

**Transocean Ltd. and Subsidiaries**  
**Supplemental Effective Tax Rate Analysis**

(In US\$ millions)

	Three months ended			Six months ended	
	June 30, 2011	March 31, 2011	June 30, 2010 (As adjusted)	June 30, 2011	June 30, 2010 (As adjusted)
Income from continuing operations before income taxes	\$ 244	\$ 245	\$ 810	\$ 489	\$ 1,640
Add back (subtract):					
Litigation matters	-	8	12	8	12
Gain on loss of Deepwater Horizon	-	-	(267)	-	(267)
(Gain) loss on disposal of other assets, net	-	(9)	-	(9)	14
Loss on impairment of assets	25	-	-	25	-
Gain on retirement of debt	-	-	-	-	(2)
Other, net	-	5	-	5	5
<b>Adjusted income from continuing operations before income taxes</b>	<b>269</b>	<b>249</b>	<b>555</b>	<b>518</b>	<b>1,402</b>
Income tax expense from continuing operations	82	81	98	163	245
Add back (subtract):					
Changes in estimates (1)	(13)	(35)	1	(48)	(16)
Other, net	-	2	-	2	(1)
<b>Adjusted income tax expense from continuing operations (2)</b>	<b>\$ 69</b>	<b>\$ 48</b>	<b>\$ 99</b>	<b>\$ 117</b>	<b>\$ 228</b>
<b>Effective Tax Rate (3)</b>	<b>33.5%</b>	<b>33.1%</b>	<b>12.1%</b>	<b>33.3%</b>	<b>15.0%</b>
<b>Annual Effective Tax Rate (4)</b>	<b>25.6%</b>	<b>19.3%</b>	<b>18.0%</b>	<b>22.6%</b>	<b>16.3%</b>

- (1) Our estimates change as we file tax returns, settle disputes with tax authorities or become aware of other events and include changes in (a) deferred taxes, (b) valuation allowances on deferred taxes and (c) other tax liabilities.
- (2) The three months ended June 30, 2011 includes \$8 million of additional tax expense reflecting the catch-up effect of an increase in the annual effective tax rate from the previous quarter estimate.
- (3) Effective Tax Rate is income tax expense divided by income before income taxes.
- (4) Annual Effective Tax Rate is defined as income tax expense from continuing operations excluding various discrete items (such as changes in estimates and tax on items excluded from income before income tax expense) divided by income from continuing operations before income tax expense excluding gains on sales and similar items pursuant to the accounting standards for income taxes.