



TRANSOCEAN LTD. PROVIDES FLEET STATUS REPORT

ZUG, SWITZERLAND—February 11, 2016—Transocean Ltd. (NYSE: RIG) (SIX: RIGN) today issued a comprehensive Fleet Status Report which provides the current status of and contract information for the company's entire fleet of offshore drilling rigs. The total value of new contracts added since the October 26, 2015, Fleet Status Report is approximately \$500 million.

In February, the newbuild ultra-deepwater drillship *Deepwater Thalassa* commenced operations on its 10-year contract in the U.S. Gulf of Mexico at a dayrate of \$519,000. The rig is designed to operate in water depths of up to 12,000 feet and drill wells to 40,000 feet. It features Transocean's patented dual-activity drilling technology, industry-leading hoisting capacity, Transocean's designed and patented Active Power Compensation hybrid system and a second blowout preventer (BOP). The drillship is upgradeable to accommodate a 20,000 psi BOP system.

The report includes the following:

- *GSF Rig 140* – awarded a one well contract offshore India at a dayrate of \$158,000 (\$18 million estimated backlog).
- *Jack Bates* – customer exercised a 90 day option offshore Australia at a dayrate of \$195,000 (\$18 million estimated backlog).
- *M.G. Hulme, Jr.* – awarded a one well contract in an undisclosed location at a dayrate of \$163,000 (\$16 million estimated backlog).
- *Sedco 702* – awarded a 45 day contract extension offshore Nigeria at a dayrate of \$275,000 (\$12 million estimated backlog).
- *Cajun Express* – awarded 80 days offshore Ivory Coast; the dayrate is not disclosed.
- *Transocean Arctic* – awarded three contracts with three separate customers in the Norwegian sector of the North Sea as follows:
 - one well contract at a dayrate of \$179,000;
 - four well contract at a dayrate of \$170,000; and
 - one well contract; the dayrate is not disclosed.
- Estimated 2016 out-of-service time increased by a net 126 days due primarily to the reactivation of the *Henry Goodrich*. The rig is expected to commence its two year contract in Canada at a dayrate of \$275,000 in the second quarter of 2016.
- The *Deepwater Navigator* and *GSF Grand Banks* are classified as held for sale.

The report can be accessed on the company's website: www.deepwater.com.

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, 61 mobile offshore drilling units consisting of 28 ultra-deepwater floaters, seven harsh-environment semisubmersibles, five deepwater

semisubmersibles, 11 midwater semisubmersibles, and 10 high-specification jackups. In addition, the company has six ultra-deepwater drillships and five high-specification jackups under construction.

For more information about Transocean, please visit: 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, timing of the company's newbuild deliveries, 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, 2014, 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.

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Fleet Status Report

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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)	Estimated Out of Service Days ⁽⁴⁾				Estimated Out of Service Days ⁽⁴⁾											
													Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
Harsh Environment (7)																												
Transocean Barents		semi	★	2009	10,000	30,000				Idle			-	-	-	-	-	-	-	-								
Transocean Spitsbergen	(6), (7)	semi	★	2010	10,000	30,000	NNS	OMV	Jan-16	Mar-16	464,000	N/A	42	-	-	-	-	-	-	-								
Henry Goodrich	(6)	semi		1985/2007	5,000	30,000	Canada	Husky	May-16	May-18	275,000	N/A	-	-	-	-	91	21	-	-								
Transocean Leader	(18)	semi		1987/1997	4,500	25,000	UKNS	Enquest	May-15	May-18	335,000	377,000	46	17	-	-	-	-	-	-								
Paul B. Loyd, Jr.	(7)	semi		1990	2,000	25,000	UKNS	BP	Dec-15	Mar-16	434,000	433,000	-	-	20	85	-	-	-	-								
	(7)								Mar-16	Sep-16	440,000	434,000	-	-	-	-	-	-										
	(7)								Sep-16	Mar-17	447,000	440,000	-	-	-	-	-	-										
	(7)								Mar-17	Jun-17	454,000	447,000	-	-	-	-	-	-										
Transocean Arctic	(6), (7)	semi		1986	1,650	25,000	NNS	Rig Management Norway	Jul-14	Mar-16	393,000	414,000	-	-	-	-	-	-	-	-								
	(7)							NNS	Faroe Petroleum	May-16	Jun-16	Not Disclosed	393,000	-	-	-	-											
	(8)							NNS	Engie	Aug-16	Sep-16	179,000	Not Disclosed	-	-	-	-											
(7), (20)	NNS	Det Norske	Nov-16	Jul-17	170,000	179,000	-	-	-	-	-	-																
Polar Pioneer		semi		1985	1,500	25,000				Stacked			-	-	-	-	-	-	-	-								
Total Estimated Days Out of Service Estimated Average Contract Dayrate ⁽⁵⁾													88	17	20	85	91	21	-	-	\$469,000	\$466,000	\$463,000	\$449,000	\$361,000	\$335,000	\$346,000	\$384,000
Deepwater (5)																												
Transocean Marianas		semi		1979/1998	7,000	30,000				Idle			-	-	-	-	-	-	-	-								
Sedco 706	(6), (7)	semi	★	1976/1994/ 2001	6,500	25,000	Brazil	Petrobras	May-14	Sep-16	275,000	361,000	-	56	3	-	-	-	-	-								
							Brazil	Petrobras	Sep-16	Oct-18	266,000	275,000	-	-	-	-	-	-	-	-								
Sedco 702	(6), (7)	semi	★	1973/2007	6,500	25,000	Nigeria	Shell	Sep-12	Feb-16	461,000	357,000	-	-	-	-	-	-	-	-								
	(7)						Nigeria	Shell	Feb-16	Mar-16	275,000	461,000	-	-	-	-	-	-	-	-								
Jack Bates		semi		1986/1997	5,400	30,000	Australia	Inpex	Feb-15	Feb-16	370,000	420,000	-	-	-	-	-	-	-	-								
							Australia	Inpex	Feb-16	May-16	195,000	370,000	-	-	-	-	-	-	-	-								
M.G. Hulme, Jr.		semi		1983/1996	5,000	25,000	TBA	TBA	Apr-16	Jul-16	163,000	N/A	-	-	-	-	-	21	-	-								
Total Estimated Days Out of Service Estimated Average Contract Dayrate ⁽⁵⁾													-	56	3	-	-	21	-	-	\$348,000	\$361,000	\$357,000	\$369,000	\$320,000	\$221,000	\$242,000	\$267,000
Midwater Floaters (11)																												
Transocean Driller	(7)	semi		1991	3,000	25,000	Brazil	Petrobras	Jul-10	Jun-16	213,000	116,000	-	-	-	-	-	-	-	-								
GSF Rig 140		semi		1983	2,800	25,000	India	Oil India Ltd.	Apr-16	Aug-16	158,000	N/A	-	-	-	-	-	-	-	-								
Sedco 711		semi		1982	1,800	25,000				Stacked			-	-	-	-	-	-	-	-								
Transocean John Shaw		semi		1982	1,800	25,000				Stacked			-	-	-	-	-	-	-	-								
Sedco 712		semi		1983	1,600	25,000	UKNS	Talisman	Oct-15	Apr-16	403,000	397,000	25	-	-	-	-	-	-	-								
							UKNS	Talisman	Apr-16	Oct-16	409,000	403,000	-	-	-	-	-	-	-	-								
Sedco 714		semi		1983/1997	1,600	25,000				Stacked			-	-	-	-	-	-	-	-								
Actinia		semi		1982	1,500	25,000				Idle			-	-	-	-	-	-	-	-								
Transocean Winner	(6), (7)	semi		1983	1,500	25,000	NNS	Marathon	Aug-15	Jul-16	492,000	419,000	-	-	-	-	-	-	-	-								
Transocean Searcher		semi		1983/1988	1,500	25,000				Stacked			-	-	-	-	-	-	-	-								
Transocean Prospect		semi		1983/1992	1,500	25,000				Stacked			-	-	-	-	-	-	-	-								
Sedco 704		semi		1974/1993	1,000	25,000	UKNS	Maersk	Jun-15	Feb-16	373,000	362,000	-	-	-	-	-	-	-	-								
							UKNS	Maersk	Feb-16	Mar-16	219,000	373,000	-	-	-	-	-	-	-	-								
							UKNS	Zennor Petroleum	Mar-16	May-16	160,000	219,000	-	-	-	-	-	-	-	-								
Total Estimated Days Out of Service Estimated Average Contract Dayrate ⁽⁵⁾													25	-	-	-	-	-	-	-	\$351,000	\$350,000	\$377,000	\$382,000	\$338,000	\$309,000	\$431,000	\$409,000



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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)	Estimated Out of Service Days (4)				Estimated Out of Service Days (4)							
													Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
High Specification Jackups (10)																								
GSF Constellation I	(8)			2003	400	30,000	UAE	Bunduq	Apr-16	Dec-16	104,000	150,000	-	-	-	-	-	-	-	-				
GSF Constellation II	(21)			2004	400	30,000	Gabon	VAALCO	Oct-14	Jul-16	170,000	165,000	-	-	-	-	-	-	-	-				
GSF Galaxy I	(7)			1991/2001	400	30,000	UKNS	Total	Nov-15	May-16	218,000	208,000	-	-	-	-	-	-	-	-				
	(7)						UKNS	Total	May-16	Nov-16	222,000	218,000	-	-	-	-	-	-	-	-				
	(7)						UKNS	Total	Nov-16	May-17	226,000	222,000	-	-	-	-	-	-	-	-				
GSF Galaxy II				1998	400	30,000				Stacked			-	-	-	-	-	-	-	-				
GSF Galaxy III				1999	400	30,000				Stacked			-	-	-	-	-	-	-	-				
Transocean Honor	(6), (13)			2012	400	30,000	Angola	Chevron	Apr-15	Apr-16	194,000	155,000	-	-	-	-	-	-	-	-				
GSF Monarch				1986	350	30,000				Stacked			-	-	-	-	-	-	-	-				
Transocean Andaman				2013	350	35,000	Thailand	Chevron	May-13	May-16	150,000	N/A	-	-	-	-	-	-	-	-				
							Thailand	Chevron	May-16	May-17	115,000	150,000	-	-	-	-	-	-	-	-				
Transocean Siam Driller				2013	350	35,000	Thailand	Chevron	Mar-13	Mar-18	140,000	N/A	-	-	-	-	-	-	-	-				
Transocean Ao Thai				2013	350	35,000	Thailand	Chevron	Oct-13	Oct-18	139,000	N/A	-	-	-	-	-	-	-	-				
Total Estimated Days Out of Service																								
Estimated Average Contract Dayrate (5)												\$167,000	\$166,000	\$166,000	\$167,000	\$169,000	\$150,000	\$144,000	\$145,000					
Total Estimated Days Out of Service												282	259	164	131	105	58	3	1					

Fixed-Price Options - See Footnote 10

Ultra-Deepwater												
Cajun Express		semi	★	2001	8,500	35,000	Ivory Coast	TBA	Mar-16	May-16	Not Disclosed	Not Disclosed
							Ivory Coast	TBA	May-16	Jun-16	Not Disclosed	Not Disclosed
							Ivory Coast	TBA	Jun-16	Aug-16	Not Disclosed	Not Disclosed
							Ivory Coast	TBA	Aug-16	Sep-16	Not Disclosed	Not Disclosed
Harsh Environment												
Paul B. Loyd, Jr.	(7)	semi		1990	2,000	25,000	UKNS	BP	Jun-17	Sep-17	451,000	454,000
	(7)						UKNS	BP	Sep-17	Mar-18	457,000	451,000
	(7)						UKNS	BP	Mar-18	Jun-18	464,000	457,000
Transocean Arctic	(7), (20)	semi		1986	1,650	25,000	NNS	Det Norske	Jul-17	Aug-17	200,000	170,000
	(7), (20)						NNS	Det Norske	Aug-17	Oct-17	200,000	200,000
	(7), (20)						NNS	Det Norske	Oct-17	Dec-17	200,000	200,000
	(7), (20)						NNS	Det Norske	Dec-17	Mar-18	200,000	200,000
Deepwater												
Jack Bates	(6)	semi		1985	1,500	25,000	Australia	Inpex	May-16	Aug-16	195,000	195,000
							Australia	Inpex	Aug-16	Nov-16	195,000	195,000

Revenue Efficiency

Revenue efficiency is defined as actual contract drilling revenues for the measurement period divided by the maximum revenue calculated for the measurement period, expressed as a percentage. Maximum revenue is defined as the greatest amount of contract drilling revenues the drilling unit could earn for the measurement period, excluding amounts related to incentive provisions. Revenue Efficiency does not apply during Out of Service Days (Shipyard, Mobilizations, Demobilizations, Contract Preparation).

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Ultra-Deepwater Floaters	91.5%	97.0%	97.2%	95.4%	91.6%	94.0%	96.4%	90.0%
Harsh Environment Floaters	98.6%	98.4%	96.8%	96.0%	94.7%	95.7%	96.3%	92.1%
Deepwater Floaters	98.9%	100.3%	95.9%	96.3%	93.3%	94.5%	100.5%	95.0%
Midwater Floaters	98.2%	95.3%	91.4%	93.0%	92.2%	97.0%	91.1%	92.3%
High-Specification Jackups	99.3%	98.6%	99.3%	99.0%	97.0%	97.3%	94.5%	97.2%
Total Fleet	95.0%	97.2%	95.9%	95.3%	92.6%	95.0%	95.7%	91.7%

Estimated Contract Drilling Revenue can be calculated as: Paid Days on Contract * Average Contract Dayrate * Revenue Efficiency



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Rig Type/Name Start Date

Stacked Rigs (21)	
Discoverer Spirit	Mar-15
GSF Jack Ryan	Mar-15
Deepwater Discovery	Mar-15
Deepwater Pathfinder	Mar-15
GSF C.R. Luigs	Jun-15
GSF Galaxy III	Jul-15
GSF Monarch	Jul-15
Discoverer Enterprise	Sep-15
Sedco Energy	Sep-15
Sedco Express	Sep-15
Transocean Searcher	Sep-15
Transocean Prospect	Sep-15
GSF Galaxy II	Sep-15
Deepwater Frontier	Nov-15
Sedco 714	Nov-15
Polar Pioneer	Dec-15
Sedco 711	Jan-16
GSF Development Driller II	Jan-16
Transocean John Shaw	Jan-16
Deepwater Champion	Feb-16
Discoverer Deep Seas	Feb-16
Idle Rigs (6)	
Transocean Marianas	May-15
Actinia	Aug-15
Transocean Barents	Sep-15
Discoverer Americas	Dec-15
Dhirubhai Deepwater KG2	Jan-16
GSF Constellation II	Feb-16

Stacked and Idle rigs detailed above are not currently operating on contract. Start date denotes when rig commences idle or stacked status.

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.



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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, 2016 will be reported as commencing in April 2016) 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, 2016 will be reported as commencing in May 2016). 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, Timing 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, or de-escalations, and could change in the future due to further cost escalations, or de-escalations.
- (7) Reflects the current contracted dayrate which, along with costs, includes a foreign currency component. Changes in the value of the U.S. Dollar relative to certain foreign currencies will result in an adjustment to the dayrate according to the terms of the contract. The dayrate adjustment generally offsets the foreign currency exchange-related change in costs.
- (8) Current contract provides for a bonus incentive opportunity not reflected in the current contract dayrate.
- (9) The two drillships on order from Sembcorp Marine's subsidiary, Jurong Shipyard, are expected to be delivered in the second quarter of 2019 and the first quarter of 2020, 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) The contract is expected to start in the quarter indicated. Factors that could influence the contract start date include shipyard delivery, customer acceptance, and mobilization to operating location, among others.
- (12) The first of five newbuild high-specification jackups contracted to Keppel FELS Limited's shipyard in Singapore is expected to be delivered from the shipyard in the first quarter of 2018 and the remaining four jackups delivered at approximately six-month intervals thereafter.
- (13) The rig is owned by a joint venture in which the company owns less than a 100 percent interest. Dayrate reflects 100 percent of the contract rate.
- (14) The customer may elect to have the operating dayrate for the last five years of the contract fluctuate based on crude oil price with a floor of \$458,250 corresponding to a crude oil price of less than or equal to \$50 per barrel, and a ceiling of \$558,250 corresponding to a crude oil price of \$100 per barrel or greater.
- (15) 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.
- (16) The rig is owned by Transocean Partners LLC in which the company owns less than a 100% interest. Please refer to Transocean Partners LLC (NYSE: RIGP) Fleet Status Report which can be found at www.transoceanpartners.com.
- (17) Mobilization, customer commissioning and acceptance testing commenced in March 2014. Revenue of approximately \$52 million earned from March 2014 to July 2014 will be recognized over the remaining three-year contract period ending in March 2017.
- (18) The dayrate for the last year of the contract will be set three months prior to the third anniversary of the contract commencement date, subject to a floor dayrate of \$305,000 and a ceiling dayrate of \$365,000, pursuant to the terms of the contract.
- (19) Based on the rig's performance, the dayrate can fluctuate between \$445,000 and \$495,000.
- (20) Dayrate will be increased when the rig is performing high-pressure high-temperature wells, or wells in the Barents Sea
- (21) Transocean has received a notice of early termination from VAALCO. The drilling contract provides for a lump-sum payment for terminating for convenience.

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 Classifications. Transocean uses classifications for its drillships, semisubmersibles, and jackup rigs. The classifications reflect the company's strategic focus on the ownership and operations of premium, high- specification units and are as follows: "Ultra-Deepwater" are the latest generation of drillships and semisubmersible rigs and are capable of drilling in water depths equal to or greater than 7,500 feet; "Deepwater" rigs are drillships and semisubmersible rigs capable of drilling in water depths equal to or greater than 4,500 feet and less than 7,500 feet; "Harsh Environment" are premium rigs equipped for year-round operations in harsh environments; "Midwater Floaters" are semisubmersible rigs capable of drilling in water depths up to 4,499 feet; and "High-Specification Jackups" are high-performance, independent cantilever jackup rigs that are capable of drilling in water depths of 350' or greater.

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.