

CONSENT DECREE Q3 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 Q3 steps were taken to comply with the referenced obligation. In addition, during the Q3 update presentation by the Chairman of the TODDI Board to the Transocean HSE Committee, the steps undertaken during Q3 will be discussed.

Evaluation of Response/Improvements in Safety and Operational Risk Issues

As part of the Q3 Consent Decree compliance update presentation to the TODDI HSE Committee (Committee) held on October 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 Committee on blow out preventer, downtime and other relevant process safety information. In addition to discussing blow out preventer and downtime information, the Committee spent a considerable amount of time discussing issues of relevance to process safety.

Problems or Challenges Encountered in Attempting to Comply

With the hundreds of individual obligations that must be complied with, during Q3 there were a few issues which were identified that required additional clarification, follow up and/or new steps put in place to avoid timing related non-compliances. One issue related to each rig having to conduct specified “Weekly Emergency Response Drills.” It was determined that out of the 13 rigs operating in the Gulf of Mexico during Q3, two rigs were involved in instances where the rig missed a weekly drill on the day the drills are typically conducted (Sundays) because of weather or operations. Instead of making up the drill during the next several days, the rig waited until the following Sunday to conduct its weekly drill. The Senior VP Americas immediately sent out a clear and direct email emphasizing that each rig must conduct an Emergency Response Drill during each Sunday through Saturday week. Follow up internal audits have confirmed that this directive is being closely followed.

Another challenge involved the requirement to within 30 days notify the US of any changes (including minor modifications such as contact names) to numerous documents previously submitted to the US. There were some understanding and communication problems that have now been rectified in part by two key members of the Transocean compliance team being relocated to the Transocean Park 10 offices. Finally, there was an issue involving a BOP

certification that came into the compliance team's mailbox, was not immediately noticed and therefore was submitted to the US a few days late. A new process and controls were put in place by the compliance team to ensure the mailbox is closely monitored 365 days a year. Non-compliance reports were timely filed for all the above issues and the items/issues were discussed with the US agencies during regularly scheduled Macondo Settlement Monthly Update calls.

Input/Recommendations to the Transocean Board: Request for Assistance

For Q3, the Committee is comfortable with the information provided and the efforts being undertaken regarding compliance with the Consent Decree. The Committee is comfortable with blow out preventer related issues.

Finally, based on the Q3 Compliance update provided, except for the minor non-compliance issues identified above, the Committee is confident that each obligation under the Consent Decree has been 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: October 28, 2014



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

List of Each Consent Decree Obligation

COMPLIANCE OBLIGATIONS (Consent Decree paragraph reference)	Steps Taken in Q3	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>	Yes	Yes
<i>Training Center sessions available to US (15.d.4.2)</i>	Yes	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 minor non-compliance report provided to the US.