

CONSENT DECREE Q1 2017 QUARTERLY REPORT TRANSOCEAN LTD.

In February 2013, certain affiliates of Transocean Ltd. (“Transocean”) and several United States government agencies (“US”) agreed to the entry of a Consent Decree to resolve matters related to the Macondo incident. Under the terms of this Consent Decree, Transocean Ltd. Board of Directors (the “Transocean Board”) is required to receive a quarterly report. The Transocean Board has designated the Transocean Board’s Health Safety and Environment Committee (“Transocean HSE Committee”) to receive that report on its behalf.

Steps Taken to Comply

The compliance steps taken for each Consent Decree obligation have been monitored and documented. For reference and tracking purposes, the obligations are organized into seven categories. The attached chart lists each obligation and indicates any steps that were taken toward those obligations during the quarter and the status of Transocean’s compliance. This information will also be discussed during the Q1 Transocean HSE Committee meeting.

Evaluation of Response/Improvements in Safety and Operational Risk Issues

On April 19, 2017, the Transocean Offshore Deepwater Drilling Inc. Health Safety and Environment Committee (“Committee”) received a detailed report regarding the company’s compliance with the Consent Decree obligations and related issues. This presentation was made by the Transocean Chief Compliance Officer (“CCO”) and other members of the compliance team. The Committee also heard a presentation by the Operations Director for Americas 2 related to the company’s United States operations during the quarter, including details regarding any response and improvements in safety and operational risk identification and management, testing and maintenance of blow out preventers, downtime and other relevant process safety information. In addition, the Committee spent a considerable amount of time discussing issues of relevance to process safety, active operations and organization structure.

Problems or Challenges Encountered in Attempting to Comply

A key aspect of Transocean’s compliance efforts is to address transparently and proactively any potential or actual compliance challenges that may occur from time to time given the over 500 individual Consent Decree obligations. Accordingly, Transocean continued to hold monthly update calls with the US and Independent Consent Decree and Environmental Protection Agency (“EPA”) Administrative Agreement Compliance Auditors.

Notably during the quarter, on February 13, 2017, the Senior Vice President and General Counsel, the CCO, a member of the Obligations Team and a consultant, met with the Suspension and Debarment Official of the EPA to discuss Transocean’s request to terminate the EPA Administrative Agreement early. The meeting was very well received.

Also in Q1, the Independent Consent Decree Compliance Auditor (“Independent Auditor”) finalized his report regarding Transocean’s Consent Decree and Performance Plan compliance for 2016. The report was submitted by the Independent Auditor to Transocean and the US on March 10, 2017. The report confirmed that Transocean is in material compliance with the Consent Decree.

On March 22, 2017 Transocean submitted its 2016 EPA Agreement Annual Report, eleven days before the April 2 deadline. Subsequently, on March 23, 2017, Transocean submitted its 2016 Consent Decree Annual Report to the US agencies, ten days prior to the deadline. Additionally, Transocean organized the required annual in-person meeting in Washington, D.C. with the Independent Environmental Protection Agency Administrative Agreement Compliance Auditor to discuss the overall Macondo settlement obligation compliance efforts. The meeting went extremely well and we received very positive feedback.

There were no Consent Decree non-compliances identified or reported during the quarter.

Input/Recommendations to the Transocean Board; Request for Assistance

For Q1, the Committee is comfortable with the information provided and the efforts being undertaken regarding compliance with the Consent Decree. The Committee is also comfortable with the information it has been provided related to Transocean's response and improvements in safety and operational risk identification and management of risk, including Transocean's compliance with the process safety related aspects of the Consent Decree, such as blow out preventer testing and maintenance, training and well control.

Finally, based on the Q1 Compliance update provided by the CCO, the compliance team, and Operations Director Americas 2, the Committee is confident that each obligation under the Consent Decree has been and will be timely complied with and therefore does not seek assistance from Transocean Ltd. to help ensure compliance.

Officer Certification

I certify under penalty of law that this document and any attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Dated: April 21, 2017



Brady K. Long
Senior Vice President and General Counsel

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List of Each Consent Decree Obligation

COMPLIANCE OBLIGATIONS (<i>Consent Decree paragraph reference</i>)	Steps Taken in Q1	In Full Compliance/ On Track *
Operational Processes and Competencies.		
<i>SEMS based Management System (15.a.1)</i>	<i>Yes</i>	<i>Yes</i>
<i>Competence Assessment Management System (15.d.5)</i>	<i>Yes</i>	<i>Yes</i>
<i>Competence Assessment Program (15.d.6)</i>	<i>Yes</i>	<i>Yes</i>
<i>Hazard Identification Training (15.d.9)</i>	<i>Yes</i>	<i>Yes</i>
Operational Response and Audit.		
<i>Annual Report on safety and other key issues (15.g.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Stop Work Authority Procedures (15.a.2)</i>	<i>Yes</i>	<i>Yes</i>
<i>Global Management System (“GMS”) to be used for Operational Alerts (15.d.8)</i>	<i>Yes</i>	<i>Yes</i>
<i>Audit-Review-Closeout Process (15.a.1)</i>	<i>Yes</i>	<i>Yes</i>
Well Control and Blow Out Preventer.		
<i>Well Control Competency Assessment Plan (15.d.1)</i>	<i>Yes</i>	<i>Yes</i>
<i>40 hours Annual Training (15.d.3)</i>	<i>Yes</i>	<i>Yes</i>
<i>Blow Out Preventer (BOP) Certification (15.b.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Gap Analysis between BOP maintenance and OEM recommendations (15.c.2)</i>	<i>Yes</i>	<i>Yes</i>
Emergency Preparedness and Response.		
<i>Emergency Response Team Training (16.a-b.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Oil Spill Exercises including simulated and actual notices (17.b.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Operator Table-top Exercise Participation (17.c.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Weekly Emergency Response Drills (17.d.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Oil Spill Response Plans Addendum to Operators OSRP (18.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Emergency Response Plans provided to Operators (19.a.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Record of inhibits of Fire and Gas Alarm Systems (19.b.)</i>	<i>Yes</i>	<i>Yes</i>
Technology and Equipment.		
<i>State-of-art BOP and Pipe Shearing Technology evaluation (15.c.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Commercially Available Real-time Monitoring Technology evaluation (15.e.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Records of Equipment drilling and production tests (15.f.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Input well control and spill response equipment on National Response Resource Inventory (21.c.)</i>	<i>Yes</i>	<i>Yes</i>
<i>New Technology evaluation; Technology Innovation Group (“TIG”) (20.)</i>	<i>Yes</i>	<i>Yes</i>
Transparency, Oversight and Third Party Involvement.		
<i>Post Information on Public Website (21.b.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Document Retention (58.)</i>	<i>Yes</i>	<i>Yes</i>
<i>TODDI HSE Board Committee (21.a., 23.a.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Independent Consent Decree Compliance Auditor appointed (22.)</i>	<i>Yes</i>	<i>Yes</i>
<i>An Independent Process Safety Consultant shall be retained (23.b.)</i>	<i>Yes</i>	<i>Yes</i>
Training Center and Other		
<i>Training Center certification (15.d.4)</i>	<i>Yes</i>	<i>Yes</i>
<i>Training Center sessions available to US (15.d.4.2)</i>	<i>Yes</i>	<i>Yes</i>
<i>Performance Plan (14.e.)</i>	<i>Yes</i>	<i>Yes</i>
<i>Prompt Reporting of non-compliance (32.)</i>	<i>Yes</i>	<i>Yes</i>

*If “No,” a detailed explanation will be provided.