

Transocean Ltd.  
Form S-4/A  
November 29, 2017  
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As filed with the Securities and Exchange Commission on November 29, 2017

Registration No. 333-220791

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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AMENDMENT NO.2

TO

FORM S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

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TRANSOCEAN LTD.

TRANSOCEAN INC.

(Exact name of registrant as specified in its charter)

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Transocean Ltd.  
Zug, Switzerland  
(State or Other Jurisdiction of Incorporation or  
Organization)  
1381  
(Primary Standard Industrial Classification Code Number)  
98-0599916  
(I.R.S. Employer Identification No.)  
Turmstrasse 30  
6300 Zug, Switzerland  
+41 (22) 930-9000  
(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive  
offices)

Transocean Inc.  
Cayman Islands  
(State or Other Jurisdiction of Incorporation or  
Organization)  
6719  
(Primary Standard Industrial Classification Code Number)  
66-0582307  
(I.R.S. Employer Identification No.)  
70 Harbour Drive  
Grand Cayman, Cayman Islands KY1-1003  
+1 (345) 745-4500  
(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive  
offices)

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Brady K. Long

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Senior Vice President and General Counsel

Transocean Ltd.

c/o Transocean Offshore Deepwater Drilling Inc.

4 Greenway Plaza

Houston, Texas 77046

+1 (713) 232-7500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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With copies to:

Keith M. Townsend	Martin J. Hunt
King & Spalding LLP	King & Spalding LLP
1180 Peachtree Street	1100 Louisiana Street, Suite 4000
Atlanta, Georgia 30309	Houston, Texas 77002
+1 (404) 572-4600	+1 (713) 751-3200

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Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
(Do not check if a smaller reporting company)	Emerging growth company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)



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## CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to be Registered		Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price		Amount of Registration Fee(1)	
Shares, par value CHF 0.10	68,629,366	(2)	N/A	1,278,658,335.91	(3)	159,192.96	(4)
0.5% Exchangeable Senior Bonds due 2022	575,803,000	(2)	N/A	1,278,658,335.91	(3)	N/A	(5)
Shares, par value CHF 0.10	—	(6)	—	—		—	(6)
Guarantee of the 0.5% Exchangeable Senior Bonds due 2022	—		—	—		—	(7)

- (1) Determined in accordance with Section 6(b) of the Securities Act at a rate equal to USD 124.50 per USD 1 million of the proposed maximum aggregate offering price.
- (2) Represents the maximum number of shares, par value CHF 0.10 per share (“Transocean Shares”), of Transocean Ltd. (“Transocean”) and 0.5% Exchangeable Senior Bonds due 2022 (the “Exchangeable Bonds”) of Transocean Inc., respectively, estimated to be issuable upon completion of the offer. Based on (a) an aggregate 192,109,971 shares, with a nominal value of 0.10 EUR per share (“Songa Shares”), of Songa Offshore SE (“Songa Offshore”), subject to the offer as of September 29, 2017 consisting of (i) 137,641,567 Songa Shares outstanding, (ii) 53,403 Songa Shares issuable upon exercise of outstanding warrants to purchase Songa Shares, (iii) 53,826,371 Songa Shares issuable upon conversion of the outstanding SONG07 convertible bonds issued by Songa Offshore (ISIN No NO0010760036), and (iv) 588,630 Songa Shares issuable upon the settlement of restricted stock units issued under the Songa Offshore Long-Term Incentive Plan, and (b) the exchange ratio of 0.35724 Transocean Shares and USD 2.99726 Exchangeable Bonds for each Songa Share.
- (3) Pursuant to Rule 457(c) and Rule 457(f) under the Securities Act of 1933, as amended (the “Securities Act”), and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is calculated as the sum of (a) with respect to 68,617,846 Transocean Shares and USD 575,706,000 of Exchangeable Bonds registered pursuant to the initial filing of the Registration Statement on October 4, 2017, the product of (i) 192,077,725 Songa Shares subject to the Offer and (ii) the average of the high and low sale prices of Songa Shares as reported on the Oslo Stock Exchange on September 27, 2017 of NOK 53.00 (based on the noon buying rate of NOK 7.9629 for USD 1 as of September 29, 2017) and (b) with respect to an additional 11,520 Transocean Shares and USD 96,000 of Exchangeable Bonds being registered pursuant to this amendment to the Registration Statement, the product of (i) 32,350 Songa Shares subject to the Offer, being the incremental Songa Shares associated with the incremental Transocean Shares and Exchangeable Bonds being registered, and (ii) the average of the high and low sale prices of Songa Shares as reported on the Oslo Stock Exchange on November 3, 2017 of NOK 58.875 (based on the noon buying rate of NOK 8.1811 for USD 1 as of October 27, 2017).
- (4) The registration fee of \$159,163.98 owed with respect to the registration of 68,617,846 Transocean Shares and USD 575,706,000 of Exchangeable Bonds was previously paid upon the initial filing of the Registration Statement on October 4, 2017. A supplemental registration fee of \$28.98 was paid in connection with the filing of Amendment No. 1 to the Registration Statement on November 6, 2017 with respect to the registration of 11,520 Transocean Shares and USD 96,000 of Exchangeable Bonds.
- (5) Covered by the filing fee paid in respect of the Transocean Shares being issued in the Offer as consideration being offered to holders of Songa Shares consists of both Transocean Shares and Exchangeable Bonds for each Songa

- Share, with offers and sales of Transocean Shares and Exchangeable Bonds being made to the same individuals.
- (6) Includes an indeterminate number of shares issuable upon exchange of the Exchangeable Bonds at the initial exchange rate of approximately 97.29756 Transocean Shares per USD 1,000 principal amount of Exchangeable Bonds. Pursuant to Rule 416 under the Securities Act, such number of Transocean Shares registered hereby shall include an indeterminate number of Transocean Shares that may be issued in connection with a stock split, stock dividend, recapitalization or similar event. Pursuant to Rule 457(i), there is no additional filing fee with respect to the Transocean Shares issuable upon exchange of the Exchangeable Bonds because no additional consideration will be received in connection with the exercise of the exchange right.
  - (7) Pursuant to Rule 457(n), there is no additional filing fee with respect to the Guarantee by Transocean of the Exchangeable Bonds.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

This registration statement relates to the registration with the Securities and Exchange Commission (“SEC”) of shares in Transocean Ltd. (“Transocean”) and exchangeable bonds issued by Transocean Inc. and fully and unconditionally guaranteed by Transocean, all of which will be issued to shareholders of Songa Offshore SE (“Songa Offshore”) who validly tender and do not properly withdraw their shares of Songa Offshore in Transocean’s voluntary tender offer that is being made in accordance with Section 6-19 of the Norwegian Securities Trading Act of June 29, 2007. This registration statement contains two documents:

- a prospectus; and
- a combined offer document and prospectus that has been prepared in accordance with the Norwegian Securities Trading Act and was submitted to the Financial Supervisory Authority of Norway (Finanstilsynet) (the “Norwegian FSA”), and the Oslo Stock Exchange in connection with the offer.

The prospectus has been prepared in accordance with the Securities Act of 1933, as amended, and incorporates by reference certain information from Transocean’s filings made under the Securities Exchange Act of 1934, as amended. The offer document has been prepared in accordance with the Norwegian Securities Trading Act of June 29, 2007 no. 75 and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of November 4, 2003 regarding information contained in prospectuses, as amended and as implemented in Norway.

The prospectus included in this registration statement and the offer document are substantially the same in all respects, except that:

- the offer document has a different cover page and introductory information for investors prior to its table of contents, a copy of which is included herein beginning on page ALT-1;
  - the offer document includes the section titled “Summary,” a copy of which is included herein beginning on page ALT-6, and the sections of the prospectus included in this registration statement titled “Questions and Answers” and “Summary” are included as an annex to the offer document as described below;
  - the offer document includes additional sections titled “Responsibility for the Prospectus,” “General Information,” “Selling and Transfer Restrictions,” “Industry and Market Overview,” “Business of the Group,” “Operating and Financial Review,” “Board of Directors, Management and Employees” and “Additional Information,” copies of which are included herein beginning on page ALT-34;
  - the financial statements in the section titled “Index to Financial Statements of Songa Offshore” in the prospectus do not appear in the offer document but are incorporated therein by reference in accordance with the requirements of the Norwegian Securities Trading Act;
  - the following sections of the prospectus included in this registration statement are not required to appear in the offer document pursuant to the Norwegian Securities Trading Act and are instead included in an annex to the offer document:
    - o “Questions and Answers,”
    - o “Summary,”
    - o “Summary Selected Financial Data of Transocean,”
    - o “Summary Selected Financial Data of Songa Offshore,”
    - o “Unaudited Comparative Per Share Data,”
    - o “Comparative Market Price and Dividend Information,”
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- o “The Combination,”
- o “Ratio of Earnings to Fixed Charges,”
- o “Dilution,”
- o “Selected Financial Data of Transocean,”
- o “Selected Financial Data of Songa Offshore,”
- o “Description of Transocean Exchangeable Bonds,”
- o “Experts,”
- o “Where You Can Find More Information,” and
  - o “Incorporation of Certain Documents by Reference;”
- references in the prospectus in this registration statement that any information will be incorporated by reference and where such information can be obtained were replaced by references to such information included in the offer document;
- the sections and captions in the offer document are numbered in the manner customary under Norwegian disclosure practices;
- the format of dates presented in the offer document has been presented in the manner customary in the European Union; and
- the cross-references, the order of sections and therefore the table of contents, as well as the page numbers, of each document are different as a result of the differences outlined above.

For additional information, see pages ALT 1 to ALT 122 titled “Alternate Information for the Offer Document.”

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The information in this prospectus is not complete and may be changed. We may not complete the offer and issue securities described herein until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer is not permitted.

Preliminary Prospectus

Subject to completion, dated \_\_\_\_\_, 2017

Offer to exchange each outstanding share of

Songa Offshore SE

for

0.35724 newly issued shares in Transocean Ltd. and USD 2.99726 principal amount of 0.5% Exchangeable Senior Bonds due 2022, to be issued by Transocean Inc., with an option to instead receive cash consideration of NOK 47.50 per share of Songa Offshore SE up to a maximum of NOK 125,000 per shareholder

by

Transocean Ltd.

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This prospectus (the “Prospectus”) has been prepared by Transocean Ltd., a corporation incorporated under the laws of Switzerland (“Transocean” or the “Company,” “we” or “us,” and together with its consolidated subsidiaries, the “Group”), in connection with its voluntary tender offer (the “Offer”) to acquire each issued and outstanding share (on a fully diluted basis) of Songa Offshore SE (the “Target” or “Songa Offshore,” and together with its consolidated subsidiaries, the “Songa Group”) in exchange for consideration per Songa Share (the “Consideration”) consisting of 0.35724 newly issued shares of Transocean (the “Consideration Shares”), each with a par value of 0.10 Swiss franc (“CHF”), and USD 2.99726 principal amount of 0.5% Exchangeable Senior Bonds due 2022, which are exchangeable into shares of the Company (the “Exchangeable Bonds”), to be issued by Transocean Inc. (“TINC”), an exempted company incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of Transocean, subject to the terms and conditions as described in this Prospectus. As part of the Offer, each Songa Offshore shareholder may instead elect to receive an amount in cash of NOK 47.50 per share of Songa Offshore up to a maximum of NOK 125,000 per shareholder (the “Cash Election”) in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer. The aggregate amount of Consideration paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as near as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election, if elected, being deducted first from the aggregate number of Exchangeable Bonds otherwise issuable to such shareholder and then from the aggregate number of Consideration Shares such shareholder would otherwise be entitled to receive in the Offer.

On August 13, 2017, Transocean entered into a Transaction Agreement (as amended, the “Transaction Agreement”), with Songa Offshore pursuant to which Transocean will offer to acquire all of the issued and outstanding shares of Songa Offshore, on a fully diluted basis, (the “Combination”) through the Offer. The Offer is the first step in Transocean’s plan to acquire all the outstanding shares of Songa Offshore (the “Songa Shares”). If the Offer is completed and Transocean acquires shares of Songa Offshore representing 90% or more of the voting rights in Songa Offshore, as soon as practicable following the completion of the Offer, Transocean intends to initiate a compulsory acquisition (squeeze-out) of the remaining Songa Shares not directly owned by Transocean pursuant to article 36 of the Cyprus Takeover Bids Law (L.41(I)/2007) as amended (the “Cyprus Takeover Bids Law”). See “Terms of the Offer.”

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The Offer is a voluntary tender offer as set out in Section 6-19 of the Norwegian Securities Trading Act of 29 June 2007 (“Norwegian Securities Trading Act”) and applicable regulations. You may tender your Songa Shares in the Offer as set forth in this Prospectus and the exchange offer document/Norwegian prospectus (the “Offer Document”), as approved by the Oslo Stock Exchange and the Financial Supervisory Authority of Norway.

Songa Offshore shareholders may tender Songa Shares that are issued and delivered after the expiration of the Offer Period (as defined herein) as a result of exercise of Songa Offshore warrants or restricted share units, or conversion of Songa Offshore’s convertible bonds, provided that such Songa Shares are issued prior to settlement of the Offer.

The Offer is subject to the satisfaction of, or, where permissible, waiver of certain conditions, including conditions regarding minimum acceptance of the Offer, regulatory approvals and the absence of material adverse changes. The conditions to the Offer are described in “Terms of the Offer—Conditions for Completion of the Offer.”

Subject to their fiduciary duties under applicable law, the board of directors of Songa Offshore (the “Songa Board”) has recommended that Songa Offshore shareholders accept the Offer and tender their shares to Transocean. The shareholders of Songa Offshore are, however, advised to consider carefully the potential tax consequences of accepting the Offer. See “Material Tax Considerations.”

Transocean’s shares (the “Shares”) are listed on the New York Stock Exchange (the “NYSE”) under the symbol “RIG.” Songa Offshore’s shares are listed on the Oslo Stock Exchange under the symbol “SONG.” Transocean will apply to list on the NYSE the Consideration Shares and Exchangeable Bonds (and the Shares issuable upon exchange of the Exchangeable Bonds) issued to Songa Offshore shareholders in connection with the Offer. The approval of the issuance of the Consideration Shares (and the Shares issuable upon exchange of the Exchangeable Bonds) for listing on the NYSE is a condition of the Offer.

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See “Risk Factors” beginning on page [ ] for a discussion of various factors that you should consider before making your investment decision.

Neither the Securities and Exchange Commission (“SEC”), nor any state or provincial securities commission or regulatory authority has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offense.

The date of this Prospectus is [ ], 2017.

This Prospectus incorporates important business and financial information about Transocean from documents filed with the SEC that have not been included in, or delivered with, this Prospectus. This information is available on the SEC’s website at [www.sec.gov](http://www.sec.gov) and from other sources. See the sections of this Prospectus titled “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference.”

You may also request copies of these documents from us, without charge, upon written or oral request to Transocean Ltd., c/o Transocean Offshore Deepwater Drilling Inc., 4 Greenway Plaza, Houston, Texas 77046, Attn: Investor Relations, or at +1 (713) 232-7500.

In order to obtain timely delivery of the documents, you must make requests no later than five business days before the scheduled expiration date of the Offer, as it may be extended from time to time.

We are responsible for the information contained in this Prospectus. We have not authorized anyone to give you any other information, and take no responsibility for any other information that others may give you. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front cover of this Prospectus.

This Prospectus does not constitute an offer of securities to the public in Norway and is not a prospectus or an offer document within the meaning of the Norwegian Securities Trading Act.

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QUESTIONS AND ANSWERS

The following are some of the questions you, as a shareholder of Songa Offshore SE, may have and answers to those questions. These questions and answers are not meant to be a substitute for the information contained in the remainder of this Prospectus because the information in this section does not provide all the important information regarding the Offer. We urge you to read this document in its entirety prior to making any decision as to the matters described in this Prospectus. In this Prospectus, unless otherwise specified, the terms “we,” “our,” “us,” “Company,” and “Transocean” refer to Transocean Ltd., or Transocean Ltd. together with its subsidiaries, as the context requires.

Q: WHAT IS TRANSOCEAN PROPOSING?

A: Transocean has entered into an agreement with Songa Offshore pursuant to which Transocean intends to acquire all of the issued and outstanding Songa Shares (on a fully diluted basis) through a voluntary tender offer, which we refer to as the Offer, as described in further detail below. In the Offer, Transocean is offering to exchange, for each Songa Share, a combination of (i) 0.35724 Consideration Shares issued by Transocean and (ii) USD 2.99726 principal amount of Exchangeable Bonds of TINC, a wholly-owned subsidiary of Transocean, which are exchangeable into Shares. As part of the Offer, each shareholder of Songa Offshore may instead elect to receive cash of NOK 47.50 per Songa Share up to a maximum of NOK 125,000 per shareholder. The aggregate consideration to be paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as nearly as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election being deducted first from the aggregate principal amount of Exchangeable Bonds otherwise issuable to such shareholder and second from the aggregate number of Consideration Shares otherwise issuable to such shareholder. After completing the Offer and acquiring 90% or more of the voting rights of Songa Offshore, Transocean intends to initiate a compulsory “squeeze-out” acquisition of the remaining Songa Shares not owned by Transocean pursuant to the Cyprus Takeover Bids Law. A copy of the Transaction Agreement is attached hereto as Annex A and is incorporated by reference herein.

Songa Offshore shareholders may tender Songa Shares in the Offer as set forth in this Prospectus.

Q: WHO IS MAKING THE OFFER?

A: This Offer is being made by Transocean Ltd.

Q: WHY IS TRANSOCEAN MAKING THE OFFER?

A: Transocean believes that the Combination will benefit Transocean shareholders. See “Background and Reasons for the Combination” for further detail.

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Q: WHAT WILL SONGA OFFSHORE SHAREHOLDERS RECEIVE IN EXCHANGE FOR SONGA SHARES?

A: Transocean will offer, upon the terms and subject to the conditions described in this Prospectus, to exchange each Songa Share that is validly tendered and not properly withdrawn, for:

- (1) 0.35724 Consideration Shares; and
- (2) USD 2.99726 principal amount of Exchangeable Bonds.

As part of the Offer, each Songa Offshore shareholder may instead elect to receive up to NOK 125,000 in cash pursuant to the Cash Election in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer.

The aggregate consideration to be paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as nearly as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election being deducted first from the aggregate principal amount of Exchangeable Bonds otherwise issuable to such shareholder and second from the aggregate number of Consideration Shares otherwise issuable to such shareholder.

Based on the closing price of 10.07 for the Shares on the NYSE on November 24, 2017 and an exchange rate of 8.1340 NOK per USD, which is the NOK/USD exchange rate on November 24, 2017 as determined by Norges Bank, the aggregate value of the Consideration to be received per Songa Share is NOK 53.15, assuming all Exchangeable Bonds received in the Offer are immediately converted into Transocean shares. By comparison, the closing price of the Songa Shares on the Oslo Stock Exchange on November 24, 2017 was NOK 59.25.

Holders may exchange their Exchangeable Bonds for Shares at any time prior to the close of business on the business day immediately preceding the maturity date. The initial exchange rate of the Exchangeable Bonds is 97.29756 Shares per USD 1,000 principal amount of Exchangeable Bonds. See “Description of Transocean Exchangeable Bonds–Exchange Rights.”

Transocean will not issue any fractional Consideration Shares or fractional amounts of Exchangeable Bonds (each of which has a principal amount of USD 1,000) in the Offer. Each Songa Offshore shareholder who accepts the Offer and, following the completion of the Offer, any Songa Offshore shareholder in connection with a subsequent mandatory offer or compulsory acquisition (squeeze-out) (a) who would otherwise be entitled to receive a fraction of a Consideration Share will instead receive, for the fraction of a Consideration Share, an amount in cash based on USD 8.39, the closing price of the Consideration Shares on the NYSE on August 14, 2017, the last trading day prior to the announcement of the proposed Combination and Offer (the “Reference Price”), and (b) who would otherwise be entitled to receive a fractional amount of Exchangeable Bonds will instead receive, for the fractional amount of Exchangeable Bonds, an amount in cash based on USD 1,000, the principal amount per Exchangeable Bond, and in each case, paid in NOK, based on an exchange rate of 7.923 NOK per U.S. dollar which is the NOK/USD closing price at 4:00 p.m. CET as determined by Norges Bank, on August 14, 2017, the trading day immediately preceding the announcement of the Offer.

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We refer to the value of any cash and the value of the aggregate number of Consideration Shares and Exchangeable Bonds to be delivered per Songa Offshore shareholder as the “Offer Price.”

**Q: HOW LONG DO SONGA OFFSHORE SHAREHOLDERS HAVE TO DECIDE WHETHER TO TENDER?**

A: The shareholders of Songa Offshore may accept the Offer in the period from and including [ ], 2017 to and including [ ], 2017 at 4:30 p.m. (CET), as extended from time to time (the “Offer Period”). Transocean may, in its sole discretion, extend the Offer Period (one or more times), however, the Offer Period may not be extended beyond 4:30 p.m. (CET), on [ ], 2018. References to the Offer Period in this Prospectus refer to the Offer Period as extended from time to time. If the Offer Period is extended, the other dates referred to in this section may be changed accordingly and any acceptance forms (“Acceptance Forms”) received will remain binding and irrevocable for the length of the extension.

**Q: WHAT IS THE PROCEDURE FOR TENDERING SONGA SHARES?**

A: Songa Offshore shareholders who wish to accept the Offer must complete and sign the acceptance form enclosed with this Prospectus as Annex B and return it to the Settlement Agent prior to the expiration of the Offer Period. Acceptances may be revoked until the end of the Offer Period.

**Q: UNTIL WHAT TIME CAN TENDERED SONGA SHARES BE WITHDRAWN?**

A: The acceptance of the Offer is binding once the Settlement Agent has received the acceptance form, except as otherwise required by applicable law. Prior to the expiration of the Offer, Songa Offshore shareholders may withdraw any shares tendered in the Offer. At the end of the Offer Period, withdrawal rights will cease, and any Songa Shares tendered in the Offer cannot be withdrawn. If the Offer Period is extended, Songa Offshore shareholders may withdraw their shares until the end of the Offer Period as extended. Shareholders that accept the Offer will remain the beneficial owners of their Songa Shares and retain voting rights related thereto until settlement has taken place.

**Q: WHAT IS THE PROCEDURE TO WITHDRAW PREVIOUSLY TENDERED SONGA SHARES?**

A: To withdraw previously tendered Songa Shares (except for pre-acceptance undertakings, which have no withdrawal rights unless the Offer is terminated), a written notice of withdrawal included as Annex C must, prior to the expiration of the Offer Period, be timely received by the Settlement Agent. The written notice of withdrawal must specify the number of Songa Shares withdrawn and instruct the Settlement Agent holding the shares to release the blocking on the VPS account specified by the withdrawing shareholder.

**Q: CAN TENDERED SONGA SHARES BE TRADED?**

A: No. By giving a duly executed acceptance form to the Settlement Agent, Songa Offshore shareholders give an authorization to block the Songa Shares to which the acceptance form relates, in favor of the Settlement Agent, who is authorized to transfer validly tendered Songa Shares to Transocean. As consideration for the contribution of Songa Shares, Transocean will issue the Consideration Shares, cause TINC to issue the Exchangeable Bonds and, subject to an election of Songa Offshore shareholders, pay cash for the purposes of the settlement at the completion of the Offer. It is not possible for shareholders to dispose of the Songa

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Shares when they are blocked, although such shareholders will, to the extent permitted under Norwegian law, remain the legal owners of their Songa Shares and retain voting rights and other shareholder rights associated with such tendered shares until settlement occurs. Additionally, tendering Songa Offshore shareholders are free to dispose of any other securities not registered in the same VPS-account as the blocked Songa Shares. In the event the Offer is cancelled, the blocking will be terminated.

**Q: CAN THE OFFER BE EXTENDED AND, IF SO, UNDER WHAT CIRCUMSTANCES?**

A: Unless the Transaction Agreement has been terminated, Transocean will extend the Offer for any period required by applicable U.S. federal securities laws and the rules and regulations of the SEC, the NYSE, the Oslo Stock Exchange, applicable Norwegian law or applicable laws and regulations of Cyprus, but in no event will Transocean be required to extend the Offer past [ ], 2018. Additionally, if at any scheduled date of expiration of the Offer, the closing conditions described under “Terms of the Offer—Conditions for Completion of the Offer” have not been satisfied or waived, Transocean may elect to, and will if reasonably requested by Songa Offshore, extend the Offer to a date that is not more than ten U.S. business days after such previously scheduled date of expiration, provided, however, that if as of any date of expiration, conditions in items (1) and (2) under “Terms of the Offer—Conditions for Completion of the Offer” have not been satisfied or waived, Transocean may elect to, and will if reasonably requested by Songa Offshore, extend the Offer (to the extent legally permissible under applicable law) to a date that is not more than twenty U.S. business days after the then-scheduled date of expiration, which date shall in no event be later than 4:30 p.m. (CET) on January 31, 2018, which we refer to as the Long Stop Date (as extended, if applicable, at the election of Transocean one time for no more than 25 U.S. business days) for the purpose of soliciting additional proxies from shareholders for the election of the chairman of the board of directors of Songa Offshore to the board of directors of Transocean. References in this Prospectus to the Long Stop Date refer to the Long Stop Date as extended from time to time.

**Q: HOW WILL SONGA OFFSHORE SHAREHOLDERS BE NOTIFIED IF THE OFFER IS EXTENDED?**

A: Transocean will publish any notices of extension of the Offer Period by notification to the Oslo Stock Exchange. Notices will be deemed made when the Oslo Stock Exchange has published the notice through its information system. Transocean will without undue delay notify the Oslo Stock Exchange if the conditions of the Offer are met or waived or if the Offer is cancelled. Transocean will also issue a press release and otherwise comply with its obligations under U.S. law with respect to informing security holders of any material change in the information published, sent or given to security holders.

**Q: WHAT ARE THE CONDITIONS TO THE OFFER?**

A: The Offer will be subject to a number of conditions, including:

- (1) minimum acceptance of the Offer by more than 90% of the total share capital of Songa Offshore (on a fully diluted basis);
- (2) the receipt of government and regulatory approvals;
- (3) no court or governmental or regulatory intervention;

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- (4) no issue of shares or equity instruments and no distributions by Songa Offshore;
- (5) no Material Adverse Change (as defined in the Transaction Agreement);
- (6) approval of the issuance of the Consideration Shares by Transocean's shareholders and registration of the Consideration Shares with the commercial register;
- (7) listing of the Consideration Shares and the Shares issuable upon conversion of the Exchangeable Bonds on the NYSE;
- (8) the registration statement with respect to the Consideration Shares and Exchangeable Bonds being declared effective by the SEC;
- (9) no inaccuracies in information provided;
- (10) compliance by Songa Offshore in all material respects with all covenants in the Transaction Agreement and no material breach by Songa Offshore of its representations and warranties in the Transaction Agreement; and
- (11) the election of the designee of Perestroika AS to the Transocean Board (the "Perestroika Designee").

For more information on the conditions to the Offer, see "Terms of the Offer—Conditions for Completion of the Offer." If the Offer has not become unconditional by the Long Stop Date (i.e., if all conditions have not been satisfied or waived, where permissible), the Offer will lapse and any tendered shares will be released by the Settlement Agent and returned to the relevant tendering shareholder.

**Q: WHEN DO YOU EXPECT THE OFFER TO BE COMPLETED AND WHEN WILL THE OFFER CONSIDERATION BE PAID?**

A: The timing for consummation of the Offer will depend on the satisfaction of the conditions to the Offer. As a result, there can be no certainty as to when, and whether, Transocean will be able to complete the Offer. If any of the conditions to the Offer have not been satisfied or, where permissible, waived, on or prior to 4:30 p.m. (CET) on the Long Stop Date, then the Offer will terminate. The conditions to the Offer are discussed in "Terms of the Offer—Conditions for Completion of the Offer."

If the Offer is consummated, then Songa Offshore shareholders who validly tender during the Offer Period and do not properly withdraw their tendered Songa Shares will receive the Consideration Shares, Exchangeable Bonds and/or cash, as applicable, in settlement of the Offer promptly following the expiration of the Offer Period and, in any case, no later than 15 business days following the expiration of the Offer Period. We expect such settlement to occur within five business days following the expiration of the Offer Period.

The result of the Offer is expected to be published no later than the next business day following the expiration of the Offer Period.

After the expiration of the Offer Period, Songa Offshore shareholders may not withdraw their tendered shares. If the Offer is not completed, shareholders who have tendered their Songa Shares in the Offer will have the blocking of their shares terminated within three U.S. business days.

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**Q: HOW WILL THE SONGA SHARES HELD BY SONGA OFFSHORE SHAREHOLDERS WHO DO NOT TENDER THEIR SHARES BE AFFECTED FOLLOWING THE OFFER?**

A: Following the completion of the Offer, the trading market for any remaining Songa Shares not exchanged in the Offer may be substantially limited compared with historic trading levels. As a result, the price for Songa Shares in the secondary market may decline following the completion of the Offer. Holders of Songa Shares who do not participate in the Offer may not be able to sell their Songa Shares at a favorable price, if at all, following the completion of the Offer.

In addition, Transocean intends to promptly apply to conduct a compulsory acquisition (squeeze-out) under the Cyprus Takeover Bids Law following completion of the Offer. However, Transocean may not be able to complete such a compulsory acquisition in a prompt manner, if at all. In addition, the tax treatment of the Exchangeable Bonds issued in the compulsory acquisition may differ from the tax treatment of the Exchangeable Bonds issued in the Offer. In that case any Exchangeable Bonds issued in the compulsory acquisition may not be fungible for trading purposes with Exchangeable Bonds issued in the Offer and may therefore trade in the secondary market at a lower price than Exchangeable Bonds issued in the Offer, and any such secondary market for Exchangeable Bonds issued in the compulsory acquisition may be significantly less liquid than any secondary market for Exchangeable Bonds issued in the Offer.

For a more complete discussion on potential consequences in the event that you decide not to tender your Songa Shares, see “Risk Factors—Risks Factors Related to the Offer.”

**Q: HAVE ANY SONGA OFFSHORE SHAREHOLDERS COMMITTED TO TENDER THEIR SHARES IN THE OFFER?**

A: In connection with the execution of the Transaction Agreement, Transocean obtained irrevocable undertakings from Songa Offshore shareholders beneficially owning approximately 76.6% of the Songa Shares (on a fully diluted basis) to tender their shares in the Offer, including a commitment from Songa Offshore’s largest shareholder, Perestroika AS. For further detail, see “Terms of the Offer—Pre-acceptance Undertakings.”

Based on the number of Songa Shares outstanding as of October 31, 2017, in order to satisfy the condition that Songa Offshore shareholders holding a number of Songa Shares representing more than 90% of the total share capital of Songa Offshore, on a fully diluted basis, shall in the aggregate have accepted the Offer, a total of 172,898,975 Songa Shares must be tendered in the Offer. We expect that 146,517,811 Songa Shares will be tendered in the Offer pursuant to the pre-acceptance agreements received by Transocean, meaning that an additional 26,381,164 Songa Shares must be tendered to satisfy this condition.

**Q: HOW WILL SONGA OFFSHORE SHAREHOLDERS BE AFFECTED IN THE EVENT OF A SQUEEZE-OUT TRANSACTION?**

A: In the event of any “squeeze-out” transaction in which Transocean acquires the remaining Songa Shares not tendered in the Offer, such Songa Shares would be automatically converted into the right to receive adequate compensation as determined under the Cyprus Takeover Bids Law.

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If the Offer is completed and Transocean, as a result of the Offer or otherwise, or any person acting in concert with Transocean, becomes the owner of Songa Shares representing more than 30% of the outstanding voting rights, Transocean will be required under Section 13 of the Cyprus Takeover Bids Law to make a mandatory offer for the remaining shares, unless Transocean, following completion of the Offer, holds at least 90% of the shares and votes in Songa Offshore and within three months resolves a compulsory acquisition (squeeze-out). The offer price for such mandatory offer must be equal to, or higher than, the highest price paid, or agreed to be paid, by Transocean or any person acting in concert with Transocean for the Songa Shares during the six-month period prior to the date on which the obligation to make a mandatory offer is triggered. If, as a result of the Offer or a subsequent mandatory offer,, Transocean acquires and holds 90% or more of the total issued Songa Shares representing 90% or more of the voting rights in Songa Offshore, Transocean intends to promptly carry out a compulsory acquisition of the remaining Songa Shares in accordance with the procedures outlined above. In accordance with Section 36(3) of the Cyprus Takeover Bids Law, the consideration to be offered in case of a compulsory acquisition should be in the same form and at least equal to the consideration given in the Offer, while in any case cash consideration must be offered as an alternative. See “Terms of the Offer—Additional Information—Mandatory Offer” and “Terms of the Offer—Additional Information—Compulsory Acquisition.”

**Q: HOW WILL REMAINING SONGA OFFSHORE SHAREHOLDERS BE AFFECTED IN THE EVENT THAT TRANSOCEAN IS UNABLE TO AFFECT A SQUEEZE-OUT TRANSACTION FOLLOWING COMPLETION OF THE OFFER?**

**A:** Unless we elect to waive the minimum tender condition, upon completion of the Offer, we will be the owner of Songa Shares representing more than 90% of the outstanding voting rights of Songa Offshore and intend to initiate a compulsory acquisition (squeeze-out) within three months following completion of the the Offer as described in “—Compulsory Acquisition” below. If we elect to waive the minimum tender condition, we will extend the Offer and disseminate revised offer materials containing disclosure about the waiver and the impact of the lower acceptance level on the combined entity after the Offer. If the Offer is completed and Transocean, as a result of the Offer or otherwise, or any person acting in concert with Transocean, becomes the owner of Songa Shares representing more than 30% of the outstanding voting rights but less than 90%, Transocean will be required under Section 13 of the Cyprus Takeover Bids Law to make a mandatory cash offer for the remaining shares. See “—Mandatory Offer” below for further information on the applicable mandatory offer rules. A subsequent mandatory offer must include a cash alternative but is not required to include consideration in Consideration Shares and/or Exchangeable Bonds.

Transocean may seek a delisting of the shares of Songa Offshore from the Oslo Stock Exchange even if it does not hold 90% or more of the shares and voting rights in Songa Offshore following completion of the Offer. If Transocean no longer considers the listing of Songa Offshore's shares on the Oslo Stock Exchange appropriate, it may propose at a general meeting of Songa Offshore that the company apply for delisting of its shares from the Oslo Stock Exchange. Although there is no minimum requirement as to the percentage of shares and voting rights Transocean must hold in Songa Offshore, an application for delisting requires the approval of the same majority as required to amend Songa's Articles of Association at a general meeting, which is 75% of votes present. See “—Delisting from Oslo Stock Exchange” below for further information. An application for delisting will be approved or rejected by the Oslo Stock Exchange in accordance with the stock exchange rules, taking into account, among other things, the interests of minority shareholders. Whether an application for delisting will be approved in the event Transocean holds less than

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90% of the shares in Songa Offshore is therefore uncertain. A delisting would not trigger a mandatory offer, squeeze-out or sell-out right under Norwegian law.

For as long as Songa Offshore remains listed, Songa Offshore will be subject to the Oslo Stock Exchange continuing obligations and the applicable requirements of the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the “Norwegian Securities Trading Act”) and related secondary regulation, which imposes requirements on Songa Offshore to the benefit of remaining Songa Offshore shareholders, including, among others, financial and other reporting obligations and the duty to observe the principle of equal treatment of shareholders.

**Q: WHAT ARE THE RIGHTS OF REMAINING SONGA OFFSHORE SHAREHOLDERS IN THE EVENT TRANSOCEAN IS UNABLE TO EFFECT A SQUEEZE-OUT TRANSACTION FOLLOWING COMPLETION OF THE OFFER?**

If the Offer is completed and Transocean does not hold 90% or more of the shares and voting rights in Songa Offshore, the Cyprus Takeover Bids Law does not provide for any other means of compulsory acquisition or any squeeze-out rights if ownership levels are below 90%. Any remaining Songa Offshore shareholders will retain their existing rights, including preemptive rights, the right to receive dividends, transfer rights, rights to participate in Annual General Meetings of Songa Offshore (including the right to vote for directors and the right to participate in meetings convened for the purposes of alteration of Songa Offshore’s capital), liquidation rights and statutory inspection rights. For a complete discussion of these rights, see the discussions of the rights of Songa Offshore shareholders in “Comparison of Shareholder Rights.”

**Q: ARE APPRAISAL RIGHTS AVAILABLE IN THE COMBINATION?**

A: There are no appraisal rights relevant to the Offer under Norwegian or Cyprus law. In the event of a squeeze-out transaction following completion of the Offer, Cyprus law would provide for certain rights for the remaining 10% or fewer Songa Offshore shareholders. For more information, see “Comparison of Shareholder Rights—Appraisal Rights and Compulsory Acquisitions.”

**Q: WHAT WILL HAPPEN TO SONGA RESTRICTED STOCK UNITS IN THE OFFER?**

A: Certain members of the management of Songa Offshore own unvested restricted stock units that will accelerate in connection with the Offer. We currently expect that prior to the expiration of the Offer, the vesting of all unvested restricted stock rights held by Songa Offshore shareholders under the Songa Offshore Long-Term Incentive Plan will be accelerated, and these shares may be tendered in the Offer on the same basis as other Songa Shares. For more information see “Material Interests of Songa Offshore’s Board and Management in the Combination.”

**Q: WILL SONGA OFFSHORE SHAREHOLDERS BE OBLIGATED TO PAY ANY FEES OR COMMISSIONS TO EXCHANGE SONGA SHARES?**

A: Songa Offshore shareholders who hold their Songa Shares in Norwegian custody accounts will not incur any fees and expenses in connection with tendering their Songa Shares in the Offer (except for the costs of transmitting the declaration of acceptance to their custodian bank).

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**Q: WILL SONGA OFFSHORE SHAREHOLDERS BE SUBJECT TO UNITED STATES FEDERAL INCOME TAX ON THE CONSIDERATION SHARES, EXCHANGEABLE BONDS AND CASH RECEIVED IN THE EXCHANGE OFFER?**

A: The exchange of Songa Shares for Shares, Exchangeable Bonds and, if elected, cash pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. U.S. holders (as defined in “Material Tax Considerations—United States Taxation”) of Songa Shares generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Shares received in exchange for such Songa Shares, determined in U.S. dollars, plus (B) the issue price, as determined for United States federal income tax purposes, of the Exchangeable Bonds received in exchange for such Songa Shares, plus (C) the U.S. dollar amount of any cash received in Norwegian kroner in exchange for such Songa Shares, plus (D) any cash received in lieu of any fractional Consideration Shares or Exchangeable Bonds and (ii) such U.S. holder’s adjusted tax basis in the Songa Shares. Provided that Songa Offshore is not treated as a passive foreign investment company for U.S. federal income tax purposes, any gain or loss recognized upon the exchange generally will be treated as capital gain or loss.

A non-U.S. holder (as defined in “Material Tax Considerations—United States Taxation”) will generally not be subject to United States federal income tax on gain recognized on exchange of Songa Shares pursuant to the exchange offer unless the gain is “effectively connected” with the non-U.S. holder’s conduct of a trade or business in the United States or the non-U.S. holder is an individual present in the United States for 183 or more days in the taxable year of the exchange, and certain other requirements are met.

The foregoing is a brief summary of United States federal income tax consequences only and is qualified by the description of United States federal income tax considerations in “Material Tax Considerations—United States Taxation.” Tax matters are very complicated, and the tax consequences of the exchange offer to a particular holder will depend in part on such holder’s circumstances. Accordingly, holders of Songa Shares are urged to consult their own tax advisors for a full understanding of the tax consequences of the exchange offer to them, including the applicability of United States federal, state, local and foreign income and other tax laws.

**Q: WILL SONGA OFFSHORE SHAREHOLDERS BE SUBJECT TO NORWEGIAN TAXATION ON THE SHARES, EXCHANGEABLE BONDS AND CASH RECEIVED IN THE OFFER?**

A: The exchange of Songa Shares for Shares, Exchangeable Bonds and cash pursuant to the Offer will be a taxable transaction for Norwegian income tax purposes for individual shareholders, while for corporate shareholders the transaction is expected to normally be tax exempt under the Norwegian exemption method. Norwegian individual holders (see “Material Tax Considerations—Norwegian Taxation—The Exchange of Songa Shares for Consideration”) of Songa Shares generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Shares received in exchange for such Songa Shares, determined in NOK, plus (B) the issue price, as determined for Norwegian income tax purposes, of the Exchangeable Bonds received in the Offer, plus (C) the amount of any cash received in Norwegian kroner received in the Offer and (ii) such individual Norwegian holder’s tax basis in the Songa Shares exchanged. Any gain or loss recognized by a Norwegian holder in connection with the Offer generally will be treated as capital gain or loss.

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Songa Offshore shareholders who are presently also holders of Shares or, following the consummation of the exchange offer, will become holders of Shares, may be taxed in Norway in connection with the receipt of future dividend income from Transocean (see “Material Tax Considerations—Norwegian Taxation—Dividend Distributions”) and the transfer of Shares (see “Material Tax Considerations—Norwegian Tax Considerations—Taxation of Gains on Disposals of Shares”), as well as interest earned and gains realized on the exchangeable bond.

Notwithstanding the description of certain aspects of taxation in Norway in “Material Tax Considerations—Norwegian Taxation,” shareholders may be liable to tax in other jurisdictions. In particular, shareholders with tax residency in Norway may be subject to an unlimited or limited tax liability in other jurisdictions, and shareholders that are subject to a limited tax liability in Norway may be liable to tax in the jurisdiction in which they are resident. A non-Norwegian holder will however generally not be subject to Norwegian income tax on gain recognized on the exchange of Songa Shares pursuant to the Offer unless the gain is connected with the non-Norwegian holder’s conduct of or participation in a business activity managed or exercised in or out of Norway.

For a more complete description of certain Norwegian tax consequences of the Combination, see “Material Tax Considerations—Norwegian Taxation.”

This summary is not intended to be a replacement for, nor should it be considered as, legal or tax advice. Shareholders of Songa Offshore are therefore strongly advised to consult their tax advisors regarding the tax consequences related to participation in the Offer and the holding and disposal of Shares. The specific tax situation of each shareholder can only be adequately addressed by individual tax advice.

**Q: WHAT PERCENTAGE OF TRANSOCEAN SHARES WILL FORMER HOLDERS OF SONGA SHARES OWN AFTER THE COMBINATION?**

**A:** The existing shareholders in Transocean will be diluted by up to 28.1% as a consequence of the Offer and issuance of the Consideration Shares to the Songa Offshore shareholders, assuming the following:

- the issuance of approximately 68.6 million Shares as Consideration Shares and approximately USD [ ] million aggregate principal amount of Exchangeable Bonds in the Offer (which assumes that (i) all outstanding SONG07 convertible bonds and Songa Offshore warrants are converted to and exercised for Songa Shares and tendered in the Offer, (ii) the acceleration of vesting and settlement of all restricted stock units issued under the Songa Offshore Long-Term Incentive Plan in Songa Shares that are subsequently tendered in the Offer, (iii) 100% of Songa Offshore shareholders accept the Offer and (iv) no Songa shareholder elects the Cash Election), based upon an exchange ratio of 0.35724 Shares to be issued for each tendered Songa Share;
- the issuance and subsequent exchange of approximately USD [ ] million aggregate principal amount of Exchangeable Bonds to purchase certain outstanding Songa Offshore indebtedness in connection with the Combination; and
- no additional capital increase by Songa Offshore is made after September 30, 2017.

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**Q: IF THE OFFER IS COMPLETED, WILL THE CONSIDERATION SHARES AND THE EXCHANGEABLE BONDS ISSUED PURSUANT TO THE OFFER BE LISTED FOR TRADING?**

A: The Shares currently trade on the NYSE. Transocean will apply to list the Consideration Shares and the Exchangeable Bonds issued to Songa Offshore shareholders in the Offer on the NYSE. Consideration Shares and the Exchangeable Bonds will not be listed on any stock exchange in Norway. See “Risk Factors—Risks Related to the Shares” and “Risk Factors—Risks Related to the Exchangeable Bonds.”

**Q: DOES SONGA OFFSHORE SUPPORT THE OFFER AND THE COMBINATION?**

A: Yes. As a general rule, the board of directors of Songa Offshore is required to announce its view on the Offer in accordance with Section 6-16 of the Norwegian Securities Trading Act no later than one week prior to the expiration of the Offer Period. As the Offer is initiated by Transocean in agreement with the board of directors of Songa Offshore, the Oslo Stock Exchange has instructed Songa Offshore to engage an independent advisor to issue a statement regarding the Offer pursuant to Section 6-16 (4) of the Norwegian Securities Trading Act. Therefore Songa Offshore has engaged ABG Sundal Collier ASA to issue such independent statement on behalf of Songa Offshore. Songa Offshore expects that the statement made by ABG Sundal Collier ASA will be published on the Oslo Stock Exchange information system, [www.newsweb.no](http://www.newsweb.no); the independent statement is attached to this Prospectus as Annex D.

The board of directors of Songa Offshore has also issued a statement regarding the Offer; such statement is attached to this Prospectus as Annex E.

**Q: WHAT IS THE MARKET VALUE OF SONGA SHARES AS OF A RECENT DATE?**

A: The closing price of Songa Shares on the Oslo Stock Exchange on November 24, 2017 was NOK [ ].

**Q: IS TRANSOCEAN’S FINANCIAL CONDITION RELEVANT TO A SONGA OFFSHORE SHAREHOLDER’S DECISION TO TENDER ITS SONGA SHARES IN THE OFFER?**

A: Yes. Songa Offshore shareholders will receive Consideration Shares, Exchangeable Bonds and cash pursuant to the Cash Election (if applicable) in exchange for tendering their Songa Shares in the Offer. Therefore, Songa Offshore shareholders should consider Transocean’s financial condition before deciding to become a Transocean shareholder and a bondholder by accepting the Offer. Songa Offshore shareholders should also consider the effect that the Combination of Transocean and Songa Offshore may have on Transocean’s financial condition. In considering Transocean’s financial condition, Songa Offshore shareholders should review information relating to Transocean in this Prospectus, including the financial information incorporated by reference in this Prospectus, which also contain detailed business, financial and other information about Transocean.

**Q: WHERE CAN SONGA OFFSHORE SHAREHOLDERS FIND MORE INFORMATION ABOUT TRANSOCEAN AND SONGA OFFSHORE?**

A: Songa Offshore shareholders can find out information about Transocean and Songa Offshore from the sources described under “Where You Can Find More Information.” For certain information regarding Songa Offshore’s business and financial condition, see the sections of this Prospectus titled “Description

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of the Songa Offshore Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Songa Offshore.”

**Q: WHO CAN SONGA OFFSHORE SHAREHOLDERS CONTACT WITH ADDITIONAL QUESTIONS ABOUT THE OFFER?**

**A: Songa Offshore shareholders can call the Settlement Agent with additional questions about the Offer:**

Clarksons Platou Securities AS

Munkedamsveien 62c

N 0270 Oslo

Norway

+47 22 01 63 00

Email: [ecm.oslo@clarksons.com](mailto:ecm.oslo@clarksons.com)

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SUMMARY

This summary highlights the material information in this Prospectus. To more fully understand the Combination and for a more complete description of the terms of the Offer and the other transactions contemplated by the Transaction Agreement, you should read carefully this entire document, including the exhibits, annexes, and documents incorporated by reference herein. For information on how to obtain these documents, see “Where You Can Find More Information.”

The Combination (page [ ])

On August 13, 2017, Transocean entered into the Transaction Agreement with Songa Offshore, pursuant to which we are offering to acquire all of the Songa Shares through a voluntary tender offer in exchange for consideration per Songa Share consisting of (i) 0.35724 Consideration Shares issued by Transocean and (ii) USD 2.99726 principal amount of Exchangeable Bonds, to be issued by TINC and guaranteed by Transocean. As part of the Offer, each Songa Offshore shareholder may instead elect to receive the Cash Election in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer. The aggregate amount of consideration paid to each Songa Offshore shareholder accepting the Offer shall be comprised, as near as possible, of 50% Consideration Shares and 50% Exchangeable Bonds, with any exercise by such shareholder of the Cash Election, if elected, being deducted first from the aggregate number of Exchangeable Bonds otherwise issuable to such shareholder and then from the aggregate number of Consideration Shares such shareholder would otherwise be entitled to receive in the Offer.

If the Offer is completed and we acquire Songa Shares representing 90% or more of the voting rights in Songa Offshore, we intend to initiate a compulsory acquisition (squeeze-out) of the remaining Songa Shares not owned by Transocean pursuant to article 36 of the Cyprus Takeover Bids Law (L.41(I)/2007), as amended, as soon as practicable following the completion of the Offer. A compulsory acquisition can be expected to be completed after 35 working days from completion of the Offer, provided that the required application is submitted to the Cyprus Securities and Exchange Commission immediately after completion and that the Cyprus Securities and Exchange Commission will make its decision on the application within 10 working days from its submission. It is expressly noted that this is an estimation only, as the process may be delayed due to several factors beyond the control of the Company. The Cyprus Securities and Exchange Commission is not subject to a time limit in deciding on the application, and no assurances can be given as to the exact duration of the compulsory acquisition process. See the section below “—Compulsory Acquisition” for further information.

Information About the Companies (see page [ ])

Transocean Ltd.

Transocean Ltd. is the parent company of the Transocean Group of companies. Transocean was incorporated under the laws of Switzerland in 2008. Transocean has evolved to become a leading international provider of offshore contract drilling services for oil and gas wells. Transocean has approximately 4,930 employees worldwide.

Transocean’s registered and principal executive offices are located at Turmstrasse 30, CH 6300 Zug, Switzerland and its telephone number at that location is +41 (41) 749 0500.

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Transocean Inc.

Transocean Inc. is a corporation incorporated under the Companies Law of the Cayman Islands. The legal and commercial name is Transocean Inc. TINC was established in 1999 and registered in the Cayman Islands under the business registration number 89645. TINC's principal executive offices are located at P.O. Box 10342, 70 Harbour Drive, 4th Floor, Grand Cayman, KY1 1003, and its telephone number is +1 345 745 4500.

Songa Offshore SE

Songa Offshore SE, the parent company of the Songa Offshore group of companies, is a European public company organized under the laws of the Republic of Cyprus. Its predecessor company, Songa Offshore ASA, was incorporated in 2005 as a Norwegian public limited liability company and converted to an SE, by means of a merger between Songa Offshore ASA and Songa Offshore Cyprus Plc, in 2008. The principal business of the Songa Group is to own and operate drilling rigs to be used in exploration and production drilling. The Songa Group operates in the international oil-service industry within the offshore drilling sector, and owns a fleet of seven semi-submersible rigs. The Songa Group has approximately 908 employees worldwide.

Songa Offshore's registered and principal executive offices are located at the Porto Bello building, Office 201, No 1 Siafi Street, 3042, Limassol, Cyprus, and its telephone number at that location is +357 2520 7700.

Risk Factors (see page [ ])

The Combination, including the Offer, is subject to risks. You should carefully read and consider the risk factors in "Risk Factors" beginning on page [ ].

Terms of the Offer (see page [ ])

The summary below describes the principal terms and conditions of the Offer. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully review "Terms of the Offer" and the Transaction Agreement, which contains a more detailed description of the terms and conditions to the Offer.

Issuer of Consideration Shares	Transocean Ltd.
Issuer of Exchangeable Bonds	TINC
Target	Songa Offshore SE

Subject Matter of the Offer	Transocean Ltd. seeks to acquire each of the issued and outstanding Songa Shares (on a fully diluted basis).
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For each Songa Share validly tendered in the Offer and not properly withdrawn, the Consideration will consist of a combination of the following:

1. 0.35724 Consideration Shares; and
2. USD 2.99726 principal amount of the Exchangeable Bonds.

As part of the Offer, each Songa Offshore shareholder may instead elect the Cash Election in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer.

Transocean will not issue any fractional Consideration Shares or fractional amounts of Exchangeable Bonds in the Offer. Each Songa Offshore shareholder who accepts the Offer and, following the completion of the Offer, any Songa Offshore shareholder in connection with a subsequent mandatory offer or compulsory acquisition (squeeze-out) (a) who would otherwise be entitled to receive a fraction of a Consideration Share will instead receive, for the fraction of a Consideration Share, an amount in cash based on the Reference Price, and (b) who would otherwise be entitled to receive a fractional amount of Exchangeable Bonds will instead receive, for the fractional amount of Exchangeable Bonds, an amount in cash based on USD 1,000, the principal amount per Exchangeable Bond, and in each case, paid in NOK, based on an exchange rate of 7.923 NOK per U.S. dollar which is the NOK/USD closing price at 4:00 p.m. CET as determined by Norges Bank, on August 14, 2017, the trading day immediately preceding the announcement of the Offer.

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Adjustments to the Consideration      The number of Consideration Shares and Exchangeable Bonds shall each be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend and other like change (including any dividend or distribution of securities exchangeable into Consideration Shares or Songa Shares), in accordance with the procedures set out in “Terms of the Offer—Amendments to the Offer.” If an adjustment is made, acceptances of the Offer received prior to such adjustment shall be deemed an acceptance of the Offer as revised.

Higher Consideration      Under the terms of the Offer, Transocean Ltd. (the “Offeror”) and any entity wholly owned directly or indirectly by Transocean shall not directly or indirectly acquire or enter into any agreement to acquire Songa Shares (in the open market or in privately negotiated transactions or otherwise) following announcement of the contemplated Offer until (i) the lapsing or withdrawal of the Offer or (ii) the completion of the Offer as contemplated by this Prospectus or, if relevant, expiration of a subsequent mandatory offer, at a consideration higher than the Offer Price without increasing the Offer Price for all Songa Shares included in the Offer so as to be at least equal to such higher consideration. Notwithstanding the foregoing, the Offer Price shall not be increased pursuant to the aforementioned as a result of (i) the payment of cash consideration (including the effect of any change in currency exchange rates) in any subsequent mandatory offer in accordance with the minimum Offer Price requirements as decided by the Oslo Stock Exchange, (ii) share price fluctuations during or after the Offer Period, as defined below, or (iii) the application of calculation principles by the Oslo Stock Exchange or any other governmental or regulatory authority to any subsequent mandatory offer that differs from the calculation principles specified in the Transaction Agreement.

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Conditions for Completion of the Offer      The completion of the Offer is subject to the following conditions, each one of which may be waived by the Offeror fully or partly (at the Offeror's sole discretion), provided, however, that condition (1) can only be waived to the extent the Offeror has received acceptances for more than 63% of the total share capital of Songa Offshore on a fully diluted basis (and cannot be waived if the Offeror has received acceptances for 63% or less of the total share capital of Songa Offshore on a fully diluted basis), and conditions (2), (6), (7), (8) or (11) can only be waived with the prior written consent of Songa Offshore:

1. Minimum acceptance of more than 90%. On or prior to the expiration of the Offer Period, Songa Offshore shareholders shall in the aggregate have accepted the Offer subject to the terms and conditions of the Offer for a number of Songa Shares representing more than 90% of the total share capital of Songa Offshore, on a fully diluted basis (i.e., calculated based on the assumption that any and all outstanding warrants, convertible bonds and other securities convertible into or otherwise giving rights to new Songa Shares have been exercised in full regardless of the conditions for such exercise), and the same amount of votes, which can be exercised in the general meeting of Songa Offshore, and such acceptances shall remain valid and binding.
2. Governmental and regulatory approvals. Any governmental, regulatory or other official approval and/or clearance, under any applicable laws or regulations, which are necessary for the completion of the Offer and the transactions contemplated hereunder, shall have been duly obtained without any conditions, unless such conditions are clearly insignificant in the context of (i) Transocean's existing business operations in Norway or (ii) the expected benefits to Transocean of the acquisition of Songa Offshore.
3. No intervention. No court or other governmental or regulatory authority of competent jurisdiction shall have taken any form of legal action (whether temporary, preliminary, or permanent) that restrains or prohibits the completion of the Offer or shall in connection with the Offer have imposed conditions upon Transocean, Songa Offshore or any of their respective subsidiaries, that Transocean in its sole discretion determines to be unduly burdensome.
4. No issue of shares or equity instruments and no distributions. In the period from the announcement of the contemplated Offer until the settlement of the Offer there shall have been no changes or decisions to make changes to the share capital of Songa Offshore or its subsidiaries other than issuances of shares as required by the exercise

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of warrants or options or the conversion of convertible bonds and/or exercise of any other Songa Offshore securities, which are made in accordance with the terms of such agreements (which have been provided to Transocean prior to the entering into of the Transaction Agreement or the terms of which are otherwise publicly available) underlying such warrants, options, convertible bonds and/or other Songa Offshore securities and no issue or decision to issue any rights which entitle the holder to any form of equity interest in Songa Offshore or its subsidiaries, and Songa Offshore shall not have declared or made any dividends or other forms of distributions, in each case from the date of announcement of the contemplated Offer.

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5. No Material Adverse Change. Prior to completion of the Offer, there shall have been no Material Adverse Change. For these purposes, Material Adverse Change means any event, change, fact, condition, circumstance, development, occurrence or effect which, individually or together with any other event, change, fact, condition, circumstance, development, occurrence or effect, has, or would reasonably be expected to have, a material adverse effect upon (i) the condition (financial or otherwise), business, assets, liabilities or results of operations of Songa Offshore or Transocean, as the case may be, and its subsidiaries, taken as a whole, or (ii) the ability of Songa Offshore or Transocean, as the case may be, to perform its obligations under the Transaction Agreement or to consummate the Offer or the other transactions contemplated by the Transaction Agreement, provided that Material Adverse Change shall not be deemed to include an event, change, fact, condition, circumstance, development, occurrence or effect to the extent it relates to (A) the announcement of the Offer and the other transactions contemplated by the Offer; (B) the execution of, compliance with the terms of, or the taking of any action required by the Transaction Agreement, or the completion of the Offer and the other transactions contemplated by the Transaction Agreement; (C) any change in accounting requirements or principles or any change of laws of general applicability or the interpretation thereof, except to the extent disproportionately affecting Songa Offshore or Transocean, as the case may be, relative to peer companies operating in the industry, (D) changes in financial markets, interest rates, exchange rates, commodity prices or, except to the extent that such matters have an impact on Songa Offshore or Transocean, as the case may be, that to a material extent is disproportionate to the effect on other peer companies operating in the industry, other general economic conditions, (E) share price fluctuations or changes in third-party analyst estimates or projections (provided that the underlying cause of any such fluctuation or change may be considered in determining whether or not a Material Adverse Change has occurred or would reasonably be expected to occur to the extent not included in another exception herein), (F) acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway, except to the extent disproportionately affecting Songa Offshore or Transocean, as the case may be, relative to peer companies operating in the industry, (G) any changes resulting from non-cash impairment charges relating to the write-down or scrapping of existing oil rigs, or (H) with respect to Songa Offshore and its subsidiaries, (x) any matters reviewed as part of the due diligence conducted prior to the Transaction, including in particular any judgement, claim, development, fact circumstance or other

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occurrence in relation to Songa Offshore's reported ongoing dispute with Daewoo Shipbuilding & Marine Engineering Co., Ltd. ("DSME") and (y) any change in financial statements or other financial information or audit statements solely due to conversion of financial statements from IFRS to accounting principles generally accepted in the United States ("U.S. GAAP") as part of the preparation or furnishing of information pursuant to the Transaction Agreement (provided that the underlying cause of any such changes (such as errors in accounting or material omissions) may be considered in determining whether or not a Material Adverse Change has occurred or would reasonably be expected to occur to the extent not included in another exception herein).

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6. Issue of Consideration Shares. (a) The extraordinary general meeting of the Transocean shareholders (the “Extraordinary General Meeting”) shall have approved (i) the issuance of the Consideration Shares and (ii) the creation of authorized share capital for the board of directors of Transocean (the “Transocean Board”) to be authorized to issue Shares in connection with a mandatory offer or a compulsory acquisition (if any) following the completion of the Offer, in each case with the necessary majority under Swiss law and Transocean’s articles of association (the “Articles of Association”), and (b) the Consideration Shares shall have been registered with the competent commercial register.
7. Listing on NYSE. The NYSE shall have approved the Consideration Shares and the shares issuable upon exchange of the Exchangeable Bonds for listing on such exchange, subject to official notice of issuance.
8. U.S. Securities Filings. One or more registration statements on Form S 4 with respect to each of the Consideration Shares and the Exchangeable Bonds shall have been declared effective by the SEC, or a Form CB shall have been filed by Transocean with respect to the Offer.
9. Accuracy of Provided Information. Nothing shall have come to the attention of the Offeror that has reasonably caused it to conclude that the information about Songa Offshore or its subsidiaries provided to the Offeror, whether provided by Songa Offshore or any of its representatives or contained in any publicly filed financial statement or stock exchange notice by Songa Offshore is, when viewed in context and together with all such information and reporting, inaccurate, misleading or incomplete (a) in any material respect or (b) in the case of information regarding the capitalization of Songa Offshore, other than for immaterial inaccuracies or omissions.
10. Compliance with Covenants. Songa Offshore shall have complied in all material respects with its obligations under the Transaction Agreement, and no material breach by Songa Offshore of its representations and warranties under the Transaction Agreement shall have occurred.
11. Election of the Perestroika Designee. Perestroika’s designee to serve on the Transocean Board (the “Perestroika Designee”) shall have been elected to the Transocean Board at the Extraordinary General Meeting.

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The shareholders of Songa Offshore may accept the Offer in the period from and including [ ] to and including Offer [ ], 2017 at 4:30 p.m. (CET) (as extended from time to time). Transocean may in its sole discretion, and subject Period to approval from the Oslo Stock Exchange, extend the Offer Period (one or more times), however not beyond [ ], 2018 at 4:30 p.m. (CET). Any extensions of the Offer Period will be announced prior to the expiration of the Offer Period. When referring to the Offer Period in this Prospectus, this refers to the Offer Period as extended from time to time. If the Offer Period is extended, the other dates referred to herein may be changed accordingly and any received Acceptance Forms will remain binding for the length of the extension. Except as prohibited by the Transaction Agreement and applicable law, Transocean may, at its sole discretion and at any time, decide to cancel the Offer.

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Long Stop Date	If the Offer has not become unconditional by 4:30 p.m. (CET) on the Long Stop Date, the Offer shall lapse and any tendered shares shall be released by Transocean, provided, however, that the Long Stop Date may be extended at the election of Transocean one time for no more than a total of 25 U.S. business days to the extent deemed necessary, at Transocean’s sole discretion, for the purpose of soliciting additional proxies from shareholders for the election at the Extraordinary General Meeting of the Perestroika Designee. With respect to any extension by Transocean, Transocean will, prior to such extension, publicly confirm the fulfilment of all other conditions for completion of the Offer (other than conditions (3), (4) and (9) in “—Conditions for Completion of the Offer”). However, with respect to condition (10) under “—Conditions for Completion of the Offer,” if a willful breach by Songa Offshore of any agreement or covenant in the Transaction Agreement occurs solely on or after the Long Stop Date, then such condition (10) shall not be satisfied and, in such event, Transocean reserves all of its rights with respect thereto (including completion of the Offer) to determine the satisfaction or waiver of such condition.
Settlement	The result of the Offer is expected to be published no later than the next business day following the expiration of the Offer Period (subject to possible extensions) in accordance with the procedures described under “Terms of the Offer—Notices.”

Transfer of the Songa Shares tendered to the settlement agent (who is authorized to transfer the shares to Transocean), and delivery of the Consideration Shares, Exchangeable Bonds and cash, as applicable, to Songa Offshore shareholders, in settlement of the Offer, will be made promptly following the expiration of the Offer Period and, in any case, no later than 15 U.S. business days after the expiration of the Offer Period. Accordingly, if the Offer Period expires on or about [ ], we expect to issue and pay the Consideration Shares, Exchangeable Bonds and cash, as applicable, on or about [ ]. We expect that the Consideration Shares and Exchangeable Bonds issued in the Offer will be listed as of the date when settlement occurs. If the Offer Period is extended, the settlement and listing dates will be similarly extended.

Upon contribution of the Songa Shares to the Company, (i) the relevant number of Consideration Shares and Exchangeable Bonds will be deposited with Computershare Trust Company, N.A. and Computershare, Inc., acting collectively as paying and distribution agent for the Offer (the “Distribution Agent”) and (ii) cash sufficient to pay all cash consideration and cash in lieu of fractional Consideration Shares and Exchangeable Bonds will be deposited with the settlement agent, in each case for distribution in accordance with the procedures described below to each Songa Offshore shareholder whose Songa Shares are acquired by the Company in the Offer.

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Songa Offshore shareholders who have tendered shares in the Offer and not validly withdrawn such acceptance remain bound by their acceptance until settlement has occurred or Transocean notifies the Oslo Stock Exchange in accordance with the procedures set out in “Terms of the Offer—Notices” that the Offer has been cancelled.

Settlement Agent      Clarksons Platou Securities AS, Munkedamsveien 62c, N 0270 Oslo, Norway, is the Settlement Agent in connection with the Offer.

Distribution Agent      Computershare Trust Company, N.A. and Computershare, Inc., 250 Royall Street, Canton, Massachusetts 02021, are the Distribution Agent in connection with the Offer.

Transocean’s Reasons for the Combination (see page [ ])

At a meeting held on August 11, 2017, after due consideration and consultation, the Transocean Board unanimously approved (i) the total consideration of NOK 47.50 per Songa Share and (ii) the Combination and the transactions contemplated thereby. In reaching its determination, the Transocean Board considered a number of factors in connection with its evaluation of the proposed transaction, including significant strategic opportunities and potential synergies, as generally supporting its decision to enter into the Transaction Agreement and proceed with the transactions contemplated thereby. See “The Combination—Background and Reasons for the Combination—Transocean’s Reasons for the Combination” for a discussion of the factors considered by the Transocean Board.

Songa Offshore’s Reasons for the Combination (see page [ ])

The Songa Board (with the exception of Songa Offshore directors Mr. Mohn and Mr. Mikkelsen, who were excused from voting on whether to approve the Transaction Agreement) unanimously determined to enter into the Transaction Agreement and recommend that Songa Offshore’s shareholders accept the Offer. In addition to consulting with Songa Offshore management and its financial and legal advisors, the Songa Board considered a number of factors when evaluating the transaction. See “The Combination—Background and Reasons for the Combination—Songa Offshore’s Reasons for the Combination” for a discussion of the factors considered by the Songa Board.

The Transaction Agreement (see page [ ])

The terms and conditions of the Combination are contained in the Transaction Agreement, which is attached as Annex A to this Prospectus and incorporated into this Prospectus by reference. Transocean urges you to read the full text of the Transaction Agreement because it is the legal document between Transocean and Songa Offshore that governs the Combination.

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Material Interests of Songa Offshore’s Board and Management in the Combination (see page [ ])

Some of the members of the Songa Offshore board of directors (the “Songa Board”) and the Songa Offshore executive officers may have interests in the Combination that are different from, or in addition to, the interests of the Songa Offshore shareholders. These interests may include, but are not limited to, the treatment of restricted share units or other equity instruments owned by certain Songa Offshore executive officers under Songa Offshore’s long-term incentive plan (the “Songa Offshore Long-Term Incentive Plan”), or cash severance and other benefits under change in control arrangements. Additionally, Songa Offshore’s executive officers are expected to continue their employment with the combined company under the terms of their current employment agreements following the closing of the Combination through December 31, 2017. These interests also include Transocean’s agreement to nominate the Perestroika Designee to the Transocean Board (subject to the election of Frederik W. Mohn, the Chairman of the Songa Board, as the Perestroika Designee at the Extraordinary General Meeting). As of August 14, 2017, members of the Songa Board and the Songa Offshore executive officers and their affiliates, excluding Perestroika AS (“Perestroika”), owned 361,160 Songa Shares in the aggregate, representing 0.3 percent of the issued Songa Shares. In addition, the Perestroika Designee is the sole owner of Perestroika, Songa Offshore’s largest shareholder. As of October 31, 2017, Perestroika held 59,489,590 Songa Shares and SONG07 convertible bonds convertible into 27,556,518 Songa Shares. Perestroika also holds approximately NOK 330 million principal amount of SONG04 bonds issued by Songa Offshore that will be purchased by Transocean at a price of 103.5% and a USD 50 million loan to Songa Offshore that will be purchased by Transocean at a price of 100%, each in connection with the completion and settlement of the Offer. See “Terms of the Offer—Refinancing of Certain Songa Offshore Indebtedness.”

Comparison of Shareholders’ Rights (see page [ ])

The rights of Transocean shareholders are governed by Swiss law and Transocean’s Articles of Association. In addition, Transocean is subject to the rules and regulations of the SEC and the NYSE that, among other things, regulate the solicitation of proxies and provide for additional shareholder rights requirements. The rights of Songa Offshore shareholders are governed by Cyprus law and Songa Offshore’s memorandum of association and articles of association (“Songa’s Articles of Association”). Copies of Transocean’s Articles of Association and Songa’s Articles of Association are available, without charge, by following the instructions listed under “Where You Can Find More Information.”

As a result of the Combination, holders of Songa Shares will become shareholders of Transocean and their rights as shareholders will be governed by Swiss law and Transocean’s Articles of Association. There are many differences between the rights of Songa Offshore shareholders and those of Transocean shareholders.

Material Tax Considerations of the Combination (see page [ ])

Tax matters are very complicated, and the tax consequences of the Offer to a particular holder will depend in part on such holder’s circumstances. Accordingly, holders of Songa Shares are urged to consult their own tax advisors for a full understanding of the tax consequences of the Offer to them, including the applicability of United States federal, state, local and foreign income and other tax laws.

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Certain Material U.S. Income Tax Considerations

The exchange of Songa Shares for Consideration Shares and Exchangeable Bonds (and, to the extent shareholders elect the Cash Election, cash) pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. U.S. holders of Songa Shares that participate in the Offer generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Consideration Shares received in the Offer, determined in U.S. dollars, plus (B) the issue price, as determined for United States federal income tax purposes, of the Exchangeable Bonds received in the Offer, plus (C) the U.S. dollar amount of any cash received in Norwegian kroner in the Offer, plus (D) any cash received for any fractional Consideration Shares or Exchangeable Bonds and (ii) such U.S. holder's adjusted tax basis in the Songa Shares exchanged. Provided that Songa Offshore is not treated as a passive foreign investment company for U.S. federal income tax purposes, any gain or loss recognized by a U.S. holder in connection with the Offer generally will be treated as capital gain or loss.

A non-U.S. holder will generally not be subject to United States federal income tax on gain recognized on the exchange of Songa Shares pursuant to the Offer unless the gain is "effectively connected" with the non-U.S. holder's conduct of a trade or business in the United States or the non-U.S. holder is an individual present in the United States for 183 or more days in the taxable year of the exchange, and certain other requirements are met.

The foregoing is a brief summary of United States federal income tax consequences only and is qualified by the description of United States federal income tax considerations in "Material Tax Considerations—United States Taxation."

Certain Material Norwegian Tax Considerations

The exchange of Songa Shares for Consideration Shares, Exchangeable Bonds (and, to the extent shareholders elect the Cash Election, cash) pursuant to the Offer will be a taxable transaction for Norwegian income tax purposes for individual shareholders, while for corporate shareholders the transaction is expected to normally be tax exempt under the Norwegian exemption method. Norwegian individual holders of Songa Shares that participate in the Offer generally will recognize gain or loss equal to the difference, if any, between (i) the sum of (A) the fair market value of any Consideration Shares received in the Offer, determined in NOK, plus (B) the issue price, as determined for Norwegian income tax purposes, of the Exchangeable Bonds received in the Offer, plus (C) the amount of any cash received in Norwegian kroner received in the Offer and (ii) such individual Norwegian holder's tax basis in the Songa Shares exchanged. Any gain or loss recognized by a Norwegian holder in connection with the Offer generally will be treated as capital gain or loss.

A non-Norwegian holder will generally not be subject to Norwegian income tax on gain recognized on the exchange of Songa Shares pursuant to the Offer unless the gain is connected with the non-Norwegian holder's conduct of or participation in a business activity managed or exercised in or out of Norway.

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The foregoing is a brief summary of Norwegian tax consequences only and is qualified by the description of Norwegian tax considerations in “Material Tax Considerations—Norwegian Taxation.”

Certain Material Swiss Tax Considerations

The exchange of Songa Shares for the Consideration is not subject to Swiss Federal withholding tax. The exchange of Songa Shares for the Consideration may be subject to Swiss securities transfer tax of up to 0.3 per cent. If such transfer tax will be due, it will be borne by Transocean.

The foregoing is a brief summary of Swiss tax consequences only and is qualified by the description of Swiss tax considerations in “Material Tax Considerations—Swiss Taxation.”

Terms of the Exchangeable Bonds

The following overview provides a summary of the main terms applicable to the Exchangeable Bonds. The full terms in respect of the Exchangeable Bonds are described in further detail under “Description of Transocean Exchangeable Bonds.”

Issuer	Transocean Inc.
Guarantor	Transocean Ltd.
Securities Offered	USD [ ] aggregate principal amount of 0.5% Exchangeable Senior Bonds due 2022.
Currency	USD.
ISIN/CUSIP	[ ].
Interest Rate/Yield	0.5% per annum. Interest on the Exchangeable Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
Maturity Date	[ ], 2022.

Permitted Denominations USD 1,000.

Amortization Amortization in full on the Maturity Date.

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Ranking	<p>The Exchangeable Bonds will constitute senior unsecured debt of TINC and will rank:</p> <p>equally with its senior unsecured debt from time to time outstanding;</p> <p>senior to its subordinated debt from time to time outstanding; and</p> <p>effectively junior to its secured debt and to all debt and other liabilities of its subsidiaries from time to time outstanding.</p>
Guarantee	<p>Transocean’s guarantee will rank equally with all of its other unsecured and subordinated debt from time to time outstanding.</p> <p>All present and future obligations of TINC under the Exchangeable Bonds are guaranteed in full by Transocean. The guarantee is unconditional.</p>
Principal Amount	<p>Up to USD [ ] principal amount of Exchangeable Bonds will be issued in the Offer and up to USD [ ] principal amount of Exchangeable Bonds will be issued in connection with the refinancing of certain Songa Offshore indebtedness as described under “Terms of the Offer—Refinancing of Certain Songa Offshore Indebtedness.” Exchangeable Bonds issued in connection with the refinancing of that Songa Offshore indebtedness will initially be issued as restricted securities for U.S. regulatory purposes and will initially bear a different CUSIP securities identifier than the Exchangeable Bonds issued in the Offer. Additionally, any Exchangeable Bonds issued in exchange for Songa Shares in any compulsory acquisition following the Offer may not be fungible for trading purposes with Exchangeable Bonds issued in the Offer (in which case they would bear a different CUSIP securities identifier).</p>
Interest Payment Dates	<p>[ ] and [ ] of each year, beginning [ ], 2018.</p>
Exchange Rights	<p>Unless previously exchanged, purchased or cancelled, holders may exchange their Exchangeable Bonds at the applicable exchange rate for the Shares at any time after the initial issue date and prior to the close of business on the business day immediately preceding the maturity date.</p>

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Additional Amounts Subject to specified exceptions, if the issuer or guarantor is required by law to withhold any tax from any payment in respect of the Exchangeable Bonds the amount of the payment due will be grossed up to such amount as is (after giving effect to the required withholding) equal to the payment that would have been received if no withholding had been required.

If a Tax Event (as defined below) occurs and a holder of the Exchangeable Bonds does not elect to exchange, or cause repurchase of, its Exchangeable Bonds following such Tax Event, neither Transocean nor TINC will be required to pay additional amounts with respect to payments made in respect of such Exchangeable Bonds following such Tax Event, and all subsequent payments in respect of such Exchangeable Bonds will be subject to any tax required to be withheld or deducted under the laws of a relevant taxing jurisdiction.

Exchange Rate The exchange rate will be 97.29756 Shares per USD 1,000 principal amount of Exchangeable Bonds, subject to adjustment as described below.

Exchange Settlement Transocean will settle each USD 1,000 principal amount of Exchangeable Bonds surrendered for exchange by delivering, on the third trading day immediately following the exchange date (or, in the case of an exchange in connection with a Fundamental Change (as defined below), on the fifth trading day immediately following the exchange date), a number of Shares equal to the exchange rate in effect on the exchange date. Cash will be delivered in lieu of any fractional shares.

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The exchange rate will be adjusted in the following circumstances:

Adjustments to Exchange Rate If a holder elects to exchange its Exchangeable Bonds in connection with a Fundamental Change (as defined below) or a Tax Event (as defined below), the exchange rate applied to that exchange will be increased based on the make-whole premium applicable to the Fundamental Change or Tax Event.

For exchanges in connection with a Fundamental Change due to a Change of Control (as defined below), the increased exchange rate will be determined as follows:

COCER = OER multiplied by  $(1 + (EP \times (c/t)))$ , where

COCER = Exchange Rate applicable to exchanges in connection with the applicable Change of Control

OER = Exchange Rate otherwise applicable at such time, before giving effect to the increase resulting from the applicable Change of Control

EP = 22.50%

c = the number of days from and including the date of the Fundamental Change to but excluding the maturity date

t = the number of days from and including the issue date to but excluding the maturity date

For exchanges in connection with a Fundamental Change due to a Listing Failure Event, the increased exchange rate will be determined as follows:

LFER = OER multiplied by  $(1 + (EP \times (c/t)))$ , where

LFER = Exchange Rate applicable to exchanges in connection with the applicable Listing Failure Event

OER = Exchange Rate otherwise applicable at such time, before giving effect to the increase resulting from the applicable Listing Failure Event

EP = 22.50%

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c = the number of days from and including the date of the listing failure event to but excluding the maturity date

t = the number of days from and including the issue date to but excluding the maturity date

For exchanges in connection with a Tax Event, the number of additional shares will be determined as follows:

TEER = OER multiplied by  $(1 + (EP \times (c/t)))$ , where

TEER = Exchange Rate applicable to exchanges in connection with the applicable Tax Event

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OER = Exchange Rate otherwise applicable at such time, before giving effect to the increase resulting from the applicable Tax Event

EP = 22.50%

c = the number of days from and including the date of the Tax Event to but excluding the maturity date

t = the number of days from and including the issue date to but excluding the maturity date

The indenture also includes customary exchange rate adjustments for certain corporate events, including dividends, stock splits and recapitalizations of the guarantor.

TINC will have no option to redeem the Exchangeable Bonds.

Redemption of the Exchangeable Bonds at TINC's Option

Repurchase of the Exchangeable Bonds at the Option of the Holder

Holder of the Exchangeable Bonds will have the right to require TINC to repurchase all or a portion of such holder's Exchangeable Bonds upon a Fundamental Change or upon the occurrence of certain adverse changes in tax laws resulting in a Tax Event Offer to Repurchase.

In the event of a Fundamental Change due to a Change of Control Event, Exchangeable Bonds will be repurchased at a price in cash equal to 101% of the principal amount of the Exchangeable Bonds to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

In the event of a Fundamental Change due to a Listing Failure Event, or of a Tax Event Offer to Repurchase, Exchangeable Bonds will be repurchased at a price in cash equal to 100% of the principal amount of the Exchangeable Bonds to be repurchased, plus any accrued and unpaid interest to, but excluding, the repurchase date.

In the event of any repurchase due to a Fundamental Change, settlement of any exchange will be five business days following the exchange date.

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Use of Proceeds	<p>The Company will not receive any cash proceeds from the Offer. The Exchangeable Bonds will serve as:</p> <p>part settlement of the purchase of NOK [ ] Senior Unsecured Callable Bond issued by Songa Offshore under ISIN NO0010628753 (SONG04);</p> <p>part settlement of the purchase of NOK [ ] Senior Unsecured Callable Bond issued by Songa Offshore under ISIN NO0010649403 (SONG05);</p> <p>settlement of the purchase of USD 50,000,000 loan provided by Perestroika AS to Songa Offshore; and</p> <p>part consideration for Transocean’s acquisition of the shares of Songa Offshore.</p>
Global Form	<p>The Exchangeable Bonds will be evidenced by one or more global securities deposited with the trustee as custodian for DTC. The global securities will be registered in the name of Cede &amp; Co., as DTC’s nominee.</p>
Material U.S. Federal Income Tax Considerations	<p>You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the Exchangeable Bonds and the Shares into which the Exchangeable Bonds may be exchanged in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See “Material Tax Considerations.”</p>
Listing of the Exchangeable Bonds	<p>TINC intends to apply to list the Exchangeable Bonds on the NYSE and will cause the Exchangeable Bonds to be listed on that exchange or Nasdaq within 60 days of their initial issue date. The guarantor’s shares are listed for trading on the NYSE under the ticker symbol “RIG.”</p>
Trustee and Paying Agent	<p>Wells Fargo Bank, National Association will serve as trustee (the “Trustee”), paying agent (the “Paying Agent”) and exchange agent (the “Exchange Agent”) with regard to the Exchangeable Bonds. The Trustee, Paying Agent and Exchange Agent is not a representative of the holders of the Exchangeable Bonds. The Trustee, Paying Agent and Exchange Agent will act only in accordance with the requirements of the indenture governing the Exchangeable Bonds.</p>
Governing Law and Jurisdiction	<p>New York law will govern the indenture and the Exchangeable Bonds.</p>

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## SUMMARY SELECTED FINANCIAL DATA OF TRANSOCEAN

The selected financial data as of December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 have been derived from the audited consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” of Transocean’s annual report on Form 10 K for the year ended December 31, 2016 (the “2016 Annual Report”). The selected financial data as of December 31, 2014, 2013 and 2012, and for each of the two years in the period ended December 31, 2013 have been derived from Transocean’s accounting records. The selected financial data as of September 30, 2017 and for the nine-month periods ended September 30, 2017 and 2016 have been derived from the unaudited condensed consolidated financial statements included in “Item 1. Financial Statements” of Transocean’s quarterly report on Form 10 Q for the quarterly period ended September 30, 2017 (the “3Q17 Quarterly Report”).

The selected financial data should be read in conjunction with the sections titled “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the audited consolidated financial statements and the notes thereto included under “Item 8. Financial Statements and Supplementary Data” of the 2016 Annual Report, “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the unaudited condensed consolidated financial statements and notes thereto included in “Item 1. Financial Statements” of the 3Q17 Quarterly Report and Transocean’s financial statements and related notes and other financial information incorporated by reference in this Prospectus.

	Nine months ended September 30, (unaudited)		Years ended December 31,				
	2017	2016	2016(1)	2015	2014(2)	2013	2012
	(In millions of U.S. dollars, except per share data)						
Statement of operations data							
Operating revenues	\$ 2,344	\$ 3,187	\$ 4,161	\$ 7,386	\$ 9,185	\$ 9,246	\$ 8,942
Operating income (loss)	(2,516)	816	1,132	1,365	(1,347)	2,203	1,588
Income (loss) from continuing operations	(2,995)	570	827	895	(1,880)	1,428	765
Net income (loss)	(2,995)	570	827	897	(1,900)	1,437	(278)
Net income (loss) attributable to controlling interest	(3,016)	535	778	865	(1,839)	1,434	(291)
Per share earnings (loss) from continuing operations							
Basic	\$ (7.72)	\$ 1.44	\$ 2.08	\$ 2.36	\$ (5.02)	\$ 3.92	\$ 2.11
Diluted	(7.72)	1.44	2.08	2.36	(5.02)	3.92	2.11

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Balance sheet data (at end of period)							
Total assets	\$ 22,441		\$ 26,889	\$ 26,431	\$ 28,676	\$ 32,759	\$ 34,534
Debt due within one year	799		724	1,093	1,032	323	1,365
Long-term debt	6,501		7,740	7,397	9,019	10,329	11,035
Total equity	12,803		15,805	15,000	14,104	16,719	15,803
Other financial data							
Cash provided by operating activities	887	1,278	1,911	3,445	2,220	1,918	2,708
Cash used in investing activities	\$ (46)	\$ (1,056)	\$ (1,313)	\$ (1,932)	\$ (1,828)	\$ (1,658)	\$ (389)
Cash provided by (used in) financing activities	(1,176)	(27)	115	(1,809)	(1,000)	(2,151)	(1,202)
Capital expenditures	386	1,072	1,344	2,001	2,165	2,238	1,303
Distributions of qualifying additional paid-in capital	—	—	—	381	1,018	606	276
Per share distributions of qualifying additional paid-in capital	—	—	—	1.05	2.81	1.68	0.79

(1) In December 2016, as contemplated by the Agreement and Plan of Merger, dated July 31, 2016 (the “2016 Agreement and Plan of Merger”), Transocean Partners LLC (“Transocean Partners”) and one of our subsidiaries completed the merger, with Transocean Partners becoming a wholly owned indirect subsidiary of Transocean. Each Transocean Partners common unit that was issued and outstanding immediately prior to the closing, other than units held by Transocean and its subsidiaries, was converted into the right to receive 1.20 of our shares. To complete the merger, we issued 23.8 million shares from conditional capital.

In August 2014, Transocean completed an initial public offering to sell a noncontrolling interest in Transocean Partners, which was formed on February 6, 2014, by Transocean Partners Holdings Limited, a Cayman Islands company and our wholly owned subsidiary.

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## SUMMARY SELECTED FINANCIAL DATA OF SONGA OFFSHORE

The following table sets forth selected historical consolidated financial information for Songa Offshore. The selected consolidated financial data of Songa Offshore as of and for the year ended December 31, 2016 has been derived from Songa Offshore's audited consolidated financial statements as of and for the year ended December 31, 2016 (the "Songa Consolidated Financial Statements") included elsewhere in this Prospectus, which have been prepared in accordance with International Financial Reporting Standards (the "IFRS"), as issued by the International Accounting Standards Board (the "IASB"). The selected consolidated financial data of Songa Offshore as of December 31, 2015 and for each of the two years in the period then ended has been derived from Songa Offshore's unaudited consolidated financial statements included in this Prospectus, which have been prepared in accordance with IFRS, as issued by the IASB. The financial information presented of Songa Offshore as of December 31, 2014, 2013 and 2012, and for each of the two years in the period ended December 31, 2013 has been derived from the accounting records of Songa Offshore.

The financial information presented for Songa Offshore is not directly comparable to the financial data of Transocean because Transocean's consolidated financial statements have been prepared in accordance with U.S. GAAP. The selected historical consolidated financial information of Songa Offshore as of September 30, 2017 and for the nine-month periods ended September 30, 2017 and 2016 have been derived from the unaudited interim condensed consolidated financial statements of Songa Offshore included elsewhere in this Prospectus, which have been prepared in accordance with IFRS, as issued by the IASB. The unaudited financial statements include all adjustments, consisting of normal recurring accruals, which Songa Offshore considers necessary for a fair presentation of the financial position and the results of operations for these periods. The selected historical consolidated financial information of Songa Offshore presented below is not necessarily indicative of the results of operations or financial condition that may be expected for any future period or date. The selected historical consolidated financial information presented below should be read in conjunction with Songa Offshore's audited consolidated financial statements and unaudited interim condensed consolidated financial statements and notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations of Songa Offshore" included in this Prospectus.

	Nine months ended September 30, (unaudited)		Years ended December 31, (unaudited)				
	2017	2016	2016(1)	2015	2014	2013	2012
	(In millions of U.S. dollars, except per share data)						
Income statement data							
Total revenue	\$ 509	\$ 566	\$ 753	\$ 513	\$ 495	\$ 562	\$ 585
Operating expenses(2)	(213)	(223)	(303)	(231)	(298)	(350)	(394)
Depreciation	(138)	(132)	(177)	(126)	(114)	(140)	(124)
Impairment	(7)	(118)	(145)	(521)	(65)	(92)	(330)
Profit (loss) before tax	37	(13)	(47)	(432)	(57)	(102)	(295)
Income tax (expense) credit	(1)	2	(41)	(37)	—	(57)	(10)
Profit (loss) for the year	36	(11)	(88)	(470)	(57)	(159)	(305)
Earnings (loss) per	0.30	(0.17)	(1.12)	(44.25)	(5.38)	(0.74)	(1.59)

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share, basic(3)							
Earnings (loss) per share, diluted(3)	0.21	(0.17)	(1.12)	(44.25)	(5.38)	(0.74)	(1.59)
Weighted average number of shares at year end (000)(3)	122,302	66,637	78,239	10,616	10,524	216,319	191,660

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- (1) Songa Offshore's audited consolidated financial statements as of and for the year ended December 31, 2016 have been adjusted for the effects of the restatement more fully described in note 3 to the Songa Consolidated Financial Statements included in this Prospectus.
- (2) Operating expenses includes general and administrative expenses and reimbursable costs for the period presented.

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- (3) Songa Offshore performed a 100:1 reverse share split on December 12, 2016. The share split was retrospectively applied to the 2015 and 2014 unaudited annual comparative periods presented in the Songa Consolidated Financial Statements included elsewhere in this Prospectus. The reverse share split affects comparability of the basic and diluted EPS between years. Refer to Note 13 “Earnings per share” and Note 20 “Issued capital” of the Songa Offshore 2016 consolidated financial statements included elsewhere in this Prospectus for further information on the reverse share split and earnings per share calculation.

	Nine months ended					
	September 30		Years ended December 31,		2013	2012
	(unaudited)	(unaudited)	(unaudited)	(unaudited)		
	2017	2016(1)	2015	2014	2013	2012
	(In millions of U.S. dollars, except per share data)					
Balance sheet data						
Cash and cash equivalents	\$ 125	\$ 176	\$ 168	\$ 236	\$ 440	\$ 38
Rigs, machinery and equipment	2,972	3,092	1,964	1,063	1,028	1,372
Newbuilds	—	—	869	731	583	507
Current assets	261	305	295	332	743	748
Current liabilities	(332)	(377)	(445)	(391)	(512)	(715)
Working capital	(71)	(72)	(150)	(59)	231	33
Total liabilities	\$ (2,427)	\$ (2,652)	\$ (2,677)	\$ (1,271)	\$ (1,358)	\$ (1,792)
Total assets	3,247	3,412	3,250	2,307	2,439	2,739
Total equity	820	760	573	1,036	1,081	947
Cash flow from operating activities						
Cash flow from operating activities	\$ 221	\$ 318	\$ 144	\$ 42	\$ 46	\$ 306
Cash flow (used in)/from investing activities	(23)	(595)	(1,649)	(126)	367	(735)
Cash flow (used in)/from financing activities	(235)	329	1,374	(113)	(19)	381

- (1) Songa Offshore’s audited consolidated financial statements as of and for the year ended December 31, 2016 have been adjusted for the effects of the restatement more fully described in note 3 to the Songa Consolidated Financial Statements included in this Prospectus.

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## UNAUDITED COMPARATIVE PER SHARE DATA

The table below summarizes unaudited per share information for Transocean and Songa Offshore on a historical basis. You should read the information below together with the financial statements and related notes of Transocean incorporated by reference and the financial statements and related notes of Songa Offshore appearing elsewhere in this Prospectus.

The information below is being provided for informational purposes only. You should not rely on this historical information as being indicative of the future results of operations data as of any future date or for any future period. The historical net book value per share is computed by dividing total shareholders' equity by the number of shares outstanding at the end of the period.

	Nine months ended September 30, 2017	Year ended December 31, 2016
Transocean historical per share data		
Basic earnings (loss) per share	\$ (7.72)	\$ 2.08
Diluted earnings (loss) per share	\$ (7.72)	\$ 2.08
Cash dividends declared per share	\$ —	\$ —
Net book value per share (at end of period)	\$ 32.72	\$ 40.58
Songa Offshore historical per share data (continuing operations)(1)		
	Nine months ended September 30, 2017	Year ended December 31, 2016
Basic earnings/(loss) per share	\$ 0.30	\$ (1.12)
Diluted earnings/(loss) per share	\$ 0.21	\$ (1.12)
Cash dividends declared per share	\$ —	\$ —
Net book value per share (at end of period)	\$ 5.96	\$ 6.74

(1) Derived from Songa Offshore's historical financial statements presented under IFRS as issued by the IASB included elsewhere in this Prospectus.

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## COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

## Comparative Historical Market Price Information

The Shares are listed for trading on the NYSE under the symbol “RIG.” Songa Shares are listed for trading on the Oslo Stock Exchange under the symbol “SONG.”

The following table sets forth the high and low reported sale prices for Shares and Songa Shares, as well as the dividends declared for the shares of each, as applicable, for the periods shown as reported on the NYSE or the Oslo Stock Exchange, respectively.

As of October 31, 2017, there were 391,213,324 Shares outstanding, which excludes 3,588,666 issued shares that are held by Transocean or its subsidiaries, and 137,641,567 Songa Shares outstanding. As of such date, Transocean had 6,052 shareholders of record and Songa Offshore had [ ] shareholders of record.

	Transocean (\$)			Songa Offshore (NOK)(1)		
	High	Low	Dividend paid per share	High	Low	Dividend paid per share
Year Ended December 31, 2017						
First Quarter	16.16	11.69	—	33.70	30.70	—
Second Quarter	13.04	7.67	—	32.80	28.00	—
Third Quarter	10.84	7.20	—	57.00	31.00	—
Fourth Quarter (through November 24, 2017)	11.58	9.93	—	64.50	55.50	—
Year Ended December 31, 2016						
First Quarter	13.48	7.67	—	121.00	29.00	—
Second Quarter	12.05	8.34	—	41.00	15.00	—
Third Quarter	13.03	8.68	—	35.00	17.00	—
Fourth Quarter	16.66	9.1	—	33.50	18.00	—
Year Ended December 31, 2015(2)						
First Quarter	20.65	13.28	0.75	177.00	135.00	—
Second Quarter	21.9	14.44	0.15	173.00	143.00	—
Third Quarter	16.2	11.26	0.15	154.00	91.00	—
Fourth Quarter	17.19	11.95	—	148.00	89.00	—

(1) 2015 and 2016 share prices adjusted for December 2016 100:1 reverse share split.

(2) In 2015, Transocean allowed shareholders to receive dividends in Swiss francs or U.S. dollars. Dividends

## Transocean

All Shares have equal rights to dividends. The holders of Shares are entitled to receive dividends as are lawfully declared on Shares by a general meeting of Transocean’s shareholders. No cash dividends were paid on Shares during the first nine months of 2017 or during fiscal years 2016 and 2015. Transocean’s ability to pay future cash dividends will (a) depend on our results of operations, financial condition, cash requirements and other relevant factors, (b) be subject to shareholder approval, (c) be subject to restrictions contained in our credit facilities and other debt

covenants, (d) be affected by our plans regarding share repurchases or noncash shareholder distributions and (e) be subject to restrictions imposed by Swiss law, including the requirement that sufficient distributable profits from the previous year or freely distributable reserves must exist. Transocean does not expect to pay cash dividends in the foreseeable future.

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## Songa Offshore

All shares in Songa Offshore have equal rights to dividends. Pursuant to Regulation 112 of Songa's Articles of Association and provided that Songa Offshore has sufficient distributable profits, Songa Offshore may, at a general meeting of its shareholders, declare by ordinary resolution (simple majority) dividends to be paid out of profits and to be distributed to the shareholders pro rata based on their holdings in Songa Offshore but no dividend will exceed the amount recommended by the Songa Board. The Songa Board may declare interim dividends as appear to the Songa Board to be justified by the profits of Songa Offshore (Regulation 113 of Songa's Articles of Association). Songa Offshore's current ability to pay dividends is restricted by contractual arrangements including restrictions under its different loan agreements. Over time, when and as Songa Offshore has adequate financial resources, declaration of dividends will be considered by the Songa Board. Songa Offshore has not paid any dividends for any of the years from 2010 to 2016.

## Recent and Comparative Market Price Information

The following table sets forth the closing sale price per Share and Songa Share as reported on the NYSE and the Oslo Stock Exchange, respectively, as of August 14, 2017, the last trading day before the public announcement of the contemplated Combination, and as of November 24, 2017, the most recent practicable trading day prior to the date of this Prospectus. The table also shows the implied value of the consideration proposed for each Songa Share as of the same dates which amounts are calculated by multiplying the closing sales prices for shares of Shares by 0.7145, representing the approximate per share value of the Consideration that a Songa Offshore shareholder will be entitled to receive as of such dates, in exchange for each Songa Share they hold at the effective time of the Combination.

The market prices of Shares and Songa Shares fluctuate, and the value of the Consideration will fluctuate with the market price of the Shares. No assurance can be given concerning the market prices of Shares and Songa Shares before the completion of the Combination or Shares after the completion of the Offer. Because the exchange ratio is fixed in the Transaction Agreement, the market value of the Shares that Songa Offshore shareholders will receive in connection with the Offer may vary significantly from the prices shown in the table below. Accordingly, you are urged to obtain current market quotations of Shares and Songa Shares before making any decision with respect to the proposals in this Prospectus.

	Transocean shares (close)	Songa Offshore shares (close)	Equivalent per share value
August 14, 2017	\$ 8.39	NOK 34.00	\$ 5.99
November 24, 2017	\$ 10.07	NOK 59.25	\$ 7.20

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## Exchange Rates

The following tables show for the years ended December 31, 2012 through December 31, 2016, the low, high, average and period exchange rate U.S. dollars per Norwegian krone.

Year	Exchange Rates			Period End
	Low	High	Average(1)	
	(One U.S. dollar per NOK)			
2012	5.5349	6.1471	5.8210	5.5664
2013	5.4438	6.2154	5.8768	6.0837
2014	5.8611	7.6111	6.3018	7.4332
2015	7.3593	8.8090	8.0739	8.8090
2016	7.9766	8.9578	8.3987	8.6200

· The average of the rates on the last business day of each month during the applicable period.

The table below shows the high and low noon buying rates in U.S. dollars for Norwegian kroner for each month during the six months prior to the date of this Prospectus:

Month(1)	Low	High
May	8.3361	8.6781
June	8.3852	8.5366
July	7.9347	8.3825
August	7.7121	7.9877
September	7.7192	7.9726
October	7.8906	8.2161

(1) The average of the daily rates on each business day during the applicable period.

The rates presented above may differ from the actual rates used in the preparation of Transocean's financial statements and other financial information appearing in this document. Our inclusion of such rates is not meant to suggest that the U.S. dollar amounts actually represent Norwegian kroner amounts or that such amounts could have been converted to U.S. dollars at any particular rate, if at all.

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RISK FACTORS

An investment in the Company and TINC involves risks. Before making an investment decision with respect to the Offer and the Company, investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes incorporated herein by reference. The risks and uncertainties described in this section are the principal known risks and uncertainties faced by the Group as of the date hereof that the Company believes are material to an investment in the Company. The absence of negative past experience associated with any given risk does not mean that the risks and uncertainties described herein should not be considered prior to making an investment decision in respect of the Company. If any of the following risks were to materialize, individually or together with other circumstances, they could have a material and adverse effect on the Group or its business, financial condition, results of operations, cash flows or prospects, which could cause a decline in the value and trading price of the Shares and/or Exchangeable Bonds, resulting in the loss of all or part of an investment in the same. The order in which the risks are presented does not reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operations, cash flows or prospects.

Risks Related to the Business of the Group

The Group's drilling contracts may be terminated due to a number of events, and, during depressed market conditions, the Group's customers may seek to repudiate or renegotiate their contracts

Certain of the Group's drilling contracts with customers may be cancellable at the option of the customer upon payment of an early termination payment. Such payments may not, however, fully compensate the Group for the loss of the contract. Drilling contracts also customarily provide for either automatic termination or termination at the option of the customer typically without the payment of any termination fee, under various circumstances such as non-performance, as a result of significant downtime or impaired performance caused by equipment or operational issues, or sustained periods of downtime due to force majeure events. Many of these events are beyond the Group's control. During periods of depressed market conditions, the Group is subject to an increased risk of the Group's customers seeking to repudiate their contracts, including through claims of non-performance. The Group is at continued risk of experiencing early contract terminations in the current weak commodity price environment as operators look to reduce their capital expenditures. During the years ended December 31, 2016 and 2015, the Group's customers early terminated or cancelled contracts for eight and five of the Group's rigs, respectively, and these rigs currently remain idle. The Group's customers' ability to perform their obligations under their drilling contracts, including their ability to fulfill their indemnity obligations to the Group, also may be negatively impacted by an economic downturn. The Group's customers, which include national oil companies, often have significant bargaining leverage over the Group. If customers cancel some of the Group's contracts, and the Group is unable to secure new contracts on a timely basis and on substantially similar terms, or if contracts are suspended for an extended period of time or if a number of the contracts are renegotiated, it could adversely affect the Group's consolidated statement of financial position, results of operations or cash flows.

The Group's current backlog of contract drilling revenue may not be fully realized, which may have a material adverse impact on the Group's consolidated statement of financial position, results of operations or cash flows



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At October 26, 2017, the Group's contract backlog was approximately USD 9.4 billion. This amount represents the firm term of the drilling contract multiplied by the contractual operating rate, which may be higher than the actual day rate the Group receives or the Group may receive other day rates included in the contract, such as waiting on weather rate, repair rate, standby rate or force majeure rate. The contractual operating day rate may also be higher than the actual day rate the Group receives because of a number of factors, including rig downtime or suspension of operations.

Several factors could cause rig downtime or a suspension of operations, including:

- breakdowns of equipment and other unforeseen engineering problems;
- work stoppages, including labor strikes;
- shortages of material and skilled labor;
- surveys by government and maritime authorities;
- periodic classification surveys;
- severe weather, strong ocean currents or harsh operating conditions; and
- force majeure events.

In certain drilling contracts, the day rate may be reduced to zero or result in customer credit against future day rate if, for example, repairs extend beyond a stated period of time. The Group's contract backlog includes signed drilling contracts and, in some cases, other definitive agreements awaiting contract execution. The Group may not be able to realize the full amount of the Group's contract backlog due to events beyond the Group's control. In addition, some of the Group's customers have experienced liquidity issues in the past and these liquidity issues could be experienced again if commodity prices decline to lower levels for an extended period of time. Liquidity issues and other market pressures could lead the Group's customers to go into bankruptcy or could encourage the Group's customers to seek to repudiate, cancel or renegotiate these agreements for various reasons (see above "—The Group's drilling contracts may be terminated due to a number of events, and, during depressed market conditions, the Group's customers may seek to repudiate or renegotiate their contracts"). The Group's inability to realize the full amount of the Group's contract backlog may have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in the Group's operating revenues

The Group's operating and maintenance costs will not necessarily fluctuate in proportion to changes in the Group's operating revenues. Costs for operating a rig are generally fixed or only semi-variable regardless of the day rate being earned. In addition, should the Group's rigs incur unplanned downtime while on contract or idle time between drilling contracts, the Group will not always reduce the staff on those rigs because the Group could use the crew to prepare the rig for its next contract. During times of reduced activity, costs reductions may not be immediate because portions of the crew may be required to prepare rigs for stacking, after which time the crew members may be assigned to active rigs or released. As the Group's rigs are mobilized from one

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geographic location to another, the labor and other operating and maintenance costs can vary significantly. In general, labor costs increase primarily due to higher salary levels and inflation. Equipment maintenance costs fluctuate depending upon the type of activity the unit is performing and the age and condition of the equipment, and these costs could increase for short or extended periods as a result of regulatory or customer requirements that raise maintenance standards above historical levels. Contract preparation costs vary based on the scope and length of contract preparation required and the duration of the firm contractual period during which such expenditures are amortized.

The Group's business involves numerous operating hazards, and the Group's insurance and indemnities from its customers may not be adequate to cover potential losses from the Group's operations

The Group's operations are subject to the usual hazards inherent in the drilling of oil and gas wells, such as, blowouts, reservoir damage, loss of production, loss of well control, lost or stuck drill strings, equipment defects, craterings, fires, explosions and pollution. Contract drilling requires the use of heavy equipment and exposure to hazardous conditions, which may subject the Group to liability claims by employees, customers and other parties. These hazards can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations. The Group's offshore fleet is also subject to hazards inherent in marine operations, either while on site or during mobilization, such as capsizing, sinking, grounding, collision, piracy, damage from severe weather and marine life infestations.

The South China Sea, the Northwest Coast of Australia and the U.S. Gulf of Mexico area are subject to typhoons, hurricanes or other extreme weather conditions on a relatively frequent basis, and the Group's drilling rigs in these regions may be exposed to damage or total loss by these storms, some of which may not be covered by insurance. The occurrence of these events could result in the suspension of drilling operations, damage to or destruction of the equipment involved and injury to or death of rig personnel. Some experts believe global climate change could increase the frequency and severity of these extreme weather conditions. Operations may also be suspended because of machinery breakdowns, abnormal drilling conditions, subcontractors' failure to perform or supply goods or services, or personnel shortages. The Group customarily provides contract indemnity to the Group's customers for certain claims that could be asserted by the Group relating to damage to or loss of the Group's equipment, including rigs, and claims that could be asserted by the Group or the Group's employees relating to personal injury or loss of life.

Damage to the environment could also result from the Group's operations, particularly through spillage of hydrocarbons, fuel, lubricants or other chemicals and substances used in drilling operations, or extensive uncontrolled fires. The Group may also be subject to property damage, environmental indemnity and other claims by oil and natural gas companies. Drilling involves certain risks associated with the loss of control of a well, such as blowout, cratering, the cost to regain control of or re-drill the well and remediation of associated pollution. The Group's customers may be unable or unwilling to indemnify the Group against such risks. In addition, a court may decide that certain indemnities in the Group's current or future drilling contracts are not enforceable. The law generally considers contractual indemnity for criminal fines and penalties to be against public policy, and the enforceability of an indemnity as to other matters may be limited.

The Group's insurance policies and drilling contracts contain rights to indemnity that may not adequately cover the Group's losses, and the Group does not have insurance coverage or rights to indemnity for all risks. The

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Group has two main types of insurance coverage: (1) hull and machinery coverage for physical damage to the Group's property and equipment and (2) excess liability coverage, which generally covers offshore risks, such as personal injury, third-party property claims, and third-party non-crew claims, including wreck removal and pollution. The Group generally has no hull and machinery insurance coverage for damages caused by named storms in the U.S. Gulf of Mexico. The Group maintains per occurrence deductibles that generally range up to USD 10 million for various third-party liabilities and an additional aggregate annual deductible of USD 50 million, which is self-insured through the Group's wholly owned captive insurance company. The Group also retains the risk for any liability exceeding the Group's USD 750 million excess liability coverage. However, pollution and environmental risks generally are not completely insurable.

If a significant accident or other event occurs that is not fully covered by the Group's insurance or by an enforceable or recoverable indemnity, the occurrence could adversely affect the Group's consolidated statement of financial position, results of operations or cash flows. The amount of the Group's insurance may also be less than the related impact on enterprise value after a loss. The Group's insurance coverage will not in all situations provide sufficient funds to protect the Group from all liabilities that could result from its drilling operations. The Group's coverage includes annual aggregate policy limits. As a result, the Group generally retains the risk for any losses in excess of these limits. The Group generally does not carry insurance for loss of revenue, and certain other claims may also not be reimbursed by insurance carriers. Any such lack of reimbursement may cause the Group to incur substantial costs. In addition, the Group could decide to retain more risk in the future, resulting in higher risk of losses, which could be material. Moreover, the Group may not be able to maintain adequate insurance in the future at rates that the Group considers reasonable or be able to obtain insurance against certain risks.

Recent developments in Swiss corporate governance may affect the Company's ability to attract and retain top executives

On January 1, 2014, subject to certain transitional provisions, the Swiss Federal Council Ordinance Against Excessive Compensation at Public Companies (the "Ordinance") became effective. The Ordinance, among other things, (a) requires a binding shareholder "say on pay" vote with respect to the compensation of members of the Company's executive management and the Transocean Board, (b) generally prohibits the making of severance, advance, transaction premiums and similar payments to members of the Company's executive management and the Transocean Board, and (c) requires a mandatory one-year term of the Transocean Board and the amendment of the Company's Articles of Association to specify various compensation-related matters. At the 2014 annual general meeting, the Company's shareholders approved amendments to the Company's Articles of Association that implement the requirements of the Ordinance, and at each of the Company's 2015, 2016 and 2017 annual general meetings the Company's shareholders approved in a binding "say on pay" vote the compensation of members of the Company's executive management and the Transocean Board. At the 2017 annual general meeting, the Company's shareholders approved the maximum aggregate compensation of (1) the Transocean Board for the period between the 2017 annual general meeting and the 2018 annual general meeting and (2) the Company's Executive Management Team for the year ending December 31, 2018. The Company's shareholders will be asked to approve such matters for successive one-year periods at subsequent annual general meetings. The Ordinance further provides for criminal penalties against directors and members of executive management in case of noncompliance with certain of its requirements. The Ordinance may negatively affect the Company's ability to attract and retain executive management and members of the Transocean Board.

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Corporate restructuring activity, divestitures, acquisitions and other business combinations and reorganizations could adversely affect the Group's ability to achieve the Group's strategic goals

The Group has undertaken and continues to seek appropriate opportunities for restructuring the Group's organization, engaging in strategic acquisitions, divestitures and other business combinations in order to optimize the Group's fleet and strengthen the Group's competitiveness. The Group faces risks arising from these activities, which could adversely affect the Group's ability to achieve its strategic goals. For example:

- the Group may be unable to realize the growth or investment opportunities, improvement of the Group's financial position and other expected benefits by these activities in the expected time period or at all;
- transactions may not be completed as scheduled or at all due to legal or regulatory requirements, market conditions or contractual and other conditions to which such transactions are subject;
- unanticipated problems could also arise in the integration or separation processes, including unanticipated restructuring or separation expenses and liabilities, as well as delays or other difficulties in transitioning, coordinating, consolidating, replacing and integrating personnel, information and management systems, and customer products and services; and
- the diversion of management and key employees' attention may detract from the Group's ability to increase revenues and minimize costs.

Certain transactions may result in other unanticipated adverse consequences.

Failure to recruit and retain key personnel could hurt the Group's operations

The Group depends on the continuing efforts of key members of the Group's management, as well as other highly skilled personnel, to operate and provide technical services and support for the Group's business worldwide. Historically, competition for the personnel required for drilling operations has intensified as the number of rigs activated, added to worldwide fleets or under construction increased, leading to shortages of qualified personnel in the industry and creating upward pressure on wages and higher turnover. The Group may experience a reduction in the experience level of the Group's personnel as a result of any increased turnover and ongoing staff reduction initiatives, which could lead to higher downtime and more operating incidents, which in turn could decrease revenues and increase costs. If increased competition for qualified personnel were to intensify in the future the Group may experience increases in costs or limits on operations.

Significant part or equipment shortages, supplier capacity constraints, supplier production disruptions, supplier quality and sourcing issues or price increases could increase the Group's operating costs, decrease the Group's revenues and adversely impact the Group's operations

The Group's reliance on third-party suppliers, manufacturers and service providers to secure equipment, parts, components and sub-systems used in the Group's operations exposes the Group to volatility in the quality, prices and availability of such items. A disruption in the deliveries from third-party suppliers, manufacturers or service providers, capacity constraints, production disruptions, price increases, quality control issues, recalls or other decreased availability of parts and equipment could adversely affect the Group's ability to meet its

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commitments to customers, adversely impact the Group's operations and revenues or increase the Group's operating costs.

The Group's labor costs and the operating restrictions under which the Group operates could increase as a result of collective bargaining negotiations and changes in labor laws and regulations

Approximately 28% of the Group's total workforce, working primarily in Angola, Brazil, Norway and the U.K. are represented by, and some of the Group's contracted labor work under, collective bargaining agreements, substantially all of which are subject to annual salary negotiation. These negotiations could result in higher personnel expenses, other increased costs or increased operational restrictions as the outcome of such negotiations apply to all offshore employees not just the union members. Legislation has been introduced in the U.S. Congress that could encourage additional unionization efforts in the U.S., as well as increase the chances that such efforts succeed. Additional unionization efforts, if successful, new collective bargaining agreements or work stoppages could materially increase the Group's labor costs and operating restrictions.

Failure to comply with anti-bribery statutes, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, could result in fines, criminal penalties, drilling contract terminations and an adverse effect on the Group's business

The U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act 2010 ("Bribery Act") and similar anti-bribery laws in other jurisdictions, generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. The Group operates in many parts of the world that have experienced corruption to some degree and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. If the Group is found to be liable for violations under the FCPA, the Bribery Act or other similar laws, either due to the Group's acts or omissions or due to the acts or omissions of others, including the Group's partners in various joint ventures, the Group could suffer from civil and criminal penalties or other sanctions, which could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, investors could negatively view potential violations, inquiries or allegations of misconduct under the FCPA, the Bribery Act or similar laws, which could adversely affect the Group's reputation and the market for the Group's shares.

The Group could also face fines, sanctions and other penalties from authorities in the relevant jurisdictions, including prohibition of the Group's participation in or curtailment of business operations in those jurisdictions and the seizure of rigs or other assets. Additionally, the Group could also face other third-party claims by agents, shareholders, debt holders, or other interest holders or constituents of the Group. Further, disclosure of the subject matter of any investigation could adversely affect the Group's reputation and the Group's ability to obtain new business from potential customers or retain existing business from the Group's current customers, to attract and retain employees and to access the capital markets. The Group's customers in relevant jurisdictions could seek to impose penalties or take other actions adverse to the Group's interests, and the Group may be required to dedicate significant time and resources to investigate and resolve allegations of misconduct, regardless of the merit of such allegations.

Regulation of greenhouse gases and climate change could have a negative impact on the Group's business

A number of scientific studies suggests that emissions of certain gases, including greenhouse gases, carbon dioxide and methane, may be contributing to warming of the earth's atmosphere and other climatic changes. In



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response to such studies, the issue of climate change and the effect of greenhouse gas emissions, in particular emissions from fossil fuels, are attracting increasing attention worldwide.

In the U.S., the U.S. Environmental Protection Agency has begun adopting and implementing a comprehensive suite of regulations to restrict emissions of greenhouse gases under existing provisions of the Clean Air Act. In addition, a number of other federal, state and regional efforts have focused on tracking or reducing greenhouse gas emissions. Efforts have also been made and continue to be made in the international community toward the adoption of international treaties or protocols that would address global climate change issues. In December 2015, the U.S. joined the international community at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in Paris, France, however at the date of this Prospectus the U.S.' participation in such arrangement is in doubt. Nevertheless, the resulting Paris Agreement calls for the parties to undertake "ambitious efforts" to limit the average global temperature and to conserve and enhance sinks and reservoirs of greenhouse gases. The Paris Agreement, if ratified, establishes a framework for the parties to cooperate and report actions to reduce greenhouse gas emissions.

Because the Group's business depends on the level of activity in the offshore oil and gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on the Group's business if such laws, regulations, treaties or international agreements reduce the worldwide demand for oil and gas or limit drilling opportunities. In addition, such laws, regulations, treaties or international agreements could result in increased compliance costs or additional operating restrictions, which may have a negative impact on the Group's business.

The Group is subject to litigation that, if not resolved in the Group's favor and not sufficiently insured against, could have a material adverse effect on the Group

The Group is subject to a variety of disputes, investigations and litigation. Certain of the companies in the Group are named as defendants in numerous lawsuits alleging personal injury as a result of exposure to asbestos or toxic fumes or resulting from other occupational diseases, such as silicosis, and various other medical issues that can remain undiscovered for a considerable amount of time. Some of these companies in the Group that have been put on notice of potential liabilities have no assets. Further, the Group's patent for dual-activity technology has been successfully challenged in certain jurisdictions, and the Group has been accused of infringing other patents. Other companies in the Group are subject to litigation relating to environmental damage. The Group cannot predict the outcome of the cases involving those companies or the potential costs to resolve them. Insurance may not be applicable or sufficient in all cases, insurers may not remain solvent, policies may not be located, and liabilities associated with the Macondo well incident may exhaust some or all of the insurance available to cover certain claims. Suits against non-asset-owning companies in the Group have and may in the future give rise to alter ego or successor-in-interest claims against the Group and the Group's asset-owning subsidiaries to the extent a Group Company is unable to pay a claim or insurance is not available or sufficient to cover the claims. The Group is subject to litigation with certain of the Group's customers. The Group is also subject to a number of significant tax disputes. To the extent that one or more pending or future litigation matters is not resolved in the Group's favor and is not covered by insurance, a material adverse effect on the Group's financial results and condition could result.

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The Group's information technology systems are subject to cybersecurity risks and threats

The Group depends on digital technologies to conduct the Group's offshore and onshore operations, to collect payments from customers and to pay vendors and employees. Threats to the Group's information technology systems associated with cybersecurity risks and cyber-incidents or attacks continue to grow. In addition, breaches to the Group's systems could go unnoticed for some period of time. Risks associated with these threats include disruptions of certain systems on the Group's rigs; other impairments of the Group's ability to conduct the Group's operations; loss of intellectual property, proprietary information or customer data; disruption of the Group's customers' operations; loss or damage to the Group's customer data delivery systems; and increased costs to prevent, respond to or mitigate cybersecurity events. If such a cyber-incident were to occur, it could have a material adverse effect on the Group's business, financial condition, cash flows and results of operations.

Public health threats could have a material adverse effect on the Group's operations and its financial results

Public health threats, such as Severe Acute Respiratory Syndrome, severe influenza and other highly communicable viruses or diseases, outbreaks of which have already occurred in various parts of the world in which the Group operates, could adversely impact the Group's operations, the operations of the Group's customers and the global economy, including the worldwide demand for oil and natural gas and the level of demand for the Group's services. Quarantine of personnel or inability to access the Group's offices or rigs could adversely affect the Group's operations. Travel restrictions or operational problems in any part of the world in which the Group operates, or any reduction in the demand for drilling services caused by public health threats in the future, may materially impact operations and adversely affect the Group's financial results.

A change in tax laws, treaties or regulations, or their interpretation, of any country in which the Group has operations, are incorporated or are resident could result in a higher tax rate on the Group's worldwide earnings, which could result in a significant negative impact on the Group's earnings and cash flows from operations

The Group operates worldwide. Consequently, the Group is subject to changes in applicable tax laws, treaties or regulations in the jurisdictions in which the Group operates, which could include laws or policies directed toward companies organized in jurisdictions with low tax rates. A material change in the tax laws, treaties or regulations, or their interpretation or application, of any country in which the Group has significant operations, or in which the Group is incorporated or resident, could result in a higher effective tax rate on the Group's worldwide earnings and such change could be significant to the Group's financial results.

In the U.S., major tax reform is under consideration. Recently, a bill was introduced in the U.S. House of Representatives that, if enacted, would impose a 20% excise tax on certain deductible payments (including bareboat charter hire) made by a U.S. corporation to a foreign affiliate if such payments were subject to a reduced rate of U.S. withholding tax under a U.S. income tax treaty. In addition, legislative tax proposals intending to eliminate some perceived tax advantages of companies that have legal domiciles outside the U.S., but have certain U.S. connections, have repeatedly been introduced in the U.S. Congress. Recent examples include, but are not limited to, legislative proposals that would broaden the circumstances in which a non-U.S. company would be considered a U.S. resident, including the use of "management and control" provisions to determine corporate residency, and proposals that could override certain tax treaties and limit treaty benefits on certain payments by U.S. subsidiaries to non-U.S. affiliates. Any material change in tax laws or policies, or their interpretation, resulting from such legislative proposals or inquiries could result in a higher effective tax



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rate on the Group's worldwide earnings and such change could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

In a referendum held on February 12, 2017, Swiss voters rejected a corporate tax legislative proposal that would have abolished certain cantonal tax privileges as well as implement other significant changes to existing tax laws and practices starting in 2019. These legislative proposals were in response to certain guidance from and demands by the European Union and the Organization for Economic Co-operation and Development (the "OECD"). Switzerland must now give consideration to a revised corporate tax reform proposal. Switzerland's implementation of any material change in tax laws or policies or its adoption of new interpretations of existing tax laws and rulings could result in a higher effective tax rate on the Group's worldwide earnings and such change could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

Similarly, in October 2015, the OECD issued its action plan of tax reform measures that called for member states to take action to prevent "base erosion and profit shifting." Some of these measures impact transfer pricing, requirements to qualify for tax treaty benefits, and the definition of permanent establishments depending on each jurisdiction's adoption and interpretation of such proposals. The European Union issued its Anti-Tax Avoidance Directive in 2016 that required its member states to adopt specific tax reform measures by 2019. Any material change in tax laws or policies, or their interpretation, resulting from such legislative proposals or inquiries could result in a higher effective tax rate on the Group's worldwide earnings and such change could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

Other tax jurisdictions in which the Group operates may consider implementing similar legislation. The implementation of such legislation, any other material changes in tax laws or policies or the adoption of new interpretations of existing tax laws and rulings could result in a higher effective tax rate on the Group's worldwide earnings and any such change could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

A loss of a major tax dispute or a successful tax challenge to the Group's operating structure, intercompany pricing policies or the taxable presence of the Group's key subsidiaries in certain countries could result in a higher tax rate on the Group's worldwide earnings, which could result in a significant negative impact on the Group's earnings and cash flows from operations

The Company is a Swiss corporation that operates through the Company's various subsidiaries in a number of countries throughout the world. Consequently, the Company is subject to tax laws, treaties and regulations in and between the countries in which the Group operates. The Group's income taxes are based upon the applicable tax laws and tax rates in effect in the countries in which the Group operates and earns income, as well as upon the Group's operating structures in these countries.

The Group's income tax returns are subject to review and examination. The Group's does not recognize the benefit of income tax positions the Group believes are more likely than not to be disallowed upon challenge by a tax authority. If any tax authority successfully challenges the Group's operational structure, intercompany pricing policies or the taxable presence of the Group's key subsidiaries in certain countries; or if the terms of certain income tax treaties are interpreted in a manner that is adverse to the Group's structure; or if the Group loses a material tax dispute in any country, particularly in the U.S., Norway, India or Brazil, the Group's



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effective tax rate on the Group's worldwide earnings could increase substantially and the Group's earnings and cash flows from operations could be materially adversely affected. For example, the Group cannot be certain that the U.S. Internal Revenue Service ("IRS") will not successfully contend that the Group or any of the Group's key subsidiaries were or are engaged in a trade or business in the U.S. or, when applicable, that the Group or any of the Group's key subsidiaries maintained or maintain a permanent establishment in the U.S., since, among other things, such determination involves considerable uncertainty. If the Group or any of its key subsidiaries were considered to have been engaged in a trade or business in the U.S., when applicable, through a permanent establishment, the Group could be subject to U.S. corporate income and additional branch profits taxes on the portion of the Group's earnings effectively connected to such U.S. business during the period in which this was considered to have occurred, in which case the Group's effective tax rate on worldwide earnings for that period could increase substantially, and the Group's earnings and cash flows from operations for that period could be adversely affected.

As a Swiss corporation, the Company is subject to Swiss legal provisions that may limit its flexibility to swiftly implement certain initiatives or strategies

The Company is required, from time to time, to evaluate the carrying amount of the Company's investments in affiliates, as presented on the Company's Swiss standalone balance sheet of the Company's statutory accounts. Had the Company prepared a Swiss standalone balance sheet as of September 30, 2017 it would have performed such an evaluation. If the Company were to determine that the carrying amount of any such investment exceeded its fair value, the Company may conclude that such investment is impaired. The recognized loss associated with such a non-cash impairment could result in the Company's net assets no longer covering the Company's statutory share capital and statutory capital reserves. Under Swiss law, if the Company's net assets cover less than 50% of the Company's statutory share capital and statutory capital reserves, the Transocean Board must in these circumstances convene a general meeting of shareholders and propose measures to remedy such a capital loss. The appropriate measures depend on the relevant circumstances and the magnitude of the recognized loss and may include seeking shareholder approval for offsetting the aggregate loss, or a portion thereof, with the Company's statutory capital reserves including qualifying additional paid-in capital otherwise available for distributions to shareholders or raising new equity. Depending on the circumstances, the Company may also need to use qualifying additional paid-in capital available for distributions in order to reduce the Company's accumulated net loss and such use might reduce the Company's ability to make distributions without subjecting the Company's shareholders to Swiss withholding tax. These Swiss law requirements could limit the Company's flexibility to swiftly implement certain initiatives or strategies.

The Company is subject to anti-takeover provisions

The Company's Articles of Association and Swiss law contain provisions that could prevent or delay an acquisition of the Company by means of a tender offer, a proxy contest or otherwise. These provisions may also adversely affect prevailing market prices for the Company's shares. These provisions, among other things:

- provide that the Transocean Board is authorized, subject to obtaining shareholder approval every two years, at any time during a maximum two-year period, which under the current authorized share capital of the Company will expire on May 12, 2018, to issue a specified number of shares, which under the current authorized share capital of the Company is approximately 5.6% of the share capital

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registered in the commercial register, and to limit or withdraw the pre-emptive rights of existing shareholders in various circumstances;

- provide for a conditional share capital that authorizes the issuance of additional shares up to a maximum amount of approximately 36% of the share capital currently registered in the commercial register without obtaining additional shareholder approval through: (1) the exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations by or of any of the Company's subsidiaries; or (2) in connection with the issuance of shares, options or other share-based awards;
- provide that any shareholder who wishes to propose any business or to nominate a person or persons for election as director at any annual meeting may only do so if advance notice is given to the Company;
- provide that directors can be removed from office only by the affirmative vote of the holders of at least two-thirds of the shares entitled to vote;
- provide that a merger or demerger transaction requires the affirmative vote of the holders of at least two-thirds of the shares represented at the meeting and provide for the possibility of a so-called "cash-out" or "squeeze-out" merger if the acquirer controls 90% of the outstanding shares entitled to vote at the meeting;
- provide that any action required or permitted to be taken by the holders of shares must be taken at a duly called annual or extraordinary general meeting of shareholders;
- limit the ability of the Company's shareholders to amend or repeal some provisions of the Company's Articles of Association; and
- limit transactions between the Company and an "interested shareholder," which is generally defined as a shareholder that, together with its affiliates and associates, beneficially, directly or indirectly, owns 15% or more of the Company's shares entitled to vote at a general meeting.

Risks Related to the Industry in Which the Group Operates

The global nature of the Group's operations involves additional risks

The Group operates in various regions throughout the world, which may expose the Group to political and other uncertainties, including risks of:

- terrorist acts, war, piracy and civil unrest;
- seizure, expropriation or nationalization of the Group's equipment;
- expropriation or nationalization of the Group's customers' property;
- repudiation or nationalization of contracts;

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- imposition of trade or immigration barriers;
- import-export quotas;
- wage and price controls;
- changes in law and regulatory requirements, including changes in interpretation and enforcement;
- involvement in judicial proceedings in unfavorable jurisdictions;
- damage to the Group's equipment or violence directed at the Group's employees, including kidnappings;
- complications associated with supplying, repairing and replacing equipment in remote locations;
- the inability to move income or capital; and
- currency exchange fluctuations and currency exchange restrictions, including exchange or similar controls that may limit the Group's ability to convert local currency into U.S. dollars and transfer funds out of a local jurisdiction.

The Group's non-U.S. contract drilling operations are subject to various laws and regulations in certain countries in which the Group operates, including laws and regulations relating to the import and export, equipment and operation of drilling units, currency conversions and repatriation, oil and gas exploration and development, taxation and social contributions of offshore earnings and earnings of expatriate personnel. The Group is also subject to the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") and other U.S. laws and regulations governing the Group's international operations. In addition, various state and municipal governments, universities and other investors have proposed or adopted divestment and other initiatives regarding investments including, with respect to state governments, by state retirement systems in companies that do business with countries that have been designated as state sponsors of terrorism by the U.S. State Department. Failure to comply with applicable laws and regulations, including those relating to sanctions and export restrictions, may subject the Group to criminal sanctions or civil remedies, including fines, denial of export privileges, injunctions or seizures of assets. Investors could view any potential violations of OFAC regulations negatively, which could adversely affect the Group's reputation and the market for the Company's shares.

Governments in some countries have become increasingly active in regulating and controlling the ownership of concessions and companies holding concessions, the exploration for oil and gas and other aspects of the oil and gas industries in their countries, including local content requirements for participating in tenders for certain drilling contracts. Many governments favor or effectively require the awarding of drilling contracts to local contractors or require non-local contractors to employ citizens of, or purchase supplies from, a particular jurisdiction or require use of a local agent. In addition, government action, including initiatives by the Organisation of the Petroleum Exporting Countries ("OPEC"), may continue to cause oil or gas price volatility. In some areas of the world, this governmental activity has adversely affected the amount of exploration and development work by major oil companies and may continue to do so.

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A substantial portion of the Group's drilling contracts are partially payable in local currency. Those amounts may exceed the Group's local currency needs, leading to the accumulation of excess local currency, which, in certain instances, may be subject to either temporary blocking or other difficulties converting to U.S. dollars, the Group's functional currency, or to other currencies in which the Group operates. Excess amounts of local currency may be exposed to the risk of currency exchange losses.

The shipment of goods, services and technology across international borders subjects the Group to extensive trade laws and regulations. The Group's import and export activities are governed by unique customs laws and regulations in each of the countries where the Group operates. Moreover, many countries, including the U.S., control the import and export of certain goods, services and technology and impose related import and export recordkeeping and reporting obligations. Governments also may impose economic sanctions against certain countries, persons and other entities that may restrict or prohibit transactions involving such countries, persons and entities, and the Group is also subject to the U.S. anti-boycott law.

The laws and regulations concerning import and export activity, recordkeeping and reporting, import and export control and economic sanctions are complex and constantly changing. These laws and regulations may be enacted, amended, enforced or interpreted in a manner materially impacting the Group's operations. Ongoing economic challenges may increase some governments' efforts to enact, enforce, amend or interpret laws and regulations as a method to increase revenue. Shipments can be delayed and denied import or export for a variety of reasons, some of which are outside the Group's control and some of which may result from failure to comply with existing legal and regulatory regimes. Shipping delays or denials could cause unscheduled operational downtime.

An inability to obtain visas and work permits for the Group's employees on a timely basis could impact the Group's operations and have an adverse effect on the Group's business. The Group's ability to operate worldwide depends on the Group's ability to obtain the necessary visas and work permits for the Group's personnel to travel in and out of, and to work in, the jurisdictions in which the Group operates. Governmental actions in some of the jurisdictions in which the Group operates may make it difficult for the Group to move its personnel in and out of these jurisdictions by delaying or withholding the approval of these permits. If the Group is not able to obtain visas and work permits for the employees needed to operate its rigs on a timely basis, the Group might not be able to perform its obligations under the Group's drilling contracts, which could allow the Group's customers to cancel the contracts. If the Group's customers cancel some of the Group's drilling contracts, and the Group is unable to secure new drilling contracts on a timely basis and on substantially similar terms, it could adversely affect the Group's consolidated statement of financial position, results of operations or cash flows.

Compliance with or breach of environmental laws can be costly and/or expose the Group to liability and could limit the Group's operations

The Group's business in the offshore drilling industry is affected by laws and regulations relating to the energy industry and the environment, including international conventions and treaties, and regional, national, state, and local laws and regulations. The offshore drilling industry depends on demand for services from the oil and gas exploration and production industry, and, accordingly, the Group is directly affected by the adoption of laws and regulations that, for economic, environmental or other policy reasons, curtail exploration and development drilling for oil and gas. Compliance with such laws, regulations and standards, where applicable, may require

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the Group to make significant capital expenditures, such as the installation of costly equipment or operational changes, and may affect the resale values or useful lives of the Group's rigs.

The Group may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions, including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of the Group's ability to address pollution incidents. Offshore drilling in certain areas has been curtailed and, in certain cases, prohibited because of concerns over protection of the environment. These costs could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of the Group's operations.

To the extent new laws are enacted or other governmental actions are taken that prohibit or restrict offshore drilling or impose additional environmental protection requirements that result in increased costs to the oil and gas industry, in general, or the offshore drilling industry, in particular, the Group's business or prospects could be materially adversely affected. The operation of the Group's drilling rigs will require certain governmental approvals. These governmental approvals may involve public hearings and costly undertakings on the Group's part. The Group may not obtain such approvals or such approvals may not be obtained in a timely manner. If the Group fails to timely secure the necessary approvals or permits, the Group's customers may have the right to terminate or seek to renegotiate their drilling contracts to the Group's detriment. The amendment or modification of existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of oil and gas could have a material adverse effect on the Group's business, operating results or financial condition. Compliance with any such new legislation or regulations could have an adverse effect on the Group's statements of operations and cash flows.

As an operator of mobile offshore drilling units in some offshore areas, the Group may be liable for damages and costs incurred in connection with oil spills or waste disposals related to those operations, and the Group may also be subject to significant fines in connection with spills. For example, an oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages, as well as third-party damages, to the extent that the contractual indemnification provisions in the Group's drilling contracts are not enforceable or otherwise sufficient, or if the Group's customers are unwilling or unable to contractually indemnify the Group from these risks. Additionally, the Group may not be able to obtain such indemnities in the Group's future drilling contracts, and the Group's customers may not have the financial capability to fulfill their contractual obligations to the Company. Also, these indemnities may be held to be unenforceable in certain jurisdictions, as a result of public policy or for other reasons. For example, one of the courts in the litigation related to the Macondo well incident has refused to enforce aspects of the Group's indemnity with respect to certain environmental-related liabilities. Laws and regulations protecting the environment have become more stringent in recent years, and may in some cases impose strict liability, rendering a person liable for environmental damage without regard to negligence. These laws and regulations may expose the Group to liability for the conduct of or conditions caused by others or for acts that were in compliance with all applicable laws at the time they were performed. The application of these requirements or the adoption of new requirements or measures could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows. In addition, the Consent Decree (as defined below) and probation arising out of certain Group subsidiaries' cooperation guilty plea agreement by and among



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the U.S. Department of Justice (the “DOJ”) and certain of the Group’s affiliates (the “Plea Agreement”), add to these regulations, requirements and liabilities. One Group subsidiary’s guilty plea to negligently discharging oil into the U.S. Gulf of Mexico, in violation of the Clean Water Act, in connection with the Macondo well incident caused the Company to incur liabilities under the environmental laws relating to the Macondo well incident. The Company may be subject to additional liabilities and penalties.

The continuing effects of the enhanced regulations enacted following the Macondo well incident and of agreements applicable to the Group could materially and adversely affect the Group’s worldwide operations

Following the Macondo well incident, enhanced governmental safety and environmental requirements applicable to both deepwater and shallow water operations were adopted for drilling in the U.S. Gulf of Mexico. In order to obtain drilling permits, operators must submit applications that demonstrate compliance with the enhanced regulations, which require independent third-party inspections, certification of well design and well control equipment and emergency response plans in the event of a blowout, among other requirements. Operators have previously had, and may in the future have, difficulties obtaining drilling permits in the U.S. Gulf of Mexico. In addition, the oil and gas industry has adopted new equipment and operating standards, such as the American Petroleum Institute Standard 53 related to the installation and testing of well control equipment. These new safety and environmental guidelines and standards and any further new guidelines or standards the U.S. government or industry may issue or any other steps the U.S. government or industry may take, could disrupt or delay operations, increase the cost of operations, increase out-of-service time or reduce the area of operations for drilling rigs in the U.S. and non-U.S. offshore areas.

Other governments could take similar actions related to implementing new safety and environmental regulations in the future. Additionally, some of the Group’s customers have elected to voluntarily comply with some or all of the new inspections, certification requirements and safety and environmental guidelines on rigs operating outside of the U.S. Gulf of Mexico. Additional governmental regulations and requirements concerning licensing, taxation, equipment specifications and training requirements or the voluntary adoption of such requirements or guidelines by the Group’s customers could increase the costs of the Group’s operations, increase certification and permitting requirements, increase review periods and impose increased liability on offshore operations. The requirements applicable to the Group under the Group’s settlement with the DOJ cover safety, environmental, reporting, operational and other matters (the “Consent Decree”) and are in addition to the regulations applicable to other industry participants and may require additional agreements and corporate compliance resources that, together with the Plea Agreement could cause the Group to incur additional costs and liabilities. The continuing effects of the enhanced regulations may also decrease the demand for drilling services, negatively affect day rates and increase out-of-service time, which could ultimately have a material adverse effect on the Group’s revenues and profitability.

The offshore drilling industry is highly competitive and cyclical, with intense price competition

The offshore contract drilling industry is highly competitive with numerous industry participants, none of which has a dominant market share. Drilling contracts are traditionally awarded on a competitive bid basis. Although rig availability, service quality and technical capability are drivers of customer contract awards, bid pricing and intense price competition are often key determinants for which a qualified contractor is awarded a job.

The offshore drilling industry has historically been cyclical and is impacted by oil and natural gas price levels and volatility. There have been periods of high customer demand, limited rig supply and high day rates,



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followed by periods of low customer demand, excess rig supply and low day rates. Changes in commodity prices can have a dramatic effect on rig demand, and periods of excess rig supply may intensify competition in the industry and result in the idling of older and less technologically advanced equipment. The Group has idled and stacked rigs, and may in the future idle or stack additional rigs or enter into lower day rate drilling contracts in response to market conditions. The Group cannot predict when or if any idled or stacked rigs will return to service.

During prior periods of high day rates and rig utilization rates, the Group and other industry participants have responded to increased customer demand by increasing the supply of rigs through ordering the construction of new units. In periods of low oil and natural gas price levels, growth in new construction has historically resulted in an oversupply of rigs and has caused a subsequent decline in day rates and rig utilization rates, sometimes for extended periods of time. Presently, there are numerous recently constructed high-specification floaters and other drilling units capable of competing with the Group's rigs that have entered the global market, and there are more that are under construction.

The entry into service of these new units has increased and will continue to increase supply. The increased supply has contributed to and may continue to contribute to a reduction in day rates as rigs are absorbed into the active fleet and has led to accelerated stacking of the existing fleet.

Two of the Group's three ultra-deepwater drillships currently under construction have not been contracted for work. Combined with the rapid increase in the number of rigs in the global market completing contracts and becoming idle, the number of new units expected to be delivered without contracts has intensified and may further intensify price competition. Any further increase in construction of new units would likely exacerbate the negative impact of increased supply on day rates and utilization rates. Additionally, lower market day rates and intense price competition may drive customers to demand renegotiation of existing contracts to lower day rates in exchange for longer contract terms. In an oversupplied market, the Group may have limited bargaining power to negotiate on more favorable terms. Lower day rates and rig utilization rates could adversely affect the Group's revenues and profitability.

The Group may not be able to renew or obtain new drilling contracts for rigs whose contracts are expiring or are terminated or obtain drilling contracts for the Group's uncontracted newbuilds, which could adversely affect the Group's consolidated statements of operations

The Group's ability to renew expiring drilling contracts or obtain new drilling contracts will depend on the prevailing market conditions at the time. If the Group is unable to obtain new drilling contracts in direct continuation with existing contracts or for the Group's uncontracted newbuild units, or if new drilling contracts are entered into day rates substantially below the existing day rates or on terms otherwise less favorable compared to existing contract terms, the Group's revenues and profitability could be adversely affected.

The offshore drilling markets in which the Group compete experience fluctuations in the demand for drilling services. A number of existing drilling contracts for the Group's drilling rigs that are currently operating are scheduled to expire before December 31, 2017. Two of the ultra-deepwater drillships the Group currently has under construction as part of the Group's newbuild program are being constructed without customer drilling contracts. The Group will attempt to secure drilling contracts for these units prior to their completion. The Group may be unable to obtain drilling contracts for the Group's rigs that are currently operating upon the expiration or termination of such contracts or obtain drilling contracts for the Group's newbuilds, and there



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may be a gap in the operation of the rigs between the current contracts and subsequent contracts. In particular, if oil and natural gas prices remain low, as is currently the case, or it is expected that such prices will decrease in the future, at a time when the Group is seeking drilling contracts for the Group's rigs, the Group may be unable to obtain drilling contracts at attractive day rates or at all.

The Group's business depends on the level of activity in the offshore oil and gas industry, which is significantly affected by volatile oil and gas prices and other factors

The Group's business depends on the level of activity in oil and gas exploration, development and production in offshore areas worldwide. Demand for the Group's services depends on oil and natural gas industry activity and expenditure levels that are directly affected by trends in oil and, to a lesser extent, natural gas prices. Oil and gas prices are extremely volatile and are affected by numerous factors, including the following:

- worldwide demand for oil and gas, including economic activity in the U.S. and other large energy-consuming markets;
- the ability of OPEC to set and maintain production levels, productive spare capacity and pricing;
- the level of production in non-OPEC countries;
- the policies of various governments regarding exploration and development of their oil and gas reserves;
- international sanctions on oil-producing countries, or the lifting of such sanctions;
- advances in exploration, development and production technology;
- the further development of shale technology to exploit oil and gas reserves;
- the discovery rate of new oil and gas reserves;
- the rate of decline of existing oil and gas reserves;
- laws and regulations related to environmental matters, including those addressing alternative energy sources and the risks of global climate change;
- the development and exploitation of alternative fuels;
- accidents, adverse weather conditions, natural disasters and other similar incidents relating to the oil and gas industry; and
- the worldwide security and political environment, including uncertainty or instability resulting from an escalation or outbreak of armed hostilities, civil unrest or other crises in the Middle East or other geographic areas or acts of terrorism.

Demand for the Group's services is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies, including

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national oil companies. Any prolonged reduction in oil and natural gas prices could depress the immediate levels of exploration, development and production activity. Perceptions of longer term lower oil and natural gas prices by oil and gas companies could similarly reduce or defer major expenditures given the long-term nature of many large-scale development projects. Lower levels of activity result in a corresponding decline in the demand for the Group's services, which could have a material adverse effect on the Group's revenue and profitability. Oil and gas prices and market expectations of potential changes in these prices significantly affect this level of activity. However, increases in near-term commodity prices do not necessarily translate into increased offshore drilling activity since customers' expectations of longer-term future commodity prices typically drive demand for the Group's rigs. The current commodity pricing environment has had a negative impact on demand for the Group's services, and it could continue. The price of crude oil as reported on the New York Mercantile Exchange has weakened significantly and, despite recent price improvements, has not returned to the higher levels experienced prior to December 31, 2014. Consequently, customers have delayed or cancelled many exploration and development programs, resulting in reduced demand for the Group's services. Also, increased competition for customers' drilling budgets could come from, among other areas, land-based energy markets worldwide. The availability of quality drilling prospects, exploration success, relative production costs, the stage of reservoir development and political and regulatory environments also affect customers' drilling campaigns. Worldwide military, political and economic events have contributed to oil and gas price volatility and are likely to do so in the future.

Acts of terrorism, piracy and political and social unrest could affect the markets for drilling services, which may have a material adverse effect on the Group's results of operations

Acts of terrorism and social unrest, brought about by world political events or otherwise, have caused instability in the world's financial and insurance markets in the past and may occur in the future. Such acts could be directed against companies of the Group. In addition, acts of terrorism, piracy and social unrest could lead to increased volatility in prices for crude oil and natural gas and could affect the markets for drilling services. Insurance premiums could increase and coverage may be unavailable in the future. Government regulations may effectively preclude the Group from engaging in business activities in certain countries. These regulations could be amended to cover countries where the Group currently operates or where the Group may wish to operate in the future. The Group's drilling contracts do not generally provide indemnification against loss of capital assets or loss of revenues resulting from acts of terrorism, piracy or political or social unrest. The Group has limited insurance for the Group's assets providing coverage for physical damage losses resulting from risks, such as terrorist acts, piracy, vandalism, sabotage, civil unrest, expropriation and acts of war, and the Group does not carry insurance for loss of revenues resulting from such risks.

Financial Risks

The Group has identified a material weakness in its internal control over financial reporting, and the Group's business and stock price may be adversely affected if the Group's internal control over financial reporting is not effective

Under Section 404 of the Sarbanes-Oxley Act of 2002 and rules promulgated by the SEC, the Group is required to conduct a comprehensive evaluation of the Group's internal control over financial reporting. To complete this evaluation, the Group is required to document and test the Group's internal control over financial reporting; management is required to assess and issue a report concerning the Group's internal control over financial

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reporting; and the Group's independent registered public accounting firm is required to attest to the effectiveness of the Group's internal control over financial reporting. The Group's internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be prevented or detected timely. Even effective internal control over financial reporting can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements.

In the course of the external audit of the consolidated financial statements for the year ended December 31, 2016 the Group identified a material weakness in the Group's controls over income tax accounting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis. A more complete description of the recently identified errors and the resulting material weakness is included in "Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Note 4—Correction of Errors in Previously Reported Consolidated Financial Statements" of the 2016 Annual Report. Although the Group is evaluating certain measures in order to remediate this material weakness, the Group can provide no assurance that the Group's remediation efforts will be effective or that additional material weaknesses in the Group's internal control over financial reporting will not be identified in the future.

The existence of a material weakness could result in errors in the Group's financial statements that could result in a restatement of financial statements, which could cause the Group to fail to meet its reporting obligations, potentially lead to a loss of investor confidence and may have a negative impact on the trading price of the Group's shares.

The Group could experience a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows to the extent the Macondo well's operator fails to indemnify the Group or is otherwise unable to indemnify the Group for compensatory damages related to the Macondo well incident as required under the terms of the settlement agreement

The combined response team to the Macondo well incident was unable to stem the flow of hydrocarbons from the well prior to the sinking of Deepwater Horizon. The resulting spill of hydrocarbons was the most extensive in U.S. history. Under the drilling contract and in accordance with the Group's settlement agreement with the operator, BP plc. (together with its affiliates, "BP") agreed to indemnify the Group with respect to certain matters, and the Group agreed to indemnify BP with respect to certain matters. The Group could experience a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows to the extent that BP fails to fully satisfy its indemnification obligations, including by reason of financial or legal restrictions, or the Group's insurance policies do not fully cover these amounts. In addition, in connection with the Consent Decree the Company agreed that it will not use payments pursuant to a civil consent decree by and among the DOJ and certain of the Group's affiliates as a basis for indemnity or reimbursement from non insurer defendants named in the complaint by the U.S. or their affiliates.

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The Group's shipyard projects and operations are subject to delays and cost overruns

As of September 30, 2017, the Group had three ultra-deepwater floater newbuild rigs under construction. The Group also has a variety of other more limited shipyard projects at any given time. These shipyard projects are subject to the risks of delay or cost overruns inherent in any such construction project resulting from numerous factors, including the following:

- shipyard availability, failures and difficulties;
- shortages of equipment, materials or skilled labor;
- unscheduled delays in the delivery of ordered materials and equipment;
- design and engineering problems, including those relating to the commissioning of newly designed equipment;
- latent damages or deterioration to hull, equipment and machinery in excess of engineering estimates and assumptions;
- unanticipated actual or purported change orders;
- disputes with shipyards and suppliers;
- failure or delay of third-party vendors or service providers;
- availability of suppliers to recertify equipment for enhanced regulations;
- strikes, labor disputes and work stoppages;
- customer acceptance delays;
- adverse weather conditions, including damage caused by such conditions;
- terrorist acts, war, piracy and civil unrest;
- unanticipated cost increases; and
- difficulty in obtaining necessary permits or approvals.

These factors may contribute to cost variations and delays in the delivery of the Group's newbuild units and other rigs undergoing shipyard projects. Delays in the delivery of these units would impact contract commencement, resulting in a loss of revenue to the Group, and may also cause customers to terminate or shorten the term of the drilling contract for the rig pursuant to applicable late delivery clauses. In the event of termination of any of these drilling contracts, the Group may not be able to secure a replacement contract on as favorable terms, if at all.

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The Group's operations also rely on a significant supply of capital and consumable spare parts and equipment to maintain and repair the Group's fleet. The Group also relies on the supply of ancillary services, including supply boats and helicopters. Shortages in materials, manufacturing defects, delays in the delivery of necessary spare parts, equipment or other materials, or the unavailability of ancillary services could negatively impact the Group's future operations and result in increases in rig downtime and delays in the repair and maintenance of the Group's fleet.

Worldwide financial, economic and political conditions could have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows

Worldwide financial and economic conditions could restrict the Group's ability to access the capital markets at a time when the Group would like, or need, to access such markets, which could have an impact on the Group's flexibility to react to changing economic and business conditions. Worldwide economic conditions have in the past impacted, and could in the future impact, the lenders participating in the Group's credit facilities and the Group's customers, causing them to fail to meet their obligations to the Group. If economic conditions preclude or limit financing from banking institutions participating in the Group's credit facilities, the Group may not be able to obtain similar financing from other institutions. A slowdown in economic activity could further reduce worldwide demand for energy and extend or worsen the current period of low oil and natural gas prices. A further decline in oil and natural gas prices or an extension of the current low oil and natural gas prices could reduce demand for the Group's drilling services and have a material adverse effect on the Group's consolidated statement of financial position, results of operations or cash flows.

The world economy is currently facing a number of challenges. An extended period of negative outlook for the world economy could reduce the overall demand for oil and natural gas and for the Group's services. These potential developments, or market perceptions concerning these and related issues, could affect the Group's consolidated statement of financial position, results of operations or cash flows. In addition, turmoil and hostilities in the Middle East, North Africa and other geographic areas and countries are adding to overall risk. An extended period of negative outlook for the world economy could further reduce the overall demand for oil and natural gas and for the Group's services. Such changes could adversely affect the Group's business and the Group's consolidated statement of financial position, results of operations or cash flows.

The Group relies heavily on a relatively small number of customers and the loss of a significant customer or a dispute that leads to the loss of a customer could have a material adverse impact on the Group's consolidated statement of financial position, results of operations or cash flows

The Group engages in offshore drilling services for most of the leading international oil companies or their affiliates, as well as for many government-controlled oil companies and independent oil companies. For the year ended December 31, 2016, the Group's most significant customers were Chevron Corporation ("Chevron"), BP plc ("BP"), Royal Dutch Shell plc (together with its affiliates, "Shell") and Petróleo Brasileiro S.A. ("Petrobras"), accounting for approximately 24%, 12%, 12% and 11%, respectively, of the Group's consolidated operating revenues. As of October 26, 2017, the customers with the most significant aggregate amount of contract backlog were Shell and Chevron, representing approximately 72% and 15%, respectively, of the Group's total contract backlog. The loss of any of these customers or another significant customer, or a decline in payments under any of the Group's drilling contracts, could, at least in the short term, have a material adverse effect on the Group's results of operations and cash flows.

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In addition, the Group's drilling contracts subject the Group to counterparty risks. The ability of each of the Group's counterparties to perform its obligations under a contract with the Group will depend on a number of factors that are beyond the Group's control and may include, among other things, general economic conditions, the condition of the offshore drilling industry, prevailing prices for oil and natural gas, the overall financial condition of the counterparty, the day rates received and the level of expenses necessary to maintain drilling activities. In addition, in depressed market conditions, such as the Group is currently experiencing, the Group's customers may no longer need a drilling rig that is currently under contract or may be able to obtain a comparable drilling rig at a lower day rate. Should counterparty fail to honor its obligations under an agreement with the Group, the Group could sustain losses, which could have a material adverse effect on the Group's business and on the Group's consolidated statement of financial condition results of operations or cash flows.

The recent downgrades in the Group's credit ratings by various credit rating agencies could impact the Group's access to capital and materially adversely affect the Group's business and financial condition

During the year ended December 31, 2015, three credit rating agencies downgraded their credit ratings of the Group's non-credit enhanced senior unsecured long-term debt ("Debt Rating") to Debt Ratings that are below investment grade. During the year ended December 31, 2016 and in January 2017 and October 2017, the same three credit rating agencies further downgraded the Group's Debt Rating. The Group's Debt Rating levels could have material adverse consequences on the Group's business and future prospects and could:

- limit the Group's ability to access debt markets, including for the purpose of refinancing the Group's existing debt;
- cause the Group to refinance or issue debt with less favorable terms and conditions, which debt may require collateral and restrict, among other things, the Group's ability to pay distributions or repurchase shares;
- increase certain fees under the Group's credit facilities and interest rates under indentures governing certain of the Group's senior notes;
  - negatively impact current and prospective customers' willingness to transact business with the Group;
- impose additional insurance, guarantee and collateral requirements;
- limit the Group's access to bank and third-party guarantees, surety bonds and letters of credit; and
- suppliers and financial institutions may lower or eliminate the level of credit provided through payment terms or intraday funding when dealing with the Group thereby increasing the need for higher levels of cash on hand, which would decrease the Group's ability to repay debt balances.

The downgrades have caused some of the effects listed above, and any further downgrades may cause or exacerbate, any of the effects listed above.

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The Group has a substantial amount of debt, including secured debt, and the Group may lose the ability to obtain future financing and suffer competitive disadvantages

At September 30, 2017 and December 31, 2016, the Group's total consolidated debt was USD 7.3 billion and USD 8.5 billion, respectively, and subsequent to September 30, 2017, the Group issued an aggregate principal amount of USD 750 million 7.5% senior unsecured notes due January 2026. This substantial level of debt and other obligations could have significant adverse consequences on the Group's business and future prospects, including the following:

- the Group may be unable to obtain financing in the future for working capital, capital expenditures, acquisitions, debt service requirements, distributions, share repurchases, or other purposes;
- the Group may be unable to use operating cash flow in other areas of the Group's business because the Group must dedicate a substantial portion of these funds to service the debt;
- the Group could become more vulnerable to general adverse economic and industry conditions, including increases in interest rates, particularly given the Group's substantial indebtedness, some of which bears interest at variable rates;
- the Group may be unable to meet financial ratios in the indentures governing certain of the Group's debt or in the Group's bank credit agreements or satisfy certain other conditions included in the Group's bank credit agreements, which could result in the Group's inability to meet requirements for borrowings under the Group's credit agreements or a default under these indentures or agreements, impose restrictions with respect to the Group's access to certain of the Group's capital, and trigger cross default provisions in the Group's other debt instruments;
- if the Group defaults under the terms of the Group's secured financing arrangements, the secured debtholders may, among other things, foreclose on the collateral securing the debt, including the applicable drilling units; and
- the Group may be less able to take advantage of significant business opportunities and to react to changes in market or industry conditions than the Group's less levered competitors.

The Group must make substantial capital and operating expenditures to maintain the Group's fleet, and the Group may be required to make significant capital expenditures to maintain its competitiveness and to comply with laws and the applicable regulations and standards of governmental authorities and organizations, or to execute the Group's growth plan, each of which could negatively affect the Group's financial condition, results of operations and cash flows

The Group must make substantial capital and operating expenditures to maintain its fleet. These expenditures could increase as a result of changes in the following:

- the cost of labor and materials;
- customer requirements;

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- fleet size;
- the cost of replacement parts for existing drilling rigs;
- the geographic location of the drilling rigs;
- length of drilling contracts;
- governmental regulations and maritime self-regulatory organization and technical standards relating to safety, security or the environment; and
- industry standards.

Changes in offshore drilling technology, customer requirements for new or upgraded equipment and competition within the Group's industry may require the Group to make significant capital expenditures in order to maintain its competitiveness. In addition, changes in governmental regulations, safety or other equipment standards, as well as compliance with standards imposed by maritime self-regulatory organizations, may require the Group to make additional unforeseen capital expenditures. As a result, the Group may be required to take its rigs out of service for extended periods of time, with corresponding losses of revenues, in order to make such alterations or to add such equipment. In the future, market conditions may not justify these expenditures or enable the Group to operate its older rigs profitably during the remainder of their economic lives.

In addition, the Group may require additional capital in the future. If the Group is unable to fund capital expenditures with its cash flow from operations or sales of non-strategic assets, the Group may be required to either incur additional borrowings or raise capital through the sale of debt or equity securities. The Group's ability to access the capital markets may be limited by the Group's financial condition at the time, by changes in laws and regulations or interpretation thereof and by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond the Group's control. If the Group raises funds by issuing equity securities, existing shareholders may experience dilution. The Group's failure to obtain the funds for necessary future capital expenditures could have a material adverse effect on the Group's business and on its consolidated statements of financial condition, results of operations and cash flows.

The Group has significant carrying amounts of long-lived assets that are subject to impairment testing

At September 30, 2017, the carrying amount of the Group's property and equipment was USD 17.5 billion, representing 78% of the Group's total assets. In accordance with the Group's critical accounting policies, the Group reviews its property and equipment for impairment when events or changes in circumstances indicate that carrying amounts of the Group's assets held and used may not be recoverable. In the nine months ended September 30, 2017, the Group recognized an aggregate loss of USD 96 million associated with the impairment of the Group's midwater floater asset group. In the year ended December 31, 2016, the Group recognized an aggregate loss of USD 52 million associated with the impairment of the Group's deepwater floater asset group. In the year ended December 31, 2015, the Group recognized an aggregate loss of USD 1.2 billion associated with the impairment of the Group's deepwater floater and midwater floater asset groups. Future expectations of lower day rates or rig utilization rates or a significant change to the composition of one or more of the

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Group's asset groups or to the Group's contract drilling services reporting unit could result in the recognition of additional losses on impairment of the Group's long-lived asset groups if future cash flow expectations, based upon information available to management at the time of measurement, indicate that the carrying amount of the Group's asset groups may be impaired.

U.S. tax authorities could treat the Company as a passive foreign investment company, which would have adverse U.S. federal income tax consequences to U.S. holders

A foreign corporation will be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of passive income or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of passive income. For purposes of these tests, passive income includes dividends, interest and gains from the sale or exchange of investment property and certain rents and royalties, but does not include income derived from the performance of services.

The Company believes that it has not been and will not be a PFIC with respect to any taxable year. The Company's income from offshore contract drilling services should be treated as services income for purposes of determining whether the Company is a PFIC. Accordingly, the Company believes that the Company's income from the Company's offshore contract drilling services should not constitute "passive income," and the assets that the Company's owns and operates in connection with the production of that income should not constitute passive assets.

There is significant legal authority supporting this position, including statutory provisions, legislative history, case law and IRS pronouncements concerning the characterization, for other tax purposes, of income derived from services where a substantial component of such income is attributable to the value of the property or equipment used in connection with providing such services. It should be noted, however, that a prior case and an IRS pronouncement, which relies on the case, characterize income from time chartering of vessels as rental income rather than services income for other tax purposes. However, the IRS subsequently has formally announced that it does not agree with the decision in that case. Moreover, the Company believes that the terms of the time charters in the recent case differ in material respects from the terms of the Company's drilling contracts with customers. No assurance can be given that the IRS or a court will accept the Company's position, and there is a risk that the IRS or a court could determine that the Company is a PFIC.

If the Company was to be treated as a PFIC for any taxable year, the Company's U.S. shareholders would face adverse U.S. tax consequences. Under the PFIC rules, unless a shareholder makes certain elections available under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), and such elections could themselves have adverse consequences for such shareholder, the shareholder generally would be liable to pay U.S. federal income tax at the highest applicable income tax rates on ordinary income upon the receipt of excess distributions, as defined for U.S. tax purposes, and upon any gain from the disposition of the Company's shares, plus interest on such amounts, as if such excess distribution or gain had been recognized ratably over the shareholder's holding period of the Group's shares. In addition, under applicable statutory provisions, the preferential tax rate on "qualified dividend income," which applies to dividends paid to non-corporate shareholders does not apply to dividends paid by a foreign corporation if the foreign corporation is a PFIC for the taxable year in which the dividend is paid or the preceding taxable year.

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The Group may be limited in its use of net operating losses and tax credits

The Group's ability to benefit from the Group's deferred tax assets depends on the Group having sufficient future earnings to utilize the Group's net operating loss and tax credit carryforwards before they expire. The Group has established a valuation allowance against the future tax benefit for a number of the Group's U.S. and non-U.S. net operating losses and tax credit carryforwards, and the Group could be required to record an additional valuation allowance against other U.S. or non-U.S. deferred tax assets if market conditions change materially and, as a result, the Group's future earnings are, or are projected to be, significantly less than the Group currently estimates. The Group's net operating loss and tax credit carryforwards are subject to review and potential disallowance upon audit by the tax authorities of the jurisdictions where these tax attributes are incurred.

The Company's status as a Swiss corporation may limit the Group's flexibility with respect to certain aspects of capital management and may cause the Group to be unable to make distributions or repurchase shares without subjecting the Company's shareholders to Swiss withholding tax

Under Swiss law, the Company's shareholders may approve an authorized share capital that allows the Transocean Board to issue new shares without additional shareholder approval. As a matter of Swiss law, authorized share capital is limited to a maximum of 50% of a company's registered share capital and is subject to re-approval by shareholders every two years. At the Company's 2016 annual general meeting, the Company's shareholders approved an authorized share capital, which will expire on May 12, 2018. The Company's current authorized share capital is limited to approximately 5.6% of the Company's registered share capital. Additionally, subject to specified exceptions, Swiss law grants pre-emptive rights to existing shareholders to subscribe for new issuances of shares. Further, Swiss law does not provide as much flexibility in the various terms that can attach to different classes of shares as the laws of some other jurisdictions. Swiss law also reserves for shareholder approval certain corporate actions over which the Transocean Board would have authority in some other jurisdictions. For example, dividends must be approved by shareholders. These Swiss law requirements relating to the Company's capital management may limit the Group's flexibility, and situations may arise where greater flexibility would have provided substantial benefits to the Group's shareholders.

Distributions to shareholders in the form of a par value reduction and dividend distributions out of qualifying additional paid-in capital are not currently subject to the 35% Swiss federal withholding tax. However, the Swiss withholding tax rules could also be changed in the future, and any such change may adversely affect the Company or the Company's shareholders. In addition, over the long-term, the amount of par value available for the Company to use for par value reductions or the amount of qualifying additional paid-in capital available for the Company to pay out as distributions is limited. If the Company is unable to make a distribution through a reduction in par value, or out of qualifying additional paid-in capital as shown on the Company's standalone Swiss statutory financial statements, the Company may not be able to make distributions without subjecting the Company's shareholders to Swiss withholding taxes.

Under present Swiss tax law, repurchases of shares for the purposes of capital reduction are treated as a partial liquidation subject to a 35% Swiss withholding tax on the repurchase price less the par value, and since January 1, 2011, to the extent attributable to qualifying additional paid-in capital, if any. At the Company's 2009 annual general meeting, the Company's shareholders approved the repurchase of up to CHF 3.5 billion of

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the Company's shares for cancellation under the share repurchase program. The Company may repurchase shares under the share repurchase program using a procedure pursuant to which the Company can repurchase shares via a "virtual second trading line" from market players, in particular, banks and institutional investors, who are generally entitled to receive a full refund of the Swiss withholding tax. The Company's ability to use the "virtual second trading line" is limited to the share repurchase program currently approved by the Company's shareholders, and any use of the "virtual second trading line" with respect to future share repurchase programs will require the approval of the competent Swiss tax authorities. The Company may not be able to repurchase as many shares as the Company would like for purposes of capital reduction on the "virtual second trading line" without subjecting the selling shareholders to Swiss withholding taxes.

The results of the U.K.'s referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and the Group's business

In June 2016, a majority of voters in the U.K. elected to withdraw from the European Union in a national referendum. As a result of this referendum, negotiations are commencing to determine the terms of the U.K.'s withdrawal from the European Union and its future relationship with the European Union. The referendum has created significant uncertainty about the future relationship between the U.K. and the European Union, including with respect to the laws and regulations that will apply as the U.K. determines which European Union-derived laws to replace or replicate in the event of a withdrawal. The referendum has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception they may occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict the Group's access to capital, which could have a material adverse effect on the Group's business and on the Group's consolidated statement of financial position, results of operations or cash flows.

Risks Related to the Shares

Future issuances of the Shares or other securities may dilute the holdings of shareholders and could materially affect the price of the Shares

It is possible that the Company may in the future decide to offer additional shares or other securities in order to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes. See the section above "—Risks Related to the Business of the Group." There can be no assurance the Company will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not be able to purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, holdings and voting interests of existing shareholders may be diluted.

Exchange rate fluctuations could adversely affect the value of the Shares and any dividends paid on the Shares for an investor whose principal currency is not U.S. dollars or Swiss francs

The Shares are priced and traded in U.S. dollars on the NYSE and any dividends will be distributed in U.S. dollars, or in Swiss francs, and shareholders may be given the right to elect to be paid any such dividends in U.S. dollars or Swiss francs. Exchange rate movements of the U.S. dollar or Swiss francs will therefore affect



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the value of these dividends and distributions for investors whose principal currency is not U.S. dollars or Swiss francs. Furthermore, the market value of the Shares as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Shares and of any dividends paid on the Shares for an investor whose principal currency is not U.S. dollars or Swiss francs.

The Company may be unwilling or unable to pay any dividends in the future

Pursuant to the Company's dividend policy, dividends are only expected to be paid if certain conditions described in "Dividends and Dividend Policy" are fulfilled. In addition, the Company may choose not, or may be unable, to pay dividends in future years. The amount of dividends paid by the Company, if any, for a given financial period, will depend on, among other things, the Company's future operating results, cash flows, financial position, capital requirements, the sufficiency of its distributable reserves, the ability of the Company's subsidiaries to pay dividends to the Company, credit terms, general economic conditions, legal restrictions (as set out in "Dividends and Dividend Policy—Legal Constraints on the Distribution of Dividends") and other factors that the Company may deem to be significant from time to time.

Existing Transocean shareholders will be diluted as a result of the Offer and the Combination

The existing Transocean shareholders will be diluted by up to 28.1% as a consequence of the Offer and issuance of the Consideration Shares to Songa Offshore shareholders and the issuance of additional Shares upon exchange of the Exchangeable Bonds, as described in "Dilution."

Risks Related to the Exchangeable Bonds

The Exchangeable Bonds are exclusively the obligations of TINC, as issuer, and Transocean, as guarantor, and not of TINC's subsidiaries or Transocean's other subsidiaries

The Exchangeable Bonds are obligations exclusively of TINC, as issuer, and Transocean, as guarantor of the Exchangeable Bonds, and not of TINC's subsidiaries or Transocean's other subsidiaries. Each of TINC and Transocean is a holding company and, accordingly, substantially all of their respective operations are conducted through their subsidiaries. As a result, TINC's and Transocean's cash flow and TINC's ability to service its debt, including the Exchangeable Bonds, and Transocean's ability to satisfy its guarantee obligations are dependent upon the earnings of their respective subsidiaries and on the distribution of earnings, loans or other payments by such subsidiaries to TINC and Transocean. The subsidiaries of Transocean are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the Exchangeable Bonds or to make funds available to them to do so. In addition, contractual provisions or laws, as well as such subsidiaries' financial condition and operating requirements, may limit TINC's or Transocean's ability to obtain from such subsidiaries the cash each needs to pay its respective debt service or guarantee obligations, including payments on or with respect to the Exchangeable Bonds. TINC, Transocean and their respective subsidiaries will be permitted under the terms of the indenture governing the Exchangeable Bonds to incur additional indebtedness or otherwise enter into agreements that may restrict or prohibit subsidiaries of TINC or Transocean from the making of distributions, the payment of dividends or the making of loans to TINC or Transocean. TINC and Transocean can make no assurances that the agreements governing the current and future indebtedness of their respective subsidiaries or other agreements of TINC, Transocean or their respective subsidiaries will permit such subsidiaries to provide TINC or Transocean with sufficient dividends,



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distributions or loans to fund payments on the Exchangeable Bonds when due or, in the case of Transocean, to satisfy any guarantee obligations.

Payments on the Exchangeable Bonds, including under the guarantees, will be effectively subordinated to claims of secured creditors

The Exchangeable Bonds represent unsecured obligations of TINC. Accordingly, any secured creditor of TINC will have claims that are superior to the claims of holders of the Exchangeable Bonds to the extent of the value of the assets securing that other indebtedness. Similarly, the guarantees of the Exchangeable Bonds will not be secured by any assets of Transocean and will effectively rank junior to any secured debt of Transocean, as the guarantor, to the extent of the value of the assets securing the debt. In the event of any distribution or payment of assets of TINC or Transocean in any foreclosure, dissolution, winding-up, liquidation, reorganization, bankruptcy or similar proceeding, secured creditors of TINC and Transocean, respectively, will have a superior claim to their respective collateral. If any of the foregoing events occur, there can be no assurance that there will be sufficient assets to pay amounts due on the Exchangeable Bonds or with respect to any guarantee. Holders of the Exchangeable Bonds will participate ratably with all holders of unsecured senior indebtedness of TINC and Transocean, and with all of TINC's and Transocean's other general senior creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of TINC and Transocean. As a result, holders of Exchangeable Bonds may receive less, ratably, than secured creditors of TINC and Transocean.

In addition, the terms of the indenture do not limit TINC's or Transocean's ability to create, assume or allow to exist any liens on assets of TINC or Transocean to secure any debt. As of September 30, 2017, Transocean and TINC had USD 1.54 billion aggregate principal amount of consolidated secured debt outstanding.

Servicing TINC's debt requires a significant amount of cash, and TINC may not have sufficient cash flow from its respective business to pay their substantial debt

TINC's ability to make scheduled payments of the principal of, to pay interest on or to refinance its indebtedness, including the Exchangeable Bonds, depends on TINC's future performance, which is subject to economic, financial, competitive, regulatory and other factors beyond its control. TINC's business may not continue to generate cash flow from operations in the future sufficient to service its debt and make necessary capital expenditures. If TINC is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous. TINC's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. TINC may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on TINC's debt obligations.

Despite its current debt levels, TINC may still incur substantially more debt or take other actions which would intensify the risks discussed above

Despite TINC's current consolidated debt levels, TINC and its subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in TINC's debt instruments, some of which may be secured debt. TINC will not be restricted under the terms of the indenture governing the Exchangeable Bonds from incurring additional debt, securing existing or future debt, recapitalizing the TINC's debt or taking a number of other actions that are not limited by the terms of the indenture governing the Exchangeable Bonds



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that could have the effect of diminishing TINC's ability to make payments on the Exchangeable Bonds when due.

The Exchangeable Bonds are not protected by restrictive covenants

The indenture governing the Exchangeable Bonds does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by TINC, Transocean or any of their respective subsidiaries. The indenture contains no covenants or other provisions to afford protection to holders of the Exchangeable Bonds in the event of a Fundamental Change or other corporate transaction involving TINC except to the extent described in "Description of Transocean Exchangeable Bonds."

TINC may not have the funds necessary to finance a repurchase in the event of a Fundamental Change

Upon the occurrence of specific Fundamental Change events, including a Change of Control Repurchase Event and a Listing Failure Event, holders of Exchangeable Bonds will have the right to require TINC to repurchase their Exchangeable Bonds in cash. However, it is possible that TINC will not have sufficient funds at such time to make the required repurchase of Exchangeable Bonds or that restrictions in TINC's credit agreements or other indebtedness will not allow such repurchases. TINC's failure to purchase all validly tendered Exchangeable Bonds would constitute an event of default under the indenture under which the Exchangeable Bonds are issued and may also constitute a cross-default on other indebtedness existing at that time.

The make-whole premium that may be payable upon a Fundamental Change or Tax Event Offer to Repurchase may not adequately compensate holders for the lost value of the Exchangeable Bonds as a result of such Fundamental Change or tax event

If holders exchange Exchangeable Bonds in connection with a Fundamental Change or Tax Event Offer to Repurchase TINC will be required to increase the applicable exchange rate by a make-whole premium determined using the applicable formula set forth under "Description of Transocean Exchangeable Bonds." The make-whole premium payable in connection with a Fundamental Change or Tax Event Offer to Repurchase may not adequately compensate holders for any lost value of their Exchangeable Bonds as a result of such transaction or event. In addition, if TINC's obligation to deliver the make-whole premium were to be considered a penalty, the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

Because holders' rights to require repurchase of the Exchangeable Bonds are limited, the market prices of the Exchangeable Bonds may decline if TINC enters into a transaction that is not a Fundamental Change under the indenture

TINC's obligation to repurchase the Exchangeable Bonds upon a Fundamental Change may not preserve the value of the Exchangeable Bonds because the terms "Change of Control," "Change of Control Repurchase Event" and "Listing Failure Event" are limited and may not include every event that might cause the market prices of the Exchangeable Bonds to decline. TINC may enter into a highly leveraged transaction, reorganization, merger, scheme of arrangement or similar transaction that is not a Change of Control or Listing Failure Event under the indenture, and such transactions could negatively affect the liquidity, value or volatility of the Exchangeable Bonds or the Shares.

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The exchange rate of the Exchangeable Bonds may not be adjusted for all dilutive events

The exchange rate of the Exchangeable Bonds is subject to adjustment for certain events including, but not limited to, certain dividends or distributions on the Shares, subdivisions or combinations of the Shares, the issuance of certain rights or warrants, certain distributions of capital stock, evidences of debt or other assets to holders of the Shares and certain purchases of the Shares in tender or exchange offers. The exchange rate will not be adjusted for other events that may adversely affect the trading price of the Exchangeable Bonds and the Shares.

No market currently exists for the Exchangeable Bonds, and an active trading market for the Exchangeable Bonds may not develop

The Exchangeable Bonds comprise a new issue of securities for which there is currently no public market. Although the Exchangeable Bonds will be listed on the NYSE, an active trading market for the Exchangeable Bonds may not develop. To the extent that an active trading market for the Exchangeable Bonds does not develop, the liquidity and trading prices for the Exchangeable Bonds may be harmed. In addition, the Exchangeable Bonds that are traded after their initial issuance may trade at a discount from their face amount, depending on prevailing interest rates, the market for similar securities, the price and volatility of the Shares, TINC's and Transocean's performance and other factors. As a result, holders may not be able to realize the full value of their investment, or liquidate their investment rapidly, or at all.

Any adverse rating of the Exchangeable Bonds may cause their trading price to fall

If any rating service rates the Exchangeable Bonds and subsequently lowers its rating or otherwise announces its intention to put the Exchangeable Bonds on credit watch, the trading price of the notes could decline. Other than in the context of a Change of Control Repurchase Event, holders would have no related protection under the notes.

Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Exchangeable Bonds

Recipients, and potential subsequent purchasers, of the Exchangeable Bonds may employ, or seek to employ, an arbitrage strategy with respect to the Exchangeable Bonds. Investors would typically implement such a strategy by selling short the stock underlying the Exchangeable Bonds and dynamically adjusting their short position while continuing to hold the Exchangeable Bonds. Investors may also implement this type of strategy by entering into swaps on the Shares in lieu of or in addition to short selling the Shares.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including the Shares). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a "Limit Up-Limit Down" program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of,

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the Exchangeable Bonds to effect short sales of the Shares, borrow the Shares or enter into swaps on the Shares could adversely affect the trading price and the liquidity of the Exchangeable Bonds.

Future sales of the Shares in the public market could lower the market price for the Shares and adversely impact the trading price of the Exchangeable Bonds

In the future, Transocean may sell additional Shares to raise capital. In addition, Shares are reserved for issuance upon the exercise of stock options, upon the vesting of restricted stock units and upon exchange of the Exchangeable Bonds. Transocean cannot predict the size of future issuances or the effect, if any, that they may have on the market price for the Shares. The issuance and sale of substantial amounts of Shares, or the perception that such issuances and sales may occur, could adversely affect the trading price of the Exchangeable Bonds and the market price of the Shares and impair Transocean's ability to raise capital through the sale of additional equity securities.

As of October 31, 2017, Transocean has outstanding 391,213,324 Shares and options to purchase 2,753,463 Shares, of which 1,262,902 were exercisable as of that date. Transocean also had outstanding approximately 4,345,303 Shares and 2,117,173 Shares issuable pursuant to outstanding restricted share units and performance share units, respectively. The sale or the availability for sale of a large number of the Shares in the public market could cause the market price of the Shares, and the value of the Exchangeable Bonds, to decline.

Exchange of the Exchangeable Bonds will dilute the ownership interest of existing shareholders

The exchange of some or all of the Exchangeable Bonds will dilute the ownership interest of existing shareholders. Any sales in the public market of any Shares issuable upon exchange of the Exchangeable Bonds could adversely affect prevailing market prices of the Shares. In addition, the existence of the Exchangeable Bonds may encourage short selling by market participants because the exchange of the Exchangeable Bonds could be used to satisfy short positions, or anticipated exchange of the Exchangeable Bonds into Shares could depress the price of the Shares and the value of the Exchangeable Bonds.

Volatility in the market price and trading volume of the Shares could adversely impact the trading price of the Exchangeable Bonds

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated to the operating performance of companies. The market price of Shares could fluctuate significantly for many reasons, including in response to the risks described in this Prospectus. In addition, the market price of the Shares could fluctuate for reasons unrelated to its operations, such as reports by industry analysts, changes in the Transocean's financial guidance, investor perceptions or negative announcements by Transocean's customers, competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of the Shares would likely adversely impact the trading price of the Exchangeable Bonds. The market price of the Shares could also be affected by possible sales of the Shares by investors who view the Exchangeable Bonds as a more attractive means of equity participation in Transocean and by hedging or arbitrage trading activity that Transocean expects to develop involving its Shares. This trading activity could, in turn, affect the trading price of the Exchangeable Bonds.

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Holder of Exchangeable Bonds will not be entitled to any rights with respect to the Shares, but they will be subject to all changes made with respect to them

Subject to limitations regarding adverse changes to the rights of holders, holders of Exchangeable Bonds will not be entitled to any rights with respect to the Shares (including voting rights and rights to receive any dividends or other distributions on Shares) prior to the last trading day of the relevant observation period, but holders of the Exchangeable Bonds will be subject to all changes affecting the Shares. For example, if an amendment is proposed to Transocean's Articles of Association requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date a holder's Exchangeable Bonds are exchanged into Shares, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes affecting the Shares.

Exchange rate fluctuations could adversely affect the market value of the Exchangeable Bonds and any interest paid on the Exchangeable Bonds for an investor whose principal currency is not U.S. dollars

The Exchangeable Bonds are denominated and will be traded in U.S. dollars on the NYSE and any interest will be paid in U.S. dollars. Exchange rate movements of U.S. dollar will therefore affect the value of any interest for investors whose principal currency is not U.S. dollars. Furthermore, the market value of the Exchangeable Bonds as expressed in foreign currencies will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the Exchangeable Bonds and of any interest paid on the Exchangeable Bonds for an investor whose principal currency is not U.S. dollars.

Holder of Exchangeable Bonds may be subject to tax if the Company makes or fails to make certain adjustments to the exchange rate of the Exchangeable Bonds even though such holders do not receive a corresponding cash distribution

The exchange rate of the Exchangeable Bonds is subject to adjustment in certain circumstances, including the payment of cash dividends. If the exchange rate is adjusted as a result of a distribution that is taxable to the Company's common stockholders, such as a cash dividend, holders of Exchangeable Bonds will be deemed to have received a dividend for U.S. federal income tax purposes without the receipt of any cash. In addition, a failure to adjust (or to adjust adequately) the exchange rate after an event that increases holders' proportionate interest in Transocean could be treated as a deemed taxable dividend to such holder for U.S. federal income tax purposes. If a Fundamental Change or a Tax Event Offer to Repurchase occurs prior to the maturity date, under some circumstances, the Company will increase the exchange rate for Exchangeable Bonds exchanged in connection with the Fundamental Change or repurchase offer. Such increase may also be treated as a distribution for U.S. federal income tax purposes. See "Material Tax Considerations—United States Taxation."

Risks Related to the Offer

Because the market price of the Shares fluctuates, Songa Offshore shareholders cannot be sure of the value of the Shares they may receive in the Offer; participation in the Offer may constitute a taxable event for Songa Offshore shareholders

A total of 0.35724 Consideration Shares will be issued in exchange for each Songa Share validly tendered and not subsequently validly withdrawn in the Offer. Accordingly, because the number of Shares being offered as consideration will not vary, and despite the fact that the Offer is subject to a Material Adverse Change condition



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(see “Terms of the Offer—Conditions for Completion of the Offer”), the Offer may be completed even if the market price of the Shares and the Songa Shares at the time a Songa Offshore shareholder tenders its Songa Shares varies significantly from their market price on August 14, 2017, the date used to determine the consideration offered by Transocean in the Offer. Share price changes may result from a variety of factors that are beyond the Company’s control, including general market and economic conditions, changes in business prospects, catastrophic events, both natural and man-made, and regulatory considerations. In addition, the ongoing businesses of Transocean and Songa Offshore may be adversely affected by actions taken by Transocean or Songa Offshore in connection with the Offer, including payment by the companies of certain costs relating to the Offer, including certain legal, accounting, financing, and financial and other advisory fees.

Because the Offer will not be completed until certain conditions have been satisfied or, where permissible, waived, a period of time, which may be significant, may pass between the commencement of the Offer and the time that Transocean accepts Songa Shares for exchange. Therefore, at the time when a Songa Offshore shareholder tenders its Songa Shares pursuant to the Offer, such shareholder will not know the exact market value of the Shares that it may receive upon completion of the Offer if Transocean accepts such Songa Shares for exchange. Tendered Songa Shares may be withdrawn at any time prior to the end of the Offer Period. If the Offer Period is extended, any received Acceptance Forms will remain binding for the length of the extension.

In addition, participation in the Offer may constitute a taxable event for tendering Songa Offshore shareholders in the jurisdictions in which they are tax residents. Therefore, Songa Offshore shareholders are advised to take into account the structure of the mixed consideration consisting of Consideration Shares and Exchangeable Bonds, and their individual tax position when evaluating the attractiveness of the Offer.

Songa Offshore shareholders are urged to obtain current market quotations for Songa Shares and Shares, and to consult with their tax advisors when they consider whether to tender their Songa Shares pursuant to the Offer.

The Offer is subject to conditions and the Transaction Agreement may be terminated in accordance with its terms and the Combination may not be completed

The Offer is subject to numerous conditions, including inter alia the conditions related to the minimum number of Songa Shares that must be validly tendered (and not subsequently validly withdrawn as of the end of the Offer Period), the receipt of regulatory approvals and the absence of material adverse changes with respect to Songa Offshore. See “Terms of the Offer—Conditions for Completion of the Offer.” No assurance can be given that all of the conditions to the Offer will be satisfied or, if they are, as to the timing of such satisfaction. If the Offer has not become or been declared unconditional before 11:59 p.m. (CET) on January 31, 2018, either party may terminate the Transaction Agreement and the Offer, unless extended in accordance with the terms of the Transaction Agreement.

In addition, the Transaction Agreement may be terminated by either party under certain circumstances, including by Songa Offshore if the Songa Board modifies or withdraws its recommendation to Songa Offshore shareholders due to a Superior Proposal, as defined in “The Combination—The Transaction Agreement—No Solicitation of Transactions.”

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Transocean must obtain governmental and regulatory approvals to consummate the Offer, which, if delayed or not granted, may delay or jeopardize the Offer and the transactions contemplated by the Transaction Agreement

The approval of the Offer under merger control or competition law regimes in any jurisdictions where the parties to the Transaction Agreement have mutually determined merger control or competition law filings and/or notices to be necessary must have been obtained or any statutory waiting period (including any extension thereof) applicable to the Offer must have expired with the result that the Offer may be completed without the approval by any relevant antitrust authority.

The governmental and regulatory agencies from which Transocean may be required to seek these approvals have broad discretion in administering the applicable governing regulations. As a condition to their approval of the transactions contemplated by the Transaction Agreement, those agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of Transocean's business. No assurance can be given that the approvals, if required, will be obtained or that any required conditions to the Offer will be satisfied, and, if any such required approvals are obtained and the conditions to the consummation of the Offer are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals. The Offer is subject to a regulatory condition that certain approvals are obtained. This condition may only be waived with the prior written consent of Songa Offshore.

Any delay in the completion of the Combination for regulatory reasons could diminish the anticipated benefits of the Combination or result in additional transaction costs. Any uncertainty over the ability to complete the Combination could make it more difficult for Transocean or Songa Offshore to maintain or to pursue particular business strategies. Conditions imposed by regulatory agencies in connection with their approval of the Combination may restrict the Company's ability to modify the operations of its business in response to changing circumstances for a period of time after the closing of the Offer or its ability to expend cash for other uses or otherwise have an adverse effect on the anticipated benefits of the Combination, thereby adversely impacting the business, financial condition or results of operations of the combined company.

If, following the consummation of the Offer, some Songa Shares remain outstanding, then the liquidity and market value of those shares could be materially adversely affected

If the Offer is consummated, but not all the outstanding Songa Shares have been tendered, then the free float in Songa Shares will be significantly lower than the current free float in Songa Shares, thereby reducing the liquidity of the remaining Songa Shares. Reduced liquidity could make it more difficult for the remaining Songa Offshore shareholders to sell their shares and could materially adversely affect the market value of those remaining shares. A lower level of liquidity in the trading in Songa Shares could result in greater price fluctuations of Songa Shares than in the past. The value of Songa Shares implied by the Offer does not guarantee that the value of Songa Shares not held by Transocean following the Offer will remain at that level or exceed that value in the future. The share price may vary materially in the future. The Songa Shares are listed on Oslo Stock Exchange. A lower level of liquidity in the trading in the Songa Shares could result in the removal of the Songa Shares from listing on the Oslo Stock Exchange. Any such delisting could further impair the liquidity of any Songa Shares that remain outstanding following the Offer.

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Certain of the directors, board members and executive officers of Songa Offshore may have interests in the transactions contemplated by the Transaction Agreement that are different from, or in addition to, those of Songa Offshore shareholders generally

Shareholders of Songa Offshore should be aware that certain directors and senior management of Songa Offshore may have interests in the transactions contemplated by the Transaction Agreement that are different from, or in addition to, the interests of the Songa Offshore shareholders. These interests may include the continued employment of certain board members, senior management and executive officers of Songa Offshore and Transocean, the continued positions of certain members of the Songa Board and certain directors of Transocean as directors of Transocean and the indemnification of former Songa Offshore senior management and board members and directors and executive officers of Transocean by Transocean.

The announcement and pendency of the Offer and the other transactions contemplated by the Transaction Agreement, during which Transocean and Songa Offshore are subject to certain operating restrictions, could have an adverse effect on Songa Offshore's and Transocean's businesses and cash flows, financial condition and results of operations

The announcement and pendency of the transactions contemplated by the Transaction Agreement, including the Offer, could disrupt Songa Offshore's and Transocean's businesses, and uncertainty about the effect of these transactions may have an adverse effect on Songa Offshore and Transocean. These uncertainties could cause suppliers, vendors, partners and others that deal with Transocean and Songa Offshore to defer entering into contracts with, or making other decisions concerning, Transocean and Songa Offshore or to seek to change or cancel existing business relationships with the companies. In addition, Songa Offshore's and Transocean's employees may experience uncertainty regarding their roles after the acquisition. Employees may depart either before or after the completion of the acquisition because of uncertainty and issues relating to the difficulty of coordination or because of a desire not to remain following the acquisition. Therefore, the pendency of the Offer may adversely affect Songa Offshore's and Transocean's ability to retain, recruit and motivate key personnel. Additionally, the attention of Songa Offshore's and Transocean's management may be directed towards the completion of the acquisition, including obtaining regulatory approvals, and may be diverted from the day-to-day business operations of Transocean and Songa Offshore. Matters related to the acquisition may require commitments of time and resources that could otherwise have been devoted to other opportunities that might have been beneficial to Transocean and Songa Offshore. Additionally, the Transaction Agreement requires Transocean and Songa Offshore to refrain from taking certain specified actions while the Offer and the acquisition are pending. These restrictions may prevent Transocean and Songa Offshore from pursuing otherwise attractive business opportunities or capital structure alternatives and from executing certain business strategies prior to the completion of the Offer. Further, the acquisition may give rise to potential liabilities, including those that may result from future shareholder lawsuits. Any of these matters could adversely affect the businesses of, or harm the results of operations, financial condition or cash flows of Transocean and Songa Offshore.

Negative publicity related to the transactions contemplated by the Transaction Agreement may materially adversely affect Transocean and Songa Offshore

From time to time, political and public sentiment in connection with a proposed combination may result in a significant amount of adverse press coverage and other adverse public statements affecting Transocean and

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Songa Offshore. Adverse press coverage and public statements, whether or not driven by political or popular sentiment, may also result in legal claims or in investigations by regulators, legislators and law enforcement officials. Responding to these investigations and lawsuits, regardless of the ultimate outcome of the proceedings, can divert the time and effort of senior management from operating their businesses. Addressing any adverse publicity, governmental scrutiny or enforcement or other legal proceedings is time-consuming and expensive and, regardless of the factual basis for the assertions being made, could have a negative impact on the reputation of Transocean and Songa Offshore, on the morale of their employees and on their relationships with regulators. It may also have a negative impact on their ability to take timely advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on Songa Offshore's and Transocean's respective business and cash flows, financial condition and results of operations.

The share prices of Transocean and Songa Offshore may be adversely affected if the Offer is not completed

If the Offer is not completed, the prices of Shares and Songa Shares may decline to the extent that the current market prices of Shares and Songa Shares reflect a market premium based on the assumption that the Offer will be completed.

The expected benefits associated with a combination of the Group and the Songa Group may not be realized

Following the completion of the Offer, Transocean intends to integrate the two companies that have previously operated independently. There can be no assurances that Transocean will not encounter difficulties in integrating Songa Offshore's operations or that the benefits expected from the integration will be realized. For example, completion of the Offer is expected to trigger change of control and acceleration provisions in certain of Songa Offshore's existing indebtedness and agreements. Songa Offshore has received waivers, subject to certain conditions, for change of control provisions in certain of Songa Offshore's debt. Transocean also expects to refinance and/or repurchase certain of Songa Offshore's debt following the completion of the Offer. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of Songa Offshore—Borrowings of the Songa Group" for further information on Songa Offshore's debt, and "Terms of the Offer—Refinancing of Certain Songa Offshore Indebtedness" for further information on the refinancing of debt. If the relevant waiver conditions are not met, if any necessary waiver extensions are not received from the relevant counterparties, or if Transocean is not able to refinance and/or repurchase certain of Songa Offshore's debt on terms favorable to Transocean, Transocean may be required to make payments under the terms of that indebtedness or agreements that may limit its ability to fully integrate Songa Offshore's business on the timeline it currently anticipates or that may prevent Transocean from fully realizing all of the benefits it currently anticipates from its acquisition of Songa Offshore. If the benefits are not achieved, or only partly achieved, this could adversely affect the Group's business, financial condition, results of operations and prospects.

Holders of Songa Shares that do not participate in the Offer may suffer adverse consequences

Following the completion of the Offer, the trading market for any remaining Songa Shares not exchanged in the Offer may be substantially limited compared with historic trading levels. As a result, the price for Songa Shares in the secondary market may decline following the completion of the Offer. Holders of Songa Shares who do not participate in the Offer may not be able to sell their Songa Shares at a favorable price, if at all, following the completion of the offer.



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In addition, Transocean intends to promptly apply to conduct a compulsory acquisition (squeeze-out) under the Cyprus Takeover Bids Law following completion of the Offer. However, Transocean may not be able to complete such a compulsory acquisition in a prompt manner, if at all. If the stated par value of the Exchangeable Bonds issued in the compulsory acquisition exceeds their fair market value at the time they are issued by more than a de minimis amount, the Exchangeable Bonds issued in the compulsory acquisition may be treated as part of different issue than the Exchangeable Bonds issued in the Offer for U.S. federal income tax purposes, and, in that case, the tax treatment of the Exchangeable Bonds issued in the compulsory acquisition would be expected to differ from the tax treatment of the Exchangeable Bonds issued in the Offer. In that case any Exchangeable Bonds issued in the compulsory acquisition would not be fungible for trading purposes with Exchangeable Bonds issued in the Offer. Any Exchangeable Bonds you may receive in a compulsory acquisition may therefore trade in the secondary market at a lower price than Exchangeable Bonds issued in the Offer, and any such secondary market for Exchangeable Bonds issued in the compulsory acquisition may be significantly less liquid than any secondary market for Exchangeable Bonds issued in the Offer. See “Material Tax Considerations—United States Taxation.”

Holder of Songa Offshore warrants and Songa Offshore convertible bonds (“Songa Convertible Bonds”) that do not participate in the Offer may suffer adverse consequences

Transocean intends to promptly apply to conduct a compulsory acquisition (squeeze-out) under the Cyprus Takeover Bids Law following the completion of the Offer. Any shares issued upon the exercise of Songa Offshore warrants or upon conversion of Songa Convertible Bonds during the Offer Period and prior to the compulsory acquisition will be included in the compulsory acquisition. Such a compulsory acquisition may be initiated within three months of the end of the Offer Period.

Following completion of the Offer and the subsequent compulsory acquisition, there will be an extremely limited, or no, trading market for any remaining Songa Shares. As a result, the price for any Songa Shares that cannot be included in any compulsory acquisition may decline, and the holders of such shares may not be able to sell their Songa Shares at a favorable price, if at all, following the completion of the Offer and the subsequent compulsory acquisition.

The Consideration Shares must be registered with the commercial register of the Canton of Zug, Switzerland before the Company can settle the Offer

In order for the Company to issue the Consideration Shares to be delivered to the holders of Songa Shares, the Company must register the increase in its share capital and the issuance of the Consideration Shares with the commercial register of the Canton of Zug, Switzerland. Under Swiss law, registration may be blocked for reasons beyond the Company’s control, thereby delaying or preventing the issuance of the Consideration Shares and settlement of the Offer.

**Risks Related to the Business of the Songa Group**

There are a number of risks related to the business and operations of the Songa Group, its markets and financing. As the Group and the Songa Group operate in the same market, the risk factors set out in the section above “—Risks Related to the Industry in Which the Group Operates” may also apply to the Songa Group.

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### Project Risk

It is customary in the drilling industry where the Songa Group operates that all contracts are charter related, e.g. structured as time charters or bareboat charters. The rationale for this is that drilling companies provide a service where the schedule and scope of work is controlled and ultimately directed by its customers. In some instances market participants may accept fixed prices for certain components of the overall contract work scope. Such instances include mobilization and demobilization of a unit to/from a worksite, and the conversion/upgrade of units to meet specific requirements as may be required for a specific project.

The Songa Group's corporate policy is to seek to mitigate project risk at all times by having a strict policy on termination risk, breakdown risk, off-hire situations, force majeure risk, etc. However, there can be made no assurance that the Songa Group will be able to sufficiently mitigate these project risks, and any such risk could negatively affect the financial position and results of operations of the Songa Group. The Songa Group has, following the drilling contract commencement for its four category d ("Cat D") rigs, limited project risk.

### Insurance and Uninsured Risk

Operational risks can inter alia cause personal injury, the loss of a unit, operational disruption, off hire and termination of contract. In order to mitigate these risks, the Songa Group has instigated an insurance program in line with market practice, and additional insurance is always considered when a specific project is considered to be of a high risk nature. The Songa Group has loss of hire insurance in place for its rigs, as part of a reduction of the overall risk profile of Songa Offshore.

Insurance policies and contractual rights to indemnity may not adequately cover losses, and the Songa Group does not have insurance coverage or rights to indemnity for all risks that could result from drilling operations. The Songa Group coverage includes annual aggregate policy limits. If a significant accident or other event occurs that is not fully covered by the insurance or an enforceable or recoverable indemnity from a client, the occurrence could adversely affect the Songa Group's financial position, results of operations or cash flows.

Pollution and environmental risks generally are not fully insurable. The Songa Group's insurance policies and contractual rights to indemnity may not adequately cover the Songa Group's losses, or may have exclusions of coverage for some losses. The Songa Group does not have insurance coverage or rights to indemnity for all risks, including, among other things, liability risk for certain amounts of excess coverage and certain physical damage risk. If a significant accident or other event occurs which is not fully covered by insurance or contractual indemnity, it could adversely affect the financial position, results of operations and cash flows of the Songa Group.

### Reliance on Customers and Third Parties

The Songa Group has a strong dependency on Statoil ASA ("Statoil"). Statoil currently accounts for all the consolidated operating revenues of the Songa Group, and also represents all current contract revenue backlog of the Songa Group. While it is expected that Statoil will continue to be a significant customer going forward, there can be no assurance that this will be the case, and a discontinuation of the cooperation with major customers could have a material adverse effect on the Songa Group's financial position and future prospects. The Songa Group relies on third parties to perform certain services for the operation of the drilling units, including maintenance and catering services and has significant agreements in place in that respect. A failure



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by one or more of these third parties to satisfactorily provide, on a timely basis, the agreed upon services may have an adverse impact on the Songa Group's ability to perform its obligations under drilling contracts.

### Rig Operation

The Songa Group only has a limited number of rigs. The Songa Group's fleet is exposed to operational risks associated with offshore operations such as breakdown, bad weather, technical problems, force majeure situations (e.g., nationwide strikes), collisions, grounding and similar events, which may have a material adverse effect on the earnings and value of the Songa Group.

The drilling fleet of the Songa Group is concentrated in the semi-submersible rig market. Moreover, as the Songa Group's fleet is configured to operate in the midwater sector, a reduction in demand for midwater drilling would have an adverse effect on the Songa Group. It would also be adversely affected by a reduction in demand for deepwater drilling, as some rigs configured for the deepwater sector (typically those equipped with mooring systems) can also operate in the midwater sector, thereby increasing the number of rigs operating in the midwater sector.

Without considering the Cat D rigs, which are high specifications semi-submersible, some of the Songa Group's competitors have semi-submersible rigs with generally higher specifications than those in the current legacy fleet of the Songa Group. While the Songa Group does not believe that all higher specification rigs are suited to the midwater sector of the drilling industry, particularly during market downturns when there is decreased rig demand, some higher specification rigs may be more likely to compete with the Songa Group's legacy fleet rigs in obtaining drilling contracts in the sector in which the Songa Group operates. In addition, higher specification rigs may be more adaptable to different operating conditions and have greater flexibility to move to areas of demand in response to changes in market conditions. Furthermore, in recent years, an increasing amount of exploration and production expenditures have been concentrated in deeper water drilling programs and deeper formations, thereby requiring higher specification rigs. This trend is expected to continue and could result in a material decline in demand for the lower specification rigs in the Songa Group's fleet.

### Charter Risk

The Songa Group provides its services on the basis of drilling contracts that are awarded through competitive bidding or to a lesser extent through direct negotiations with oil companies.

The Songa Group's financial condition, operating results and cash flows could be adversely affected by early termination of contracts, contract renegotiations or cessation of day rates under any of the foregoing circumstances.

The Songa Group's rigs are contracted to one customer, and a disruption in cooperation between the Songa Group and the customer could lead to a termination of most, or all, charter agreements. The ability of the Songa Group to renew contracts or obtain new contracts and the terms of any such contracts will depend, among other things, on market conditions, the specifications, suitability and deployment potential of its rigs, and the contractual terms, including day rates, that the Songa Group agrees to operate under. The Songa Group may be unable to renew expiring contracts or obtain new contracts for its rigs under contracts that have expired or been terminated, and the day rates under any new contracts may be substantially below existing day rates, which could materially reduce the revenues and profitability of the Songa Group. There can be no assurance that the



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Songa Group will be able to perform under its contracts due to events beyond its control or that the Songa Group will be able to ultimately execute a definitive agreement in cases where one does not currently exist. In addition, there can be no assurance that the Songa Group's customers will be able to or willing to fulfil their contractual commitments to the Songa Group. There can be no assurance that the contracts included in the contract revenue backlog will generate the specified revenues or that the specified revenues will in fact be generated during the periods indicated.

The Songa Group's financial condition, operating results and cash flows could be materially adversely affected by early termination of contracts, contract renegotiations or cessation of day rates under any of the foregoing circumstances.

### Risk of Accidents

Offshore drilling units may work in harsh environments. The Songa Group's operations are subject to the usual hazards inherent in drilling for oil offshore, such as breakdowns of vessels, blowouts, reservoir damage, loss of production, loss of well control, punch-through, craterings, groundings, collisions, fires, adverse weather conditions and natural disasters such as cyclones, storms and hurricanes. The Songa Group's operations are also subject to accidents, which could be caused by various factors, including human error, adverse weather conditions or faulty construction.

The occurrence of any of the above events could result in the suspension of drilling operations, damage to or destruction of the equipment involved and injury or death to rig personnel, damage to producing or potentially productive oil formations and environmental damage.

Operations also may be suspended because of machinery breakdowns, abnormal drilling conditions, failure of subcontractors to perform or supply goods or services or personnel shortages. In addition, offshore drilling operators are subject to perils peculiar to marine operations, including capsizing, grounding, collision and loss or damage from severe weather.

Damage to the environment could also result from its operations, particularly through oil spillage, extensive uncontrolled fires or a spill, leak or accident involving other hazardous substances that are stored on a rig. The Songa Group may also be subject to damage claims by oil and gas companies or other parties. An accident can have a material adverse effect on the Songa Group's financial condition, and there can be no assurance that the Songa Group will have sufficient insurance against such losses and/or expenses.

Vessel operations are further subject to potential environmental liabilities which could be substantial. Such liabilities are difficult to estimate as the scope and amount of liability would, inter alia, depend on where the vessels are operated at the time when environmental damages occur.

### Service Life and Technical Risk

The service life of a rig and/or vessel is generally assumed to be more than 30 years, but will ultimately depend on its efficiency. There can be no assurance that the Songa Group's drilling units will be successfully deployed for such period of time. Although the Songa Group has four high specification midwater semi-submersible rigs, the remaining three rigs were all built in the 1970s and 1980s.

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The capital associated with the repair and maintenance of each rig increases with age. In addition, there may be technical and environmental risks associated with ageing rigs, including operational problems and regulatory requirements leading to unexpectedly high operating/maintenance costs and/or lost earnings, and which may have a material adverse effect on the financial position of the Songa Group.

### Unexpected Repair Cost

The timing and costs of repairs on the Songa Group's drilling units are difficult to predict with certainty and may be substantial. Many of these expenses, such as dry-docking and certain repairs for normal wear and tear, are typically not covered by insurance. Large repair expenses could decrease the Songa Group's profits. In addition, repair time may imply a loss of revenue for the Songa Group.

### Risks Relating to the Songa Group's Financial Situation

#### Significant Third Party Indebtedness

The Songa Group has a significant amount of third party indebtedness and there can be no assurances that the Songa Group in the future may not become in default of the terms of such. A breach of the terms of the Songa Group's loan agreements may cause the lenders to require repayment of the financing immediately and to enforce the security granted over substantially all of the Songa Group's assets, including its rigs. If the Songa Group's operating cash flows are not sufficient to meet its operating expenses and the debt payment obligations of the Songa Group, the Songa Group may be forced to do one or more of the following: (i) delay or reduce capital expenditures; (ii) sell certain of its assets; (iii) forego business opportunities, including acquisitions and joint ventures, and/or (iv) obtain new capital, which may be dilutive to current stakeholders. The materialization of the aforementioned risks could have a material adverse impact on the financial position and/or results of operations of the Songa Group.

#### The Songa Group Has Exposure for Financial Covenants

The Songa Group's credit and borrowing facilities contain financial and other covenants. There can be no assurance that the Songa Group will be able to meet all such covenants relating to current or future indebtedness contained in its funding agreements or that its lenders will extend waivers or amend terms to avoid any actual or anticipated breaches of such covenants.

Failure to comply with its financial and other covenants may have an adverse effect on the Songa Group's financial condition, and also potential increased financial costs, requirements for additional security or cancellation of loans.

#### Financial Risks

The Songa Group monitors and manages the financial risks related to the operations of the Songa Group through internal reports and analysis. However, the Songa Group is exposed to various risks such as market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk, and no assurances can be given that the monitoring of such risks will be adequate or sufficient. If the Songa Group fails to effectively monitor and manage such risks, this could have a material adverse impact on the financial position and/or results of operations of the Songa Group.



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### Foreign Exchange Risk Management

USD is the functional currency of Songa Offshore and all its subsidiaries. The Songa Group is exposed to foreign exchange risks related to its operations. The Company's rig operating expenses, as well as its General & Administrative costs, are largely NOK-denominated. The Songa Encourage and Songa Enabler day rates are partly paid in NOK to provide a natural currency hedge, while for the other rigs the day rates are paid in USD only.

In order to manage its NOK exposure, Songa Offshore is actively using hedging instruments. Contracts are entered into when the Songa Group finds it in line with the overall interest rate risk strategy.

### Interest Rate Risk Management

The Songa Group is exposed to fluctuations in interest rates for USD. The Songa Group's interest costs on its credit facilities are subject to floating interest rate (the adjusted London Interbank Offered Rate referred to as "LIBOR") plus a margin.

The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swaps. Contracts are entered into when the Songa Group finds it in line with the overall foreign exchange risk strategy.

### Credit Risk Management

Due to the nature of the Songa Group's operations, revenues and related receivables are typically concentrated amongst a relatively small customer base of international oil and gas companies. The majority of the revenues are generated by contracts with Statoil. The maximum credit risk is equal to the capitalized value of trade receivables and incurred revenue not billed.

### Availability of Funding

The Songa Group is dependent upon having access to long-term funding. There can be no assurance that the Songa Group may not experience net cash flow shortfalls exceeding the Songa Group's available funding sources nor can there be any assurance that the Songa Group will be able to raise new equity, or arrange new borrowing facilities, on favorable terms, in amounts necessary, or new financing at all, to conduct its ongoing and future operations, should this be required.

### Borrowing and Leverage

To the extent income derived from assets obtained with borrowed funds exceeds the interest and other expenses that the Songa Group will have to pay, the Songa Group's net income will be greater than if borrowings were not made. Conversely, if the income from the assets obtained with borrowed funds is insufficient to cover the cost of such borrowings, the net income of the Songa Group will be less than if borrowings were not made. The Songa Group will borrow only when it is believed that such borrowings will benefit the Songa Group and the Songa Group after taking into account considerations such as the costs of the borrowing and the likely returns on the assets purchased with the borrowed monies, but no assurances can be given that the Songa Group will be successful in this respect.



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Value of the Drilling Units and Market Rates

The value of the drilling units owned by the Songa Group may fluctuate with market conditions. A further or prolonged downturn in the market as have been experienced recently may result in breaches of the financial covenants in its loan agreements. In such a case, sales of the Songa Group's drilling units could be forced at prices that represent a potential loss of value.

Re-domiciliation to Cyprus in 2009 – Exit Tax

The Company moved from Norway to Cyprus in May 2009.

On November 25, 2014, Songa Offshore received the final Norwegian tax assessment for 2009 when Songa Offshore re-domiciled from Norway to Cyprus.

The taxable profit for 2009 was increased by NOK 1.8 billion and is based on the tax authorities' view that all assets and liabilities at the time of the exit should be considered realized in 2009 for Norwegian tax purposes.

The Company disagrees and argues that such taxation should be imposed when the assets and liabilities are realized, and within five years from the exit. Any realization after 2014 should therefore not be subject to Norwegian tax.

The Oslo District Court in January 2017, ruled in disfavor of Songa Offshore. The Company has appealed the case and the exit tax appeal is scheduled for court hearing second quarter 2018. If adversely determined, the result could have a material adverse impact on the financial position and/or results of operations of the Songa Group.

See "Notes to Songa Offshore's Consolidated Financial Statement—Note 4—The audited financials" for further details.

Construction Project Risk – DSME Litigation

The Songa Group was awarded four marine drilling contracts with Statoil for the Cat D rigs. The rigs, of which three were delivered in 2015 and the fourth was delivered on March 31, 2016, were constructed by DSME in Korea. The construction contracts were entered into on a turnkey basis with DSME accepting full design responsibility, and on a back-to-back basis with respect to the specifications outlined by Statoil. As a result of this structure, the Songa Group took on some interface and project management risks.

DSME experienced significant delays and cost overruns during the Cat D project and initiated arbitration in respect of the construction contracts for the Cat D rigs. DSME delivered claim submissions to Songa Offshore related to Songa Equinox and Songa Endurance, the two first Cat D rigs, in which DSME asserted aggregated claims of USD 373 million, including claims for the recovery of liquidated damages of USD 44 million. The claims asserted relate to alleged cost overruns and additional work in relation to Songa Equinox and Songa Endurance due to what DSME alleged were inherent errors and omissions in the design documents (as often referred to as the FEED package).

Songa Offshore reviewed the claims and did not consider that there was any substance to the matters asserted by DSME. On March 18, 2016, Songa Offshore submitted its defenses in the arbitrations. Along with its

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defense, Songa Offshore submitted counterclaims in respect of the two rigs for the aggregate amount of USD 65.8 million, by means of which Songa Offshore intends to recover damages caused by the default of DSME.

A question as to the legal interpretation of the rig-building contracts was put to the arbitral tribunal constituted in respect of the arbitrations on a preliminary basis. That question was to ascertain which party had responsibility for the FEED package and what the consequences of that would be. A two day arbitration hearing took place before the tribunal on May 2 and 3, 2017 in London and the tribunal's interim final award was published on July 21, 2017. The tribunal ruled in favor of Songa Offshore.

Songa Offshore considers the tribunal's interim final award determinative of DSME's claims in respect of the rigs (and in respect of any similar claims that DSME might assert in respect of the Songa Encourage, the third Cat D rig, and the Songa Enabler, the fourth Cat D rig) with an outcome that no payment will be due by Songa Offshore to DSME. On September 21, 2017, Songa Offshore announced that it had been served with an application to the English court where DSME is seeking permission to appeal the arbitration award. Songa Offshore considers that DSME's application was made out of time and has issued a strike out application to the English court.

Songa Offshore will seek to recover its legal costs of the arbitration process from DSME. Songa Offshore is also evaluating whether to pursue its counterclaim against DSME in respect of Songa Equinox and Songa Endurance for the aggregate amount of USD 65.8 million, as well as the counterclaims for Songa Encourage and Songa Enabler that will potentially be in approximately the same amount.

In the event that permission to appeal is granted to DSME, then a court hearing will need to take place to determine the merits DSME's appeal regarding the outcome of the arbitrations. There can be no assurance as to the ultimate outcome of this process or this litigation, which, if adversely determined, could have a material adverse impact on the financial position and/or results of operations of the Songa Group.



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- the ability to successfully integrate the Transocean and Songa Offshore businesses
- the possibility that Transocean's shareholders may not approve certain matters that are conditions to the Offer or that the requisite number of Songa Shares may not be exchanged in the public offer
- the risk that the parties may not be able to satisfy the conditions to closing of the Offer in a timely manner or at all
- the risk that the Transaction Agreement may be terminated in accordance with its terms and the Combination may not be completed
- the risks related to disruption of management time from ongoing business operations due to the proposed Combination
- the risk that the announcement or completion of the Offer could have adverse effects on the market price of Transocean's or Songa Offshore's shares or the ability of Transocean or Songa Offshore to retain customers, retain or hire key personnel, maintain relationships with their respective suppliers and customers, and on their operating results and businesses generally
- the risk that Transocean may be unable to achieve expected synergies or that it may take longer or be more costly than expected to achieve those synergies
- the risk that because the market price of the Shares fluctuates, Songa Offshore shareholders cannot be sure of the value of the Consideration Shares they may receive in the Offer;
- the risk that if, following the consummation of the Offer, some Songa Shares remain outstanding, then the liquidity and market value of those shares could be materially adversely affected;
- the risk that certain of the directors, board members and executive officers of Songa Offshore may have interests in the transactions contemplated by the Transaction Agreement that are different from, or in addition to, those of Songa Offshore shareholders generally;
- the risk that the announcement and pendency of the Offer and the other transactions contemplated by the Transaction Agreement, during which Transocean and Songa Offshore are subject to certain operating restrictions, could have an adverse effect on Songa Offshore's and/or Transocean's businesses and cash flows, financial condition and results of operations;
- the risk that negative publicity related to the transactions contemplated by the Transaction Agreement may materially adversely affect Transocean and Songa Offshore;
- the risk that the share prices of Transocean and Songa Offshore may be adversely affected if the Offer is not completed;
- the risk that the Exchangeable Bonds are exclusively the obligations of TINC, as issuer, and Transocean, as guarantor, and not of TINC's subsidiaries or Transocean's other subsidiaries;

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- the risk that payments on the Exchangeable Bonds, including under the guarantees, will be effectively subordinated to claims of TINC's and Transocean's secured creditors;
- the risk that servicing TINC's debt requires a significant amount of cash, and TINC may not have sufficient cash flow from its business to pay its substantial debt;
- the risk that despite its current debt levels, TINC may still incur substantially more debt or take other actions which would intensify other risks;
- the risk that the Exchangeable Bonds are not protected by restrictive covenants;
- the risk that TINC may not have the funds necessary to finance a repurchase in the event of a Fundamental Change;
- the risk that the make-whole premium that may be payable upon a Fundamental Change may not adequately compensate holders for the lost value of the Exchangeable Bonds as a result of such Fundamental Change;
- the risk that because holders' rights to require repurchase of the Exchangeable Bonds are limited, the market prices of the Exchangeable Bonds may decline if TINC enters into a transaction that is not a Fundamental Change under the indenture;
- the risk that the exchange rate of the Exchangeable Bonds may not be adjusted for all dilutive events;
- the risk that no market currently exists for the Exchangeable Bonds, and an active trading market for the Exchangeable Bonds may not develop;
- the risk that any adverse rating of the Exchangeable Bonds may cause their trading price to fall;
- the risk that recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Exchangeable Bonds;
- the risk that future sales of the Shares in the public market could lower the market price for the Shares and adversely impact the trading price of the Exchangeable Bonds;
- the risk that exchange of the Exchangeable Bonds will dilute the ownership interest of existing shareholders;
- the risk that volatility in the market price and trading volume of the Shares could adversely impact the trading price of the Exchangeable Bonds;
- the risk that holders of Exchangeable Bonds will not be entitled to any rights with respect to the Shares, but they will be subject to all changes made with respect to them;

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- the risk that exchange rate fluctuations could adversely affect the market value of the Exchangeable Bonds and any interest paid on the Exchangeable Bonds for an investor whose principal currency is not U.S. dollars;
- the risk that holders of Exchangeable Bonds may be subject to tax if the Company makes or fails to make certain adjustments to the exchange rate of the Exchangeable Bonds even though such holders do not receive a corresponding cash distribution; and
- other factors, including those and other risks discussed in Transocean's 2016 Annual Report, and in Transocean's other filings with the SEC, which are available free of charge on the SEC's website at: [www.sec.gov](http://www.sec.gov), and in Songa Offshore's annual and quarterly financial reports made publicly available.

Should one or more of such 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 Transocean or to persons acting on Transocean's 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 each of Transocean and Songa Offshore undertake no obligation to publicly update or revise any forward-looking statements to reflect events or circumstances that occur, or which either Transocean or Songa Offshore become aware of, after the date hereof, except as otherwise may be required by law.

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TERMS OF THE OFFER

General

Transocean, on behalf of itself and through its direct wholly owned subsidiary, TINC, is offering to acquire all issued and outstanding Songa Shares (on a fully diluted basis, including Songa Shares issued by exercise of warrants or restricted share units, or conversion of Songa Convertible Bonds) not owned by persons in or from jurisdictions where making of the Offer is unlawful, in exchange for a consideration per Songa Share consisting of (i) 0.35724 Consideration Shares and (ii) USD 2.99726 principal amount of Exchangeable Bonds, subject to the terms and conditions of the Offer. In addition, as part of the Offer, each recipient of the Offer will have the option to instead elect to receive an amount in cash of NOK 47.50 per Songa Share up to a maximum of NOK 125,000 per shareholder in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer. The Cash Election, if chosen, will first reduce the number of Exchangeable Bonds and then the number of Consideration Shares such shareholder would otherwise be entitled to receive in the Offer. If all Songa Offshore shareholders (on a fully diluted basis) accept the Offer with no cash consideration, approximately 68,618,255 Consideration Shares and approximately USD 575,707,000 aggregate principal amount of Exchangeable Bonds will be issued as a result of the Offer. As of the date of this Prospectus, neither Transocean nor any of its affiliates own any Songa Shares or loans convertible into Songa Shares. Songa Offshore shareholders may tender Songa Shares that are issued and delivered after expiration of the Offer Period as a result of the exercise of Songa Offshore warrants or restricted share units, or conversion of Songa Convertible Bonds, provided by such Songa Shares are issued prior to settlement of the Offer.

Transocean will not issue any fractional Consideration Shares or fractional amounts of Exchangeable Bonds in the Offer. Each Songa Offshore shareholder who accepts the Offer and, following the completion of the Offer, any Songa Offshore shareholder in connection with a subsequent mandatory offer or compulsory acquisition (squeeze-out) (a) who would otherwise be entitled to receive a fraction of a Consideration Share will instead receive, for the fraction of a Consideration Share, an amount in cash based on the Reference Price, and (b) who would otherwise be entitled to receive a fractional amount of Exchangeable Bonds will instead receive, for the fractional amount of Exchangeable Bonds, an amount in cash based on USD 1,000, the principal amount per Exchangeable Bond, and in each case, paid in NOK, based on an exchange rate of 7.923 NOK per U.S. dollar which is the NOK/USD closing price at 4:00 p.m. CET as determined by Norges Bank, on August 14, 2017, the trading day immediately preceding the announcement of the Offer.

The Offeror – Transocean Ltd.

The Offer is made by Transocean Ltd., a corporation incorporated under the laws of Switzerland in 2008, with registered office at Turmstrasse 30, 6300 Zug, Switzerland, on behalf of itself and through its wholly owned subsidiary, Transocean Inc., a corporation incorporated under the Companies Law of the Cayman Islands with principal executive offices located at P.O. Box 10342, 70 Harbour Drive, 4th Floor, Grand Cayman, KY1 1003. Transocean is registered in Switzerland with enterprise identification number (UID) CHE 114.461.224, and TINC is registered in the Cayman Islands under the business registration number 89645. Transocean's shares are listed on the NYSE under the symbol "RIG." Transocean's obligations in relation to Consideration not offered in Consideration Shares or cash is, for purposes of the Offer, fully discharged by TINC.

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The Target – Songa Offshore SE

Songa Offshore SE, the parent company of the Songa Group, is a European public company limited by shares organized under the laws of the Republic of Cyprus with the Cyprus Registrar of Companies with registration number SE 9. Its predecessor company, Songa Offshore ASA, was incorporated on April 18, 2005 as a Norwegian public limited liability company (Nw.: allmennaksjeselskap) and converted to an SE, by means of a merger between Songa Offshore ASA and Songa Offshore Cyprus Plc, on December 12, 2008. With effect from May 11, 2009, the survivor of the merger, renamed to Songa Offshore SE, transferred its registered office to Cyprus in accordance with Article 8 of the Council Regulation (EC) No 2157/2001 of October 8, 2001 on the Statute for a European Company (SE) and section 113 of the Cyprus Companies Law (as amended). Songa Offshore’s registered office is at Porto Bello building, Office 201, No 1 Siafi Street, 3042, Limassol, Cyprus.

As of October 31, 2017, Songa Offshore had an authorized share capital of EUR 24,095,941.10, consisting of (i) 137,641,567 issued ordinary shares of nominal value EUR 0.10 and (ii) 103,317,844 undesignated shares of nominal value EUR 0.10. The Songa Shares are registered in the Norwegian Central Securities Depository (the “VPS”) under ISIN CY0100962113 and are listed on the Oslo Stock Exchange under the ticker code “SONG.” For further information about the Songa Group and its business, see “Description of the Songa Offshore Business.”

Consideration

The consideration in the Offer consists of (i) 0.35724 Consideration Shares and (ii) USD 2.99726 principal amount of Exchangeable Bonds, to be issued by TINC and guaranteed by Transocean, for each Songa Share. In addition, as part of the Offer, each Songa Offshore shareholder will have the option to instead elect to receive an amount in cash of NOK 47.50 per Songa Share up to a maximum of NOK 125,000 per shareholder in lieu of some or all of the Consideration Shares and Exchangeable Bonds such shareholder would otherwise be entitled to receive in the Offer. The Cash Election, if chosen, will first reduce the number of Exchangeable Bonds and then the number of Consideration Shares. The Cash Election is payable in NOK. As a consequence, accepting shareholders holding 2,631 Songa Shares or less may elect to receive the full consideration in cash. On the basis of the Reference Price and for the nominal value of the Exchangeable Bonds, the implied consideration being paid in the Offer is NOK 47.50 for each Songa Share (the “Implied Consideration”) using the USD/NOK closing exchange rate as determined by Norges Bank as of August 14, 2017. The Implied Consideration represents a 37.0% premium to Songa Offshore’s five-day average closing price of NOK 34.68 per share on August 14, 2017, the last trading day prior to Transocean’s announcement of the contemplated Offer. The value of any cash and the value of the aggregate number of Consideration Shares and Exchangeable Bonds to be delivered per Songa Share is the Offer Price.

Transocean will not issue any fractional Consideration Shares or fractional amounts of Exchangeable Bonds in the Offer. Each Songa Offshore shareholder who accepts the Offer and, following the completion of the Offer, any Songa Offshore shareholder in connection with a subsequent mandatory offer or compulsory acquisition (squeeze-out) (a) who would otherwise be entitled to receive a fraction of a Consideration Share will instead receive, for the fraction of a Consideration Share, an amount in cash based on the Reference Price, and (b) who would otherwise be entitled to receive a fractional amount of Exchangeable Bonds will instead receive, for the fractional amount of Exchangeable Bonds, an amount in cash based on USD 1,000, the principal amount per Exchangeable Bond, and in each case, paid in NOK, based on an exchange rate of 7.923 NOK per U.S. dollar

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which is the NOK/USD closing price at 4:00 p.m. CET as determined by Norges Bank, on August 14, 2017, the trading day immediately preceding the announcement of the Offer.

The rights of the Consideration Shares and any Shares issuable upon exchange of the Exchangeable Bonds will in all respects be equal to those of the existing Shares from the time of issue.

The Consideration has been determined by Transocean on the basis of an overall evaluation, including consideration of the valuation of Transocean and Songa Offshore in the equity market, the two companies' historic and expected earnings and future market prospects compared with the equity market valuation of comparable companies, a careful assessment of the asset values of each company, positioning in the relevant markets, tax positions, the organizations of the two companies, possible synergies, and the Group's business goals and strategic gain, before adding a substantial premium to facilitate the acquisition.

The number of Consideration Shares and Exchangeable Bonds shall each be adjusted appropriately to reflect the effect of any stock split, reverse stock split, stock dividend and other like change (including any dividend or distribution of securities convertible into Consideration Shares or Songa Shares), in accordance with the procedures set out in the section below "—Amendments to the Offer." If an adjustment is made, acceptances of the Offer received prior to such adjustment shall be deemed an acceptance of the Offer as revised.

To the extent the Consideration is adjusted pursuant to the preceding paragraph, the adjustment shall be based on the following parameters:

- (i) The Implied Consideration;
- (ii) The exchange ratio of 0.35724 Consideration Shares and USD 2.99726 principal amount of Exchangeable Bonds for each Songa Share exchanged for Consideration Shares and Exchangeable Bonds; and
- (iii) The per share value of the dividend or other distribution resolved by Songa Offshore, in or converted to USD (if applicable) as of the date the relevant resolution is made by Songa Offshore.

No interest or other compensation other than the Consideration will be paid by Transocean to Songa Offshore shareholders for any shares tendered in the Offer. Further, no interest or other compensation will be paid by Transocean to tendering Songa Offshore shareholders in the event the Offer is not completed.

Under the terms of the Offer, the Offeror and any entity wholly owned directly or indirectly by Transocean shall not directly or indirectly acquire or enter into any agreement to acquire Songa Shares (in the open market or in privately negotiated transactions or otherwise) following announcement of the contemplated Offer until (i) the lapsing or withdrawal of the Offer or (ii) the completion of the Offer as contemplated by this Prospectus or, if relevant, expiration of a subsequent mandatory offer, at a consideration higher than the Offer Price, without increasing the Offer Price for all Songa Shares included in the Offer so as to be at least equal to such higher consideration. Notwithstanding the foregoing, the Offer Price shall not be increased pursuant to the aforementioned as a result of (i) the payment of cash consideration (including the effect of any change in currency exchange rates) in any subsequent mandatory offer in accordance with the minimum Offer Price requirements as decided by the Oslo Stock Exchange, (ii) share price fluctuations during or after the Offer Period, or (iii) the application of calculation principles by the Oslo Stock Exchange or any other governmental

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or regulatory authority to any subsequent mandatory offer that differs from the calculation principles specified in the Transaction Agreement.

### Transaction Agreement

On August 13, 2017, Transocean, TINC and Songa Offshore entered into the Transaction Agreement, a copy of which is attached as Annex A (see “The Combination—The Transaction Agreement” for further information).

The Transaction Agreement contains, among other things, provisions relating to Transocean’s commitment to make the Offer and certain obligations of Songa Offshore prior to and in connection with the Offer, including obligations to conduct the business in the ordinary course of business and not to do or permit actions to be done which could be reasonably expected to prevent the completion of the Offer and to assist in connection with regulatory filings. The Transaction Agreement also includes the conditions to the Offer, as described in “—Conditions for Completion of the Offer.” Termination of the Transaction Agreement in accordance with its terms does not automatically terminate the Offer or the pre-acceptances received by Transocean.

The Transaction Agreement also requires Songa Offshore to promptly inform Transocean of any competing offers and contains non-solicitation undertakings.

### Offer Period

The shareholders of Songa Offshore may accept the Offer in the period from and including [ ], 2017 to and including [ ], 2017 at 4:30 p.m. (CET). Transocean may in its sole discretion, and subject to approval from the Oslo Stock Exchange, extend the Offer Period (one or more times), however not beyond [ ], 2018 at 4:30 p.m. (CET). Any extensions of the Offer Period will be announced in the manner described in the section below “—Notices” prior to the expiration of the Offer Period. When referring to the Offer Period in this Prospectus, this refers to the Offer Period as extended from time to time. If the Offer Period is extended, the other dates referred to herein may be changed accordingly and any received Acceptance Forms will remain binding for the length of the extension. Except as prohibited by the Transaction Agreement and applicable law, Transocean may, at its sole discretion and at any time, decide to cancel the Offer.

### Conditions for Completion of the Offer

The completion of the Offer is subject to the following conditions, each one of which may be waived by the Offeror fully or partly (at the Offeror’s sole discretion), provided, however that condition (1) can only be waived to the extent the Offeror has received acceptances for more than 63% of the total share capital of Songa Offshore on a fully diluted basis (and cannot be waived if the Offeror has received acceptances for 63% or less of the total share capital of Songa Offshore on a fully diluted basis), and conditions (2), (6), (7), (8) or (11) can only be waived with the prior written consent of Songa Offshore:

1. Minimum acceptance of more than 90%. On or prior to the expiration of the Offer Period, Songa Offshore shareholders shall in the aggregate have accepted the Offer subject to the terms and conditions of the Offer for a number of Songa Shares representing more than 90% of the total share capital of Songa Offshore, on a fully diluted basis (i.e., calculated based on the assumption that any and all outstanding warrants, convertible bonds and other securities convertible into or otherwise giving rights to new Songa Shares have been exercised in full regardless of the conditions for such



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exercise), and the same amount of votes, which can be exercised in the general meeting of Songa Offshore, and such acceptances shall remain valid and binding.

2. Governmental and regulatory approvals. Any governmental, regulatory or other official approval and/or clearance, under any applicable laws or regulations, which are necessary for the completion of the Offer and the transactions contemplated hereunder, shall have been duly obtained without any conditions, unless such conditions are clearly insignificant in the context of (i) Transocean's existing business operations in Norway or (ii) the expected benefits to Transocean of the acquisition of Songa Offshore.
3. No intervention. No court or other governmental or regulatory authority of competent jurisdiction shall have taken any form of legal action (whether temporary, preliminary, or permanent) that restrains or prohibits the completion of the Offer or shall in connection with the Offer have imposed conditions upon Transocean, Songa Offshore or any of their respective subsidiaries, that Transocean in its sole discretion determines to be unduly burdensome.
4. No issue of shares or equity instruments and no distributions. In the period from the announcement of the contemplated Offer until the settlement of the Offer there shall have been no changes or decisions to make changes to the share capital of Songa Offshore or its subsidiaries other than issuances of shares as required by the exercise of warrants or options or the conversion of convertible bonds and/or exercise of any other Songa Offshore securities, which are made in accordance with the terms of such agreements (which have been provided to Transocean prior to the entering into of the Transaction Agreement or the terms of which are otherwise publicly available) underlying such warrants, options, convertible bonds and/or other Songa Offshore securities and no issue or decision to issue any rights which entitle the holder to any form of equity interest in Songa Offshore or its subsidiaries, and Songa Offshore shall not have declared or made any dividends or other forms of distributions, in each case from the date of announcement of the contemplated Offer.
  5. No Material Adverse Change. Prior to completion of the Offer, there shall have been no Material Adverse Change. For these purposes, Material Adverse Change means any event, change, fact, condition, circumstance, development, occurrence or effect which, individually or together with any other event, change, fact, condition, circumstance, development, occurrence or effect, has, or would reasonably be expected to have, a material adverse effect upon (i) the condition (financial or otherwise), business, assets, liabilities or results of operations of Songa Offshore or Transocean, as the case may be, and its subsidiaries, taken as a whole, or (ii) the ability of Songa Offshore or Transocean, as the case may be, to perform its obligations under the Transaction Agreement or to consummate the Offer or the other transactions contemplated by the Transaction Agreement, provided that Material Adverse Change shall not be deemed to include an event, change, fact, condition, circumstance, development, occurrence or effect to the extent it relates to (A) the announcement of the Offer and the other transactions contemplated by the Offer; (B) the execution of, compliance with the terms of, or the taking of any action required by the Transaction Agreement, or the completion of the Offer and the other transactions contemplated by the Transaction Agreement; (C) any change in accounting requirements or principles or any change of laws of general applicability or the interpretation thereof, except to the extent disproportionately

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affecting Songa Offshore or Transocean, as the case may be, relative to peer companies operating in the industry, (D) changes in financial markets, interest rates, exchange rates, commodity prices or, except to the extent that such matters have an impact on Songa Offshore or Transocean, as the case may be, that to a material extent is disproportionate to the effect on other peer companies operating in the industry, other general economic conditions, (E) share price fluctuations or changes in third-party analyst estimates or projections (provided that the underlying cause of any such fluctuation or change may be considered in determining whether or not a Material Adverse Change has occurred or would reasonably be expected to occur to the extent not included in another exception herein), (F) acts of war, sabotage or terrorism, or any escalation or worsening of any such acts of war, sabotage or terrorism threatened or underway, except to the extent disproportionately affecting Songa Offshore or Transocean, as the case may be, relative to peer companies operating in the industry, (G) any changes resulting from non-cash impairment charges relating to the write-down or scrapping of existing oil rigs, or (H) with respect to Songa Offshore and its subsidiaries, (x) any matters reviewed as part of the due diligence conducted prior to the Transaction, including in particular any judgement, claim, development, fact circumstance or other occurrence in relation to Songa Offshore's reported ongoing dispute with DSME and (y) any change in financial statements or other financial information or audit statements solely due to conversion of financial statements from IFRS to U.S. GAAP as part of the preparation or furnishing of information pursuant to the Transaction Agreement (provided that the underlying cause of any such changes (such as errors in accounting or material omissions) may be considered in determining whether or not a Material Adverse Change has occurred or would reasonably be expected to occur to the extent not included in another exception herein).

6. Issue of Consideration Shares. (a) The Extraordinary General Meeting shall have approved (i) the issuance of the Consideration Shares and (ii) the creation of authorized share capital for the Transocean Board to be authorized to issue Shares, with par value CHF 0.10 each, in connection with a mandatory offer or a compulsory acquisition (if any) of Songa Shares following the completion of the Offer, in each case with the necessary majority under Swiss law and Transocean's Articles of Association, and (b) the Consideration Shares shall have been registered with the competent commercial register.
7. Listing on NYSE. The NYSE shall have approved the Consideration Shares and the Shares issuable upon exchange of the Exchangeable Bonds for listing on such exchange, subject to official notice of issuance.
8. U.S. Securities Filings. One or more registration statements on Form S 4 with respect to each of the Consideration Shares and the Exchangeable Bonds shall have been declared effective by the SEC, or a Form CB shall have been filed by Transocean with respect to the Offer.
9. Accuracy of Provided Information. Nothing shall have come to the attention of the Offeror that has reasonably caused it to conclude that the information about Songa Offshore or its subsidiaries provided to the Offeror, whether provided by Songa Offshore or any of its representatives, or contained in any publicly filed financial statement or stock exchange notice by Songa Offshore, is, when viewed in context and together with all such information and reporting, inaccurate,

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misleading or incomplete (a) in any material respect or (b) in the case of information regarding the capitalization of Songa Offshore, other than for immaterial inaccuracies or omissions.

10. Compliance with Covenants. Songa Offshore shall have complied in all material respects with its obligations under the Transaction Agreement, and no material breach by Songa Offshore of its representations and warranties under the Transaction Agreement shall have occurred.

11. Election of the Perestroika Designee. The Perestroika Designee shall have been elected to the Transocean Board at the Extraordinary General Meeting.

All Offer conditions must be satisfied or waived as of the expiration of the Offer in accordance with the terms of the Transaction Agreement. As far as Transocean is aware, as of the date of this Prospectus, other than approval from the Norwegian Competition Authority, no governmental, regulatory or other official approval and/or clearance under applicable laws will be required for the consummation of the Offer, but this will have to be assessed and confirmed based on information to be requested from Songa Offshore. Approval from the Norwegian Competition Authority was given on September 8, 2017.

Based on the number of Songa Shares outstanding as of October 31, 2017, in order to satisfy condition (1) a total of 172,898,975 Songa Shares must be tendered in the Offer. We expect that 146,517,811 Songa Shares will be tendered in the Offer pursuant to the pre-acceptance agreements received by Transocean, meaning that an additional 26,381,164 Songa Shares must be tendered to satisfy this condition.

As soon as each of the conditions above have been met, waived or failed to be met, Transocean will issue a notification to that effect in accordance with the procedures set out in the section below “—Notices.” Transocean expects that the Extraordinary General Meeting will be held on or about [ ], 2018. Transocean has also prepared a Preliminary Proxy Statement under the U.S. Securities Act in connection with the Extraordinary General Meeting (the “Proxy Statement”). The Proxy Statement will be available, free of charge, at the SEC’s website at: [www.sec.gov](http://www.sec.gov). In addition, free copies of the Proxy Statement and other relevant documents filed by Transocean and Transocean Inc. with the SEC may be obtained from Transocean’s website at: [www.deepwater.com](http://www.deepwater.com).

Provided that all conditions above are met, the Company expects the completion of the Offer to take place at the earliest on or around [ ], 2017.

Pre-acceptance Undertakings

On August 13, 14 and 15, 2017, Transocean obtained irrevocable undertakings from Songa Offshore shareholders representing approximately 76.6% of the Songa Shares (on a fully diluted basis), which were

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amended on September 15, 2017, to tender their Songa Shares in the Offer, including a commitment from Songa Offshore's largest shareholder, Perestroika, as further set out in the table below:

	No. of Songa Shares		No. of share options/rights to acquire Songa Shares		Total Songa Shares beneficially owned	Percentage of Songa Shares on the date hereof(1)	
Songa Offshore shareholder							
Frederik Mohn/Perestroika	59,557,340	(2)	27,556,518	(3)	87,113,858	45.5	%
Funds managed by Asia Research & Capital Management Ltd	30,272,396	(4)	14,697,449	(5)	44,969,845	23.5	%
Funds managed by York Capital Management							
Global Advisors, LLC	5,586,322	(6)	8,968,222	(7)	14,554,544	7.6	%
Mark Bessell	53,027		—		53,027	*	
Arnaud Bobillier	21,300		—		21,300	*	
Bjørnar Iversen	118,097		—		118,097	*	
Michael Mannering	13,768	(8)	—		13,768	*	
Johan Kristian Mikkelsen	10,000		—		10,000	*	
Jan Rune Steinsland	77,218	(9)	—		77,218	*	

\* represents < 1% of Songa Shares outstanding.

- (1) Percentage is calculated on a fully diluted basis equal to 191,521,345.
- (2) Includes 62,000 Songa Shares owned by Frederik W. Mohn, the sole owner of Perestroika, and 5,750 Songa Shares held by Mr. Mohn's spouse.
- (3) Songa Shares issuable upon conversion of SONG07 convertible bonds.
- (4) Includes 4,199,851 Songa Shares owned by ARCM Distressed Energy Opportunities Master Fund Ltd. ("ARCM Fund"), 22,287,610 Songa Shares owned by ARCM Master Fund II, Ltd. ("ARCM Fund II") and 3,784,935 Songa Shares owned by ARCM Master Fund III Ltd. ("ARCM Fund III").
- (5) Includes 1,998,349 Songa Shares issuable to ARCM Fund upon conversion of SONG07 convertible bonds, 8,492,986 Songa Shares issuable to ARCM Fund II upon conversion of SONG07 convertible bonds and 4,206,114 Songa Shares issuable to ARCM Fund III upon conversion of SONG07 bonds.
- (6) Includes 2,096,536 Songa Shares owned by York Credit Opportunities Investments Master Fund, L.P. ("York Credit Opportunities Master Fund"), 2,049,985 Songa Shares owned by York Credit Opportunities Fund, L.P., 119,645 Songa Shares owned by York European Strategic Investors Holding Fund, L.P., and 1,320,156 Songa Shares owned by York European Opportunities Investments Master Fund, L.P.
- (7) Includes 3,362,376 Songa Shares issuable upon conversion of SONG07 bonds owned by York Credit Opportunities Master Fund, 1,322,344 Songa Shares delivered to York Credit Opportunities Master Fund on August 22, 2017 upon the exercise of its warrants; and 3,073,267 Songa Shares issuable upon conversion of SONG07 bonds owned by York Global Finance Fund, L.P. ("York Global Finance Fund") and 1,210,235 Songa Shares delivered to York Global Finance Fund on August 22, 2017 upon the exercise of its warrants.
- (8) Includes 8,576 Songa Shares held by Mr. Mannering's spouse.
- (9) Includes 65,945 Songa Shares held by Songvaar Invest AS, where Mr. Steinsland is trustee.

These undertakings also apply to any Songa Shares that these shareholders may acquire before the end of the Offer Period. These pre-acceptances cannot be withdrawn as a result of a superior offer from a third party. These pre-acceptances require the Songa Offshore shareholder to sell its share options and rights to Songa Shares on the same economic terms as if such share options and rights to Songa Shares had been exercised. Perestroika has agreed that it will not sell, transfer, encumber or otherwise dispose of the Consideration Shares for a period until August 15, 2018. This lock-up shall not apply to any Shares that Perestroika acquires through exchange of Exchangeable Bonds. Shareholders signing pre-acceptances each agreed not to exercise the Cash Election with respect to their Songa Shares.

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Long Stop Date

If the Offer has not been announced unconditional by 4:30 p.m. (CET) on January 31, 2018, the Offer shall lapse and any tendered shares shall be released by Transocean, provided, however, that the Long Stop Date may be extended at the election of Transocean one time for no more than a total of 25 U.S. business days to the extent deemed necessary, at Transocean's sole discretion, for the purpose of soliciting additional proxies from shareholders for the election at the Extraordinary General Meeting of the Perestroika Designee. With respect to any extension by Transocean, Transocean will, prior to such extension, publicly confirm the fulfilment of all other conditions for completion of the Offer (other than under conditions (3), (4), and (9) under the section above "—Conditions for Completion of the Offer"); but clarifying that, with respect to condition (10) under "—Conditions for Completion of the Offer," if a willful breach by Songa Offshore of any agreement or covenant in the Transaction Agreement occurs solely on or after the Long Stop Date, then such condition (10) shall not be satisfied and, in such event, Transocean reserves all of its rights with respect thereto (including completion of the Offer) to determine the satisfaction or waiver of such condition.

Refinancing of Certain Songa Offshore Indebtedness

In connection with and in addition to Consideration Shares and Exchangeable Bonds issued in the Combination, Transocean has agreed to purchase certain outstanding indebtedness previously issued by Songa Offshore from certain bondholders in exchange for newly issued Exchangeable Bonds. In particular, Transocean agreed to purchase an aggregate of approximately NOK 1.206 billion of Songa Offshore's outstanding SONG04 Bonds from three bondholders at a price of 103.5% per bond and an aggregate of approximately NOK 587.0 million of Songa Offshore's outstanding SONG05 Bonds from two bondholders at a price of 101% per bond. Transocean has also agreed to purchase from Perestroika its USD 50 million loan to Songa Offshore for Exchangeable Bonds at a price of 100% of the principal amount of the loan. All of these purchases are conditioned on and will close at approximately the same time as the settlement of the Offer. Transocean will call all remaining SONG04 Bonds and SONG05 Bonds for cash in accordance with their respective terms following the completion of the Offer.

Treatment of Other Songa Offshore Securities in the Offer

As of October 31, 2017, Songa Offshore has outstanding 588,630 unvested restricted stock rights issued under the Songa Offshore Long-Term Incentive Plan. Transocean currently expects that prior to expiration of the Offer, the vesting of all unvested restricted stock rights held by Songa Offshore shareholders under the Songa Offshore Long-Term Incentive Plans will be accelerated and the Songa Shares issued upon acceleration may be tendered in the Offer on the same basis as other Songa Shares.

As of October 31, 2017, Songa Offshore has outstanding warrants to purchase an aggregate of 53,403 Songa Shares. Transocean encourages all holders to exercise their warrants prior to the expiration of the Offer, and the Songa Shares issued upon exercise of such Songa Offshore warrants may be tendered in the Offer on the same basis as other Songa Shares. Any shares issued upon the exercise of Songa Offshore warrants during the Offer Period and prior to the compulsory acquisition will be included in the compulsory acquisition. Such a compulsory acquisition may be initiated within three months of the end of the Offer Period. See "Risk Factors—Risks Related to the Offer—Holders of Songa Offshore Warrants and Songa Offshore Convertible Bonds that do not participate in the Offer may suffer adverse consequences."

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As of October 31, 2017, Songa Offshore has outstanding convertible bonds of the series SONG07 (ISIN NO0010760036) that are convertible into an aggregate of 53,826,372 Songa Shares. Transocean currently expects that prior to the expiration of the Offer, the terms of the Songa Convertible Bonds will be amended and all Songa Convertible Bonds will be converted into Songa Shares that may be tendered in the Offer on the same basis as other Songa Shares. Any shares issued upon conversion of Songa Convertible Bonds during the Offer Period and prior to the compulsory acquisition will be included in the compulsory acquisition. Such a compulsory acquisition may be initiated within three months of the end of the Offer Period. See “Risk Factors—Risks Related to the Offer—Holders of Songa Offshore Warrants and Songa Offshore Convertible Bonds that do not participate in the Offer may suffer adverse consequences.”

Procedures for Accepting and Withdrawing Songa Shares Previously Tendered in the Offer

Procedures for accepting the Offer

Shareholders who wish to accept the Offer must complete and sign the Acceptance Form enclosed with this Prospectus as Annex B and return it to the Settlement Agent prior to the expiration of the Offer Period on [ ], 2017 at 4:30 p.m. (CET) (or such time as the Offer Period may be extended). Acceptances may be withdrawn as described in this Prospectus until the end of the Offer Period.

Shareholders who own shares in Songa Offshore registered on more than one VPS account must submit a separate Acceptance Form for each such account. In addition to the shares in Songa Offshore the shareholder has registered on the VPS account stated in the Acceptance Form, acceptance of the Offer will cover all shares in Songa Offshore the shareholder holds or acquires and that are registered on the VPS account stated in the Acceptance Form before the VPS account is debited.

Correctly completed and signed Acceptance Forms shall be sent by fax, delivered by hand, e-mail or sent by mail to the Settlement Agent at the following address:

Clarksons Platou Securities AS

Munkedamsveien 62c

N 0270 Oslo

Norway

Tel: +47 (22) 01 63 00

Email: [ecm.oslo@clarksons.com](mailto:ecm.oslo@clarksons.com)

Any Acceptance Form that is not correctly completed or that is received after the expiration of the Offer Period can be rejected without further notice. Transocean reserves the right to approve acceptances that are received after the expiration of the Offer Period or that are not correctly completed within the limits of the requirements in Section 6 10 (9) of the Norwegian Securities Trading Act for equal treatment of shareholders.

Shareholders who own shares in Songa Offshore registered in the name of brokers, banks, investment companies or other nominees, must contact such persons to accept the Offer with respect to such shares. Acceptance of the Offer for

shares in Songa Offshore registered in the name of an investment manager must be done by the manager on behalf of the shareholder.

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All Songa Shares tendered in the Offer are to be transferred free of any encumbrances and any other third party rights whatsoever and with all shareholder rights attached to them. Any third party with registered encumbrances or other third-party rights over the relevant VPS account(s) must sign the Acceptance Form and thereby waive its rights in the shares sold in the Offer and approve the transfer of the shares to Transocean, free and clear of any such encumbrances and any other third-party rights. Acceptances will be treated as valid only if any holder of such rights has consented by signing the Acceptance Form for the sale and transfer of the shares free of encumbrances to Transocean.

No confirmation of receipt of Acceptance Forms or other documents will be made on behalf of Transocean. All notifications, documents and remittance that shall be delivered by or sent to or from the Songa Offshore shareholders who accept the Offer (or their representatives) will be sent to or delivered by them at their own risk.

By delivering a duly executed Acceptance Form, shareholders irrevocably authorize the settlement agent to, in each case on their behalf, (i) block the shares to which the Acceptance Form relates (see Section 5.14 “Blocking of tendered shares and shareholder rights”), (ii) debit such accepting shareholder’s VPS account, (iii) contribute the Songa Shares tendered in the Offer to the Company, including by executing one or several contribution agreements between the settlement agent and the Company, (iv) subscribe for the Consideration Shares in the ordinary share capital increase and (v) take all other actions to effect the contribution in kind and the exchange of the Songa Shares tendered in the Offer for Consideration Shares, Exchangeable Bonds and cash, as applicable, as deemed necessary or advisable by the settlement agent and, where applicable, the Distribution Agent.

For information on how to withdraw previously tendered Songa Shares (except for pre-acceptance undertakings, which have limited withdrawal rights pursuant to the terms thereof), please refer to “—Procedures for withdrawing Songa Shares previously tendered in the Offer” below.

In accordance with the Norwegian Securities Trading Act, the Settlement Agent must categorize all new customers in one of three customer categories. All Norwegian shareholders delivering the Acceptance Form and who are not existing clients of the Settlement Agent will be categorized as non-professional clients. For further information about the categorization, the shareholder may contact the Settlement Agent (telephone +(47) 22 01 63 00). The Settlement Agent will treat the delivery of the Acceptance Form as an execution-only instruction from the shareholder to sell his/her/its shares in Songa Offshore under the Offer, since the Settlement Agent is not in the position to determine whether the acceptance of the Offer and the selling of the shares in Songa Offshore is suitable for the relevant shareholder.

Procedures for withdrawing Songa Shares previously tendered in the Offer

Shareholders who wish to withdraw any Songa Shares they have previously validly tendered in the Offer (except for pre-acceptance undertakings, which have limited withdrawal rights pursuant to the terms thereof) must complete and sign the Withdrawal Form enclosed with this Prospectus as Annex C and return it to the settlement agent prior to the expiration of the Offer Period on [ ] 2017 at 16:30 (CET) (or such time as the Offer Period may be extended). The completed and signed Withdrawal Form must specify the VPS Account of the Songa Shares to be withdrawn and instruct the settlement agent holding the shares to release the blocking on the VPS account specified by the withdrawing shareholder.

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Correctly completed and signed Withdrawal Forms shall be sent by fax, delivered by hand, e-mail or sent by mail to the settlement agent at the following address:

Clarksons Platou Securities AS

Munkedamsveien 62c

N-0270 Oslo

Norway

Tel: +47 22 01 63 00

Email: ecm.oslo@clarksons.com

Any withdrawal of Songa Shares from the Offer cannot be rescinded, however any withdrawn Songa Shares may be subsequently re-tendered in the Offer by validly completing, signing and submitting an Acceptance Form covering such Songa Shares prior to the expiration of the Offer Period as described in “Procedures for accepting the Offer.”

**Blocking of Tendered Shares and Shareholder Rights**

By delivering a duly executed Acceptance Form, shareholders give the settlement agent an authorization to block the shares to which the Acceptance Form relates, in favor of the settlement agent. The settlement agent is at the same time authorized, acting in its own name but for the account of the tendering Songa Offshore shareholders, to contribute the Songa Shares tendered in the Offer in the ordinary capital increase of Transocean and to subscribe for the Consideration Shares and take such other actions to effect the exchange of the Songa Shares tendered in the Offer for Consideration Shares, Exchangeable Bonds and cash, as applicable, as the settlement agent and, where applicable, the Distribution Agent deem necessary or advisable (see Section 5.13.1 “Procedures for accepting the Offer” and Section 5.17 “Settlement”). In the event that the Offer is cancelled or acceptances are validly withdrawn before the expiration of the Offer Period, the blocking will be terminated within three U.S. business days. The shareholder undertakes, from the time of delivering a duly executed Acceptance Form unless acceptances are validly withdrawn before the expiration of the Offer Period, not to, and it will not, from the time of blocking, be possible to, sell or in any other way dispose over, use as security, pledge, encumber or transfer to another VPS account, the shares covered by the Acceptance Form. The shareholder is free to dispose over any other securities registered in the same VPS account as the blocked shares.

Songa Offshore shareholders who accept the Offer will, to the extent permitted under Cyprus law, remain the legal owners of their Songa Shares and retain voting rights and other shareholder rights related thereto until the registration of the ordinary share capital increase of Transocean in connection with which Transocean acquires Songa Shares in the Offer.

**Amendments to the Offer**

Except as otherwise prohibited by the Transaction Agreement and applicable rules and regulations, Transocean reserves the right to amend the Offer, including by way of extending the Offer Period, terminating the Offer and

changing the Consideration, in its sole discretion and in accordance with this Prospectus at any time during the Offer Period. Amendments to the terms of the Offer are subject to approval from the Oslo Stock Exchange and the terms of the Offer may only be improved. Any amendments are binding on Transocean once a notice is published through the Oslo Stock Exchange's information system in accordance with the procedures set out in the section below "—Notices." Any acceptance received by the Settlement Agent is binding even if the Offer

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Period is extended or the Offer is otherwise amended in accordance with the terms of this Prospectus unless such acceptance is subsequently validly withdrawn. Shareholders who have already accepted the Offer in its original form or with previous amendments will be entitled to any benefits arising from such amendments.

Notices

Notices in connection with the Offer will be published by notification to the Oslo Stock Exchange. Notices will be deemed made when the Oslo Stock Exchange has published the notice through its information system. Transocean will without undue delay notify the Oslo Stock Exchange if the conditions of the Offer are met or waived or if the Offer is cancelled.

To the extent required by applicable U.S. federal securities laws, notices will also be issued via press release.

Settlement

General

The result of the Offer is expected to be published no later than the next business day following the expiration of the Offer Period in accordance with the procedures described under “—Notices.”

Transfer of the Songa Shares tendered to the settlement agent (who is authorized to transfer the shares to Transocean), and delivery of the Consideration Shares, Exchangeable Bonds and cash, as applicable, to Songa Offshore shareholders, in settlement of the Offer, will be made promptly following the expiration of the Offer Period and, in any case, no later than 15 U.S. business days after the expiration of the Offer Period. We expect such settlement to occur within five business days following the expiration of the Offer Period. Accordingly, if the Offer Period expires on or about [ ], we expect to issue and pay the Consideration Shares, Exchangeable Bonds and cash, as applicable, on or about [ ]. We expect that the Consideration Shares and Exchangeable Bonds issued in the Offer will be listed as of the date when settlement occurs. If the Offer Period is extended, the settlement and listing dates will be similarly extended.

Upon contribution of the Songa Shares to the Company, (i) the relevant number of Consideration Shares and Exchangeable Bonds will be deposited with Computershare Trust Company, N.A. and Computershare, Inc., acting collectively as paying and Distribution Agent for the Offer and (ii) cash sufficient to pay all cash consideration and cash in lieu of fractional Consideration Shares and Exchangeable Bonds will be deposited with the settlement agent, in each case for distribution in accordance with the procedures described below to each Songa Offshore shareholder whose Songa Shares are acquired by the Company in the Offer. Contact information for the Distribution Agent is as follows:

Computershare, Inc.

250 Royall Street,

Canton, Massachusetts 02021

Telephone: [ ]

Email: [ ]

Songa Offshore shareholders who have tendered shares in the Offer and not validly withdrawn such acceptance remain bound by their acceptance until settlement has occurred or until Transocean notifies the

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Oslo Stock Exchange in accordance with the procedures described under “—Notices” that the Offer has been cancelled.

Settlement Mechanics

The Company will acquire all Songa Shares tendered shares in the Offer and not validly withdrawn for Consideration Shares, Exchangeable Bonds, cash or some combination of the foregoing as described in this Prospectus.

The Consideration Shares will be issued in an ordinary share capital increase by Transocean against a contribution in kind of the Songa Shares tendered in the Offer, as a part of the consideration for the contribution of Songa Shares tendered and accepted in the Offer. The issuance of the Consideration Shares in the ordinary share capital increase requires the approval of Transocean’s shareholders at the Extraordinary General Meeting, which will be convened by the Board of Directors and is expected to be held on or about [ ], 2018. In order to be approved, the ordinary share capital increase providing for the issuance of the Consideration Shares must be approved by two-thirds of the votes attached to, and a simple majority of the par value of, the Shares, each as present or represented at the Extraordinary General Meeting. Assuming the conditions of the Offer are satisfied or waived upon expiration of the Offer Period, the Consideration Shares will be issued against contribution by the settlement agent, acting on behalf of the tendering Songa Offshore shareholders, to the Company of the portion of the Songa Shares tendered and accepted in the Offer for which Consideration Shares will be issued in settlement. In connection with the issuance of the Consideration Shares, the pre-emptive rights of the existing shareholders of Transocean will be withdrawn and allotted to the settlement agent, acting on behalf of the Songa Offshore shareholders that have tendered their Songa Shares to the Offer. The issue price per Consideration Share issued to Songa Offshore shareholders as consideration for the Songa Shares tendered for such consideration will be determined for Swiss law purposes by Transocean’s board of directors by reference to the Implied Consideration.

As a part of the consideration for the contribution of Songa Shares tendered and accepted in the Offer, TINC, at the request of the Company, will issue the Exchangeable Bonds. Further, the Company will pay cash if a holder of Songa Shares exercises the Cash Election or in lieu of any fractional Consideration Shares or Exchangeable Bonds that would otherwise be issueable to any Songa Offshore shareholder. In consideration for the issuance of the Exchangeable Bonds by TINC, the Company will issue exchangeable loan notes to TINC in an amount, and on terms, substantially corresponding to those of the Exchangeable Bonds.

By submitting an Acceptance Form, each Songa Offshore shareholder tendering Songa Shares in the Offer will be deemed to accept that, within the context of the ordinary share capital increase of Transocean and on their behalf, the settlement agent will (i) undertake the contribution in kind of all Songa Shares tendered in the Offer to the Company, (ii) subscribe for the Consideration Shares in the ordinary share capital increase and (iii) take all other actions to effect the contribution in kind, the exchange and the acquisition of the Songa Shares, as deemed necessary or advisable by the settlement agent. Upon registration of the Company’s ordinary share capital increase, the Consideration Shares and the Company’s amended Articles of Association in the commercial register of the Canton of Zug, Switzerland, the Company will register the settlement agent, acting on behalf of the Songa Offshore shareholders tendering Songa Shares in the Offer, as holder of all Consideration Shares issued in the Offer in the uncertificated share register of the Company. The settlement agent will then transfer the Consideration Shares to the Distribution Agent for distribution to the Songa Offshore shareholders

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who tender Songa Shares in the Offer. TINC will deliver the Exchangeable Bonds to the Distribution Agent for distribution to the tendering Songa Offshore shareholders as described in this Prospectus. On the settlement date, the Company will deposit an aggregate cash amount sufficient to pay all cash consideration payable in the Offer with the settlement agent for distribution to the bank account registered in the VPS of each Songa Offshore shareholder whose tendered Songa Shares are purchased in the Offer.

The Acceptance Form requests that each Songa Offshore shareholder provide information for an account such shareholder has with a custodian, bank or broker capable of holding shares registered in the name of the Depository Trust Company (“DTC”) or its nominee. The Distribution Agent will deliver Consideration Shares and Exchangeable Bonds upon settlement of the Offer to the DTC-eligible account specified by the applicable Songa Shareholder if such Songa Offshore shareholder elects to receive its Consideration Shares and Exchangeable Bonds through the account as part of the Acceptance Form.

Any Songa Offshore shareholder who does not provide information for a DTC-eligible account or who elects not to receive its Consideration Shares and Exchangeable Bonds through a DTC-eligible account will instead, upon settlement of the Offer, receive Consideration Shares registered in the name of the applicable Songa Offshore shareholder on the Share records of the Company maintained by Computershare Trust Company, N.A., as transfer agent for the Shares (the “Transfer Agent”), and registered through the Direct Registration System (“DRS”). The Transfer Agent will mail a statement containing the Distribution Agent’s contact information to each Songa Offshore shareholder whose Consideration Shares are registered through the DRS promptly following settlement of the Offer. Following DRS-registration, should you at any future point wish to hold your Consideration Shares through a DTC-eligible account rather than having your Consideration Shares held through the DRS, you will need to present your DRS statement to the custodian, bank or broker who has your DTC-eligible account to have your Consideration Shares moved.

Exchangeable Bonds will only be delivered upon settlement through DTC. As a result, the Distribution Agent will continue to hold the Exchangeable Bonds, subject to applicable escheat and unclaimed property laws, on behalf of any Songa Offshore shareholder who does not provide information for a DTC-eligible account or who elects not to receive its Consideration Shares and Exchangeable Bonds through a DTC-eligible account. Any Exchangeable Bonds to be delivered to any such shareholder will only be delivered when the applicable shareholder provides the information of a DTC-eligible account to receive delivery of the Exchangeable Bonds.

If the Distribution Agent is unable to transfer any Consideration Shares or Exchangeable Bonds to a DTC-eligible account specified by any Songa Offshore shareholder, the Distribution Agent will register that shareholder’s Consideration Shares through the DRS and continue to hold the Exchangeable Bonds, subject to applicable escheat and unclaimed property laws, on behalf of the shareholder until the shareholder provides a DTC-eligible account that is able and does take possession of the applicable Exchangeable Bonds.

If you are deemed to be an affiliate of Songa Offshore at the time of the Offer, you should consult your legal advisor to determine what trading restrictions on the Consideration Shares and Exchangeable Bonds you receive in the offer apply. For more information, see “Selling and Transfer Restrictions” below.

Restrictions on Registration of the Consideration Shares

Pursuant to Article 7 of Transocean’s Articles of Association, Transocean shall maintain, itself or through a third party, a share register that lists the surname, first name, address and citizenship (in the case of legal entities,



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the company name and company seat) of the holders and usufructuaries of Shares as well as any nominees. Transocean or the third party maintaining the share register on behalf of Transocean shall be entitled to request at the time of the entry into the share register from the person requesting such entry appropriate evidence of that person's title to the shares. An acquirer of Shares shall be recorded upon request in the share register as a shareholder with voting rights; provided, however, that any such acquirer expressly declares to have acquired Shares in its own name and for its own account, save that the Transocean Board may record nominees who hold Shares in their own name, but for the account of third parties, as shareholders of record with voting rights in the share register of Transocean. Beneficial owners of Shares who hold Shares through a nominee exercise the shareholders' rights through the intermediation of such nominee.

### The Rights of the Consideration Shares

The Consideration Shares will be shares in Transocean with a nominal value of CHF 0.10 each and will have equal rights in all respects as the other existing Shares. The Consideration Shares will be fully paid and entitled to dividends as of their registration in the commercial register of the Canton of Zug, Switzerland. The Consideration Shares will not have any preferential rights. For further information on the rights attached to the Company's existing Shares, see "Description of the Shares and Share Capital."

The Consideration Shares will be subject to the restrictions on registration pursuant to article 7 of the Articles of Association, as described under "Restrictions on registration of the Consideration Shares."

Subject to completion of the Offer, the Consideration Shares are expected to be listed on the NYSE as of the completion of the Offer. The Company's Shares are registered in book-entry form in DTC under the ISIN CH0048265513.

### The Ranking of the Exchangeable Bonds

The Exchangeable Bonds will constitute senior unsecured debt of TINC and will rank equally with its senior unsecured debt from time to time outstanding, senior to its subordinated debt from time to time outstanding, and effectively junior to its secured debt and to all debt and other liabilities of its subsidiaries from time to time outstanding. Transocean's guarantee will rank equally with all of its other unsecured and subordinated debt from time to time outstanding. See "Description of Transocean Exchangeable Bonds."

### Expenses

Transocean estimates expenses incurred by itself and TINC related to the Offer are USD [ ] million (exclusive of VAT), with expenses in the amount of USD [ ] million (exclusive of VAT) borne by Transocean and expenses in the amount of USD [ ] million (exclusive of VAT) borne by TINC.

Shareholders who accept the Offer will not have to pay brokerage fees. Transocean will pay VPS transaction costs that may occur as a direct consequence of the shareholder accepting the Offer. Transocean will not cover any other costs that a shareholder may incur in connection with acceptance of the Offer.

### Tax

Each Songa Offshore shareholder is responsible for any taxes incurred as a consequence of accepting the Offer. Songa Offshore shareholders are advised to seek advice from their own tax consultants in order to determine



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the particular tax consequences to them from their acceptance of the Offer and the relevance or effect of any domestic or foreign tax treaties. A general description of the tax implications of the Offer is included in “Material Tax Considerations.”

### Dilution

The existing shareholders in Transocean will be diluted by up to 28.1% as a consequence of the Offer and issuance of the Consideration Shares to the Songa Offshore shareholders, assuming the following:

- the issuance of approximately 68.6 million Shares as Consideration Shares and approximately USD [ ] million aggregate principal amount of Exchangeable Bonds in the Offer (which assumes that (i) all outstanding SONG07 convertible bonds and Songa Offshore warrants are converted to and exercised for Songa Shares and tendered in the Offer, (ii) the acceleration of vesting and settlement of all restricted stock units issued under the Songa Offshore Long-Term Incentive Plan in Songa Shares that are subsequently tendered in the Offer, (iii) 100% of Songa Offshore shareholders accept the Offer and (iv) no Songa shareholder elects the Cash Election), based upon an exchange ratio of 0.35724 Shares to be issued for each tendered Songa Share;
- the issuance and subsequent exchange of approximately USD [ ] million aggregate principal amount of Exchangeable Bonds to purchase certain outstanding Songa Offshore indebtedness in connection with the Combination; and
- no additional capital increase by Songa Offshore is made after September 30, 2017.

### Additional Information

#### Contact with Songa Offshore Prior to Release of the Offer

For more information, see “Background and Reasons for the Combination.”

#### Financing of the Offer

The cash consideration of the Offer will be financed by Transocean from available cash reserves. The Consideration Shares will be issued through an ordinary increase in the share capital of Transocean, and the Exchangeable Bonds will be newly issued debt securities of TINC. The Offer is not subject to any financing condition.

#### Impact on Employees

Transocean expects that the Combination will result in positive synergies (e.g., through streamlining of the combined operations). Although Transocean has not determined the organisational structure of the combined entity, this may affect the total number of employees in the combined group, including the place of work. The Combination is expected to create one of the leading players in the harsh environment and ultra-deepwater drilling sector and therefore also create significant opportunities for the employees of the combined group. Other than this, Transocean does not currently expect that the implementation of the Combination will have any legal, financial or work-related effects for the Songa Group’s or Transocean’s employees.

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No special advantages or prospects of special advantages of any kind have been or will be offered by Transocean to the management and/or the Transocean Board or the Songa Board or any of their subsidiaries in connection with the Offer (other than receiving the Consideration, if they are shareholders of Songa Offshore and accept the Offer in their capacity as shareholders and the purchase by Transocean of SONG04 bonds and a shareholder loan from Perestroika).

For more information, see the sections of this Prospectus titled “Background and Reasons for the Combination” and “Material Interests of Songa Offshore’s Board and Management in the Combination.”

The Transocean Board and of Songa Offshore will inform the representatives of their respective employees or, where there are no such representatives the employees themselves as to the relevant stages of the Offer and the result of the Offer in accordance with the relevant provisions of the Cyprus Takeover Bids Law. In accordance with section 7 (1) (d) of the Cyprus Takeover Bids Law, any announcement made by Transocean will be notified to the representatives of its employees, or where there are no such representatives, the employees themselves and the Songa Board. In accordance with section 7 (1) (e) of the Cyprus Takeover Bids Law, any announcement made by Songa Offshore will be notified to the representatives of its employees, or where there are no such representatives, the employees themselves and the Transocean Board.

The Cyprus Takeover Bids Law does not affect the provisions for the disclosure of information, the consultation of representatives and the co-decision with the employees of Transocean and Songa Offshore contained in (where and when applicable):

- (a) the Law No. 106(I) of 2011 concerning the Establishment of a European Works Council;
- (b) the Law No. 277(I)/2004 on supplementing the Statute for a European company with regard to the involvement of employees;
- (c) the Law No. 28(I)/2001 on Collective Redundancies; and
- (d) the Law 78(I)/2005 on establishment of a general framework for informing and consulting employees.

Legal Implications

The completion of the Offer is subject to governmental, regulatory or other official approval and/or clearance, see “Conditions for Completion of the Offer.” Transocean currently expects that all such approvals and/or clearances will be obtained. Approval from the Norwegian Competition Authority was given on September 8, 2017.

The completion of the Offer may result in Transocean becoming subject to the mandatory offer rules and legislation on compulsory acquisition described the sections below “—Mandatory Offer” and “—Compulsory Acquisition.”

From the point in time Songa Offshore was informed that the Offer would be launched and until expiration of the Offer Period and publication of the results of the Offer, Songa Offshore is subject to certain restrictions on its freedom of action pursuant to Section 34 of the Cyprus Takeover Bids Law.

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To Transocean's knowledge, other than as set forth above, it is not expected that the Offer and Transocean becoming the owner of all shares in Songa Offshore validly tendered under the Offer will have any material legal implications for the Songa Group.

Statement by the Songa Board

As a general rule, the Songa Board is required to announce its view on the Offer in accordance with Section 6-16 of the Norwegian Securities Trading Act no later than one week prior to the expiration of the Offer Period. As the Offer is initiated by Transocean in agreement with the Songa Board, the Oslo Stock Exchange has instructed Songa Offshore to engage an independent advisor to issue a statement regarding the Offer pursuant to Section 6-16 (4) of the Norwegian Securities Trading Act. Therefore Songa Offshore has engaged ABG Sundal Collier ASA to issue such independent statement on behalf of Songa Offshore. Songa Offshore expects that the statement made by ABG Sundal Collier ASA will be published on the Oslo Stock Exchange information system, [www.newsweb.no](http://www.newsweb.no); the independent statement is attached to this Prospectus as Annex D.

The Songa Board has also issued a statement regarding the Offer; such statement is attached to this Prospectus as Annex E.

Mandatory Offer

If the Offer is completed and Transocean, as a result of the Offer or otherwise, or any person acting in concert with Transocean, becomes the owner of Songa Shares representing more than 30% of the outstanding voting rights, Transocean will be required under Section 13 of the Cyprus Takeover Bids Law to make a mandatory offer for the remaining shares, unless Transocean following completion of the Offer holds at least 90% of the shares and voting rights in Songa Offshore and within three months resolves a compulsory acquisition (squeeze-out) as described in the section below "—Compulsory Acquisition." A subsequent mandatory offer must include a cash alternative, but is not required to include consideration in Consideration Shares and/or Exchangeable Bonds.

The Offer Price for such mandatory offer must be equal to, or higher than, the highest price paid, or agreed to be paid, by Transocean or any person acting in concert with Transocean for the Songa Shares during the six-month period prior to the date on which the obligation to make a mandatory offer is triggered. Neither Transocean nor its affiliates have acquired or (other than the conditional pre-acceptances of the Offer) agreed to acquire Songa Shares in the six-month period prior to the date of this Prospectus. The offer price in a subsequent mandatory offer, if the Offer is completed, will be equal to the value of the Consideration, unless the Consideration is increased, in which case the mandatory offer price will be equal to the value of such increased Consideration. In exchange offers involving companies listed on the Oslo Stock Exchange, it is customary to calculate the value of the Consideration Shares based on the volume weighted average share price of the offeror during the last three trading days prior to the announcement by the offeror that the relevant and material conditions have been met or waived, unless there are reasons for calculating the value based on the volume weighted average share price during a shorter or longer period. The value of the cash alternative will in any event be NOK 47.50 per Songa Share.

The Exchangeable Bond was priced at par at the time the contemplated acquisition of Songa was announced. In addition to the terms of the Exchangeable Bond, Transocean believes volatility, credit spread and borrowing costs are key variables to determine the market price of the Exchangeable Bond. The applied level of such variables was based on (i) the implied volatility trading level of comparable instruments in the market, (ii) the



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relevant credit spread for Transocean, and (iii) borrowing cost of Transocean common shares, in addition to current market practice.

Compulsory Acquisition

If, as a result of the Offer or a subsequent mandatory offer, Transocean acquires and holds, alone and not calculated together with any other parties, shares representing 90% or more of the total issued shares and voting rights in Songa Offshore, then Transocean will have the right to initiate a compulsory acquisition (squeeze-out) of the remaining shares in Songa Offshore not owned by Transocean pursuant to Section 36 of the Cyprus Takeover Bids Law.

If Transocean at the completion of the Offer holds at least 90% of the voting rights in Songa Offshore, it will be entitled within three months of the end of the Offer Period to initiate a compulsory acquisition by requiring the remaining shareholders to sell their shares in accordance with the procedure outlined below. In accordance with Section 36 (3) of the Cyprus Takeover Bids Law the consideration to be offered in case of such a compulsory acquisition should be in the same form and at least equal to the consideration given in the Offer, while in any case cash consideration must be offered as an alternative. Such a right to compulsory acquisition can be exercised following a relevant application to the Cyprus Securities and Exchange Commission (the “CySEC”) that is communicated by Transocean to Songa Offshore. On the business day following the submission of the application, Transocean must announce the fact of the application in accordance with Section 7 of the Cyprus Takeover Bids Law to the board of Songa Offshore and to its official website, the representatives of its employees, or where there are no such representatives the employees themselves. Together with the application, Transocean must submit a confirmation by one or more credit institutions or other organizations with the necessary, according to CySEC, solvency status, stating that the cash Transocean will be called to pay to the holders of securities of Songa Offshore is available and will remain available to the credit institution or to the organization until the completion of the procedure. Once satisfied that Transocean holds not less than 90% of the voting rights in Songa Offshore and that the relevant application with all supporting documentation has been duly submitted, CySEC will issue a decision directing Transocean (a) to notify in writing the shareholders of Songa Offshore that will be affected, (b) to pay the affected shareholders the total amount of the consideration offered, (c) to take all necessary actions to transfer the shares into Transocean’s name. Transocean will announce the payment of the consideration and the transfer of the shares in accordance with Section 7 of the Cyprus Takeover Bids Law to CySEC, on its official website and to the board of Songa Offshore. The amount of the consideration offered can be disputed by the shareholders who transferred their shares to Transocean by taking legal action against Transocean within six months from the announcement of the payment of the consideration mentioned above.

If, as a result of the Offer or a subsequent mandatory offer, Transocean acquires and holds 90% or more of the total issued Songa Shares representing 90% or more of the voting rights in Songa Offshore, Transocean intends to promptly carry out a compulsory acquisition of the remaining shares in Songa Offshore in accordance with the procedures outlined above. A compulsory acquisition can be expected to be completed after 35 working days from completion of the Offer, provided that the abovementioned application is submitted to CySEC immediately after completion and that CySEC will make its decision on the application within 10 working days from its submission. It is expressly noted that this is an estimation only, as the process may be delayed due to several factors beyond the control of the Company. CySEC is not subject to a time limit in deciding on the application, and no assurances can be given as to the exact duration of the compulsory acquisition process.

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Section 37 of the Cyprus Takeover Bids Law also provides for a sell-out right. Pursuant to such a sell-out right, if as a result of the Offer, Transocean acquires and holds shares representing 90% or more of the total issued shares and voting rights in Songa Offshore, then the remaining 10% or less Songa Offshore shareholders are entitled to require Transocean to buy their shares at a fair price. This sell-out right is exercised within 3 months of the end of the Offer Period. The consideration for the acquisition of the shares shall take the same form as the consideration offered in the bid or a cash alternative. Transocean must announce the fact that the sell-out right has been exercised in accordance with Section 7 of the Cyprus Takeover Bids Law to the Songa Board and to its official website, the representatives of its employees or where there are no such representatives, the employees themselves.

Delisting from Oslo Stock Exchange

Following completion of the Offer, dependent upon the number of shares acquired by Transocean pursuant to the Offer, Transocean intends to propose to the general meeting of Songa Offshore to resolve to apply to the Oslo Stock Exchange for a delisting of the shares in Songa Offshore. Although there is no minimum requirement as to the percentage of shares and voting rights Transocean must hold in Songa Offshore, such proposal requires the approval of the same majority as required to amend Songa's Articles of Association at the general meeting which is 75% of votes present. Any application for delisting will be approved or rejected by the Oslo Stock Exchange in accordance with the stock exchange rules, taking into account, among other things, the interests of minority shareholders (if any). The Oslo Stock Exchange may also decide on its own initiative to delist the shares in Songa Offshore should the conditions for listing no longer be fulfilled, for instance following initiation of a compulsory acquisition.

Transocean may seek a delisting of the shares of Songa Offshore from the Oslo Stock Exchange even if it does not hold 90% or more of the shares and voting rights in Songa Offshore following completion of the Offer. If Transocean no longer considers the listing of Songa Offshore's shares on the Oslo Stock Exchange appropriate, it may propose to the general meeting of Songa Offshore that the company shall apply for delisting of its shares from the Oslo Stock Exchange. Whether an application for delisting will be approved in the event Transocean holds less than 90% of the shares in Songa Offshore is uncertain. A delisting would not trigger a mandatory offer, squeeze-out or sell-out right under Norwegian law.

For as long as Songa Offshore remains listed, Songa Offshore will be subject to the Oslo Stock Exchange continuing obligations and the applicable requirements of the Norwegian Securities Trading Act and related secondary regulation, which imposes requirements on Songa Offshore to the benefit of remaining Songa Offshore shareholders, including, amongst others, financial and other reporting obligations and the duty to observe the principle of equal treatment of shareholders.

Advisors

The Financial Advisor to the Company and Settlement Agent in connection with the Offer is Clarksons Platou Securities AS. The financial advisor to Songa Offshore in connection with the Offer is Pareto Securities AS.

King & Spalding LLP is acting as legal advisor to Transocean with respect to U.S. law, Wikborg Rein Advokatfirma AS is acting as legal advisor to Transocean with respect to Norwegian law, Homburger AG is acting as legal advisor to Transocean with respect to Swiss law and Stelios Amerikanos & Co LLC is acting as legal advisor to Transocean with respect to Cyprus law. Advokatfirmaet Schjødt AS is acting as Norwegian



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legal counsel to Songa Offshore, Harneys Aristodemou Loizides Violitis LLC is acting as Cypriot legal counsel to Songa Offshore and Cleary Gottlieb Steen & Hamilton LLP is acting as U.S. legal counsel to Songa Offshore.

Participation of Major Existing Shareholders and Members of the Management and the Transocean Board in the Offer

As a condition to the Offer, the Perestroika Designee must be elected to the Transocean Board. Following completion of the Offer, the Perestroika Designee, through Perestroika AS, will own more than 5% of the Shares. On August 13, 2017, Transocean obtained an irrevocable undertaking from Perestroika AS to tender its shares in the Offer, which was amended on September 15, 2017 (see the section above “—Pre-acceptance Undertakings”). Other than the aforementioned, the Company is not aware of whether any major existing shareholders and members of the Company’s management or the Transocean Board intend to participate in the Offer, or whether any person intends to participate for more than 5% of the Offer.

Interest of Natural and Legal Persons Involved in the Offer

The financial advisors and their respective affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to Transocean, TINC, Songa Offshore and their respective affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The financial advisors, their employees and any affiliate may currently own securities issued by Transocean, TINC and Songa Offshore. The financial advisors do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Clarksons Platou Securities AS will receive a fee of USD 5.5 million if the Company acquires at least 75% of the outstanding Songa Shares. See the section above “—Expenses” for expenses related to the Offer.

Subject to completion of the transaction contemplated by the Offer, Pareto Securities AS will receive a success fee of USD 5.7 million from Songa Offshore.

Other than the above-mentioned, the Company is not aware of any interest (including conflict of interests) of any natural or legal persons involved in the Offer.

Choice of Law and Legal Venue

The Offer and all acceptances of the Offer shall be governed by Norwegian law and, to the extent applicable, the federal laws of the United States, including the federal securities laws. Pursuant to the Acceptance Form, shareholders accepting the Offer agree that any dispute in connection with the Offer is subject to the exclusive jurisdiction of the Norwegian courts, with the Oslo District Court as the agreed venue.

The indenture and the Exchangeable Bonds will be governed by, and construed in accordance with, the law of the State of New York, United States.

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THE COMBINATION

Background and Reasons for the Combination

Background of the Combination

The Transocean Board and the Songa Board continually review their respective companies' results of operations, competitive positions and strategic alternatives. In connection with these reviews, the senior management teams of each of Transocean and Songa Offshore from time to time evaluate potential transactions that would further their respective strategic objectives, including by meeting periodically with the senior management of other companies in the industry, investment bankers and investors to discuss industry trends and opportunities to enhance shareholder value.

At a regularly scheduled meeting held on February 10, 2017, the Transocean Board discussed various strategic opportunities. The Transocean Board considered acquiring potential stranded shipyard assets, which included high specification rigs with limited reactivation costs to Transocean's fleet, but could present certain challenges given these stranded shipyard assets would have no contract backlog and would incur stacking costs. The Transocean Board also discussed the potential acquisition of Songa Offshore, Party A and Party B. The Transocean Board considered that the acquisition of Party A included a relatively young, high specification fleet with a strong contract backlog and the potential for synergies as a result of an acquisition. However, the Transocean Board also considered the potential significant dilution to Transocean's shareholders as a result of the acquisition and that Party A may not be willing to undertake a potential transaction. The Transocean Board considered that Party B also had a young, high specification fleet and a good customer reputation, however, Party B had a weak contract backlog, certain unused assets and did not have as strong of a presence in certain strategic markets as that of Songa Offshore. The Transocean Board also considered Songa Offshore as a potential acquisition candidate, including, among other matters, its strong contract backlog, its expertise and experience as an ultra-deepwater and harsh-environment drilling contractor, its potential willingness to consider pursuing a transaction, and Songa Offshore's potential to strengthen Transocean's footprint and presence in strategic areas of harsh environment operations.

On February 22, 2017, Mr. Mark Mey, Executive Vice President and Chief Financial Officer of Transocean, and Mr. Thad Vayda, Vice President of Corporate Finance and Treasurer of Transocean, held a telephone call with representatives of Clarksons Platou Securities AS ("Clarksons"), where Mr. Mey and Mr. Vayda, on behalf of Transocean, discussed Clarksons acting as financial advisors to Transocean in connection with pursuing a potential acquisition of Songa Offshore. Thereafter, Transocean engaged Clarksons as its financial advisor. The scope of the engagement of Clarksons as financial advisors to Transocean in connection with the potential acquisition of Songa Offshore consisted of customary roles and responsibilities of a financial advisor of an acquiror for a transaction of this type, including, among other roles and responsibilities, advising Transocean on the structure, process and overall execution of a potential transaction, assisting Transocean with Transocean's analysis of Songa Offshore (including its financial statements and assets), assisting and advising Transocean on negotiations with and valuation of Songa Offshore, and assisting with due diligence and engagement of advisors for due diligence purposes.

On March 6, 2017, after consultation with the Transocean Board and discussions with Clarksons, Mr. Jeremy D. Thigpen, President and Chief Executive Officer of Transocean, sent a non-binding expression of interest to Mr. Frederik W. Mohn, Chairman of Songa Offshore and sole owner of Songa Offshore's largest shareholder



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Perestroika, regarding a potential acquisition of Songa Offshore by Transocean. The non-binding expression of interest outlined the potential significant revenue backlog that the Combination would create, the potential to create a highly competitive global offshore drilling company focusing on harsh environment and ultra-deepwater drilling, the potential synergies of combining Transocean with Songa Offshore which could enhance market competitiveness, and contemplated the acquisition of all of Songa Offshore's outstanding shares in exchange for Transocean shares, cash or a combination thereof. The expression of interest did not indicate a price per share or a specific mix of consideration that Transocean was prepared to offer Songa Offshore shareholders.

On March 8, 2017, Mr. Mohn sent an email to Mr. Thigpen indicating that Perestroika would welcome further discussions about a potential combination of Transocean and Songa Offshore and suggesting that their respective advisors begin discussions about such a potential combination.

On March 10, 2017, representatives of Clarksons had a telephone call with representatives of Pareto Securities AS ("Pareto"), Songa Offshore's financial advisors. Pareto was engaged by Songa Offshore as financial advisor in January 2017, following indications of interests to Songa Offshore from various parties in discussing potential transaction opportunities with Songa Offshore. The scope of the mandate was to serve as standby defense advisor and to assist in the facilitation and negotiation of any transaction or process should any such emerge. In the call, Clarksons and Pareto discussed generally the potential acquisition, including Transocean's request to proceed with preliminary due diligence on Songa Offshore. As part of the call, Clarksons and Pareto agreed that Transocean would send a preliminary due diligence request list to Songa Offshore outlining certain high level diligence requests.

On March 28, 2017, representatives of Wikborg Rein Advokatfirma AS ("Wikborg"), as Norwegian legal advisors to Transocean, and Advokatfirmaet Schjødt AS ("Schjødt"), as Norwegian legal advisors to Songa Offshore, had a telephone call to discuss the due diligence process.

Also on March 28, 2017, representatives of Clarksons delivered Clarksons' preliminary valuation analysis of Songa Offshore to certain members of Transocean management. Thereafter, Clarksons periodically updated and refreshed the valuation analysis to reflect market changes and other current information with the last valuation analysis presented to certain members of Transocean management on June 16, 2017. Clarksons' valuation analysis was primarily based on three valuation methodologies which are customarily used for purposes of valuation in the offshore oil industry: (1) discounted cash flow analysis, (2) implied value assessment (based on implied value per rig of Songa Offshore), and (3) enterprise value/EBITDA multiple assessment. This valuation did not take account of or reflect any shareholder premium. Clarksons' June 16, 2017 valuation analysis delivered to management of Transocean is summarized under "—Summary of Clarksons' Analyses." Representatives of Clarksons also held regular discussions and communications with certain members of management of Transocean, including Mr. Mey and Mr. Vayda, regarding this valuation analysis, in each case, up to the August 11, 2017 Transocean Board meeting where the Transocean Board unanimously approved the Transaction Agreement, the Combination and the transactions contemplated thereby.

To facilitate the due diligence process and future discussions between the parties, on March 29, 2017, TINC and Songa Offshore entered into a confidentiality agreement regarding the exchange of diligence and other information. As part of this confidentiality agreement, TINC agreed, for a period of six months from March 29, 2017, not to (i) subscribe for, buy or exchange any financial instruments in or issued by Songa Offshore

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(including any shares or other securities) or (ii) enter into any agreement or offer related to such matters, in each case other than the launching of a public tender offer for all shares of Songa Offshore as a counter offer to a competing public tender offer recommended by the Songa Board that was first launched in the market.

On April 7, 2017, Transocean and Clarksons entered into an engagement letter which formalized Clarksons' roles and responsibilities as financial advisor to Transocean in connection with the potential acquisition of Songa Offshore.

On April 10, 2017, Mr. Thigpen and Mr. Mey met with Mr. Merrill A. "Pete" Miller Jr., Chairman of the Transocean Board, to discuss Transocean's strategic opportunities, which included pursuing potential acquisitions of stranded shipyard assets and also the potential acquisition of Songa Offshore, Party A, Party B, Party C and Party D, with a specific emphasis on pursuing a strategic target that, among other matters, (i) would improve fleet quality and market position without compromising balance sheet strength and flexibility, (ii) expand strategic relationships with customers, (iii) provide contract backlog and (iv) would be interested in pursuing a transaction. Messrs. Thigpen, Mey and Miller discussed the advantages and disadvantages of Party A and B as considered by the Transocean Board on February 10, 2017, and also discussed Party C and Party D. With respect to Party C and Party D, they considered that each of Party C and Party D had some of the important characteristics for an acquisition candidate but they either did not have a large enough contract backlog or were lacking long-term contracts that would present future revenue, and both Party C and Party D were facing ongoing issues with creditors which could be problematic. Messrs. Thigpen, Mey and Miller discussed the strategic rationale behind a Transocean acquisition of Songa Offshore, focusing on, among other items, that it was a good acquisition candidate that provided significant potential synergies consistent with the strategic criteria mentioned above, including that Songa Offshore had significant backlog and four high-specification newbuild semi-submersibles, each the subject of an eight year contract with Statoil ASA, who is an existing customer of Transocean.

On April 11, 2017, on behalf of Transocean, representatives of Clarksons contacted Pareto to request a call between Mr. Thigpen and Mr. Mohn on April 12, 2017 to allow Mr. Thigpen to present Transocean's initial, high-level economic terms for a potential voluntary tender offer for all of Songa Offshore's outstanding shares.

On April 12, 2017, Mr. Thigpen and Mr. Mohn had a telephone call in which Mr. Thigpen discussed a non-binding proposal to acquire all outstanding Songa Offshore shares at a price of NOK 38.50 per share payable in newly issued Transocean shares, subject to further diligence. Mr. Thigpen also indicated that the proposal would be conditioned on, among other things receipt of irrevocable pre-acceptance agreements from Perestroika and certain of Songa Offshore's other large shareholders in which such shareholders would agree to tender their shares of Songa Offshore in any offer subsequently made by Transocean, as well as the affirmative recommendation of the Songa Board. In response, Mr. Mohn indicated that Perestroika could be interested in exploring a potential sale of its interest in Songa Offshore, but Perestroika would and he believed that the Songa Board, in order to maximize value for Songa Offshore shareholders, would need a more attractive price than NOK 38.50 per share. Mr. Mohn also informed Mr. Thigpen that Perestroika had received inquiries from another potential buyer that had offered a higher price per Songa Offshore share. The closing price of Songa Offshore's shares on the Oslo Stock Exchange on April 12, 2017 was NOK 30.10 per share.

Pursuant to the April 12, 2017 communications between Mr. Thigpen and Mr. Mohn, on April 18, 2017, representatives of Clarksons and Pareto held preliminary discussions to discuss the valuation of Songa Offshore

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for purposes of determining if there could be a common valuation range per Songa Offshore share that may be acceptable to Perestroika. Pareto reiterated in this meeting that NOK 38.50 per share was not acceptable and that a price of NOK 40.00 per share was also not sufficient and that an offer in the range of NOK 50.00 – 55.00 per share would provide more assurance to Perestroika and ensure a deal could be agreed. After this meeting, representatives of Clarksons communicated to Transocean management the results of these discussions.

On April 20, 2017, Mr. Thigpen, Mr. Mey, Mr. John B. Stobart, Executive Vice President, Chief Operating Officer and Chief Performance Officer of Transocean, and Mr. Brady Long, Senior Vice President and General Counsel of Transocean, discussed with the Transocean Board the potential acquisition, including the potential offer price based on, among other matters, the valuation and the discussions around valuation and potential offer price that had previously taken place among the financial advisors and Mr. Thigpen and Mr. Mohn, and forms of consideration that may be acceptable to Transocean and Songa Offshore, which included Transocean shares and cash.

At a regularly scheduled meeting on May 12, 2017, the Transocean Board met with members of Transocean’s management, including Mr. Thigpen, Mr. Mey, Mr. Long and Mr. Stobart, where they discussed Transocean’s strategic opportunities, including the acquisitions of potential stranded shipyard assets and the acquisition of Party A, Party B, Party C, Party D and Songa Offshore. With regard to a transaction with Songa Offshore, the attendees summarized the discussions between the parties to date, the potential price and form of consideration that would be offered and the strategic rationales for engaging in the acquisition. At this meeting, management of Transocean discussed with the Transocean Board the valuation developed by management in conjunction with Clarksons and the Transocean Board discussed and considered a revised offer price of approximately NOK 45.00, taking into account that the offer price of approximately NOK 45.00 was within the valuation range of the implied Songa Offshore share price and that, in particular, the implied value assessment rig analysis of Songa Offshore was much more favorable than that of other substantially similar stranded assets and rigs of other potential acquisition candidates. Following these discussions, the Transocean Board appointed a transaction committee (the “Transaction Committee”) consisting of Ms. Vanessa C.L. Chang and Messrs. Frederico F. Curado, Edward R. Muller, Tan Ek Kia and Glyn A. Barker to determine the form, terms and conditions of the transaction.

On May 16, 2017, Messrs. Thigpen and Mey met with Mr. Mohn and Mr. Johan Kr. Mikkelsen, a member of the Songa Board and Chief Technology Officer of Perestroika, to discuss the potential acquisition of Perestroika’s interest in Songa Offshore. During this meeting, Messrs. Thigpen and Mey presented and discussed the general offshore market and marketing opportunities around the world. Messrs. Thigpen and Mey also highlighted that the harsh environment sector was potentially showing increased growth. Messrs. Thigpen and Mey also presented Transocean’s history and ongoing drilling efficiency, safety and cost reduction initiatives.

On June 1, 2017, representatives from Pareto met with representatives of Clarksons to present a request from Perestroika that, as part of the consideration payable in connection with any acquisition, Transocean issue bonds convertible into or exchangeable for Transocean shares (as defined in this section, the “Exchangeable Bonds”). The issuance of the Exchangeable Bonds was a condition to Perestroika’s willingness to enter into an irrevocable pre-acceptance agreement for purposes of agreeing to tender its Songa shares in the potential voluntary tender offer and was requested to protect Perestroika and any other Songa Offshore shareholders participating in the potential transaction against potential volatility and potential adverse movements in

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Transocean's share price pending and following completion of the acquisition. Pareto also noted that the issuance of Exchangeable Bonds would offer Transocean the ability to issue shares at a higher price than current market price against a low coupon.

On June 7, 2017, Mr. Mey and Mr. Vayda met with representatives of Clarksons and Pareto. During this meeting, the parties discussed a potential transaction process, valuation and potential offer consideration consisting of a combination of newly issued Transocean shares, Exchangeable Bonds and cash.

Following the meeting on June 7, 2017, representatives of Pareto discussed with Perestroika the matters Pareto had covered at the meeting with Transocean and Clarksons representatives. Thereafter, on June 7, 2017, Pareto had a telephone call with representatives of Clarksons during which Pareto informed Clarksons that Perestroika might be willing to accept a price per share of NOK 45.00 in connection with a voluntary tender offer for all Songa Offshore shares. Pareto also informed Clarksons that Pareto would revert over the weekend with information regarding the proposed mix of consideration to be paid in the offer.

On June 12, 2017, representatives of Clarksons and Pareto met to discuss valuation of Songa Offshore and other aspects of the potential acquisition. At this meeting, Pareto confirmed to Clarksons that Perestroika would be willing to accept a price per share of NOK 45.00 in connection with a voluntary tender offer for all Songa Offshore shares, with the consideration consisting of either newly issued Transocean shares, or a combination of newly issued Transocean shares and Exchangeable Bonds, subject to (i) an inspection of a Transocean stacked rig, a Transocean working rig and a Transocean rig in shipyard, (ii) further discussions regarding Transocean's future strategic plans and objectives for Songa Offshore on a go-forward basis following completion of the acquisition and (iii) the election of two directors nominated by Perestroika to the Transocean Board. After the meeting, and after discussions with Transocean, representatives of Clarksons sent an email to Pareto (1) setting up a meeting between Messrs. Thigpen and Mey from Transocean and Mr. Mohn from Perestroika to discuss Transocean strategic plans, (2) confirming that Transocean would revert with proposed terms for the Exchangeable Bonds to be issued and (3) confirming diligence arrangements regarding the requested inspection of certain Transocean rigs. The email from Clarksons also indicated that the requested board representation remained a subject of discussion within Transocean.

On or around June 15, 2017, Transocean directed Wikborg and King & Spalding LLP ("King & Spalding"), as U.S. legal advisors to Transocean, to prepare (i) the Transaction Agreement that was proposed to be entered into between Transocean and Songa Offshore and setting forth the terms of the potential acquisition, (ii) a form of pre-acceptance agreement to be executed by Perestroika and other significant Songa Offshore shareholders and (iii) a term sheet for the Exchangeable Bonds to be issued by Transocean or one of its affiliates as partial consideration in the potential acquisition.

On or around June 18, 2017, representatives of Pareto indicated to representatives of Clarksons that Perestroika would be willing to accept a 50/50 split of newly issued Transocean shares and Exchangeable Bonds. Thereafter, representatives of Clarksons communicated this to Transocean management. After internal discussion, Transocean management determined that this was a reasonable consideration mix and that a 50/50 consideration split between Transocean shares and Exchangeable Bonds would not immediately increase the dilutive impact of the transaction to Transocean's current shareholders as compared to issuing a greater percentage of Consideration Shares.

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On June 18, 2017, representatives of Clarksons, at the direction of Transocean, held a telephone call with representatives of Pareto to preview the substance of an email to be sent by Transocean which would include a non-binding indication of interest setting forth Transocean's proposed material terms for the voluntary tender offer for all of Songa Offshore's shares. Thereafter, on June 19, 2017, Mr. Thigpen provided an update to Mr. Miller on the status of the discussions with Perestroika with respect to a potential acquisition of Perestroika's interest in Songa Offshore, including the price per Songa Offshore share, proposed mix of consideration and number of board seats requested by Perestroika.

On June 19, 2017, at the direction of the Transocean Board, Mr. Mey sent an email to representatives of Pareto, expressing Transocean's non-binding interest in a potential acquisition by Transocean of the Songa Offshore business to be implemented by means of a voluntary tender offer made by Transocean to all shareholders of Songa Offshore. The acquisition would include the acquisition of all outstanding bonds and shareholder loans issued by Songa Offshore that were held by Perestroika. In its non-binding indication of interest setting forth key commercial terms, Transocean indicated that, based on the information available to Transocean as of that time and subject to the completion of its due diligence, Transocean would be willing to pursue a transaction at an offer price of NOK 45.00 per Songa Offshore share, with such consideration to be paid with a 50/50 split combination of newly issued Transocean shares, to be listed on the NYSE with full shareholder rights as that of Transocean's existing shareholders, and Exchangeable Bonds. The Exchangeable Bonds would be senior unsecured bonds, include a cash coupon of 0.5% per annum, with a conversion premium of up to 22.5%. The non-binding indication of interest also contemplated that Transocean would offer to purchase all outstanding Songa Offshore senior unsecured bonds and that Songa Offshore bondholders would have the option of choosing between consideration in cash, Exchangeable Bonds or a combination of the two. Further, as a condition to entering into a definitive agreement with respect to the potential acquisition, Perestroika and Transocean would enter into an irrevocable pre-acceptance agreement with respect to Songa Offshore shares held by Perestroika and a lock-up agreement on any Transocean shares received in the tender offer for a period of 12 months from the first announcement of the potential acquisition. Further, the indication of interest provided a framework for completion of financial and commercial due diligence with respect to Songa Offshore by Perestroika and Transocean, respectively, including that Transocean's non-binding indication of interest was conditional on further due diligence of Songa Offshore by Transocean with further due diligence prior to execution of a definitive agreement to include, among others, Songa Offshore's contract backlog and its ongoing dispute with DSME (the "DSME Arbitration"), and additional confirmatory due diligence to take place after execution of a definitive transaction agreement, with such due diligence by Transocean to be a condition to Transocean's obligation to complete the voluntary tender offer (customarily referred to as a "diligence out"). To assist with its diligence of the DSME Arbitration, Transocean engaged Clyde & Co on or around June 19, 2017 to help Transocean assess and analyze the legal risks associated with the DSME Arbitration.

On June 21, 2017, the Songa Board held a meeting in which the June 19, 2017 non-binding indication of interest from Transocean to acquire Songa Offshore was presented. Mr. Mohn and Mr. Mikkelsen were excused from the voting in this meeting in light of their representation of Perestroika in discussions with Transocean. The Songa Board was presented with the terms as described above, and Pareto provided a detailed analysis of such terms. The Songa Board was also presented with information on how the proposed transaction terms had improved from earlier discussions between Transocean and Perestroika as well as an analysis of other potential candidates to acquire Songa Offshore, including the potential buyer who had previously approached Perestroika. The Songa Board discussed the terms and analysis in detail, taking into consideration the input

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received from Perestroika, and how a potential transaction would be considered by the other shareholders of Songa Offshore, as well as Transocean's request to conduct due diligence on Songa Offshore. At the conclusion of this meeting, Mr. Bjørnar Iversen, the Chief Executive Officer of Songa Offshore, sent a letter on behalf of the Songa Board to Mr. Mey indicating that the Songa Board agreed to facilitate a reciprocal due diligence process on the basis of Transocean's June 19, 2017, expression of interest.

During the period from June 21, 2017 through the signing of the Transaction Agreement, the Songa Board was regularly updated by Songa Offshore's advisors and members of Songa Offshore management regarding the status of the negotiations with Transocean and regularly discussed issues related to the potential transaction. During this period, the Songa Board also discussed the financial aspects of the information received from Transocean with Songa Offshore's financial advisors, Pareto, as well as the results of legal due diligence review of Transocean with Schjødt.

Following June 22, 2017, the parties proceeded with a formal due diligence process within defined scopes and agreed to procedures that would allow an initial due diligence investigation while protecting commercially or competitively sensitive information, including holding meetings with management of each of Songa Offshore and Transocean. This process included Songa Offshore reviewing certain publicly available documents pertaining to Transocean in light of the contemplated mixed stock and bond exchange offer consideration. This review included certain rig contracts and clarification calls with Transocean's in-house legal and treasury department. Transocean's due diligence of Songa Offshore continued up to and following signing of the Transaction Agreement. Songa Offshore completed its review of Transocean prior to the signing of the Transaction Agreement.

On June 23, 2017, the Transaction Committee held a meeting at which they discussed and considered the potential acquisition, including the valuation of Songa Offshore and that NOK 45.00 per share was within the valuation range of the implied Songa Offshore share price, the possible transaction timeline, potential synergies from the transaction and the proposed transaction consideration, consisting of a combination of Transocean shares, Exchangeable Bonds and cash. The Transaction Committee reviewed the drafts of the Transaction Agreement and form of pre-acceptance agreement. After discussion, the Transaction Committee approved the proposed acquisition, which included authorizing Transocean management to negotiate the transaction and definitive agreements, with a total consideration to be based upon an exchange ratio with respect to newly issued Transocean shares for Songa Offshore shares of between 0.60x and 0.64x, representing a price of between NOK 43.35 and NOK 46.24 per Songa Offshore share based on Transocean's share price of USD 8.56 as of June 19, 2017 and the exchange rate of NOK 8.4399 : USD 1 on June 19, 2017.

On or about June 24, 2017, representatives of Clarksons distributed to representatives of Pareto initial drafts of the Transaction Agreement and form of pre-acceptance agreement, each of which was then further distributed by Pareto to Songa Offshore, Schjødt and Perestroika. This draft included a proposed termination fee and expense reimbursement structure, whereby Songa Offshore would be required to pay a termination fee to Transocean in certain circumstances resulting in the termination of the transaction agreement including, among others, (i) if the Songa Board modified or withdrew its board recommendation of the Combination, (ii) if Songa Offshore materially breached the transaction agreement, and (iii) if the Songa Board accepted a superior proposal and entered into an acquisition or similar agreement providing for a superior proposal immediately following or concurrently with the termination of the transaction agreement.

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On June 27, 2017, the Songa Board held two separate status update calls – one call which only included the Songa Board’s directors excluding Messrs. Mohn and Mikkelsen, and the other which included the entire Songa Board. The purpose of each of these two calls was to provide an opportunity for Songa Offshore’s financial and legal advisors to update the Songa Board regarding the version of the terms of the potential transaction most recently proposed by Transocean, as well as the status of the negotiation process. Thereafter, representatives of King & Spalding, Wikborg, Clarksons, Schjødt and Pareto held a call to negotiate certain terms of the drafts of the Transaction Agreement and form of pre-acceptance agreement.

On June 28, 2017, a meeting was held between Mr. Thigpen, and Messrs. Mohn and Mikkelsen. At this meeting, the parties discussed Perestroika’s request for board representation following the acquisition as well as Transocean’s plans for Songa Offshore following completion of the acquisition. In particular, Messrs. Mohn and Mikkelsen asked that Transocean consider establishing a harsh environment center for excellence in Norway. Messrs. Mohn and Mikkelsen also presented the possibility of offering smaller Songa Offshore shareholders a cash option as part of any offer.

On June 28, 2017, representatives of Clarksons also distributed to representatives of Pareto an initial draft of the terms of the Exchangeable Bonds, which was then further distributed by Pareto to Songa Offshore, Schjødt and Perestroika.

On June 29, 2017, the Songa Board held a meeting to receive a status update. Also at this meeting, Schjødt presented the proposed terms of the Transaction Agreement to the Songa Board.

On June 30, 2017, the Songa Board reconvened for another status update meeting, at which a key issues list and proposed positions regarding certain remaining outstanding terms were presented and discussed. Members of the Songa Board asked detailed questions regarding the terms to Schjødt and members of Songa Offshore management, and provided guidance to Songa Offshore’s advisors with respect to such remaining terms for purposes of a revised draft of the Transaction Agreement and form of pre-acceptance agreement.

Later in the day on June 30, 2017, Schjødt sent revised drafts of the Transaction Agreement and form of pre-acceptance agreement to Clarksons, which drafts were then further distributed by Clarksons to Transocean and its other advisors. These revised drafts included Songa Offshore’s position that, among other matters, (i) the overall consideration should include a cash option of some nominal amount to account for Songa Offshore shareholders with smaller holdings, (ii) in no event would any matter related to the DSME Arbitration, including any judgment or claim in relation to the DSME Arbitration, result in a “material adverse change” providing Transocean the right to terminate the Transaction Agreement and not consummate the voluntary tender offer, (iii) Transocean, as of the time of execution of the Transaction Agreement, must be satisfied with its diligence on the DSME Arbitration and certain other matters reviewed during its initial due diligence, with no further right to include as completion conditions any further due diligence on such matters after execution of the Transaction Agreement, and (iv) Transocean’s proposed termination fee and expense reimbursement structure was generally not acceptable, and that, in addition to not accepting Transocean’s proposals on this topic, in the event that Transocean did not receive its shareholder approval of the Combination by a pre-defined date, Songa Offshore could terminate the transaction agreement and Transocean would be required to pay Songa Offshore a USD 50,000,000 termination fee. Thereafter, representatives of Transocean and both parties’ legal and financial advisors engaged over the phone in preliminary discussions on open issues in the revised draft Transaction Agreement and form of pre-acceptance agreement. On this telephone call, representatives of

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Schjødt expressed to Transocean and Transocean's financial and legal advisors that the Songa Board was not willing to accept uncertainty in the potential acquisition related to the DSME Arbitration and that Transocean must be comfortable with the DSME Arbitration and certain other matters from a due diligence perspective prior to entering into a definitive agreement.

On July 1, 2017, representatives of Transocean's diligence team as well as Transocean's and Songa Offshore's legal and financial advisors engaged again over the phone to discuss open issues in the revised draft Transaction Agreement and form of pre-acceptance agreement. On this telephone call, representatives of Transocean expressed to Songa Offshore's legal advisors that Transocean's due diligence and risk analysis related to the DSME Arbitration was ongoing and that Songa Offshore's position on the risk allocation between the parties related to the DSME Arbitration was still under review by Transocean and the Transocean Board and that robust, transparent and complete due diligence would need to be completed by Transocean before Transocean could agree to this approach on the DSME Arbitration in the Transaction Agreement. The parties agreed that Transocean would continue its due diligence and risk analysis regarding the DSME Arbitration and that Songa Offshore would assist and provide relevant information pursuant to these requests.

Also on July 1, 2017, representatives of King & Spalding sent revised drafts of the Transaction Agreement and the form of pre-acceptance agreement to Schjødt, which drafts, among other matters, (i) reserved all of Transocean's rights with respect to Transocean's ongoing due diligence and risk analysis on the DSME Arbitration and (ii) included covenants addressing participation and information rights that would require Songa Offshore to provide Transocean the opportunity to reasonably participate in the defense and settlement of the DSME Arbitration. The proposed covenants regarding participation and information rights were later accepted by Songa Offshore.

Negotiations between the legal advisors of, and reports by the financial and legal advisors to, Transocean and Songa Offshore continued through the subsequent days to resolve open issues in the Transaction Agreement and form of pre-acceptance agreement. Regarding Transocean's proposed termination fee and expense reimbursement structure, Songa Offshore's legal advisors expressed to Transocean and its financial and legal advisors that the Songa Board acknowledged the US market practice on this type of structure, but noted that, in its view, this structure deviated from market practice for public take-overs in Norway as well as Norwegian guidelines, and that the Songa Board was unwilling to risk paying out-of-pocket termination fees and expense reimbursement of considerable amounts in a scenario where no transaction was consummated. After further discussions between Transocean, Songa Offshore, and their respective financial and legal advisors, the parties were unable to agree to a termination fee and expense reimbursement structure which was mutually satisfactory to Transocean and Songa Offshore. As a result, the parties determined that, in lieu of such a structure, Transocean and Songa Offshore would agree to a customary specific performance right whereby each of Transocean and Songa Offshore would be entitled to specific performance in the event the provisions of the transaction agreement were not performed in accordance with their specific terms or were otherwise breached and each of Transocean and Songa Offshore would be entitled to an injunction or injunctions to prevent breaches of the Transaction Agreement, and further, that a party would have the ability to seek recovery for damages in the event of fraud or a willful breach of the Transaction Agreement by the other party.

After the negotiations and discussions referred to above, the treatment of the DSME Arbitration remained an open issue. Songa Offshore continued to insist that the Songa Board was not willing to accept uncertainty related to the DSME Arbitration and that Transocean must have obtained sufficient comfort with the DSME

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Arbitration from a due diligence and risk perspective prior to entering into a definitive agreement. During the weeks of July 3 and July 10, Messrs. Mey and Long and representatives from Clyde & Co held various meetings with Songa Offshore's management, outside legal counsel and expert witnesses to discuss the DSME Arbitration. The participants reviewed the history of Songa Offshore's dispute with DSME, the procedural history of the DSME Arbitration, and the expectations of Songa Offshore's outside counsel with respect to the DSME Arbitration.

On July 6, 2017, Mr. Iversen, Mr. Jan Rune Steinsland, Chief Financial Officer of Songa Offshore, and Mr. Mohn, met with Messrs. Thigpen, Mey and Long to discuss remaining outstanding matters in connection with the due diligence process being conducted. In particular, Messrs. Iversen and Steinsland responded to open questions regarding Transocean's diligence, including questions relating to the DSME Arbitration, and Messrs. Thigpen, Mey and Long responded to open questions regarding Songa Offshore's diligence, including questions relating to Transocean's ongoing litigation, compliance activities, liquidity forecast and operational performance. The parties also discussed certain remaining outstanding terms of the Transaction Agreement.

On July 12, 2017, Transocean and Perestroika mutually determined that it was in the best interests of both parties to put on hold the discussions regarding the potential acquisition until the second week of August 2017 or later in order for Transocean, subject to Songa Offshore's continued agreement, to complete its due diligence on the DSME Arbitration and for Songa Offshore to have received an initial ruling with respect to the DSME Arbitration. It was agreed that Transocean was welcome to contact Perestroika in the second week of August, and Perestroika indicated that a favorable determination for Songa Offshore in the DSME Arbitration may result in the renegotiation of certain commercial terms. Mr. Thigpen communicated the postponement of the potential acquisition to Mr. Miller and the rest of the Transocean Board.

On July 13, 2017, the Songa Board was informed of the decision by Perestroika and Transocean in a status update meeting. Messrs. Mohn and Mikkelsen were thereafter excused and the meeting continued as a regular meeting of the Songa Board. During such meeting the Songa Board discussed at length whether to maintain Transocean's access to the virtual data room established in connection with the potential transaction, and whether to otherwise allow Transocean to continue its due diligence process. The Songa Board agreed to maintain Transocean's access to the virtual data room and to allow certain due diligence meetings with representatives of Transocean to be held as scheduled.

On July 21, 2017, the arbitral tribunal which held the two day arbitration hearing for the DSME Arbitration on May 2 and 3, 2017, in London, issued its interim final award. As previously reported by Songa Offshore, Songa Offshore had submitted its defense to the claims asserted by DSME in arbitrations related to the Songa Equinox, the first Cat D rig, and the Songa Endurance, the second Cat D rig (collectively, the "Rigs"), in which DSME asserted aggregate claims of USD 329 million, along with a request for repayment of liquidated damages in a total amount of USD 43.8 million, totaling to USD 372.8 million. The claims asserted against Songa Offshore related to alleged cost overruns and additional work in relation to the Rigs due to what DSME alleged were inherent errors and omissions in the design documents (the "FEED package"). On July 21, 2017 (as announced by Songa Offshore that day), the tribunal ruled in favor of Songa Offshore regarding the question of which party had responsibility for the FEED package and what the consequences of that would be. On July 21, 2017, Songa Offshore further announced that it considered that the arbitral tribunal's interim final award should be determinative of DSME's claims in respect of the Rigs (and in respect of any similar claims that DSME might assert in respect of the Songa Encourage, the third Cat D rig, and the Songa Enabler, the fourth Cat D rig) with



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an outcome that no payment will be due by Songa Offshore to DSME., Songa Offshore noted that while it is possible that DSME may seek permission to appeal the tribunal's award, if such award is determinative of the claims and if no appeal is pursued, then the tribunal's interim final award would resolve DSME's claims. Songa Offshore noted that such result would leave Songa Offshore to pursue its counterclaim against DSME in respect of the Rigs for the aggregate amount of USD 65.8 million, and that Songa Offshore will also further evaluate the pursuit of its counterclaims in respect to the Songa Encourage and the Songa Enabler.

On July 21, 2017, after discussions with Mr. Miller on behalf of the Transaction Committee, Mr. Thigpen sent an email to Mr. Mohn requesting an update from Perestroika as to when they would like to re-engage on the negotiation of the potential acquisition, noting that Transocean was continuing its review of the DSME Arbitration ruling and anticipated that it could now complete its due diligence review of the DSME Arbitration prior to the signing of the definitive Transaction Agreement. Thereafter, Mr. Mohn informed Mr. Thigpen that Perestroika would be willing to consider re-engaging in the second week of August 2017.

Also, on July 21, 2017, Transocean re-engaged its legal and financial advisors and asked them to revise the draft Transaction Agreement and form of pre-acceptance agreement to reflect the latest discussions of the parties in anticipation of re-engaging with Songa Offshore and Perestroika.

On August 3, 2017, representatives of Pareto contacted Clarksons to indicate that, due to the increase in Songa Offshore's share price following the successful result of the DSME Arbitration, the Songa Board were of the opinion that the price per share should be increased. The representatives of Pareto indicated a share price level of NOK 47.00 per share. The closing price of Songa Offshore's shares on the Oslo Stock Exchange on August 3, 2017 was NOK 34.40 per share.

On August 7, 2017, Mr. Mohn sent an email to Mr. Thigpen informing Mr. Thigpen that Perestroika would be willing to sell its Songa Offshore shares for a revised offer of NOK 47.50 per share consisting of the previously agreed consideration mix of Transocean shares, Exchangeable Bonds, and an option for Songa Offshore shareholders to elect to receive a nominal amount of cash, and that this was Perestroika's best and final offer. In the email, Mr. Mohn noted that as a result of the DSME Arbitration ruling the price of Songa Offshore's shares had increased by 10% and that the offer price should be increased as a result and noted that the Songa Board was, to his knowledge, in no rush to execute a deal immediately. The closing price of Songa Offshore's shares on the Oslo Stock Exchange on August 7, 2017 was NOK 35.40 per share.

Also on August 7, 2017, King & Spalding sent revised drafts of the Transaction Agreement and the form of pre-acceptance agreement to Songa Offshore's legal advisors, which Transaction Agreement accepted Songa Offshore's previous position on the DSME Arbitration and also included the previously agreed to "participation and information rights" covenant in favor of Transocean relating to the DSME Arbitration.

On August 8, 2017, August 9, 2017, and August 10, 2017, both parties' financial and legal advisors exchanged revised drafts of the Transaction Agreement and the form of pre-acceptance agreement and negotiated further details in multiple calls.

On August 10, 2017, Mr. Thigpen confirmed to Mr. Mohn that, subject to approval by the Transocean Board, Transocean would be willing to revise its offer to NOK 47.50 per share for all outstanding Songa Offshore shares. Mr. Thigpen emailed Mr. Mohn to clarify that Transocean's revised offer at NOK 47.50 per share was contingent on the number of Perestroika nominees to the Transocean Board being reduced from two to one and



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on further Transocean Board approval of the revised offer price and revised transaction terms generally. Mr. Mohn confirmed that this reduction was acceptable by reply email.

On August 11, 2017, the Transocean Board held a meeting at which members of Transocean's senior management were also present. At this meeting, the Transocean Board carefully discussed and considered, among other matters, the terms of the Combination and the Transaction Agreement in detail, and the valuation, including that NOK 47.50 per share was within the valuation range of the implied Songa Offshore share price reviewed by the Transocean Board. After such careful discussion and consideration, the Transocean Board unanimously (i) approved the total consideration of NOK 47.50 per Songa Offshore share and (ii) approved the Transaction Agreement, the Combination and the transactions contemplated thereby.

Thereafter, on August 11, 2017, after discussions with Transocean's financial and legal advisors, Mr. Long discussed with Mr. Thigpen the key remaining open terms of the Transaction Agreement and pre-acceptance agreement, which included, among others, Songa Offshore's request to increase the amount of the cash election for Songa Offshore shareholders from NOK 100,000 to NOK 200,000 for each Songa Offshore shareholder, Transocean's ability to discuss the go-forward combined business with Songa Offshore's lenders and business partners without the prior consent of Songa Offshore, Songa Offshore's ability to take certain actions and operate its business between signing of the definitive transaction agreement and completion of the offer without Transocean's consent, and Songa Offshore's request to include cross-acceleration and judgment default provisions in the terms of the Exchangeable Bonds.

Thereafter, on August 11, 2017, Mr. Thigpen sent an email to Mr. Mohn to discuss and negotiate these key remaining open issues on the Transaction Agreement and form of pre-acceptance agreement. Mr. Thigpen and Mr. Mey also exchanged communications regarding these topics for purposes of Transocean's responses to Mr. Mohn's proposed resolutions. As a result of the communications between Mr. Thigpen and Mr. Mohn, the parties reached substantive agreements on these topics at the conclusion of these communications, including that the increased cash election would be set at NOK 125,000 for each Songa Offshore shareholder, that Transocean would have the ability to discuss the go-forward business with Songa Offshore's lenders and business partners, provided that as a general matter Songa Offshore would have the ability to participate in such discussions and receive advance notice of such discussions, and that the terms of the Exchangeable Bonds would not include cross-acceleration and judgment default provisions. In addition, Transocean was willing to provide additional flexibility to Songa Offshore for purposes of operating its business between signing of the definitive Transaction Agreement and completion of the offer without Transocean's consent. At the conclusion of such communications, Mr. Mey, via email and then via a teleconference phone call, updated Transocean's financial and legal advisors about the developments from these communications and directed King & Spalding to reflect the agreed to terms in the draft Transaction Agreement and form of pre-acceptance agreement.

On August 12, 2017, the Songa Board was again updated by its financial and legal advisors on the status of the Transaction Agreement and latest negotiations, and also discussed practicalities should agreement be reached. The Songa Board agreed to reconvene for a board meeting the following day provided an official letter from Transocean was received confirming the revised offer from the Transocean Board and the final terms.

Later on August 12, 2017, Mr. Thigpen sent a letter to the Songa Board which attached drafts of the Transaction Agreement and the form of pre-acceptance agreement whereby Mr. Thigpen confirmed that Transocean's Board approved the proposed business combination with Songa Offshore and that Transocean was prepared to move forward with execution of definitive agreements to effect the proposed business combination subject to



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approval of the transaction by the Songa Board. Thereafter, representatives of Transocean's financial and legal advisors negotiated further details on the draft Transaction Agreement in various calls and communications and, on the evening of August 12, 2017, King & Spalding submitted a revised draft of the transaction agreement and form of irrevocable pre-acceptance agreement to Songa Offshore's financial and legal advisors.

On August 13, 2017, the Songa Board initially held a status update meeting with all directors present. During this meeting the Songa Board was informed that Perestroika and Transocean had reached agreement regarding the terms of Perestroika's pre-acceptance. The Songa Board was also informed by Songa Offshore senior management of the high level action plan, should the Songa Board approve the terms set out in the draft Transaction Agreement. Immediately following the status update, a meeting of the Songa Board was held at which members of Songa Offshore's senior management were present, as well as representatives of its legal and financial advisors. Messrs. Mohn and Mikkelsen were excused from this subsequent meeting of the Songa Board. At such meeting, the Songa Board reviewed its legal obligations, and thereafter also the latest positions adopted in the Transaction Agreement and form of pre-acceptance, with particular focus on the items not yet accepted by Songa Offshore. The Songa Offshore discussed whether the drafts provided sufficient protection for Songa Offshore and that the Songa Board retained its ability to make decisions in the best interest of Songa Offshore during the period between execution of the Transaction Agreement and the completion of a potential transaction. The Songa Board also discussed the terms of the transaction in detail, including with its financial advisors, and whether the Songa Board could recommend a voluntary offer on such terms. Following this review and careful considerations, the Songa Board unanimously resolved to approve the terms set out in the draft Transaction Agreement dated August 12, 2017. The Songa Board also authorized management to complete, sign and execute the Transaction Agreement and the related documents, as well as to take any necessary steps to facilitate announcement of the Transaction Agreement and the proposed combination transaction.

Thereafter, on August 13, 2017, representatives of Pareto communicated to representatives of Clarksons that the Songa Board had approved the potential acquisition on the terms and conditions of the Transaction Agreement. Thereafter, Songa Offshore and Transocean's legal advisors proceeded to finalize the draft Transaction Agreement and form of pre-acceptance agreement and, on the afternoon of August 13, 2017, the Transaction Agreement was executed by the parties and the pre-acceptance agreement was executed by Perestroika and Transocean. The effectiveness of each of these agreements was contingent upon additional pre-acceptance agreements being entered into between Transocean and Asia Research Capital Management, which pre-acceptance agreements were executed by affiliates of Asia Research Capital Management, affiliates of York Capital Management and members of the Songa Board and Songa Offshore senior management on or about August 15, 2017. The transaction was publicly announced on August 15, 2017.

Transocean's Reasons for the Combination

As described in “—Background and Reasons for the Combination—Background of the Combination,” by vote at a meeting held on August 11, 2017, after due consideration and consultation, the Transocean Board unanimously approved (i) the total consideration of NOK 47.50 per Songa Share and (ii) the Combination and the transactions contemplated thereby. In reaching its determination, the Transocean Board considered the

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following positive factors supporting its conclusion (which are not intended to be exhaustive and are not presented in any order of importance):

- the Combination would strengthen and solidify Transocean's position as a leader in harsh environment and ultra-deepwater drilling by adding significant high value assets, including 4 high-specification harsh environment drilling rigs that are supported by significant backlog;
- the Combination would result in a combined fleet of 45 mobile offshore drilling units, consisting of 26 ultra-deepwater floaters, 11 harsh environment floaters, two deepwater floaters and seven midwater floaters;
- the Combination would strengthen Transocean's footprint and presence in strategic areas of harsh environment operations, including in the United Kingdom and Norway sectors of the North Sea, Canada and the Arctic, particularly given that the North Sea is currently among the most active markets, with an expected 24 offshore drilling programs anticipated to start over the next 18 months, assuming that oil prices remain economically supportive;
- given the anticipated growth of the North Sea market generally and Songa Offshore's robust position there, the combined company will immediately enhance and strengthen Transocean's presence in a geographic region of significant strategic importance to Transocean, given the expertise and capabilities of each of Transocean and Songa Offshore in harsh environment drilling; also, it is anticipated that the combined company will provide new opportunities for growth and consolidation in the North Sea market as a result;
- the acquisition of Songa Offshore would add 4 contracted drilling rigs with long-term contracts and revenue backlog of approximately USD 4.1 billion, thus strengthening Transocean's already industry-leading revenue backlog of approximately USD 9.4 billion;
- the Combination is expected to strengthen Transocean's existing customer relationship with Statoil, given that Songa Offshore has four existing drilling rigs with long-term contracts with Statoil;
- the Combination is expected to result in regional economies of scale;
- the Combination is expected to result in annual cost synergies and cost efficiencies of approximately USD 40 million;
- the Combination is expected to meaningfully drive Transocean's strategic priorities of expanding and diversifying its revenue and customer base, including the additional potential for the re-contracting of Songa Offshore's three legacy rigs which are not currently contracted;
- the judgment, advice and analyses of Transocean's senior leaders, including their favorable recommendation of the Combination and that an acquisition of Songa Offshore presented certain advantages (as described in "—Background and Reasons for the Combination—Background of the Combination" and this section) over other potential acquisition candidates;

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- the Combination is expected to be accretive to Transocean's earnings and cash flow on the basis of EBITDA, operating cash flow, and net debt/EBITDA;
- the fact that the mix of Transocean shares and Exchangeable Bonds, with a non-material cash option, of consideration payable in the transaction is intended to preserve Transocean's strong financial position and will require minimal cash outlay by Transocean;
- the Combination is expected to result in a well-capitalized pro-forma company with a strong liquidity position, as a large portion of the transaction consideration in the form of Transocean equity and Transocean Exchangeable Bonds;
- Transocean's overall financial leverage, measured by Net Interesting Bearing Debt (NIBD)/EBITDA, is not expected to increase, and the combined company will have one of the lowest NIBD/EBITDA ratios among its listed offshore drilling peers;
- the Combination may introduce new banking relationships due to long-term financing arrangements on the 4 harsh environment drilling rigs;
- the execution of the Transaction Agreement was conditional on the simultaneous execution of an irrevocable pre-acceptance agreement by Perestroika, Songa Offshore's largest shareholder, whereby Perestroika would agree to tender its shares of Songa Offshore in any offer subsequently made by Transocean;
- the Transaction Agreement provided that Songa Offshore would assist Transocean in obtaining irrevocable pre-acceptance agreements from key Songa Offshore shareholders which constituted at least 63% of all outstanding Songa shares on a fully-diluted basis (including Perestroika);
- on July 21, 2017 the arbitral tribunal in the DSME Arbitration ruled in favor of Songa Offshore, significantly reducing the risk profile of the transaction, in terms of contingent liabilities; and
- the Transaction Agreement provided for Transocean's ability to conduct additional confirmatory due diligence after execution of the Transaction Agreement, with such due diligence by Transocean to be a condition to Transocean's obligation to complete the Offer, customarily referred to as a "diligence out."

In addition to considering the factors above, the Transocean Board also considered a number of additional factors and other information as generally supporting its decision (which are not intended to be exhaustive and are not presented in any order of importance), including the following:

- Songa Offshore's prospects based on Transocean's due diligence, the review and analysis of Songa Offshore's financial condition, results of operations, business, reputation and risks, including the results of the business, financial, accounting and legal due diligence investigations of Songa Offshore;
- Transocean and Songa Offshore share a common business philosophy and culture and intend to establish a harsh environment center of excellence;

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- current industry, economic and market conditions and trends, including Songa Offshore's competitive position; and
- continued streamlining of the combined fleet and organizations safely delivering more efficient drilling services to customers.

The Transocean Board also weighed and considered a variety of risks and uncertainties and other potentially negative factors (which are not intended to be exhaustive and are not presented in any order of importance), including that:

- combining two companies involves significant risks, including that the companies may not be able to successfully integrate or that the anticipated synergies and benefits may not be fully achieved or may not be achieved in the timeframes expected;
- the fact that the exchange ratio is fixed, and the resulting percentage ownership interest that current Songa Offshore shareholders would have in Transocean following the consummation of the Offer, which means that Songa Offshore's shareholders may benefit from an increase in the trading price of Transocean shares during the pendency of this transaction;
- the integration process may demand key resources and personnel, taking focus away from business operations and any future prospects and/or other strategic opportunities;
- the announcement and pendency of the Offer and the transactions contemplated by the Transaction Agreement, during which Transocean and Songa Offshore are subject to certain operating restrictions, could have an adverse effect on Songa Offshore's and Transocean's businesses and cash flows, financial condition and results of operations;
- the Combination may not be completed as a result of a failure to satisfy the conditions in the Transaction Agreement, including failure to receive necessary regulatory approvals, failure to list the Consideration Shares and the Exchangeable Bonds on the NYSE, and the failure to complete the transaction by the Long-Stop Date;
- Transocean's shareholders may not approve, the issuance of Transocean shares as consideration in the Offer, the amendment to the Articles of Association of Transocean to increase authorized share capital to effect a mandatory offer or a compulsory acquisition, the election of Frederik W. Mohn to the Transocean Board, or the issuance of Transocean shares issuable upon exchange of the exchangeable bonds issued in the Combination, as required by the rules of the NYSE;
- there will be various transaction and integration costs related to the Transaction;
- the possibility of losing key employees as a result of the Transaction;
- the risk that the potential benefits, savings and synergies of the Combination may not be fully or partially achieved, or may not be achievable within the expected timeframe;

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- negative publicity related to the transactions contemplated by the Transaction Agreement may adversely affect Transocean and the combined company;
- the risk that the Combination may not be completed and the possible adverse implications for share prices of Transocean, investor relations, management credibility and employee morale in the event the Combination is not completed;
- the lack of a financing condition in the Transaction Agreement and Transocean's ability to obtain financing, if needed, to repay Songa Offshore's debt obligations;
- Songa Offshore's ability, under certain circumstances, to terminate the Transaction Agreement in the event of a superior proposal, without paying any termination fee to Transocean;
  - the risk that the completion of the Transaction might be delayed and this may restrict or hinder Transocean's ability to review or consummate other strategic opportunities, which may also lead to the diversion of management and employee attention and for increased employee attrition during that same period; and
- various other risks associated with the Combination and the business of Transocean, Songa Offshore and the combined company, some of which are described in the section titled "Risk Factors."

This description of information and factors considered by the Transocean Board includes the material factors that were considered, but is not intended to be exhaustive. In view of the wide variety of factors considered by the Transocean Board in evaluating the Offer and Combination, and the complexity of these matters, the Transocean Board did not attempt to quantify, rank or otherwise assign relative weight to these factors. In addition, different members of the Transocean Board may have given different weight to different factors.

Songa Offshore's Reasons for the Combination

As described under the section headed "—Background and Reasons for the Combination—Background of the Combination," the Songa Board (with the exception of Songa Offshore directors Mr. Mohn and Mr. Mikkelsen, who were excused from voting on whether to approve the Transaction Agreement) unanimously determined to enter into the Transaction Agreement and recommend that Songa Offshore's shareholders accept the Offer. In addition to consulting with Songa Offshore management and its financial and legal advisors, the Songa Board considered a number of factors when evaluating the transaction. The Songa Board considered a variety of factors to be favorable to and in support of its determinations and recommendations. These factors (which are not intended to be exhaustive and are not presented in any order of importance) included:

- Transocean was considered a strategic fit for Songa Offshore;
- combining Transocean's existing harsh environment fleet with Songa Offshore's four Cat-D rigs would create a market leader in the harsh environment sector;
- the strong combined backlog of the two companies;
- the potential for greater financial upside for Songa Offshore shareholders as a combined company;

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- Transocean was viewed as a strong company group from a technical perspective;
  - Transocean had a strong liquidity position, particularly over the near term;
- the terms were equal for all shareholders, with certain justifiable exceptions;
- Songa Offshore's largest shareholder, Perestroika, was supportive of the transaction and had agreed to enter into an irrevocable pre-acceptance agreement, thereby providing other shareholders with stronger assurance that the transaction will be consummated;
- the Combination had been recommended by the Songa Offshore management;
- the Combination would secure increased financial robustness of Songa Offshore in order to meet the expectations of customers, financial institutions and other third parties;
- the price per share offered by Transocean on the Songa Offshore shares and the exchange ratio implied by the Offer, including the terms of the Exchangeable Bonds, provided a substantial premium to the pre-announcement per share price of Songa Offshore; and
- the planned establishment of a harsh environment center of excellence in Norway which is expected to result from the Combination.

The Songa Board also considered a variety of risks and other potentially negative factors concerning the Transaction Agreement and the transaction contemplated thereby. These factors (which are not intended to be exhaustive and are not presented in any order of importance) included:

- the significant risks inherent in a take-over of a large company group, and the risk that integrating the two groups may not be successful or that the expected synergies from integrating the two company groups may not be realized;
- the fact that the exchange ratio is fixed, which means that Songa Offshore's shareholders could be adversely affected by a decrease in the trading price of Transocean shares during the pendency of the Combination;
- uncertainty as to completion of the Combination as a result of failure to satisfy the conditions set out in the Transaction Agreement, including failure to secure Transocean shareholder approval;
- the restrictions on the conduct of Songa Offshore's business prior to the consummation of the Combination;
- uncertainty with respect to retention of key employees;
- uncertainty with respect to the continued employment of the Songa Offshore employees, especially onshore;
- uncertainty with respect to existing customers and suppliers, including lending banks; and

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· various other risks of the type and nature described under “Risk Factors.”

This discussion of the information and factors considered by the Songa Board in reaching its conclusion and recommendations includes the material factors considered by the Songa Board, but is not intended to be exhaustive. In view of the variety of factors considered by the Songa Offshore in evaluating the Transaction Agreement and the transaction contemplated thereby, the Songa Board did not attempt to quantify, rank or otherwise assign relative weight to those factors. In addition, different members of the Songa Board may have given different weight to different factors. The Songa Board did not reach any specific conclusion with respect to any of the factors considered and instead conducted an overall analysis of such factors and determined that, in the aggregate, the potential benefits considered outweighed the potential risks or possible negative consequences of approving the Transaction Agreement and, in due course, recommend the potential transaction.

In considering the recommendation of the Songa Board that the Songa Offshore shareholders accept the Offer, Songa Offshore shareholders should be aware that the executive officers and directors of Songa Offshore may have certain interests in the merger that may be different from, or in addition to, the interests of Songa Offshore shareholders generally. In light of their representation of Perestroika in discussions with Transocean, Songa Offshore directors Mr. Mohn and Mr. Mikkelsen recused themselves from certain discussions and presentations concerning the Combination and the approval of the Transaction Agreement, and were excused from the voting on whether to approve the Transaction Agreement. The Songa Board was aware of these interests and considered them when approving the Transaction Agreement and recommending that Songa Offshore shareholders accept the Offer. For more information see “Material Interests of Songa Offshore’s Board and Management in the Combination.”

Projected Financial Information

Other than as disclosed in its quarterly earnings release, Transocean does not typically make public forecasts or public projections as to future performance, revenues, earnings or other results. Transocean is especially wary of making such projections for extended periods into the future due to, among other reasons, the unpredictability of the underlying assumptions and estimates. The prospective financial information below, which we refer to collectively as the “Management Projections,” is not included in this Prospectus in order to influence any Transocean shareholder to make any decision regarding the proposals relating to the issuance of Shares pursuant to the transactions contemplated by the Transaction Agreement or for any other purpose, any Songa Offshore shareholder to make any decision with respect to whether to tender its shares of Songa Offshore in the Offer or for any other purpose, and readers of this Prospectus are cautioned not to place undue, if any, reliance on the Management Projections included herein. Transocean is including the Management Projections below only to provide Transocean and Songa Offshore shareholders with access to certain prospective financial information concerning Transocean that was made available to the Transocean Board, Songa Offshore, and Songa Offshore’s financial advisors, as described herein.

The Management Projections were not prepared with a view toward public disclosure, with respect to certain information, or compliance with GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP financial measures, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Neither Transocean’s independent registered public accounting firm, PricewaterhouseCoopers Limited, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Management

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Projections included below, or expressed any opinion or any other form of assurance with respect to such information or its achievability.

The Management Projections reflect numerous estimates and assumptions made by the Transocean management team, including estimates and assumptions with respect to future industry performance, general business, economic, regulatory, litigation, market and financial conditions, and matters specific to Transocean's business, all of which are difficult to predict and many of which are beyond Transocean's control. The Management Projections reflect the subjective judgment of the Transocean management team in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, the Management Projections constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in such prospective information, including, Transocean's performance, industry performance, general business and economic conditions, customer requirements, competition, adverse changes in applicable laws, regulations or rules, and the various risks set forth in the reports filed by Transocean with the SEC. There can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than forecast. The Management Projections cover multiple years and such information by its nature becomes less reliable with each successive year. In addition, the Management Projections will be affected by Transocean's ability to achieve strategic goals, objectives and targets over the applicable periods. The Management Projections also reflect assumptions of the Transocean management team as to certain business decisions that are subject to change. Such prospective financial information cannot, therefore, be considered a guaranty of future operating results, and this information should not be relied on as such.

The Management Projections in this Prospectus do not take into account any conditions, circumstances or events occurring after the date they were prepared, including the transactions contemplated by the Transaction Agreement. Transocean does not intend to update or otherwise revise the Management Projections to reflect circumstances existing after the date they were prepared or to reflect the occurrence of future events (including any failure of the transactions contemplated by the Transaction Agreement to occur), even in the event that any or all of the assumptions underlying the Management Projections are no longer appropriate.

The inclusion of the Management Projections should not be regarded as an admission, representation or indication that any of the Transocean Board, Transocean management, Songa Board, Songa Offshore management or any other person then considered, or now considers, it to be material or a reliable prediction of future results, and this information should not be relied upon as such. In fact, the Transocean Board, Transocean management, the Songa Board and Songa Offshore management view the Management Projections as non-material because of the inherent risks and uncertainties associated with such long range forecasts. No representations were made in the Transaction Agreement concerning prospective financial information, including the Management Projections.

The Management Projections should only be evaluated in conjunction with the historical financial statements and other information regarding Transocean contained in its public filings with the SEC. In light of the foregoing factors and the uncertainties inherent in the Management Projections, shareholders are cautioned not to place undue, if any, reliance on the Management Projections included in this Prospectus.

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## Management Projections

## Base Case Projections

Transocean senior management prepared the below prospective financial information, which we refer to collectively as the “Base Case Projections,” for the fiscal years ending December 31, 2017 through December 31, 2020, and made them available to Songa Offshore on June 28, 2017 as part of its due diligence process. The Base Case Projections were considered by (i) ABG Sundal Collier for the purpose of assessing the consideration to be paid to the shareholders of Songa Offshore and (ii) Pareto for the purpose of assisting the Songa Board.

Transocean made certain assumptions about the pace and magnitude of the offshore drilling market recovery and reflected these assumptions in its Management Projections. Transocean also incorporated in its forecast the impact of various company-wide cost reduction and efficiency improvement efforts as well as efficiencies in rig stacking and overhead optimization achieved through the date of the Management Projections. The Management Projections also reflected the impact of any debt capital market activities in which Transocean had engaged up to the date of the Management Projections, but no assumptions regarding future financings were included.

Management’s Base Case Projections reflected that the offshore drilling market was showing some signs of improvement in tendering and contracting activity in late 2017 and 2018 but that new contract dayrates remained near cost break-even on a fully allocated operating and maintenance cost basis. Material assumptions for the Base Case Projections included the following: (i) dayrate recovery commences in 2019; (ii) average per rig revenue efficiency of approximately 95% for operating rigs; (iii) average per rig SPS costs of approximately \$20 million, which SPS costs can vary significantly on a rig by rig basis due to asset age and project scope; (iv) reactivation of eight rigs at an average cost of \$70 million per rig, which reactivation costs can vary significantly on a rig by rig basis due to the duration of stacking and the scope of the reactivation project; and (v) average daily direct rig operating costs of approximately \$130,000.

(in billions USD)	Management Projections(1)			
	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
EBITDA(2)	\$ 1.5	\$ 0.8	\$ 0.5	\$ 0.3
CAPEX	(0.5)	(0.3)	(0.4)	(1.4)
Cash and Cash Equivalents	3.5	2.4	1.9	0.5
Long-Term Debt	6.9	6.6	5.9	6.2
Debt Due within one year	1.2	0.2	0.8	0.8
Average Dayrate (\$000)	314	268	245	248
Operating Rigs – End of Year	26	28	30	31

(1) Gives effect to the transaction with Borr Drilling Limited completed in May 2017. Does not give effect to the repurchases of debt by Transocean during the second quarter of 2017.

(2) EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

## Downside Case Projections

Transocean senior management prepared the below prospective financial information, which we refer to collectively as the “Downside Case Projections,” for the fiscal years ending December 31, 2017 through December 31, 2020, and

made them available to Songa Offshore on June 28, 2017 as part of its due diligence

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process. The Downside Case Projections were considered by (i) ABG Sundal Collier for the purpose of assessing the consideration to be paid to the shareholders of Songa Offshore and (ii) Pareto for the purpose of assisting the Songa Board.

Management's Downside Case Projections reflect that the offshore drilling market experiences a slower recovery relative to that represented in the Base Case Projections. Additional material assumptions for the Downside Case Projections included the following: (i) dayrate recovery commences in 2020; (ii) reactivation of four fewer rigs; (iii) approximately 40% reduction in SPS costs; (iv) approximately 33% reduction in costs of reactivation of cold stacked rigs and other shipyard expenses; and (v) average daily direct rig operating costs of approximately \$115,000.

(in billions USD)	Management Projections(1)			
	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
EBITDA(2)	\$ 1.5	\$ 1.2	\$ 0.8	\$ 0.4
CAPEX	(0.5)	(0.2)	(0.3)	(1.2)
Cash and Cash Equivalents	3.5	2.9	2.7	0.6
Long-Term Debt	6.9	6.6	5.9	5.1
Debt Due within one year	1.2	0.2	0.8	0.8
Average Dayrate (\$000)	325	287	249	228
Operating Rigs – End of Year	25	25	26	27

(1) Gives effect to the transaction with Borr Drilling Limited completed in May 2017. Does not give effect to the repurchases of debt by Transocean during the second quarter of 2017.

(2) EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

## Upside Case Projections

Transocean senior management prepared the below prospective financial information, which we refer to collectively as the "Upside Case Projections," for the fiscal years ending December 31, 2017 through December 31, 2020, and made them available to Songa Offshore on June 28, 2017 as part of its due diligence process. The Upside Case Projections were considered by (i) ABG Sundal Collier for the purpose of assessing the consideration to be paid to the shareholders of Songa Offshore and (ii) Pareto for the purpose of assisting the Songa Board.

Management's Upside Case Projections reflect that the offshore drilling market recovers in a moderately accelerated manner relative to that represented in the Base Case Projections. Additional material assumptions for the Upside Case Projections included the following: (i) approximately 33% reduction in SPS costs; (ii) approximately 25% reduction in costs of reactivation of cold stacked rigs and other shipyard expenses; and (iii) average daily direct rig operating costs of approximately \$130,000.

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(in billions USD)	Management Projections(1)			
	2017 Estimated	2018 Estimated	2019 Estimated	2020 Estimated
EBITDA(2)	\$ 1.5	\$ 1.1	\$ 1.1	\$ 1.1
CAPEX	(0.5)	(0.2)	(0.3)	(1.3)
Cash and Cash Equivalents	3.5	2.6	2.7	1.1
Long-Term Debt	6.9	6.6	5.9	5.1
Debt Due within one year	1.2	0.2	0.8	0.8
Average Dayrate (\$000)	323	293	288	318
Operating Rigs – End of Year	26	28	30	31

- (1) Gives effect to the transaction with Borr Drilling Limited completed in May 2017. Does not give effect to the repurchases of debt by Transocean during the second quarter of 2017.
- (2) EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

## Summary of Clarkson's Analyses

Pursuant to an Engagement Letter, dated April 7, 2017, Clarkson's served as financial advisor to Transocean in connection with the proposed Combination. Transocean selected Clarkson's to serve as its financial advisor based upon Clarkson's qualifications, expertise and reputation as a strategic and financial advisor to companies in the offshore drilling industry and because of its familiarity with the business and affairs of Songa Offshore. Clarkson's is not a legal, tax, or regulatory advisor. Clarkson's acted as an advisor only and relied upon, without independent verification, the assessment of Transocean and Songa Offshore and their legal, tax or regulatory advisors with respect to legal, tax, or regulatory matters. Clarkson's did not perform any tax assessment in connection with the Combination.

At the request of Mr. Mark Mey, Executive Vice President and Chief Financial Officer of Transocean, and Mr. Thad Vayda, Vice President of Corporate Finance and Treasurer of Transocean, Clarkson's prepared and presented to certain members of Transocean management certain analyses of Songa Offshore, including its fleet of offshore rigs (consisting of four mid-water Cat-D rigs operating under long term contracts (the "Cat-D Rigs") and three uncontracted mid-water rigs not generating positive cash flow (the "Legacy Rigs"), all of which are located in the North Sea), for consideration by Transocean management in connection with its analysis and valuation of Songa Offshore for purposes of the proposed Combination. These analyses were prepared and periodically updated by Clarkson's to reflect market changes and other current information through June 16, 2017, when representatives of Clarkson's presented its final analysis of Songa Offshore to certain members of Transocean management.

Transocean did not request, and Clarkson's did not render, any opinion as to the fairness to Transocean of the consideration to be paid in the proposed Combination or with respect to any other matter relating to the proposed Combination. Transocean did not request, and Clarkson's did not present to Transocean, any valuation or financial analyses of Transocean. Clarkson's financial advisor services and analysis of Songa Offshore were provided for the information of Transocean management in connection with its consideration of the Combination. Clarkson's advice and analyses did not constitute a recommendation as to whether Transocean should enter into, or whether the Transocean Board should approve, the proposed Combination and did not address the relative merits of the Combination as compared to any other alternative business transaction potentially available to Transocean. Clarkson's advice and analyses does not constitute a recommendation, and Clarkson's makes no recommendation, as to whether



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any Songa Offshore shareholder should accept the Offer nor how any Transocean shareholder should vote with respect to the proposed Combination or any other matter.

In connection with providing its analyses of Songa Offshore, Clarksons, among other things:

- reviewed certain publicly available financial statements and other publicly available business and financial information of Songa Offshore;
- discussed the past and current operations and financial condition and the prospects of Songa Offshore with members of the managements of Transocean and with Songa Offshore and its financial advisor Pareto;
- reviewed the reported prices and trading activity for the Songa Offshore shares traded on Oslo Børs under the ticker code SONG;
- compared the financial performance of Songa Offshore with that of certain other publicly-traded companies comparable with Songa Offshore;
- participated in certain discussions and negotiations among representatives of Transocean and Songa Offshore, Songa Offshore's financial advisor Pareto and the parties' respective legal advisors; and
- performed such other analyses, reviewed such other information and considered such other factors as Clarksons deemed appropriate.

Clarksons assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to it by Transocean, Songa Offshore and Songa Offshore's financial advisor Pareto, and formed a substantial basis for its analysis. For purposes of its analysis of Songa Offshore, Clarksons, at the direction of Transocean management, utilized estimates with respect to the Cat-D Rigs based upon Songa Offshore's contractual day rates for such rigs and assumptions as to utilization, operating expenses, SG&A expenses, capital expenditures and tax rates approved by Transocean management (such estimates, the "Cat-D Rigs Estimates"). Clarksons was advised by Transocean management and assumed, with Transocean's consent, that the Cat-D Rigs Estimates and the assumptions upon which they were based were a reasonable basis upon which to evaluate the financial prospects of the Cat-D Rigs. Clarksons' analyses were necessarily based upon financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of such analysis. Events occurring after such date may affect Clarkson's analyses and the assumptions used in preparing them, and Clarksons did not assume any obligation to update, revise or reaffirm its analyses.

Summary of the Analyses

The following is a summary of the material financial analyses performed by Clarksons in connection with its analysis of Songa Offshore presented to the management of Transocean on June 16, 2017. The following summary is not a complete description of the financial analyses performed and factors considered by Clarksons in connection with its analysis, nor does the order of analyses described represent the relative importance or weight given to those analyses. Transocean did not request, and Clarksons did not render, a fairness opinion. As such, the analyses performed by Clarksons and summarized below are not necessarily the same as the

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analyses that would have been performed by Clarksons in connection with the rendering of a fairness opinion. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before June 16, 2017. The analyses described below must be considered as a whole. Assessing any portion of such analyses and of the factors reviewed, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Clarksons' analysis. Furthermore, mathematical analysis (such as determining the average or median) is not in itself a meaningful method of using the data referred to below.

For purposes of each of Clarksons' analyses described below, Clarksons estimated, based on its professional judgment and experience, that the aggregate value of the three Legacy Rigs, was USD 75 million (or USD 25 million per rig).

In connection with its analyses, Clarksons noted that the ranges of implied values derived under each of its analyses did not reflect any synergies anticipated to be achieved in relation to the proposed Combination.

Clarksons performed three distinct analyses: a multiple analysis; a discounted cash flow analysis; and an implied rig value analysis.

Multiple Analysis

Clarksons performed an enterprise value/EBITDA multiple analysis to derive a range of implied values per share of Songa Offshore as of March 31, 2017, based upon estimated 2017 earnings before interest, taxes, depreciation and amortization ("EBITDA") for the Cat-D Rigs (calculated as estimated revenue based on Songa Offshore's current contractual day rates (assuming 95% utilization) less estimated operating expenses reflecting USD 137,500 per day per rig and estimated SG&A expenses reflecting USD 24,500 per day per rig), as reflected in the Cat-D Rigs Estimates and Clarkson's estimate of an aggregate value of USD 75 million for the three Legacy Rigs. A multiple analysis is used to estimate the value of a company based upon the ratio of enterprise value ("EV") to EBITDA (EV/EBITDA) trading multiples of comparable companies.

Clarksons calculated a range of implied enterprise values for Songa Offshore of USD 2,725 million to USD 3,133 million by applying EV/EBITDA multiples ranging from 6.5x to 7.5x to estimated 2017 EBITDA for the Cat-D Rigs as reflected in the Cat-D Rigs Estimates and adding to the result Clarkson's estimated USD 75 million aggregate value for the Legacy Rigs. The 6.5x to 7.5x multiple range was selected by Clarksons based on its professional judgment and experience and its general observation of the EV/EBITDA multiples of comparable companies in the offshore drilling industry (rather than analysis of the EV/EBITDA multiples of specific companies) and taking into account characteristics of Songa Offshore, including the competitiveness of the active Songa fleet (specifically, the average age of the four Cat-D Rigs was approximately one year as of March 31, 2017).

Clarksons then deducted from the implied enterprise value range it calculated for Songa Offshore, Songa Offshore's gross interest bearing debt (calculated assuming the conversion in full of Songa Offshore's outstanding convertible bonds) and added Songa Offshore's cash and cash equivalents, in each case as of March 31, 2017, to derive a range of implied equity values for Songa Offshore of USD 761 million to USD 1,169 million. Clarksons divided this range of implied equity values by the number of fully-diluted outstanding shares of Songa Offshore (calculated assuming the conversion in full of Songa Offshore's outstanding convertible bonds and the exercise in full of Songa Offshore's outstanding warrants) to derive a range of implied per share



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equity values for Songa Offshore of USD 4.0 to USD 6.1, or approximately NOK 33.8 to NOK 51.9 based on an exchange rate of approximately 8.5 NOK per USD.

## Discounted Cash Flow Analysis

Clarksons derived a range of implied equity values per share of Songa Offshore as of March 31, 2017 based on a discounted cash flow analysis. A discounted cash flow analysis is designed to provide an implied value of a company by calculating the present value of the estimated future cash flows and an assumed terminal value of a subject company.

Clarksons performed a discounted cash flow analysis of Songa Offshore based on unlevered free cash flows estimated to be generated by the four Cat-D Rigs from April 1, 2017 through the end of 2023 as reflected in the Cat-D Rigs Estimates and taking into account its estimate of an aggregate value of USD 75 million for the Legacy Rigs, as described below.

Using discount rates ranging from 8.0% to 10.0% based on Clarkson's estimate of Songa Offshore's weighted average cost of capital, Clarksons discounted to represent value as of March 31, 2017, (i) the unlevered free cash flows estimated to be generated by the four Cat-D Rigs from the beginning of the second quarter of 2017 through the end of 2023 (calculated as estimated annual revenue based on Songa Offshore's current contractual day rates (assuming 95% utilization), less estimated annual operating expenses reflecting estimated operating expenses of USD 137,500 per day per rig, less estimated annual SG&A expenses of USD 36 million in 2017, USD 33 million in 2018 and USD 30 million thereafter, less estimated annual maintenance capital expenditures reflecting estimated expenditures of USD 1.856 million per year per rig and less estimated expenditures for each rig of USD 15 million in the fifth year after delivery for a special periodic survey of the rig and applying an annual tax rate of 7.0% of estimated pre-tax profits, adjusted for estimated changes in working capital) as reflected in the Cat-D Rigs Estimates and (ii) an estimated terminal value for the four Cat-D Rigs as of December 31, 2023, derived by applying enterprise value/EBITDA multiples ranging from of 6.0x to 7.0x to the estimated 2024 EBITDA for the four Cat-D Rigs as reflected in the Cat-D Rigs Estimates. The 6.0x to 7.0x multiple range was selected by Clarksons based on its professional judgment and experience based upon peer trading levels observed in the offshore drilling industry and taking into account that the average age of the four Cat-D Rigs was expected to be approximately 8 years at or around December 31, 2023. Clarksons then added to the result its estimated USD 75 million aggregate value for the Legacy Rigs to derive a range of implied enterprise values for Songa Offshore, as of March 31, 2017, of USD 3,169 million to USD 3,445 million.

Clarksons then deducted from this implied enterprise value range Songa Offshore's gross interest bearing debt (calculated assuming the conversion in full of Songa Offshore's outstanding convertible bonds) and added Songa Offshore's cash and cash equivalents, in each case as of March 31, 2017, to derive a range of implied equity values for Songa Offshore, as of March 31, 2017, of USD 983 million to USD 1,259 million. Clarksons divided this range of implied equity values by the number of fully-diluted outstanding shares of Songa Offshore (calculated assuming the conversion in full of Songa Offshore's outstanding convertible bonds and the exercise in full of Songa Offshore's outstanding warrants) to derive a range of implied per share equity values for Songa Offshore, as of March 31, 2017, of USD 5.1 to USD 6.6, or approximately NOK 43.7 to NOK 55.9, based on an exchange rate of approximately 8.5 NOK per USD.

## Implied Rig Value Analysis



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Clarksons derived a range of implied equity values per share of Songa Offshore as of March 31, 2017 based on an implied rig value analysis. An implied rig value analysis is designed to estimate the implied value per rig based on the trading level of comparable companies within the offshore drilling industry. For purposes of this analysis, Clarksons reviewed and compared certain financial information for Songa Offshore to the implied value per floater equivalent rig on a charter-free basis for the following selected publicly traded companies in the offshore drilling industry which own floater equivalent rigs, similar to the Cat-D Rigs:

Atwood Oceanics, Inc.

Diamond Offshore Drilling, Inc.

EnSCO Plc

Noble Corporation, Plc.

Ocean Rig UDW Inc.

Pacific Drilling S.A.

Rowan Companies Plc

Seadrill Limited

Transocean

Although none of the selected companies are directly comparable to Songa Offshore (and, in particular, certain of the companies, including Ocean Rig, Pacific Drilling and Seadrill, had significant leverage), the included companies were chosen because they are publicly traded companies with operations that, for purposes of analysis, have certain features, including operations, that are sufficiently comparable to certain characteristics of Songa Offshore.

Based on publicly available information, Clarksons calculated the fully invested enterprise value for each of the selected companies, defined as the sum of its market capitalization plus its net interest-bearing debt as of March 31, 2017 plus any unfunded capital expenditures (recourse only) related to newbuild rigs as of March 31, 2017. In order to calculate a range of implied values per rig, Clarksons performed the following calculations with respect to each selected company:

1. Estimated the number of rigs owned by the selected company as of March 31, 2017. The various rigs owned by each company were categorized into separate groups in order to estimate and determine the number of floater equivalent units, comparable to the rigs in Songa Offshore's fleet. The categorization was determined based upon Clarksons' professional judgment.
2. Estimated the net present value of its remaining firm contract backlog as of March 31, 2017. This was done by calculating its estimated EBITDA less any maintenance capital expenditures during the contracted period, discounted by 10%.
3. Estimated its net interest bearing debt as of March 31, 2017 and deducted an estimated value of its remaining firm contract backlog (as per the methodology described in (2) above).

4. Estimated its unfunded capital expenditures (recourse only) related to newbuild rigs, less any net present value of the remaining firm contract backlog related to these newbuild rigs, as of March 31, 2017.

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5. Calculated its equity market capitalization, based on its share price and number of fully diluted shares outstanding.
6. Divided for each selected company the sum of (3), (4) and (5) by the number of rig equivalent units for such company respectively.

Based on the foregoing, Clarksons applied a range of USD 200 million to USD 300 million implied value per rig on a charter-free basis to each Cat-D Rig. Clarksons then added the estimated value of Songa Offshore's remaining value of firm contract backlog for each of the Cat-D Rigs as of March 31, 2017 (calculated by subtracting estimated maintenance capital expenditures from estimated EBITDA per rig as reflected in the Cat-D Rigs Estimates, and discounting the result at a rate of 10%) to derive an estimated range of implied values for each such rig of USD 682 million to USD 782 million. Clarksons then derived a range of implied enterprise values for Songa Offshore of USD 2,803 million to USD 3,203 million by adding the range of implied values it derived for the four Cat-D Rigs and its estimated USD 75 million aggregate value for the Legacy Rigs.

Clarksons then deducted from this implied EV range Songa Offshore's gross interest bearing debt (calculated assuming the conversion in full of Songa Offshore's outstanding convertible bonds) and added Songa Offshore's cash and cash equivalents, in each case as of March 31, 2017, to derive a range of implied equity values for Songa Offshore as of March 31, 2017, of USD 617 million to USD 1,017 million. Clarksons divided this range of implied equity values by the number of fully-diluted outstanding shares of Songa Offshore (calculated assuming the conversion in full of Songa Offshore's outstanding convertible bonds and the exercise in full of Songa Offshore's outstanding warrants) to derive a range of implied per share equity values for Songa Offshore, as of March 31, 2017, of USD 3.2 to USD 5.3, or approximately NOK 27.4 to NOK 45.2, based on an exchange rate of approximately 8.5 NOK per USD.

Final Summary of the Analyses

Based on a simple average of the ranges of the implied per share equity values under the three analyses described above, Clarksons estimated a range of average implied per share values for Songa Offshore, as of March 31, 2017, of USD 4.1 to USD 6.0 per share, or approximately NOK 35.0 to NOK 51.0 based on an exchange rate of approximately 8.5 NOK per USD.

General

Clarksons was not retained to, and did not, render any opinion as to the fairness to Transocean of the consideration to be paid in the proposed Combination or with respect to any other matter relating to the proposed Combination. In this context, however, in connection with its analysis of Songa Offshore, Clarksons performed a variety of financial and comparative analyses. Clarksons believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the analyses undertaken by Clarksons as part of its work for Transocean.

In addition, Clarksons may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of implied valuations resulting from any particular analysis described above should not be taken to be Clarksons' view of the actual value of Songa Offshore. In performing its analyses, Clarksons made numerous assumptions with regard to industry performance, general business, economic, market and financial

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conditions and other matters, many of which are beyond the control of Transocean or Songa Offshore. These include, among other things, the impact of competition on Songa Offshore's business and the offshore drilling industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of Songa Offshore, or the industry, or in the financial markets in general. Any estimates contained in Clarksons analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Clarksons conducted the analyses described above solely as part of its analysis of Songa Offshore it presented to certain members of Transocean management. These analyses do not purport to be appraisals or to reflect the prices at which the Songa Offshore shares might actually trade.

The Consideration was determined through arm's-length negotiations between Transocean and Songa Offshore and was approved by the Transocean Board. Clarksons provided advice to Transocean during these negotiations. Clarksons did not, however, recommend any specific consideration to Transocean, nor that any specific consideration constituted the only appropriate consideration for the Combination.

Clarksons' analysis of Songa Offshore was one of many factors taken into consideration by Transocean in deciding to approve the Transaction Agreement and the transactions contemplated thereby. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the Transocean Board with respect to the consideration to be paid pursuant to the Transaction Agreement or of whether the Transocean Board would have been willing to agree to a different consideration.

Under the terms of its engagement letter, Clarksons provided Transocean with financial advisory services, and Transocean has agreed to pay Clarksons a fee of USD 5.5 million, which is payable upon and is contingent upon the consummation of the Combination. Transocean has also agreed to reimburse Clarksons for its expenses incurred in performing its services. In addition, Transocean has agreed to indemnify Clarksons and its affiliates, their respective officers, directors, employees and agents and each person, if any, controlling Clarksons or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, relating to or arising out of Clarksons' engagement.

Clarksons in the past has provided, and in the future may provide, financial advisory services to Songa Offshore and its affiliates, and has received or in the future may receive compensation for the rendering of these services. From August 1, 2015 through August 1, 2017, Clarksons derived aggregate revenues from Songa Offshore and its affiliates of approximately USD 500,000 for financial advisory services.

Summary of Pareto's Sensitivity Scenarios

In order to assist the Songa Board in evaluating the Management Projections, Pareto prepared two hypothetical and illustrative sensitivity steady state scenarios for the financial performance of Transocean on a pro forma stand-alone basis (the "Pareto Sensitivity Scenarios"). For both scenarios, Pareto utilized the Management Projections and assumed (i) that all rigs work at the same rates for the full year, and (ii) USD 5.1 billion of long-term debt based on the 2020 Downside Case Projections.

Pareto's first scenario assumed a fragile market recovery, under which the day rate for Transocean's 6G rigs would be USD 300,000 and the day rate for Transocean's legacy and dual-activity rigs would be USD 200,000. Pareto's first scenario also assumed an active fleet of 28 rigs (21 6G units and 7 legacy and high-end 5G rigs).



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Pareto's first scenario also assumed operating expenses of USD 130,000 and SPS costs of USD 5,000,000 per year for 6G rigs and USD 10,000,000 for other rigs.

Pareto's second scenario assumed a more robust market recovery, under which the day rate for Transocean's 6G rigs would be USD 400,000 and the day rate for Transocean's legacy and dual-activity rigs would be USD 300,000. Pareto's second scenario also assumed an active fleet of 32 rigs (21 6G units and 11 legacy and high-end 5G rigs). Pareto's second scenario also assumed operating expenses of USD 150,000 and SPS costs of USD 10,000,000 per year for 6G rigs and USD 10,000,000 for other rigs.

Other than the assumption of \$5.1 billion of long-term debt, The foregoing assumptions made by Pareto were determined by Pareto based on publicly available information and Transocean did not provide Pareto any specific information for purposes of Pareto making its determination for these underlying assumptions.

The following table illustrates the additional hypothetical and illustrative sensitivity scenarios prepared by Pareto:

	Pareto Sensitivity Scenarios	
	Scenario 1 (Fragile Recovery)	Scenario 2 (More Robust Recovery)
EBITDA(1) (in millions USD)	\$ 986	\$ 1,805
Enterprise Value (2) (in millions USD)	\$ 9,200	\$ 9,600
EV/EBITDA	9.3	5.3

(1) EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

(2) Enterprise Value in Scenario 2 adjusted for reactivation of 4 rigs of USD 100m per rig.

Pareto was not retained to, and did not, render any opinion as to the fairness to the holders of Songa Shares of the consideration to be paid in the proposed Combination or with respect to any other matter relating to the proposed Combination. Pareto acted as an advisor only and relied upon, without independent verification, the assessment of Transocean and Songa Offshore and their legal, tax or regulatory advisors with respect to legal, tax, or regulatory matters. Pareto did not perform any tax assessment in connection with the Combination. Pareto's financial advisor services were provided for the information of Songa Offshore in connection with its consideration of the Combination. Pareto's advice did not constitute a recommendation as to whether Songa Offshore should enter into, or whether the Songa Board should approve, the proposed Combination and did not address the relative merits of the Combination as compared to any other alternative business transaction potentially available to Songa Offshore. Pareto's advice does not constitute a recommendation, and Pareto makes no recommendation, as to whether any Songa Offshore shareholder should accept the Offer nor how any Transocean shareholder should vote with respect to the proposed Combination or any other matter.

The Pareto Sensitivity Scenarios are not included in this Prospectus in order to influence any Transocean shareholder to make any decision regarding the proposals relating to the issuance of Shares pursuant to the transactions contemplated by the Transaction Agreement or for any other purpose, any Songa Offshore shareholder to make any decision with respect to whether to tender its shares of Songa Offshore in the Offer or for any other purpose, and readers of this Prospectus are cautioned not to place undue, if any, reliance on the Pareto Sensitivity Scenarios included herein. The Pareto Sensitivity Scenarios are included in this Prospectus only to provide Transocean and Songa Offshore shareholders with access to certain prospective financial information concerning Transocean that was

made available to the Songa Board as described herein.

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The Pareto Sensitivity Scenarios were not prepared with a view toward public disclosure, with respect to certain information, or compliance with GAAP, the published guidelines of the SEC regarding projections and the use of non-GAAP financial measures, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. No independent accountants have compiled, examined or performed any procedures with respect to the Pareto Sensitivity Scenarios, or expressed any opinion or any other form of assurance with respect to such information or its achievability.

The Pareto Sensitivity Scenarios reflect numerous estimates and assumptions made by the Transocean management team (with respect to the Management Projections) and by Pareto, including estimates and assumptions with respect to future industry performance, general business, economic, regulatory, litigation, market and financial conditions, and matters specific to Transocean's business, all of which are difficult to predict and many of which are beyond Transocean's control. The Pareto Sensitivity Scenarios reflect the subjective judgment of the Transocean management team (with respect to the Management Projections) and of Pareto in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, the Pareto Sensitivity Scenarios constitute forward-looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in such prospective information, including, Transocean's performance, industry performance, general business and economic conditions, customer requirements, competition, adverse changes in applicable laws, regulations or rules, and the various risks set forth in the reports filed by Transocean with the SEC. There can be no assurance that the prospective results will be realized or that actual results will not be significantly higher or lower than forecast. The Pareto Sensitivity Scenarios cover multiple years and such information by its nature becomes less reliable with each successive year. In addition, the Pareto Sensitivity Scenarios will be affected by Transocean's ability to achieve strategic goals, objectives and targets over the applicable periods. The Pareto Sensitivity Scenarios also reflect assumptions of the Transocean management team (with respect to the Management Projections) and Pareto as to certain business decisions that are subject to change. Such prospective financial information cannot, therefore, be considered a guaranty of future operating results, and this information should not be relied on as such.

The Pareto Sensitivity Scenarios do not take into account any conditions, circumstances or events occurring after the date they were prepared, including the transactions contemplated by the Transaction Agreement. Pareto does not intend to update or otherwise revise the Pareto Sensitivity Scenarios to reflect circumstances existing after the date they were prepared or to reflect the occurrence of future events (including any failure of the transactions contemplated by the Transaction Agreement to occur), even in the event that any or all of the assumptions underlying the Pareto Sensitivity Scenarios are no longer appropriate.

The inclusion of the Pareto Sensitivity Scenarios should not be regarded as an admission, representation or indication that any of the Transocean Board, Transocean management, Songa Board, Songa Offshore management, Pareto, or any other person then considered, or now considers, it to be material or a reliable prediction of future results, and this information should not be relied upon as such. In fact, the Transocean Board, Transocean management, the Songa Board and Songa Offshore management view the Pareto Sensitivity Scenarios as non-material because of the inherent risks and uncertainties associated with such long range forecasts. No representations were made in the Transaction Agreement concerning prospective financial information, including the Pareto Sensitivity Scenarios.

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The Pareto Sensitivity Scenarios should be evaluated, if at all, in conjunction with the historical financial statements and other information regarding Transocean contained in its public filings with the SEC. In light of the foregoing factors and the uncertainties inherent in the Pareto Sensitivity Scenarios, shareholders are cautioned not to place undue, if any, reliance on the Pareto Sensitivity Scenarios.

Songa Offshore selected Pareto as an advisor based on Pareto's reputation and its experience and familiarity with Songa Offshore and its business. Songa Offshore has agreed to pay Pareto a fee of 0.5% of the gross equity value of Songa Offshore up to USD 1.25 billion, and 1.0% of the gross equity value exceeding USD 1.25 billion in the transaction calculated on 100% basis for its services in connection with the Combination, which is contingent on closing of the Combination. As of the date of the announcement of the Combination, the fee payable to Pareto was estimated at approximately USD 5.7 million. Songa Offshore also has agreed to reimburse Pareto for its expenses arising in connection with Pareto's engagement and to indemnify Pareto against certain liabilities that may arise, out of Pareto's engagement.

In the ordinary course of Pareto's business, Pareto may actively trade Songa Offshore and Transocean shares and other securities of Songa Offshore and Transocean for Pareto's own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Pareto and its affiliates have in the past provided, and in the future may provide, investment banking and other financial services to Songa Offshore not related to the Combination. During the two-year period prior to the date of the announcement of the Combination, Pareto has had no engagements with Songa Offshore.

Pareto and its affiliates have in the past provided, and in the future may provide, investment banking and other financial services to Transocean not related to the Combination. During the two-year period prior to the date of the announcement of the Combination, Pareto has assisted Transocean in a US Private Placement bond issue. During the two-year period prior to the date of the announcement of the Combination, Pareto derived aggregate revenues from Transocean of approximately USD 3.69 million for investment banking and financial advisory services.

Material Interests of Songa Offshore's Board and Management in the Combination

The members of the Songa Board and Songa Offshore's executive officers may have interests in the Combination that may be different, or in addition to, the interests of the Songa Offshore shareholders generally. These interests may create potential conflicts of interests. The Songa Board and Songa Offshore's executive officers were aware that such potential interests might exist. However, the decisions of the Songa Board to approve the Transaction Agreement and the transactions and covenants contemplated by the Transaction Agreement, including the Offer, were solely guided by the best interests of Songa Offshore, its shareholders, employees and other stakeholders. As of August 14, 2017, members of the Songa Board and the Songa Offshore executive officers and their affiliates, excluding Perestroika, owned 361,160 Songa Shares in the aggregate, representing 0.3 percent of the issued Songa Shares. In addition, Mr. Frederik W. Mohn, the Chairman of the Songa Board, is the sole owner of Perestroika, Songa Offshore's largest shareholder. As of October 31, 2017, Perestroika held 59,489,590 Songa Shares and SONG07 convertible bonds convertible into 27,556,518 Songa Shares.

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The material interests of certain members of the Songa Board and the Songa Offshore executive officers are summarized in more detail below:

- As of October 31, 2017, certain Songa Offshore executive officers collectively hold 236,505 shares of restricted stock units issued under the Songa Offshore Long-Term Incentive Plan, as reflected in the table below. All amounts stated are before tax at the applicable rate for each holder. In connection with the Combination, we currently expect that prior to the expiration of the Offer, the vesting of these restricted stock units will accelerate, and the restricted stock will be exchanged for Consideration Shares and Exchangeable Bonds and/or cash in the Offer.

Songa Offshore shareholder	No. of unvested restricted share units in Songa Offshore	No. of Consideration Shares to be received	Principal Amount of Exchangeable Bonds to be received (USD)
Bjørnar Iversen	95,975	34,286	287,662
Jan Rune Steinsland	70,265	25,101	210,602
Mark Bessell	70.265	25,101	210,602

- The senior management of Songa Offshore consists of Bjørnar Iversen (Chief Executive Officer), Jan Rune Steinsland (Chief Financial Officer) and Mark Bessell (Chief Operating Officer). Each member of the senior management of Songa Offshore has an agreement for 18 months of severance pay.
- As a condition to the Offer, Transocean will nominate the Perestroika Designee for election as a member of the Transocean Board at the Extraordinary General Meeting.
- Perestroika also holds approximately NOK 330 million principal amount of SONG04 bonds issued by Songa Offshore and a USD 50 million loan to Songa Offshore that will be purchased by Transocean in connection with the completion and settlement of the Offer.
- Songa Offshore executive officers are expected to continue their employment with the combined company under the terms of their current employment agreements following the closing of the Combination through December 31, 2017.

None of the members of the Transocean Board or Transocean's executive officers owns any Songa Shares or other securities exchangeable or convertible into Songa Shares.

#### The Transaction Agreement

The following is a summary of the material provisions of the Transaction Agreement but does not purport to be complete and may not contain all of the information about the Combination that may be important to you. The following summary is qualified in its entirety by reference to the complete text of the Transaction Agreement, a copy of which is included in this Prospectus as Annex A and incorporated in this Prospectus by this reference. You are encouraged to read the Transaction Agreement carefully and in its entirety, as it is the legal document governing the Combination.



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The Transaction Agreement and the summary of terms included in this Prospectus have been included to provide you with information regarding the terms of the Combination and are not intended to provide any other factual information about Transocean or Songa Offshore. Such information can be found elsewhere in this Prospectus, including, for information relating to Transocean, in the section titled “Where You Can Find More Information” and in the public filings Transocean makes with the SEC and the information made publicly available by Songa Offshore, which are available without charge at [www.sec.gov](http://www.sec.gov) and [www.oslobors.no/ob\\_eng/](http://www.oslobors.no/ob_eng/), respectively.

No Solicitation of Transactions

Under the terms of the Offer, subject to certain exceptions described below, Songa Offshore has agreed that it will and will cause each of its employees, directors, advisers and representatives not to, directly or indirectly, seek, solicit or initiate the making of any proposal or offer that constitutes a Competing Offer. For these purposes, a “Competing Offer” means any offer, proposal, inquiry or indication of interest (other than an offer, proposal, inquiry or indication of interest by Transocean under the Transaction Agreement) contemplating or otherwise relating to any Acquisition Transaction. An “Acquisition Transaction” means: any transaction or series of transactions involving (a) any merger, consolidation, share exchange, business combination, issuance of securities, acquisition of securities, tender offer, exchange offer or other similar transaction (i) in which Songa Offshore or any of its affiliates is a constituent corporation, (ii) in which a person or “group” (as defined in the Exchange Act, as amended, and the rules promulgated thereunder) of persons directly or indirectly acquires beneficial or record ownership of securities representing more than 15% of the outstanding securities of any class of voting securities of Songa Offshore or any of its subsidiaries, or (iii) in which Songa Offshore or any of its affiliates issues or sells securities representing more than 15% of the outstanding securities of any class of voting securities of Songa Offshore or any of its affiliates as of the date of the Transaction Agreement; or (b) any sale (other than in the ordinary course of business), lease (other than in the ordinary course of business), exchange, transfer (other than in the ordinary course of business), license (other than nonexclusive licenses in the ordinary course of business), acquisition or disposition of any business or businesses or assets that constitute or account for 15% or more of the consolidated net revenues, net income or assets of Songa Offshore, or any of its businesses or subsidiaries.

If Songa Offshore is approached by an unsolicited bona fide third-party in relation to a possible Competing Offer, Songa Offshore may enter into discussions with such party and shall have the right to provide it with information necessary for such third-party to carry out a due diligence of Songa Offshore if the Songa Board determines in good faith that such discussions, if successful, may lead to a Superior Proposal, as defined below.

Under the Transaction Agreement, Songa Offshore is obligated to inform Transocean of the receipt of any Competing Offer. Such notice to Transocean must include the proposing party, the proposed price and other significant terms, conditions and contingencies, as well as any other information reasonably needed by Transocean to evaluate the proposal.

Notwithstanding the foregoing, Songa Offshore will not have to disclose the identity of such proposing party unless and until the Songa Board has determined that such Competing Offer is a Superior Proposal. For purposes of the Transaction Agreement, a “Superior Proposal” is a Competing Offer for all or a significant part of the Songa Shares, on a fully diluted basis, or assets of Songa Offshore not solicited, sought or initiated by Songa Offshore or its employees, directors, advisers and representatives, directly or indirectly, on terms that

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the Songa Board determines, in good faith, after consultation with its financial advisers and external legal counsel, would be more favorable from a financial point of view to Songa Offshore's shareholders than the terms contemplated by the Offer (or an amended offer (an "Amended Offer"), as the case may be).

In addition, Songa Offshore is obligated to inform Transocean of any significant developments if Songa Offshore enters into discussion with any proposing party, and Songa Offshore must provide Transocean with any non-public information furnished to the proposing party, which was not already disclosed to Transocean.

Competing Offers – Right to Amend

If a Competing Offer is made to the Songa Board and the Songa Board determines that the Competing Offer is a Superior Proposal, Songa Offshore shall without undue delay inform Transocean in writing of this, detailing the main terms of such Competing Offer. During a period of 72 hours (provided that such period shall include at least 2 (two) U.S. business days) from the time of such notice (or, if shorter, until Transocean notifies Songa Offshore that it does not intend to make an Amended Offer) and subject to any applicable law, Songa Offshore, Transocean and TINC shall not make any public statement or express any public opinion relating to the Competing Offer (to avoid doubt, this would not preclude Songa Offshore from releasing a holding statement to comply with its fiduciary obligations).

If Transocean notifies the Songa Board in writing within the 72 hours provided in the paragraph above that it will amend the Offer, the Songa Board shall carry out an assessment of whether the Competing Offer is a Superior Proposal as compared to the Amended Offer.

If Transocean presents an Amended Offer and the Songa Board determines that the Competing Offer is no longer a Superior Proposal, then the Songa Board shall maintain its recommendation of the Offer (as amended). In such circumstances, if the Competing Offer has been publicly announced, the Songa Board shall publicly announce that it is maintaining its recommendation of the Offer (as amended).

If the Songa Board determines, without breach of the Transaction Agreement, that the Competing Offer is a Superior Proposal to the Amended Offer or the Offer (if an Amended Offer is not made within the deadline), the Songa Board shall be free to (a) recommend the Competing Offer and to withdraw the Songa Board Recommendation, as defined below, due to such Superior Proposal and/or (b) terminate the Transaction Agreement in order to pursue or enter into an acquisition or similar agreement with respect to such Superior Proposal; provided, however, that Songa Offshore shall not terminate the Transaction Agreement unless Songa Offshore has complied with its obligations under the applicable sections of the Transaction Agreement.

Change of Recommendation

The Transaction Agreement requires the Songa Board to unanimously recommend the Offer to Songa Offshore shareholders (the "Songa Board Recommendation"). In general, the Songa Board may not withdraw or modify such recommendation unless (a) a Competing Offer is made and the Songa Board determines that such Competing Offer is a Superior Proposal to the Offer or the Amended Offer, as the case may be, or (b) the Transaction Agreement is terminated by Songa Offshore in accordance with the terms of the Transaction Agreement.

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Conduct of Songa Offshore During the Pendency of the Combination

Except as provided in the Transaction Agreement, Songa Offshore has agreed that, without the prior written consent of Transocean, such consent not to be unreasonably withheld, delayed or conditioned, from the date of the Transaction Agreement until the completion of the Offer or earlier termination of the Transaction Agreement, it and each of its direct and indirect subsidiaries will conduct its business in the ordinary course and in accordance with applicable laws, regulations and decisions of competent governmental and regulatory authorities, and seek to preserve its present business organization, lines of business, material relationships with customers, suppliers and other third parties, and will not:

- adopt or propose any changes to its articles of association (other than the amendments allowed for by the Transaction Agreement);
- declare any dividend or other distribution to Songa Offshore shareholders in their capacity as such or the issuance, sale, purchase or redemption of any financial instruments of Songa Offshore or its direct or indirect subsidiaries other than as set out in the Transaction Agreement or (for actions other than dividends or distributions) pursuant to obligations under written agreements in place as of the date of announcement of the Transaction Agreement (the “Announcement Date”) that have been provided to Transocean prior to the entering into of the Transaction Agreement or as expressly permitted by the Transaction Agreement;
- pay, or agree to pay, any success fees or bonuses in connection with the Offer or other transactions contemplated in the Transaction Agreement other than (a) to Songa Offshore’s financial advisers, Pareto Securities AS, in accordance with the fee arrangements disclosed to Transocean prior to the entering into of the Transaction Agreement, (b) other success fees or bonuses to Songa Offshore directors and employees in connection with the Combination not exceeding a total maximum amount of USD 5,000,000 or (c) to Songa Offshore’s advisers in connection with any Competing Offer not in breach of Songa Offshore’s obligations under the Transaction Agreement as described in the section above “—No Solicitation of Transactions” (to avoid doubt, the restriction described in this paragraph does not extend to payment of non-success based fees, such as fee to the independent statement provider and legal fees);
- other than for outstanding claims relating to OPUS, any claim related to the exit tax matter and any reported counterclaims towards DSME, forgive any claim(s) in excess of USD 5,000,000 in the aggregate;
- merge, consolidate or enter into any restructuring, liquidation, dissolution or any business combination transaction, or making any corporate acquisition or material transaction, in each case other than with respect to (a) transactions involving only direct or indirect wholly owned subsidiaries of Songa Offshore and only after consulting with, and taking into account in good faith the view of, Transocean with regard to such transaction or (b) liquidation of dormant subsidiaries after consulting with, and taking into account in good faith the view of, Transocean with regard to such transaction;

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- other than in the ordinary course of business, acquire any assets (provided, that the restrictions in the immediately preceding paragraph shall still apply as applicable) or make or commit to any material capital expenditure;
- sell, abandon or otherwise dispose of any assets, business or property or agreeing to the creation of any material lien or encumbrance over any asset, other than, (a) in the case of the sale, abandonment or disposition of any assets, business or property, (i) sales or retirement of obsolete assets, finished goods or inventory in the ordinary course of business or (ii) involving consideration or book value not in excess of USD 20,000,000 individually or USD 30,000,000 in the aggregate, and (b) in the case of liens or encumbrances, any factoring arrangements not to exceed USD 60,000,000 entered into on market terms or in respect of any arrangement in the ordinary course of business that is not otherwise restricted as described in this clause;
- amend the terms of Songa Offshore’s warrants, convertible bonds, SONG04 and SONG05 bond loans or the Perestroika USD 50 million shareholder loan;
- appoint any new member of its executive management;
- change the general terms of employment of its non-management employees, other than (a) changes to employee benefits in the ordinary course of business that are applicable to similarly situated employees, or (b) monthly, quarterly, or annual, market-based, promotion-related or merit-based salary increases in the ordinary course of business;
  - change the terms of employment of its executive management in any way;
- adopt or amend any employee benefit, bonus or profit sharing scheme (including any scheme having share purchase or share option provisions) other than timing adjustments or in the ordinary course of business;
- alter its authorized or issued share capital, granting any options or other rights to subscribe for any of its shares, or the purchase or sale of its shares or other securities issued by it, other than (a) issuances of shares as required by the exercise of warrants or options or the conversion of convertible bonds or other Songa Offshore securities (including under incentive programs), in each case, that are outstanding on the date of the Transaction Agreement and publicly disclosed or publicly available and made in accordance with the terms of such agreements underlying such warrants, options or convertible bonds, (b) issuances of shares at a price per share no less than the Consideration which, in the aggregate and together with any new loan agreement, debt securities or other indebtedness incurred permitted as described in the following paragraph, do not exceed USD 10,000,000 (“Permitted New Debt”) and (c) following consultation with Transocean, any issuance of shares at a price per share no less than the Consideration, that are necessary to raise funds to avoid a covenant default under Songa Offshore’s existing or future indebtedness;
- enter into any loan agreement with any bank or other financial institution, issuing any debt securities or incurring any other indebtedness in any such case other than (a) in the ordinary course of business or (b) in an aggregate amount, together with the aggregate amount of any issuances of shares permitted

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as described above, not exceeding USD 10,000,000 and (c) following consultation with Transocean, any such indebtedness incurred in addition to that incurred pursuant to Permitted New Debt that is necessary to raise funds to avoid a covenant default under Songa Offshore's existing or future indebtedness, so long as any such indebtedness incurred does not contain any provision requiring the payment of any premium or make whole amount or providing for the default or acceleration of such indebtedness as a result of any of the transactions contemplated by the Transaction Agreement;

- repay, accelerate or otherwise amend the terms of its indebtedness other than (a) in the ordinary course of business after requesting and obtaining any necessary waiver(s) and (b) any waiver(s) of Songa Offshore's covenants to maintain specific debt-to-EBITDA ratios under its existing indebtedness so long as such waiver(s) do not require the payment of any consent fees (other than fees of an ordinary and de minimis nature in accordance with past practice), amend the terms of the underlying agreements or contain any provision that would have an adverse consequence to Songa Offshore;
- amend its existing insurance coverage other than in the ordinary course of business;
  - enter into or materially amend any material agreement, other than in the ordinary course of business, or enter into any contracts which are outside normal commercial terms;
- enter into any agreement regarding any other transactions with any of its shareholders owning more than 1% of the share capital of Songa Offshore or persons related to such shareholders, other than (a) in the ordinary course of business on normal commercial terms and (b) loans or other financing arrangements on normal commercial terms and as otherwise permitted under the Transaction Agreement (for avoidance of doubt, with Songa Offshore and/or its subsidiaries as debtor(s));
- otherwise take any action which it knows would or might reasonably be expected to be prejudicial to the successful outcome of the Offer or which would or might reasonably be expected to have the effect of preventing any of the conditions to the Offer from being fulfilled or resulting in a delay to the expected timetable for the completion of the Offer;
- settle, discharge or otherwise compromise any action, suit, litigation, arbitration, lawsuit, claim, proceeding, hearing, audit, investigation or other proceeding involving payment or receipt of payment in an amount in excess of USD 10,000,000;
- take any action or permit any inaction which would cause any of its material registered intellectual property to become ineffective;
- (a) make, amend, or rescind any tax election, (b) change in any material respect any tax accounting principle, (c) file any amended tax return, (d) settle any tax claim or assessment in excess of USD 5,000,000 (other than the exit tax matter) or surrender any right to claim a refund of taxes in an amount in excess of USD 5,000,000, (e) consent to any extension or waiver of the limitation period applicable to any tax claim or assessment, or (f) fail to pay any tax when it becomes due or take any other similar action relating to the filing of any tax return or the payment of tax, except in each case as required by law or instructed by appropriate authorities following a final determination by such authority that is not subject to Songa Offshore's ability to appeal, contest or dispute and/or, in the case of clauses (a), (c) or (e), in the ordinary course of business; or

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- authorize, agree or enter into any binding commitment to do any act restricted in the foregoing.
- Furthermore, from the date of the Transaction Agreement until the completion of the Offer or earlier termination of the Transaction Agreement, Songa Offshore and each of its direct and indirect subsidiaries will have agreed to:
- reasonably cooperate with Transocean and its officers, employees, legal counsel, financial advisers and other representatives, and afford them, upon reasonable request and notice, reasonable access (such access not to be unreasonably refused or delayed) to the properties, books, records and management, advisers and representatives of the Songa Group for the purposes of the Offer and any documents to be prepared in connection with the Offer, and furnish to them such material information in relation to the development of the operation, trading, disputes, tax affairs and strategy of the business of the Songa Group as they may from time to time reasonably request, in all such cases subject to any duty or obligation restricting the same;
  - promptly notify Transocean if they become aware that any act, matter or thing that is inconsistent with their obligations during the pendency of the Combination has occurred or if they become aware of any matter that will cause any of the conditions to the Offer not to be capable of satisfaction;
  - no later than at the Announcement Date, take all actions it deems reasonably necessary to ensure that Transocean is released from any disclosure or trading restrictions that may have been caused by the disclosure by Songa Offshore to Transocean of any information that constitutes inside information (as defined by Section 3-2 of the Norwegian Securities Trading Act) in respect of Songa Offshore or financial instruments issued by Songa Offshore, including by, if and to the extent deemed necessary by Songa Offshore, disclosure of relevant information to the market. Songa Offshore will further publicly disclose any inside information made available to Transocean or its affiliates by or on behalf of Songa Offshore on a continuous basis until completion of the Offer;
  - to the extent not made public through stock exchange notices, promptly notify Transocean of any exercise notices received in relation to warrants or conversion of convertible bonds pursuant to Songa Convertible Bonds issue 16/22 (SONG07), including the total number of new shares to be issued as a result of such exercises or conversions, and ensure that such new shares are issued promptly and, if possible, prior to the expiration of the Offer Period.
- Songa Offshore has undertaken to use its reasonable best efforts to comply with all consent, notification and reporting obligations due to regulatory requirements required to be complied with by Songa Offshore in connection with the transactions contemplated by the Transaction Agreement.

Songa Offshore has agreed to, and to cause its direct and indirect subsidiaries to give Transocean the opportunity to reasonably participate in the defense and settlement of the certain specified matters (the “Specified Actions”), including, without limitation, by providing Transocean with all pleadings, motions, memoranda (and other similar documents) and material correspondence, as well as decisions or other actions by the applicable courts or arbitrators in the Specified Actions, reasonable opportunity to review and comment in advance on all pleadings, motions and memoranda (and other similar documents) to be filed by Songa Offshore and/or its subsidiaries, and advance notice of any hearings or status conferences or arbitrations with

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the courts or arbitrators, as the case may be, in the Specified Actions. Songa Offshore has agreed that no settlement of any Specified Action will be agreed to without Transocean's prior written consent (which consent will not be unreasonably withheld, conditioned or delayed).

Songa Offshore may from time to time, for the purposes of requesting cooperation, information or access as provided in the Transaction Agreement, as well as for the purpose of seeking any consent or other information or contact under or in connection with the Transaction Agreement and the transactions contemplated thereby (including also with respect to due diligence), appoint one or more points of contact for Transocean, with such specific points of contact subject to Transocean's consent (not to be unreasonably withheld, conditioned or delayed). Transocean shall have the right to appoint similar contacts related to the foregoing subject to Songa Offshore's consent (not to be unreasonably withheld, conditioned or delayed).

Conduct of Transocean During the Pendency of the Combination

Except as provided in the Transaction Agreement, Transocean has agreed that, without the prior written consent of Songa Offshore, such consent not to be unreasonably withheld, delayed or conditioned, from the date of the Transaction Agreement until the completion of the Offer or earlier termination of the Transaction Agreement, Transocean will conduct its and ensure that its direct and indirect subsidiaries each conducts its business in the ordinary course and in accordance with applicable laws, regulations and decisions of competent governmental and regulatory authorities, and seek to preserve its present business organization, lines of business, material relationships with customers, suppliers and other third parties, and will not:

- declare any dividend or other distribution to Transocean shareholders in their capacity as such, other than such dividends or other distributions paid at levels approved by shareholders in the ordinary course of business or the issuance, sale, purchase or redemption of any financial instruments of Transocean, or (for actions other than dividends or distributions) pursuant to obligations under agreements and arrangements in place as of the Announcement Date;
- pay, or agree to pay, any success fees or bonuses in connection with the Offer or other transactions contemplated herein other than (a) fees to Transocean's financial advisers Clarksons Platou Securities AS in connection with the Offer in accordance with the fee arrangements disclosed to Songa Offshore prior to the entering into of the Transaction Agreement, or (b) other success fees to employees of Transocean or its subsidiaries in accordance with past practices;
- sell, abandon or otherwise dispose of any assets, business or property, other than in the case of the sale, abandonment or disposition of any assets, business or property, (a) sales or retirement of obsolete assets, finished goods or inventory in the ordinary course of business or (b) involving consideration or value not in excess of USD 20,000,000 individually or USD 60,000,000 in the aggregate;
- amend the terms of any convertible loans or warrants;
- otherwise take any action which it knows would reasonably be expected to be prejudicial to the successful outcome of the Offer or which it knows would or might reasonably be expected to have the effect of preventing any of the conditions to the Offer from being fulfilled or resulting in a delay to the expected timetable for the completion of the Offer;

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- enter into any liquidation or dissolution transaction;
- alter its issued share capital, grant any options or other rights to subscribe for any of its shares, or the purchase or sale of its shares or other securities issued by it, other than (a) issuances of shares as required by the exercise or conversion of warrants or options or the conversion of convertible bonds or any other Transocean securities, in each case, that are outstanding on the date of the Transaction Agreement and made in accordance with the terms of such agreements underlying such Transocean securities or granted in the ordinary course of business by Transocean, including in connection with granting of incentive awards pursuant to incentive or similar plans, (b) grants made in the ordinary course of business pursuant to incentive or similar plans, (c) any share buyback or similar program approved by the Transocean Board, (d) any issuances of shares pursuant to any merger, business combination transaction or corporate acquisition, so long as Transocean has complied with its obligations to consult with and consider the views of Songa Offshore as required by the Transaction Agreement (if applicable), or (e) without taking into account any shares issued pursuant to clause (a) through (d), and subject to Transocean informing the chairman of Songa Offshore (subject to applicable law) at least two U.S. business days prior to any resolution or public announcement of such intention, issuances of shares in an aggregate amount not to exceed USD 500,000,000 aggregate offering price; or
- authorize, agree or enter into any binding commitment to do any act restricted in the foregoing.

Furthermore, from the date of the Transaction Agreement until the completion of the Offer or earlier termination of the Transaction Agreement, Transocean has agreed to:

- promptly notify Songa Offshore if Transocean becomes aware that any act, matter or thing that is inconsistent with its obligations under this section has occurred or if it becomes aware of any matter that will cause any of the conditions to the Offer not to be capable of satisfaction;
- no later than at the effective date of the registration statement on Form S-4, take all actions it deems reasonably necessary to ensure that any trading restrictions that may have been caused by the disclosure by Transocean to Songa Offshore representatives of any information that constitutes material non-public information in respect of Transocean or financial instruments issued by it are released; and
- except as specifically provided in this clause, prior to completion of the Offer, without Songa Offshore's prior consent, Transocean (on behalf of itself and its subsidiaries) undertakes not to approach, initiate, solicit or maintain any contact or dialogue with DSME, Statoil, or any of Songa Offshore's unions or employees' representatives, or any of Songa Offshore's bank lenders, in each case, relating to Songa Offshore's business or the Combination (including, in the case of DSME, relating to Songa Offshore's disputes with DSME). Notwithstanding the foregoing:
  - o Transocean may make any contact and/or maintain any dialogue (whether through approach, initiation, solicitation or otherwise) that relates to Transocean's business;
  - o Transocean may approach, initiate, solicit or maintain contact or dialogue with DSME, Statoil or with Songa Offshore's unions or employees' representatives if Songa Offshore (a) is given reasonable prior written notice of such approach, initiation, solicitation or contact or dialogue,

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- (b) consents to such approach, initiation, solicitation or contact or dialogue (with such consent not to be unreasonably withheld, conditioned or delayed), and (c) is given an opportunity to participate in such discussions;
- o Transocean may approach, initiate, solicit or maintain contact or dialogue with Songa Offshore's bank lenders solely relating to the Combination and the go-forward business of Songa Offshore resulting therefrom if (a) Songa Offshore is given reasonable prior written notice of such approach, initiation, solicitation or contact or dialogue, and (b) Songa Offshore is given an opportunity to participate in such discussions; and
- o in no event shall Transocean be deemed in breach of this clause for the occurrence of any de minimis discussions concerning the Combination which occur between any of the restricted parties named in the first paragraph of this clause and any employee of Transocean (other than any employee of Transocean with a title of Senior Vice President or higher).

In the event Songa Offshore chooses to participate in any discussions conducted pursuant to the provisions of the Transaction Agreement described in the immediately preceding paragraph, Songa Offshore shall not have any veto or decision-making right related to the content of such discussions as such discussions specifically relate to the go-forward business of Songa Offshore or financing arrangements for the go-forward business of Songa Offshore after the completion of the Offer.

Transocean undertakes to use its reasonable best efforts to comply with all consent, notification and reporting obligations due to regulatory requirements required to be complied with by Transocean in connection with the transactions contemplated by the Transaction Agreement. In addition, prior to completion of the Offer, Transocean will consult with, and take into account in good faith the views of, Songa Offshore prior to entering into any business combination or acquisition transaction where the total enterprise value of the target or the value of the assets being acquired in such transaction is greater than USD 500,000,000.

Regulatory Efforts

Transocean undertakes to use reasonable efforts to ensure that any required competition approvals or clearances are obtained as soon as reasonably possible, including by promptly as reasonably possible carrying out all filings and applications in all relevant jurisdictions, and complying with and responding to all requests for additional information made by competition authorities within a reasonable time and the deadlines specified by the relevant authorities. If and to the extent the granting of such competition approvals or clearances is being made conditional upon the acceptance by Transocean of any restrictions or conditions, Transocean shall not be obliged to accept any such restrictions or conditions, unless such conditions are clearly insignificant in the context of (a) Transocean's existing business operations in Norway or (b) the expected benefits to Transocean of the Combination. Songa Offshore agrees to provide full and prompt assistance as Transocean reasonably requests in connection with seeking such competition approvals or clearances, provided that in no event shall Songa Offshore be obliged to accept any restrictions or conditions prior to completion of the Offer in connection with such assistance to Transocean.

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Representations and Warranties

The Transaction Agreement contains customary representations and warranties of the parties. These include representations and warranties of Songa Offshore with respect to:

- organization;
- capital stock;
- corporate authority relative to the Transaction Agreement;
- due execution and delivery of the Transaction Agreement;
- no Material Adverse Change, as defined in “Terms of the Offer—Conditions for Completion of the Offer”;
- no proceedings;
- no brokers;
- governmental licenses;
- required consents and approvals;
- material contracts;
- anti-corruption laws; and
- no untrue statements or omissions of material fact in public filings.

The Transaction Agreement also contains customary representations and warranties of Transocean and TINC, including with respect to:

- organization;
- corporate authority relative to the Transaction Agreement;
- due execution and delivery of the Transaction Agreement;
- no Material Adverse Change;
- no proceedings;
- no brokers;
- required consents and approvals;

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- material contracts; and
- anti-corruption laws.

Termination of the Transaction Agreement

Termination by Mutual Agreement

The Transaction Agreement may be terminated by either party:

- on written notice to the other party if the Offer has not become or been declared unconditional before 11:59 p.m. (CET) on the Long Stop Date, provided however, that (a) the right to so terminate the Transaction Agreement will not be available to any party whose material failure to fulfill any obligation under the Transaction Agreement principally caused, or resulted in, the failure of the completion of the Offer to occur by the Long Stop Date and (b) the Long Stop Date may be extended by Transocean one time for no more than a total of 25 U.S. business days to the extent that such extension is deemed necessary, in Transocean's sole discretion, for the purpose of soliciting additional proxies from shareholders for the election at the Extraordinary General Meeting of the Perestroika Designee (subject to the requirement that prior to such extension has publicly confirmed the fulfillment of all other conditions for completion of the Offer (subject to limited exceptions); or
- by mutual written consent.

Termination by Transocean

The Transaction Agreement may be terminated by Transocean:

- on written notice to Songa Offshore if (a) the Songa Board modifies or withdraws its recommendation to Songa Offshore shareholders, (b) there has been a material breach of the Transaction Agreement by Songa Offshore if such breach, if capable of being cured, is not cured within five days of delivery of written notice of the breach by Transocean to Songa Offshore or the applicable Songa Offshore shareholder, (c) following the date of the Transaction Agreement, there has been a Material Adverse Change relating to Songa Offshore, (d) Transocean's conditions for completing the Offer become incapable of satisfaction prior to the Long Stop Date and will not be waived by Transocean, (e) following the Announcement Date, the pre-acceptances cease to remain in full force and effect; provided that, if there are pre-acceptances in full force and effect which represent more than 63% of the total share capital of Songa Offshore on a fully diluted basis at the time Transocean would terminate the Agreement, then Transocean will not be permitted to so terminate the Transaction Agreement, (f) following the Announcement Date, upon a material breach of a pre-acceptance by a shareholder, if such breach, if capable of being cured, is not cured within five days of delivery of written notice of such breach by Transocean to the respective shareholder; provided that, in the case of this clause, if non-breaching shareholders party to the pre-acceptances represent more than 63% of the total share capital of Songa Offshore on a fully diluted basis at the time Transocean would terminate the Agreement, then Transocean shall not be permitted to so terminate the Agreement; or
- if the Songa Board determines that a Competing Offer is a Superior Proposal.

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Termination by Songa Offshore

The Transaction Agreement may be terminated by Songa Offshore:

- on written notice to Transocean if (a) the Songa Board modifies or withdraws its recommendation to Songa Offshore shareholders due to a Superior Proposal, (b) there has been a material breach of the Transaction Agreement by Transocean and such breach is not cured (if capable of being cured) within five days of delivery of written notice of the breach by Songa Offshore to Transocean, (c) any of Transocean's conditions for completing the Offer becomes incapable of satisfaction prior to the Long Stop Date and (where applicable) Transocean notified Songa Offshore in writing or publicly announced that the relevant condition will not be waived; (d) following the date hereof, there has been a Material Adverse Change with respect to Transocean; (e) following the Announcement Date, the pre-acceptances (including from Perestroika and Asia Research Capital Management) have not been received or cease to remain for any reason in full force and effect or (f) the failure of Transocean to obtain the Transocean shareholder approvals by the Long Stop Date; or
- in order to accept a Superior Proposal and enter into a binding acquisition or similar agreement providing for a Superior Proposal immediately following or concurrently with such termination; provided that Songa Offshore shall not have the right to terminate the Transaction Agreement if (a) the completion of the Offer shall have occurred or (b) Songa Offshore shall have breached any of its obligations listed above under “—No Solicitation of Transactions” and “—Competing Offers—Right to Amend” in any material respects in connection with such Superior Proposal.

Specific Performance

The Transocean, TINC and Songa Offshore have agreed that if any of the provisions of the Transaction Agreement were not performed in accordance with their specific terms or were otherwise breached, irreparable damage would occur, no adequate remedy at law would exist and damages would be difficult to determine, and that the parties will be entitled to an injunction or injunctions to prevent breaches of the Transaction Agreement and to specific performance of the terms thereof, with the courts of Oslo, Norway, as agreed exclusive legal venue, without necessity of posting bond or other security (any requirements therefor being expressly waived).

Governing Law and Jurisdiction

Transocean and Songa Offshore have agreed that the Transaction Agreement will be governed by and construed in accordance with the law of Norway.

Amendments, Extensions and Waivers

The Transaction Agreement may be modified or amended only by written agreement of the parties. The Transaction Agreement was amended on September 15, 2017 to extend the deadline from September 17, 2017, to September 27, 2017, for Transocean to terminate the Transaction Agreement as a results of findings based on its confirmatory legal, financial, commercial and technical due diligence of Songa Offshore that Transocean concluded in its sole discretion were material to the business or the value of Songa Offshore.

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DESCRIPTION OF THE SONGA OFFSHORE BUSINESS

The following is a summary of the Songa Group as of the date of this Prospectus prepared based on publicly available information. The summary is not complete and does not contain all the information that should be considered in connection with a decision of whether to accept the Offer or not. Further information on the Songa Group, including annual reports, interim reports, investor information and previously issued prospectuses, may be found on the Songa Group's website: [www.songaoffshore.com](http://www.songaoffshore.com). Information contained in or otherwise accessible through this website is not a part of this document. The information in this Section has been prepared in accordance with publicly available information, including annual reports, interim reports, investor information and stock exchange notices published by Songa Offshore and the prospectus issued by Songa Offshore dated May 26, 2016.

Corporate Information

Songa Offshore SE is a European public company limited by shares organized under the laws of the Republic of Cyprus with the Cyprus Registrar of Companies with registration number SE 9. Its predecessor company, Songa Offshore ASA, was incorporated on April 18, 2005 as a Norwegian public limited liability company (Nw.: allmennaksjeselskap) and converted to an SE, by means of a merger between Songa Offshore ASA and Songa Offshore Cyprus Plc, on December 12, 2008. With effect from May 11, 2009, the survivor of the merger, renamed to Songa Offshore SE, transferred its registered office to Cyprus in accordance with Article 8 of the SE Regulation and section 7 of the SE Act. Songa Offshore's registered office is at Porto Bello building, Office 201, No 1 Siafi Street, 3042, Limassol, Cyprus.

As of October 31, 2017, Songa Offshore had an authorized share capital of EUR 24,095,941.10 consisting of (i) 137,641,567 ordinary shares of nominal value EUR 0.10 each and (ii) 103,317,844 undesignated shares of nominal value EUR 0.10 each. The Songa Shares are registered in the VPS under ISIN CY0100962113 and are listed on the Oslo Stock Exchange under the ticker code "SONG."

As of October 31, 2017, based on publicly available information, Songa Offshore has outstanding 53,403 warrants, each exercisable into one new share in the company. The strike price for the warrants is EUR 0.10. As of October 31, 2017, based on publicly available information, Songa Offshore has outstanding USD 108,729,271 of convertible bonds, convertible into 53,826,372 new shares in the company. According to Songa Offshore's financial statements for the year ended December 31, 2016, the outstanding warrants can be exercised up to and including April 19, 2018 and the convertible loan matures on April 19, 2022. Any shares issued upon the exercise of Songa Offshore warrants or upon conversion of Songa Convertible Bonds during the Offer Period and prior to the compulsory acquisition can be included in the compulsory acquisition. Such a compulsory acquisition may be initiated within three months of the end of the Offer Period. See "Risk Factors—Risks Related to the Offer—Holders of Songa Offshore Warrants and Songa Offshore Convertible Bonds that do not participate in the Offer may suffer adverse consequences."

Songa Offshore is the parent company of the Songa Group, whose principal business is to construct, own and operate drilling rigs to be used in the exploration and production of hydrocarbons. Songa Offshore is the owner of two drilling rigs and is also the sole shareholder of five companies whose purpose is to own Songa Offshore's rigs and newbuilds with all the operational activity therein.

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## Legal Structure

All Songa Group companies are fully owned or controlled, and are direct or indirect subsidiaries under Songa Offshore.

Songa Offshore also holds 50% of Songa Opus Offshore Pte Ltd (the “Songa Opus JV”), a joint venture formed by Songa Offshore and Opus Offshore Ltd. (“Opus”). In February 2017, a court appointed joint provisional liquidators for Opus and its assets, and Songa Offshore requested a buy-out of its interest in the Songa Opus JV from Opus.

The tables below sets forth the companies and branches constituting the Songa Group, divided between the active companies and dormant companies:

## Active Companies in the Songa Group:

Name	Registration	Function
Songa Offshore SE	Cyprus, SE 9	Group parent company. No operating activities.
Songa Offshore SE	Norway branch	Financing, investor relations, insurance
Songa Offshore SE	Bermuda branch	Rig owner of Songa Dee and Songa Trym
Songa Offshore Rig AS	Norway, 922 839 499	To operate the Songa Dee, the Songa Delta, and the Songa Trym on the Norwegian continental shelf
Songa Offshore Rig 2 AS	Norway, 913 222 334	To operate the Songa Equinox and Songa Endurance drilling rigs operating on the Troll Field on the Norwegian continental shelf
Songa Offshore Rig 3 AS	Norway, 913 292 073	To operate the Songa Encourage and Songa Enabler drilling rigs operating on the Norwegian continental shelf
Songa Offshore Management AS	Norway, 987 916 451	Provides management services to Norwegian operations
Songa Offshore Management Ltd	Cyprus, HE 243376	Provides management services to rig owning entities and to Songa Offshore SE
Songa Offshore Drilling Ltd	Cyprus, HE 219868	International operating company - currently inactive
Songa Offshore Pte. Ltd	Singapore, 200515138R	Provides agency services

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Name	Registration	Function
Songa Offshore Endurance Ltd (formerly Songa Tor Ltd)	Cyprus, HE 285867	Rig owner
Songa Offshore Endurance Ltd (formerly Songa Tor Ltd)	Bermuda Branch	Rig owner of Songa Endurance
Songa Offshore Equinox Ltd (formerly Songa Odin Ltd)	Cyprus, HE 285933	Rig owner
Songa Offshore Equinox Ltd (formerly Songa Odin Ltd)	Bermuda Branch	Rig owner of Songa Equinox
Songa Offshore Enabler Ltd.	Cyprus, HE 300560	Rig Owner
Songa Offshore Enabler Ltd	Bermuda Branch	Rig owner of Songa Enabler
Songa Offshore Encourage Ltd	Cyprus, HE 300676	Rig owner
Songa Offshore Encourage Ltd	Bermuda Branch	Rig owner of Songa Encourage
Songa Offshore Services AS	Norway, 988 186 228	Provides crew services
Songa Offshore Delta Ltd	Cyprus, HE 235523	Rig owner
Songa Offshore Delta Ltd	Bermuda branch	Rig owner of Songa Delta
Songa Offshore Equipment Rental AS	Norway, 913978250	Provision of base warehouse services for the rigs in operation

## Dormant Companies in the Songa Group:

Name	Registration	Function
Songa Saturn Chartering Pte. Ltd	Singapore	Dormant
Songa Saturn Chartering Pte. Ltd	Libya branch	Dormant
Songa Offshore Saturn Ltd	Cyprus	Dormant
Pegasus Invest Pte. Ltd	Singapore	Dormant

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Songa Offshore Equipment Rental Ltd (ex Shenga Trading Company Ltd)	Cyprus	Dormant
Songa Offshore Malaysia Sdn. Bhd	Malaysia, 931576 D	Dormant
Songa Offshore T&P UK Ltd	United Kingdom, SC 464398	Dormant and in progress to be dissolved
Songa Offshore T&P Cyprus Ltd	Cyprus, HE 328870	Dormant and in progress to be dissolved
Songa Offshore T&P Norway AS	Norway, 913 321 898	Dormant and in progress to be dissolved

## The Business of the Songa Group

## General

The object of the Songa Group is ownership, acquisition and operation of vessels, rigs and offshore installations, as well as other related business, and it may also acquire and own shares, securities and ownership interests in other companies. As of the date of this Prospectus, Songa Offshore owns and operates a fleet consisting of seven semisubmersible drilling rigs, of which four rigs are on long-term contracts with Statoil on the Norwegian Continental Shelf, and three rigs are stacked in Norway.

## Overview of Rigs and Contracts

The Songa Group's core asset base consists of seven semisubmersible drilling rigs. A summary of the technical details of each of these units are set out below.

## Songa Dee

Rig type:	Semisubmersible drilling rig, winterized
Built:	1984, Mitsubishi Heavy Industries, Ltd.
Design:	Mitsubishi type MD 602 enhanced
Upgraded:	2004 / 2012 / 2014
Next main survey:	4Q 2019. Songa Group has agreed with the Class Society a suspension of Class up to 24 months. The next special periodic survey can therefore potentially be pushed forward up to third quarter 2021.
Flags:	Marshall Islands

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Class: DNV Class A1 Column Stabilized Unit

Water depth: 1,800 ft

Drilling capacity: 30,000 ft

Accommodation: 116 + 2 sick berths

Operations: Songa Offshore

Contract status: The rig is stacked since September 2016 and is marketed for new employment.

Songa Delta

Rig type: Semisubmersible drilling rig, winterized

Built: 1981, Rauma Repola Oy, Pori Finland

Design: Modified Ocean Ranger design

Upgraded: 1996, 2011, extensive upgrade completed in 2012

Next main survey: 4Q 2016. The main survey is overdue and will be conducted when the rig is contracted for new employment.

Flags: Norwegian

Class: DNV + 1A1 Column Stabilized Unit

Water depth: 2,300 ft

Drilling capacity: 25,000 ft

Accommodation: 100

Operations: Songa Offshore

Contract status: The rig is stacked since November 2016 and is marketed for new employment.

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## Songa Trym

Rig type: Semisubmersible drilling rig, winterized  
 Built: 1976, Verdal/Bergen  
 Design: Modified Aker H-  
 Upgraded: 1996, 2002, 2005, extensive upgrade completed in 2012 and 2013  
 Next main survey: 1Q 2018  
 Flags: Norwegian  
 Class: DNV Class A1 Column Stabilized Unit  
 Water depth: 1,312 ft  
 Drilling capacity: 25,000 ft  
 Accommodation: 100 + 2 sick berths  
 Operations: Songa Offshore  
 Contract status: The rig is stacked since November 2015 and is marketed for new employment.

## Songa Equinox

Rig type: Semisubmersible drilling rig, winterized harsh environment  
 Built: 2015, DSME Korea  
 Design: GVA 4000 NCS  
 Upgraded: -  
 Next main survey: 2Q 2020  
 Flags: Norwegian  
 Class: 1A1 Column Stabilized Drilling unit, DP 3  
 Water depth: 1,640 ft  
 Drilling capacity: 28,000 ft  
 Accommodation: 130

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Operations: Songa Offshore

Contract status: The rig performs drilling services on the Troll field in Norway under its long-term drilling contract with Statoil. The day rate as of September 30, 2017 is USD 492,146.\*  
\*Based on USD/NOK exchange rate of 7.9726 as per September 29, 2017

Songa Equinox is a winterized harsh environment semi-submersible drilling rig, built by DSME and delivered in June 2015. The rig is performing drilling services on the Troll field in Norway under its long-term drilling contract with Statoil. The day rate as of September 30, 2017 is USD 492,146. The day rate is subject to annual cost escalation, as well as certain adjustments as per the drilling contract. The Statoil eight-year drilling contract stipulat