

Transocean Ltd. and Subsidiaries  
Non-GAAP Financial Measures and Reconciliations  
Adjusted Net Income and Diluted Earnings Per Share  
(in US\$ millions, except per share data)

	YTD 06/30/09	QTD 06/30/09	QTD 03/31/09
<b>Adjusted Net Income</b>			
Net income, as reported	\$ 1,748	\$ 806	\$ 942
Add back (subtract):			
Impairment on <i>GSF Arctic II</i> and <i>GSF Arctic IV</i>	279	58	221
Impairment on <i>ADTI</i> customer relationships	9	9	-
Gain from sale of <i>Sedco 135D</i>	(1)	(1)	-
Loss on sale of Caspian Drilling Company interest	4	4	-
GSF Merger-related costs	7	2	5
Loss on retirement of debt	10	8	2
Discrete tax items	52	16	36
Net income, as adjusted	<u>\$ 2,108</u>	<u>\$ 902</u>	<u>\$ 1,206</u>

	YTD 06/30/09	QTD 06/30/09	QTD 03/31/09
<b>Diluted Earnings Per Share:</b>			
Diluted earnings per share, as reported	\$ 5.42	\$ 2.49	\$ 2.93
Add back (subtract):			
Impairment on <i>GSF Arctic II</i> and <i>GSF Arctic IV</i>	0.87	\$ 0.18	0.69
Impairment on <i>ADTI</i> customer relationships	0.03	0.03	-
Gain from sale of <i>Sedco 135D</i>	-	-	-
Loss on sale of Caspian Drilling Company interest	0.01	0.01	-
GSF Merger-related costs	0.02	-	0.02
Loss on retirement of debt	0.03	0.03	-
Discrete tax items	0.16	0.05	0.11
Diluted earnings per share, as adjusted	<u>\$ 6.54</u>	<u>\$ 2.79</u>	<u>\$ 3.75</u>

	YTD 12/31/08	QTD 12/31/08	YTD 09/30/08	QTD 09/30/08	YTD 06/30/08	QTD 06/30/08	QTD 03/31/08
<b>Adjusted Net Income</b>				(As adjusted)			
Net income, as reported	\$ 4,031	\$ 754	\$ 3,277	\$ 1,063	\$ 2,214	\$ 1,065	\$ 1,149
Add back (subtract):							
Impairment on CMI reserves	4	4	-	-	-	-	-
Impairment on <i>GSF Arctic II</i> and <i>GSF Arctic IV</i>	97	97	-	-	-	-	-
Impairment on ADTI Intangibles	208	208	-	-	-	-	-
Materials and supplies obsolescence provision	18	18	-	-	-	-	-
<i>Sedco 712</i> bad debt provision	17	17	-	-	-	-	-
Change to estimated useful lives of certain LGSF rigs	46	46	-	-	-	-	-
GSF Merger-related costs	5	2	3	-	3	2	1
Income from TODCO Tax Sharing Agreement, with no tax effect	(18)	(4)	(14)	(14)	-	-	-
Contract termination fee - <i>Transocean Nordic</i>	(17)	(17)	-	-	-	-	-
Loss on retirement of debt	3	-	3	-	3	1	2
Loss on the Reserve Funds	14	-	14	14	-	-	-
Discrete tax items	24	14	10	(15)	25	(2)	27
Net income, as adjusted	<u>\$ 4,432</u>	<u>\$ 1,139</u>	<u>\$ 3,293</u>	<u>\$ 1,048</u>	<u>\$ 2,245</u>	<u>\$ 1,066</u>	<u>\$ 1,179</u>

	YTD 12/31/08	QTD 12/31/08	YTD 09/30/08	QTD 09/30/08	YTD 06/30/08	QTD 06/30/08	QTD 03/31/08
<b>Diluted Earnings Per Share:</b>							
Diluted earnings per share, as reported	\$ 12.53	\$ 2.35	\$ 10.19	\$ 3.30	\$ 6.89	\$ 3.31	\$ 3.58
Add back (subtract):							
Impairment on CMI reserves	0.01	0.01	-	-	-	-	-
Impairment on <i>GSF Arctic II</i> and <i>GSF Arctic IV</i>	0.30	0.30	-	-	-	-	-
Impairment on ADTI Intangibles	0.65	0.65	-	-	-	-	-
Materials and supplies obsolescence provision	0.06	0.06	-	-	-	-	-
<i>Sedco 712</i> bad debt provision	0.05	0.05	-	-	-	-	-
Change to estimated useful lives of certain LGSF rigs	0.14	0.14	-	-	-	-	-
GSF Merger-related costs	0.02	0.01	0.01	-	0.01	0.01	-
Income from TODCO Tax Sharing Agreement, with no tax effect	(0.06)	(0.02)	(0.04)	(0.04)	-	-	-
Contract termination fee - <i>Transocean Nordic</i>	(0.05)	(0.05)	-	-	-	-	-
Loss on retirement of debt	0.01	-	0.01	-	0.01	-	0.01
Loss on The Reserve Funds	0.04	-	0.04	0.04	-	-	-
Discrete tax items	0.07	0.04	0.03	(0.05)	0.07	(0.01)	0.08
Diluted earnings per share, as adjusted	<u>\$ 13.77</u>	<u>\$ 3.54</u>	<u>\$ 10.24</u>	<u>\$ 3.25</u>	<u>\$ 6.98</u>	<u>\$ 3.31</u>	<u>\$ 3.67</u>

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**Non-GAAP Financial Measures and Reconciliations**  
**Adjusted Net Income and Diluted Earnings Per Share**  
(in US\$ millions, except per share data)

	YTD 12/31/07	QTD 12/31/07	YTD 09/30/07	QTD 09/30/07	YTD 06/30/07	QTD 06/30/07	QTD 03/31/07
<b>Adjusted Net Income</b>	<b>(As adjusted)</b>						
Net income, as reported	\$ 3,122	\$ 1,047	\$ 2,075	\$ 973	\$ 1,102	\$ 549	\$ 553
Add back (subtract):							
After-tax gain from disposal of assets, net	(261)	(233)	(28)	(8)	(20)	-	(20)
Income from TODCO Tax Sharing Agreement, with no tax effect	(277)	(1)	(276)	(276)	-	-	-
GSF Merger-related costs	67	67	-	-	-	-	-
Loss on retirement of debt	8	8	-	-	-	-	-
Discrete tax items	(101)	(36)	(65)	(52)	(13)	(11)	(2)
Net income, as adjusted	<u>\$ 2,558</u>	<u>\$ 852</u>	<u>\$ 1,706</u>	<u>\$ 637</u>	<u>\$ 1,069</u>	<u>\$ 538</u>	<u>\$ 531</u>
<b>Diluted Earnings Per Share:</b>							
Diluted earnings per share, as reported	\$ 14.10	\$ 4.13	\$ 9.86	\$ 4.63	\$ 5.24	\$ 2.62	\$ 2.62
Add back (subtract):							
After-tax gain from disposal of assets, net	(1.18)	(0.92)	(0.13)	(0.04)	(0.09)	-	(0.09)
Income from TODCO Tax Sharing Agreement, with no tax effect	(1.25)	-	(1.31)	(1.31)	-	-	-
GSF Merger-related costs	0.30	0.26	-	-	-	-	-
Loss on retirement of debt	0.04	0.03	-	-	-	-	-
Discrete tax items	(0.45)	(0.14)	(0.31)	(0.25)	(0.06)	(0.05)	(0.01)
Effect of Merger	(3.12)	(0.60)	(2.44)	(0.91)	(1.54)	(0.78)	(0.76)
Diluted earnings per share, as adjusted, without restatement	<u>\$ 8.43</u>	<u>\$ 2.75</u>	<u>\$ 5.67</u>	<u>\$ 2.12</u>	<u>\$ 3.55</u>	<u>\$ 1.79</u>	<u>\$ 1.76</u>
Weighted average shares outstanding	222	254	211	211	211	210	212
Effect of Merger	81	55	90	89	90	90	90
Weighted average shares outstanding without restatement	<u>303</u>	<u>309</u>	<u>301</u>	<u>300</u>	<u>301</u>	<u>300</u>	<u>302</u>