

Transocean Ltd. and Subsidiaries
Non-GAAP Financial Measures and Reconciliations
Adjusted Net Income and Diluted Earnings Per Share
(in US\$ millions, except per share data)

	YTD 09/30/11	QTD 09/30/11	YTD 06/30/11	QTD 06/30/11	QTD 03/31/11
Adjusted Net Income					
Net income, as reported	\$ 394	\$ (71)	\$ 465	\$ 155	\$ 310
Add back (subtract):					
Litigation matters	8	-	8	-	8
Acquisition costs	5	5	-	-	-
Loss on impairment of assets	28	3	25	25	-
Gain on disposal of assets, net	(22)	(13)	(9)	-	(9)
Loss on forward exchange contract	78	78	-	-	-
(Income) loss from discontinued operations	(2)	3	(5)	(2)	(3)
Gain on sale of discontinued operations - Caspian Sea	(169)	4	(173)	-	(173)
Discrete tax items and other, net	52	1	51	13	38
Net income, as adjusted	<u>\$ 372</u>	<u>\$ 10</u>	<u>\$ 362</u>	<u>\$ 191</u>	<u>\$ 171</u>

Diluted Earnings Per Share:					
Diluted earnings per share, as reported	\$ 1.22	\$ (0.22)	\$ 1.44	\$ 0.48	\$ 0.96
Add back (subtract):					
Litigation matters	0.02	-	0.03	-	0.03
Acquisition costs	0.02	0.02	-	-	-
Loss on impairment of assets	0.09	0.01	0.08	0.08	-
Gain(Loss) on disposal of assets, net	(0.07)	(0.04)	(0.03)	-	(0.03)
Loss on forward exchange contract	0.25	0.24	-	-	-
(Income) loss from discontinued operations	-	0.01	(0.02)	(0.01)	(0.01)
Gain on sale of discontinued operations - Caspian Sea	(0.54)	0.01	(0.54)	-	(0.54)
Discrete tax items and other, net	0.16	-	0.16	0.04	0.12
Diluted earnings per share, as adjusted	<u>\$ 1.15</u>	<u>\$ 0.03</u>	<u>\$ 1.12</u>	<u>\$ 0.59</u>	<u>\$ 0.53</u>

	YTD 12/31/10 (As adjusted)	QTD 12/31/10 (As adjusted)	YTD 09/30/10 (As adjusted)	QTD 09/30/10 (As adjusted)	YTD 06/30/10 (As adjusted)	QTD 06/30/10 (As adjusted)	QTD 03/31/10 (As adjusted)
Adjusted Net Income							
Net income, as reported	\$ 961	\$ (799)	\$ 1,760	\$ 368	\$ 1,392	\$ 715	\$ 677
Add back (subtract):							
Litigation matters	27	1	26	14	12	12	-
Loss on impairment of assets	1,010	1,010	-	-	-	-	-
Loss on disposal of other assets, net	13	-	13	-	13	(1)	14
Gain on loss of <i>Deepwater Horizon</i>	(267)	-	(267)	-	(267)	(267)	-
(Gain) loss on retirement of debt	33	13	20	22	(2)	-	(2)
Income from discontinued operations	(34)	(9)	(25)	(15)	(10)	(8)	(2)
Discrete tax items and other, net	37	-	37	14	23	(1)	24
Net income, as adjusted	<u>\$ 1,780</u>	<u>\$ 216</u>	<u>\$ 1,564</u>	<u>\$ 403</u>	<u>\$ 1,161</u>	<u>\$ 450</u>	<u>\$ 711</u>

Diluted Earnings Per Share:							
Diluted earnings per share, as reported	\$ 2.99	\$ (2.51)	\$ 5.47	\$ 1.15	\$ 4.31	\$ 2.22	\$ 2.09
Add back (subtract):							
Litigation matters	0.08	-	0.08	0.05	0.03	0.04	-
Loss on impairment of assets	3.15	3.16	-	-	-	-	-
Loss on disposal of other assets, net	0.04	-	0.04	-	0.04	-	0.04
Gain on loss of <i>Deepwater Horizon</i>	(0.83)	-	(0.83)	-	(0.83)	(0.83)	-
(Gain) loss on retirement of debt	0.10	0.04	0.06	0.07	-	-	-
Income from discontinued operations	(0.11)	(0.03)	(0.08)	(0.05)	(0.03)	(0.03)	(0.01)
Discrete tax items and other, net	0.11	0.01	0.12	0.04	0.07	-	0.07
Diluted earnings per share, as adjusted	<u>\$ 5.53</u>	<u>\$ 0.67</u>	<u>\$ 4.86</u>	<u>\$ 1.26</u>	<u>\$ 3.59</u>	<u>\$ 1.40</u>	<u>\$ 2.19</u>

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	YTD	QTD	YTD	QTD	YTD	QTD	QTD
	12/31/09	12/31/09	09/30/09	09/30/09	06/30/09	06/30/09	03/31/09
	(As adjusted)	(As adjusted)	(As adjusted)	(As adjusted)	(As adjusted)	(As adjusted)	(As adjusted)
Adjusted Net Income							
Net income, as reported	\$ 3,181	\$ 723	\$ 2,458	\$ 710	\$ 1,748	\$ 806	\$ 942
Add back (subtract):							
Litigation matters	108	(24)	132	132	-	-	-
Impairment of assets	316	(18)	334	46	288	67	221
(Gain) loss on disposal of other assets, net	(32)	(34)	2	(1)	3	3	-
Loss on retirement of debt	29	12	17	7	10	8	2
(Gain) loss from discontinued operations	26	15	11	(6)	17	(1)	18
Discrete tax items and other, net	2	7	(5)	(38)	33	18	15
Net income, as adjusted	<u>\$ 3,630</u>	<u>\$ 681</u>	<u>\$ 2,949</u>	<u>\$ 850</u>	<u>\$ 2,099</u>	<u>\$ 901</u>	<u>\$ 1,198</u>
Diluted Earnings Per Share:							
Diluted earnings per share, as reported	\$ 9.84	\$ 2.24	\$ 7.61	\$ 2.19	\$ 5.42	\$ 2.49	\$ 2.93
Add back (subtract):							
Litigation matters	0.34	(0.07)	0.41	0.41	-	-	-
Impairment of assets	0.98	(0.06)	1.04	0.14	0.90	0.21	0.69
(Gain) loss on disposal of other assets, net	(0.10)	(0.11)	0.01	-	0.01	0.01	-
Loss on retirement of debt	0.09	0.04	0.05	0.02	0.03	0.03	-
(Gain) loss from discontinued operations	0.08	0.05	0.03	(0.02)	0.05	-	0.05
Discrete tax items and other, net	0.01	0.02	(0.01)	(0.11)	0.10	0.05	0.05
Diluted earnings per share, as adjusted	<u>\$ 11.24</u>	<u>\$ 2.11</u>	<u>\$ 9.14</u>	<u>\$ 2.63</u>	<u>\$ 6.51</u>	<u>\$ 2.79</u>	<u>\$ 3.72</u>