

### Transocean Ltd.

**Investor Relations and Corporate Communications** 

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News Release

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# TRANSOCEAN LTD. PROVIDES FLEET UPDATE SUMMARY

ZUG, SWITZERLAND—June 22, 2015—Transocean Ltd. (NYSE: RIG) (SIX: RIGN) today issued a monthly Fleet Update Summary, which includes new contracts, changes to existing contracts, and changes in estimated planned out-of-service time of 15 or more days since the May 18, 2015 Fleet Update Summary. The total value of new contracts since the last report is approximately \$109 million.

The report includes the following:

- *Transocean Andaman* Awarded a one year contract extension offshore Thailand at a dayrate of \$115,000 (\$42 million estimated backlog).
- *Deepwater Champion* Awarded a three month contract extension in the U.S. Gulf of Mexico at a dayrate of \$395,000 (\$36 million estimated backlog).
- *GSF Galaxy II* Awarded a one well contract extension in the U.K. sector of the North Sea at a dayrate of \$190,000 (\$17 million estimated backlog).
- *Sedco Express* Awarded a 45 day contract offshore Nigeria at a dayrate of \$300,000 (\$14 million estimated backlog).
- The company has amended its construction contracts with Sembcorp Marine's subsidiary, Jurong Shipyard, to delay the delivery of its two newbuild, ultra-deepwater drillships by 24 months. The two drillships are now expected to be delivered in the second quarter of 2019 and the first quarter of 2020, respectively.
- The *GSF Monarch* and *Transocean Spitsbergen* are idle. The *Spitsbergen*'s well program concluded 45 days early due to efficient performance of the rig; the contract provides for a payment to the company in the event of an early termination.
- The GSF C.R. Luigs is stacked; the rig was previously idle.
- Estimated 2015 out-of-service time increased by a net 45 days.

The company has classified the *GSF Celtic Sea* and the *Transocean Amirante* as held for sale. The *Amirante* will be recycled in an environmentally responsible manner; the *Celtic Sea* will either be sold for use in a non-drilling capacity or recycled. To date, excluding the *Celtic Sea*, Transocean has indicated its intent to scrap a total of 20 floaters.

The report can be accessed on the company's website at 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 shippard 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.

## **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, 63 mobile offshore drilling units consisting of 27 ultra-deepwater floaters, six deepwater floaters, seven harsh-environment semisubmersibles, 13 midwater semisubmersibles, and 10 high-specification jackups. In addition, the company has seven ultra-deepwater drillships and five high-specification jackups under construction.

For more information about Transocean, please visit: www.deepwater.com.



# Transocean

**Fleet Status Update** 

June 22, 2015



Dynamically positioned ★

bynamically positioned ×				(1)							Dayrate on	-	Estimated Out of Service Days (4)				Estimated Out of Service Days (4)			
	Footnote	Floater	Dynamically	Yr. <sup>(1)</sup> Entered	Water Depth	Drilling Depth			Estimated Contract			Previous Contract <sup>(3)</sup>		201	15			20	16	
Rig Type/Name	References	Туре	Positioned	Service	(Feet)	(Feet)	Location	Customer	Start Date (2)	Date (2)	(Dollars)	(Dollars)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rigs Under Construction																				
JSPL Ultra-Deepwater Drillship TBN 1	(9)	ship	*	TBA	12,000	40,000	TBA													
JSPL Ultra-Deepwater Drillship TBN 2	(9)	ship	*	TBA	12,000	40,000	TBA													
Ultra-Deepwater																				
Deepwater Champion		ship	*	2011	12,000	40,000	USGOM	ExxonMobil	May-15	Nov-15	670,000	708,000	-		8	-	-	-	-	-
				0000	40.000	05.000	USGOM	ExxonMobil	Nov-15	Jan-16	395,000	670,000								
GSF C.R. Luigs GSF Development Driller I	(7), (8)	ship semi	*	2000 2005	10,000 7,500	35,000 37,500	Angola	ExxonMobil	Jun-15	Stacked Jun-16	382,000	N/A	29 90	63	-	-	-	-	-	-
GGF Development Dimer I	(7), (8)	Sellii	Ŷ	2003	7,300	37,300	Angola	ExxonMobil	Jun-16	Jun-17	386,000	382,000	90	0.5	-	-	_	-	•	
Sedco Express	( ), ( )	semi	*	2001	7,500	35,000	Nigeria	ENI	Jun-15	Jul-15	300,000	300,000	-	-	-	-	-	-	-	-
Deepwater																				
Sedco 706	(6), (7), (8)	semi	*	1976/1994/ 2008	6,500	25,000	Brazil	Petrobras	May-14	Sep-16	283,000	361,000	-	56	6	-	-	-	-	-
Harsh Environment																				
Transocean Spitsbergen		semi	*	2010	10,000	30,000				Idle			42	-	-	-	-	-	-	-
Transocean Leader		semi		1987/1997	4,500	25,000	UKNS	Enquest	May-15	May-18	335,000	377,000	46	17	-	-	-	-	-	-
	(11)						UKNS	Enquest	May-18	May-19	305,000	335,000								
High Specification Jackups																				
GSF Galaxy II	(7)			1998	400	30,000	UKNS	GDF Suez	Mar-15	Aug-15	190,000	214,000	-	-	-	-	-	-	-	-
GSF Monarch				1986	350	30,000	The Second	01	M= 40	Idle	450.000	N1/A	-	-	-	-	-	-	-	-
Transocean Andaman				2013	350	35,000	Thailand <b>Thailand</b>	Chevron Chevron	May-13 <b>May-16</b>	May-16 <b>May-17</b>	150,000 <b>115,000</b>	N/A 150,000	-	-	8	-	-	-	-	-
							manana	Chevion	may 10	muy 11	110,000	100,000								
Fixed-Price Options - See Footnote 1	0																			
Ultra-Deepwater																				
Deepwater Champion		ship	*	2011	12,000	40,000	USGOM	ExxonMobil	Jan-16	Feb-16	395,000	395,000								
							USGOM	ExxonMobil	Feb-16	Mar-16	395,000	395,000								
							USGOM	ExxonMobil	Mar-16	Apr-16	395,000	395,000								
1							USGOM	ExxonMobil	Apr-16	May-16	395,000	395,000								
							USGOM	ExxonMobil	May-16	Jun-16	395,000	395,000								

ExxonMobil ExxonMobil

ExxonMobil

2013 350 35,000 Thailand Chevron May-17 May-18 110,000 115,000

USGOM

USGOM

Jun-16 Jul-16

Aug-16

Jul-16 Aug-16 Sep-16

395,000 395,000

395,000

395,000 395,000 395,000



#### 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, 2015 will be reported as commencing in April 2015) 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, 2015 will be reported as commencing in May 2015). 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 and could change in the future due to further cost 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 stated 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 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.



#### **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.

DISCLAIMER. NEITHER TRANSOCEAN LTD. NOR ITS AFFILIATES MAKE ANY EXPRESS OR IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE) REGARDING THE INFORMATION CONTAINED IN THIS REPORT, WHICH INFORMATION IS PROVIDED "AS IS." Neither Transocean Ltd. nor its affiliates will be liable to any recipient or anyone else for any inaccuracy, error or omission, regardless of cause, in the information set forth in this report or for any damages (whether direct or indirect, consequential, punitive or exemplary) resulting therefrom.

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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's which are available free of charge on the SEC's website at www.sec.gov.

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.