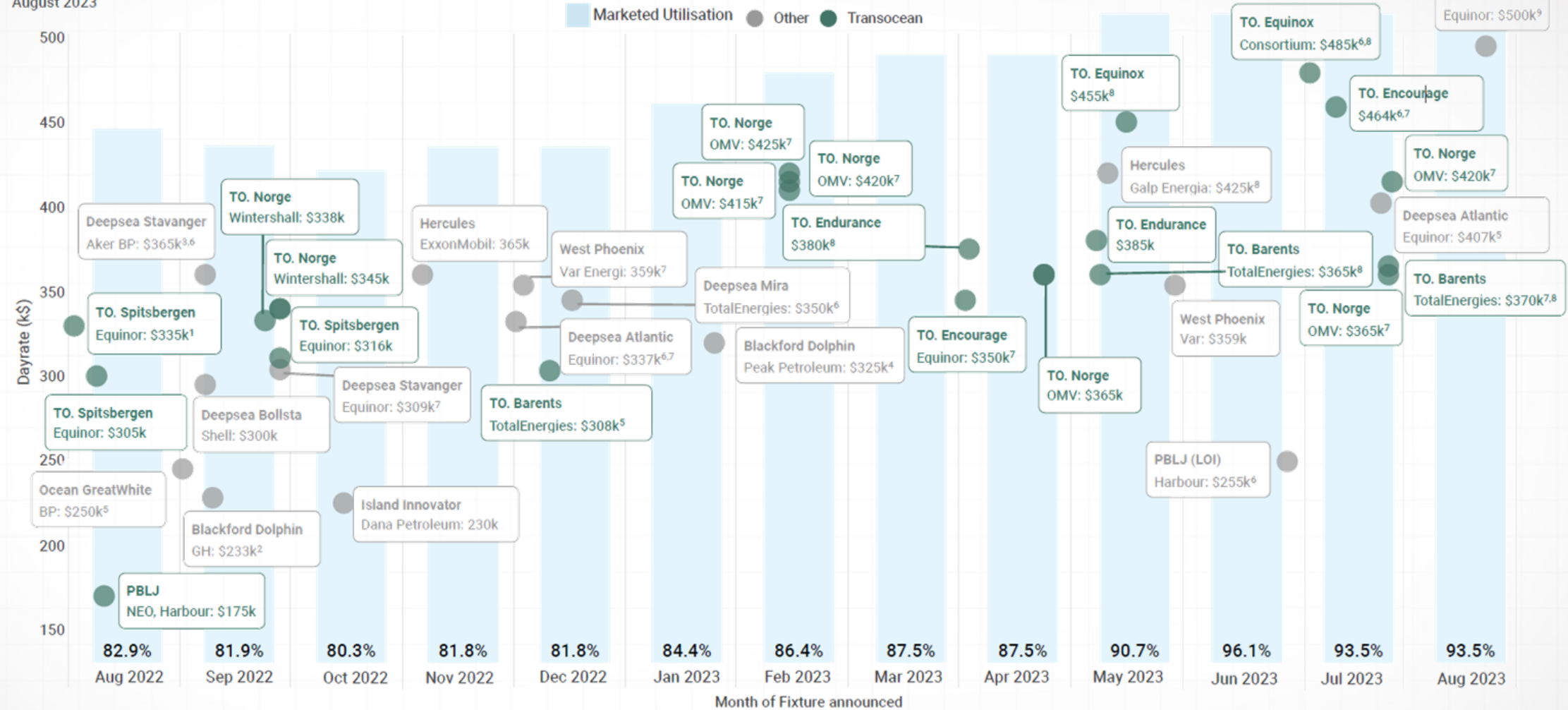
Note: Excludes extensions and options. 1. Dayrate avg over contract duration 2. Excludes incremental cost of up to \$39,000 per day for additional services 3. Excludes MPD 4. Excluding \$40k per day for additional product and services 5. Dayrate excludes integrated services and potential performance bonuses 6. Dayrate includes MPD but excludes integrated services 7. Excludes mob/demob fee, includes integrated services 8. Rig has MPD, understood not to be in use for this charter 9. Contract moved to Noble Valiant 10. Excludes services, includes subsidized mob 11. Excludes additional services 12. Rig selection of Deepwater Invictus, Deepwater Thalassa and Deepwater Proteus to be made no later than one year prior to earliest date in the commencement window 13. Excludes mob, demob and services 14. Client contributed \$100-120 million lumpsum fee for mobilization, contract prep and upgrades.



# HARSH ENVIRONMENT RATE PROGRESSION

## Offshore Drilling Outlook | HE Semisub Fixtures

August 2023

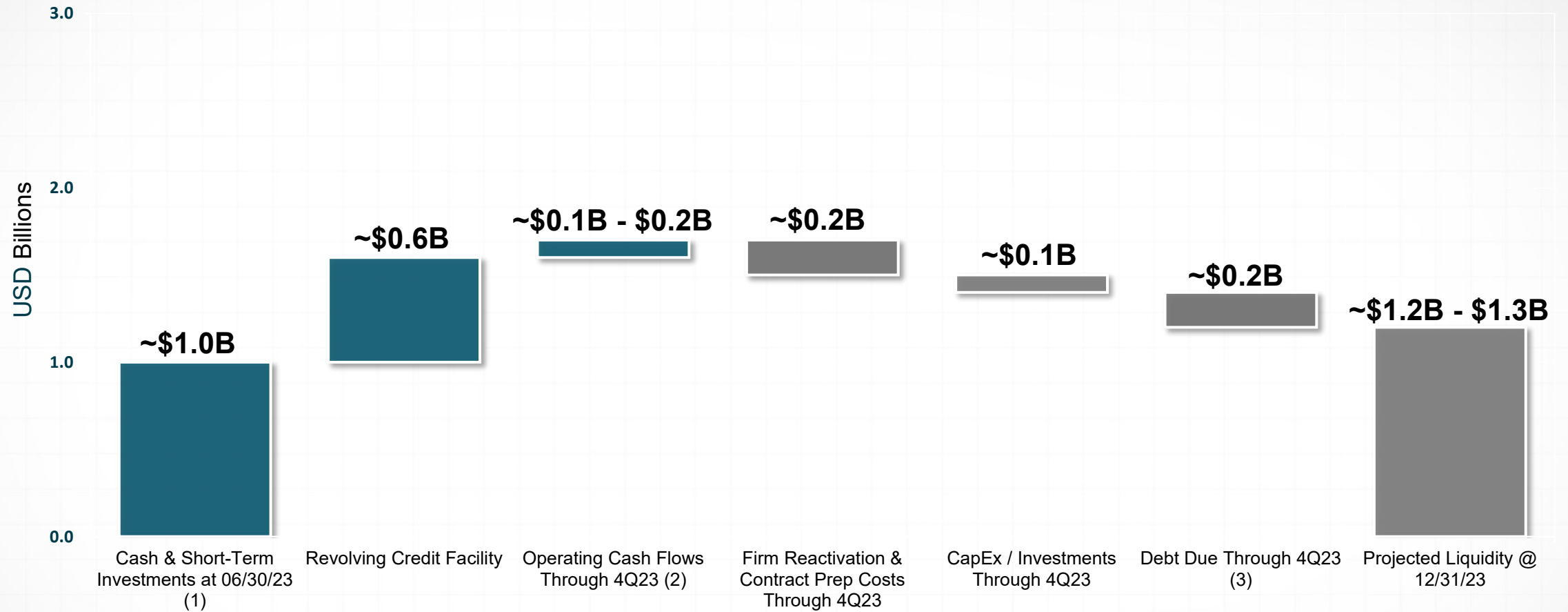


1. Contract value excludes revenue associated with performance incentives, additional services 2. Excludes \$12 million mobilisation 3. Base contract value is in the range of USD 620 million to USD 730 million where the ceiling of the day rate range shall be adjusted based on an inflation adjustment formula starting from June 2023. Excluding performance and fuel saving incentive bonuses 4. Rate includes mobilization fee 5. West of Shetland 6. Calculated rate 7. Exercised Option 8. Dayrate excludes full compensation for mobilisation and demobilisation 9. Includes mobilization and demobilization





# PROJECTED LIQUIDITY



- (1) Includes restricted cash.
- (2) Excludes speculative reactivations.
- (3) Debt maturities are retired with cash; no refinancing's are assumed.

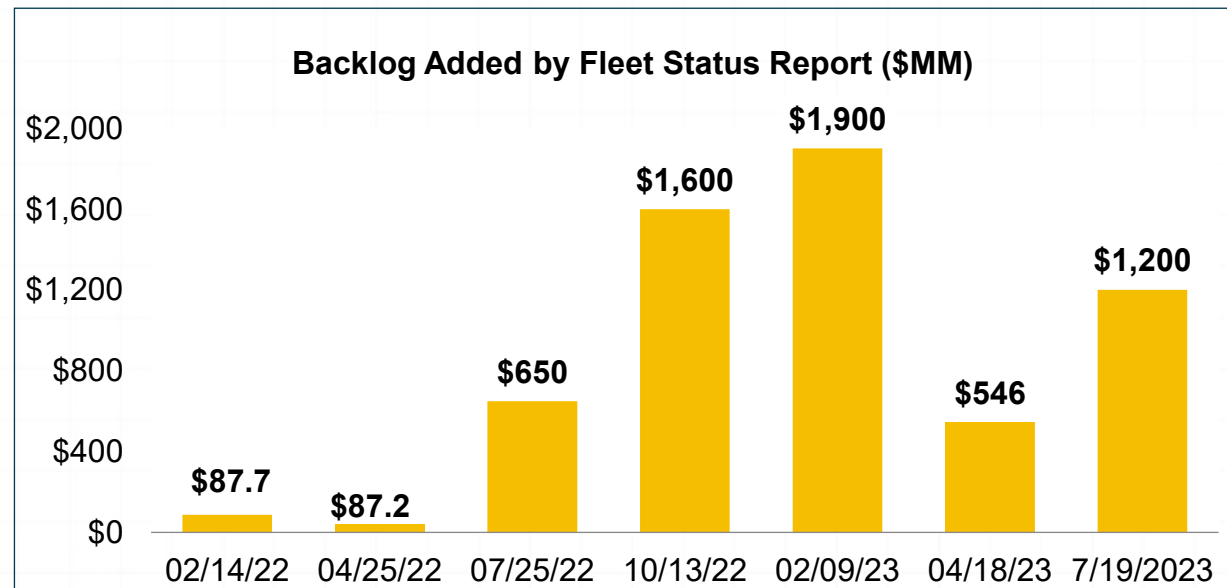
# STRENGTHENING THE BALANCE SHEET REMAINS A PRIORITY

## DELEVERAGING RESTORES VALUE TO EQUITY HOLDERS

- **We believe that the cashflow-producing ability of our current fleet supports long-term company debt of approximately \$4 - \$4.5 billion, implying a mid-BB corporate credit rating**
- **We have completed several key transactions significantly improving our liquidity profile**
  - ✓ Extension of revolving credit facility to mid 2025
  - ✓ Exchanges of certain bonds with nearer-dated maturities
  - ✓ \$525M secured financing on *Deepwater Titan*
  - ✓ \$1.175B refinancing of four secured notes with improved amortization profile
  - ✓ Conversion of remaining \$25M 2.5% Senior Guaranteed Exchangeable Bonds due 2027 into RIG shares; obligation fully discharged
- **Based upon projected peak debt levels, we expect to continue to de-lever and simplify our balance sheet over time through a combination of actions, including utilizing free cash flow from operations, potentially reducing our debt by up to approximately \$3 billion**
  - Scheduled amortizations and maturities are ~\$1.5 billion '23 – '25
  - Leading UDW dayrates are at levels that support “organic” deleveraging
    - An operating fleet of 25 - 30 UDW rigs requires a breakeven average dayrate of \$275K-300K, over which free cash could be used to repay debt
    - The current strength of the market improves our ability to reduce debt over time without the use of incremental equity
- **We will continue to be opportunistic and prudent in our liability management actions, using the various tools available to us**
  - Open market repurchases of debt; tender offers, exchanges
  - Equity-linked transactions
  - Deleveraging, strategic consolidation

# INVESTMENT SUMMARY

- **We are in a multi-year recovery of the offshore drilling industry. As the industry leader, Transocean provides the ideal investment vehicle**
  - Industry's largest and highest specification fleet of floating drilling rigs offers the most organic growth potential and consistently commands the highest dayrates and term through the cycles as scarcity increases
  - \$9.2B backlog provides visibility into future cash flows to create value for our shareholders through deleveraging and investment in the fleet



- In the vanguard of deploying innovative safety- reliability- and efficiency- enhancing technologies to offshore and new energy services
- Well-articulated plan to improve the flexibility and quality of the balance sheet to maximize shareholder value

# 3Q23 AND FY23 GUIDANCE

## 3Q23

Adjusted Revenue  
**\$720**

Operating & Maintenance Expense  
**\$540**

General & Administrative Expense  
**\$55**

Capital Expenditures  
**\$75**

(Millions)

## FY23

Adjusted Revenue  
**\$2,900-3,000**

Operating & Maintenance Expense  
**\$1,950**

General & Administrative Expense  
**\$210**

Capital Expenditures  
**\$270**

(Millions)



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