

# Renewal of Required Regulatory Approvals Under Swiss Law for the Repurchase of Own Shares for Cancellation Purposes

Trading on SIX Swiss Exchange second trading line



Transocean Ltd., Steinhausen (address: Turmstrasse 30, 6300 Zug)

## REGULATORY BACKGROUND

On May 15, 2009, the annual general meeting of shareholders of Transocean Ltd., Steinhausen («Transocean»), approved the board of directors' proposal regarding a share repurchase program for cancellation purposes and authorized the board of directors to repurchase shares at an aggregate repurchase price worth up to CHF 3.5 billion («2009 Share Repurchase Program»). On February 12, 2010, Transocean's board of directors authorized executive management to implement the 2009 Share Repurchase Program («Share Repurchases»). Upon Transocean's listing of its shares on SIX Swiss Exchange on April 20, 2010, in addition to the pre-existing listing on the New York Stock Exchange («NYSE»), Transocean received the necessary regulatory approvals from the Swiss Takeover Board and SIX Exchange Regulation to carry out its Share Repurchases, including in the Swiss market over a second trading line.

Under the applicable regulations, Transocean was required, after the expiry of an initial 3-year period, to seek approval by the competent authorities of the continuation of share repurchases under the Share Repurchase Program approved by the shareholders. This initial 3-year period expired on April 20, 2013. Transocean has applied for approval by the Swiss Takeover Board, and the Swiss Takeover Board has granted, renewed exemptions. Further, SIX Exchange Regulation has granted an extension for the second trading line. On February 28, 2013 and April 26, 2013, respectively, Transocean received the following approvals:

- The Swiss Takeover Board authorized Transocean to repurchase under the 2009 Share Repurchase Program a maximum of 71,337,410 own registered shares. This corresponds to 19.08% of Transocean's share capital and voting rights. As of May 8, 2013, the share capital recorded in the commercial register amounts to CHF 5,607,459,735 and is divided into 373,830,649 registered shares, each with a par value of CHF 15.
- SIX Exchange Regulation has extended the SIX Swiss Exchange second trading line in accordance with the Main Standard of the SIX Swiss Exchange, under Swiss security number 11 117 190 and ticker symbol «RIGNE» up to May 23, 2016. For regulatory reasons, Share Repurchases via the SIX Swiss Exchange second trading line may generally only be effected after a period of 10 trading days has expired, i.e., not earlier than June 10, 2013. However, Transocean will, from time to time, decide on the timing and the amount of Share Repurchases, if any, based upon ongoing capital requirements, the price of Transocean's shares, regulatory and tax considerations, cash flow generation, the relationship between Transocean's contractual backlog and debt, general market conditions and other factors.
- The Swiss Takeover Board exemptions and SIX Exchange Regulation's extension of the SIX Swiss Exchange second trading line are limited in duration until May 23, 2016.

Any Share Repurchases under the 2009 Share Repurchase Program are, irrespective of the exemption granted by the Swiss Takeover Board, subject to the limitation of the resolution by the 2009 annual general meeting of shareholders, according to which the board of directors is only authorized to repurchase shares for a market value worth up to CHF 3.5 billion.

To date, Transocean has repurchased approximately 2.9 million own shares for a market value of approximately CHF 257 million under the 2009 Share Repurchase Program. All of the Share Repurchases were carried out in the U.S. market via the NYSE. Since May 6, 2010, Transocean has not repurchased any shares under the 2009 Share Repurchase Program. On January 3, 2013, Transocean reached a settlement with the U.S. Department of Justice regarding certain claims of the U.S. government in connection with the April 2010 Macondo well incident. This settlement removed some uncertainty associated with Transocean's liability exposure. Transocean therefore believes that it continues to be appropriate for it to take the necessary regulatory steps to be in a position to implement the 2009 Share Repurchase Program, including in the Swiss market and through use of an SIX Swiss Exchange second trading line. Transocean notes that this announcement is published due to regulatory requirements to renew the applicable approvals for Share Repurchases under the 2009 Share Repurchase Program. Transocean will, from time to time, decide on the timing and the amount of Share Repurchases, if any, based upon ongoing capital requirements, the price of Transocean's shares, regulatory and tax considerations, cash flow generation, the relationship between Transocean's contractual backlog and debt, general market conditions and other factors. Transocean plans to fund any Share Repurchases from cash from operating activities. Transocean may, however, instead retain cash, reduce debt, make capital investments or otherwise use cash for general corporate purposes and consequently repurchase fewer than the authorized amount of own shares under the 2009 Share Repurchase Program.

Resolutions regarding the decrease in the registered share capital in the amount of the repurchase volume at the relevant time will be submitted to future annual general meetings of shareholders.

Transocean's shares are listed on the NYSE and on the SIX Swiss Exchange in accordance with the Main Standard thereof.

## TRADING ON SECOND TRADING LINE ON THE SIX SWISS EXCHANGE | REPURCHASES IN THE U.S. MARKET

Transocean will continue to have a second trading line available for Transocean shares on the SIX Swiss Exchange. On this second trading line, only Transocean (via its mandated bank) will act as purchaser and repurchase own shares for purposes of subsequent share capital reductions. Ordinary trading of Transocean shares on SIX Swiss Exchange and the NYSE is not affected by the extension of the second trading line and will continue in the ordinary course.

Transocean's Share Repurchases in the U.S. are effected by soliciting bids from a number of market players, in particular Swiss banks or other institutions entitled to reclaim the Swiss federal withholding tax, acting as principals («Institutional Market Players»). Upon acceptance of a bid by Transocean, such Institutional Market Players will purchase Transocean shares on the NYSE for their proprietary accounts, and subsequently sell such shares to Transocean in separate off-exchange transactions.

Transocean reserves the right to reinstate, suspend or discontinue the Share Repurchases at any time; it is under no obligation whatsoever to repurchase any shares under the 2009 Share Repurchase Program.

## REPURCHASE PRICE

Shares repurchased by Transocean are subject to the 35%-Swiss withholding tax levied on the difference between the repurchase price and the par value of the registered shares. The withholding tax will be deducted from the repurchase price («Net Price»).

The share price quoted on the SIX Swiss Exchange second trading line is generally related to, but higher than, the share price of Transocean shares traded on the first trading line.

The repurchase price paid by Transocean in separate off-exchange transactions to Institutional Market Players for the shares purchased in the U.S. market is expected to be determined on the basis of a volume-weighted average price for the Transocean shares, as reported on the NYSE.

## PAYMENT OF NET PRICE AND DELIVERY OF SHARES

All trades on the SIX Swiss Exchange second trading line constitute regular on-exchange transactions. As is customary, payment of the net price and delivery of the shares will take place three trading days after the trade date.

Repurchases by Transocean from Institutional Market Players of shares repurchased by such Institutional Market Players in the U.S. market are executed in separate off-exchange transactions. Payment of the net price and delivery of the shares takes place after the end of the contractually defined repurchase period.

## MANDATED BANK

Transocean has engaged Credit Suisse AG, Zurich, in connection with the execution of Share Repurchases on the SIX Swiss Exchange second trading line. Credit Suisse AG, Zurich, will post bid prices on the second trading line as sole stock exchange participant.

With respect to Share Repurchases in the U.S., the Institutional Market Players engaged by Transocean will purchase Transocean shares on the NYSE for their proprietary accounts.

## EXTENSION OF THE SECOND TRADING LINE

The SIX Swiss Exchange second trading line will be extended in accordance with the Main Standard of the SIX Swiss Exchange, under Swiss security number 11 117 190 and ticker symbol «RIGNE»; it is expected to remain open until May 23, 2016, subject to a possible extension beyond such date. Transocean has no obligation to purchase any of its own shares on the second trading line; it will repurchase shares, if any, in consideration of the factors described under «Regulatory Background» of this announcement.

## OFF-ORDER BOOK PROHIBITION IN THE SWISS MARKET

According to SIX Swiss Exchange regulations, off-order book share repurchase transactions over the second trading line are not permissible. Repurchase transactions in the U.S. market are not subject to this off-order book share repurchase transaction prohibition.

## TREASURY SHARES

As of May 21, 2013, Transocean owned (directly or indirectly through its subsidiary Transocean Inc., a company organized under the laws of the Cayman Islands) 13,470,531 own shares, corresponding to approximately 3.60% of all issued shares, whereof 2,863,267 shares had been repurchased as part of the 2009 Share Repurchase Program.

## SIGNIFICANT SHAREHOLDERS

The following beneficial owners holding 3% or more of Transocean's share capital are known to Transocean as of May 22, 2013 (solely based on the disclosures of beneficial ownership made by investors in Transocean shares under applicable rules and regulations): BlackRock, Inc., New York, 18,706,254 registered shares, corresponding to 5% of Transocean's registered share capital and voting rights; The Capital Group Companies, Inc., Los Angeles, California, 19,705,570 registered shares, corresponding to approximately 5.27% of Transocean's registered share capital and voting rights; Carl C. Icahn, c/o Icahn Associates Corp., New York, 20,159,035 registered shares, corresponding to approximately 5.39% of Transocean's registered share capital and voting rights.

## SWISS TAXES AND FEES

The repurchase by a Swiss company of own shares for the purpose of reducing the registered share capital is treated as a partial liquidation of the company carrying out the repurchase program, as regards both Swiss federal withholding tax and direct Swiss federal taxes. For shareholders selling directly to Transocean (or the bank acting in its name and on its behalf on the SIX Swiss Exchange second trading line), this has the following tax consequences:

- Swiss Federal Withholding Tax**  
The repurchase of the company's own shares for purposes of reducing the registered share capital is treated as a partial liquidation of the company carrying out the repurchase program, and, therefore, federal withholding tax is due. The withholding tax is deducted from the repurchase price by Transocean or the mandated bank or Institutional Market Player on behalf of the Swiss Federal Tax Administration.  
Persons domiciled in Switzerland are entitled to reclaim the withholding tax if they were the beneficial owner at the time they sold the shares to the issuer (article 21 para. 1 lit. a Federal Law on Withholding Tax). Persons domiciled abroad may reclaim the withholding tax in accordance with any applicable double taxation treaty.
- Direct Taxation of Shareholders Domiciled in Switzerland**  
The following explanations apply to Swiss direct federal taxes. In practice, cantonal and municipal taxes generally follow the rules and principles developed in relation to direct federal taxation.  
– Shares held as private assets: When shares are sold to the issuer, the difference between the repurchase price and the par value of the share constitutes taxable income.  
– Shares held as business assets: When shares are sold to the issuer, the difference between the repurchase price and the book value of the share constitutes taxable income.
- Fees and Other Taxes**  
The sale of shares to Transocean for purposes of a reduction in the registered share capital is not subject to Swiss turnover tax. However, the SIX Swiss Exchange charges a fee.

## NON-PUBLIC INFORMATION

Transocean hereby confirms that as of the date and time of publication of this announcement, it is not in possession of any non-public information it considers price-sensitive under the ad hoc publicity regulations of the SIX Swiss Exchange.

## SWISS TAKEOVER BOARD DIRECTIVE

The Swiss Takeover Board, in accordance with Section 5.3 of the Swiss Takeover Board Circular No. 1 of February 26, 2010, issued the following decree on February 28, 2013:

- The request for extension of the current share repurchase program is rejected.
- For the launch of a renewed share repurchase program, Transocean Ltd. shall be granted the following exemptions from the Swiss Takeover Board Circular No. 1 of February 26, 2010:
  - In deviation of no. 8, Transocean Ltd. shall be authorized to repurchase a maximum of 71,337,410 own registered shares, corresponding to maximum 19.08% of its share capital and voting rights.
  - In relation to its share repurchases via the New York Stock Exchange effected under the share repurchase program as approved by the annual general meeting 2009, Transocean Ltd. shall be granted an exemption from the market manipulation rules according to nos. 13-16 and nos. 29-32 of the Swiss Takeover Board Circular No. 1.
- To obtain the definitive exemption in relation to the contemplated share repurchase program, Transocean Ltd. shall be required to submit the form "notification of a share repurchase program," together with the draft share repurchase announcement. Transocean shall be required to indicate in the share repurchase announcement that the repurchase of own shares has been temporarily suspended, and explain whether and how circumstances have changed in the meantime.
- This decree shall be made public on the Swiss Takeover Board's website on the date of publication of Transocean Ltd.'s new share repurchase program announcement.
- The fee payable by Transocean Ltd. amounts to CHF 20,000.

## RIGHT OF APPEAL

Objection (Article 58 of the Swiss Takeover Board Ordinance SR 954.195.1):

A shareholder providing evidence of a holding of at least 2 percent of the voting rights in the target company, irrespective of whether they are exercisable or not (a qualified shareholder, article 56 of the Swiss Takeover Board Ordinance) and who has not yet participated in the proceedings, may file an objection to this decree. The objection must be filed with the Swiss Takeover Board (Selnaustrasse 30, Postfach, CH-8021 Zürich, counsel@takeover.ch, telefax: +41 58 499 22 91) within 5 trading days after the publication of the decree. The period starts on the first trading day after the publication. The objection must contain a petition, a summary of the legal grounds and evidence regarding the shareholding pursuant to Article 56 of the Swiss Takeover Board Ordinance.

## APPLICABLE LAW AND PLACE OF JURISDICTION

Swiss law | exclusive place of jurisdiction is Steinhausen, Canton of Zug.

This notice does not constitute an issue prospectus within the meaning of art. 652a or 1156 of the Swiss Code of Obligations.

## Forward-Looking Statements

Statements regarding the share repurchase program, including timing, duration, form of transaction, related tax consequences, source of funding, uses of cash, termination of the program and cancellation of the repurchased shares, and debt reduction, as well as any other statements that are not historical facts, are forward-looking statements that involve certain risks, uncertainties and assumptions. These include but are not limited to the factors stated in the third paragraph of «Trading on second trading line on the SIX Swiss Exchange | Repurchases in the U.S. market», operating hazards and delays, actions by customers and other third parties, the future price of oil and gas, the actual revenues earned and other factors detailed in Transocean's most recent Form 10-K and other filings with the Securities and Exchange Commission («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. There can be no assurance as to the number of shares, if any, that will be repurchased under the program.

	Security Number	ISIN	Ticker Symbol
Transocean registered shares (first trading line) with a par value of CHF 15 each	4 826 551	CH 004 826551 3	RIGN
Transocean registered shares (second trading line) with a par value of CHF 15 each	11 117 190	CH 011 117 190 3	RIGNE