

CONSENT DECREE Q2 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 effort for each Consent Decree obligation continues to be monitored and documented. For reference and tracking purposes, the obligations are organized into seven categories. The attached chart lists each obligation and the status of Transocean’s compliance during the quarter. This information will also be discussed during the Q2 Transocean HSE Committee meeting.

Evaluation of Response/Improvements in Safety and Operational Risk Issues

On July 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.

Quarterly Compliance Activities

Throughout the quarter, Transocean continued monitoring and ensuring compliance with the numerous individual Consent Decree obligations to identify and address any potential compliance challenges. Accordingly, Transocean continued to hold monthly update calls with the US and Independent Consent Decree and Environmental Protection Agency (“EPA”) Administrative Agreement Compliance Auditors. Because the EPA granted Transocean’s request for early termination of the EPA Administrative Agreement on June 21, 2017, the EPA Auditors will no longer participate in the monthly calls.

During Q2, the compliance team worked closely with the Independent Process Safety Consultant (“the Consultant”) regarding his review of information in preparation for his supplemental report due under the Consent Decree. The compliance team has provided numerous documents, responded to several questions and has received an initial draft of the supplemental report for review and comment. The Consultant also attended Transocean’s Maintenance Management course.

Also in Q2, the compliance team continued to have frequent interaction with the Independent Consent Decree Compliance Auditor (“Independent Auditor”) by holding monthly update calls and responding to the Independent Auditor’s many information requests. Additionally, the Independent Auditor performed a compliance visit to the rig, *Discoverer Clear Leader* and observed key areas of two training classes at the Maersk facility.

There were no Consent Decree non-compliances identified or reported during the quarter. Transocean encountered no problems or challenges related to continued compliance with the obligations.

Input/Recommendations to the Transocean Board; Request for Assistance

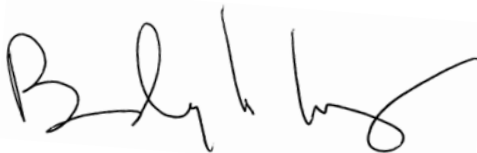
For Q2, the Committee is comfortable with the information provided and the efforts being undertaken regarding compliance with the Consent Decree. The Committee is also comfortable with the information it has been provided related to Transocean’s response and improvements in safety and operational risk 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 Q2 Compliance update provided by the CCO, the compliance team, and Operations Director Americas 2, the Committee is confident that Transocean remains compliant with each obligation under the Consent Decree and therefore does not seek assistance from Transocean Ltd. to help ensure continued 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: July 24, 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 Q2	In Full Compliance/ On Track *
Operational Processes and Competencies.		
<i>SEMS based Management System (15.a.1)</i>	Yes	Yes
<i>Competence Assessment Management System (15.d.5)</i>	Yes	Yes
<i>Competence Assessment Program (15.d.6)</i>	Yes	Yes
<i>Hazard Identification Training (15.d.9)</i>	Yes	Yes
Operational Response and Audit.		
<i>Annual Report on safety and other key issues (15.g.)</i>	Yes	Yes
<i>Stop Work Authority Procedures (15.a.2)</i>	Yes	Yes
<i>Global Management System (“GMS”) to be used for Operational Alerts (15.d.8)</i>	Yes	Yes
<i>Audit-Review-Closeout Process (15.a.1)</i>	Yes	Yes
Well Control and Blow Out Preventer.		
<i>Well Control Competency Assessment Plan (15.d.1)</i>	Yes	Yes
<i>40 hours Annual Training (15.d.3)</i>	Yes	Yes
<i>Blow Out Preventer (BOP) Certification (15.b.)</i>	Yes	Yes
<i>Gap Analysis between BOP maintenance and OEM recommendations (15.c.2)</i>	Yes	Yes
Emergency Preparedness and Response.		
<i>Emergency Response Team Training (16.a-b.)</i>	Yes	Yes
<i>Oil Spill Exercises including simulated and actual notices (17.b.)</i>	Yes	Yes
<i>Operator Table-top Exercise Participation (17.c.)</i>	Yes	Yes
<i>Weekly Emergency Response Drills (17.d.)</i>	Yes	Yes
<i>Oil Spill Response Plans Addendum to Operators OSRP (18.)</i>	Yes	Yes
<i>Emergency Response Plans provided to Operators (19.a.)</i>	Yes	Yes
<i>Record of inhibits of Fire and Gas Alarm Systems (19.b.)</i>	Yes	Yes
Technology and Equipment.		
<i>State-of-art BOP and Pipe Shearing Technology evaluation (15.c.)</i>	Yes	Yes
<i>Commercially Available Real-time Monitoring Technology evaluation (15.e.)</i>	Yes	Yes
<i>Records of Equipment drilling and production tests (15.f.)</i>	Yes	Yes
<i>Input well control and spill response equipment on National Response Resource Inventory (21.c.)</i>	Yes	Yes
<i>New Technology evaluation; Technology Innovation Group (“TIG”) (20.)</i>	Yes	Yes
Transparency, Oversight and Third Party Involvement.		
<i>Post Information on Public Website (21.b.)</i>	Yes	Yes
<i>Document Retention (58.)</i>	Yes	Yes
<i>TODDI HSE Board Committee (21.a., 23.a.)</i>	Yes	Yes
<i>Independent Consent Decree Compliance Auditor appointed (22.)</i>	Yes	Yes
<i>An Independent Process Safety Consultant shall be retained (23.b.)</i>	Yes	Yes
Training Center and Other		
<i>Training Center certification (15.d.4)</i>	Yes	Yes
<i>Training Center sessions available to US (15.d.4.2)</i>	Yes	Yes
<i>Performance Plan (14.e.)</i>	Yes	Yes
<i>Prompt Reporting of non-compliance (32.)</i>	Yes	Yes

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