**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

o Definitive Proxy Statement

x Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

**TRANSOCEAN LTD.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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# News Release

**FOR RELEASE:** April 15, 2013

## TRANSOCEAN LTD. RELEASES INVESTOR PRESENTATION AND LAUNCHES TRANSOCEANVALUE.COM, HIGHLIGHTING STRATEGY TO MAXIMIZE SHAREHOLDER VALUE

ZUG, SWITZERLAND --Transocean Ltd. (NYSE: RIG) (SIX: RIGN) today released supplemental materials to its shareholders outlining the company's recommendations regarding certain proposals found in the proxy statement for the company's 2013 Annual General Meeting ("AGM"). The meeting will be held at 5 p.m. CEST, on May 17, 2013, in Zug, Switzerland. The company filed an investor presentation, which highlights the significant operational and financial progress it has achieved for its shareholders; provides detailed and compelling support for the company's highly qualified slate of Director nominees; and reiterates the reasons the proposed $2.24 per share dividend will maximize shareholder value.

In addition, the company has launched a website, www.transoceanvalue.com, to provide shareholders with easy access to all the relevant materials and information about its positions, recommendations and voting details. The site informs shareholders that Transocean currently has in place the correct operational improvement plan; a prudent, balanced approach to capital allocation; and the right leadership team to continue to drive long-term shareholder value. The Board and management are fully committed to acting in the best interest of the company and all its stakeholders to create value and strongly encourage shareholders to carefully review the company's plan before voting. We are confident that our strategy is the right one to best ensure Transocean's long-term well-being and competitiveness.

Shareholders are encouraged to support the Board's recommendations on three key proposals: the $2.24 per share dividend, the election of our five Director nominees, and the re-adoption of Board authority to issue shares out of the company's authorized share capital.

**Please vote promptly using the company's WHITE proxy card**.

April 15, 2013

Dear Transocean Shareholders:

Today we filed an investor presentation and launched a new website **-** www.transoceanvalue.com **-** that highlights the improved operational performance and financial **PROGRESS** the company has made, as well as the asset and operational strategies that position Transocean to continue to deliver meaningful value to shareholders. The presentation provides an update on our latest strategic initiatives and clearly illustrates our ability to **EXECUTE** operational improvement initiatives to drive enhanced profitability and cash flow. Additionally, our **BALANCED CAPITAL ALLOCATION** approach ensures the financial flexibility required to drive disciplined, high-return capital investments and sustainable distributions to our shareholders. In conjunction with this strategy, our proposed $2.24 per share dividend provides the basis for immediate return of capital to shareholders with the potential for future increases and the ability to invest in our fleet to ensure long-term competitiveness. We also emphasize the stark differences between **OUR HIGHLY EXPERIENCED AND KNOWLEDGEABLE BOARD** and Mr. Icahn's inexperienced slate of nominees who will focus exclusively on advancing ***his*** **MISGUIDED and SHORT-TERM AGENDA**.

We have the right leadership team in place and remain on track to continue delivering industry-leading shareholder returns. We successfully navigated through significant uncertainties triggered by the Macondo incident and have emerged a stronger company. Revenue efficiency and utilization have improved and backlog is strong and growing. Maximizing the value of your investment in Transocean has always been and remains the central priority of Transocean's Board and its management team, and we have the plan in place to continue to deliver the value that you, our shareholders, expect and deserve.

We urge you to support the company and our successful strategy by **voting the company's WHITE proxy card today**.

**PROGRESS**

Transocean has made significant and tangible progress **-** both operationally and financially **-** in the wake of the April 2010 Macondo incident. Key areas of recent success include:

- Significant progress towards meeting our strategic objectives, resulting in **strong operational and financial improvements in 2012;**

- Meaningful **reduction in Macondo litigation uncertainty;** and
- **Proposed reinstatement of a dividend - at $2.24 per share -** representing one of the industry's largest payout ratios and implied yields.

**EXECUTION**

Transocean's leadership team has continued to execute its well-defined strategic plan, including through the continuous improvement of operational performance and a prudent, balanced allocation of capital that will maximize shareholder value. Our ability to execute is exemplified in the following:

- **Significant fleet transformation** resulting from the divestiture of 56 non-core assets and the addition of five high-specification assets over the past two years;
- Winning the industry's **highest contracted backlog of ~$29 billion**, including the addition of an unprecedented $7.6 billion of backlog associated with four newbuild drillships;
- **Material improvement in revenue efficiency and utilization** resulting in improving operating cash flow; and
- **Commitment to initiatives** recently implemented to enhance operating margins and cash flow.

**BALANCED CAPITAL ALLOCATION**

Management and the Board are committed to maximizing long-term shareholder value by maintaining a strong, flexible balance sheet, characterized by an investment grade rating on the company's debt; disciplined, high-return investment in the business; and a sustainable return of capital to shareholders with the goal of future increases in distributions as business conditions warrant. Our balanced approach to capital allocation includes:

- A proposed $2.24 per share dividend, or approximately $800 million in the aggregate **-** a sustainable distribution representing **one of the industry's largest payout ratios and implied yields**; and
- Accelerated retirement of approximately $1 billion of debt to facilitate continued progress towards achieving a gross debt target of $7 billion to $9 billion.

**LEADERSHIP**

The offshore drilling industry is dynamic and continually presents challenges and opportunities. Reflecting the ever-changing nature of Transocean's business and the unique circumstances in which it operates, the company spends considerable time and effort evaluating the composition of its Board to ensure a panel of Directors with the experience, skills and capabilities necessary to represent the best interest of our shareholders. Our industry leading governance program includes:

- Regularly infusing **fresh perspectives** into an already extraordinarily experienced and knowledgeable Board as evidenced by the addition of six new directors in the last two years; and
- Identifying nominees with deep, relevant experience and a **history of achievement**.

## ICAHN'S MISGUIDED AGENDA

**Mr. Icahn's dividend proposal is in direct conflict with Transocean's disciplined capital allocation strategy** and would adversely affect the company's ability to operate and compete effectively in a cyclical and capital-intensive industry. Further, the election of Mr. Icahn's Board nominees is not in the best interest of the company and all of its stakeholders.

Mr. Icahn's misguided agenda **highlights his lack of drilling industry expertise**. His superficial analysis is evidenced by his demand for an unreasonable 85% payout ratio. This proposed level of payout completely ignores the dynamics of the cyclical offshore drilling industry and fails to recognize the distinct competitive advantage afforded by financial flexibility and an investment grade credit rating. This 85% payout ratio is clearly disconnected from any reasonable industry benchmark - **Transocean's proposed dividend is already well in excess of the average implied dividend yields and payout ratios of other oilfield services companies.** Mr. Icahn has dismissed investments in newbuilds - the lifeblood of a drilling contractor.

Moreover, **Mr. Icahn's Board nominees would bring no value to the company**. They are captive to Mr. Icahn through current and past associations and were handpicked to pursue his misguided agenda. Mr. Icahn's nominees reflect his lack of industry knowledge. Among other disqualifying weaknesses, they have limited international exposure or knowledge of the company's key growth markets; generally lack financial and corporate structuring experience; have rarely worked in a service-oriented or capital-intensive industry; possess limited knowledge of the specialized operator - contractor business model; and have little apparent experience with complex international tax treaties and networks.

## PROTECT TRANSOCEAN'S FUTURE BY VOTING THE COMPANY'S WHITE PROXY CARD TODAY

We are seeking your **vote FOR the company's proposed $2.24 per share dividend**, which represents one of the industry's highest implied payout ratios and dividend yields. In the context of a cyclical and capital-intensive industry, the unique uncertainties associated with the remaining litigation faced by the company dictate that **Transocean must maintain a prudent level of financial flexibility**. Mr. Icahn's unrealistic, ill-conceived and inappropriate dividend proposal fails to recognize the nature of the offshore drilling industry.

In the future, increases in Transocean's annual distributions may be appropriate once litigation uncertainties are further resolved. However, at this time, Transocean's Board firmly believes that distributing additional capital to shareholders beyond the proposed $2.24 per share dividend would lead to a deterioration of the company's balance sheet and is also likely to result in the loss of the investment grade rating on the company's debt. Among other things, the loss of an investment grade rating would severely limit the company's access to reliable sources of capital and increase our cost of debt financing for an extended period of time. Simply stated, Mr. Icahn's proposals would have a real and profoundly harmful impact on the company's ability to create long-term shareholder value.

We are also seeking your **vote FOR the five highly qualified and diverse Transocean Director nominees,** including Frederico F. Curado, Thomas W. Cason, Steven L. Newman, Robert M. Sprague and J. Michael Talbert. Our nominees have deep, relevant expertise and a history of achievement. Conversely, Mr. Icahn's unqualified nominees emphasize his lack of familiarity with the industry and make apparent his disregard for the company's long-term future. Mr. Icahn's nominees bring no value to the team and, given their close affiliation with him, are unlikely to act in the best interest of *all* Transocean's stakeholders.

In order to provide the company with additional flexibility, we also urge you to **vote FOR the Board's proposal that its authority to issue shares out of the company's authorized share capital be renewed** for an additional two-year period. The Board's current authority will expire on May 13, 2013. While the Board currently has no plans to issue share capital under this authorization, extending this authority provides the company with additional flexibility to pursue value-enhancing opportunities in accordance with its disciplined capital allocation strategy.

Shareholders are encouraged to review the supplemental information provided in the investor presentation and at www.transoceanvalue.com and **vote "FOR" the Board's proposals by voting promptly using the company's WHITE proxy card** in order to drive long-term shareholder value and protect the company's ability to compete over the long term.

On behalf of Transocean's Board of Directors and management team, we thank you for your continued support.

Sincerely,

| | |
|---|---|
| J. Michael Talbert | Steven L. Newman |
| Chairman | President and Chief Executive Officer |

**About Transocean**

Transocean is a leading international provider of offshore contract drilling services for oil and gas wells. The company specializes in technically demanding sectors of the global offshore drilling business with a particular focus on deepwater and harsh environment drilling services, and believes that it operates one of the most versatile offshore drilling fleets in the world.

Transocean owns or has partial ownership interests in, and operates a fleet of, 83 mobile offshore drilling units consisting of 48 High-Specification Floaters (Ultra-Deepwater, Deepwater and Harsh-Environment drilling rigs), 25 Midwater Floaters and ten High-Specification Jackups. In addition, we have six Ultra-Deepwater Drillships and two High-Specification Jackups under construction.

**Forward Looking Statements**

The statements described in this press release and referenced website that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements which could be made include, but are not limited to, statements involving prospects for the company, expected revenues, capital expenditures, costs and results of operations, the proposed dividend, the company's capital allocation strategy, value-creating objectives, sustainability of potential future distributions and contingencies. These statements are based on currently available competitive, financial, and economic data along with our current operating plans and involve risks and uncertainties including, but not limited to, shareholder approval, market conditions, the company's results of operations, the effect and results of litigation, assessments and contingencies, and other factors, including those discussed in the company's most recent Form 10-K for the year ended December 31, 2012 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. Should one or more of these risks or uncertainties materialize (or the other consequences of such a development worsen), or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or expressed or implied by such forward-looking statements. All subsequent written and oral forward-looking statements attributable to the company 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, and we undertake no obligation to publicly update or revise any forward-looking statements. All non-GAAP financial measure reconciliations to the most comparative GAAP measure are displayed in quantitative schedules on the company's web site at www.deepwater.com.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, and it does not constitute an offering prospectus within the meaning of article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. Investors must rely on their own evaluation of Transocean Ltd. 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 Ltd.

For more information about Transocean, please visit the website www.deepwater.com.

# Transocean Ltd.

April 2013

www.deepwater.com

# Legal Disclaimer

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# Agenda

I. **Progress**
- Improved operational and financial performance with reduction in litigation uncertainties

II. **Execution**
- Positioned to deliver through highly capable fleet and margin improvement initiatives

III. **Balanced Capital Allocation**
- Sustainable dividend that supports future increases along with disciplined, high-return investment in the fleet

IV. **Leadership**
- Independent and experienced Board with proven track record that has – and continues to – undergo significant renewal

V. **Icahn's Misguided Agenda**
- Focused solely on potential short-term gains to the detriment of long-term shareholder value
- Board nominees lack relevant experience and independence

VI. **Appendix**

# Progress

www.deepwater.com

# Progress
## Operational Improvement

- Strong 2012 operating performance reflected in financial results
  - Increased revenue efficiency to 93% from ~91% in 2011
  - Utilization up ~9% to 78% year-over-year
  - Improved adjusted earnings per share from operations by ~160%
  - Cash flow from operations up ~50% to $2.7 billion
  - Created $16.8 billion in contract backlog
- Transocean set to deliver for all its stakeholders
  - Clear progress towards operational imperatives
  - Focused asset strategy improving long-term competitiveness
  - Executing on margin improvement strategy
  - Substantial contract backlog of almost $30 billion provides visibility
  - Continued focus on resolution of remaining litigation uncertainties
  - Proposed $2.24 per share dividend, allowing for sustainable return of capital with the goal of future increases

# Progress
## Litigation Update

**Macondo Incident**

- Civil and criminal settlement agreements reached with Department of Justice comprising $1.4 billion paid over five years
  - Phase 1 of trial began 2/25/13

**Brazil – Frade Field Incident**

- Preliminary injunction served on Transocean 9/27/12; lifted by Court of Appeals 11/27/12
- Criminal case against Transocean and employees dismissed by Court 3/15/13
- Vigorously pursuing final and comprehensive resolution of underlying litigation
  - Currently no restrictions on Transocean in Brazil

**Norway Tax Case**

- Trial commenced December 2012; decisions anticipated early 2014
- Norwegian Court overturned Arcade civil tax assessment; State filed appeal
- Believe our tax returns are materially correct as filed and continue to vigorously contest assertions to the contrary

**Recent reduction in litigation exposure; however, uncertainties remain**

# Progress

## Proposing an Attractive Dividend

- Operational and litigation successes permit reinstatement of dividend
  - Proposing dividend of $2.24 per share, or approximately $800 million
- Maximizes long-term value creation and, importantly, establishes a basis that is sustainable and supports future dividend increases
  - In the future, increases in annual distributions may be appropriate once litigation uncertainties are further resolved
  - Represents one of the industry's largest payout ratios and implied yields
  - Consistent with history of returning cash to shareholders
  - Including currently proposed dividend, since 2000 Transocean will have returned approximately $21 billion* in cash to shareholders through distributions and share repurchases

**Disciplined strategy that balances short-term return of capital with ability to increase dividend in future, maintain investment grade rating and invest for long-term future**

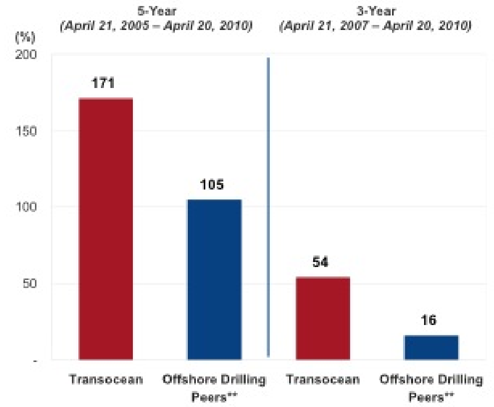


**Note**
*Includes $5 billion distributed to GlobalSantaFe shareholders

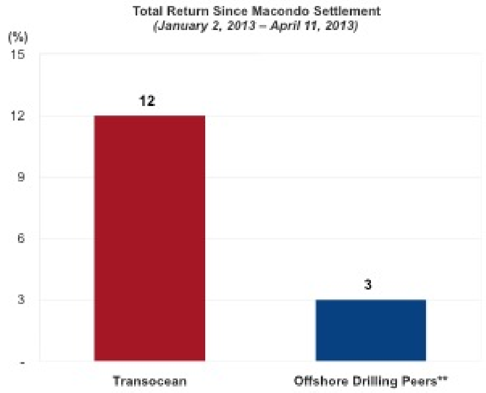
# Progress
## Transcocean Shares Have Outperformed

- In the 3- and 5-year periods leading up to Macondo and since the Macondo partial settlement announcement in January, Transocean has outperformed a composite of its peers

**Transocean 3- and 5-year Total Returns Exceed Peers***




**Macondo Settlement Has Been a Catalyst for Transocean**




**Notes**
*Reflects $10 billion of GlobalSantaFe-related dividend; does not include the $5 billion distributed to GlobalSantaFe shareholders
**Peers include Seadrill, Diamond, Ensco, Noble, Pacific Drilling, Rowan, Atwood and Hercules. Pacific Drilling included in analysis post-IPO (November 2011) only

# Progress
## Board Continues to Lead

**Transocean's Board of Directors provides strategic guidance and leadership**

- Consistently delivered shareholder returns above the peer group, excluding Macondo
- Encouraged the company's focus on technological innovation and training, resulting in and sustaining Transocean's industry leadership position
- Advised management's decisions through various oil and gas cycles
- Actively implemented a high-specification-focused asset strategy, repositioning the company to compete for the long term
- Guided management through an extraordinary crisis following the Macondo incident
- Fully engaged in the development and implementation of successful operational imperatives
- Strategy to regularly infuse fresh perspectives into an already experienced team; six of the 13 directors have been added to the Board in the last two years. All but one director (CEO) is independent

# Execution

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# Execution
## Strategic Objectives

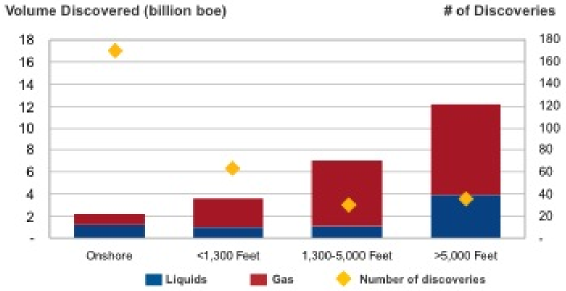
- **Capitalize on industry expansion through well-positioned rig portfolio**
- **Continue to improve operational performance**
  - Revenue efficiency – historic levels ~95% achievable
    - Technical improvements
    - Contractual enhancements
  - Reduce out-of-service time
    - Planning, executing to plan, collaboration with vendors
  - Reduce costs
    - Initiatives focused on shorebased costs and rig operating costs
- **Continue to execute asset strategy**
  - Grow leadership position in high-capability assets – floaters and jackups
  - All options evaluated – build, acquire and/or divest

# Execution

## Positioned for UDW Market Demand

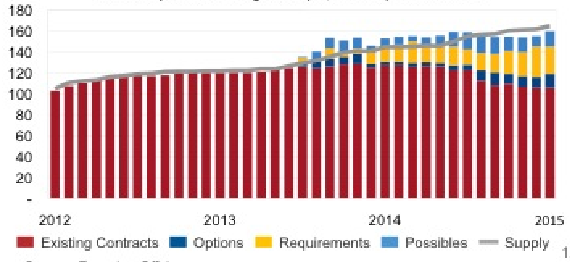
- Robust deepwater exploration performance in 2012 provides strong pipeline for future demand
  - 28% of volume discovered in conventional deepwater (1,300 – 5,000 feet)
  - 49% of volume discovered in ultra-deepwater (>5,000 feet)
- Medium-term ultra-deepwater rig market remains tight
  - Transocean has the largest fleet of ultra-deepwater rigs
- Inquiries from customers beginning to shift from generic to specific
  - Transocean has a highly capable fleet of high-spec rigs
  - We have the ability to offer bespoke high-spec solutions

**New Field Resources Discovered in 2012**
(by Water Depth)




**Source** Wood Mackenzie

**Contract Status and Expected Demand 2005 – 2015**
Ultra-Deepwater Drilling Units (>7,500 feet) – Worldwide

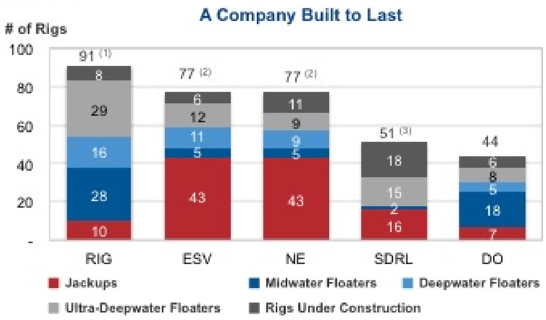



**Source** Fearnley Offshore

# Execution
## Building World's Highest-Quality Fleet

Transocean

- Favorably positioned to take advantage of positive industry outlook; however, investments for the future required
  - Largest fleet of high-spec floaters
  - Operates in most major markets worldwide
  - Significant relationships across the customer spectrum
  - Premier position in ultra-deepwater market segment
  - Size and technical capabilities create reinvestment opportunities

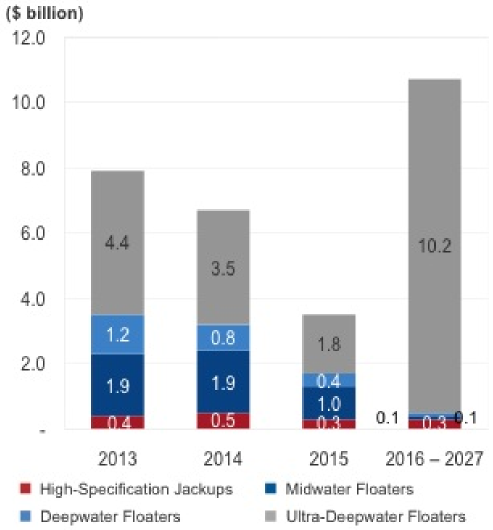



## Global Operational Footprint

# Execution
## Backlog Provides Foundation

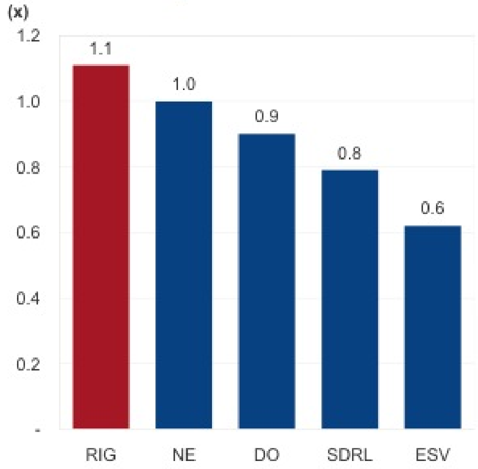
Transocean

### Transocean's Contract Backlog




Total Backlog from Continuing Operations – $28.8 billion (4)

### Contract Backlog as Multiple of Enterprise Value vs. Peers



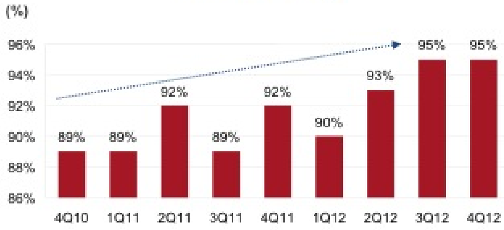

Source Capital IQ (April 12, 2013), Industry Presentations and Company Filings

# Execution
## Continued Operational Improvement

- Focus on execution and operations have led to increased revenue efficiency and utilization
- Focus now shifts to operating and maintenance cost improvements

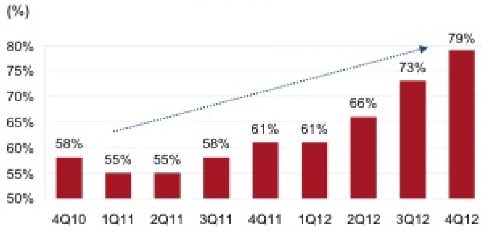
**Transocean is Delivering On Its Promise of Operational Improvement**

**Revenue Efficiency**




- Technical improvements
- Improved contract terms
- Historic levels believed achievable; progress will be gradual, non-linear

**Utilization** (12)




- Emphasis on planning, execution, collaboration with vendors
- "Unit exchange" versus "inspect and repair"

# Execution

## Margin Expansion Initiatives

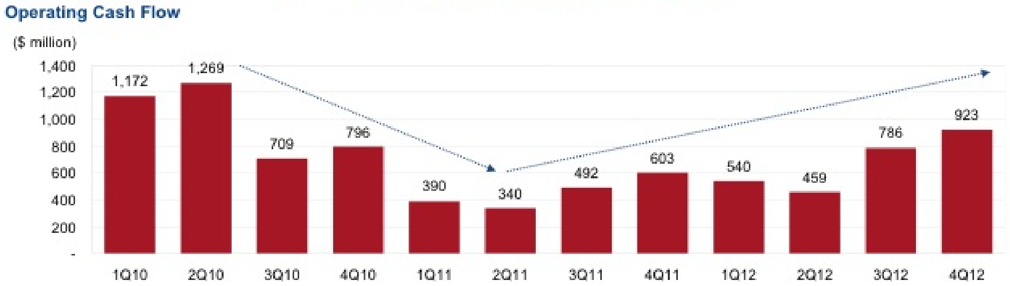
- Margin expansion initiatives separated into two key areas
  - Shorebased costs – organizational efficiency
  - Rig operating costs
- Initiative currently focuses primarily on organizational efficiency
  - Emphasis on delivering the most efficient and appropriate support to operations
  - Streamline central functions, e.g., finance, treasury, human resources
  - Cost reduction initiatives have Executive sponsorship
- Organizational changes should begin to take effect in late 2013; permanent reductions expected in 2014 and beyond
  - Any 2013 cost reduction benefits likely offset by severance and restructuring costs
- Margin expansion initiatives related to offshore operations underway
- We will provide periodic updates on savings expectations, progress and timetables

# Execution

## Operational Improvements Reflected in Cash Flow Generation

- Operating cash flow started to deteriorate in 2010 as fleet utilization declined following the Macondo incident due to idling of rigs, significantly higher out-of-service days for maintenance, recertification and repair projects, and deteriorating revenue efficiency of operating rigs
- Significant improvement in revenue efficiency and utilization throughout 2012 reflected accordingly in recent operating cash flow profile
- Improvements in cost structure expected to further enhance cash flow conversion

### Cash Conversion Continues to Improve



# Execution
## Asset Strategy

- Grow our leadership position in high-spec assets
  - Build, acquire, divest and / or spin-off
- Core, strategic asset portfolio
  - Ultra-deepwater
  - Harsh environment
  - High-spec jackups
  - High-quality floaters

Transocean

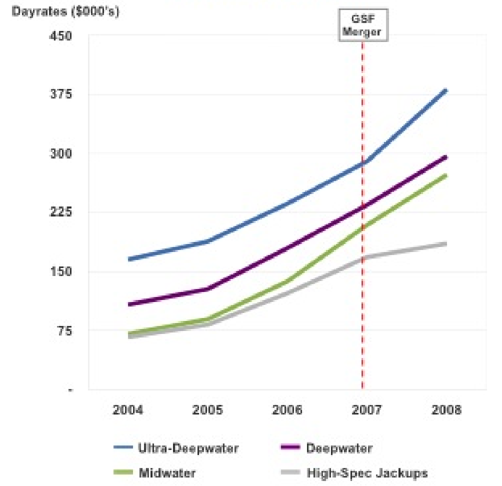
## Fleet expansion

- Four dynamically-positioned ultra-deepwater drillships
- 10-year contracts ($7.6 billion of backlog)
- ~$3.0 billion investment with attractive terms
- Ships have advanced capabilities
- Dual activity, industry-leading hoisting capacity
- Second blow-out preventer system
- 12,000 ft water depth, 40,000 ft drilling depth
- Outfitted to accommodate a future upgrade to a 20,000 psi BOP

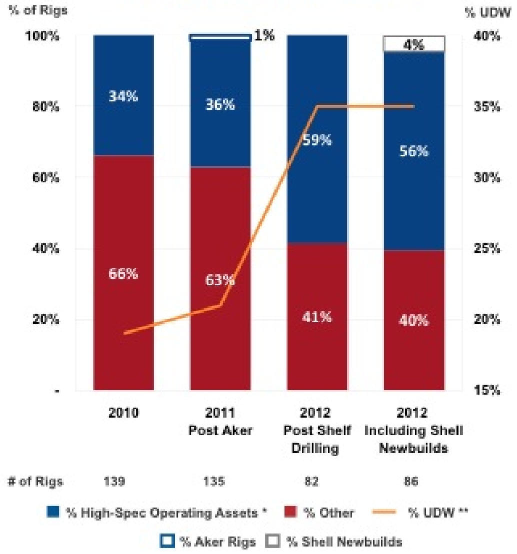
# Execution
## High-Grade Asset Transformation

Transocean

**Transformative GSF Merger Maximized Exposure to Rising Dayrates…**




**…Subsequent Transactions Consistently Focused on High-Grade Transformation**

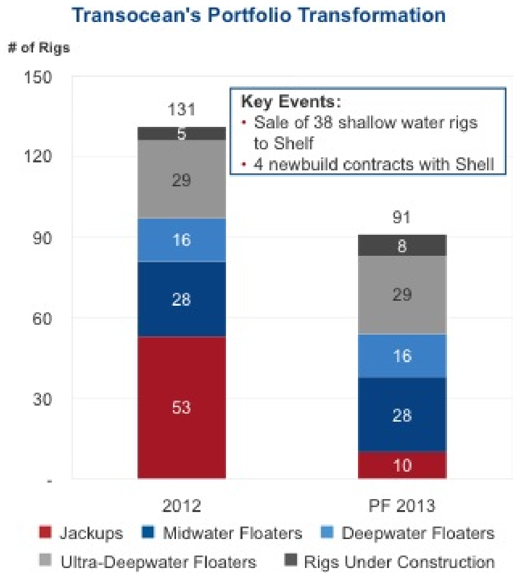


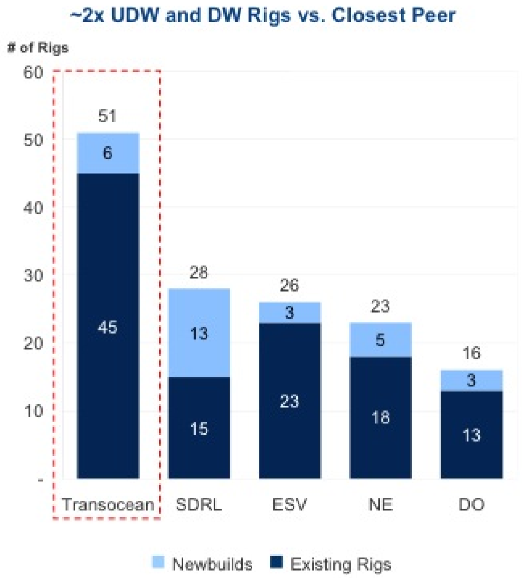

Note
* Operating floaters only; excludes stacked rigs
** Includes rigs with water depth capacity of 7,500 feet or higher

# Execution
## Asset Strategy – Divestitures

- Sold 38 rig package to Shelf Drilling
  - Buyer group has deep industry experience
  - Transocean will provide support to facilitate a successful transition
  - A significant step forward in execution of asset strategy
- Divested 18 additional non-core rigs in single-asset transactions (2011 – YTD 2013)
- Renewed emphasis on high-specification assets – both floaters and jackups
- Provides opportunities for efficiency improvement
- Focus improves Transocean's long-term competitiveness

# Execution
## Accelerating Portfolio Transformation



# Balanced Capital Allocation

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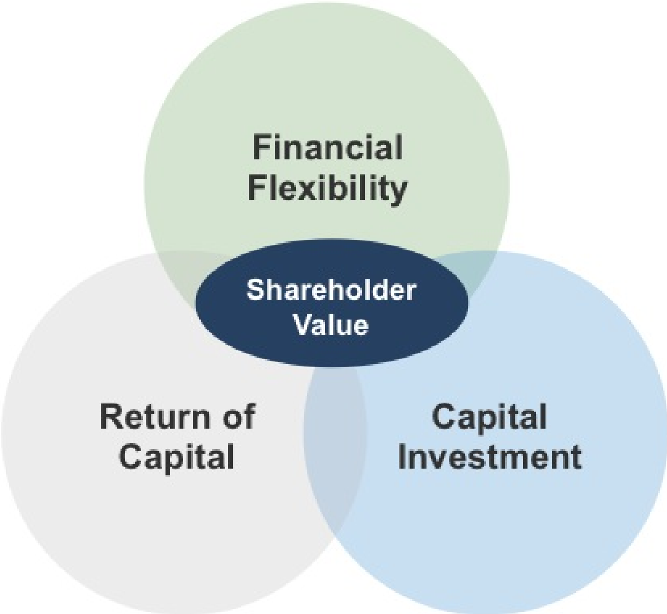
# Balanced Capital Allocation
## Maximizing Shareholder Value



# Balanced Capital Allocation

## Financial Flexibility Drives Long-Term Value

- Financial flexibility is essential in a capital-intensive and cyclical business
- Future capital requirements include:
  - Remaining litigation uncertainties
    - Progress made in reducing litigation exposure, but some uncertainty remains
  - Future return of capital
    - Goal of increasing distributions in the future
  - Disciplined, high-return investments
    - Needed to upgrade fleet to ensure long-term competitiveness

**Loss of long-term financial flexibility would have a detrimental impact on long-term shareholder value**

# Balanced Capital Allocation

## Actions to Enhance Financial Flexibility

Transocean

- Continued resolution of outstanding litigation
- Proposing highly attractive, but responsible, dividend
  - Allows for future increases in distributions as litigation uncertainties diminish
- Prudent investment in the fleet resulting in:
  - 2011 – Three ultra-deepwater floaters
  - 2012 – One premium jackup
  - 2013 – Three premium jackups
  - 2014 and beyond – Six ultra-deepwater drillships, including the Shell newbuilds
- Maintained investment grade rating through challenging period
  - Accelerating retirement of debt
- Continue to divest select non-core assets
- Enhanced flexibility through renewal of company's authorized share capital
  - The Board currently has no plans to exercise this authority

# Balanced Capital Allocation
## Importance of Investment Grade (IG) Rating

Transocean

**A downgrade would have adverse implications for Transocean:**

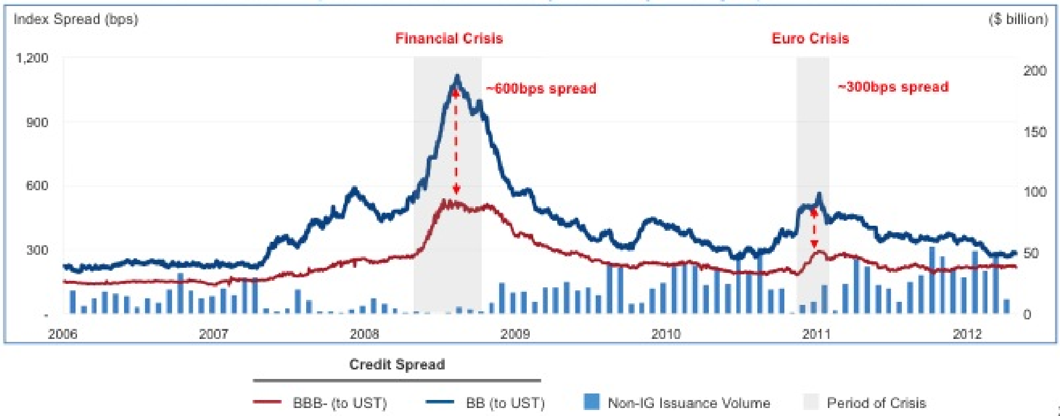
- Access – non-IG market is subject to significant market dislocation in periods of instability
- More restrictive covenants for non-IG bonds
- It takes approximately three years to have investment grade reinstated after a downgrade
  - Long period of limited financing options
- Increased cost of new debt financing (significant value at risk with $12.5 billion debt balance)
- Possible impact on contract and/or payment terms
- Potential consequences resulting from National Oil Company (NOC) evaluation of financial and operational "substance" of Transocean as counterparty

Strength and resilience of Transocean's balance sheet is reflected in its investment grade rating – a downgrade would have a real, negative impact on long-term shareholder value

# Balanced Capital Allocation
## Access and Cost of Capital

- Continued access to low cost capital is important in a cyclical, asset-intensive industry to preserve shareholder value
- IG market is larger and more liquid than the non-IG market
- During periods of financial crises (as recently as 2011), spreads widened significantly between IG and non-IG debt, with non-IG markets becoming inaccessible at times

**Non-IG Market Can Experience Periods of Volatility, Potentially Limiting Capital Market Access**



# Balanced Capital Allocation
## Financial Flexibility – Downgrade Impact

Transocean

- Although there is currently significant demand for high yield credit, over the past five years there have been periods of significant market dislocation
- While the current spread between investment grade and non-investment grade is only ~60bps, it has averaged ~180bps since 2007 and has been as high as ~294bps during the Euro crisis in the summer of 2011

**Illustrative Impact of Downgrade on Transocean's Share Price**

Based on $12.5 billion of Total Transocean Debt [5]

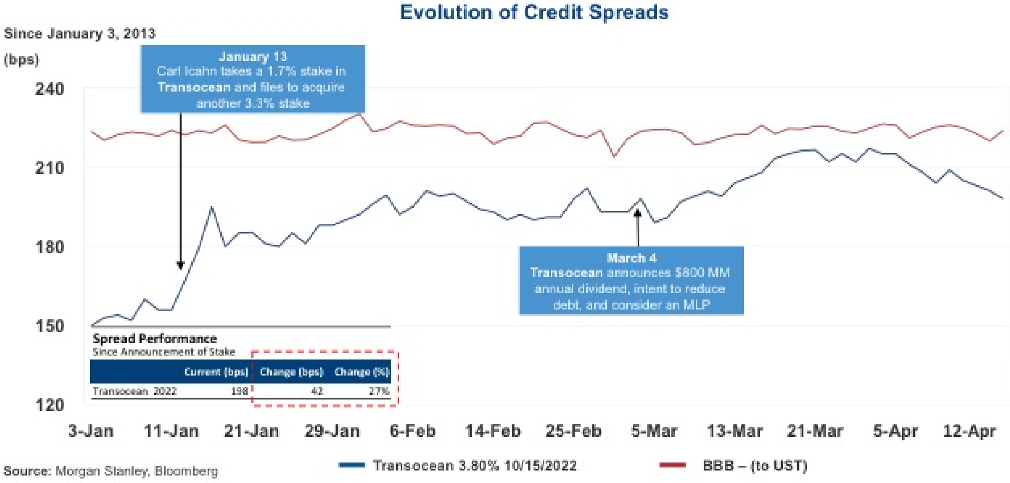
| | Period | | |
|---|---|---|---|
| | Current | 2007 - Current Avg | Euro Crisis [6] |
| **BBB vs BB Spread (bps)** | 65.1 | 178.0 | 294.3 |
| Additional Interest ($MM) | 81.1 | 221.8 | 366.7 |
| **Impact on EPS ($) [7]** | (0.18) | (0.49) | (0.82) |
| P / E Multiple (x) [8] | 10.9 | 10.9 | 10.9 |
| Impact on Share Price ($) | (1.97) | (5.37) | (8.89) |
| **Discount to Current (%) [8]** | (3.9) | (10.6) | (17.6) |

# Balanced Capital Allocation

## Icahn's Detrimental Impact on Cost of Capital

- Since the Icahn announcement, Transocean spreads have widened 42bps
- The widening in spreads occurred following the announcement of Mr. Icahn's stake, highlighting the credit market's concerns about his short-term focus and high-risk proposals

### Evolution of Credit Spreads




**Source:** Morgan Stanley, Bloomberg

# Balanced Capital Allocation
## Strong Rating Agency Support For Board's Capital Allocation Proposals

Transocean

**Moody's Commentary**

"[S]hould the activist shareholder proposal for a larger dividend receive…approval, a downgrade cannot be ruled out as it is unlikely that leverage targets can be achieved with this amount of cash being diverted from debt repayment and prepayment." – ***Moody's (March 13, 2013)***

"[The] proposal to prepay $1 billion in debt signals that the company is trying to balance short-term shareholder interests with longer-term financial flexibility in this highly cyclical business…[the] risk of additional shareholder-friendly actions justifies a continuation of our negative outlook." – ***Moody's (March 5, 2013)***

"At some point the offshore drilling market will enter into a cyclical downturn. A higher dividend than what is being proposed could put Transocean on the defensive and impact their ability to buy rigs and win business from weaker competitors. The question is whether the company will be the hunter or the hunted." – ***Moody's (March 5, 2013)***

**S&P Commentary**

"[Transocean's] credit ratios, though improving, remain weak for the rating." – ***S&P (January 8, 2013)***

"We view the company's financial risk profile as "significant." As of Sept. 30, 2012, Transocean had about $14.8 billion of total debt, including our standard adjustments for operating leases, pension and postretirement obligations, and accrued interest." – ***S&P (December 28, 2012)***

# Balanced Capital Allocation
## Capital Investment

- High-return additions of new, state-of-the-art drilling rigs are essential for the long-term competitiveness of the company
  - Represents primary source of growth and future operating income
  - A lack of investment in high-return assets would compromise the company's long-term viability
- Prefer to not add speculative capacity to market
  - Will buy existing capacity, with or without contract
  - Strong preference to build to contract
- Disciplined economic criteria (buy or build)
  - Must fit high-spec strategy
  - Economic returns must exceed cost of capital
  - Prefer significant, simple payback during initial contract period – >80%
  - Strong, flexible balance sheet necessary if company is to act opportunistically

# Balanced Capital Allocation

## Capital Investment – Shell Newbuilds

### Strategic Rationale

- Long-term (10-year) contracts for each of the four newbuilds
- Profitable growth opportunity and asset portfolio improvement
- Strategic placement of state-of-the-art unit with a major international customer
- Expands market position in ultra-deepwater

### Financial Rationale

- $7.6 billion increase in backlog; long-dated
- Expect to return approximately 140% simple payback over the initial contract period
- Expect to return well in excess of our cost of capital over the 35-year life of the assets
- Significant free cash flow contribution

### Illustrative Shell Newbuild Timeline

- Four Shell newbuilds phased in over a 15-18 month period estimated to begin in Q4 2015
- Estimated rig life based on timeline illustrated below

# Balanced Capital Allocation

## Board Focused on Return of Capital

- Board has proven record of returning capital with approximately $21 billion* returned to shareholders since 2000
- Proposed dividend:
  - Represents one of the industry's highest implied payout ratios and dividend yields
  - Supported by many Transocean shareholders and members of the equity research community
  - Provides basis for increased return of capital in the future, while allowing Transocean to maintain a strong and flexible balance sheet and the ability to invest to ensure competitiveness
- Although progress has been made in resolving legal uncertainties, distributing capital in excess of proposed dividend in the context of remaining uncertainties could be detrimental to long-term shareholder value

**Additional returns of capital may be appropriate once litigation uncertainties are further resolved**

**Note**
*Includes $5 billion distributed to GlobalSantaFe shareholders

# Balanced Capital Allocation

## Return of Capital – History of Delivering

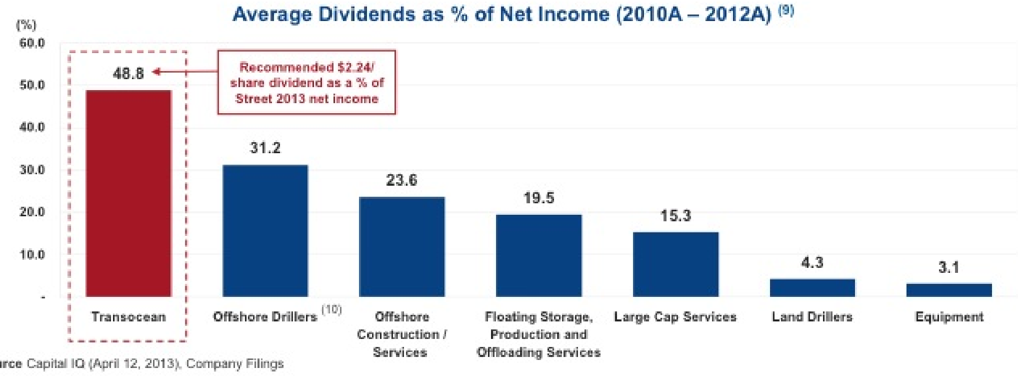
Transocean

| | |
|---|---|
| • GlobalSantaFe Merger | ~$15 Billion* |
| • Share Repurchases | ~$4 Billion |
| • Cumulative Dividends | ~$1 Billion |
| • Proposed Dividend | ~$0.8 Billion |
| *Total Capital Returned* | *~$21 Billion* |

**Note**
*Includes $5 billion distributed to GlobalSantaFe shareholders

# Balanced Capital Allocation
## Return of Capital – Substantial Payout

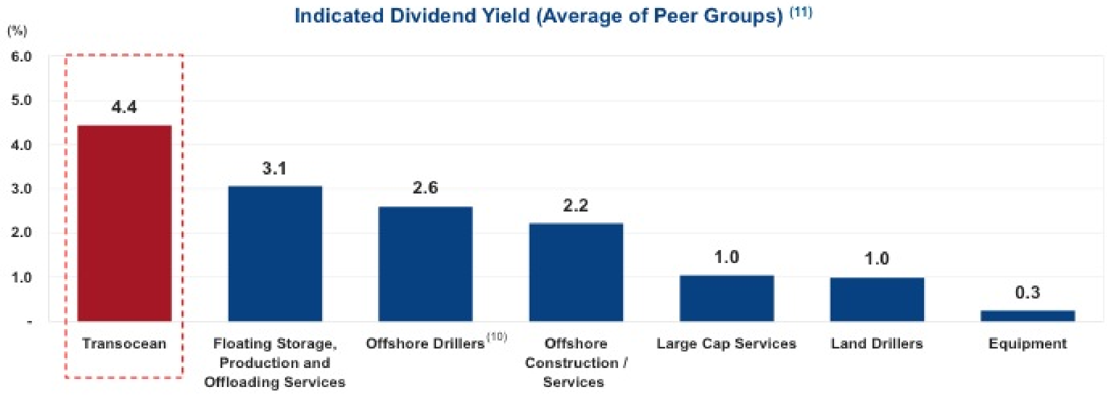
- Transocean's recommended dividend ranks favorably when viewed as a percentage of Street consensus 2013 net income
- Payout ratios significantly higher than this level will threaten the company's operating flexibility and investment grade credit rating – putting its long-term performance at risk




**Source** Capital IQ (April 12, 2013), Company Filings

# Balanced Capital Allocation
## Return of Capital – Compelling Yield

- Transocean's dividend yield of 4.4% (based on $2.24 dividend / share) ranks favorably among other offshore drilling companies and other oilfield services sectors




**Source** Capital IQ (April 12, 2013), Company Filings

# Balanced Capital Allocation
## Analysts Agree with Our Approach

Transocean

"We think Transocean's dividend proposal of $2.24 per share strikes a more reasonable balance between capital reinvestment in the fleet and return of capital to shareholders. If we compare Transocean's proposed payout with the rest of the industry's payouts, we think Transocean looks very reasonable." – ***Stephen Ellis, Morningstar (4/5/13)***

"We reiterate our support for management's $2.24/sh dividend proposal…a strong balance sheet is imperative for Transocean to maintain the financial flexibility necessary to capitalize on consolidation opportunities in a cyclical industry."
– ***James C. West, Barclays (3/25/13)***

"We believe it is in RIG shareholders' long term interests to re-stimulate growth instead of simply paying dividends (we agree with management's proposal of a ~4% yield dividend…)." – ***Brad Handler, Jefferies (3/15/13)***

"The real risk with being downgraded is that if the sector turns, it is much more difficult to raise capital if you are a high-yield company with a constrained balance sheet." – ***Harry Mateer, Barclays Credit Research (3/7/13)***

"While a higher dividend would be nice - we agree with management's decision to focus on both a dividend and a fleet renewal." – ***Credit Suisse (3/21/13)***

"The announcement of $2.24/share dividend struck the right balance between fiscal prudence and shareholder return."
– ***Mike Urban, Deutsche Bank (3/5/13)***

"A dividend of $2.24 per share…equates to a healthy dividend yield of 4%. The $4-per share dividend…is unreasonably high and could put the company's debt rating at risk with rating agencies." – ***Robert MacKenzie, FBR (3/5/13)***

"We believe the correct dividend [proposed by the Board] is reasonable and achieves goals of growth, return of capital and financial flexibility." – ***Angie Sedita, UBS (3/4/13)***

# Balanced Capital Allocation

## Corporate and Financing Structures

- In the interest of maximizing long-term value, the company continuously evaluates alternative corporate and financing structures with the goal of optimizing Transocean's cost of capital
- Transocean has a proven track record of executing value-enhancing corporate and financing structures
  - Tax inversion
  - Re-domestication to Switzerland
  - Largest-ever convertible bond offering
  - Secured revolver and asset-backed financing
- All financial and structural alternatives, including an MLP or MLP-like structure, requires rigorous, in-depth analysis
  - We will continue to keep Transocean's shareholders informed of our progress


# Leadership

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# Leadership
## Strong Corporate Governance and Board

| Example | | Performance / Action |
|---|---|---|
| **Total Return Outperformance Versus Peers** | ✓ | Outperformed peers during 3- and 5-year periods pre-Macondo and since announcement of the DOJ settlement in January 2013 |
| **Board Renewal** | ✓ | Six directors added in the last two years, all independent |
| **Diverse Board Experience** | ✓ | Proven business leaders with a broad and deep range of international leadership experience in oilfield and offshore drilling services, finance, manufacturing, law, health, safety and environment, and other areas crucial to the company's business |
| **Commitment to Return of Capital** | ✓ | Proposed dividend yield and payout ratio exceeds peer averages |
| **Independent Chairman** | ✓ | Separate CEO and Chairman roles |
| **Executive Compensation In Line with Peers** | ✓ | Executive compensation cited as low concern for proxy advisory firms |

Transocean's approach to corporate governance is to regularly infuse fresh perspectives into an experienced and knowledgeable Board that has overseen significant progress during a uniquely challenging period in the company's history

# Leadership
## Strength of Transocean Nominees

| | |
|---|---|
| **Frederico F. Curado**<br>**President and CEO - Embraer** | • Significant senior management experience operating an international corporation<br>• In-depth knowledge of Brazil, an important operating region for the company |
| **Thomas W. Cason**<br>**Former Senior Vice President and Chief Financial Officer - Baker Hughes** | • Extensive professional experience in the finance area of the oilfield services industry<br>• Significant financial acumen and experience<br>• 14 years of oil and gas / offshore drilling experience |
| **Steven L. Newman**<br>**President and CEO - Transocean** | • Long-time company leader, managed through Macondo<br>• Unique perspective in industry and competitive matters<br>• 22 years of oil and gas / offshore drilling experience |
| **Robert M. Sprague**<br>**Former Executive - Royal Dutch/Shell** | • Significant technical knowledge and experience as a customer<br>• Provides substantial international perspective and experience<br>• 36 years of oil and gas / offshore drilling experience |
| **J. Michael Talbert**<br>**Chairman of the Board - Transocean** | • Deep knowledge of the industry, customers and Transocean<br>• Extensive senior executive experience in the energy sector<br>• 32 years of oil and gas / offshore drilling experience |

# Icahn’s Misguided Agenda

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# Icahn's Misguided Agenda
## Capital Allocation and Board

Transocean

**Icahn's misguided agenda highlights his…**

- …lack of drilling industry expertise given his implied opposition to investments in newbuilds – the lifeblood of a drilling contractor
- …superficial analysis that resulted in his demand for an 85% payout ratio, a clear disconnect from any reasonable industry benchmark
- …clear lack of critical insight into cyclical industries where financial flexibility and an investment grade credit rating are competitive advantages
- …limited industry network and poor effort to find appropriate and independent Board nominees with relevant industry and financial experience
- …lack of focus on, and understanding of, our operations and important market drivers

It is evident that Icahn has failed to invest the appropriate time and analysis necessary to understand Transocean's business and industry, focusing on potential short-term gains at the expense of the company's future

# Icahn's Misguided Agenda
## Proposals Disavowed by Analysts

Transocean

"What's galling, in our view, is the unreasonable nature of Icahn's demands, which show a poor understanding of the offshore drilling business and threatens to derail a series of balance sheet and operational improvements during the next few years that we believe will create significant long-term shareholder value....None of his proposed nominees have any offshore drilling experience, two out of three lack any oil and gas background, and all have been or are now associated with current or past Icahn entities. "
***– Stephen Ellis, Morningstar (4/5/13)***

"We do not agree with Mr. Icahn's proposals due to the potential impact on the longer-term competitive standing of the fleet."
***– Trey Stolz, Iberia (3/18/13)***

"[W]e do not rule out a USD 4/s annual dividend as possible, but timing is not today. RIG's balance sheet is too soft as we see it, with too many loose end[s] needing to be tied up. Internally (operations, fleet growth) and externally (e.g., Macondo, Frade)."
***– Truls Olsen, Fearnley Securities (3/18/13)***

"We believe it is in RIG shareholders' long term interests to re-stimulate growth instead of simply paying dividends (we agree with management's proposal of a ~4% yield dividend vs. more aggressive calls for a 7%+ yield)."
***– Brad Handler, Jefferies (3/15/13)***

"We view the (dividend) proposal as being 'too much, too fast', as it would likely exhaust all available FCF for RIG going forward and lock RIG into a ~$1.4bn annual call on cash."
***– Kurt Hallead, RBC Capital (3/1/13)***

"It is alright if a stakeholder demands a dividend payout but $4 per share was stretching it too far. The company should instead be investing that money to build additional rigs and for further expansion."
***– Phil Weiss, Argus Research (1/28/13)***

# Icahn's Misguided Agenda
## Board Nominees Add No Value

- Nominees are closely tied to Icahn through current and past associations
  - Handpicked to pursue his misguided agenda
- Icahn's Board nominees reflect his lack of industry knowledge and bring no value to the company
  - Two of three have no oil and gas experience
  - None have experience in the offshore drilling industry
  - Limited international exposure or knowledge of key growth markets
  - General lack of financial and corporate structuring experience
  - Very little experience in a service-oriented industry
  - Limited knowledge of operator – contractor business models
  - Very little exposure to complex international tax treaties and networks

# Icahn's Misguided Agenda
## A Questionable Board Slate

Transocean

| John J. Lipinski | Samuel Merksamer | Jose Maria Alapont |
|---|---|---|
| • During his contentious takeover of CVR, Icahn said that Lipinski was...<br>– Trying to fool shareholders<br>– A CEO with a "dismal" performance and that CVR Energy was being mismanaged<br>– More interested in empire building than increasing value<br>• No offshore drilling experience | • Long-time employee of Icahn; lack of independence that stakeholders and corporate governance experts demand<br>• No oil and gas operating experience and no experience in the offshore drilling industry<br>– Little operational experience in any industry<br>• Concerns regarding propriety of behavior raised in Dynegy bankruptcy in connection with improperly shielding coal assets from creditors | • Limited experience as a director of a public company<br>• No known oil and gas experience and no offshore drilling experience<br>• Abysmal shareholder return performance of Federal-Mogul Corp. under his leadership<br>• Mentor Graphics did not nominate him for an additional director term after one year<br>• Closely tied with Icahn; relationship since 2005 |

# Icahn's Misguided Agenda
## Concluding Thoughts

Transocean

- We believe Icahn has failed to invest the appropriate time and analysis necessary to understand Transocean's business and industry
- Icahn has focused on potential short-term gains at the expense of the company's future and that of stakeholders
- Icahn has failed to nominate independent Board nominees with relevant industry and financial experience
- Distributing additional capital, above the $800 million Board proposal, in the context of current uncertainties would be detrimental to long-term shareholder value
  - In the future, increases in the proposed $2.24 per share distribution may be appropriate once litigation uncertainties diminish

**Transocean's Board is focused on a balanced capital allocation strategy and does not intend to take steps that will threaten the company's long-term performance, operating flexibility and investment grade credit rating**

# Appendix

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# Icahn's Misguided Agenda
## Icahn Slate's Weaknesses are Transocean Nominees' Strengths

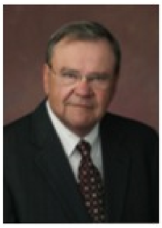
| | Frederico F. Curado | Thomas W. Cason | Steven L. Newman | Robert M. Sprague | J. Michael Talbert |
|---|---|---|---|---|---|
| Oil and gas / offshore drilling experience | 0 | 14 | 22 | 36 | 32 |
| Number of current board seats (outside Transocean) | 1 | 0 | 0 | 0 | 0 |
| CEO / CFO experience | ✓ | ✓ | ✓ | · | ✓ |
| International exposure to key RIG markets | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial and corporate structure expertise | ✓ | ✓ | ✓ | ✓ | ✓ |
| Experience working in a service-oriented industry | ✓ | ✓ | ✓ | · | ✓ |
| Worked with operator / contractor business model | ✓ | · | ✓ | ✓ | ✓ |
| Transocean customer experience | ✓ | ✓ | ✓ | ✓ | ✓ |
| International experience | ✓ | ✓ | ✓ | ✓ | ✓ |
| Independent | ✓ | ✓ | · | ✓ | ✓ |

### Frederico F. Curado, President and CEO - Embraer

Frederico F. Curado has served as President and Chief Executive Officer of Embraer S.A. (NYSE: ERJ) since 2008. Mr. Curado joined Embraer in 1984 and has served in a variety of management positions during his career, including Executive Vice President, Airline Market from 1998 to 2007 and Executive Vice President, Planning and Organizational Development from 1997 to 1998. Mr. Curado is also the President of the Brazilian Chapter of the Brazil-United States Business Counsel and a member of Brazil's National Council for Industrial Development. Mr. Curado received his Bachelor of Science degree in Mechanical-Aeronautical Engineering from the Instituto Tecnólogico de Aeronáutica in Brazil, a post-graduate degree in foreign trade from the Getúlio Vargas Foundation, Brazil and an executive Masters in Business Administration from the University of São Paulo, Brazil.

The Board of Directors believes Mr. Curado's significant senior management experience operating an international corporation, including experience with Brazilian business and governmental sectors will benefit the Board's decision-making process.

**Thomas W. Cason, Former Senior Vice President and Chief Financial Officer - Baker Hughes**



Thomas W. Cason has served as a director of the Company since 2007. He served as a director of GlobalSantaFe Corporation from 2001 until 2007 and of Global Marine, Inc. from 1995 to 2001. Mr. Cason owned and managed five agricultural equipment dealerships until his retirement in 2006. He served as interim President and Chief Operating Officer of Key Tronic Corporation during 1994 and 1995 and was a partner in Hiller Key Tronic Partners, L.P. Mr. Cason previously held various financial and operating positions with Baker Hughes Incorporated, including senior executive positions with Baker Hughes' Drilling Group, serving most recently as Senior Vice President and Chief Financial Officer of Baker Hughes Incorporated. Mr. Cason started his career as a public accountant with Arthur Young & Company. Mr. Cason served as a member of the Board of Directors of Mirant Corporation from 2006 until December 2010 and was chairman of its Audit Committee from 2006 until 2009. Mr. Cason received his Bachelor of Science degree in Accounting in 1970 from Louisiana State University.

Mr. Cason is an accountant with extensive professional experience in the financial services area of the oilfield services industry. Mr. Cason formerly served as chairman of the Audit Committee for GlobalSantaFe Corporation and has also previously served as chairman of the Audit Committee for the Company and remains a committee member. This overlap in experience, combined with his education, professional experience and institutional knowledge of a legacy company are assets to the Board's decision making process.

## Steven L. Newman, President and Chief Executive Officer - Transocean

Steven L. Newman is President and Chief Executive Officer, and a member of the Board of the Company since 2010. Before being named as Chief Executive Officer in March 2010, Mr. Newman served as President and Chief Operating Officer from 2008 to 2009 and subsequently as President. Mr. Newman's prior senior management roles included Executive Vice President, Performance (2007 to 2008), Executive Vice President and Chief Operating Officer (2006 to 2007), Senior Vice President of Human Resources and Information Process Solutions (2006 to 2006), Senior Vice President of Human Resources, Information Process Solutions and Treasury (2005 to 2006), and Vice President of Performance and Technology (2003 to 2005). He also has served as Regional Manager for the Asia and Australia Region and in international field and operations management positions, including Project Engineer, Rig Manager, Division Manager, Region Marketing Manager and Region Operations Manager. Mr. Newman joined the Company in 1994 in the Corporate Planning Department. Mr. Newman received his Bachelor of Science degree in Petroleum Engineering in 1989 from the Colorado School of Mines and his MBA in 1992 from the Harvard University Graduate School of Business. Mr. Newman is also a member of the Society of Petroleum Engineers.

The Board of Directors believes that it is important for the Company's Chief Executive Officer to serve on the Board. The Chief Executive Officer provides a link between the Board and senior management, and the Board believes that this perspective is important in making decisions for the Company. In addition, Mr. Newman brings an industry and competitive context perspective to the Board which assists the Board in making strategic decisions.

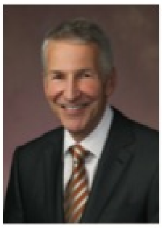
Transocean

### Robert M. Sprague, Former Executive - Royal Dutch/Shell

Robert M. Sprague has served as a director of the Company since 2004. Mr. Sprague is the retired Regional Business Director of Shell EP International BV, a position in which he served from 1997 until 2003. Mr. Sprague served as Director of Strategy & Business Services for Shell EP International BV from 1996 until 1997 and as Exploration & Production Coordinator of Shell International Petroleum BV from 1994 to 1995. Mr. Sprague joined the Royal Dutch/Shell group of companies in 1967 and served in a variety of positions in the United States and Europe during his career, including as a director of Shell Canada Limited, a publicly traded company, from 2000 to 2003. Mr. Sprague received his Bachelor of Science degree in 1966 and his Masters in Electrical Engineering degree in 1967 from Cornell University.

Mr. Sprague is an engineer by education and spent many years serving in senior management in the energy business with one of the Company's customers and thus brings a helpful perspective to the Board. In addition, most of his professional career was spent serving in the oil and gas industry outside the United States, thus bringing an important international perspective to the Board.

### J. Michael Talbert, Chairman of the Board - Transocean



J. Michael Talbert has served as a director of the Company since 1994. He has served as the non-executive Chairman of the Board since 2011 and previously served as non-executive Vice Chairman of the Board from 2010 to 2011, non-executive Chairman of the Board from 2004 to 2007 and executive Chairman of the Board from 2002 to 2004. Mr. Talbert also served as Chief Executive Officer from 1994 until 2002, Chairman of the Board of Directors from 1994 until 1999, and as President from 1999 until 2001. Prior to assuming his duties with us, Mr. Talbert was President and Chief Executive Officer of Lone Star Gas Company, a natural gas distribution company and a division of Ensearch Corporation. He was a director of El Paso Corporation from 2003 to 2012, when that company was acquired by Kinder Morgan, Inc. Within the past ten years, Mr. Talbert was also a director and the chairman of TODCO. Mr. Talbert received his Bachelor of Science degree in chemical engineering in 1970 from the University of Akron and his MBA in 1975 from Loyola of the South.

Mr. Talbert holds an engineering degree and an MBA and has extensive executive experience in the energy sector including serving as a senior executive in exploration and production and as the former CEO of Transocean. As a result, he brings a valuable perspective to the Board based upon his in-depth knowledge of the Company and understanding of the business. His knowledge from the customer perspective and his knowledge of the culture of the Company are helpful in analyzing the future direction of the Company. Mr. Talbert also has relevant experience in merger and acquisition activity, including negotiating transactions as well as the integration of combined companies and boards.

# Appendix

## Icahn Nominee – John Lipinski

- During his contentious takeover of CVR, Icahn wrote an open letter to shareholders stating that Lipinski…
  - Was trying to fool shareholders
  - Was more interested in empire building than increasing value
  - Failed to make proper management decisions while being paid $28 million over three years
  - Was wrong to take credit for CVR Energy's rising stock price
  - Icahn described Lipinski's performance as CEO as "dismal" and said that CVR Energy was mismanaged
- Lipinski accused Icahn of nominating a slate who are "largely his current and former employees and who have little or no experience in the petroleum or fertilizer business"
- In June 2012, minority shareholders filed a breach of fiduciary duty suit against Icahn and the directors of CVR Energy, including Lipinski

# Appendix
## Icahn Nominee – Samuel Merksamer

- Long-time employee of Icahn; lack of independence that stakeholders and corporate governance experts demand
- Already on the boards of five public and two private companies
- No oil and gas operating experience and no experience in the offshore drilling industry
  - Little operational experience in any industry
- In June 2012, certain minority shareholders of CVR Energy filed a breach of fiduciary duty suit against Icahn and the directors of CVR, including Merksamer
- Concerns regarding propriety of behavior raised in Dynegy bankruptcy in connection with improperly shielding coal assets from creditors

# Appendix
## Icahn Nominee – Jose Maria Alapont

- Limited experience as a director of a public company
- No known oil and gas experience and no offshore drilling experience
- Closely tied with Icahn; relationship since 2005
- Icahn appears to nominate Alapont frequently and indiscriminately, with little regard to qualifications
- Mentor Graphics did not nominate him for an additional director term after one year
- Abysmal shareholder return performance of Federal-Mogul Corporation under his leadership

# Appendix
## Comparable Companies

| Symbol | Company |
|---|---|
| **Large Cap Services** | |
| SLB | Schlumberger |
| HAL | Halliburton |
| BHI | Baker Hughes |
| WFT | Weatherford |
| **Offshore Construction / Services** | |
| SPM | Saipem |
| TEC | Technip |
| SUBC | Subsea 7 |
| OII | Oceaneering |
| **Floating Storage, Production and Offloading Services** | |
| SBMO | SBM Offshore |
| MODEC | MODEC |
| BWO | BW Offshore |
| **Equipment** | |
| NOV | National Oilwell Varco |
| CAM | Cameron International |
| FTI | FMC Technologies |
| **Land Drillers** | |
| HP | Helmerich & Payne |
| NBR | Nabors Industries |
| **Offshore Drillers** | |
| RIG | Transocean |
| SDRL | Seadrill |
| ESV | Ensco |
| DO | Diamond Offshore |
| NE | Noble |
| RDC | Rowan Companies |
| ATW | Atwood |
| PACD | Pacific Drilling |
| HERO | Hercules Offshore |

# Transocean Ltd.

April 2013

www.deepwater.com

# Footnotes

Transocean

(1) Per Fleet Status Report issued January 17, 2013 and Fleet Update Summaries issued February 14, 2013 and March 14, 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 83, plus 8 newbuilds. Rigs Under Construction are inclusive of rigs to be accepted by the customer subsequent to March 14, 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 February 14, 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) As of December 31, 2012.

(6) Spread between BBB- and BB+ as of August 25, 2011.

(7) Assumes shares outstanding of 359.5MM, as of December 31, 2012 and effective tax rate of 20%.

(8) As of April 12, 2013; share price: $50.51

(9) Defined as average of dividend paid as a percentage of net income from 2010 through 2012 for comparable companies in respective peer group (see Appendix for breakdown of peer group); Floating Storage, Production and Offloading – Lease excludes 2011 and 2012 BWO payout ratio due to net losses in respective years and 2011 SMBO payout ratio due to net loss.

(10) Excludes Transocean; Offshore drillers include SDRL, DO, ESV, NE, RDC, ATW, PACD and HERO.

(11) Defined as annualized last indicated quarterly dividend per share divided by current share price for comparable companies in respective peer group (see Appendix : Comparable Companies for breakdown of peer group); Market data as of April 12, 2013.

(12) Utilization presented as per 10Q/10K for respective periods. Quarters prior to 4Q12 are not restated for discontinued operations or formula changes instituted in 4Q12. Utilization for continuing operations for full year 2010, 2011 and 2012 are 76%, 69% and 78%, respectively.

# Progress
## Litigation Update

**Macondo Incident**

- Civil and criminal settlement agreements reached with Department of Justice comprising $1.4 billion paid over five years
  - Phase 1 of trial began 2/25/13

**Brazil – Frade Field Incident**

- Preliminary injunction served on Transocean 9/27/12; lifted by Court of Appeals 11/27/12
- Criminal case against Transocean and employees dismissed by Court 3/15/13
- Vigorously pursuing final and comprehensive resolution of underlying litigation
  - Currently no restrictions on Transocean in Brazil

**Norway Tax Case**

- Trial commenced December 2012; decisions anticipated early 2014
- Norwegian Court overturned Arcade civil tax assessment; State filed appeal
- Believe our tax returns are materially correct as filed and continue to vigorously contest assertions to the contrary

Recent reduction in litigation exposure; however, uncertainties remain