

CONSENT DECREE Q1 2014 QUARTERLY REPORT TRANSOCEAN LTD.

Under the Consent Decree dated February 19, 2013 (“Consent Decree”) entered into between certain affiliates of Transocean (“Transocean”) and applicable US government agencies (“US”) relating to the 2010 Macondo incident, the Transocean Ltd. Board of Directors (the “Transocean Board”) shall receive a quarterly report per Sections 23(a)(2), 23(a)(3) and 31(b) of the Consent Decree. The Transocean Board has designated the Transocean Board’s HSE Committee (the “Transocean HSE Committee”) to receive such reports on its behalf.

Steps Taken to Comply

The compliance steps taken for each obligation under the Consent Decree have been monitored and documented. The attached chart lists each obligation (“Obligations List”). For reference and tracking purposes, the obligations are organized under one of seven categories and the Obligations List indicates whether in Q1 steps were taken to comply with the referenced obligation. In addition, during the Q1 update presentation by the Chairman of the TODDI Board to the Transocean HSE Committee, the steps undertaken during Q1 will be discussed.

Evaluation of Response/Improvements in Safety and Operational Risk Issues

As part of the Q1 Consent Decree compliance update presentation to the TODDI HSE Committee held on April 16, 2014, the Committee reviewed a detailed Quarterly Report and heard from the Transocean Chief Compliance Officer regarding the compliance efforts and related issues. In addition, the Senior Vice President, Americas, led a discussion using detailed information presented to the TODDI HSE Committee on blow out preventer, downtime and other relevant information for process safety. Throughout those discussions, the TODDI HSE Committee evaluated response/improvements in safety and operational risk identification and management of risk. It was noted that no new risk issues arose or were identified in Q1.

Problems or Challenges Encountered in Attempting to Comply

The Consent Decree Performance Plan became effective January 2, 2014. Although ultimately a real success, there was a significant challenge/effort associated with numerous required submissions and activities within the first 30 days of the Performance Plan including 28 separate submissions totaling over 12,000 pages of information. It was also a significant challenge/effort to review each for confidentiality and to follow the required process in documenting the confidentiality. Most of the documents were confidential and proprietary to Transocean and are not available for public disclosure. Through that process there were two timing related problems, one where annual training to the Emergency Response Team was not officially assigned until a few days after the stated date in the Performance Plan and another where one part of a two-part volume was sent to Customers when both parts should have been sent. Both were quickly identified, corrected and disclosed to the US government.

Input/Recommendations to the Transocean Board; Request for Assistance


For Q1, the TODDI HSE Committee is comfortable with the information provided and the efforts being undertaken regarding compliance with the Consent Decree. The TODDI HSE Committee is also comfortable with and has no recommendations to report to the Transocean Board of Directors regarding the safety and operational areas evaluated.

Finally, based on the Q1 Compliance update provided, the TODDI HSE Committee is confident that each obligation under the Consent Decree has been and will be timely complied with and therefore does not seek assistance from Transocean Ltd to help ensure compliance.

Officer Certification

I certify under penalty of law that this document and any attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

Dated: April 25, 2014



Michael F. Munro
Vice President, Deputy General Counsel and
Chief Compliance Officer

List of Each Consent Decree Obligation

COMPLIANCE OBLIGATIONS (<i>Consent Decree paragraph reference</i>)	Steps Taken in Q1	In Full Compliance/ On Track *
Operational Processes and Competencies.		
<i>SEMS based Management System (15.a.1)</i>	Yes	Yes
<i>Competence Assessment Management System (15.d.5)</i>	Yes	Yes
<i>Competence Assessment Program (15.d.6)</i>	Yes	Yes
<i>Hazard Identification Training (15.d.9)</i>	Yes	Yes
Operational Response and Audit.		
<i>Annual Report on safety and other key issues (15.g)</i>	Yes	Yes
<i>Stop Work Authority Procedures (15.a.2)</i>	Yes	Yes
<i>Global Management System ("GMS") to be used for Operational Alerts (15.d.8)</i>	Yes	Yes
<i>Audit-Review-Closeout Process (15.a.1)</i>	Yes	Yes
Well Control and Blow Out Preventer.		
<i>Well Control Competency Assessment Plan (15.d.1)</i>	Yes	Yes
<i>40 hours Annual Training (15.d.3)</i>	Yes	Yes
<i>Blow Out Preventer (BOP) Certification (15.b)</i>	Yes	Yes
<i>Gap Analysis between BOP maintenance and OEM recommendations (15.c.2)</i>	Yes	Yes
Emergency Preparedness and Response.		
<i>Emergency Response Team Training (16.a-b)</i>	Yes	Yes**
<i>Oil Spill Exercises including simulated and actual notices (17.b)</i>	Yes	Yes
<i>Operator Table-top Exercise Participation (17.c)</i>	Yes	Yes
<i>Weekly Emergency Response Drills (17.d)</i>	Yes	Yes
<i>Oil Spill Response Plans Addendum to Operators OSRP (18)</i>	Yes	Yes
<i>Emergency Response Plans provided to Operators (19.a)</i>	Yes	Yes**
<i>Record of inhibits of Fire and Gas Alarm Systems (19.b)</i>	Yes	Yes
Technology and Equipment.		
<i>State-of-art BOP and Pipe Shearing Technology evaluation (15.c)</i>	Yes	Yes
<i>Commercially Available Real- time Monitoring Technology evaluation (15.e)</i>	Yes	Yes
<i>Records of Equipment drilling and production tests (15.f)</i>	Yes	Yes
<i>Input well control and spill response equipment on National Response Resource Inventory (21.c)</i>	No work required	Yes
<i>New Technology evaluation; Technology Innovation Group ("TIG") (20)</i>	Yes	Yes
Transparency, Oversight and Third Party Involvement.		
<i>Post Information on Public Website (21.b)</i>	Yes	Yes
<i>Document Retention (58)</i>	Yes	Yes
<i>TODDI HSE Board Committee (21.a, 23.a)</i>	Yes	Yes
<i>Independent Consent Decree Compliance Auditor appointed (22)</i>	Yes	Yes
<i>An Independent Process Safety Consultant shall be retained (23.b)</i>	Yes	Yes
Training Center and Other		
<i>Training Center certification(15.d.4)</i>	No work required	Yes
<i>Training Center sessions available to US (15.d.4.2)</i>	No request	Yes
<i>Performance Plan (14.e)</i>	Yes	Yes
<i>Prompt Reporting of non-compliance (32)</i>	Yes	Yes

*If "No", a detailed explanation will be provided. **There was a slight timing delay in full compliance.