


<b>Meeting Date:</b>	Fri, 14 May 2010 16:00	<b>Proxy Deadline:</b>	Thu, 13 May 2010	<b>Type:</b>	AGM	<b>Issue date:</b>	Thu, 13 May 2010
<b>Meeting Location:</b>	Parkhotel Zug, Industriestrasse 14, CH-6304 Zug, Switzerland						
<b>Sector:</b>	Oil & gas drilling						

PROPOSALS	ADVICE
<p><b>1 Receive the Annual Report</b> Disclosure is acceptable and the report was made available to shareholders sufficiently before the meeting. The auditors have not qualified their opinion. We recommend shareholders vote in favour.</p>	<b>For</b>
<p><b>2 Discharge the Board</b> In line with the Swiss Code of Obligations, shareholders are requested to release the members of the board of directors from liability for their activities during the fiscal year under review. Shareholders that grant the discharge lose their right to file claims against the members of the board of directors for activities carried out during the year relating to facts that have been disclosed to shareholders. Shareholders who withhold their discharge retain the right to institute proceedings for damages within a period of six months. In addition, all shareholders maintain their rights to file claims for facts that have not been disclosed to shareholders when the discharge was granted.</p> <p>Transocean is the operator of Deepwater Horizon drilling rig, which sunk on April 20 following an explosion, triggering the spill of oil into the Gulf of Mexico. The oil-rig explosion took 11 lives and at time of reporting the spill continues. Executives of the three main companies connected with the oil spill (BP, the well's owner, Transocean, the rig owner, and Halliburton, a major drilling operations contractor), are attending hearings at two US Senate panels (Energy and Natural Resources and on Environment and Public Works). In addition, the U.S. Coast Guard and the Mineral Management Service (MMS) are holding hearings into the incident.</p> <p>Although Transocean has been praised in the past by regulators for its safety record, a number of incidents in its operations in the Mexico Gulf occurred in recent years. Oil-rigs operated by Transocean were investigated by federal authorities for safety and other problems on deepwater drilling rigs since 2008, according to an analysis of federal data.</p> <p>We also note that Transocean Ltd.'s largest investor at the end of 2009, Marsico Capital Management LLC, liquidated its entire holding in the company following the incident. Although Marsico was already in the process of selling its holding at the time of the incident, the company stated that it decided to accelerate the sale of its position because of the length of time it would take to determine how the incident will affect the company's value.</p> <p>In our view, there is sufficient doubt surrounding culpability for the incident to justify a cautionary approach by shareholders to the grant of discharge. Therefore, we recommend shareholders oppose the discharge of the board.</p>	<b>Oppose</b>
<p><b>3 Appropriation of available earnings for fiscal year 2009</b> The board requests shareholder approval to carry forward all available earnings for the year, CHF 36,713,000 as free reserves. The company has proposed not to pay dividends. However, they have proposed that, in lieu of an ordinary dividend, a distribution to shareholders be made through a reduction in the per share par value of the company's registered shares because distributions in the form of capital reductions are not subject to Swiss withholding tax. See proposal 6. We recommend shareholders vote in favour.</p>	<b>For</b>
<p><b>4 Amend Articles to Change the company's place of incorporation in Switzerland</b> The board requests shareholder approval to amend the articles to change the company's place of incorporation in Switzerland from Zug, Canton of Zug, Switzerland, to Steinhausen, Canton of Zug, Switzerland. PIRC considers this to be an enabling proposal and recommends shareholders vote in favour.</p>	<b>For</b>
<p><b>5 Grant authority to renew the company's authorized share capital</b> The Board of Directors proposes that its authority to issue shares out of the Company's</p>	<b>Oppose</b>

authorized share capital be reapproved and extended for an additional two-year period, starting on the date of the 2010 annual general meeting, May 14, 2010, and expiring on May 14, 2012. The amendment will give the board the authority to increase share capital by CHF 2,514,264,735 by issuing a maximum of 167,617,649, which represents a dilution of 52%. Exceeds guidelines. We recommend shareholders vote to oppose.

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|-----------|---|-----------------|
| <b>6</b>  | <b>Distribution to shareholders through par value reduction</b><br>The board proposes a distribution to shareholders through par value reduction in lieu of an ordinary dividend. This will amount to a payment of an amount equal to USD \$3.11 per issued share (including treasury shares) to be calculated and paid in four quarterly instalments. We recommend shareholders vote in favour.  | <b>For</b>      |
| <b>7</b>  | <b>Amend Articles</b><br>The board requests approval to amend articles to reflect the Swiss Federal Act on intermediated securities. Acceptable proposal.   | <b>For</b>      |
| <b>8a</b> | <b>Elect Steven L. Newman</b><br>Newly appointed CEO and President. Acceptable proposal.  | <b>For</b>      |
| <b>8b</b> | <b>Re-elect Thomas W. Cason</b><br>Non-executive director. Independent by the company, not independent by PIRC as he was appointed to the board by GlobalSantaFe at the time of the merger with the company and had served on the board of GlobalSantaFe since 2001. He therefore has an association with the company of more than nine years. There is insufficient independent representation on the board in our view.                 | <b>Withhold</b> |
| <b>8c</b> | <b>Re-elect Robert M. Sprague</b><br>Non-executive director. Independent by the company, independent by PIRC. We note that he was appointed to the board by Legacy Transocean at the effective time of the merger with GlobalSantaFe and previously served on the board of Legacy Transocean.   | <b>For</b>      |
| <b>8d</b> | <b>Re-elect J. Michael Talbert</b><br>Non-executive director. Independent by the company, not independent by PIRC as he was non-executive Chairman from 2002 to November 2007, the executive Chairman of the board between 2002-2004 and 1994-1999, CEO from 1994-2002 and President 1999-2001. In addition he has been on the board for more than nine years. There is insufficient independent representation on the board in our view. | <b>Withhold</b> |
| <b>8e</b> | <b>Re-elect John L. Whitmire</b><br>Non-executive director. Independent by the company, not independent by PIRC as he was appointed to the board by GlobalSantaFe at the time of the merger with the company and had served on the board of GlobalSantaFe since 2001. He therefore has an association with the company of more than nine years. There is insufficient independent representation on the board in our view.                | <b>Withhold</b> |
| <b>9</b>  | <b>Appoint the auditors</b><br>Ernst & Young LLP proposed and Ernst & Young Ltd., Zurich proposed as the Company's auditor pursuant to the Swiss Code of Obligations. Non-audit fees paid to Ernst & Young were 21.4% of audit and audit related fees. On a three year aggregate basis, non-audit fees were approximately 34% of audit and audit related fees. Acceptable proposal.   | <b>For</b>      |
| <b>10</b> | <b>Transact any other business</b><br>PIRC does not consider such resolutions appropriate, as shareholders are provided with insufficient information regarding the implications involved.  | <b>Oppose</b>   |

\* = *Special Resolution*

## 1.1 BOARD OF DIRECTORS

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. *A = audit committee, R = remuneration committee, N = nomination committee, C = CSR or Ethics Committee, \* = committee chairman.*

**Board changes during year (after previous AGM): Robert L. Long resigned effective 28 February 2010, in connection with his retirement. Steven L. Newman will join the board as a Class II director, pending shareholder approval at the AGM.**

<b>Steven L. Newman</b>		<b>President and CEO</b>	
<b>Age:</b>	45	<b>Date Appointed:</b>	2010
<b>Shares:</b>	15887	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	None disclosed.		
<b>Comment:</b>	Class II director whose term will expire in 2013. Newly appointed CEO and President as of 1 March 2010. He joined the company in 1994.		

<b>Thomas W. Cason</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	67	<b>Date Appointed:</b>	2007
<b>Shares:</b>	10039	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	Mirant Corporation [Dir], ex-GlobalSantaFe (Merged with the company) [Dir], ex-Key Tronic Corporation [Interim Pres and COO], ex-Hiller Key Tronic Partners, L.P [Partner], ex-Baker Hughes Incorporated [Various financial and operational positions], ex-Baker Hughes' Drilling Group [Exec positions], ex-Baker Hughes Incorporated [VP and CFO]		
<b>Comment:</b>	Class II director whose term will expire in 2013. Independent by the company, not independent by PIRC as he was appointed to the board by GlobalSantaFe at the time of the merger with the company and had served on the board of GlobalSantaFe since 2001. He therefore has an association with the company of more than nine years.		

<b>Robert M. Sprague</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	65	<b>Date Appointed:</b>	2004
<b>Shares:</b>	1049	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	ex-Shell EP International BV [Regional Business Director, Director-Strategy & Business Services, Exploration & Production Coordinator], ex-Royal Dutch/Shell group [Various positions]		
<b>Comment:</b>	Class II director whose term will expire in 2013. Independent by the company, independent by PIRC. We note that he was appointed to the board by Legacy Transocean at the effective time of the merger with GlobalSantaFe and previously served on the board of Legacy Transocean.		

<b>J. Michael Talbert</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	63	<b>Date Appointed:</b>	1994
<b>Shares:</b>	3431	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	El Paso Corporation [Dir], El Paso Corporation [Dir], ex-Lone Star Gas Company [President & CEO], ex-TODCO [Dir]		
<b>Comment:</b>	Class II director whose term will expire in 2013. Independent by the company, not independent by PIRC as he was non-executive Chairman from 2002 to November 2007, the executive Chairman of		

the board between 2002–2004 and 1994–1999, CEO from 1994–2002 and President 1999–2001. In addition he has been on the board for more than nine years.

<b>John L. Whitmire</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	69	<b>Date Appointed:</b>	2007
<b>Shares:</b>	6504	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	El Paso Corporation [Dir], CONSOL Energy Inc. [Ch], ex-GlobalSantaFe [Dir], ex-Union Texas Petroleum Holdings, Inc (now Arco) [Ch and CEO], ex-Phillips Petroleum Company [Senior Management positions]		
<b>Comment:</b>	Class II director whose term will expire in 2013. Independent by the company, not independent by PIRC as he was appointed to the board by GlobalSantaFe following the merger with the company and had served on the board of GlobalSantaFe since 2001. He therefore has an association with the company of more than nine years.		

<b>Victor E. Grijalva</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	71	<b>Date Appointed:</b>	1999
<b>Shares:</b>	38029	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	Dynergy Inc. [Dir], ex-Schlumberger Limited [VCh, Various Exec], ex-Tenaris [Dir], ex-Hanover Compressor Company [Ch]		
<b>Comment:</b>	Class III director whose term will expire in 2011. Independent by the company, not independent by PIRC as he has served on the board for more than nine years. He was appointed to the board by Legacy Transocean at the effective time of the merger with GlobalSantaFe and previously served on the board of Legacy Transocean. We note that he was previously the Chairman of the board of the company from 1999 until 2002.		

<b>Martin B. McNamara</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	62	<b>Date Appointed:</b>	1994
<b>Shares:</b>	20000	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	Gibson, Dunn & Crutcher [Partner], ex-Legacy Transocean [Dir]		
<b>Comment:</b>	Class III director whose term will expire in 2011. Independent by company, not independent by PIRC as he has served on the board for more than nine years. In addition he was appointed to the board by Legacy Transocean at the effective time of the merger with GlobalSantaFe and previously served on the board of Legacy Transocean.		

<b>Robert E. Rose</b>		<b>Chairman (Non Executive)</b>	
<b>Age:</b>	70	<b>Date Appointed:</b>	1999
<b>Shares:</b>	6386	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>LTIP:</b>	
<b>Other Positions:</b>	ex-Taylor Energy Company LLC [Pres], ex-GlobalSantaFe (Merged with the company)[Ch], ex-Global Marine Inc (Predecessor of the company) [Pres and CEO, Ch], ex-Diamond Offshore Drilling, Inc and its predecessor, Diamond M Company [Pres and CEO], ex-Cardinal Services, Inc. [Pres and CEO]		
<b>Comment:</b>	Class III director whose term expires in 2011. Non-Executive Chairman. Independent by the company, not independent by PIRC as Mr. Rose has been an employee of the company's predecessors including serving as non-executive Chairman (2004-2007) and Executive Chairman (2001-2004) of GlobalSantaFe and President and Chief Executive Officer of Global Marine. He began his career with GlobalSantaFe in 1964, though he was not continuously employed by the company since that time. He was designated to the board by GlobalSantaFe at the time when GlobalSantaFe merged with the company.		

**Ian C. Strachan****Senior Independent Director**

<b>Age:</b>	66	<b>Date Appointed:</b>	1999	<b>Committees:</b>	A
<b>Shares:</b>	4849	<b>Options:</b>		<b>LTIP:</b>	
<b>Severance Entitlement</b>					
<b>Other Positions:</b>	Caithness Petroleum Ltd. [Dir], Xstrata plc [Dir], Rolls Royce Group plc [Dir], , ex-Johnson Matthey plc [Dir], ex-Instinet Group Incorporated [Ch], ex-Invensys plc [Deputy Chairman (1999-2000), BTR plc [CEO], ex-Rio Tinto plc [CFO, Deputy CEO], ex-Exxon Corporation [n/d]				
<b>Comment:</b>	Class III director whose term will expire in 2011. Lead Director. Independent by the company, not independent by PIRC as he has served on the board for more than nine years. We note that he was appointed to the board by Legacy Transocean at the effective time of the merger with GlobalSantaFe and previously served on the board of Legacy Transocean.				

<b>W. Richard Anderson</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	56	<b>Date Appointed:</b>	2007
<b>Shares:</b>	2474	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>Committees:</b>	A
<b>Other Positions:</b>	Eurasia Drilling Company Limited [CFO], Boots & Coots International Well Control, Inc [Dir], Vanguard Natural Resources, LLC [Dir]ex-GlobalSantaFe (Merged with the company) [Dir], ex-Prime Natural Resources, Inc [Private investor, Pres and CEO], ex-Hein & Associates, LLP [Managing Partner], ex-Calibre Energy [Dir]		
<b>Comment:</b>	Class I director whose term will expire in 2012. Independent by the company, independent by PIRC. We note that he was appointed to the board by GlobalSantaFe at the time it merged with the company. He had served on the board of GlobalSantaFe since 2006.		

<b>Richard L. George</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	59	<b>Date Appointed:</b>	2007
<b>Shares:</b>	8195	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>Committees:</b>	N
<b>Other Positions:</b>	Suncor Energy Inc [Pres and CEO], , ex-Sun Company [Various positions], ex-Sun Oil Britain Limited[ MD], ex-GlobalSantaFe (Merged with the company) [Dir]		
<b>Comment:</b>	Class I director whose term will expire in 2012. Independent by the company, not independent by PIRC as he was appointed to the board by GlobalSantaFe following the merger with the company and had served on the board of GlobalSantaFe since 2001. He therefore has an association with the business of more than nine years. We note that Mr. George is the President, Chief Executive Officer and a member of the board of directors of Suncor Energy Inc., which merged with Petro-Canada in August 2009. Prior to that merger, the Company had two rigs under contract with Petro-Canada, the Henry Goodrich and the J.W. Maclean. In 2009, the Company received \$195.3 million for the operation of those rigs.		

<b>Edward R. Muller</b>		<b>Non-Executive Director</b>	
<b>Age:</b>	58	<b>Date Appointed:</b>	2007
<b>Shares:</b>	6553	<b>Options:</b>	
<b>Severance Entitlement</b>		<b>Committees:</b>	R, N
<b>Other Positions:</b>	Mirant Corporation [Ch, Pres and CEO], Omat Technologies Inc [Dir], ex-GlobalSantaFe (Merged with the company) [Dir], ex-Edison Mission Energy [Pres and CEO], ex-Keith Companies Inc [Dir]		
<b>Comment:</b>	Class I director whose term will expire in 2012. Independent by the company, not independent by PIRC as he was appointed to the board by GlobalSantaFe following the merger with the company and had served on the board of GlobalSantaFe since 2001. He therefore has an association with the business of more than nine years.		

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