

## **CONSENT DECREE Q4 2014 QUARTERLY REPORT TRANSOCEAN LTD.**

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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 Q4 steps were taken to comply with the referenced obligation. In addition, during the Q4 update presentation by the Chairman of the TODDI Board to the Transocean HSE Committee, the steps undertaken during Q4 will be discussed.

### **Evaluation of Response/Improvements in Safety and Operational Risk Issues**

As part of the Q4 Consent Decree compliance update presentation to the TODDI HSE Committee (Committee) held on January 16, 2015, 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**

A key aspect of Transocean’s compliance efforts is to openly and in a positive manner address potential or actual compliance challenges that may occur from time to time with the over 500 individual compliance obligations. To that end, monthly update calls are held with the US and Independent Auditors and in Q4 there were three in-person meetings held with the US and an additional two held with the Independent Auditor, as well as the numerous email and telephonic communications. In Q4 one non-compliance was identified by the Independent Auditor during a routine review. It was determined that a BOP Certification in March 2014 was submitted one day late. However, the late submission was before a new compliance process was implemented in Q3 which involves at least two employees monitoring for submissions each day, including weekends and holidays. The US appears satisfied with the remediation steps taken although a fine of \$7,500 per day late is still possible under the Consent Decree.

### **Input/Recommendations to the Transocean Board; Request for Assistance**

For Q4, the Committee is comfortable with the information provided and the efforts being undertaken regarding compliance with the Consent Decree. The Committee is also comfortable with blow out preventer related issues. Finally, based on the Q4 Compliance update provided, except for the minor timing-related non-compliance issue identified above, the 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: January 20, 2015



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