

THE PURSUIT

A Performance Publication for a Boundless Company / February 2019

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Embracing Change as the Market Recovers



2014 began a tough period for offshore drillers. Faced with low oil prices, decreases in E&P spending, competition from U.S. Shale, an oversupply of drilling units, and significant declines in contracting activity, offshore drilling was faced with a tough road ahead. That said, we knew the Transocean team was up for the challenge, and the company would emerge stronger and more resilient than ever.

We began by taking a hard look at ourselves and re-evaluated our asset ownership strategy. We determined that we wanted to focus the company to our core expertise operating Ultra-Deepwater and Harsh Environment floaters, differentiating ourselves from competitors. As a result, we have since divested 60 rigs from the fleet and added another 19 through asset and company transactions. We also engaged our customers and solicited their feedback on how we could improve our service, resulting in a re-framing of our operational mantra: Service Focused, Data Driven and Performance Oriented. We know where we are in this transformational journey and we have come a long way in a short time! More importantly, we know where we'd like to be, and best of all, we have a plan to get there. I'm excited about our future as a company as the market returns, and our Operations teams are prepared to lead the charge by focusing on the following areas:

1. Continue delivering outstanding performance to our customers

Over the past few years we reorganized Operations to drive performance improvement through the consistent application of our policies and

procedures across all our rigs, ensuring learnings are shared and corrective actions implemented across the entire fleet, without exception. We have become much more agile and urgent--we have the humility to recognize that we can always be better and continually look for improvements in our performance. We also recognize that we play a key integration role for our customers, ensuring that all services onboard our rigs drive toward the same goal: drilling a well safely, reliably, and efficiently.

Operations is also working hard to quickly integrate the legacy Songa Offshore and Ocean Rig operations into the Transocean fleet. We are excited about the addition of these fine operating companies and people to our organization, cementing our position as the industry leader in Ultra-Deepwater and Harsh Environment floater drilling operations.

We are particularly proud of how far we have come in the last few years with respect to our personal and process safety performance, delivering industry-leading results – the reality is that far less people are being hurt on our rigs, and if someone does unfortunately get hurt, the severity of that injury is significantly less. I am delighted to say that we operated LTI-free in 2018. As we all know, this is a daily challenge that requires all of our people to be acutely focused on following our policies and procedures all of the time and ultimately executing their obligation to use a Time Out for Safety and stop the job whenever they are uncomfortable with the execution of a task.

As you will read later in this edition of *The Pursuit*, we also continue to drive step changes in how we manage safe drill floor operations. We are very excited about the work being done developing the HaloGuard Rig Floor System. Our mission is to teach machines where our people are, and if there is a possibility that the machine and person could collide,

the machine will shut down. This is huge and another example where Transocean is leading the industry by introducing technology to eliminate hazards in our workplace.

We are prioritizing a consistent experience for our customers, regardless of location or rig type. We want customers to know us by our outstanding performance, reliability and consistency, no matter where their projects take us, bringing our industry-leading resources to bear.

By continuing to be service-focused on every contract and in every part of the world, we will be able to deliver the best performance in the business.

2. Digitalizing the drilling business

Digital transformation is reshaping much of our world, and the offshore drilling industry is no exception. Removing unplanned disruptions to our service and reducing the amount of Non-Productive Time our customers experience, will be key to enabling more opportunities for our fleet to go to work. Highly reliable operations drive customer confidence and will differentiate Transocean from our competitors.

From the drill floor to the bridge, in order to improve reliability, we will be using data more and more to understand how our equipment and systems perform, ensuring we conduct the right maintenance, at the right time. Expanding the use of equipment health prognostics to improve our reliability is a critical and high priority focus for the company going forward, and we expect to make some significant progress in this area in 2019.

From an efficiency perspective, I do not believe that customers should have to pay for another company to monitor our performance and drive continuous improvement.

As a Service Focused, Data Driven, and Performance Oriented company, we will demonstrate every day that we are focused on our own performance, continually looking to understand where we can improve.

Our Efficiency Dashboards help our crews monitor their own performance; compare how they execute an activity against the fleet best in class, and then urgently make the changes they need to make to bridge those gaps. Ultimately, we will collectively drive performance consistency from the one rig, and then across rigs in the same class. We will do what we say we can and live to our commitments.

This emphasis on using data to improve our reliability and efficiency makes us a leader in our field and aligns completely with our customers' priorities. We are improving faster than ever before, and our customers are noticing.

3. Attracting and developing the industry's best and brightest people

We have always known that our people set us apart – and that is the feedback we continually hear from our customers. In an industry that is propelled by machinery, systems and processes, Transocean's people are our strongest asset. Our business depends on us having the right people on the right rigs, executing their day-to-day responsibilities beyond expectations, excelling in their current positions and growing into our next generation of leaders. In their daily work, they think critically about what's asked of them, and will

drive change if they identify areas for improvement. That's a process that could never be automated.

The returning market enables us to provide new and exciting opportunities for our people. As the industry follows our lead and becomes more data-driven, you will see the required skillsets shift to reflect that. There will be a greater emphasis on data analysis—now that we have the capability to pull vast amounts of information from the equipment on our rigs, we need to use the right data wisely to optimize performance. The speed at which technology is advancing means our required competencies will also evolve quickly, creating new opportunities for existing employees and attracting a wider recruitment pool to our exciting industry.

We will leverage our decades of experience to train, grow and develop our talent – however, skills can be taught, but as we know, there's no substitute for the right people with the right attitude.

4. Fostering a supportive, inclusive work environment across our fleet

Transocean's success over the years has been built from our passion to pioneer, to explore, to face and overcome the toughest technical and operational challenges – and we have done it through our people

who welcome and promote diversity and inclusion. As we embark on what we believe should be an industry market recovery, we are acutely focused on ensuring we live this Transocean culture on every rig and in every facility around the world—one that is respectful and inclusive; inspiring and supporting us to do our best work every day. Transocean is actively driving for much greater diversity onboard our rigs and all the way to the boardroom – this is a business-critical mission to move Transocean from good to great.

Over the last three years, we have looked within our organization and the industry and made the decision to initiate and embrace change. That decision has positioned us to take full advantage of the recovering market, but our work is just beginning. It will take every one of us to continue to lead this rapid pace of transformation.

I'll close with this: I have worked for Transocean for 23 years, and I consider myself very lucky to have done so. I could not have dreamt of a more diverse, exciting career and I have done so with a company that truly values the development of our people, helping them realize their potential. But most importantly for me, I get to work with great people! I have been, and continue to be, inspired by so many of you and what we can achieve together.

Because of that, I have every confidence that we will continue to be the best in business. We are ready. We are prepared. And now is our chance to prove it.



Keelan Adamson

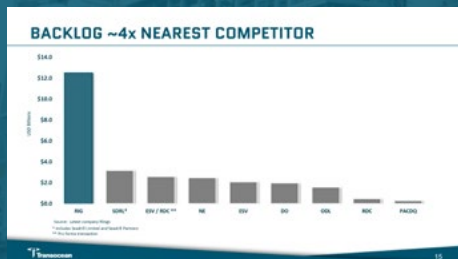
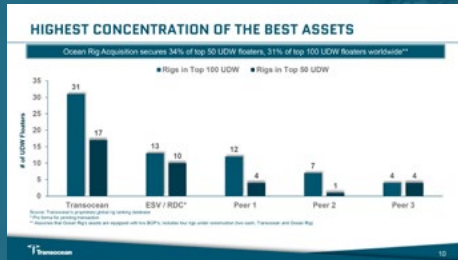
Executive Vice President & COO

WELCOME TO TRANSOCEAN, OCEAN RIG!

In December, Transocean's acquisition of Ocean Rig closed, combining some of the industry's best into one organization that undisputedly leads the ultra-deepwater and harsh-environment sectors. Great things are ahead for this world-class fleet and the talented people behind its success.

Our Boundless attributes continue to define and direct us:

- Delivering **Service Focused** performance that keeps us differentiated in the eyes of our customers.
- Our **Data Driven** approach encourages us to monitor and measure our performance with metrics and seek opportunities for continuous improvement.
- Being **Performance Oriented** drives us to always pursue safer, more reliable and more efficient operations for our customers and our shareholders.



Each day, we are inspired to challenge norms and push beyond boundaries to optimize our overall performance. We encourage each other to be Boundless. With this new fleet of 57 of the most technically capable assets in the market and the industry's largest backlog, we are excited for this next level of Boundless possibilities.



The State of Transocean

During a Town Hall meeting on October 10, President & CEO Jeremy Thigpen presented an update on where we are today, where the market is going, and how Transocean is positioned to take advantage of it.

Since we launched our strategic initiatives, new shared values and Charters three years ago, our attention has been on improving the quality, composition and size of our fleet, making sure we operate our rigs as safely, reliably and efficiently as possible, and leveraging our progress to build customer relationships and improve our position ahead of the market recovery.

Fleet Transformation

We have completely transformed our fleet into a younger, higher-specification fleet of floater rigs designed to operate in the industry's most challenging environments and most demanding applications. We used three key strategies to get to this point: retirements, divestitures, and acquisitions.

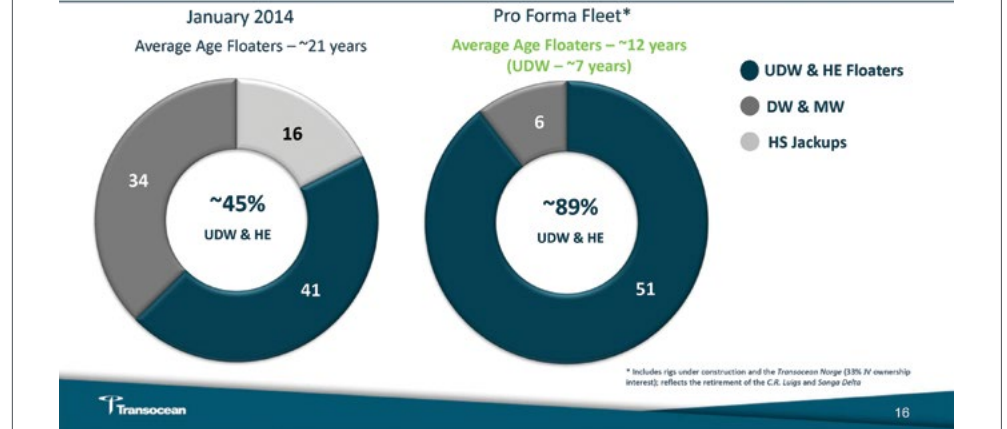
"We took a pragmatic, data-driven approach to analyzing our fleet," Jeremy said. "We put every floater in the world in a database and broke it down by age and technical specifications, even those under construction." By assigning a weighting to those objective statistics, based on what was most important to our customers, we identified the most marketable rigs in the world and used that database to make decisions about our fleet.

Since that time, we've made the decision to transition out of the jackup space, divesting our jackup fleet to improve liquidity.

On the acquisition side, we've had three new agreements over the last year or so that strengthen our fleet:

- Songa Offshore:** This acquisition has contributed four harsh-environment Cat-D rigs to our fleet and almost \$4 billion in backlog at a high day rate, as well as three additional semis. The integration is going well and Equinor, our customer, is very pleased with us and the transition efforts.
- Transocean Norge:** We also entered into a joint venture with Hayfin Capital to purchase this high-specification, harsh-environment semisubmersible. It hasn't been delivered yet but is already under contract to begin working in Norway in June. Transocean will operate the rig.
- Ocean Rig:** Following the Town Hall, Transocean closed on the acquisition of Ocean Rig. During the Town Hall, Jeremy touted the benefits of this acquisition and other recent agreements. While the Songa and Norge deals increased our harsh environment offerings, the Ocean Rig purchase expands our deepwater capacity. Of Ocean Rig's 13 total assets, two are harsh-environment semis, and 11 are new high-specification ultra-deepwater drillships (of which two are under construction). We've gained highly marketable assets, and we've done it without compromising our balance sheet or our liquidity.

FLEET TRANSFORMATION TO UDW AND HE FLOATERS



Jeremy presented specifics of our fleet transformation.

Jeremy describes the process as "a complete change in our fleet," and looks forward to the recovery because "customers are going to come to us and, thanks to this transformation, we will be able to provide the largest number of the highest-specification assets in the world."

Safe, Reliable, Efficient

Having assets is one thing. How we operate those assets is equally important, so our focus remains on safety, reliability and drilling efficiency. We continue to improve in our safety performance, and it continues to be our top priority. We're taking an approach now to engineer solutions that mitigate risk. (See the *Safety story on page 7*)

Reliability is also a key focus area. Equipment uptime is of paramount importance. Over the last three years, we've been somewhere between 96-97%. We've made dramatic improvements, but we want to get even better. Drilling efficiency really became a focus when we launched our performance dashboards



early last year. Launching the dashboards has provided visibility for our teams. We're able to identify the high-performing crews and share their learnings and best practices across different rigs and our entire fleet. We're seeing better performance as a direct result of this technology.

It All Ties Together

We've been busy improving our business through the restructuring of our fleet and the emphasis on performance, but it's important to remember the people side of this, too. Our customers and our investors are recognizing our hard work. Because of the customer relationships we're building and the performance they're getting from us, we have won more work in the downturn than any of our competitors.

None of this would have been possible without the incredible efforts of Team Transocean. Jeremy emphasized this throughout the presentation and had one last message for everyone: "Really, really good job guys. I know it hasn't been an easy market, and I know many of you are wearing multiple hats. But we're close. We've made a lot of progress and we are poised for the recovery. Thank you all, and please thank your entire teams."

View the entire Town Hall meeting and learn more about our three new Charter initiatives at https://deepwater.sharepoint.com/portals/hub_layouts/15/PointPublishing.

Deepwater Conqueror Shines in Continuous Performance Improvement

Since Transocean took delivery of the newbuild *Deepwater Conqueror* two years ago, the rig team has recorded a remarkable continuous performance improvement success story.

According to Operations Efficiency Senior Manager Paul King, "In Q4 2016 when the rig started working for Chevron, its KPI performance was averaging about 57% for the quarter. As of the end of August 2018, the *DCQ* was up at 117%, reflecting a very strong culture of continuous performance improvement." (See the KPI Performance Chart)

The *Deepwater Conqueror's* success reflects Transocean's focus on creating a culture of consistent and constant improvement on all of the rigs in its fleet. It also shows that the *DCQ's* attention to safety, reliability and efficiency involves the full rig team and all departments striving to achieve excellence.

"We have steadily improved our performance in both efficiency and reliability, while also maintaining good HSE performance," explained Graham Park, *Deepwater Conqueror's* Rig Manager during the

transition and current Operations Manager responsible for its performance. "We strive to 'do it right the first time.' Our culture incorporates a willingness and ability to learn through After Action Reviews and lateral learning across our crews, drillers and sister rigs. For example, where KPI times are not consistent across crews, the drillers and toolpushers will work to understand those differences and close the gaps."

High-Performance Team

Able to build a quality seasoned team with diverse rig experience from across the company, Transocean then provided the training the team needed. Setting high expectations around compliance with company requirements and performing as "Transocean Professionals" kept the team engaged in achieving success.



It takes teamwork from the *Deepwater Conqueror* rig crew, the customer and service personnel shown here to produce continuous improvement results.

Customer Partnership

From the start, Transocean has worked with the customer for mutual success on the *Deepwater Conqueror*. During crew engagement sessions, Transocean and Chevron developed this rig credo, which is still valid two years later: "Conquering Challenges Together, Safely Delivering Results."

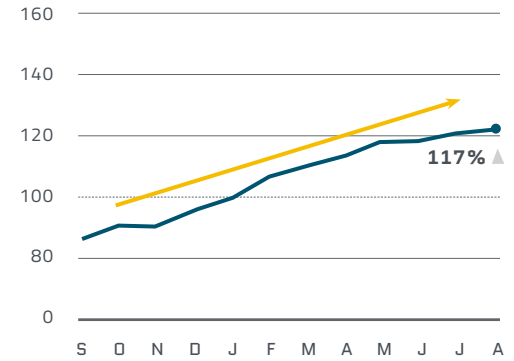
After a recent visit to the rig, Chevron Drilling Superintendent Kevin Corbin remarked, "The teamwork between the Chevron, Transocean and business partner personnel onboard the *Conqueror* is excellent and is reflected in the results we are seeing."

Efficiency & Reliability

Through the first year of operations, the rig team moved cautiously, following the customer's advice: 'No train wrecks, performance will come.' And steadily it did. "After two years of our *DCQ* crews gaining experience on the new equipment, balancing strengths across crews, and steadily moving toward using the equipment at its full capability," Graham said, "our drill crews are now regularly the fastest and most consistent in our fleet at executing KPI activities. This has resulted in Transocean earning significant contract bonuses for drilling and completion operations, as well as the efficient execution of 'in-between-well' periods."

"I knew the team was capable of these results," Graham said. "With a new team and new equipment you expect a few bumps in the road, but the way the team has performed has been absolutely tremendous. I had a really good feeling when the rig left Korea, but the results have been even better than I'd expected."

DEEPWATER CONQUEROR KPI PERFORMANCE

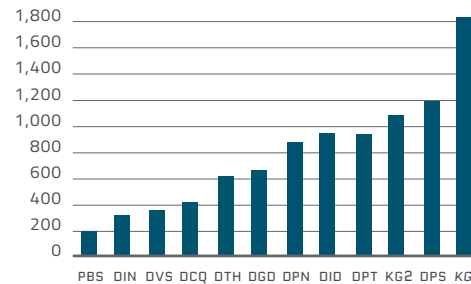


This KPI Performance chart shows a strong month-on-month improvement for September 2017 through August 2018.



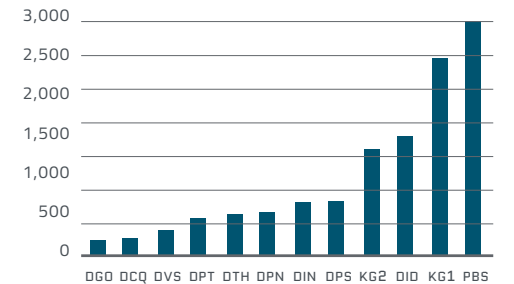
Aboard the *Deepwater Conqueror* and continuing outstanding performance in 2019 are (from left) Transocean's Mike Marzolf, OIM; Chevron's Howard Smith, Lead Drill Site Manager; and Transocean's Bill Lucas, Drilling Superintendent.

TRIPPING IN CREW DIFFERENCE (FT/HR)



The *DCQ* team records excellent tripping consistency during September 2018.

TRIPPING OUT CREW RATE DIFFERENCE (FT/HR)





+ SAFETY

Stepping Up Safety with Technology

It's no secret that people's proximity to moving equipment can hurt them. In our business, rig drill floors are constantly in motion with equipment needed to complete drilling operations. Drilling control management systems eliminate the risk of unintended machine-to-machine interaction, but don't consider a person's position relative to equipment on the drill floor.

Transocean is taking drill floor safety a step further by partnering with robotics and sensor technology companies to develop the HaloGuard Rig Floor System for drill floor safety. In addition, the company is implementing a Sack Room restricted access management system for increased Sack Room and forklift safety.

"We have an opportunity to go much further in protecting people in a dangerous area than we have ever really thought practical," said Human Engineering Manager Travis McGuire. "So we're looking at a step change in how Transocean views rig floor operations and how we protect the people working around machinery."

Drill Floor Safety

The objectives of the HaloGuard Rig Floor System are (1) to identify unauthorized personnel on the drill floor, (2) to issue a personal alarm when an individual breaches an outer warning boundary, and (3) to sound an area alarm and stop equipment when an inner danger boundary is breached. All components of the system, which is monitored in the driller's cabin, have

been designed to work together to enhance drill floor safety. The first stage of system implementation will concentrate on Catwalk Machines, Rackers and Iron Roughnecks.

Sack Room Safety

Sack Room restricted access management involves both (1) improving the barriers in and around the Sack Room to restrict access and (2) installing a product called HITNOT for proximity detection between forklifts and people. HITNOT sensors on our forklifts and crew uniforms will communicate based on proximity. Bottom line, these complementary Sack Room access management measures are about keeping people away from a moving piece of machinery.



Personnel safety sensors may issue a visual, auditory, and/or tactile alert in response to a breach of the Warning Zone.

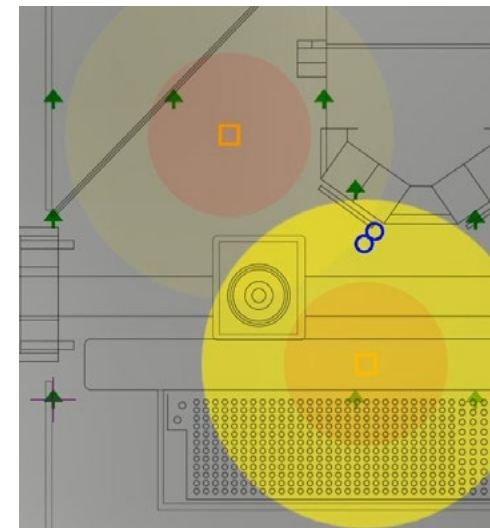
Getting Ready in 2018

2018 saw a flurry of activity to prepare for the enhanced drill floor safety measures, starting with a demo day in Houston that featured a modified rig floor and surveying how forklifts and Sack Rooms are managed across the fleet. Development or Beta system trials have been conducted on the *Deepwater Invictus*, *Deepwater Conqueror* and *Deepwater Proteus*, with system testing continuing throughout the year.

In addition, every rig completed a "line of fire" moving equipment assessment to identify potential hazards, then developed solutions to address them. All the information has been compiled in a company database, which is currently expanding with information from new rigs. Monthly operations calls review the status of hazard mitigation by rig across the fleet. Of the more than 3,000 hazards that were identified, about 72% have been eliminated to date.

What's Next

Transocean's HaloGuard Rig Floor System will be deployed on seven rigs, to be determined later this year, with the first system set for installation in April. HITNOT commenced installation during Q1 2019. Transocean's goal is to have the product on 100% of our fleet by the end of the first quarter and all Sack Rooms modified by the end of Q3 2019. In



This sensor demonstration shows positional information of people (blue circles) and equipment (orange squares).

conjunction, policies and guidelines for the HaloGuard Rig Floor System will be distributed to Transocean rigs throughout the year while work continues with equipment manufacturers to finalize design.

You can get updated information and see the system in action here: <http://www.rigcentral.com/am/tfs/hmr/Pages/default.aspx>



These zones are generated by HITNOT proximity detection.

News Overview

IADC Names Roddie Mackenzie Offshore Division Vice President

The International Association of Drilling Contractors (IADC) recently appointed Roddie Mackenzie Offshore Division Vice President. At IADC's Annual General Meeting in early November, he was part of an expert panel that discussed the Drillers Outlook. He was also featured in IADC's latest Drilling Contractor publication, and you can read his thoughts here: www.drillingcontractor.org/investments-in-data-analytics-set-to-make-lasting-structural-impacts-on-offshores-competitiveness-50155. Roddie has been Transocean's Senior Vice President of Marketing, Innovation & Industry Relations since August 2018.



Transocean Cheers 25 Years On the NYSE

Transocean celebrated its 25th anniversary as a listed company on the New York Stock Exchange in September. To commemorate the occasion, our executive team went to Wall Street where President and CEO Jeremy Thigpen rang the opening bell on the NYSE trading floor.



From Under the Sea to 30,000 Feet: Transocean's Partnership in Brazil Earns ANP's 2018 Award for Technological Innovation

What do airplanes and offshore drilling rigs have in common? After this groundbreaking project that earned the recognition of Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP), probably more than you think!

Titled "Application of aeronautical reliability concepts in the design, operation and maintenance of submarine BOPs", this project was driven by Brazilian aeronautical company Embraer and sponsored by Petrobras. The goal was to apply the reliability concepts that protect aeronautical equipment to the design, operation and maintenance of blow-out preventers (BOPs). The similarly high equipment costs and constant, critical demand for safe performance link the two industries, and ultimately sparked the endeavor.

Both Embraer and Petrobras have expressed enthusiasm for Transocean's management systems, which resulted in the selection of Transocean's *Petrobras 10000* as the model for the project. Transocean's maintenance system, National Oilwell Varco's (NOV) NXT BOP and the data collected from each component set the standard for the study. *NOV's* NXT BOP is also in place on our *PBS* and

KG1 vessels, and our subsea teams from those installations also contributed to the project. Data from Constellation, Brasdrill, and Ocean Rig also was analyzed.

Coordinating the efforts across all organizations involved were Transocean's own Marcio Motta (WCE Manager) and Andre Coutinho (then TFS Maintenance Specialist). As a result of this project, a BOP Operation & Maintenance Manual was rewritten using concepts borrowed from the aeronautical industry (an industry first!), and Embraer's review of the NOV NXT SPM Model initiated the creation of NOV's Low-Shock SPM Model.

What a great project! Well done to everyone involved, and special thanks to our Transocean team, including Marcio, Andre, our entire TFS Brazil Subsea team, and our subsea teams from the *PBS* and *KG1*, for their Boundless pursuit of continuous improvement.



Each year, the ANP Award recognizes research, development and innovation projects that advance Brazil's oil, natural gas and biofuels sector. All project participants accept the award at ANP's celebration in Rio de Janeiro. Representing Transocean are Marcio Motta (sixth from left in the back) and Andre Coutinho (sixth from right in the front).

NEW DRILLING CONTRACTS KEEP COMING!

Transocean keeps ringing the Good News Bell celebrating new drilling contracts around the world, including offshore Mexico for the first time and offshore China after a 10-year absence. Here's a recap of recent contracts.

Norway

Equinor has awarded our newbuild *Transocean Norge* a six-well contract and four well options in the Norwegian Continental Shelf expected to commence in July 2019 following delivery of the rig in early 2019. In addition, Equinor has exercised a one-well option offshore Norway for the *Transocean Spitsbergen*.

UK

BP has signed the *Paul B. Loyd, Jr.* to a two-well contract with four one-well options expected to start in the UK North Sea in March 2019.

Following a positive *Paul B. Loyd, Jr.* campaign, Hurricane Energy has awarded a three-well contract in the UK North Sea to the *Transocean Leader*.

China

Transocean re-enters the offshore China market in February 2019 after signing a contract with CNOOC for the *Dhirubhai Deepwater KG2* to drill three wells plus two one-well options.

Canada

Husky Energy has awarded a one-year contract extension to the *Henry Goodrich* offshore Eastern Canada.

Brazil

Petrobras 10000 has been awarded a 790-day contract extension offshore Brazil with Petrobras. This will keep the rig working into 2021, while maintaining our presence with Petrobras in Brazil.



Malaysia

Shell has exercised a one-well option offshore Malaysia with the *Deepwater Nautilus*.

Mexico

Mexico's energy reforms have opened the doors for both Mexican and foreign investors, heating up the offshore Mexico market. Newly elected Mexican President Andres Lopez Obrador has said that his new administration will step up awards for new offshore drilling contracts.

With Transocean's in-depth drilling experience in the Gulf of Mexico, we are well positioned to take advantage of this drilling surge. BHP Billiton has contracted the *Deepwater Invictus* to drill offshore Mexico from October-December 2018 and from July 2019 through April 2020. The *Deepwater Asgard* has been awarded a one-well contract offshore Mexico that is expected to start in March 2019.

The Future is Now: Get to Know Our Pioneering New 5-Year Deal with Chevron

By now, you've probably heard the news—Transocean has a new contract with Chevron!

All parties are excited about this incredible opportunity. Chevron team members visited Greenway Plaza to ring the Good News Bell with their Transocean partners, including Transocean's Chairman of the Board of Directors Pete Miller and Board Member Vanessa Chang. Transocean's Senior Vice President of Marketing, Innovation & Industry Relations Roddie Mackenzie expressed his sincere thanks to the Chevron team as "a genuine partner in this business for us," which was echoed by Chevron's Vice President of Drilling and Completions Kim McHugh. "There's not another group out there that I'd rather be on this project with as we take technology where no one else has gone before," she said. She thanked Transocean "for everything that [they] do" for Chevron and added that she's "very proud" to be able to work with Transocean.

But it's not just any contract—this newbuild will be the industry's first rig capable of drilling and completing wells requiring subsea equipment rated to 20,000 psi. Jeremy Thigpen, President and CEO, summed it up as "the most technically capable rig in the industry, importantly the first, and at this point in time, the only rig with equipment rated to 20,000 psi. It's a major milestone for Chevron, for the industry and for Transocean." Read on to learn more about this groundbreaking equipment and the possibilities it unlocks.

The Transocean team thoroughly enjoyed hosting Chevron, and would like to extend a hearty 'thank you' to all those that have made this possible—the negotiating teams, the offshore teams and their incredible work upon which we stake our reputation, and all our team members behind the scenes.



Ringling the Good News Bell in celebration are (from left to right) Chevron's Tim Mitchell, Anchor Project Manager; Mark Miller, Manager Global D&C Category Management; Alex Walker, HES Manager Drilling & Completions, Gulf of Mexico; Akin Olufowoshe, Global Rigs Category Manager – Offshore; Eric Sirgo, General Manager, Major Capital Projects, Gulf of Mexico; Dean Newsom, Manager, Drilling Engineering, Gulf of Mexico; Kim McHugh, Vice President Drilling & Completions; Richard Seaman, D&C Project Manager 20M; Transocean's Darrel Pelley, Managing Director, Innovation and Technical Marketing; Sergio Alarcon, Associate General Counsel, Operations – West; Alison Johnson, Senior Manager, Marketing Strategy & Planning; Jeremy Thigpen, President and CEO (back); Todd Hill, Senior Manager, Project Planning; and Roddie Mackenzie, Senior Vice President, Marketing, Innovation & Industry Relations.

Q & A: 20M Uncovered

Curious about the 20M project? You're not alone! We sat down with some of the movers and shakers behind this deal to understand just how big of an impact it will have on the industry—and we weren't disappointed.

What does it mean for a rig to be rated to 20,000 psi?

20,000 psi refers to the working pressure of the well control equipment and systems installed on the vessel. While the drilling mud is the primary means of controlling the pressure in the well, the subsea blowout preventer (BOP) and surface well control equipment are used to shut in the well if the mud column fails to adequately contain the well pressure. In this case, the reservoir characteristics are expected to have wellhead pressures higher than 15,000 psi, so the equipment installed on this vessel is designed to safely contain wellhead pressures up to 20,000 psi (20k psi).

Where and why is a 20k psi rig needed?

Currently, the near-term 20k psi opportunities are focused on the US Gulf of Mexico, in a geological layer known as the Wilcox Trend. The age of this layer coincides with rapid changes in the earth's climate, resulting in a mass extinction that ultimately turned into hydrocarbons under very high pressures and temperatures. The drilling unit is designed and equipped to effectively manage and control these high pressures and temperature, allowing our customer to access hydrocarbons from reservoirs which were previously inaccessible with the industry's current standard of 15,000 psi. Interestingly, many of the wells in these reservoirs can be drilled with a 15k BOP; however, during completions, a 20k psi BOP is needed. To accommodate the heavier 20k psi well design, this particular rig will be equipped with the highest hookload capacity on the market at 3,000,000 pounds. This will optimize the well design and allow flexibility in the well design process.

While it appears that the US Gulf of Mexico is the primary "20k psi hotspot," it's difficult to imagine that the same combination of geological features that make up the Wilcox doesn't exist in other basins

around the world. During the last several years, we have worked hard to reduce cost of well construction for our customers to make offshore drilling and production economically attractive. As a result, we believe that other high-pressure high-temperature (HPHT) fields will be discovered and developed in other basins, and we will be well equipped to provide those services safely and efficiently.

How did the deal come to be?

Conversations began in 2012 and 2013—when the market downturn hit, customers struggled to justify the cost and 20M discussions were shelved. Over the past several years, a couple of things have happened. First, reserve replacement ratios are down. This is where the HPHT reservoirs factor in. Identified in the GOM Wilcox Trend, these reservoirs are expected to be large producers, so successful development would be a huge victory. Additionally, our customers have been able to lower their breakeven costs sufficiently to justify progressing development of these fields. We have a long track record of delivering state-of-the-art vessels to and serving as a service partner with Chevron; this certainly contributed to our success.

Who were the teams involved?

Chevron formed a dedicated team to focus on the 20M project several years ago, which was supported by a cross-functional team at Transocean. Given the scale of the project, each team member was essential to the process. Formal negotiations of the agreement spanned eleven months, requiring extraordinary teamwork from both sides to cross the finish line.

What is the significance of the deal for Transocean and the industry?

Transocean has a longstanding record of pioneering technology in our industry. Paving the way for this next-step change aligns with our corporate legacy as well as our mission to serve our customers in the most technically demanding environments. We are proud to continue setting the standard, and excited for the opportunity to do so with Chevron. Importantly, this five-year agreement is representative of our ability to succeed in the market downturn despite the challenging economic environment and a sign to the broader industry that there is growing demand for high specification services.

Transocean is committed to giving back to the communities where we live and work. Many of us around the world donate our time and raise funds to help others. We'd like to spotlight your community involvement in *The Pursuit*. Please send your stories to shanta.reed@deepwater.com.

Team Transocean Takes On the Badges and Bases H-Town Run Down

Transocean employees laced up for the Astros Badges and Bases H-Town Run Down in September to support the Astros Foundation and the Houston Police Foundation. Participants included Transocean's own Matthew Tingsanchali, Andy Rennie, Robyn Goldstein, Julianne Trahan, Perla Rolfe, Andrew Noble, Roop Roy, Yolanda Rivera, Norma Aultman, Robert Maulding, Janelle Daniel and family members. We partner with the Houston Astros to promote STEM education in our community.



Showing their community spirit with Astros mascot Orbit are (from left) Robyn Goldstein, Janelle Daniel, Yolanda Rivera, Norma Aultman, Angela Mays, Kristina Mays, Andrew Noble and Matthew Tingsanchali.



Orbit captures the spotlight with Robyn Goldstein (left) and Sandra Barrera.



Bryan & Juliana Trahan finish the race.



Getting ready to start the race are (from left) Roop Roy, Angela Mays, Matthew Tingsanchali, Kristina Mays, Norma Aultman and Yolanda Rivera.

Employees Volunteer for Galveston Bay Foundation Benefits

As part of its ongoing partnership with the Galveston Bay Foundation (GBF), Transocean supported two fall events targeting preservation and conservation – GBF’s Texas Adopt-A-Beach Cleanup and Bike Around the Bay race.



Transocean’s Geoff Boughton, his wife, Kimberly, and grandson Conner braved the inclement weather to clean the beach at Galveston Bay’s Morgan’s Point.



Matt Dalton rides for Transocean on the two-day, 170-mile Bike Around the Bay fundraiser.



Volunteers Sue Krohn, Sonia Knowles, Sanjay Barai, Yolanda Rivera, Deborah Rodriguez and Janelle Daniel staff a Transocean breakpoint station.

Houston Texans Transocean Challenge Salutes Service

Transocean’s own veterans Alison Johnson (Air Force Veteran) and Travis Moore (Marine Corps Veteran) took to the field at the Houston Texans’ Salute to Service game November 26 for the Transocean Challenge. They joined active duty service members for this fun-filled relay race, which the Marines won. It also brought the Texans luck, inspiring them to win their eighth straight game.



Transocean’s Alison Johnson and Travis Moore (center) stand with active service members and Houston Texans cheerleaders on the sidelines.



Travis Moore, Janelle Daniel and Alison Johnson celebrate the successful Transocean Challenge with Houston Texans cheerleaders.

WorldQuest Trivia Night Tests Transocean Team

Transocean participated in the World Affairs Council of Greater Houston's international trivia WorldQuest Competition in October with a team of our best and brightest. Raising funds for the Council and testing their knowledge of international politics, current events and foreign cultures are Adam Brasic (in front), Wesley Dowell (from left), Sheretta Jones-Manning, Surrey Lane, Luis Pereira, Kristina Mays and Paul King.



Aberdeen Team Defends Tourney Title

Congratulations to our ace golf team in Aberdeen who won this year's David Doig Foundation Golf Tournament, successfully defending last year's title – albeit with three different team members. Held at St. Andrews, the "Home of Golf," the annual tournament raises funds for the Foundation, which supports numerous global educational initiatives for disadvantaged young people that provide access to educational opportunities, build aspirations and transform lives.



Gillian Doig presents the winning tournament trophy to Transocean's (from left) Dougie Brown, Mike Rae, Stewart McLean and Andy Leslie.

Toss Supports Texas Children's Heart Center

In October, Transocean employees took their best aim to compete in the 2018 Toss for Texas Children's Heart Center. The Transocean team included Janelle Daniel, Lawrence Daniel, Kristina Mays, Angela Mays, Yolanda Rivera, Fernando Rivera, Shawn Mire, Erin Mire and Lorena Jaimes. Janelle Daniel (right) and husband Lawrence (far left), shown here sporting blinking hearts and standing with their opponents, made it through multiple rounds of the competition.



Aberdeen Bakes for Charity

Our Aberdeen office held a bake sale in September to benefit the MacMillan Cancer Support Charity, raising an incredible £604.06. With these tempting treats, we can see why!

Transocean Has a Heart

Transocean partnered with the American Heart Association (AHA) in October and November to host a CPR Anytime Lunch and Learn educational workshop and to support the 5K Heart Walk.



Those who came out to walk for Transocean and the AHA include Michelle Zhan, Amanda Mendoza, Frank Pocock, David Teter, Diana Jorgensen, Francisco Galera, Yolanda Rivera, Roop Roy, Lam Chu, Janelle Daniel and Kristina Mays.



Matthew Tingsanchali watches Manny La Bella try CPR.



The Lunch and Learn group practices proper CPR techniques.



Ryan Shimek looks on as Sadaf Kazi takes her turn.



Danny Johnson gets hands-on CPR training.

TRANSOCEAN HELPS REBUILD INDONESIAN SCHOOL

In conjunction with the PTKSS Shipyard, Transocean is helping to renovate the Karimun Merat Primary School in Indonesia. The project includes a new roof for the main school building, ceilings, upgraded electrical system and new furniture. Our team is volunteering time to work on the building, and Transocean will make a donation for classroom materials.

Participating in the groundbreaking ceremony for the Karimun Merat Primary School project are (from left) Ngjaw Choon Ping, Koh Jian Hua Kelvin, Doug Brown, Marijana Susic, Kiw Chee Siam, John McCann, Trisno Susilo, Steve Snyder, Kepala Sekolah and Tan Siak Kheng.



INTRODUCING STUDENTS TO CAREER OPPORTUNITIES OFFSHORE

Leading up to graduation, many students have their next step on their mind. We're encouraging students to think outside the box and away from land with an offshore career. Over the past quarter, we presented at two career fairs to introduce more students to the Boundless possibilities with Transocean.

2018 Women On the Water Conference

Maine Maritime Academy and the Federal Maritime Administration (MARAD) hosted the 10th Annual Women on the Water Conference in Castine, Maine, USA. Maritime academy cadets complete university studies that prepare them for maritime careers, and this event connected students and professionals as they networked and learned more about the career opportunities available in the industry. Speakers and panel discussions showcased a variety of personalities and career paths, including Ally Cedeno, founder of Women Offshore and current Transocean MBA student intern.

"This was a great opportunity for Transocean to connect with maritime students, and introduce them to careers in the offshore drilling sector," said Kregg Dailey, Transocean's Senior Recruiter on the ground at the event. "Being able to actively engage with students and answer questions in a more casual environment allowed us to put our best foot forward as an employer, and influence a few perspectives along the way."



Transocean's Kregg Dailey, Senior Recruiter, talks career opportunities offshore with maritime students at the Women on the Water conference.



Onboard the Ocean Star, Transocean's Chad Dumont, Senior HR Representative, walks a group of students through the different parts of a drillship with a model of the Discoverer Inspiration.

The Oilfield Energy Center (OEC) Career Fair

Hosted at the Ocean Star Offshore Drilling Rig Museum and Education Center in Galveston, Texas, more than 500 students from local high schools were introduced to career opportunities in the energy industry. Organizations represented included service companies, drilling contractors, and oil and natural gas companies.

The Transocean table welcomed students with an introduction to the drilling contractor world, and an up-close look at a model of the *Discoverer Inspiration* to bring the concepts to life. The wheels began to turn for many students, sparking questions such as "What does it cost to operate a rig?" and "What type of engineering opportunities are available at your company?" They were introduced to terms like day rates and hitches, and what it really takes to live and work offshore.

Thank you to each of these organizations for the opportunity to showcase our company to the next generation!

Ray Campbell:

Senior Project Manager, New Construction, Singapore



Ray and wife Diane (right) attend a reception in Korea with Shell New Builds Operations Coordinator Rachel Lee.

Imagine having the opportunity to build the industry's newest, high specification vessels and collaborate with operations teams around the world. For Ray Campbell, he doesn't have to imagine any of it—it's his everyday reality.

Ray's first job after graduating from the University of Aberdeen was with Transocean, and he's been here ever since. He grew up just outside Aberdeen, Scotland, surrounded by the oil industry, which was "intrinsic to the local economy and had a significant focus for university graduates," according to Ray. When he graduated from the University of Aberdeen

29 years ago with a BEng (Hons) degree in Electrical Engineering, he was excited to join Transocean and be part of the industry that supported his community.

He began his career in 1989 as an Electronics Tech working in the UK North Sea. He moved to Dallas, Texas, in 2000 as Principle Electrical Engineer and on to Houston two years later as a Project Engineer. Ray was promoted to Project Manager in 2004 and to Senior Project Manager in 2005. Currently, as the New Construction Senior Project Manager for Singapore and Korea, Ray is responsible for overseeing the *Transocean Norge* reactivation and Korea Shipyard opportunities.

"I've been fortunate to be able to build our newest vessels and lucky to have worked with numerous operational teams both in Singapore and Korea, and with project team folks from many different areas," he said. "I enjoy working with a wide group of people, including Transocean customers, who have all been very professional and helpful. The Shell and Chevron newbuilds in Korea were certainly huge projects, and it was a great honor to be the senior project manager on these vessels."

When it comes to delivering exceptional performance to our customers, Ray believes in the power of open communication, understanding, and helping customers meet their own company requirements, such as upgrades and third-party installation work. Performance on the job is paramount to Ray. "In the context of newbuild projects, performance means they are safely completed and ready to drill, with an on-time delivery and satisfied stakeholders," he said. "It's a simple win-win where all stakeholders in the project achieve their stated goals as one team. Safety performance is paramount, as is the delivery schedule, cost control, and being fully drill-ready according to the company's continuous drive for performance."

According to Projects and Innovation Director Scott McKaig, Ray's former supervisor, Ray's greatest strength is the ability to get many parties on the same page: "His calmness and clarity of communication allow all parties to see it from different sides, ultimately ending up with the best solution for the project team. His one-team, win-win attitude is respected by all parties and is what ultimately builds the trust needed when challenges arrive."

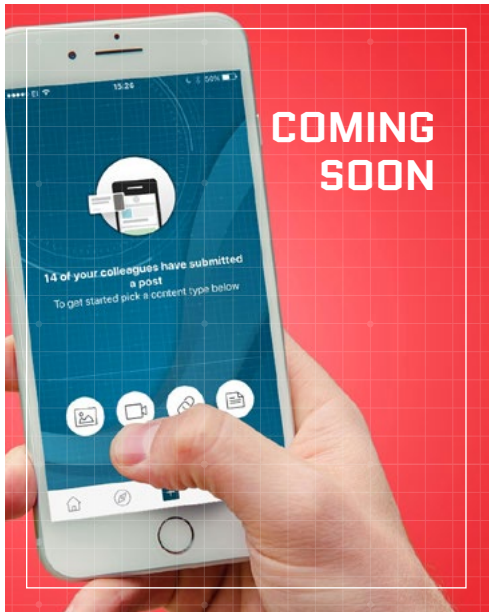


Ray photographs the reefs in Manado, Indonesia.

Ray and his wife, Diane, currently live in Singapore with Boo Boo, their black Persian cat. They're enjoying their time in Asia. Ray calls it a fantastic experience: "Korea is extremely hot in summer and cold in winter, with spring and autumn being ideal. Language was a challenge while we were there, but the countryside is very beautiful and there were plenty of activities to immerse yourself in. Singapore, although essentially a City State, is very multicultural, combining many modern elements and many traditional elements. It's very easy living as an Expat, but very expensive, too."

His calmness and clarity of communication allow all parties to see it from different sides, ultimately ending up with the best solution for the project team.

Off the job, Ray is a keen underwater photographer and enjoys searching the reefs of Asia for unusual or rare marine life. On terra firma, he also contributes photos to the Singapore Birding society.



**COMING
SOON**



Alex Mathews Finishes NYC Marathon
 Transocean's own Alex Mathews, Financial Planning Senior Analyst, crosses the finish line at this year's prestigious New York City Marathon. Way to go, Alex!

ANNIVERSARIES

Please join us in congratulating these employees who celebrated Transocean anniversaries of 25 years or more during July through December of 2018.

40 YEARS



Michel Legrand
 Singapore Office

35 YEARS

Joseph Benavidez
 Deepwater Invictus, Trinidad

30 YEARS

- Kevin Blagdon**
Henry Goodrich, Canada
- Anja Danielsen**
Stavenger, Norway
- Per Einan**
Transocean Spitsbergen, Norway
- David Flynt**
Deepwater Conqueror, GOM
- Jim Forbes**
Aberdeen, Scotland
- James Johnson**
Deepwater Invictus, Trinidad
- Robert Jones**
Deepwater Pontus, GOM
- John Kozicz**
Houston, TX USA 4 Greenway
- William Lucas**
Deepwater Conqueror, GOM
- Michael Rielly**
Houston, TX USA 4 Greenway
- Jim Walsh**
Malaysia Office
- Ian Paterson**
Aberdeen, Scotland

25 YEARS

- Scott Beck**
Deepwater Clear Leader, GOM
- Harmon Bourne**
Deepwater Poseidon, GOM
- David Davis**
Deepwater Asgard, GOM
- Robert Fogal**
Houston, TX USA 4 Greenway
- Peter Griffiths**
Houston, TX USA 4 Greenway
- Ramon Hernandez**
Houston, TX USA 4 Greenway
- Hans Kverne**
Transocean Spitsbergen, Norway
- Ronald Merrill**
Discoverer Inspiration, GOM
- Johnny Olivier**
Discoverer India, Ivory Coast
- Chris Paul**
Deepwater Conqueror, GOM
- Roger Shipp**
Discoverer India, Ivory Coast
- Earl Steele**
Deepwater Pontus, GOM
- James Sutton**
Houston, TX USA 4 Greenway
- Karim Tjokromulia**
Singapore Office
- Michael Vinson**
Discoverer India, Ivory Coast
- Geir Wergeland**
Transocean Arctic, Norway

RETIREMENTS

Congratulations to the following Transocean employees who celebrated their company retirements from July through December of 2018.

Janet Arceneaux

Manager, Procurement

Raymond Bartholomay

Director, Global Supply Chain Operations

Lana Bergeron

Senior HR Representative

Terry Bonno

Senior Vice President, Industry and Community Relations

Otis Campbell

Senior Supervisor, IT ERP

Judith Carlsson

Senior Administrator, Immigration

Mahmoud Darwiche

Senior Manager, Rig Systems & Marine

Bart Dewveall

Senior IT Analyst, Apps Services

Bob Herrin

Vice President, Audit & Advisory Services

Dianna Lipyance Jacobs

Supervisor, Cash Accounting

Tony Johnson

Senior Manager, Integration and Reactivation

Robert Johnson

Senior Manager, Marketing Contracts & Proposals

Ronnie Johnson

Accountant, Cash Accounting

Trudy Kerth

Principal Accountant, Subsidiary Reporting

Leticia King

Senior Supply Chain Analyst

Peggie King

Senior Lead, IT Infrastructure Analyst

John Kozicz

Senior Manager, Technology Applications

Gina Lampasas-Kelley

IT Technical Specialist II, App Services

Loretta Landry

Buyer

Nam Le

Manager, IT Infrastructure

John MacDonald

Senior Manager, Marine Support

Dan Munoz

Senior Manager, Operations Support

Steve Myers

Director, Global HR Support

Donald Pirtle

Technical Manager, GOM

Diana Priest

Lead Administrator, Newbuilds

Timothy Pruett

Supervisor, Supply Chain

Bradley Rodger

Senior Lead, Subsea

Rene Rodrigues

Manager, HR Offshore Support

Mazell Seals

HR Data Management Analyst II

Shia-Chung Teng

Senior Lead, IT Infrastructure Specialist

Diane Vento

Director, Investor Relations

Bill Wainwright

Senior Manager, Operations Support

James Weiss

Assistant Rig Manager

Linda Wetherell

Supervisor, Procurement

Dean Williams

Senior Subsea Engineer

Shide Zhang

Senior IT Analyst, Apps Services



Getting into the spirit of HR's Hawaiian retirement party are (from left) Steve Myers, Judi Carlsson, Mazell Seals, Lana Bergeron and Rene Rodrigues.

PS

Picking Up Speed in Perth



Transocean's Australia team in Perth includes (from left) Accountant Wayne Boon, Supply Chain Manager Jason Barham, Asia & Australia Managing Director Michel Legrand, Senior Tax Analyst Linh Luong, DDI Rig Manager Mike Long, HSE Lead Simon Walker, HR Supervisor Giovanni Coletta, and Country Controller Danny Zhang. Not pictured are Assistant Rig Manager David McCormick and Tax Analyst Franceszka Laurence.

After closing our Australian office in mid-2016, we are now back in business in the "Land Down Under" with a new long-term drilling contract with Chevron and the re-opening of our Perth office.

Perth, both the capital city of Western Australia and the country's Energy Capital, is home to the majority of Australia's infrastructure for Offshore Drilling, Oil & Gas exploration, and Mining. Located in Perth's Central Business District within walking distance of Chevron, INPEX, BHP, Woodside, and SANTOS, Transocean's office is along the "Oil & Gas strip" on St. Georges Terrace.

The *Development Driller 1* is contracted for an 11-well contract with four one-well options offshore Australia once the rig completes its current campaigns with SANTOS and PTTEP and the new contract preparation work scope, with an expected start of operations during Q2 2019.

The shore-based team in Perth is gearing up to support this DD1 contract preparation project with a core team of cross-functional employees.

"The Oil & Gas marketplace in Australia is more positive now, and we hope this continues," said Giovanni Coletta, Australia HR Supervisor. "Our primary focus has been on building a strong team to ensure we secure long-term work and start operations in Australia safely, effectively and efficiently. We all understand that performance is the key and have worked extremely hard to go above and beyond to secure a strong base."

Asia & Australia's Managing Director Michel Legrand is also encouraged by the progress in Perth. "Mobilizing our DD1 to Australia was a strategic move to re-establish our presence in the country, as her technical capabilities are

well-suited for the local market demands," he said. "We're seeing the pace of offshore contracts continue to pick up here in Perth and it was important to us to be an integral part of this movement. The team here has demonstrated a strong dedication to their projects and delivering safe and efficient operations."

Congratulations to all on a job well done, and welcome aboard to the Perth team!

FUN FACTS

1. Perth is the most isolated city in the world at over 2200 km away from Adelaide, the closest Australian city.
2. Perth is closer to Singapore than it is to Australia's own capital of Canberra.
3. Perth is officially the world's sunniest capital city with an average of 8 hours of sun per day year-round.
4. Perth's King Park at 988 acres is the largest city park in the world, surpassing even New York City's Central Park.
5. Perth's booming Mining industry has created the highest per capita number of self-made millionaires than any other city in the world.

