

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attached.

Multiple horizontal lines for providing details for question 17.

18 Can any resulting loss be recognized? ▶ See attached.

Multiple horizontal lines for providing details for question 18.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attached.

Multiple horizontal lines for providing details for question 19.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

William Flance

Date ▶

08 DEC 2022

Print your name ▶ William Flance

Title ▶ President

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶		Phone no.	
Firm's address ▶				

Transocean Inc.
FEIN: 66-0582307

Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Part I, Box 9

0.50% Exchangeable Senior Bonds due 2023
7.25% Senior Notes due 2025
4.625% Senior Guaranteed Bonds due 2029
Warrants

Part I, Box 10

0.50% Exchangeable Senior Bonds due 2023 (893830BJ7)
7.25% Senior Notes due 2025 (893830BK4)
4.625% Senior Guaranteed Bonds due 2029 (893830BW8 / US893830BW88; 893830 BU2 / US893830BU23)
Warrants (893830133 / US8938301335)

Part II, Line 14

On September 30, 2022, Transocean, Inc. (the “Issuer”) exchanged:

- (a) approximately \$73.0 million aggregate principal amount of its 0.50% Exchangeable Senior Bonds due 2023 (the “Existing Exchangeable Bonds”) for:
 - i. approximately \$73.0 million aggregate principal amount of new 4.625% Senior Guaranteed Exchangeable Bonds due 2029 (the “New Exchangeable Bonds”) to be issued by the Issuer, and
 - ii. warrants (the “Warrants”) to subscribe for Transocean Ltd. shares, CHF 0.10 per share, equal to approximately 31.5% of the aggregate number of Transocean shares underlying such New Exchangeable Bonds (“Exchange One”), and
- (b) approximately \$43.3 million aggregate principal amount of its 7.25% Senior Notes due 2025 (the “2025 Priority Guaranteed Notes”) for approximately \$38.9 million aggregate principal amount of New Exchangeable Bonds (“Exchange Two”).

Part II, Line 15

There will be no impact to the basis of Existing Exchangeable Bonds or 2025 Priority Guaranteed Notes in the hands of holders who do not exchange their bonds/notes.

The U.S. federal income tax consequences of each exchange depends on whether it is treated as resulting in a “significant modification” to U.S. holders. If an exchange is treated as a significant modification to U.S. holders participating in the exchange, then the exchange would be treated as a taxable disposition of the bonds/notes. The amount of the gain or loss realized by a U.S. holder would equal the difference (if any) between the amount realized by such holder on the exchange and the holder’s adjusted basis in the bonds/notes surrendered.

Even if an exchange constitutes a “significant modification,” it would not constitute a taxable disposition if it qualifies a “recapitalization” under Section 386(a)(1)(E) of the Internal Revenue Code (the “Code”). The determination of whether Exchange One constitutes a recapitalization depends on if the Existing Exchangeable

Bonds, the New Exchangeable Bonds, and the Warrants each constitute “securities” for purposes of Section 368. Similarly, the determination of whether Exchange Two constitutes a recapitalization depends on if the Existing Exchangeable Bonds and the 2025 Priority Guaranteed Notes each constitute “securities” for purposes of Section 368.

If Exchange One did not constitute a recapitalization under Section 368(a)(1)(E), the aggregate basis of each holder in the New Exchangeable Bonds and Warrants received should be equal to their respective fair market values. Similarly, if Exchange Two did not constitute a recapitalization under Section 368(a)(1)(E), the aggregate basis of each holder in the New Exchangeable Bonds received should be equal to their fair market value.

If Exchange One constituted a recapitalization under Section 368(a)(1)(E), the aggregate basis of each holder in the New Exchangeable Bonds and Warrants received should be the same as such holder’s basis in the Existing Exchangeable Bonds surrendered, decreased by the amount of any other property received, and increased by the amount of any gain recognized on the exchange. If Exchange Two constituted a recapitalization under Section 368(a)(1)(E), the aggregate basis of each holder in the New Exchangeable Bonds received should be the same as such holder’s basis in the 2025 Priority Guaranteed Notes exchanged, decreased by the amount of any other property received, and increased by the amount of any gain recognized on the exchange.

Part II, Line 16

As described above, if Exchange One constituted a recapitalization under Section 368(a)(1)(E) of the Code, the aggregate basis of each holder in the New Exchangeable Bonds and Warrants received should be the same as such holder’s basis in the Existing Exchangeable Bonds, decreased by the amount of any other property received, and increased by the amount of any gain recognized on the exchange. The basis of the Existing Exchangeable Bonds surrendered should be allocated to the Warrants and the New Exchangeable Bonds received in the exchange in proportion to the fair market value of the New Exchangeable Bonds and the Warrants received. If Exchange Two constituted a recapitalization, the aggregate basis of each holder in the New Exchangeable Bonds received should be the same as such holder’s basis in the 2025 Priority Guaranteed Notes, decreased by the amount of any other property received, and increased by the amount of any gain recognized on the exchange.

If Exchange One did not constitute a recapitalization under Section 368(a)(1)(E), the aggregate basis of each holder of the New Exchangeable Bonds and Warrants received should be equal to their respective fair market values. Similarly, if Exchange Two did not constitute a recapitalization under Section 368(a)(1)(E), the aggregate basis of each holder in the New Exchangeable Bonds received should be equal to their fair market value.

Part II, Line 17

Sections 354, 356, 358, 368, 1001, and 1012.

Part II, Line 18

Each of Exchange One and Exchange Two generally should not result in a loss to a U.S. holder of the Existing Exchangeable Bonds and 2025 Priority Guaranteed Notes, respectively, to the extent that the exchange is a tax-free recapitalization. To the extent that either exchange is not a tax-free recapitalization, the U.S. holder would generally be entitled to recognize loss in connection with such exchange, subject to applicable limitations. Holders that do not participate in the exchanges will not recognize gain or loss as a result of the exchanges.

Part II, Line 19

Exchange One and Exchange Two were effective September 30, 2022. The treatment of holders will depend on whether the Existing Exchangeable Bonds, the New Exchangeable Bonds, the Warrants, and the 2025 Priority

Guaranteed Notes are “securities” for purposes of Section 368. No specific factor controls whether a debt instrument constitutes a security; generally, however, many authorities view the term of the debt instrument as an important factor. Instruments with a term a less than five years generally do not constitute securities, whereas instruments with a term of ten years or more generally qualify as securities. Treas. Reg. sec. 1.354-1(e) provides that the term “security” includes “rights to acquire stock,” a concept that generally captures warrants. Holders should consult their own tax advisors regarding the particular tax consequences of the exchanges to them. As noted above, there will be no impact to non-exchanging holders. The “issue price” of the New Exchangeable Bonds will be reported separately by Transocean Inc. pursuant to Treasury Regulations section 1.1273-2(f)(9).¹

¹ Information on the “issue price” of the New Exchangeable Bonds will be available at: <https://www.deepwater.com/investors/shareholder-info/irs-forms-8937>.