



MORGAN STANLEY

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May 2018



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OUR LEADERSHIP POSITION

49 Floaters – 84% UDW & HE

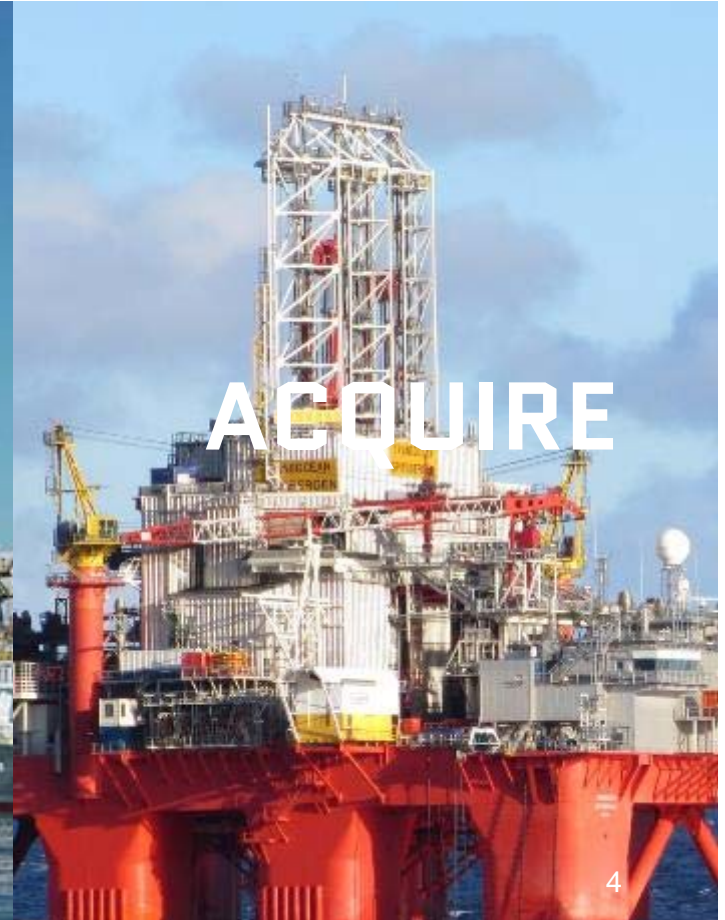
\$12.5 Billion in Backlog

\$5.9 Billion in Liquidity

Unmatched UDW & HE Experience



INVESTMENT THROUGH THE CYCLE





COST EFFECTIVE STRATEGIC UPGRADE

UDW Floater Ranking

Pre-Upgrade	Post Upgrade
75	50

~\$15M CapEx

MPD-Ready

DP Class 3

Dual Annular BOPs
Acoustic Backup Controls



DISCOVERER INDIA

ENHANCED ENTERPRISE CLASS DRILLSHIP

ACQUISITION OF SONGA OFFSHORE

Closed with
\$3.7B in Contract Backlog
Extending into 2024



Four New Contracted
Fit-for-NCS Purpose
Harsh Environment
Semisubmersibles Designed
by Statoil

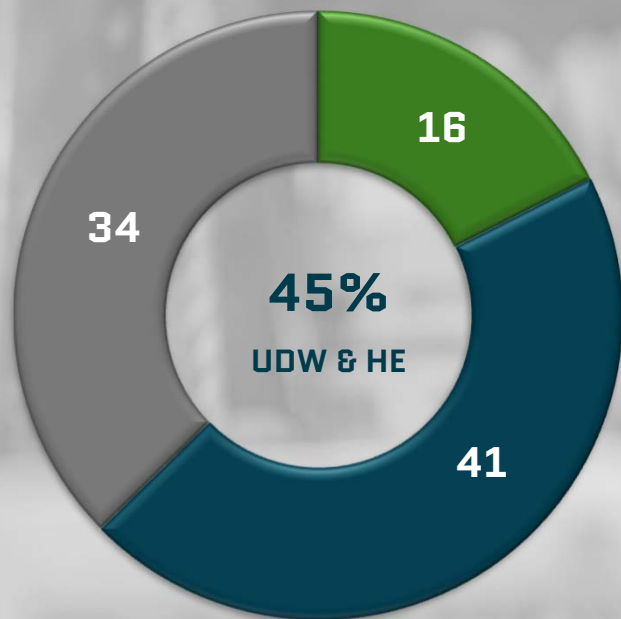
At least \$40M in
Annual Synergies;
Improved Revenue Efficiency
Opportunities

Perfectly Aligned with
Asset Strategy

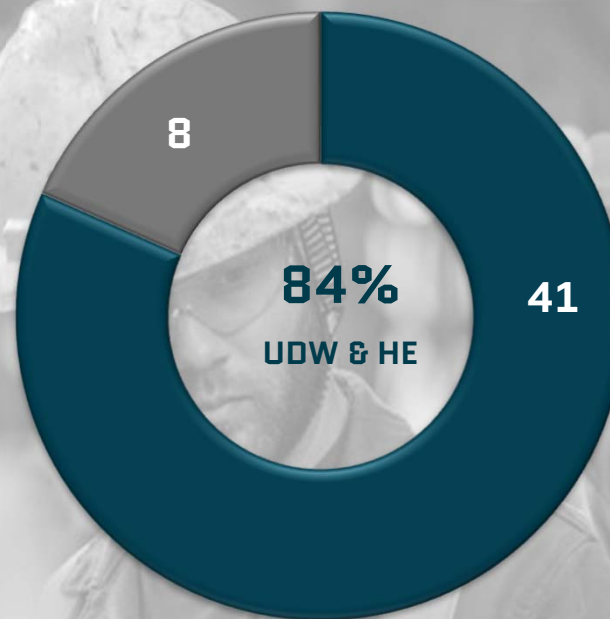
Accretive on an EBITDA,
Operating Cash Flow, and
Net Debt / EBITDA Basis

FLEET TRANSFORMATION TO UDW AND HE FLOATERS

January 2014*



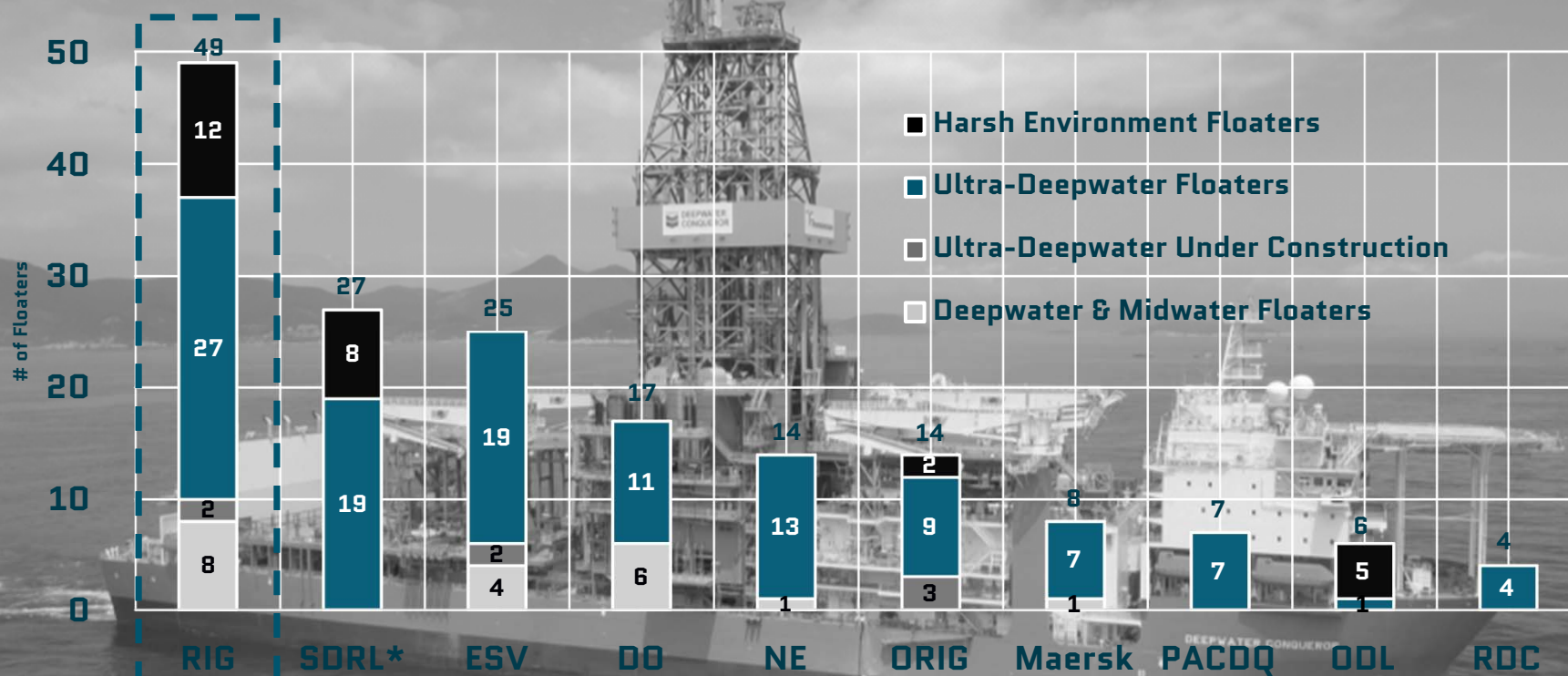
Current Fleet*



- UDW & HE Floaters
- DW & MW
- HS Jackups

* Includes rigs under construction











MOST CAPABLE FLOATER FLEET



Source: Company filings

* Seadrill Group, excluding rigs under construction

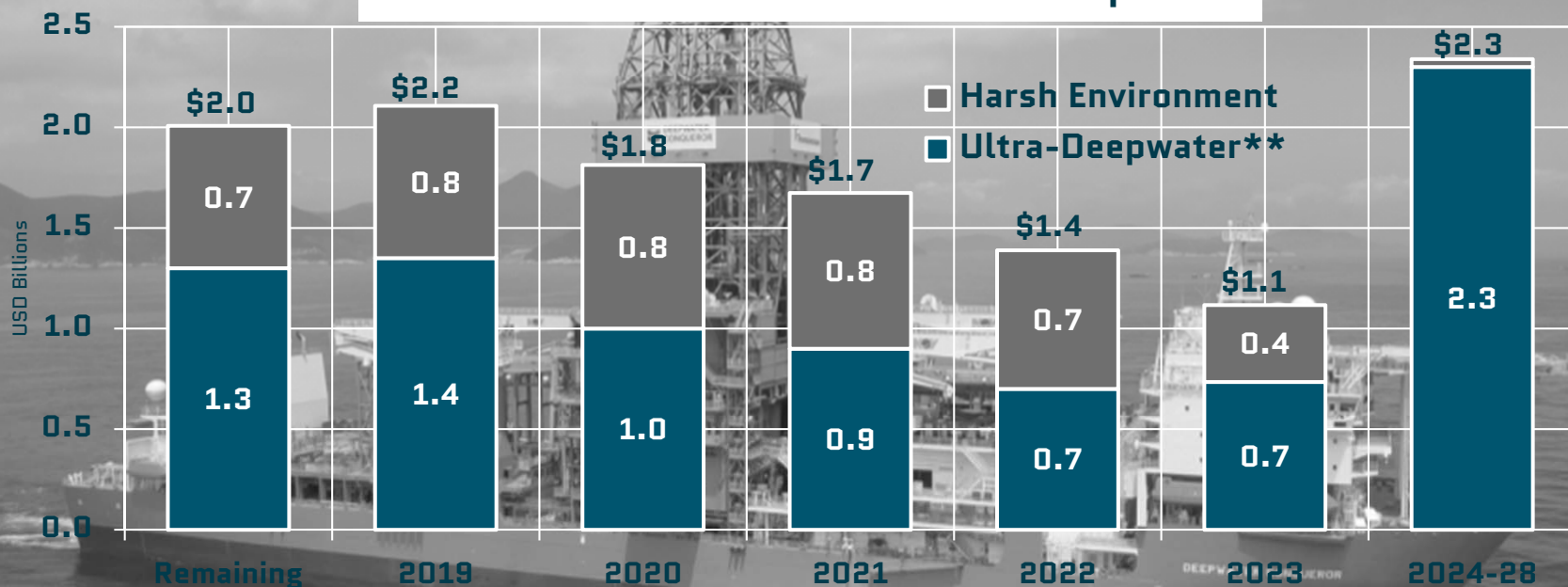
BEST-IN-CLASS – TECHNICAL SPECIFICATIONS

# of Floaters										
Ultra-deepwater										
Dynamically Positioned Only	26 ✓	6	15	4	11	12	1	7	4	20
Dynamically Positioned and Moored	3	2	7	3	0	0	0	0	0	0
Dual BOPs	11 ✓	5	5	0	0	4	1	3	4	1
HPHT-Ready (20,000 psi)	7 ✓	na	na	na	na	na	na	na	na	na
Hoisting:										
Dual Activity	22 ✓	4	9	7	7	11	1	5	4	10
Hook load capacity >=2.5MM lbs.	9 ✓	5	8	4	6	7	0	3	4	7
Active Compensation	16 ✓	4	5	4	1	0	1	3	0	0
Harsh Environment										
Dynamically Positioned and Moored	6 ✓	1	0	0	0	1	4	0	0	5
Dual Activity	2	0	0	0	0	0	3	0	0	3

TRANSOCEAN'S INDUSTRY-LEADING BACKLOG

\$12.5 Billion Contract Backlog*

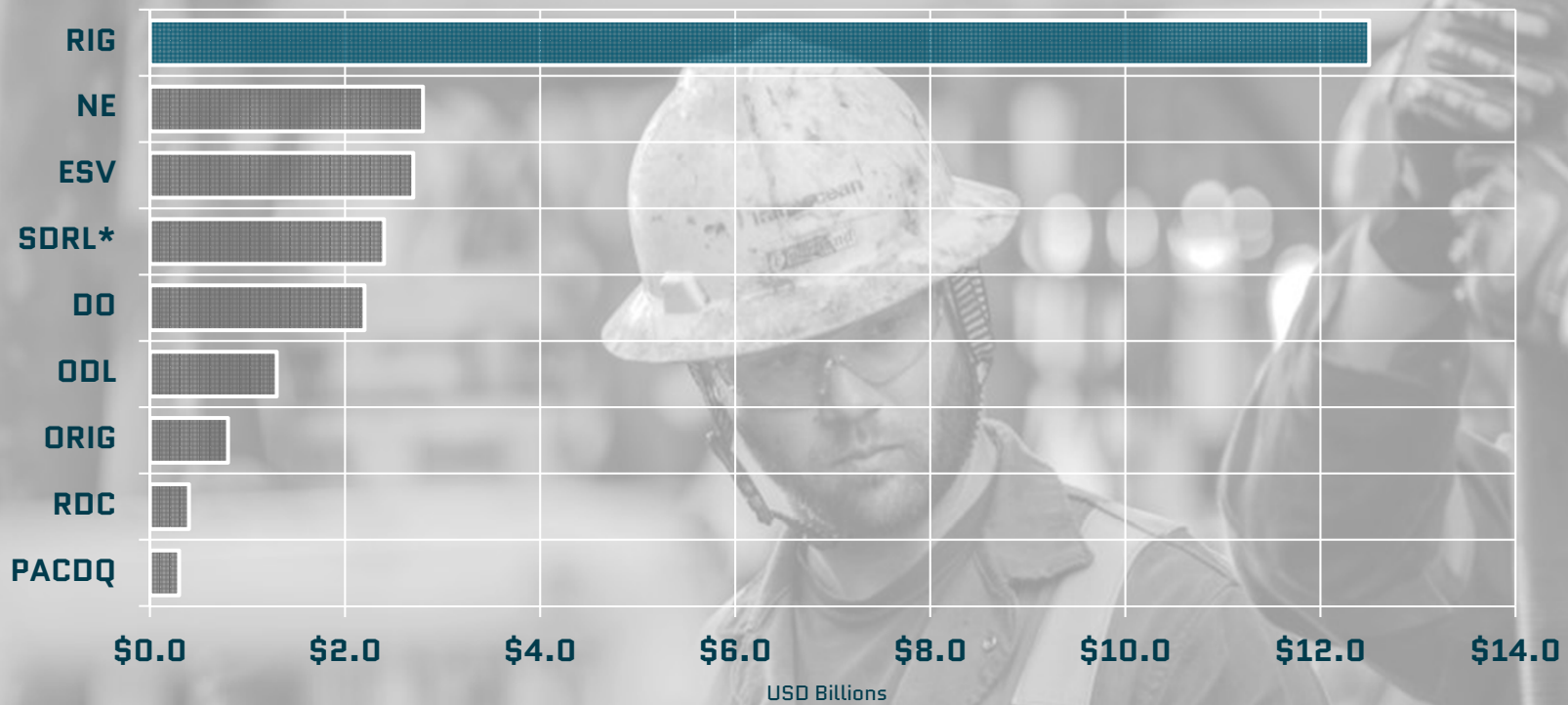
Over 95% with Investment Grade Companies



* Contracted operating dayrate multiplied by the contract duration for future periods as of 4/18/18 Fleet Status Report

** Ultra-Deepwater includes ~\$150M of other backlog

BACKLOG >4x NEAREST COMPETITOR



Sources: Latest company filings
* Seadrill Group

FLOATERS CONTRACTED THROUGH 2021 & BEYOND



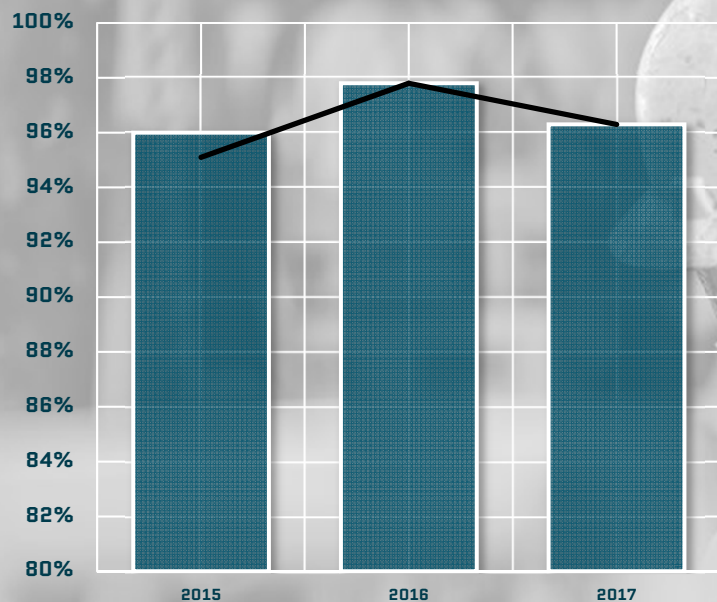
Deepwater Conqueror

“Important to note, RIG will now control all nine high-margin floater contracts in the public universe [excluding a few units owned by local Brazilian players] that were priced prior to the downturn and contracted long-term to the end of 2021 and beyond.” *Clarksons Platou, Haithum Nokta, 8/21/17*

BACKLOG CONVERTED TO CASH

REVENUE EFFICIENCY

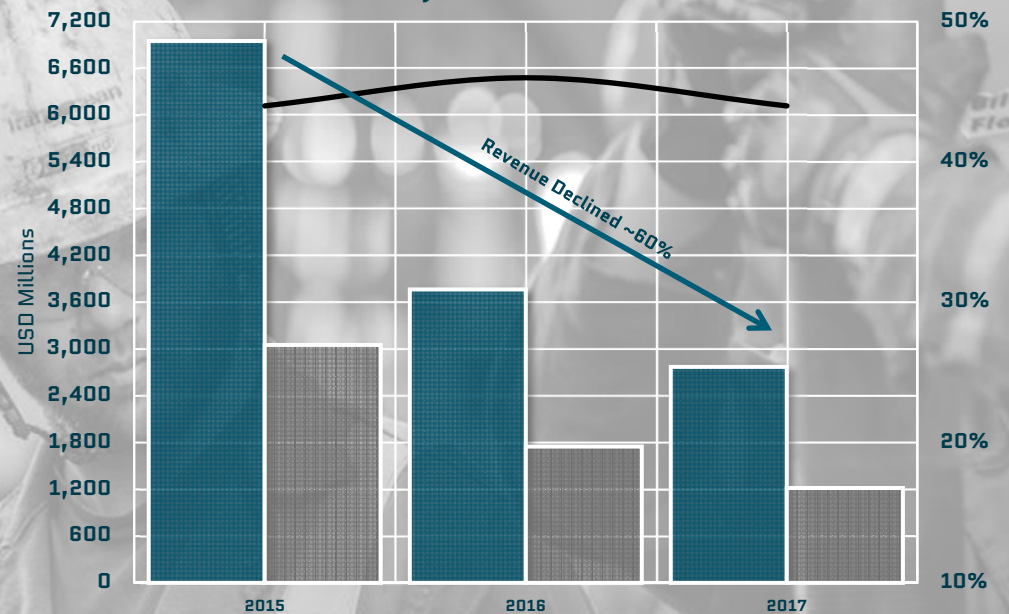
Three-year Average - 97%



■ Total Fleet — Ultra-Deepwater

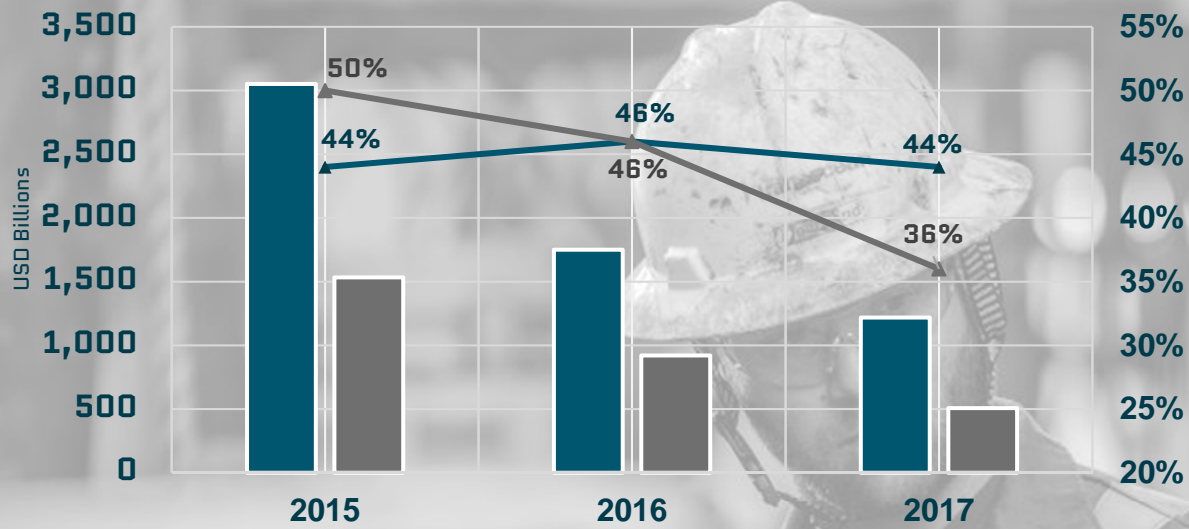
REVENUE & EBITDA

Adjusted Normalized



■ Adj Normalized Revenue ■ Adj Normalized EBITDA — Adj Normalized EBITDA Margin

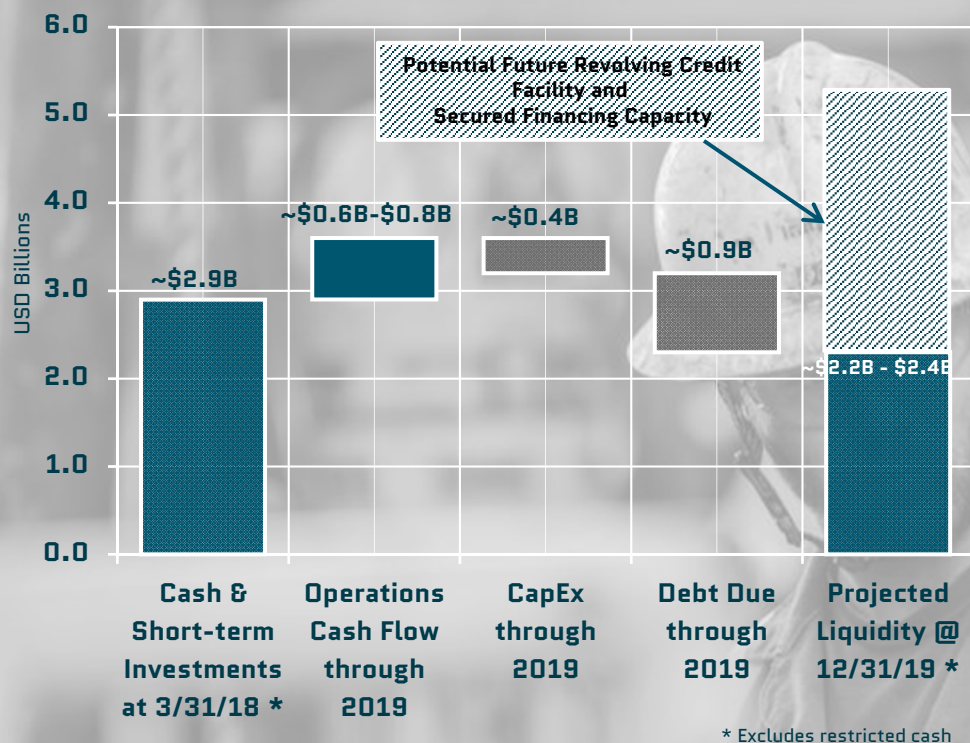
PRESERVING EBITDA MARGINS THROUGH THE CYCLE



* Peers include DD, ESV, NE & RDC

- Transocean
- Avg. Peers*
- ▲ Adj. Normalized EBITDA Margin
- ▲ Avg. Peers - EBITDA Margin

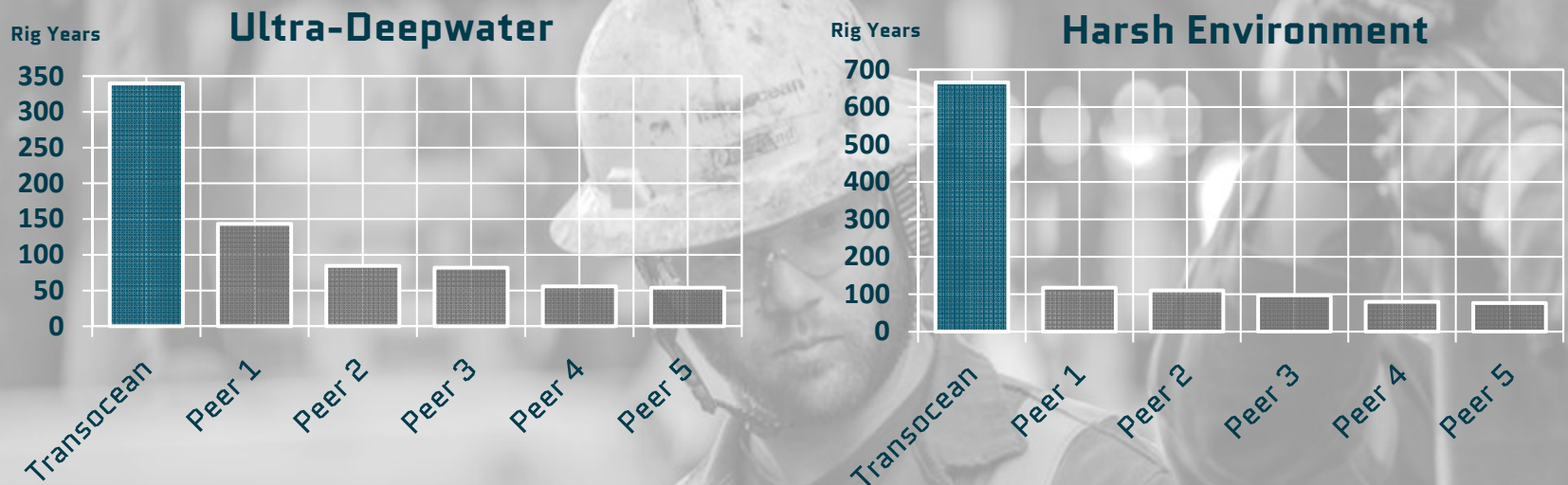
STRONG LIQUIDITY



Major Accomplishments

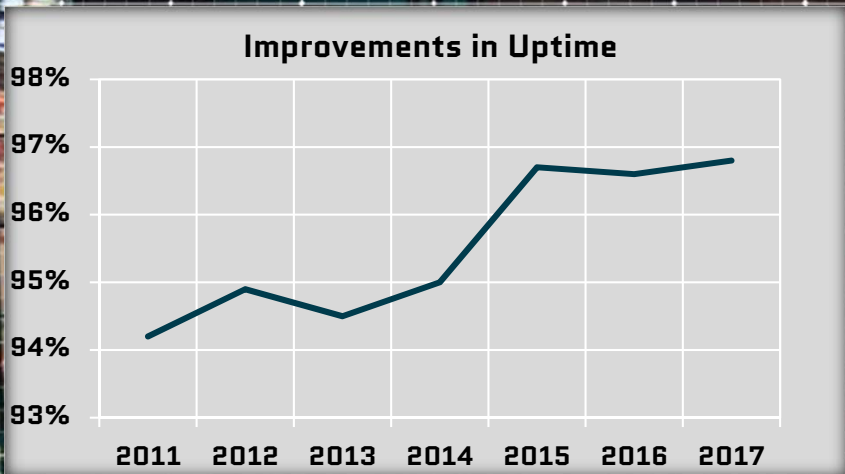
- Acquired
 - Songa Offshore
 - Transocean Partners
- Sold jackup fleet
 - Added ~\$320M in cash
 - Removed ~\$1B in shipyard obligations
- Raised ~\$3.6B through five separate debt transactions since July 2016
- Opportunistically repurchased
 - ~\$2.6B in debt via tender offers and early redemptions since July 2016
 - ~\$1.0B open market repurchases since July 2015
- Deferred ~\$1B in shipyard obligations into 2020

UNMATCHED EXPERIENCE – SUPERIOR PERFORMANCE

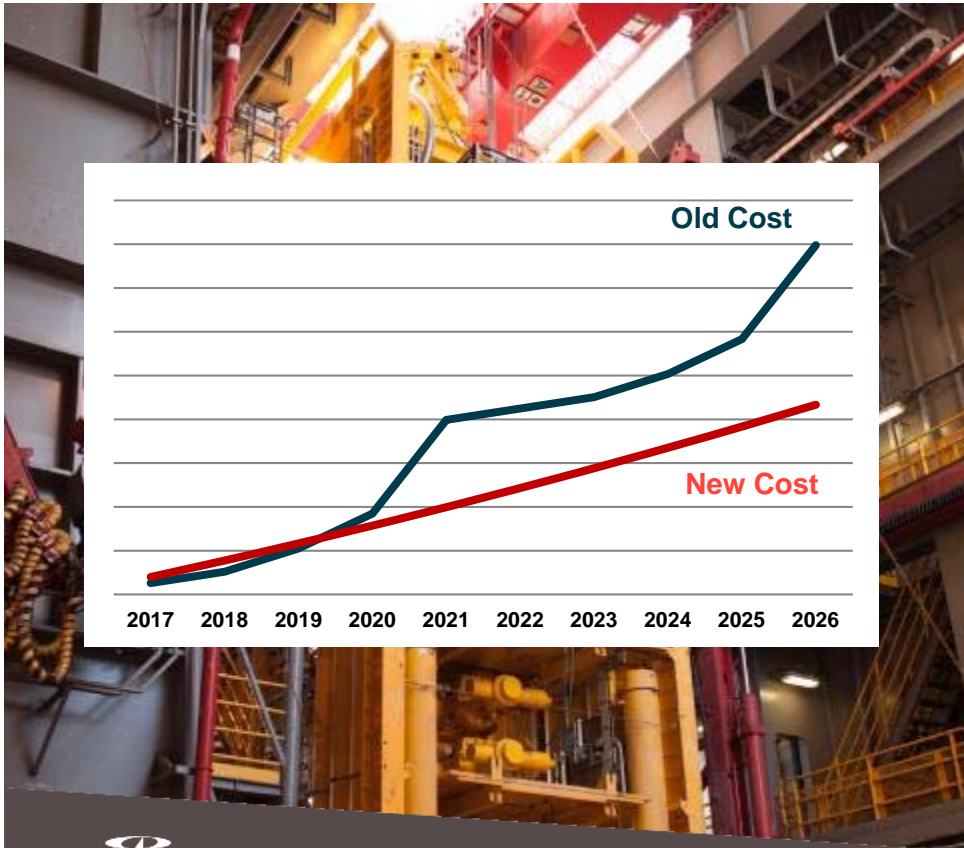


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PREDICTABLE & RELIABLE DRILLING



DEM AGREEMENTS: COST SAVINGS OVER TIME



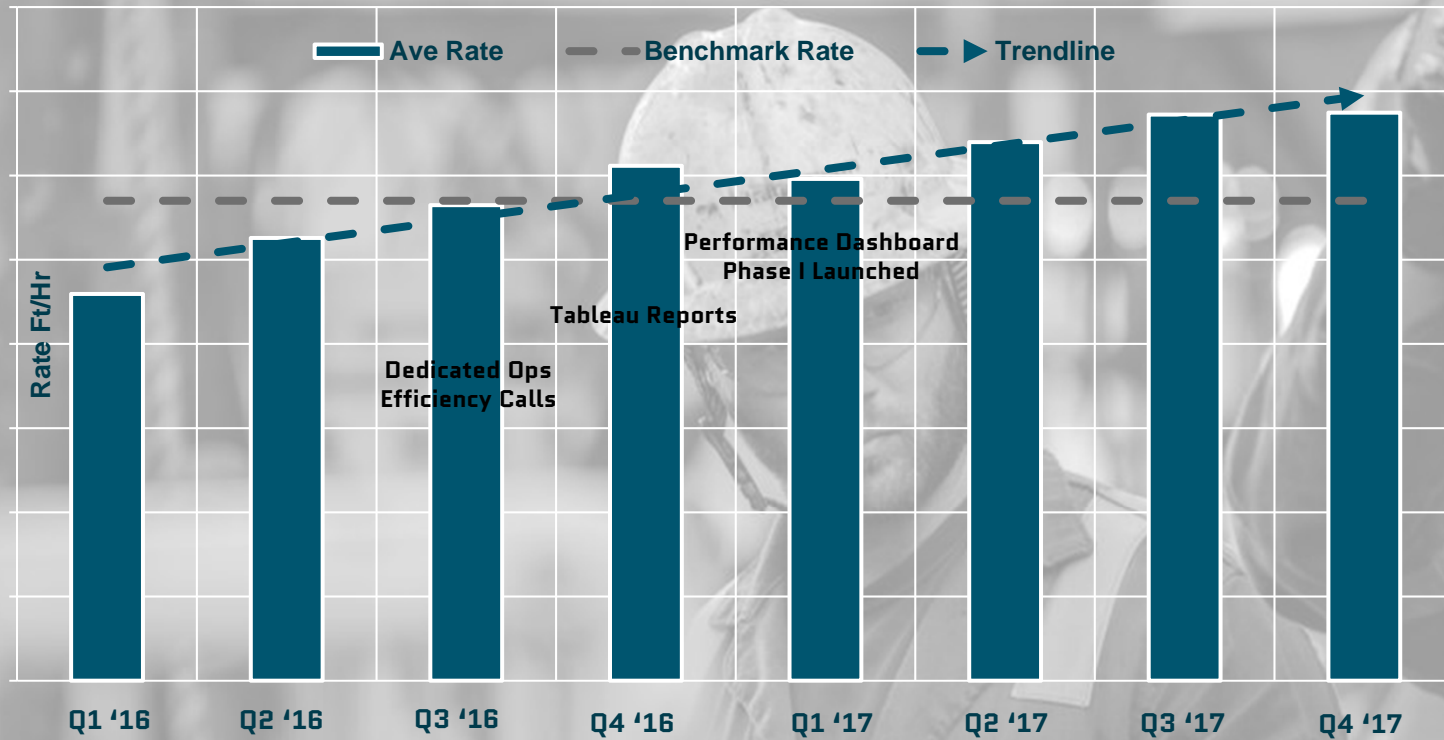
Benefits

- Improving Uptime for Customers
- Business Model Innovation
- Reducing Total Cost of Ownership
- Reliability-Centered Approach



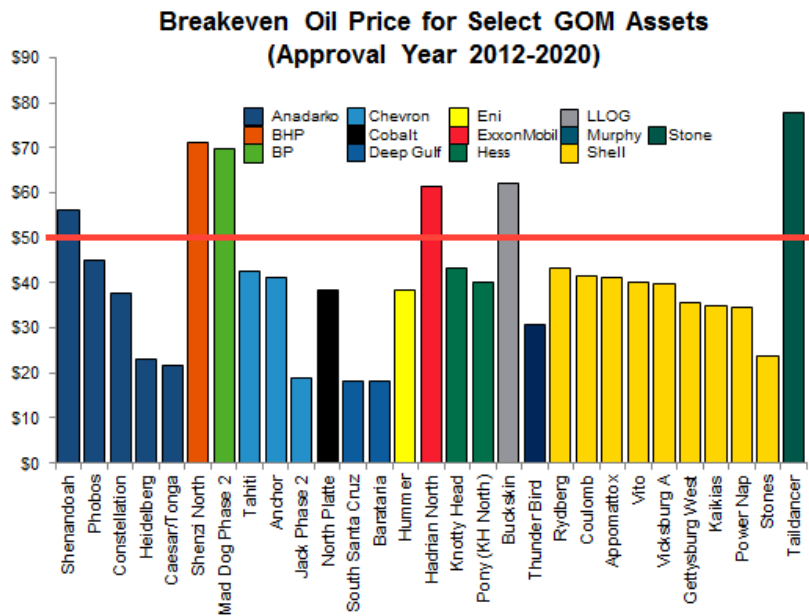


REDUCED UDW TRIPPING TIME

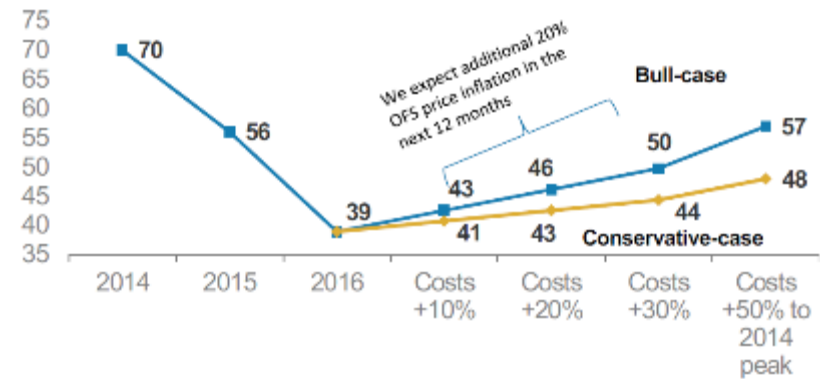


**~47%
Improvement
in UDW
Tripping Out
Time**

COST REDUCTIONS DRIVE OFFSHORE COMPETITIVENESS



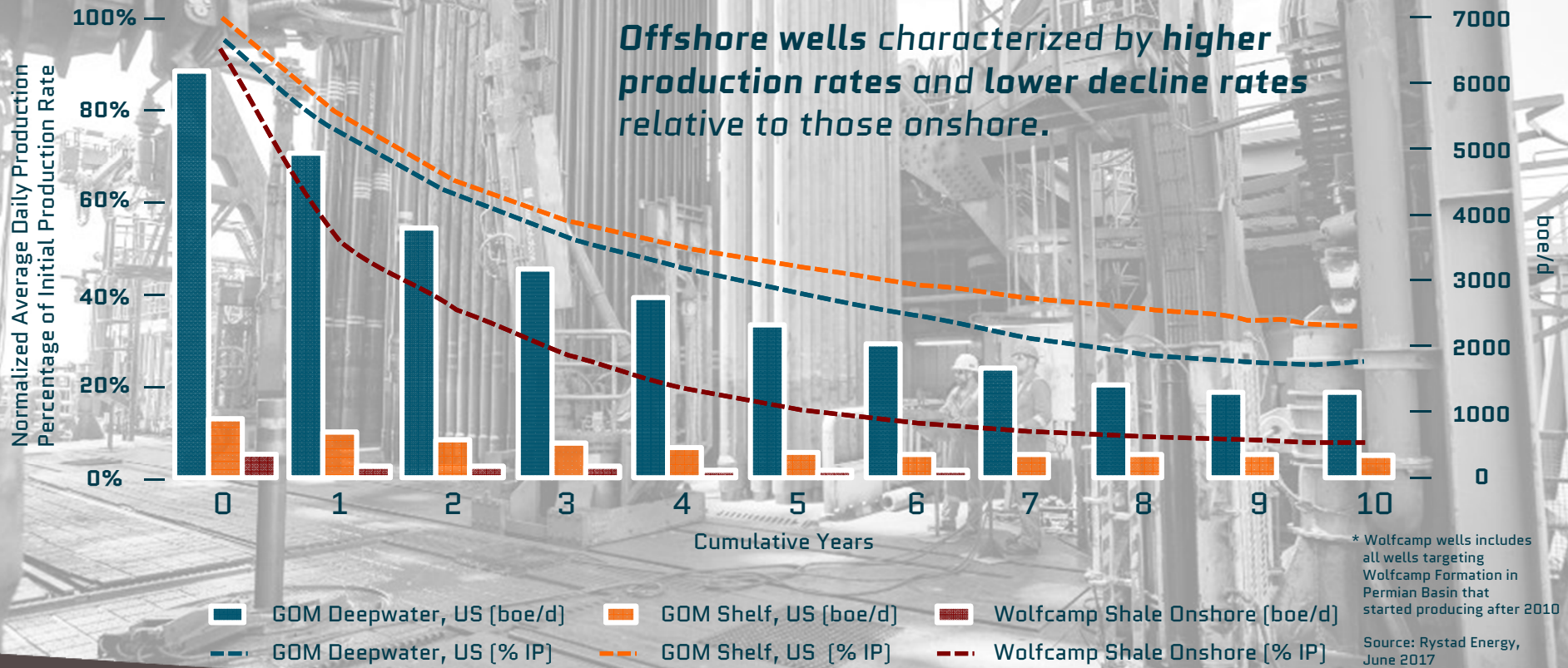
\$/bbl Wellhead Breakevens for Major Shale Plays



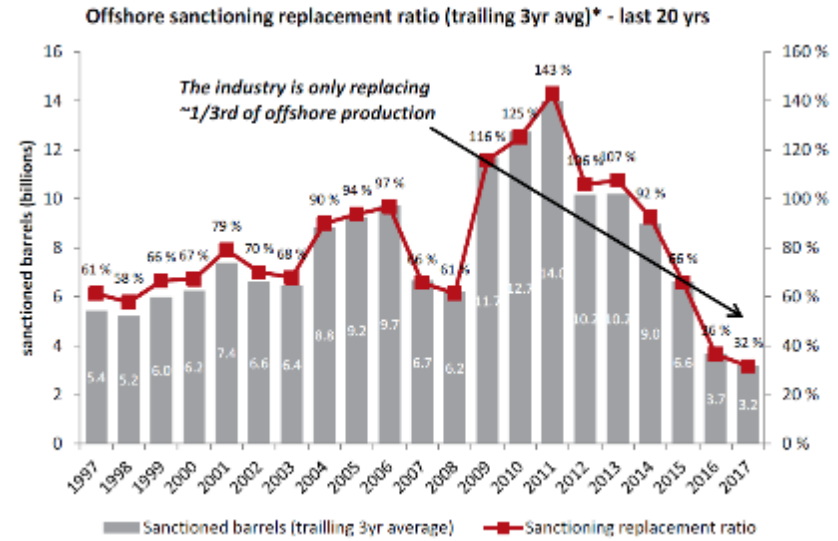
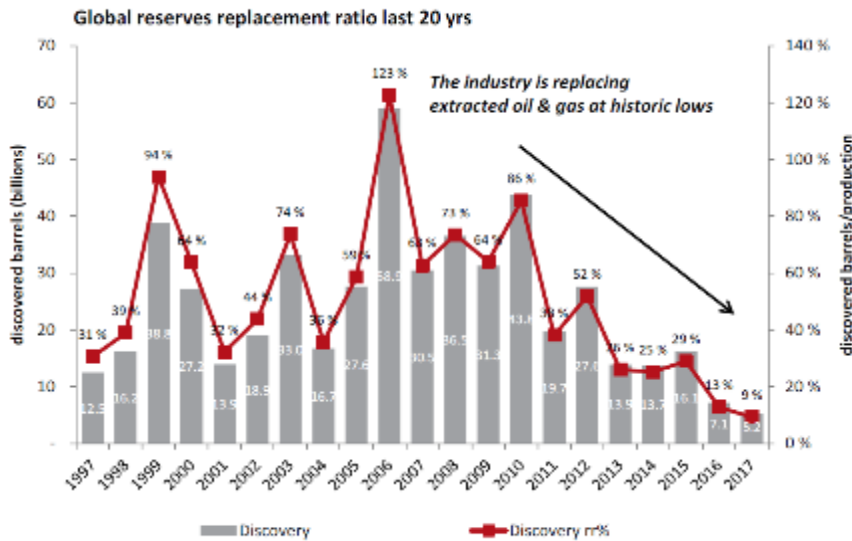
Feb 2017: Shell says breakeven cost of production out of its Gulf of Mexico Kaikias development will be **less than \$40 per barrel**, which is roughly the breakeven price for independent onshore Permian assets.

Sourced: Morgan Stanley Research, April 2017; Rystad Energy, April 2017

SUPERIOR OFFSHORE PRODUCTION PROFILE



OFFSHORE EXPLORATION MUST INCREASE

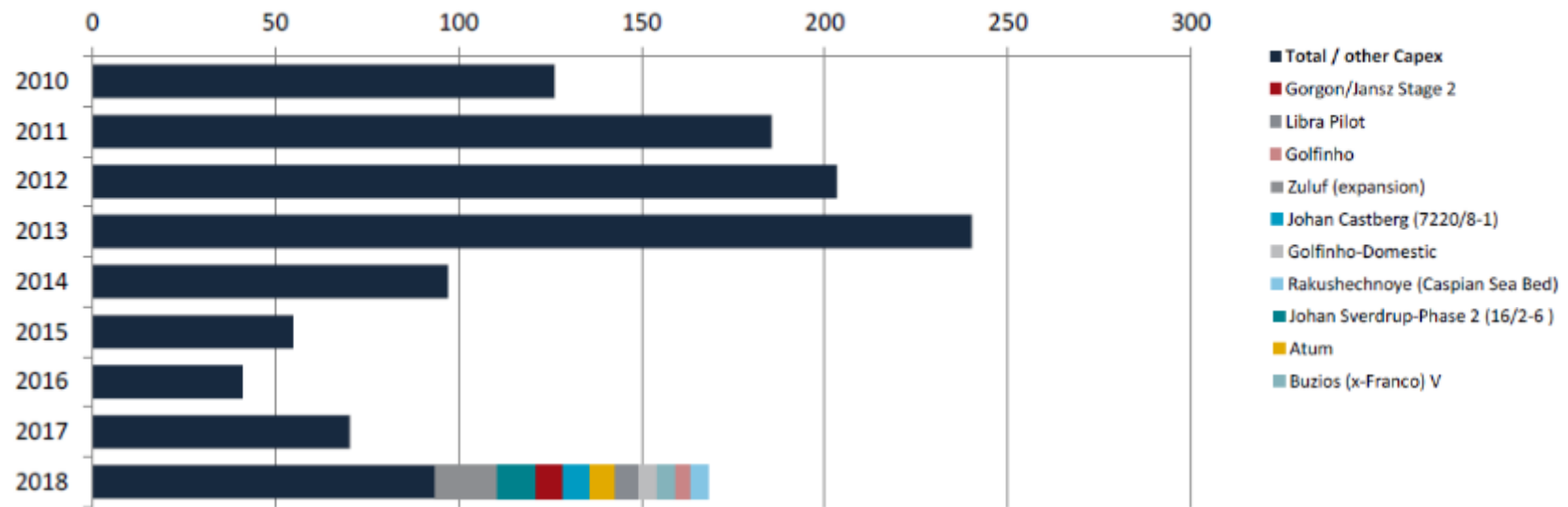


*Liquids only. Replacement ratio calculated as trailing 3yr average offshore barrels sanctioned divided by annual offshore production

Source: Rystad Energy, Clarksons Platou Securities, January 2018

IMPACT OF REDUCED BREAKEVEN LEVELS

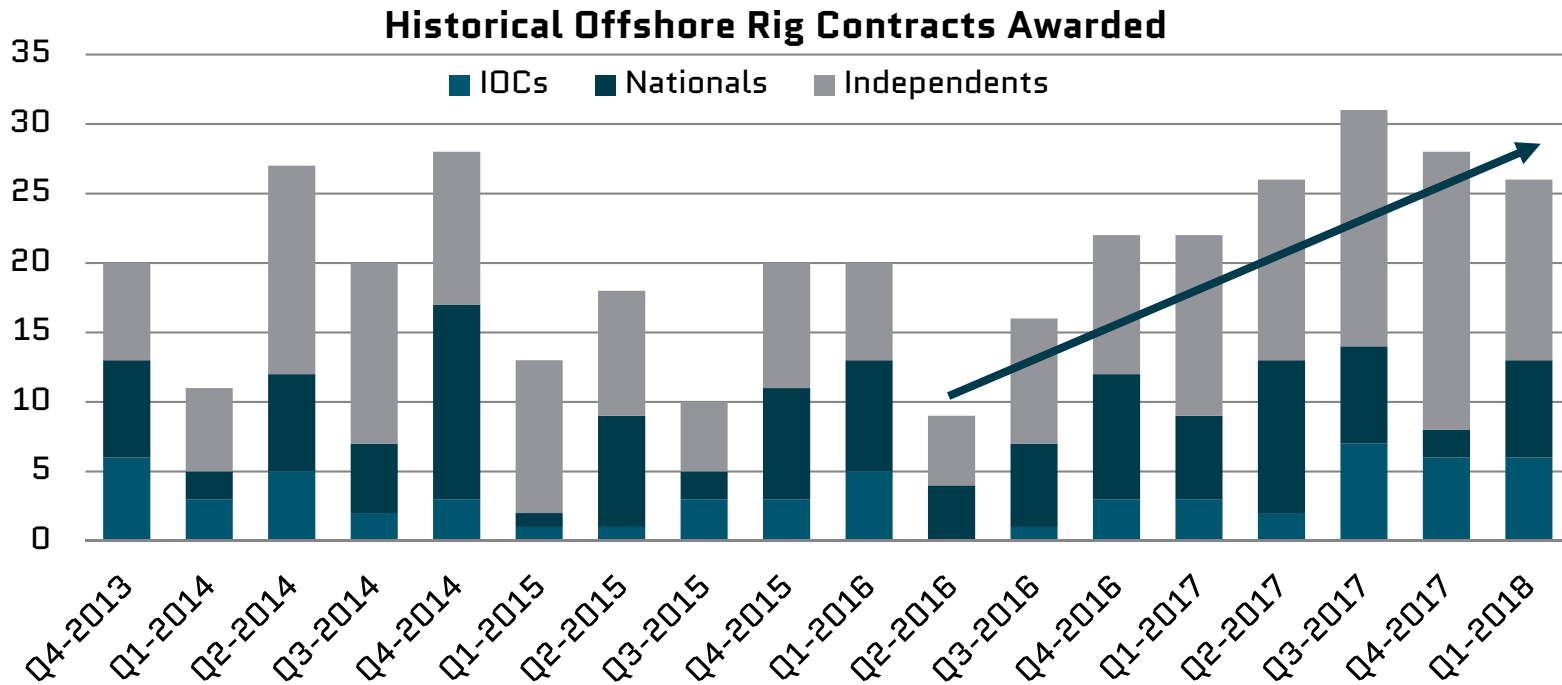
Offshore development capex in USDbn by commitment year - 2010 to 2018



New offshore project commitments rose 65% in 2017 and are forecasted to rise ~140% in 2018, and 95% of discovered but undeveloped offshore resources breakeven below \$70/bbl.

Source: Rystad Energy, Clarksons Platou Securities, January 2018

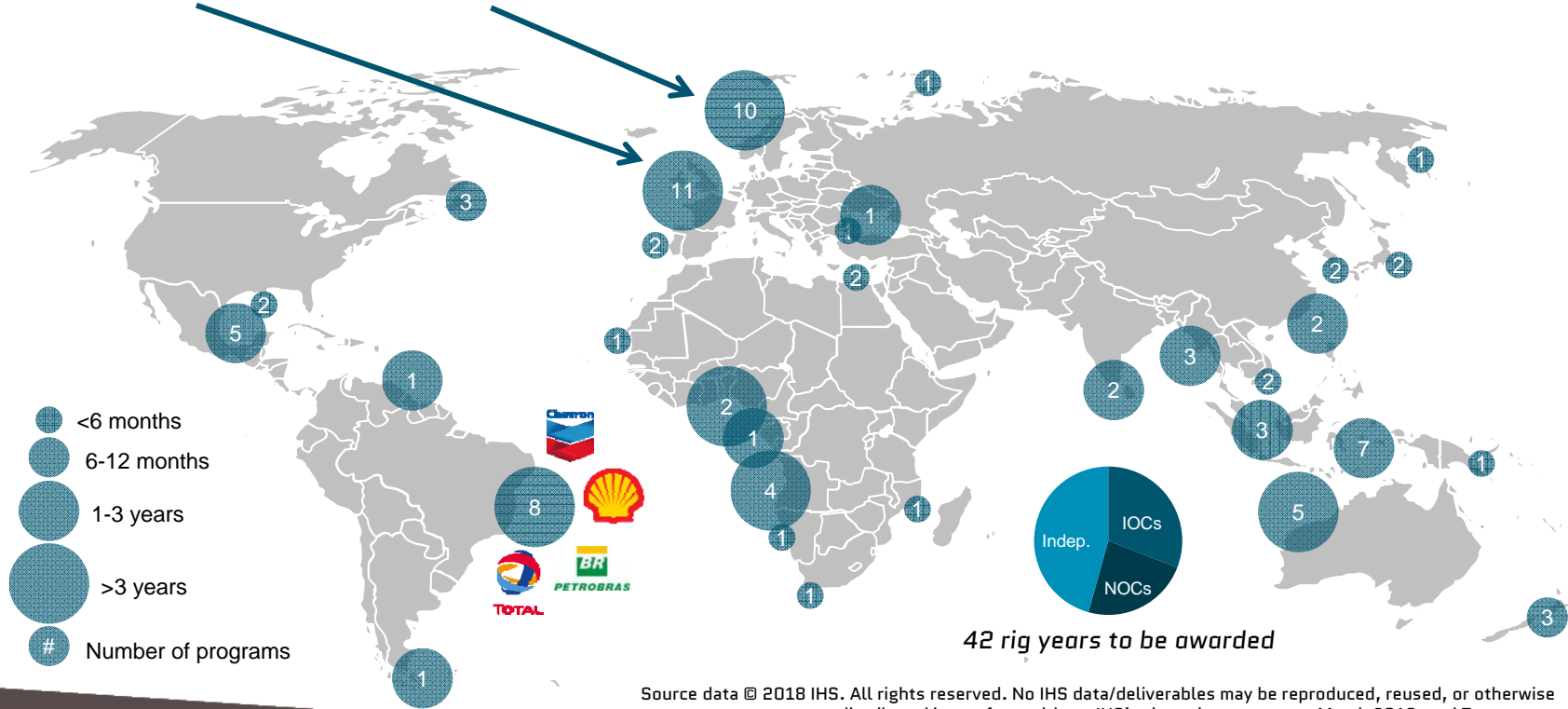
INCREASED FLOATER CONTRACTING



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FLOATER OPPORTUNITIES – NEXT 18 MONTHS

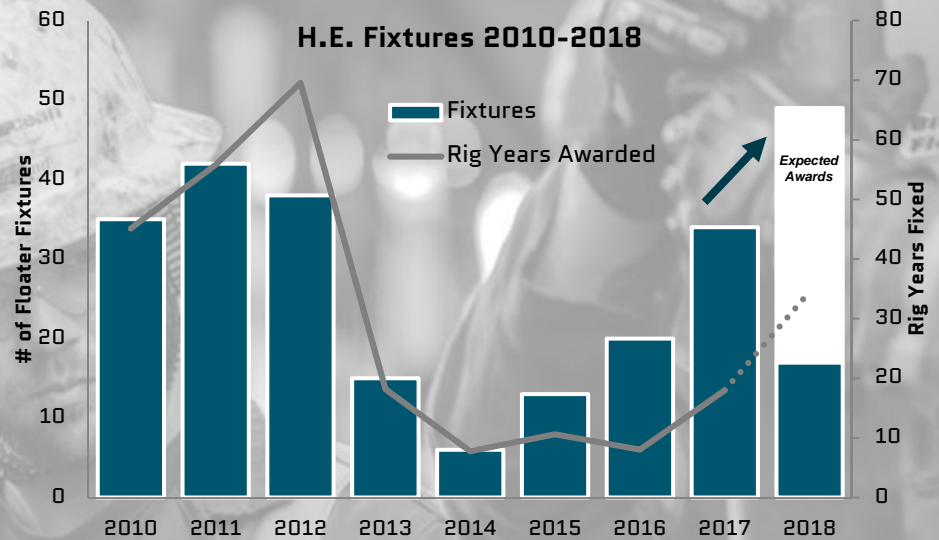
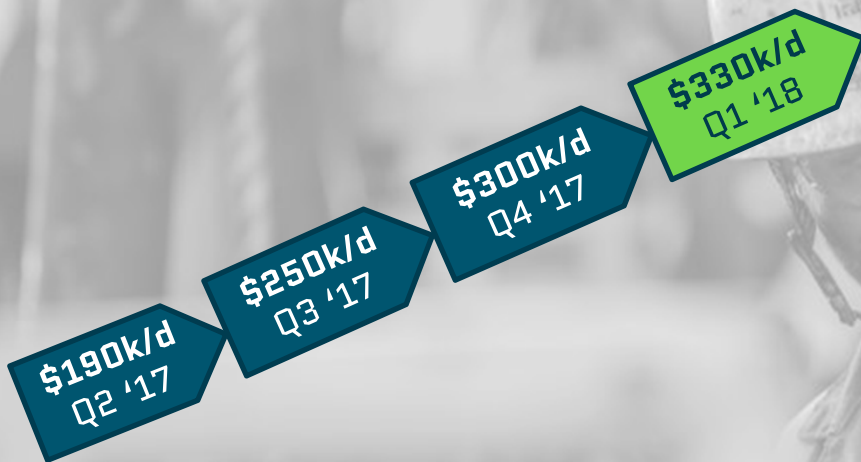
U.K. / Norwegian North Sea – Two Most Active Markets Today



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HARSH ENVIRONMENT ACTIVITY ACCELERATING

Hi-Spec HE Pricing Trajectory (excl. bonus)



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