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Transocean Ltd.
Investor Relations and Corporate Communications

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News Release

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FOR RELEASE: December 18, 2014

TRANSOCEAN LTD. PROVIDES FLEET UPDATE SUMMARY

ZUG, SWITZERLAND—December 18, 2014—Transocean Ltd. (NYSE: RIG) (SIX: RIGN) today issued a monthly Fleet Update Summary which includes new contracts, changes to existing contracts, and changes in estimated planned out-of-service time of 15 or more days since November 18, 2014. The total value of new contracts since the November 18, 2014 Fleet Update Summary is approximately \$453 million.

The report includes the following:

- *GSF Development Driller I* – Awarded a two year contract in Angola at a dayrate of \$382,000 (\$279 million estimated backlog). The rig was previously idle.
- *Jack Bates* – Customer exercised a nine month option in Australia at a dayrate of \$370,000 (\$101 million estimated backlog). The rig’s prior dayrate was \$420,000.
- *Dhirubhai Deepwater KG2* – Awarded a five month contract extension in India at a dayrate of \$395,000 (\$59 million estimated backlog). The rig’s prior dayrate was \$510,000.
- *Sedco Express* – Awarded a 45 day contract in Nigeria at a dayrate of \$300,000 (\$14 million estimated backlog). The rig was previously idle.
- The *Deepwater Pathfinder*, *Deepwater Expedition*, *GSF Explorer*, and *Discoverer Seven Seas*, are idle.
- Estimated 2014 planned out-of-service time increased by a net 34 days. Estimated 2015 planned out-of-service time decreased by a net 42 days.

The company intends, in an environmentally responsible manner, to scrap the following seven lower-specification deepwater and midwater floaters: *Sedco 710*, *Sovereign Explorer*, *Sedco 700*, *Sedco 601*, *J.W. McLean*, *GSF Arctic I*, and *Falcon 100*. These rigs are classified as held for sale. Related to the scrapping of these rigs, the company expects its fourth quarter 2014 results to include an estimated non-cash charge of \$100 million to \$140 million, net of taxes.

Including four rigs (*Sedneth 701*, *Sedco 703*, *Sedco 709*, and *C. K. Rhein, Jr.*) previously disclosed, Transocean has already or intends to scrap a total of 11 lower-specification floaters. As the company continues to evaluate the long-term competitiveness of its fleet, additional rigs may be identified as candidates for scrapping.

The report can be accessed on the company’s website at www.deepwater.com.

Forward-Looking Statements

The statements described in this press release 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. These statements 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 difficult to predict. As a result, actual results could differ materially from those indicated in 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, operating hazards and delays, risks associated with international operations, actions by customers and other third parties, the future prices of oil and gas, the intention to scrap certain drilling rigs 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, 2013, 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 to reflect events or circumstances that occur, or which we become aware of, after the date hereof, except as otherwise may be 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.

This press release, 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 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 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.

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, 73 mobile offshore drilling units consisting of 46 high-specification floaters (ultra-deepwater, deepwater and harsh-environment drilling rigs), 17 midwater floaters and 10 high-specification jackups. In addition, the company has seven ultra-deepwater drillships and five high-specification jackups under construction.

For more information about Transocean, please visit the company's website at www.deepwater.com.

Transocean

Fleet Status Update

December 18, 2014



Transocean Ltd. (NYSE: RIG), (SIX: RIGN)



Updated: December 18, 2014

Revisions Noted in Bold

Dynamically positioned ★

Rig Type/Name	Footnote References	Floater Type	Dynamically Positioned	Yr. ⁽¹⁾ Entered Service	Water Depth (Feet)	Drilling Depth (Feet)	Location	Customer	Estimated Contract Start Date ⁽²⁾	Estimated Expiration Date ⁽²⁾	Dayrate on Current Contract ⁽³⁾ (Dollars)	Dayrate on Previous Contract ⁽³⁾ (Dollars)
<i>High Specification Floater: Ultra-Deepwater</i>												
Dhirubhai Deepwater KG1	(6), (7), (8)	ship	★	2009	12,000	35,000	Brazil	Petrobras	Dec-14	Dec-17	431,000	510,000
Dhirubhai Deepwater KG2		ship	★	2010	12,000	35,000	India	Reliance	Mar-12	Feb-15	510,000	573,000
							India	Reliance	Feb-15	Jul-15	395,000	510,000
Deepwater Pathfinder	(12)	ship	★	1998	10,000	30,000				Idle		
Deepwater Expedition		ship	★	1999	8,500	30,000				Idle		
Deepwater Nautilus	(6), (8)	semi		2000	8,000	30,000	USGOM	Shell	Aug-12	Aug-17	531,000	551,000
GSF Explorer		ship	★	1972/1998	7,800	30,000				Idle		
GSF Development Driller I	(6), (7), (8)	semi	★	2005	7,500	37,500	Angola	ExxonMobil	May-15	May-17	382,000	N/A
Sedco Express	(6)	semi	★	2001	7,500	35,000	Nigeria	CAMAC	Dec-14	Jan-15	300,000	N/A
<i>High Specification Floater: Deepwater</i>												
Deepwater Navigator	(7), (8), (11)	ship	★	1971/2000	7,200	25,000	Brazil	Petrobras	May-11	Feb-16	368,000	190,000
Discoverer Seven Seas		ship	★	1976/1997	7,000	25,000				Idle		
Sedco 707	(7), (8)	semi	★	1976/1997	6,500	25,000	Brazil	Petrobras	Nov-09	Dec-14	388,000	188,000
GSF Celtic Sea		semi		1982/1998	5,750	25,000	Angola	ExxonMobil	Aug-13	Jan-15	328,000	324,000
							Angola	Vaalco	Jan-15	Mar-15	338,000	328,000
Jack Bates	(7) (7)	semi		1986/1997	5,400	30,000	JPDA Australia	ENI Inpex	Sep-14 Dec-14 May-15	Dec-14 May-15 Feb-16	440,000 420,000 370,000	380,000 440,000 420,000
<i>Fixed-Price Options - See Footnote 10</i>												
<i>High Specification Floater: Ultra-Deepwater</i>												
Dhirubhai Deepwater KG2	(13)	ship	★	2010	12,000	35,000	India	Reliance	Jul-15	Oct-15	395,000	395,000
<i>High Specification Floater: Deepwater</i>												
Jack Bates		semi		1986/1997	5,400	30,000	Australia	Inpex	Feb-16	Nov-16	370,000	370,000

Estimated Out of Service Days ⁽⁴⁾			
Q1	Q2	Q3	Q4
-	-	60	91
-	13	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	20
-	-	-	-
-	-	-	8
-	-	65	-
-	-	-	-
-	-	-	5
-	-	15	4

Estimated Out of Service Days ⁽⁴⁾			
Q1	Q2	Q3	Q4
-	-	-	30
-	-	-	61
-	-	-	-
-	-	-	-
28	91	15	-
-	-	-	-
78	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Footnotes

- (1) Dates shown are the original service date and the date of the most recent upgrade, if any.
- (2) Estimated Contract Start and Estimated Expiration Dates are calculated as follows: (1) for events estimated to occur between the 1st and 15th of a month, the previous month is reported (i.e. a contract which is estimated to commence on May 4, 2014 will be reported as commencing in April 2014) and (2) for events estimated to occur between the 16th and the end of a month, the actual month is reported (i.e. a contract which is estimated to commence on May 24, 2014 will be reported as commencing in May 2014). Expiration dates represent the company's current estimate of the earliest date the contract for each rig is likely to expire. Some rigs have two or more contracts in continuation, so the last line shows the estimated earliest availability. Many contracts permit the customer to extend the contract.
- (3) Represents the full operating dayrate, although the average dayrate over the term of the contract will be lower and could be substantially lower. Does not reflect incentive programs which are typically based on the rig's operating performance against a performance curve. Please refer to the "Customer Contract Duration and Dayrates and Risks Associated with Operations" section of the Disclaimers & Definitions for a description of dayrates. This column may not reflect the rate currently being received under the contract as a result of an applicable standby rate or other rate, which typically is less than the contract dayrate.
- (4) The out of service time represents those days where a rig is scheduled to be out of service and not be available to earn an operating dayrate. Please refer to the "Out of Service Days (Shipyards, Mobilizations, Demobilizations, Contract Preparation)" section of the Disclaimers & Definitions for a full description.
- (5) Estimated Average Contract Dayrate is defined as the average contracted full operating dayrate to be earned per revenue earning day. See note (3) for definition of full operating dayrate.
- (6) Reflects the current contracted dayrate which could reflect prior cost escalations and could change in the future due to further cost escalations.
- (7) Reflects the current contracted dayrate which is comprised of a foreign currency component and which could change due to foreign exchange adjustments.
- (8) Current contract provides for a bonus incentive opportunity not reflected in the stated current contract dayrate.
- (9) On February 26, 2014, a subsidiary of Transocean Ltd. awarded contracts to Sembcorp Marine's subsidiary, Jurong Shipyard, in Singapore for construction of two newbuild dynamically positioned ultra-deepwater drillships. The two drillships are expected to be delivered from the shipyard in the second quarter of 2017 and the first quarter of 2018, respectively.
- (10) Fixed price options may be exercised at the customer's discretion. During periods when dayrates on new contracts are increasing relative to existing contracts, the likelihood of customers' exercising fixed price options increases. During periods when dayrates on new contracts are decreasing relative to existing contracts, the likelihood of customers' exercising fixed price options declines.
- (11) While the customer has the option to add any out of service days to the end of the contract, the Estimated Expiration Date does not reflect any extension due to this option until actually exercised by the customer.
- (12) ENI has repudiated the contract. Transocean is contesting the termination, and it is taking legal action to recover its lost profits.**
- (13) At the customer's discretion, the fixed priced option can be either three or five months.**



DISCLAIMERS & DEFINITIONS

The information contained in this Fleet Status Report (the "Information") is as of the date of the report only and is subject to change without notice to the recipient. Transocean Ltd. assumes no duty to update any portion of the Information.

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Customer Contract Duration, Timing and Dayrates and Risks Associated with Operations. The duration and timing (including both starting and ending dates) of the customer contracts are estimates only, and customer contracts are subject to cancellation, suspension and delays for a variety of reasons, including some beyond the control of Transocean. Also, the dayrates set forth in the report are estimates based upon the full contractual operating dayrate. However, the actual average dayrate earned over the course of any given contract will be lower and could be substantially lower. The actual average dayrate will depend upon a number of factors (rig downtime, suspension of operations, etc.) including some beyond the control of Transocean. Our customer contracts and operations are generally subject to a number of risks and uncertainties, and we urge you to review the description and explanation of such risks and uncertainties in our filings with the Securities and Exchange Commission (SEC), which are available free of charge on the SEC's website at www.sec.gov. The dayrates do not include revenue for mobilizations, demobilizations, upgrades, shipyards or recharges.

Out of Service Days (Shipyards, Mobilizations, Demobilizations, Contract Preparation). Changes in estimated out of service time are noted where changes in the time Transocean anticipates that a rig is scheduled to be out of service and not be available to earn an operating dayrate have changed by a period of **15 days or longer** for all rig classifications since the previously issued Monthly Fleet Update Summary or Comprehensive Fleet Status Report. The changes to estimated out of service time included in this Fleet Status may not be firm and could change significantly based on a variety of factors. Any significant changes to our estimates of out of service time will be reflected in subsequent Monthly Fleet Updates and Comprehensive Fleet Status Reports, as applicable.

Contract Preparation refers to periods during which the rig is undergoing modifications or upgrades as a result of contract requirements. Shipyards refers to periods during which the rig is out of service as a result of other scheduled shipyards, surveys, repairs, regulatory inspections or other scheduled service or work on the rig.

In some instances such as certain mobilizations, demobilizations, upgrades and shipyards, we are paid compensation by our customers that is generally recognized over the life of the primary contract term of the drilling project, although such compensation is not typically significant in relation to the revenues generated by the dayrates we charge our customers. When mobilization or demobilization occurs during a contract period, we recognize revenues as earned. In instances where mobilization or demobilization time occurs before or between the start of a contract period, the stated estimated contract start date represents the expected commencement date for the primary contract term of the drilling project and the point at which we expect to begin recognizing revenues.

Forward-Looking Statement. The statements made in the Fleet Update 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 made in the Fleet Update include, but are not limited to, statements involving the estimated duration of customer contracts, contract dayrate amounts, future contract commencement dates and locations and planned shipyard projects and other out of service time. Such statements are subject to numerous risks, uncertainties and assumptions, including but not limited to, uncertainties relating to the level of activity in offshore oil and gas exploration and development, exploration success by producers, oil and gas prices, competition and market conditions in the contract drilling industry, shipyard delays, actions and approvals of third parties, possible cancellation or suspension of drilling contracts as a result of mechanical difficulties or performance, Transocean's ability to enter into and the terms of future contracts, the availability of qualified personnel, labor relations and the outcome of negotiations with unions representing workers, operating hazards, factors affecting the duration of contracts including well-in-progress provisions, the actual amount of downtime, factors resulting in reduced applicable dayrates, hurricanes and other weather conditions, terrorism, political and other uncertainties inherent in non-U.S. operations (including the risk of war, civil disturbance, seizure or damage of equipment and exchange and currency fluctuations), the impact of governmental laws and regulations, the adequacy of sources of liquidity, the effect of litigation and contingencies and other factors described above and discussed in Transocean's most recently filed Form 10-K, in Transocean's Forms 10-Q for subsequent periods and in Transocean'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 should underlying assumptions prove incorrect, actual results may vary materially from those indicated. 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, except as required by law.

Fleet Classification. Transocean uses a rig classification for its semisubmersible rigs and drillships to reflect the company's strategic focus on the ownership and operation of premium, high specification floating rigs. The rig classification "High Specification Floaters" is comprised of "Ultra-Deepwater" which refers to the latest generation of semisubmersible rigs and drillships possessing the latest technical drilling capabilities and the ability to operate in water depths equal to or greater than 7,500 feet, "Deepwater" which refers to semisubmersible rigs and drillships that possess the ability to drill in water depths equal to or greater than 4,500 feet, and "Harsh Environment" comprised of seven of the company's premium harsh environment rigs, the semisubmersibles Transocean Barents, Transocean Spitsbergen, Henry Goodrich, Transocean Leader, Paul B. Loyd, Jr., Transocean Arctic and Polar Pioneer. The category titled "Midwater Floaters" represents semisubmersible rigs and drillships that possess the ability to drill in water depths of up to 4,499 feet. The category titled "High Specification Jackups" consists of high performance jackup rigs that possess the ability to drill in water depths of 400 feet or less.

Stacking. An "Idle" rig is between contracts, readily available for operations, and operating costs are typically at or near normal levels. A "Stacked" rig, on the other hand, is manned by a reduced crew or unmanned and typically has reduced operating costs and is (i) preparing for an extended period of inactivity, (ii) expected to continue to be inactive for an extended period, or (iii) completing a period of extended inactivity. However, stacked rigs will continue to incur operating costs at or above normal operating costs for 30 to 60 days following initiation of stacking.